

EAST RENFREWSHIRE COUNCIL27 February 2020Report by Head of Accountancy (Chief Financial Officer)CAPITAL INVESTMENT STRATEGY**PURPOSE OF REPORT**

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

**RECOMMENDATIONS**

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

**REPORT**

3. All Councils are required to prepare a Capital Investment Strategy setting out their long term capital ambitions and the associated resource implications and risks. This assists with long term financial and service planning and ensures that capital investment aligns with local, regional and national strategies. The Capital Investment Strategy has been compiled with regard to these requirements.

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

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

6. Whilst approval of the Capital Plan later on today's agenda will commit to the Council's capital expenditure for 2020/21 only, a long term strategic and financial view is essential for resilience in uncertain times and the Capital Investment Strategy will continue to be updated as new challenges and opportunities arise so that future capital plans can also be adapted.

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

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

**CONCLUSION**

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

**RECOMMENDATION**

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

Further information is available from:

M McCrossan, Head of Accountancy Tele No. 0141 577 3035

**KEY WORDS**

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



# Capital Investment Strategy

February 2020

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# Capital Investment Strategy Intention

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

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

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

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

**Councillor Tony Buchanan – Leader of the Council**

## Focus on the Long-term Approach

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

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

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

Our strategic, corporate and financial management processes are essential for achieving financial resilience in uncertain times. We must use our property, land and available resources wisely and ensure that we attract appropriate external funding to our area. Our Capital Investment Strategy has this year been extended to cover a 10 year time frame and will continue to evolve and be updated as strategic influences change over time, as new challenges and opportunities present themselves and as the delivery of our investment ambition is realised.

**Lorraine McMillan – Chief Executive**



# Summary of Capital Investment Strategy

This Capital Investment Strategy aims to set out our ambitions for capital investment across the full range of services provided by the Council for our communities. Whilst our General Fund and Housing Capital Plans cover the next 10 years for the first time, the Capital Investment Strategy considers longer term ambitions and allows them to be reflected in future planning. Not only does this longer term approach ensure that all future resource needs are recognised well in advance, but it also allows any challenges, shortfalls and opportunities for joint development to be identified early and addressed.

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

The Council will now maintain a rolling, detailed 10 year general fund capital plan with new proposals for investment being brought forward annually through a Capital Project Appraisal process to ensure that they align with the Council's strategic objectives and asset management plans, are deliverable, affordable and represent best value. A 10 year rolling capital plan will also be maintained for Council housing stock, taking account of both national and local plans. Any revenue impacts associated with these plans, arising from both funding and / or running / maintenance costs are then reflected in the Council's revenue budget planning.

The Council's proposed 10 year General Fund and 10 year Housing capital plans referred to in this document are derived from the Capital Investment Strategy and aim to deliver on the stated priorities of the Council and its partners. In particular, these focus on the demand for more schools to serve the increasing numbers of houses being built in the area, on the need to replace and upgrade existing leisure facilities nearing the end of their useful life, the requirement to significantly improve the condition of local roads and the commitment to deliver new Council housing across the authority.

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

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

**Relationship to other plans and strategies:**

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

**Figure 1: Integrating Strategic Plans and Operational Management**

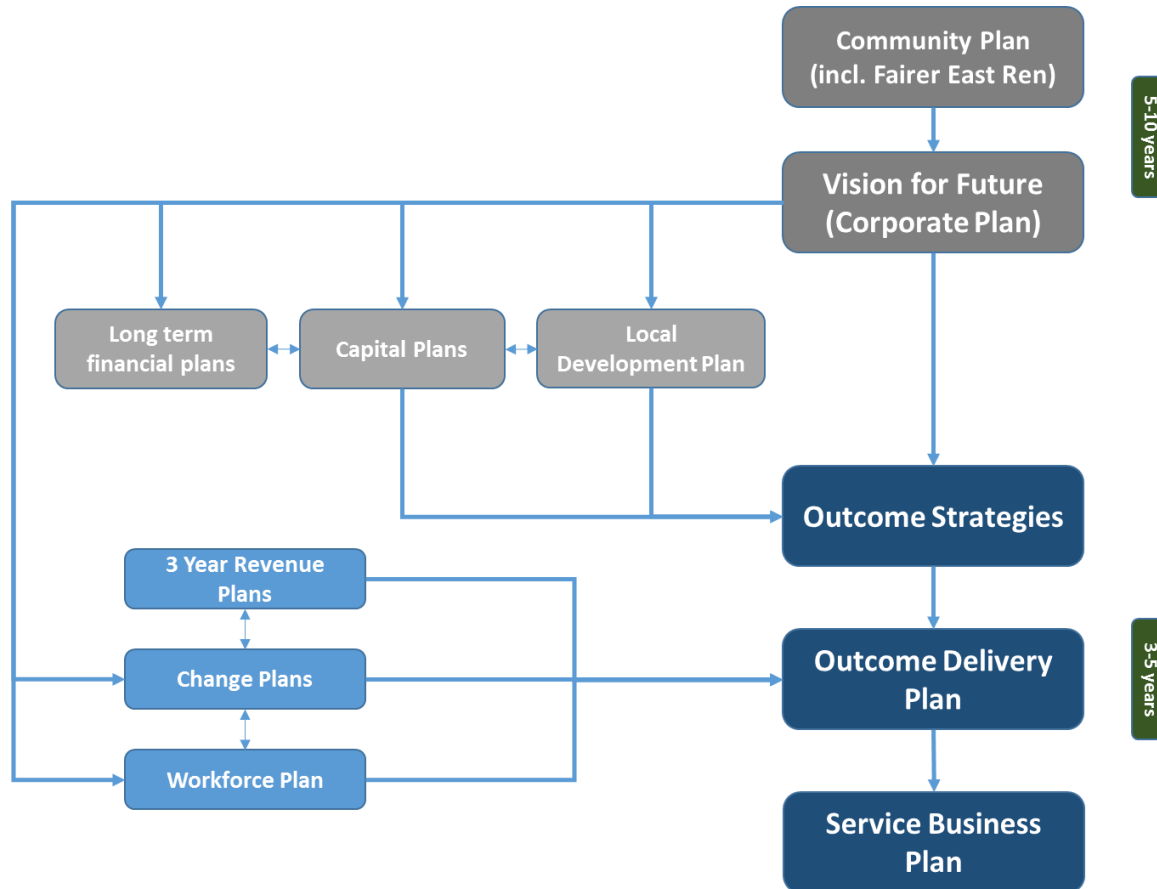
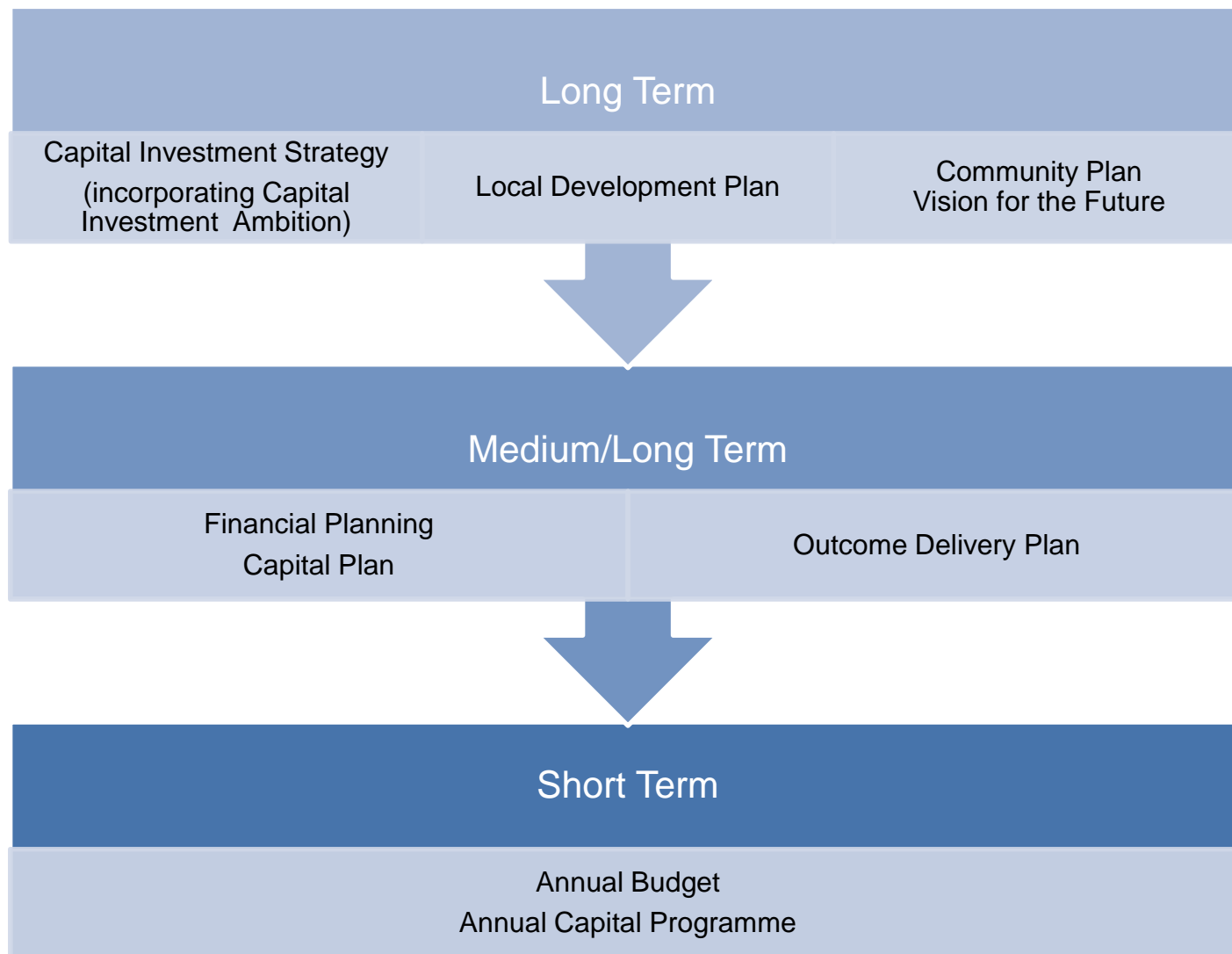


Figure 2: Summary of links to other plans and strategies



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

# Core influences on Capital Investment

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

The following chart illustrates our core influences:

**Figure 3: Summary of influences on the Capital Investment Strategy**



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

## National influences

### Housing Beyond 2021

The Capital Investment Strategy will make links to the Scottish Government housing strategies and initiatives, and to the Council's Local Housing Strategy and Strategic Housing Investment Plan, in terms of the contribution that the Council's capital investment ambition is expected to make to the wider expectations for addressing the housing need in Scotland.

**Supporting information:**

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

### More Homes Scotland March 2018 update

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

**Supporting information:**

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

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

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

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

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

**Supporting information:**

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

### Scotland's Economic Strategy

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

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

The Council and its partners have developed a Regional Economic Strategy which covers the wider City Deal region.

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

**Supporting information:**

[Link to Scotland's Economic Strategy](#)

### Scotland's National Transport Strategy

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

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

2019 - 2020 will see the commencement of 2 of the major City Deal roads projects, Balgraystone Rd (2019) and Aurs Rd realignment (2020). Good progress is also being made with development of the proposed rail station at Barrhead South. As the position becomes clearer on the City Deal transport project details the Council will consider if there is any further need for transport infrastructure in the area, over and above what will be achieved from the current funding package. Any capital investment ambition that is unmet will form the basis of future discussions with Scottish Government and strategic partners.

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

**Supporting information:**

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

## Early Learning and Child Care

Early Learning and Childcare (ELC) in East Renfrewshire is mainly provided by the local authority, with currently 15% of children receiving their ELC in a funded (partnership) provider (i.e. private, voluntary and independent sectors and childminders) compared to a national average of 26%. The ERC facilities operate at relatively high occupancy levels and are organised into 4 geographical communities.

From August 2014, all local authorities had a duty to increase provision to 600 hours of free ELC for all 3 and 4 year old children and eligible two year olds; and to introduce some flexibility on how entitlement is provided for parents. This placed demands on the capacity (available places) and resulting occupancy levels of East Renfrewshire ELC facilities. The Council expanded provision to meet these duties for example the new Cart Mill Family Centre, increasing the nursery class at Calderwood Lodge primary school and the extended new build replacement Arthurlie Family Centre. In addition, further early years places for population growth have been taken forward with two new nursery classes which opened in August 2019, at St Cadoc's and Maidenhill primary schools.

The Scottish Government's A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland now requires Councils to provide 1140 hours per year for all 3 and 4 year olds and eligible 2 year olds by 2020. This vision effectively doubles the entitlement to free ELC and is underpinned by the key principles of quality, flexibility, accessibility and affordability.

East Renfrewshire will operate new models of delivery for 1140 hours based on degrees of flexibility and choice for families; and is expanding its provision and increasing funded places with the private, voluntary and independent sectors and childminders to meet needs. It is noted that with more parental choice and the commitments of increased flexibility and accessibility of provision, planning is made more difficult and inevitably occupancy is less efficient.

The Council's ELC expansion plan includes around £24 million of capital investment, of which circa £12 million has been provided from the Scottish Government for 1140hours. There is a shortfall in revenue funding allocated by the Scottish Government for implementation of 1140 hours to operate East Renfrewshire's proposed delivery model in full. The Council continues to lobby for an increase in this funding and keenly awaits the outcome of the national review so that it can fully implement its planned offer to families. At present there is already a reasonable level of flexibility and accessibility to full day and holiday provision for families in East Renfrewshire within their own geographical community. This is at risk if there is insufficient revenue to take forward plans with the Council adjusting its 1140 hours offer in a less flexible and more limited way.

In addition to the most recently opened new ELC facilities, over the summer 2019 to 2020 period the Council will deliver 6 more new ELC centres/ new build larger replacements and 2 more modest extension/remodelling of existing early year's facilities.

Beyond establishing expanded early years provision of 1140 hours for August 2020, the availability of and demand for ELC places throughout the authority will continue to be subject of regular monitoring and review. This will take into account future local planning processes and resultant new housing land supplies, other demographic changes and relevant modifications to the educational estate as a consequence of local/national educational policy. The Children and Young People (Scotland) Act 2014 requires local authorities to consult on early learning and childcare every 2 years. This will include seeking to address the changing needs of families with regards flexibility and choice and changes in provider status, reflecting available resources.

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

**Supporting information:**

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

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

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

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

### **Increasing the free entitlement to ELC**

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

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

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

### **Learning Estate Strategy: Schools**

The ambition for East Renfrewshire's learning estate is an inclusive one at the heart of the community with quality environments and experiences to support skills for learning, life and work and a focus on meeting needs of learners and supporting staff, families and communities to thrive. In so doing the estate should contribute effectively to the aspirations, principles and objectives of Scotland's Learning Estate Strategy, the achievement of the Council's corporate and community objectives and the policies of the Education Department, which are exemplified in the department's vision of *Everyone Attaining, Everyone Achieving through Excellent Experiences*. The intent is to seek investment to continually improve East Renfrewshire's learning estate both physically and digitally and ensure sufficiency of education places.

The Council has a well-earned reputation for providing an excellent education for children and young people and such success has contributed to a growth in the number of pupils in schools and children in early years facilities. The number of East Renfrewshire resident pupils has risen by 12% from 2012 to 2018; and based on the National Records of Scotland projections the school age population is expected to grow by a further 5.4% by 2025. Accordingly, many educational establishments already have high occupancy levels and others are increasingly starting to face pressure. New build housing is in part facilitating this increase; however pupil numbers are also increasing in more established residential areas with families attracted by the education and the local environment. As well as this growth in demand from a resident population, schools attract a significant number placing requests from families out with the authority which we must accept within the legislative framework.

Changes in educational policy can impact on infrastructure requirements of the education estate. The Capital Plan includes provision for an extension at St Ninian's High School (2021/22) to temporarily increase the school's planning capacity as a consequence of a change in schools admission arrangements. Remodelling of the school's accommodation will be required in the medium term related to the extended provision.

The need to ensure that all educational buildings are 'fit for purpose' is an active driver in developing and maintaining the learning estate and in achieving the policy aims of excellence and equity for all. The Council has undertaken major school refurbishment projects with the most recent being Barrhead High School and Crookfur Primary School both of which benefitted from some support investment released by the Scottish Government to improve the condition of schools.



In September 2019 East Renfrewshire was informed that it was successful in attracting some funding support from the Scottish Government's new learning estate investment programme. This will help take forward the campus approach in the Capital Plan to improve facilities for Learning and Leisure in the village of Neilston, which includes new build replacements for Neilston and St Thomas' primary schools and Madras Family Centre.

These school buildings in Neilston were identified as having the highest priority in need of renewal. There will be other projects that the Council will need to reflect in future Capital Investment Strategy and Capital Plan updates to address the ongoing need to renew/refurbish older schools whose condition and suitability deem them in need of investment. Carolside Primary is locally recognised as the next highest priority for investment that the Council is intent on addressing when funding permits.

Whilst new and refurbished schools have very good/excellent physical environments, there is the need to provide all learners with fit for purpose modern education facilities; however it is recognised that this will take some time to realise on a wholesale through major new build/refurb. In the interim to help progress improvements in the Council's older schools, capital provision is sought for an annual provision to upgrade learning environments to meet needs of modern learning styles and curriculum.

There are other specific projects to address curricular need such as in response to subject choices/uptake levels/ curricular entitlements that impact on the learning and teaching environment. For example capital provision is sought for a new synthetic sports pitch and athletics track to provide sufficient modern PE spaces to meet needs at Mearns Castle High School.

With the growth in the number of pupils, providing sufficient school places for residents continues to be a very high priority and is under close monitoring and review; the most recent examples being the new St Clare's and Maidenhill primary schools (opening August 2017 and 2019 respectively) which were planned as part of the infrastructure requirement of the current Local Development Plan (LDP1).

There is a need to provide additional school places at some other schools mainly as a consequence of capacity issues that have emerged through the LDP1 and related windfall sites (as they are currently known), with an extension at Crookfur Primary School for 2023/24 being the most pressing. Eaglesham Primary School requires an extension and some remodelling to provide additional places as a consequence of inward migration to the existing local area and through new residential development over the years associated with LDP1. This is currently anticipated to be required around 2026/27, but will be kept under review. In addition inward migration in particular has resulted in the need to extend and remodel Busby Primary School for around 2025/26 with the timescale kept under review as planning is progressed.

The preparatory work on the Main Issues Sites (MIR2) associated with the initial LDP2 reflected increased housebuilding and population growth and the major impact on new school requirements. These MIR2 sites were later dropped and in June 2019 the Council approved that the Proposed LDP2 would be about adopting a strategy of consolidation and regeneration through to 2029. Additional residential development and the resulting requirement of significantly more education infrastructure will be addressed when LDP3 is progressed.

The requirements for new build as known to date, are as noted above, and are included in the Proposed LDP2 and in capital planning. The Education Department will continue to monitor, evaluate and respond to the evolving requirements of our resident population for educational places throughout the learning estate including to the specialist requirements of our additional support needs sector to ensure the Council can meet its statutory obligations now and in the future. This will take account of future local planning processes and resultant new housing land supplies, other demographic changes and relevant modifications to the educational estate as a consequence of local/national educational policy. Should this signal the need for investment, this will be considered at that time with any changes to the learning estate the subject of future committee and council reports, take account of any necessary consultation and reflected in future Capital Investment Strategies and Capital Plans.

***Supporting information:***

***[Link to Scotland's Learning Estate Strategy](#)***

*In September 2019, The Scottish Government and COSLA published their coproduced joint vision for the learning estate of the future which supports excellence and equity for all, Scotland's Learning Estates Strategy- Connecting People, Places and Learning.*

*The joint strategy comprises the following principles to guide investment in the learning estate:*

- *Learning environments should support and facilitate excellent joined up learning and teaching to meet the needs of all learners;*
- *Learning environments should support the wellbeing of all learners, meet varying needs to support inclusion and support transitions for all learners;*
- *The learning estate should be well-managed and maintained, making the best of existing resources, maximising occupancy and representing and delivering best value;*
- *The condition and suitability of learning environments should support and enhance their function;*
- *Learning environments should serve the wider community and where appropriate be integrated with the delivery of other public services in line with the place principle;*
- *Learning environments should be greener, more sustainable, allow safe and accessible routes for walking, cycling and wheeling and be digitally enabled;*
- *Outdoor learning and the use of outdoor learning environments should be maximised;*
- *Good consultation about learning environments, direct engagement with learners and communities about their needs and experiences, and an involvement in decision making processes should lead to better outcomes for all;*
- *Collaboration across the learning estate, and collaboration with partners in localities, should support maximising its full potential; and finally,*
- *Investment in Scotland's learning estate should contribute towards improving learning outcomes and support sustainable and inclusive economic growth.*

## National Digital Strategies

The **Scottish Government** digital strategy “Realising Scotland’s full potential in a digital world: a digital strategy for Scotland” is the key national strategy covering Digital. Although not solely ICT focussed, there is a large emphasis and reliance on technology in achieving the Strategic Outcomes.

The Strategy defines a number of strategic actions which in many ways mirror the strategic digital outcomes within the Council:

- Digital support for businesses
- Digital talent
- Digital transformation
- Using data effectively
- Digital identity
- Technology standards and assurance
- Broadband and mobile
- Digital participation
- Data linkage

[Link to Scottish Government Digital Strategy](#)

**Education Scotland** has also developed a national digital strategy called the “Digital Learning and Teaching Strategy for Scotland”. This strategy results in direct change within the Education Department and has been used to inform and influence the Council’s Education Digital Strategy.

This strategy has four key objectives:

- Develop the skills and confidence of educators in the appropriate and effective use of digital technology to support learning and teaching
- Improve access to digital technology for all learners
- Ensure that digital technology is a central consideration in all areas of curriculum and assessment delivery
- Empower leaders of change to drive innovation and investment in digital technology for learning and teaching

[Link to Digital Learning and Teaching Strategy for Scotland](#)

**NHS Scotland** have developed a Digital Health and Care Strategy called Scotland's "Digital Health and Care Strategy: enabling, connecting and empowering". This strategy which exists to guide the NHS Boards is of real relevance to the Health and Social Care Partnership (HSCP) of the Council.

This strategy focuses on how digital can support the strategic aim for Health and Social Care in Scotland which offers high quality services, with a focus on prevention, early intervention, supported self-management, day surgery as the norm, and – when hospital stays are required – for people to be discharged as swiftly as it is safe to do so.

[Link to Digital Health and Care Strategy](#)

The Scottish Local Government Digital Office doesn't define strategy but does enable transformation through collaboration, building communities of interest and acting as a strong voice nationally, on behalf of the 32 Local Authorities. The programmes within the Digital Office often reflect the coming together of the national strategies identified above and the local strategies of the Local Authorities, which have real local context.

These national strategies influence the Council in terms of procurement and planned capital spend. They inform our own strategic goals around digital and technology. As an interface to the national arena, the Scottish Local Government Digital Office allows the Council to approach transformation with momentum, with collaboration and with maximum re-use of learning and capability. This momentum, re-use and shared learning directly influences ICT contract procurement and capital projects.

## Regional influences

### Glasgow and Clyde Valley City Deal

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

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

1. **Levern works** – Crossmill Business Units were completed in 2016 and all 10 units are now occupied. The former Nestle site is prepared for private investment. A planning application has been submitted and the expectation is that substantive development will be completed over the next 5 years. This will produce job outcomes.
2. **Dams to Darnley Country Park enhancements** – Plans are in place to transform the Dams to Darnley Country Park into an important leisure destination including a visitor centre, wake board park and promenade - **planned completion 2022**
3. **Enhanced road network** - Improving connections between the communities of Barrhead, Newton Mearns and the M77 – **planned completion by 2025**
4. **Greenlaw Business Centre** - meeting a growing demand for flexible business space – **Completed 2019 and due to open February 2020**

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

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

The Council will continue discussions with regional partners to identify delivery and funding opportunities, by engaging effectively as an integral part of the City Deal governance and through its wider partnership networks.

#### ***Supporting information:***

**[Link to Glasgow and Clyde Valley City Deal](#)**

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

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

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

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

The Council consider that the RTS (2008-2021) is still relevant but it is recognised that the regional transport situation has changed in the last decade. The Glasgow Region City Deal is a vehicle that will deliver new development and infrastructure and there are trends of increased congestion and car ownership. There is more

emphasis on environmental issues, pollution, with sustainable transport and active travel being more prominent today. The Council acknowledge that whilst the RTS is still relevant, its renewal is a priority.

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

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

***Supporting information:***

***[Link to Strathclyde Partnership for Transport Regional Transport Strategy – A Catalyst for Change 2008-21](#)***

## Local influences

### Community Plan and Fairer East Ren

The strategic context for the Council starts with the Community Plan. The Community Plan was updated in 2018, which means that it has a very current and relevant influence on the Council's Capital Investment Strategy. The Community Plan incorporates Fairer East Ren Plan (this is the statutory Local Outcomes Improvement Plan and is a set of outcomes for reducing inequalities across East Renfrewshire) and is important in setting the scene for strategic financial planning. Reference to the Community Plan and Fairer East Ren could form part of the contextual material provided in relation to capital proposals and individual proposals could be aligned to the aims within these Plans.

The Fairer East Ren themes are aimed at reducing inequality and have been mapped to national outcomes. They are delivered by the Community Planning Partnership which is important in setting the scene for a partnership approach to capital investment and an open and frank dialogue with local communities.

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

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

#### Supporting information:

#### [Link to Community Plan](#)

Five Outcomes:

1. **Early Years and vulnerable young people** – all children in East Renfrewshire experience a stable and secure childhood and succeed
2. **Learning, Life and Work** – East Renfrewshire residents are healthy and active and have the skills for learning, life and work
3. **Economy and Environment** – East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents
4. **Safe, Supportive Communities** – East Renfrewshire residents are safe and live in supportive communities

**Older People and people with long term conditions** – Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives

#### Supporting information:

#### [Link to Fairer East Ren](#)

- *Reducing the impact of Child Poverty* – The impact of child poverty is reduced
- *Improved employability* – Residents have the right skills, learning opportunities and confidence to secure and sustain work
- *Moving around* – East Renfrewshire's transport links are accessible, attractive and seamless
- *Improving mental health and wellbeing* – Residents' mental health and wellbeing is improved

- *Reducing social isolation, loneliness and increasing safety - Residents are safe and are more socially connected within their communities.*

## Locality Plans

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

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

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

### ***Supporting information:***

#### **[Link to current Locality Plans](#)**

***ADD2 Barrhead 2017-27***

***Auchenback 2017-27***

***Neilston (in development)***

***Thornliebank (in development)***

## Vision for the Future

Vision for the Future sets out our long-term ambitions for the work of East Renfrewshire Council based on a horizon of 10 years.

In October 2018 Council approved that the Corporate Statement and Vision for the Future documents would be combined and that an updated Vision for the Future document covering a 10 year time period would be produced to reflect the updated Community Plan and the long-term ambition of the council's change programme.

In the 'golden thread' of strategic planning our refreshed 'Vision for the Future' sits under the Community Plan (our 10 year partnership strategy for the area) and above the Outcome Delivery Plan (our 3 year delivery plan). Its purpose is to set out the Council's long-term strategy and our plans to deliver our part of the Community Plan.

Significant work has been done over the last 2 years to improve the integration of strategic and operational planning to ensure a clear 'golden thread'. The new Community Plan, (incorporating Fairer East Ren) has given us a refreshed set of strategic outcomes, which when considered alongside our long-term

financial plan, Capital Investment plan and detailed demographic analysis, have given us a solid foundation on which to further develop our Vision for the Future.

The Council's Vision for the Future document is currently being revised and an updated draft can be accessed on the Council meeting agenda for 27 February 2020.

### Outcome Delivery Plan 2019-22

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

There are intermediate outcomes for each Strategic Outcome, making it easier to map capital investment decisions to Community and Council priorities.

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

Strategic Outcomes will be mapped to the capital investment plan where relevant. This helps with the evaluation and prioritisation of future capital schemes, where a business case needs to consider the contribution to the achievement of priorities, as well as non-financial and financial benefits.

#### **Supporting information:**

#### **Outcome Delivery Plan - East Renfrewshire Council**

*East Renfrewshire Council is committed to improving the lives of local people, promoting equality and fairness and enhancing the area in which we live, now and for the future. This is the Council's Outcome Delivery Plan (ODP). It covers the time frame 2019-2022 and sets out how services across the Council are contributing to the delivery of our outcomes, and our vision to be:*

*"A modern, ambitious council creating a fairer future with all"*

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

### Local Development Plan 2015-25

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

LDP2 is currently out for consultation. LDP2 will cover the period up to 2029 and beyond and the Capital Investment Strategy acknowledges this development. The Council will continue to monitor the need for infrastructure to support new development and will identify requirements through the emerging plan.



The Strategic Aim and Objectives contained within LDP2 will influence the Council's capital investment ambition. The Council will consider the long-term impact of The Local Development Plan, and it will identify what part the Council's capital investment will play in contributing to meeting the long term needs of the local population and area.

For both LDP 2 (no new sites identified) and LDP 3 (which will include new sites) the Council will look to ensure that our Capital Investment Strategy will accommodate the additional spend that comes with house building such as (but not limited to) School provision, new roads, new street lighting, refuse routes, open spaces and other associated community infrastructure.

***Supporting information:***

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

### Local Housing Strategy 2017-22

It is important for the Strategic Priorities in the Local Housing Strategy (LHS) to be reflected in the Council's Capital Investment Strategy, both from a direct capital investment perspective and an enabling perspective. The Council plays a vital role in ensuring that the Local Delivery Plan is delivered in terms of projects, housing mix and timescale.

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

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

A new Housing Needs and Demand Assessment (HNDA) is due to be undertaken over 2019 and 2020 and may affect targets in future. A joint approach to target setting is in place between Housing and Planning.

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

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

***Supporting information:***

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

## Strategic Housing Investment Plan

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

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

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

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

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

### **Supporting information:**

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

## Digital Council Strategy

It is important that the capabilities, solutions and services that ICT deliver are aligned with the overall outcomes of the Council. This is true across both normal service operation and where ICT help enable or support business transformation. To achieve this alignment the Council's Digital Strategy was created. The purpose of this strategy is to build our capability as a Council in digital technology and then to exploit digital to help us deliver our 5 outcomes for local people.

The vision is to be a digital council and the specific digital outcomes will be:

- All services are digital by design and use data analytics
- We have a digitally capable workforce with a modern working environment
- Communities engage digitally with the Council

The strategy informs how ICT develops its services and influences contract and vendor procurement and selection. It's important that this influences the ICT Asset Management plan as it is a key conduit to effect procurement and management of ICT hardware and software assets throughout their lifecycle.

A number of strategic principles also support and influence ICT's procurement and management of ICT hardware and software assets. These include the adoption of Enterprise Architecture principles and those of the Digital Customer Experience principles.

The Council is now developing a dedicated ICT Strategy that will aim to provide more specific ICT Strategic direction that more widely underpins the operational services that ICT provide. This strategy will provide the foundation for the service to meet the change, evolving and increasing demands for stable and performant technology to support business transformation.

### Corporate Asset Management Plan

The importance of the link between the Corporate Asset Management Plan, and its constituent Asset Management Plans (AMPs), is stressed in the CIPFA Prudential Code. The AMPs should inform the Capital Investment Strategy but this also works both ways. The vision and ambition that is articulated in the Capital Investment Strategy should set the scene for the direction that the asset management in any particular area of operation should take. The Council's Corporate Asset Management Plan was produced in 2017 and, as such, is subject to review in the near future.

A Corporate Landlord Manager (CLM) has been appointed to implement a corporate approach to asset management across Departments.

There are six AMPs maintained by the Council. There is a process in place for maintaining these plans, which are reviewed biennially. The Asset Management Plans have strategic objectives that clearly link with the Council's Strategic Outcomes.

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

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

#### Supporting information:

#### Corporate Asset Management Plan

There are six asset management plans. These are:

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

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

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

### East Renfrewshire Culture and Leisure Business Plans

East Renfrewshire Culture and Leisure Trust delivers a wide range of services on behalf of the Council, as an ALEO and Community Planning Partner, and currently occupies under licence over a third of the 115 properties detailed in the Property Asset Management Plan from which Council services are delivered. In addition it is responsible for managing the letting of ERC schools out of hours.

Whilst these services include statutory services, including a number which are free-at-the-point-of-access, they are almost all customer-facing, with the vast majority commercial. Just as "...Council Property has an influence and impact on the Council's ability to deliver the outcomes of the Delivery Plan, to support the Single Outcome Agreement and to deliver the Council's overall vision," so the design, quality and condition of Trust-operated buildings has a direct impact on the ability of the Trust to deliver services on behalf of residents generally, and compete for commercial income in particular. Property issues particularly associated with the Trust building are detailed in the Property Asset Management Plan, but remain notable factors in the realisation of plans in relation to culture and leisure services across the authority.

The Trust's annual business plan is agreed by Council and identifies the projected resources and/or expenditure of the Trust during each Financial Year in performing the Services to support the Council's Community Plans, but also the capital programme building spend, and property maintenance budget required from the Council in relation to the facilities occupied by the Trust under licence from the Council,

These Business Plans are in turn aligned to wider strategies which the Council approves and which define the vision for Culture and Leisure Services in the authority:

- Public Library Strategy (2019)
- Sports & Physical Activity Strategy (2015);
- Arts & Heritage Strategy (2015)
- Indoor Sports Facility Strategy (2018)
- Sports Pitch and Outdoor Sports Facilities Strategy (2018)

These are closely articulated to property and asset management plans, since on the whole public sports and leisure services are essentially asset-based.

**Partnership and collaborative working**

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

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

<b><u>East Renfrewshire Community Plan</u>: our high-level ambitions for all age groups and communities, and tackling inequality</b>					
Community Plan Strategic Outcomes	All children in East Renfrewshire experience a stable and secure childhood and succeed.	East Renfrewshire residents are healthy and active and have the skills for learning, life and work	East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses	East Renfrewshire residents are safe and live in supportive communities	Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.
Regional and CP Partner strategies and strategic plans that help us to deliver our vision		<a href="#">Skills Development Scotland: vision for 2015-2020</a> Voluntary Action East Renfrewshire Strategic Plan <a href="#">West College Scotland Regional Outcome Agreement</a>	Glasgow City Region Economic Strategy and Action Plan <a href="#">Scottish Enterprise Strategic Plan</a> <a href="#">A Catalyst for Change: The Regional Transport Strategy for the west of Scotland 2008-2021</a> Strathclyde Partnership for Transport: <a href="#">Transport Outcomes Report</a> <a href="#">Regional Transport Strategy</a> <a href="#">Clydeplan</a>	<a href="#">East Renfrewshire Local Fire and Rescue Plan</a> Police Scotland's <a href="#">Local Policing Plan for East Renfrewshire</a> Adult Mental Health Strategy 2018-2023 (NHS GGC wide) Voluntary Action East Renfrewshire Strategic Plan	Voluntary Action East Renfrewshire Strategic Plan
Outcome-focused Partnership strategies and strategic plans (*strategies in development are in italics)	<i>Fairer East Ren: child poverty delivery plan</i> <a href="#">Getting it Right with You: East Renfrewshire Children and Young Peoples' Plan 2017-2020</a> (ICSP)	<i>Fairer East Ren: employability delivery plan</i> / <a href="#">Local Employability Strategy</a> <a href="#">Getting it Right with You: East Renfrewshire Children and Young Peoples' Plan 2017-2020</a> (ICSP)	<i>Fairer East Ren: transport delivery plan</i> <a href="#">Local Housing Strategy 2017-2022</a> <i>Adaptations Strategy (planning for climate change)</i>	<i>Fairer East Ren: mental health and wellbeing delivery plan</i> <a href="#">Community Justice Outcome Improvement Plan</a> <i>Violence Against Women and Girls Delivery Plan 2017-2020</i>	<i>Fairer East Ren: safe and socially connected delivery plan</i>

<b><u>East Renfrewshire Community Plan</u>: our high-level ambitions for all age groups and communities, and tackling inequality</b>					
		<i>Community Learning and Development Strategy 2018-21</i>			
Council “family” strategies and strategic plans (includes HSCP and Trust)	<a href="#">Health and Social Care Partnership Strategic Plan</a> <a href="#">Early Years Strategy</a> <a href="#">Corporate Parenting Plan</a>	<a href="#">Health and Social Care Partnership Strategic Plan</a> <a href="#">East Renfrewshire Culture and Leisure Trust Business Plan</a>  <a href="#">Sports Facilities Strategy</a> <i>Tobacco Strategy</i> <i>Libraries Strategy</i> <i>Autism Strategy</i>		<a href="#">Health and Social Care Partnership Strategic Plan</a>	<a href="#">Health and Social Care Partnership Strategic Plan</a>  <i>Carers Strategy</i>
Council strategies and strategic plans	<a href="#">East Renfrewshire Council Outcome Delivery Plan</a> <a href="#">Early Learning and Childcare Strategy</a>	<a href="#">East Renfrewshire Council Outcome Delivery Plan</a> <a href="#">Education Local Improvement Plan</a> <a href="#">Advancing Equity and Excellence</a>	<a href="#">East Renfrewshire Council Outcome Delivery Plan</a> <a href="#">Local Development Plan</a> <a href="#">Contaminated Land Strategy</a> <i>Economic Development Strategy</i> <i>Tourism Strategy</i> <i>Environmental Sustainability Strategy</i> <i>Community Benefits Strategy</i>	<a href="#">East Renfrewshire Council Outcome Delivery Plan</a>	<a href="#">East Renfrewshire Council Outcome Delivery Plan</a>
Locality Plans (based on locally determined priorities)	<p>Auchenback Locality Plan  ADD2Barrhead Locality Plan  <i>Neilston Locality Plan</i></p>				

# Capital Investment Ambition by Strategic Outcome

The following table illustrates how key elements of our 10-year General Fund and housing investment plans will deliver against the Strategic Outcomes in our Outcome Delivery Plan:

Outcome	Scheme Name	Short Narrative explaining the proposal	Output
<b>All children in East Renfrewshire experience a stable and secure childhood and succeed</b>	Early Learning and Childcare Expansion to 1140 Hours	As local nurseries and family centres are already operating close to capacity a significant increase in places must be provided in order to deliver the national requirement of 1140 hours by August 2020 for each eligible child per year from the existing 600 hours level.	10 new or extended early years facilities provided across the Council area by August 2020.
<b>East Renfrewshire residents are healthy and active and have the skills for learning, life and work</b>	Eastwood Leisure	Existing leisure facilities in the Eastwood area are dated and at the end of their lifespan. Improved facilities are needed to address local demands.	Investment in leisure/community facilities to be provided in the Eastwood area.
	Learning and Leisure in Neilston	Local school and community facilities in Neilston are in poor condition and require replaced/upgraded. The project has attracted some support funding from the Scottish Government funding to help take forward the school condition improvements.	Campus approach to improve facilities for Learning and Leisure in the village of Neilston, which includes new build replacements for Neilston and St Thomas' primary schools and Madras Family Centre in addition to a new library with the village also to benefit from improved leisure facilities.



	Primary School Extensions/Remodelling	To provide sufficient pupil places associated with inward migration including new housing per LDP1/2.	Crookfur Primary School Extension Busby Primary School Extension & Remodel Eaglesham Primary School Extension & Remodel
	Synthetic pitch and athletics track at Mearns Castle High School	To provide adequate number of suitable PE spaces to meet pupils' curricular needs.	New synthetic pitch and athletics track at Mearns Castle High School
<b>East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents</b>	New railway station – Barrhead South	To serve new housing and leisure developments in the Barrhead area rail transport links will be improved via a City Deal initiative.	New railway halt to be delivered for Barrhead South.
	Newton Mearns to Barrhead New Road Connection	As part of the City Deal economic growth proposals road links between the east and west of the authority will be improved.	New link road from Newton Mearns to Barrhead will be provided.
	Country Park Visitor Centre and Infrastructure	As part of the City Deal initiative a new visitor centre is planned together with improved access to the country park.	New visitor centre, board walk, parking etc to be built for Dams to Darnley country park.
	Roads	Increased capital investment is planned to ensure that roads are maintained in a safe condition.	Improved roads condition.

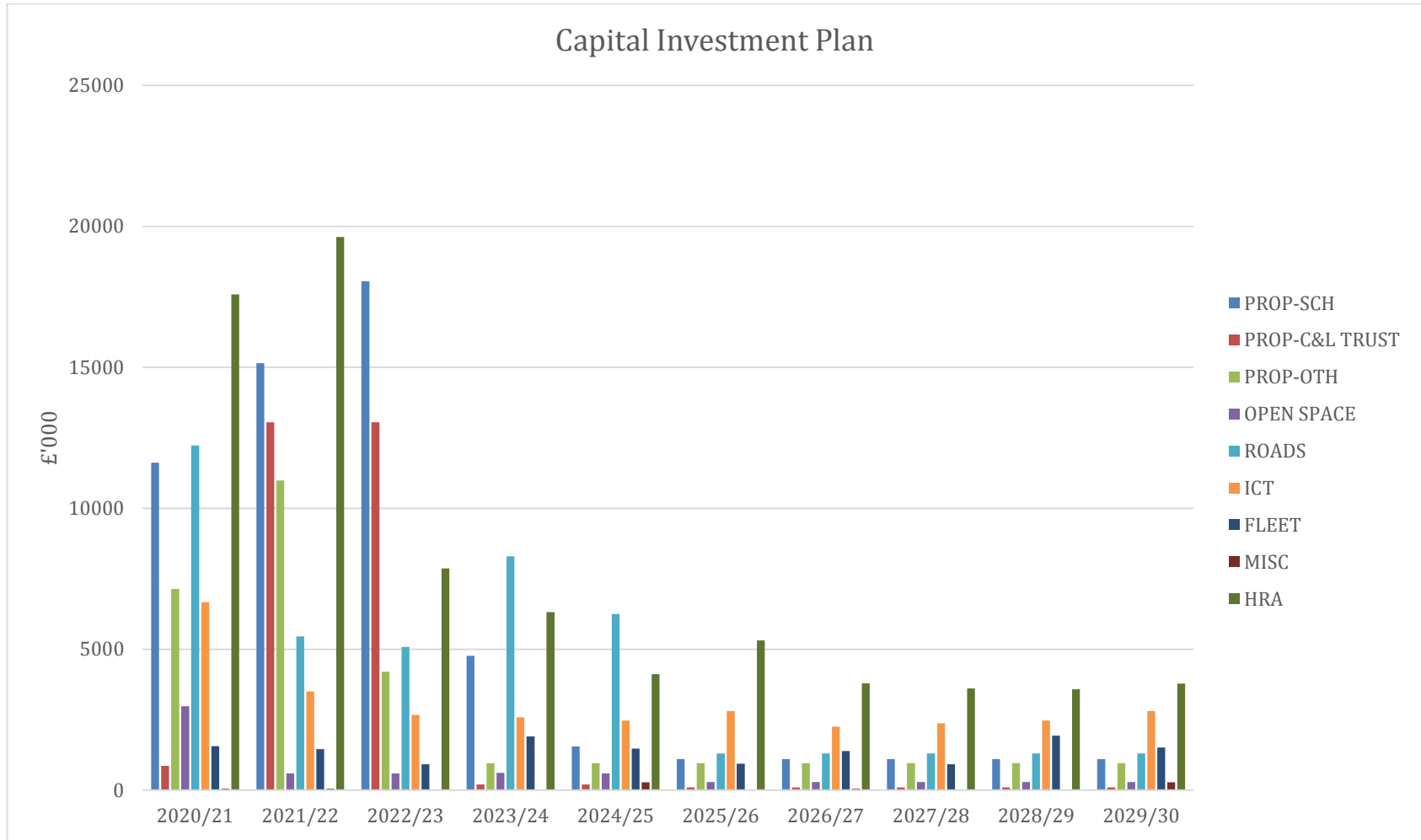
	Council House New Build Programme	The Council will deliver up to 240 new homes for rent as part of the commitment to increase affordable housing supply set out in the Local Housing Strategy (and SHIP) and in line with national priorities for investment.	240 new homes for rent from East Renfrewshire Council.  Ph 1 sites (Barrhead) – Blackbyres Rd, Robertson St & Fenwick Rd (complete 2019); Balgraystone Rd (commence 2019). 83 units.  Ph 2 sites – remainder of units to be delivered at Maidenhill, Newton Mearns.
<b>East Renfrewshire residents are safe and live in supportive communities</b>	CCTV Infrastructure Refresh	Ageing infrastructure to be replaced.	Modern, more reliable CCTV coverage of public areas.
<b>Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.</b>	Bonnyton House Improvements	Care home for the elderly needs significant modernisation and improvement.	New roof and remodelled facilities to meet changing community needs.

# 10-year Capital Investment Plan

Our 10-year capital investment plan covers the period 2020-2030, based on our capital investment ambition, similarly we have prepared a 10-year housing capital investment plan. These have been prioritised by applying our evaluation methodology to ensure that the longer term position is affordable and deliverable as planned and this is specifically addressed in our annual Treasury Management report which sets out the Prudential Indicators for the Council's spending plans. Our risk assessment examines the risk against the affordability and deliverability assumptions and this will inform the ongoing review of performance and update of the capital investment plan to ensure that it is effectively managed. Both capital plans are scheduled to be approved by Council on 27 February and links to these documents will be included in this strategy thereafter.

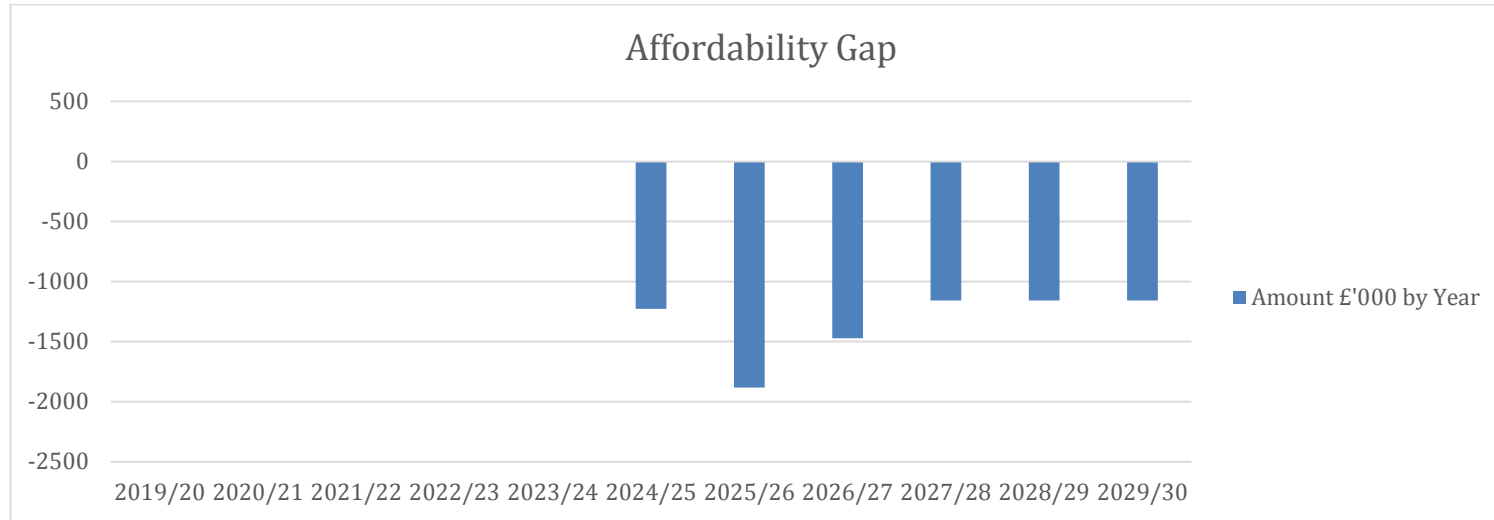
Several tables and charts have also been included within this strategy to provide a view of the 10-year capital investment plan from an investment and financing perspective, an affordability perspective and in terms of the contribution to the achievement of our Strategic Outcomes, our community improvements and our growth targets:

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



This graph shows the level of planned capital spend over the Council’s asset categories as set out in the Capital Plans, General Fund 2020-2030 and Housing 2020-2030.

The following sections examine the evaluation and prioritisation of our 10-year capital investment plan, the additional analysis that informs our Capital Investment Strategy principles, our capacity to deliver and the potential options for addressing our capital investment ambition gap.



This graph shows the shortfall in resources in the later years of the Council’s capital plan. This will be kept under review and is expected to grow as LDP2 pressures are incorporated into our future capital ambitions. The Council’s capital investment ambitions incorporated into its proposed capital plans would require additional funding, in addition to the borrowing set out in its capital plans 2020-30, as shown above.

**Examination of outcomes from prioritisation**

The Council maintains a rolling, detailed 10 year general fund capital plan with new proposals for investment being brought forward annually through a Capital Project Appraisal process to ensure that they align with the Council’s key objectives and that asset management plans, are deliverable, affordable and represent best value. Only those proposals which make a significant contribution to the Council’s objectives and are considered deliverable are progressed past an initial stage to a full appraisal by the Corporate Asset Management Group before being considered by the Corporate Management Team, Budget Strategy Group and Council. The current CPA template form is attached as Appendix B. For routine investments, such as ICT system renewals, property, parks & cemeteries and roads major maintenance, set sums are included in annual capital investment plans to facilitate forward planning and minimise administration.

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

A 10 year rolling capital plan is maintained for Council housing stock, taking account of both national and local plans. Any revenue impacts associated with these plans, arising from both funding and or running/maintenance costs are then reflected in the Council’s revenue budget planning.

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

PROJECT	ASSET CATEGORY	£'000
Crookfur PS Extension	Property Schools	2,200
Mearns Castle HS Sports Pitch & Athletics Track	Property Schools	1,726
Uplawmoor PS Upgrade (Developer Contribns funded)	Property Schools	100
Learning Environments: Improvement & Upgrade	Property Schools	2,000
Community Facilities Improvement Fund	Property: Culture & Leisure	500
Muirend Synthetic Pitch	Property:Other	150
Rouken Glen Toilet Upgrade	Property:Other	130
St Andrew's House Refurbishment	Property:Other	40
Overlee House Extension	Property:Other	630
Bonnyton House Upgrade	Property:Other	180
Telecare Services & Peripherals	ICT	1,150
Education CCTV	ICT	626

Any projects which have been identified later in the year may not yet have been fully costed and appraised so are not included in the Council's updated capital plans to be considered in February 2020, however they will be incorporated into future years' updates. This applies to projects emerging as the Council's new Local Development Plan (LDP2) is developed. These major projects currently identified are listed here to ensure that they are taken into consideration for future planning purposes.

PROJECT	TIMING	COMMENT
Busby Primary School Extension & Remodel	circa 2025/26	Timescale to be kept under review as planning is progressed
Eaglesham Primary School Extension & Remodel	circa 2026/27	Timescale to be kept under review as planning is progressed

## Capital Project Appraisal Process

### Developing proposals

The Council has established a structured Capital Project Appraisal (CPA) process which begins in April of each year and concludes by November. Based on this process, the Corporate Management Team (CMT) consider the validity of recommended projects, before seeking Council approval for the annual update to the 10 Year General Fund Capital Plan.

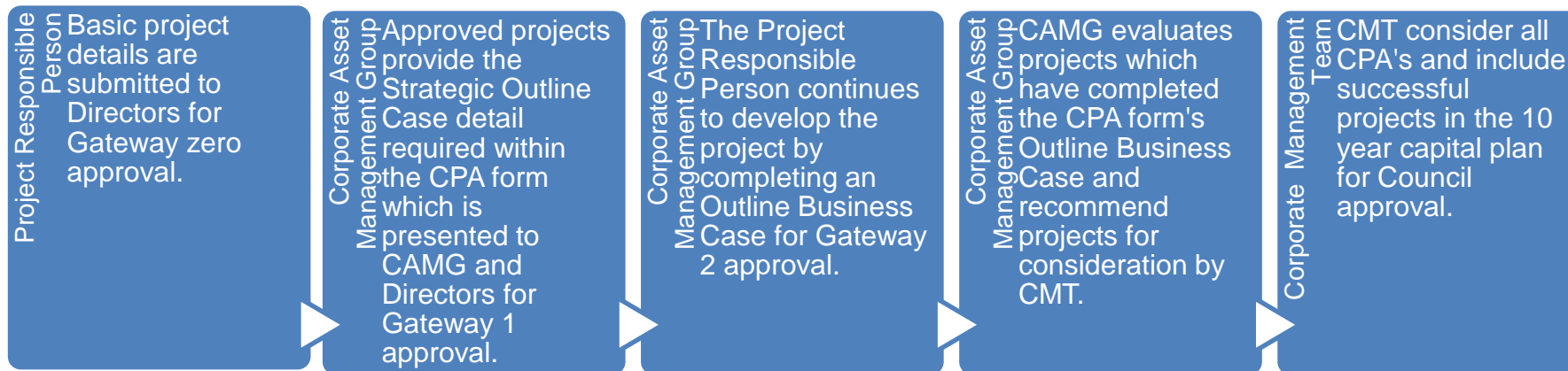
### Capital Project Appraisal Form

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

The form captures project details and objectives, links to strategic documentation and corporate aims and how the project can support these strategies and plans, finance details and delivery schedule. The form and the CPA process have recently been reviewed by the Corporate Asset Management Group, which has improved and refined the form to enhance, but simplify the process, build in gateway approval stages and monitor the outcomes.

The CAMG assesses the individual Capital Project Appraisal forms and evaluates projects against a Rating Matrix (see Appendix E). Following CAMG rating, new projects are passed to CMT for approval.

The chart below summarises the CPA form process up to the approval by Council stage:



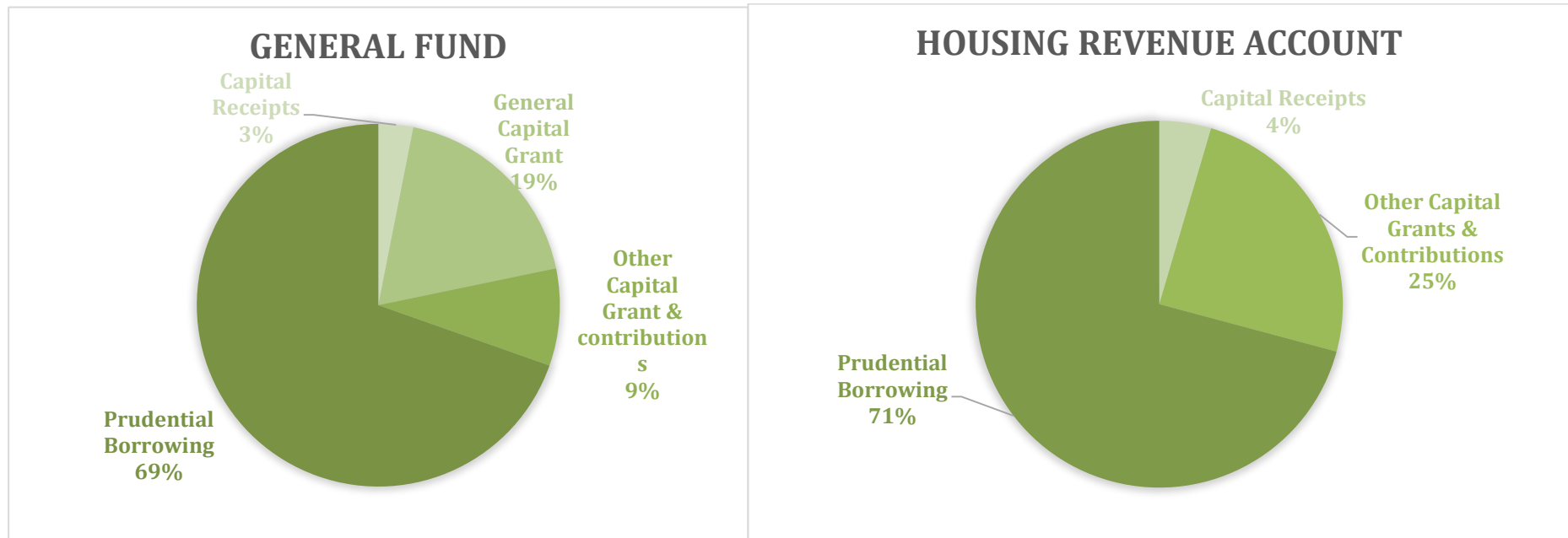
**Capital resource allocation and analysis of balance sheet, treasury and reserve implications.**

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

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

During 2019 consideration has also been given to the new loans fund reprofiling flexibility offered to Councils in the 2019/20 Scottish Government settlement. This will assist in supporting future years’ capital plans by ensuring that the authority’s capital expenditure is financed over the expected life of the assets and that each year’s repayment amount is reasonably commensurate with the period and pattern of the benefits.

The following pie charts highlight the Net Borrowing Requirements forecast for the following 5 years.





**Treasury Management Strategy and Loans Fund Policy**

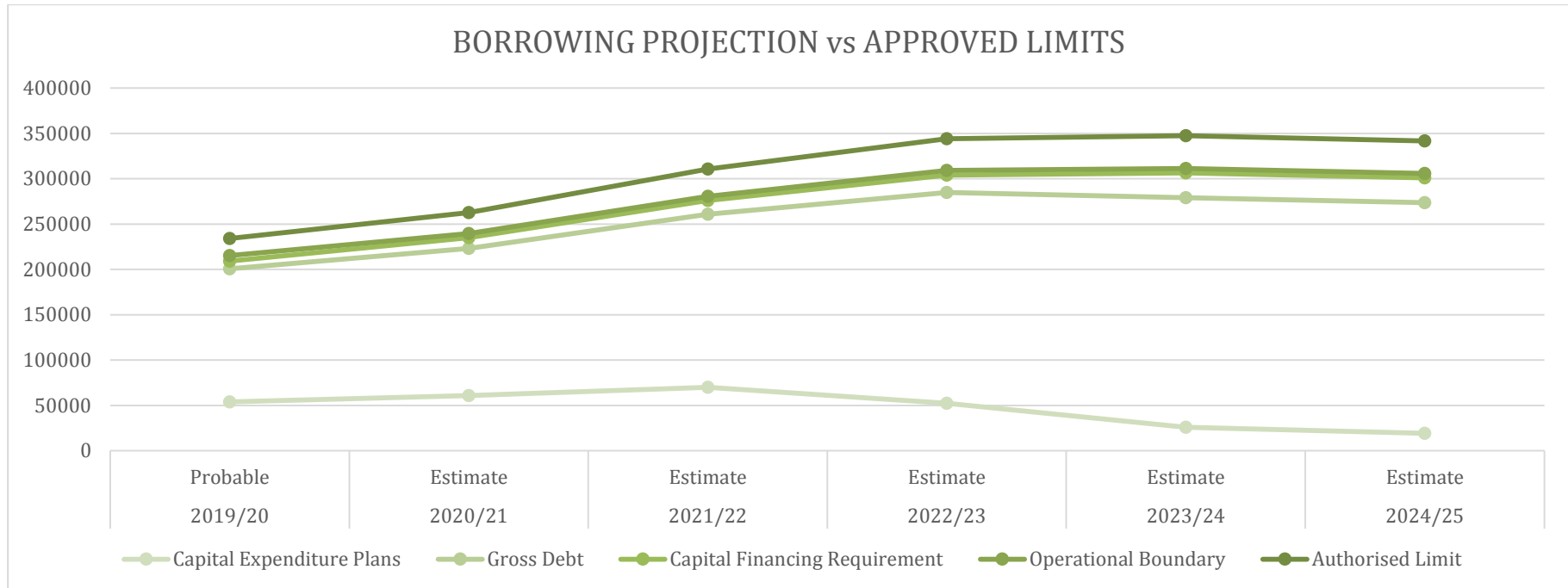
The Prudential Code for Capital Finance in local authorities enables councils to set their own borrowing limits with a requirement to ensure that investment plans are affordable, prudent and sustainable. The Council can borrow over a number of years to supplement its capital income, provided the resultant annual debt repayments can be accommodated within future years’ revenue budgets. The Council’s Treasury Management Strategy sets out the Prudential Indicators and parameters over the medium to long term, with regular reporting to Council members through:-

- Treasury Management Strategy
- Mid-year Treasury Management Report
- Annual Treasury Management Report, following the financial year end

Both of the monitoring reports compare the estimated Prudential Indicators with the Probable Outturn position.

The key prudential and treasury indicators include:-

- Capital expenditure plans
- Gross debt
- The Council’s overall borrowing need (the Capital Financing Requirement)
- Limits to borrowing activity through the Operational Boundary and Authorised Limit



As reflected in the Treasury Management Strategy for 2020/21, the analysis of the Capital Financing Requirement for East Renfrewshire Council indicates the borrowing needs to support delivery of the capital programme. The analysis also indicates that this borrowing need continues to be well within the parameters of both the Operational Boundary (the expected maximum borrowing position of the Council) and the Authorised Limit (the limit beyond which external debt is prohibited).

### Examination of capacity to deliver

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

- **People** – The Council monitors capacity of staff in services such as property, accountancy, ICT, Legal and Procurement so as to ensure adequate resources are available to support capital plans. Where insufficient capacity is in place it may be possible to engage temporary/agency staff (potentially funded from the Council's Modernisation Fund reserve) or to utilise external consultants (e.g. private firms or public sector organisations such as hub West Scotland).
- **Procurement** – Wherever possible the Council encourages managers to self serve for routine procurements and smaller procurements (under £50k) are undertaken by managers using the Quick Quote guidance. Projects over £50k are undertaken in conjunction with procurement professionals using a full tender process.
- **Reserves** – The Council maintains a Capital Reserve, Modernisation Fund, Insurance Fund and Repairs and Renewals Fund. These may be accessed in appropriate circumstances and such instances will be identified by the Corporate Asset Management Group. In closing the 2018/19 accounts a Feasibility Fund was also established to allow preliminary investigations to be carried out in advance of a proposed capital project, thus enabling a faster start on site.
- **Project support** – The Council's Project Management Office is available to provide project management support for major change projects such as system implementations. A capacity grid system is operated to assess whether any new demands can be accommodated. The Corporate Management Team have also developed a new executive reporting system to monitor progress of key projects.
- **Consultation process** – The Council has well established processes, particularly within the Environment and Education departments, for consultation with the public and other stakeholders on new proposals. It is essential that these are planned well in advance as long timescales are often required to accommodate both the consultation period and any potential objection/appeal processes.
- **Decision making process** – The Council has a clear process for consideration of capital proposals. This runs throughout the year from spring/summer when initial proposals are submitted, to February when formal approval of new schemes is granted by Council after consideration of affordability etc. Cabinet then monitors progress during the year with any changes to the agreed programme requiring approval by Council whose meetings are typically every 6 weeks.

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

The Council compiles a 3 year statement, Influencing the Future of East Renfrewshire, setting out key areas where it seeks additional powers or resources from the Scottish Government in order to support change. The statement for 2019-2022 was approved by Council on 18 December 2019 and includes several issues directly related to the Council's capital ambitions.

- Request for increased investment funding for improvement/replacement of school buildings.
- Request for increased funding for infrastructure (e.g. education, leisure, community facilities) to meet demands from population growth associated with increased local housing targets.
- Request for streamlined process for changes to the school estate.
- Request for additional funding for a second phase of City Deal.
- Request for more funding for active and sustainable travel.

# Risk Management and Risk Assessment

## Strategic Risk Register and Management Process

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

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

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

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

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

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

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

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

Risk ID#	Risk Category	Description of Risk / Uncertainty	Mitigating Factors	Timescale (for review)	Risk Owner	Residual Risk Score
	Compliance	Insufficient catchment places available for children and young people across all sectors in light of inward migration, including the impact of new residential developments - in particular the Local Development Plan	<p>Regular review of places and demand including; and implementation of admission arrangements policy.</p> <p>Council's Capital Investment Strategy and associated 10-year Capital Plan updated to reflect education estate requirements for all school sectors taking account of operational requirements/timescales.</p> <p>On an ongoing basis, Education/Environment continue to review the release of housing and infrastructure requirements to also take cognisance of inward migration to existing housing along with ongoing residential developments under the adopted LDP1 and any windfall sites (similarly for Proposed LDP2) as reflected in the Housing Land Supply register.</p> <p>Education and Environment to collaborate closely about any potential further residential development as LDP3 progresses to ensure sufficiency of places across the education estate and that any new provision is included in future Capital Investment Strategies.</p>	<p>Annually</p> <p>Annually</p> <p>In line with relevant timescales</p>	Education Team	8

			<p>Continue to lobby Scottish Government and discuss implications of future requirements.</p> <p>As appropriate, education statutory consultation to be undertaken in advance of new provision and within required timeframes.</p>			
	Compliance	Difficulty in reporting, in full compliance with Codes and Guidance, due to late availability of guidance publications and unavailability of best practice examples	<p>Valuable Council-wide exercise undertaken</p> <p>External support commissioned</p> <p>Ongoing monitoring of relevant publications and statements</p> <p>Attendance at relevant seminars and training courses</p>	Ongoing	CFO	4
	Financial	Poor capital scheme forecasting leading to capital scheme overspends and higher revenue impact	<p>Collaboration across all relevant support services with intelligence and data sharing</p> <p>Application of scenario and sensitivity approach to test forecasts and assumptions</p> <p>Performance and exception reporting linked to main reporting cycle</p>	Quarterly	CMT/CAMG	8
	Financial	Poor capital programme management leading to slippage	<p>Strong management structure in place</p> <p>Robust governance and programme management in place</p> <p>Performance and exception reporting linked to main reporting cycle</p>	Quarterly	CMT/CAMG	9
	Financial	Adverse impact on General Reserves position	Reserves Policy in place and reviewed at least annually	Quarterly	CFO	6



			<p>Robust governance and programme management in place</p> <p>Reporting on reserve position on a regular basis</p>			
	Financial	<p>Failure to deliver 1,140 hours of free early learning and childcare (ELC) by August 2020.</p> <p>Inability to deliver our preferred or at least an acceptable model to locally address the principles of quality, flexibility, accessibility and affordability.</p>	<p>Multi-year revenue and capital funding announced by Scottish Government (SG)/COSLA (reflecting national population projections).</p> <p>Report to Education Committee in June 2018 highlighted funding gap due to local population projections higher than national assumptions and detailed options/impact if additional funding not forthcoming. Recommendation accepted that officers and elected members continue to lobby SG/COSLA for fairer allocation.</p> <p>Continue to monitor provision and regularly review delivery models based on affordability, preferences of parents and taking account of any changes in policy/legislation, making bids as appropriate for funding.</p> <p>The capital plan reflects infrastructure requirements with major new builds now at construction stage and currently progressing according to programme.</p> <p>Ongoing engagement with funded (partnership) providers, including childminders, to increase ELC places underway.</p> <p>Support new funded providers to establish high quality nurseries/childminding provision in</p>	Quarterly	Education Team	8

			<p>areas where places are at a premium in readiness for August 2020 delivery.</p> <p>Make best use of available funding to recruit, retain and develop quality staff in readiness for August 2020 delivery.</p> <p>Ongoing pilot our preferred delivery model in some communities.</p> <p>Implement the Early Learning and Childcare Strategy including working with all providers to ensure quality early learning and childcare.</p>			
Financial	Glasgow and Clyde Valley City Deal infrastructure projects (including those projects outwith East Renfrewshire) do not proceed on schedule and/or do not produce the anticipated economic benefits owing to 3rd party issues, resulting in a gap in funding provided by UK and Scottish Government	<p>Continue to engage with partners to monitor and contribute to delivery as required.</p> <p>Explore opportunities for partnership delivery mechanisms where appropriate.</p> <p>Participate in City Deal Gateway Review</p>	Ongoing	Corporate Management Team	4	
People and Culture	Failure to recruit / retain staffing resource to deliver the volume of ICT work / projects both underway and planned constrains delivery of ICT projects and specific pieces of work, impacting on delivery of services and morale of existing staff.	<p>Continue to promote skills sharing.</p> <p>Continue to manage absence in line with corporate policy.</p> <p>Continue use of alternative resources e.g. external employment agencies are used and/or contracts.</p> <p>Maintain use of Capacity Grid internally, highlighting areas of concern which require corrective action.</p>	Ongoing	ICT Management Team	4	

			<p>Skills Framework for the Information Age being introduced which will facilitate skills capture and planning.</p> <p>Renew framework contract to allow ICT to draw down additional ICT resources as required.</p> <p>Ensure scope within budgets to ensure that financial resources are available to obtain additional resource as required.</p>			
	Operational services	Reliance on the Council's single shared internet pipe across the Council results in lack of internet resilience for Council connectivity, potentially affecting delivery of operational services.	<p>Use of JaNET connectivity managed by SWAN and part of national infrastructure.</p> <p>Proactive monitoring for alert &amp; detection of problems to facilitate more proactive approach.</p> <p>Deliver second pipe through 2nd data centre delivery.</p>	Ongoing	ICT Management Team	4

# Governance and Monitoring

## **Roles and responsibilities**

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

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

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

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

## **Skills and training**

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

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

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

## **Capital Strategy Date for Review**

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

**Consultation and stakeholder engagement**

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

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

A handwritten signature in blue ink, appearing to be 'M. M. C.', written in a cursive style.

**Signed: S95 Officer**

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## Asset Management Plan Summaries

## APPENDIX A

### Executive Summary

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

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

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

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

### Property

Property is an extremely important asset to the Council, as it can have a significant impact on all the services that East Renfrewshire Council provides to local residents. The long term objective for property is to ensure that the Council has the right properties in the right place to ensure they are fully utilised and provide best value to East Renfrewshire. The property portfolio should be suitable for its current use and support efficient and effective service delivery both now and in the future and meet the needs and expectations of building users. All properties must be safe and secure ensuring compliance with relevant property legislation. Properties need to be in an appropriate condition and maintained effectively. Adequate budget consideration is required to meet the demands of existing repairs and maintenance as well as future higher costs for the maintenance and servicing of advanced building management systems within newly constructed properties. Properties should be accessible for people with disabilities. Although current performance of property assets is good, it is not where the Council wants to be, and the actions within the document and the individual Property Asset Management Plan will drive forward an approach to asset management that allows the Council to identify improvements, and increase the performance of the service in the long term. The latest Property AMP is for 2019-21 and has recently been approved by Cabinet.

**Roads**

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

**Housing**

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

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

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

The current Housing Services AMP was reported to Cabinet in February 2019, for the years between 2019-23, and will be reviewed in February 2021.



**ICT**

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

The goals of ICT Asset Management are:

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

The ITC AMP spans from 2018-20.

**Fleet**

East Renfrewshire Council has an extremely high performing fleet management service, continually performing outstandingly well against other UK authorities at APSE benchmarking data level. In the long term the Transport Service wishes to focus on building a wider role for fleet management, to ensure the continued success of the department, particularly concentrating on greater efficiencies, improved digital processes and reduced emissions.

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

There are a number of challenges for fleet managers going forward, particularly in relation to climate change and the steady move away from fossil based fuels, the introduction of Low Emission Zones to improve air quality, increasing number of homes within the area to be serviced and the development of alternative fuels for both light and heavy goods vehicles. Capital planning will be required to assess future fleet requirements, and how those vehicles will be powered in the future. The current reliance on diesel will not be sustainable and will require a step change and capital funding in future years.

The Council has signed up to a long term, 25 year, contract in conjunction with Clyde Valley Local Authority partners, for the treatment of residual waste, and there should be no further requirement for capital investment in residual waste handling facilities at Greenhags, until that contract concludes.

The Council however, has other waste and recycling handling facilities, including Household Waste Recycling Centres, Bring Sites and recycling reception sheds / bays which will require future investment to enhance assets and be responsive to legislative changes and public demand, and this may impact on the type of fleet required to service these centres.

## **Open Spaces**

Open Spaces is a combination of local outdoor access areas including parks such as Rouken Glen Park, Cowan Park, Dams to Darnley and Whitelee Wind Farm, but also playing fields, play areas, sports pitches and cemeteries. Green and open spaces are an important part of making East Renfrewshire an attractive place to live whilst providing a healthy and active lifestyle.

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

The corporate objectives for Open Spaces are:

- Provide a variety of opportunities for residents and visitors to exercise, learn and enjoy
- Provide a well-managed, accessible, attractive environment
- Focus on the needs of users and the community, and encourage their active involvement in the management of our land asset
- Ensure facilities on our publicly available green spaces, play areas and sports pitches are inclusive and modern and enhance the visitor experience for all users.

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

Asset management for open spaces will be focused on developing a common and consistent approach to management, maintenance, operation and delivery across the services, and outlines future capital needs in a 6 year plan.

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

# Capital Project Appraisal Form

**Project Title:**

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STRATEGIC OUTLINE PROGRAMME

STEP1: Project Outline – Strategic Fit



1.1 Project Title:

1.2 Project Description:

Please provide a brief description of the project and expected outcomes:

This section is to be used to identify the main strategic objectives which the project will satisfy. Full definitions of the Council's objectives are detailed in the current Community Plan and Outcome Delivery Plan (ODP).

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

Link to ODP Themes		Links to Asset Management Plans	
Strategic Outcome No.1		Outdoor Space AMP	
Strategic Outcome No.2		Housing AMP	
Strategic Outcome No.3		ICT AMP	
Strategic Outcome No.4		Fleet AMP	
Strategic Outcome No.5		Property AMP	

Customer, Efficiency and People		Roads AMP	
Health & Safety / Legal Requirement / Contractual Requirement		Council Capital Asset	

What is the estimated cost:

Capital costs

1.

Revenue costs

2.

Income Potential

3.

What is the source of your costings:

Capital costs

1.

Revenue costs

2.

Income Potential

3.

**1.3 Sponsoring Service:**

**1.4 Service Lead Officer:**

**GATE 0 – APPROVAL OF DIRECTOR REQUIRED**



Director:

Approval Date:

Signature:

## STRATEGIC OUTLINE CASE

**STEP 2: Case For Change****2.1 Strategic context - Relationship with Council Strategy:**

This section is to be used to identify the main strategic objectives which the project will satisfy. Each project may relate to one or more of the Council's Strategic Objectives. Projects must also align with the Council's Capital Investment Strategy (see link below).

<https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=23880&p=0>

Please fill out each relevant section.

NB Full definitions of the Council's objectives are detailed in the Community Plan and Outcome Delivery plan.

**2.2 Strategic Outcomes**

Please specifically identify which Strategic outcome and intermediate outcome the project will deliver on as well as linking the project to any more detailed strategies.

<http://intranet.erc.insider/CHttpHandler.ashx?id=9410&p=0>

**2.3 Asset Management Plan Commitments**

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

**2.4 5 Capabilities**

This section should outline how the capabilities will be used to improve the delivery of the project outcomes:

5 Capabilities	Comments
Prevention	
Modernisation	
Empowering Communities	
Digital	
Data, Evidence and Benchmarking	

## 2.5 What are the Benefits of the Project?

Please provide details of how the project fits in with the following assessment criteria:	
<p>How does the project improve/enhance assets and what benefits are derived from the project?</p> <p><i>e.g a new school could meet the demands of new build housing and offer new benefits such as shared community space.</i></p>	

<p>Does the project meet the definition of Capital spend? <i>i.e. does the expenditure result in the acquisition or creation of a new asset, or the enhancement of a current asset?</i></p>	
<p>Is the project required to fulfil a statutory obligation, Health and Safety, contractual or legal requirement, and if so, for what reasons?</p>	
<p>Will the project lead to increased efficiency and/or reduced revenue running costs and if so, please provide details? If there are ongoing revenue implications, please identify.</p>	
<p>Are there any other factors not covered by the above which need to be taken into account?</p>	

**2.6 Are there any barriers to Project start e.g Planning permission, LDP status, land ownership, contamination etc?**

**STEP 3: Public Value**

**3.1 Public Value**

Please outline in the box below, how the project is likely to be received by the community, both positives and negatives:

**3.2 What are the Critical Success Factors which will define the project?**

e.g. timing, best value, efficiency etc

**3.3 What is the Service's strategy for delivering this project?**

**3.4 What other services can gain benefit from this project? Have you consulted with them?**

**GATE 1 – STRATEGIC OUTLINE CASE**

**Approval by Capital Asset Management Group and Directors**

CAMG Approval date:

Director:

Approval Date:

Signed:

**OUTLINE BUSINESS CASE**

**STEP 4: Full Options Appraisal**

**4.1 Options Appraisal:**

**A Concise Summary of the Options Considered should be Detailed below. At least 4 options should be considered i.e. Do nothing plus 3 viable options.**

Number	Options considered	Comments
1		
2		
3		
4		
5		

**STEP 5: Commercial Viability**

**5.1 Procurement Strategy - What is the Procurement Strategy (please highlight one option):**

Value of £20,000 or less for capital works	Value of capital works between £20,000 and £150,000	Value of capital works £150,000 and above
Determined by the Director of the procuring Department	Advertised following Quick Quote procedure. Will be purchased through Framework Agreement.	Invitation to Tender advertised by Chief procurement Officer



Which Service will be expected to procure this project?

Service:

**5.2 Outline any Risk Apportionment issues between the Council and Contractor:**

**5.3 Outline Payment Mechanism (where relevant e.g. Hub):**

**5.4 Identify any Potential Contractual Issues:**

**Step 6 : Affordability Project Financial Details and Delivery Schedule**

**6.1 Project Delivery Schedule:**

Milestones	Timescales
<b>Project Development Phase:</b>	
<b>Construction / Commencement Phase:</b>	

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

Financial Year	Purchase of site	Site prep	Fees	Build costs	Equipment / Furniture	IT costs	Demolition of old site	Other costs	Total
2020/21									0
2021/22									0
2022/23									0
2023/24									0
2024/25									0
2025/26									0
<b>Total</b>	0	0	0	0	0	0	0	0	0

**6.3 Impact on the Council Revenue Budget - Please provide details of any potential impact on the Council's Revenue budget and any potential income:**

**6.4 Does this project require the addition of an Optimism Bias?**

**STEP 7: Planning for Successful Delivery**

**7.1 Who will the project be managed by?**

7.2. Which internal services / contractors are you reliant on for delivery? Have they built this into their forward work programme?

7.3 What is the latest lead in time for completion by scheduled project completion date?

7.4 Risk Management - how will you manage the project risk?

7.5 Post Project Evaluation Strategy – how will you identify lessons learned on completion of project?

**GATEWAY 2 - OUTLINE BUSINESS CASE**

CAMG to undertake scoring assessment to accompany CPA.

**Recommendation for Approval by CAMG including prioritisation**

Final scrutiny of prioritisation by CMT

Approval by Council of Capital Plan:

**FINAL BUSINESS CASE**

**STEP 8: Procurement**

8.1 What method of Procurement is being used and when?

**STEP 9: Contracting for the Deal**

**9.1 Setup Deal and Contractual Arrangements:**

**9.2 review financial implications of the deal and get further approvals as required for any changes**

**STEP 10: Ensuring Successful Delivery**

**10.1 Finalise Project Management:**

**10.2 Finalise Contractors / Services:**

**10.3 Finalise Costs:**

**10.4 Finalise Risk Management Arrangements:**

**10.5 Finalise Contract Monitoring Arrangements:**

**10.6 Finalise Project Evaluation Arrangements**

GATE 3: DIRECTOR OR SENIOR RESPONSIBLE PERSON

Date:

Date:

Date:



## Organisations approved for the investment of surplus funds

## APPENDIX C

<b>Banking Group</b>	<b>Individual Counterparty</b>	<b>Limits Deposit</b>	<b>Transaction</b>
Bank of England	Debt Management Office UK Treasury Bills	Unlimited £5m	Unlimited £5m
Barclays Banking Group	Barclays Bank	£5m	£5m
Goldman Sachs International Bank		£5m	£5m
HSBC		£5m	£5m
Lloyds Banking Group:	Bank of Scotland	£12.5m	£12.5m
Royal Bank of Scotland Group:	Royal Bank of Scotland	} £5m	£5m
	National Westminster Bank		
Santander Group	Santander UK PLC	£7.5m	£7.5m
Standard Chartered Bank		£5m	£5m
Clydesdale Bank		£0	£0
<b>Building Societies</b>			
Nationwide		£5m	£5m
<b>Local Authorities</b>			
All Local Authorities including Police & Fire		£5m	£5m

**Money Market Funds and Ultra-Short Dated Bond Funds**

Maximum limit of £5m per fund, exception being Federated with a maximum of £10m      £40m      £5m

**Credit Ratings**

	<b>Fitch</b>		<b>Moody's</b>		<b>S&amp;P</b>	
	LT	ST	LT	ST	LT	ST
Minimum Criteria	A-	F1	A3	P-1/P-2	A	A-1/A-2

(Unless Government backed)

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

**Limit**

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

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

**Deposit Periods**

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

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

Risk Management Process

**Risk Scoring Mechanism**

A scoring chart and key is illustrated below:

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

Likelihood	4				
	3				
	2				
	1				
		1	2	3	4
		Impact			

## Roles and Responsibilities

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

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

## Risk Reporting

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

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

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**Corporate Asset Management Group - Rating Matrix**

**Project Name:**

Is the Project commensurate with the aims of the Capital Investment Strategy?	Yes	No
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**Link to CIS:**

**Project Summary (100 words max)**

**Project Capital Costs**

<u>20/21</u>		<u>21/22</u>		<u>22/23</u>		<u>23/24</u>		<u>24/25</u>	
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**Project Revenue Costs**

<u>20/21</u>		<u>21/22</u>		<u>22/23</u>		<u>23/24</u>		<u>24/25</u>	
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## Action Plan

## APPENDIX F

## Strategic Influences – action plan

Action	Why is this required?	Responsibility	Timescale
Monitor Scottish Government housing policy activity and update the Capital Investment Strategy to address any resulting challenges and opportunities.	It is important for the Council to continually monitor Scottish Government housing policy activity to inform the Local Housing Strategy, the Capital Investment Strategy and future Local Development Plans. This is particularly important for the planning of future school places.	Director of Environment	Annually
Liaise closely with local Health Board partners to identify initiatives requiring new capital investment or facilitating joint development.	Integration of health and social care services is well embedded within East Renfrewshire. As our population increases our community based services, required to meet the demands of our residents also need to expand. Work is ongoing with our Health Board Partners to assess the impact of population growth on our local health and care facilities including our GP practices.	Chief Officer, IJB	Annually
Liaise closely with regional initiatives associated with City Deal so as to reflect any challenges and opportunities in Council capital planning.	Joint development of economic growth and improved service delivery vehicles is becoming more prevalent and can deliver new initiatives in an efficient and economical manner.	Director of Environment	Annually

## Strategic Outcomes – action plan:

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

## Capital investment ambition gap – action plan

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

## Risk Management Action Plan

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

**Evaluation process – action plan**

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

**Governance and monitoring – action plan**

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

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