

Department of Corporate and Community Services

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Date: 21 June 2019

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TO: Provost Fletcher; Deputy Provost Cunningham; and Councillors Aitken, Bamforth, Buchanan, Convery, Devlin, Gilbert, Grant, Ireland, Lafferty, Macdonald, McLean, Merrick, Miller, O’Kane, Swift and Wallace.

EAST RENFREWSHIRE COUNCIL

Please find attached the undernoted items marked “copy issued separately” on the agenda for the meeting of the Council on **Wednesday 26 June at 7.00 pm.**

Yours faithfully

Caroline Innes

C INNES
DEPUTY CHIEF EXECUTIVE

Undernote referred to

11. **Eastwood Leisure Centre - Report by Director of Environment (copy attached, pages 3 - 8).**
12. **Proposed Local Development Plan 2 – Report by Director of Environment (copy attached, pages 9 - 14).**
13. **Local Development Plan 1: Development Contributions SPG Update to Education Base Data and Cost Information - Report by Director of Environment (copy attached, pages 15 - 18).**
19. **Annual Statement on Adequacy of Governance, Risk Management and Internal Control Systems – Report by Audit & Scrutiny Committee (copy attached, pages 19 - 22).**

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EAST RENFREWSHIRE COUNCIL26 June 2019Report by Director of EnvironmentEASTWOOD LEISURE CENTRE**PURPOSE OF REPORT**

1. The purpose of the report is principally to advise the Council on proposals to build a new Eastwood Leisure Centre and theatre within Eastwood Park and also to highlight progress being made with regard to the wider Eastwood Park master planning exercise.

RECOMMENDATIONS

2. It is recommended that the Council:
- (a) Approves Eastwood Park as the preferred site for a new Eastwood Leisure Centre and theatre;
 - (b) Agrees that the Director of Environment reports back as soon as possible with options and costs with regard to the new leisure centre and theatre in Eastwood Park;
 - (c) Notes the progress being made with the Eastwood Park master planning exercise and that the Director of Environment will report back on the wider issues and opportunities/possibilities in due course; and
 - (d) Notes that should these recommendations be approved then Shawwood and Broomburn parks would remain as protected urban green space in terms of the Local Development Plan.

BACKGROUND

3. The Council in October 2018 considered a report by the Director of Environment in relation to future work plans for the development of a leisure centre to serve the Eastwood area. In particular the report identified the consultant's recommendation that the preferred sites should be Shawwood Park and Broomburn Park (in that priority order). The report also clearly spelled out a range of significant reasons why Eastwood Park had been ruled out by the consultants. The Council:

- noted progress made in taking forward the actions from the report to the Cabinet in December 2017;
- noted the consultant's report on options for the new build leisure centre;
- noted that the Director of Environment will now undertake the master planning of Eastwood Park and this will specifically explore the feasibility of a new build leisure centre within Eastwood Park based upon the latest information on Council property options for schools and office accommodation;
- noted that the Director of Environment will report to Council with an options appraisal for the future provision of leisure facilities in the Eastwood area once this work has been completed; and
- agreed that this list is not exhaustive. Any sites which become available will be investigated.

REPORT

4. Since October 2018 a considerable amount of work has been carried out in relation to the possibility of a new build leisure centre and theatre within Eastwood Park keeping as far as possible to the original specification.

5. This has been a major challenge given the various constraints and other potential issues regarding Eastwood Park.

6. The conclusion of the Director of Environment is that it would be physically possible to construct in Eastwood Park a new state of the art leisure centre and theatre close to the original specification with around 5500 m² on the ground floor and 2500 m² on the 1st floor. Over and above this there would be a requirement for car parking which could be managed and accommodated at various locations. The broad specification which could be provided is;

- 6 lane 50 m swimming pool
- smaller teaching pool
- flumes (1 – 2)
- benched spectator seating area
- wet and dry changing village
- 140 station gym
- Spin studio
- 2 group fitness spaces
- 6 court sports hall
- theatre space (preferably multipurpose and flexible)
- health suite
- cafe space
- multifunctional cultural space
- interactive play area
- parking

7. The proposed location of the site is attached (appendix 1). This is indicative only and may require further modification.

8. However, there are compromises which need to be recognised and challenges which will need to be addressed if the Council wish to pursue Eastwood Park as the preferred site option.

9. The original specification included 4 floodlit outdoor 3G pitches. This was possible when the options related to large relatively clear open spaces with little or no development on them (Shawwood and Broomburn).

10. The current position is that there are 3 pitches within Eastwood Park. Two are related to the operation of St Ninian's school and the other is operated by Giffnock Soccer Centre who have a lease of the facility until 2038. Given the tight constraints and the existing developments within Eastwood Park it would not be possible to provide the additional 4 floodlit pitches as proposed in the original specification. The land required within Eastwood Park to do this makes the possibility currently unfeasible. There is therefore no proposal in relation to providing 4 additional 3G pitches.

11. Costs are not yet finalised given that there are options to be considered before agreeing the final proposal. However, it should be recognised that the Eastwood Park option is likely to be more expensive comparatively than providing the same facility on a clear site.

12. Careful consideration will need to be given to the management of the junction/lights at the existing entrance and exit to Eastwood Park from Rouken Glen road, traffic flows and parking within Eastwood Park and pedestrian accesses/exits/movements.

13. Notwithstanding this there is an opportunity to provide a significantly improved leisure offer within the attractive setting of Eastwood Park.

14. Importantly, the Director of Environment has ascertained that it will be possible to carry this out as a tandem build. In essence, the new facility would be built in a new location in Eastwood Park whilst the existing facility continued to operate. The existing facility would then migrate to the completed new facility followed by the demolition of the old facilities.

15. With a proposal of this scale there are a range of options/combinations and costs with regard to the leisure centre and associated matters. These will be outlined in a further option appraisal to be submitted by the Director of Environment to the Council in due course.

16. With regard to the wider master plan a vision is being developed to create a new park that not only has a different mix of land uses but also creates an outdoor space that can be used productively as a combined resource for people at work within the park and for those that visit and use it for recreational purposes. Buildings should link to each other, facilities should be joined and footpaths and cycle connections should be improved. Outdoor event space should be encouraged. Eastwood Park should become a place that has a purpose and draws people to use its facilities. This will be the subject of a separate report in due course building upon the leisure centre options appraisal.

Options at This Stage

17. The Council has made no decision with regard to the proposed location for a new Eastwood Leisure Centre.

18. The Council at its meeting in October 2018 noted the consultant's recommendation that the preferred option for a new build facility should be Shawwood Park or failing that Broomburn Park.

19. This report outlines the alternative possibilities of a new build facility within Eastwood Park albeit there are some constraints and challenges compared with building on a clear site.

20. Essentially, should the Council wish to pursue a new build Eastwood leisure centre and theatre there are 2 (or 3) sites available. These are;

- Shawwood Park
- Broomburn Park
- Eastwood Park

CONCLUSION

21. Based upon the full discussion at the Council meeting in October 2018 there was a general consensus to explore first the possibility of a new leisure centre and theatre being constructed in Eastwood Park before making any final decision on the preferred location.
22. The consultation exercise reported to the Council in September 2018 showed a clear majority in favour of redevelopment on the existing site (33%) or redevelopment on a new site (54%). Regardless of alternative views regarding the consultation what is clear and vitally important from the detailed analysis around this is that 87% of people wanted to see a new leisure centre development which provided far better facilities.
23. It is feasible and physically possible to provide a new leisure centre and theatre within Eastwood Park based broadly on the original footprint and specification (with the exception of the 4 pitches and with some challenges as outlined earlier in the report).
24. The facility could be constructed as a tandem build meaning that the current facilities could remain open until the new facility is constructed.
25. Taking into account all of these considerations it is recommended that the Council's preferred site option for a new leisure centre and theatre is Eastwood Park
26. Should the Council approve the recommendations in this report then there would be no need to promote either Shawwood Park or Broomburn Park through the Local Development Plan process for the purposes of a leisure centre and theatre. They would remain as protected urban green space.

RECOMMENDATIONS

27. It is recommended that the Council:
 - (e) Approves Eastwood Park as the preferred site for a new Eastwood Leisure Centre and theatre;
 - (f) Agrees that the Director of Environment reports back as soon as possible with options and costs with regard to the new leisure centre and theatre in Eastwood Park;
 - (g) Notes the progress being made with the Eastwood Park master planning exercise and that the Director of Environment will report back on the wider issues and opportunities/possibilities in due course; and
 - (h) Notes that should these recommendations be approved then Shawwood and Broomburn parks would remain as protected urban green space in terms of the Local Development Plan.

Andrew Cahill
Director of Environment



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EAST RENFREWSHIRE COUNCIL26 June 2019Report by Director of EnvironmentPROPOSED LOCAL DEVELOPMENT PLAN 2**PURPOSE OF REPORT**

1. The purpose of this report is to seek approval for a Proposed Local Development Plan 2 and to seek approval to publish the Proposed Plan for consultation.

RECOMMENDATIONS

2. It is recommended that the Council:

- Approves the Proposed Local Development Plan 2 and supporting documents for publication and consultation; and
- Delegates to the Director of Environment to approve any minor inconsequential changes to these documents, in line with Council policy, prior to their publication.

BACKGROUND

3. The Local Development Plan is the Council's key strategic land use planning document. Along with the capital investment strategy/capital plans, and long-term financial strategy it directly supports the Community plan (including Fairer East Ren) and Vision for the Future (the Council's corporate plan).

4. The provision of new homes and supporting infrastructure is one of the most important elements of a Local Development Plan. The approved Glasgow and Clyde Valley Strategic Development Plan (2017), now referred to as 'Clydeplan', sets out the housing requirements to 2029 across all tenures. The Council is required to provide 4350 homes during the period 2012-29.

5. The current Local Development Plan (LDP1) was adopted in June 2015 and runs to June 2020.

6. The Council commenced a review of LDP1 and started the preparation of LDP2 in October 2016 with the publication of the Main Issues Report (MIR) for consultation. The MIR set out the Council's officers preferred options and possible alternatives.

7. The MIR identified consolidation, regeneration and controlled edge of settlement growth as the preferred strategy. This promoted limited expansion of settlements. The aim of this approach was to deliver a broader distribution and flexible supply of land for housing and to assist with the provision of affordable and particular needs housing in areas where it is limited.

8. In that context the MIR identified 13 sites as new preferred housing sites and drew attention to a further 6 sites which had not previously been considered or assessed but had been put forward by interested parties (developers/landowners) through the MIR consultation. The 13 sites had a total estimated capacity of 1050 units. The individual site capacities ranged from 20 to 160 units.

9. The results of this public consultation were reported to the Council in December 2017.

10. In addition, the report to the Council in December 2017 identified that meeting educational needs was raised in the MIR as a key issue for LDP2. To address this it was proposed in the report to undertake further detailed needs analysis and forecasting of future educational needs.

11. The Council noted:

- The consultation responses received in relation to the Main Issues Report as summarised in Appendix 3 of the report; and
- That further research and analysis would be carried out to inform the approach towards education needs and provision for the Proposed Plan (i.e. LDP2).

12. On 31st October 2018 the Council considered a report by the Director of Environment on the results of joint research and analysis carried out by the Education and Environment Departments to inform the long term planning of educational infrastructure. The report advised that as a result of the inclusion of the 13 preferred housing sites from the MIR, increases in the population of young people, inward migration and the second hand housing and rental market, sites would need to be identified and allocated in LDP2 to meet future education needs for:

- a new denominational secondary school;
- a new denominational primary school with early years nursery and;
- a new non-denominational primary school with early years nursery and additional needs support unit.

13. The Council noted;

- the work carried out to date and the approach taken towards meeting the education needs and provision for the proposed LDP2 given existing pressures on parts of the education estate;
- that further analysis may be required depending on any future Council decision in relation to potential new housing development at Braidbar Quarry;
- that work was ongoing to identify suitable locations for new schools and that proposed safeguarded sites for education would be incorporated into the proposed LDP2 which would be reported to the Council in early 2019;
- that the matter would be referred to the Local Development Plan Member/Officer Working Group for discussion.

REPORT

14. Since October 2018 joint working has continued between the Environment and Education Departments.

15. Considerable detailed research and analysis has been undertaken to inform long term planning of educational infrastructure and understanding of requirements. The long term demographic trends, as set out in the Council's Planning for the Future Report, has shown that the number of children and young people aged 0-15 has increased by 6.2% from 2011-2017 and is expected to grow by a further 5.4% by 2025.

16. The current established position is that the schools within the Eastwood area of the authority have increasingly high occupancy levels. It is important to note that there is insufficient capacity within the current school estate to support **any** new development over

and above that which is included within LDP1. As previously reported to the Council in October 2019 the release of any further sites within the Eastwood area would require the provision of an additional 3 schools.

17. A secondary school would require a site of around 20 acres and a primary school would require around 10 acres. A requirement for 3 schools as outlined earlier would therefore require around 40 acres of land.

18. Attempts to identify potential school locations within the Eastwood area have so far been unsuccessful as the availability of sites is extremely limited. The Council owns little land in the Eastwood area and certainly no land appropriate for this purpose. Discussions with landowners and developers are continuing.

19. Within the context of land ownership in the Eastwood area it is also important to highlight the real challenges and difficulties facing the Council in this respect with regard to recently having to meet the Early Years nursery provision requirements and the building of new council houses and/or community facilities now and in the future.

20. The research and analysis of the school estate has been a particularly valuable piece of work which has not only informed LDP2, but will influence land use planning within the Council area well into the future. However, this work has also impacted on the timescale for the production of LDP2. There is significant current residential development opportunity already identified in LDP 1 across the Council area.

21. There is currently through the existing LDP1 an effective ongoing land supply which complies with the requirements of Scottish Planning Policy.

22. Regardless of these issues it is essential that the Council has an up to date and refreshed Local Development Plan that fully reflects the policy requirements of Scottish Planning Policy and Clydeplan.

23. Proposed LDP2 sets out the refreshed strategy up to 2029. The infrastructure issues highlighted in this and previous Council reports will continue to be monitored and addressed when LDP3 is being progressed.

24. It is proposed therefore that LDP2 should not include any of the 13 sites identified in the MIR or any other additional sites and simply seek to promote a strategy of consolidation and regeneration.

25. This approach should allow the Proposed Plan to be progressed swiftly towards adoption.

LDP2: KEY PROPOSALS

26. Listed below is a summary of the key proposals;

The proposed plan:

- promotes a strategy of consolidation and regeneration focused upon delivering the vision and 3 strategic objectives of:

Creating Sustainable Places and Communities;
Promoting Sustainable and Inclusive Economic Growth; and
Promoting a Low Carbon Place.

- contains no additional sites identified for release for housing development;
- builds upon the strategy and momentum created by the Adopted LDP1 and seeks to deliver sustainable and inclusive economic growth and regeneration, a mix and range of housing, improved connectivity, new infrastructure, jobs and investment and a move towards a low carbon place and economy;
- seeks to protect communities from unplanned and unsustainable development;
- includes a policy to ensure the protection of urban green space;
- advocates a sustainable transport network and active travel;
- advocates a brownfield first approach in the urban area with a continued focus upon the availability of infrastructure and the deliverability of sites, in particular the three key master plan areas (Maidenhill, Barrhead South and Barrhead North) and the City Deal infrastructure projects;
- prioritises the importance of design and placemaking in order to enhance East Renfrewshire's existing built and natural environment, make places more attractive, sustainable, safer and better connected. The Proposed Plan also aims to raise the quality of new development with proposals expected to be energy efficient, incorporate integrated green infrastructure and green networks and provide a positive sense of place and identity;
- is supported by Proposal Maps and a series of other technical documents listed below. These documents provide more information and further justification for the contents of the Plan.

Action Programme (Appendix 2)

Strategic Environmental Assessment (Appendix 3)

Equalities and Human Rights Impact Assessment (Appendix 4)

27. These documents together with the Proposals Maps are available to view in the Members' Lounge and on the Council's website - www.eastrenfrewshire.gov.uk/ldp2
28. The Strategic Environmental Assessment has been fundamental in identifying the environmental impacts of proposed policies and site specific proposals. The Action Programme sets out the main actions required to implement and monitor the Proposed Local Development Plan's policies, proposals and strategy.

FINANCE AND EFFICIENCY

29. Costs associated with the preparation of and future consultation on the Proposed LDP2 will be met from within existing budgets.

CONSULTATION

30. The Planning etc. (Scotland) Act 2006 sets out specific requirements in relation to publicity and consultation of a Proposed Local Development Plan. The Council will aim to go well beyond the minimum statutory requirements.

31. All respondents to the Main Issues Report will be notified of the consultation on the Proposed LDP2.

32. The issues contained within this report and the Proposed LDP2 have been discussed with the established LDP Member/Officer Working Group.

33. The Proposed Plan will be issued for an 8 week consultation period commencing October 2019.

PARTNERSHIP WORKING

34. The approach towards education needs and provision for the Proposed LDP2 has been developed in close collaboration between the Education and Environment Departments.

35. The LDP2 preparation is and will continue to be the subject to on-going consultation with a wide range of both internal and external stakeholders.

IMPLICATIONS OF THE PROPOSALS

36. There are no new staffing, property, policy, IT, equalities or other implications at this point in time.

CONCLUSIONS

37. The strategic housing analysis and monitoring clearly demonstrates that there is an effective and generous housing land supply available. There are significant educational issues which remain unresolved. There is insufficient school capacity to support **any** new development over and above what is included within LDP1.

38. To ensure the Council has an up-to-date and refreshed LDP that reflects the policy requirements of Scottish Planning Policy and Clydeplan, and addresses educational and other infrastructure constraints, it is recommended that LDP2 is progressed swiftly towards adoption with a strategy of consolidation and regeneration as the preferred approach.

39. The need to continue to monitor the demand for education places and to bring forward a strategy that will fully address future education infrastructure requirements in a long term, coordinated and planned way remains a key issue. The Education and Environment Departments will continue to work in close collaboration to agree a strategy that will fully address future education and residential needs in a long term, coordinated and planned way through LDP3 which will follow the adoption of LDP2 and the strategy for which will form part of a wider vision of the Council.

RECOMMENDATIONS

40. It is recommended that the Council:

- Approves the Proposed Local Development Plan 2 and supporting documents for publication and consultation; and
- Delegates to the Director of Environment to approve any minor inconsequential changes to these documents, in line with Council policy, prior to their publication.

Further information can be obtained from: Andrew Cahill Director of Environment on 0141 577 3036 or Andrew.cahill@eastrenfrewshire.gov.uk

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EAST RENFREWSHIRE COUNCIL26 June 2019Report by Director of EnvironmentLOCAL DEVELOPMENT PLAN 1: EDUCATION DEVELOPMENT CONTRIBUTIONS:
UPDATE TO BASE DATA AND COST INFORMATION**PURPOSE OF REPORT**

1. The purpose of this report is to ask Members to approve an update to the evidence base which informs the Education section of the Council's adopted Local Development Plan 1 (LDP1) Supplementary Planning Guidance (SPG) on Development Contributions.

RECOMMENDATIONS

2. It is recommended that the Council:
- (a) Approves the update of the evidence base supporting the Education section of the Council's adopted LDP1 Supplementary Planning Guidance on Development Contributions;
 - (b) Approves the resulting updated Education contribution requirements, for formal publication as an addendum to the adopted SPG (Appendix 1); and
 - (c) Delegates to the Director of Environment to approve any minor inconsequential changes to the document, in line with Council policy, prior to its publication.

BACKGROUND

3. The Council's current Local Development Plan (LDP1) was adopted in June 2015.
4. Alongside LDP1 the Council adopted Supplementary Planning Guidance (SPG) on Development Contributions, under Section 22 of the Planning etc. (Scotland) Act 2006. Since its adoption this SPG has formed a statutory part of the Local Development Plan.
5. The Council's LDP aims to strike a balance between facilitating new development whilst preserving and enhancing our high quality built and natural environment. The Council firmly believes that new development should not adversely impact upon existing levels of service provision, infrastructure, or the quality of our environment. Therefore through our Development Contributions Policy, new developments which individually or cumulatively generate a requirement for new or increased infrastructure or services will be required to deliver or contribute towards the provision of supporting services, facilities and enhancement of the environment. This ensures that the cost of this required mitigation is funded by the development and not the general public. To use education as an example of how this would work in practice:

- a) If a new residential development (that would generate children of school age) was proposed in an area where some or all of our catchment schools or early years establishments are close to (or above) their occupancy rates (based on their planning capacity), the Council would secure financial contributions from that development for the appropriate schools provision, in order to allow the proposed development to go ahead. The Council would then use the financial contributions to increase capacity within the catchment of the new development so that the additional children can be accommodated.

6. Development contributions are sought for specific purposes and are subject to legal tests to ensure that they are necessary, serve a planning purpose, directly relate to the development and are reasonable in scale, in relation to the development.

7. The Proposed Local Development Plan 2 (LDP2) is currently in preparation with the view to it being published for public consultation in late summer 2019 with a further report being submitted to the Council for the plan to then be progressed through the planning system and the Reporters Unit. This is dealt with in a separate report on this Council agenda.

8. In the meantime it is considered that a technical update of the evidence base supporting the Education section of the Council's adopted SPG on Development Contributions is required in order to adequately support the delivery of LDP1 for the remainder of its duration.

REPORT

9. The purpose of SPG is to provide supporting detailed guidance on Local Development Plan Policies and Proposals.

8. The adopted Development Contributions SPG (June 2015) states that "the base data supporting this policy will be reviewed on an annual basis and where appropriate updated cost information will be published on the Council website. It is intended that this annual review will ensure that the application of the policy remains robust for the lifetime of the LDP with a full review of the policy in tandem with the LDP lifecycle (or sooner if required)".

9. Ongoing reviews on the base data supporting the policy have been carried out since adoption of the policy. To date it has not been considered necessary to publish updated data or cost information.

10. However, recently a significant and comprehensive piece of work reviewing all base data in the Education section of the SPG was carried out jointly by the Education and Environment Departments (as previously reported to Council in October 2018).

11. Given the significance of this review and its outcomes it is now felt appropriate to publish the updated base data and resulting cost information (the supporting information used in the education calculations and **the resulting development contribution required per house**). This will make clear to developers the Council's expectation regarding education development contributions.

12. The main updates to the supporting information used within the Education calculations include:

- a) Reference to the new schools and Early Years establishments which have opened since the publication of the SPG back in 2015 and adding these schools and their catchments into the calculations;
- b) Updated build costs per pupil, determined from the Council's most recent school construction projects;
- c) Updated Pupil Product Ratios (the anticipated propensity of residential units to generate children of school age) including the addition of Isobel Mair Additional Support Needs school; and
- d) Updated programming of future residential developments (using 2018 Housing Land Audit data).

13. In line with the adopted SPG, it is proposed that this updated information is published on the Council's website. This will be published as an education addendum.

14. A full update of the SPG will be produced in due course to support the Proposed Local Development Plan 2. It is anticipated that this full Proposed SPG will be reported in late Autumn/Winter 2019.

FINANCE AND EFFICIENCY

15. The implementation of the adopted SPG enables the Council to help meet the costs of, and progress the provision of, essential infrastructure, services and environmental improvements related to new development.

16. However the significant results from the recent education review (notably the change in our Pupil Product Ratios and construction costs per pupil), show that there is an urgent need to formally update the evidence base, **and the resulting education contribution requirements**, to ensure that the financial contributions the Council is securing towards education capacity enhancements are sufficient to fund the capacity enhancements required.

17. Costs associated with the preparation of this update to the base data and cost information supporting the Education section of the SPG will be met from within existing budgets.

CONSULTATION

18. The adopted Development Contributions SPG states that the base data and cost information will be reviewed annually and where appropriate updated information will be published on the Council website. There is no requirement to consult.

PARTNERSHIP WORKING

19. The background work reviewing all base data in the Education section of the SPG and informing the Education Addendum was carried out in partnership with officers in the Council's Education Department.

IMPLICATIONS OF THE PROPOSALS

20. There are no new staffing, property, policy, IT, equalities or other implications at this point in time.

CONCLUSIONS

21. The adopted SPG (June 2015) states that the base data supporting the policy will be reviewed on an annual basis and where appropriate updated cost information will be published on the Council website.

22. Following a significant review of the base data and cost information which supports the Education section of the SPG, it is now considered appropriate to publish updated cost information. It is proposed that this updated information be published on the Council's website as an Education Addendum to the adopted SPG. This will ensure that the SPG remains robust in order to adequately support the delivery of the adopted Local Development Plan (LDP1).

23. A full update of the SPG will be produced in due course to support the Proposed Local Development Plan 2. It is anticipated that this full Proposed SPG will be reported in late Autumn/Winter 2019.

RECOMMENDATIONS

24. It is recommended that the Council:

- (a) Approves the update of the evidence base supporting the Education section of the Council's adopted LDP1 Supplementary Planning Guidance on Development Contributions;
- (b) Approves the resulting updated Education contribution requirements, for formal publication as an addendum to the adopted SPG (Appendix 1); and
- (c) Delegates to the Director of Environment to approve any minor inconsequential changes to the document, in line with Council policy, prior to its publication.

Director of Environment

Further information can be obtained from: Andrew Cahill Director of Environment on 0141 577 3036 or Andrew.cahill@eastrenfrewshire.gov.uk

June 2019

EAST RENFREWSHIRE COUNCIL26 June 2019Report by Audit and Scrutiny CommitteeANNUAL STATEMENT ON ADEQUACY AND EFFECTIVENESS OF GOVERNANCE, RISK
MANAGEMENT AND INTERNAL CONTROL SYSTEMS**PURPOSE OF REPORT**

1. To provide a statement on the adequacy and effectiveness of the governance, risk management and internal control systems operating within the Council during 2018/19.

RECOMMENDATION

2. It is recommended that the Council note the internal audit annual statement on the adequacy and effectiveness of the governance, risk management and internal control systems of the Council for the year ending 31 March 2019.

BACKGROUND

3. The Audit and Scrutiny Committee's terms of reference include a requirement for it to review the control environment and make an annual statement to the Council on its evaluation of internal controls. To assist with the evaluation, Internal Audit is required to provide the Committee with an annual statement on the adequacy and effectiveness of the governance, risk management and internal control systems operating within the Council. The statement for the year ending 31 March 2019 was submitted to the Committee on 20 June 2019 as an Appendix to the Internal Audit Annual Report 2018/19.

INTERNAL CONTROL FRAMEWORK

4. As highlighted in the report submitted to the Audit and Scrutiny Committee by the Chief Auditor, in order to ensure the proper conduct of its business, the Council has a responsibility to develop and implement systems of internal control. The presence of an effective internal audit function contributes towards, but is not a substitute for, effective controls and it remains primarily the responsibility of line management to ensure that internal controls are in place and are operating effectively. A sound control system will help safeguard assets, ensure records are reliable, promote operational efficiency and ensure adherence to Council policy and procedures. Such systems of internal control can provide only reasonable and not absolute assurance against loss.

5. As part of its Standing Orders and in order for the business of the Council to be dealt with in an efficient manner, the Council has in place both a Scheme of Administration and Scheme of Delegated Functions. The former indicates the business to be dealt with by the various bodies of the Council, whilst the latter gives details of the authority delegated to officers by the Council. In addition to this, a comprehensive set of approved Financial Regulations are in place, which ensure that the financial administration of the Council is dealt with in a proper manner. The Council's Financial Regulations incorporate the requirement to present to the Audit and Scrutiny Committee each year an Annual Audit Report showing the activity of the Internal Audit service and progress achieved against the

Internal Audit Plan. An assurance statement on the adequacy and effectiveness of the governance, risk management and internal control systems operating within the Council must form part of that report.

6. As commented on by the Chief Auditor in the report she submitted to the Audit and Scrutiny Committee on 20 June, governance, risk management and internal control systems need to be monitored so that management and Members may be sure that they continue to be effective. Monitoring of controls is done at a number of levels, for example, assessment by line management; internal audit and external audit review and subsequent reporting to management of identified weaknesses and recommendations; and monitoring by the Audit and Scrutiny Committee. If monitoring of control is to be effective, then senior management must foster an environment where internal control is the responsibility of all staff.

INTERNAL AUDIT ANNUAL STATEMENT OF ASSURANCE FOR 2018/19

7. As explained in the Annual Statement of Assurance for 2018/19, the Chief Auditor's evaluation of the control environment was informed by a number of sources:-

- The audit work undertaken by Internal Audit during the year to 31 March 2019 and material findings since the year end
- The audit work undertaken by Internal Audit in previous years
- The assessment of risk completed during the preparation of the strategic audit plan
- Assessments of the general control environment within individual departments as completed by each director
- Reports issued by the Council's external auditors and other review and inspection agencies
- Knowledge of the Council's governance, risk management and performance monitoring arrangements
- Any other items brought to the attention of internal audit staff by whatever means which may warrant further investigation.

8. The Audit and Scrutiny Committee has received regular progress reports from the Chief Auditor on the work of Internal Audit.

OPINION

9. The attached Annual Statement of Assurance for 2018/19 (see Appendix A) concludes that it is the opinion of the Chief Auditor that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and internal control for the year ended 31 March 2019.

10. The Audit and Scrutiny Committee considered and approved the internal audit annual statement on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control for the year ended 31 March 2019 on 20 June 2019.

RECOMMENDATION

11. It is recommended that the Council note the internal audit annual statement on the adequacy and effectiveness of the governance, risk management and internal control systems of the Council for the year ending 31 March 2019.

Report Author: Linda Hutchison, Clerk to Committee 577 8388

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Background Papers: Internal Audit Annual Report 2018/19

INTERNAL AUDIT ANNUAL STATEMENT OF ASSURANCE FOR 2018/19

As Chief Auditor of East Renfrewshire Council, I am pleased to present my annual statement on the adequacy and effectiveness of the governance, risk management and internal control systems of the Council for the year ended 31 March 2019.

Respective Responsibilities of Management and Internal Audit in relation to Governance, Risk Management and Internal Control

It is the responsibility of the Council's senior management to establish appropriate and sound systems of governance, risk management and internal control and to monitor the continuing effectiveness of these systems. It is the responsibility of the Chief Auditor to provide an annual overall assessment of the robustness of governance, risk management and internal control.

The Council's Framework of Governance, Risk Management and Internal Controls

The main objectives of the Council's framework of governance, risk management and internal control are:

- To ensure adherence to management policies and directives in order to achieve the organisation's objectives;
- To safeguard assets;
- To ensure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records; and
- To ensure compliance with statutory requirements.

Any system of control can only ever provide reasonable and not absolute assurance that control weaknesses or irregularities do not exist or that there is no risk of material errors, losses, fraud, or breaches of laws or regulations. Accordingly, the Council is continually seeking to improve the effectiveness of its systems of governance, risk management and internal control.

The work of Internal Audit

Internal Audit is an independent appraisal function established by the Council for the review of the internal control system as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal control in all service areas as a contribution to the proper, economic, efficient and effective use of the Council's resources.

During 2018/19, the internal audit service operated in accordance with the Public Sector Internal Audit Standards (PSIAS). A self-assessment was carried out and submitted to the audit and scrutiny committee. This review concluded that the internal audit service continues to operate in compliance with the Public Sector Internal Audit Standards. A quality assurance improvement plan has been developed to further enhance compliance and is included within the appendices. External audit have also considered the work of internal audit and did not raise any issues.

The service undertakes an annual programme of work approved by the Audit Committee based on a five year strategic plan. The strategic plan is based on a formal risk based audit needs assessment which is revised on an ongoing basis to reflect evolving risks and changes within the Council.

All internal audit reports identifying system weaknesses and/or non-compliance with expected controls are brought to the attention of management and include appropriate recommendations. It is management's responsibility to ensure that proper consideration is

given to internal audit reports and that an appropriate action plan is provided in response to audit recommendations. Internal Audit is required to ensure that appropriate arrangements are made to determine whether action has been taken on internal audit recommendations or that management has understood and assumed the risk of not taking action. Significant matters arising from internal audit work are reported to the Chief Executive and the Council's Audit and Scrutiny Committee. Follow up work is carried out by Internal Audit to ensure that recommendations previously accepted by management have been implemented. Copies of these reports are circulated to members of the Audit and Scrutiny Committee.

Basis of Opinion

My evaluation of the control environment is informed by a number of sources:

- The audit work undertaken by Internal Audit during the year to 31 March 2019 and material findings since the year end
- The audit work undertaken by Internal Audit in previous years
- The assessment of risk completed during the preparation of the strategic audit plan
- Assessments of the general control environment within individual departments as completed by each director
- Reports issued by the Council's external auditors and other review and inspection agencies
- Knowledge of the Council's governance, risk management and performance monitoring arrangements
- Any other items brought to the attention of internal audit staff by whatever means which may warrant further investigation.

Opinion

It is my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and internal control for the year ended 31 March 2019.

Michelle Blair FCA
Chief Auditor

5 June 2019