

**Department of Corporate and Community Services**

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Date: 20 November 2020

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TO: Councillors T Buchanan (Chair); C Bamforth; D Devlin; A Lafferty; C Merrick; and P O'Kane.

**CABINET**

A meeting of the Cabinet will be held on **Thursday 3 December 2020 at 10.00am.**

The agenda of business is as shown below.

**Please note this is a virtual meeting.**

**Caroline Innes**

C INNES  
DEPUTY CHIEF EXECUTIVE

**AGENDA**

1. **Report apologies for absence.**
2. **Declarations of Interest.**
3. **Core Systems Implementation: Progress – Report by Chief Executive (copy attached, pages 3 - 8).**
4. **Strategic Housing Investment Plan 2021-2025 – Report by Director of Environment (copy attached, pages 9 - 14).**
5. **Place Branding and Economic Recovery - Report by Director of Environment (copy attached, pages 15 - 26).**
6. **Town Centre Capital Fund 2019-20 and 2020-21 - Report by Director of Environment (copy attached, pages 27 - 30).**
7. **Early Learning and Childcare (Expansion 2020) – Report by Director of Environment (copy attached, pages 31 - 38).**

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EAST RENFREWSHIRE COUNCILCABINET3 December 2020Report by Chief ExecutiveCORE SYSTEMS IMPLEMENTATION – PROGRESS REPORT**PURPOSE OF REPORT**

1. The purpose of this report is to update Cabinet on the implementation of the new Finance/Procurement and HR/Payroll ICT systems.

**RECOMMENDATIONS**

2. It is recommended that Cabinet:
- a) notes the successful implementation of the new Finance and Procurement ICT system;
  - b) notes the revised plan for implementation of HR & Payroll system as a result of COVID-19;
  - c) notes that the overall Programme remains within budget, but that there may be future costs, dependent on the level of efficiencies that can be projected from future phases of the programme;
  - d) commends the continued delivery of this complex programme across a challenging year and the ongoing realisation of early business efficiencies from the phases delivered to date.

**BACKGROUND**Modern, Ambitious Programme

3. The Council's Modern, Ambitious Programme (MAP) seeks to change the way we work, with a particular focus on the capabilities of modernising, digital and data.

4. Much of the corporate change capacity over the last 2 years has been focused towards complex replacements of some of our most fundamental ICT legacy systems that touch every employee and every household in East Renfrewshire. The focus of this report is the Core Systems programme, but it is important to view that in the broader context of other intense programmes including the Council Tax and Benefits system replacement, due to 'go live' in December 2020, and the Digital Customer Experience programme which, as a first stage in a long-term change journey, successfully replaced the Council's website in July 2020.

5. Work is ongoing across the Council to review projects and capacity and reprioritise in the light of COVID-19 and the pressures on budgets.

## Core Systems

6. In 2018 Cabinet was introduced to a specific programme aimed at modernising and transforming the processes and systems used to manage Finance, Procurement, HR and Payroll – we call these the Core Systems as they are integral to so much of the Council's business.

7. The primary goals of the Core Systems programme to renew our Finance, Procurement, HR and Payroll solutions are to support and drive cost savings and efficiencies by:

- providing a 'single source of the truth' that will allow accurate and informative reporting;
- implementing best practice processes that support automation and can enforce compliance;
- improving user experience with modern technologies and providing self-service functionality for employees and managers.

8. System changes as significant as this requires a critical focus on financial controls and rigorous testing. They are lengthy implementations given the requirements of the different stages, which include: procurement; mapping of 'as is' and 'to be' processes; testing; training; implementation; embedding; and improving business processes.

9. It is common for there to be delays in these types of implementations as they strive to manage the complexity of the programme and ICT infrastructure alongside the need to get processes and controls right in advance of going live.

## **REPORT**

### Finance & Procurement System

10. Following a successful procurement exercise, in November 2018, the Council awarded a 5-year contract for the new Finance/Procurement system, with scope for five 12-month extensions if required.

11. The first phase of the Finance/Procurement system was successfully implemented in November 2019. This was a few months later than the original plan due to contract negotiations, ICT connectivity issues and complexity of the financial processes which had to be worked through to ensure sound financial control and get agreement from across the Council, its 'family' organisations (i.e. ERCLT and HSCP) plus local auditors.

12. Implementation of such a complex system change broadly within original timescales was a significant achievement for the Council. We are now a year in and the first full year-end using the new system has been completed successfully.

13. There has been positive feedback from all departments involved and the Council has already begun to realise benefits in terms of employee self-service; digitisation of processes; elimination of spreadsheets and tighter financial controls. Work is ongoing with services to quantify the benefits to date and plan future potential.

14. Successfully implementing the new finance system is just the first phase in the project. Work is continuing to improve processes and connect the system to other systems in the Council with the aim of automating processes and further improving financial control. Delays caused by COVID-19, have meant that onward release plans for the Finance/Procurement

system have been pushed out, with the current programme now due to transition to 'business as usual' late in 2021/22. By the end of December 2020, 4 'releases' or phases of the Finance and Procurement will have been deployed.

15. The scope of the Finance and Procurement programme has also been significantly extended to cover an upgrade by the supplier of the Council's Income Management system, necessary for compliance with revised legislation related to the accessibility of the website element. To prevent clashes with the new Council Tax and Benefits system implementation, it is envisaged that the new income management functionality will now go live in Spring 2021.

## HR & Payroll System

16. The HR and Payroll system has been in place since 1999 for payroll and 2009 for HR functionality and holds extensive data on Council employees. There are approximately 6000 records for just over 5000 employees including contracted and casual staff groups and HR and payroll functions covered for over 450 employees of East Renfrewshire Culture and Leisure Trust (ERCLT). The system also holds the names and posts of over 200 NHS employees at the HSCP for HR functions.

17. In March 2019 following a tendering process, the Council signed a 4-year contract with Midland iTrent for provision of a new HR and Payroll system. In December 2019, Cabinet was asked to approve an exemption from Contract Standing Orders to allow the Council to award a contract for provision of a read-only archiving licence for the current HR and Payroll system. This was to ensure the Council could meet the requirements of GDPR, and fulfil the obligations of our retention policy.

18. Implementation of the new system was originally planned for November 2019 but was delayed until Spring 2020 due primarily to the protracted supplier negotiations and challenges with staffing the project. Following discussions with the Chief Executive and various officers of the Council's leadership team, it was concluded that, due to the COVID-19 impact on resourcing and onsite working and the uncertainty surrounding the duration of the disruption, balanced against the risks to our employees' payroll at an unprecedented time, there was no choice but to delay the implementation of the HR/Payroll project until later in 2020.

19. This delay resulted in a cost to the Council of retaining the legacy HR system for an additional year. This was approved by the Chief Officer, Legal and Procurement, under emergency powers after consultation with the Leader, Deputy Leader and the Leader of the Opposition. The decision was reported to elected members as part of the update to the Council on emergency decisions made under delegated powers whilst committees were not sitting.

20. Following an intensive period of work, planning and testing in recent months, the system is now scheduled for 'go live' in December 2020, with final readiness meetings planned with the Core Systems Board in advance. There will be a programme of work lasting across 2021/22 to fully implement and embed the system.

## **IMPLICATIONS**

21. There are planned phases of work for both systems that run well into 2021/22. These include integrating the systems with other key line of business systems to deliver the goal of 'single source of the truth' for reporting; development of reporting dashboards and e-forms to improve efficiency; and reviewing end to end business processes.

22. To truly realise the benefits from these important systems, it will be necessary to continue to maintain and develop them across future years. This will involve business as usual upgrades; troubleshooting issues and provision of user helpdesk and training; iterating business processes for maximum efficiency and taking further opportunities to improve the Council's ICT system architecture and data management and reporting.

23. We are currently considering the options for managing this ongoing demand. This will involve a restructure of several areas of responsibility and an extension of certain temporary resource to manage the transition. It is envisaged that revenue budget resources will be required for 2022/23 and in the meantime it is anticipated that Modernisation Funding will be used to cover the interim costs of the temporary programme roles.

## **FINANCE & EFFICIENCY**

24. There was a planned total contractor budget of £5.8M to cover the Finance, Procurement and HR/Payroll solutions through the Core Systems programme. This figure reflects capital and revenue for the total contract term of 10 years. The Contract notice also reflected that the Council reserves the right to spend up to £15M over the lifetime of the Framework Agreement but with caveats that no guarantee is offered as to the final level of contract spend.

25. The complexities of these projects should not be underestimated and the risks of trying to move too quickly and without due process are significant. The progress made on both the Finance/Procurement and HR/Payroll systems over the last 2 years is to be commended. We have evidence of a number of other councils who have either failed or are struggling to deliver on the implementation of new Finance and HR systems.

26. There were financial consequences as a result of the COVID-19 delay to the implementation of the HR/Payroll system, through extension of the use of external system experts and the continuation of the contract for the legacy HR/Payroll system for a further year to enable us to maintain employee records and pay our employees accurately and on time. The implications of this decision were closely weighed against risk of proceeding with such limited onsite resources at the time.

27. Despite this, and through sound management, the overall Core Systems Programme is currently operating within its original budget. There may be additional costs to be borne in 2021/22 dependent on how far the Core Systems Board wants to go in deploying further releases of the system. The further we go in deployment of new releases and capability, the greater the efficiencies, but this needs to be off-set against cost and capacity. This will be assessed carefully by the Board in future months.

28. In addition, as we progress towards the end of the financial year 2020/21 work will be undertaken to review the outturn position in terms of benefits from the programme measured against the original business case. Many of the structural and staffing benefits will have been delivered as part of the revenue savings process in the last 2 years, although several planned efficiencies were reliant on both systems having been deployed and working in sync with one another – the delay to the HR/Payroll system will have impacted the realisation of those benefits at this time.

## CONSULTATION AND PARTNERSHIP WORKING

29. These are very resource intensive change programmes, which are having implications for services right across the Council. This programme is overseen by the Core Systems Board, chaired by the Chief Executive, with senior representatives of Council services, the HSCP and Trust and a representative of Unison. The Chief Officer for Legal Services has also been regularly engaged in contractual issues through the life of this programme and the system suppliers have been a crucial resource in supporting the preparations for implementation.

## CONCLUSIONS

30. The implementation of a new HR/Payroll system in the same year as a new Finance/Procurement system was always a challenging prospect. However, with strong programme and project management both projects were going well and remained on track to be completed before the end of existing contracts. The Finance/Procurement system went in broadly on time and we were on target to implement our HR/Payroll system before the implications of COVID-19 became apparent.

31. The Core Systems Programme is delivering, on budget, in spite of a number of significant challenges. We are nearing the conclusion of our first financial audit under the new system and it is testament to the good work of the Programme and our local accountants that there are no significant findings arising.

32. This is one of the most complex change programmes that the Council has ever undertaken. There remains a huge focus of work ahead as we move to deploy the next releases of the Finance system; 'go live' with the HR/Payroll system and seek to capitalise on the real business benefits. There will no doubt be further unforeseen challenges and costs, but through strong governance, clear goals and sound prioritisation, the programme has demonstrated that it can and will continue to deliver.

## RECOMMENDATIONS

33. It is recommended that the Cabinet:

- a) notes the successful implementation of the new Finance and Procurement ICT system;
- b) notes the revised plan for implementation of HR & Payroll system as a result of COVID-19;
- c) notes that the overall Programme remains within budget, but that there may be future costs, dependent on the level of efficiencies that can be projected from future phases of the programme;
- d) commends the continued delivery of this complex programme across a challenging year and the ongoing realisation of early business efficiencies from the phases delivered to date.

Lorraine McMillan, Chief Executive

Report authors: Louise Pringle, Head of Communities, Revenues & Change, 0141 577 3136; Sharon Dick, Head of HR & Corporate Services, 0141 577 4079; Margaret McCrossan, Head of Accountancy, 0141 577 3035 & Richard Morrison, Senior Programme Manager (Core Systems).

## **BACKGROUND PAPERS**

- Exemption from Standing Orders Relating to Contracts, 5 December 2019
- Annual Efficiency Statement, Cabinet 15 August 2019
- Update on Modern, Ambitious Programme (MAP), 25 April 2019
- Advanced Business Solutions – Finance & Procurement System eFinancials, Cabinet 17 May 2018
- Core Corporate Systems, Cabinet 15 March 2018



EAST RENFREWSHIRE COUNCILCABINET3 December 2020Report by Director of EnvironmentSTRATEGIC HOUSING INVESTMENT PLAN 2020 – 2025**PURPOSE OF REPORT**

1. The purpose of the report is to seek approval for the proposed Strategic Housing Investment Plan 2021/22–2025/26 and for its submission to Scottish Government.

**RECOMMENDATIONS**

2. The Cabinet is asked to:
- a) Approve the East Renfrewshire Strategic Housing Investment Plan 2021/22–2025/26 for submission to Scottish Government; and
  - b) Note that a further report will be submitted to Cabinet early 2021/22 in relation to the resulting Strategic Local Programme Agreement with Scottish Government, which will confirm the programme of housing projects to be funded locally over the next 2 years.

**BACKGROUND**

3. The Scottish Government requires local authorities to supplement their Local Housing Strategy (LHS) with a Strategic Housing Investment Plan (SHIP) - setting out in detail the Council's affordable housing investment priorities for the coming 5 years. The SHIP will detail what houses will be built, of what size and what location and, if available, who the proposed landlord will be. Members should note that affordable housing includes houses for social rent and also low cost home ownership.

4. SHIPs must be produced and approved by local authorities annually. The existing SHIP programme will be rolled forward and added to taking into account increased resources and subsidy levels announced by the Scottish Government. The proposed SHIP must gain local authority committee approval prior to submission to the Scottish Government.

5. The Scottish Government's Affordable Housing Supply Programme (AHSP) aims to deliver 50,000 affordable homes by 2021. The Scottish Government announced in October 2020 its intention to earmark £3.4 billion to continue the affordable homes programme for the next 5 years until 2025-26. Whilst this funding is a 16% increase on the 2016/2021 programme it should be noted that Scottish Government funding for new build will be conditional on a number of requirements being met including fire suppression systems, additional indoor space for work or study, improved connectivity and access to outside space, higher energy efficiency standards and the use of modern construction methods.

6. The AHSP funding is allocated to each local authority through Resource Planning Assumptions (RPA) which confirms the final amount of new affordable homes that can be delivered in East Renfrewshire Council through the SHIP. The Scottish Government will assess each SHIP to determine the RPA for future years. The RPA details for 2021/22 may not be available until early 2021.

7. In terms of new homes built by East Renfrewshire Council all homes are currently built to the 'greener standard', attracting an enhanced subsidy of £59,000 per property. A Registered Social Landlord (RSL) project meeting this standard can attract a subsidy of at least £72,000 per property. This discrepancy is something many local authorities are lobbying to address.

8. In addition to Resource Planning Assumptions (RPA ) funds received through the affordable housing programme, the council can also subsidise the building of affordable homes through financial resources raised through commuted sums and second home Council tax discounts.

9. The new build programme for East Renfrewshire Council has completed 45 homes over 3 sites with construction commenced and ongoing on 3 new sites scheduled to deliver an additional 116 new council homes in 2021/22. A separate report updating the Cabinet on East Renfrewshire Council's new build programme is included on the agenda for this meeting of the Cabinet.

## REPORT

10. The SHIP 2021/22 to 2025/26 programme tables are attached as Appendix 1 to this report.

11. The proposed SHIP details the approach to prioritising projects, which focuses on:

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

12. The proposed SHIP could potentially deliver affordable homes from 2021/22 to 2025/26 as follows:

- 579 units of social rented housing.
- A number of affordable properties for sale are also expected but will largely be delivered outwith the SHIP through developer contributions (and without subsidy). The total figure of homes to be delivered is determined through planning discussion with individual developers.
- Approximately 10% of the new units programmed are expected to be suitable for particular needs (e.g. for wheelchair users, older people, etc) or adaptable to meet changing needs. These requirements will be agreed with Housing Services and other partners. The need for adaptations is expected to continue to grow given the projected future increase in the number of elderly households creating significant pressure in a climate of constrained public resources.

13. The proposed programme supports the delivery of the Community Planning Partnership's priorities outlined in the Community Plan. It also reflects the strategic housing priorities detailed in the Local Housing Strategy 2017-2022.

14. Following submission of our SHIP programme, the Scottish Government will use the details to prepare a Strategic Local Programme Agreement (SLPA), setting out the agreed programme of housing projects to be funded in East Renfrewshire through the AHSP over the next 3 years. The SLPA is expected to be received in early 2021/20 and will be brought to Cabinet for consideration.

15. To help meet the need and demand for affordable housing the SHIP is weighted to building in the Eastwood area.

16. Members should be aware that the SHIP Programme is reliant on the private sector bringing forward developments, presenting an element of risk in delivery timescales which may result in uncommitted resources being redistributed by the Scottish Government. However, the partnership approach taken in the Barrhead South, North and Maidenhill development masterplan areas includes planned phasing of sites and firmer agreement on the affordable housing element to be delivered, improving certainty for these projects in the SHIP.

## **FINANCE AND EFFICIENCY**

17. In addition to RPA funds received through the AHSP, East Renfrewshire's Affordable Housing 'Pot', i.e. commuted sums and Council tax discounts, has also been fully committed to support the SHIP programme. To date this equates to more than £1.8m with potential for additional contributions being received over the period of the affordable housing programme.

## **CONSULTATION**

18. Consultation on the draft SHIP programme each year is carried out with a range of stakeholders including local Housing Associations and Health and Social Care Partnership (HSCP). However, the impact of COVID 19 has restricted the level of consultation available this year.

19. The recommendations from the consultation were used to inform this iteration of the SHIP and advance the partnership working with Housing Associations.

## **PARTNERSHIP WORKING**

20. The SHIP includes 3 sites where the delivery partner (Council or Housing Association) has still to be confirmed. Expressions of interest have been invited for these sites and discussions are ongoing to identify the most suitable partner to take these forward in relation to locale, scale and the size and type of housing required in that area.

## **IMPLICATIONS OF THE PROPOSALS**

21. The equality and sustainability implications associated with the SHIP programme are addressed in the relevant Equality Impact and Strategic Environmental Assessment reports undertaken for the Local Housing Strategy 2017-22 and the Local Development Plan.

## **CONCLUSION**

22. The proposed SHIP details how the Council intends to spend its Resource Planning Allocation from the Scottish Government. Demand for new social rented housing, especially

new council housing, continues to exceed supply. To address this the council has agreed an ambitious plan to build 240 new council houses and is currently in the process of reviewing the capacity within the HRA business plan to develop more homes. The need to identify available sites is an on ongoing challenge and to assist with this additional staffing resources have been made available. However, the private ownership of a number of sites means that development timescales cannot always be controlled by the council

## RECOMMENDATIONS

23. The Cabinet is asked to:

- a) Approve the East Renfrewshire Strategic Housing Investment Plan 2021/2026 for submission to Scottish Government; and
- b) Note that a further report will be submitted to Cabinet early 2021/22 in relation to the resulting Strategic Local Programme Agreement with Scottish Government, which will confirm the programme of housing projects to be funded locally over the next 2 years.

Director of Environment

Further details can be obtained from Phil Daws, Head of Environment (Strategic Services), 0141 577 3186.

Convener contact details

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(Convener for Housing and Maintenance Services)

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November 2020

## Appendix 1

PROJECT	DEVELOPER	TENURE	Financial years					SG Grant
		Social Rent	2021/22	2022/23	2023/24	2024/25	2025/26	
Balgraystone Road,Barrhead	East Renfrewshire Council	47	0.205	0.000	0.000	0.000	0.000	0.205
Commercial Road, Barrhead	East Renfrewshire Council	49	2.000	0.891	0.000	0.000	0.000	2.891
Barrhead Road, Newton Mearns	East Renfrewshire Council	18	0.900	0.122	0.000	0.000	0.000	1.022
Maidenhill Area A1 ( CALA)	East Renfrewshire Council	48	0.000	1.416	1.416	0.000	0.000	2.832
Maidenhill Area A2 (CALA)	East Renfrewshire Council	34	0.000	1.003	1.003	0.000	0.000	2.006
Maidenhill Area A3 (CALA)	East Renfrewshire Council	18	0.000	0.000	1.062	0.000	0.000	1.062
Maidenhill Area A4 Taylor Wimpey	East Renfrewshire Council	13	0.000	0.000	0.767	0.000	0.000	0.767
Maidenhill Area A5 Taylor Wimpey	East Renfrewshire Council	30	0.000	0.885	0.000	0.000	0.000	0.885
Maidenhill Area A6 Taylor Wimpey	East Renfrewshire Council	39	0.826	1.475	0.000	0.000	0.000	2.301
Maidenhill- Malletsheugh Inn- Robertson Homes	East Renfrewshire Council	14	0.000	0.826	0.000	0.000	0.000	0.826
Walton Street, Barrhead	Barrhead HA	23	0.000	1.850	0.000	0.000	0.000	1.850

Fereneze Inn, Barrhead	<b>Barrhead HA</b>	12	0.000	0.000	1.150	0.000	0.000	<b>1.150</b>
Barrhead South, Lyoncross, Avant	<b>Barrhead HA</b>	12	0.000	0.975	0.000	0.000	0.000	<b>0.975</b>
Dealston Road, Barrhead	<b>Barrhead HA</b>	8	0.000	0.650	0.000	0.000	0.000	<b>0.650</b>
Barrhead South, Netherton Farm Wallaceland	<b>Barrhead HA</b>	25	0.000	1.988	0.000	0.000	0.000	<b>1.988</b>
Blackbyres/ Grahamston Road, Barrhead (Bellway)	<b>Barrhead HA</b>	10	0.813	0.000	0.000	0.000	0.000	<b>0.813</b>
Chappelhill, Barrhead	<b>Barrhead HA</b>	25	0.000	0.000	2.000	0.000	0.000	<b>2.000</b>
Main Street, Barrhead	<b>Barrhead HA/ East Renfrewshire Council</b>	15	0.000	0.000	1.098	0.000	0.000	<b>1.098</b>
Arnside Court	<b>Hanover HA</b>	12	0.000	0.960	0.000	0.000	0.000	<b>0.960</b>
Barrland Court	<b>Hanover HA</b>	19	0.000	0.000	1.520	0.000	0.000	<b>1.520</b>
Kirkton Road, Neilston, Dawn Homes	<b>Link HA</b>	18	0.000	0.000	0.832	0.464	0.000	<b>1.296</b>
Barrhead South Masterplan, Springfield Road	<b>TBC</b>	46	0.000	0.000	2.000	1.600	0.000	<b>3.600</b>
Barrhead North Masterplan, Shanks Park, Crudens	<b>TBC</b>	36	0.000	0.000	0.250	2.342	0.000	<b>2.592</b>
Drumby Crescent, Clarkston	<b>TBC</b>	8	0.000	0.576	0.000	0.000	0.000	<b>0.576</b>
<b>Total</b>		<b>579</b>	<b>4.744</b>	<b>13.617</b>	<b>13.098</b>	<b>4.406</b>	<b>0.000</b>	<b>35.865</b>

EAST RENFREWSHIRE COUNCILCABINET3 December 2020Report by Director of EnvironmentPLACE BRANDING AND ECONOMIC RECOVERY**PURPOSE OF REPORT**

1. The purpose of the report is to seek Cabinet approval for the proposed “*place branding*” strategy for East Renfrewshire to assist specifically in promoting local economic recovery from Covid-19 pressure and to create a brand which allows us in the longer term to better promote East Renfrewshire as a desirable place in which to live, work, visit and invest.

**RECOMMENDATIONS**

2. The Cabinet is asked to approve the proposed branding strategy for East Renfrewshire to assist specifically in promoting local economic recovery from Covid-19 pressure and to create a brand which allows us in the longer term to better promote East Renfrewshire as a desirable place in which to live, work, visit and invest.

**BACKGROUND**

3. As has already been highlighted to the Cabinet the Covid-19 pandemic is causing unprecedented disruption to the economy. East Renfrewshire’s local areas face immediate challenges, impacting across all sectors, businesses and jobs.

4. Many East Renfrewshire businesses are struggling to cope despite Scottish Government support through the mechanism of various grants. Business confidence will remain low for the foreseeable future. It is therefore essential that the Council and its partners continue to intervene and take action where appropriate to help stimulate economic recovery locally.

5. To assist with recovery in East Renfrewshire, the Council has prepared key economic recovery and renewal actions as outlined in the August 2020 Cabinet [report](#), including marketing support.

6. Traditionally, a high proportion of East Renfrewshire residents travel to work outside the local authority boundary area, often shopping and eating outwith the area. In addition residents often travel outwith the area to obtain a product or service.

7. With more residents working from home, there is an increased opportunity to promote local retail and leisure opportunities, reducing leakage of spend.

8. East Renfrewshire has an excellent range of businesses to meet many needs locally. If local people support local businesses more it would be of considerable benefit to the local economy, local business owners and their families. It would support jobs and would also help strengthen our communities and get them back on their feet following the pandemic.

9. Shopping locally can also assist in the reduction of our carbon footprint by reducing the need for longer car journeys, increasing footfall in our town centres and complementing other Council and Scottish Government initiatives which promote walking and cycling.

## REPORT

10. Place branding is the concept of communicating an area's unique features and characteristics. It can play a key role in promoting economic development as well as wider corporate objectives for the Council.

11. A new place brand has been developed to support economic recovery with the goal of uniting East Renfrewshire's unique towns and people through a shared sense of **pride** to live, work and play in East Renfrewshire.

12. In order to develop an authentic and meaningful place brand, research was conducted with various stakeholders including local businesses, residents, Council staff, Business Improvement Districts, Business Gateway and the East Renfrewshire Chamber of Commerce.

13. Insights from the research highlighted that East Renfrewshire is a collection of separate towns and villages with unique identities. People in these towns and villages have a strong sense of local identities. We wished to develop a brand that recognised and celebrated this.

14. Research indicated that residents of East Renfrewshire are far more likely to say that they hail from 'Clarkston' or 'Neilston' than they are from 'East Renfrewshire'. This sense of local pride is an important and positive feature about East Renfrewshire. The new place branding allows us to celebrate the fact that our residents are proud of being from 'here'. The appendix details the visuals of the brand concepts in development.

15. The 'here' place brand will be supported by local photography, a colourful logo and a vibrant graphical patchwork showcasing the diversity of the different towns, landmarks and activities that make-up East Renfrewshire. The patchwork is inspired by the textile industry history of the area, with a modern twist.

16. The new place branding will initially focus on a short term approach to address Covid-19 impacts but it has longevity and can be used flexibly across different areas of the Council as economic recovery takes place.

### Short Term Objectives

- Support and sustain current businesses in the area impacted by the pandemic. Encourage local people to spend more time and money in East Renfrewshire through a 'Love Local' campaign linked to the new place brand, promoting pride and confidence amongst existing residents and businesses.
- Contribute to this with our new winter lighting secured through the Town Centre Fund (see separate report on this Cabinet agenda).
- Unite local communities across East Renfrewshire and encourage people to discover/rediscover more about neighbourhoods within the area (local activities, outdoor green spaces and exercise, and businesses) all with the aim of helping increase community wellbeing.
- Develop and promote a theme and information/guides around outdoor access, walking routes, cycling routes and other outdoor exercise such as our outdoor gym equipment in various locations.



## Medium to Long Term Objectives

- Raise the profile of East Renfrewshire as a desirable, dynamic place to live, work, invest and visit.
- Attract new businesses and inward investment to East Renfrewshire
- Continue to attract new people to live in the area and support the housing market
- Increase tourism opportunities linked to the proposed tourism strategy (currently in development and will be the subject of a further Cabinet report)

17. A marketing campaign to support visibility of the short term objectives is planned within local towns and neighbourhoods. This will comprise banners on bus stops, bin lorries, lamp posts and within parks. It will be supported online through social media and the website. The campaign will also include press releases and potential partnerships with local press.

18. This works follows on from the successful 'Shop Local' video and press campaign post the initial lockdown (June-Sept) featuring videos with local business owners. This was featured in the local press and reached more than 350,000 people on social media.

19. A new place branding and associated campaign supports the Council's ambition for vibrant local towns and neighbourhoods, sustaining retail, leisure and hospitality opportunities and local employment. It links to the Council's Outcome Delivery Plan and Strategic Outcome 3: *"East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses to grow."*

## **FINANCE AND EFFICIENCY**

20. External funding has been identified to support this initiative: £80,000 from the Scottish Government's Town Centre Capital Fund which will support the capital elements of the proposed programme and £10,000 of external revenue grant funding from Scotland's Towns Partnership Love Local fund.

## **CONSULTATION AND PARTNERSHIP WORKING**

21. Research to inform the place branding has included liaison with local businesses, residents, council staff, Business Improvement Districts (BIDs), Business Gateway and the Chamber of Commerce. There is ongoing consultation with the BIDs.

## **IMPLICATIONS OF THE PROPOSALS**

22. There are no equalities, IT or staffing implications associated with this report.

## **CONCLUSIONS**

23. Our local economy continues to be severely impacted by Covid-19 and it is therefore essential that the Council continues to intervene and take action where appropriate to help stimulate economic recovery locally.

24. Economic recovery can be supported through a new place brand and associated marketing campaign, encouraging a shared sense of pride amongst residents to support their local area whether that is by shopping locally or contributing towards it being a good place to live. Further down the line, the place brand can be used flexibly for wider corporate objectives.

**RECOMMENDATIONS**

25. Cabinet is asked to approve the proposed branding strategy for East Renfrewshire to assist specifically in promoting local economic recovery from Covid-19 pressure and to create a brand which allows us more long term to promote East Renfrewshire as a desirable place in which to live, work, visit and invest.

Director of Environment

For further information please contact Phil Daws, Head of Environment (Strategic Services) [phil.daws@eastrenfrewshire.gov.uk](mailto:phil.daws@eastrenfrewshire.gov.uk)

Convener contact details

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November 2020

Appendix:

**Place Branding  
– how can it support economic recovery?**

By uniting East Renfrewshire's unique towns and people through a shared sense of pride to live, work and play in East Renfrewshire.

**Problem**

How do you brand a place that's not a place?

---

**Solution**

Here is everywhere.

---

Idea

Residents of East Renfrewshire are far more likely to say that they hail from "Clarkston" or "Neilston" than they are "East Renfrewshire". Instead of fighting that, our idea allows them all to be proud of being from "here"

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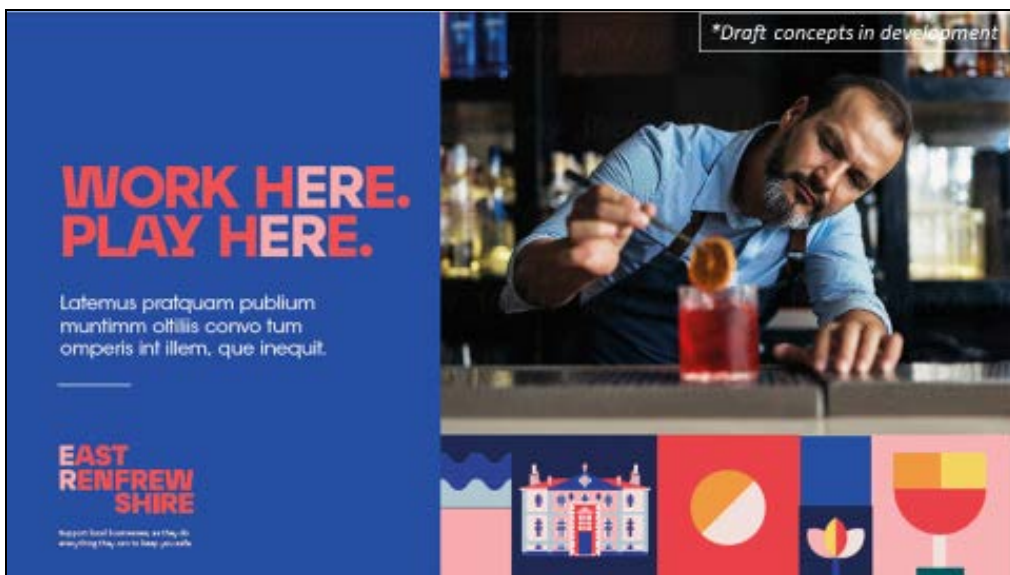
**East Renfrewshire.  
Here is home.**

**HERE**



*\*Draft concepts in development, further landmarks to be added*

### Patchwork



**I CAN GO EXPLORING HERE. AND HERE.**

Latemus pratquam publium muntimm oitilis convo tum omperis int illem, que inequit.

**EAST RENFREW SHIRE**

Support local businesses, so they do everything they can to keep you safe.

*\*Draft concepts in development*

A photograph of a young boy in a blue shirt running happily in a garden. The image is overlaid with several colorful icons: a green square with a white arrow pointing down, a green square with a white wind turbine, a red square with a white sun, a green square with a white castle tower, and a green square with a white arrow pointing up.

**WE'RE SO GLAD YOU'RE HERE.**

Latemus pratquam publium muntimm oitilis convo tum omperis int illem, que inequit.

**EAST RENFREW SHIRE**

Support local businesses, so they do everything they can to keep you safe.

*\*Draft concepts in development*

A photograph of a smiling man in a blue shirt and dark apron holding a large fish. He is standing in a shop filled with various items on shelves.

**IF WE CAN CHOOSE TO LIVE ANYWHERE WE'D CHOOSE HERE.**

Latemus pratquam publium muntimm oitilis convo tum omperis int illem, que inequit.

**EAST RENFREW SHIRE**


Support local businesses, so they do everything they can to keep you safe.

*\*Draft concepts in development*

A photograph of two people holding hands. The image is overlaid with several colorful icons: a blue square with a white house, a red square with a white heart, a blue square with a white flower, and a blue square with a white arrow pointing up.

**YOU ARE WELCOME HERE.**

Latemus pratquam publium muntimn otillis corvo tum ompers int illem, que inequit.



**EAST RENFREW SHIRE**

Support local businesses as they do everything they can to help you.

*\*Draft concepts in development*

Patchwork, colours and photography to be added.

*\*Draft concepts in development*

**THEY'LL LOVE LEARNING HERE.**

Latemus pratquam publium muntimn otillis corvo tum ompers int illem, que inequit.

**EAST RENFREW SHIRE**

Support local businesses as they do everything they can to help you.

**HERE'S TO YOUR FUTURE.**

Latemus pratquam publium muntimn otillis corvo tum ompers int illem, que inequit.

**EAST RENFREW SHIRE**

Support local businesses as they do everything they can to help you.

**WE'RE HERE FOR ONE ANOTHER.**

Latemus pratquam publium muntimn otillis corvo tum ompers int illem, que inequit.

**EAST RENFREW SHIRE**

Support local businesses as they do everything they can to help you.

**HERE FROM 5AM EVERY MORNING.**

Latemus pratquam publium muntimn otillis corvo tum ompers int illem, que inequit.



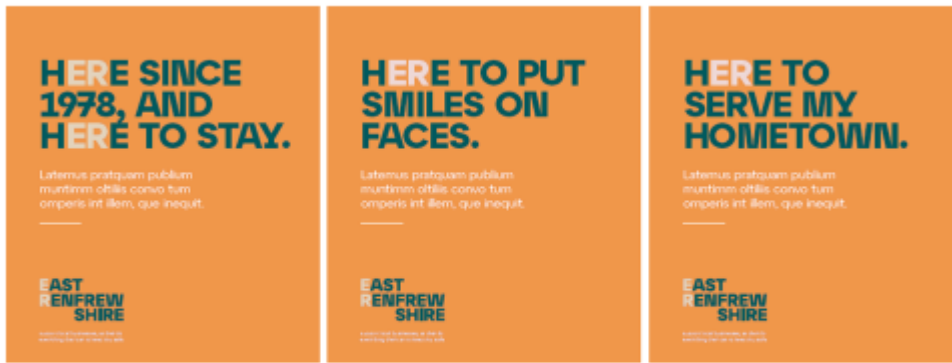
**EAST RENFREW SHIRE**

Support local businesses as they do everything they can to help you.

*\*Draft concepts in development*



Patchwork, colours and photography to be added.



*\*Draft concepts in development  
Further Covid specific business recovery messaging in development*

Patchwork and photography to be added.

*\*Draft concepts in development*



Overview

*\*Draft concepts in development*



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EAST RENFREWSHIRE COUNCILCABINET3 December 2020Report by Director of EnvironmentTOWN CENTRE CAPITAL FUND 2019/20 & 2020/21**PURPOSE OF REPORT**

1. The purpose of this report is to provide an update to the Cabinet on those projects which received funding from the 2019/20 Town Centre Capital Fund allocation and seek approval for those projects which will be funded from the additional 2020/21 grant.

**RECOMMENDATIONS**

2. The Cabinet is asked to:

- a) Note the background and objectives of the Town Centre Capital Fund;
- b) Note the progress of those projects funded in 2019/20; and
- c) Approve additional projects totalling £475,000 for 2020/21 as set out in this report.

**BACKGROUND**

3. In March 2019 the Scottish Government and COSLA announced a £50 million fund for improving Scottish town centres. The Fund has been shared between the 32 local authorities and is based on the number of towns and population in each local authority area.

4. The purpose of the Fund is to “*stimulate and support place based economic investments which encourage town centres to diversify and flourish, creating footfall through local improvements and partnerships*”. Specifically, the Fund was intended to contribute to transformative investments which drive local economic activities, support employment and re-purpose town centres to become more diverse, successful and sustainable. East Renfrewshire Council received an allocation of £981,000 for capital expenditure on town centre projects. Proposals for spending this allocation in East Renfrewshire were approved at by the Cabinet at its meeting on 28 November 2019. This report provides an update on the progress of those projects.

5. The Scottish Government is delivering a further £30 million capital into regeneration in 2020/21 as part of the £230 million economic recovery stimulus package, particularly aimed at supporting construction activity across Scotland. As part of this the Scottish Government agreed with COSLA that £18 million will be provided to local authorities through the Town Centre Fund. East Renfrewshire Council were awarded a further £353,000 in September 2020 to develop projects which will contribute to the economic recovery stimulus package. This report recommends how this £353,000 is spent.

6. In terms of guidelines the aim of this additional £18 million fund is to stimulate local construction activity and support employment across Scotland and local authorities should ensure this is prioritised in investment decisions. Local authorities should also make investment decisions in the context of national and local commitments to town centres including the Town Centre First Principle and the Town Centre Action Plan; and more recently, the Place Principle.

7. More specifically, the Scottish Government advises that investments should be based on local priorities and should extend to localities with a population of 1,000 or more. The sort of activity and projects that could create economic improvements include:

- Projects clearly linked to a long term strategy or vision and how this can build on the distinctiveness of the place.
- Partnership and collaborations with a range of organisations including private companies and community organisations in order to maximise sustainability, impact and leverage.
- Low carbon and sustainable interventions to reduce car usage, improve cycling, leisure and pedestrian links, creation of strategic and high quality greenspace infrastructure, town and city parks.
- Strategic digital infrastructure linking businesses, public sector, communities and key stakeholders into social media and marketing platforms.
- Acquisition of buildings, land or site assembly in the town centre as part of a strategic vision.

8. This grant should not be a substitute for existing spend and if the grant is not used in the financial year 2020/21, it requires to be repaid to the Scottish Government. All grant expenditure must be complete by 31 March 2021. Expenditure is defined as “*work that will be completed; or, at least work or contracts signed or commenced within 2020/21*”.

9. Grant may also be used to fund third party capital expenditure either directly or through the provision of grants to third parties (public sector bodies, private sector bodies or individuals).

## REPORT

10. The 2019/20 projects previously reported to the Cabinet are making good progress and are on track to be delivered by the end of September 2021. These include an intelligent lighting scheme in Barrhead, public realm improvements in Eaglesham and Neilston, a community noticeboard in Thornliebank and an extensive winter lighting programme in various town centre/village locations. With regard to the winter lighting programme the majority of equipment has been installed in all locations and will be activated before Christmas 2020. This is expected to have a dramatic visual impact.

11. It should be noted that there was an underspend of £122,608 from the 2019/20 allocation due to the new signalised junction at Barrhead Road, Newton Mearns taking longer to develop than anticipated. Work is underway to develop this project under a separate funding stream.

12. It has been confirmed with the Scottish Government that the £122,608 can be carried forward for schemes in 2020/21 i.e. can be added to the additional £353,000 making a total of £475,000 available for new schemes in this current financial year.

13. To ensure a collaborative approach in relation to spending the additional £475,000, an initial “Call for Ideas” was issued to the community and other stakeholders within East Renfrewshire town and neighbourhood centres to give partners the opportunity to help shape the plans.

14. In prioritising the proposals from the Council and other organisations, particular consideration was given to:

1. Deliverability given the conditions of the grant offer;
2. The geographical spread of grant across the Council area;

3. The economic benefits and outcomes of each project;
4. The sustainability of the proposed project

15. Ultimately, using the criteria set out above, priority was given to a mix of initiatives ranging in scale and content some of which would ensure “quick wins” and some that may take longer to realise economic impact.

16. A number of the proposed projects, whilst undoubtedly beneficial, were unfortunately unable to meet the tight timescales associated with the funding. The Council’s Economic Development team will retain these suggestions for future funding opportunities and will work with community groups to develop their ideas into shovel ready projects.

17. The table below details the proposed projects to be committed by 31<sup>st</sup> March with either contracts being signed or works commencing.

Address/Project	Proposal	Cost £
ER Place/Shop Local Campaign	Capital spend associated with the Place/Shop local branding that will complement the existing campaign and link with the Council’s economic recovery actions	£80,000
Cowan Park, Barrhead	Installation of CCTV at Cowan Park which contribute to the improved safety of the park/town centre and encourage residents to be outdoors and improve their health	£20,000
Town Centre Lighting – Newton Mearns	Partial extension to intelligent lighting on Mearns Road and Broompark shops. This proposal will improve the vibrancy of town centre and improved safety.	£100,000
Town Centre Lighting – Eaglesham	Partial extension to intelligent lighting - Glasgow Road/Gilmour St, Eaglesham. This proposal will improve the vibrancy of town centre and improved safety.	£85,000
Neilston Village Centre Regeneration	A range of regeneration initiatives for Neilston Village Centre	£100,000
Thomas Donohoe statue, Busby	Memorial to Thomas Donohoe. This will provide a distinctive landmark and improve the vibrancy of the town centre.	£15,000
Busby Library, Busby	Painting of Busby Library to celebrate the buildings centenary and installation of new heating system and toilets.	£70,000
Menorah, Clarkston	Installation of Menorah Lighting at Clarkston. This project will provide a distinctive landmark and improve the vibrancy of the town centre.	£5,000
<b>Total</b>		<b>£475,000</b>

18. The Place Branding and Economic Recovery Scheme (including Shop Local) is the subject of a separate report on the agenda for this meeting of the Cabinet.

### **FINANCE AND EFFICIENCY**

19. There are no financial implications arising directly from this report. Project implementation will be funded through the Scottish Government Town Centre Capital Fund.

20. The Council must comply with the conditions of the grant, as set out in Scottish Government guidelines.

### **CONSULTATION AND PARTNERSHIP WORKING**

21. Consultation has taken place with a range of key stakeholders within the community.

### **IMPLICATIONS OF THE PROPOSALS**

22. There are no equalities, IT or staffing implications associated with this report.

### **CONCLUSIONS**

23. The Town Centre Capital Fund programme provides an excellent opportunity to deliver further investment to key areas of East Renfrewshire and complement/build upon the range of proposals already approved by the Cabinet last year. In addition, it will contribute to activity around place branding and economic recovery as outlined in the separate Cabinet report on this agenda.

24. The timescales for delivery are challenging particularly in relation to the additional schemes proposed in paragraph 17 of the report. Both the existing projects and the proposed projects will make a considerable impact on local town and village centres.

### **RECOMMENDATIONS**

25. The Cabinet is asked to:

- a) Note the background and objectives of the Town Centre Capital Fund;
- b) Note the progress of those projects funded in 2019/20;
- c) Approve additional projects totalling £475,000 for 2020/21 as set out in this report.

Director of Environment

For further information contact: Phil Daws, Head of Environment (Strategic Services)  
[phil.daws@eastrenfrewshire.gov.uk](mailto:phil.daws@eastrenfrewshire.gov.uk)

Convener contact details

Councillor Tony Buchanan  
(Leader of the Council)

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November 2020

EAST RENFREWSHIRE COUNCILCabinet3 December 2020Report by Director of EnvironmentEARLY LEARNING AND CHILDCARE (Expansion 2020)**PURPOSE OF REPORT**

1. The purpose of this report is to provide an update in relation to the progress of the project to deliver the expansion of Early Years provision in East Renfrewshire to meet Scottish Government requirements.

**RECOMMENDATIONS**

2. The Cabinet is asked to:-

- a) Note the delay in the opening of the nurseries due to the impact of the Covid virus on the construction industry;
- b) Homologate the decision by the Director of Environment to vary the relevant contracts to accommodate additional works in particularly challenging circumstances in an effort to open the nurseries as quickly as possible;
- c) Recommend to the Council that additional capital expenditure of £910,000 be approved to cover the additional committed works; and
- d) Recommend to the Council that a compensation payment of £803,000 in relation to coronavirus issues be made to Heron Bros as outlined in the report.

**BACKGROUND**

3. The Early Years building programme is a major capital programme comprising the construction of six nursery buildings required to meet the Scottish Government's increased Early Years entitlement of 1140 hours for all eligible children. Overall the ELC expansion programme will provide around 600 additional places for 3 and 4 year olds. The main new build nurseries are situated at the following locations;

- Glenwood, adjacent to Glenwood Family Centre
- Crookfur, at the Parklands pavilion
- Overlee, at the Overlee Park pavilion
- Busby, at Busby Primary School
- Eaglesham, at Eaglesham Primary School
- Cross Arthurlie at Cross Arthurlie Primary School

4. The construction of the nurseries has necessarily involved from the outset some considerable disruption for children and their parents including the temporary registration of additional indoor and space with the Care Inspectorate, changed hours operating models and some children having to travel further to obtain available space. In that respect it was always important that the new nurseries could be completed and opened as quickly as possible.

5. The building contractor for the projects listed above, with the exception of Cross Arthurlie, is Heron Brothers Ltd. (HB). The contracts commenced at Crookfur on 10<sup>th</sup> June 2019 with completion originally expected in July 2020.

6. Various potential issues around the implications of the Covid virus for projects and in particular the Early Learning and Childcare Expansion have already been highlighted to the Council.

7. In a report to the Cabinet on 27<sup>th</sup> August and to the Council on 9<sup>th</sup> September 2020 on the General Fund Capital programme it was highlighted that;

*“The impact of COVID-19 is having a significant effect on the timing and cost of projects and on the timing and value of capital receipts due to market forces, inflation and new safe ways of working. .... officers continue to review the Council’s capacity to deliver planned projects in the current year and will provide further updates in the next capital report as matters become clearer.*

*Early Learning and Childcare Expansion – COVID-19 has had a significant impact on this project with the standstill causing delays. The cost of standstill alone is estimated at £0.500m. In addition to this, the design proposals to connect storm drains to Scottish Water combined sewers have been rejected with the proposed solution to connect storm drain to nearby water course adding significant costs to the project. Across the five main sites, this amounts to £1.882m*

*Officers continue work to mitigate these costs and are also identifying savings elsewhere in the programme to support these cost increases. A further update will be provided in due course.”*

8. This report provides an update on the current position with regard to Early Learning and Childcare Expansion.

9. Unfortunately, as explained above due to the impact of the Covid virus and Scottish Water issues work has been delayed. However, staff have managed to help recover the situation and work is now ongoing with completions at an advanced stage and currently anticipated from November 2020 through to December 2020.

10. The current capital sum approved is £27,372,000. However, there is a requirement to increase the sum approved to take account of additional costs relating to the Covid virus, unexpected Scottish Water costs and a number of other additional items specified below.

## **REPORT**

### Covid Issues

11. As recommended by the Scottish Government HB stopped construction on 24<sup>th</sup> March 2020 and secured the nursery sites on 26<sup>th</sup> March 2020. All steps were taken to mitigate cost, retaining only necessary staff, services and plant. This situation prevailed until June 2020 when the sites were allowed to reopen.

12. Since reopening on 15<sup>th</sup> June 2020 HB has been working to complete the nurseries in accordance with Scottish Government Covid guidance and therefore under a restrictive regime of reduced staffing, constrained working practices and supplier and sub-contractor issues. This has resulted in an extended construction period and also additional costs for the contractor.

13. The relevant building contracts contain various provisions which the contractor may argue are relevant to entitle them to additional construction time or in some cases additional financial payments in respect of the works. In anticipation of possible claims, advice received



from legal services during the early stages of the pandemic was to adopt a cautionary position with regard to potential claims so as to control the Council's exposure to further costs. On this basis, delays caused by unforeseen circumstances were accepted but additional costs were not conceded. However, in light of the general objective of protecting the economy (including the construction industry) and the certainty of an agreed figure following preliminary discussions it is now proposed that ERC shares the additional Covid related costs with the contractor.

14. This approach has the following benefits;

- Avoids the uncertainty and costs of potential litigation
- Maintains a good working relationship and the co-operation of the contractor
- Protects the remaining period of the contract by reducing the risk of unreasonable and/or disputed claims

15. The Council's project managers Gardiner and Theobald (G&T) have negotiated a provisional compensation agreement with HB which G&T can support in terms of the tendered costs associated with the contract, subject to Council approval. In addition, Property and Technical Services staff have negotiated terms with the contractor for Cross Arthurlie and the other works packages in a similar manner. The total sum is £803,000.

16. The costs during the shutdown period relate to prelims, rent of site cabins, utilities, security, insurances, some staffing and plant such as generators etc. (i.e. the things requiring to remain in place).

17. The costs since restart are caused due mainly to prolongation due to only being able to have some 50% of workforce on site therefore the work has taken longer and the site needs to function for longer with more of the associated costs referred to above but with fully operational staff and the inefficiencies of the workflow and supply problems etc.

18. These additional sums have not yet been committed. If the additional sums are not approved it is possible that ERC could face a potentially costly legal dispute. The Cabinet is therefore being asked to recommend to the Council approval of payment this amount.

#### Scottish Water Issues

19. Scottish Water's Surface Water Policy guidance provides a hierarchy of five solutions for surface water drainage, ranging from the preferred option of "storage and re-use" to option five, where surface water is drained to a combined sewer. In densely developed urban situations dedicated surface water drainage is often available and in rural situations it can be possible to take rainwater to watercourses. However, in semi-urban areas often the only viable solution is to use the combined sewer.

20. The Council's engineering consultant had anticipated SW would allow a relaxation of the regulations as was SW's historical practice and so no allowance was made for this cost. Unfortunately, it transpires that SW has toughened its stance in this regard during the design and construction period and lessons have been learned for future projects.

21. The Council's request to Scottish Water (SW) to allow a connection to the combined sewer in all five new build nurseries was initially refused. However, it has been possible, over an extended period, to negotiate SW's acceptance in principle to connect to the combined sewer at Crookfur, Eaglesham and Busby on condition that at least an equivalent amount of surface water is removed from the combined sewer from within the same catchment (by means of diverting road gullies to watercourses). The cost of these works is £196,000.

22. In the remaining two nurseries at Overlee and Glenwood it has been possible to connect the buildings to water courses thereby negating the need to connect to the combined sewer. The cost of these works is £380,000.

23. Given the urgency of getting the nurseries open and the advanced stage of construction and the clear need for all nurseries to connect to the sewerage system these works have already been instructed at a total additional cost of £526,000 for all of the nurseries. Without these sewerage works the nurseries could not open.

24. SW has been slow to respond to the current situation (they too have Covid related issues) which has been challenging. Consequently, there remains a small risk of further delay and associated expense with regard to sewerage issues. Additional contingency resources of £50,000 is also being requested to cover this potential situation and the potential risks within the remaining period of the building contract.

25. The Cabinet is therefore being asked to homologate this action in relation to the increases in contract values and recommend to the Council, in terms of the Council's Scheme of Administration), that additional resources of £526,000 and the contingency of £50,000 (total £576,000) be approved to cover the exceptional circumstances.

## Other Costs

26. In addition to the items above there are a number of further "other" additional costs. These are;

- Allowance for the sum of post contract changes comprising additions and deductions for design development and architect instructions over the contract period together with associates fees and charges (£233,000). This is standard practice in relation to contracts particularly large ones such as this.
- The contingency allowance at the outset was £862,000 on £27,372,000 being an average percentage, over the range of projects, at 3.15%. However, this has proved to be insufficient to deliver the project.
- Examples of contingency expenditure incurred on this project include; removal of contaminated soil, delay and subsequent acceleration in connection with Parklands objections, roads and pathway improvements, re-design of elements within the new pavilions at Overlee and Crookfur to meet both client (Education) and Sport Scotland specifications.

Total additional cost £233,000

- Equipment and services required to operate the facilities comprising;
  - ICT infrastructure: provisional sum £80,000 projected additional cost £59,000
  - IT hardware: additional, not in provisional sum, projected additional cost £29,600
  - Miscellaneous smaller sums relating to decants, fittings and equipment, additional £12,400

Total additional cost £101,000

Overall additional "other costs" regarding both of these issues is £334,000

## Overall Additional Committed Project Costs

- Scottish Water related drainage/sewerage costs – £576,000 (this includes additional £50,000 contingency sum)

- Post contract changes regarding design development and architect instructions – £233,000
- “Other Costs £101,000
- Overall project additional committed total – £910,000

### Proposed Additional Covid Compensation Payment

- HB proposed additional Covid related costs – £803,000
- Potential overall cost of project – £1,713,000

27. Every attempt has been made to mitigate the additional expenditure and all opportunities to make savings have been considered. However, given the late point in the programme when Covid issues and the Scottish Water problem arose there have been limited opportunities.

28. Other budgets have been considered for potential savings or contributions and a sum of £369,000 has been identified being a £318,000 rebate from Hub West Scotland in respect of Barrhead High School and £51,000 from works at St Cadoc’s.

29. The remaining £1,344,000 will be found from delays and deferrals due to Covid in other projects and therefore no additional borrowing will be required in the current financial year. However, this will result in future increases in loan charges as additional borrowing will have to be incurred in subsequent years to deliver those projects which have slipped.

30. A copy of the relevant extract from the Contract Standing Orders is attached (appendix 1).

## **FINANCE AND EFFICIENCY**

31. As set out above the total additional capital requirement across the various categories as outlined in the report is £1,713,000. If the additional Covid compensation payment to HB is excluded this amounts to around 3.32% of the original capital provision of £27,372,000.

## **CONSULTATION AND PARTNERSHIP WORKING**

32. The Early Years building and expansion programme has been a collaboration between the various departments of the Council. In addition, consultation with the local community and service users has been key to the success of the project.

## **IMPLICATIONS OF THE PROPOSALS**

33. There is a need for the facilities to open and operate as soon as possible in order that children currently displaced can be enrolled at their intended placement. The current situation is limiting flexibility and choice for families while the new centres are unavailable.

34. There are no implications of the proposals in terms of staffing, property, legal, IT, State Aid, equalities or sustainability.

## **CONCLUSIONS**

35. Principally as a result of the Covid pandemic and late emergence of Scottish Water requirements approval of additional expenditure of £1,713,000 is required to deliver the facilities needed to meet the Scottish Government’s increased Early Years entitlement of 1140 hours for all eligible children.

**RECOMMENDATIONS**

36. The Cabinet is asked to:-

- a) Note the delay in the opening of the nurseries due to the impact of the Covid virus on the construction industry;
- b) Homologate the decision by the Director of Environment to vary the relevant contracts to accommodate additional works in particularly challenging circumstances in an effort to open the nurseries as quickly as possible;
- c) Recommend to the Council that additional capital expenditure of £910,000 be approved to cover the additional committed works; and
- d) Recommend to the Council that a compensation payment of £803,000 in relation to coronavirus issues be made to Heron Bros as outlined in the report.

Director of Environment

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

Convener contact details

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(Leader of the Council)

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December 2020

**Appendix 1****14. CONTRACT VALUE VARIATIONS**

Variations greater than £100,000:-

All variations exceeding £100,000 must be reported to Cabinet for approval prior to the variation being instructed. If the variation is urgently required, approval may be given by two members of Cabinet. In that case, the variation should be reported to full Cabinet as soon as practicable after such approval.

Contract value may exceptionally be extended by a sum in excess of the 10 and 15% thresholds provided the appropriate authorisation route as outlined below is complied with.

For any contract above quick quote value:-

Any desired variation in excess of the 10% or 15% limits must be referred to the Chief Officer – Legal and Procurement for consideration of its legal implications. If sanctioned by the Chief Officer Legal and Procurement the proposed variation must be reported to Cabinet for approval prior to the variation being instructed. If the variation is urgently required, approval may be given by two members of Cabinet. In that case, the variation should be reported to full Cabinet as soon as practicable after such approval.

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