

STRIVING TO PROTECT FRONTLINE SERVICES AND JOBS

Good morning. I'm delighted to welcome you all today as I outline a three-year budget for East Renfrewshire Council for 2018-21. As we all know the financial pressures being faced by councils across Scotland are significant, but in the budget I set out this morning I will outline the steps we are taking as we strive to protect the services most valued by our residents and, importantly, jobs.

In East Renfrewshire we continue to face increased pressures linked to our rising elderly population and growing younger population, which places a high demand on both our schools and social care services. New legislation such as recycling targets, landfill tax and welfare reform also need to be considered when planning how best to deliver services in the future. As I take you through this budget I will further detail the challenges which lie ahead, whilst also demonstrating how we are constantly striving to innovate and maximise efficiency across all areas of the council.

I wish to thank my administration colleagues, trade union partners, staff in accountancy and our corporate management team for their dedicated work in bringing forward this budget which will continue to deliver our ambitious programme of capital investment whilst directing resources to those residents who need it most.

GRANT SETTLEMENT 2018/19

Our final grant settlement is anticipated to be almost £179m, which is slightly higher than we had originally forecast for 2018/19.

The settlement also includes additional funding as part of the Barrhead High new build project, money for an increase to teachers' pay, as well as investment to support changes in the way we deliver health and social care. This will include changes as part of the Carers Act, such as increased payment for sleepovers to support the Living Wage. With additional funding to support the expansion of early years still be provided from the Scottish Government, there is still the potential for this settlement figure to increase as well.

In cash terms this is a like for like settlement compared to previous years. However, the additional pressures on our budget such as pay rises, inflation and population growth need to be factored into our planning and means that savings will still be required.

GRANT SETTLEMENT PROJECTIONS FOR 2018-21

When we launched our seven week budget consultation process in October, we put forward around £28m worth of savings options to give us some flexibility and to be guided by the responses to the consultation.

Our engagement process was extremely wide ranging, with residents taking the opportunity to have their say through a range of means, including social media, through our Citizens Space survey, our Budget Simulator tool, and localised budget panels. The insight gained through this process has allowed us to tailor this budget, by taking on the points raised by residents.

Since the conclusion of the public consultation, our latest savings estimate has been reduced to less than £24m – which means we are now able to remove more than £4m of the most difficult proposals which had been put forward. Whilst it is

pleasing that our budget position is more positive than had been planned for, we continue to face significant challenges in the years ahead with tough decisions still required.

When setting out our savings proposals, all financial estimates were based on increasing Council Tax by three per cent in each of the next three years. We recognise that this increase will add an additional burden to our residents, however, not to do so was not an option. Without generating this additional income there would be a major reduction in funding to our schools, public infrastructure such as roads, in our local environment such as parks and cleansing services and we would see large scale cuts to social care budgets. Council Tax in East Renfrewshire remains below the national average and these increases were an option which was supported by 61% of the residents who took part in our Budget Consultation process.

ADDRESSING THE BUDGET CHALLENGE

As I've outlined we still have a £24m savings gap to address in the coming three years, and we want to reduce this as much as possible to reduce the impact on residents.

Firstly, due to the Council's sound long-term financial planning we currently have a healthy level of reserves, at around £9m. By utilising reserves in each of the next three years this will reduce the deficit to just over £22m, and also maintain our reserves at above the minimum level recommended by our Auditors.

Secondly, our three-year plan is based on our actual budget for year one and prudent estimates for the following two years – during which time we would hope to see budgets provided to local authorities improve. Our budget will balance the books for

the first two years and leave a slight shortfall in the final year of less than £2m – which is less than 1% of our overall budget. This will allow us to reassess the situation next year when there will be a clearer funding picture available from the Scottish Government – as we believe it is better to leave this slight gap rather than commit to savings which might ultimately not need to be made. Taking these steps also reduces the savings target to £20.3m – some £7.7m less than had initially been anticipated.

SAVINGS OPTIONS REMOVED

Given the Council's absolute commitment to maximising efficiencies, and the strides which have already been made in this area, there are few areas left to meet the savings gap through efficiencies alone. This undoubtedly means that many of the proposals put forward for consultation were extremely challenging.

So I'm delighted to now be able to outline the savings proposals – totalling more than £4m – which will no longer be taken forward as part of this budget process.

A reduction of around £5m had been proposed for the budgets which are devolved to Head Teachers. However, this can now be minimised to just half a million pounds over the next three years, protecting the quality of education provided in all of our schools.

The roads maintenance budget is currently £4m and we will retain it at that level and not implement the proposed reduction of £400,000 – which we know is one of the most important issues for residents.

The impact of savings on our Employability Services and housing support provided to vulnerable residents will also be significantly reduced. The proposed reduction to our Property and Technical Services section is also being limited. This will be crucial as we take forward the expansion of our Early Years provision, and will also support ongoing work to ensure all our buildings meet the required standards.

It had also been proposed to reduce the working hours of our valued Community Warden service to day-time only. These staff currently respond to anti-social behaviour complaints, littering and dog fouling, and enforces parking restrictions. However, we will now be able to retain the late-night service on Fridays, Saturdays and Sundays.

The requirement for savings within community and support services – which includes Community Safety, Equalities, Learning and Development, ICT, and others – has also been reduced by £485,000.

As we continue to focus on the most vulnerable groups within our society, we have also been able to reduce the savings target required to be met by the Health and Social Care Partnership by £1.8m.

ADDRESSING THE SAVINGS CHALLENGE

Whilst many of the savings which need to be made in order to balance our books are extremely challenging, due to the slightly better than expected settlement received for 2018/19 and our prudent use of reserves we will now be able to delay some of these until later in our three year budget cycle. This allows us to push back many of the savings highlighted as being the top

issues for residents, giving more time to plan accordingly for these changes.

Schools will now have more time to plan effectively for the planned reduction in Pupil Support Assistants, as well as the review of our technician service within schools. In addition, the changes being introduced within the instrumental music service will now not come into effect immediately.

Further planned changes to our cleansing, parks and roads sections are also now going to take place later than originally planned which will allow new digital processes to become embedded before further changes are implemented.

The Culture and Leisure Trust has now been running for the last two years and is already improving services for our residents despite a significant reduction in budget. We will delay the proposed reduction of funding and provide some additional funding in 2018/19 to allow the Trust to invest in growing the range and quality of services it provides our residents.

Our continuous aim to drive up efficiencies wherever possible, by modernising and streamlining processes is also making a significant impact on meeting our savings target and reinforces our absolute commitment to lessening the impact savings have on frontline services. In 2018/19 alone, 81% of the required savings will come from efficiencies through our ambitious modernisation and change programme – this amounts to £3.2m. And over the course of this three year budget £9.6m worth of savings will be delivered through efficiencies – that's almost 70%.

INVESTING IN OUR SERVICES

During the course of this budget cycle we will also continue to invest where possible into services which make the biggest impact for our residents.

So I'm delighted to be able to announce today that we will make a series of investments during 2018/19, totalling more than £1m, which will support lasting improvements across our services. Many of these projects are already in place, and proving successful, so this additional investment will allow them to continue for another year at least.

In education we have already made a significant commitment to improving the digital infrastructure in our schools. So we will be investing £250,000 in additional tablets and laptops which will provide the opportunity to build on our already successful bring your own device policy in our schools.

Our well-established mixed tenure scheme – which tackles some of the problems associated with communal repairs and the need for improvements found in estates where there is a mix of residents, including Council tenants, owner occupiers and private tenants – will also benefit from additional funding of £150,000 in the coming financial year.

During last year's budget a Reading Recovery scheme was introduced in our primary schools which provided further early intervention for pupils who are having difficulty with reading. We are now committing £62,000 to this extremely beneficial project which will allow it to continue for another year.

As part of our new local outcome improvement plan – which is called Fairer East Ren – we have two specific locality plans in place which are targeted at supporting our communities with the greatest need to highlight areas for improvement. By

investing a further £134,000 into this area it will help us to extend this work and also support additional Participatory Budgeting processes.

In addition, we will also be investing £25,000 to support scrutiny work within the council, as we aim to build on the recommendations outlined in the Best Value Audit report provided by Audit Scotland at the end of last year.

INVESTING FOR THE FUTURE

And our commitment to delivering the very best for this area will continue through our ambitious plan for delivering on the Scottish Government's requirement to increase the level of free early learning and childcare provision by August 2020.

Undoubtedly the proposal which we submitted to the Scottish Government was one of the strongest from across the whole of Scotland, with our focus remaining on delivering the highest quality of early years provision – not merely hitting the target.

So our plan will see a number of new nursery facilities created, as well as more than 200 jobs. We will create much-needed additional nursery places, as well as offering increased flexibility for parents – and I look forward with great excitement to seeing the plans move into the delivery phase.

As I outlined earlier, we will also continue to invest where possible in the Health and Social Care Partnership as we aim to provide the necessary level of support for the most vulnerable in our community by supporting the implementation of the Living Wage and the changes to sleepover arrangements.

CAPITAL INVESTMENT

Despite the tough financial climate and our very challenging savings target, we remain committed to significant investment in our local infrastructure. Between 2018 and 2026 we will invest around £183million in ambitious capital schemes. These investments will drive growth, support the delivery of new schools and early years establishments, ensure our exciting City Deal plans are delivered and create new opportunities.

We continue to progress with a range of Glasgow City Region City Deal projects, including a new train station for Barrhead South and developing Dams to Darnley Country Park, which when completed will deliver fantastic benefits for the area. We also have almost £11m in place for roads improvement projects, a significant investment to improve the network across the area.

In addition, I'm delighted to confirm that we will commit almost £23m to support our ambitious plans for meeting the Scottish Government's requirement to increase the level of early years care provided to 1140 hours by 2020. We await an update on the supplementary funding which will be provided from the Scottish Government to support this work.

The capital plan also earmarks around £26m for the potential to develop a new leisure centre within the area. The consultation on the options for future leisure provision in the Eastwood area will begin soon and by building this capacity into the capital plan it ensures we are well prepared to deliver on whichever option is preferred by our residents.

So we are also proposing today that the capital plan will be reviewed in six months time when we have certainty over

additional Scottish Government funding and when the consultation into future leisure provision is concluded.

CONCLUSION

To sum up, today we have presented a three-year budget which has undoubtedly presented us with some of the toughest budget decisions we have been faced with in recent years. However, by using a range of measures we have still delivered a budget which addresses our savings gap and protects frontline services and jobs as far as possible.

When we initially consulted on our proposals it was estimated that the number of jobs in the council would reduce by around 300 over the next three years. However, given the decisions we have made today we now expect this figure to reduce by around 45 posts. This will be further offset by creating more than 200 early years support roles and highlights our commitment to protecting staff, with any reductions being managed through natural turnover and no compulsory redundancies required in the coming year.

Our ambition to deliver the very best for our residents is highlighted through our series of one-off investments in the first year of this budget process which will enhance the services we deliver. We have also listened to our residents and amended savings proposals to reflect their feedback as we try minimise the impact of the changes which require to be made in the way in which we deliver services.

Significant capital investment in the coming years will continue to improve East Renfrewshire as a place to live in, work in and visit so we can look forward with excitement for all this will bring.

We continue to push for increased budgets for local government and hope that in future years we will be able to review some of the savings options which remain so that these can be reduced further. In addition, over the next three years of this budget we will leave no stone unturned in seeking to find new ways of achieving savings through efficiencies, whilst at the same time protecting services.

RECOMMENDATIONS

Once again thank you to everyone who has been involved in the budget process.

I now ask that the Council:

- (i) approves the revenue estimates for 2018/19;
- (ii) approves the indicative revenue estimates for 2019/20 and 2020/21;
- (iii) approves the recommended level and utilisation of reserves;
- (iv) determines the Council Tax Band D level for 2018/19 at £1,194.57; and
- (v) notes that management of the Council's finances and service plans will continue to be undertaken on a longer term basis.