

GROUNDS FOR OPTIMISM THOUGH CHALLENGES REMAIN

Thank you very much Provost, and welcome to those of you joining us in the Council Chamber today, or watching our live webcast.

As I present our administration's third Budget, I am pleased to say that there are cautious grounds for optimism in relation to the council's finances.

There will still be significant challenges ahead and difficult decisions to make but for the first time in my period as council leader, I can see a path to a more positive future allowing us to focus on delivering even better services to our residents.

I am acutely aware of the high expectations the people of East Renfrewshire have and was therefore delighted by the truly exceptional report published by the Accounts Commission earlier this month.

The Commission said East Renfrewshire Council excelled in many areas and that this council was an example other local authorities could learn from.

At a time when many people worry about scarce levels of public funding being wasted, I am proud to lead an administration which has been recognised for offering value for money.

The report praised our high-performing services in education, adult and children's care, digital transformation and recycling, and highlighted our financial prudence in dealing with funding challenges over many years.

This extremely positive external validation by Scotland's public spending watchdog was hugely welcome and confirmation of what those of us in the council have long believed – that East Renfrewshire is the best run council in the country.

We are not complacent, however, and will continue to strive for further improvement of all of our services. We recognise we do not always get it right but we work tirelessly to understand the needs of our communities and listen to residents

OUR BUDGET GAP AND SCOTTISH GOVERNMENT GRANT SETTLEMENT 2024/2025

Despite the endorsement by the Accounts Commission, we are not immune to the financial challenges faced by all councils. Coming into this budget I had warned of a £15m shortfall for the year ahead and that we would have to make tough decisions to balance the books as we are legally obliged to do.

I am very pleased to say that, as a result of record levels of funding for Scotland announced in the UK Government's budget and the subsequent Scottish Budget, we have received the best funding settlement in many years.

This is key to our finances as the vast majority of the council's funding comes from the Scottish Government in our annual grant settlement. The money we raise from what residents pay in council tax only accounts for 21% - less than one quarter of our total funding.

However, I am frustrated that with record Scottish budget funding going into the NHS and social care, we have seen none of that money come back to health and social care partnerships.

This year our grant settlement will be £271.3m, an increase of £14.7m on last year, though once again much of this is ring fenced and can only be spent on nationally-agreed initiatives and pay awards.

This is welcome and responds to my pleas in previous years for an inflationary increase in funding from the Scottish Government to protect our vital services.

This settlement means we have been able to protect teacher numbers and we have passed on an additional £1.6m to the East Renfrewshire Health and Social Care Partnership to support its crucial frontline work.

However, one better than expected budget settlement cannot undo 18 years of cuts to council funding and we will still have to make savings, charge for services, increase council tax and use reserves to balance the books.

We still face significant financial challenges but have been able to pull back from some of the more drastic savings options initially put forward as part of our three-year budget engagement exercise. And through prudent and efficient management of our resources, we can continue to invest in our communities.

HOW WE WILL CLOSE OUR BUDGET GAP

In October I highlighted that our Budget Gap for 2025/26 stood at an estimated £15m which left us facing very difficult decisions.

I can report today that this figure has been almost halved to £7.1m in recent months. This has been possible as a result of the better than expected settlement, a change in how we repay long-term loans and by a huge effort across the council to absorb inflationary pressures both in the current year and in the

year ahead. My thanks to officers for their professionalism and dedication in the work they are doing to achieve this.

This reduction in our Budget Gap was also helped by £2.3m we received from a new UK government scheme based on the “polluter pays” principle which charges packaging companies to offset some of our increasing waste costs.

We will close the remaining Budget Gap of £7.1m through a combination of measures. These will reflect the priorities highlighted by residents in our budget engagement exercise covering 2023 to 2026 which led to the biggest public response we’ve ever had on our financial challenges.

We will use £385,000 from financial reserves and today put forward £391,000 worth of savings. A further £844,000 of savings had previously been agreed by council. This type of good planning and financial prudence was praised by the Accounts Commission.

No decisions on savings are easy but the council must by law balance its books, and further efficiencies are part of that equation because of so many years of underfunding by the Scottish Government.

Among the difficult decisions made before today was the vote by full council in October to change the frequency of garden waste collections from weekly to fortnightly. East Renfrewshire is the only council in Scotland to offer a weekly uplift and this change from May will save us £350,000.

Although this was a difficult decision, I believe it will still allow us to deliver as good a service as anywhere else in the country.

Details of the previously agreed and new savings for 2025/26 are outlined in Annexe B of today’s Revenue Estimates Report.

WHAT THIS MEANS FOR COUNCIL TAX

Last year's nationally-imposed council tax freeze was an ill-thought-out attack on local democracy which robbed councillors across the country of the ability to take decisions based on local circumstances.

I therefore welcome the Scottish Government's decision to return this power to councils as council tax remains an important source of funding for the vital services we deliver.

I mentioned earlier that we had carried out extensive budget engagement and one of the key findings was that residents would be prepared to pay a little more in council tax to protect key services.

You will see in today's report that our officers' financial modelling for this Budget is based on an 8% rise in Council Tax which comes on the back of a zero increase last year.

I endorse that 8% increase for 2025/26. Although this is a higher increase than we would have liked, it will not only protect our excellent services but will allow further investment in education, care, roads, housing and leisure facilities.

For a Band D property in East Renfrewshire, this will mean an annual increase in Council Tax of £113.22 or £2.18 a week. And there will be smaller increases for the almost one third of our 41,000 households who already receive a 25% single person discount. If they live in a Band D property, they will instead pay just £1.63 a week more.

Families on low incomes, who make up about 10% of all households in East Renfrewshire, will not have to pay the full increase, with some households continuing to pay no Council Tax at all because of their circumstances.

We expect council tax bands in East Renfrewshire to be less than the Scottish average in the coming year, for well above average services.

To then close our Budget Gap completely, we will use money from the council's financial reserves. Whilst this is not a long-term solution, this has been planned and will ensure we balance the books. It is also important to remember that councils are legally required to collect water charges on behalf of Scottish Water and it has announced these will go up by 9.9% from April 1st. This was a decision made in Holyrood, not in East Renfrewshire.

ONGOING FINANCIAL SUPPORT FOR THE HSCP

The Council Tax increase will allow us to continue to deliver high quality services in many areas including education, roads and recycling.

It will also mean we can keep supporting the East Renfrewshire Health and Social Care Partnership which is facing the biggest financial challenge in its history.

Increased demands for care from our rapidly rising older population and the increasing levels of support required for people with complex health conditions have caused severe pressures which have required changes to some services.

It is because of these increased demands that the Integration Joint Board, which governs the HSCP, recommended the introduction of charges for non-residential care from April 2025.

We recognise the IJB's financial plight is serious and it cannot be ignored or deferred indefinitely which is why the Council's Cabinet supported the IJB's proposal.

However I am pleased that after conversations with colleagues across the council, we have agreed to delay the introduction of any charges until April 2026, although I am disappointed that this had to come to a vote.

This will allow time for financial assessments to take place and for service users to be supported by the council to ensure they are receiving all the benefits for which they are eligible.

By April 2026, we will also know if the Scottish Government intends to abolish these charges and I will be writing to the First Minister to ask if he is going to deliver on this SNP manifesto commitment.

We remain committed to supporting the HSCP's vital work. I mentioned earlier that the council has passed on an extra £1.6m to the HSCP and our total contribution to health and social care in the coming year will be £79.1m, more than a fifth of the council's total expenditure.

CHALLENGES IN FUTURE YEARS

By using a small amount of reserves, increasing council tax and making savings, the council will set a balanced budget for 2025/26 but we face equally difficult decisions for the next two years.

Budget gaps for 2026/27 and 2027/28 are currently estimated at £5m in each of those years.

What would help all councils is a commitment by the Scottish Government to three-year budget cycles to allow for longer term planning and to give us greater certainty in delivering service improvements.

In East Renfrewshire, we plan ahead and last year set up an Investment in the Future fund to support various projects over the next five financial years.

Councillors on the all-party Budget Strategy Group have been working with senior officers to develop proposals as well as having constructive discussions on savings.

The Accounts Commission praised this approach as a “notable example of good practice” and I thank the SNP and Conservative groups for once again taking part in these discussions throughout the year.

Given there are no budget amendments to today’s paper from other political group leaders, this again highlights the power of the Budget Strategy Group in interrogating recommendations, putting the people of East Renfrewshire first and putting party politics on the back burner.

CONTINUING TO INVEST IN OUR COMMUNITIES

The council continues to plan for a better future for our residents by investing in schools, leisure facilities and transport infrastructure.

East Renfrewshire’s population continues to grow as families move here attracted by our high-performing services and we have an ambitious capital programme to keep pace with this increasing demand.

EDUCATION

In education, our schools continue to be the best in Scotland, with consistently strong inspection reports and record levels of attainment. Many of our schools improved on already impressive exam results and across the authority S5 pupils achieved the highest ever proportion of five or more Highers.

As part of the council’s commitment to providing the very best learning environment for young people, our Neilston Learning Campus opened last year – delivering excellent new facilities for staff and pupils at Neilston and St Thomas’s primaries and the Madras Family Centre.

Plans are also well under way for a new out-of-school care service which will be provided by the council for pupils at Isobel Mair School.

This follows the provision of two extra classrooms at Isobel Mair last year and a new nursery class which opened at St John's Primary. Meanwhile, work to build a four-classroom extension at Maidenhill Primary is underway and due to be completed in time for the new term in August.

ENVIRONMENT

In support of our environmental ambitions, 10,000 new trees are being planted across East Renfrewshire and the council was delighted to reclaim its position as the top recycling authority in Scotland, with 58% of waste recycled – well above the Scottish average of 43%.

Significant progress has taken place on two of our City Deal projects, with work due to start on the new Balgray railway station in the next few months and work continuing on the creation of an impressive new waterfront promenade at nearby Aurs Road.

We are also drawing up proposals for more business units in Barrhead which would be funded by the City Deal.

Meanwhile, Thornliebank town centre has benefited from more than £600,000 worth of improvements to shop fronts, a new playpark and a major makeover of back lanes with artwork created by local schoolchildren that was unveiled just this week. This work on the lanes was funded by the UK Government's Shared Prosperity Fund.

SUPPORTING COMMUNITIES

As well as delivering now, this council is also committed to delivering for the future. In December I was delighted to help launch A Place to Grow, East Renfrewshire Community Planning Partnership's bold new vision for the next 15 years.

The Accounts Commission praised the council's work with partners and A Place to Grow sets out our shared hopes and aspirations between now and 2040 so that East Renfrewshire is a place where everyone can flourish, thrive and grow.

There will be more conversations about A Place to Grow in the coming months and I urge all residents to get involved to shape a better future for East Renfrewshire.

The council will continue its work with partners and the many local groups which make such a positive impact on our lives and wellbeing. These groups will be able to bid for a share of £100,000 over the next year as part of our popular Participatory Budget process which will again focus on Barrhead, Busby, Mearns Village, Neilston and Thornliebank.

And the council will give a further £50,000 to our local Citizen's Advice Bureau so it can continue to support people in maximising their income at a time when too many families are struggling

We announced in September that our own Money Advice and Rights Team had helped more than 5000 residents secure a quite incredible total of £8m by offering support to claim benefits and manage debt. This work is continuing and we are on track to significantly increase that figure this year.

The council is also working with partners on proposals for a credit union in East Renfrewshire which would offer further financial assistance to residents. This was already an important

proposal and, following the decision to close the last bank in Barrhead, this now become essential.

HOUSING

In housing, the council has implemented practical measures following our declaration of a Housing Emergency. We invested £1m in the current year to buy properties across East Renfrewshire to help homeless people and another £1m will be spent in the coming year to buy more homes to help reduce the number of people living in bed and breakfast accommodation.

In addition, five properties are being built at Overlee House which will also provide temporary accommodation for homeless people.

Building more council houses across East Renfrewshire has been one of this council's major achievements and I was delighted we were able to celebrate earlier this month as more tenants moved into more than 100 new council houses built in Maidenhill.

The Accounts Commission highlighted the fact we have exceeded our target to build 270 new affordable homes between 2017 and 2023, with 413 completed by the council and our social housing partners.

ROADS

Another success story has been our continued focus on improving local residential roads. I announced last year that more money - £3.5m a year – was to be invested in a new five-year programme to support these improvements.

We are on track to resurface almost 60 local roads and pavements in the current year and you can see some of the

projects that have already been completed in every council ward on the screens in front of you.

LEISURE AMENITIES

The council has also made significant progress in delivering a new leisure centre and theatre which will be built in Eastwood Park.

Planning permission for this fantastic new amenity was granted two weeks ago and the main construction phase will begin later this year.

The new complex will provide sector-leading facilities including an eight-lane swimming pool, learner pool, a much larger fitness suite and three fitness studios, and a four-court games hall. A much-improved and larger theatre will be complemented by a studio theatre and bar.

This new facility will allow East Renfrewshire Culture and Leisure to meet the demands of its customers, and aligns with one of the key pillars in our A Place to Grow vision to support people to live well.

Providing such improved amenities is an important part of the strategy to encourage people to adopt healthier lifestyles and an investment which will benefit local residents for generations to come.

THE IMPORTANCE OF OUR EMPLOYEES

None of these impressive projects would be possible without the support and drive of our employees who share a common aim of improving the lives of local residents.

As councillors, we see examples on a daily basis of employees proudly demonstrating the council's values of Ambition, Kindness and Trust.

In times of emergency, such as Storm Eowyn last month, employees right across the council and HSCP rose to the challenge and kept our vital services going.

I thank each and every one of you for your efforts, not only in times of crisis but in delivering day in day out. We are investing in our employees, with a focus on learning and a new People Strategy.

And I can announce today that we are also investing in our young workforce by paying Modern Apprentices the Real Living Wage from the 1st of April.

We have Modern Apprentices in a range of roles across the council and I hope this commitment will encourage them to see working for the council as a long-term career option.

As part of our Budget discussions, our trade union partners spoke to councillors and I thank them for their contributions.

There will be no-one in our workforce impacted directly by the savings announced today and I am pleased to repeat this administration's assurance from previous years that there will be no compulsory redundancies linked to savings in the year ahead.

CONCLUSION

Finally, in conclusion, this month's Accounts Commission report was welcome recognition of the high performing services East Renfrewshire Council delivers.

And this administration is committed to ensuring the council delivers even better services in the future by continuing to invest across a wide range of areas.

We are **investing** £56m in a new leisure centre and theatre in Eastwood which will encourage healthier living and provide superb new facilities for generations to come.

We are **investing** £3.5m in the coming year on improving local roads in residential areas.

We have **invested** an extra £1m this year in temporary housing and in 2025/26 will be committing a further £1.8m to provide more properties to tackle homelessness.

We continue to **invest** heavily in our schools, teachers and support staff, being one of only six local authorities in Scotland to maintain teacher numbers and today's Budget commits to protecting teacher numbers again in the coming year.

This will support us in maintaining our position as having the best council-run schools and the best outcomes for children and young people in the country.

For the vital services delivered by the HSCP, we have committed £1.6m of additional recurring funding to support the care of our children, young people and adults.

And we have committed a further £700,000 over two years to support change and innovation in the HSCP.

This council will continue to support the important work of the HSCP for the long term.

I said at the start of my speech there were cautious grounds for optimism in relation to the council's finances and I sincerely hope that will be borne out by future levels of funding from the Scottish Government.

I know there will still be significant challenges ahead but what gives me confidence is how this council has tackled such challenges up until now.

East Renfrewshire Council has continued to deliver high quality services through difficult times and has ambitious and achievable plans for the future to further improve our services.

We have a clearer path ahead and in A Place to Grow a clear and transformational vision of a better future for all our residents.

I, and this administration, continue to be committed to delivering even better services in the future and we are committed to improving the lives of everyone in East Renfrewshire.

Thank you.

I now formally move the report which I outlined before the beginning of my speech.