

DELIVERING OUR PLEDGES AND PROTECTING FRONTLINE SERVICES

Good morning everyone and a very warm welcome to you all as I outline East Renfrewshire Council's Budget for 2020/2021.

The last year has seen significant progress in delivering a range of ambitious projects; building work is well underway at six new nurseries across the area which from August will offer places for 740 children; a superb new primary school has opened at Maidenhill in Newton Mearns and dozens of people have moved into fantastic new council houses in Barrhead.

Work will start on more new council houses in the coming year as part of our plans to build 240 homes for rent, some of our most vulnerable residents will move into vastly-improved facilities at Bonnyton House and we will continue with the £3million per year of extra spending on improving local roads which I announced last year.

It is the case, however, that we live in very challenging financial times. We welcome the £8.5million extra we have received from the Scottish Government to help provide new nurseries, fund changes to teachers' pay, boost pupil counselling and meet the responsibilities of the Carers' Act.

Until yesterday, the cash funding we receive to spend on vital day-to-day services was to be reduced by about 1% on a like-for-like basis. But now we understand our funding will be closer to a flat cash settlement. Whilst this is a welcome improvement, tough decisions will still have to be made to balance our books, ensure we can still support young people, the elderly and the most vulnerable and provide day-to-day services such as road gritting and refuse recycling.

It is without doubt these funding pressures will present significant challenges in the years ahead. But what I and my administration colleagues can absolutely promise is that we will do our very utmost to ensure East Renfrewshire Council continues to deliver its pledges.

I wish to thank the Council's accountancy staff and our Corporate Management Team for all their hard work in bringing forward this Budget which delivers our ambitious programme of capital investment and continues to help those most in need.

My thanks also go to our trade union partners who provided both written and verbal submissions in respect of the concerns of their members.

SCOTTISH GOVERNMENT GRANT SETTLEMENT 2020/2021

Our grant settlement from the Scottish Government for 2020/2021 is now expected to be slightly higher than the £189.4million outlined in the council papers.

This settlement comes with new conditions on what we can spend the money on.

With 60% of our budget ring-fenced for national initiatives or policy priorities such as education and social care, budgets for other core services will be harder hit.

The money we receive from the Scottish Government is by far our biggest single source of funding, with only 19% of our income coming from what we raise through council tax.

ADDRESSING THE BUDGET CHALLENGE

In the council papers, our Budget shortfall for 2020/2021 was estimated at just over £18million which we hope will be reduced when our settlement is finalized. Inflation, pay rises and an increasing population all contribute to this shortfall.

We have further developed the plans we outlined at the start of our three-year budget in 2018 and we will tackle this shortfall through savings, using our reserves and increasing council tax.

Around £7million of savings had been previously identified but due to the protection of budgets for our Health and Social Care Partnership we can now only take £6.8million of these savings. During the year officers identified a further £3.7million of new savings.

These include savings which would be particularly difficult; reduced funding for East Renfrewshire Culture and Leisure Trust, savings from devolved school management budgets and reducing extra support for the lowest-performing pupils. Prior to yesterday's announcement, we also planned to identify further savings of £1.3million during the year ahead. However, following the announcement, we will no longer require to identify further savings and we will also be able to review some of the most difficult savings. A paper will be brought back to council in the near future outlining the updated position.

We will also use £3.5million from reserves to further reduce the budget gap. Repeatedly using reserves, which have been built up over many years through sound financial management, is not a long-term solution but will help us delay further reductions to vital services. We had originally intended to use £1.5million of reserves in 2020/2021 but we are now able to use more reserves due to an estimated underspend for the current year

of £1.6million. Over our three-year Budget cycle we will spend £6.2million from reserves and by the end of 2020/2021 our reserves will have been reduced by around 60%.

To completely close the Budget shortfall for 2020/2021, I am today recommending East Renfrewshire Council increases its council tax by 4.84% which will generate £2.7million of extra income for the council.

This has been an extremely difficult decision and is not a decision we have taken lightly as we know it will put an extra burden on residents. But, without generating this additional income, there would have to be further reductions in funding to our schools, public infrastructure such as roads, our parks and recycling services.

Last year's rise of 3% in council tax was well below the maximum increase allowed by the Scottish Government and East Renfrewshire was one of a minority of councils across Scotland to have such a low increase. This meant our band D rate of Council Tax was still below the Scottish average

But the level of funding this year, along with the very real challenge of having to make substantial savings over successive years, has meant we have had to implement a bigger Council Tax rise for 2020/2021 to protect the frontline services which people rightly value so much.

GRANT SETTLEMENT PROJECTION FOR 2021/2022

Although these measures will allow us to balance the books for this year, significant challenges still lie ahead.

To help with our long-term financial planning we had hoped the Scottish Government would be able to deliver a multi-year

settlement but this was not possible due to the UK Government's decision to hold its budget on the 11th of March, the very date by which Scottish councils must legally set their council tax.

As a result, today we can only agree budget plans for the year ahead. Forecasts for next year, 2021/2022, already show a budget shortfall of £12.4million based on a council tax increase of 3%, so it is clear more difficult decisions will have to be made in the future.

We do anticipate approving a further three-year budget in February 2021 once multi-year figures have been announced by the Scottish Government.

ADDRESSING THE SAVINGS CHALLENGE

While there are undoubtedly significant challenges ahead, we remain committed to protecting our frontline services by increasing efficiencies wherever possible. Streamlining processes across the Council by using digital technology is making a significant impact on meeting our savings targets

We have updated many of our internal computer systems to increase efficiency and in the next few months we will deliver a new website which will make it easier for residents to interact with the Council digitally.

In 2020/2021, 59% of the required savings will come from our Modern Ambitious Programme and other efficiencies.

And over the course of the current three-year Budget, we will have delivered 67% of our savings through efficiencies.

SIGNIFICANT INVESTMENT IN OUR COMMUNITIES

Despite our very challenging savings target and the tough financial climate, East Renfrewshire Council remains absolutely committed to delivering a wide range of ambitious projects to improve the lives of residents.

Over the next ten years we will spend £209million on these capital plans and two-thirds of that money will be spent in the next three years, with many of our most ambitious projects already nearing completion.

These projects are directly linked to the work our staff undertake every day to achieve the best possible outcomes for our residents and further improve services which are already of a high standard.

To achieve the best Outcomes for our youngest residents, we are spending £24.9million on six new nurseries in Busby, Clarkston, Cross Arthurlie, Eaglesham, Newton Mearns and Thornliebank as part of our substantial commitment to the Scottish Government's flagship policy of almost doubling the amount of free early learning and childcare provision.

These high-quality aspirational new facilities providing places for 740 children are taking shape right across East Renfrewshire and will be ready by August this year – another excellent example of this council delivering real, tangible improvements for local people.

As part of our commitment to deliver the best Outcomes in Learning, Life and Work, a £15million state-of-the-art primary school opened at Maidenhill in Newton Mearns last August. This superb facility provides a top-class learning environment and is already a double award winner for the quality of its architecture.

We are also progressing plans to spend £30.4million on transforming education and leisure facilities in Neilston in partnership with the Scottish Government. This ambitious project will create new schools for pupils at Neilston and St Thomas's primaries and a new Madras Family Centre. Work will start next year and there are also plans for a new swimming pool and Community and Wellbeing Hub.

Our aim is to ensure every part of East Renfrewshire has access to modern educational and leisure facilities which will further encourage our young people to succeed.

The achievements of our students are already impressive. Once again last year pupils across East Renfrewshire enjoyed fantastic success in their exams. Attainment continues to rise, with very strong Higher and Advanced Higher results and a record-breaking performance in S4.

We were in the enviable position of two of our schools receiving outstanding inspection reports – making it official that in St Ninian's and Our Lady of the Missions, we have the best secondary and best primary school in Scotland.

For young people in care, their life chances are being greatly improved by the long-term commitment to our Champions' Board which allows those with experience of the care system to directly influence senior officers and councillors.

This Council has also committed to providing much-improved new leisure facilities in Eastwood Park. At least £26million has been set aside for this project and these plans will be taken forward once a report on the options has been considered.

Staff and board members from the leisure trust will be involved in deciding what this important new amenity will include.

To support the economy and environment, East Renfrewshire Council is working in partnership with other local authorities to convert household waste into low carbon energy. We already have the best recycling rates in Scotland and now household waste which would otherwise have been sent to landfill is being converted into electricity for the national grid.

Our commitment to tackling climate change extends to our council house building programme which has seen tenants move into environmentally-friendly new homes in the last year. Dozens of new homes have been built at three sites in Barrhead and work will start at two further sites, in Barrhead and Newton Mearns, later this year.

These new homes are making a real difference to people's lives, improving hugely the lives of people like Evelyn Milligan who was facing homelessness until moving into her new flat. On hearing the news that she was to receive a new home, Evelyn shed tears of joy and relief.

Building these first new council houses in a generation also helped create local employment, apprenticeships and work placements.

Further opportunities for economic growth have also been created at our £5.7million Greenlaw Business Centre in Newton Mearns. This is one of the first projects to be completed as part of the Glasgow City Region City Deal which will see £44million of investment in East Renfrewshire in the next few years.

The high-quality office space at Greenlaw is aimed at small to medium-sized firms and start-ups and we've already had more than 100 enquiries from businesses interested in moving in.

Improving the transport network is a vital part of encouraging economic growth which is why this administration announced a new project last year to spend an extra £3million every year for five years on improving East Renfrewshire's roads infrastructure.

In the last year, resurfacing work has been carried out at almost 30 locations right across East Renfrewshire, with pavements being improved at a further nine sites. And despite the very real financial pressures the council faces, we will continue with this improvement programme over the next four years.

To achieve Safe, Supportive Communities, we are investing more than £1million to upgrade our telecare systems which allow older and vulnerable people to remain in their own homes.

And in partnership with Police Scotland, we are proud to report that East Renfrewshire continues to have the lowest levels of crime in mainland Scotland.

The results of our most recent Citizens' Panel Survey found 95% of residents were satisfied with East Renfrewshire as a place to live, with many citing the fact they felt safe here as one of the main reasons why they love living in East Renfrewshire.

Finally, to achieve the best Outcomes for older people and people with long-term conditions, our Health and Social Care Partnership has been working tirelessly to improve the lives of some of the most vulnerable members of our community.

An extra £1million has been invested in our home care provision and we have embarked on a high-profile recruitment campaign to attract more staff into this vital service.

When our residents do require hospital treatment, we consistently have one of the best records in the country of providing support so their return home is not delayed.

In addition, work is also currently underway at the council's Bonnyton House care home where we are spending £580,000 on improving the existing facilities and creating a new six-bed unit to deliver end-of-life care.

Delivering such vital projects as part of these five Outcomes will play a major role in helping East Renfrewshire Council achieve its ultimate aim of making people's lives better.

CONCLUSION

In conclusion, the Budget I have outlined today comes at a time when East Renfrewshire Council faces significant financial challenges.

However, by using a range of measures we have still delivered a Budget which tackles the savings gap, balances the books and protects frontline services.

We will continue to push for increased funding for local government and continue to look at new and innovative ways of achieving savings.

The latest available figures for the period of our three-year Budget show the number of jobs in the Council will fall by around 290 between 2018 and 2021. That figure may fall slightly and will be offset to a large degree by the creation of

more than 200 roles to support our ambitious plans to almost double the level of free nursery care. We have said in recent years that any reductions in staff would be managed through natural turnover and I am pleased to reaffirm that commitment today that no compulsory redundancies will be required in the coming year.

Our staff remain our single biggest asset and we recognize the extra work they have put in over recent years as savings have had to be made. They have a key role to play in ensuring we continue to deliver the very best services for our residents.

The range of substantial capital projects I have outlined will also help deliver our ambition of improving the lives of everyone in East Renfrewshire.

Further significant investment is planned for the years ahead and this will ensure East Renfrewshire continues to be a great place to live in, work in and visit.

The great progress we have made in such a short space of time to deliver new nurseries; to deliver new council houses and to deliver improvements to our transport network highlights some of the real achievements that have been made by East Renfrewshire Council. We are a Council that delivers.

Once again, my thanks to everyone who has been involved in the Budget process this year.

RECOMMENDATIONS

I now ask that the Council:

- (i) approves the revenue estimates for 2020/2021;

- (ii) approves the proposed actions should there be a late change to the grant settlement;
- (iii) approves the recommended level and use of reserves;
- (iv) determines the Council Tax Band D level for 2020/2021 at £1,289.96; and
- (v) notes that management of the Council's finances and service plans will continue to be undertaken on a longer-term basis.