

EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE26 November 2020Report by ClerkCABINET RESPONSES TO AUDIT AND SCRUTINY COMMITTEE'S INVESTIGATIONS  
ON INCOME GENERATION AND COMMERCIALISATION; AND CLIMATE CHANGE**PURPOSE OF REPORT**

1. To submit, for review, the responses approved by the Cabinet in relation to the recommendations made by the Audit and Scrutiny Committee on both Income Generation and Commercialisation; and Climate Change.

**RECOMMENDATION**

2. It is recommended that the Committee:-
- (a) reviews the responses approved by the Cabinet on the Audit and Scrutiny Committee's investigations on both Income Generation and Commercialisation; and Climate Change;
  - (b) notes the extent to which the committee's recommendations have been accepted; and
  - (c) considers when it may wish to review progress on implementation of the recommendations.

**INCOME GENERATION AND COMMERCIALISATION INVESTIGATION AND ASSOCIATED RESPONSE**

3. On 5 December 2019, the Cabinet considered the Audit and Scrutiny Committee's report on its [Investigation on Income Generation and Commercialisation](#) which had been progressed between July and October that year with support from the former Scrutiny and Evaluation Officer. The Committee had considered this work to have potential to generate new income streams; to contribute to the Council achieving future savings targets; to help it meet the strategic priority areas of the Community Plan; and to help deliver the Council's corporate plan 'Vision for the Future'. Other potential benefits were considered to include demonstrating financial responsibility to the local community; helping to deliver Best Value; and sustaining/improving service levels.

4. In total, the Committee had made 12 recommendations to the Cabinet as itemised in Appendix A to this report. One of the key recommendations (*Recommendation 1*) was that the Council establish a new policy on commercialisation, supported by a cross-departmental team with expertise, to implement the key recommendations of the policy and an associated action plan.

5. In December, the Cabinet agreed to support the recommendations in principle and that a response to the Committee's report be submitted to the Cabinet in 6 months. Following a slight delay due to the impact of COVID-19, a response was considered by the Cabinet on 24 September 2020 (Appendix B refers). It reflected that all 12 of the recommendations made by the Audit and Scrutiny Committee had been agreed by Directors; and that despite the challenges of dealing with the COVID-19 pandemic, work had been started in many of these areas with future work planned in due course.

6. The Cabinet:-

- (a) considered and approved the response to the Audit and Scrutiny Committee's report on its Investigation on Income Generation and Commercialisation opportunities within East Renfrewshire Council; and
- (b) noted the progress made to date by Departments in relation to implementing the recommendations.

### **CLIMATE CHANGE INVESTIGATION AND ASSOCIATED RESPONSE**

7. On 13 August 2020 the Cabinet considered the Audit and Scrutiny Committee's report on its [Investigation on Climate Change](#) which had been completed in support of the refreshed Environmental Sustainability Strategy and Action Plan and involved all departments of the Council. Work on the investigation had been conducted between November 2019 and February 2020, with this work and the preparation of the report prepared having also been supported by the former Scrutiny and Evaluation Officer. The report had been due to be considered by the Cabinet on 2 April 2020, but that meeting was cancelled due to the COVID-19 pandemic and related implications. However, it was instead submitted to the first meeting of the Cabinet to take place after meetings of that body resumed just after the summer 2020 recess.

8. In total, the Committee had made 24 recommendations to the Cabinet as itemised in Appendix C to this report, including a recommendation (*Recommendation 3*) that the Council's strategy on climate change be renewed, setting out the Council's future priorities with clear actions, replacing the former Climate Change Strategy and Sustainability Action Plan, and to include the involvement of children and young people in the development of the new strategy.

9. At the Cabinet meeting in August 2020 it was agreed that a formal response be prepared. There is usually a time lag between the submission of a report on an investigation to the Cabinet and a formal response to it being prepared. However, taking account of the fact that the content of the Audit and Scrutiny Committee's report had been known for some time as it had been finalised earlier in the year, at the same meeting on 13 August, the Cabinet considered a report by the Director of Environment outlining a proposed approach for the development of a Climate Change Strategy and Action Plan, particularly in view of the recommendations arising from the Audit and Scrutiny Committee's work (Appendix D refers).

10. The Cabinet:-

- (a) approved the proposed comprehensive approach to the development of a new Climate Change Strategy and Action Plan;
- (b) supported the ambition for the Council to be 'carbon neutral' by 2040 (as a minimum target); and

- (c) approved the proposal to establish a cross party Member/Officer working group to progress the Climate Change Strategy and Action Plan.

11. The Committee may wish to note that the Head Environment (Strategic Services) has indicated that he intends to submit a further report to the Cabinet early in 2021 on developments.

## **RECOMMENDATIONS**

12. It is recommended that the Committee:-
- (a) reviews the responses approved by the Cabinet on the Audit and Scrutiny Committee's investigations on both Income Generation and Commercialisation; and Climate Change;
  - (b) notes the extent to which the committee's recommendations have been accepted; and
  - (c) considers when it may wish to review progress on implementation of the recommendations.

### Local Government (Access to Information) Act 1985

Report Author: Linda Hutchison, Senior Committee Services Officer  
Tel: 0141-577 8388  
email: linda.hutchison@eastrenfrewshire.gov.uk

#### Background papers:

1. Report prepared by Audit and Scrutiny Committee on Income Generation and Commercialisation and associated Cabinet response
2. Report prepared by Audit and Scrutiny Committee on Climate Change and associated Cabinet response

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**AUDIT AND SCRUTINY COMMITTEE'S RECOMMENDATIONS TO CABINET ON INCOME GENERATION AND COMMERCIALISATION**

It was recommended that the Cabinet considers the following recommendations:-

1. That the Council establish a new policy on commercialisation, to include:
  - creating action plans, and setting of income/savings targets;
  - developing the existing culture of commercialisation within the council, including training for employees and Elected Members;
  - formation of a cross-departmental team with commercial expertise;
  - including commercialisation skills and experience in the person specification for specific posts which are advertised;
  - continued participation in commercialisation workshops e.g. through the Association of Public Sector Excellence (APSE);
  - structured information sharing between departments, and greater collaboration with other councils; and
  - requiring all departments of the council to discuss their commercialisation plans with Legal Services for advice, prior to entering into discussions with third parties.
2. To invite representatives of other councils, with successfully developed approaches to commercialisation, to address a joint grouping of East Renfrewshire Council Members and officers;
3. That the Council develop further a programme of staging major events to be held at various venues in East Renfrewshire, building on the commercial success of the Playground Festival held in Rouken Glen Park in August 2019. (Advance planning of future events should focus strongly on community consultation, reinstatement of facilities, liaison with other agencies, and lessons learned from previous events);
4. To agree, in principle, to investigate options for income generation which might be available from the proposed new digital telecare system, through provision of care services on behalf of other local authorities or organisations, and to market the associated business development skills;
5. To support taking a more commercial approach to procurement, to achieve efficiencies and maximise income potential from the council's collaborative framework arrangements, e.g. with Scotland Excel;
6. To maximise the use of local companies through procurement and purchasing activities to help stimulate the economy of East Renfrewshire, in accordance with the existing provisions which enable this through the Council's contract standing orders;
7. To further develop links between schools, the business community and other partners, to create further opportunities for young persons in relation to training; assistance with technology; and other benefits;
8. To monitor closely, and to receive regular reports, on the financial implications arising from the expected reduction in levels of income from the Wraparound care service. (This will occur during and after the transition from the provision of 600 hours to 1140 hours of free early learning and childcare by August 2020).

9. To keep under review, options to develop income generation opportunities at roundabouts, bus shelters, council vehicles and other locations;
10. To support the ongoing development of proposals (subject to submission of further reports where appropriate) by the Environment Department, to generate new income, or maximise potential from existing arrangements, through some or all of the following:
  - Trade waste and refuse collection;
  - Fleet Services;
  - Undertaking landscaping and grounds maintenance in new housing developments;
  - Leasing of storage units;
  - Potential purchase of new commercial units;
  - Grazing lets;
  - Asset Management and taking a more commercial approach to managing vacant buildings;
  - Renewable energy, including options for developing council-owned or shared partnership arrangements, e.g. creation of a biogas facility;
  - Burial and Related Services; and
  - Annual garden waste collection arrangements.
11. That the departments involved submit a report on the option to introduce a public car parking policy, to regulate activities better at key pressure points in East Renfrewshire; and
12. That the Chair of the Audit and Scrutiny Committee extends an invitation to meet the Chair of the Performance and Audit Committee of the Health and Social Care Partnership, to share information and discuss good practices arising from the review;

EAST RENFREWSHIRE COUNCILCABINET24 September 2020Report by Chief ExecutiveRESPONSE TO THE AUDIT AND SCRUTINY COMMITTEE'S INVESTIGATION ON  
INCOME GENERATION AND COMMERCIALISATION

1. To provide a response for Cabinet consideration to the Audit and Scrutiny Committee's Investigation on Income Generation and Commercialisation Opportunities.

**RECOMMENDATION**

2. It is recommended that the Cabinet
  - considers and approves this response to the Audit and Scrutiny Committee's report of 21<sup>st</sup> November 2019 on its investigation on income generation and commercialisation opportunities within East Renfrewshire Council and
  - notes the progress made to date by Departments in relation to implementing the recommendations (where accepted)

**BACKGROUND**

3. As part of the Investigation on Income Generation and Commercialisation Opportunities within East Renfrewshire Council, the Audit and Scrutiny Committee undertook a range of range of meetings with the Council's departments and services to gather information and take evidence in August and September 2019. The focus of these meetings included: how annual savings targets are being met each year; the ways in which external income is currently being generated; how commercialisation is being introduced to the culture of the departments; examples of where savings are being achieved, or other benefits gained, for example by working with other councils, partners, or the business community; and which new commercialisation opportunities the department or service intended to introduce.

4. The Scrutiny and Evaluation Officer, working closely with the Audit and Scrutiny Committee, prepared a report summarising the work of the investigation, and providing recommendations based upon the views of members. A final report with recommendations was submitted to, and approved by, the Audit and Scrutiny Committee on 21<sup>st</sup> November 2019.

5. It was agreed that a further report should be considered by the Cabinet in approximately 6 months from November when the Audit and Scrutiny Committee approved the Report, where an update on each recommendation would be provided.

6. Following consideration of this report by the Audit and Scrutiny Committee in November 2019 the Council has had to deal with the Covid-19 pandemic. This challenging situation has inevitably required departments to focus on delivering essential services. Some aspects of the Report recommendations have still to be fully considered by Directors and although some initial progress has been made it is important to note that most work could only be taken forward once the focus on the ongoing Covid-19 challenge has reduced.

7. Given the time which has elapsed since these recommendations were initially proposed, and the impact of Covid-19, a brief update on initial work undertaken to date is included, where available, in Appendix 1 of this report.

## REPORT

8. The following recommendations were made by the Audit and Scrutiny Committee following its Investigation on Income Generation and Commercialisation Opportunities. Directors were asked to consider the recommendations within the report and advise if these were to be accepted (or not) and provide an outline of possible timescales for implementation.

No	Recommendation	Decision	Lead Contact
1	That the Council establish a new policy on commercialisation.	Agreed	Director of Environment
2	To invite representatives of other councils, with successfully developed approaches to commercialisation, to address a joint grouping of East Renfrewshire Council Members and officers	Agreed	Director of Environment
3	That the Council develop further a programme of staging major events to be held at various venues in East Renfrewshire, building on the commercial success of the Playground Festival held in Rouken Glen Park in August 2019. (Advance planning of future events should focus strongly on community consultation, reinstatement of facilities, liaison with other agencies, and lessons learned from previous events).	Agreed	Director of Environment
4	To agree, in principle, to investigate options for income generation which might be available from the proposed new digital telecare system, through provision of care services on behalf of other local authorities or organisations, and to market the associated business development skills.	Agreed	Director of Corporate & Community Services
5	To support taking a more commercial approach to procurement, to achieve efficiencies and maximise income potential from the council's collaborative framework arrangements, e.g. with Scotland Excel.	Agreed	Chief Executive
6	To maximise the use of local companies through procurement and purchasing activities to help stimulate the economy of East Renfrewshire, in accordance with the existing provisions which enable this through the Council's contract standing orders.	Agreed	Chief Executive
7	To further develop links between schools, the business community and other partners, to create	Agreed	Director of Education



	further opportunities for young persons in relation to training; assistance with technology; and other benefits.		
8	To monitor closely, and to receive regular reports, on the financial implications arising from the expected reduction in levels of income from the Wraparound care service. (This will occur during and after the transition from the provision of 600 hours to 1140 hours of free early learning and childcare by August 2020).	Agreed	Director of Education
9	To keep under review, options to develop income generation opportunities at roundabouts, bus shelters, council vehicles and other locations.	Agreed	Director of Environment
10	To support the ongoing development of proposals (subject to submission of further reports where appropriate) by the Environment Department, to generate new income, or maximise potential from existing arrangements.	Agreed	Director of Environment
11	That the departments involved submit a report on the option to introduce a public car parking policy, to regulate activities better at key pressure points in East Renfrewshire	Agreed	Director of Environment
12	That the Chair of the Audit and Scrutiny Committee extends an invitation to meet the Chair of the Performance and Audit Committee of the Health and Social Care Partnership, to share information and discuss good practices arising from the review	Agreed	Director of Corporate & Community Services

## CONCLUSION

9. This review area has the potential to generate new income streams, which may assist the Council in several areas: financial planning now and for the future; demonstrating financial responsibility to the East Renfrewshire community; delivering Best Value; sustaining or improving service levels for local citizens and customers; developing stronger links with businesses and organisations; developing collaborative links with other Councils; and self-awareness of where the Council is positioned, in terms of benchmarking information.

10. All twelve of the recommendations within the Audit and Scrutiny Committee report of 21<sup>st</sup> November have been agreed by Directors. Despite the challenges of dealing with the Covid-19 pandemic, work has been started in many of these areas with future work planned in due course.

## RECOMMENDATION

11. It is recommended that the Cabinet
- considers and approves this response to the Audit and Scrutiny Committee's report of 21<sup>st</sup> November 2019 on its investigation on income generation and commercialisation opportunities within East Renfrewshire Council and
  - notes the progress made to date by Departments in relation to implementing the recommendations (where accepted)

Chief Executive  
September 2020

Report author:  
Gill Darbyshire Chief Executive's Business Manager  
[gill.darbyshire@eastrenfrewshire.gov.uk](mailto:gill.darbyshire@eastrenfrewshire.gov.uk)

### Background Papers

Report by Chief Executive to Audit and Scrutiny Committee, 20 June 2019: Proposed Guide to Scrutiny and Review

Report by Chief Executive to Audit and Scrutiny Committee, 15 August 2019: Investigation on Income Generation and Commercialisation – Update on Progress

Report by Chief Executive to Audit and Scrutiny Committee, 26<sup>th</sup> September 2019: Investigation on Income Generation and Commercialisation – Update on Progress

Report by Chief Executive to Audit and Scrutiny Committee, 21<sup>st</sup> November 2019: Investigation on Income Generation and Commercialisation – Final Draft Report

Recommendation 1

That the Council establish a new policy on commercialisation, to include:

- creating action plans, and setting of income/savings targets;
  - developing the existing culture of commercialisation within the council, including training for employees and Elected Members;
  - formation of a cross-departmental team with commercial expertise;
  - including commercialisation skills and experience in the person specification for specific posts which are advertised;
  - continued participation in commercialisation workshops e.g. through the Association of Public Sector Excellence (APSE);
  - structured information sharing between departments, and greater collaboration with other councils; and
  - requiring all departments of the council to discuss their commercialisation plans with Legal Services for advice, prior to entering into discussions with third parties.
- Agreed
    - A policy has been prepared covering the recommended points and will be considered by the Corporate Management Team in due course.
    - A cross departmental commercialisation seminar with SOLACE coordinated by the Environment Department is proposed. This could be delivered virtually but it would be preferable to hold it face to face once Covid-19 restrictions allow this. Options are being considered

Recommendation 2

To invite representatives of other councils, with successfully developed approaches to commercialisation, to address a joint grouping of East Renfrewshire Council Members and officers.

- Agreed.
  - Options are being considered which could include formal seminars and/or co-learning from councils. Timescale is mid-2021, dependent on Covid-19 restrictions on face-to-face meetings.

Recommendation 3

That the Council develop further a programme of staging major events to be held at various venues in East Renfrewshire, building on the commercial success of the Playground Festival held in Rouken Glen Park in August 2019. (Advance planning of future events should focus strongly on community consultation, reinstatement of facilities, liaison with other agencies, and lessons learned from previous events).

- Agreed.
  - However, Covid-19 National restrictions on large-scale gatherings has impacted on the Council's plans to stage major events at various venues in East Renfrewshire. The Playground music festival scheduled for August 2020 was cancelled by the organisers who have submitted a request to hold the event in August 2021. As had been the case with this year's abandoned plans, there will be

community engagement and consultation with Elected Members as well as learning lessons from the inaugural event in 2019. Preliminary discussions with the organisers of other events have not yet progressed.

- Corporate and Community Services will support the Environment Department with the marketing of their Parks and other assets suitable for hosting of events. We will continue to liaise with Environment Department colleagues to determine how best to support their needs and aspirations in this area. Covid-19 National restrictions on large-scale gatherings has impacted on the Council's plans to stage major events at various venues in East Renfrewshire. The Playground music festival scheduled for August 2020 was cancelled by the organisers who have submitted a request to hold the event in August 2021. As had been the case with this year's plans, there will be community engagement and consultation with elected members as well as learning lessons from the inaugural event in 2019. Preliminary discussions with the organisers of other events have not progressed.

#### Recommendation 4

To agree, in principle, to investigate options for income generation which might be available from the proposed new digital telecare system, through provision of care services on behalf of other local authorities or organisations, and to market the associated business development skills;

- Agreed
  - Delays incurred through the Covid-19 response has resulted in an extension to the project timeline so as a result the scope for marketing of a digital telecare service to other users is likely to be some way off and not before 2023.

#### Recommendation 5

To support taking a more commercial approach to procurement, to achieve efficiencies and maximise income potential from the council's collaborative framework arrangements, e.g. with Scotland Excel

- Agreed
  - The Council currently receives rebates from Scotland Excel Frameworks on Education Materials, PPE, Electrical Materials, Plumbing and Heating Materials. Rebates returned to the Council for financial year 2018/19 from the use of Scotland Excel Frameworks was £18,000. Data for 2019/20 has been delayed due to COVID-19 impact. A report outlining savings opportunities was recently considered by the Councils Corporate Management Team and the Procurement Team are currently working with service representatives to deliver these savings.

#### Recommendation 6

To maximise the use of local companies through procurement and purchasing activities to help stimulate the economy of East Renfrewshire, in accordance with the existing provisions which enable this through the Council's contract standing orders;

- Agreed

- East Renfrewshire Council percentage spend with local small/medium enterprises remains comparably low given factors such as the existing supplier base and size and location of the local authority area. However, as identified in the new Procurement Strategy 2019-2022 the Procurement Team are working together with the Council's Economic Development team to focus on maximising opportunities to encourage local businesses, third sector organisations and supported businesses to do business with the Council.
- The temporary amendment to Standing Orders Relating to Contracts to support the Council's response to COVID-19 construction recovery by increasing the works Quick Quote threshold from £150,000 to £500,000. This amendment for 12 months will allow flexibility to accelerate delivery of projects that have been adversely affected by the Covid-19 outbreak. The use of Quick Quote up to the threshold of £500,000 would reduce both the time and resources required to get contracts into place and support economic recovery.

### Recommendation 7

To further develop links between schools, the business community and other partners, to create further opportunities for young persons in relation to training; assistance with technology; and other benefits.

- Agreed
  - East Renfrewshire schools continue to see the benefit of positive working relationships with employers within and beyond the local community. This activity is developed principally by the Education Department and schools along with support from partners such as Developing the Young Workforce (DYW) West Regional Group to provide reciprocal benefits to both employers and to young people. Examples include:
    - The East Renfrewshire Developing the Young Workforce Banquet which allows local employers to see first-hand the skills young people have gained from their school experiences and also from a wide range of vocational experiences.
    - Working closely with Skills Development Scotland (SDS) ERC schools have increased the number of young people participating in level 6 Foundation Apprenticeships (FA) (a work-based learning opportunity for senior-phase pupils, broadly equivalent to one Higher). The FA programme has expanded to include opportunities at level 4/5 to meet the needs of all learners wishing to undertake a qualification which offers work based learning across a range of sectors. From an initial recruitment of 7 young people in session 16-17, our recruitment continues to grow with 72 young people participating in the FA programme in session 19-20.
    - Community benefits are helping schools embed meaningful employer engagement into the curriculum and introduce new employer partnerships. Recently an event run in partnership with the Fraser of Allander Institute, Glasgow City Region and the Economic Futures initiative introduced new pathways for young people.
    - Given the impact of Covid-19 on schools and employers, we anticipate that going forward, this recommendation will be more challenging to deliver, particularly the provision of work related opportunities for young people including a negative impact on the FA programme. Schools and the Education Department will continue to plan and deliver relevant work based experiences for young people, supported

by DYW West. This session, this will involve working in partnership with Gateway Shared Services (Work Placements) to identify and support potential opportunities for young people to participate in real life or virtual work placements. Virtual work placements will become more prevalent, as will work based challenges and projects which simulate work experience placements. This will be closely monitored to ensure safe participation of young people and staff and relevant contexts for learning.

- The Local Employability Partnership (LEP) will continue to have a key role in supporting and facilitating partnership working. Data from SDS will inform plans for future curriculum development where labour market information identifies growth sectors and also those sectors most impacted by Covid-19. The Education Department will continue to work closely with the Environment Department to develop employer partnerships through the Community Benefits Working Group.

### Recommendation 8

To monitor closely, and to receive regular reports, on the financial implications arising from the expected reduction in levels of income from the Wraparound care service. (This will occur during and after the transition from the provision of 600 hours to 1140 hours of free early learning and childcare by August 2020).

- Agreed
  - Wraparound income continues to be monitored closely as part of normal budgetary control processes and pricing is reviewed annually via the Charging for Services exercise. Commentary on the latest projected wraparound income is included in the periodic Revenue Budget Monitoring reports submitted to Cabinet over the course of the financial year.
  - The closure of all schools and early years centres from 20 March 2020 due to the COVID-19 pandemic obviously led to no wraparound income being generated for the remainder of the 2019/20 academic session (or indeed over the summer holiday period). Free emergency childcare was provided during this period for the children of key workers as well as those most vulnerable. The opportunity to sell any wraparound currently is extremely limited given the unavoidable delays in the early years infrastructure expansion programme due to the pandemic.
  - We will continue to monitor the situation as the academic year progresses and the new buildings come on-stream but the ongoing impact of COVID-19 will continue to be a major factor in our ability to offer this service. Parent/carers own working arrangements going forward (e.g. increase in home working) will determine demand for additional hours over and above the free 1,140 hours of early learning and childcare (up from 600 hours) introduced within East Renfrewshire Council from the start of this session for all 3 and 4 year olds and eligible 2 year olds.

### Recommendation 9

To keep under review, options to develop income generation opportunities at roundabouts, bus shelters, council vehicles and other locations.

- Agreed
  - These opportunities had been explored previously and were found to be of low value and therefore of low priority but will be kept under review.

### Recommendation 10

To support the ongoing development of proposals (subject to submission of further reports where appropriate) by the Environment Department, to generate new income, or maximise potential from existing arrangements, through some or all of the following:

- Trade waste and refuse collection;
  - Fleet Services;
  - Undertaking landscaping and grounds maintenance in new housing developments;
  - Leasing of storage units;
  - Potential purchase of new commercial units;
  - Grazing lets;
  - Asset Management and taking a more commercial approach to managing vacant buildings;
  - Renewable energy, including options for developing council-owned or shared partnership arrangements, e.g. creation of a biogas facility;
  - Burial and Related Services; and
  - Annual garden waste collection arrangements.
- Agreed
    - A range of opportunities have been considered and will be kept under review.
    - Annual garden waste collection and special uplifts are to be prioritised. Research and planning is underway to support targeted implementation from 2021/22 onwards.
    - After further investigation it was found that a number of the potential opportunities listed were either not commercially viable or would provide a very limited return and so are low priority e.g. fleet services, leasing of storage units, new commercial units and grazing lets.
    - It should be noted that the commercial waste service brings in a significant income, primarily from utilising one vehicle. To extend the service would mean adding another vehicle and crew, which would not be cost effective at this time.
    - Charges for burials are already now at a high level compared to other local authorities. Some alternative memorial style work is underway, but income generation potential is unknown at this time and is likely to be modest.
    - With regards to Asset Management and taking a more commercial approach to managing vacant buildings – there is now a commercial landlord role within the Environment Department exploring this.
    - With regard to the Council taking on landscaping and grounds maintenance in new housing developments the situation is complex legally. However, the possibility is being investigated.
    - The Audit and Scrutiny Committee also supported the prospect of identifying opportunities for generating income from factoring linked to new-build housing developments. Again this is legally complex but is being investigated.

- In relation to renewable energy, including options for developing council-owned or shared partnership arrangements, e.g. creation of a biogas facility discussions are ongoing with a Developer;

#### Recommendation 11

That the departments involved submit a report on the option to introduce a public car parking policy, to regulate activities better at key pressure points in East Renfrewshire;

- Agreed
  - A brief has been prepared and external consultants are to be commissioned. Part of this work will include a survey to assess traffic and parking patterns across the Council area. Due to current Covid-19 restrictions on non-essential workers returning to offices this work has been delayed until normal travel patterns have resumed.

#### Recommendation 12

That the Chair of the Audit and Scrutiny Committee extends an invitation to meet the Chair of the Performance and Audit Committee of the Health and Social Care Partnership, to share information and discuss good practices arising from the review.

- Agreed
  - A meeting will be arranged in due course once these recommendations have been considered, and if approved, by Cabinet.





# EAST RENFREWSHIRE COUNCIL

## **INCOME GENERATION AND COMMERCIALISATION**

### **INVESTIGATION BY THE AUDIT AND SCRUTINY COMMITTEE**

FINAL DRAFT

Date: 31 October 2019

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**FOREWORD**

The principal purpose which underpinned the drive from the members of the Audit and Scrutiny Committee to undertake a review of income generation and commercialisation, was how the committee could help East Renfrewshire Council meet the serious financial challenges it faces now and in the future, and how these could be mitigated.

Successful outcomes from this investigation will help the Council to deliver on the strategic priority areas of the Community Plan and the Council's corporate plan 'Vision for the Future'. Clearly, there are other benefits which can be derived from the investigation under the Council's general approach to delivering Best Value, and these are described in more detail in the following sections.

During the discussions which we undertook with the Council's departments and services, some common themes were evident. It was clear that a culture of commercial awareness was emerging, and that departments were starting to collaborate more with each other on generating income. Closer working was also taking place with other organisations which, for example, could provide advice or training on commercialisation, such as the Association of Public Sector Excellence (APSE). All of the departments were planning ahead to extend their reach on income generation activities, and recovery of costs.

A word of caution however. This is only the start of the process for East Renfrewshire Council and the good work already put in place should be continued and developed. We feel that the culture of commercialisation should be expanded more widely across all departments, and the skills and knowledge of existing employees with experience in commercialisation should be used for the benefit of the Council. This base of commercial expertise should be enhanced through the Council's recruitment process by including commercialisation requirements for certain key posts. The committee were pleased to note that this process had already commenced in some areas for example in relation to property asset management.

One of the key recommendations from the investigation is that the Council considers developing a policy on income generation and commercialisation to better coordinate activities, and to maximise opportunities for success.

In the course of the investigation, the committee were very impressed with the level of commitment which the departments showed, and we thank the teams which we met, and their management too, for contributing to the committee's work. My gratitude is also extended to the members of the committee for their support throughout this process.

Finally, on behalf of the committee members, I commend this report and its recommendations to you.

Councillor Stewart Miller  
Chair of Audit and Scrutiny Committee  
31 October 2019

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## EXECUTIVE SUMMARY

1. The Audit and Scrutiny Committee has undertaken its first full investigation since 2016, in compliance with a recommendation from the Best Value Assurance Report of East Renfrewshire Council by Audit Scotland in November 2017.
2. Positive measures are underway across the Council's departments to develop a culture of commercialisation, building upon current income generation activities, and planning of new areas for implementation. These approaches are commended and should be continued as part of planned actions.
3. Cross-departmental working on income generation initiatives is evident, for example in the staging of major events, and liaison with external bodies for advice and training purposes regarding commercialisation. These initiatives should be supported and encouraged.
4. Further work is required to develop commercialisation skills and experience 'in-house'. This should include various measures, including targeted recruitment practices, evidence of which is already underway for example in property asset management.
5. Strong leadership from senior management in encouraging income generation and commercialisation initiatives is welcomed, and should be continued.
6. The recommendations for actions on discrete areas of income generation and financial management are listed in the Appendix 1 to this report, and are wide-ranging. The over-arching recommendation is to establish a new policy for East Renfrewshire Council on income generation and commercialisation, which would involve:
  - creating action plans, and setting of income/savings targets;
  - developing the existing culture of commercialisation within the Council, including training for employees and Elected Members;
  - formation of a cross-departmental team with commercial expertise;
  - including commercialisation skills and experience in the person specification for specific posts which are advertised;
  - continuing participation in commercialisation workshops e.g. through the Association of Public Sector Excellence (APSE);
  - structured information sharing between departments, and greater collaboration with other councils; and
  - including a requirement for all departments of the Council to discuss their commercialisation plans with Legal Services for advice, prior to entering into discussions with third parties.

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## 1. INTRODUCTION

1. On 20 June 2019, the Audit and Scrutiny Committee decided that a detailed review should be progressed on income generation and commercialisation opportunities within East Renfrewshire Council. The investigation was carried out from July to October 2019. The decision to select this topic area originated from a suggestion made by the Chair, and was discussed initially at an informal meeting of the committee held on 31 May 2019, along with a draft *Guide to Scrutiny and Review*, and a range of potential areas for scrutiny and review investigations.

2. This review area has the potential to generate new income streams and develop innovative solutions to address the Council's financial challenges. This may assist the Council in contributing towards its savings targets. Additional potential benefits include: financial planning now and for the future; demonstrating financial responsibility to the East Renfrewshire community; delivering Best Value; sustaining or improving service levels for local citizens and customers; developing stronger links with businesses and organisations; developing collaborative links with other Councils; and self-awareness of where the Council is positioned, in terms of benchmarking information.

3. Further informal meetings between the committee and the Council's departments took place during August and September to discuss plans for income generation and commercialisation. This allowed the committee to ask questions, and take a considerable amount of evidence. A final informal meeting was held on 8 October to allow provisional views to be formed on the options, and to allow the committee to decide the recommendations it wished to make. Fuller details of these meetings are provided in the following sections.

4. Progress reports on the investigation were submitted to the scheduled meetings of the committee held on 15 August and 26 September, with the final draft of the report on the investigation considered on 21 November 2019. The final report includes terms of reference, methods used, findings, and recommendations for further consideration by the Cabinet. An open dialogue was maintained with members of the committee which allowed them to contribute their views, ask questions, and participate actively throughout the investigation.

5. It is worthwhile noting some contextual background to the investigation. The Best Value Assurance Report for East Renfrewshire Council (Audit Scotland: November 2017), included a recommendation that Elected Members should take a more transparent and active role in scrutiny. Following the appointment of a Scrutiny and Evaluation Officer in April 2019, to assist the Audit and Scrutiny Committee, a *Guide to Scrutiny and Review* in East Renfrewshire Council was considered by the committee on 20 June 2019, and subsequently approved by the Council on 26 June 2019.

6. The new *Guide* includes advice on scrutiny, review and evaluation which is now available to all committees and Elected Members for their use. Future reviews will be assessed using selection and rejection criteria, and prioritised using the ratings for reviews which were agreed by the committee on 15 August:

**Priority 1: High** (A review is required: work to be scheduled to commence following completion of latest review on list);

**Priority 2: Medium** (A review is required: timing of commencement of work to be considered to achieve optimum outcomes); and

**Priority 3: Low** (Area suitable for a review, although not in the immediate future: however, area to remain under observation).

## 2. SCOPE OF INVESTIGATION

7. The Audit and Scrutiny Committee on 20 June 2019, agreed that a detailed review be progressed on income generation and commercialisation, in relation to which the following objectives would be pursued:-

- (i) gathering background information on current practices within other local authorities in Scotland and England, including lessons learned;
- (ii) reviewing benchmarking information available, to identify service charges in other local authority areas not currently in place in East Renfrewshire Council;
- (iii) considering ethical, risk, reputation management and legal issues associated with selling advertising space;
- (iv) exploring potential to pursue commercialisation opportunities in East Renfrewshire including identifying any potential restrictions and barriers; and
- (v) reviewing audit reports available on the area of review.

8. The questions posed by the committee, when they met the Council's departments, centred on common themes which had been discussed with departments on a preliminary basis in advance, and included:

- how annual savings targets were being met each year;
- the ways in which external income was currently being generated;
- how a culture of commercialisation was being introduced within departments;
- protecting the interests of East Renfrewshire citizens, and the Council's reputation;
- examples of savings, or other benefits gained, for example by working with other - councils, partners, or the business community; and
- which new commercialisation opportunities departments or services intended to introduce.

## 3. METHODOLOGY

9. The committee decided that a mixed-methods approach should be adopted to undertaking the investigation, to realise the potential for achieving maximum benefits. Arguably the more information sources which were used and reviewed the better equipped members of the committee would be to form a more rounded picture of the issue under scrutiny. This involved the following approaches:

1. Gathering information from other local authorities regarding their income generation activities, both in Scotland and England. This was carried out through meetings, telephone conversations, email correspondence and website searches;
2. Collecting evidence from national organisations of guidance which was available on income generation and commercialisation;
3. Accepting an invitation from Audit Scotland to hold an informal discussion between their representatives and the Chair and Vice Chair of the committee, and the Scrutiny and Evaluation Officer, on 2 July 2019. This involved the sharing of experiences on commercialisation opportunities undertaken by other audited bodies, primarily in England, which was of value to the investigation;

4. Asking the Scrutiny and Evaluation Officer to liaise with East Renfrewshire Council's departments to hold initial discussions on their current income generation activities; to hear about plans which they may have to create new commercial opportunities; and to pass on information gathered from other local authorities about their initiatives and experiences;
5. Arranging for the committee to meet each of the Council's departments to ask questions, and to take evidence; and
6. Inviting the committee membership to contribute suggestions at each stage of the review, and keeping them informed through the issuing of briefing notes and guidance from national organisations.

The following section provides details of the work undertaken, and findings.

#### 4. FINDINGS

##### *Liaison with External Bodies and Background Material*

10. One of the first actions undertaken involved the Chair and Vice Chair of the committee and the Scrutiny and Evaluation Officer meeting representatives of Audit Scotland on 2 July 2019 to discuss commercialisation experiences of other audited bodies, primarily in England. Due to pressures arising from the different arrangements for central government funding of councils in England, there had been a greater tendency for some English councils to be less risk-averse than their Scottish counterparts. Examples of commercialisation activities by some English councils included: creating public energy companies; establishing a solar wind farm; and purchasing property such as hotels, shopping centres, supermarkets, and land for mixed-use housing. Reflecting the substantially increased use of the Public Works Loans Board (PWLB) by local authorities in recent months, as the cost of borrowing had fallen to record low levels, HM Treasury on 9 October 2019 increased the cost of borrowing by 1%. This increase will apply to new loans, and has various implications for local authorities, including commercialisation plans which involve borrowing from PWLB to invest in property, in order to provide new income streams. We did not consider all such approaches viable or appropriate for East Renfrewshire Council in any case due to the level of risk involved.

11. Discussions have been taking place for some time between senior officers of East Renfrewshire Council, and a range of bodies such as: the Society of local authority chief executives and senior managers (Solace), which provides advice on commercialisation opportunities; APSE which organises commercialisation workshops which the council participates in, and has published a generic business case framework for establishing fees and charges for the Environment Department; the Chartered Institute of Public Finance and Accountancy (CIPFA) which organises workshops on commercialisation with a particular focus on property and asset management; and Price Waterhouse Coopers (PwC) which produced a benchmarking report on charges for services in 2017 which included East Renfrewshire Council. Audit Scotland through its 'how councils works' series, has also produced helpful advice on charging for services. This was all useful information in the context of the review.

12. In May 2018, Audit Scotland produced a report on Arms-length External Organisations (ALEOs), which has particular relevance given that many councils have used this mechanism to run commercial enterprises such as facilities and property management, as the Council did when it established the Culture and Leisure Trust. It reflects that financial advantages which could have been realised previously from using an ALEO, in relation to Non-Domestic Rates (NDR) have changed. For example, NDR relief on leisure trust properties is still available, but

it has been capped at the current level. A web-link was provided for the committee giving access to an Improvement Service publication on 'Income Generation Research' which provided examples of where councils had taken action beyond raising fees and charges, and instead, had taken a commercial approach to delivering services, maximising their assets, or entering into partnerships with other providers.

13. All of the above provided useful background to the investigation.

#### *Briefings*

14. Members of the committee were provided with a briefing note from the Scrutiny and Evaluation Officer on 19 August in advance of meeting the Council departments. This included links to advice which was available from national organisations on commercialisation, and examples of potential areas for further investigation, which had been obtained from other councils through meetings; email exchanges, telephone conversations and Internet searches. This provided useful background material for the committee.

15. A second briefing note was issued to the committee on 4 October which summarised the discussions with departments, and provided options for consideration, which assisted the committee with the formulation of recommendations.

#### *Meetings with Council Departments*

16. The committee discussed income generation and commercialisation opportunities with the Council departments during August and September, to enable evidence to be taken and the gathering of information:

<b>Informal Meetings of Audit and Scrutiny Committee</b>	<b>Date</b>
Corporate and Community Services	23 August 2019
Chief Executive's Office	26 August 2019
Education Department	9 September 2019
Environment Department	13 September 2019

17. Discussions between representatives of the committee and the departments on existing initiatives, and potential future ones, informed our thoughts, and have been summarised below:

#### *Corporate and Community Services*

18. The committee noted the good work which the department was carrying out on the transformation of services; and in reclaiming monies due to the Council from people who were not entitled to single person's council tax discount. The following areas were also discussed and considered in more detail:

- staging of future major events, such as the Playground Festival at Rouken Glen Park in August, which involved collaborative working with other departments;
- the need to consider a new public car parking policy due to pressure points across East Renfrewshire;
- digital telecare system, and the potential to provide care services on behalf of other local authorities or organisations, and to market the associated business development skills around this area;
- the need to recruit employees who have the requisite commercial experience and skills;

- the importance of further participation in external commercialisation groups involving a mix of representatives from other local authorities and organisations; and
- workforce planning in the context of what the committee was looking at.

#### *Chief Executive's Office*

19. The committee noted that the Legal Services team provides valuable legal advice and assistance on new commercial opportunities. A council-wide procurement service is also provided under the management of the Chief Officer – Legal and Procurement which is focused on achieving Best Value, with decisions being reached after an options appraisal exercise is carried out. The following areas were discussed and considered in more detail:

- taking a more commercial approach to procurement, to achieve efficiencies/maximise income potential from collaborative framework arrangements, e.g. with Scotland Excel;
- to stimulate the East Renfrewshire local economy by using local suppliers in relation to Council procurement and purchasing activities;
- establishing a requirement for all departments of the Council to discuss their commercialisation plans with Legal Services, for advice, prior to entering into discussions with third parties. It was felt that this requirement could be included in a Council-wide policy on income generation and commercialisation (see Recommendation 1); and
- due to the obligation of Legal Services to look after the Council's interests as its primary client, there were restrictions on the type of income-generating work which can be carried out on behalf of third parties. Options would continue to be looked at for recharging work which is carried out, e.g. on licensing.

#### *Education Department*

20. The committee noted that one of the principal objectives of Education Services was to raise attainment levels for all pupils, and introducing charges for services or raising prices could have a detrimental effect on the successful work being carried out. Additional funding which Education receives is often ring-fenced, and is reinvested in schools, such as the Pupil Equity Fund, which gives Headteachers responsibility for choosing how the funding is spent. The following areas were discussed and considered in more detail:

- exploring opportunities from links between schools and the business community and other partners, in relation to training; assistance with technology, and other benefits for young persons;
- the expected financial impact of reduced levels of income from the Wraparound care service, during and following the transition to the provision of 1140 hours of free early years provision;
- the option to generate income from selling spare capacity on the school transport privilege place scheme which would not be explored further, due to the potential financial risks involved in supplying larger capacity buses; and
- the option to extend the supported study service, in addition to provisions which are already in place such as Easter Schools which would not be explored further, due to potential for widening the attainment gap between pupils from disadvantaged areas and those from more affluent ones on the basis of ability to pay.

#### *Environment Department*

21. In the same way that the committee welcomed the way in which other departments were willing to consider income generation and commercialisation initiatives, the approach which the Environment Department was undertaking at a strategic level on income generation was also supported. This included: the encouragement of cultural change; engagement with the APSE commercialisation working group in Scotland; the establishment of an income generation/commercialisation internal group; and the creation of a commercialisation action plan with income targets. The following areas were discussed and considered in more detail:

- commercial awareness training, to be open to Elected Members and officers;
- cross-departmental working, e.g. staging of major events;
- advertising opportunities;
- renewable energy options, including biogas;
- options for trade waste; waste transfer station; fleet services; grounds maintenance in new housing developments; burials; grazing lets; rental of storage units; purchase of new commercial units;
- potential introduction of a new public car parking policy to address pressure points across East Renfrewshire;
- asset management, including the appointment of a Corporate Landlord Manager which has a commercial focus; and
- garden waste collection options.

## 5. CONCLUSION

22. This review area has the potential to generate new income streams, which may assist the Council in its savings targets. New income streams will help the council to meet its community plan objectives, and deliver the Council strategy 'Vision for the Future'.

23. An informal meeting of the committee was held on 8 October 2019, at which the information gathered and evidence taken from the meetings with departments was discussed, allowing the committee to form provisional views on various options. All members of the committee were given the opportunity to submit their comments either in advance or at the meeting.

24. One of the committee's key proposals is to develop an East Renfrewshire Council policy on income generation and commercialisation. Such a policy could be supported by a cross-departmental team (with commercialisation skills and experience), to implement the key recommendations of the policy, and any associated action plan with income targets. This approach is already in operation successfully within the Environment Department, and is commonly used effectively by other councils often as part of a transformation policy, which gives increased focus to the whole activity of income generation and commercialisation (see Recommendations 1 & 2).

25. The committee supports plans for developing a programme of staging major events, following the commercial success of the Playground Festival at Rouken Glen Park in August 2019 (see Recommendation 3). The proposed new digital telecare system offers income generation opportunities through joint working with other councils and care providers (see Recommendation 4.). Regarding procurement, the committee would like to see further efficiencies (such as through better value for money and greater financial returns) being realised from framework contracts. Members of the committee were keen to stimulate the local East Renfrewshire economy. In keeping with this it was their view that procurement and purchasing should involve local companies as much as possible, within the provisions of the Council's contract standing orders, to help the economy of East Renfrewshire (see Recommendations 5 & 6).

26. Partnership working is taking place between schools, the business community and further/higher education sector to provide training opportunities and work experience for young persons, and should be developed further (see Recommendation 7). The committee heard that the associated benefits tended to be in kind, rather than income being generated, but we considered that beneficial none the less.

27. The Council receives a significant amount of income from its Wraparound care service at present. The financial implications of reduced levels of income from that service should be monitored closely, during and following the introduction of 1140 hours free early learning and childcare by August 2020 (see Recommendation 8).

28. Income generation opportunities at roundabouts, Council vehicles etc. should be kept under review (see Recommendation 9) as it is not as financially attractive to pursue this as it might appear, principally because there are overheads (e.g. staff costs) associated with pursuing this. However, the Environment Department is working on a range of current and proposed commercialisation ventures, which offer real potential to generate new income. The committee supports this approach and looks forward to monitoring progress on these (see Recommendation 10). On one specific issue, the committee was aware of car parking pressure points at various locations in East Renfrewshire, and have called for a report from the departments involved, to propose a way forward to better regulate activities (see Recommendation 11).

29. As a matter of good practice and information sharing between partner organisations, it is proposed that the Chair of the committee extends an invitation to meet the Chair of the Performance and Audit Committee of the Health and Social Care Partnership to discuss the results of the investigation (see Recommendation 12).

30. During the course of the investigation, a high degree of cooperation was experienced with external organisations, other councils, and internally too across East Renfrewshire Council. The committee welcomed this.

31. It was agreed that a final report would be prepared for the committee to consider at the meeting to be held on 21 November. This summarises the work of the investigation, and provides recommendations based upon the views of members, one of which will be that the recommendations are considered at a future meeting of the Cabinet. It is also proposed that an update report be considered at a future meeting of the Audit and Scrutiny Committee on the implementation of those recommendations approved by the Cabinet.

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## RECOMMENDATIONS

It is recommended that the Cabinet considers the following recommendations:

1. That the Council establish a new policy on commercialisation, to include:
  - creating action plans, and setting of income/savings targets;
  - developing the existing culture of commercialisation within the council, including training for employees and Elected Members;
  - formation of a cross-departmental team with commercial expertise;
  - including commercialisation skills and experience in the person specification for specific posts which are advertised;
  - continued participation in commercialisation workshops e.g. through the Association of Public Sector Excellence (APSE);
  - structured information sharing between departments, and greater collaboration with other councils; and
  - requiring all departments of the council to discuss their commercialisation plans with Legal Services for advice, prior to entering into discussions with third parties.
2. To invite representatives of other councils, with successfully developed approaches to commercialisation, to address a joint grouping of East Renfrewshire Council Members and officers;
3. That the Council develop further a programme of staging major events to be held at various venues in East Renfrewshire, building on the commercial success of the Playground Festival held in Rouken Glen Park in August 2019. (Advance planning of future events should focus strongly on community consultation, reinstatement of facilities, liaison with other agencies, and lessons learned from previous events);
4. To agree, in principle, to investigate options for income generation which might be available from the proposed new digital telecare system, through provision of care services on behalf of other local authorities or organisations, and to market the associated business development skills;
5. To support taking a more commercial approach to procurement, to achieve efficiencies and maximise income potential from the council's collaborative framework arrangements, e.g. with Scotland Excel;
6. To maximise the use of local companies through procurement and purchasing activities to help stimulate the economy of East Renfrewshire, in accordance with the existing provisions which enable this through the Council's contract standing orders;
7. To further develop links between schools, the business community and other partners, to create further opportunities for young persons in relation to training; assistance with technology; and other benefits;
8. To monitor closely, and to receive regular reports, on the financial implications arising from the expected reduction in levels of income from the Wraparound care service. (This will occur during and after the transition from the provision of 600 hours to 1140 hours of free early learning and childcare by August 2020).

9. To keep under review, options to develop income generation opportunities at roundabouts, bus shelters, council vehicles and other locations;
10. To support the ongoing development of proposals (subject to submission of further reports where appropriate) by the Environment Department, to generate new income, or maximise potential from existing arrangements, through some or all of the following:
  - Trade waste and refuse collection;
  - Fleet Services;
  - Undertaking landscaping and grounds maintenance in new housing developments;
  - Leasing of storage units;
  - Potential purchase of new commercial units;
  - Grazing lets;
  - Asset Management and taking a more commercial approach to managing vacant buildings;
  - Renewable energy, including options for developing council-owned or shared partnership arrangements, e.g. creation of a biogas facility;
  - Burial and Related Services; and
  - Annual garden waste collection arrangements.
11. That the departments involved submit a report on the option to introduce a public car parking policy, to regulate activities better at key pressure points in East Renfrewshire; and
12. That the Chair of the Audit and Scrutiny Committee extends an invitation to meet the Chair of the Performance and Audit Committee of the Health and Social Care Partnership, to share information and discuss good practices arising from the review;

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**AUDIT AND SCRUTINY COMMITTEE'S RECOMMENDATIONS TO CABINET ON CLIMATE CHANGE**

It was recommended that the Cabinet consider the following recommendations:-

1. To raise awareness levels further on the importance of addressing climate change, across all levels within the Council, and the wider East Renfrewshire community, including maximisation of the potential offered by social media, and the Council's new website once it is launched;
2. To support the further promotion of agile working procedures in the Council, including raising awareness through guidance of how employees and departments as a whole, impact upon the Council's carbon footprint, and steps they can take to reduce this;
3. That the Council's strategy on climate change is renewed, setting out the Council's future priorities with clear actions, replacing the former Climate Change Strategy and Sustainability Action Plan, and to include the involvement of children and young people in the development of the new strategy;
4. In relation to oversight, it was noted that the Cabinet and the Convener for Environment have responsibility for climate change and sustainability. Notwithstanding, it is suggested that a cross party Elected Member / Officer working group could be established on climate change to make further recommendations to Cabinet;
5. That the Corporate Management Team should consider how they can best take forward their leadership role in climate change;
6. That an inter-departmental working group be formed on climate change, supported by the change-management team within the Environment Department, and reporting through the Director of Environment to the Corporate Management Team;
7. That the Council considers setting a date by which it should be carbon neutral. The Audit and Scrutiny Committee suggest that 2040 could be an option, on the basis that should the Council achieve milestones earlier than planned on climate change, then consideration could be given to revising this date;
8. That consideration be given to establishing reporting mechanisms to inform the Cabinet on progress being made towards reaching the suggested target date of 2040, subject to baseline figures being agreed for all services, e.g. reductions in paper, printers, vehicle mileage, single-use plastics, to enable better information gathering on the Council's climate change performance;
9. That a full-time post of climate change coordinator is created with Council-wide responsibility, as a matter of urgency, and based within the Environment Department, subject to further discussion on the resource implications;
10. That the Council's departments give further consideration to the capacity which they have to coordinate climate change activities, especially due to the need for greater inter-departmental working and the likelihood of greater project-based work, through the joint working arrangements proposed at Recommendation 6 above.

11. To invite the appropriate bodies to consider inclusion of the following wording on the capital projects appraisal form:
 

*'Please outline any positive or negative effects for sustainability which the project will have once completed. In terms of carbon reduction for example, impacts could include use of renewable energy sources, reduced energy/fuel consumption, increasing recycling and reduced need for people to travel by private car. In terms of the environment, benefits could include the provision of sustainable drainage, tree-planting, habitat creation and reduced use of plastics.'*
12. That the Council's Corporate Report Format Guidance is re-issued to all departments, with a request that sustainability and climate change implications are given greater prominence and wider consideration. Further criteria on sustainability and climate change should be developed, led by the Council's renewed climate change strategy, to assist authors in the preparation of reports;
13. To agree that a Council policy is developed, with input and support from the trade unions, on the usage and deployment of single-use plastics throughout the authority, to minimise and eventually eradicate their use;
14. To agree that consultation and engagement takes place with the East Renfrewshire community to establish what their views and priorities are on climate change, to inform the renewal of the Council's climate change strategy, using existing channels such as the East Renfrewshire Citizens' Panel/East Renfrewshire Youth Voice, and through new channels, e.g. the Council's new website once launched;
15. That the film produced by pupils at the Isobel Mair School and Family Centre on climate change and recycling, should, on the suggestion of a pupil there, be shared via social media links, with other educational establishments in East Renfrewshire;
16. To maximise the potential for achieving further ECO schools status and Green Flag awards across educational establishments in East Renfrewshire, building upon the excellent work already taking place;
17. To investigate the feasibility of reviewing the Council's recent investment of resources in active travel, to assess the impact of more choices for citizens of cycling and walking, and any associated benefits, such as alternative commuting options, increasing access to the countryside, or more generally improving the quality of life of residents.
18. That consideration be given to what further action can be taken, such as thorough revisions to the Local Development Plan, and related planning guidance, to promote sustainability and raise awareness of the authority's expectations regarding new housing developments;
19. That a review be undertaken of our approach to public transport to ensure it is sufficiently sustainable, and tailored to residents' current and future needs;
20. That the opportunity is taken through the re-development plans for Eastwood Leisure Centre complex, to consider the option of introducing a district (i.e. linked) heating system for the public buildings located within Eastwood Park;
21. That the implications should be assessed of plans to replace gas boilers with low carbon heating after 2025, for new homes;

22. To continue the programme of improvements already underway to the Council's housing stock and other public buildings, to improve energy efficiency and reduce carbon emissions through the use of innovative new technologies in relation to lighting, heating, and infrastructure;
23. To continue working with partner organisations and other agencies to ensure the preservation and protection of peatlands in East Renfrewshire, including the exploration of new funding opportunities, to ensure that the huge potential of peat to absorb CO<sub>2</sub> is maintained and increased where possible;
24. To protect the environment, and to help the Council reach its suggested objective of reaching carbon neutrality by 2040, a headline project for the new climate change strategy could be considered e.g. a tree being planted for every resident in East Renfrewshire (approx. 95,000).

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EAST RENFREWSHIRE COUNCILCABINET13 August 2020Report by Director of EnvironmentCLIMATE CHANGE STRATEGY AND ACTION PLAN**PURPOSE OF REPORT**

1. The purpose of this report is to outline a proposed approach for the development of a Climate Change Strategy and Action Plan particularly in view of the recommendations from the Audit and Scrutiny Committee.

**RECOMMENDATIONS**

2. It is recommended that the Cabinet;
- a) approves the proposed comprehensive approach to the development of a new Climate Change Strategy and Action Plan;
  - b) supports the ambition for the Council to be 'carbon neutral' by 2040 ( as a minimum target);and
  - c) approves the proposal to establish a cross party member/officer working group to progress the Climate Change Strategy and Action plan.

**BACKGROUND**

3. In April 2019 the Scottish Government became the first country in the UK to declare a climate emergency. The UK Government followed suit by declaring a climate emergency in May 2019, with over 60% of UK local authorities declaring a climate emergency by January 2020.

4. There is no single definition of what a 'climate emergency' means but most responses have included target setting around becoming carbon neutral and/or achieving reductions in other greenhouse gas emissions.

5. The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, sets legally-binding targets to reduce Scotland's emissions of all greenhouse gases to net-zero by 2045 at the latest, with interim targets for reduction of at least 56% by 2020, 75% by 2030 and 90% by 2040. There are 7 greenhouse gases. These are carbon dioxide, methane, nitrous oxide, and the four F-gases (hydrofluorocarbons- HFCs, perfluorocarbons – PFCs, sulphur hexafluoride- SF<sub>6</sub> and nitrogen trifluoride- NF<sub>3</sub>).

6. However, carbon dioxide emissions are to be net-zero by 2040. Progress towards these targets will be measured against

- 1990 baseline levels of carbon dioxide, methane and nitrous oxide; and
- 1995 baseline levels of hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride

7. The Council has a current statutory requirement to report its climate change impact from key activities to the Scottish Government on an annual basis. This is presently achieved by measuring the tonnes of carbon dioxide emissions equivalent (tCO<sub>2e</sub>) from Council buildings, fleet and waste. The most recent reporting period detailed in the Council's *Climate Change Report 2018/19* (a separate item on this agenda) shows that good progress is being made in terms of reduced emissions.

8. The Scottish Government plans to bring forward secondary legislation that will alter the details of the existing public sector climate change reporting duties outlined above. It is possible there will be a requirement on councils to state the year by which they will cease to emit any direct greenhouse gases and their targets for reducing indirect emissions (i.e. those arising from procured goods and services). They may also be required to report on how they will align their spending plans with targets and to make their report publicly accessible. However, further details of any specific guidance/proposals is awaited from the Scottish Government.

9. East Renfrewshire Council's Environmental Sustainability Strategy and Action Plan expired in 2018. Much of its content is now outdated and has been superseded by changes in legislation, current thinking and good practice.

10. Initial considerations indicate that the Council's current activities and practices will not achieve the Scottish Government's target to be carbon neutral by 2040 or achieve net-zero for all greenhouse gas emissions by 2045.

11. Given the developing prominence of the entire climate change issue, the Audit & Scrutiny Committee undertook a comprehensive investigation into Council activity in this area in late 2019. The Audit and Scrutiny Committee report (which is a separate item on this Cabinet agenda), made twenty-four recommendations which were approved by the Audit and Scrutiny Committee on 12 March 2020 for consideration by the Cabinet. Of key importance are the recommendations in relation to;

- creating a full-time post of climate change coordinator based within the environment Department.
- renewing the previous Environmental Sustainability Strategy with a new Climate Change Strategy and Action Plan,
- setting an initial target for the Council to become carbon neutral by 2040 (including establishing interim targets),
- ensuring that climate change impacts/sustainability implications are given greater prominence in all council business including coverage in corporate reports and capital appraisals.
- The establishment of a cross party Elected Member/Officer climate change working group

## REPORT

12. There is no specific statutory requirement for the Council to prepare a Climate Change Strategy/Action Plan.

13. However, taking all of the background information into account along with those recommendations from the Audit and Scrutiny Committee which are approved by the Cabinet today it is proposed to develop a Council Climate Change Strategy and Action Plan.

14. The Climate Change Strategy and Action Plan will seek to incorporate those Audit & Scrutiny Committee recommendations approved by the Cabinet at its meeting today, including setting a date for the Council to be carbon neutral which will require tougher Council targets to be set.

15. Achieving Carbon neutral/ net zero alone means that we will have to take action to remove as much carbon dioxide from the atmosphere as we put into it.

16. It is proposed that the strategy will initially focus on 3 key action areas:

- Carbon reduction measures- for example taking action to reduce the volume of carbon we produce from transport, the built environment, waste, consumption and the types of energy we use.
- Carbon off-setting measures- for example using nature to take carbon from the atmosphere and store it, e.g. extensive tree-planting and diversifying amenity grass areas to meadows and woodlands and protection of areas that are highly effective in terms of carbon capture such as peatlands.
- Adaptation measures- for example taking necessary action to protect our communities against how warmer and wetter weather patterns will impact their local environment, e.g. protecting local properties from flood events.

17. As a Council, some practical examples of actions that we can take to help deliver on the carbon reduction target could include:

- Better energy management.
- Reduction of our property assets (operational buildings make significant contributions to carbon emissions);
- Reduction in business and commuter travel mileage through increased use of digital technology and agile and home-working; and
- Consideration of innovative approaches to fleet management e.g. electric and hydrogen power solutions to eliminate carbon emissions.
- Increased tree planting.

18. The strategy and action plan will

- build on existing activity and good practice and clearly state the Council's ambition and commitment. Progress will require significant and disruptive changes to Council operations, along with clear behavioural change within our communities and businesses. In some cases, additional costs may be involved to implement new technologies and projects.
- consider changes to current practices and service provision to take account of a changing climate. For example, most expert predictions suggest that in future we will have milder but wetter winters, along with hotter and drier summers. This has implications for the Council in terms of managing increased incidences of flooding, disruption to public transport, impact on food production, wildlife and people's health.

- include consultation with all key services, customers that use them and residents more widely including young people.

19. Furthermore, the Covid-19 crisis has shown that there is an opportunity for environmental regeneration, with significant air quality improvements already being experienced both globally and locally through the reduction in carbon emissions. There is a growing impetus to promote a 'green recovery' i.e. we recover the economy from the COVID-19 recession in a sustainable manner which retains some of the unintended but environmentally beneficial consequences of the crisis. The strategy and action plan will address this issue i.e. balancing environmental, social and economic needs.

20. The starting point/foundation of the new strategy and action plan will be to define as quickly as possible a clear baseline of what needs to be measured, how it is measured and state clearly specific actions required to meet the target of carbon neutrality by 2040 (as a minimum but possibly earlier) and also the wider target of 2045 for the other six greenhouse gases.

21. It is proposed that a cross-party elected member/officer working group helps shape the development of the strategy and action plan in conjunction with the community.

22. For example, the cross-departmental/cross party working group could be tasked with engaging with respective departments and the wider community in the early stages to make sure that there is a broad consensus on how to progress the agenda. Consultation could extend to highlighting progress being made and what benefits are being realised. Digital technologies could allow us to display real-time air quality measurements around our schools and on local high streets and/or or display our progress towards net-zero carbon emissions

## **Progress**

23. Despite delays caused by the coronavirus issue groundwork for a new approach to a climate change strategy and action plan development has started.

24. Carbon measurement is a technical specialism and as such, the Environment Department has, through a successful application for Scottish Government funding, engaged consultant expertise with regard to the development of a Local Heat & Energy Efficiency Strategy. This will look at ways that energy efficiency measures can be implemented across the Council area (public and private sectors) and reduce fuel poverty.

25. While this will only consider emissions from the built environment, it will be a vital foundation block of the Climate Change Strategy and Action Plan. Work is also underway to provide baseline and monitoring emissions indicator figures and advise the pathway to a low carbon future, providing as far as possible costs and measurable benefits against any actions.

26. A dedicated Climate Change Officer has been recruited already to support strategy development, researching innovative practices and technologies and coordinating preparation and delivery of the action plan as soon as possible. In addition, restructuring has taken place within the Environment Department to facilitate the delivery of the climate change strategy and action plan. The Department is therefore well placed to make quick progress on the key issues.

## **FINANCE AND EFFICIENCY**

27. There are no financial implications associated with this report at this point in time. However, the action plan that will arise from the strategy is likely to have cost implications. In some cases, capital investment may be required but may also result in revenue cost savings, e.g. reduced energy costs as a result of energy efficient heating and lighting initiatives. The Council's Capital Investment Strategy will in due course set out the investment needed to meet the requirements of the new action plan as it is developed.

28. External funding opportunities to support existing and potential work-streams, e.g. increased active travel and cleaner transportation will continue to be maximised.

## CONSULTATION

29. Consultation will form a key activity in the development of the strategy and action plan. A recent Citizens' Panel Survey had a focus on climate change and its findings will be used to shape the strategy and action plan. A summary of the key findings is attached (Appendix 1). The link to the full document is here ([link](#)).

## PARTNERSHIP WORKING

30. The Council will work closely with subject matter experts from a range of organisations to make sure that the Council's approach is aligned to national policy and best practice. It is important that existing relationships with key partners and organisations such as Climate Ready Clyde (CRC), Sustainable Scotland Network (SSN), Sustrans, Zero Waste Scotland (ZWS), and many others are strengthened.

## IMPLICATIONS OF THE PROPOSALS

31. There are no staffing, IT, legal, equality or financial implications directly associated with this report at this point in time.

## CONCLUSIONS

32. An opportunity currently exists to provide an ambitious strategic approach to renewal of the previous Environmental Sustainability Strategy 2015-18, which will allow the Council to align activities with the national policy agenda on climate change and meet likely future requirements around carbon and greenhouse gas emission reporting.

33. The new strategy will establish baseline carbon emissions (and other greenhouse gas emissions) and set a target to achieve carbon neutrality no later than 2040, including ambitious interim targets.

34. The Council will lead by example and has a role to play in direct action and influencing behavioural change amongst its employees, local residents and businesses. Positive, disruptive change will be required in areas such as transport, the built environment, waste and consumption and how we generate energy, along with a focus on activities that will off-set our carbon emissions and plan for unavoidable climate change impacts.

## RECOMMENDATIONS

35. It is recommended that the Cabinet;
- a) approves the proposed comprehensive approach to the development of a new Climate Change Strategy and Action Plan;
  - b) supports the ambition for the Council to be 'carbon neutral' by 2040 (as a minimum target); and
  - c) approves the proposal to establish a cross party member/officer working group to progress the Climate Change Strategy and Action plan

Director of Environment

Further information can be obtained from Andrew Cahill Director of Environment or Phil Daws  
– Head of Environment (Strategic Services) on 0141 577 3186

Convener contact details

Councillor Alan Lafferty  
(Convener for Environment)

Home: 0141 621 1113  
Mobile: 07812 214366

July 2020

**Briefing note – Citizens' Panel Climate Change Survey**  
**28 July 2020**

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**Introduction**

We sought the views of the Citizens' Panel on Climate Change during February to May 2020. The findings of the study are attached and the technical report can be provided if required. The response rate was 60%, particularly strong considering the current challenges of COVID-19.

It is a timeous report as the findings will be used to inform the early stages of the development of the Council's Climate Change Strategy and as part of renewal planning, services are looking to learn from the some of the environmental positives as a result of the pandemic around for example reduced car usage.

**Key Findings**

Some key findings include:

- Most respondents think climate change is an immediate and urgent problem and that the Council should lead by example by taking action.
- Top priorities include reducing the Council's own use of energy/natural resources, raising awareness around climate changes and providing integrated sustainable transport solutions
- The majority feel that East Renfrewshire lacks the infrastructure for more journeys to be made by active travel (walking & cycling) and support more protected cycle ways, with strongest support amongst two Locality Planning Area wards which include Auchenback, Neilston and Thornliebank
- A minority viewed public transport as a viable option, however respondents living in the more deprived areas of East Renfrewshire and those living in rented accommodation were more likely to view public transport as a feasible option for their journeys
- Most would consider an electric or hybrid option if they were looking to replace their car and would support action to move from private cars to more sustainable transport options.
- Views were generally positive on the quality of existing recycling services and around 50% feel they could make more use of kerbside recycling services.
- Three out of four would like to do more to reduce the effects of climate change with financial costs being the most common barrier for residents to make changes, particularly for those living with a disability and those living in the most deprived areas.

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