

MINUTE
of
CABINET

Minute of virtual meeting held at 10.00am on 26 August 2021.

Present:

Councillor Tony Buchanan (Leader)
Councillor Caroline Bamforth

Councillor Danny Devlin
Councillor Alan Lafferty

Councillor Buchanan, Leader, in the Chair

Attending:

Lorraine McMillan, Chief Executive; Caroline Innes, Deputy Chief Executive; Mark Ratter, Director of Education; Andy Cahill, Director of Environment; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Louise Pringle, Head of Communities, Revenues & Change; Murray Husband, Head of Digital and Community Safety; Sharon Dick, Head of HR, and Corporate Services; Siobhan McColgan, Head of Education Services (Equality and Equity); Graeme Smith, Communications Manager; Craig Geddes, Senior Information and Improvement Officer; Sharon McIntyre, Committee Services Officer and Liona Allison, Assistant Committee Services Officer.

Apologies:

Councillors Betty Cunningham and Colm Merrick.

DECLARATIONS OF INTEREST

1721. Councillor Buchanan declared a non-financial interest in relation to Item 1724 - East Renfrewshire Culture and Leisure – End-Year Report 2020/21 on the grounds that he was a member of the Board of East Renfrewshire Culture and Leisure Trust.

CHIEF EXECUTIVE'S OFFICE END-YEAR PERFORMANCE REPORT 2020/21

1722. The Cabinet considered a report by the Chief Executive in relation to the End-Year Performance Report 2020/21 in respect of the Chief Executive's Office, details of which were outlined in the appendix to the report.

Following discussion the Cabinet noted the report as a summary of the Chief Executive's Office End Year Performance for 2020/21.

CORPORATE AND COMMUNITY SERVICES END-YEAR PERFORMANCE REPORT 2020/21

1723. The Cabinet considered a report by the Deputy Chief Executive in relation to the End-Year Performance Report 2020/21 in respect of Corporate and Community Services, details of which were outlined in the appendix to the report.

Councillor Bamforth advised she had received enquiries regarding a delay in the issuing of Council Tax bills. In reply, the Head of Communities, Revenues & Change advised that as a result of a change in the system to issue Council Tax bills and due to a substantial increase in workload through the issuing of COVID-19 benefits, delays had occurred, although further resources were being allocated to this area and improvements to delivery were now being seen.

The Cabinet noted the report as a summary of Corporate and Community Service performance for 2020/21.

EAST RENFREWSHIRE CULTURE AND LEISURE END-YEAR REPORT 2020-2021

1724. The Cabinet considered a report by the Director of Education in relation to the End-Year Report 2020/21 in respect of East Renfrewshire Culture and Leisure (ERCL) Trust, details of which were outlined in the appendix to the report.

Members noted the use of ERCL facilities in the rollout of the vaccination programme, the Chief Executive providing an update on the current use of facilities and advising that the situation was continually being monitored.

Having heard from the Head of Education Services (Equality and Equity), the Cabinet approved the report as a summary of ERCL Trust end-year performance for 2020–21.

Furthermore, for all of the end of year reports considered at the meeting, Members noted and thanked staff for the handling of operations throughout the pandemic. The Chief Executive and Deputy Chief Executive noted the ongoing impacts of the pandemic across the organisation and that this would have an impact on key performance indicators.

FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2021

1725. The Cabinet considered a report by the Head of Accountancy (Chief Financial Officer), advising of the unaudited financial results for 2020/21; comparing the outturn position with the final Budgetary Control Statement made to Cabinet on 1 April and confirming the financial results as emailed to all Elected Members in June.

The Head of Accountancy (Chief Financial Officer), advised that the report demonstrated the continued excellent financial performance of the Council, and noted that all departmental General Fund spend had been maintained within budget. She reported that all non-essential expenditure during the year had been avoided due to the uncertainty regarding COVID funding. However, a government grant had been awarded late in the year which covered all of the pandemic pressures. An improved position to that budgeted for was therefore achieved, with a contribution to general reserves of £1.964m in comparison to the planned utilisation of £3.5m of these reserves. This represented an improved position of just over £5.4m on the budget set on 27 February 2020.

A balance of £11.607 million as at 31 March 2021 was recorded for the non earmarked General Fund reserve, representing 4.5% of net revenue expenditure, slightly above the

Council's policy aim of 4%. Some of this higher than expected contribution arose because of COVID restrictions limiting discretionary devolved school management expenditure. This was recognised in March 2021 and it was agreed to consider the possibility of allocating some funding back to schools during this year. A report would be submitted to the next Council meeting to address this.

A balance of £12.8m of COVID grants was being carried forward into 2021/22 and this earmarked funding would be used to address pandemic pressures in the current year.

The position reported at period 10 was an underspend of £3.7m and the improvement of £1.7m by the year end reflected the ongoing efforts made by Directors to avoid all non-essential expenditure. The main areas contributing to the additional underspend towards the year end were staff vacancies and supplies and services.

The favourable outturn position for 2020/21 would assist the Council in taking forward appropriate measures to address the significant financial difficulties and uncertainties in coming years.

In respect of the Housing Revenue Account (HRA), it was reported that this had recorded an operational deficit of £95,000 due to the impact of the pandemic, however there was still an accumulated HRA surplus balance carried forward of £2.2 million.

Councillors Devlin and Bamforth sought further information on the COVID grant and funding streams from Scottish Government. In reply, the Head of Accountancy (Chief Financial Officer) advised of the areas different funding streams were applicable to and the criteria set for these areas. She advised that the spending of this grant would be monitored and raised with Scottish Government with regards to any under or overspend.

Having heard from the Head of Accountancy (Chief Financial Officer), the Cabinet noted:-

- (a) the outturn position compared to the previous Budgetary Control Report;
- (b) that once the audit had been completed the final accounts along with the External Auditor's report, would be submitted to a future meeting of the Council.

ESTIMATED REVENUE BUDGET OUTTURN 2021/22

1726. The Cabinet considered a report by the Head of Accountancy (Chief Financial Officer) detailing the projected revenue budget out-turn for 2021/22 and providing details of the expected year-end variances together with summary cost information for each of the undernoted services as at 30 June 2021 and subsequent assessment of pressures arising from COVID-19.

- (i) Education Department;
- (ii) Contribution to Integration Joint Board;
- (iii) Environment Department;
- (iv) Environment Department – Support;
- (v) Chief Executive's Office;
- (vi) Chief Executive's Office – Support;
- (vii) Corporate and Community Services Department – Community Resources;
- (viii) Corporate and Community Services Department – Support;
- (ix) Other Expenditure and Income;
- (x) Joint Boards;

- (xi) Contingency – Welfare;
- (xii) Health and Social Care Partnership; and
- (xiii) Housing Revenue Account.

The report advised that on the basis of the latest information, there was a net adverse variance on net expenditure of £0.186m with a total forecast overspend on General Fund services of £0.357m. However, after adjusting for COVID pressures which would be met from earmarked grants brought forward, and for the HRA which was funded from rents, the underlying position on departmental budgets was a forecast underlying General Fund underspend of £0.856m. The reasons for departmental variances were set out in the report.

The report highlighted that this was the first forecast of the year and could be subject to significant change, for example if pandemic pressures were greater than expected or if the current year's pay award was settled at a significantly higher rate than had been budgeted for. Given the tight nature of the Council's finances in the current economic climate, the position would be actively managed and regular updates provided to Cabinet throughout the year on the financial performance and outturn forecasts.

The report also sought approval for a number service virements and operational budget adjustments, details of which were outlined in the report. It was noted that a number of operational variances required management action to ensure that expenditure would be in line with budget at the end of the financial year. At this time, it was expected that management action would lead to all overspends being recovered, that all underspends were consolidated wherever possible and that spending up to budget levels did not take place.

Having heard from the Head of Accountancy (Chief Financial Officer), the Cabinet:-

- (a) noted the continued financial pressures on operational services arising from the COVID-19 pandemic and that it was expected to cover these from accumulated COVID grant funding.
- (b) noted the forecast underlying General Fund operational underspend of £856k.
- (c) approved service virements and operational adjustments as set out in the report and noted the reported probable out-turn position.
- (d) noted all departments continued to closely monitor and manage budgets to ensure that spending up to operational budget levels did not take place.

GENERAL FUND CAPITAL PROGRAMME 2021/22

1727. The Cabinet considered a report by the Head of Accountancy (Chief Financial Officer), monitoring expenditure as at 30 June 2021 against the approved General Fund Capital Programme and recommending adjustments where necessary in light of issues that had arisen since the programme had been approved.

The Head of Accountancy (Chief Financial Officer), advised that the report indicated a shortfall in resource of £443,000 representing 1% of the resources available which was within manageable limits.

It was noted that COVID continued to have a significant effect on both the timing and the cost of capital projects and the report reflected an element of rescheduling of current and future schemes in line with available resource capacity. The full extent of potential cost increases was not yet known and further reports would provide updates as the situation became clearer.

Sections 5 and 6 of the report advised of a number of movements in the current year's Capital Programme which the Cabinet was invited to consider. These related mainly to timing delays associated with COVID. The delays in the programme had resulted in a net decrease in borrowing required for the year of £1.4m. It was highlighted that was not a saving as the planned borrowing would be delayed until next year.

The Chief Executive having highlighted the impacts the availability and cost of construction materials may have on future projects, Councillor Bamforth noted the reduction in borrowing of £1.2 million and enquired as to the interest saving on this. In reply, the Head of Accountancy (Chief Financial Officer) advised this would be taken into account in forecasts although it was expected that loan charges would increase in the next few years resulting from scheduled projects. She also echoed concerns regarding construction costs.

Having heard further from the Head of Accountancy (Chief Financial Officer), the Cabinet:-

- (a) **agreed to recommend to the Council that** the movements within the programme be approved; and
- (b) noted the shortfall of £0.443m, and that income and expenditure on the programme will be managed and reported on a regular basis.

HOUSING CAPITAL PROGRAMME 2021/22

1728. The Cabinet considered a joint report by the Head of Accountancy (Chief Financial Officer) and Director of Environment, monitoring expenditure as at 30 June 2021 against the approved Housing Capital Programme 2021/22.

The Head of Accountancy (Chief Financial Officer) advised that there was a shortfall in the programme of £0.160m (0.87% of available resources) but this was within manageable limits. There had been no confirmed changes as yet to the programme approved in June but COVID market uncertainties were expected to impact on both timing and costs of schemes in the coming months. The Director of Environment echoed this position with regards to the impact of COVID.

Having heard from the Head of Accountancy (Chief Financial Officer), the Cabinet noted the shortfall of £0.160m, and that income and expenditure on the programme will be managed and reported on a regular basis.

VARIATION TO CONTRACT - HR AND PAYROLL SYSTEMS

1729. The Cabinet considered a report by the Head of HR, Corporate Services and Community Services, seeking approval for a variation of £100,000 to the contract value for the Provision of the HR & Payroll System being delivered by Midland iTrent, using Clause 14 of the Standing Orders Relating to Contracts. This was in addition to a variation of £100k approved under delegated authority by the Chief Officer - Legal and Procurement earlier in the year.

The report outlined that implementation of the new system was planned for March 2020 but was delayed due to COVID-19. The original testing scheduled for the March 2020 implementation had to be re-run in December 2020. Challenges had also been encountered with remote training and a position for the payroll development role remaining unfilled resulting in the need for Midland iTrent system experts to be used.

As a result of these unplanned issues and the associated costs to bring in the Midland iTrent system experts the 30% contingency element allowed under the contract award was committed by year 2 of the contract term. To ensure the Council could continue to engage external experts from Midland iTrent for training, report writing and knowledge transfer, a routine variation of £100,000 was authorised by the Chief Officer Legal and Procurement under Clause 14 of Standing Orders Relating to Contracts. This variation took the contract value to £1,270,000. The variation requested of £100,000, which would take the contract value to £1,370,000, was expected to cover additional modules and integration required and ensure that further unplanned spend could be accommodated should it be required.

Having heard from the Head of HR & Corporate Services, the Cabinet approved a variation of £100K under the Standing Orders Relating to Contracts – Clause 14 that required any variation exceeding £100,000 of the accepted award value to be agreed by the Cabinet prior to instruction.

FREEDOM OF INFORMATION - COUNCIL PERFORMANCE FOR THE PERIOD APRIL 2020 TO MARCH 2021

1730. The Cabinet considered a report by the Chief Executive, providing details of the annual statistical report on the Council's performance in dealing with Freedom of Information requests.

The report explained that Freedom of Information provided a statutory right of access to information held by Scottish public authorities and that statistical reports on how the Council had dealt with information requests had been produced on an annual basis since the Freedom of Information (Scotland) Act came into force in 2005.

The Council had received a total of 1,012 requests during the period 1 April 2020 to 31 March 2021. Details of Council, departmental and sectional performance in responding to Freedom of Information requests were provided, together with a summary of the use of exemptions, fees, reviews and appeals.

Councillor Bamforth enquired as to the application of fees to freedom of information requests in response to which the Senior Information and Improvement Officer outlined the charging process as stipulated in the Freedom of Information (Scotland) Act 2002.

The Cabinet noted the report.

CHAIR