

MINUTE

of

JOINT CONSULTATIVE COMMITTEE (FIRST TIER)

Minute of Meeting held at 2.00pm in the Council Chamber, Council Headquarters, Giffnock on 22 January 2015.

Present:

Councillor Jim Fletcher
Councillor Charlie Gilbert
Councillor Ian McAlpine

Councillor Gordon McCaskill
Councillor Ralph Robertson

Union Representatives:

Mr John Guidi (SSTA)
Mr Steven Larkin (UNISON)
Mr Gordon Lees (UNISON)
Mr Alan Munro (EIS)

Mr David Nimmo (GMB)
Mr Alan Scott (UNISON)
Ms Fiona Shannon (EIS)

Mr Munro in the Chair

Attending:

Lorraine McMillan, Chief Executive; Caroline Innes, Deputy Chief Executive; Mhairi Shaw, Director of Education; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Iain MacLean, Head of Environment (Planning, Property & Regeneration); Sharon Beattie, Human Resources Manager; Hugh Friel, Senior HR Officer; and Linda Hutchison, Senior Committee Services Officer.

Apologies:

Mr Martin Doran (GMB) and Mr Joe Lynch (UNISON).

MINUTE OF PREVIOUS MEETING

1. The committee considered and approved as a correct record the Minute of the meeting held on 9 October 2014, subject to Councillor McAlpine's name being added to the list of apologies.

REVENUE BUDGET 2015/16

2. The committee considered a report by the Chief Executive on developments regarding the 2015/16 revenue budget, explaining that since March 2014 work had been ongoing to forecast future spending pressures and levels which had now been firmed up to deliver a proposed budget. In keeping with the Council's longer term approach to managing its financial difficulties, in February 2015 the Council also planned to set indicative budgets incorporating planned savings measures for the 2016/17 and 2017/18 financial years. Savings measures for all 3 years had been the subject of full consultation.

When the Council's provisional grant figures for 2015/16 had been announced in December 2014 it had been confirmed that the core grant level aligned with that assumed in the Council's plans, being based on the same cash level as 2014/15. Consequently the Council required to self-fund pay and price increases.

Having made reference to additional grant due to the Council to fund free school meals for all primary 1-3 pupils, increased entitlement to early learning and childcare proposed under the Children and Young People Act, and how expenditure on related costs would be reflected in the 2015/16 budget, the report clarified that the headline grant figure incorporated funding to support a Council Tax freeze which was a condition of the grant, as was maintaining teacher numbers in line with pupil numbers for 2015/16. The report also commented on policy, funding and timescale uncertainties linked to welfare reform, and related proposals to continue to incorporate a contingency provision within the revenue budget to be drawn upon following clarification of the impact of changes.

Issues referred to on the financial outlook included the multi-year budgets set by the Council recently to help manage the extremely difficult financial circumstances and the value of continuing a longer term financial planning approach. Forecasts of the Council's financial position would be subject to ongoing review to reflect clarification provided on future grant funding and to review assumptions on spending pressures to be addressed and assumed Council Tax income. The report commented on a forecasted local government funding reduction in cash terms in 2016/17 and 2017/18, an anticipated shortfall of £22 million for the Council over the 3 year period 2015/18, how this compared to 2013/14 and 2014/15, and the scale of the difficulties faced which would be considered in line with the longer term financial management strategy and involve Trade Union engagement.

Whilst commenting on the Capital Plan for the General Fund which the Council would also consider in February, reference was made to the need for investment to reflect economic circumstances, a reduction in receipts from realising capital assets, and how an appropriate level of Capital Reserve had been established to apply over the coming years. Reference was also made to the Housing Capital Plan. More generally, related consultation and communication, including with the Trade Unions, was commented on.

Whilst commenting in detail including on the savings required, Councillor Fletcher thanked the authority's employees for their help addressing budget issues. He referred to the budget consultation, confirmed that the proposed budget was based on a flat cash settlement, and clarified that the 2016/17 and 2017/18 budgets set would be indicative pending confirmation of the actual financial settlement. He emphasised that the Council had been as open as possible about the budget, commenting that the current total estimated shortfall of £22 million had increased from a previous estimate in respect of which he referred to related developments on teachers' superannuation and the local government pension scheme. Councillor Fletcher emphasised the need for a balanced budget and further efficiencies, confirming that meeting the Scottish Government's specific grant conditions reduced flexibility elsewhere in the budget. Referring to the authority's investment in teaching staff, he expressed disappointment that all local authorities, including those who had invested less on this, were being treated the same way in terms of the grant conditions. Regarding the Capital Plan the Council would consider in February, he cited examples of good projects to be progressed.

In reply to Mr Munro, Councillor Fletcher confirmed the Council's commitment to no compulsory redundancies for 2015/16 and the living wage. He stated that pending confirmation of the grant settlement for future years, guarantees beyond 2015/16 could not be given, but everything possible to avoid future compulsory redundancies would be done.

Also in response to Mr Munro who asked how concerned the Council was about addressing the total £22 million shortfall forecast, Councillor Fletcher commented that it remained very concerned about the financial position, emphasising how challenging addressing this was. He highlighted the need to work even harder to identify ways of addressing the position, seeking Trade Union help to work in partnership with the Council to reduce costs, encourage further efficiencies, and reduce absence levels which remained too high.

Having reiterated that it was hoped that the transparency of the budget consultation had been helpful, Councillor McAlpine welcomed comments on specific proposals given difficult choices faced, adding that during the public consultation some members of the public had acknowledged the challenges faced by local authorities associated with the lengthy, ongoing Council Tax freeze. Having welcomed that budget consultation had taken place, Mr Munro explained that the Trade Unions held some concerns regarding how information on some proposals had been presented, citing an example of an inaccuracy and concerns it had created, and stressing the need for clarity on cuts that would be detrimental to services. Mr Larkin acknowledged that the anticipated total savings associated with various savings proposals were provided, but added that how such figures had been determined in detail had not which was unhelpful. Councillor Fletcher gave an assurance that there had never been any intention to mislead, highlighting the challenging nature of cuts and dangers of some misreporting in the press.

In response to Mr Lees who highlighted that staff directly affected by cuts were seeking information on the detailed implications for them as soon as possible, Councillor Fletcher acknowledged the importance of this and of addressing issues sensitively. He and the Chief Executive confirmed that such engagement could not precede the Council formally setting its budget in February, but that discussions could ensue after that, prioritising first those on services where savings would be realised in the first year. Complementing previous comments, the Chief Executive stressed that every effort was being made to minimise the impact of budget cuts on staff, such as by considering where natural attrition could deliver savings. The importance of balancing when and how to deliver information and value of partnership working with the Trade Unions on this was commented on.

Having welcomed the commitment given on no compulsory redundancies and the living wage, Mr Munro acknowledged that absence levels needed to be addressed given their impact, adding that stress was currently a predominant reason for this. Having acknowledged pressures faced by staff linked to the financial climate, Councillor Fletcher stressed the importance of addressing absence issues but acknowledged too that where stress levels were considered high that should be examined also. Mr Lees added that determining causes of stress and addressing that was in everybody's interest, welcoming the opportunity to work with the Council on this. The Human Resources Manager commented on current absence statistics, stressing the commitment that existed to addressing this, including in partnership with the Trade Unions. Councillor McAlpine added that the Corporate Management Team was committed to supporting initiatives that could reduce absence. Mr Lees acknowledged the importance of managers discharging their absence related responsibilities appropriately.

Mr Munro welcomed the commitment to maintaining teacher numbers, highlighting the impact on attainment should numbers reduce. More generally, in response to Mr Munro, Councillor Fletcher confirmed that the detailed budget proposals would be available when the agenda for the forthcoming Council meeting was issued on 6 February.

The committee noted the position and comments made.

DATE OF NEXT MEETING

3. The Committee noted that the next meeting would take place on 21 May 2015.