

## **Business Operations and Partnerships Department**

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Date: 25 February 2022

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TO: Councillors T Buchanan (Chair); C Bamforth; B Cunningham; D Devlin; A Lafferty (Vice Chair); and C Merrick.

## **CABINET**

A meeting of the Cabinet will be held on **Thursday, 10 March 2022 at 10.00am.**

The agenda of business is as shown below.

**Please note this is a virtual meeting.**

## **Louise Pringle**

L PRINGLE

DIRECTOR OF BUSINESS OPERATIONS & PARTNERSHIPS

## **AGENDA**

- 1. Report apologies for absence.**
- 2. Declarations of Interest.**
- 3. Revenue Budget Monitoring (Outturn) - Report by Head of Accountancy (Chief Financial Officer) (copy attached, pages 3 - 40).**
- 4. Trading Under Best Value - Report by Head of Accountancy (Chief Financial Officer) (copy attached, pages 41 - 52).**
- 5. Financial Management Code - Report by Head of Accountancy (Chief Financial Officer) (copy attached, pages 53 - 64).**
- 6. Debt Management for Council Tax, Non Domestic Rates, Sundry Debt Income and Housing Benefit Overpayments and Arrangements for Administration of Non Domestic Rates – Director of Operations and Business Partnerships (copy attached, pages 65 - 70).**
- 7. Debt Management of Irrecoverable Former Tenant Rents and Court Expenses – Report by Director of Environment (copy attached, pages 71 - 74).**

## **2**

- 8. Place Based Investment Programme 2021-22 - Report by Director of Environment (copy attached, pages 75 - 78).**
  
- 9. Scheme of Devolved School Management – Report by Director of Education (copy attached, pages 79 - 124).**

**This document can be explained to you in other languages and can be provided in alternative formats such as large print and Braille. For further information, please contact Customer First on 0141 577 3001 or email [customerservices@eastrenfrewshire.gov.uk](mailto:customerservices@eastrenfrewshire.gov.uk)**

**For information on how to access the virtual meeting please email [sharon.mcintyre@eastrenfrewshire.gov.uk](mailto:sharon.mcintyre@eastrenfrewshire.gov.uk)**

**A recording of the meeting will also be available following the meeting on the Council's YouTube Channel <https://www.youtube.com/user/eastrenfrewshire/videos>**

EAST RENFREWSHIRE COUNCILCABINET10 March 2022Report by Head of Accountancy (Chief Financial Officer)ESTIMATED REVENUE BUDGET OUT-TURN 2021/22**PURPOSE**

1. To advise Cabinet of the estimated projected revenue out-turn for 2021-22. The report provides details of expected year end variances for each department at period 9 and is based on the financial position as at 31 December 2021 and subsequent assessment of pressures arising from COVID-19.

**RECOMMENDATION**

2. It is recommended that:
  - members note the continued financial pressures on operational services arising from the COVID-19 pandemic and that it is anticipated to be met from accumulated COVID grant funding.
  - members note the forecast underlying General Fund operational underspend of £1,751k.
  - members approve service virements and operational adjustments as set out in the notes to the tables on pages 14 to 30 and note the reported probable out-turn position.
  - all departments continue to closely monitor and manage their budgets and ensure that spending up to operational budget levels does not take place.
  - In view of the challenging financial outlook for 2022-23 and beyond, Directors take action to avoid all non-essential expenditure for the remainder of the year.

**BUDGET MONITORING STATEMENTS**

3. The attached budget monitoring statements provide information in respect of:-
  - Detailed variance analysis between budgeted and out-turn expenditure
  - Service virement and operational budget adjustments

**BACKGROUND**

4. This report shows the out-turn position as at period 9 against the Council's approved revenue budget for 2021-22, as adjusted to comply with accounting requirements and subsequent Cabinet operational decisions.

The revenue budget for 2021-22 approved by the Council on 25 February 2021 has been adjusted for monitoring purposes as follows:-

	£'000
Budgeted net expenditure per 27 January 2022 report to Council	274,332
Accountancy adjustments for Ring Fenced and other Grants	-
Restated net expenditure	<u>274,332</u>
Additional Grant Funding	3,765
Additional Release from Reserve	-
Total Net Expenditure to be Monitored	<u><u>278,097</u></u>

## 4

The report reflects the required accountancy treatment of the IJB in that the Council makes a contribution to the IJB and the IJB then makes a contribution to the HSCP equal to the costs of the activities that the IJB has directed the HSCP to undertake. The HSCP will in operation terms have a net expenditure of zero. However an accounting entry of £1,260,700 has been added to reflect capital charging policies. This sum does not require to be funded.

### BUDGET PERFORMANCE

5. As at 31 December 2021, the estimated year end position shows a net favourable variance on net expenditure of £1,882k based on current information. For General Fund services the projected underspend is £2,101k. Council Tax collection position is lower than budgeted, with a reduction in income of £350k now anticipated, bringing the total forecast underspend on General Fund services to £1,751k. It is anticipated that the forecast pandemic pressures of £2,361k will be covered by utilising the Covid grant resources awarded to the Council in 2020/21 and the current year. Future monitoring reports will draw down and allocate this grant funding as pressures are confirmed. The forecast figures take account of the settlement of the 2021-22 pay awards.

The table below provides a comparison of each department's estimated projected revenue out-turn variance.

Department	Forecast Out-turn £'000		
	P5	P7	P9
Education	237	16	445
Contribution (to) IJB	0	0	0
Environment (Incl. O/Housing)	(106)	(182)	43
Environment – Support	7	(86)	43
Business Operations and Partnership	(61)	(20)	282
Business Operations and Partnerships - Support	(84)	(36)	58
Chief Executive's Office	(160)	(165)	(166)
Chief Executive's Office - Support	(11)	6	3
Other Expenditure & Income	1,370	1,248	1,296
Joint Boards	28	29	28
Corporate Contingency	69	69	69
HSCP	0	0	0
Housing Revenue Account	56	(125)	(219)
<b>Total £ Variance</b>	<b>1,345</b>	<b>754</b>	<b>1,882</b>
Total Budgeted Expenditure	271,169	274,332	278,097
<b>% Variance</b>	<b>0.5%</b>	<b>0.27%</b>	<b>0.68%</b>

Notable variances are as follows:-

**i) Education**

The current year end forecast indicates an operational underspend of £445k. Projected operational underspends include lower payroll costs achieved through savings and turnover, reduced expenditure within replacement teaching costs, Devolved school budgets, Utilities costs and School milk operations and are partially offset by operational overspends within repairs and maintenance costs, transport costs for pupils with additional support needs, higher unitary charge payments on PFI and PPP contracts and Payments to other Bodies in relation to Additional Support for Learning. The outturn position movement from that reported in Per 07 is due to operational underspends within Devolved Budgets, Replacement teaching costs, Utilities costs, Facilities Management services and increased savings within staff costs and are partially offset by operational overspends within School transport costs and Payments to other Bodies in relation to Additional Support for Learning. Specific Covid pressures requiring additional Covid grant resource reported at Per 07 will now be offset by Covid related operational savings and will not require additional Covid grant resource.

**ii) Environment**

An operational underspend of £43k is forecast and anticipates that £1,370k of Covid pressures will be met from additional Covid grant resource. The main operational underspends are within Waste Management operations and over-recoveries of income, both internally generated and from external grants and receipts. The main operational overspends are within staff costs across the services, property repairs and maintenance, transport and contractor costs and Other Housing Subcontractor payments. The outturn position movement from that reported in Per 07 is due to assumed funding resource to meet the 2021-22 pay award impact and additional Covid grant resource.

**iii) Environment – Support**

An operational underspend of £43k is forecast and anticipates that £70k of Covid pressures will be met from additional Covid grant resource. The main operational underspends are within payroll and Accommodation costs and are partially offset by operational overspends within Supplies and Services.

**iv) Business Operations and Partnerships**

An operational underspend of £282k is forecast and anticipates that £635k of Covid pressures will be met from additional grant resource. The projected underspend of £282k is mainly due to payroll and supplies underspends across a number of services and additional Housing Benefit income.

**v) Business Operations and Partnerships – Support Services**

An operational underspend of £58k is forecast and anticipates that £246k of Covid pressures will be met from additional Covid grant resource. The operational underspends are mainly due to net underspends across payroll and supplies and services.

**vi) Chief Executive's Office**

An operational overspend of £163k is forecast and anticipates that £40k of Covid pressures will be met from additional Covid grant resource. The projected operational overspend is primarily due to a reduction in Temporary Loans Fund Interest.

**vii) Other Expenditure**

The underspend of £1,296k is due to both the contingent nature of change etc. and a reduction in financing charges due to delays in capital projects and low interest rates. This will be subject to change during the year.

**viii) Integration Joint Board (IJB) Contribution/ Health & Social Care Partnership (HSCP)**

The projected outturn highlights a potential operational underspend of £5.3k and would result in a small contribution to IJB reserves subject to final outcome. The IJB expects services to be in line with budget at year end. Additional Covid related costs of around £6m are also expected but it has been assumed that Scottish Government funding will be provided to offset these, however significant financial risk remains that we may not receive full funding to offset specific categorised Covid costs.

**CONCLUSIONS**

6. The Council's projected revenue out-turn position is reported as an operational net underspend of £1,751k and anticipates that £2,361k of Covid pressures will be met by additional Covid grant resource. The report has highlighted the continued financial pressures on services arising from the COVID-19 pandemic however it is anticipated that drawdown of brought forward Covid grant funding will be used to cover these pandemic related overspends, leaving a forecast operational underspend of £1,751k. Departments should continue to closely monitor and manage their budget, ensure that spending up to budget levels does not take place and continue to avoid all non-essential expenditure.

**RECOMMENDATIONS**

7. It is recommended that:
- members note the continued financial pressures on operational services arising from the COVID-19 pandemic and that it is expected to cover these from accumulated COVID grant funding.
  - members note the forecast underlying General Fund operational underspend of £1,751k.
  - members approve service virements and operational adjustments as set out in the notes to the tables on pages 14 to 30 and note the reported probable out-turn position;
  - all departments continue to closely monitor and manage their budgets and ensure that spending up to operational budget levels does not take place.
  - In view of the challenging financial outlook for 2022-23 and beyond, Directors take action to avoid all non-essential expenditure for the remainder of the year.

**REPORT AUTHOR**

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Leader of the Council -	Tony Buchanan	Tel. 07890 592671(Mobile)
Report date		17th February 2022

**BACKGROUND PAPERS**

The report refers to the attached budgetary monitoring statements.

**BUDGET MONITORING REPORTS**  
**PERIOD 9**  
**As at 31 December 2021**

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# 11 EDUCATION

## PROBABLE OUTTURN FORECAST AS AT 31<sup>st</sup> DECEMBER 2021 - £444,500 UNDERSPEND

### **Pre Five Education (£22,500 overspend)**

The overspend arises due to a forecast overspend on repairs and maintenance (£44k) and insurance excesses (£6k). This is partially offset by an underspend in devolved budgets (£17k) and on utilities costs (£12k).

### **Primary Education (£187,800 overspend)**

The overspend relates to a number of variances including a forecast overspend on repairs and maintenance (£104k), insurance excesses (£66k), utility costs (£25k) the annual increase in unitary charge payments made in respect of the education PFI and PPP contracts which is higher than that budgeted (£28k) and an under-recovery of income in relation to the recharge of Pupil Support Assistants (PSA) to other local authorities (£44k). This is partially offset by an underspend in devolved budgets (£32k), on replacement teaching costs (£30k) and staff travel costs (£14k).

### **Secondary Education (£329,400 underspend)**

The underspend arises in relation to devolved budgets (£32k), replacement teaching costs (£129k), staff travel costs (£10k), utilities (based on the information currently available) (£209k) and on repairs and maintenance within this sector (£82k). This is partially offset by insurance excesses (£42k), higher than budgeted costs associated with PFI and PPP unitary charge payments (£81k) and an under-recovery of PSA income (£12k).

### **Special Education (£280,800 overspend)**

An overspend is forecast in relation to repairs and maintenance (£15k), transport costs (£138k), specialist therapies and equipment (£9k) and payments to other agencies and bodies in relation to pupils attending establishments outwith the authority (£120k).

### **Schools Other (£388,900 underspend)**

The underspend relates to additional turnover and vacancies within the Modern Apprentice programme (£168k) and the Music service (£33k), reduced expenditure on school milk (£35k), an anticipated underspend on Parent Pay transaction fees as a result of Scottish Government policy changes associated with FSM and the removal of charges for the Instrumental Music Service (£27k), insurance costs (£59k), superannuation additional allowances (£42k) and higher than budgeted grant income (£18k).

### **Administration Services (£136,200 underspend)**

The underspend arises mainly due to additional turnover forecast to be achieved within the central admin, quality improvement and adult learning teams (£145k) and a underspend in some miscellaneous administration budgets (£7k). This is partially offset by increased insurance costs (£18k).

### **Facilities Management (£142,000 underspend)**

An underspend is forecast in relation to additional payroll turnover savings achieved across the service (£64k) and reduced net expenditure on the Catering service (£77k)

### **Culture and Leisure Services (£37,200 overspend)**

The overspend relates to a forecast overspend on repairs and maintenance costs (£45k) and gas costs (£6k), partially offset by savings on insurance costs (£14k).

### **Other Services (£23,700 overspend)**

An overspend is forecast in relation to school transport based on the latest projection from SPT (£50k) and the under-recovery of privilege transport income (£22k). This is partially offset by turnover savings within Psychological Services (£35k) and an underspend in Clothing Grants (£14k).

**Summary:** Period 9 figures have been prepared on a probable outturn basis and therefore reflect anticipated full year costs. This forecast, which is based on the information currently available, indicates an operational underspend of £444,500.

In addition to the operational variances outlined above there are a number of offsetting Covid variances across the department including costs associated with absence cover, approved savings in Facilities Management that have not been able to be actioned, additional accommodation and a loss of income, however these are being offset at present by savings across the department in utilities for buildings that have experienced delayed re-openings and the Catering service including the school meal service. In addition to these variances it should also be noted that there are significant Education recovery costs have been incurred which are funded by specific Scottish government funding.

At Period 9 the main operational underspends can be summarised as an underspend in devolved budgets (£89k), a reduction in replacement teaching costs (£159k), lower payroll costs achieved mainly through additional turnover savings and non filling of vacant posts plus some staff travel savings (£505k), utilities costs (£185k), an underspend on school milk (£35k), a reduction in Parent Pay transaction fees (£27k) and superannuation additional allowances (£42k). These underspends are reduced by higher than budgeted repairs and maintenance costs (£120k), insurance costs (£60k), school transport costs, including for pupils with additional support needs (£188k), unitary charge payments on PFI and PPP contracts (£109k) and payments to other agencies and bodies in relation to pupils who require additional support for learning (£120k).

The main areas of movement in the operational underspend since the previous forecast relate to the forecast underspend in devolved budgets (£89k), a reduction in replacement teaching costs (£159k), an increase in staff cost savings (£98k), utilities (£139k) and facilities management services (£77k). This is partially offset by the increased forecast overspends in school transport costs (£36k) and payments to other agencies in relation to pupils who require additional support for learning (£101k).

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### **CONTRIBUTION TO INTEGRATION JOINT BOARD**

**PROBABLE OUTTURN FORECAST AS AT 31<sup>st</sup> DECEMBER 2021 – Nil Variance**

#### **Contribution to Integration Joint Board (IJB) ( Nil variance )**

The projected outturn position reflects agreed additional funding within the contribution to the Integration Joint Board.

#### **Summary:**

The projected outturn position, is that the contribution to IJB is in line with agreed funding.

## ENVIRONMENT – NON SUPPORT

PROBABLE OUTTURN FORECAST AS AT 31<sup>st</sup> DECEMBER 2021 - £ 43,300 UNDERSPEND**Directorate & Management (£122,000 Overspend)**

Whilst payroll costs are projected to overspend (£205k), contributions from Spend to Save and Modernisation Funds (£150k) will partially offset this. Electricity costs associated with an increasing number of electric vehicle charging points are projected to overspend (£45k).

**Properties (Environment & Non-Operational) (£90,400 Underspend)**

Operational running costs of Thornliebank Depot and the Spiersbridge Offices are projected to underspend (£40k). In line with previous years, an underspend on Street Nameplates (£10k) is projected. Spend on Non-Operational Properties is expected to underspend (40k).

**Planning and Building Control (£47,600 Overspend)**

Whilst payroll costs are projected to overspend (£140k), a contribution from the Modernisation Fund (£90k) will partly offset this.

**Economic Development (£52,100 Overspend)**

Income from Other Agencies is projected to under-recover (£110k). This will be partially offset by underspends across Supplies & Services (£50k).

**Roads (£18,200 Overspend)**

Whilst payroll costs are projected to overspend (£285k), it is expected that this will be fully offset by an over-recovery in income (£285k), mainly from external fees and grants. The projected underspend in School Crossing Patrollers (£125k) partially offsets projected overspends in Transport and Contractor costs (£145k).

**Neighbourhood Services (£96,600 Underspend)**

Payroll costs are projected to underspend (£100k).

**Parks (£123,400 Overspend)**

Essential repair works to walls in Rouken Glen and Cathcart Cemetery must be carried out (£40k), whilst operational income is expected to under-recover (£100k).

**Cleansing (£104,200 Overspend)**

Net operational income is projected to under-recover (£60k). On top of this, necessary repair works at Thornliebank Depot (£70k) are required, which will be partially offset by a small underspend in payroll costs (£15k).

**Waste Management (£359,700 Underspend)**

Recyclable waste disposed at the Civic Amenity Sites is projected to underspend (£100k). Kerbside recycling costs are also projected to underspend (£70k). On top of this, other waste management fees and disposal costs are projected to underspend (£190k).

**Protective Services (£12,200 Underspend)**

A number of underspends (£12k) are projected across Supplies & Services.

**Other Housing (£48,100 Overspend)**

An underspend in payroll costs (£80k) is projected as there are currently a number of vacancies. However, projected overspends on Subcontractors (£110k) and Payments to Other Agencies (£25k) more than offsets this.

**Summary:**

The above figures have been prepared on a Probable Outturn basis and therefore represent full year operational variances. Across the department there are a range of operational variances as noted above. Whilst payroll costs across the department are expected to overspend, it's worth noting that this will mainly be offset by over-recoveries in income, both internally generated and from external grants and receipts. The projections include an assumption that £1.37m of covid related spend or lost income will be offset with covid funding. The variances noted will be closely monitored for the remainder of the year with mitigating actions taken by management where this is possible.

**ENVIRONMENT – PROPERTY AND TECHNICAL SERVICES**

**PROBABLE OUTTURN FORECAST AS AT 31<sup>st</sup> DECEMBER 2021 - £43,100 UNDERSPEND**

**Property & Technical - Operations (£37,000 Underspend)**

Payroll costs are projected to underspend (£30k), with Transport costs also projected to underspend (£10k).

**Property & Technical – Strategy (£34,000 Overspend)**

A number of overspends are projected across Supplies & Services (£35k), notably External Contractor costs.

**Accommodation (£40,100 Underspend)**

Central Office Accommodation costs are expected to underspend slightly (£40k).

**Summary:**

The above figures have been prepared on a Probable Outturn basis and therefore represent full year operational variances. The projections include an assumption that £70k of covid related spend will be offset with covid funding. These variances will continue to be monitored closely.

## BUSINESS OPERATIONS & PARTNERSHIPS

**Probable Outturn Forecast as at 31<sup>st</sup> DECEMBER 2021 - £282,500 Underspend**

### **Communities and Strategy – Operational (£93,900 Underspend)**

The variance is largely due to underspends in payroll budgets combined with reduced expenditure on hall lets and other activities as a result of Covid-19.

### **Humanitarian Need – Covid-19 (no variance)**

Funding of £800k was carried forward into the current financial year for Humanitarian projects. Of this, £300k has already been approved by Cabinet covering additional staffing (£205k), training (£50k), free breakfasts (£28k) and transport (£10k). Other initiatives including community projects, fuel support and emerging need are ongoing and the expectation is that the funding will be fully utilised by the end of March 2022. More recently, ERC has been allocated £236k from the Scottish Government's Winter Support Fund to tackle financial insecurity. This funding will be used in accordance with the guidance set out over the remainder of this year and carried forward into next year if necessary.

### **Community Safety (£32,000 Underspend)**

The underspend is mainly due to a combination of slippage on the payroll budget and an overspend on maintenance costs.

### **Money Advice & Registrars (£80,000 Underspend)**

The underspend is mainly due to payroll as a result of staff turnover, vacant hours and reduced spending on supplies and services.

### **Directorate, Strategic Insight & Partnerships Management (£2,100 Underspend)**

There are no significant variances to report at this time.

### **Members Expenses, Grants, Elections and Corporate & Democratic Core (£14,200 Underspend)**

The underspend is due to minor underspends across several lines including payroll, supplies and travel budgets.

### **Housing Benefits & Revenues Benefits, Business Support Team and Revenues Admin (£60,300 Underspend)**

There is a net underspend of £60k, with the majority of this relating to net additional income for Housing Benefit. Additional income of £104k for Housing Benefit relates to the prior year and income of £72k has been received for Discretionary Housing Payments. This is mainly offset by an in year overspend on Housing Benefit of £93k where DWP funding is insufficient to meet rent levels for supported exempt accommodation (impacting councils across the country)

### **Council Tax/Non Domestic Rates (no variance)**

There are no significant variances to report at this time.

### **Summary:**

Period 9 figures have been prepared on a probable outturn basis and therefore reflect full year costs. The projections include an assumption that £634,900 of covid related spend or lost income will be offset with covid funding resource. The operational underspend of £282,500 is mainly due to payroll and supplies underspends across a number of divisions including Communities, Community Safety and MART and additional Housing benefit income.

**BUSINESS OPERATIONS & PARTNERSHIPS – SUPPORT SERVICES**

**Probable Outturn Forecast as at 31<sup>st</sup> DECEMBER 2021- £57,700 Underspend**

**Revenues General (£20,900 Underspend)**

The underspend is mainly due to slippage on vacant posts.

**Strategy – Support and Insight (£17,100 Underspend)**

The underspend is mainly due to slippage on vacant posts partially offset by expenditure on data analytics and recruitment costs.

**PMO – (£41,100 Underspend)**

The underspend is due to a combination of slippage on payroll and reduced spending on supplies and services.

**IT (no variance)**

There are no significant variances to report at this time.

**Customer First (£13,700 Underspend)**

The underspend is mainly due to reduced expenditure on supplies and services.

**Communications & Printing (£19,900 Overspend)**

The overspend is due to a combination of increased staffing and supplies costs offset by underspends in transport.

**Human Resources & Payroll (£41,200 Overspend)**

The overspend is mainly due to increased staffing costs to cover for maternity, sickness absence and additional payroll resources required to support the new system, some of which is currently offset by Modernisation Funding.

**Democratic Services (£26,000 Underspend)**

The underspend is largely due to slippage on payroll and reduced expenditure across several supplies lines including transport and hospitality.

**Summary:**

Period 9 figures have been prepared on a probable outturn basis and therefore reflect full year costs. The projections include an assumption that £256,000 of covid related spend or lost income will be offset with covid funding resource. The operational underspend of £57,700 is mainly due a combination of underspends in staffing budgets and supplies and services budgets across a number of divisions



**CHIEF EXECUTIVES'S – NON SUPPORT****PROBABLE OUTTURN FORECAST AS AT 31<sup>st</sup> DECEMBER 2021 - £165,800 OVERSPEND**

Temporary Loans Fund Interest income is projected to outturn under-recovered (£160k) due to the very low level of interest rates currently available in commercial markets. The external Audit Fee is expected to outturn over-budget (£1.1k). In addition Civic Licensing is projected at present to outturn over budget (£4.7k) due to less staff turnover than what is allowed for in the budget and additional IT Software costs. Included in projected Income is £40k of Covid Grants to offset expected Licensing income under-recoveries due to the Covid-19 pandemic.

**Summary:**

Period 9 figures have been prepared on a probable outturn basis and therefore reflect projected full year costs. The projected overspend at Period 9 of £165,800 is due mainly to a loss of Temporary Loans Fund Interest.

**CHIEF EXECUTIVE'S OFFICE – SUPPORT**

**PROBABLE OUTTURN FORECAST AS AT 31<sup>st</sup> DECEMBER 2021 - £2,500 UNDERSPEND**

The projected underspend of £2,500 is comprised of a number of variances:

There are projected underspends in Internal Audit (46k) and Procurement (£70k) due to staff vacancies. In addition, Supplies and Services in Accountancy (8k) and Legal Services (£8k) are projected to underspend based upon last year's outturn and current levels of expenditure to date. Legal recharges to other Departments are projected to outturn above budget (£3k) due to additional legal fees that have been incurred and are recoverable from other Departments. Income in Procurement is projected to outturn above budget (£23k) due to a drawdown from the Modernisation Fund to fund a temporary post and the Scotland Excel secondment.

Mostly offsetting these favourable variances are projected payroll overspends in Accountancy (£36k), Chief Executive's Office (£4k) and Legal Services (£9k) due to less staff turnover than what is allowed for in the budget. There was also a temporary post in Procurement that was funded by the Modernisation Fund. Supplies & Services in Procurement are projected to overspend (£78k) as the result of the costs of a seconded officer from Scotland Excel which is met from the Modernisation Fund. Legal Services Sales Fees and Charges are projected to under-recover (£28k) due to a lower level of demand than what was anticipated in the Estimates.

**Summary:**

Period 9 figures have been prepared on a probable outturn basis and therefore reflect projected full year costs. The projected underspend at Period 9 of £2,500 is due to vacant posts in Internal Audit and Procurement and underspends in Accountancy and Legal Services Supplies and Services. There is also additional income in Legal from recharges to other Departments and additional income in Procurement from the Modernisation Fund. Mostly offsetting these favourable variances are lower than budgeted staff turnover in Accountancy, Chief Executive's Office and Legal Services. In Procurement there is a temporary post and additional costs for a seconded officer from Scotland Excel. In Legal Services there is an under-recovery in Sales Fees and Charges.

**OTHER EXPENDITURE & INCOME**

**PROBABLE OUTTURN FORECAST AS AT 31<sup>st</sup> DECEMBER 2021 - £1,295,900 UNDERSPEND**

**Restructuring Costs (£212,500 Underspend)**

It is expected that this resource will not be fully utilised to meet restructure commitments and redeployment costs at this time.

**Unallocated Overheads (£174,000 Underspend)**

Forecast pension revised based on anticipated utilisation of funds.

**Loan Debt (£709,000 Underspend)**

Current projection is Loan debt expenditure will be £709,000 favourable as against estimate at the end of the financial year. Given current uncertainties, position will continue to be monitored.

**Other Services (£200,400 Underspend)**

Lower than anticipated expenditure arising from contingent operations / costs that have not as yet materialised or been confirmed.

**Summary:**

Month 9 figures are prepared on a probable outturn basis and reflect initial projected full year costs. The reported position of £1,295,900 will be monitored and adjusted as required in conjunction with implementation of Council's service redesigns and arising events and it is expected to reduce before the year-end.

**HEALTH & SOCIAL CARE PARTNERSHIP**  
**PROBABLE OUTTURN FORECAST AS AT 31<sup>ST</sup> DECEMBER 2021 – Nil Variance**

**Children & Families & Public Protection (£349,800 Overspend)**

The current projected overspend is mainly as a result of payroll and care commitments. As we emerge from the pandemic payroll projections indicate an overspend (253k) alongside commitments for third party payments including agency foster care and residential costs (£623k) which is net of Covid-19 funding against some of these costs. Other grant funding and utilisation of reserves (£582k) further offsets costs and this is reflected in the overspend reported.

The previously reported overspend at period 7 has slightly worsened (£103k) over the last two periods due to increased demand around residential and agency fostering and amended payroll projections. Demand will continue to be monitored alongside the ongoing impacts of the pandemic as the year progresses.

**Adult – Intensive Services (£1,944,800 Overspend)**

1. Care at Home – There is a projected overspend of £1,487k which relates to both staffing and care costs. Staff costs are projected to be £590k overspent, including agency costs, with care costs £845k over. There have been significant cost increases within Care at Home since last reported (£793k) predominately around staffing and agency costs as the pandemic response continues.
2. Telecare – there is a projected overspend of £633k, mainly related to staffing cost.
3. Bonnyton House and Day Centres including Kirkton – there is an underspend in day centre costs mainly around staffing costs, overall underspend £175k.

There continues to be increased volume within Care at Home, which is offset in part by reduced costs within Nursing and Residential care. A budget virement between Nursing and Residential costs has been approved by the Integration Joint Board of £500k and this will mitigate to some degree the overspends in Intensive services.

**Adult – Localities Services (£2,363,000 Underspend)**

The main variances within our adult community services across both Eastwood and Barrhead localities are:

1. Older People – the projected underspend of £1,510k relates mainly to care commitments and staff turnover within teams. There remains a significant underspend of around £2.6m within Nursing and Residential care and this continues to offset additional costs of care within localities purchased care (£0.9m) and also the increased activity in Care at Home within Intensive Services. There is some pressure within payroll in the Adult Support and Protection Team and also with current Care Home review activity, however this is currently offset by Covid 19 income. The cost projections continue to make some allowance for increased winter activity. A budget virement has been approved by the IJB to move £500k to Intensive Services to offset pressures and reflect in some way the movement in costs between these areas, this will be reflected in P10. This is a further underspend of £371k in relation to reduced care package costs and reduced commitments in localities purchased care in relation to winter costs.
2. Physical & Sensory Disability – the projected overspend of £42k reflects refined projections around current care package commitments, now slightly underspent (£10k) and overspends in staffing and adaptation costs (£52k). This is a reduction in projected costs of £117k mainly around updated care package commitment costs. Demand for adaptations may still yet increase as part of recovery and this will continue to be monitored.
3. Learning Disability – the projected underspend of £895k is due to underspends in staffing costs due to turnover (£217k). Care package costs are projected to underspend (£605k). This is a further underspend of £414k since last reported mainly due to updated care package commitment costs. This position is net of Covid support and we would expect care package costs to increase post pandemic.

**Recovery Services – Mental Health & Addictions (£220,500 Overspend)**

The projected overspend of £292k in Mental Health reflects current recorded care commitments and staff costs, there has been an increase in client volume since 2020/21. An underspend of £72k in relation to Addictions services reflects staff turnover and current care package cost commitments.

**Finance & Resources (£157,400 Underspend)**

A projected underspend of £157k is now reported in relation to staff turnover, and property costs across the service. This is a reduction in projected costs of £23k since last reported due to improved staffing projections in part reflecting additional funding and as we approach the end of the calendar year a less prudent approach to property costs.

**Contribution from IJB (£5,300 Contribution to Reserve)**

This is the net contribution to the IJB reserves to meet the projected operational underspend relating to social care in the current financial year, as required. Work is ongoing to minimise the planned draw on IJB reserves.

**Summary:** The projected outturn position, which highlights a potential underspend of £5.3k, would enable a small contribution to reserves as required, subject to the final outturn at the end of the financial year.

The partnership continues to carry unachieved savings of around £3.6m as the ability to achieve these savings has been impacted by capacity as a result of the pandemic. These unachieved savings are included in our COVID returns to Scottish government and, it has been assumed that we will receive full funding. This remains a risk to the HSCP and all efforts continue to be made to realise as much of these savings as is possible within the 2021/22 financial year, with the potential to use reserves to be considered should Scottish Government funding not be extended.

All other additional Covid19 costs continue to be reported to the Scottish Government as part of the HSCP Mobilisation Plan and are reflected in the reported position with the assumption of matching income. The application of the new Winter Planning funding has now been applied and spend against these funding streams will be monitored separately and closely towards the year end.

The cost assumptions will continue to be revised as actual costs are incurred, however the significant financial risk remains that we may not receive full funding to offset the additional costs. In mitigation of this risk regular monitoring continues to be ongoing in order to flag up early issues and take decisive action where possible.

This position will be subject to change as monitoring and commitment information are refined over the remainder of the year.

## HOUSING REVENUE ACCOUNT

**PROBABLE OUTTURN FORECAST AS AT 31<sup>st</sup> DECEMBER 2021 - £ 219,400 OVERSPEND**

### **Housing Revenue Account (£229,600 Underspend)**

There are a number of under and overspends forecast within the Housing Revenue Account across the main expenditure groups. Projected underspends in Payroll costs due to ongoing staff vacancies (£124k). Capital financing loans charges are forecasted under budget due to delay in capital projects (£174k). Projecting additional income in council house rents due to Other Housing's above planned use of HRA stock for Homeless Persons Units. (£101k). Additional income due to increased Sheltered Housing fees (£8k) plus the Scottish Government grant to pay carers £500 during Covid (£7k). There's an overspend in sub contractors (£228k) due to increased supply costs as a result of material shortages during the pandemic.

### **Housing Maintenance Team (£449,000 Overspend)**

Projected under-recovery of Capital works due to unavailability of materials / labour (£375k), in addition to projected overspend in Subcontractors due to staff shortages (£284k). IT costs are forecasted above budget due to implementation delays so a longer system overlap is now required (£52k). This is partially offset by a projected underspend in payroll costs (£246k) due to a high level of vacancies.

### **Summary:**

The above figures have been prepared on a Probable Outturn basis and therefore represent full year variances. Workload pressures caused by vacancies have required agency staff to be employed in both the HRA and Housing Maintenance Team. Covid-19 is projected to impact on the HRA, particularly in relation to an increased level of rent arrears and increased subcontractor and material costs due to increased demand and limited supplies. The variances will be reviewed during the course of the year and with mitigating actions taken by management where possible. There is the option to mitigate overspend using the available reserve balance in the HRA account, discussions are underway on how much could potentially be used.

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Budgetary Control Statement  
Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Education	171,133,900	0	171,133,900	101,813,187	98,628,140	3,185,047	444,500
Contribution to Integration Joint Board	54,319,400	2,979,000	57,298,400	37,075,433	41,833,901	(4,758,468)	0
Environment	31,135,500	0	31,135,500	18,096,562	17,805,281	291,281	43,300
Environment - Support			0	1,782,058	2,215,780	(433,722)	43,100
Chief Executives Office	70,200	0	70,200	4,674	7,278	(2,604)	(165,800)
Chief Executives Office - Support			0	2,220,212	2,221,100	(888)	2,500
Business Operations & Partnerships	13,005,200	48,500	13,053,700	4,290,671	3,048,882	1,241,789	282,500
Business Ops & Partnership - Support		0	0	8,998,086	9,409,213	(411,127)	57,700
Other Expenditure & Income	1,789,300		1,789,300	776,700	553,823	222,877	1,295,900
Joint Boards	2,358,800		2,358,800	1,910,500	1,885,824	24,676	28,500
Contingency - Welfare	200,000	(40,000)	160,000	0	0	0	68,800
Health & Social Care Partnership	646,700	0	646,700	(460,500)	(547,207)	86,707	0
Service Resource Adjustment	(326,800)	(8,500)	(335,300)			0	0
Additional RSG Funding		786,000	786,000	0	0	0	0
Additional COVID19 Support Grant			0			0	0
Housing Revenue Account	0	0	0	(4,213,787)	(4,459,926)	246,139	(219,400)
<b>TOTAL</b>	<b>274,332,200</b>	<b>3,765,000</b>	<b>278,097,200</b>	<b>172,293,796</b>	<b>172,602,089</b>	<b>(308,293)</b>	<b>1,881,600</b>

Summary of Operational Adjustments.

Capital Charges

Ring Fenced Grants - Education & HSCP

Additional RSG - HSCP 2,979,000

Additional RSG - General 786,000

Addit.COVID19 Supp. Grant- 0

Devolved School Management 0

3,765,000

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Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Employee Costs	169,002,100	1,563,200	170,565,300	128,533,878	127,985,510	548,368	(3,705,100)
Property Costs	17,913,300	42,500	17,955,800	13,234,287	10,638,483	2,595,804	(146,000)
Transport Costs	5,824,000	0	5,824,000	4,374,697	4,486,719	(112,022)	(745,300)
Supplies & Services	55,241,900	311,600	55,553,500	38,535,766	40,745,030	(2,209,264)	(1,897,300)
Third Party Payments	57,616,000	1,392,400	59,008,400	37,475,049	39,117,841	(1,642,792)	(6,527,700)
Transfer Payments	19,802,400	423,600	20,226,000	11,530,148	16,659,762	(5,129,614)	(1,073,700)
Support Services	15,440,800	0	15,440,800	38,850	2,673	36,177	0
Other Expenditure	0	786,000	786,000	0	0	0	0
Depcn And Impairment Losses	20,307,200	0	20,307,200	0	0	0	0
Financing Costs	4,289,000		4,289,000			0	174,000
<b>TOTAL EXPENDITURE</b>	<b>365,436,700</b>	<b>4,519,300</b>	<b>369,956,000</b>	<b>233,722,675</b>	<b>239,636,018</b>	<b>(5,913,343)</b>	<b>(13,921,100)</b>
Income	(91,104,500)	(754,300)	(91,858,800)	(61,428,879)	(67,033,929)	5,605,050	15,802,700
<b>TOTAL</b>	<b>274,332,200</b>	<b>3,765,000</b>	<b>278,097,200</b>	<b>172,293,796</b>	<b>172,602,089</b>	<b>(308,293)</b>	<b>1,881,600</b>



Budgetary Control Statement  
Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Subjective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Education	Employee Costs	120,000,700	(118,400)	119,882,300	85,659,995	82,751,583	2,908,412	603,800
	Property Costs	12,532,700	132,800	12,665,500	9,357,599	7,770,743	1,586,856	(118,600)
	Transport Costs	2,064,500		2,064,500	1,524,697	1,480,012	44,685	(226,700)
	Supplies & Services	32,023,900	158,000	32,181,900	18,891,846	18,462,021	429,825	403,500
	Third Party Payments	12,844,100		12,844,100	8,127,789	7,418,264	709,525	(131,600)
	Transfer Payments	995,900		995,900	822,009	917,416	(95,407)	(339,000)
	Support Services	5,755,800		5,755,800			0	0
	Depcn And Impairment Losses	13,948,100		13,948,100			0	0
<b>Total Expenditure</b>		<b>200,165,700</b>	<b>172,400</b>	<b>200,338,100</b>	<b>124,383,935</b>	<b>118,800,039</b>	<b>5,583,896</b>	<b>191,400</b>
	Income	(29,031,800)	(172,400)	(29,204,200)	(22,570,748)	(20,171,899)	(2,398,849)	253,100
Education	<b>TOTAL</b>	<b>171,133,900</b>	<b>0</b>	<b>171,133,900</b>	<b>101,813,187</b>	<b>98,628,140</b>	<b>3,185,047</b>	<b>444,500</b>

Summary of Operational Adjustments:

**Devolved School Management**

There have been operational adjustments between objective headings in this reporting period in accordance with approved DSM scheme.

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Budgetary Control Statement  
Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Objective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Education	Pre Five Education	9,749,100	(2,600)	9,746,500	1,372,984	1,416,951	(43,967)	(22,500)
	Primary Education	52,662,700	689,900	53,352,600	35,344,713	34,461,449	883,264	(187,800)
	Secondary Education	67,158,900	428,400	67,587,300	46,118,718	43,050,178	3,068,540	329,400
	Schools Other	5,354,300	(1,189,400)	4,164,900	2,280,000	2,163,331	116,669	388,900
	Special Education	7,915,700	51,900	7,967,600	5,213,984	5,089,224	124,760	(280,800)
	Psychological Service	907,300		907,300	672,541	747,314	(74,773)	36,700
	Transport (excl Spec Educ)	1,096,400		1,096,400	821,540	838,452	(16,912)	(74,400)
	Bursaries / Emas	0		0		86,940	(86,940)	0
	Provision for Clothing	374,700		374,700	356,109	271,190	84,919	14,000
	Administration & Support	11,850,400	21,800	11,872,200	2,553,752	3,237,940	(684,188)	136,200
	School Crossing Patrollers	0		0	(31,481)	60,465	(91,946)	0
	Catering	0		0	(151,237)	(539,335)	388,098	76,900
	Cleaning & Janitorial	2,322,200		2,322,200	1,316,342	3,240,777	(1,924,435)	65,100
	Culture & Leisure Services	11,742,200		11,742,200	5,945,222	4,503,264	1,441,958	(37,200)
Education	TOTAL	171,133,900	0	171,133,900	101,813,187	98,628,140	3,185,047	444,500

Summary of Operational Adjustments:

Devolved School Management

There have been operational adjustments between objective headings in this reporting period in accordance with approved DSM scheme.

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Budgetary Control Statement  
 Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Subjective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Contribution to Integration Joint Board	Third Party Payments	54,319,400	2,979,000	57,298,400	37,075,433	41,833,901	(4,758,468)	0
Contribution to Integration Joint Board	TOTAL	54,319,400	2,979,000	57,298,400	37,075,433	41,833,901	(4,758,468)	0

Summary of operational adjustments  
 RSG - Winter Planning  
 RSG - Adult Social Care Pressures  
 RSG - HSCP Other

2,143,000  
 741,000  
 95,000

2,979,000

Department	Objective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Contribution to Integration Joint Board	Core Funding	54,319,400	2,979,000	57,298,400	37,075,433	41,833,901	(4,758,468)	0
Contribution to Integration Joint Board	TOTAL	54,319,400	2,979,000	57,298,400	37,075,433	41,833,901	(4,758,468)	0

Summary of operational adjustments  
 RSG - Winter Planning  
 RSG - Adult Social Care Pressures  
 RSG - HSCP Other

2,143,000  
 741,000  
 95,000

2,979,000

Budgetary Control Statement  
Period 09 / 2122 31 December 2021

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Period 09 / 2122

Department	Subjective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Environment	Employee Costs	15,429,400		15,429,400	10,637,402	10,983,626	(346,224)	(716,200)
	Property Costs	2,573,800		2,573,800	1,441,210	1,155,416	285,794	(19,000)
	Transport Costs	3,290,100		3,290,100	2,467,575	2,602,337	(134,762)	(439,700)
	Supplies & Services	15,080,500		15,080,500	10,701,226	11,181,077	(479,851)	(1,568,000)
	Third Party Payments	826,100		826,100	187,900	245,839	(57,939)	(393,000)
	Transfer Payments	706,200		706,200	459,525	5,803,415	(5,343,890)	(237,500)
	Support Services	2,955,100		2,955,100	38,025	0	38,025	0
	Depcn And Impairment Losses	4,877,600		4,877,600	0	0	0	0
<b>Total Expenditure</b>		<b>45,738,800</b>		<b>45,738,800</b>	<b>25,932,863</b>	<b>31,971,710</b>	<b>(6,038,847)</b>	<b>(3,373,400)</b>
	Income	(14,603,300)		(14,603,300)	(7,836,301)	(14,166,429)	6,330,128	3,416,700
Environment	<b>TOTAL</b>	<b>31,135,500</b>	<b>0</b>	<b>31,135,500</b>	<b>18,096,562</b>	<b>17,805,281</b>	<b>291,281</b>	<b>43,300</b>
	Summary of Operational Adjustments.							
	Capital charges							

Department	Objective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Environment	Directorate & Supp Environment	1,893,600		1,893,600	771,588	274,906	496,682	(118,000)
	Environment Accommodation	77,000		77,000	622,675	506,849	115,826	37,900
	Planning & Development	976,000		976,000	492,055	616,190	(124,135)	(47,300)
	Economic Development Summary	1,057,000		1,057,000	434,745	1,486,001	(1,051,256)	(52,100)
	Roads - Council	12,140,000		12,140,000	7,539,965	8,048,097	(508,132)	(18,200)
	Roads Contracting Unit	0		0	(56,142)	(44,659)	(11,483)	0
	Parks	163,900		163,900	(472,050)	(675,082)	203,032	(123,400)
	Cleansing & Recycling	923,900		923,900	(134,457)	(281,243)	146,786	(144,200)
	Waste Management	4,515,000		4,515,000	2,745,575	2,503,375	242,200	399,700
	Protective Services	1,225,600		1,225,600	688,285	658,912	29,373	12,200
	Transport	0		0	(196,512)	79,117	(275,629)	0
	Neighbourhood Services Mgmt	5,340,000		5,340,000	3,580,116	3,420,991	159,125	96,600
	Env Strat/ Op Management	191,900	0	191,900	179,519	180,784	(1,265)	(4,000)
	Non Operational Properties	175,100		175,100	94,575	35,389	59,186	52,500
	Other Housing	2,084,000		2,084,000	1,555,615	687,425	868,190	(48,100)
	Strategy - Bi Team	372,500		372,500	251,010	308,229	(57,219)	(300)
Environment	<b>TOTAL</b>	<b>31,135,500</b>	<b>0</b>	<b>31,135,500</b>	<b>18,096,562</b>	<b>17,805,281</b>	<b>291,281</b>	<b>43,300</b>
	Summary of Operational Adjustments.							
	capital charges							

Budgetary Control Statement  
 Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Subjective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Environment - Support	Employee Costs	2,123,200		2,123,200	1,463,733	1,413,953	49,780	124,100
	Property Costs	1,041,800		1,041,800	857,475	631,307	226,168	60,100
	Transport Costs	14,700		14,700	11,025	1,470	9,555	10,000
	Supplies & Services	286,400		286,400	175,225	453,100	(277,875)	(226,900)
	Support Services	1,100		1,100	825		825	0
	Depcn And Impairment Losses	226,900		226,900			0	0
<b>Total Expenditure</b>		<b>3,694,100</b>		<b>3,694,100</b>	<b>2,508,283</b>	<b>2,499,830</b>	<b>8,453</b>	<b>(32,700)</b>
	Income	(1,114,200)		(1,114,200)	(726,225)	(284,050)	(442,175)	75,800
Environment - Support	<b>TOTAL</b>	<b>2,579,900</b>	<b>0</b>	<b>2,579,900</b>	<b>1,782,058</b>	<b>2,215,780</b>	<b>(433,722)</b>	<b>43,100</b>

Summary of Operational Adjustments.

Capital Charges

Department	Objective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Environment - Support	Prop & Tech - Operations	815,300		815,300	601,789	641,949	(40,160)	37,000
	Accommodation	1,319,800		1,319,800	899,500	660,883	238,617	40,100
	Property & Technical - Strategy	444,800		444,800	280,769	912,948	(632,179)	(34,000)
Environment - Support	<b>TOTAL</b>	<b>2,579,900</b>	<b>0</b>	<b>2,579,900</b>	<b>1,782,058</b>	<b>2,215,780</b>	<b>(433,722)</b>	<b>43,100</b>

Summary of Operational Adjustments.

Capital Charges

Budgetary Control Statement  
Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Subjective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Chief Executives Office	Employee Costs	22,600		22,600	15,599	16,245	(646)	(2,100)
	Transport Costs	3,000		3,000	2,250	2,163	87	(500)
	Supplies & Services	413,500		413,500	167,875	164,791	3,084	(3,200)
	Support Services	56,500		56,500	0	0	0	0
	Depcn And Impairment Losses	5,200		5,200	0	0	0	0
Total Expenditure		500,800		500,800	185,724	183,199	2,525	(5,800)
	Income	(430,600)	0	(430,600)	(181,050)	(175,921)	(5,129)	(160,000)
Chief Executives Office	TOTAL	70,200	0	70,200	4,674	7,278	(2,604)	(165,800)

Department	Objective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Chief Executives Office	Accountancy & Directorate	58,500		58,500	157,600	158,737	(1,137)	(161,100)
	Licensing	11,700	0	11,700	(91,351)	(88,944)	(2,407)	(4,700)
	Licensing Board	0	0	0	(61,575)	(62,515)	940	0
Chief Executives Office	TOTAL	70,200	0	70,200	4,674	7,278	(2,604)	(165,800)

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Period End: 31 December 2021

Period 09 / 2122

Department	Subjective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Chief Executives Office - Support	Employee Costs	3,105,400		3,105,400	2,142,087	2,073,512	68,575	67,300
	Supplies & Services	86,400		86,400	70,800	106,276	(35,476)	(86,300)
	Third Party Payments	75,500		75,500	75,500	76,300	(800)	(800)
	Transfer Payments	0		0			0	0
	Support Services	0		0			0	0
<b>Total Expenditure</b>		<b>3,267,300</b>		<b>3,267,300</b>	<b>2,288,387</b>	<b>2,256,088</b>	<b>32,299</b>	<b>(19,800)</b>
	Income	(423,300)	0	(423,300)	(68,175)	(34,988)	(33,187)	22,300
Chief Executives Office - Support	<b>TOTAL</b>	<b>2,844,000</b>	<b>0</b>	<b>2,844,000</b>	<b>2,220,212</b>	<b>2,221,100</b>	<b>(888)</b>	<b>2,500</b>

Department	Objective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Chief Executives Office - Support	Chief Executives Section	431,700		431,700	297,874	299,830	(1,956)	(5,400)
	Accountancy & Directorate	1,399,200		1,399,200	1,076,836	1,067,468	9,368	(28,300)
	Legal Services	430,700		430,700	328,197	373,649	(45,452)	(25,600)
	Purchasing & Procurement	310,500		310,500	329,512	328,420	1,092	15,300
	Internal Audit	271,900		271,900	187,793	151,733	36,060	46,500
Chief Executives Office - Support	<b>TOTAL</b>	<b>2,844,000</b>	<b>0</b>	<b>2,844,000</b>	<b>2,220,212</b>	<b>2,221,100</b>	<b>(888)</b>	<b>2,500</b>

Budgetary Control Statement  
Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Subjective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Business Operations & Partnerships	Employee Costs	4,880,600	61,500	4,942,100	3,413,652	3,708,121	(294,469)	(770,200)
	Property Costs	63,300		63,300	48,400	58,888	(10,488)	(35,800)
	Transport Costs	60,900		60,900	45,675	65,905	(20,230)	(19,700)
	Supplies & Services	1,206,200	7,700	1,213,900	685,325	720,320	(34,995)	(476,300)
	Third Party Payments	309,700	40,000	349,700	268,475	221,944	46,531	(236,300)
	Transfer Payments	17,730,000	423,600	18,153,600	10,185,525	9,856,058	329,467	(469,200)
	Support Services	3,498,900	8,500	3,507,400	0	2,673	(2,673)	
	Depcn And Impairment Losses	215,600	0	215,600			0	
<b>Total Expenditure</b>		<b>27,965,200</b>	<b>541,300</b>	<b>28,506,500</b>	<b>14,647,052</b>	<b>14,633,909</b>	<b>13,143</b>	<b>(2,007,500)</b>
	Income	(14,960,000)	(492,800)	(15,452,800)	(10,356,381)	(11,585,027)	1,228,646	2,290,000
Business Operations & Partnerships	<b>TOTAL</b>	<b>13,005,200</b>	<b>48,500</b>	<b>13,053,700</b>	<b>4,290,671</b>	<b>3,048,882</b>	<b>1,241,789</b>	<b>282,500</b>
	Summary of Operational Adjustments							
	Additional Expenditure Covid		492,800					
	Reduced Income Covid		41,000					
	Reserve release Covid		(533,800)					
	Transfer CF to Registrars		8,500					
	Transfer Welfare Contingency CAB		40,000					
			<u>48,500</u>					

Department	Objective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Business Operations & Partnerships	Community Learning & Dev	953,100		953,100	566,247	375,875	190,372	91,200
	Strategy (Operational)	368,800		368,800	166,803	85,677	81,126	2,700
	Community Safety	1,473,300	0	1,473,300	920,276	1,051,588	(131,312)	32,000
	Registrars	216,200	8,500	224,700	21,034	5,912	15,122	21,400
	Grants	165,500		165,500	148,475	136,494	11,981	3,200
	Auchenback Resource Centre	30,700		30,700	23,025	26,205	(3,180)	0
	Strategic Insight & Comm.Mgmt.	19,200		19,200	70,414	(554,815)	625,229	3,400
	Members Expenses	543,700		543,700	380,375	367,311	13,064	13,000
	MART	1,036,200	40,000	1,076,200	558,904	532,354	26,550	58,600
	Directorate	131,100		131,100	204,161	217,419	(13,258)	(1,300)
	Revenues Admin	335,300		335,300	209,831	214,748	(4,917)	(17,400)
	Business Support Team	249,600	0	249,600	148,942	139,096	9,846	9,800
	Housing Benefits	600,200	0	600,200	32,380	(512,143)	544,523	61,700
	Revenues - Benefits	859,400		859,400	408,969	535,924	(126,955)	6,200
	Council Tax/Ndr	4,374,500	0	4,374,500	346,485	345,262	1,223	0
	Cost Of Elections	181,100		181,100	17,950	13,245	4,705	(1,400)
	Corporate & Democratic Core	1,467,300		1,467,300	66,400	68,730	(2,330)	(600)
Business Operations & Partnerships	<b>TOTAL</b>	<b>13,005,200</b>	<b>48,500</b>	<b>13,053,700</b>	<b>4,290,671</b>	<b>3,048,882</b>	<b>1,241,789</b>	<b>282,500</b>
	Summary of Operational Adjustments							
	transfer from support		8,500					
	transfer CAB from welfare contingency		40,000					
	Reserve Release Covid Funding		(533,800)					
	Covid Related Expenditure/Loss of Income		533,800					
			<u>48,500</u>					



Budgetary Control Statement  
 Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Subjective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Business Ops & Partnerships - Support	Employee Costs	7,842,000	44,500	7,886,500	5,418,636	5,702,822	(284,186)	(519,700)
	Property Costs	3,500		3,500	2,875	2,419	456	3,300
	Transport Costs	25,900		25,900	19,350	9,413	9,937	10,500
	Supplies & Services	4,202,100	69,700	4,271,800	4,125,500	4,135,980	(10,480)	(208,700)
	Third Party Payments	19,400		19,400	19,000	15,741	3,259	(2,800)
	Support Services	0		0	0	0	0	
	Depcn And Impairment Losses	4,232,000		4,232,000	0	0	0	
<b>Total Expenditure</b>		<b>16,324,900</b>	<b>114,200</b>	<b>16,439,100</b>	<b>9,585,361</b>	<b>9,866,375</b>	<b>(281,014)</b>	<b>(717,400)</b>
	Income	(1,849,300)	(114,200)	(1,963,500)	(587,275)	(457,162)	(130,113)	775,100
Business Ops & Partnerships - Support	<b>TOTAL</b>	<b>14,475,600</b>	<b>0</b>	<b>14,475,600</b>	<b>8,998,086</b>	<b>9,409,213</b>	<b>(411,127)</b>	<b>57,700</b>

Summary of Operational Adjustments.  
 Additional Expenditure/Loss Income Covid  
 Reserve Release Covid  
 Transfer from CCS

114,200  
 (114,200)  


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Department	Objective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Business Ops & Partnerships - Support	Revenues - General	424,300	0	424,300	282,290	291,066	(8,776)	20,900
	Digital services	9,524,800	0	9,524,800	5,105,776	5,223,789	(118,013)	0
	Strategy - Support	308,300		308,300	191,452	148,052	43,400	34,700
	Communications	407,800		407,800	327,776	311,579	16,197	43,700
	Printing	145,000		145,000	104,713	132,348	(27,635)	(63,600)
	Human Resources & Payroll	1,724,600		1,724,600	1,229,926	1,439,431	(209,505)	(41,200)
	Democratic Services	411,600		411,600	283,317	260,725	22,592	26,000
	Customer Services	983,400	0	983,400	768,261	806,799	(38,538)	13,700
	Core Corporate	0		0	367,669	427,723	(60,054)	
	Insight	202,200	0	202,200	114,308	96,947	17,361	(17,600)
	Project Management Office	343,600		343,600	222,598	270,754	(48,156)	41,100
Business Ops & Partnerships - Support	<b>TOTAL</b>	<b>14,475,600</b>	<b>0</b>	<b>14,475,600</b>	<b>8,998,086</b>	<b>9,409,213</b>	<b>(411,127)</b>	<b>57,700</b>

Summary of Operational Adjustments.  
 Additional Expenditure/Loss Income Covid  
 Reserve Release Covid

114,200  
 (114,200)  


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Budgetary Control Statement  
 Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Subjective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Other Expenditure & Income	Expenditure	1,717,000		1,717,000	776,700	582,519	194,181	1,267,200
	Support Services	72,300		72,300	0	0	0	0
Total Expenditure		1,789,300		1,789,300	776,700	582,519	194,181	1,267,200
	Income	0	0	0	0	(28,696)	28,696	28,700
Other Expenditure & Income	TOTAL	1,789,300	0	1,789,300	776,700	553,823	222,877	1,295,900

Summary of Operational Adjustments:

0

Department	Objective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Other Expenditure & Income	Other Expenditure & Income	1,789,300		1,789,300	776,700	582,519	194,181	1,267,200
	Income	0	0	0	0	(28,696)	28,696	28,700
Other Expenditure & Income	TOTAL	1,789,300	0	1,789,300	776,700	553,823	222,877	1,295,900

Summary of Operational Adjustments:

0

Budgetary Control Statement  
Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Subjective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Joint Boards	Contributions	2,352,000		2,352,000	1,910,500	1,885,824	24,676	28,500
	Support Services	6,800		6,800	0	0	0	0
Total Expenditure		2,358,800		2,358,800	1,910,500	1,885,824	24,676	28,500
Joint Boards	TOTAL	2,358,800	0	2,358,800	1,910,500	1,885,824	24,676	28,500

Department	Objective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Joint Boards	SPTE (incl Concess Fares)	1,766,000		1,766,000	1,324,500	1,312,549	11,951	15,800
	Renfrewshire Valuation J/Brd	586,000		586,000	586,000	573,275	12,725	12,700
	Support Services	6,800		6,800	0	0	0	0
Joint Boards	TOTAL	2,358,800	0	2,358,800	1,910,500	1,885,824	24,676	28,500

Budgetary Control Statement  
 Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Subjective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Contingency - Welfare	Supplies & Services	200,000	(40,000)	160,000	0	0	0	68,800
Total Expenditure		200,000	(40,000)	160,000	0	0	0	68,800
Contingency - Welfare	TOTAL	200,000	(40,000)	160,000	0	0	0	68,800

Summary of Operational Adjustments.

CAB to Mart Team (40,000)

Department	Objective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Contingency - Welfare	Supplies & Services	200,000	(40,000)	160,000	0	0	0	68,800
Contingency - Welfare	TOTAL	200,000	(40,000)	160,000	0	0	0	68,800

Summary of Operational Adjustments.

CAB to Mart Team (40,000)

Budgetary Control Statement  
Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Subjective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Health & Social Care Partnership	Employee Costs	23,593,900	1,620,100	25,214,000	16,278,075	18,203,637	(1,925,562)	(2,862,800)
	Property Costs	903,200	(90,300)	812,900	606,364	488,187	118,177	(25,500)
	Transport Costs	257,900		257,900	193,425	236,103	(42,678)	(72,300)
	Supplies & Services	1,890,900	185,900	2,076,800	1,085,144	3,232,668	(2,147,524)	(588,300)
	Third Party Payments	41,284,100	1,352,400	42,636,500	26,885,885	29,253,929	(2,368,044)	(5,791,700)
	Transfer Payments	39,700		39,700	14,564	48,055	(33,491)	(28,000)
	Support Services	2,419,900		2,419,900	0	0	0	
	Depcn And Impairment Losses	1,260,700		1,260,700	0	0	0	
	<b>Total Expenditure</b>	<b>71,650,300</b>	<b>3,068,100</b>	<b>74,718,400</b>	<b>45,063,457</b>	<b>51,462,579</b>	<b>(6,399,122)</b>	<b>(9,368,600)</b>
	<b>Income</b>	<b>(11,409,200)</b>	<b>1,400</b>	<b>(11,407,800)</b>	<b>(8,448,524)</b>	<b>(10,175,885)</b>	<b>1,727,361</b>	<b>9,373,900</b>
	<b>Core funding from</b>							
	Integration Joint Board	(59,594,400)	(3,069,500)	(62,663,900)	(37,075,433)	(41,833,901)	4,758,468	(5,300)
Health & Social Care Partnership	<b>TOTAL</b>	<b>646,700</b>	<b>0</b>	<b>646,700</b>	<b>(460,500)</b>	<b>(547,207)</b>	<b>86,707</b>	<b>0</b>

Summary of operational adjustments

Winter Plan	2,143,000
Adult Social Care	741,000
HSCP Other	95,000
Offset Additional core funding from IJB	(2,979,000)
	<u>0</u>

Budgetary Control Statement  
Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Objective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Health & Social Care Partnership	Public Protect.-Child. & Families	9,893,000	36,000	9,929,000	6,014,726	6,582,515	(567,789)	(349,800)
	Adult Health - Intensive Services	10,947,500	1,038,200	11,985,700	6,905,798	10,026,152	(3,120,354)	(1,944,800)
	Adult Health-Localities Services							
	Older People	17,199,700	993,000	18,192,700	12,030,638	9,211,455	2,819,183	1,510,000
	Physical Disability	5,246,300	293,700	5,540,000	3,729,596	3,632,427	97,169	(41,900)
	Learning Disability	11,284,100	357,200	11,641,300	6,689,914	6,228,628	461,286	894,900
	Recovery Services-Mental Health	1,784,900	83,600	1,868,500	1,045,052	1,088,214	(43,162)	(220,500)
	Criminal Justice	19,100	(5,000)	14,100	(29,678)	(108,561)	78,883	0
	Finance & Resources	3,866,500	272,800	4,139,300	228,887	4,625,864	(4,396,977)	157,400
		60,241,100	3,069,500	63,310,600	36,614,933	41,286,694	(4,671,761)	5,300
	Core Funding from Integration Joint Board	(59,594,400)	(3,069,500)	(62,663,900)	(37,075,433)	(41,833,901)	4,758,468	(5,300)
Health & Social Care Partnership	TOTAL	646,700	0	646,700	(460,500)	(547,207)	86,707	0

Summary of operational adjustments  
Winter Plan  
Adult Social Care  
HSCP Other  
Offset Additional core funding from IJB

2,143,000  
741,000  
95,000  
(2,979,000)  
0

Budgetary Control Statement  
Period 09 / 2122 31 December 2021

Period End: 31 December 2021

Period 09 / 2122

Department	Subjective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Housing Revenue Account	Employee Costs	5,074,900		5,074,900	3,504,699	3,132,011	372,688	370,700
	Property Costs	1,840,300		1,840,300	920,364	531,523	388,841	(10,500)
	Transport Costs	147,600		147,600	110,700	89,316	21,384	(6,900)
	Supplies & Services	2,709,900	0	2,709,900	1,856,125	1,706,278	149,847	(479,100)
	Third Party Payments	0		0	0	0	0	0
	Transfer Payments	330,600		330,600	48,525	34,818	13,707	0
	Support Services	1,002,300		1,002,300	0	0	0	0
	Depcn And Impairment Losses	4,289,000	0	4,289,000	0	0	0	174,000
<b>Total Expenditure</b>		<b>15,394,600</b>		<b>15,394,600</b>	<b>6,440,413</b>	<b>5,493,946</b>	<b>946,467</b>	<b>48,200</b>
	Income	(15,394,600)	0	(15,394,600)	(10,654,200)	(9,953,872)	(700,328)	(267,600)
Housing Revenue Account	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,213,787)</b>	<b>(4,459,926)</b>	<b>246,139</b>	<b>(219,400)</b>

Department	Objective Name	Approved Budget Per 07	Operational Adjustments	Revised Estimate Per 09	Budget Estimate to Date - Per 09	Actual to Date	Variance (Over)/Under	Forecast
Housing Revenue Account	Construction	(3,291,800)	0	(3,291,800)	(6,224,117)	(6,622,825)	398,708	(449,000)
	Hra - Client	3,291,800	0	3,291,800	2,010,330	2,162,899	(152,569)	229,600
Housing Revenue Account	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,213,787)</b>	<b>(4,459,926)</b>	<b>246,139</b>	<b>(219,400)</b>

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EAST RENFREWSHIRE COUNCILCabinet10 March 2022Report by Head of AccountancyTRADING UNDER BEST VALUE**PURPOSE OF REPORT**

1. The purpose of this report is to reconsider the classification of Council activities in terms of trading operations as defined by the Local Government in Scotland Act 2003 and as modified in June 2013 by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC).

**RECOMMENDATION**

2. The Cabinet is requested to approve that there are no trading services operated by the Council that should be classified as “significant”.

**BACKGROUND**

3. Following a report to the Cabinet on 4 March 2021 it was approved that the Council do not classify any of its trading operations as significant.

4. This decision was reached after taking account of the CIPFA/LASAAC guidance, which defined a trading operation as having to meet **both** the following criteria: -

- the service is provided in a 'competitive environment' - i.e. the user has discretion to use alternative providers.
- the service is provided on a basis other than straightforward recharge of cost - i.e. users take the service on the basis of quoted lump sums, fixed periodical charges or rates, or a combination of these.

5. Subsequent guidance has also been provided by LASAAC advising that trading operations may only apply to external trading and to those services which are not statutory.

6. It is appropriate that the Council reviews services with a view to considering Significant Trading Operations on an annual basis. This report reviews activities for the year ending 31 March 2022.

**MATTERS TO BE REVIEWED***Competitive Environment*

7. A competitive environment exists simply where there is a mature marketplace with a choice of alternative suppliers.

8. A competitive environment also exists where the user is a member of the public who has a choice of alternative providers for e.g. a local business which can choose who will collect its commercial waste.

9. **Conclusion - some services are operating in a competitive environment.**

*Recharge at Cost*

10. Within Environmental Services there are several activities that include a profit element within their service recharges e.g. Special Uplifts.

11. **Conclusion - some services do not operate on a recharge of cost basis.**

*Basis of Charges*

12. The Council adopts a number of different methods of charging for services but not all of these are within the scope of trading operations.

- Charges for commercial and industrial properties are not related to cost as they are levied on a rental basis.
- Some charges have no direct relationship to full cost recovery as they are specified by Scottish Government e.g. Development Management

13. **Conclusion - charging for services does not necessarily mean the service is trading.**

*Test of Significance*

14. In addition to the fundamental tests of competitive environment and recharge at cost, the guidance emphasises the importance of applying a test of significance. This test is important as it determines which trading operations require to maintain a statutory trading account, distinct from other non-statutory trading accounts which can be kept for internal purposes. The criteria for considering the test of significance should be set corporately and applied consistently across different trading operations although they should not be regarded as fixed and final as they will have to adapt to the changing circumstances of the Council. Suggested criteria in the guidance are:

- Financial criteria
  - Turnover of the trading operation should exceed 1% of the Council's gross operating expenditure.
  - Risk of financial loss to the authority being exposed in carrying out the operation.
- Non Financial Criteria
  - Whether the trading account is important in demonstrating service improvement and the achievement of targets.
  - Whether the authority is exposed to risk of service or reputational loss in carrying out the operation.

- Whether the service areas are likely to be of interest to key stakeholders and their needs.

15. The classification of whether a trading operation is regarded as significant will depend on whether the answers to these questions are mainly yes or no.

16. **Conclusion – there may be some services’ trading operations that are significant.**

## CONCLUSION

17. Taking the above conclusions into account a detailed review of services is attached at Appendix A. In addition a summary of trading operations and the criteria used to determine if they are significant is shown at Appendix B.

18. The outcome of the review is that there are no trading operations classified as significant for statutory purposes, this is consistent with last year’s findings.

## RECOMMENDATION

19. The Cabinet is requested to approve that there are no trading services operated by the Council that should be classified as “significant”.

## REPORT AUTHOR

Head of Accountancy	- Margaret McCrossan
Chief Accountant	- Barbara Clark      Tel: 0141 577 3068 Email: Barbara.Clark@EastRenfrewshire.gov.uk
Leader of the Council:	- Tony Buchanan      Tel : 07890 592671 (Mobile) Email: Tony.Buchanan@EastRenfrewshire.gov.uk
Report Date:	28 January 2022

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NOTES	ACTIVITY	COMPETITIVE ENVIRONMENT YES/NO	RECHARGE AT MORE THAN COST YES/NO	APPLY TEST OF SIGNIFICANCE YES/NO	REASONS
EDUCATION	Early Learning & Childcare	Yes	No	No	External & Statutory
	Primary	Yes	No	No	External & Statutory
	Secondary	Yes	No	No	External & Statutory
	Psychological	Yes	No	No	External & Statutory
	Music Tuition	Yes	No	No	External, Non Statutory and recharged other than at cost. From August 2021 there have been no recharges for music tuition in line with Scottish Government Policy
	Additional Support for Learning	Yes	No	No	External & Statutory
	Early Learning & Childcare Add On	Yes	No	No	External, Non Statutory and recharged other than at cost
	Janitors	No	No	No	Internal
	School Crossing Patrols	No	No	No	Internal
	School Transport	Yes	No	No	External & Statutory (mainly)
	School Meals	Yes	No	No	External, Statutory & Non Statutory and recharged other than at cost
Although there are external providers in the sphere of Education none of the above services could realistically be described as trading					
	Cleaning	Yes	No	No	Internal (mainly)
	Catering	Yes	No	No	Internal (mainly)

## TRADING OPERATIONS CRITERIA TEST

NOTES	ACTIVITY	COMPETITIVE ENVIRONMENT YES/NO	RECHARGE AT MORE THAN COST YES/NO	APPLY TEST OF SIGNIFICANCE YES/NO	REASONS
ENVIRONMENT	Roads Consultancy	Yes	Can Be Yes	Yes	External, Non Statutory and recharged other than at cost
	Property Enquiries	Yes	Can be Yes	Yes	External, Non Statutory and recharged other than at cost
	Development Management	No	No	No	External & Statutory
	Building Standards	No	No	No	External & Statutory
	Development Planning	No	No	No	External & Statutory
	Roads Maintenance	Yes	No	No	Internal
	Burials	No	No	No	External & Statutory
	Garden Waste	No	Can be Yes	No	External, Non Statutory and recharged other than at cost
	Commercial Waste	Yes	Yes	Yes	External, Non Statutory and recharged other than at cost
	Special Uplifts	Yes	Yes	Yes	External, Non Statutory and recharged other than at cost
	Refuse Collection	Yes	No	No	External & Statutory
	Street Cleaning	Yes	No	No	External & Statutory
	Grounds Maintenance	Yes	No	No	Internal
	Vehicle Maintenance	Yes	Yes	No	Internal
	Vehicle Management	Yes	Yes	No	Internal
	MOT Testing	Yes	No	No	External, Non Statutory and recharged other than at cost
	TAXI Inspections	No	No	No	External & Statutory
	Pest Control	Yes	Can be Yes	Yes	External, Non Statutory and recharged other than at cost

## TRADING OPERATIONS CRITERIA TEST

ENVIRONMENT ( continued)	Pitches Lets	Part	No	No	<i>External, Non Statutory and recharged other than at cost</i>
	Environmental Health	No	<i>No</i>	<i>No</i>	<i>External &amp; Statutory</i>
	Refuse Disposal	Yes	<i>Minimal (Small Traders)</i>	<i>No</i>	<i>External &amp; Statutory</i>
	Technical	Yes	<i>No</i>	<i>No</i>	<i>Internal</i>
	Health and Safety	<i>No</i>	<i>No</i>	<i>No</i>	<i>Internal</i>
	Industrial Units	Yes	Yes	Yes	<i>External, Non Statutory and recharged other than at cost</i>
	Council Officers	<i>No</i>	<i>No</i>	<i>No</i>	<i>Internal</i>

NOTES	ACTIVITY	COMPETITIVE ENVIRONMENT YES/NO	RECHARGE AT MORE THAN COST YES/NO	APPLY TEST OF SIGNIFICANCE YES/NO	REASONS
Business Operations & Partnership ( previously Corporate and Community)	Civil Contingencies	<i>No</i>	<i>No</i>	<i>No</i>	<i>External &amp; Statutory</i>
	Policy	<i>No</i>	<i>No</i>	<i>No</i>	<i>Internal</i>
	Communications	Yes	<i>No</i>	<i>No</i>	<i>Internal</i>
	Human Resources	Yes	<i>No</i>	<i>No</i>	<i>Internal</i>
	ICT	Yes	<i>No</i>	<i>No</i>	<i>Internal</i>
	Revenues	Yes	<i>No</i>	<i>No</i>	<i>Internal</i>
	Printing	Yes	<i>No</i>	<i>No</i>	<i>Internal</i>
	Administration	<i>No</i>	<i>No</i>	<i>No</i>	<i>Internal</i>
	Registrar	<i>No</i>	<i>No</i>	<i>No</i>	<i>External &amp; Statutory</i>
	Communities & Strategy	<i>No</i>	<i>No</i>	<i>No</i>	<i>Internal</i>
	Customer Services	<i>No</i>	<i>No</i>	<i>No</i>	<i>Internal</i>

TRADING OPERATIONS CRITERIA TEST

Business Operations & Partnership ( previously Corporate and Community) (Continued)	Equal Opportunities	No	No	No	Internal
	Support & Insight	No	No	No	Internal
	Community Safety (including Decriminalised Parking)	No	No	No	Internal
	Auchenback Resources Centre	No	No	No	Internal

NOTES	ACTIVITY	COMPETITIVE ENVIRONMENT	RECHARGE AT MORE THAN COST	APPLY TEST OF SIGNIFICANCE	REASONS
		YES/NO	YES/NO	YES/NO	
CEO	Accountancy	Yes	No	No	Internal
	Licensing	No	No	No	External & Statutory
	Legal	Yes	No	No	Internal
	Internal Audit	Yes	No	No	Internal

HSCP	Care at Home	Yes	No	No	External, Non Statutory and recharged other than at cost
	Meals	Yes	No	No	External, Non Statutory and recharged other than at cost
	Lunch Clubs	No	No	No	External, Non Statutory and recharged other than at cost
	Community Alarms	No	No	No	External, Non Statutory and recharged other than at cost
	Residential Care	Yes	No	No	External, Non Statutory and recharged other than at cost
	Respite Charges	Yes	No	No	External, Non Statutory and recharged other than at cost



## TRADING OPERATIONS CRITERIA TEST

HOUSING	Housing Management	Yes	No	No	<i>External &amp; Statutory</i>
	Commercial Properties	Yes	Yes	Yes	<i>External, Non Statutory and recharged other than at cost</i>
	Maintenance Services	Yes	No	No	<i>Internal</i>
	Factoring Services	No	No	No	<i>External, Non Statutory and recharged at cost</i>
	Repairs charged to homeowners	Yes	No	No	<i>External, Non Statutory and recharged at cost</i>

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<b>ACTIVITY</b>	<b>FINANCIAL TURNOVER</b>	<b>RISK OF EXPOSURE TO FINANCIAL LOSS</b>	<b>RISK OF REPUTATIONAL LOSS</b>	<b>INTEREST TO KEY STAKEHOLDERS</b>	<b>IMPORTANCE OF DEMONSTRATING SERVICE IMPROVEMENT</b>	<b>OUTCOME</b>
Roads Consultancy	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>
Property Enquiries	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>
Pest Control	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>
Commercial Waste	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>
Special Uplifts	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>
Industrial Units	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>
Commercial Properties	<i>No</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Low</i>	<i>Not Significant</i>

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EAST RENFREWSHIRE COUNCILCABINET10 March 2022Report by Head of Accountancy (Chief Financial Officer)FINANCIAL MANAGEMENT CODE**PURPOSE**

1. CIPFA in collaboration with practitioners have designed The Financial Management Code to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The current year is the first year for full compliance and the purpose of this report is to present for consideration a summary showing how the Council demonstrates compliance with the six principles within code.

**RECOMMENDATIONS**

2. The Cabinet is invited to note the compliance with the Code.

**REPORT**

3. All Councils are required to demonstrate their compliance with CIPFA's Financial Management (FM) Code to enable them to meet their statutory responsibility for sound financial management.
4. The FM Code is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation to:-
  - Financially manage the short, medium and long-term finances of the Council.
  - Manage financial resilience to meet unforeseen demands on services.
  - Manage unexpected shocks in their financial circumstances.
5. The FM Code builds on established CIPFA Prudential and Treasury Management Codes which require the Council to demonstrate the long-term financial sustainability of the capital expenditure, associated borrowing and investments.
6. Demonstrating compliance with the FM Code is a collective responsibility of elected Members, the Chief Financial Officer and the Corporate Management Team to ensure the standard of financial management to be expected.
7. Further reviews of compliance will be reported in the Annual Governance Statement as part of the Council's Annual Accounts and any outstanding matters or areas of improvement will be included in the action plan.

**CONCLUSION**

- 8. Councils are required to demonstrate their compliance with the FM Code to assist them in validating their financial sustainability.

**RECOMMENDATION**

- 9. The Cabinet is invited to note the compliance with the Code.

**REPORT AUTHOR**

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Report Date: 7 February 2022

Sections of the Code	Principles	Standards	Compliance
The responsibilities of the Chief Finance Officer and leadership team	Leadership	The leadership team is able to demonstrate that the services provided by the authority provide value for money	<ul style="list-style-type: none"> <li>• The Council has been given a positive Best Value Audit report.</li> <li>• The Corporate Management Team regularly consider financial &amp; service planning and performance issues and oversee participation in the annual Local Government Benchmarking Framework exercise.</li> <li>• The Council operates a Cabinet style democratic model.</li> <li>• Training is provided for members as and when required or requested. In particular, tailored financial training has been included as part of the new member induction package to be delivered after the May 2022 Council elections.</li> <li>• Elected members work effectively with officers and other stakeholders to make difficult decisions and to identify and deliver savings when required</li> </ul>
	Leadership	The authority complies with the <i>CIPFA Statement on the Role of the Chief Finance Officer( CFO) in Local Government</i>	<ul style="list-style-type: none"> <li>• The CFO is a key member of the Corporate Management Team, helping it to develop and implement strategy and to resource and deliver the Council’s strategic objectives sustainably and in the public interest.</li> </ul>

			<ul style="list-style-type: none"> <li>• The CFO is actively involved in and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered and aligned with the Council's financial strategy.</li> <li>• The CFO leads the promotion and delivery by the whole Council of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.</li> <li>• The CFO leads and directs a finance function that is resourced and fit for purpose, she is professionally qualified and is suitably experienced.</li> <li>• The CFO provides timely, relevant and reliable financial advice, in accordance with the law and professional standards.</li> <li>• The Council operates and maintains a system of internal controls including the management of risk and an effective internal audit</li> </ul>
Governance and Financial management style	Assurance	The leadership team demonstrates in its actions and behaviours, responsibility for governance and internal control	<ul style="list-style-type: none"> <li>• The Corporate Management Team complete a detailed statement of assurance each year in addition to the Council's Annual Governance Statement.</li> <li>• There is an approved Scheme of Delegation.</li> <li>• The Council has a recognised effective Internal Audit function.</li> </ul>



			<ul style="list-style-type: none"> <li>• The Audit &amp; Scrutiny Committee provides independent assurance over governance, risk and internal control arrangements. It provides focus on financial management, financial reporting, audit and assurance that supports the leadership team and those with governance responsibilities.</li> <li>• The democratic model ensures a culture of constructive challenge.</li> </ul>
	Accountability	The authority applies the CIPFA /SOLACE <i>Delivering Good Governance in Local Government: Framework (2016)</i>	<ul style="list-style-type: none"> <li>• The seven principles of the Code of Corporate Governance are reviewed and adopted every year.</li> <li>• Updates on progressing the actions from the previous year's Code can be found on the Council's website <a href="https://www.eastrenfrewshire.gov.uk/code-of-corporate-governance">https://www.eastrenfrewshire.gov.uk/code-of-corporate-governance</a></li> <li>• Key action achievements and goals are reported in the Annual Governance Statement.</li> </ul>
	Sustainability	The financial management style of the authority supports financial sustainability	<ul style="list-style-type: none"> <li>• By completing option appraisals for both revenue and capital projects, the Council is able to achieve economy.</li> <li>• By maximising the output from goods and services, the Council achieves efficiency.</li> </ul>

			<ul style="list-style-type: none"> <li>• The CMT acts as a Procurement Board and has invested in the procurement team to maximise value obtained from contracts.</li> <li>• Our procurement team works closely with Scotland Excel.</li> <li>• By enabling transformation and aiming to be a Modern Ambitious Council the Council's Modern, Ambitious Programme supports the use of public money to invest in technology and generate future efficiencies.</li> <li>• Long term revenue, capital and treasury planning are in place to ensure that the Council's plans are financially sustainable.</li> </ul>
Long to medium term financial management	Assurance	The authority has carried out a credible and transparent financial resilience assessment	<ul style="list-style-type: none"> <li>• The Council sets both Prudential &amp; Treasury Indicators as well as affordability ratios within its Treasury Management Strategy each year which are monitored on a quarterly basis.</li> </ul>
	Sustainability	The authority understands its prospects of financial sustainability in the longer term and has reported this clearly to members	<ul style="list-style-type: none"> <li>• The Council has approved its Corporate plan which sets out the visions and underlying strategy, together with the mix of interventions that the organisation will adopt in delivering services to achieve the intended outcomes.</li> <li>• At the annual budget meeting the Council considers and updates its Capital Investment Strategy, Treasury</li> </ul>

			Management Strategy & Prudential Indicators and long term revenue Financial Plan.
	Standards	The Authority complies with the <i>CIPFA Prudential Code for Capital Finance in Local Authorities</i>	<ul style="list-style-type: none"> <li>• The Council sets out and approves for the forthcoming five years its Prudential and Treasury Indicators before the beginning of year one as part of its Treasury Strategy.</li> <li>• The Council sets out &amp; approves its Capital Investment Strategy by setting out how the Council is currently managing its assets and its future plans linked to available resources.</li> </ul>
	Sustainability	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	<ul style="list-style-type: none"> <li>• The Council updates its long term financial plan on a yearly basis.</li> <li>• The Council's medium term (3 year) Outcome Delivery Plan is also updated each year and aligns with the budget setting process.</li> <li>• Clear service plans and the Council's Workforce Plan are approved, aligning with the ODP and financial plans.</li> <li>• Performance against the revenue budget is reported to Cabinet five times a year and variances reported feed into the following years budget setting process.</li> </ul>

			<ul style="list-style-type: none"> <li>• Performance against the capital budget is reported to Cabinet four times a year and variances reported feed into the following years budget setting process.</li> </ul>
The Annual Budget	Standards	The authority complies with its statutory obligations in respect of the budget setting process	<ul style="list-style-type: none"> <li>• The CFO works closely with the CMT and elected members to ensure that all statutory processes and a timetable necessary to set a legal budget are understood.</li> </ul>
	Standards	The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves	<ul style="list-style-type: none"> <li>• The CFO reports to Council each year on the robustness of the proposed estimates. This is after detailed consultation with the leadership team over several months.</li> <li>• The CFO reports to Council on the proposed level of reserves anticipated at the end of the following financial year and advises the leadership team on their adequacy.</li> </ul>
Stakeholder engagement and business plans	Transparency	The authority has engaged where appropriate with key stakeholders in	<p><i>Each year :</i></p> <ul style="list-style-type: none"> <li>• The Council engages with the Trades Unions to develop views on proposed savings/ efficiencies.</li> </ul>

		<p>developing its long-term financial strategy, medium-term financial plan and annual budget</p>	<ul style="list-style-type: none"> <li>• The Council engages with the Citizen’s Panel to gather views on services and priorities.</li> <li>• Targeted engagement is also undertaken where a proposal may have an impact on any protected group.</li> </ul> <p><i>At the beginning of a three year budget process:</i></p> <ul style="list-style-type: none"> <li>• The Council engages with the Citizens panel and a range of Community stakeholders to develop views on priorities, proposed savings / efficiencies</li> </ul> <p>This is to impart an understanding that resources are not limitless and that decisions have to be made about both the relative priority of different services and the balance between service provision and funding levels and is also to encourage community involvement.</p>
	Transparency	<p>The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions</p>	<p>For all capital projects:</p> <ul style="list-style-type: none"> <li>• A Capital Project Appraisal (CPA) form is completed for each additional capital project and reviewed by the Corporate Asset Working Group before being proposed to the Corporate Management Team (CMT) and elected members.</li> <li>• Any changes to previously approved CPAs must obtain Cabinet approval</li> </ul> <p>For all Revenue additions:</p>

			<ul style="list-style-type: none"> <li>• All increases to the revenue budget are scrutinised via the annual budget process by the CFO, CMT and Budget Strategy Group prior to approval by Council. Any in year increases must be approved by Council.</li> </ul> <p>For all Revenue Savings:</p> <ul style="list-style-type: none"> <li>• All proposed savings to the revenue budget are documented using a standard template and prioritised by the relevant Director before being scrutinised by the CFO, CMT and elected members before approval by Council.</li> </ul>
Monitoring financial performance	Assurance	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	<ul style="list-style-type: none"> <li>• Managers can self-serve to review spend against budget at any point.</li> <li>• Monthly high level financial snapshots are considered by the CMT.</li> <li>• The CFO provides five revenue budget monitoring reports to the Leadership team each year.</li> <li>• The CFO provides four capital budget monitoring reports to the Leadership team each year.</li> <li>• Strategic financial issues are reviewed regularly by the CMT and Audit &amp; Scrutiny Committee as part of the Council's Strategic Risk Register.</li> </ul> <p>Financial warning signs such as significant unplanned overspends and/or undelivered savings or non-financial signs</p>

			such as backlogs would inform decisions taken on the medium and long term financial planning.
	Leadership	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability	<ul style="list-style-type: none"> <li>• As part of the reporting on the Prudential Indicators throughout the year, material elements of the Balance Sheet are monitored and ensure that there is no unapproved over-borrowing.</li> <li>• An independent check is provided by quarterly meetings with the Council's treasury advisers.</li> <li>• Council reserves forecasts are updated during the year and reported annually as part of budget setting.</li> <li>• Accountancy staff work closely with the Council's Revenue Manager to monitor debt recovery and ensure that this aligns with financial planning.</li> </ul>
External Financial reporting	Accountability	The Chief Finance Officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of <i>the Code of Practice on</i>	<ul style="list-style-type: none"> <li>• The CFO produces the Annual Accounts in-line with the statutory guidance, kept proper up-to-date records and took reasonable steps for the prevention and detection of fraud and other irregularities</li> <li>• The CFO produces the Annual Accounts in a timely basis to communicate the Council's activities and achievements, its financial position and performance</li> <li>• The CFO certifies that the accounts give a true and fair view of the financial position of the Council.</li> <li>• External Audit complete an audit of the accounts each year and comment on compliance with the code.</li> </ul>

		<i>Local Authority Accounting in the United Kingdom</i>	
	Accountability	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	<ul style="list-style-type: none"> <li>Final outturn figures and variations from the budget are reported to the leadership team along with an explanation of how any significant variances have arisen. This information will be considered when formulating future year's budgets.</li> </ul>



EAST RENFREWSHIRE COUNCILCABINET10 March 2022Report by Director of Business Operations and PartnershipsDEBT MANAGEMENT FOR COUNCIL TAX, NON DOMESTIC RATES, SUNDRY DEBT INCOME AND HOUSING BENEFIT OVERPAYMENTS AND ARRANGEMENTS FOR ADMINISTRATION OF NON DOMESTIC RATES**PURPOSE OF REPORT**

1. The purpose of this report is to seek approval to write-off as irrecoverable sums associated with Council tax, Non Domestic rates, Sundry debt income and Housing Benefit overpayments and for Cabinet to note that discussions regarding the administration of Non Domestic rates are ongoing. The debts recommended for write off have previously been included in bad debt provision and therefore the write off has no net impact on the revenue accounts of the Council.

**RECOMMENDATIONS**

2. It is recommended that Cabinet:

- (a) approves the write off of the following sums, totalling up to £709,029.39 without prejudice to subsequent recovery procedure:
  - Council Tax arrears totalling up to £399,098.87
  - Non Domestic rates arrears totalling up to £124,821.66
  - Sundry debt income totalling up to £74,471.68
  - Housing Benefit Overpayments totalling up to £110,637.18
- (b) notes that the write-off of these sums will have no net impact on the Council's accounts as provision has been made for the debt, in full, in previous years;
- (c) notes that Water and Sewerage charges totalling up to £127,607.42 are also being written off in discussion with Scottish Water;
- (d) notes that discussions with Renfrewshire Council are ongoing in relation to the current public services agreement in place for the delivery of the Non Domestic Rates service.

**BACKGROUND**

3. The Council debt recovery policy lists situations where write-off of debts will be considered when all viable means of collection are exhausted. As per standard accountancy practice, when it is clear that all viable means of collection are exhausted, the debt is written off and a release from the bad debt provision is used to offset this expense. There is no net impact on the overall revenue accounts of the Council as "bad debt provision" has already

been provided for the debt not being repaid. The Council sets the level of “bad debt provision” at a prudent level to minimise risk to the Council.

4. The Council bills and collects water and sewerage charges on behalf of Scottish Water. Sums collected/written-off in this regard do not affect Council revenue.

5. Non-Domestic Rates (NDR) have been administered on East Renfrewshire Council’s behalf by Renfrewshire Council since 2005. The annual charge paid for this has not changed significantly in this timeframe. In 2019 Cabinet approved continuation of this service via Renfrewshire Council.

## COUNCIL TAX & WATER CHARGES

6. Legislation governing Council tax recovery provides for the summary warrant process. Once granted, enforcement action can be taken for a period of up to 20 years. Debts for years 2000/01 and 2001/02 are longer able to be pursued via the summary warrant route (or any other legal route). It is therefore recommended these are written off.

7. An examination of historical records shows the following in relation to Council tax:

Year	Debt balances for Council Tax	Credit balances for Council Tax	Net debt proposed for write off
2000/01	£201,160.71	£6,910.85	£194,249.86
2001/02	£212,536.04	£7,687.03	£204,849.01
Total	£413,696.75	£14,597.88	£399,098.87

8. The Council bills and collects water and sewerage charges on behalf of Scottish Water. Sums collected/written-off in this regard do not affect Council revenue. An examination of historical records shows the following in relation to water charges:

Year	Debt balances for water charges	Credit balances for water charges	Net debt proposed for write off
2000/01	£59,073.07	£2,029.45	£57,043.62
2001/02	£69,342.00	£2,507.97	£66,834.03
Total	£128,415.07	£4,537.42	£123,877.65

9. Following the implementation of the new Council tax system December 2020, a data cleansing exercise on historical years was carried out where differences to the water and sewage reduction values in the previous system and the new system were identified. As a result of the exercise, the following balances, which relate to water and waste water charges only, have also been identified for write off.

Year	Number of Accounts	Debt balance for Water charges
2002/03	84	£975.93
2003/04	107	£1,066.74
2004/05	114	£595.94
2005/06	147	£1,091.16
Total	452	£3,729.77

## SUNDRY DEBT INCOME

10. The main reasons for seeking approval for write-off of sundry debtor income, together with amounts for each reason, are shown below:

Reason	Number of invoices	Value
Debtor gone away & trace activity exhausted	172	£74,342.01
Small balance, uneconomical to pursue	58	£129.67
Total	230	£74,471.68

11. The sum being put forward for write off this year is higher than the sum approved by Cabinet last year (£50,473.61) when recovery action had been suspended for a time as a result of the pandemic. The comparative figure for 2019/20 is £69,268.86. The sum proposed for write off is less than 1% of income expected to be collected in the current year and can be met from existing bad debt provision.

## HOUSING BENEFIT OVERPAYMENTS

12. Housing Benefit Overpayments (HBOs) can occur where a housing benefit recipient fails to notify the Council of a change of circumstance which affects the level of housing benefit they are due to receive. This results in a debt being created within the Council's systems, which is then subject to collection processes. In most cases the overpayment is due to oversight but in a small number of cases the overpayment is the result of an attempt to defraud. Higher value more important cases of this type are referred to the Department of Work and Pension's Fraud and Error Service (FES) where such action may lead to prosecution or to a financial penalty being applied, known as an administrative penalty.

13. A recent analysis of the outstanding Housing Benefit Overpayments shows by reason of write off:

Reason	Number of cases	Value
Debtor deceased	18	£16,291.21
Local Authority Error	1	£47.12
Other	1	£182.48
Prescribed*	103	£89,912.76
Sequestered	4	£4,186.56
Small balance, uneconomical to pursue	8	£17.05
Total	135	£110,637.18

(\*prescribed debt is debt that has been legally extinguished due to the time lapsed.)

14. The comparative HBO write-off which the Cabinet approved last year was £45,842.90. The value in 2020 was £91,821.72.

15. Performance on Housing Benefit Overpayment recovery had shown a year on year improvement in the years immediately before the pandemic. In 2019/20, 105% of overpayments identified in that year had been collected. (The indicator is a measure of payments collected in year, compared with overpayments created in year, hence it is possible to record a result over 100%). Collection performance for 2020/21 for this income stream, in common with other income streams last year, dipped as a result of the pandemic, with recovery action having been on hold for a period of time.

16. In many cases HBO debtors come from very low income households whose only source of income is benefits. For these reasons councils find it difficult to recover HBOs, however, in all cases the recipient is expected to repay the resulting overpayment. Outstanding debts are recovered either through benefit deductions at source (if the recipient is on benefits), payment arrangements or direct deductions via the Department of Work and Pensions (DWP).

17. The sum recommended for write off represents around 10% of the total Housing Benefit Overpayment level and can be met from existing bad debt provisions.

## NON DOMESTIC RATES

18. In line with the debt recovery policy, write-off of debts associated with Non-Domestic Rates will be considered in the event of:

- Company liquidated (or in Administration)
- Sole trader sequestrated
- Business ceased trading / dissolved
- Small balance, uneconomical to pursue

19. In the year 2021/22, 10 businesses with NDR arrears of £124,821.66 have been identified for write off (2020/21 5 businesses, £47,419.54). Analysis of these accounts shows reason for write off as follows:

Reasons	Number of businesses	Value (£)
Company liquidated / in Administration	2	£717.77
Sole trader Sequestrated	2	£14,847.61
Company Dissolved	6	£109,256.28
Total	10	£124,821.66

Further analysis by year shows:-

Financial Year	Value
2010_11	£6,043.95
2011_12	£6,326.10
2012_13	£6,682.50
2013_14	£6,860.70
2014_15	£6,994.35
2015_16	£7,290.00
2016_17	£19,340.63
2017_18	£19,664.06
2018_19	£11,617.08
2019_20	£26,407.91
2020_21	£4,959.12
2021_22	£2,635.26
Total	£124,821.66

20. The sum to be written-off is around 1.1% of the sum which will be collected in the current year and can be met from existing bad debt provision. East Renfrewshire Council collected 97% of Non-Domestic rates income in the 2019/20 year. Collection levels for

2020/21 were adversely impacted by the pandemic. Nationally, recovery processes were delayed during 2020/21 in recognition of the difficulties facing businesses including periods of closure and reduced trading opportunities. Recovery of income in the 2021/22 year (based on comparison of December 2019 and December 2021 data) has returned to pre-pandemic levels.

21. Non-Domestic Rates (NDR) have been administered on East Renfrewshire Council's behalf by Renfrewshire Council since 2005. The annual charge paid for this has not changed significantly in this timeframe. Following Cabinet approval in February 2019 to continue with the existing arrangements, a review of alternative options was undertaken in 2021. An alternative service delivery model via another Scottish Local Authority was being explored however, they have deemed this to be cost prohibitive and this is no longer an option. Economically it would cost East Renfrewshire Council more to administer this service ourselves and the arrangement with Renfrewshire Council has been an effective one to date. On the basis that the current arrangements offer best value to the residents of East Renfrewshire Council, it is proposed that we continue under the provisions of the legislation, with NDR continuing to be administered on our behalf by Renfrewshire Council. The detail of this arrangement is currently being discussed with Renfrewshire Council and with Legal Services.

## **FINANCE AND EFFICIENCY**

22. The impact of these proposed write-offs totals up to £709,029.39. This amount is fully provided for within bad debt provision.

23. Every effort is made to recover these sums and the decision to seek write-off is not taken lightly or without due cause. Should any future avenue become available by which to recover these monies, this decision does not prevent any such opportunities being pursued, hence the recommendation of write-offs "up to" said amounts.

## **CONSULTATION AND PARTNERSHIP WORKING**

24. Council departments have been consulted in relation to the Sundry debt write off proposals. Our Non-Domestic Rates collection is administered on our behalf by Renfrewshire Council as a shared service.

## **IMPLICATIONS OF THE REPORT**

25. There are no implications in relation to IT, legal, property, equality or sustainability.

## **CONCLUSION**

26. Write-offs are made annually as part of normal business processes. There is accountancy provision for such write-offs and as such they do not affect the Council's overall finances.

## **RECOMMENDATIONS**

27. It is recommended that the Cabinet:

- (a) approves the write off of the following sums, totalling up to £709,029.39 without prejudice to subsequent recovery procedure:
- Council tax arrears totalling up to £399,098.87
  - Non Domestic rates arrears totalling up to £124,821.66
  - Sundry debt income totalling up to £74,471.68
  - Housing Benefit Overpayments totalling up to £110,637.18
- (b) Notes that sums written off have been accounted for already.
- (c) notes that Water and Sewerage charges totalling up to £127,607.42 are also being written off in discussion with Scottish Water;
- (d) Notes that discussions with Renfrewshire Council are ongoing in relation to the current public services agreement in place for the delivery of the Non Domestic Rates service.

**REPORT AUTHORS:** Alison Ballingall, Senior Revenues Manager, 0141 577 3203 & Fiona Caldwell, Operations Manager, Revenues, 0141 577 3286

Further information is available from Louise Pringle, Director of Business Operations and Partnerships [louise.pringle@eastrenfrewshire.gov.uk](mailto:louise.pringle@eastrenfrewshire.gov.uk) 0141 577 3136.

#### **BACKGROUND PAPERS**

- Debt Management for Non Domestic rates, Sundry Debt income, Housing benefit Overpayments and Council Tax reduction adjustment, Cabinet 4 March 2021
- Arrangements for the Collection of Council tax and Council tax/Water charge write off, Cabinet 5 November 2020
- Write of irrecoverable Non Domestic Rates and arrangements for administration on Non Domestic rates, Cabinet 14 March 2019
- Collection of Revenues – Debt Recovery Policy, Cabinet 16 June 2016

Evidence is also provided by the Non Domestic Rates system and reports from Sheriff Officers.

EAST RENFREWSHIRE COUNCILCABINET10 March 2022Report by Director of EnvironmentDEBT MANAGEMENT OF IRRECOVERABLE FORMER TENANT RENTS AND COURT EXPENSES**PURPOSE OF REPORT**

1. The purpose of this report is to seek approval to write off former tenant rent and court expenses debt that cannot be recovered through the debt collection process.

**RECOMMENDATIONS**

2. It is recommended that Cabinet:
- a) Approves the write-off sum up to the value of £134,773.12 of former tenant irrecoverable rents and court expenses whilst acknowledging these can be pursued and recovered in future should additional information and opportunities arise;
  - b) Notes that £114,368.62 of this amount is written off against the Housing Revenue Account (HRA) and the remaining £20,404.50 is written off against the Non HRA as this was accrued by homeless households placed in temporary accommodation; and
  - c) Note that the write-off of these historic unrecoverable debts will have no net impact on the Council's accounts as provision has been made for the debt, in full, in previous years.

**BACKGROUND AND REPORT**

3. The current Rent Arrears Policy allows for debt to be written off under the following circumstances and ensures the Council can target recoverable arrears, use resources more effectively and write off irrecoverable debt in a more efficient manner.

- Debts over 2 years considered for write off, where debt recovery processes have been exhausted
- Small balances under £75 written off
- Debtor is deceased and has left no estate
- Debtor is in care of nursing home and there is no likelihood of debt being settled

4. The Council's Internal Audit Team have requested that rent accounts where tenants have been "sequestered" now be included in the irrecoverable report to ensure that all "written off" debt is approved by Cabinet.

5. A breakdown of the proposed “write-off” amount is as follows:

### RENTS

Category	HRA	Non HRA	Total
Debtor deceased with no estate	7,455.43	0	<b>7,455.43</b>
Debt collection process Exhausted	84,381.30	20,404.50	<b>104,785.80</b>
Debtor in care of nursing home	640.60	0	<b>640.60</b>
Small balances under £75 where recovery costs exceed amount due	1432.82	0	<b>1432.82</b>
Sequestered	14,611.99	0	<b>14,611.99</b>
<b>Totals</b>	<b>108,522.14</b>	<b>20,404.50</b>	<b>128,926.64</b>

### COURT EXPENSES

Category	HRA	Non HRA	Total
Debtor deceased with no estate	719.97	0	<b>719.97</b>
Debt collection process Exhausted	5,123.73	0	<b>5,123.73</b>
Debtor in care of nursing home	0	0	<b>0</b>
Small balances under £75 where recovery costs exceed amount due	2.78	0	<b>2.78</b>
Sequestered	0	0	<b>0</b>
<b>Totals</b>	<b>5,846.48</b>	<b>0</b>	<b>5,846.48</b>

6. A significant area of HRA “write off” occurs when the Council has exhausted the debt collection process. This consists mainly of rent arrears of former tenants. The Council has a thorough process to address arrears for current tenants and this performance has improved significantly in recent years.

7. An effective strategy for the prevention of rent arrears requires early intervention and face to face contact. However the ongoing COVID 19 restrictions in place since March 2020 and the legal restrictions on formal recovery action has had a significant impact on rent arrears. In addition the ability to recover this income once the tenancy has ended is significantly more challenging. This may result in the need to write off larger amounts in future years.

8. In addition to rigorously engaging with and pursuing former tenants who owe a debt to the Council following the end of their tenancy, procedures have been reviewed to promote a culture of prevention and early intervention.

9. This involves the provision of appropriate advice and support to tenants who are in the process of terminating their tenancy, making it clear what their anticipated final charges would be and encouraging early payment and settlement.

10. The Non HRA debt to be written off occurs when the Council has exhausted the debt collection process. This consists of rent arrears for households who have occupied homeless temporary accommodation.

11. Scottish housing legislation does not permit Local Authorities to refuse services to homeless households when they owe debt to the Council. However, any household that seeks



housing via the general waiting list must sustain payment arrangements for any housing debt owed to the council before an offer of accommodation will be made.

## **FINANCE AND EFFICIENCY**

12. In the current year around £12.7m of rent, net of benefits payments, is due to be received from tenants. The sum recommended for write off now represents around 1.1% of this total and can be met from existing bad debt provisions. Last year the Cabinet approved write offs totalling, £190,267.67 for the full year.

## **CONSULTATION**

13. The Arrears policy was developed in consultation with the Environment Departments Accountancy Business Partner to ensure there were no detrimental effects on the HRA and non HRA accounts.

## **PARTNERSHIP WORKING**

14. No partnership working was required in the development and preparation of this report.

## **IMPLICATIONS OF THE PROPOSALS**

15. This report does not have any implications in terms of property, staffing, equalities, or sustainability.

## **CONCLUSIONS**

16. The rent arrears policy and procedures are designed to ensure pro-active measures are taken to prevent current arrears from occurring and also to ensure that former arrears can be tackled.

17. The “write-off” process is designed to ensure that resources are targeted effectively to address the arrears that can be recovered. Once written off the debt can still be pursued if required.

## **RECOMMENDATIONS**

18. It is recommended that Cabinet:

- a) Approves the write-off sum up to the value of £134,773.12 of former tenant irrecoverable rents and court expenses whilst acknowledging these can be pursued and recovered in future should additional information and opportunities arise;
- b) Notes that £114,368.62 of this amount is written off against the Housing Revenue Account (HRA) and the remaining £20,404.50 is written off against the Non HRA as this was accrued by homeless households placed in temporary accommodation; and

- c) Note that the write-off of these historic unrecoverable debts will have no net impact on the Council's accounts as provision has been made for the debt, in full, in previous years.

Director of Environment

Further details can be obtained from Phil Daws, Head of Environment (Strategic Services), 0141 577 3186.

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February 2022

EAST RENFREWSHIRE COUNCILCABINET10 March 2022Report by Director of EnvironmentPLACE BASED INVESTMENT PROGRAMME 2021/22**PURPOSE OF REPORT**

1. The purpose of this report is to inform members of the progress being made with the Placed Based Investment Programme (PBIP) and notify members of a change to the approved list of schemes for 2021/22.

**RECOMMENDATIONS**

2. It is recommended that the Cabinet:
- a) Note the progress made to date on the implementation of the programme to date; and
  - b) Note the decision to approve the substitution of the Place Based Green Hall Project with the project from Young Enterprise Scotland as outlined in the report.

**BACKGROUND**

3. A report was submitted to Cabinet on 25 November 2021 which informed members of the new Placed Based Investment Programme (PBIP) award from the Scottish Government and sought approval of 7 projects for 2021/22 which totalled £634,000.

**REPORT**

4. With regard to the grant of £635,000 for the financial year 2021/22 it is a Scottish Government requirement that any works contracts should be signed by 31 March 2022 at the latest.

5. The Placed Based Green Hall project, submitted by East Renfrewshire Culture & Leisure, was awarded £77,000 at the Cabinet meeting of 25 November 2021. The project would replace and renew existing stage lighting with LED units at Clarkston Halls; upgrade cabling and sound systems to minimise energy consumption and create Green Arts opportunity, and increased opportunity for place based arts initiatives in the heart of the community in Clarkston.

6. In further discussions with East Renfrewshire Culture & Leisure and Procurement colleagues, it is apparent that the project is unlikely to have work contracts signed by the end of March 2022. This would mean that there is a risk that the £77,000 funding would be lost and returned to the Scottish Government.

7. In order to mitigate this loss, the Council's Economic Development team have been in discussion with Young Enterprise Scotland who are seeking funding of £60,180.

8. This project is seeking capital funding to pay for 4 units that will provide business start-up space for young people in East Renfrewshire and would be located in the Young Enterprise Scotland premises at the Rouken Glen Park Training Centre. The project seeks to create a new business start-up space in the area which will provide young people with a place to develop business ideas, harness creativity and collaborate with like-minded people.

9. The project aligns with the Place Based Investment Programme criteria, the East Renfrewshire employability strategy and the Scottish Youth Guarantee Programme in terms of reducing unemployment for young people in ER.

10. There are no planning issues to be addressed which has been confirmed with Planning colleagues. Young Enterprise Scotland are in the position to have work contracts signed prior to the end of March 2022 deadline.

11. Young Enterprise Scotland have secured £35,000 from grant funding from the East Renfrewshire Energy Renewable Fund to pay for an additional 2 units and an activity corner breakout unit under Phase 2 of their proposals.

12. East Renfrewshire Culture and Leisure will be invited to resubmit their Placed Based Green Hall proposal in 2022/23 for consideration for implementation in 2023/24. This would allow them to have sufficient time to carry out the necessary procurement exercise and have work contracts signed by the end of March 2023.

13. Those remaining projects approved by Cabinet on 25 November 2021 are making good progress and will be completed by the end of September 2022.

14. Normally any new proposals or proposals to amend the previously approved projects would be submitted to the Cabinet for approval. However, due to the short time remaining for contracts to be signed and the lack of an early Cabinet meeting to consider the proposal, the decision was taken by the Director of Environment in consultation with Councillors Buchanan and Bamforth who are supportive of the proposal to approve the substitution.

## **FINANCE AND EFFICIENCY**

15. There are no financial implications arising directly from this report. Project implementation will be funded through the Place-based Investment Programme.

16. The Council must comply with the conditions of the grant, as set out in Scottish Government guidelines.

## **CONSULTATION AND PARTNERSHIP WORKING**

17. Consultation has taken place with a range of key stakeholders within the community.

## **IMPLICATIONS OF THE PROPOSALS**

18. There are no equalities, IT or staffing implications associated with this report.

## **CONCLUSIONS**

19. The PBIP programme provides an excellent opportunity to deliver further investment to key areas of East Renfrewshire and has been a catalyst for community and stakeholder engagement which will help provide direction for future investment and collaborative working.

## **RECOMMENDATIONS**

20. It is recommended that the Cabinet:

- a) Note the progress made to date on the implementation of the programme to date; and
- b) Note the decision to approve the substitution of the Place Based Green Hall Project with the project from Young Enterprise Scotland as outlined in the report.

Director of Environment

Further information can be obtained from: Michael McKernan, Economic Development Manager [michael.mckernan@eastrenfrewshire.gov.uk](mailto:michael.mckernan@eastrenfrewshire.gov.uk)

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February 2022

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EAST RENFREWSHIRE COUNCILCABINET10 March 2022Report by Director of EducationSCHEME OF DEVOLVED SCHOOL MANAGEMENT**PURPOSE OF THE REPORT**

1. Following consideration by Education Committee on 3 February 2022, this report is remitted to Cabinet for consideration.
2. The purpose of this report is to inform Cabinet of the collation and publication of the Education Department's Devolved School Management (DSM) scheme and for consideration of a proposed change to the DSM Scheme with regards to carry forward from underspend of an establishment's devolved budget.

**RECOMMENDATIONS**

3. Cabinet is asked to:
  - i. approve the proposed change to the carry forward mechanism of the Devolved School Management Scheme; and,
  - ii. note the publication of the Council's Devolved School Management Scheme.

**BACKGROUND**

4. Devolved School Management (DSM) was introduced in 1993 by the then Scottish Executive requiring councils to devolve 80% of school budgets to Head Teachers in order to enhance and improve the management of resources at school level. DSM provides Head Teachers and schools with the autonomy and flexibility to ensure financial decisions, which reflect local and national priorities and are in keeping with the establishments improvement planning, are made at the most appropriate level - closest to the children and young people. Early years facilities also operate under DSM.
5. Budgets within DSM are only one part of the overall financial management of the Education Department and it is important to recognise that there is a strong relationship between devolved and non-devolved budgets in maintaining a sound and robust financial strategy for the department and the Council.
6. Since 1993 the DSM scheme guidance and policy has evolved to reflect the changing landscape within which schools operate. Such changes include policy, procedural, legislative and the economic and financial climate, as well as greater levels of autonomy afforded to Head Teachers with respect to the Education Reform agenda and more specifically the Head Teachers' Charter.

7. Most recently, Cabinet approved a change to the Education Department's DSM scheme in January 2018 which reflected the objectives of the Education Reform agenda, allowing Head Teachers to carry forward any annual underspend in devolved school budgets up to a maximum level of 2% of the school's DSM budget net expenditure. This enhanced flexibility in school budgets allows Head Teachers to plan better for educational improvement strategies over a longer period of time and for wider budgetary planning, including targeted savings.

8. Nationally, the original DSM scheme guidance was reviewed in 2006 and again in 2012, taking account of the changing economic and financial climate for both local authorities and the Scottish Government. In June 2017 the Scottish Government consulted on changes to DSM as part of the wider "Fair Funding to Achieve Excellence and Equity in Education" consultation.

9. In 2019 following extensive stakeholder engagement, the Scottish Government and COSLA updated the DSM principles, building on and enhancing the foundations and principles of the 2012 guidance. The updated DSM principles are:

- Subsidiarity and Empowerment;
- Collaboration;
- Accountability and Responsibility;
- Clarity and Equity.

10. These principles align with the National Improvement Framework aims of excellence through raising attainment, improving outcomes and achieving equity. The principles also fully endorse those proposed in the Fair Funding consultation:

- support excellence and equity - ensuring every child and young person has the same opportunity to succeed;
- be fair - placing the needs of all children and young people at the centre;
- be simple, transparent and predictable – ensuring the costs of delivering education can be easily understood and explained and that schools are able to manage and plan ahead with certainty;
- deliver value for money – ensuring that every penny spent is used effectively.

11. The 2019 guidelines were issued by Scottish Ministers under section 13 of the Standards in Scotland's Schools etc Act 2000 (the 2000 Act) and was issued to Local Authorities in relation to their functions under Section 8 of the 2000 Act in relation to delegation schemes.

## REPORT

12. The updated guidance produced by the Scottish Government and COSLA is clear in the expectation that local authorities and schools continue to work in a transparent and open manner, consulting and collaborating with all stakeholders when planning for school improvement and the use of devolved budgets. The updated guidance is also clear in that all local authorities are to publish and make freely available their DSM schemes, including any details of how the allocation of devolved budgets or staffing is determined, by 1 April 2021 – this date was extended to 1 April 2022 as a consequence of Covid. There is also a clear expectation that schools similarly share details of their approaches to allocation of resources from DSM budget with all relevant stakeholders.



13. The 2019 guidance was accompanied by a DSM scheme framework which local authorities were strongly encouraged and recommended to use when creating their own DSM scheme. By each local authority publishing its DSM scheme in accordance with the prescribed DSM framework this: harmonises how schemes are published; introduces an element of common understanding for users; provides increased clarity and transparency to stakeholders; aids peer review; and supports benchmarking.

14. In accordance with the principles of DSM and the National Improvement Framework, the budget devolved to a school in any financial year should be targeted at the priorities in the School's Improvement Plan and should be for the benefit of current pupils; within East Renfrewshire Council (ERC) the general principle is held that today's resources should be for today's pupils.

15. The East Renfrewshire DSM details the Education Department's current approaches to DSM budget management and the roles, actions and responsibilities of the various stakeholders.

16. In addition, following consultation with stakeholders, a single amendment is proposed to the carry forward rule for DSM budget underspend and DSM reserve.

17. Currently, educational establishments can carry forward annually up to a maximum of 2% of their DSM budget to DSM reserves, in the case where the school has a DSM budget underspend at the end of the financial year. The 2% maximum is consistent with the approach taken by the majority of other local authorities where the reserve limit is generally a maximum of 2 to 2.5%.

18. However unlike other local authorities which do not have a time limit on the use of DSM budget carried forward, educational establishments within East Renfrewshire can only hold funds in reserve for a maximum of 3 financial years.

19. Any annual underspend greater than 2% of an establishment's DSM budget or any DSM reserve which remains after 3 financial years is returned to the Council's General Reserve fund. In addition, individual school budget underspends can only be carried forward to a school's DSM reserve in the case where the Education Department's budget is in an underspend position at the end of the financial year.

20. The current carry forward process is regarded as complex to administer and is regarded as not providing suitable flexibility to Head Teachers for financial planning in future years, including planning for targeted savings.

21. A change designed to simplify the scheme is proposed, whereby establishments could hold up to a maximum of 6% of their annual DSM budget, aligning with the current practice of a cumulative reserve maximum of 6% (3 years of 2% reserves), and the removal of the maximum three year threshold. Where an establishment's DSM reserve is greater than a maximum of 6% of the establishment's budget at the end of the financial year (31 March), any additional underspend DSM budget will be returned to the Council's General Reserve.

22. The proposed change would continue to align with the current annual 2% reserve amount, will simplify the DSM carry forward policy and reduce the administrative burden, and will provide establishments with greater flexibility for future financial planning.

## CONSULTATION

23. In producing the current iteration of the DSM scheme, the Education Department formed and consulted with a DSM Working Group which consisted of stakeholders from across the education spectrum of East Renfrewshire Council including:

- Representatives of Heads of Early Learning and Childcare establishments;
- Representatives of Head Teachers of the primary, secondary and special sectors;
- Education Department Head of Education Services;
- Professional bodies representing teachers and local government staff;
- Representative of Business Support Managers;
- Human Resources Business Partner;
- Finance Business Partner.

24. Initial consultation focussed on a small number of themes from the DSM. The Education Department will continue to consult with the DSM working group on an ongoing basis, meeting regularly to consider other themes of the DSM and to make any proposals for changes where it is deemed to benefit the management of resources at school level.

25. In accordance with the national guidelines the Education Department will formally review the published DSM scheme every three years with the DSM Working Group. The department may also review its scheme with a peer local authority, or through the Regional Improvement Collaborative.

26. Where changes are proposed to the scheme by the DSM Working Group which are considered to be required in advance of the three-yearly cycle or to recognise any local authority policy decisions which may have a consequential impact on the scheme, such changes will be presented to Education Committee for noting and Cabinet for approval.

## FINANCIAL AND EFFICIENCY IMPLICATIONS

27. There are no financial or efficiency implications of the collation and publication of the Education Department's DSM scheme. The proposed amendment to the DSM carry forward does not introduce new or additional funding to educational establishments. The proposal for the school DSM reserve to be a maximum of 6% broadly aligns with the current scheme which allows schools to carry forward up to 2% annually on a rolling three year period.

28. Establishments will continue to be afforded the flexibility to plan for longer term priorities in line with their three-year School Improvement Plan whilst also ensuring that today's resources are used to support today's children.

## RECOMMENDATION

29. It is recommended that Cabinet:

- i. approves the proposed change to the carry forward mechanism of the Devolved School Management Scheme; and,
- ii. notes the publication of the Council's Devolved School Management Scheme.

Mark Ratter  
Director of Education  
3 February 2022

### Convener Contact Details

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### Appendix 1

East Renfrewshire Council: Devolved School Management Scheme

### Background Papers

Devolved School Management Guidelines and Framework: <https://www.gov.scot/publications/devolved-school-management-guidelines/documents/>

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East Renfrewshire Council

Devolved School Management Scheme – Effective from 1 April 2022

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## 1 Introduction

### 1.1 Devolved School Management – Background

Devolved School Management (DSM) was introduced in 1993 to enhance and improve the management of resources at school level. DSM provides Head Teachers and schools with the autonomy and flexibility to ensure decisions are made at the most appropriate level. This DSM scheme will provide Head Teachers with clear information about which areas of expenditure are delegated to them and will set out how the Council funds schools, and the accountability and responsibility for financial decisions

The original DSM guidance was reviewed in 2006, and again in 2012, taking account of the changing economic and financial climate for both Local Authorities and the Scottish Government. In June 2017 the Scottish Government consulted on changes to DSM as part of the wider "Fair Funding to Achieve Excellence and Equity in Education" consultation.

In 2019 the Scottish Government in agreement with Fair Funding Reference Group, updated the DSM principles, building on and enhancing the foundations and principles of the 2012 guidance. The updated DSM principles are:

- Subsidiarity and Empowerment;
- Collaboration;
- Accountability and Responsibility;
- Clarity and Equity.

These principles reflect the National Improvement Framework aims of excellence through raising attainment, improving outcomes and achieving equity. The principles also fully endorse those proposed in the Fair Funding consultation:

- support excellence and equity - ensuring every child and young person has the same opportunity to succeed;
- be fair - placing the needs of all children and young people at the centre;
- be simple, transparent and predictable – ensuring the costs of delivering education can be easily understood and explained and that schools are able to manage and plan ahead with certainty;
- deliver value for money – ensuring that every penny spent is used effectively.

The budget devolved to a school in any financial year should be targeted at the priorities in the School's Improvement Plan and should be for the benefit of current pupils; within East Renfrewshire Council (ERC) the general principle is held that today's resources should be for today's pupils.

### 1.2 East Renfrewshire Council

East Renfrewshire is situated to the south of the City of Glasgow. It covers an area of 67 sq miles (174 sq km). The north of the area comprises the urban areas of Giffnock, Newton Mearns, Clarkston, Thornliebank and Barrhead. Each of these settlements has a distinctive character. There is also an extensive rural hinterland to the South, within which, the villages of Uplawmoor, Neilston, Waterfoot and Eaglesham area are located. Approximately 15 per cent of the area is urban and 85 per cent rural. The Lavern Valley area includes the settlements of Barrhead, Neilston and Uplawmoor. The Eastwood area includes Busby, Clarkston and

Williamwood, Eaglesham and Waterfoot, Giffnock, Netherlee and Stamperland, Newton Mearns and Thornliebank.

In the latest mid-year 2020 estimates, the population of East Renfrewshire was 96,060, and the overall population of the area is expected to rise. This has implications for many services that cater for a broad section of the public, including education. East Renfrewshire is one of Scotland's most ethnically and culturally diverse areas with significant Muslim and Jewish communities.

Although East Renfrewshire is a relatively prosperous area, it does have pockets of deprivation. The Scottish Index of Multiple Deprivation is an accessible tool for understanding deprivation. East Renfrewshire has the highest percentage of data zones of all the Scottish Local Authorities classed as being in the 20% least deprived in Scotland. Seven of the 122 data zones (population units) in East Renfrewshire are classed as being within the 20% most deprived in Scotland, this represents 6% of data zones in East Renfrewshire. They are located within Barrhead, Auchenback and Neilston. Two of the data zones are classed as being within the 10% most deprived in Scotland and one of these is classed as being within the 5% most deprived. Reducing inequalities arising from socioeconomic disadvantage is a corporate priority. The Council, along with partners across sectors, use a 'locality' approach in these areas of East Renfrewshire. This means all those responsible for providing services and looking after assets are thinking about the unique challenges; are taking a whole neighbourhood view; and are planning together, with the people who live there, to support inclusive growth and thriving places.

### 1.3 Education within East Renfrewshire Council

The delivery of high quality educational experiences within East Renfrewshire's establishments is led, directed and overseen by the Council's Education Department.

East Renfrewshire Council is recognised throughout Scotland for the quality of its education provision and the high performance of its schools and early learning and childcare establishments. The Education Department's objective of ensuring high quality experiences for all children and young people leading to excellent outcomes for all learners, regardless of socio-economic background, and closing any and all attainment gaps, is clearly defined in *Advancing Excellence and Equity in Education in East Renfrewshire*<sup>1</sup> and its vision statement:

***Everyone Attaining, Everyone Achieving, Through Excellent Experiences***

Such success has contributed to a growth in the number of children and young people attending educational establishments as a consequence of inward migration to existing and new housing stock and successful placing request applications from non-East Renfrewshire residents.

With such demand for education within the local authority and following the introduction of new legislation such as the expansion of early learning and childcare, the Council has recently expanded its learning estate with the development of a joint faith primary school campus and non-denominational primary school and the creation of 6 ELC centres. The Council continues to work hard to ensure the best possible learning environments for children and young people

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<sup>1</sup>Advancing Excellence and Equity in Education in East Renfrewshire:  
<https://www.eastrenfrewshire.gov.uk/Advancing-Excellence-and-Equity-in-Education-in-East-Renfrewshire>

to support establishments to provide excellent learning experiences and is continually evaluating and improving its learning estate to ensure these ambitions are met.

As of December 2021, East Renfrewshire Council currently provides education across:

- 9 family centres providing early learning and childcare;
- 24 primary schools (10 of which have an accompanying nursery class providing early learning and childcare);
- 7 secondary schools;
- 1 special school providing education for children with additional support needs.

Whilst the educational estate is varied, almost all establishments are located in residential town areas with the exception of one school classified as rural. As recorded in the school pupil census, school rolls range from 66 to 868 in the primary sector and from 632 to 1837 in the secondary sector; the Council has traditional school buildings over 100 years old to modern award winning design schools. The Council provides the choice of denominational and non-denominational education and is proud to manage the only Jewish faith school in Scotland, which is uniquely located at a faith school joint campus.

Further details of the Council's education estate can be accessed via the Council's website<sup>2</sup>.

## 1.4 Pupil and Staff Numbers

The funding which the Council receives from the Scottish Government to provide education closely links to pupil numbers, teacher numbers and deprivation indices. Similarly the funding allocated to each educational establishment in accordance with the scheme of devolved school management also takes cognisance of pupil roll and required management and staffing full time equivalents and pupil demographic attributes. The number of pupils and staff FTE recorded within the annual school pupil census in September 2021 is detailed below:

Sector <sup>3</sup>	Pupil Numbers	Teaching Staff FTE
Primary	9,309	620
Secondary	7,949	665
Special	134	35
Central	-	2
<b>Total</b>	<b>17,392</b>	<b>1322</b>

In addition to the staffing FTE for those members of staff registered with The General Teaching Council for Scotland recorded in the above table, educational establishments are also allocated staffing budget for local government employees such as administration staff, Pupil Support Assistants and Child Development Officers etc.

## 1.5 The role of the Parent Council

The Parent Council is a group of parents selected by the Parent Forum of a school to represent their views. Parent Councils have an important role to play in school improvement by ensuring that the parental perspective is represented and taken into account.

<sup>2</sup>Our schools: <https://www.eastrenfrewshire.gov.uk/our-schools>

<sup>3</sup> Data taken from the school/pupil census 2021:

<https://www.gov.scot/publications/pupil-census-supplementary-statistics/>

The Parent Council helps create an environment where all parents know that their views matter and where they feel confident and comfortable putting them forward. They work on behalf of all parents to discuss educational matters that are of importance to all. They do not get involved in individual matters relating to children or staff in the school.

Parent Councils:

- Work in partnership with the school to decide on the key priorities to take forward;
- Provide a voice for parents in schools and in their local authority on issues that are important to them;
- Improve the school's understanding of how to engage parents in their children's learning and in the life of the school;
- Support the school to develop strong home/school partnerships;
- Communicate regularly with the Parent Forum to both hear their views and keep them informed;
- Support improvement by discussing the school's strengths and areas for development from a parental perspective;
- Help make links with the wider community;
- Capture the unique and varied skills, interests, knowledge and experience that parents can offer.

The Education Department's Parental Engagement and Involvement Strategy<sup>4</sup> aims to strengthen parental involvement and representation in the life and work of schools and early years settings so that parents have the information and support required to allow them to contribute to the community and improve the attainment and achievement of all learners.

Further details and resources for parent councils can be found on the Education Scotland website<sup>5</sup>.

## 2 Budget Overview

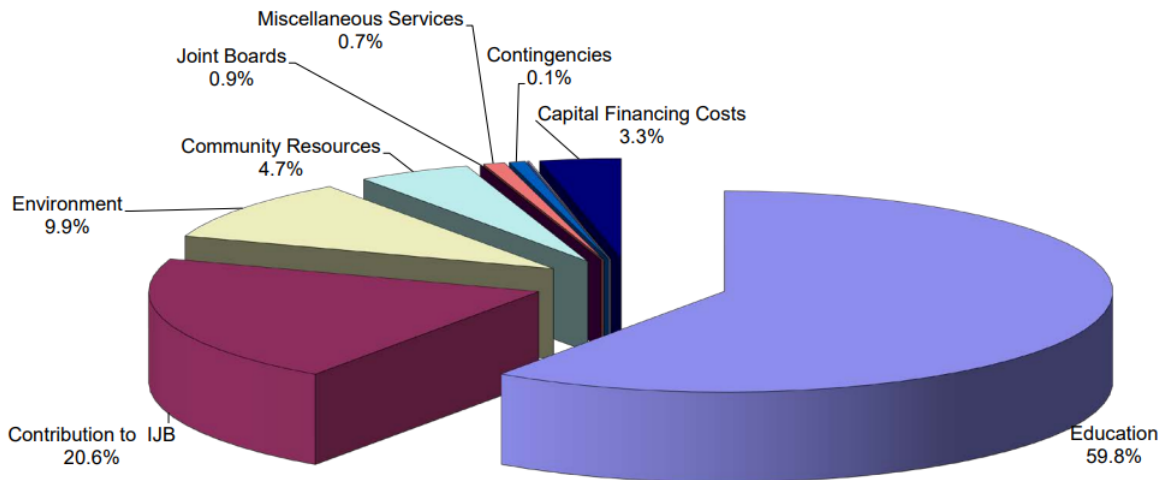
Each year the Council undertakes the annual budget setting process for the allocation of Revenue Budget to each of the Council's departments. The Education Department is the largest department accounting for 59.8% of the Council's budget (2021-2022) equating to a total net expenditure of £157,882,000; this includes distributed budget to East Renfrewshire Council's Leisure Trust.

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<sup>4</sup> Parental Engagement:  
<https://eastrenfrewshire.gov.uk/parent-engagement>

<sup>5</sup> Education Scotland Parentzone:  
<https://www.education.gov.scot/parentzone/getting-involved/parent-councils/about-parent-councils>

## 2021/22 GENERAL FUND REVENUE BUDGET BY DEPARTMENT



Each year details of the revenue budget allocated to the Education Department is set out in the Detailed Revenue Estimates Report<sup>6</sup> by the Council's Head of Accountancy (Chief Financial Officer). The distribution of the Education Department's budget includes:

ELC	Schools (Primary, Secondary and Other)	Special Education
Psychological Services	Transport (Excl Special)	Clothing
Administration & Support	Cleaning and janitorial Services	Catering Services
School Crossing	Culture and Leisure Services	
Patrollers		

It is important to note that DSM procedures set out the rules and principles in which schools operate in normal circumstances. However in exceptional circumstances, for example the impact of changing financial circumstances during the course of a financial year requiring measures to be taken to ensure the department's overall expenditure is controlled, it may be necessary to temporarily amend the rules of DSM. Any such decisions are at the discretion of the Director of Education and discussed with the Head of Accountancy (Chief Financial Officer) and Chief Executive. Head Teachers would be advised of such intent as early as possible, with the implications of such a decision clearly identified and explained. Any such necessary action would be reported to Cabinet as part of the regular budget monitoring process.

<sup>6</sup> Detailed Revenue Estimates Report:  
[https://www.eastrenfrewshire.gov.uk/media/4760/Council-item-04-15-March-2021/pdf/Council\\_item\\_04\\_-\\_15\\_March\\_2021.pdf?m=637510756152430000](https://www.eastrenfrewshire.gov.uk/media/4760/Council-item-04-15-March-2021/pdf/Council_item_04_-_15_March_2021.pdf?m=637510756152430000)

### 3 Areas of Expenditure to be Devolved

Whilst Head Teachers have maximum flexibility to manage their budgets, there are areas of expenditure that are generally not considered suitable for devolution. The reasons for this may include, but are not limited to areas:

- outside the influence of a Head Teacher;
- that are too bureaucratic;
- which have unacceptable levels of risk;
- where there are benefits from economies of scale;
- which require professional expertise;
- overly complex by their nature.

Further detail of the budgeted areas devolved and not devolved to schools is included in [Appendix A](#).

## 4 The Scheme in Detail

### 4.1 Financial Regulations

Financial Regulations are an integral part of the stewardship of Council Funds. Adhering to the regulations ensures that all financial transactions of the Council are conducted in a manner of openness, integrity and transparency. The regulations form a significant part of the Corporate Governance of the Council and apply to every member and employee of the Council or anyone acting on its behalf.

The allocation of DSM budget to schools is mainly formulaic and is calculated on the basis of school roll demographics, educational needs of children and young people, as well as any other local/national initiatives. This approach ensures a fair, objective and transparent approach to the delegation of school budgets. A summary of the formulae used for devolved budget lines is included in Appendix B.

Further details of the Council's financial regulations and other relevant policies/procedural guidelines are available on the Council's intranet<sup>7</sup>.

### 4.2 Best Value Principles

The Local Government in Scotland Act 2003 introduced a statutory framework for Best Value for local authorities. The Best Value duties set out in the Act are:

- to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and, in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirement and to contribute to the achievement of sustainable development
- to achieve break-even trading accounts, subject to mandatory disclosure
- to observe proper accounting practices

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<sup>7</sup>ERC Financial Regulations: <http://intranet.erc.insider/CHttpHandler.ashx?id=11444&p=0>

- to make arrangements for the reporting to the public of the outcome of the performance of functions.

In addition, Best Value guidance has been in place since 2004, identifying the characteristics of Best Value to help local authorities develop arrangements to demonstrate continuous improvement in their performance.

In recognition of the changes since 2004 to the environment in which local authorities deliver services, a multi-agency steering group was tasked with reviewing and refreshing the guidance, which was published in March 2020. The steering group endorsed the continuing relevance of the substance of the original guidance, but felt that it should be revised to reflect the current public service landscape in Scotland, with an increasing emphasis on citizens and personalised services, a focus on outcomes, and the need for innovation in designing public services for the future. The steering group also identified the need for synergy and alignment, so far as possible and appropriate, between the statutory guidance and the guidance on Best Value in public services, which applies to public bodies that are accountable to the Scottish ministers.

The revised guidance produced by the steering group reflects the priorities that it identified. It replaced the previous guidance that was published in 2004, which comprised both the statutory guidance by Scottish ministers and supporting guidance by the then Best Value Task Force, so that all the relevant guidance is now contained in this single document. The guidance document is available on the Scottish Government website<sup>8</sup> <https://www.gov.scot/publications/best-value-revised-statutory-guidance-2020/>

Within East Renfrewshire Council, Best Value is defined as 10 characteristics which are used to ensure we offer the best quality service available. The 10 characters are:

- Commitment and leadership;
- Responsiveness and consultation;
- Sound governance arrangements at strategic, financial & operational levels;
- Sound management of resources;
- Use of review and options appraisal;
- Competitiveness, trading and the discharge of authority functions;
- Accountability;
- Joint working;
- Sustainable development.

Further details on how the Council assesses the quality of its services and plans to make improvements in this area, as well as further details of the independent bodies which inspect our services, are available on the Council's website<sup>9</sup>.

### 4.3 Local Authority Commitment to Devolved School Management

An empowered system is one built on mutual trust, cooperation and highly effective communication. In an empowered system Head Teachers and local authorities are partners, each contributing and supporting each other and respecting the different role each plays.

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<sup>8</sup> Best Value: revised statutory guidance 2020: <https://www.gov.scot/publications/best-value-revised-statutory-guidance-2020/>

<sup>9</sup> East Renfrewshire Council: Best Value: <https://www.eastrenfrewshire.gov.uk/best-value>

As senior officers of the Local Authority, responsible for the leadership and management of the service provided to children, young people and their families, Head Teachers are accountable to both their employer and to their learning community for the leadership and management of education within their setting. Head Teachers' responsibility extends to the resources within their delegated budget. The areas of budget which are devolved and not devolved to Head Teachers was recently consulted upon with the Council's DSM working party and is detailed in [Areas of Expenditure to be Devolved](#).

The Education Department of East Renfrewshire Council recognises the importance of empowering Head Teachers to make key decisions regarding the best use of resources to ensure the highest level of experiences and outcomes for learners. Head Teachers are closest to the educational experience of children and young people and understand the particular context of the learning community best.

The Local Authority has statutory responsibility for the provision and improvement of education in the area. This includes contractual and financial obligations that interact with, and can be dependent upon, decisions made at school level. The Local Authority can intervene in a school level decision if a statutory, contractual or financial obligation would be breached. Clear processes and mutually respectful and supportive relationships should be in place to minimise the need for such intervention.

This guidance document was created using the Education Department's various discrete policies and guidance documents which were previously developed following consultation with education leaders. Furthermore, a DSM working group was convened to consider elements of the current Devolved School Management scheme approaches in accordance with the national Devolved School Management Guidelines and Framework documents. The working group consists of a wide spectrum of education stakeholders so as to ensure that the document is fit for purpose for all, including:

- representatives for Head Teachers of early years, primary, secondary and special settings;
- Human Resources officer;
- teaching and local government trade union representatives;
- representative of Business Support Managers;
- Education Department Head of Education Services;
- Finance Business Partners.

On an ongoing basis the DSM Working Group will meet at regular points in the academic year to consider the different themes detailed within the national DSM guidelines and associated framework and where appropriate will propose changes to the Council's DSM scheme where deemed to benefit the management of resources at school level.

#### **4.4 School Expenditure Within Wider Strategic Planning**

On an annual basis the Education Department's Quality Improvement Team and service managers carry out an extensive audit to identify strengths in the department's current provision and areas where further improvement is required. The department's progress towards the impact and outcomes listed in the Local Improvement Plan is detailed in the Department's Standards and Quality Report.



Within East Renfrewshire Council, the Education Department works in partnership with Head Teachers and other partners to deliver the best possible outcomes for children and their families. In East Renfrewshire Head Teachers are empowered to lead their school's improvement journey and are best placed to assess their readiness to move on and determine a realistic pace in which to do so. They also have the autonomy and flexibility to make decisions on the best use of financial resources which are devolved to establishments in order to ensure that decisions and improvements are made closest to the learner wherever possible. This allows the application of knowledge of local needs in order to ensure best outcomes for learners, whilst maintaining participation as part of a collaborative learning community with other schools and the Local Authority. Head Teachers are responsible for the use of financial resources within their school.

Empowered schools require both strong and distributive leadership, working in partnership with pupils, parents, staff and the wider community. Head Teachers are expected to be able to manage a fair, equitable and transparent devolved budget that meets the needs and priorities of the school and local community and should ensure that they collaborate with learners, parents / carers, teachers and their representatives, support staff, and partners in identifying, taking forward and evaluating priorities and the expected impact and outcomes for their improvement plans.

Each year Head Teachers regularly reflect upon rigorous evidence-based self-evaluation of performance, including analysis of a wide range of data on children and young people's progress, to plan and identify the actions the establishment will take to improve experiences and service delivery / provision and raise attainment and achievement. This is recorded as part of the School Improvement Plan and also takes into consideration recent evaluations resulting from an inspection by Education Scotland or a review by the authority's Quality Improvement Team.

When identifying aspects of performance in which improvement is necessary, due weight should be given to major strategic priorities, locally and nationally. In particular, account should be taken of the Education Department's Local Improvement Plan which includes clear links to: the National Improvement Framework and Improvement Plan; the department's contributions to the Council's Outcome Delivery Plan; the department's Advancing Excellence and Equity in Education in East Renfrewshire policy; and most recently the department's position paper on Building Back Better and Fairer in response to the Covid-19 pandemic. In constructing the school improvement plan, Head Teachers will be challenged and supported in their thinking by the Education Department's Quality Improvement Team and other senior officers.

Each year all establishments will clearly, succinctly and evaluatively consider the progress towards overtaking the objectives of the annual improvement plan and the impact made in bringing about the desired improvements, in the form of a Standards and Quality Report. The Standards and Quality Report will describe how the establishment is doing, how does the establishment know it is progressing and what the next actions will be to further improve.

#### 4.5 Scottish Negotiating Committee for Teachers (SNCT) and Local Negotiating Committees for Teachers (LNCT) Agreements

Scottish Negotiating Committee for Teachers (SNCT) is a tripartite body comprising members from teaching organisations, Local Authorities, and the Scottish Government. The principal purpose of the SNCT is to negotiate collective agreements on salaries and conditions of service that assist the development of a highly skilled and motivated teaching profession.

The SNCT requires there to be a Local Negotiating Committee for Teachers (LNCT) in every council. LNCTs have been given the powers to vary certain conditions of service and to reach agreement on a range of matters not subject to national bargaining<sup>10</sup>.

Where a local agreement supersedes an existing national condition, that existing condition should be removed; all local agreements must be reported to the SNCT for information and placed on the SNCT web site<sup>11</sup>.

East Renfrewshire LNCT Joint Negotiating Committee for Teachers (JNCT) operates in a climate of collegiality where the views of all representatives are valued, respected, and fully considered. Whilst the LNCT does primarily provide a mechanism for bargaining and negotiating procedures between the council and the signatory unions, whereby relevant conditions of service can be determined for all appropriate staff, it is also a forum at which either side will raise matters pertaining to the operation of the Education Department and anything which has implications for teachers in their working environment. LNCT has a number of standing items such as Education Committee, teacher workload and any current matters of concern. Furthermore the LNCT also has an agreed work plan which allows both sides to contribute to that programme of work. The constitution of the East Renfrewshire LNCT JNCT is available on the SNCT website<sup>12</sup>.

Head Teachers are required to operate within the agreed national SNCT terms and conditions for all staff who come under this scheme, and to operate within any amended devolved conditions of service as agreed by LNCT. The Pay and Conditions of Service for teachers and associated professionals employed by Scottish Councils is set out in the SNCT Handbook of Conditions of Service. The SNCT handbook is available on the SNCT website.<sup>13</sup>

Head Teachers are regularly advised of any amendments to staff conditions of service or operating procedures by a representative of the management side of the LNCT, whilst it is the responsibility of the trade unions who make up the joint union side to advise their members accordingly.

#### 4.6 Publication availability

The DSM scheme will be published on the East Renfrewshire Council intranet. A summarised version of this scheme of devolved management will be made available to the

<sup>10</sup> SNCT Devolved Matters to LNCT [https://www.snct.org.uk/wiki/index.php?title=Part\\_4](https://www.snct.org.uk/wiki/index.php?title=Part_4)

<sup>11</sup> LNCT Agreements: <https://www.snct.org.uk/lncAgreements.php>

<sup>12</sup> ERC LNCT JNCT: [https://www.snct.org.uk/library/107/East\\_Renfrewshire\\_LNCT-01\\_JNCT\\_Local\\_Framework\\_Agreement.pdf](https://www.snct.org.uk/library/107/East_Renfrewshire_LNCT-01_JNCT_Local_Framework_Agreement.pdf)

<sup>13</sup> SNCT website: <http://www.snct.org.uk>

public via the Council's website, to which a link will be provided via all education establishment's websites.

#### **4.7 Available training**

In a rapidly changing world, it is essential that leaders and managers are equipped with the skills to adapt to the evolving needs of schools and their communities. Leadership development is a key area on the national policy agenda in Scottish education and there is a strong commitment to the development of leadership at all levels.

The East Renfrewshire Head Teacher Induction Programme is designed to support recently appointed Head Teachers with balancing the demands of the job with their own personal and professional learning and development. The programme includes familiarisation with East Renfrewshire Council and Education Department policies and practices, but also offers opportunity to: meet with colleagues; learn from experienced Head Teacher colleagues; meet key staff of the department; consider the practical elements of leading a school; consider best practice; and build a network of support.

The Head Teacher Induction Programme aims to:

- Provide new Head Teachers with appropriate professional learning and development to enable participants to be effective senior leaders in school, cluster and the Education Department, with a focus on and bringing about improvement in outcomes for learners;
- Support Head Teachers to continually improve as leaders of learning;
- Provide a pathway for Head Teachers which enables them to progress as effective leaders, mentors and coaches and; and,
- Develop a cohort of confident, capable and knowledgeable leaders who continually strive for improvement in our service and can inspire the next generation of school leaders.

The Head Teacher induction programme focuses on leadership and management, focussing on strategic and operational aspects which will relate to effective management of the school's devolved budget. The Head Teacher Induction Programme has a more explicit focus on certain aspects of operational leadership, including: Budget and Finance; The Building Responsible Person; and Working with Trade Union Partners.

Within the induction programme of professional development for new Head Teachers, training sessions are provided by officers of the Education Department's Budget Team relating to the Council's devolved school management scheme and practices.

Additionally, training has and can be provided to Head Teachers on an ad hoc basis when requested and documentation, guidance and policies are available via the Council's website.

Head Teachers are supported in their cluster by a Business Support Manager (BSM) who oversees the school's budget and provides advice and guidance on all financial and human resource management matters. In response to consultation there is a desire from both experienced and newer Head Teachers for further training to be provided in finance/budgeting matters.

The centrally based Budget Unit team meets regularly with BSMs to offer support and any required appropriate training in financial matters. The Budget Unit team will work collaboratively with BSMs to prepare a programme of ongoing professional development for Head Teachers and appropriate school leaders on areas of financial management which have been identified. Budget Unit staff and Business Support Managers will deliver specific training in these areas to Head Teachers from across the Council, which will be accessible

via the Council's professional development platform, East Renfrewshire CPD Manager. This training will allow Head Teachers to be better informed in financial management matters and will allow Head Teachers to share their knowledge with school senior and middle leaders, other school budget holders and if appropriate, parents and pupils. A consultation on training requirements will be undertaken to direct the offer of professional development opportunities.

Furthermore, budget 'drop-in' engagement sessions will be arranged to allow HTs to meet informally with other colleagues across the Council at pertinent points in the year, following feedback from consultation. This will allow the sharing of best practice and experience.

#### **4.8 Consultation and Engagement**

In accordance with the Empowering Schools and Education Reform agenda of 2019, the introduction of the Head Teachers' Charter was to empower Head Teachers in decisions on curriculum design, improvement, school staffing structures and appointments, working collaboratively with their local authority, staff and parents, and with due regard to employment law and supporting guidance. Education Scotland identifies eight key partners who should work together in an empowered system to improve outcomes for children and young people. An empowered system is one that grows stronger and more confident, working in partnership to lead learning and teaching that achieves excellence and equity for all learners. Empowerment and collaboration for improvement happens at all levels in an empowered system.



In an empowered system Local Authorities add value by enabling key decisions to be made by those who are closest to the educational experience of children and young people, and who best understand the particular context of the learning community. The Head Teacher is responsible for making such decisions in partnership with their learning community – staff, learners, parents and other partners. In all localities Head Teachers and Local Authorities should work in partnership with children, young people and their families to take decisions which reflect the local context. Mutually supportive and respectful relationships should be in place and maintained in order to maximise effective collaboration. Head Teachers should lead collaborative, evidence-based decision-making whilst recognising that they are an integral part of a wider education and children's services system and open to constructive support and challenge by the Local Authority and their colleagues.

With regards to making best use of school resources, Head Teachers should:

- Manage a delegated budget in a fair, equitable and transparent way, supported by the Local Authority and a fair, transparent and equitable local Devolved School Management Scheme.

- Play an active role in designing and reviewing recruitment and staffing approaches, both for their own school and for the wider authority
- Be empowered to design a staffing structure which best supports the school's curriculum and leadership requirements, working within their delegated staffing budget and supported by their Local Authority and SNCT/LNCT agreements and guidance

Where appropriate, short life working groups are organised by the Education Department in order to work collegiately to create new/update policy. Such recent examples include: changes to teaching staff recruitment processes; the determination of allocated school management and support staff budgets and; the redesign of the model for management and pupil support structure in the primary sector. Staffing budgets determined by the Education Department's staffing formulae are fully delegated to Head Teachers, allowing autonomy for Head Teachers to have flexibility in their staffing and management structures which best suit the needs of the school community. Education Department staff support Head Teachers to ensure that implementation of management and staffing structures are in accordance with appropriate financial and SNCT/LNCT agreements<sup>12</sup>.

The Education Department meets regularly with representatives of the parent body via the Parent Council Chairs, using these opportunities to share information and consult on budgetary and financial matters as appropriate. Similarly the Education Directorate meets with the Pupil Council Chairs and also shares information and consults on budgetary matters as and when it is appropriate.

Head Teachers are expected to consult with staff, the Parent Council, pupils and wider community on budgetary matters as appropriate, which may include areas such as staffing, resources, professional learning for staff and experiences and outcomes for learners which focus on raising attainment for all whilst closing any poverty related attainment gaps.

Head Teachers should make arrangements for sharing and discussing local school decisions, budget and resource allocations with staff groups and wider stakeholders as appropriate. It is recommended that at school level this includes methodology and distribution of budgets and resources.

A local DSM Consultative Group should be established including representatives from both teaching and other staff groups within each establishment as a forum for engagement and consultation on budget matters throughout the year.

Further requests for budgetary information is provided by the Education Department and educational establishments when requested.

Moving forward East Renfrewshire's schools should consider a greater use of Participatory Budgeting<sup>14</sup> processes where appropriate.

Participatory Budgeting (PB) is part of a movement which has grown up across the world over the last thirty years which is helping to strengthen and deepen deliberative democracy, supporting high quality decision-making with public funds and rebalancing power. Over the last decade there has been interest, energy and investment across Scotland in PB as part of a broader commitment to democratic and community renewal and tackling inequalities. The 2021 revised Framework Agreement<sup>15</sup> sets forward the joint ambition for mainstream

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<sup>14</sup> Participatory Budgeting: <https://www.gov.scot/policies/community-empowerment/participatory-budgeting/>

<sup>15</sup> Participatory Budgeting Framework: [https://www.cosla.gov.uk/\\_data/assets/pdf\\_file/0017/26234/COSLA-SG-Participatory-Budgeting-Framework-Agreement-June-2021.pdf](https://www.cosla.gov.uk/_data/assets/pdf_file/0017/26234/COSLA-SG-Participatory-Budgeting-Framework-Agreement-June-2021.pdf)

Participatory Budgeting to be an essential part of recovery and renewal from the pandemic. Furthermore, by implementing Participatory Budgeting, schools will support and reinforce the United Nations Convention on the Rights of the Child.

## 4.9 Transparency

The Education Department will engage with members of the DSM working group on an ongoing basis to consider the DSM guidance and any changes which are required. Further details are included in [section 4.17](#).

Annually details of the revenue budget allocated to the Education Department is outlined in the Detailed Revenue Estimates Report<sup>16</sup> by the Council's Head of Accountancy (Chief Financial Officer), which provides a comprehensive analysis of the various elements which contribute to the overall department's revenue estimate at sector and service levels, and is available on the Council's website<sup>17</sup>. Furthermore the Council annually publishes its updated long term Capital Investment Strategy<sup>18</sup> which provides details of the Council's long term capital ambitions including the learning estate strategy, as well as the Councils' ten year General Fund Capital Plan<sup>19</sup> which provides details of the planned capital investments programme for the coming year along with figures for future years so that long term capital investment plans and their associated financial impacts can be recognised. Planned education estate capital investment is detailed in these plans.

Following approval of the revenue budget at Council level, officers within the department work collaboratively with accountancy colleagues to allocate the Education Department budget to all cost centres ensuring Head Teachers and other budget holders have access to the detailed budget under their control by the start of the financial year. The full functionality of the corporate financial system Integra, is used across the department and schools in this regard. AS previously indicated, Head Teachers share this information with the DSM Consultative Group, Parent Council and others as appropriate; further requested budgetary information is provided when requested. Further details are included in [section 4.8](#). Details of the how DSM budgets are allocated is included in [Appendix B](#).

Business Support Managers will produce variance reports each accounting period and will present these to the Head Teacher for consideration. This will allow the Head Teacher and periodically the DSM Consultative Group, to consider:

- Comparison of actual expenditure against budget levels;
- Identify and agree actions to meet savings targets each year;
- To consider spending trends / patterns highlighted (e.g. teachers' absence cover) in order that corrective action may be taken; and
- Draw attention to areas of the budget which merit special consideration for forward planning which may also result in further consultation with wider stakeholders.

<sup>16</sup> Detailed Revenue Estimates Report: [https://www.eastrenfrewshire.gov.uk/media/4760/Council-item-04-15-March-2021/pdf/Council\\_item\\_04\\_-\\_15\\_March\\_2021.pdf?m=637510756152430000](https://www.eastrenfrewshire.gov.uk/media/4760/Council-item-04-15-March-2021/pdf/Council_item_04_-_15_March_2021.pdf?m=637510756152430000)

<sup>17</sup> Budget Setting 2021/22: <https://www.eastrenfrewshire.gov.uk/article/3552/Detailed-2021-22-budget-set-for-East-Renfrewshire>

<sup>18</sup> Capital Investment Strategy: [https://www.eastrenfrewshire.gov.uk/media/4761/Council-Item-05-15-March-2021/pdf/Council\\_Item\\_05\\_-\\_15\\_March\\_2021.pdf?m=637510756156430000](https://www.eastrenfrewshire.gov.uk/media/4761/Council-Item-05-15-March-2021/pdf/Council_Item_05_-_15_March_2021.pdf?m=637510756156430000)

<sup>19</sup> General Fund Capital Plan: [https://www.eastrenfrewshire.gov.uk/media/4762/Council-item-06-15-March-2021/pdf/Council\\_item\\_06\\_-\\_15\\_March\\_2021.pdf?m=637510803544330000](https://www.eastrenfrewshire.gov.uk/media/4762/Council-item-06-15-March-2021/pdf/Council_item_06_-_15_March_2021.pdf?m=637510803544330000)

Additionally, within each school a copy of the school fund procedures manual (SC23) should be made available to all who administer the school fund and it is each member's responsibility to ensure they are aware of and act in accordance with the circular. The Council's Internal Audit team also support schools to consider areas for improvement in regard to financial management with periodic reviews of school practices and subsequent recommendations where required.

In July 2021, the Scottish Government removed charges for music tuition as well as core curricular charges for such areas as ingredients for home economics, materials for technical studies and trips to the theatre associated with drama qualifications. However charges will still exist for such matters as extra-curricular activities, school uniform, school trips etc, wherever possible these should be detailed at the start of the school year in each school's handbook, or highlighted in the school's website on an ongoing basis.

Educational establishments across East Renfrewshire should continue to consider the cost of the school day for pupils, and actions and strategies which can be implemented to ensure that the cost of the average school day for a child is as low as possible. Careful consideration should be given to the use of resources to support children in their experiences where financial hardship is a barrier, with specific consideration to the use of awarded funds to support such actions, such as the Pupil Equity Fund and Scottish Attainment Challenge. These actions will support the closing of the poverty related attainment gap, raising the attainment and achievement of children and young people from the most deprived areas.

The Council provides a free school meal to all primary school children across the P1-P5 stages. Plans are being made for the extension of free school meal provision to all children across the primary sectors over the remaining period of the current parliament. Any parent/carer who requires financial assistance for school meals or school clothing, or young people requiring support in the form of Education Maintenance Allowance, can find more details on the Council's website<sup>20</sup>.

## 4.10 Local Priorities

### 4.10.1 Community Planning Partnership<sup>21</sup>

East Renfrewshire's Community Planning Partnership (CPP) works for and with communities to ensure everyone has the best possible quality of life. East Renfrewshire CPP is made up of a range of organisations, with the Community Plan in place for a 10 year period. It sets out the activities and outcomes to make East Renfrewshire fairer and reduce inequalities.

### 4.10.2 Fairer East Ren Plan<sup>22</sup>

This is our Local Outcomes Improvement Plan as required under the Community Empowerment Act. It focuses on reducing inequality across groups and communities in East Renfrewshire. The plan has 10 year outcomes, with 1 and 3 year targets, where we can make the biggest difference to people's lives. Each outcome area will have a detailed strategy, published separately.

<sup>20</sup> Educational Grants: <https://www.eastrenfrewshire.gov.uk/article/3792/Educational-grants>

<sup>21</sup> Community Planning Partnership Plan: <https://www.eastrenfrewshire.gov.uk/community-planning-partnership>

<sup>22</sup> Fairer East Ren Plan: <https://www.eastrenfrewshire.gov.uk/fairer-east-ren>



### 4.10.3 Outcome Delivery Plan<sup>23</sup>

The Outcome Delivery Plan (ODP) is a 3 year plan, updated annually, which focuses on our activities, performance measures and targets. It also explains what we're doing to ensure delivery of the agreed local outcomes.

### 4.10.4 The Education Department's Local Improvement Plan and Standards and Quality Report<sup>24</sup>

As noted in [section 4.4](#), on a yearly basis the Education Department's Quality Improvement Team and service managers carry out an extensive audit to identify strengths in the department's current provision and areas where further improvement is required. The department's progress with the impact and outcomes listed in the Local Improvement Plan is detailed in the Department's Standards and Quality Report.

The Local Improvement Plan outlines the high level areas for improvement for all services and schools and is informed by the Council's Outcome Delivery Plan which details the targets and indicators that will be used to measure the impact of our work

The plan has a clear focus on improving outcomes for all our learners and the impact we expect to have on the experiences of the children, young people and adults who attend schools and use centres and services.

### 4.10.5 Getting it Right for Every Child (GIRFEC)

The Education Department has as its vision 'Everyone Attaining, Everyone Achieving through Excellent Experiences' and is committed to delivering the best possible outcomes for its children and young people, ensuring they have developed the skills they need for learning, life and work. It is responsibility of everyone to ensure that East Renfrewshire's children and young people are safe, healthy, achieving, nurtured, active, respected, responsible and included. This will enable them to be a successful learner, a confident individual, a responsible citizen and an effective contributor.

The GIRFEC approach is based on solid foundations. There are ten core components and a set of values and principles which bring meaning and relevance at a practice level to single agency and multi-agency working across the whole of children's services.

The GIRFEC approach is about how practitioners across all services for children and adults meet the needs of children and young people, working together where necessary to ensure they reach their potential. It promotes a shared approach and accountability that:

- builds solutions with and around children, young people and families;
- enables children and young people to get the help they need when they need it;

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<sup>23</sup> Outcome Delivery Plan

[https://www.eastrenfrewshire.gov.uk/media/5827/Outcome-Delivery-Plan-2021-24/pdf/ODP\\_2021-24\\_for\\_web.pdf?m=637620337256900000](https://www.eastrenfrewshire.gov.uk/media/5827/Outcome-Delivery-Plan-2021-24/pdf/ODP_2021-24_for_web.pdf?m=637620337256900000)

<sup>24</sup> Local Improvement Plan & Standards and Quality Report

<https://www.eastrenfrewshire.gov.uk/department-performance-information>

- supports a positive shift in culture, systems and practice;
- involves working better together to improve the life chances for children, young people and families.

Further details of East Renfrewshire's approaches to GIRFEC can be found on the Council's website<sup>25</sup> with further information on the underpinning principles, available in the United Nations publication *UNCRC: The Foundation of Getting it Right for Every Child*<sup>26</sup>.

All East Renfrewshire staff fulfil the role of Corporate Parent. As a Corporate Parent, East Renfrewshire Council works collaboratively with other agencies such as the Scottish Government, NHS and Emergency Services to provide the same level of care, support, security and opportunities to children and young people as an effective and supportive parent would. They have a responsibility to do what is needed to make sure children and young people are properly cared for, safe, healthy and encouraged to succeed. In addition a Champions Board oversees key decisions regarding support to our care experienced children and young people. The Champions Board consists of children and young people and key decision makers in the Council. Decisions by the Council on education spending are made in a collegiate and transparent way with due regard to Getting it Right for Every Child (GIRFEC).

There are some specific legislative duties required to be undertaken by East Renfrewshire Council, such as assessing children's needs in order to support children to be successful in their education or to determine what children and young people need to be happy and healthy at home. It is then the Council's responsibility to identify actions which it can undertake to provide further support.

Getting it Right for Every Child (GIRFEC) reflects East Renfrewshire Council's key local outcomes:

- All children in East Renfrewshire experience a stable and secure start to their lives and are supported to succeed;
- East Renfrewshire residents are fit and active and have the skills for learning, life and work.

#### 4.10.6 Planning for East Renfrewshire's Future<sup>27</sup>

This information allows us to better plan for the future and will inform key decisions on policy. The council regularly updates and refines the information in this report as more up-to-date information becomes available.

### 4.11 Staffing Structures

East Renfrewshire Council's school teaching staff budget allocation process commences in January each year with the completion of the P1 catchment application and the P7-S1 transfer

<sup>25</sup> ERC GIRFEC: <https://blogs.glowscotland.org.uk/er/meetinglearnerneeds/girfec-guidance/>

<sup>26</sup> UNCRC The Foundation of Getting it Right for Every Child: <https://blogs.glowscotland.org.uk/er/public/meetinglearnerneeds/uploads/sites/16100/2018/08/UNCRC-The-Foundation-of-Getting-it-Right-For-Every-Child-SG.pdf>

<sup>27</sup> East Renfrewshire: Planning for the Future Report [https://www.eastrenfrewshire.gov.uk/media/688/Planning-for-the-future-2019/pdf/Planning\\_for\\_the\\_future.pdf?m=63737153930620000](https://www.eastrenfrewshire.gov.uk/media/688/Planning-for-the-future-2019/pdf/Planning_for_the_future.pdf?m=63737153930620000)

processes. The information from the catchment application processes, along with current school roll analysis, allows the Education Department to project the school roll for each establishment for the commencement of the following academic year.

The allocation of staffing budget for primary school teaching staff is calculated on the basis of a school's roll and the classification of classes determined as being required to meet demand. With regards to best value principles, the most efficient classification for a primary school is determined by the Education Department and shared with Head Teachers who have the opportunity to provide feedback on the proposed classification. Once confirmed, a primary school's designed classification must only be altered following agreement with the Head of Education Services (Performance and Provision); this ensures that the Education Department and school are aligned with regards to the number of places available within a school and at each stage, in order to manage future catchment and placing request applications. In allocating teaching staff budget, consideration is also given to other factors, for example, non-class contact time and staff absence cover.

The allocated budget for management staff and pupil support teachers to primary schools is determined using a formulaic approach which takes into consideration:

- the projected school roll for the following academic term;
- any associated nursery class provision; and
- demographic information relating to the school's cohort such as the proportion of children with additional support needs, the proportion of children residing in areas of low social and economic affluence as determined by the Scottish Index of Multiple Deprivation and ethnicity.

Further details of the allocation of teaching staff budget to primary schools is included in Appendix B.

Secondary schools are allocated a fixed amount of full time equivalent staffing budget which is then increased on the basis of each school's projected roll for the next academic year, which takes account of school leavers at S4-S6 year stages and the new S1 intake. Additional budgeted staffing allocation is made to each school for other teaching staff based on equity, i.e. additional support needs, behaviour support and language support. Although staffing budgets are allocated to secondary schools, it is not prescriptive in determining the total teaching FTE or the promoted structure within the school. Head Teachers have flexibility, within available resources, to determine the appropriate staffing structure to meet the needs of pupils. Head Teachers in the secondary sector have autonomy (in keeping with SNCT and LNCT agreements) to determine the staffing required within their school to meet the curricular demands of the school community; this supports Head Teachers, in partnership with stakeholders, to deliver a curriculum which meets the needs of the learners within the school community. Head Teachers do have flexibility with regards to the senior and middle management structure (including faculty composition) within a school and the allocation of management time to staff. When considering staffing composition and the design of the curriculum to be delivered, Head Teachers must take a holistic view of the possible implications of such staffing changes with regards to children and young people's entitlements and to ensure a breadth of curricular areas and progression is catered for. Furthermore, any management structure changes may have wider implications with regards to the factors highlighted in other areas of this DSM scheme. Therefore when considering any changes to management structure a business case which details the current and proposed management structure and rationale/benefits of such a change (along with budgetary implications) should be undertaken and submitted to the school's pastoral Head of Education Services for further

consideration. The pastoral Head of Service will work with the Head Teacher to ensure that any management structure changes do not have a wider consequential impact.

With the aim of allowing a flexible approach and recognising the very individual and specialised needs of the Council's special school, the delegated budget is constructed in a different way from primary and secondary schools. Rather than applying a formulaic model, staffing budgets are allocated on a needs basis which supports the school's flexibility to target areas of particular need, all the while ensuring appropriate legislation, such as pupil-teacher ratios for children in the special sector, are adhered to.

Following the annual school pupil census collection, which takes place in September each year, a review of the allocated staffing budget is made using the actual school roll data published by the Scottish Government annually in December/March.

Promoted posts within East Renfrewshire Council are job sized using the Council's job sizing toolkit. The toolkit takes consideration of various factors such as roll, levels of responsibility, nursery class, specialist units and demographic information. The whole establishment data which contributes to promoted post job sizing, is monitored on an ongoing basis to determine if a trigger for re-evaluation has been met.

Staffing budget is also devolved to Head Teachers for other local government employees such business support staff, pupil support assistants and child development officers etc; Appendix B provides a summary of how these budgets are allocated.

Across East Renfrewshire there are seven clusters of schools comprising of a secondary school and associated primary schools and early learning and childcare establishments, with one cluster also having a special school as part of its community. Each cluster is allocated a Business Support Manager whose role it is to:

- Advise Head Teachers on the processes and procedures of DSM;
- Finance and budgetary control;
- Assist with property and facilities management issues;
- Contracts and supplies provisions;
- Be aware of and ensure adherence to all appropriate standing orders and financial regulations;
- Provide guidance on efficiency savings;
- Any other associated DSM duties.

It is the responsibility of the Head Teacher, supported by Business Support Managers to ensure effective management of financial and other resources for learning and teaching. This includes ensuring effective budgetary control.

## **4.12 Legislative and Contractual Requirements**

Although staffing budgets are devolved to schools, East Renfrewshire Council is the employer and all major conditions of service continue to be negotiated at national level via the SNCT, and with those devolved to LNCT determined locally.

Within the devolved scheme, schools must adhere to SNCT/LNCT agreements in areas such as class sizes, staff structures, length of the school day etc.

Where finances (grant awards) have been allocated to the local authority or schools, where restrictions on the use of the award exist, it is the responsibility of the local authority and

schools to ensure that the allocated funds are used for this specified purposes and that any reporting of outcomes be completed and submitted to the awarding body.

In accordance with the Standards in Scotland's Schools etc. Act 2000, education authorities must have due regard to the need to carry out school education functions in a way designed to reduce inequalities of outcome for those pupils experiencing them as a result of socio-economic disadvantage, where:

- an education authority is making a decision of a strategic nature about the carrying out of its functions relating to school education;
- an education authority is considering what steps to take to implement such a decision.

The duty applies to all children in early learning and childcare education and those in receipt of primary or secondary education provided by an education authority, including those placed in an independent or grant aided school by an education authority, and covering education delivered in partnership with colleges, employers and Community Learning Development Partners. When making decisions of a strategic nature, the Education Department must fulfil its requirement for due regard by seeking and having regard to the views of various stakeholders.

The Education Department, schools and ELC centres take a wide range of decisions relating to individual learners and other day-to-day operational matters within the establishments they operate, including the support required to overcome barriers to children's learning without the need for consultation. The Education Department will consult with appropriate stakeholders on high level strategic decisions which influence the way in which education is provided across the Council. The Education Department and education establishments will frame local policies within strategic decision making processes. Therefore, strategic decisions can ultimately impact on the operational matters within individual schools and classrooms.

#### **4.13 Staff Resources**

Head Teachers across East Renfrewshire are actively engaged in designing the recruitment process for teaching staff across the Council. Head Teachers are consulted on current arrangements and changes which can be made to improve the processes. Procedures on the processes for recruitment of teaching staff (promoted & un-promoted) is a matter devolved to LNCT and as such, Head Teachers may also be consulted by their trade union representatives on the LNCT. East Renfrewshire's LNCT 19 agreement details the processes of recruitment for staff in accordance with SNCT and must be followed at all times by Head Teachers when recruiting.

There are currently robust procedures in place to ensure that schools are provided with the resources and support required to meet the needs of all learners. This includes processes and specialist groups for considering allocation of additional resources, including staff, such as:

- Early Years Interventions Group
- Education Resource Group
- Inter-Agency Consultative Group
- Annual PSA audit and allocation

- Healthier Minds Referral Hub
- Staffing structures which take account of equity

Bilingual Support Assistants are allocated to schools in accordance with the language acquisition level of the pupils. Furthermore, if a Head Teacher believes that the school has not been allocated appropriate levels of bilingual support assistant time, a referral system is in place whereby Head Teachers can request additional support which will be considered by the Quality Improvement Officer with responsibility for Equalities.

Other services such as Teachers of the Deaf (TOD), Prevention and Intervention Officer Support and Outreach Service are supports which are allocated by the direction of the Educational Psychology Team and the Education Resource Group.

Pupil Support Assistants (PSA) are allocated to schools on the basis of need. Schools are asked to submit annually details of pupils who require additional support, their wellbeing level and support hours requested. The allocation of PSA support is undertaken by Head of Education Services (Equality and Equity) and the Quality Improvement Officer (ASN) on an equitable needs basis.

Educational Psychologists are allocated on a cluster basis. If a school wishes a child to be added to the Ed Psych caseload they need to complete a referral form. Ed Psych has an allocation board where they review referrals and sometimes it is not the school cluster Education Psychologist who is allocated as there may be someone who has been trained in a specific intervention who is more suitable.

The Educational Psychology Service is committed to realising the Education Department's vision of 'Everyone Attaining Everyone Achieving Through Excellent Experiences' and to *Getting It Right* for all children and young people in East Renfrewshire. The service strives to provide the community with a high quality, accessible service that applies evidence-based psychology to improve experiences and outcomes for the most vulnerable children, young people and families.

Further details on East Renfrewshire's Educational Psychology Service is available on the service's website.<sup>28</sup>

#### 4.14 Professional Support teams, functions and transparency

Details of staffing budget allocated to schools as part of the DSM for support staff such as local government employees and Business Support Managers is included in previous sections of this DSM scheme.

Council Department	Functions Supported
Education Department	<ul style="list-style-type: none"> <li>• All educational matters (early years, school and adult learning), pedagogy, curriculum, quality improvement and self-evaluation;</li> <li>• Educational Psychology;</li> </ul>

<sup>28</sup> East Renfrewshire Educational Psychology Service:  
<https://blogs.glowscotland.org.uk/er/PsychologicalService/>

	<ul style="list-style-type: none"> <li>• Performance analysis;</li> <li>• Local and national priorities and initiatives;</li> <li>• Legislative matters;</li> <li>• SEEMIS school management information system</li> <li>• Administration;</li> <li>• Human resources in partnership with corporate colleagues;</li> <li>• Risk and Health &amp; Safety;</li> <li>• Budgeting, staffing and financial matters, including DSM in partnership with corporate colleagues;</li> <li>• Early years, school admissions and placing requests;</li> <li>• School transport;</li> <li>• Complaint handling;</li> <li>• Parental engagement;</li> <li>• Consultation.</li> </ul>
Facilities Management	<ul style="list-style-type: none"> <li>• Janitorial services;</li> <li>• Catering services;</li> <li>• Cleaning services;</li> <li>• School crossing.</li> </ul>
Environment/Property Technical Services	<ul style="list-style-type: none"> <li>• Education estate/building repairs and maintenance;</li> <li>• Support with new school estate;</li> <li>• Grounds maintenance.</li> </ul>
Health and Social Care Partnership	<ul style="list-style-type: none"> <li>○ Social work functions to support children and families.</li> </ul>
Business Operations and Partnerships	<ul style="list-style-type: none"> <li>○ All aspects of HR including recruitment, supply staff etc.;</li> <li>○ IT services;</li> <li>○ Public Relations/Communications</li> </ul>
Chief Executive's Office	<ul style="list-style-type: none"> <li>○ Support with Legal issues;</li> <li>○ Accountancy;</li> <li>○ Internal Audit</li> <li>○ Support with procurement.</li> </ul>

#### 4.15 Budget underspend / overspend

East Renfrewshire Council recognises that a range of factors need to be considered in determining the optimum model for the devolvement of budgets to schools to ensure that best value is achieved and to empower Head Teachers to achieve the best possible outcomes for children and young people.

Following discussions with Head Teachers in 2017/2018 on budgetary matters and in particular with regard to savings requiring to be achieved, Head Teachers indicated that they would rather decide themselves how they deal with a reduction in their school budgets. Providing Head Teachers with the ability to carry-forward unspent devolved budget, recognising that the academic year runs from August-June, transcending the financial year-end of 31 March, provides Head Teachers with greater budget flexibility and maximises best value to align with the School Improvement Plan, recognising that expenditure commitments operate on an academic year and not on a financial year basis. In order to facilitate this approval was granted for the establishment of a DSM Reserve for each school/centre.

The Education Department is clear that budget devolved to a school in any financial year should be targeted at the priorities in the School's Improvement Plan and should be for the benefit of current pupils. Head Teachers must therefore ensure that all carry forwards are planned and should not be used as a means of setting aside resources for the future with no identified plans for the carry forward. All carry forwards must be entirely used within a three year period aligning with the School Improvement Plan and its timeframe.

Head Teachers in East Renfrewshire have the facility to carry forward underspent devolved school management resources only. In determining if any underspend can be carried forward the following condition must be met:

- the overall Education Department budget (excluding central support recharges and the service payment to East Renfrewshire Council Leisure Trust) is underspent (as verified by external audit of the annual report and accounts of the Council).

Provided the above condition is met, Head Teachers on behalf of schools are able to carry-forward a proportion of unspent DSM budget into the DSM reserve subject to the following threshold:

- the maximum amount held in each school/centre DSM Reserve at the end of the financial year is no greater than 6% of the total devolved budget for that financial year

The actual carry-forward into the DSM Reserve each year is calculated by determining the overall variance on the school/centre DSM budget as part of the year-end procedures and is overseen by Accountancy colleagues.

Where a school's underspend would lead to an overall DSM reserve balance greater than the maximum 6% allowable of the school's budget at the end of the financial year the excess funds are returned to the Council's reserves.

Where an overspend occurs, the shortfall in budget will be deducted from the school's DSM budget via an increased savings target in the following financial year and the Head Teacher will be required to provide an action plan to evidence how they will deliver a balanced budget by the end of that same financial year. If a school's DSM budget outturn position is unreasonably or persistently overspent, despite strong budget monitoring and support, then such action could be considered by the Director of Education as grounds for disciplinary action.



## 4.16 Virement

Virement is defined by CIPFA as “the transfer of an underspend on one budget head to finance additional spending on another budget head in accordance with the Financial Regulations”. In effect virement is the transfer of budget from one main budget heading (employee costs, supplies and services etc) to another, or a transfer of budget from one service to another.

Prompt and well controlled virement is crucial to budget management and in-year planning. Within East Renfrewshire, Head Teachers may vire funds. Virements up to the limits detailed in Appendix B are at the discretion of the Head Teacher, without the need for further external reference, albeit discussion will take place with the school’s Business Support Manager and may be discussed with other stakeholders where appropriate. If funds are being vired for the purpose of meeting required savings, there is no limit to the amount of funds which can be vired.

Virements will only be processed by the central budget unit when savings are clear on financial systems at the point the virement is requested. When savings are expected to be made after this point, further evidence will be required to the workings of the projected savings. Further details relating to virement under the DSM scheme include:

- Following relevant consultation via the local DSM Consultative Group any approved virement of funds from one expense head to another must be properly recorded and actioned;
- Virement of funds applies to devolved expense heads only;
- Adherence to legislation and national agreements on conditions of service;
- Virement must not create additional overall future budget liability. One off savings or additional income should not be used to support recurring expenditure or to create future financial year commitments for increased expenditure, including full year effects of decisions made part way through a year, for which budget provision may not be available in future years;
- The financial cost of any variance to the promoted and unpromoted staffing structure must remain within allocation and effective school management must be ensured;
- Virement may not be possible on any grant allocated budget lines until conditions of the grant have been fully met.

#### **4.17 Review, methodology and Stakeholders**

The DSM scheme will be subject to a formal 3-yearly review involving stakeholders and a peer Local Authority if appropriate and will be published following Education Committee/Cabinet approval of the scheme. Ongoing review of the scheme will take place in the intermittent years between publications with various stakeholders, reviewing key areas/themes on an ongoing basis.

Any minor changes which are required during intermittent years will be presented to the Education Leadership Team for consideration and approval, and the scheme updated and republished. More significant changes can also be made during intermittent years however these changes will require to be presented to Education Committee/Cabinet.

## 5 Appendices

## 5.1 Appendix A: Budget Areas Devolved / Non-Devolved to Schools

Budget Category	Devolved	Not Devolved
Staff Costs	✓	
Property Costs (Inc Insurance) - with the exception of the following lines :-		✓
Cleaning and Hygiene Supplies	✓	
Furniture and Fittings	✓	
Other Property costs	✓	
Transport Costs - with the exception of the following lines:-		✓
Consortium Transport	✓	
Supplies and Services - with the exception of the following lines :-	✓	
PFI/PPP costs		✓
School Meal Costs		✓
Cash Uplift Costs		✓
Third Party Payments - SQA Costs	✓	
Corporate Support Services		✓
Income - with the exception of the following line :-		✓
Easter School income	✓	
Management Information System (SEEMIS)		✓
School Clothing Grants		✓
Education Maintenance Allowance		✓
Music Instruction, Other Visiting Teachers (LA Employed)		✓
Parent Council Expenditure		✓
Premature Retirement Costs		✓
Health and Safety		✓

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## 5.2 Appendix B Summary of Devolved Budget Lines

Budget Category	Description	Basis of Allocation of Resources to Schools	Amount of School Virement Level per Financial Year (1st stage) £	Comments
Staff Costs	Teaching Staff Salaries (Including Promoted Staff Structure)	Approved staffing formulae for ELC, Primary and Secondary schools and approved needs based allocation for Special schools and other specialist provision.	Total of £20,000 for Basic Pay + Average NI and Super and App Levy rates for the financial year.	Virements to clear savings are exempt from 1st stage virement threshold. Virements over and above £20,000 Basic can be approved at Head of Service level. When this is required the 2nd stage budget journal template should be completed and submitted for Head of Service approval detailing the spending plan. Following approval by the Head of Service the virement can be processed via the Integra financial system.
	Teaching Staff Salaries - Easter School	Budget formulae based on S4, S5 and S6 school roll	See Comments	Depending on applicable charging policy, Easter School income should be taken into consideration, any overspend must be covered by the school, similarly any underspend virement is permitted.
	Probationers Basic	Subject to annual bid and allocation of posts/funding from Scottish Government. Bids and allocation of fully funded posts subject to approval of the Education Leadership Team.	Nil	Where applicable part-funded via school's core teaching staff budget. Note ERC's financial settlement assumes a minimum number of part-funded probationer posts for primary and secondary sector each year.
	Devolved Replacement Teaching budget	Number of days per FTE allocated to each school	Up to 20% of original budget	Teaching Staff Salaries rules apply in terms of savings exemption and restriction of virements until grant conditions are met. Absence cover arrangements are subject to variation by local LNCT agreement.
	Teaching Staff Travel	Primary and Secondary Schools - allowance per FTE	Up to full budget amount	

Business Support Staff	Approved staffing formulae for business support staff based on number of pupils on school roll and SMID % for school.	£5,000 basic pay in total for all Local Government Staff groups + Average NI, Super and App levy rates for the financial year.	Virements to clear savings are exempt. If further virements over and above £5k basic are required then the 2nd stage virement process should be followed. When this is required the 2nd stage budget journal template should be completed and submitted for Head of service approval detailing the spending plan. Following approval by the Head of Service the virement can be processed via the Integra financial system.
Early Years centres (excluding business support/PSAs etc)	Per annually approved staffing model required to maintain staffing ratios based on projected number of children each year and preferred delivery model.		
Pupil Support Assistants	ASN allocation based on school roll and individual ASN levels within school Behaviour Support allocation within secondary schools		
School Technicians	Approved staffing formulae in secondary schools based on roll banding and the allocation of various Technicians to each Secondary School		
Social Justice Manager	Agreement with Head Teacher and Education Leadership Team.		
Bus Escort	Supervisory Asst as part of staffing formulae. Bus escorts in special sector as approved		
Modern Apprentice	Part of approved Business Support staffing formulae in secondary schools - 1 FTE per school.	Nil	

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<b>Property Costs</b>	Cleaning & Hygiene Supplies	An allowance per pupil based on projected school roll at August following start of financial year. Specialist provision receive a fixed amount only.	£5,000 or up to full budget if lower amount.	Purchase of janitorial and additional cleaning hygiene supplies. Budget adjusted for PFI schools given covered by contract.
	Furniture & Fittings	An allowance per pupil based on projected school roll at August following start of financial year plus a fixed amount for primary and secondary only. Specialist provision receive a fixed amount only.	Up to full budget amount	
	Other Property Costs	ELC family centres only - variable fixed amount depending on age profile of children attending.	Up to full budget amount	
<b>Transport Costs</b>	Pupil Transport Consortium	Allocation as per Head of Service	Up to full budget amount	Budget for transport costs of pupils travelling to other educational establishments for studies
<b>Supplies and Services</b>	Purchase Equipment (office)	Fixed amount per school plus an allowance per pupil on projected school roll at August following start of financial year. An additional fixed amount for schools with roll over 1,200 pupils at August following start of financial year. For ELC - no fixed amount provided.	£5,000 or up to full budget if lower amount.	
	School Library books	Fixed amount per primary school. Fixed amount per secondary school plus an allowance per pupil on projected school roll at August following start of financial year	Up to full budget amount	

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	Materials (Classroom resources)	Fixed amount per school plus an allowance per pupil on projected school roll at August following start of financial year. SMID is taken into account in the formula for this expense head. ELC and Special - allowance per child/pupil based on projected roll at August following start of financial year.	Up to full budget amount if allocating to departments within school under same expense head, otherwise £5,000 or up to full budget if lower amount.	
	Printing & Stationery	Fixed amount per school, plus an allowance per pupil on projected school roll at August following start of financial year. For ELC - no fixed amount provided.	Up to full budget amount	
	Telephones	Fixed amount per school, plus an allowance per pupil on projected school roll at August following start of financial year. In addition fixed amount for line rental based on lines per establishment.	Up to full budget amount	
	Postages	Fixed amount per school, plus an allowance per pupil on projected school roll at August following start of financial year. For ELC - no fixed amount provided.	Up to full budget amount	
	Television Licences	Based on cost of TV Licence and allocated to relevant centres only.	Up to full budget amount	
	School Activities	Fixed amount per school, plus an allowance per pupil on projected school roll at August following start of financial year.	£5,000 or up to full budget if lower amount.	



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	Outdoor Education	Fixed amount per school plus a formula based on school roll with deprivation (PEF) incorporated.	Nil	
	Work Experience Travel & Subsistence	Transport allowance per S4 pupil based on projected school roll at August following start of financial year.	Up to full budget amount	
	Support for Quality Education Experiences	Allowance per pupil on projected school roll & Teachers FTE (primary and secondary) at August following start of financial year. ELC - fixed amount and allowance per pupil. Special - allowance per pupil.	£5,000 or up to full budget if lower amount.	To enhance curriculum within schools
	Framework For Learning Resources	Allocation to Special sector only as per Head of Service / Quality Improvement Officer (QIO)	£5,000	
	Devolved Efficiency Savings / Managed Savings	Budget savings allocated pro-rata to teaching staff budget for primary and secondary schools. Fixed efficiency saving amount for ELC and Special	N/A	Negative Budget Entitlement, virement required to clear savings target
<b>Third Party Payments</b>	Scottish Qualifications Authority	Allocation based on number of presentations	Nil	Budget provided for all eligible pupils

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5.3 Appendix C: Staffing Allocation (Teaching & Management): Primary and Secondary Schools

**Staffing Formula – Primary Sector**

FTE by Class - 1.11 FTE allocated for every class to be formed (i.e. 1 FTE teacher plus associated non-class contact time). *An annual exercise is undertaken to project pupil roll and classification for each school taking account of class size legislation and any accommodation restrictions.*

**PLUS**

FTE allocation for nursery class (where appropriate)

**PLUS**

Management time FTE based on the following roll band model

BAND	SCHOOL ROLL INCLUDING NURSERY	HT	DHT	PT	MGT TIME <sup>29</sup>
1	0-100	1	0	0	1
2	101-209	1	0	1	1.2
3	210-309	1	1	0	1.5
4	310-419	1	1	1	1.7
5	420-519	1	1	2	1.9
6	520-629	1	2	1	2.2
7	630-729	1	2	2	2.4
8	730-839	1	2	3	2.6
9	840+	1	3	2	2.9

MANAGEMENT TIME (FTE)	
HT	1.0
DHT	0.5
PT	0.2

<sup>29</sup> Note In addition: PT allocation for equity (average SIMD); PT allocation for large nursery classes

**PLUS**

FTE allocation for cover (equates to 3% of class and management FTE total).

*Note this is separate from devolved replacement teaching budget allocation.*

**PLUS**

Allocation of Pupil Support Teachers – 1 FTE per school plus further allocation in recognition of levels of:-

- ASN
- SIMD (1-3)
- Ethnicity

Total additionality in terms of Pupil Support ranges from 1.0 FTE to 1.9 FTE

**PLUS**

Allocation of additionality to support particular priorities e.g. improvement in the attainment of the lowest performing 20% of pupils or recovery/building back better following the COVID pandemic.

*Such additionality is dependent on funding being made available either locally within ERC or ring-fenced via the Scottish Government.*

**Staffing Formula – Secondary Sector**

Roll entitlement FTE = (Fixed element of 9.7 FTE plus per pupil tariff of 0.0611) X 99%

**PLUS**

Specific agreed additionality in respect of:-

Equity/Raising attainment of lowest performing 20% of pupils

Reduced class sizes for English and Maths

Behaviour support

Recovery/Building back better after the COVID-19 pandemic

ASN

Bi-lingual support