

EAST RENFREWSHIRE COUNCIL3 March 2022Report by Chief Financial OfficerFINANCIAL PLANNING 2022-2028**PURPOSE OF REPORT**

1. To submit for approval the updated Outline Revenue Financial Plan for 2022-2028.

RECOMMENDATIONS

2. It is recommended that the Council: -
 - (i) notes the continuing budget pressures anticipated in the next 6 years and the mitigating actions proposed; and
 - (ii) approves the Outline Revenue Financial Plan 2022 – 2028

BACKGROUND

3. East Renfrewshire Council has undertaken long term financial planning for many years.
4. Capital planning is undertaken over a rolling 10 year period, reflecting the contents of the Capital Investment Strategy and the need to plan infrastructure over an extended period.
5. The Council normally plans its detailed revenue budgets over a 3 year time horizon and seeks to align these with the multi-year settlements from the Scottish Government. Due to the recent production of single year budgets by the Scottish Government and to significant shifts in the overall budget allocated to local government making long term planning challenging, the Council has been unable to prepare and publish detailed 3 year budget plans, updated annually, as it has in previous years. The Council does, however, maintain a rolling 3 year departmental budget to assist with its Outcome Delivery Plans and produces a Financial Planning document each year, forecasting financial resource levels for the next 6 years. As the Scottish Government intends to resume publication of multi-year settlements from May/June 2022, it is expected that the Council will resume its 3 year detailed budget setting approach from 2023/24.
6. The Council budget, which will be set today, will be set for a single year only, as a result of the lack of longer term national financial planning information. The budget proposals for 2022/23 reflect the terms of the Local Government draft settlement, announced by the Scottish Government on the 20th of December 2021, together with the late announcement of a further £120m of non-recurring funding for Councils in 2022/23. The Council's Outcome Delivery Plan and outline multi-year budget plans for 2023/24 onwards will also be refined to take account of the final figures.
7. Future multi-year budgets will align with longer term financial, workforce and asset planning. As recent settlements for Local Government have been on a single year only basis and have been difficult to predict, work has been undertaken by the Corporate Management Team to plan for a number of financial scenarios.

8. Traditionally the longer term financial outlook and the associated financial plans of the council have been presented at the annual budget meeting. This paper updates the Financial Planning document approved on 25 February 2021 and covers the next six years, 2022/23 to 2027/28.

9. It should be noted that financial planning is extremely difficult in the present economic and political situation, with continuing uncertainty on both the impact of Brexit and the ongoing COVID-19 pandemic complicating matters. Financial markets are uncertain about future economic growth prospects and the impact on the finances available to Scottish local government is very difficult to predict. One year budget settlements, rising inflation and late settlement of pay awards are making the situation even more challenging. The Council will have to be prepared to continue to analyse a range of scenarios and be ready to undertake detailed budget planning as the most likely scenarios emerge for future years from future multi-year settlements.

FINANCIAL OUTLOOK

10. Each year since May 2018 the Scottish Government has published its Medium Term Financial Strategy, taking account of the new financial powers provided through the Scotland Acts 2012 and 2016. The Medium Term Financial Strategy was most recently updated in December 2021.

11. The new Scotland Act's powers resulted in a change from Scottish Government funding being supported mainly from UK Block Grant and Non Domestic Rates to the introduction of a Scottish rate of Income Tax, Scottish Landfill Tax, Land and Buildings Transaction Tax, Scottish Air Passenger Duty and the retention of VAT raised in Scotland. UK Block Grant funding is correspondingly reduced to take account of these new powers.

12. The Scottish Fiscal Commission has a key role in forecasting future Scottish tax income but this is very difficult, given the amount of concurrent change, so the Medium Term Financial Strategy contains only a broad approach to managing the Scottish budget.

13. The Scottish Government's latest Medium Term Financial Strategy considers the medium term sustainability of Scotland's public finances and sets the context and various scenarios for the Spending Review scheduled for May/June 2022. Whilst the Scottish economy has made a good recovery from the pandemic impacts and should be back at pre-pandemic levels by June 2022, inflation will be a challenge for the next year or so and slight differences in the Scottish and UK economies' structures (e.g. higher proportion of oil and gas industry in Scotland) could result in the Scottish economy growing slightly slower than the rest of the UK in the medium term. The central scenario is for Scottish Government resources to rise by less than 1% for 2023/24, 2% in 2024/25, then by over of 3% in the next two years. Given current inflation of above 5%, this will prove difficult for public services, particularly those that are not regarded as priority areas such as health and social security. The document recognises that efficiencies, spending reductions and reform will be required for non-priority areas.

14. In response to the 2021 Independent Review of Adult Social Care, a consultation on the proposals for a National Care Service (NCS) was launched in August 2021 and the analysis of the responses was issued in February 2022. The proposals set out wide ranging implications for IJBs including creation of Community Health and Social Care Boards directly accountable to Scottish Ministers with a commissioning local delivery body for the NCS. The consultation did not include a financial analysis on the implementation of the proposals.

15. The ongoing COVID-19 pandemic continues to have a major impact on all public sector medium term plans, as does Brexit and the Levelling Up agenda. The Council's financial plans will continue to factor in any changes as these emerge.

16. The UK Spending Review in October/November 2021 covered the next three years and indicated a significant cash increase in revenue funding for Scotland in 2022/23, however this is difficult to compare on a like for like basis with the current year due to the one-off COVID funding received this year and last, which will not be recurring. Real terms cuts are indicated for 2023/24 and 2024/25 but with the NHS likely to receive above inflation uplifts to the detriment of other budget areas. Due to the timing of the UK announcement and to ongoing uncertainties relating to COVID-19, a multi-year Scottish spending review will not take place until spring 2022, so there remains a large degree of uncertainty in medium to long term financial planning at present.

17. John McLaren of the University of Glasgow expects Scottish revenue budgets other than Health and Education to reflect much lower levels than the above headline figures in the next year or two. This is due to prioritisation of these services and to the impact of other changes relating to areas including tax and block grant.

18. The position will start to become clearer after the findings of the Scottish Spending Review are announced in May/June this year.

19. More broadly, the Governor of the Bank of England is concerned at rising inflation, forecast to peak at 7.25% in April 2022, and has initiated increases in interest rates to combat this. However he does not expect the bank rate to have to rise as far as 1.5% by mid-2023 to allow inflation to fall back to the target 2% in three years' time.

20. The Council's Treasury advisers, Link Consultancy, have recently assessed the outlook for UK economic growth and interest rates. They note that the end of the furlough scheme has not impacted the economy as much as had been feared but that further recovery may be hindered by emerging labour shortages. The widespread Omicron variant was expected to slow the inflationary pressures in oil and other commodities but the current higher than forecast inflation rates instead resulted in the Bank of England raising rates to 0.5% in February with further rises expected to take the rate to 1.25% by December 2022 before stabilising. Nevertheless, rates are expected to remain very low for the next three years and below 2.5% long term.

21. Overall, the longer term outlook is not just about the level of resources nationally, but increasingly about the change in prioritisation of these resources, For example there may be less focus on office space and travel and more focus on shorter supply chains and digital provision. The Council's plans for "The Way We Work", digital transformation and "Get To Zero" are being developed to address new ways of delivering services post COVID whilst reducing carbon emissions. Likewise there is expected to be an increased focus on social care within the public sector as the country recovers from the pandemic and plans for a new national care service develop.

22. The draft 2022/23 public sector revenue budget plans announced by the Scottish Government on 20 December 2021 reflected an increase of £791m (7.19%) in cash terms for Councils, but after adjusting for £891m of new commitments and policy pressures included in the settlements COSLA calculated this to represent a £100m (0.9%) cash reduction in core budgets. Subsequently an additional one-off £120m was announced, bringing the cash position to an increase of £20m, although the base position for 2023/24 remains a £100m reduction. Most protection and new commitments related to Health and

Social Care, Education and to Early Learning and Childcare. Pay increases for 2022/23 have not yet been agreed but negotiating bodies are expected to seek awards significantly in excess of Scottish public sector pay policy, which is estimated to produce average rises of slightly above 2%. These factors will continue to increase pressures on Council services which are not afforded Scottish Government protections or prioritisation.

23. Scottish Budget plans published relate only to 2022/23 and considerable uncertainty exists beyond this due to the ongoing impact of Brexit and COVID-19, future Scottish tax revenues and the relative growth rates of the Scottish and UK economies. It is hoped that the Scottish Government will be able to move to multi-year settlements from 2023/24 and this would be welcomed as an aid to forward planning.

24. In recent years additional funding has been announced for local government as the Scottish budget progresses through the Parliamentary stages. Final confirmation of the 2022/23 Scottish budget will not be available until all stages are completed in early March 2022, however scope for late changes has reduced due to the SNP/Green joint working arrangements which include budget matters.

25. Consideration has been given to the additional fiscal flexibilities announced during 2020 for local authorities in terms of utilising capital receipts, deferring loans fund repayments for 12 months and/or reprofiling PFI/PPP debt calculations. Such options were offered to help Councils to meet the cost of unfunded COVID-19 pressures without impacting on short term revenue budget plans. The Council has earmarked £2m of capital receipts in case existing COVID grant funding proves to be insufficient to meet related pressures in 2022/23. Any such capital receipts not required for this purpose will be returned to the Council's capital reserve as at 31 March 2023. Funding forecasts in this report reflect that the Council intends to make use of existing COVID grants and the capital receipts fiscal flexibilities to cover any unfunded COVID pressures in 2021/22 and 2022/23 and does not expect COVID pressures to be met from core budgets.

26. The Council's grant for 2022/23 is £207.696m and produces a cash increase of £11.6m (5.9%) over the 2021/22 grant figure reported to Council in February 2021, however recognising that £10.4m of this increase relates to new commitments, mainly relating to substantial adult social care funding pressures, this represents only a £1.2m (0.6%) cash increase, or a flat cash position once mid year 2021/22 one-off grant allocations are factored in. After recognising that £2.2m of the 2022/23 grant is one-off funding, the settlement represents a £1.0m cash reduction on a recurring basis.

27. For the first time in more than a decade, the 2022/23 settlement gave Councils freedom to set their level of Council Tax for the coming year.

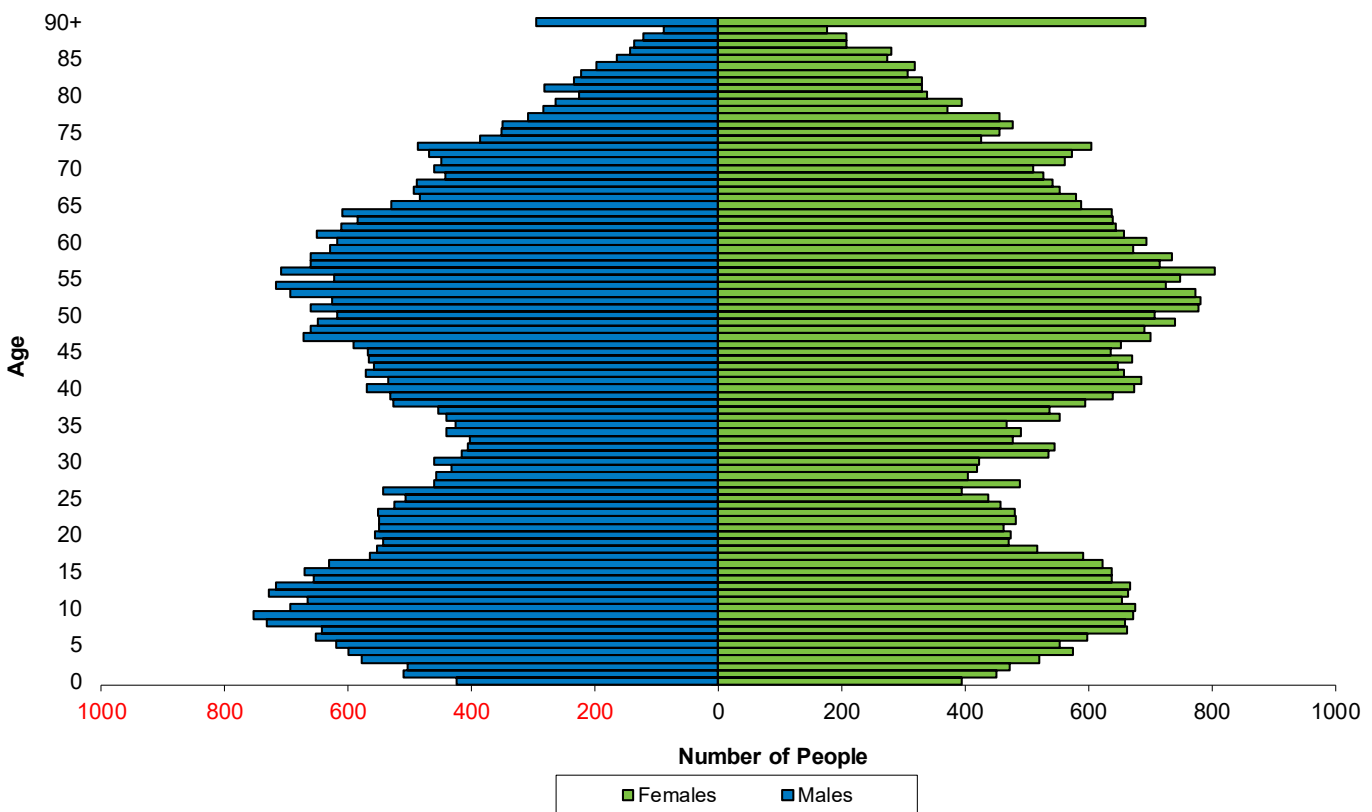
DEMAND PRESSURES

DEMOGRAPHICS

28. Our Planning for the Future report and Infographic Summary provides a comprehensive summary of a detailed analysis of the changing demographics of the East Renfrewshire Area. The report includes trend information from the Census and the use of the NRS mid-year estimates and NRS population projections. The latest update to the Planning for the Future report has been delayed because of the impact of Covid-19, all figures in this report have been updated to reflect the most recently published data. Information which is used to create the Local Development Plan such as service demand,

SIMD data and future housing projections and associated infrastructure is also included. The report provides an overview of natural changes in the population such as birth and death rates and incorporates the latest figures released on the significant rise in net migration across the East Renfrewshire area.

29. The population of East Renfrewshire is currently estimated at 96,060. The pyramid below shows the population split by age group and gender. Around 20 per cent of the population is made up of children and young people aged 0-15. The working age population (16-64) accounts for 60 per cent of the population whilst older aged adults (65 and over) make up the remaining 20%.



Source: NRS 2020 Mid-Year Population Estimates

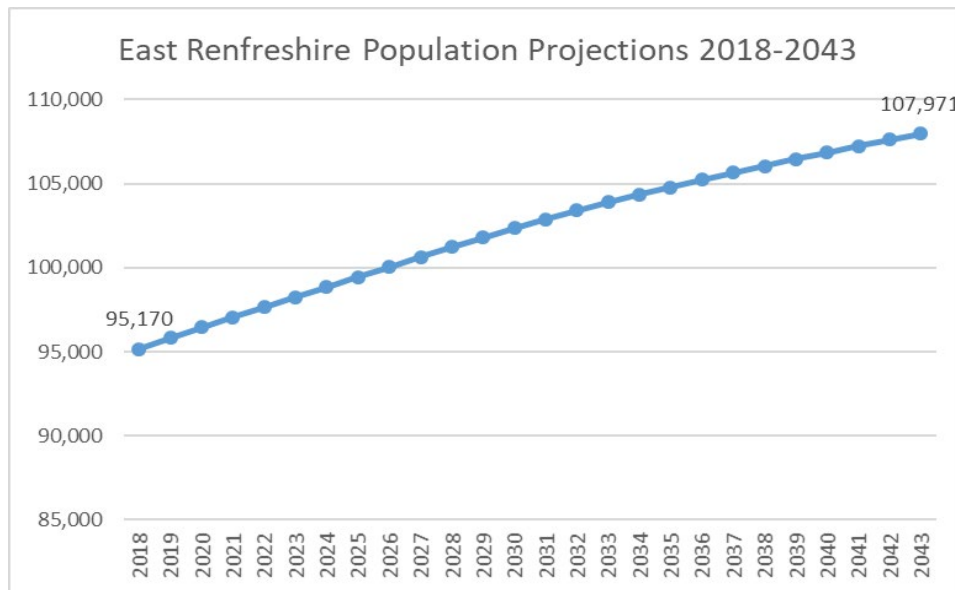
30. By 2043 the population of East Renfrewshire is projected to be 107,971, an increase of 13.5 per cent compared to the population in 2018 (base year for projections). The population of Scotland is projected to increase by 2.5 per cent between 2018 and 2043. Over the 25 year period, the age group that is projected to increase the most in size in East Renfrewshire is the 75+ age group.

31. The growth in the population of children, those of working age and older people is shown in the table below.

Age group	2018 population (base year for projections)	Predicted 2043 population	Population growth (%)
0-15 years	19,322	20,234	4.7%
5-18 years	17,601	18,870	7.2%
Working age (16-64)	56,951	62,086	9.0%
65+ years	18,897	25,651	35.7%
Total population	95,170	107,971	13.45%

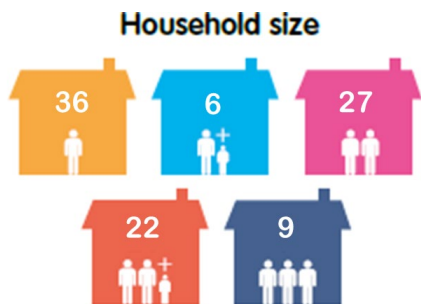
Source: NRS 2018-Based Population projections, published March 2020

32. It should be noted that a significant proportion of the growth in the 65+ population is accounted for by those aged 85 and over. This has an impact on our services because the number of people aged 85 and over is expected to grow at a faster rate than the rest of the population. On this basis we can expect the number of people with a need for home care or care home support to steadily increase year on year. The number of school age children is also expected to increase by more than 7% over this period.



Source: NRS 2018-Based Population projections

Predicted household size in 2043



33. The total number of households in East Renfrewshire is predicted to increase from 39,108 in 2018 to 46,537 in 2043.

34. It is predicted that single adult households (all ages) will account for almost 36% of all households in East Renfrewshire by 2043 (compared to 33% in 2018). Around a third of these single adult households will be occupied by someone aged 75 or over. (Source: NRS 2016-Based Household projections, published March 2020)

35. Single adult households will stay around the same level and the proportion of households with dependent children is predicted to drop slightly to 28% (Source: NRS 2018-Based Household projections, published March 2020)

36. The average household size is expected to decrease from 2.42 people per household in 2018 to 2.29 in 2043, which is still the largest household size in Scotland.

37. In East Renfrewshire, from 2018 to 2043, households headed by people aged 75+ are projected to increase in number by 74 per cent as the older population grows.

The next 5 years

38. Over the next 5 years (2021- 2026), a number of changes have the potential to create financial pressure.

39. The number of households is projected to increase by more than 1,500 which represents a 3.8 per cent increase. This increase in households will create additional demand for the full range of council services especially waste management, road maintenance, parking, money advice, customer services, early learning, childcare and education, employability, schools, health and social care, leisure and transport.

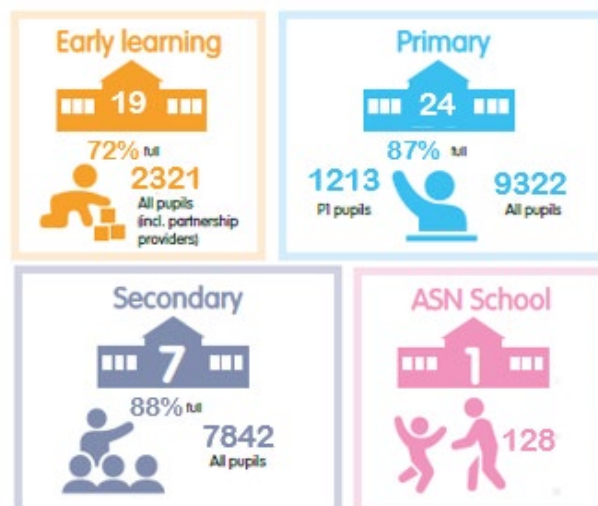
40. The pattern of more people entering East Renfrewshire than leaving is expected to continue. The largest proportion of entrants mostly tends to come from the Glasgow City Council area each year. Most recently the Education Department has seen a proportion of new catchment applications, around 10%, for children and young people who have moved to the Council area from Hong Kong; this may result in the requirement for additional support for such children, where English may be an additional language or little spoken/knowledge of English.

41. In East Renfrewshire there has been a rise in population of children under 15 years old. From 2015 to 2020, the number of children under the age of 15 increased by 6.9 per cent. The proportion of 0 to 14 year olds as a percentage of the total East Renfrewshire population is the highest across Scotland. This suggests that those moving into the area do so with young families.

42. Projections also show the children and young people cohort continues to grow over the next 25 years, which produces increasing demand for early learning and childcare, primary and secondary school places. The chart below shows that increasing trend in the number of 3 and 4 year olds in East Renfrewshire attending Council and funded (partnership) providers (i.e. private, voluntary and independent sectors and childminders) early years settings over the past 10 years, an increase of 23 per cent.

43. The number of 3 and 4 year olds resident in East Renfrewshire attending early learning and childcare centres managed by the Council and funded (partnership) providers (i.e. private, voluntary and independent sectors and childminders) has increased by 11% from 2010 to 2021. It is anticipated that in line with the projections the number of 3 and 4 year olds in the Council will increase in future years.

44. The annual school census figures of the number of pupils in our schools shows that the total number of primary pupils has steadily increased by over 14% between 2011 and 2020. From 2011 there has been a reduction of around 34% in the number of primary aged children who attend an East Renfrewshire school and reside outwith the council area, whilst the number of East Renfrewshire resident children has increased by 21% over the same period. This will impact on secondary school pupil numbers in subsequent years as these pupils move through the year stages. In recent years, the school census shows an increase in the number of East Renfrewshire resident young people coming through our secondary schools.



45. With the introduction of flexibility and choice for families in the early learning and childcare (ELC) offer, there is necessarily an element of inefficiency in operating entitled provision with lower occupancy levels. With consideration to the number of available ELC places related to staffing levels within establishments, the overall occupancy rate in ELC establishments is around 84%.

46. Overall the occupancy rates in the primary and secondary school sector are at 88% of available planning places. There are varying rates across schools, but there are several establishments with very high occupancy levels, with 13 where the school's roll is in excess of 90% of the school's planning capacity

47. Further new education places will be required as a consequence of ongoing and planned new residential development and inward migration to the authority. This includes the need to increase the very specialist places for our most vulnerable children and young people as more families move into the area to access this widely recognised and valued specialist provision. The authority continues to make progress with its review of provision as part of a wider assessment of the needs of ASN services across the authority looking at how best to address needs in the short and longer term. The Education Department has provided details of its plans to ensure appropriate support for learners on the basis of their needs and to ensure availability of places to such provision to the Council's Education Committee. Accordingly there is likely to be an increasing spending pressure to meet the demand for such specialist support.

48. In addition there is the need to increase places from the private, voluntary and independent sectors and childminders to provide flexibility and choice in early years' provision as a consequence of the statutory duty.

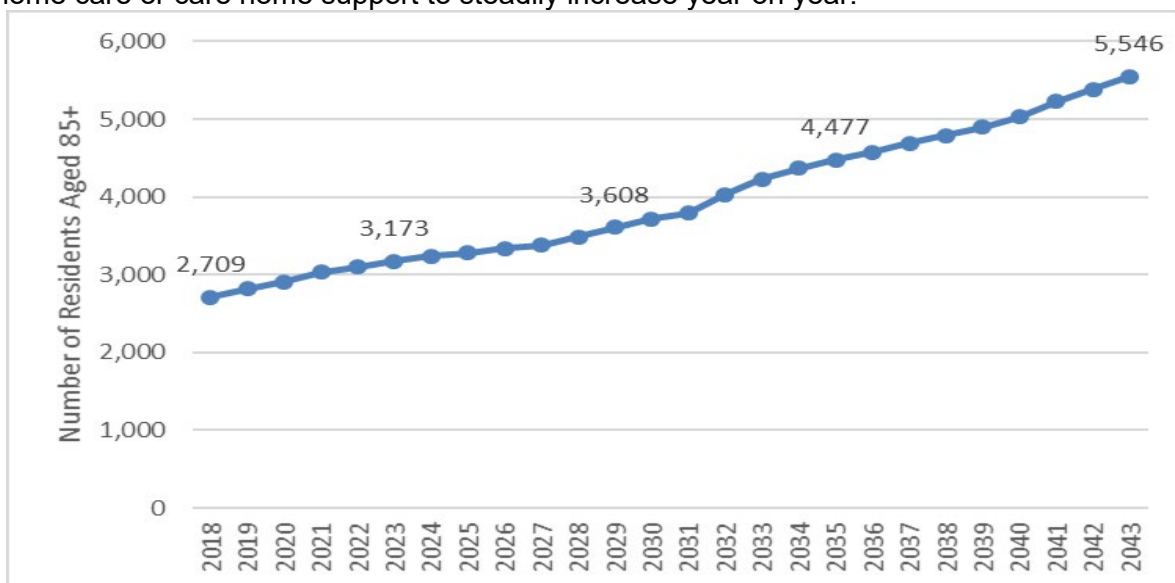
49. The number of looked after children in East Renfrewshire has fluctuated over the last four years from a high of 146 in 2018/19 to a low of 135 in 2020/21. The drop is partly due to the reduction in Children's Hearings that took place during the COVID-19 pandemic. As hearing activity begins to return to normal, the expectation is that numbers of children on supervision will increase and stabilise again to previous levels. Importantly, within the looked after population there has been a marked increase in children being accommodated away

from their family, with those in foster care increasing by 17.6% from 2018/19 to 2020/21, and the number of young people requiring residential care placements doubling over the last eighteen months.

50. This reflects the rise in the number of families in crisis who have been seeking support and the high risk of family breakdown and children requiring care placements, particularly those with a neuro developmental diagnosis. Concerns are complex with many families from backgrounds that would not ordinarily require social work interventions. In addition there is a significant upward trend in the percentage of looked after children who have a recorded disability. This has risen by 15% in four years. 38% of children known to social work teams have a complex disability and the number of children in receipt of an individual budget has quadrupled since 2014. In 2020/21, three quarters of children with disabilities allocated to social workers were in receipt of an individual budget. This will continue to be an area of significant growth and budgetary pressure. The recommendations from The Promise will likely place additional expectations on the delivery and quality of looked after children’s experiences within placements and the community. At this stage there is no certainty over additional funding for this.

51. Between 2019 and 2020 East Renfrewshire experienced a 1.4 per cent decrease in the number of births, decreasing slightly from 808 in 2019 to 797 in 2020. This is the third consecutive year where the number of births has decreased within East Renfrewshire. The number of births across Scotland declined by 6.1 per cent over the same time period. The East Renfrewshire deaths increased by 12.4 per cent between 2019 and 2020. East Renfrewshire has amongst the highest life expectancy rates in Scotland for both men (79.5) and women (84.0).

52. East Renfrewshire already has an increasing ageing population. By 2043, almost one quarter of East Renfrewshire will be aged 65 or over. In recent years, the number of people aged over 85 needing key services has been rising. This has an impact on our services because the number of people aged 85 and over is expected to grow at a faster rate than the rest of the population. On this basis we can expect the number of people with a need for home care or care home support to steadily increase year on year.



Source: NRS 2018-Based Population Projections, National Records of Scotland

53. All of these changes will lead to increased pressures for both the Council and local health services. Health and social care support to reduce unplanned admissions to hospital continues to improve alongside a reduction in the number of people residing in care home settings. This is contrasted with increasing levels of care at home services providing support to people with complex health in their own homes. The impact of the pandemic has increased pressures on acute services and patterns of hospital care which has meant delays to planned services and potential for worsening health within communities. The Independent Review of Adult Social Care recognises the need to robustly factor in demographic changes to future planning as well as a focus on meeting early intervention and preventative community support. The proposals set out in the National Care Service consultation are now being considered and will change the funding model for adult care, with new Community Health and Social Care Boards directly accountable to Scottish Ministers. This could have an impact on the Council's future funding.

54. The Council's financial plans reflect the expectation of additional income from Council Tax due to an increase in the number of dwellings. However any increase is in part compensated for by a decrease in Government Grant as an estimate of Council Tax income is part of the calculation of General Revenue Grant from the Government.

55. The Council's General Revenue Grant is primarily made up of Grant Aided Expenditure (GAE), former ring fenced grants and redeterminations (of new grants since 2008) with GAE the most significant contributor to our overall grant from the Government. The general revenue grant is also impacted by grants for loans repayments, the floors mechanism, "changes" which reflects the Council's share of any overall funding increases (or decreases) made available to local government and estimated changes to Council Tax income.

56. Whilst population is an important factor in calculating GAE, the calculation is extremely detailed and takes into account the age profile of the population, the number of schoolchildren and levels of deprivation as well as rurality. GAE is built up from a detailed analysis of the pressures on each service the council delivers. In recent years the calculation of several GAE allocations has undergone major change and this has resulted in some impact for the Council, most recently in reducing the level of grant support we attract for roads maintenance.

57. For many years East Renfrewshire Council's share of overall GAE had been steadily increasing as our population has grown. However, larger increases in population in other areas, particularly in the east of Scotland, have meant that East Renfrewshire's growth rate is now closer to the Scottish average. This change and an increasing focus on deprivation and other factors have slowed the growth trend for GAE in 2021/22, with the Council's share of GAE broadly steady over the last few years. The Council now has a 1.93% share of the overall GAE (2021/22 1.92%), but this is still significantly higher than our population share of 1.75%.

58. This high share is as a result of the relatively high number of pupils at our schools which is in part due to larger than average family unit sizes and in part due to the level of placements at our schools. Our share of Education GAE at 2.2% is well in excess of our population share and, as education GAE is the largest element of GAE at over 54%, the effect on the council's budget is significant.

59. In overall terms it is estimated that the high pupil numbers will increase our expenditure by in the region of £23m as compared to an average council of a similar population and this is taken into account by the Government in estimating our budget needs.

60. Our share of social work GAE is slightly below our population share at just under 1.72% but this too has been steadily growing over recent years primarily as a result of our ageing population with the calculations giving us a high premium for those over 85 years of age who are likely to be in the most need of care at home or a nursing or residential care placement.

61. The other determinants of funding, i.e. former ring fenced grants (FRFG) and redeterminations, have stayed largely unchanged.

62. These changes to our grant calculations mean that instead of an increase in GAE and other grants as we had usually planned for in previous years, it would be prudent to plan for a static level of funding until the new trends are more established.

63. In recent years, much of the increased grant share from demographics has been cancelled out as a result of the Floors adjustment. This mechanism is designed to limit the level of grant reduction that any Council with falling demographics can bear. This is having an increasing impact on East Renfrewshire, while protecting Councils with falling population from directly related budget reductions. East Renfrewshire's grant was reduced by £3.271m in 2022/23 (2021/22 £1.799m).

CAPITAL INFRASTRUCTURE

64. In terms of the capital infrastructure required to service our population's demands, the Council has produced a Capital Investment Strategy to inform investment priorities. This looks beyond our Capital Plan which covers 10 years. The Council will continue to utilise its Capital reserve provision and forecast developers' contributions to help support the investment required in relation to population growth in the coming years, but whilst inflation on capital works remains high and Scottish Government capital grants remain relatively fixed in cash terms, this will increase pressures for Councils to borrow to finance capital works. This in turn increases pressures on revenue budgets from capital financing charges.

65. Provision of new early learning and childcare facilities to deliver the statutory increase in entitlement to 1140 hours per year, additional school facilities to meet demands from new house building, and the need to replace assets nearing the end of their lives, have all contributed to a significant increase in borrowing with a resultant impact on future years' revenue budgets for loan charge repayments

66. More detail of the Council's plans to address future capital needs are set out in the Capital Investment Strategy report, which is updated annually.

CITY DEAL

67. Work continues to progress on the Council's £44 million of City Deal investment. In Newton Mearns, this has produced opportunities for business startups and networking at the new facility at Greenlaw (although the latter has been reserved for use as a COVID testing site over the last 2 years). At Barrhead North the remediation of the former Nestle site will provide exciting opportunities for retail and business and will create employment opportunities. The City Deal investment also includes significant projects which will improve the transport infrastructure to regenerate areas, link the communities of Barrhead and Eastwood and create access to employment. Projects include a new railway station at Barrhead South, recent improvements to Balgraystone Road, the straightening of Aurs Road and the establishment of a Dams to Darnley Country Park visitor centre with appropriate infrastructure.

68. Whilst the majority of the funding of City Deal investment will be provided by both the UK and Scottish Governments, the Council will be required to contribute £6.2m as well as fund the cash flow over an extended period as most of the grant support will not be received until well into the future. This will significantly increase pressure from loans charges in the medium term.

LEGISLATIVE CHANGE

Entitlement to 1140 hours of Early Learning and Childcare provision

69. The new statutory duty to increase the entitlement to free early learning and childcare from 600 hours to 1140 hours per year for all 3 and 4 year olds and eligible 2 year olds came into effect in August 2021.

70. To provide families with flexibility the Council has a range of delivery models in place, achieved through the development of new buildings and extending some existing early years' provision alongside increasing ELC places provided by the private, voluntary and independent sectors and childminders.

71. Expansion to 1140 hours by 2021 required a transformational increase in the early years' workforce, which presented a significant challenge over a short period of time in addition to significant revenue resources to take forward an acceptable model to locally address the principles of quality, flexibility, accessibility and affordability.

72. Whilst additional capital and revenue funding was made available from the Scottish Government towards the costs of this new burden, revenue allocations do not fully cover the rollout of 1140 hours under the Council's implementation. The current financial year 2021/22 is the last year of the specific multi-year funding package to support the ELC 1140hrs expansion and a new methodology has been introduced to allocate overall ELC resources from 2022/23 onwards. Subject to the overall level of funding this should provide a more appropriate level of funding for East Renfrewshire in future but the changes will be phased in over 3 years, meaning that the service will not fully benefit until 2024/25.

73. The Council nurseries and family centres are very popular with parents and at present there is a reasonable level of flexibility and accessibility, including full day provision for families, within their own geographical community. This level of flexibility and accessibility is at risk if the Council's resources continue to be restricted and delivery models may need to be reviewed in light of resources made available.

74. The Children and Young People (Scotland) Act 2014 requires local authorities to consult on early learning and childcare every 2 years. This will include seeking to address the changing needs of families with regards flexibility and choice and changes in provider status, reflecting available resources.

75. New legislation was laid in the Scottish Parliament by the Scottish Government in December 2020 about funded ELC places for all children who defer their primary one start (not yet 5 years old at the beginning of the school year). This will mean that, from August 2023, all children who defer will be entitled and able to access funded ELC (in the current system only the youngest children, i.e. those with a January or February birth date, are entitled to receive funding support). The Scottish Government and COSLA have agreed to

the phased implementation of this policy on the lead up to 2023 to inform assessment of likely uptake of the entitlement and improve the understanding of the consequent impact on available capacity and financial implications. This national implementation plan will inform local assessment of what this means for East Renfrewshire and feature in future financial planning.

Reduction in non-class contact time for teachers

76. The Scottish Government has committed to reducing the class contact time of teachers by 90 minutes from 22.5 hours per week to 21 hours per week with the intention of facilitating opportunities for teaching staff to access professional development opportunities and to design, plan and deliver improved educational experiences for children and young people. The timescales for implementation are still to be agreed. The reduction in class contact time for teachers will result in the requirement for additional teachers to be employed. Accordingly there will be a spending pressure to meet the demand for additional teachers, albeit this may be offset by additional Scottish Government funding.

Education governance: Empowerment

77. In June 2018 the Education Reform - Joint Agreement between the Scottish Government and Local Government was published. The Joint Agreement is based on the key principles that schools are empowered to make the decisions that most affect outcomes for their children and young people. This drive to an empowered system includes publishing the scheme for Devolved Management of Schools (DSM) by April 2022 and a requirement for regular review every three years. In the empowered system, Head Teachers are accountable and responsible for decisions which should be made in consultation with pupils, parents, staff and the wider community. The Council's plans for this new scheme were considered by Education Committee on 3 February 2022 and will be considered by Cabinet on 10 March 2022.

Educational Attainment

78. From 2022/23 ring fenced funding via the refreshed Scottish Attainment Challenge Fund will be made available. This national fund currently comprises monies allocated to the Local Authority on the basis of Children in Low Income Families data, monies distributed to all local authorities via the Pupil Equity Fund (PEF) and monies distributed to the local authority to support care experienced children and young people. This funding is aimed at using education to improve outcomes for children and young people impacted by poverty with a focus on tackling the poverty related attainment gap, helping to address excellence and equity for all learners.

79. East Renfrewshire's share of the local authority funding is £135k in 2022/23, this will rise to £533k in 2025/26. In terms of PEF, East Renfrewshire schools benefitted by £1.327m in 2021/22 with funding distributed directly in line with the policy objectives and based on the number of pupils registered for free school meals; the allocation for 2022/23 has yet to be finalised. This spending must be additional and spend determined by head teachers in consultation with their school community including staff, parents and pupils; accordingly the Council is not at liberty to control any of this funding.

Instrumental music tuition and core curriculum costs

80. The Scottish Government has committed to meeting the costs for families of all core curriculum charges (such as costs for Home Economics/Technical subjects etc.). In addition further budget will be allocated to all local authorities in Scotland towards the cost of the Instrumental Music lessons, removing the cost of this from families.

Gaelic Medium Education

81. The Education (Scotland) Act 2016 places a duty on education authorities to promote and support Gaelic Medium Education (GME) and Gaelic Learner Education (GLE) and establishes a process by which parents can request Gaelic Medium Primary Education (GMPE) from their education authority. The Council recently received a request seeking an assessment of the demand for GMPE in East Renfrewshire. The details of the initial assessment and the approach to the subsequent full assessment were considered at Education Committee on 3 February 2022.

82. In line with the statutory guidance, the Education Department has now determined that there is demand for GMPE within East Renfrewshire Council from school session 2023/24. Accordingly, there is likely to be an increasing spending pressure in future sessions to meet the demand for GMPE.

Participatory budgeting

83. In October 2017 COSLA Leaders endorsed the Community Choices Budgeting Framework (mainstream Participatory Budgeting), which committed Councils to 1% of their budget (initially £1.91m in East Renfrewshire) being allocated through participatory methods by the end of financial year 2020/21.

84. In principle, the Council defines mainstream PB as when we cede elements of control or decision making to communities; can attach a specific monetary value to it and communities recognise that they had the power to make decisions. In previous years local people have decided on designs and equipment for local parks; determined the Town Centre Fund projects and defined how Maidenhill Primary and the Calderwood Lodge/St Clare's Joint Campus would look and operate. The expectation on local authorities is that PB does not become an exercise in top slicing budgets to "do PB". Local authorities are expected to embed processes for local people to have a direct and active role in mainstream budgetary decisions. This means that PB activity can be complex, requiring clarity of scope, detailed forward planning and commitment to implement properly.

85. In February and March 2019, over 1,300 residents across four locality planning areas in Barrhead, Neilston and Thornliebank decided how £100,000 was distributed to local community groups as part of the Council and Community Planning Partnership's approach to Locality Planning. A similar exercise was scheduled for March 2020 with Linking Communities (a constituted community led steering group) leading the process, however due to the national; lockdown and the ongoing impact of COVID-19 on community activity, this has been delayed and is now scheduled for later this year.

86. Beyond the events outlined above, the pandemic has adversely affected Councils' ability to achieve this ambition as staff were diverted to emergency response work; planned projects were subject to delays as contractors and suppliers were impacted; and broad-based in-person community activity was significantly reduced due to lockdowns, reduced availability of halls etc. and social distancing restrictions.

87. The Council was able to turn its attention to PB again last year – holding staff workshops in summer and early autumn 2021, to enable department reps to refresh their awareness and understanding of PB and explore examples from other Councils. Staff across Business Operations and Partnerships, Education, Environment and the HSCP are currently working to identify and explore opportunities for building PB into their work in 2022/23.

Welfare reform

88. The reform of the Welfare System and the demand related to COVID-19 has led to changes in the responsibilities of councils and the levels of financial support available to residents. The Council has allocated a welfare contingency fund and is also allocating COVID-19 funding to cope with these changes.

Climate Change – Net Zero Carbon Targets

89. All of the Council’s revenue and capital expenditure will need to be reviewed in light of the requirement to achieve net zero greenhouse gas emissions by 2045. This will be an ongoing process over a number of years and will require investment decisions to be reappraised on a case by case basis. At the moment the cost of this and the funding that could become available is unknown. A draft climate change strategy or “get to zero” strategy is being prepared and will then be subject to a Strategic Environment Assessment before full adoption.

WIDER POLITICAL, SOCIETAL AND ECONOMIC CHANGE

Brexit

90. The full impact of the decision to leave the European Union is still not known and will require to be monitored carefully. The most obvious local impact will be the loss of European Structural Funds which support employability and business growth programmes in East Renfrewshire. These funds account for an average of £200,000 in grant funding per annum, although the UK Government via the UK Shared Prosperity Fund may well offer some degree of equivalent funding in future. In the shorter term, however, the nature of the UK’s trade deal will also impact upon many aspects of Council activities including procurement, workforce and legislative frameworks. A dedicated co-ordinator is in place and work is progressing in response to all of these issues.

COVID-19

91. The COVID-19 pandemic impacted significantly on all Council services during 2020 and 2021 and will continue to be a major factor in the coming year as we plan to recover and to establish a “new normal”. Service delivery approaches, workforce, technical capability and budgets have all had to be amended to recognise this. Grant funding was provided in 2020/21 and 2021/22 and Councils have been permitted additional fiscal flexibilities to allow them to meet any unfunded short term COVID-19 related revenue costs from capital sources if required. The position must continue to be carefully monitored in the coming years so that any such COVID-19 related costs are clearly identified and funding secured so as to minimise additional pressure on already strained service revenue budgets.

Independent Review of Adult Care Services

92. In response to the 2021 Independent Review of Adult Social Care the Scottish Government launched a consultation on the proposals for a National Care Service (NCS) in August 2021 and the analysis of responses was issued in February 2022. The proposals set out wide ranging implications for IJBs including the creation of Community Health and Social Care Boards directly accountable to Scottish Ministers, with a commissioning and local delivery body for the NCS. The proposals have far reaching implications for local authorities and the current arrangements for delivering social care services. This must be monitored and factored in to future Council plans.

Economic uncertainty

93. Brexit and political changes around the world have been exacerbated by the global COVID pandemic and this has increased uncertainty on world markets, however growth has recovered better than forecast as the vaccines have proven effective. The issue at present is the sharp rise in inflation and interest rates are increasing to combat this. Interest rates are, however, expected to stay at the relatively low level of 1.25% for the next few years and inflation is expected to fall back to close to or below the 2% target level within this timescale. The risk of further COVID variants and Brexit issues remains and any further economic detriment and related poverty would further increase the demand on council services, which has not yet fallen back to pre-pandemic levels.

OUTLINE REVENUE FINANCIAL PLAN

94. The Council's agreed financial policy states that "*The Council will make spending decisions based on an assessment of medium to long-term needs and consequences and will seek to avoid taking a short-term outlook in its policy making, service planning and budget setting decisions.*" Over the last number of years the Council has considered and set multi-year budgets. This has assisted in managing extremely difficult financial circumstances and is a demonstration of the value of adopting a longer term approach to financial planning. Whilst it is intended that the Council continues to adopt this longer term approach in future, the lack of multi-year budget information from the Scottish Government has resulted in the Council having to set only a single year budget for 2022/23.

95. The 2022/23 provisional Scottish Council settlement figures were announced on 20 December 2021 and a further non-recurring £20m subsequently announced.

96. The latest local government settlement figures appear slightly more favourable than forecast with a cash increase of £1.2m (0.6%) for East Renfrewshire (after adjusting for new policy commitments) when compared to the original budget for 2021/22. When additional one-off resources awarded during 2021/22 are taken into account, the year to year position is broadly flat cash. It should be noted, however, that over £2.2m of the 2022/23 grant is non-recurring and so results in a substantial underlying core cash reduction.

97. The impact of the settlement on the Council results in a shortfall for 2022/23 of £9.533m. This is before applying any Council Tax increase.

98. Detailed proposals to address this shortfall will be presented to Council later on today's agenda.

99. Looking further ahead and taking account of future pay, inflation, capital financing and demand pressures currently foreseen, together with the impact of the reducing scope for mitigating savings pressures by utilising reserves in the coming years, Table 1 below illustrates how varying grant levels could require savings of £2.747m to £18.532m per year from 2023/24 until 2027/28. From 2023/24 onwards the estimated savings requirements have been calculated on the basis that a 3% Council Tax increase is applied each year. The savings requirement for 2023/24 is significantly higher than the later years' gaps, mainly because the 2023/24 shortfall includes savings previously deferred by use of reserves, because the 2022/23 settlement contained one-off funding not available in 2023/24 and because the Council's loan charges profile increases sharply in 2023/24. Assuming annual grant reductions of 1% in cash terms, an average savings gap of £8.064m per year is forecast over the next 5 years. As such, officers must continue to update and develop long term financial plans and options for consideration within our multi-year budgeting approach to ensure that these can be factored into business/service planning, together with workforce and asset plans. The move to multi-year settlements at a national level will assist with this.

Table 1

FORECAST ANNUAL BUDGET GAP	CASH MOVEMENT 2023/24 ONWARDS				
	+0.5%	0% (FLAT CASH)	-1%(lower inflation)	-1%(higher inflation)	-2%
	£M	£M	£M	£M	£M
2023/24	13.396	14.423	16.478	17.873	18.532
2024/25	3.853	4.886	6.920	6.920	6.899
2025/26	6.277	6.287	7.315	7.315	7.315
2026/27	4.768	4.779	5.811	5.811	5.811
2027/28	2.747	2.757	3.795	3.795	3.795

100. Whilst the outlook for the 5 years beyond 2022/23 is illustrated in Table 1, our planning will also flag up and take account of any other major longer term issues impacting on financial forecasts over an even longer time horizon. Such items might include future expiry of PFI/PPP contracts, repayments of major tranches of loan charge debt, the move towards a National Care Service or other significant planned legislative change. This will be updated to take account of any proposed changes to local government funding arrangements once the alternative to the current Council Tax is determined.

MITIGATING ACTIONS

101. The Council has always taken a long term approach to financial planning. Whilst the scale of the budget cuts and the time period over which they would be implemented could not have been foreseen in 2008, the principles behind the approach to long term financial planning have stood the test of time. The focus has been on developing a very clear strategy to allow priorities to be identified and a very ambitious long term transformation programme to maximise all possible efficiencies in the Council.

COMMUNITY PLANNING AND THE COUNCIL'S STRATEGY

102. East Renfrewshire Council and its community planning partners have an outcome focussed approach to strategic planning. East Renfrewshire's Community Plan covers our 5 overarching strategic outcomes:-

- **Early Years & Vulnerable Young People-** All children in East Renfrewshire experience a stable and secure childhood and succeed.
- **Learning, Life and Work-** East Renfrewshire residents are healthy and active and have the skills for learning, life and work
- **Environment & Economy** - East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses
- **Safer, Supportive Communities-** East Renfrewshire residents are safe and live in supportive communities
- **Older People & People with Long Term Conditions** - Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.
- Fairer East Ren, our Local Outcomes Improvement Plan, is part of our Community Plan which is focused on tackling inequality and closing the gap between communities of place and interest. Fairer East Ren is the main way our Community Planning partners work together to reduce the embedded inequalities in East Renfrewshire, many of which have widened as a result of the COVID pandemic. Formal partnership meetings have been reduced as we have focussed on supporting partnership action to co-deliver our humanitarian response and focus on the big challenges around employment/the economy and on wellbeing. Fairer East Ren will be updated and revised as we transition from response to recovery to take account of the changing nature of inequalities in East Renfrewshire informed by local community engagement and research.
- Our Local Child Poverty Action Report, which we are required to publish annually has been developed as a partnership plan, and was published in 2021. This is linked to Fairer East Ren and focuses resources on taking action to increase income from employment and benefits and reduce the costs of living for families – all three objectives are more pressing given the pandemic impacts on low income families and those experiencing job loss or reduced hours.
- Four Locality Planning areas have been identified in East Renfrewshire. These communities experience poorer outcomes than other areas across the authority. Progress on this has been impacted by the COVID-19 Pandemic with groups unable to meet as they normally would and challenges relating to digital access and confidence limiting capacity for virtual engagement. The focus during the pandemic has been on ensuring community awareness of, and involvement in, the authority wide humanitarian support efforts and to provide digital devices with free connectivity and support to local community members and households who were unable to access online opportunities. As local community activity begins to recover, community members from these localities are being supported to co-produce and take ownership of their own locality plans in partnership with council services and other agencies.

- As we continue towards recovery and as restrictions allow, we will continue to involve, consult and plan with community members through detached community engagement (outdoor street work), face to face meetings and online platforms to maximise their involvement in the locality planning process.
- We will continue to work together with other council departments and partners to ensure there is an appropriate level of focus on and collaboration with these communities to enable the required changes in how we utilise resources to deliver improvements in local outcomes.

103. We will use a new integrated Equality and Fairness impact assessment process and work with a new Equality Forum being established to ensure we are fulfilling our Fairer Scotland and Equalities and Human Rights duties to consider the impacts of strategic decisions on residents with protected characteristics and those socioeconomically disadvantaged.

104. The Council's strategy and plans are based on our overall Community Plan and articulate the role of the East Renfrewshire Council family (the Council, the HSCP and the ERCLT) in delivering the Community Plan. The Council's "Vision for the Future" strategy was approved in February 2020, based on a series of conversations about life in East Renfrewshire over the next 10 years. Whilst the pandemic has diverted the attentions of our organisations towards response and recovery in recent months, the themes of Vision for the Future remain as appropriate as ever, if not even more so.

105. The general theme of Vision for the Future is "connections", including physical connections across East Renfrewshire via greenspace development; transport connectivity and active travel routes such as cycleways; connections within and between our communities; and also connections between our services and users - these concepts have been brought into sharp focus over the last year. The aim is to continue to develop this vision over time, and now with a focus towards renewal. This will mean continuing the conversations with stakeholders and in tandem with processes such as Local Development Planning and wider City Region work, with a particular initial focus on the themes of environment/climate change and building communities.

106. Within "Vision for the Future" our clearly stated vision is to be a "Modern, Ambitious Council creating a Fairer Future with all". As part of our strategy, we focus on developing our 5 capabilities i.e. prevention, empowering communities, data, modernisation of how we work and digital. We aim to be excellent in each of these capabilities and then use them to redesign our services to make them more effective and more efficient.

107. These capabilities have formed the basis of our transformation programme in recent years. The many service improvements and savings that the council has achieved have been enabled by the 5 capabilities and these capabilities will continue to drive improvement in the future, focussing on customer experience, our business systems and processes and capitalising on the use of Office 365 capabilities to enhance the productivity of our workforce.

DIGITAL TRANSFORMATION

108. Whilst significant savings have already been achieved, the very difficult financial circumstances facing councils are expected to continue for the foreseeable future so the scale of change will need to be maintained. In June 2021, Cabinet considered an update report on our Modern, Ambitious Programme (MAP) and approved a new Digital Transformation Strategy for 2021-24. It was noted that a total of close to £11.8m (67%) of

the 2018-21 agreed savings (including almost £4.4m (59%) for 2020/21) arose from efficiencies, through the Council's MAP programme or as a result of our focus on the Council's 5 capabilities.

109. Savings plans for future years will be developed by the Corporate Management Team on the basis of the Scottish and UK budgets and will be reviewed to take account of any multi-year settlement information subsequently published. Whilst it is recognised that it will become progressively more difficult to identify efficiencies in future, the Council will continue to seek efficiencies through reviews and transformation initiatives wherever possible.

110. East Renfrewshire Council has a policy of always taking a prudent approach to the calculation of savings. Savings are only included in formal budgets once we have a high degree of confidence that they can be achieved (and in many cases are already in place through work in previous years).

111. The key principles behind the programme that will lead to budget savings are:

- Continue implementing our Digital Transformation Strategy, with a focus on customer experience, streamlined end to end systems and processes and greater use of Office365 capabilities for productivity
- An increased focus on user engagement in service design and more community empowerment to provide services which put customers at the heart of provision, improving services and potentially lowering costs
- Improving the sharing and management of data across the organisation

112. These are resource intensive areas of work but, given the right input and commitment, have real opportunity to transform our processes and deliver efficiencies for the future. It will be necessary for us to regularly prioritise this work to ensure a focus on benefit realisation and to rigorously manage the limited resources we have to support projects. This is especially relevant as we adopt new working practices in the wake of the COVID-19 pandemic.

PARTNERSHIP WORKING

113. The Council has already benefitted from joint working with other bodies in providing services and has delivered savings through the early adoption of integrated management of health and social care services in 2006, the establishment of the Integration Joint Board in June 2015 and through initiatives such as sharing Renfrewshire Council's Non Domestic Rates system and participation in the Clyde Valley Waste project. Joint working with our partners in the Glasgow City Region area now also extends beyond economic development and regeneration projects into education, transport and other initiatives.

SERVICE REDUCTIONS

114. Given the likely continuing constraints in cash terms on the Local Government budget over the foreseeable future and the increase in demand for services, it is clear that the transformation programme cannot deliver the full scale of budget savings required. In future a reduction in service levels will be required to ensure a balanced budget. The

strategy for service reductions will be heavily influenced by the policy and manifesto commitments of the administration of the Council. The present policy can be summarised as follows:

- Service cuts will only be taken once all possible efficiency savings have been taken, with an expectation that officers will deliver an ambitious programme of savings based on the 5 capabilities.
- Services will be maintained at statutory levels
- Any conditions of Scottish Government grant will be met e.g. national teacher ratios, IJB funding
- Outcomes for our most vulnerable residents will be protected where possible
- Staff will be treated fairly and compulsory redundancies avoided where possible

115. To date, even where there have been significant changes to service provision the outcomes achieved for residents have, in the main and excluding the impact of COVID, been protected and the trend was for key performance measures to increase. However if future budget cuts are as high as predicted, this will not continue and a more radical programme of future service cuts will be required.

INCOME GENERATION

Council Tax

116. In 2022/23 Councils are free to increase Council Tax as they wish, without any Government imposed sanctions or caps. A 1% Council Tax increase in 2022/23 would provide additional income of around £0.600m for the Council. It is unknown whether future grant settlements will reimpose a cap on increases.

Charging For Services

117. Each year the Council reviews charging for services. In general an inflationary rise is applied but market conditions are also taken into account, especially when there is alternative provision available to residents. During 2015 Sports and Leisure services were transferred to a Culture and Leisure Trust, allowing the management team to take a more commercial approach, to access additional sources of funding whilst still working as a charity for the residents of East Renfrewshire. Other sources of income generation will also be explored by the Council for future years, including new income generation and commercialisation opportunities. The opportunity for the Health & Social Care Partnership to generate income from charging may be limited going forward as one of the recommendations in the recent Independent Review of Adult Care Services is to abolish charging for non-residential care.

USE OF RESERVES

118. Audit Scotland have noted that in 2020/21 the level of usable reserves had risen significantly in many Scottish Councils by the end of that year. This is largely due to substantial COVID grant allocations paid to Councils in March 2021 to cover COVID pressures in the coming year. Forecast levels of this Council's usable reserves, including graphical illustrations of trends, are considered as part of the Revenue Estimates report later on this agenda.

119. The Council's Reserves Policy sets out how its reserves will be governed. The policy was last updated in February 2021. Due to the Council's prudent long term approach to financial planning, a range of reserves has been built up over a number of years to assist with expected and unexpected pressures. Should a budget gap remain after the application of savings measures and income generation the Council may consider the short term measure of drawing down on some of these reserves.

120. The Local Authority Accounting Panel (LAAP) Bulletin 99 on Reserves and Balances provides guidance to Chief Financial Officers in the area of using reserves to fund recurrent expenditure as follows:

"It is not normally prudent for reserves to be deployed to finance recurrent expenditure. CIPFA has commented that Councils should be particularly wary about using one off reserves to deal with shortfalls in current funding. Where such action is taken, this should be made explicit, and an explanation given as to how such expenditure will be funded in the medium to long term. Advice should be given on the adequacy of reserves over the lifetime of the medium term financial plan, and should also take account of the expected need for reserves in the longer term"

121. It is important that members understand that any use of Reserves is a short term, one off measure and is only justifiable to address non-recurring pressures or on the basis that there will be a fundamental review of Council budgets over the next year.

122. The Council forecasts holding unallocated General Reserves of £9.427m (3.63%) as at 31 March 2022. The Council's normal aim is ideally to hold 4% of our revenue budget as a general reserve. Auditors broadly consider reserves of between 2 and 4% to be prudent. Should it be decided to meet any of the gap from reserves in 2022/23, these would have to apply only to one off items or the savings would simply be deferred to future years. Should members wish to utilise reserves to help balance the budget in the short term, it is recommended that this should be kept to a minimum and used as far as possible only to cover one off or short term spending pressures or where recurrent savings are expected to be identified in the near future or for the following year.

Future Workplan

123. Accountancy staff have been reviewing financial pressures and funding levels for the coming year and outline budget proposals for 2022/23 are contained later on today's agenda for approval. Work will continue in updating budget scenarios for the period to 2028 with a view to continuing with multi-year budget planning in future.

124. The timescales for submission of the Council's financial plans are listed below:

Plan	Approval
Financial Plan 2022/2028	Council, February 2022
Capital Investment Strategy	Council, February 2022
10 year Capital Plan 2022/2032	Council, February 2022
Reserves Policy	Council, February 2024
Revenue Budget 2022/23	Council, February 2022
ODP 2022/23 to 2024/25 (including 3 year draft budget figures)	Council, June 2022
Financial Plan 2023/2029	Council, February 2023
3 Year Revenue Budget 2023/26	Council, February 2023

CONCLUSIONS

125. In view of the significant financial and demand pressures facing the Council over the current and next six years it is essential that financial plans are updated regularly for consideration by the Council. This is in line with the Council's agreed financial policy of basing decisions on an assessment of medium to long term needs and consequences.

RECOMMENDATIONS

126. It is recommended that the Council: -

- (i) notes the continuing budget pressures anticipated in the next 6 years and the mitigating actions proposed; and
- (ii) approves the draft Outline Revenue Financial Plan 2022 – 2028

Further information is available from M. McCrossan, Head of Accountancy, telephone 0141 577 3035.

KEY WORDS Revenue Estimates, Council Tax, Reserves and Balances, Financial Planning

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