

MINUTE

of

JOINT CONSULTATIVE COMMITTEE (FIRST TIER)**Minute of Virtual Meeting held at 2.00pm on 10 February 2022.****Present:**

Councillor Tony Buchanan
Councillor Caroline Bamforth

Councillor Jim McLean

Union Representatives:

Mr David James (UNISON)
Mr Scott Harkness (UNISON)
Mr Joe Lynch (UNISON)

Ms Kirsten Muat (GMB)
Mr Des Morris (EIS)

Mr Morris in the Chair

Attending:

Lorraine McMillan, Chief Executive; Julie Murray, Chief Officer – Health and Social Care Partnership; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Sharon Dick, Head of HR and Corporate Services; Graeme Hay, Education Senior Manager (Leading Business Change); Tracy Morton, Education Senior Manager; Sharon McIntyre, Committee Services Officer; and Liona Allison, Committee Services Assistant.

Apologies:

Councillors Alan Lafferty and Gordon Wallace; and Ms Karen Catlow (UNISON), Mr John Henry (GMB), Mr John Guidi (SSTA), Mr James O'Connell (UNITE), Ms Lisa Kennedy (EIS), Mr Steven Larkin (UNISON) and Ms Lynne Rankin (UNISON).

MINUTE OF PREVIOUS MEETING

1. The committee considered and approved as a correct record the Minute of the meeting held on 16 September 2021.

PAY CLAIMS - LOCAL GOVERNMENT EMPLOYEES AND TEACHERS

2. Under reference to the Minute of meeting of 16 September 2021 (Paragraph 2 refers), when the position regarding the outstanding Scottish Joint Council (SJC) and Scottish Negotiating Committee for Teachers (SNCT) pay claims for local government employees and teachers respectively had been noted, Mr Morris confirmed that the SJC pay claim was now settled.

With reference to the SNCT pay claim for 2021/22, although the offer of 13 December 2021 made by employers was rejected unanimously by the teachers' panel on 4 February 2022,

the Teachers' Side generally remained hopeful that a negotiated settlement could be reached on the basis of an improved offer. It was noted that there was a COSLA Leaders meeting scheduled for 11 February, following the SNCT Extended Joint Chairs meeting later this afternoon, and that it was hoped following both of these meetings that an improved offer could be tabled.

Councillor Buchanan noted the current outstanding position, and confirmed that in addition to the COSLA Leaders meeting scheduled on 11 February, a further meeting was scheduled on 25 February 2022. He also expressed hope that a settlement could be reached following negotiation between these two bodies.

The position was noted.

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Councillor Bamforth joined the meeting.

REVENUE BUDGET 2022/23

3. The Head of Accountancy (Chief Financial Officer) provided an overview of the planning assumptions made in autumn 2021 for the revenue budget 2022/23 which included a flat cash grant settlement and a Council Tax increase of 3%. It was assumed that both the Integration Joint Board (IJB) and East Renfrewshire Culture and Leisure Trust (the Trust) would operate within flat cash budgets and determine their own savings. On this basis, a savings gap of £7.337m remained for Council services, excluding the IJB and the Trust. Departmental saving options of £4.284m had been identified and shared with the Trade Unions in confidence. It was noted that there was some scope for reserves to be used, and that the figures were subject to change, dependent on the settlement received from Scottish Government and the finalisation of spending pressures.

The Head of Accountancy (Chief Financial Officer) then outlined the 2022/23 settlement confirmed by the Scottish Government in December 2022, clarifying that the total grant awarded was £207.696m, which was a cash increase of £8.8m over the previous year which equated to a 4% increase. However, this additional funding was already accounted for with £6.2m allocated to the IJB and £1.7m allocated to teaching staff. This figure was reached through a comparison with the previous year, setting aside the COVID funding received for 2021/22, no COVID funding having been included in the 2022/23 settlement. A grant increase of £0.3m had been allocated to recognise the rising pressures on Council Tax reduction. Across services there was a net general Grant Aided Expenditure (GAE) increase of £0.5m.

The Head of Accountancy (Chief Financial Officer) explained that the total grant had been reduced by £0.6m because it was assumed that, due to increased house building in the area, more Council Tax would be generated and therefore less grant support required. Furthermore the Council's contribution to the Floors arrangement had risen by £1.5m, the adjustment made to ensure that all councils received a minimum guaranteed increase or maximum guaranteed decrease in funding from one year to the next. It was confirmed that over £3m was now allocated to the arrangement, including the £1.5m increase.

Recently additional funding of £120m had been announced by the Scottish Government which would be made available as a one-off grant, the Council's share of which was £2.2m. Although this resulted in a cash increase of £0.8m or 0.4% to the revenue budget when compared to 2021/22, as the £2.2m of grant was for one-year only, the revenue budget would reduce by 1.4% moving forward.

The Head of Accountancy (Chief Financial Officer) clarified that two conditions applied to the settlement, the national pupil to teacher ratio must be maintained and the minimum contribution to the IJB must be flat cash compared to the previous year, in addition to their share of the additional funding of £6.2m. It was anticipated that there would be further funding issued for the IJB.

In summary, in cash terms, the grant was increasing, however most of this had been allocated therefore there was actually very little cash uplift. In addition to inflation running much higher than before, there were many adjustments required taking account of assumptions on spending pressures over the course of the year. In particular the new National Insurance levy would be at a cost of £1.1m to the Council, with this requiring to be funded through savings as no ongoing funding was available for this. The initial assessment undertaken in autumn 2021 by the Council was very close to the estimation of the current position. Overall pressures had increased by £1.2m and £0.8m cash had been received resulting in a net gap of £0.4m which was larger than anticipated. As a result, the revised gap which required to be met, assuming a 3% Council Tax increase, was £7.729m.

The Head of Accountancy (Chief Financial Officer) then outlined the three main options to close the revenue gap which were departmental savings, use of reserves or a Council Tax increase. Options for departmental savings had been identified totalling £4.284m, with these being difficult ones because efficiency savings had already been removed.

The Council was forecasting a general reserve of £9.427m at 31 March 2022, which took account of the estimated year-end position and factored in an assumption of a small underspend for the current year. This level of reserves equated to about 3.63% of the annual budgeted net revenue expenditure which was slightly below the Council's most prudent target of 4% and within the recommended range of 2-4%. It was highlighted that the use of reserves was only a short term, one off measure and that this did not resolve the pressure faced, only delaying this for a further year.

There were no Scottish Government restrictions on Council Tax increases for 2022/23, although the Council recognised the economic challenges facing residents. Inflation was high, with the latest monthly Consumer Price Index (CPI) sitting at 5.4%, with this expected to rise again in April and then fall. Each 1% of a Council Tax rise would raise just over £0.6m.

The Head of Accountancy (Chief Financial Officer) reported that the various budget proposals would be considered by the Council on 3 March, this meeting having been delayed by a week to allow consideration of the additional funding allocated. No further delay was possible as Council Tax bills required to be issued.

The Head of Accountancy (Chief Financial Officer) confirmed that the UK Government's three-year settlement had been issued, explaining that these years were looking more difficult than the current one with rising inflation, interest and loan charges and the cessation of £2.227m one-off funding.

Mr Morris enquired if this position was inclusive of potential savings, such as on current vacancies and the use of temporary contracts. The Head of Accountancy (Chief Financial Officer) advised that an employee turnover assumption of 2-2.5% was accounted for in the budget and therefore a level of vacancies had been taken into account. Additionally she noted that when departments were undergoing restructures or reviews, assessments were undertaken regarding vacant posts or temporary contracts. It was confirmed that the Administration's proposals would be outlined in the Agenda for the Council meeting on 3 March which would be issued on 25 February.

In terms of the capital budget, the Head of Accountancy (Chief Financial Officer) clarified that the annual grant was £6.794m, of which £0.723m was for bridge maintenance and £0.420m was for cycling, walking and safer streets. The amount remained very close to the Council's usual assumption of a flat cash settlement and only covered a small element of the Council's annual capital plans. It was highlighted that construction inflation was rising quickly with significant issues foreseen. Substantial borrowing would be required to cover planned projects, resulting in loan charge increases to be met from the revenue budget, and further pressures on the budget and for savings in future. It was confirmed that the Council's various long term financial plans, their sustainability and related treasury management issues would be considered by the Council on 3 March to ensure that what was agreed for both revenue and capital expenditure was affordable.

Mr Morris regarded this as quite bleak news from the Education Department's perspective, referring to a meeting held with the education leadership team in December 2021 when the proposals for cuts were outlined. Although the Budget Strategy Group had discussed the cuts, the position remained unchanged. He noted that the additional funding referred to was tempered by other issues, including the National Insurance increase, therefore the additional funding might go some way to ameliorate issues, but possibly not as much as hoped. It was reported that a further meeting was scheduled with the education leadership team on 15 February, when it is hoped that the cuts outlined could be ameliorated as much as possible.

Mr Lynch enquired whether a commitment could be given at this time, as had been the case in previous years, to there being no compulsory redundancies. Whilst being supportive of this, Councillor Buchanan also highlighted the wish to use the additional funding provided to ameliorate the position on priorities and continue with as many services as possible. He also referred to restrictions on doing so taking account of statutory services and other areas for which funding was already ring fenced. He advised that this put additional pressure on other areas and services that the Council delivered. He noted that the Council was looking to protect as many services as possible and, in turn, doing its utmost to protect the jobs associated with delivering those. Amongst other things, he referred to the reduced funding and impact of the pandemic as a perfect storm.

Councillor Buchanan confirmed that reserves could be used only once, he referred to the decisions to be taken to protect as many services and jobs as possible and related challenges, he outlined the discussions held with Scottish Government and UK Government, and highlighted the impact of the increase in National Insurance contributions on workers and employers. Having referred to the request made by local authorities to the Scottish Government for additional funding and the additional funds secured, the Council's share of which was approximately £2.2m, he highlighted the cost of National Insurance contributions and other services where inflation was not taken into account. He reiterated that the Council was doing its utmost, as always, to protect jobs and services.

Mr Morris then advised that the Trade Unions had previously made clear their position.

The committee noted the position and comments made.

EDUCATION DEPARTMENT ANNUAL HEALTH, SAFETY AND SECURITY REPORT 2020/21

4. Under reference to the Minute of the meeting of 16 September when it had been noted that the Education Department Health and Safety Report 2020/21 would be circulated to the membership of the committee and submitted to this meeting for formal consideration, the committee considered the said report.

Whilst presenting the report, the Education Senior Manager referred to the delay in this report being presented to the committee and its previous circulation, confirming that the report would now follow the regular reporting cycle. He advised that responding to the COVID pandemic had been a priority of the department's activity throughout 2020/21 and acknowledged the work of the education and corporate health and safety teams to operate as safely as possible during these unprecedented times. He outlined the deferred items in the report impacted by the COVID pandemic and the progress now being made against these objectives. Having referred to the fall in in-person training and highlighted the progress towards the use of e-learning as a result of the pandemic, the Education Senior Manager advised that in-person training was now beginning to resume as conditions allowed this to occur safely which had been welcomed. He noted a decrease in some of the fire risk ratings and that, for outstanding items relating to building fabric issues, work was continuing with the property team to address these accordingly. He confirmed that the number of accidents and incidents fell during 2020/21 which was not unsurprising given the circumstances, adding that some properties had remained open to provide support therefore the figure could not be wholly discounted. The report also outlined the objectives in place for 2021/22.

Mr Morris welcomed the report and the reduction in violence to staff as reflected in the statistics for quarters one and two. He advised that the Education Health and Safety Committee meeting was scheduled for 11 February and that the Council Health and Safety Committee meeting would take place on 15 February, when further updates would be provided. He welcomed ongoing work in partnership to ensure a continued reduction in these statistics, confirming that meetings took place in November and May each year with education health and safety representatives. He noted the impact of the pandemic and the frequent updates provided to Scottish Government reducing risks in schools guidance which requires effective CO2 monitoring, and that CO2 monitors had now been installed in all classrooms. He thanked the Council for the delivery of these and welcomed future reporting from these monitors.

The committee noted the report.

COUNCIL HEALTH AND SAFETY COMMITTEE

5. The committee considered the Minute of the meeting of the Council's Health and Safety Committee held on 23 November 2021.

The committee noted the Minute.

DATE OF NEXT MEETING

6. It was noted that the next meeting of the committee was scheduled to take place on Thursday, 16 June 2022.

CHAIR

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