

MINUTE
of
CABINET

Minute of meeting held at 10.00 am in the Council Chamber, Council Headquarters, Giffnock on 10 November 2022.

Present:

Councillor Owen O'Donnell (Leader)
Councillor Andrew Anderson

Councillor Danny Devlin
Councillor Katie Pragnell (*)

Councillor O'Donnell, Leader, in the Chair

(*) indicates remote attendance

Attending:

Lorraine McMillan, Chief Executive; Louise Pringle, Director of Business Operations and Partnerships; Margaret McCrossan, Head of Accountancy Services; Phil Daws, Head of Environment (Strategic Services); Gill Darbyshire, Chief Executive's Business Manager; Michael McKernan, Economic Development and Inclusive Growth Manager; Erica Roche, Programme Manager; John Burke, Democratic Services Officer; and Liona Allison, Assistant Committee Services Officer.

(*) indicates remote attendance.

DECLARATIONS OF INTEREST

217. There were no declarations of interest intimated.

JOINT CONSULTATIVE COMMITTEE (FIRST TIER)

218. The Cabinet considered and noted the Minute of the meeting of the Joint Consultative Committee (First Tier) held on 15 September 2022.

REVENUE BUDGET MONITORING (OUTTURN)

219. The Cabinet considered a report by the Head of Accountancy (Chief Financial Officer) detailing the out-turn position as at 31 August 2022 against the approved revenue budget for 2022-23 as adjusted to comply with accounting requirements and subsequent Cabinet operational decisions, and providing details of the expected year-end variances together with summary cost information for each of the undernoted services as at 31 August 2022 and subsequent assessment of pressures arising from COVID-19.

- (i) Education Department;
- (ii) Contribution to Integration Joint Board;

- (iii) Environment Department;
- (iv) Environment Department – Support;
- (v) Chief Executive’s Office;
- (vi) Chief Executive’s Office – Support;
- (vii) Business Operations and Partnerships;
- (viii) Business Operations and Partnerships – Support;
- (ix) Other Expenditure and Income;
- (x) Joint Boards;
- (xi) Contingency – Welfare;
- (xii) Health and Social Care Partnership; and
- (xiii) Housing Revenue Account.

The report explained that as at 31 August 2022, the actual position against the phased budget showed a total net overspend of £1,162k, however this was largely due to timing variances. The estimated year end position reflected an adverse variance on net expenditure of £1,232k based on current information. For General Fund services the projected overspend was £1,123k.

Council Tax collection position was anticipated to be in line with budget and would not impact the total forecast overspend on General Fund services. It was anticipated that the forecast pandemic pressures of £4,544k would be covered by using COVID grant resources awarded to the Council in 2021/22 and the current year. The projected operational variance reflected the significant increased inflationary pressures arising within Utilities, Transport and PFI/PPP contracts and would have to be addressed with Services as to the levels of additional resource and management intervention that could be undertaken. The projected operational outturn assumed that the 2022/23 pay awards for Teachers and Local Government Staff that have not yet been settled aligned with budget.

The report also provided further details of the variances in each department including details of service virements and operational adjustments made to departmental budgets, for which approval was sought.

The Head of Accountancy (Chief Financial Officer), was heard in further explanation of the information contained in the report.

In response to a question from Councillor O’Donnell regarding the status of utility contracts, the Head of Accountancy (Chief Financial Officer) explained that they were procured centrally through Scotland Excel and the majority of use was bought 1 year in advance of need. She explained that, for those remaining parts that were not bought in advance, the rates had increased substantially. The Head of Environment (Housing and Property Services) further outlined measures being considered to reduce energy consumption within Council buildings including reviewing opening hours and reducing the temperature within the buildings where possible.

The Head of Accountancy (Chief Financial Officer) indicated that, in light of the upcoming pay award, it would be more difficult than usual to claw back the overspend reported, however, every effort would be made to do so.

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

- (a) noted the continued financial pressures on operational services arising from the COVID-19 pandemic and that it was expected to cover these from accumulated COVID grant funding.
- (b) noted the forecast underlying General Fund operational overspend of £1,123k.

- (c) approved service virements and operational adjustments as set out in the report and noted the reported probable out-turn position.
- (d) noted that all departments continued to closely monitor and manage their budgets, to ensure that spending up to operational budget levels did not take place and immediately took steps to avoid all non-essential expenditure.

REVIEW OF THE STRATEGIC RISK REGISTER AND RISK MANAGEMENT PROGRESS

220. The Cabinet considered a report by the Chief Executive providing the latest annual update of the Council's Strategic Risk Register together with a summary of risk management progress

It was noted that the previous update of the Strategic Risk Register had been considered by the Cabinet on 15 April 2021 and more recently on 29 September 2022 by the Audit and Scrutiny Committee.

The Strategic Risk Register, a copy of which accompanied the report, set out the key strategic risks to be considered by the Council and detailed the actions that management had put in place to manage these risks. It was further noted that each service had an operational risk register to record day to day and service specific risks.

The report explained that a thorough review of all risks on the register has been undertaken by the CMT. Several risks had been amended to include additional control measures and the risks had been rescored for significance. There were now 38 risks of which 9 were evaluated as high and 29 as medium. It was noted that where a risk had been evaluated as "low" it was removed from the Strategic Risk Register and monitored within departmental or operational registers if appropriate.

The various categories and risks therein were set out.

In response to a question from Councillor Anderson regarding the risk of rolling power cuts and the effect this could have on Council services, the Chief Executive explained that a Crisis Resilience Management Team had been established and was investigating the issue, for both the Council and vulnerable residents who relied on support. The Director of Business Operations and Partnerships added that the Crisis Resilience Management Team would be bringing an update to the Corporate Management Team on this issue soon.

The Head of Accountancy (Chief Financial Officer) confirmed that budgetary pressures were covered in the Register under Section 6.

The Chief Executive, in response to a question from Councillor O'Donnell, explained that the Risk Appetite Matrix would form part of the Risk Strategy which would come to a future meeting.

The Cabinet noted:-

- (a) the development of the Council's Strategic Risk Register; and
- (b) that it was considered a "live" document and would be updated and amended by the Corporate Management Team (CMT) as appropriate.

ENVIRONMENT END-YEAR PERFORMANCE REPORT 2021-22

221. The Cabinet considered a report by the Director of Environment providing a summary of the performance of the Environment Department for the year 2021-22.

The report explained that the department had performed well throughout 2021/22. Whilst some services made good progress on the implementation of Covid-19 recovery plans, the pandemic and the associated restrictions continued to impact staff and the services delivered. Despite this, the Department had met or exceeded the majority of its targets.

Councillor Anderson raised an issue about the loss of institutional knowledge due to early retirements and the impact this could be having in terms of staff shortages. The Chief Executive reassured Cabinet that the majority of the issues faced were simply due to labour market shortages rather than any particular issue identified around early retirements.

Councillor O'Donnell commended the Environment Department for a strong set of results, particularly noting that the Council had the best performing fleet service in the United Kingdom and best recycling rates in Scotland.

The Cabinet noted the report.

CLYDE CLIMATE FOREST CONCORDAT

222. The Cabinet considered a report by the Director of Environment, providing an update on the progress of the Clyde Climate Forest project and seeking Cabinet endorsement for the Clyde Climate Forest Concordat.

By way of background the report explained that in June 2021 Glasgow City Region Cabinet launched the Clyde Climate Forest (CCF) with a headline target of planting 18 million trees over the next decade. The CCF would enable and co-ordinate work to upscale tree planting across the city region by 2032.

Having set out the CCF targets, a breakdown of the way in which the 18 million tree target would be delivered, funding information and details of the Programme Board set up to manage the project, the report explained that In September 2022 CCF had invited the eight authorities in the Glasgow City Region to become signatories to the Clyde Climate Forest Concordat. A copy of the Concordat accompanied the report.

Details of the some of the work being carried out in East Renfrewshire as part of the delivery of the outcomes set out in the Concordat were listed.

The report explained that endorsement of the Concordat would result in some staff time supporting the CCF. Some Council land may be identified for tree planting, but tree planting would only occur where an options appraisal and stakeholder engagement identified that trees were the Council's best option for the location.

Furthermore, the CCF was an extensive partnership project which would assist with the Council's Climate Change targets, the wider Regional and National Climate Change targets and would also provide positive wider ecological and wildlife benefits. Endorsement of the Concordat would put these arrangements on a formal footing.

In response to a question from Councillor Devlin regarding the areas which had been identified for planting, the Head of Environment (Strategic Services) indicated that he would be happy to share the Tree Plan for information.

Councillors Anderson and O'Donnell also welcomed the report, and overall environmental improvements to the Council area while also contributing to the fight against climate change.

The Cabinet:-

- (a) endorsed the Clyde Climate Forest Concordat; and
- (b) noted that the Clyde Climate Forest would seek the approval for the Concordat from all Local Authorities in the Glasgow City Region (GCR).

UPDATE TO REQUIREMENTS OF CLIMATE CHANGE REPORTING

223. The Cabinet considered a report by the Director of Environment providing an update on changes to the statutory requirements of the Public Bodies Climate Change Duties Annual Reporting; providing a response to the letter received from the Cabinet Secretary for Net Zero; and seeking agreement for the climate change targets required for the annual report.

The report explained that each November, the Council was required to submit a report to Scottish Government setting out the progress it had made in contribution to the Scottish Government's target to be carbon net zero by 2045, known as the Public Bodies Climate Change Duties Annual Reporting.

In 2020 the Scottish Government had announced these reporting requirements were to be strengthened and expanded, with the changes to take effect in November 2022. The Cabinet Secretary, Michael Matheson MSP, had written to all Council Leaders and Chief Executives to confirm these new requirements. The letter from the Cabinet Secretary, a copy of which accompanied the report, set out that in addition to information already provided in the Public Bodies Climate Change Duties report, the Council would be required to provide information on a number of other matters, the details of which were summarised.

The report further explained that as a result of the Council's work to establish a carbon baseline, and subsequent ongoing work to prepare the forthcoming Get to Zero Action Plan (GTZAP), the ability to meet the updated statutory requirements could be split into two categories: *on track* and *needs consideration*.

For the new the requirements in both categories, the report outlined a proposed response as to how the Council was placed to deliver. This included the setting of various targets for direct and indirect emissions, required for the annual report.

The Head of Environment (Strategic Services), pointed out that a paper would come to Cabinet on 1 December 2022 on meeting the 2025 target for Fleet Services.

The Chief Executive explained that the Council had been set significant targets with no funding in place, and so it had put in £200,000 to allow preparations to be made. There was uncertainty on what the legislative requirements would be and how they would be funded, but it was prudent to plan ahead to get the best possible start on meeting those requirements as they became known.

In response to questions from Councillors Anderson and O'Donnell on the move from net zero by 2040 to 2045, the Head of Environment (Strategic Services) indicated that the initial target was for the Council to be carbon neutral by 2040, with other greenhouse gases to be reduced to zero by 2045. The target had now been revised for all greenhouse gases to reach zero by 2045.

The Cabinet:-

- (a) noted the requirements set out by the Cabinet Secretary for Net Zero and the Council's ability to meet these requirements; and
- (b) agreed the climate change targets for direct and indirect emissions, required for the annual report.

RETROFIT OF DOMESTIC HOUSING

224. The Cabinet considered a report by the Director of Environment providing an update on the progress to retrofit homes across Glasgow City Region to be more energy efficient and heated by low-carbon systems, and commenting on the future direction of funding provided for owner-occupier home energy efficiency measures.

The report referred to Scotland's Climate Change Plan which set out the ambition to massively reduce emissions, particularly from heating buildings, which accounted for around 20% of Scotland's Greenhouse Gas (GHG) emissions.

It was explained that in 2019, only 11% of homes in Scotland had low-emission heating systems. To meet the national target of net zero GHG emissions by 2045, a rapid acceleration of homes converting to zero-emission heating was needed. From the current rate of 0.1% of homes making the conversion per year it would be necessary for 5-10% of homes per year to achieve this target.

Details of some of the steps required to achieve zero-emission heating having been explained, it was noted that in October 2021 Glasgow City Region (GCR) Cabinet agreed a report which outlined that bringing homes across the region to Energy Performance Certificate (EPC) level C and above is estimated to cost in the region of £10.7 billion, with up to £600 million investment per annum required for a 15-year period. The Head of Environment (Housing and Property Services) clarified this point by indicating that only £64 million in funding was available to the Council to meet that requirement. There were approx.428k properties across GCR below EPC C. In East Renfrewshire this figure was 24,000 homes, 60% of all homes. The report to GRC proposed a number of work streams, details of which were listed in the report.

The report then provided a summary of the progress across each of the work streams, this having been presented recently to the Chief Executives' Group.

The Cabinet heard the Head of Environment (Strategic Services) in response to questions around the difficulty of meeting the challenges in this area. In particular, he addressed the difficulties of making the necessary changes to private properties where the owners did not agree to conduct the works and the potential for including solar panels into development plans for future builds. However, he did note that the challenge of retrofit was greater than new build properties.

The Cabinet noted the progress and challenges faced in retrofitting homes across Glasgow City Region (and East Renfrewshire).

UK SHARED PROSPERITY FUND

225. The Cabinet considered a report by the Director of Environment advising of the UK Shared Prosperity Fund (SPF) award from the UK Government and seeking approval for schemes for the period 2022-2025.

The Economic Development and Inclusive Growth Manager prefaced the report by pointing out that the final approval of funding by the UK Government had been delayed but was expected to be received at the beginning of December 2022.

The report explained that the SPF supported the UK Government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives and covered four main investment priorities: These were noted as Communities and Place Intervention (Core); Supporting Local Business Intervention (Core); People and Skills Intervention (Core); and Multiply. Further details in relation to each of the priorities was summarised.

It was noted that the Council had been awarded £2,722,202 for the 3 year programme from 2022-2025 for the Communities and Place, Supporting Local Businesses and People and Skills interventions, subject to final UK Government approval, and details of how the funding was split between revenue and capital funding were set out.

It was also noted that for the Multiply intervention, the Council had been awarded £568,227 over the 3 year period, subject to UK Government approval, with the Education Department leading on the development and implementation of this programme.

It was reported that the Council's Economic Development team had issued a call for project proposals to internal and external stakeholders in May 2022 and had worked with partners that could identify suitable projects.

Details of the factors given particular consideration in the prioritisation of projects having been set out, it was clarified that priority had been given to a number of initiatives ranging in scale and content some of which would ensure "quick wins" and some that may take longer to realise their economic impact. A list of the proposed projects for which approval was sought accompanied the report.

The report explained that funding across the three main core interventions of Communities and Place, Support to Local Businesses and People and Skills had been fully committed for years 2022/23 and 2023/24. Given the significant increase in funding year 2024/25 it had not been possible to identify suitable projects that would maximise the funding in that year. As such the Economic Development team would be issuing a further call for proposals in early 2023 for projects to be funded in 2024/25.

The team would continue to work with all stakeholders to update the project pipeline approach for future funding opportunities and continue to work with community groups to develop their ideas into eligible "shovel ready" projects.

In response to a question, the Economic Development and Inclusive Growth Manager agreed to arrange a discussion of the plans for the Cowan Park Regeneration with Councillor Devlin.

The expected achievements across each of the 4 themes having been noted, the Cabinet:-

- (a) noted the financial allocation to East Renfrewshire Council for the programme period 2022-2025, with the figure expected to be confirmed by December 2022;
- (b) approved the projects as outlined in appendix 1 for 2022-2025, subject to confirmation of funding from the UK Government;
- (c) delegated to the future Director of Environment to make adjustments to the proposals depending upon the detailed costs of projects being confirmed; and

- (d) noted that further reports would be submitted to the Cabinet in due course seeking approval for projects in 2024-25.

REVIEW OF COUNCIL ACCOMMODATION

226. The Council considered a report by the Director of Environment providing information in relation to the proposed approach and timescale to review the Council's use of its accommodation portfolio.

The report outlined the various properties in use by the Council as office accommodation, how changes to working practices had been accelerated both by COVID and the use of technology and that post-Covid with more hybrid working being in place desks in many buildings were unoccupied.

The report explained that an exercise was undertaken to identify what office space or properties could either be disposed of or potentially shared with other organisations in order to share the cost. However, sharing space was proving difficult due to the need to coordinate different requirements, budgets and timescales with that of the Council. Consequently an exercise was now in progress to identify which properties could be identified as surplus to requirements and then disposed of or used differently.

The report also highlighted how this could help to reduce energy costs overall as well as contributing to the Council's Get to Zero target of net zero carbon emissions by 2045.

The report explained that an exercise had been carried out to determine which buildings should remain in scope for disposal, and that following this exercise 3 buildings, the Barrhead Offices on Main Street, the office building at Spiersbridge, and the Council Headquarters building in Eastwood Park remained in scope. However the report further clarified that for various reasons which were outlined, the Barrhead Offices should be removed from the scope.

The report then provided further information in respect of the two remaining buildings, setting out the work that would be required, some of the potential issues to be addressed and the potential benefits in relation to each.

In response to a question from Councillor Devlin, the Head of Environment (Strategic Services) confirmed that reported issues with water ingress at the Barrhead Offices were being investigated. He also confirmed that additional travel costs were being taken into account in terms of the possible closure of offices.

Councillor O'Donnell welcomed the review and the use of the Scottish Futures Trust. Given the complexity, he indicated that queries on the review could come back in March 2023.

The Cabinet noted the issues surrounding the Council's accommodation portfolio and its proposed approach to a review of that portfolio.

CHAIR