

Department of Business Operations and Partnerships

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Date: 24 February 2023

When calling please ask for: Eamonn Daly (0141-577-3023)

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TO: Provost Montague; Deputy Provost Campbell; and Councillors Anderson, Bamforth, Buchanan, Convery, Cunningham, Devlin, Edlin, Ireland, Lunday, Macdonald, McLean, Merrick, Morrison, O'Donnell, Pragnell and Wallace.

EAST RENFREWSHIRE COUNCIL

A meeting of the East Renfrewshire Council will be held in the Council Chamber, Council Headquarters, Giffnock, on **Wednesday 1 March 2023 at 10.00 am.**

The agenda of business is as listed below.

Prior to the commencement of the meeting the Provost will make a statement that the meeting will be webcast live and recorded for later publicly accessible archive viewing.

Yours faithfully

Louise Pringle

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DIRECTOR OF BUSINESS OPERATION AND PARTNERSHIPS

PROGRAMME OF BUSINESS

- 1. Report apologies for absence.**
- 2. Declarations of Interest.**
- 3. Submit for approval as a correct record and signature the Minute of meeting of the Council held on 14 December 2022.**
- 4. Submit for approval as a correct record and signature the Minute of special meeting of the Council held on 14 December 2022.**

5. Submit for approval as a correct record the Minutes of meetings for the period 15 December 2022 to 28 February 2023.

6. Items Remitted to the Council:

(i) East Renfrewshire Local Policing Plan 2023-2026 (copy attached, pages 5 - 34) (Cabinet (Police & Fire) – 9 February 2023).

Cabinet (Police & Fire) Recommendation

That the Council consider the East Renfrewshire Local Policing Plan 2023-2026.

(ii) Addition to Charging for Services 2023/24: Outcome of Call-in Discussions - Report by Director of Business Operations and Partnerships (copy attached, pages 35 - 52) (Cabinet 23 February 2023).

Cabinet Recommendation

(a) that the charge for the Garden Waste Permit 2023/2024 be increased from £40 to £50; and

(b) that the system for setting the garden waste charges in future not be subject to review outside of the existing arrangements for reviewing service charges.

(iii) Treasury Management Strategy 2023-24 – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 53 - 102) (Audit & Scrutiny Committee – 23 February 2023).

Audit & Scrutiny Committee Recommendation

(a) That the Treasury Management Strategy for 2023/24 be approved, including the Prudential and Treasury Indicators and the amended list of organisations for investment of surplus funds (Annex F);

(b) That the Council approves the policy on the repayment of loans fund advances, see section 3.4; and

(c) That the forms of investment Instruments for use as permitted investments (Annex D) be approved.

7. Statements by Conveners/Representatives on Joint Boards/Committees.

8. Provost's Engagements – Report by Director of Business Operations and Partnerships (copy attached, pages 103 - 104).

9. **Appointment to East Renfrewshire Culture and Leisure Trust Board – Report by Director of Education (copy attached, pages 105 - 108).**
10. **East Renfrewshire Culture and Leisure Trust 2023-24 Business Plan – Report by Director of Education (copy attached, pages 109 - 146).**
11. **Service Concession Arrangements – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 147 - 152).**
12. **Financial Planning 2023-2029 - Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 153 - 184).**
13. **Strategic Impact of the Financial Settlement – Report by Chief Executive (copy attached, pages 185 – 194).**
14. **East Renfrewshire Council Revenue Estimates 2023/24 – Report by Head of Accountancy (Chief Financial Officer) (copy attached, pages 195 - 374).**
15. **Capital Investment Strategy - Report by Head of Accountancy (Chief Financial Officer) (copy attached, pages 375 - 476).**
16. **General Fund Capital Plan 2023/24-2032/33 - Report by Head of Accountancy (Chief Financial Officer) (copy attached, pages 477 - 496).**
17. **Housing Revenue Account: Rent Setting 2023/24 – Report by Director of Environment (copy issued separately).**
18. **Housing Capital Programme 2023/24 to 2032/33 – Report by Director of Environment (copy attached, pages 497 - 504).**
19. **Post of Chief Executive – Report by Head of HR & Corporate Services (copy attached, pages 505 - 516).**
20. **Workforce Management – Report by Director of Business Operations and Partnerships (copy attached, pages 517 - 522).**
21. **Scheme for Members’ Remuneration and Expenses 2023/24 - Report by Director of Business Operations and Partnerships (copy attached, pages 523 - 538).**

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

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

East Renfrewshire Local Policing Plan

Public Consultation Draft

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Foreword

As the Local Policing Commander for Greater Glasgow Division, I am delighted to introduce our East Renfrewshire Local Policing Plan for 2023-2026. This document details our Policing Priorities for the three year period ahead, highlighting the outcomes we aim to achieve over that period. The plan is based on our priorities, aligned with those of our partners, and the views of East Renfrewshire's communities on what matters to them.

Chief Constable Sir Iain Livingstone has overall responsibility for policing in Scotland in accordance with the Police and Fire Reform (Scotland) Act 2012. As well as being responsible for providing policing services to the people of Scotland, the Chief Constable must designate local policing commanders, and ensure that adequate arrangements are in place for the policing of each local authority area.

I am proud to be the Police Commander for Greater Glasgow Division, which is comprised of Glasgow City Local Authority, East Dunbartonshire and East Renfrewshire. Greater Glasgow is a rich and diverse place and somewhere I have been honoured to serve the public for the majority of my police career. The demands within Greater Glasgow for policing and other public services, exceeds that of anywhere else in Scotland, they can be complex, challenging and resource intensive. However our officers work tirelessly to deliver policing in collaboration with many partners across all sectors, and the public, to ensure Greater Glasgow is a safe and enjoyable place to live, visit and work.

One of our national priorities is to protect vulnerable people and our officers continue to respond to such situations and individuals with professionalism, empathy and compassion. The harm of drugs in our communities continues to cause concern, which is one of the reasons why Greater Glasgow Division is promoting, engaging and delivering a public health approach to policing, in collaboration with our partners to better protect the public. Many of our officers now carry Naloxone and are able to intervene in life threatening situations reducing the impact and harm of drugs for people and communities.

The COVID-19 pandemic had a huge impact on our own workforce and communities in recent years and we will remain agile working closely with partners and the public to keep people safe and protected, whilst continuing to deliver policing services in

response to community needs. Public confidence in policing rose during this period and I am determined to do all that we can to maintain and build on these levels of confidence in policing.

Our focus is on issues of greatest community concern, we are committed to being an accessible, visible and responsive police service. Our purpose is to improve the safety and wellbeing of people, places and communities in East Renfrewshire. We deliver this through working collaboratively with partners in order to provide the best possible services to the public. As members of the Local Community Planning Partnership, our priorities are linked closely to the Local Outcome Improvement Plan, with a key focus on the delivery of our shared outcomes.

This plan covers the years 2023-2026 however it will be reviewed and monitored periodically ensuring its relevance, allowing us to analyse and respond to emerging issues, identify and build on good practice. This will also ensure our policing activity compliments Local Community Planning.

I look forward to leading police services for the people of East Renfrewshire and working closely with all partner agencies and stakeholders to ensure that Police Scotland and Greater Glasgow Division continues to deliver a professional, high quality service, upon which individuals and communities can have confidence in.

Chief Superintendent Mark Sutherland, Local Police Commander, G Division.

Introduction

This police plan relates to the East Renfrewshire area which encompasses widely contrasting communities from densely populated area such as Thornliebank, Clarkston and Newton Mearns to the semi-rural villages of Eaglesham and Uplawmoor.

Local policing services are provided from Giffnock and Barrhead Police Offices with specialist support provided by a variety of units from across the country.

East Renfrewshire has a population of around 96,000 and this is expected to grow faster than the Scottish average in the coming years. The number of people living in East Renfrewshire is projected to increase by 7.6% by the year 2026, this is higher than previously projected. By 2031 there is expected to be over 2,000 new homes.

East Renfrewshire is an attractive area to reside due to high quality schooling in the area and the open spaces which are available. These include the popular Whitelee Wind Farm, Roukenglen Park and Cowan Park.

Recorded crime rates in East Renfrewshire are amongst the lowest in Scotland. There are, however pockets of deprivation and associated social challenges. This local policing plan aims to highlight these challenges and some of the steps we intend to deal with them.

This Local Policing Plan aims to contribute to reducing the harm and building stronger more resilient communities through a public health approach. As key partners in the East Renfrewshire Community Planning Partnership, we share the vision of making East Renfrewshire an area of thriving resilient communities, where everyone can flourish.

This Local Policing Plan sets out the local policing priorities for East Renfrewshire for 2023-2026. The plan is a statutory requirement under the Police and Fire Reform (Scotland) Act 2012 and forms part of a broader planning process which takes account of the Scottish Governments vision for public services, the Police Scotland Annual Police Plan and Policing for a safe, protected and resilient Scotland, Police Scotland and the Scottish Police Authority's Joint Strategy for Policing.

It details local and national priorities identified as being significant to the communities of East Renfrewshire, and the way in which Greater Glasgow Division will respond to reduce the associated threat, risk and harm. The views of the community were obtained through community engagement via 'Your Police' survey, which was promoted via our social media channels and through interaction with our local communities and partners.

The plan is designed to deliver positive outcomes for the people of East Renfrewshire. It is closely linked with the Fairer East Ren plan and the Locality Plans that detail more localised responses, in different parts of the city.

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National strategic alignment

Our strategic outcomes provide a clear route from the Scottish Government's outcomes and priorities, including the Justice Strategy, through Police Scotland's strategies, plans and performance reporting, enabling us to demonstrate alignment and clearly articulate our ambitions and progress as demonstrated below. In addition to the Annual Police Plan, Police Scotland's thirteen local policing divisions produce Local Police Plans which reference distinct priorities, objectives, outcomes and performance measures. They link to wider community planning arrangements, with Local Outcome Improvement Plans taken into account in their development.

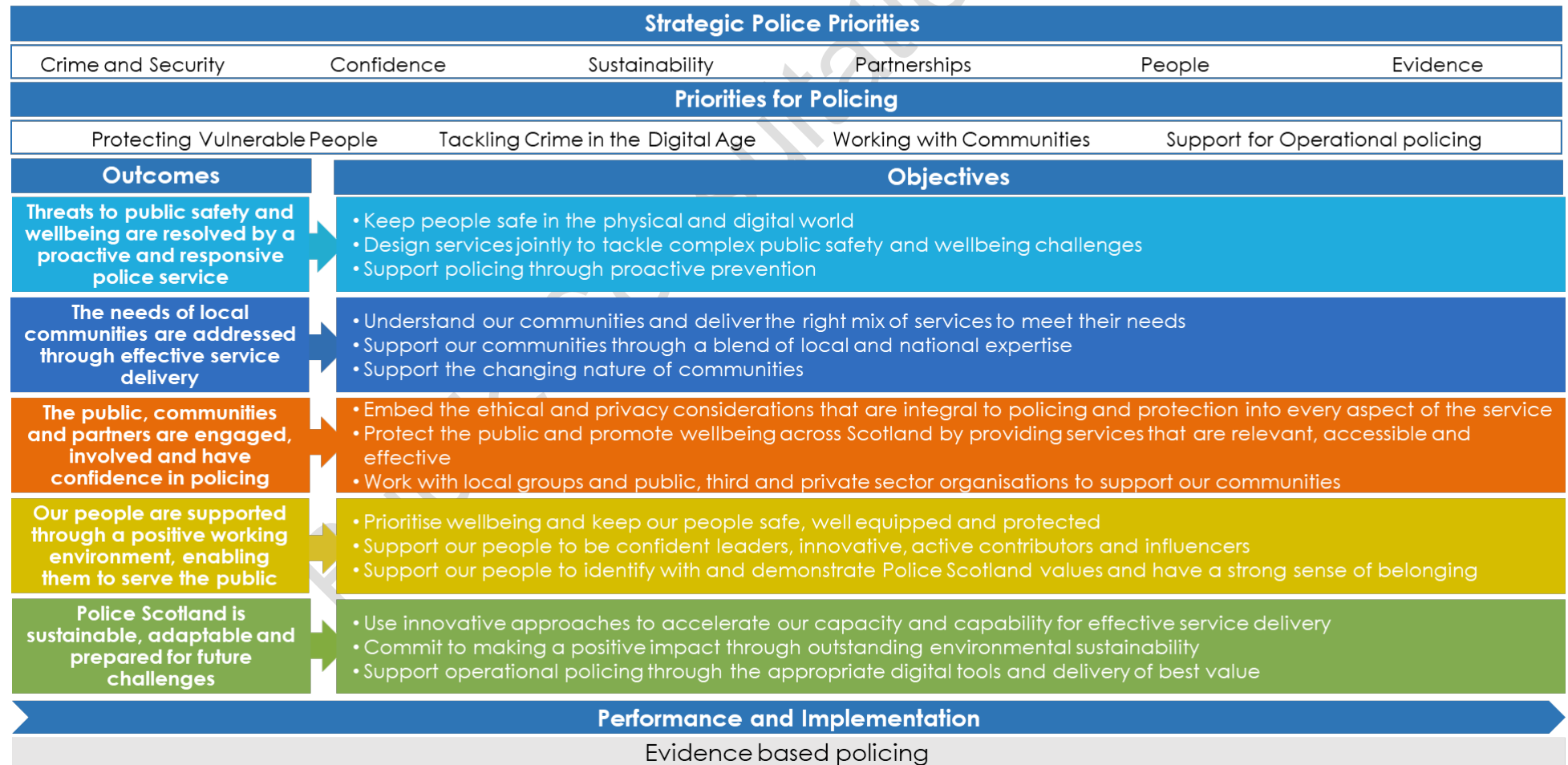
- Scottish Government National Outcomes/Strategic Priorities/Justice Vision
- SPA/Police Scotland Strategic Outcomes
- Long Term Policing Strategy: Policing for a Safe, Protected and Resilient Scotland
- Enabler strategies including People, Fleet, Estates, Public Contact and Engagement, Enabling Policing for the Future, Digital Data and ICT, Cyber, Environmental, Procurement, Violence against Women and Girls, Equality Diversity and Inclusion

These are underpinned by plans including the Strategic Workforce Plan, Annual Police Plan, Local Police Plans, Local Outcome Improvement Plans, and Financial Plans.

Police Scotland’s strategic objectives



Our Vision | Policing for a safe, protected and resilient Scotland
Our Purpose | The purpose of policing is to improve the safety and wellbeing of people, places and communities in Scotland
Our Values | Fairness | Integrity | Respect | Human Rights



Local policing delivery context

Police Scotland's purpose is to improve the safety and wellbeing of people and communities for a safe, protected and resilient Scotland. This is in line with our values of Fairness, Integrity and Respect and a commitment to upholding human rights.

This police plan relates to the East Renfrewshire Local Authority and together with East Dunbartonshire and Glasgow City, these areas are covered by Greater Glasgow Policing Division.

Greater Glasgow is led by a Local Policing Commander who holds the rank of Chief Superintendent. The Local Policing Command is supported by a command team of six Superintendents and two Detective Superintendents who each lead dedicated teams across various geographical or functional areas.

Uniformed policing is delivered in our communities through Local Area Commanders [LAC], and their respective teams, who are responsible for delivering the Local Policing Plans in their geographical areas and responding to community concerns.

In East Renfrewshire uniformed policing is delivered in the community by this Local Area Commander and dedicated community and response officers. In addition Greater Glasgow has a number of functional teams such as Divisional Violence Reduction Unit and Licencing.

The division has several functional and specialist departments including Divisional Violence Reduction Unit, Licencing, Criminal Investigation, Serious Organised Crime, Intelligence and Public Protection led by four Detective Chief Inspectors. The teams deployed in these specialist areas undertake investigations in relation to serious criminality, organised crime, sexual crime, domestic violence, exploitation and wider public protection concerns. Greater Glasgow is unique in having local resources dedicated to Human Trafficking and Economic crime.

Greater Glasgow Division is driving our innovative public health approach and we have appointed the first dedicated public health co-ordinator in local policing to ensure this work goes from strategy into making a difference in people's every-day lives. This partnership approach led by a Chief Inspector, working along-side multiple

partners, is key to improved outcomes and better services for the most vulnerable in our communities. A Local Authority Liaison Officer is co-located in the Council Headquarters and works with the Local Authority to deliver Community Planning Priorities.

Greater Glasgow Division has a number of school based officers who are engaging with and supporting our young people and education partners. This is an important role in delivering community reassurance, advice, and protecting young people from harm. Collectively these officers, staff and departments ensure a co-ordinated and professional approach to policing built on core values of integrity, fairness and respect.

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Local priorities

CRIME

Reducing crimes that cause greatest concern and detecting offenders

VIOLENT CRIME - We will ensure our officers are effectively briefed, supported and deployed as part a Multi-Agency Tasking and Coordinating approach. We will focus on prevention and developing all investigative opportunities to bring offenders to justice, making use of all appropriate legislation and policing tactics, to proactively manage known violent offenders, concentrating on the greatest community concerns and impact.

CRIMES OF DISHONESTY- We will identify crime patterns in relation to robbery, house breaking and other acquisitive crimes. We maintain and will deploy specialist officers to ensure a knowledge of offences and offenders is developed and every effort is made to prevent crime by target hardening, raising awareness and managing known offenders.

DISORDER AND ANTISOCIAL BEHAVIOUR – We will engage with partner agencies to ensure that licensed premises are operating in a responsible manner and, not selling alcohol to young people. We will maximise opportunities to reduce disorder and antisocial behaviour through our weekly Tasking and Coordinating Partnership meeting.

CYBERCRIME - We will continue to develop our skills in cyber enabled and dependent crime. Key areas of focus include online sexual, hate and financial crime.

HATE CRIME - We will work with partners to deliver a person centred approach to all reports of hate crime or hate incidents. We will identify vulnerable communities and individuals providing appropriate advice, guidance and specialist support. Reports made to us will be prioritised and thoroughly investigated to obtain justice, where appropriate. Our approach will be compassionate and engaging with persons affected, ensuring safety and support for victims.

ROAD SAFETY - We will utilise intelligence and analytical products to identify prominent crash locations and repeat offenders. We will communicate and engage with the public to improve driver behaviour, creating safer roads for our communities and using enforcement as a proportionate measure.

SEXUAL CRIMES - We will be supportive and compassionate to individuals who have been subject of a sexual offence, working with partners in a joint approach. We will deploy specially trained staff and conduct robust investigation. A dedicated unit will monitor offenders in the community. We will maximise the use of Sexual Harm Prevention Orders.

Delivering through our public health approach - We will endeavour to assess if vulnerability has been a contributory factor in offending behaviour. With a better understanding of the underlying reasons leading to involvement in criminality, we will seek support from our partners in an effort to reduce re-offending and promote rehabilitation

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PROTECTING VULNERABLE PEOPLE - Working with vulnerable people and partners to reduce harm

VIOLENCE AGAINST WOMEN AND GIRLS – We will support and reassure the community to have the confidence to report to police. We will utilise intelligence and analytical products to identify and arrest offenders. We will robustly investigate all forms of violence and abuse of women and girls, including domestic and sexual crime, and work with partners to deliver safe spaces across East Renfrewshire. Our compassionate person-centred approach will support the national strategy, which will contribute towards a society where women and girls are safe from harassment, abuse and exploitation.

ADULT AND CHILD PROTECTION – We will continue a multi-agency approach to child and adult protection, to ensure vulnerable adults, young people and children are protected and safeguarded. We will utilise all legislation and investigative opportunities to identify and arrest those involved in the exploitation of others.

DRUGS HARM – We will develop our approach to increase awareness of drug harm through a public health approach to policing. We will further develop our outreach and diversion activities through our Positive Outcomes Project and offer additional protection to vulnerable people through our Naloxone capability. We will provide methodical Senior Investigating Officer led investigations where deaths have occurred and work with other agencies to support affected families.

YOUNG PEOPLE – Police Scotland Youth Volunteers will continue to provide positive opportunities for young people. School liaison officers will continue to maximise awareness raising opportunities of matters which may affect our young people. Prevention work continues with vulnerable people to divert them from crime and provide alternatives, working in partnership with statutory and third party agencies.

MISSING PEOPLE – We will assess each missing person report, to allocate appropriate levels of priority and resources. A key consideration will be an ongoing assessment of the risk posed by the missing person to themselves or to others.

VULNERABLE ROAD USERS – We will utilise media platforms to educate the public about road safety initiatives. We will undertake planned activity to reduce the

vulnerability of different road users. We will continue to work with partners to improve road safety around schools.

HUMAN TRAFFICKING – We will develop our approach to identifying those involved in human Trafficking and safeguarding victims. Our specialist officers will collaborate with partners at a local and national level to identify and protect the most vulnerable in our communities.

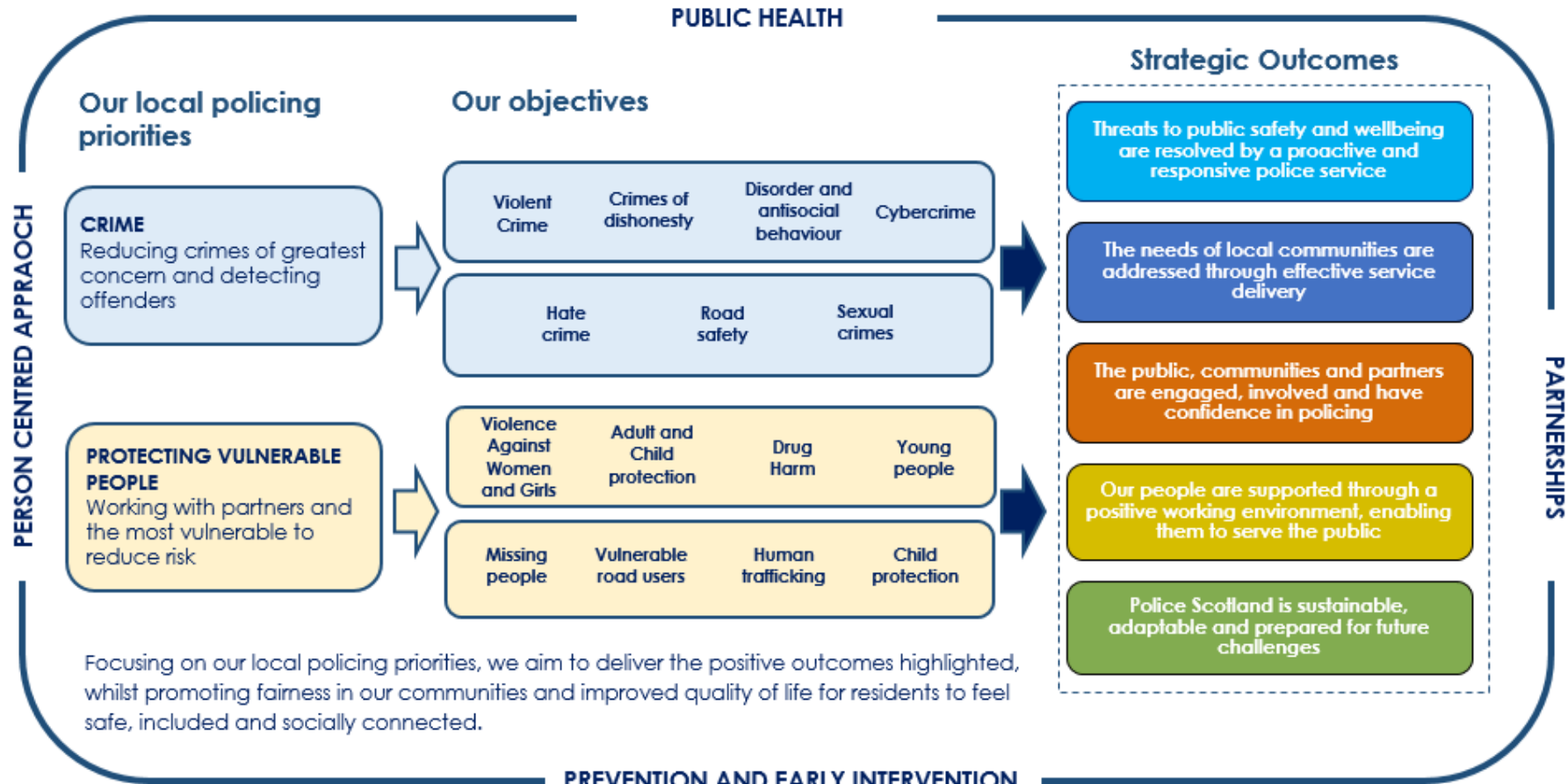
CHILD PROTECTION – We will work with public bodies and organisations as Corporate Parents to ensure vulnerable children are safeguarded and supported. All child protection concerns reported to Police Scotland will be thoroughly investigated. In addition we are committed to sharing information with other agencies to protect children.

Delivering through our public health approach- We will focus on three key priorities namely drugs and harm reduction; mental health including adult support and protection, children and young people; and contributing to reducing poverty. Each of these areas focus on significant public health issues which can have a devastating impact on the wellbeing of the communities we serve. As an emergency service, we understand our role in identifying vulnerability through our daily interactions with members of the public. We are uniquely placed to recognise vulnerability and will continue to refer individuals for support from the right agency at the right time and promote positive outcomes for the citizens of Greater Glasgow.



Plan on a Page
East Renfrewshire

Our vision | Policing for a safe, protected and resilient Scotland
Our purpose | Improve the safety and wellbeing of people, places and communities in Scotland
Our values | Fairness, Integrity, Respect, Human Rights



Local objectives and activity

Threats to public safety and wellbeing are resolved by a proactive and responsive police service

We find ourselves moving at an ever-increasing pace from the physical to the digital world; a move that creates new and complex crime types. It also affects traditional crime, much of which now has a digital element.

To protect our communities effectively, we will continue to explore innovative technologies and partnerships.

We will continue to be a key contributor to local joint planning and delivery, helping drive a shift to prevention and early intervention across services.

Objective: Keep people safe in the physical and digital world

Activity 1: Working with partners to improve the safety of persons and places in the physical environment.

Key milestones:

- Multi-agency open space deployments in key identified areas that pose the greatest risk. These areas will include ASB hotspots, licensed premises and public spaces.
- Roll out of NHS Trauma training to support frontline officers when dealing with people and places in crisis.

Update expected: Y1, Y2 & Y3 Q4

Performance measures and insights:

- How effective are we at reducing crime in open spaces?
- How well do we support trauma affected people?

Objective: Design services jointly to tackle complex public safety and wellbeing challenges

Activity 2: Work with partners to deliver a person-centred approach to hate incidents and support diverse communities.

Key milestones:

- Training of local businesses in 'I Am Me'.
- Build on multi-agency information sharing and coordination.
- Strengthen our engagement with diverse community groups.
- Number of Keep Safe Premises.

Update expected: Y1, Y2 & Y3 Q2 and Q4

Performance measures and insights:

- How have we increased the safety of residents?
- Has there been an increase in reporting?
- How successful are we at detecting hate crimes?
- Have we increased the number of Keep Safe Premises?

Objective: Support policing through proactive prevention

Activity 3: Together with partners target acquisitive crime occurring in the community

Key milestones:

- Work with specialist divisional and national departments to support investigations and promote prevention.
- Work with Trading Standards, Community Safety Wardens, Youth Services and third sector organisations to develop intelligence and identify offenders who can be targeted to reduce the impact on our communities.
- Raising awareness and educating communities on acquisitive crime trends.
- Use Greater Glasgow Social media to educate people about acquisitive crime trends.

Update expected: Y1, Y2 & Y3 Q2 and Q4

Performance measures and insights:

- How successful are we at detecting offenders?
- Has there been a reduction in offences?
- Have acquisitive crime trends been identified, targeted and publicised?

The needs of local communities are addressed through effective service delivery

To create your Local Police Plan we have engaged and consulted with the public, stakeholders, community representatives and partners including other service providers to ensure we have a shared understanding of the local community and the role of policing within it.

We will continue to improve the services we provide as society evolves, embedding accessibility and inclusivity into all that we do.

We continue to be able to call upon additional operational support and specialist services to assist with incidents and investigations, large planned and unplanned events, and other situations where these resources are needed ensuring our focus remains on the needs of the local community.

Objective: Understand our communities and deliver the right mix of services to meet their needs

Activity 4: Through innovation and a public health approach we will continue to develop and improve practices to protect the most vulnerable people in our communities who are at threat, risk or harm of domestic abuse.

Key milestones:

- Delivery of Safe and Together Model for children and non-offending parents to ensure where possible children and parents are kept together.

- Partner with survivors of domestic abuse and stakeholders, such as the violence against women and girls group, to ensure their voices are heard as stakeholders in how we develop and improve practice.
- Coordinate a multi-agency approach which includes statutory and third sector partners to reduce domestic abuse through education, support and enforcement.

Update expected: Y1 – Y3 Q1 + Q3

Performance measures and insights:

- What is the feedback from survivors and partner agencies?
- How well are we supporting children and survivors of domestic abuse?

Objective: Support our communities through a blend of local and national expertise

Activity 5: Address offending, anti-social behaviour and risk taking behaviour.

Key milestones:

- Partnership approaches to address ASB and risk taking behaviour with Scottish Fire and Rescue Service, British Transport Police, Scottish Water and East Renfrewshire Council.
- Deliver and support the delivery of local inputs such as SMASHED and Anti Bullying Campaign at schools and other areas.
- Delivery of Safer Open Parks and Spaces for all to ensure a communities can use local spaces in a safe and responsible manner.
- Deliver effective working and support through the Greater results in Partnership Group. This group targets offenders and victims at risk of ASB and risk taking behaviour.

- Delivery of the East Renfrewshire Water Safety Partnership to build on the successful approach taken in previous years in promoting safe water activities.

Update expected: Y1 – Y3 Q1 + Q3

Performance measures and insights:

- Has public confidence and trust increased?
- Has the partnership approach resulted in the effective targeting of resources?
- How many inputs have been delivered to schools and the community?
- How effective has delivery of the Safer Open Parks and Spaces for All initiative been?
- How effective is East Renfrewshire Water Safety Partnership?

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The public, communities and partners are engaged, involved and have confidence in policing

Our values are at the heart of everything we do. Our human rights based approach to policing along with ethical and privacy considerations are of the utmost importance to the service we provide. The communities we serve should feel confident that we will always police in a way that is fully underpinned by our values of fairness, integrity, respect and human rights.

The safety and wellbeing of the people we serve are enhanced by providing services that work efficiently. We will listen and seek to understand the changing needs of diverse communities, bringing both professionalism and empathy to our interactions making changes to our services when required. Engaging with people strengthens relevance, responsiveness and accountability and builds trust. We will improve and refocus our engagement activities where these are not reaching diverse communities and are not representative of the society we serve.

Objective: Protect the public and promote wellbeing across Scotland by providing services that are relevant, accessible and effective

Activity 6: Contribute to improving mental wellbeing of people in East Renfrewshire through a partnership approach.

Key milestones:

- Support delivery of Mental Health (SAMH) and Suicide Prevention (ASIST) training to officers.
- Promoting the public health approach to policing which recognises mental wellbeing is crucial to reducing offending.
- Delivery of East Renfrewshire Action on Alcohol workshops to impact positively on the health and wellbeing of those effected.

- Promoting the East Renfrewshire Alcohol and Drug Partnership to strategically and tactically address the wellbeing of those impacted by alcohol and drugs.

Update expected: Y1-3 Q2 and Q4

Performance measures and insights:

- Are we appropriately identifying and responding to those suffering from mental health issues?
- Have we increased the number of trained officers?
- Have we increased volume and quality of VPD referrals that recognise and address wellbeing issues within our communities?
- Have we increased the number of case conference meetings for those experiencing mental health crisis?

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Our people are supported through a positive working environment, enabling them to service the public

The safety and wellbeing of our officers and staff are at the heart of Police Scotland's commitments. The challenges for policing are significant and the part policing plays in daily life will become ever more important as Society faces huge challenges. Policing is also coming under increasing scrutiny and pressure in relation to our actions.

We will create the environment for our staff to be able to work effectively and equip them to make decisions, ensuring they are trusted and empowered to do so.

Objective: Prioritise wellbeing and keep our people safe, well equipped and protected

Activity 7: Deliver the Greater Glasgow Your Voice Matters Implementation plans, developed in response to the survey results, to ensure that the desired outcomes and progress is achieved.

Key milestones:

- Implementation of sub groups to lead on key themes; resourcing, incivility, estates and equipment, well-being and fear of making mistakes.
- Regular review and governance.
- Implementation of YVM local intranet page to improve communication.

Update expected: Y1 - 3 Q2 + Q4

Performance measures and insights:

- How will YVM results inform Greater Glasgow division's wellbeing approach?
- How are results and response rates reflecting the effectiveness of the action plans?
- What are our Staff Associations, Unions and Diversity Network Chairs telling us?

Objective: Support our people to be confident leaders, innovative, active contributors and influencers

Activity 8: Support colleagues' performance and development through My Career, and associated promotion pathways.

Key milestones:

- Introduction of My Career Champions.
- Deliver Continuous Professional Development (CDP) events for officers involved in promotion processes.
- Monitor My Career training and completion rates.
- Overview of progress and benefits.

Update expected: Y1 - 3 Q2 + Q4

Performance measures and insights:

- How effective is Greater Glasgow Divisions workforce development?
- How many CPD events have been delivered?
- How many officers have completed My Career Training?

Objective: Support our people to identify with and demonstrate Police Scotland values and have a strong sense of belonging

Activity 9: Ensure effective collaboration and communication with our Statutory and Diversity Staff Associations.

Key milestones:

- Develop improved accessible approach.
- Monitor and evaluate progress.

Update expected: : Y1-3 Q2, Q4

Performance measures and insights:

- How does Police Scotland proactively promote and support equality, diversity and inclusion?
- What are our Staff Associations telling us?

Police Scotland is sustainable, adaptable and prepared for future challenges

Ongoing political, technological, economic and societal changes as well as unforeseeable emergencies on a local and global scale require the police service to adapt and respond to future challenges in order to maximise the benefits of future opportunities. This includes working to reduce the impact of our activity, estates and fleet on the environment. Police Scotland aims to make a significant contribution to the Scottish Government's 2040 carbon neutral target and 2045 zero greenhouse gas emissions target.

Everyone has a role to play in improving financial sustainability, making efficient use of resources and eliminating waste to deliver best value. Procurement of and demand for goods and services will remain under scrutiny, ensuring resources are used in the most efficient way possible to meet the greatest need.

Objective: Use innovative approaches to accelerate our capacity and capability for effective service delivery.

Activity 10: Improve and adapt our response and effectiveness in cyber dependent and cyber enabled crime.

Key milestones:

- Cyber Awareness Training for Workforce / Public / Business.
- Improved guidance via local channels.
- Work with partners to develop crime awareness training which will be embedded in our public health approach to policing.

Update expected: In format Y1 – Y3 Q1 + 3

Performance measures and insights:

- How effective is our Financial and Economic Crime Unit?
- How effective are we at dealing with cyber-enabled sexual related hate crime?
- What impact are we having to raise awareness to reduce harm surrounding cyber-enabled sexual & hate crime?

Objective: Support operational policing through the appropriate digital tools and delivery of best value.

Activity 11: Effectively deliver the implementation of new technology across Greater Glasgow Division and the impact of change on our workforce.

Key milestones:

- Delivery of Core Operational Solutions [COS].
- Training inputs for trainers on COS.
- Training sessions for our workforce on COS.
- Local COS Champions.

Update expected: Y1- Y3 Q4

Performance measures and insights:

- What percentage of our workforce have received training awareness sessions in COS?
- What has been the impact of COS in Divisional business?

Governance and performance

The Police and Fire Reform (Scotland) Act 2012 provides a framework for local scrutiny and engagement arrangements between Police, Fire and Rescue Service and the Local Authority.

The current format has been in place since April 2013 and will continue with annual meetings where the Local Policing Commander, supported by the Area Commander, presents a report to the Local Authority outlining police performance measured against the Local Policing Plan.

This provides opportunities for locally elected members to examine and hold police to account in relation to local policing services.

Equality, diversity and inclusion

Our work is underpinned by our commitment to equality, diversity and inclusion in our interactions with the communities we serve as well as our own staff.

Police Scotland is committed to developing and promoting best practice in advancement of our Equality Outcomes.

This plan will be subject to an Equalities and Human Rights Impact Assessment (EqHRIA) in compliance with the Scottish Public Sector Equality Duty in its final iteration in 2023. Separate EqHRIAs will be undertaken for the activities described in this plan as required.

In East Renfrewshire, we are committed to a policing style which meets the differing needs of the communities we serve and is dedicated to promoting equality within our own workforce.

We realise the every police officer, special constable and member of police staff is responsible for delivering a fair and professional service, promoting equality for all.

Engaging with us

Police Scotland	Police Scotland
Giffnock Police Station	Barrhead Police Station
4 Braidholm Road	Main Street
Giffnock	Barrhead
G46 6HA	G78 2RA

Dial 999 for an emergency that requires urgent Police attention.

For non-emergency contact, call 101, the single non-emergency number.

If you have information about crime in your area and wish to provide it anonymously, call CRIMESTOPPERS on 0800 555111.

Service users who are deaf or have a hearing impairment can contact Police Scotland via TEXTRELAY on 18001 101 for non-emergency, or 18000 in an emergency.

For more detailed information on how to contact your Local Policing Team please refer to the 'Your Community' section of our website at:

<http://www.scotland.police.uk/your-community/>

Meaningful and effective engagement involves genuine dialogue, respect, integrity, transparency and accountability. It provides an opportunity for people to shape our services and influence decisions made. Insight from effective engagement helps identify practical solutions and determine changes required to meet the needs of the communities we serve.

Police Scotland is committed to continuous improvement in all that we do. If you have something to tell us about our service, please contact us at:

<https://www.scotland.police.uk/contact-us/>

Further information about our wider engagement can be found in our consultation and engagement hub at: <https://consult.scotland.police.uk/>

Police Scotland has a number of active social media channels that provide a range of information and insight into policing, both nationally and in your local area. A full list of our social media accounts can be found on our website. Our local channels can be found at:

Twitter: [@http://www.twitter.com.EastRenPolice](http://www.twitter.com.EastRenPolice)

Facebook: [@Greater Glasgow Police Division](#)

Please note that our social media channels are not monitored 24/7 and should not be used for reporting crime. Please dial 999 in an emergency, and 101 in a non-emergency situation.

Inclusive and accessible engagement

We aim to embed accessibility and inclusivity into our services to make them work for everyone.

This Local Police Plan was subject to an Equality and Human Rights Impact Assessment (EqHRIA). A summary of the EqHRIA has been published alongside this document at

This Local Police Plan can be made available in various alternative formats. For more information, please contact us via our online form:

<https://www.scotland.police.uk/contact-us/>

Public Consultation Draft

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EAST RENFREWSHIRE COUNCILCABINET23 February 2023Report by Director of Business Operations and PartnershipsADDITION TO CHARGING FOR SERVICES 2023/24
OUTCOME OF CALL-IN DISCUSSIONS**PURPOSE OF REPORT**

1. To report on the outcome of the deliberations of the Audit & Scrutiny Committee on the Cabinet's decision regarding an *Addition to Charging for Services 2023/24*.

RECOMMENDATIONS

2. It was recommended that the Cabinet:-
- (a) note that the Audit & Scrutiny Committee support the introduction of a new charge for an additional garden waste container for participating households of £60 to cover the cost of the new container, including delivery;
 - (b) note that the Audit & Scrutiny Committee does not support the Cabinet's decision to approve an increase in the charge for the Garden Waste Permit 2023/24 from £40 to £60; and
 - (c) considers the recommendations made by the Audit & Scrutiny Committee as follows:-
 - (i) to increase the charge for the Garden Waste Permit 2023/24 by £5 from £40 to £45; and
 - (ii) that the system for setting the garden waste charges in future be reviewed with a view to related recommendations being submitted to the appropriate body in due course.

BACKGROUND

3. On 26 January 2023 the Cabinet considered a report by the Director of Environment (a copy of which is attached at **Appendix 1**), updating it following the Charging for Services exercise carried out within the Environment Department and the submission of a report on that to the Cabinet on 1 December (Item No.33 of [original report](#) of 1 December refers).

4. Having set out the position on a range of issues, the report considered by the Cabinet on 26 January concluded that:-

- Increasing the charge for a garden waste permit would assist towards recovery of full costs, and contribute to 2023/24 savings proposals;

- The new offer of an additional garden waste bin for participating households would assist towards the Environment Department's income generation and savings targets; and
 - That an early decision on these from Members would allow Neighbourhood Services to commence the sale of Garden Waste Scheme Permits from week-commencing 30 January 2023.
5. Having considered the report, as recommended, the Cabinet approved:-
- (a) an increase in the charge for the Garden Waste Permit 2023/24 from £40 to £60; and
 - (b) the introduction of a new charge for an additional garden waste container for participating households of £60 for an additional permit; plus £60 to cover the cost of the new container, including delivery.

CALL-IN OF CABINET DECISION

6. On Monday, 30 January, a notice calling-in the Cabinet's decision for consideration by the Audit & Scrutiny Committee was submitted. It was signed by Councillors McLean, Edlin, Campbell, Wallace and Morrison, with Councillor McLean being the lead signatory.

7. As detailed in the call-in notice, the alternative proposal to that agreed by the Cabinet was that:-

- The increase in charge be contained below the rate of inflation by way of efficiencies accrued from the provision of a second bin as detailed in the paper.

8. The Audit & Scrutiny Committee met on 8 February 2023 to consider the matter. All members of the Committee (Councillors Andrew Morrison (Chair), Tony Buchanan (Vice-Chair), Provost Mary Montague and Councillors Paul Edlin, Annette Ireland, David Macdonald and Gordon Wallace) attended the meeting. Councillor Jim McLean, lead signatory to the call-in notice, and Councillor Owen O'Donnell, Leader of the Council who was substituting for Councillor Danny Devlin, Convener of Environment and Housing, also attended. The officers present were Caitriona McAuley, Director of Environment; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Andrew Corry, Head of Environment (Operations); Michelle Blair, Chief Auditor; Eamonn Daly, Democratic Services Manager; Linda Hutchison, Senior Committee Services Officer; and Liona Allison, Assistant Committee Services Officer. Grace Scanlin, External Auditor, was also present.

9. At the meeting Councillor McLean was heard further in respect of the 3 reasons for the call-in of the Cabinet's decision as specified in the Call-in notice which were that:-

- the main objective of charging for services within the Environment Department is to, where possible, ensure that the actual costs of delivering such services are fully recovered.
- The paper failed to provide Cabinet with a breakdown of the costs of delivering the garden waste uplift service. Cabinet were however verbally advised by officers that whilst the "brown bin uplift" service will run at a loss, the garden waste element of that service to which the charges are applicable, presently operates at a profit.

- It is accepted that inflationary pressures as itemised in the paper could eliminate any profit, an increase of 50%, based on the information provided to Cabinet thus far, is not justified, placing an unfair burden on those who use the service.

To complement these points, he highlighted that:-

- The feedback from budget consultation stated that 48 people suggested the Council should consider increasing the garden waste service, but no indication had been given on how many disagreed
- It had been reported that the garden waste scheme currently generated income of £870k per annum from 21,650 residents signing up to the scheme, and that it was now being assumed that income of £1.8m per annum would be generated by approximately 30,000 residents signing up to the new scheme, but the basis for that had not been provided
- Although other local authorities made charges for such schemes, examples of which were provided, the Council's charges were the highest
- Residents had expressed concerns regarding the proposals, such as on social media, with some indicating for example that they would not renew their permit or put garden waste in their grey bin, or that they were concerned that fly-tipping would increase
- No credible research had been done or evidence provided that the estimated number would renew their permit, undermining potential savings

10. During the Audit & Scrutiny Committee meeting, the focus of discussions was the proposed charge of £60 for a garden waste permit, rather than the £60 for providing and delivering a second bin when requested. Ultimately, the latter was supported.

REPORT

11. Speaking in relation to the decision taken by the Cabinet, in the first instance, Councillor O'Donnell stated that he welcomed the opportunity to clarify the Cabinet's decision, and apologised for any confusion arising from the report in question which he intended to address. Making reference to a document providing a cost analysis of the garden waste service, which was tabled at the meeting (a copy of which is attached at **Appendix 2**), Councillor O'Donnell commented on issues as follows in support of the Cabinet's decision:-

- To set the scene, the financial environment was challenging for residents facing a cost of living crisis, and also the Council which needed to deliver £30m of savings over the next 3 years, which required tough decisions to be made collectively by the Council to balance its budget whilst maintaining service levels
- These savings proposals were tabled at the very first Budget Strategy Group meeting in September 2022, with leaders of the Opposition having had ample opportunity therefore to scrutinise them prior to the Audit & Scrutiny Committee meeting at which the call-in was being considered

- In November 2019, the Audit & Scrutiny Committee had published a report on income generation and commercialisation, one of many recommendations highlighted and subsequently accepted by the Cabinet being *to develop proposals to generate new income or maximise potential from existing arrangements from annual garden waste collections amongst other initiatives*
- The aims of the permit charge increase proposed were to recover the costs for a non-statutory service, namely the garden waste collection service, and reduce the net costs of providing the service, not to generate profit
- Residents had a choice to opt in or out of this discretionary service, and would still have their food waste collected, at no additional cost, if they opted out
- The service was currently very successful and valued, 23,000 households currently opting to receive it
- In terms of key points in the financial analysis tabled at the meeting:-
 - An 80/20% split of allocation of costs between garden waste and food waste had been assumed, based on Scottish Environment Protection Agency (SEPA) analysis of the contents of brown bins
 - The total direct costs of the service were expected to increase by £350k, or nearly 20%, from 2022/23 to 2023/24, with the total gross cost growing from £1.9m to £2.3m
 - The main driver for that increase was an increase in gate fees of 56% for composting garden waste alone
 - The other costs for staff, vehicles and administration were all subject to inflationary increases
 - No indirect management overheads (e.g. for the Head of Service's management team) were included
 - If the bin charge was increased to £60, the net cost of the scheme would be £429k, an improvement of £181k on the current year, but still a net cost
 - If the bin charges were maintained at the current level of £40, the net cost would become £460k worse, the total cost for 2023/24 being £889k which would be £279k worse than for 2022/23
 - The additional bin charges, net of additional gate fees and including net delivery income, would reduce the net cost further to £314k, which represented an improvement of some £300k on the prior year, however the brown bin service would still remain a loss making one, despite the projected increase in charges
- In terms of fairness, the service fees would only be borne by those users who wanted and needed the service
- It would be unfair if the costs of this discretionary service were fully borne by, and subsidised by all Council Tax payers, through Council Tax, many of whom did not need the service

- The proposed fee change to £60 equated to £1.20 per week per pick up (an increase of 40p/week)
- Residents could, and did, organise themselves to share brown bins and the related costs which was encouraged, reducing the burden on light users of the service
- Residents could dispose of garden waste in other ways, such as self composting, taking it to recycling centres resulting in additional car mileage and costs, or asking a commercial operator to uplift it which would not cost £1.20/bin/week
- From a comparison of such services and costs across all Scottish councils, East Renfrewshire was the only one providing a 50 week service; all were looking at increasing their fees or reducing the service to one that was provided every 2 weeks or more; and they were already charging more on a pick up basis than East Renfrewshire, with some considering withdrawing the service, which was not an option under consideration locally and would be opposed by residents
- It was hoped there was no problem with the proposed charge to receive a second, additional bin which a resident could opt to pursue, demand for which had been established and the income from which would help to reduce the net costs of the overall service
- The implications of increasing the charges for each bin, such as to £45 for example, would increase the net running costs of the service by around £400k, which would have to be found from making savings elsewhere when there were few places to turn to for that scale of saving in Year 1, or by raising Council Tax by between 0.5% and 1%
- There were implications of delaying the implementation of the charges because:-
 - Importantly, officers needed time to organise the process for implementing the fee changes (the license for the brown bin charges ran from 1 April to 31 March each year)
 - This would cause an increase in customer calls, complaints and confusion, when there was a wish to have the most efficient billing process and best customer experience possible
 - The processing time for the change was the reason why a proposal was submitted to the Cabinet in January for a decision, rather than the Council meeting on 1 March.

12. In summary, Councillor O'Donnell considered the proposal considered by Cabinet to be a reasonable and balanced one which offered good value for money as the cost of the service was only £1.20 per pick up. Approval of it would also help recover more of the direct costs from increased fee generation, fulfil the spirit and ambition of the Audit & Scrutiny Committee's own recommendations on income generation, and help reduce budget savings challenges in the coming year when there were few other options to do so. He recommended that the Cabinet decision be supported.

DISCUSSION

13. Issues were discussed as follows:-

Cabinet Meeting, Additional Financial Analysis Provided and Related Issues

14. In the first instance, in response to Councillor Wallace who raised concerns regarding wording used at the Cabinet meeting and about a lack of information he felt had been provided to it, such as the further financial analysis just provided, Councillor O'Donnell, the Head of Environment (Operations) and Head of Accountancy (Chief Financial Officer) apologised for a poor and inaccurate choice of words used at the Cabinet meeting which had led to a misinterpretation of information provided on profit and contribution. It was acknowledged that this had given an impression, unintentionally, that the garden waste service operated at a slight profit which it did not. The Head of Accountancy (Chief Financial Officer) also commented that she thought it had been assumed at the meeting that all infrastructure costs related only to the food waste collection service, and that the fact that the costs of the full brown bin service had to be apportioned on a 20% food waste, 80% garden waste basis had not been factored in to the figures provided. The additional financial analysis provided had been provided to help address this.

15. Provost Montague highlighted that the Director of Environment had, whilst commenting at the Cabinet meeting, ultimately concluded that the revenue generated did not meet the cost of the service.

16. In response to an issue raised by Councillor Edlin on the validity of including capital charges in the cost analysis provided, the Head of Accountancy (Chief Financial Officer) confirmed that all services had to account for capital charges. For example, if a 6-figure cost of a vehicle had to be met, this had to be incurred by those who benefitted from the use of the asset, with the cost spread over the period of the vehicle's life. She acknowledged that moving to electric vehicles in future would be more expensive, but that this was not a current cost consideration, as electric vehicles were not being used at present.

Budget Consultation and Validity of Results and Conclusions Drawn

17. Referring to the 48 respondents to the budget consultation who supported increasing the garden waste collection charge or altering the collection cycle, as well as those who had expressed discontent regarding the way forward in other ways, Councillor Morrison sought clarification if there was a deminimus threshold for concluding that the sample from which feedback was received was too small to enable valid conclusions to be drawn. Referring to correspondence circulated to Members by the Director of Business Operations and Partnerships following the Cabinet meeting, the Director of Environment highlighted that, over and above the feedback from the 48 respondents, through a separate section of the consultation, 50.6% of 1785 respondents agreed or strongly agreed with proposals around further changes to the charge and additional brown bins. In response to Councillor Wallace, she stated that the information she had access to suggested respondents had not been asked about a specific price point for the service, and that there was no information on whether or not the 48 respondents currently paid for a permit. Councillor Wallace's view was that the results of the consultation could not be relied upon in terms of supporting a 50% uplift in the charge.

Food & Garden Waste Services

18. It was confirmed that it was not easy to provide accurate figures for providing a food waste only service, because the costs of the current vehicle fleet, designed for the existing service, still had to be paid for over their asset life. Consequently a proportionate saving would

not be made if the garden waste service ceased just now. It was also confirmed that if a food waste only service was provided, a smaller fleet and less frequent service would be required the costs of which would differ from the current service.

19. Councillor Wallace commented that picking up further garden waste allowed these assets to be used more fully in terms of marginal costs, and additional revenue to be generated at a similar cost to the current service, for which he commended the Environment Department for its enterprising approach. Councillor Ireland also supported commercialisation of services if done well, and considered this to be something the Council should explore further, as other local authorities were doing, with there being a need to consider the well-being of residents at all times when charges were considered. She sought, and received, further assurances from the Director of Environment and Head of Accountancy (Chief Financial Officer) that the proposed increase in the charge would not result in the garden waste service operating profitably.

20. Councillor O'Donnell confirmed that the assumption being made was that 3000 additional bins would be purchased in Year 1, rising by a further 2000 in Year 2.

Public Concerns and Initial v Future Charges

21. Councillor Macdonald focussed on overall public concern regarding the service, referring to some fears expressed by residents, when the initial charge of £40 was introduced, that it would increase annually by significant amounts. He argued that the 50% cost increase for a permit would result in many people not using their brown bin for garden waste resulting in it ending up in landfill, or could result in the illegal and untraceable dumping of garden waste. He also referred to composting benefits of mixing food and garden waste and, more generally, to the possibility of the Council not maximising the potential of the combined waste service.

22. The Head of Environment (Operations) commented that concerns were often rightly raised regarding potential fly-tipping when changes to waste services or related charges were proposed. However, he assured the committee that these did not tend to come to fruition, as the area was fortunate to have a high number of residents who acted responsibly. He reported that there had not been any great reaction on fly-tipping when the £40 charge was introduced, and that he did not anticipate anything different occurring in this instance. In response to Councillor Morrison who asked if any related behaviour modelling had been carried out, such as to determine if there was a price limit above which residents would not renew permits or fly-tipping might increase, the Head of Environment (Operations) referred to the difficulties of doing so given that the service was exposed to market forces, such as on gate fees which were due to increase and could continue to do so. This could be a mitigating factor in providing the service in future.

23. In response to a further issue raised, the Director of Environment, supported by the Head of Accountancy (Chief Financial Officer), confirmed that, as it was the 2023/24 budget and settlement that was being discussed, she could not give an assurance that the Cabinet would not be asked to consider increasing the charge further in future. It was acknowledged that the 50% increase in the permit charge was significant, but argued that the service provided value for money, particularly relative to the services provided by other Scottish local authorities, and that the proposed charge was justified on the basis of related costs. It was highlighted that residents could exercise choice to opt in or out of the garden waste service.

24. Councillor Ireland stated she was worried not only regarding the scale of the increase in the charge proposed, but also about the effects on the environment service of not increasing the charge, seeking further clarification on the latter and highlighting that no specific alternative proposal had been tabled. Councillor O'Donnell stated that if the charge was not increased, £460k of savings would need to be found from elsewhere, which would not necessarily need

to be found by the Environment Department but from across the Council as a whole which would be challenging. If the charge was not increased to as high as £60, a proportion of these savings would need to be found which would depend on the exact charge set. For example, £400k of alternative savings would be required if the charge for a permit was £45. He reiterated that an alternative was to increase Council Tax by between 0.5% and 1%, the consequence of which would be that every Council Tax payer would be subsidising the service, rather than only those who opted to receive it.

25. The Head of Accountancy (Chief Financial Officer) confirmed that such charges were normally the subject of the charging for services reporting which concluded in early December when a report was submitted to the Cabinet, but that no decision had been made on this particular service in December 2022 pending the budget situation being clarified.

26. Councillor O'Donnell highlighted that this was the first proposed increase to the permit charge since it had been introduced, and that any future proposals could be scrutinised as was happening on this occasion.

27. Provost Montague emphasised that no assurances on future charges could be provided in local government as councils were dependent on a financial settlement from the Scottish Government which was not assured. She referred to the challenges of funding statutory services, let alone non-statutory ones such as the garden waste service, and the importance therefore of not looking at this issue in isolation from others.

28. Councillor Edlin, supported by Councillor Macdonald and Councillor Wallace, expressed some support for increasing the permit charge, but not to £60. Councillor Edlin suggested that increasing it to £45 could be an option, which Councillor Wallace highlighted would still be above the level of inflation. Councillor Wallace commented that another alternative was to accept the additional income from those who requested a second bin, and consider compensating adjustments to the budget elsewhere rather than placing an additional burden on those who use the garden waste service.

29. Supported by some other Members, Councillor Edlin confirmed that his concern focussed on the substantial scale of the increase proposed which would impact on many people in the current difficult financial climate, including those in employment, who were not wealthy and were suffering. He argued therefore that the increase needed to be considered further, even if it impacted on other budget proposals. He also referred to the number of properties in the area with gardens and, in support of Councillor Macdonald, the potential impact on human behaviour regarding the disposal of garden waste. It was confirmed that the alternative recommendation in the call-in notice, suggested an alternative course of action, but did not specify what an alternative charge should be, other than it being contained below the rate of inflation.

30. Councillor Macdonald suggested it would be useful to know what other Members considered an acceptable level of increase in the charge to be, encouraging them to share their views on this or what other options they would suggest to help the committee determine the way forward. For example, this could be suggesting that the bulk uplift charge be reviewed. Provost Montague stressed that specifying an exact figure was only part of the equation, as there would be a related cost. Either there would be a need to do without something else or Council Tax would need to increase, as Councillor O'Donnell had already highlighted.

31. Councillor Wallace commented that there had been very little time at the Budget Strategy Group to discuss the many savings options put forward. He was disappointed that, despite having expressed his concerns on the charge for the service with the Leader in December, there had been no further consultation in advance of the report being submitted to the Cabinet in January. He felt that two months had been lost in determining the best way

forward on this contentious issue, reiterating his concerns regarding the validity of using the consultation results as a basis for increasing the charge to £60. He added that when the Audit & Scrutiny Committee had suggested charges previously for the non-statutory garden waste service, it had been at a time when there were no alternatives as it was not an option to increase Council Tax without incurring a related financial penalty.

32. Councillor Morrison asked how the initial charge of £40 for the uplift service was determined, given the intention to recover the cost apportioned to the service and that the service operated from a loss from the very start. The Head of Environment (Operations) confirmed that, at the time, it had been based on the need to make savings and to try to generate £800k, but it had been hoped that 25,000 permits would be requested generating income of £1m instead to cover new vehicle and other staff costs of approximately £200k also.

33. Responding to Councillor McLean's comments on charges for such services in other local authorities, Councillor Ireland highlighted he had itemised current charges, but that she imagined all were reviewing their service and related charges.

Gate Fees and Related Issues

34. Having welcomed the additional cost analysis provided at the meeting, Councillor Buchanan highlighted that when the Audit & Scrutiny Committee had made recommendations on charges for services, the Council had been facing significantly increased gate fees annually for landfill in recognition of climate change, therefore related costs needed to be considered. A difficult decision had been taken on introducing the charge, based on the expectation that residents would like the service despite the permit costs which was demonstrated in terms of the level of take up. He argued that the service helped stop fly tipping, and reduce the level of waste put in grey bins and therefore landfill. Councillor Buchanan also highlighted that there was still a gate fee for dealing with and treating waste from brown bins. In the interests of transparency, he welcomed the further scrutiny of the proposal and related service costs, arguing that the service was well used, cost effective and superior to that offered elsewhere.

Impact on Employment

35. In response to Councillor Buchanan who referred to the potential impact on jobs should the garden waste service cease, it was confirmed that smaller vehicles with a driver plus 1 loader, rather than 2 loaders, would probably be used for the food waste service, resulting in a potential reduction of 7 employees overall, over and above which there would be a reduction in administration. In response to an issue raised that this would impact on significantly less than 80% of the workforce, although 80% of the staff costs were being attributed to the service, the Head of Environment (Operations) emphasised that a completely different type of service would be provided. Councillor Edlin argued that the assumption on the loss of jobs assumed the service was discontinued, which he did not support.

80/20% Allocation of Costs Between Garden Waste and Food Waste Service

36. In response to Councillor Edlin, the Head of Environment (Operations) confirmed that the 80/20% allocation of costs between the garden and food waste services respectively came from waste data flow completed for all materials and which was sent to SEPA. It was confirmed that this split was determined by SEPA not the Council.

37. In response to Councillor Ireland who requested further information on costs as she was not convinced that an 80/20% split was appropriate if it was just based on bulk in the bin, the Head of Environment (Operations) undertook to provide further information on the data flow information following the meeting. The Director of Environment confirmed this was an industry standard based on information submitted to SEPA, including from local authorities

and that this was therefore the most reliable ratio to adopt. She added that if a garden waste service alone, or a food waste service alone, was being developed from scratch, which had not been requested, different modelling would apply.

Meeting the Needs of Those with Disabilities

38. In reply to an issue raised by Councillor Macdonald on the importance of addressing the needs of those with disabilities who may not be able to visit recycling facilities and needed cost-effective options to dispose of garden waste, the Head of Environment (Operations) acknowledged that individuals' circumstance could vary, explaining that help would always be provided to try to provide a bespoke solution where required. He confirmed that some residents shared bins, this being one option.

Use of Private Operators to Dispose of Garden Waste

39. Councillor Macdonald expressed some concern that there were some private operators which collected garden waste for disposal that were not registered with SEPA or which may not be operating within the law, such as dumping waste illegally, which could potentially thrive in circumstances when local authority charges increased.

COMMITTEE DELIBERATIONS

40. Thereafter, in terms of their deliberations, members of the Committee focussed on the following matters:-

- If the Cabinet decision was supported or not, and
- If not, what the alternative recommendation would be.

41. It was highlighted that the charge for providing an additional bin had not been questioned during discussions. The committee held the view that this did not need to be considered further.

42. However the increase from £40 to £60 for an annual permit had been challenged and seemed to be considered an intolerable and unrealistic model, with it having been suggested that increasing it to £45 might be one acceptable way forward. Another was limiting the increase to the rate of inflation. It was argued that the increase in the charge needed to be balanced with the cost of the service, part of which was a statutory one as food waste required to be uplifted.

43. During further discussion, it was commented that the committee needed to consider the non-statutory nature of some services, and the Council's responsibility to ensure that related costs were covered, particularly for non-statutory services. One view expressed was that Council Tax payers could not be expected to subsidise such a service.

44. It was acknowledged that the financial analysis provided was for a combined food and waste service and suggested that needed to be accepted.

45. Another issue was to consider if a full year service was required at all, as other local authorities were not providing one. Regarding this, it was highlighted that from October to late March each year, the bins were not necessarily being filled with green waste to the extent they were at other times, with the volume of waste reducing significantly. It was suggested that it was an option therefore to support the current charge of £40 being maintained and seek proposals for a reduced service during these months, with the exception of Christmas trees

being uplifted. It was commented that the full financial implications of this were unknown at present, on which basis supporting this might not be the most sensible way forward.

46. On a related issue, it was commented that the 48 respondents to the budget consultation referred to previously had not simply supported a charge increase, but also highlighted an option to consider reconfiguring the service. However, the exact level of support for each of these options was unknown.

47. It was suggested that, if the Cabinet recommendation was accepted, it remained an option to consider the position again annually when charging for services reports were submitted to the Cabinet, the next such report being due to be submitted in December 2023.

48. It remained unknown if there would be any behavioural change linked to increasing the permit charge. For example it was not known if some people would opt not to renew their permit.

49. It having been suggested that one way forward was to determine if the committee supported the Cabinet decision or not, on a vote being taken, 3 Members supported the decision made by the Cabinet, and 4 Members did not, the latter being the majority view therefore.

50. During subsequent discussion, support was expressed for proposals made by Councillor Edlin to recommend an increase in the cost of the annual permit from £40 to £45 for 2023/24, and that the system for setting the garden waste charges in future be reviewed with a view to related recommendations being submitted to the appropriate body in due course.

51. The way forward was noted, which was in the first instance, the preparation of a report by the Clerk on the outcome of the committee's deliberations and recommendations for submission to the next meeting of the Cabinet.

RECOMMENDATIONS

52. It was recommended that the Cabinet:-

- (a) note that the Audit & Scrutiny Committee support the introduction of a new charge for an additional garden waste container for participating households of £60 to cover the cost of the new container, including delivery;
- (b) note that the Audit & Scrutiny Committee does not support the Cabinet's decision to approve an increase in the charge for the Garden Waste Permit 2023/24 from £40 to £60; and
- (c) considers the recommendations made by the Audit & Scrutiny Committee as follows:-
 - (i) to increase the charge for the Garden Waste Permit 2023/24 by £5 from £40 to £45; and
 - (ii) that the system for setting the garden waste charges in future be reviewed with a view to related recommendations being submitted to the appropriate body in due course.

53. In the event the Cabinet accepts the recommendations by the Audit & Scrutiny Committee this will become the decision of the Cabinet. If the Cabinet does not accept the Committee's recommendations, the matter will require to be referred to the next available meeting of the full Council to decide if the Cabinet's original decision or the Audit & Scrutiny Committee's proposals should be approved. A third option also remains for the Cabinet, which is to propose that the full Council consider setting the fee at a different level altogether.

Local Government (Access to Information) Act 1985

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EAST RENFREWSHIRE COUNCILCABINET26 January 2023Report by Director of EnvironmentADDITION TO CHARGING FOR SERVICES 23/24**PURPOSE OF REPORT**

1. The purpose of this report is to update Cabinet following the Charging for Services exercise carried out within the Environment Department and reported to Cabinet on 1st December 2022. At that Cabinet it was advised that a further report would be brought to a future meeting outlining new charges / services for the Garden Waste Permit Scheme (Item No.33 of original report).

RECOMMENDATIONS

2. The Cabinet is asked to approve the following Garden Waste Scheme proposals in order to commence sales of permits for the 2023/24 year:

- a) an increase in the charge for the Garden Waste Permit 2023/2024 from £40 to £60 which is more than inflation; and
- b) the introduction of a new charge for an additional garden waste container for participating households of £60 for an additional permit; plus £60 to cover the cost of a new container including delivery.

BACKGROUND

3. At Cabinet on 1st December 2022, a charging for services report was brought to Cabinet for approval. One of the proposals was to increase the charge to collect garden waste by more than inflation.

4. This proposal was part of a range of budget options being consulted on over Autumn. Cabinet agreed to delay the decision on whether to increase garden waste charges until the result of the consultation was available. In addition the exact scale of the budget challenge would not be known until after the December announcement by the Scottish Government. Following the Scottish Government budget announcement it has now been confirmed that the Council settlement will be close to the expected flat cash position and that there remains a substantial budget challenge.

REPORT

5. The main objective of charging for services within the Environment Department is to, where possible, ensure that the actual full costs to the department are recovered. More recently, where it was thought there would be no detrimental effect on the up-take of a service, charges have been increased to generate additional income. This builds on the report of the Audit and Scrutiny Committee of 31st October 2019, Income Generation and Commercialisation, which promotes a positive culture of commercialisation.

6. Due to above inflation rises in processing costs, gate fees and the rise in fuel costs it is proposed that a garden waste permit is increased from £40 to £60 per annum. This is above the current inflation rate of 12.3%. The proposed increase, should sufficient participants continue with the scheme, is expected to generate revenue that will support full cost recovery of the Garden Waste Scheme and also generate a small amount of additional income.

7. As an enhancement to the current service it is proposed that residents can purchase an additional bin for garden waste, with a limit of 5000 bins being set for operational reasons. An additional bin, including delivery, would cost £60 as a one off purchase, to cover costs of supply. The second bin would require an additional permit at £60 per annum.

8. A decision on the charge for Garden waste cannot be delayed until the Council's budget meeting in March 1st 2023 for the following reasons:

- To allow appropriate time for a mail drop to residents regarding the 23/24 scheme, scheduled w/c 30th January and w/c 6th February
- To ensure adequate time to update internal systems and changes for the 23/24 scheme
- To avoid cross over with the Council Tax reminder letter that is issued each year
- To ensure continued service and that residents have sufficient time to purchase a permit in advance of scheme renewing 1st April 2023

9. Feedback from the budget consultation is still being collated but early feedback shows that refuse collection was a key concern for respondents when looking at Environment Department's potential savings. 48 respondents to the public consultation suggested the Council should consider increasing charges and/or altering the collection cycle.

10. In terms of the funding available to the Council, detailed figures are being prepared for the 1st March Council meeting. However the initial assumptions made when the budget consultation was being prepared have proved to be relatively accurate and the Council has a funding gap of circa £19m for 23/24.

FINANCE AND EFFICIENCY

11. The increased cost of the permit and addition of new services will assist in full cost recovery and contribute to savings proposals by increasing income in 2023/24.

CONSULTATION

12. This report has been prepared in consultation with the Accountancy Section. Increased charges for the Garden Waste Scheme also featured in the recent public consultation on the Council's overall savings proposals.

PARTNERSHIP WORKING

13. There was no partnership working associated with this report.

IMPLICATIONS OF THE PROPOSALS

Equalities

14. It has been identified that this may have an impact on low income households. There is however an instalment process to help spread the cost for any financial hardship cases.

CONCLUSIONS

15. Increasing the charge for a garden waste permit will assist towards recovery of full costs, and contribute to 2023/24 savings proposals.

16. The new offer of an additional garden waste bin for participating households will assist towards the Environment Department's income generation and savings targets.

17. An early decision from Members will allow the Neighbourhood Services to commence the sale of Garden Waste Scheme Permits from w/c 30th January 2023.

RECOMMENDATIONS

18. The Cabinet is asked to approve the following Garden Waste Scheme proposals in order to commence sales of permits for the 2023/24 year:

- a) an increase in the charge for the Garden Waste Permit 2023/2024 from £40 to £60 which is more than inflation; and
- b) the introduction of a new charge for an additional garden waste container for participating households of £60 for an additional permit; plus £60 to cover the cost of a new container including delivery

Director of Environment

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January 2023

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GARDEN WASTE COST ANALYSIS

Garden and food waste are collected together weekly to maximise operational efficiency.

	2022/23	2023/24	
Total budgeted cost of garden & food waste collection			
Direct Staff costs	987,965	1,027,491	4.0%
Vehicle cost (incl capital charges)	307,829	325,151	5.6%
Gate Fees (9,500 tonnes pa)	506,000	790,400	56.2%
Admin (Postage, permits, admin staff)	110,819	119,237	7.6%
Gross cost of service	1,912,613	2,262,279	18.3%
Share attributable to garden waste per SEPA (80%)	1,530,090	1,809,823	18.3%
Forecast income from garden scheme (£40)	920,000	1,380,000	50.0%
NET COST OF GARDEN SCHEME	610,090	429,823	-29.5%
Additional Bins (3000)	0	180000	
Additional Gate Fees	0	-124800	
Delivery Charges (net contribution)	0	60000	
NET COST OF GARDEN SCHEME + ADDL BINS	610,090	314,623	-48.4%

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EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

23 February 2023

Report by Head of Accountancy (Chief Financial Officer)

Treasury Management Strategy Report for 2023/24

PURPOSE OF REPORT

1. To advise the Audit and Scrutiny Committee on the treasury management strategy for the financial year 2023/24.

RECOMMENDATIONS

2. It is recommended that Members:-
 - (a) Consider the content of the Treasury Management Strategy Report for 2023/24;
 - (b) Recommend to the Council that the Treasury Management Strategy for 2023/24 be approved, including the Prudential and Treasury Indicators and the amended list of organisations for investment of surplus funds (Annex F)
 - (c) Recommend to the Council that they approve the policy on the repayment of loans fund advances, see section 3.4, and
 - (d) Recommend to Council the forms of investment Instruments for use as permitted investments (Annex D)

BACKGROUND

3. In line with the CIPFA Treasury Management Code of Practice 2021, the Audit and Scrutiny Committee is responsible for ensuring effective scrutiny of the treasury management strategy and policies.
4. The attached Treasury Management Strategy Report for the financial year 2023/24 is submitted in accordance with this requirement. Figures contained in the report have been compiled on the basis of the latest available information, however these may be subject to significant change particularly as the outcome of the Council's £90m Learning Estate Improvement Programme (LEIP) bid is not yet known.

TREASURY MANAGEMENT STRATEGY FOR 2023/24 (TMS)

5. The TMS for 2023/24 is attached (see Appendix 1).

EQUALITY IMPACT

6. A screening exercise has revealed that the Treasury Management Strategy has no direct relevance to the Council's equality duties

Report Author

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Report Date:	February 2023

APPENDIX 1

EAST RENFREWSHIRE COUNCIL

**TREASURY MANAGEMENT STRATEGY
2023/24**

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1 Background

The Council is required to operate a balanced budget, which broadly means that cash received during the year will meet cash expenditure. A major aspect of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, ensuring adequate liquidity before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, being essentially longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2 Reporting Requirements

2.1 The Council is required to receive and approve, as a minimum, three main reports on treasury activity each year, which incorporate a variety of policies as well as estimated and actual figures. These reports are as follows:-

a) **Treasury Management Strategy 2023/24** (this report).

This report is the most important of the three reports and covers:

- The capital plans of the Council (including prudential indicators);
- A policy on statutory repayment of loans fund advances (how residual capital expenditure is charged to revenue over time);
- The Treasury Management Strategy (how the investments and borrowings are organised) including treasury indicators, and
- An annual investment strategy (the parameters on how investments are to be managed).

b) **Mid-Year Treasury Management Report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators

as necessary, and whether any policies require revision. In addition, quarterly updates on the Prudential Indicators will be provided to Cabinet as part of the capital budget monitoring reports from 2023/24.

- c) **Annual Treasury Report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimate within the strategy.

2.2 Scrutiny

These reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Audit and Scrutiny Committee.

2.3 Capital Investment Strategy

The CIPFA revised 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital investment strategy report, which will provide the following:

- A high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital investment strategy is to ensure that all elected members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite. An update to the Council's current Capital Investment Strategy will be presented to Council on 1 March 2023 for approval.

2.4 Treasury Management Strategy for 2023/24

The treasury management issues covered by this report are:

Capital Issues

- The capital expenditure plans and associated prudential indicators
- The policy for the statutory repayment on loans fund advances

Treasury management issues

- The current treasury position
- Treasury indicators which will limit the treasury risk and activities of the Council
- Prospects for interest rates
- The borrowing strategy
- Policy on borrowing in advance of need
- Debt rescheduling
- The investment strategy and
- Credit Worthiness Policy

These elements cover the requirements of the Local Government in Scotland Act 2003, the CIPFA Prudential Code (the Prudential Code), the CIPFA Treasury Management Code and Scottish Government Investment Regulations.

2.5 Treasury Management Consultants

The Council uses the Link Group, Treasury Solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that it does not rely solely upon information and advice from its treasury advisors.

It also recognises however that there is value in employing external providers of treasury management services in order to gain access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2.6 Council and Subsidiary Organisations

The Treasury Management Strategy covers the treasury management activities for the Council (including any subsidiary organisations i.e. East Renfrewshire Culture & Leisure Trust).

3 The Capital Prudential Indicators 2023/24 – 2027/28

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members to overview and confirm them.

A summary of the indicators can be found in Annex A

3.1 Capital Expenditure (Prudential Indicator PI-1)

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously and those forming part of this budget cycle. The indicator also includes expenditure financed by PFI and leasing type arrangements which, for the purposes of financial planning and reporting, must be treated as capital expenditure.

The following capital expenditure forecasts are in line with the housing capital plan 2023/24- 2032/33 and the general fund capital plan 2023/24 – 2032/33 both of which will be submitted to Council on 1 March 2023:

Capital Expenditure (PI-1) £'000	2021/22 Actual	2022/23 Probable	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund – Capital Programme	21,211	41,334	72,073	40,532	42,827	84,519	49,493
– Other Relevant Expenditure	0	0	0	0	0	0	0
General Fund Subtotal	21,211	41,334	72,073	40,532	42,827	84,519	49,493
Housing	13,050	16,132	9,094	17,429	16,870	10,036	3,558
Total	34,261	57,496	81,167	57,961	59,697	94,555	53,051

3.2 Capital Financing Assumptions

The table below summarises the capital expenditure plans for the general fund and how these plans are being financed. Any shortfall of resources results in a funding borrowing need.

General Fund £'000	2021/22 Actual	2022/23 Probable	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Capital Expenditure	21,211	41,334	72,073	40,532	42,827	84,519	49,493
Other Relevant Expenditure	0	0	0	0	0	0	0
Total	21,211	41,334	72,073	40,532	42,827	84,519	49,493
Financed by:							
Capital Receipts	225	140	0	0	0	0	0
Capital Reserve	0	0	0	0	0	0	0
Developer Contributions	2,535	379	501	56	56	54	0
Govt. General Capital Grant	4,950	5,351	5,262	5,262	5,262	5,262	5,262
Govt. Specific Capital Grants	2,611	5,161	10,887	2,781	1,968	75	75
Other Grants & Contributions	0	0	0	0	0	0	0
Repairs & Renewals	722	0	0	0	0	0	0
Fund/CFCR							
Net Borrowing Requirement for the year	10,168	30,303	55,423	32,433	35,541	79,128	44,156

The table below summarises the capital expenditure plans for housing and how these plans are being financed. Any shortfall of resources results in a borrowing requirement.

Housing £'000	2021/22 Actual	2022/23 Probable	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Capital Expenditure	13,050	16,132	9,094	17,429	16,870	10,036	3,558
Financed by:							
Capital Receipts – Right to Buy	0	0	0	0	0	0	0
Capital Receipts – Land Disposal							
Recharges to Owners	6	0	0	0	1,000	1,000	1,000
Govt. Specific Capital Grants	0	100	100	100	100	100	100
Commutated Sums	5,434	4,077	1,865	7,050	3,540	2,690	140
CFCR	345	285	25	1,461	200	150	0
	0	0	0	0	0	0	0
Net Borrowing Requirement for the year	7,265	11,670	7,104	8,818	12,030	6,096	2,318

The table below summarises the borrowing requirement resulting from both the general fund (including PFI and leasing type arrangements) and housing capital plans.

Borrowing Requirement £'000	2021/22 Actual	2022/23 Probable	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund	10,168	30,303	55,423	32,433	35,541	79,128	44,156
Housing	7,265	11,670	7,104	8,818	12,030	6,096	2,318
Net Borrowing Requirement for the year	17,433	41,973	62,527	41,251	47,571	85,224	46,474

The table below shows a split of the estimated internal and external borrowing

Borrowing Requirement £'000	2021/22 Actual	2022/23 Probable	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Internal	12,433	31,973	4,527	3,251	14,571	12,724	11,474
External	5,000	10,000	58,000	38,000	33,000	72,500	35,000
Net Borrowing Requirement for the year	17,433	41,973	62,527	41,251	47,571	85,224	46,474

3.3 The Council's Borrowing Requirement (The Capital Financing Requirement – Prudential Indicator PI-2)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure identified above, which has not immediately been paid for (e.g. via grants), will increase the CFR.

The CFR does not increase indefinitely, as prudent annual repayments from revenue need to be made which reflect the useful life of capital assets financed by borrowing. From 1 April 2016 authorities may choose whether to use scheduled debt amortisation (loans pool charges) or another suitable method of calculation in order to repay borrowing. The Council's position is set out in paragraph 3.4 below.

The CFR includes any other long term liabilities (e.g. PPP schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council has liabilities of £78.711m relating to such schemes as at 31 March 2022.

The Council is asked to approve the CFR projections below:

Capital Financing Requirement (PI-2) £'000	2021/22 Actual	2022/23 Probable	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund	168,342	203,046	252,909	278,749	307,760	378,121	412,344
Housing	39,514	48,217	51,964	57,010	64,979	68,875	68,771

Total CFR (PI-2)*	207,856	251,263	304,873	335,759	372,739	446,996	481,115
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Net borrowing requirement for the year (above)	17,433	41,973	62,527	41,251	47,571	85,224	46,474
Less loans fund principal repayment and other financing movements	(13,017)	(13,378)	(11,621)	(13,268)	(13,750)	(13,159)	(15,012)
		14,812	2,704	2,903	3,159	2,192	2,657
Movement in CFR	4,416	43,407	53,610	30,886	36,980	74,257	34,119

**The CFR for this calculation includes capital expenditure to 31 March of each financial year.*

3.4 Statutory Repayment of Loans Fund Advances

The Council is required to set out its policy for the statutory repayment of loans fund advances prior to the start of the financial year. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.

A variety of options are provided to Councils so long as a prudent provision is made each year. The Council is recommended to approve the following policy on the repayment of loans fund advances:-

- For loans fund advances made before 1 April 2016, the policy will be to maintain the practice of previous years and apply the Statutory Method (in line with Schedule 3 of the Local Government (Scotland) Act 1975), with all loans fund advances being repaid by the annuity method in line with the repayment profile determined in previous years.
- Loans fund advances relating to City Deal projects which will be supported in later years by Government funding will be repaid in accordance with the funding/income profile method. This links the repayments to the project income stream.
- For loans fund advances made between 1 April 2016 and 31 March 2021, excluding the above, the Council will continue to calculate loan charge repayments in line with Schedule 3 of the Local Government (Scotland) Act 1975, using an annuity rate of 4%. The Council is permitted to use this option for new borrowing taken out over this transitional period.
- For loans fund advances from 1 April 2021, these will be repaid with reference to the life of an asset using the equal instalments method.

Additionally, the Scottish Government granted various flexibilities in 2020/21, to help primarily address Covid-19 pressures, which will impact on loan fund payments charged in 2020/21 and beyond. These fiscal flexibilities, which have been reviewed by the Scottish Government as part of the 2023/24 Scottish Budget, relate to:-

- Capital Receipts. Capital receipts received between 2020/21 and 2022/23 can be used to fund Covid-19 related revenue expenditure incurred before

31 March 2023. Thereafter any outstanding balance is required to be transferred to the Capital Reserve. A total of £2.6m will be transferred to the Capital Reserve as at 31 March 2023 in this respect.

- Loans Fund Principal Repayment Holiday. Councils can defer loans fund principal repayments due in either 2021/22 or 2022/23 and carry that saving to the General Fund reserve and earmark it to be used to fund the revenue financial impact of covid. The Council has not required to use this flexibility.
- Service Concessions. Council payments for service concessions, such as PFI type deals, include an element of debt repayment. This debt is paid over the life of the contract however Scottish Councils are now permitted to account for the repayment of this debt over the life of the asset instead, which will be a longer period and is in line with the treatment of the Council's loan charges. Council's approval will be sought to apply this flexibility. This flexibility is not confined to assist with covid pressures.

The table below shows what the future General Fund loans fund balances are expected to be, with year 1 being 2022/23:

£'000	Year 1	Years 2-5	Years 5-10	Years 10-15	Years 15-20	Years 20+
opening balance	89,649	114,752	227,458	321,166	276,019	233,696
advances	30,303	123,397	136,702	4,088	0	0
repayments	(5,200)	(10,691)	(42,994)	(49,235)	(42,323)	(233,696)
closing balance	114,752	227,458	321,166	276,019	233,696	0

The table below shows what the future HRA loans fund balances are expected to be, with year 1 being 2022/23:

£'000	Year 1	Years 2-5	Years 5-10	Years 10-15	Years 15-20	Years 20+
opening balance	39,514	48,217	64,978	75,024	60,556	42,156
advances	11,670	27,952	22,578	4,067	0	0
repayments	(2,967)	(11,191)	(12,532)	(18,535)	(18,400)	(42,156)
closing balance	48,217	64,978	75,024	60,556	42,156	0

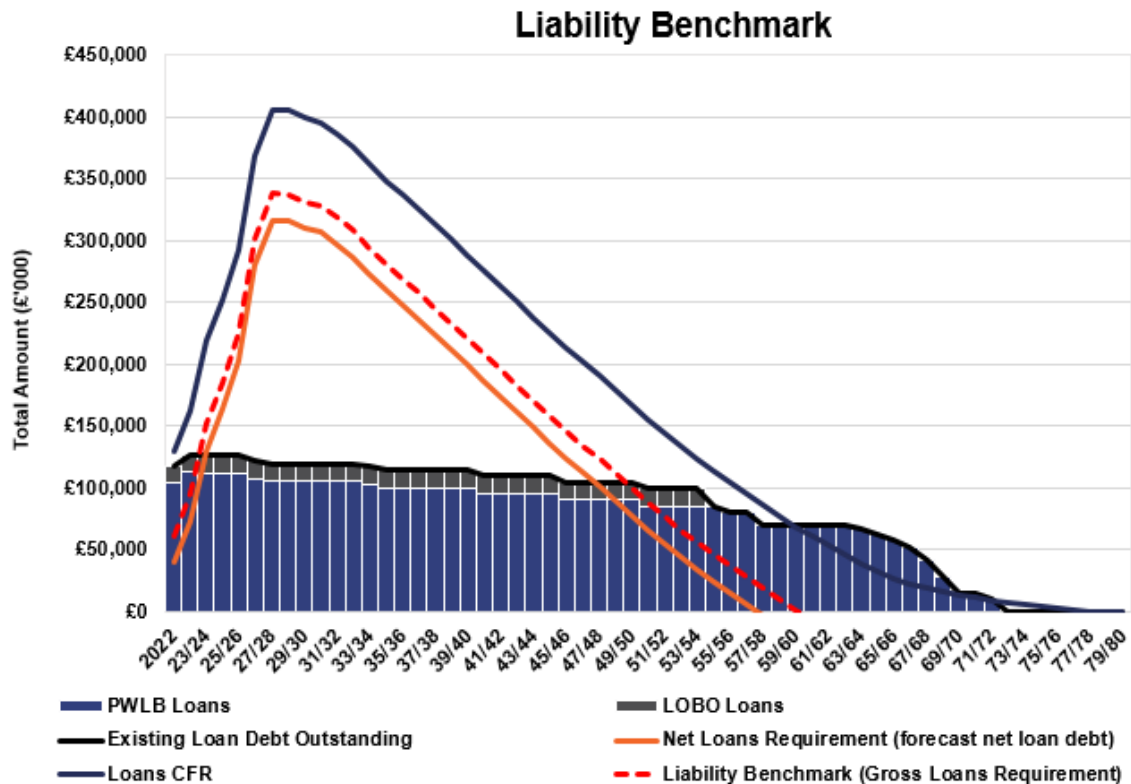
3.5 Liability Benchmark

A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum. It is a projection of the amount of loan debt outstanding that the Council needs to fund its existing debt liabilities, planned prudential borrowing and other cashflows.

There are four components to the LB: -

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.

2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned Loans Fund principal repayments.
3. **Net loans requirement:** this will show the Authority’s gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned Loans Fund principal repayments and any other major cash flows forecast.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.



4 Borrowing

Section 3 provides a summary of the capital expenditure plans. The treasury management function ensures that the Council’s cash is organised in accordance with the relevant professional Codes, so that sufficient cash is available to meet service activity and the Council’s Capital Investment Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions and the annual investment strategy.

4.1 Current Portfolio Position

The Council’s actual and projected debt portfolio is summarised below. The table compares the actual and projected external debt against the Council’s estimated borrowing need (the Capital Financing Requirement – CFR), highlighting any over or under borrowing.

£'000 as at 31 March	2021/22 Actual	2022/23 Probable	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Borrowing	118,843	128,015	185,638	223,623	256,606	324,090	357,073
Other Long Term Liabilities	78,711	73,500	68,132	62,565	56,742	51,886	46,566
Total Gross Debt (Prudential Indicator PI-3)	197,554	201,515	253,770	286,188	313,348	375,976	403,639
CFR – the borrowing need	207,856	251,263	304,873	335,759	372,739	446,996	481,115
(Under) / Over Borrowing (Prudential Indicator PI-6)	(10,302)	(49,748)	(51,103)	(49,571)	(59,391)	(71,020)	(77,476)

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these (PI-3) is that the Council needs to ensure that its gross debt figure (shown above) does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded by external loan debt as the cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy remains both prudent and cost effective as investment returns are low and counterparty risk is relatively high.

4.2 Treasury Indicators: Limits to Borrowing Activity

a) The Operational Boundary (Prudential Indicator PI-4)

This indicator takes account of capital expenditure and financing requirements and projects the expected level of external debt for operational purposes. Temporary breaches of the operational boundary may occur as a result of unexpected cash movements. The Head of Accountancy (Chief Financial Officer) has delegated authority to manage the movement between borrowing and other long term liabilities such as finance leases in accordance with option appraisal and value for money considerations if it is considered appropriate. Any such movement will be reported to Council following the change.

Operational boundary for external debt (PI-4) £'000	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Borrowing	236,355	272,458	315,274	399,400	435,853
Other Long Term Liabilities	73,500	68,132	62,565	56,742	51,886
Total	309,855	340,590	377,839	456,142	487,739

b) The Authorised Limit for External Debt (Prudential indicator PI-5)

This is a key prudential indicator and represents a control on the maximum level of borrowing. It is similar to the operational boundary but includes further headroom to accommodate adverse cash flow movements and opportunities for advance borrowing. It represents a legal limit which external debt is prohibited to exceed and reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. In circumstances where a breach takes place the reasons shall be reported to the next meeting of the Council and the limit revised if appropriate. It should be noted that under section 3(1) of the Local Government Act 2003, the Government retains an option to control either the total of all local authority plans, or those of a specific Council, although this power has not yet been exercised.

The authorised limits for external debt for the current year and two subsequent years are the legislation limits determined under Regulation 6(1) of the Local Authority (Capital Finance and Accountancy) (Scotland) Regulation 2016.

The proposed Authorised Limit for the Council is as follows:

Authorised limit for external debt (PI-5) £'000	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Borrowing	271,808	313,327	362,565	459,310	501,231
Other Long Term Liabilities	73,500	68,132	62,565	56,742	51,886
Total	345,308	381,459	425,130	516,052	553,117

c) Leasing – International Financial Reporting Standard (IFRS) 16

From 1 April 2024, leases which were previously off balance sheet will now be included. As leases form part of the other long term liability figures which make up the Prudential Indicators above, it is possible that the Indicators currently suggested will be exceeded. Once the detailed data gathering has been substantially completed, later in the 2023/24 financial year, an updated report may be required to inform the members of the detailed impact of IFRS 16 with amended Prudential Indicators for approval.

4.3 Prospects for Interest Rates

The Council has appointed the Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. **Annex B** draws together a number of current city forecasts for short term (Base Rate) and longer fixed interest rates and the following table and commentary below gives the central view of the Link Group on 8th November 2022.

Link Group Interest Rate View	08.11.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave eamings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave eamings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

Our central forecast reflects a view that the MPC will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but the new Government's policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.5%.

Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation will peak at close to 11% in Q4 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market. Wage increases, excluding bonuses, are currently running at 5.7%.

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the short to medium end of the curve for the present. This approach will prevent any further disruption to the longer end of the curve following on from the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy.

In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

Yield curve movements have become less volatile under the Sunak/Hunt government. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 3.75% to 4.50%. The medium to longer part of the yield curve is currently inverted (yields are lower at the longer end of the yield curve compared to the short to medium end). We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further whipsawing of gilt yields across the whole spectrum of the curve is possible.

The balance of risks to the UK economy: -

The overall balance of risks to economic growth in the UK is to the downside. Indeed, the Bank of England projected two years of negative growth in their November Quarterly Monetary Policy Report.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).

The Bank of England acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.

UK / EU trade arrangements – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.

Geopolitical risks, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.

The Government acts too slowly to increase taxes and/or cut expenditure to balance the public finances, in the light of the cost-of-living squeeze.

The pound weakens because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.

Longer term **US treasury yields** rise strongly, if inflation numbers disappoint on the upside, and pull gilt yields up higher than currently forecast.

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are as follows: -

Average earnings in each year	
2022/23 (remainder)	3.95%
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%

2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

4.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Head of Accountancy (Chief Financial Officer) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- * if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
- * if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions to borrow externally in excess of the amounts shown in para 3.2 will be reported to Council at the next available opportunity.

4.5 Treasury Management Limits on Activity

There are three debt related treasury activity limits. The purpose of these is to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs / improve performance. The indicators are:

(i) Upper limits on fixed interest rate exposure (Treasury Indicator TI-1)

This covers a maximum limit for borrowing exposure to fixed interest rates, based on the debt position and is set at 100%.

(ii) Upper limits on variable interest rate exposure (Treasury Indicator TI-2)

This identified a maximum limit for borrowing exposure to variable interest rates based upon the debt position and is set at 15%.

(iii) Maturity structure of borrowing (Treasury Indicator TI-3)

Gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing. The Council has set the limit of debt maturing in any one year to 15% at the time of borrowing.

4.6 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

The Head of Accountancy (Chief Financial Officer) has the authority to borrow in advance of need under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. The Head of Accountancy (Chief Financial Officer) will adopt a cautious approach to any such borrowing and a business case to support the decision making process must consider:

- The benefits of borrowing in advance,
- The risks created by additional levels of borrowing and investment, and
- How far in advance it is reasonable to borrow considering the risks identified

Any such advance borrowing should be reported through the mid-year or annual Treasury Management reporting mechanism.

4.7 Debt Rescheduling

The reasons for any rescheduling to take place will include:

- The generation of cash savings and/or discounted cash flow savings
- Helping to fulfil the treasury strategy
- Enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

All rescheduling will be reported to Council at the earliest meeting following its action. However as there is still a large difference between premature redemptions rates and new borrowing rates this is unlikely to occur.

5 Investment Strategy

5.1 Investment Objectives and Policy

The Council's investment policy implements the requirements of the following:-

- Local Government Investments (Scotland) Regulations 2010 (and accompanying Finance Circular 5/2010),

- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2018

The above regulations and guidance place a high priority on the management of risk. The Council’s investment priorities will be security first, liquidity second and then return. The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Council’s risk appetite, whilst also accommodating Environmental, Social and Governance (ESG) principles as a fourth priority and principle to apply (see annex G).

This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This authority has defined the list of **types of investment instruments** that are permitted investments authorised for use in Annex D. Annex E expands on the risks involved in each type of investment and the mitigating controls.
5. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the information gathered (see points 1-3 above)
6. **Transaction limits** are set for each type of investment (see Annex F)
7. This authority has engaged **external consultants**, (see paragraph 2.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
8. This authority will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 5.6c).
9. The Council has determined that it will only use approved counterparties from within the United Kingdom.

10. As a result of the change in accounting standards for 2023/24 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund.

However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 5.7). Regular monitoring of investment performance will be carried out during the year.

5.2 Creditworthiness Policy

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security as set out in the investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Head of Accountancy (Chief Financial Officer) will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary (see **Annex F**). These criteria provide an overall pool of classes of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Group our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list, with the exception of the Council's own banker. Any rating changes, rating watches (notification of a likely change), rating Outlooks (notification of a longer term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applied to a counterparty that is already at the minimum Council criteria will be suspended from use, with all other counterparties being reviewed in light of market conditions.

The criteria for providing a pool of high quality investment counterparties are:

- Banks 1 - good credit quality – the Council will only use UK banks which have, as a minimum, the following Fitch (or equivalent) ratings (where rated):
 - i. Short Term – *F1*
 - ii. Long Term – *A-*
- Banks 2 – Part nationalised UK bank – Royal Bank of Scotland ring-fenced operations*. This bank can be included if it continues to be part nationalised or it meets the ratings in Banks 1 above.
- Banks 3 – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.

- Bank subsidiary and treasury operation - The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
- Building societies - The Council will use societies which meet the ratings for banks outlined above;
- Money Market Funds
- Ultra-Short Dated Bond Funds
- UK Government (including gilts, Treasury Bills and the DMADF)
- Local authorities, including Police, Fire and the Council's subsidiary (East Renfrewshire Culture & Leisure Trust)

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

Hub Schemes. The Council also invests in hub projects, which are based on robust business cases and a cashflow from public sector organisations (i.e. low risk). As additional assurance we restrict such investments to hub schemes where the Council is a significant participant.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are as stated in **Annex F**.

Creditworthiness. Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK

UK banks – *ring fencing

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and Small and Medium Enterprises deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and "riskier" activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity's core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

5.3 Country and Council's Banker

a) Country Limits –

The Council has as its current strategy to only use approved counterparties from within the United Kingdom. This policy may be reviewed, by the Head of Accountancy (Chief Financial Officer), to countries with sovereign ratings of AAA should the sovereign rating for the UK be downgraded to below Fitch AA -, or equivalent.

b) Council's Own Banker

The Council's own banker (The Clydesdale bank) will be maintained on the Council's counterparty list in situations where rating changes mean this is below the above criteria. This is to allow the Council to continue to operate normal current account banking facilities overnight and short-term investment facilities.

5.4 The Monitoring of Investment Counterparties

All credit ratings will be monitored on a weekly basis. The Council is alerted to changes to ratings of all three agencies through its use of the creditworthiness service of Link Asset Services.

- If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- Additional market information (for example Credit Swaps and negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

If the Council has funds invested in an institution which is downgraded to below the acceptable rating criteria, the Council will enter discussions with the counterparty to establish if the funds can be returned early. This however will be subject to an appropriate cost versus risk assessment of the specific situation.

The criteria for choosing counterparties set out above provide a sound approach to investment in "normal" market circumstances. Under exceptional market conditions, the Head of Accountancy (Chief Financial Officer) may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out in this Strategy. These restrictions will remain in place until the Head of Accountancy (Chief Financial Officer) is of an opinion that the banking system has returned to 'normal'. Similarly a restriction may be placed on the duration of investments.

5.5 Types of Investments

For institutions on the approved counterparty list, investments will be restricted to safer instruments (as listed in **Annex E**). Currently this involves the use of money market funds, the Debt Management Agency Deposit Facility (DMADF) and institutions with higher credit ratings than the minimum permissible rating outlines in the investment strategy, as well as the Council's own bank.

Where appropriate, investments will be made through approved brokers. The current list of approved brokers comprises:

- Sterling International Brokers Limited
- Tradition (UK) Limited
- Martins Brokers
- King and Shaxson Capital Limited
- Tullet Prebon Brokers
- Imperial Treasury Services
- Link Agency Services

5.6 Investment Strategy and bank rate projections

a) In-house funds

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of the Bank rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

b) Investment returns expectations

The current forecast shown in paragraph 4.3, includes a forecast for the Bank Rate to reach 4.5% in Q2 2023.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Average earnings in each year	
2022/23 (remainder)	3.95%
2023/24	4.40%
2024/25	3.30%

2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Long term later years	2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

For its cash flow generated balances, the Council will seek to utilise its money market funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit:

**c) Investment Treasury Indicator And Limit (Treasury Indicator TI-4)
Total Principal Funds Invested for Greater Than 365 days**

These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The treasury indicator and limit proposed is:

Maximum principal sums invested > 365 days (TI-4)			
	2021/22	2022/23	2023/24
Principal sums invested > 365 days	5%	5%	5%

5.7 Risk Benchmarking

These benchmarks are simple guides to minimise risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmarks is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or annual report.

a) Security –

The Council's **maximum** security risk benchmark for the current portfolio, when compared to historic default tables, is:

0.06% historic risk of default when compared to the whole portfolio for 1 year.

b) Liquidity

In respect of this area the Council seeks to maintain:

- Bank Overdraft: £100,000 East Renfrewshire Council

£25,000 East Renfrewshire Culture & Leisure Trust

c) Yield

Local Measures of yield benchmarks are:

Investments – Internal returns above the 7 day SONIA (Sterling Over Night Indexed Average) rate

5.8 End of year investment report

At the end of the financial year, the Head of Accountancy (Chief Financial Officer) will report on its investment activity as part of the annual treasury report.

6 Performance Indicators

6.1 The CIPFA Code requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking.

6.2 Debt Performance Indicators

- (i) Average “Pool Rate” charged by the Loans Fund compared to Scottish Local Authority average Pool Rate:
Target is to be at or below the Scottish Average for 2022/23
- (ii) Average borrowing rate movement year on year:
Target is to maintain or reduce the average borrowing rate for the Council versus 2022/23.

6.3 Loan Charges

Loan Charges for 2023/24 are expected to be at or below the Revenue Budget estimate contained in the Council’s Financial Plans to be approved in March 2023, which are estimated as follows:

£m	2023/24 Estimate	2024/25 Estimate
Capital Repayments	2,896	3,929
Interest on Borrowing	5,361	6,859
Expenses	209	218
Total Loan Charges*	8,466	11,006

**The Loan Charges exclude the capital element of PPP repayments*

6.4 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council’s overall finances.

(i) Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Non-HRA	7.2	7.5	6.7	7.5	7.8	8.7	9.7
HRA	31.3	30.3	34.4	36.2	37.9	27.1	27.9

The estimates of financing costs include current commitments and the proposals in the budget report.

(ii) HRA ratios

£	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
HRA debt £m	39.514	48.217	51.964	57.010	64.979	68.875	68.771
HRA revenues £m	13.415	15.192	15.421	16.211	16.903	17.616	18.227
Ratio of debt to revenues %	294.6	317.4	337.0	351.7	384.4	391.0	377.3

£	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
HRA debt £m	39.514	48.217	51.964	57.010	64.979	68.875	68.771
Number of HRA dwellings	3,061	3,146	3,159	3,205	3,268	3,314	3,331
Debt per dwelling £	12,909	15,326	16,450	17,788	19,883	20,783	20,646

7 Monitoring and Reporting

In line with the CIPFA Code the following formal reporting arrangements will be adopted:

Requirement	Purpose	Responsible Body	Frequency
Scrutiny of Treasury Management Strategy	Detailed scrutiny prior to annual approval by Council	Audit & Scrutiny Committee	Annually

Treasury Management Strategy	Reporting on Annual Strategy	Council	Annually prior to start of new financial year
Scrutiny of Treasury Management Mid-Year Report	Detailed scrutiny prior to approval by Council	Audit & Scrutiny Committee	Annually in October/November of the current year
Treasury Management Mid-Year Report	Mid-Year Performance Report	Council	Annually after reported to the Audit & Scrutiny Committee
Scrutiny of Treasury Management Annual Report	Detailed scrutiny prior to approval by Council	Audit & Scrutiny Committee	Annually in September/ October of the financial year
Treasury Management Annual Report	Annual Performance report for previous financial year	Council	Annually after reported to the Audit & Scrutiny Committee
Provide updates on the Prudential Indicators	To ensure that the council's borrowing remains affordable	Cabinet	Quarterly, along with the Capital Budget Monitoring Reports
Treasury Management Practices		Council	As appropriate
Treasury Management Policy Statement	Reviews and Revisions	Council	As required

8 Member and Officer Training

The CIPFA Code requires the Head of Accountancy (Chief Financial Officer) to ensure that both members and officers with responsibility for treasury management receive adequate training in this area.

Furthermore, the Code states that they expect "all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation's treasury management needs. Organisations should consider how to assess whether treasury management staff and members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and members.
- Require treasury management officers and members to undertake self-assessment against the required competencies.
- Have regular communication with officers and members, encouraging them to highlight training needs on an ongoing basis."

In the current year, training was provided to members and staff by Link Group, Treasury solutions and further training will be arranged as required.

In addition the implementation and recommendation plan from the CIPFA self-assessment schedules, completed by the Audit & Scrutiny committee in 2022 is almost completed and in order to support future training requirements updated self-assessment schedules will be circulated to members mid administration.

The training needs of the Treasury management officers are periodically reviewed. A formal record of the training received by officers central to the Treasury function will be maintained by the Senior Treasury Officer who will also record any treasury management/capital finance training received by members.

ANNEXES

ANNEX A

SUMMARY OF PRUDENTIAL AND TREASURY INDICATORS

Indicator Reference	Indicator	Page Ref.	2023/24	2024/25	2025/26	2026/27	2027/28	
PRUDENTIAL INDICATORS								
Capital Expenditure Indicator								
PI-1	Capital Expenditure Limits		£'000	£'000	£'000	£'000	£'000	
	General Fund	Page 7	72,073	40,532	42,827	84,519	49,493	
	Housing		9,904	17,429	16,870	10,036	3,558	
	Total		81,167	57,961	59,697	94,555	53,051	
PI-2	Capital Financing Requirement		£'000	£'000	£'000	£'000	£'000	
	General Fund	Page 9	252,909	278,749	307,760	378,121	412,344	
	Housing		51,964	57,010	64,979	68,875	68,771	
	Total		304,873	335,759	372,739	446,996	481,115	
Affordability Indicator								
External Debt Indicators								
PI-3	Gross Debt Borrowing		£'000	£'000	£'000	£'000	£'000	
	Other Long Term Liabilities	Page 13	185,638	223,623	256,606	324,090	357,073	
	Total		68,132	62,565	56,742	51,886	46,566	
			253,770	286,188	313,348	375,976	403,638	
PI-4	Operational Boundary for External Debt Borrowing		£'000	£'000	£'000	£'000	£'000	
	Other Long Term Liabilities	Page 13	236,355	272,458	315,274	399,400	435,853	
	Total		73,500	68,132	62,565	56,742	51,886	
			309,855	340,590	377,839	456,142	487,739	
PI-5	Authorised Limit for External Debt Borrowing		£'000	£'000	£'000	£'000	£'000	
	Other Long Term Liabilities	Page 14	271,808	313,327	362,565	459,310	501,231	
	Total		73,500	68,132	62,565	56,742	51,886	
			345,308	381,459	425,130	516,052	553,117	
	Ratio of Financing costs to net revenue Stream – Non -HRA	Page 25	6.7%	7.5%	7.8%	8.7%	9.7%	
	Ratio of Financing costs to net revenue Stream - HRA	Page 25	34.4%	36.2%	37.9%	27.1%	27.9%	
Indicators of Prudence								
PI-6	(Under)/Over Gross Borrowing against the CFR	Page 13	£'000	£'000	£'000	£'000	£'000	
			(51,103)	(49,571)	(59,391)	(71,020)	(77,476)	
TREASURY INDICATORS								
TI-1	Upper Limit to Fixed Interest Rates based on Net Debt	Page 17	100% of debt position					
TI-2	Upper Limit to Variable Interest Rates based on Net Debt	Page 17	15% of debt position					

TI-3	Maturity Structure of Fixed Interest Rate Borrowing	Page 18	15% maturing in any one year at the time of borrowing				
TI-4	Maximum Principal Sum invested greater than 365 days	Page 24	5%	5%	5%	5%	5%

ANNEX B: INTEREST RATE FORECASTS 2022 – 2025 PWLB forecasts shown below have taken into account the 20 basis point certainty rate reduction effective as of the 19 December 2022

Link Group Interest Rate View		19.12.22												
		Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE		3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings		3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings		4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings		4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB		4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB		4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB		4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB		4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20
Bank Rate														
	NOW	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	
Link Group	3.50%	4.25%	4.50%	4.50%	4.50%	4.00%	3.75%	3.50%	3.25%	3.00%	2.75%	2.50%	2.50%	
Capital Economics	3.50%	4.50%	4.50%	4.50%	4.50%	4.25%	4.00%	3.50%	3.00%	-	-	-	-	
5yr PWLB Rate														
	NOW	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	
Link Group	4.08%	4.20%	4.20%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%	3.40%	3.30%	3.20%	3.10%	
Capital Economics	4.08%	4.00%	3.80%	3.70%	3.50%	3.50%	3.40%	3.30%	3.30%	-	-	-	-	
10yr PWLB Rate														
	NOW	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	
Link Group	4.22%	4.40%	4.40%	4.30%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%	3.40%	3.30%	3.30%	
Capital Economics	4.22%	4.00%	3.80%	3.70%	3.60%	3.50%	3.40%	3.40%	3.30%	-	-	-	-	
25yr PWLB Rate														
	NOW	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	
Link Group	4.56%	4.60%	4.60%	4.50%	4.40%	4.20%	4.10%	4.00%	3.90%	3.70%	3.60%	3.50%	3.50%	
Capital Economics	4.56%	4.40%	4.20%	4.00%	3.80%	3.80%	3.70%	3.60%	3.60%	-	-	-	-	
50yr PWLB Rate														
	NOW	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	
Link Group	4.23%	4.30%	4.30%	4.20%	4.10%	3.90%	3.80%	3.70%	3.60%	3.50%	3.30%	3.20%	3.20%	
Capital Economics	4.23%	4.10%	4.00%	3.90%	3.80%	3.80%	3.70%	3.60%	3.60%	-	-	-	-	

ANNEX C - LINK Group Economic Background (as at December 2022) –

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
Bank Rate	3.0%	1.5%	3.75%-4.00%
GDP	-0.2%q/q Q3 (2.4%y/y)	+0.2%q/q Q3 (2.1%y/y)	2.6% Q3 Annualised
Inflation	11.1%y/y (Oct)	10.0%y/y (Nov)	7.7%y/y (Oct)
Unemployment Rate	3.6% (Sep)	6.6% (Sep)	3.7% (Aug)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at 5.5% - 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3% in November and the market expects Bank Rate to hit 4.5% by May 2023.

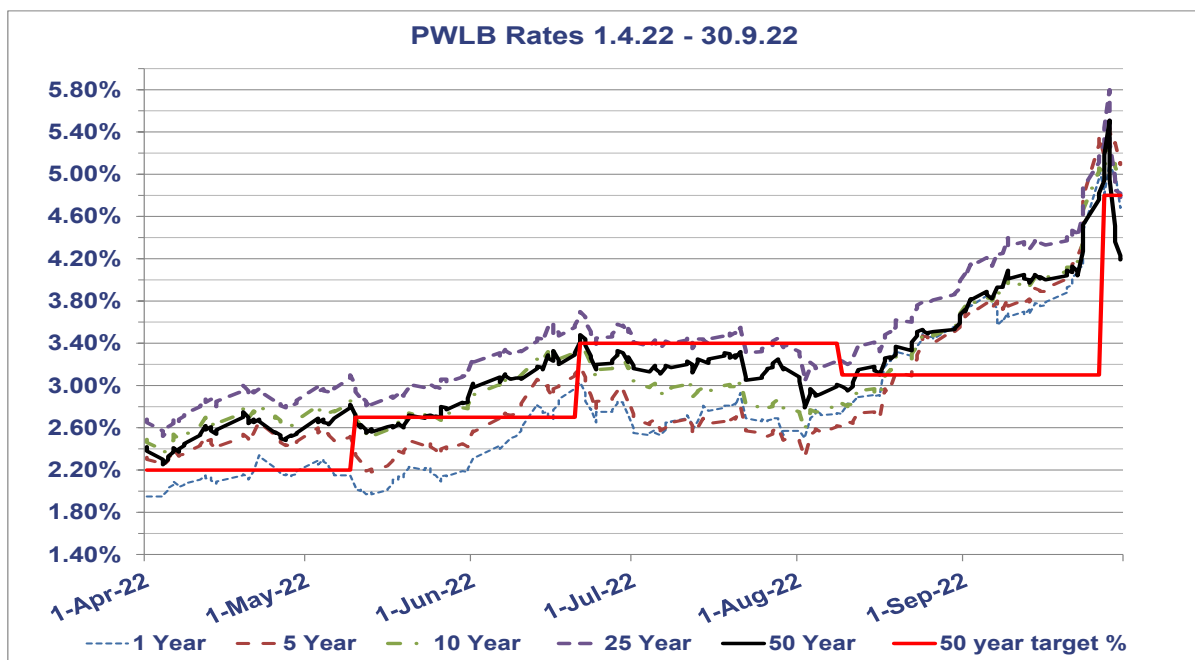
Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and October. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17th November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all

point to at least one if not more quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government's "fiscal event", to \$1.20. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28th September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting ever lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 year is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.35%	5.80%	5.51%
Date	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
Average	2.81%	2.92%	3.13%	3.44%	3.17%
Spread	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

CENTRAL BANK CONCERNS – NOVEMBER 2022

At the start of November, the Fed decided to push up US rates by 0.75% to a range of 3.75% - 4%, whilst the MPC followed a day later by raising Bank Rate from 2.25% to 3%, in line with market expectations. EZ rates have also increased to 1.5% with further tightening in the pipeline.

Having said that, the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

ANNEX D

Treasury risks

All the investment instruments are subject to the following risks: -

1. **Credit and counter-party risk:** this is the risk of failure by a counterparty (bank or building society) to meet its contractual obligations to the organisation particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources. There are no counterparties where this risk is zero although AAA rated organisations have the highest, relative, level of creditworthiness.
2. **Liquidity risk:** this is the risk that cash will not be available when it is needed. While it could be said that all counterparties are subject to at least a very small level of liquidity risk as credit risk can never be zero, in this document, liquidity risk has been treated as whether or not instant access to cash can be obtained from each form of investment instrument. However, it has to be pointed out that while some forms of investment e.g. gilts, CDs, corporate bonds can usually be sold immediately if the need arises, there are two caveats: - a. cash may not be available until a settlement date up to three days after the sale. b. there is an implied assumption that markets will not freeze up and so the instrument in question will find a ready buyer.
3. **Market risk:** this is the risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.
4. **Interest rate risk:** this is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately. This authority has set limits for its fixed and variable rate exposure in its Treasury Indicators in this report.
5. **Legal and regulatory risk:** this is the risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

Controls on treasury risks

1. **Credit and counter-party risk:** this authority has set minimum credit criteria to determine which counterparties and countries are of sufficiently high creditworthiness to be considered for investment purposes. See paragraphs 5.2 and 5.3.
2. **Liquidity risk:** this authority has a cash flow forecasting model to enable it to determine how long investments can be made for and how much can be invested.
3. **Market risk:** this authority purchases Certificate of Deposits, Corporate Bonds, Treasury Bills and Ultra-Short Bonds as they offer a higher rate of return than depositing in the DMADF. They are usually held until maturity but in exceptional

circumstances, they can be quickly sold at the current market value, (which may be below the purchase cost), if the need arises for extra cash at short notice. Their value does not usually vary much during their short life.

4. **Interest rate risk:** this authority manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which aims to maximise investment earnings consistent with control of risk or alternatively, seeks to minimise expenditure on interest costs on borrowing. See paragraph 5.6.
5. **Legal and regulatory risk:** this authority will not undertake any form of investing until it has ensured that it has all necessary powers and also complied with all regulations.

Objectives of each type of Permitted Investment instrument

1. DEPOSITS

The following forms of 'investments' are actually more accurately called deposits as cash is deposited in an account until an agreed maturity date or is held at call.

- a) **Debt Management Agency Deposit Facility (DMADF).** This offers the lowest risk form of investment available to local authorities as it is effectively an investment placed with the Government. It is also easy to use as it is a deposit account and avoids the complications of buying and holding Government issued treasury bills or gilts. As it is low risk it also earns low rates of interest. However, it is very useful for authorities whose overriding priority is the avoidance of risk. The longest period for a term deposit with the DMADF is 6 months.
- b) **Term deposits with high credit worthiness banks and building societies.** This is the most widely used form of investing used by local authorities. It offers a much higher rate of return than the DMADF (dependent on term). The authority will ensure diversification of its portfolio of deposits ensuring that an approved maximum can be placed with any one institution or group. In addition, longer term deposits offer an opportunity to increase investment returns by locking in high rates ahead of an expected fall in the level of interest rates. At other times, longer term rates can offer good value when the markets incorrectly assess the speed and timing of interest rate increases. This form of investing therefore, offers a lot of flexibility and higher earnings than the DMADF. Where it is restricted is that once a longer term investment is made, that cash is locked in until the maturity date.
- c) **Call accounts with high credit worthiness banks and building societies.** The objectives are as for 1b, but there is instant access to recalling cash deposited. This generally means accepting a lower rate of interest than that which could be earned from the same institution by making a term deposit. Some use of call accounts is highly desirable to ensure that the authority has ready access to cash when needed to pay bills.
- d) **Fixed term deposits with variable rate and variable maturities (structured deposits).** This line encompasses ALL types of structured deposits. There has been considerable change in the types of structured deposits brought to the market over the last few years, some of which are already no longer available. In view of the fluidity of this area, this is a generic title for all structured deposits and provides greater flexibility to adopt

new instruments as and when they are brought to the market. Approval will be sought before making deposits using instruments under this generic title.

- e) **Collateralised deposits.** These are deposits placed with a bank which offers collateral backing based on specific assets. Examples seen in the past have included local authority LOBOs, where such deposits are effectively lending to a local authority as that is the ultimate security.

2. DEPOSITS WITH COUNTERPARTIES CURRENTLY IN RECEIPT OF GOVERNMENT SUPPORT / OWNERSHIP

These banks offer another dimension of creditworthiness in terms of Government backing through either partial or full direct ownership. The view of this authority is that such backing makes these banks attractive institutions with whom to place deposits, and that will remain our view if the UK sovereign rating were to be downgraded in the coming year.

- a) **Term deposits with high credit worthiness banks which are fully or semi nationalised.** As for 1b, but Government full (or substantial partial) ownership, implies that the Government stands behind this bank and will be deeply committed to providing whatever support that may be required to ensure the continuity of that bank. This authority considers that this indicates a low and acceptable level of residual risk.
- b) **Fixed term deposits with variable rate and variable maturities (structured deposits).** There has been considerable change in the types of structured deposits brought to the market over the last few years, some of which are already no longer available. In view of the fluidity of this area, this is a generic title for all structured deposits so as to provide councils with greater flexibility to adopt new instruments as and when they are brought to the market. Approval will be sought before making deposits using instruments under this generic title

3. COLLECTIVE INVESTMENT SCHEMES STRUCTURED AS OPEN ENDED INVESTMENT COMPANIES (OEICS)

- a) **Government liquidity funds.** These are the same as money market funds (see below) but only invest in government debt issuance with highly rated governments. Due to the higher quality of underlying investments, they offer a lower rate of return than MMFs. However, their net return is typically on a par with the DMADF, but with instant access.
- b) **Money Market Funds (MMFs).** By definition, MMFs are AAA rated and are widely diversified, using many forms of money market securities including types which this authority does not currently have the expertise or capabilities to hold directly. However, due to the high level of expertise of the fund managers and the huge amounts of money invested in MMFs, and the fact that the weighted average maturity (WAM) cannot exceed 60 days, MMFs offer a combination of high security, instant access to funds, high diversification and good rates of return compared to equivalent instant access facilities. They are particularly advantageous in falling interest rate environments as their 60 day WAM means they have locked in investments earning higher rates of interest than are currently available in the market. MMFs also help an authority to diversify its own portfolio as e.g. a £2m investment placed directly with HSBC is a 100% risk exposure to HSBC whereas £2m invested in a MMF may end up with say £10,000 being invested with HSBC

through the MMF. For authorities particularly concerned with risk exposure to banks, MMFs offer an effective way of minimising risk exposure while still getting much better rates of return than available through the DMADF.

- c) **Ultra-short dated bond funds.** These funds are similar to MMFs, can still be AAA rated but have variable net asset values (VNAV) as opposed to a traditional MMF which has a Constant Net Asset Value (CNAV). They aim to achieve a higher yield and to do this either take more credit risk or invest out for longer periods of time, which means they are more volatile. These funds can have WAM's and Weighted Average Life (WAL's) of 90 – 365 days or even longer. Their primary objective is yield and capital preservation is second. They therefore are a higher risk than MMFs and correspondingly have the potential to earn higher returns than MMFs.
- d) **Gilt funds.** These are funds which invest only in U.K. Government gilts. They offer a lower rate of return than bond funds but are highly rated both as a fund and through investing only in highly rated government securities. They offer a higher rate of return than investing in the DMADF but they do have an exposure to movements in market prices of assets held.
- e) **Bond funds.** These can invest in both government and corporate bonds. This therefore entails a higher level of risk exposure than gilt funds and the aim is to achieve a higher rate of return than normally available from gilt funds by trading in non-government bonds.

4. SECURITIES ISSUED OR GUARANTEED BY GOVERNMENTS

The following types of investments are where an authority directly purchases a particular investment instrument, a security, i.e. it has a market price when purchased and that value can change during the period the instrument is held until it matures or is sold. The annual earnings on a security is called a yield i.e. it is normally the interest paid by the issuer divided by the price you paid to purchase the security unless a security is initially issued at a discount e.g. treasury bills.

- a) **Treasury bills.** These are short term bills (up to 18 months, but usually 9 months or less) issued by the Government and so are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a term deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales could incur a net cost during the period of ownership.
- b) **Gilts.** These are longer term debt issuance by the UK Government and are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a term deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales may incur a net cost. Market movements that occur between purchase and sale may also have an adverse impact on proceeds. The advantage over Treasury bills is that they generally offer higher yields the longer it is to maturity (for most periods) if the yield curve is positive.
- c) **Bond issuance issued by a financial institution which is explicitly guaranteed by the UK Government** e.g. National Rail. This is similar to a gilt due to the explicit Government guarantee.

5. SECURITIES ISSUED BY CORPORATE ORGANISATIONS

The following types of investments are where an authority directly purchases a particular investment instrument, a security, i.e. it has a market price when purchased and that value can change during the period the instrument is held until it is sold. The annual earnings on a security is called a yield i.e. is the interest paid by the issuer divided by the price you paid to purchase the security. These are similar to the previous category but corporate organisations can have a wide variety of credit worthiness so it is essential for local authorities to only select the organisations with the highest levels of credit worthiness. Corporate securities are generally a higher risk than government debt issuance and so earn higher yields.

- a) **Certificates of deposit (CDs).** These are shorter term securities issued by deposit taking institutions (mainly financial institutions). They are negotiable instruments, so can be sold ahead of maturity and also purchased after they have been issued. However, that liquidity can come at a price, where the yield could be marginally less than placing a deposit with the same bank as the issuing bank.
- b) **Commercial paper.** This is similar to CDs but is issued by commercial organisations or other entities. Maturity periods are up to 365 days but commonly 90 days
- c) **Corporate bonds.** These are (long term) bonds (usually bearing a fixed rate of interest) issued by a financial institution, company or other non-government issuer in order to raise capital for the institution as an alternative to issuing shares or borrowing from banks. They are generally seen to be of a lower creditworthiness than government issued debt and so usually offer higher rates of yield.
- d) **Floating rate notes.** These are bonds on which the rate of interest is established periodically with reference to short-term interest rates.

6. OTHER

- a) **Property fund.** This is a collective investment fund specialising in property. Rather than owning a single property with all the risk exposure attached to one property in one location rising or falling in value, maintenance costs, tenants actually paying their rent / lease etc., a collective fund offers the advantage of diversified investment over a wide portfolio of different properties. This can be attractive for authorities who want exposure to the potential for the property sector to rise in value. However, timing is critical to entering or leaving this sector at the optimum times of the property cycle of rising and falling values. Typically, the minimum investment time horizon for considering such funds is at least 3-5 years.
- b) **Loans to 3rd parties.** These are loans provided to third parties at either market rates of interest or below market rates. Each application is supported by the service rationale behind the loan and requires member approval. These loans are highly illiquid and may exhibit credit risk.
- c) **Loans to a Local Authority Company/ Partnership or Charity.** These loans have to be supported by the service rationale /business case and requires member approval. In

general these loans will involve some form of security or clear cash flow that is available to service the debt. These loans are highly illiquid and may exhibit credit risk.

- d) **Shares in Hub schemes.** These are shares in projects that have both Council and the Scottish Government as participants. As such the Council are well placed to influence and ensure the successful completion of the projects, which are based on robust business cases with a cash flow from the public sector organisations. These investments are highly illiquid with a low credit risk.

ANNEX E

Credit and Counterparty Risk Management

Permitted Investments, Associated Controls and Limits for East Renfrewshire Council and East Renfrewshire Culture & Leisure Trust

Type of Investment	Treasury Risks	Mitigating Controls	Limits
a. Deposits with the Debt Management Account Facility (UK Government) (Very low risk)	This is a deposit with the UK Government and, as such, counterparty and liquidity risk is very low, and there is no risk to value. Deposits can be between overnight and 6 months	Little mitigating controls required. As this is a UK Government investment, the monetary limit is high.	£30m Maximum 6 months
b. Deposits with other local authorities or public bodies (Very low risk)	These are considered quasi UK Government debt and, as such counterparty risk is very low, and there is no risk to value. Liquidity may present a problem as deposits can only be broken with the agreement of the counterparty, and penalties can apply. Deposits with non-local authority bodies will be restricted to the overall credit rating criteria	Little mitigating controls required for local authority deposits, as this is a quasi UK Government investment. Non-local authority deposits will follow the approved credit rating criteria	£5m (per body), maximum 6 months
c. Money Market Funds (MMFs) Low Volatility Net Asset Value (LVNAV) (Low to very low risk)	Pooled cash investment vehicle which provides very low counterparty, liquidity and market risk. These will primarily be used as liquidity instruments.	Funds will only be used where the MMFs has “AAA” rated status from either Fitch, Moody’s or Standard & Pools.	£10m per fund/£60m overall
d. Ultra-Short Dated Bond Funds (Low risk)	Pooled cash investment vehicle which provides very low counterparty, liquidity and market risk. These will primarily be used as liquidity instruments.	Funds will only be used where they have “AAA” rated status from either Fitch, Moody’s or Standard and Poor’s.	£10m overall, part of category c.
e. Call account deposit accounts with financial institutions	These tend to be low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above. These type of investments have no risk to	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured	As shown in the counterparty

(banks and building societies) (Low risk depending on credit rating)	value, liquidity is high and investment can be returned at short notice	primarily by credit ratings from Fitch, Moody's and Standard and Poor's. Day to day investment dealing with this criteria will be further strengthened by use of additional market intelligence.	listing (Annex F)
f. Term deposits with financial institutions (banks and building societies) (Low to medium risk depending on period & credit rating)	These tend to be low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above. Whilst there is no risk to value with these types of investments, liquidity is low and term deposits can only be broken with the agreement of the counterparty, and penalties may apply.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. Day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	As shown in the counterparty listing (Annex F)
g. UK Government Gilts and Treasury Bills (Very low risk)	These are marketable securities issued by the UK Government and, as such, counterparty and liquidity risk is very low, although there is potential risk to value arising from an adverse movement in interest rates (no loss if these are held to maturity).	Little counterparty mitigating controls are required, as this is a UK Government investment. The potential for capital loss will be reduced by limiting the maximum monetary and time exposures.	£5m, maximum 6 months
h. Certificates of Deposit with Financial Institutions (Banks & Building Societies) (Low risk)	These are short dated marketable securities issued by financial institutions and as such counterparty risk is low, but will exhibit higher risks than categories (a), (b) and (c) above. There is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates (no loss if these are held to maturity). Liquidity risk will normally be low.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. Day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	Dependent on institution as listed in counterparty listing in annex F
i. Gilt fund deposit facilities with banks & building societies	These tend to be medium to low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured	Dependent on institution as listed in

(escalating rates, de-escalating rates etc.). (Low to medium risk depending on period & credit rating)	Whilst there is no risk to value with these types of investments, liquidity is very low and investments can only be broken with the agreement of the counterparty (penalties may apply).	primarily by credit ratings from Fitch, Moody's and Standard and Poor's. Day to day investment dealing with these criteria will be further strengthened by the use of additional market intelligence	counterparty listing in annex F
j. Structured deposit facilities with banks and building societies (escalating rates, de-escalating rates etc.) (Low to medium risk depending on period & credit rating)	These tend to be medium to low risk investments, but will exhibit higher risks than categories (a), (b) and (c) above. Whilst there is no risk to value with these types of investments, liquidity is very low and investments can only be broken with the agreement of the counterparty (penalties may apply).	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. Day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	Dependent on institution as listed in counterparty listing in annex F
k. Corporate Bonds (Medium to high risk depending on period and credit rating)	These are marketable securities issued by financial and corporate institutions. Counterparty risk will vary and there is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will be low.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. Corporate bonds will be restricted to those meeting the base criteria. Day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	Dependent on institution as listed in counterparty listing in annex F
l. Investment properties	These are non-service properties which are being held pending disposal or for a longer-term rental income stream. These are highly illiquid assets with high risk to value (the potential for property prices to fall or for rental voids)	In larger investment portfolios, some small allocation of property based investment may counterbalance/compliment the wider cash portfolio. Property holding will be re-valued regularly and reported annually with gross and net rental streams.	No limit

m. Loans to third parties, including soft loans	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each third party loan requires Member approval and each application is supported by the service rationale behind the loan and the likelihood of partial or full default.	£0.5m
n. Loans to a local authority company/ partnership or charity	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid	Each loan to a local authority company requires Member approval and each application is supported by the service rationale/business case behind the loan and the likelihood of partial or full default.	£1m
o. Shares in Hub Schemes	These are investments that are exposed to the success or failure of individual projects and are highly illiquid.	The Council and Scottish Government (via the SFT) are participants in and party to the governance and controls within the project structure. As such they are well placed to influence and ensure the successful completion of the project's term. These projects are based on robust business cases with a cash flow from public sector organisations (i.e. low credit risk)	Investment limited to HUB schemes where the Council is a major participant

The Monitoring of Investment Counterparties

The status of counterparties will be monitored regularly. The Council receives credit rating and market information from Link Group: Treasury Solutions, including when ratings change, and counterparties are checked promptly. On occasion rating may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately (with the exception of the Council's Bank) and if required new counterparties which meet the criteria will be added to the list with written permission of the Head of Accountancy (Chief Financial Officer).

ANNEX F

EAST RENFREWSHIRE COUNCIL

ORGANISATIONS APPROVED FOR THE INVESTMENT OF SURPLUS FUNDS

Banking Group	Individual Counterparty	Limits	
		Deposit	Transaction
Bank of England	Debt Management Office	£30m	£10m
	UK Treasury Bills	£5m	£5m
Barclays Banking Group	Barclays Bank	£5m	£5m
Goldman Sachs International Bank		£10m	£10m
Lloyds Banking Group:	Bank of Scotland	£5m	£5m
	Lloyds Bank of Corporate Mkt (NRF)	£5m	£5m
Royal Bank of Scotland Group:	Royal Bank of Scotland National Westminster Bank	£5m	£5m
Santander Group	Santander UK PLC	£10m	£10m
Standard Chartered Bank		£10m	£10m
Clydesdale Bank		£5m	£5m
Building Societies			
Nationwide		£10m	£10m
Local Authorities			
All Local Authorities including Police & Fire (per fund)		£5m	£5m
Money Market Funds and Ultra-Short Dated Bond Funds			
Maximum limit of £10m per fund,		£60m	£10m

Credit Ratings

	Fitch		Moody's		S&P	
	LT	ST	LT	ST	LT	ST
Minimum Criteria	A-	F1	A3	P-1/P-2	A	A-1/A-2

(Unless Government backed)

(Please note credit ratings are not the sole method of selecting counterparty)

Limit

Investment of surplus funds is permitted in each of the above organisations, with the limits set on an individual basis by the Head of Accountancy (Chief Financial Officer).

The limit may only be exceeded or another organisation approved with the written permission of the Head of Accountancy (Chief Financial Officer).

Deposit Periods

The maximum period for any deposit is currently set at 6 months, based on the Link Assets Services suggested Duration Matrix. These limits can only be exceeded with the written permission of the Head of Accountancy (Chief Financial Officer).

Hub scheme deposit periods are dependent on the lifetime of the associated scheme.

ANNEX G Environmental, Social and Governance (ESG) risk management

This Council is supportive of the Principles for Responsible Investment (www.unpri.org) and will seek to bring ESG (environmental, social and governance) factors into the decision-making process for investments. Within this, the Council is also appreciative of the Statement on ESG in Credit Risk and Ratings which commits signatories to incorporating ESG into credit ratings and analysis in a systemic and transparent way. The Council uses ratings from Fitch, Moody's and Standard & Poor's to support its assessment of suitable counterparties. Each of these rating agencies is a signatory to the ESG in the Credit Risk and Ratings statement, which is as follows:

“We, the undersigned, recognise that environmental, social and governance (ESG) factors can affect borrowers’ cash flows and the likelihood that they will default on their debt obligations. ESG factors are therefore important elements in assessing the creditworthiness of borrowers. For corporates, concerns such as stranded assets linked to climate change, labour relations challenges or lack of transparency around accounting practices can cause unexpected losses, expenditure, inefficiencies, litigation, regulatory pressure and reputational impacts.

At a sovereign level, risks related to, inter alia, natural resource management, public health standards and corruption can all affect tax revenues, trade balance and foreign investment. The same is true for local governments and special purpose vehicles issuing project bonds. Such events can result in bond price volatility and increase the risk of defaults.

In order to more fully address major market and idiosyncratic risk in debt capital markets, underwriters, credit rating agencies and investors should consider the potential financial materiality of ESG factors in a strategic and systematic way. Transparency on which ESG factors are considered, how these are integrated, and the extent to which they are deemed material in credit assessments will enable better alignment of key stakeholders.

In doing this the stakeholders should recognise that credit ratings reflect exclusively an assessment of an issuer’s creditworthiness. Credit rating agencies must be allowed to maintain full independence in determining which criteria may be material to their ratings. While issuer ESG analysis may be considered an important part of a credit rating, the two assessments should not be confused or seen as interchangeable.

*With this in mind, we share a common vision **to enhance systematic and transparent consideration of ESG factors in the assessment of creditworthiness.**”*

For short term investments with counterparties, this Council utilises the ratings provided by Fitch, Moody's and Standard & Poor's to assess creditworthiness, which do include analysis of ESG factors when assigning ratings. The Council will continue to evaluate additional ESG-related metrics and assessment processes that it could incorporate into its investment process and will update accordingly.

Typical examples of ESG factors that are considered by Credit Rating Agencies, such as Fitch, Moody's and Standard & Poor's when assigning credit ratings to counterparties are:

- **Environmental:** Emissions and air quality, energy and waste management, waste and hazardous material, exposure to environmental impact.

- **Social:** *Human rights, community relations, customer welfare, labour relations, employee wellbeing, exposure to social impacts.*
- **Governance:** *Management structure, governance structure, group structure, financial transparency.*

The credit ratings provided by these agencies are also used as the basis for selecting suitable counterparties.

GLOSSARY OF TERMS

CIPFA	Chartered Institute of Public Finance and Accountancy
CIPFA Code	Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes
CFR	Capital Financing Requirement is the estimated level of borrowing or financing needed to fund capital expenditure.
Consent to Borrow	Para 1 (1) of Schedule 3 of the Local Government (Scotland) Act 1975 (the 1975 Act) effectively restricts local authorities to borrowing only for capital expenditure. Under the legislation Scottish Ministers may provide consent for local authorities to borrow for expenditure not covered by this paragraph, where they are satisfied that the expenditure should be met by borrowing.
Gilts	A gilt is a UK Government liability in sterling, issued by HM Treasury and listed on the London Stock Exchange. The term "gilt" or "gilt-edged security" is a reference to the primary characteristic of gilts as an investment: their security. This is a reflection of the fact that the British Government has never failed to make interest or principal payments on gilts as they fall due.
MPC	Monetary Policy Committee
NHT	National Housing Trust initiative undertaken in partnership with the Scottish Futures Trust (SFT)
Other Long Term Liabilities	Balance sheet items such as Public Private Partnership (PPP), and leasing arrangements which already include borrowing instruments.
PPP	Public-Private Partnership.
Prudential Indicators	The Prudential Code sets out a basket of indicators (the Prudential Indicators) that must be prepared and used in order to demonstrate that local authorities have fulfilled the objectives of the Prudential Code.
QE	Quantitative Easing
SONIA	Sterling Overnight Interest Average: this is a risk-free rate for sterling markets administered by the Bank of England. SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.
Spread	A spread in trading terms is the difference between the buy (offer) and Sell (bid) prices quoted for an asset. Many brokers will quote their prices in the form of a spread.
Treasury Indicators	These consist of a number of Treasury Management Indicators that local authorities are expected to 'have regard' to, to demonstrate compliance with the Treasury Management Code of Practice.

EAST RENFREWSHIRE COUNCIL1 March 2023Report by Director of Business Operations and PartnershipsPROVOST'S ENGAGEMENTS**PURPOSE OF REPORT**

1. To advise the Council of the civic engagements carried out by Provost Montague since the meeting of the Council in December.

RECOMMENDATION

2. That the report be noted.

REPORT

3. Since the meeting in December Provost Montague has carried out the following civic engagements:

15 December – Hosted the East Ren Awards Ceremony, Clarkston

16 December – Attended the Giffnock Primary P1 and P2 Nativity, Giffnock Primary

16 December – Attended the Glasgow Phoenix Choir Christmas Celebration, Glasgow Royal Concert Hall

18 December – Attended Chanakuh Celebration, Clarkston Halls

19 December – Attended Our Lady of the Missions Nativity

19 December – Presented Christmas presents to Veterans, Newton Mearns Bowling Club

19 December – Attended a Ukrainian Concert, Glasgow

22 January – Attended Farewell Service for Newton Mearns Synagogue and meeting with Chief Rabbi

23 January – Hosted the Council's Holocaust Memorial Service, Calderwood Lodge Primary School

28 January – Attended Holocaust Memorial Service, Glasgow Reform Synagogue

30 January – Attended IncludeMe2 Ideas Academy, Barrhead

31 January – Presented Award to the Citizen of the Year, Barrhead

16 February – Attended the official opening of Greenlaw Works, Newton Mearns

17 February – Attended Lunch Club, St Vincent's Parish Church

RECOMMENDATION

4. That the report be noted.

Report Author

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Background papers - None

EAST RENFREWSHIRE COUNCIL1 March 2023Report by Director of EducationAPPOINTMENT TO EAST RENFREWSHIRE CULTURE AND LEISURE TRUST BOARD**PURPOSE OF REPORT**

1. The purpose of this report is to recommend for approval by the Council the nomination of a new independent board member for the Trust following a recent resignation.

RECOMMENDATIONS

2. Council is asked to endorse the recommendation of the East Renfrewshire Culture and Leisure Trust Board and approve the appointment to the Board of Mr Dalvir Johal in accordance with the Trust Articles of Association and Board Charter.

BACKGROUND AND REPORT

3. The Articles of Association identify as a basis for Independent Candidates that they are “a representative of the East Renfrewshire area and/or together representing or possessing a comprehensive range of skills and interests relevant to the Objects of the Company, and of their having skills and experience which, in the opinion of the Member, would be of assistance to the board of Trustees.”

4. Following the resignation of Mr. Andrew Allan from the Board of East Renfrewshire Culture and Leisure (ERCL) after four years' service, the Board has conducted a recruitment and selection exercise according to the process previously set out for the Nominations Committee by the Board Charter, in accordance with the Trust Articles of Association (articles 9-10). Mr Allan was an Independent member of the Board and, as a qualified and chartered accountant and experienced finance professional, served as Chair of the Finance, Audit and Risk Committee.

5. A Board Member's *Skills Matrix* has been produced by the Trust (in accordance with Article 10.4.1). This identifies the mix of skills and experience currently available to the Trust through its board members, and/or areas where additional skills and experience are sought. This identified the criteria sought in a new Independent Board member including:-

- Qualified / Chartered Accountant
- Experience of oversight of financial planning, controls and reporting, including Charity SORP
- Business Planning and Performance Management
- Finance, Audit and Risk Management
- Ideally a resident of East Renfrewshire
- Experience of non-executive roles and Corporate Governance
- An interest in sports, arts and/or culture

6. It was decided to conduct an open recruitment exercise to identify a suitable candidate for the vacant board position.

7. A consultant was retained to run a recruitment campaign; in addition candidates were sought via the company's contacts and networks. Following shortlisting, assessment and screening the Nominations Committee met on Monday 19th December to interview one candidate. The committee was chaired by the Chair of the Board and included the Leader of the Council in his role as Board Member and Member of the Finance, Audit and Risk Committee of the Trust, with the Trust Chief Executive in attendance.

8. The Committee were unanimous in approving Mr. Dalvir Johal for recommendation to the Board. Mr. Johal is both a local resident and Chartered Accountant and registered Auditor. An experienced non-executive, he also has extensive professional experience in a variety of industry sectors such as Financial Services; Oil and Gas; The Third Sector; Power and Utilities; and the Construction Industry both in public practice and as an independent consultant. His experience includes small and medium sized enterprises through to FTSE 25 companies.

9. The Trust's Chair formally wrote to the Board to seek their formal approval to invite Mr Johal to join the Board, subject to Council Agreement which is required in terms of the Articles of Association. Board approval was unanimous. References were subsequently taken up all of which are highly satisfactory.

10. The Board of East Renfrewshire Culture and Leisure therefore recommend Mr Dalvir Johal to the Council for appointment to the Board of the Trust.

11. Following Council approval and with all independent members in place, the Board will move to appoint a new Chair of the Finance, Audit and Risk Committee in time for its next meeting at the beginning of March 2023.

FINANCE & EFFICIENCY IMPLICATIONS

12. There are no specific financial implications arising from this report.

CONCLUSION

13. This report summarises the recruitment and selection process undertaken by the Trust and its Nominations Committee in accordance with its Articles of Association and Board Charter, and its outcome.

14. The Director of Education is confident that the nominated candidate will be an excellent addition to the Trust. He brings skills and experience which will further strengthen the governance and scrutiny of the Trust and will help to ensure it continues to make positive contributions to the CPP's Community Plan, to achieve the Council's objectives, and, most importantly, will continue to improve the experiences and outcomes of its customers, building on its recent successes.

15. With the appointment of Mr Johal the Trust Board will be complete.

RECOMMENDATION/...

RECOMMENDATION/...

16. Council is asked to endorse the recommendation of the East Renfrewshire Culture and Leisure Trust Board and approve the appointment to the Board of Mr Darvil Johan in accordance with the Trust Articles of Association and Board Charter.

Report Author

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EAST RENFREWSHIRE COUNCIL1 March 2023Report by Director of EducationEAST RENFREWSHIRE CULTURE AND LEISURE TRUST 2023/24 BUSINESS PLAN**PURPOSE OF THE REPORT**

1. The purpose of this report is to seek Council approval for the East Renfrewshire Culture and Leisure Trust (ERCL) 2023/24 Business Plan.

RECOMMENDATION

2. That the Council approves the proposed Business Plan for 2023/24, subject to confirmation of the budget by the Council on 1 March 2023.

BACKGROUND

3. East Renfrewshire Culture and Leisure Trust was established as an independent charity, registered with the Office of the Scottish Charity Regulator (OSCR) on July 1st 2015. The Charitable objectives of the Trust are laid out in the *Articles of Association*:

The Company will promote, advance and further Charitable Purposes and activities through the provision of services which enhance and contribute to the health, fitness, personal development and wellbeing of the residents of East Renfrewshire (and beyond) including, but not limited to, educational, sporting, culture and heritage based and community activities.

4. A business planning process was outlined in the Services Agreement between the Trust and the Council that vested the Trust with the assets to deliver culture and leisure services on behalf of the Council. This agreement determined that:

- An annual business plan is to be presented to the Council;
- The plan is to identify the projected resources and/or expenditure of the Trust during each Financial Year in performing the Services and complying with its contractual obligations to East Renfrewshire Council;
- In relation to the facilities occupied by the Company under licence from the Council, the plan identifies any provision required by the Council under its capital programme, or through Council revenue budgets to meet planned or remedial maintenance requirements in any of these facilities; and,
- The plan details a list of any new items of equipment that are required to deliver the contracted services in the forthcoming financial year, together with a budgeted cost for the same to be procured by the Council and/or remain the property of the Council, in accordance with charity law.

5. The Business Plan for 2023/24 (Appendix 1) is presented to Council for approval, subject to budget confirmation.

6. The Services Agreement between the Trust and the Council set outs a timeline for this process, with the business plan usually presented not less than three months before the beginning of the financial year. However, during the Covid-19 pandemic a decision was taken

to present the business plan later in the financial year. A continuation of this has allowed the Trust to plan effectively for 2023/24 and has aligned more closely the budget setting process with the development of the business plan.

REPORT

7. The Business Plan identifies:

- The projected resources and/or expenditure of the Trust during each Financial Year in providing the Services and complying with its contractual obligations to East Renfrewshire Council (ERC);
- The Trust's People Strategy which sets aims including attract, develop, retain and mobilise which support the delivery of the overall strategic priorities;
- A list of strengths, weaknesses, opportunities and threats which the Trust has identified as impacting on its ability to support the council in delivering Best Value; and,
- The Trust's proposal for the next Annual Service Payment.

8. Through consultation with staff, board members and stakeholders, the business plan was developed to plan strategically how the Trust will deliver quality services whilst taking account of the following key issues which model the shape of continued recovery as a result of Covid-19 and take cognisance of the current financial pressures as a result of the cost of living crisis including:

- The imperative to continue to recover commercial income streams to minimise losses which would exacerbate financial challenges faced by ERC;
- The challenging economic backdrop of price inflation;
- The challenges in staff recruitment and retention as a consequence of Covid-19 changes to the employment landscape; and,
- Various challenges faced by our communities that require priority attention and / or our support, for example through collaboration with partners in Education or Health and Social Care.

9. The vision, mission and values were considered and developed to draw on the best of the organisation's track record, skills and experiences whilst setting out a blueprint for a flourishing and entrepreneurial model for the delivery of culture, sports and leisure opportunities in East Renfrewshire.

10. The following strategic aims have been identified:

- Create a financially sustainable business model;
- Develop an understanding of customers and audiences and an offer that attracts them;
- Develop a strong, diverse, resilient and committed workforce;
- Establishing East Renfrewshire Culture and Leisure's role at the heart of Vibrant Communities; and,
- Developing resilient, dynamic and productive partnerships that are developed and nurtured.

11. These themes all support the Trust's charitable objectives and its plans for ongoing organisational development and service improvement, and reflect a shared ambition to grow culture and leisure services in East Renfrewshire, in terms of quality, range and scope. In addition, they specifically support the Council in meeting its commitments outlined in its Community Plan and Fairer East Ren Plan.

FINANCE AND EFFICIENCY

12. The Council budget for 2023/24 will be agreed in March 2023; as such the Trust Business Plan and associated proposed budget are offered for approval subject to the final agreement with the Council.

13. As highlighted in the [ERCL End Year Report 2021-22](#), the additional income which was available previously through the Coronavirus Job Retention Scheme, the Performing Arts Venues Relief Fund and income due to facilitation of Mass Vaccination Centres (MVC) was not expected to be available in 2022-23 and as a result there was an anticipated loss of £1.52 million. MVC income, through the use of Carmichael Hall, continued until December 2022.

14. A significant focus of the Trust has been to recover as fast and as efficiently as possible following the Covid-19 pandemic. Through prioritising the continuation of improvement plans for swimming lessons, gyms and fitness and the theatre; maintaining competitive pricing and avoiding new surcharges and price increases; and introducing new products to attract younger members, ERCL has seen a strong recovery with over 95% recovery of the pre-pandemic trading levels in gyms, fitness and community sports and over 100% recovery in swimming lessons and theatre.

15. The Trust worked to meet its charitable aims and objectives and has ended the year in a more positive position than projected. The operating income is forecast at £10,081 million against a budget of £9,054 million. This is a slight increase from last year (£10,068) despite the removal of most funding streams outlined in paragraph 13. Through MVC income and strong recovery the Trust has managed to reduce the forecast loss to £890k.

16. East Renfrewshire Culture & Leisure Trust Best Value Review was considered in June 2020 by the Audit and Scrutiny Committee. The Director of Education, in consultation with the Chief Executive of the East Renfrewshire Culture and Leisure Trust, reviewed the recommendations within the Report in light of the current Covid-19 pandemic. The relevant recommendations have been incorporated into a Joint Action Plan to address recommendations of Finance and Business Review and Best Value Review; this was shared with the Audit and Scrutiny Committee in March 21.

17. The Business Plan and Budget will be aligned with the Service Payment to be agreed between the Trust and Council.

CONSULTATION

18. The plan has been developed through consultation with staff, the ERCL Board and stakeholders, including governing bodies, and national associations. It also responds to extensive feedback from both customers and non-users of the services.

PARTNERSHIP WORKING

19. Partnership working to deliver the objectives of the plan is a key strategic aim as outlined in Section Four of the Business plan.

IMPLICATIONS OF THE PROPOSALS

20. The approval of the Business Plan and the Budget, when confirmed, together with the Management Fee will allow the Trust to establish a stable and sustainable operating model. The ultimate aim is to strategically plan how ERCL will deliver a quality and exciting portfolio of culture and leisure programme whilst building its resilience, sustainability and brand.

21. The Business Plan provides detail of the ongoing work that will continue to further improve the customer journey through building on the new digital platforms, aligning all platforms and continuing to improve customer digital experience. Section 7, The People Strategy, highlight key objectives in how ERCL will attract, develop, retain and mobilise their workforce.

CONCLUSION

22. The eighth East Renfrewshire Culture and Leisure Trust Business Plan gives clear strategic direction that is in accordance with the Council's strategies and takes account of the continued ongoing impact of the Covid-19 pandemic and the current financial pressures across the Council.

23. The Plan is supported by detailed operational plans which deliver the Council's objectives under the Community Plan, Fairer East Ren Plan and Outcome Delivery Plan. The Plan will support recovery and renewal within our communities and will guide the work of the Trust and its staff to deliver high quality services for the residents of East Renfrewshire.

RECOMMENDATION

It is recommended that the Council approves the proposed Business Plan for 2023/24, subject to budget to be confirmed at a full Council meeting on 1 March 2023.

Report Author(s)

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Appendix 1

East Renfrewshire Culture and Leisure Trust Business Plan 2023/2

east renfrewshire
**CULTURE
& LEISURE**

East Renfrewshire Culture & Leisure

2023-24 Business Plan

1.		Executive Summary
	1.1	Covid Recovery, & this Plan
2.		Introduction
3.		The Vision for East Renfrewshire Culture & Leisure
	3.1	Purpose
	3.2	Vision
	3.3	Mission
	3.4	Values
4.		Strategic Context
	4.1	The Social Enterprise Model
	4.2	East Renfrewshire Community Plans
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1. Executive Summary

We are committed to the preparation of an annual Business Plan, created through a business planning process outlined in the Services Agreement at the Trust's establishment in July 2015.

This Business Plan identifies:-

- the projected resources and/or expenditure of the Trust during each Financial Year in performing the Services and complying with its' contractual obligations to East Renfrewshire Council (ERC);
- The Trust's proposal for the next Annual Service Payment

Through consultation with staff, board and stakeholders, our business plan was developed to strategically plan how East Renfrewshire Culture and Leisure (ERCL) would deliver quality services, whilst building its resilience and sustainability. The vision, mission and values were considered and developed to draw on the best of the organisation's track record, skills and experiences whilst setting out a blueprint for a flourishing and entrepreneurial model for the delivery of culture, sports and leisure opportunities in East Renfrewshire. Strategic aims are set out in Section 4.0 below.

These aims support our charitable objectives and our plans for ongoing organisational development and reflect our ambition to improve and develop our services. They reflect our commitment to ongoing service improvement, a number of which are outlined in this plan. In addition, they support our principal partner East Renfrewshire Council (ERC), in meeting its commitments as outlined in its Community Plans, and Local Outcome Improvement Plan (LOIP) Fairer East Ren.

It is clear that there are a number of related but separate measures of success for ERCL as a whole, but ultimately success will be measured against our charitable purposes, and the impact we make on our communities; the outcomes we deliver for our partners; and the effect this has on the charity itself. We will consider the questions all charities should ask of themselves, namely:-

- Who are our users, and how many do we have?
- What is their experience of our services?
- How effective are we in achieving our charitable objectives?
- Are we doing the right things, are we delivering the right services?
- Can we deliver services better by working in partnership, or are we duplicating services?

Since our launch much has been done to improve management information. This will continue to constitute a key focus in our work over the coming year.

Earlier business plans necessarily focussed on the transition from council departments to a social enterprise model, whereby commercial activities generate profits to subsidise charitable activities. Whilst change programmes and organisational development work will continue to modernise the services, our focus is now on our sustainability. The growth of our commercial activities, and the associated profit margins, allied to the continued close cost control will further build upon the successes of our first years' operations.

1.1 Covid Recovery and this Plan

Following on from our previous plan, our recovery of services, programmes and customers continue. Our facilities are now fully open though there has been some displacement of activities to accommodate mass vaccination centres.

The detailed planning undertaken by the operational teams, underpinned by detailed engagement and communication with customers allowed ERCL to re-open and recover services more swiftly and efficiently than some operators.

As a result, while Community Leisure UK is reporting many operators in Scotland having found it difficult to recover the last 20% of their customers and

- 89% of Scottish Operators reporting they are “at risk” in November 2022
- Over half the leisure trusts returning a loss, and forecasting an deficit for the forthcoming year
- 63% of Trusts in discussion around potential closures of facilities, including permanent closure to those which have not yet reopened following lockdown¹

This echoes UK-wide forecasts, with 75% of leisure trusts reporting being at risk² and 40% of local authorities in England anticipating closures of up to 100 swimming pools.³

However, the pandemic has also stimulated a focus on health and wellbeing, and where operators have responded quickly, they have been able to welcome new customers who are new to physical activity and exercising. The 2022 Les Mills Global Fitness Report surveyed over 12,000 customers from across 5 continents. 27% described themselves as absolute beginners.⁴

This goes some way to explain ERCL’s strong recovery, which has prioritised the continuation of the development and improvement plans for swimming lessons, gyms and fitness and the theatre; maintained competitive pricing and avoided the surcharges and price increases some operators have resorted to; and introduced new products to attract younger members. The relationship between staff and customers has been critical too, with NPS scores noting the quality of the staff interactions.

As a result ERCL is over 95% recovered in gyms, fitness and community sports; and with swimming lessons and the theatre over 100% recovered i.e. out-performing pre-covid years.

However, challenges remain. Staffing issues (recruitment, retention and sickness and absence) have all been adversely affected by the pandemic across the leisure sector, and East Renfrewshire is no different, though the teams have worked admirably to minimise the operational impacts.

¹ *Current Landscape Report for Culture and Leisure Charities in Scotland*, Nov 2022, Community Leisure UK

² *Current Landscape Report for Culture and Leisure Charities in England*, Nov 2022, Community Leisure UK

³ Swim England, <https://www.swimming.org/swimengland/save-our-pools-campaign-launched>

⁴ <https://www.lesmills.com/uk/clubs-and-facilities/research-insights/audience-insights/2022-how-to-appeal-to-the-new-member-mindset/>

Inflation is severely impacting on budgets, including goods, services, utilities and staffing; and the cost of living crisis is impacting on our customers, with some of our products – including adult gym memberships – coming under review by customers as they reassess household budgets

More detailed strategic and operational consideration of the Covid-19 impact on this plan is outlined later in this document.

2. Introduction

The purpose of this business plan is to strategically plan how ERCL will deliver a quality and exciting portfolio of culture and leisure programmes whilst building its resilience, sustainability and brand.

These programmes are in sports, leisure, social and community activities; libraries, information services and learning; arts and heritage.

The key purpose of the plan is to:-

- A) Develop ERCL's vision and mission to ensure it is representative of our future goals and aspirations and those of our key partners
- B) Develop the business model to enable the Trust to become resilient and sustainable
- C) Review the resources required to deliver the business
- D) Establish the sustainability of ERCL by developing a robust financial plan and sound management
- E) Identify the strategic aims and objectives which will support delivery of the plan.
- F) Develop staffing, management and governance structures to deliver our objectives
- G) Contribute to ERC's goals and community planning objectives

3. The Vision for East Renfrewshire Culture and Leisure

3.1 Purpose (i.e. Charitable Objectives)

The Charitable objectives of the Trust are laid out in the *Articles of Association*:-

The Company will promote, advance and further Charitable Purposes and activities through the provision of services which enhance and contribute to the health, fitness, personal development and wellbeing of the residents of East Renfrewshire (and beyond) including, but not limited to, educational, sporting, culture and heritage based and community activities.

In promoting, advancing and furthering Charitable Purposes and activities the Company seeks to:-

- *encourage the population of the East Renfrewshire area to be more active in promoting and supporting the development of sporting and health and fitness opportunities that are accessible for everyone;*
- *support people to be more creative and nurture potential for personal success and wellbeing through the provision of cultural facilities and resources;*
- *help individuals and community groups to benefit from social engagement, community interaction and volunteering; and*
- *promote and make available lifelong learning opportunities, including the promotion of literacy and digital inclusion and stemming from these opportunities make a social and economic contribution to society.*

For the purposes of the Charities Act the following Charitable Purposes are relevant and have been identified as applicable from section 7 of the Charities Act:-

- the advancement of education;
- the advancement of the arts, heritage or culture;
- the advancement of public participation in sport; and
- the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the condition of life for the persons from whom the facilities or activities are primarily intended.

3.2 Vision

“Our vision is to help and inspire people to be actively involved in sport, arts and culture.”

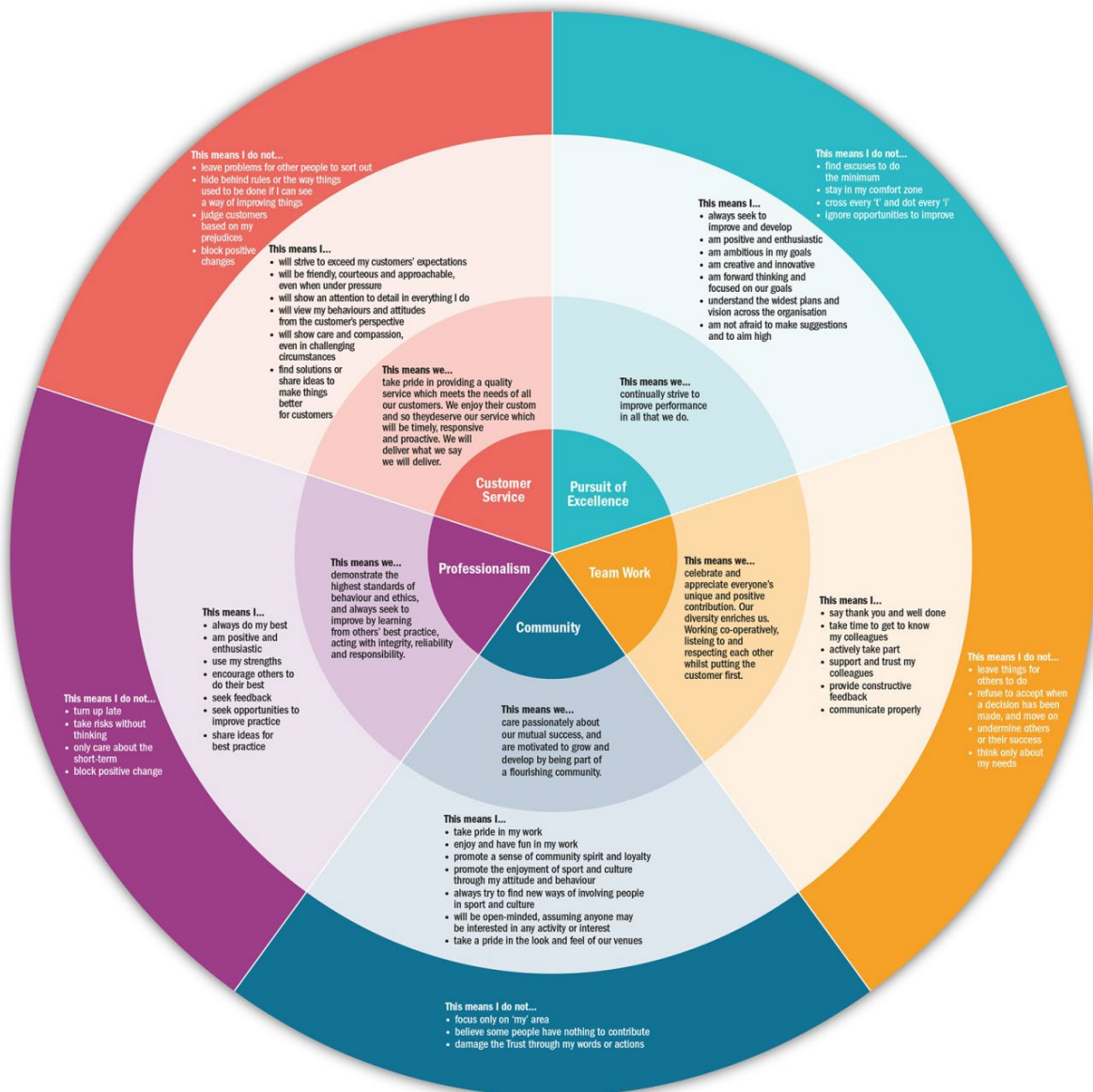
3.3 Mission

Our mission is to be the highest-performing Leisure Trust in Scotland.

We take this to mean that we will not only be more efficient and achieve more from our resources, but that we will grow with a view to becoming self-sufficient.

3.4 Values

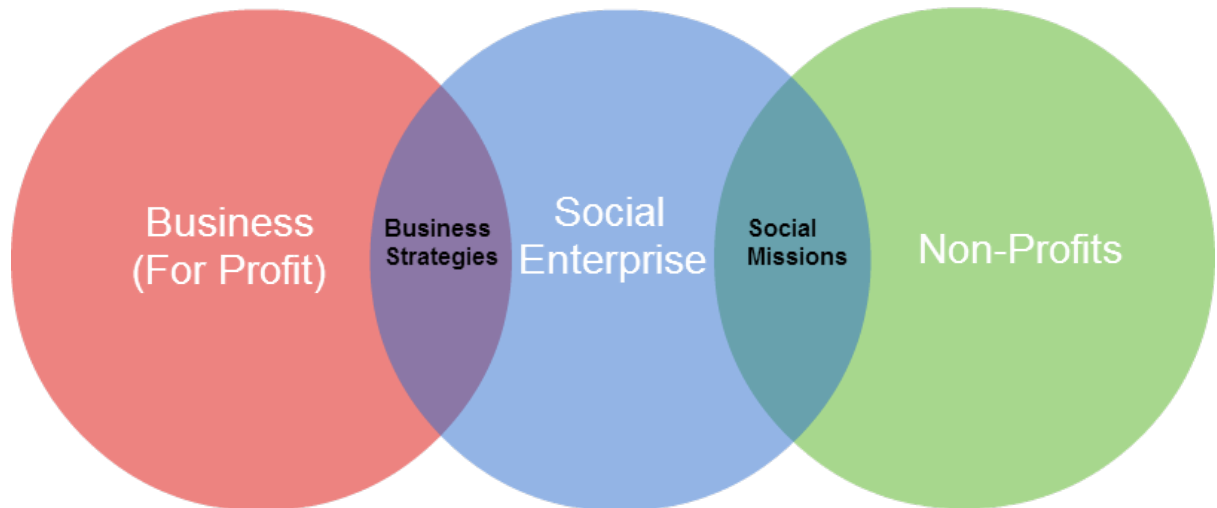
Our Values and behaviours



4.0 Strategic Context

4.1 The Social Enterprise Model

ERCL is a social enterprise. The charitable trust - a non-profit distributing independent charity governed by a board of voluntary trustees drawn from the local community with specific expertise across a range of areas – is supported by grant funding and commercial income. This commercial income is generated through a range of activities.



Charitable trusts such as ERCL occupying the middle-ground between commercial businesses and charities. Profits generated by the commercial activities such as gyms and events fund a widening range of programmes. Many of these are in partnership with national and local organisations, other charities and sports clubs, and deliver significant social and community benefit, but are not financially viable in themselves.

These include sport, leisure and cultural activities, many for specific groups such as those who are otherwise excluded for reasons as diverse as disability, long-term illness, mental health problems, drug and alcohol dependencies, deprivation, social isolation or access.

This is also reflected in our work to use commercial strategies to maximise improvements in personal and community health, and wellbeing:

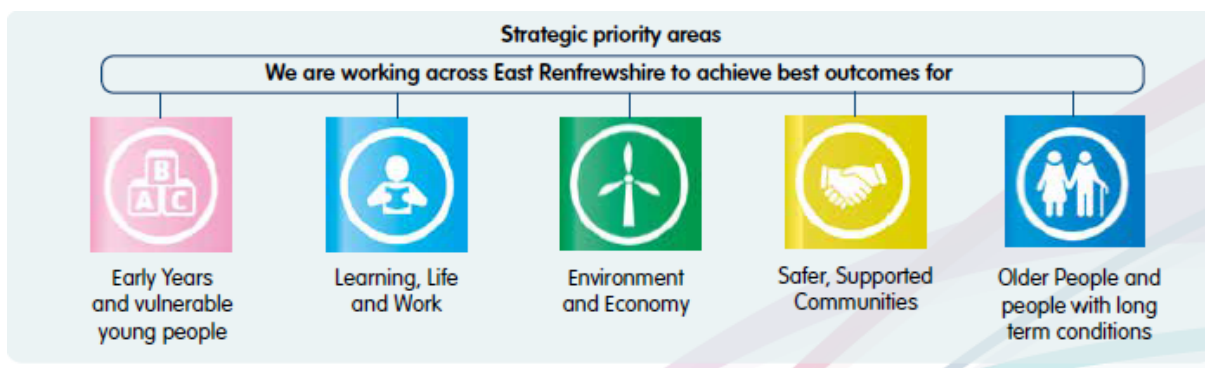
CUSTOMER	COMMERCIALISM	COMMUNITY
Avoidable Contact	Flexible Charging	Capacity Building
Channel Shift	Commercialise Services	Community Ownership
Customer Journeys	Strategic Procurement	Delegate Functions
Transactional Cost Transfer	Asset Usage	Maximise Access
Efficiencies	Fundraising	Voluntary Organisations
Rationalisation	Planned Developments	Volunteering & Leadership

The business plan aims to ensure that ERCL meets the requirements of our service agreement with ERC and can maintain the financial stability of the company. Our non-profit distributing status means that any surpluses generated are available for reinvestment in local facilities and services.

4.2 East Renfrewshire Community Plans

East Renfrewshire Community Planning Partnership (CPP) works for and with communities to ensure everyone has the best possible quality of life. ERCL is actively involved in the Community Planning Partnership and contributes to the delivery of outcomes together with partners.

The Community Plan is structured around five strategic priority areas following the key life stages of our residents, with a sharpened focus on inequalities. An obvious focus for ERCL will be the support of the intermediate outcome associated with Learning Life and Work (**2.4 Residents are as healthy and active as possible**), ERCL activities and programmes support a number of the outcomes associated with these themes:-



The role of work in adult education, libraries and information services, community facilities, holiday hunger programmes, GP referral schemes, the Vitality programme, Community Connections or MacMillan Cancer Support all delivered by ERCL, will all contribute to key measures for the areas of focus for the Fairer East Ren community plan:-

Fairer East Ren				
Reducing the impact of Child Poverty	Improved employability	Moving around	Improving mental health and wellbeing	Reducing social isolation, loneliness and increasing safety

4.3 LDP2: The Local Development Plan for East Renfrewshire, 2020-2024

The First Local Development Plan for East Renfrewshire envisaged delivering growth for the authority, attracting people to live and work in the authority. A measure of success is the extent to which East Renfrewshire has established itself as one of the most desirable places to live in Scotland. The challenge now is to sustain that growth, and satisfy the needs of those people attracted to live and work in the area. The current plan (LDP1), published in 2015, aimed “to maintain and build on the areas’ qualities”.

Work on reviewing the existing Local Development Plan began in 2016, and was consulted upon in late 2019. It sets out a long-term development plan for the area until 2029. It provides the opportunity to plan and deliver the priorities and needs of those who live, work, visit or want to invest in the area. The Plan was adopted in 2021 (<https://www.eastrenfrewshire.gov.uk/ldp2>)

A key challenge for us is ensuring that the infrastructure, services and facilities we need to deliver the right level of culture and leisure services can be put in place. As the plan states, new facilities will be required:

“The proposed plan aims to create thriving, attractive and sustainable places and neighbourhoods that provide for the younger generation, so they can live and work in the area they grew up in, provide homes and facilities for families and individuals moving into the area and enable older people to live independently in their homes for longer.”

This will require:-

- Revision of the planned maintenance regime in facilities to achieve investment in them to be fit for purpose, (as envisaged by ERC’s new Corporate Landlord model)
- Upgrading of facilities through targeted capital planning (including the Leisure and Learning in Neilston and Eastwood Park Leisure Developments).
- Plans to develop facilities in existing communities which are not catered for
- Plans to accommodate the demand arising from planned housing developments
- Exploring opportunities to work with other partners to improve and develop public services with new and innovative delivery models
- Plans to meet existing demand which our existing facilities do not cater for

4.4 ERCL Strategic Aims

Reflecting our vision and objectives we have identified activity priorities which go beyond the life of this Business Plan. We feel it is important from the outset to be looking forward and to articulate how we intend the organisation to develop within its governance framework, operating environment and partnerships.

Our strategic aims are:

<p>Create a financially sustainable business model, balancing strong ambitions with commercial viability</p>		<p>Develop an understanding of our customers and audiences and an offer that attracts them, working in partnership with organisations across the region to remove barriers to participation</p>
	<p>Develop a strong, diverse, resilient and committed workforce, building on our commitment to growing people and ideas</p>	<p>Establishing East Renfrewshire Culture and Leisure's role at the heart of Vibrant Communities through the services we deliver, the opportunities we provide and the support we offer.</p>
<p>Developing resilient, dynamic and productive partnerships that are developed and nurtured to grow our business and maximise the impact we have in our communities.</p>		

4.5 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Location of halls, venues, libraries and theatre – with good coverage geographically within local authority for access for local communities. • Continued Improvement approach in Services, Business Support and Management • Heightened recognition of the positive impact and importance on wellbeing from taking part in sports, leisure and cultural activity following their unavailability in lockdown • Loyal customer base with extremely positive feedback from customers – strong word of mouth and survey responses. • Wide variety of services / classes available to customers in the area • Well trained front-line staff supported by innovative & creative development officers • Business Development programme supporting Gyms, Fitness, Theatre and Swimming 	<ul style="list-style-type: none"> • Resourcing is very lean, with limited ability to support development – commercial, improvement or community • Condition of the estate and limitations on improving it • Ideal staffing model, contracts and terms and conditions and operating hours do not align with customer demands • Constraints on changing cost-base, given high proportion of staff costs-to -turnover, and limited discretionary non-pay budgets • Inability to respond quickly to evolving markets. • Car Parking at key sites • ICT infrastructure, systems and support, especially in relation to customer-facing ICT, not fit for purpose • Inadequate property maintenance budgets
Opportunities	Threats
<ul style="list-style-type: none"> • Aligning services to government objectives • Heightened public valuing of culture and leisure services following their forced withdrawal during the pandemic • Review business/staffing model to meet customer demands • Increased marketing, sales and promotion • Access to external funding to help support recovery, growth, re-design or improvement. • New Eastwood facility and joint campus in Neilston developments • LDP3 and growth of population • Demand analysis work has identified opportunities to increase capacity in services and staff-time. • Transform customer journey investment. • Investment in digital capability transforming operational platform to drive customer shift to digital channel • Improvement in quality of Theatre performances • Upgrade facilities through targeted refurbishment 	<ul style="list-style-type: none"> • 50% of income is Earned Income and at risk, with an expected reduction in year on year funding • Economic backdrop of price inflation and increased staff pay awards • Continued pressure on public finances • Balancing Charitable and Commercial objectives. • Tutor / casual roles / employment status • Difficulties recruiting staff across a number of services • Growing competition in key commercial areas • High tender prices for goods, services, and rising utility costs, together with difficulties sourcing dwithin reasonable timescales. • Impact of political decisions, legislation or policy changes • Unplanned closures, and the need to re-build customer engagement • Asset Transfer • Covid-19 disruption to operations • Building Enhancement Fund allocated for next 2 years. • Capital funding constraints due to price increases and the increase in borrowing.

4.6 PESTLE Analysis

Political	<ul style="list-style-type: none"> • Local, regional and national impact • Scheduled local elections • Scottish Govt • UK wide issues • Global Pandemic consequences for public services and buildings
Economic	<ul style="list-style-type: none"> • Declining local-authority budgets further exacerbated by ring-fencing, meaning non-protected services such as cultural and leisure services bear brunt of budget pressures • fiscal receipts in Scotland below the UK level and increased demand on all public services. • High inflation and increased pay awards to compensate for the increase in cost of living. • Accounts Commission report from 2018 estimated local authorities could be spending 80% of their budgets on education and social work by 2025/6 • Gig economy/temp/casual contracts
Social	<ul style="list-style-type: none"> • Population growth rate/age • Shifts in working patterns, and growth of home-working • Attitudes to careers • Cultural barriers • Wellness
Technology	<ul style="list-style-type: none"> • Existing – MRM / Spektrix / Spydus operating platforms • New technologies/potential/options • Increased reliance on agile-working capabilities
Legal	<ul style="list-style-type: none"> • Legislation likely to impact ERCL – Employment Law – tutors/employment status • H&S • Industry Regs • Future Legislation
Environmental	<ul style="list-style-type: none"> • Weather climate/impact on our buildings – aircon/heating/green • Refuse collection and recycling • Drive to reduce or eliminate single-use plastics • NET ZERO Target by 2045

4.7 Horizon Scanning

4.7.1 Capital Investment

We will continue to work with our Council colleagues around capital planning, and ERCL plans are aligned to the Council's Capital Investment Strategy. ERCL is represented on the Council's Corporate Asset Management Group, where proposals for investment in assets (fixed and moveable) are considered. These include plans for the future of Eastwood Park Leisure Centre, which had planning permission approved in January 2022, and the longer-term vision for Neilston. We will continue to work with the Council around the maintenance of our facilities to reduce disruption caused by upgrades, maintenance or unplanned closures which continue to pose significant challenges to ourselves and our customers.

4.7.2 The Customer Journey and Digital Capability

Enforced closure during 2020 provided the opportunity to accelerate the development of digital platforms such as the launch of the ERCL App which enables a smoother customer journey and an opportunity for improved customer communication. Work has continued on developing the customer journey with an upgraded website, implementation of a new library management system and continued development on the upgraded leisure management system to further increase online and mobile capability and smoother booking and payment methods.

4.7.3 Increased Competition

Increased competition in the local sports and leisure market will continue to exert pressure on our income, and shifts in customer behaviour in response to the closure / restrictions of facilities in 2020-21 further complicate this. Half of our budget is earned and over 75% of that is through sports. Recent developments in gyms, fitness and swimming will continue to pose a risk to that. We will seek to address this through tackling some of the maintenance and quality issues with venues; through continued improvements in customer care and quality assurance; and through ongoing business development work.

4.7.4 Funding

Over the last 2 years the Trust has been able to access additional funding via the Coronavirus Job Retention Scheme (CJRS) or source alternate income streams including provision of facilities for the NHS Mass Vaccination Scheme. These have enabled the Trust to continue to deliver strong results, whilst focusing operationally on speed of recovery. It has offset the gap between recovery and increased costs over the period of the pandemic, lockdown and the immediate aftermath. However, this additional income has reduced, resulting in anticipated losses in 2022-23.

The Trust is reliant on the support of its Sole Member ERC to meet these shortfalls through Covid support, however, this funding will no longer be available beyond the current financial year. The 2023-24 position has been exacerbated by continued financial pressure on our Council partner, who have the challenge of making £30m of savings over the next 3 years. This, together with economic uncertainty mean ERCL's funding including the Management Fee will be under further pressure in 2023-24 and beyond. Options for mitigating an anticipated loss in 2023-24 are being considered, in the context of a significant budget shortfall on the part of ERC.

4.7.6 Tackling Inequality

ERCL team members are embedded within ERC's Equality Officers Working group, feeding into the wider council strategic planning, contributing to and collaborating on projects such as the Equality Outcomes 2021-2025. Being part of the working group we have been able to influence and inform the reporting structure, format and frequency of the outcomes whilst considering ERCL's work and its active contribution to achieving the outcomes. This sits alongside our commitment to continually review and challenge our own service design to widen access to those with protected characteristics (e.g. commitment to an increased number of BSL performances at the theatre).

We will continue to work with Community Planning Partners on the development and implementation of East Renfrewshire's community plans. Tackling inequality and improving life chances for local people are at the heart of community planning partner's priorities and reflected in the Community Plan, the Local Outcome Improvement Plan Fairer East Ren, and a number of initiatives and programmes which ERCL will continue to deliver, or develop. These include Corporate Parenting, and the For Your Entertainment programme, support for those affected by Universal Credit, support for Veterans in the form of the Health for Heroes programme, support for people with chronic conditions (Vitality, GP Referral, MacMillan Cancer Support, Dementia Awareness), an expanded Holiday Hunger Programme, and a number of programmes in both arts and sports designed for people who are otherwise excluded from mainstream participation. As safe, trusted spaces public libraries are at the heart of the Warm and Welcome Spaces initiative and participate in cross-sector Cost of Living working groups. The Every Child A Library Member (ECALM) initiative aims to ensure that every child born in East Renfrewshire becomes a library member and their parents are supported to read with them from an early age. We will also work in partnership with ERC and others to address any impact Covid may have had in widening inequalities, exacerbating issues, or creating new challenges for communities. These include supporting programmes in partnership with both ERC Education and Health and Social Work (such as emergency childcare for vulnerable children or key-workers' children, enrichment programmes and targeted activities).

4.7.7 Inclusivity & Diversity

As an employer we will revisit our People Strategy to promote initiatives which support diversity of our staff, and as a provider of public services work with the community to ensure our programming is inclusive, with a focus on widening participation. .

5. Covid Recovery Performance

east renfrewshire
CULTURE & LEISURE

COVID Recovery

Membership, attendance and capacity impacted by COVID restrictions from March 2020



GYM & FITNESS MEMBERS

Recovered 97%
Oct 22 v Mar 2020



VISITS TO LEISURE CENTRES

Recovered 95%
Q2 2022-23 v Q2 2019-20

COMMUNITY SPORTS CUSTOMERS



Recovered 88%
Oct 2022 v Mar 2020

PUBLIC SWIMMING 96%

Q2 2022-23 v Q2 2019-20



SWIMMING LESSONS
Recovered 120%

Oct 2022 v Mar 2020 (excluding EHS)

PROFESSIONAL THEATRE AUDIENCES



Recovered 73%
Q2 2022-23 v Q2 2019-20



HALLS & OUT OF HOURS SCHOOLS BOOKINGS



Recovered 106%
Q2 2022-23 v Q2 2019-20

LIBRARY VISITS



Recovered 49%
Q2 2022-23 v Q2 2019-20



SOCIAL MEDIA FOLLOWERS

Nov 2022 v Mar 2020



Up 83%



Up 41%



Up 220%

6. Market Position

6.1 East Renfrewshire as a Market

The population of East Renfrewshire is 96,060. The number of people living in East Renfrewshire is projected to increase by 5.4% by the year 2028.

Household composition and age profile are key considerations in understanding our customer base. The age profile is:

- 20.2% aged 65 and over
- 59.3% aged 16 – 64
- 20.5% aged 15 and under

Over the next 25 years the proportion of children and young people and over 65s will increase as overall the population is projected to rise from around 96,000 at present to circa 101,230 by 2028.

The household composition is:

- Single person households – 30% (over 65yrs -14.6%, under 65 – 15.6%)
- Households with 1 or more dependent children – 31%
- Households with 2 adults (no dependent children) - 29%
- Households with 3+ adults – 10%

Within the Trust it is widely recognised that across our area we serve two relatively distinctive communities with differing demographic profiles.

- Eastwood (population 75%), which encompasses Busby, Clarkston, Crookfur, Eaglesham, Giffnock and Newton Mearns, is a relatively affluent area comprised predominantly of owner occupied households with young families or households of older residents (65+ plus) living as couples or alone.
- Barrhead/Neilston (population 25%) is an area with pockets of significant social and economic deprivation and a wider spectrum of household types including: young families; older adults; and younger adults with no dependent children. We intend to develop a more detailed analysis of East Renfrewshire’s demography to estimate more accurately the potential uptake and demand for existing services. This will also provide us with a greater insight into the potential market for new service and the relative attractiveness of different customer groupings in particular areas.

Based on this broad review of household demographics we can identify four key customer groups or segments that comprise much of the market for our services.

1 Parents of young children	3 Older (60+) Adults
2 Children (<18 years)	4 Young adults (18-25 years)

The largest customer group is comprised of categories 1 and 2 as families with young children which constitute over 40% of the population tend to operate as a single, socio-economic unit with parents having the major influence on how much time and money is allocated to culture, leisure and physical activity and the form that activity will take. While we offer a large range of services and activities for young children we need to market, promote and sell these to the parents.

The next largest group is older adults, category 3, who make up a further 20% of residents. While many are club members or regular casual users of our gyms, swimming pools, community facilities, arts classes and visitors to Eastwood Theatre, others with chronic health and mobility issues are beneficiaries of our Live Active and Vitality exercise and movement classes.

The young adult group, category 4, is the smallest group although it remains very important. Encouraging young people to remain physically and mentally active once they have left childhood and school will be important to addressing the long-term health challenges facing society. At any given time this grouping is likely to account for under 10% of our potential market.

6.2 Timing and Alignment with Core Target Demographics

Understanding our customers requires us to appreciate the way different types of household function as family or single units. For example, young families are largely dominated by two considerations, parental employment and child education. Trust services and programmes such as Active Schools, Learn to Swim, Community Sports and Library activities for younger children are planned to take account of school term, school holiday and school week cycles as parents (or carers) are already working and living with the school timetable'.

For the other major household type, older adults, there will be greater variation in how they organise their lives. Service planning and the development, pricing and scheduling of activities for older adults requires careful assessment of the potential uptake among different customer groups. This requires a flexible approach that will allow us to test new offerings and identify those that appeal.

6.3 Customer Journey

Improvements to the digital customer journey continue to be made including:

- launched online joining and online Direct Debits for gym and fitness memberships and swimming lesson memberships
- continued development of the website, including improvements to our Search Engine Optimisation which increases traffic to our website from search engines like Google.
- continue to grow social media followers across Facebook, Twitter and Instagram giving a direct connection to target audiences and drives followers to the website
- implemented a new ecommerce platform, fully integrated with Gladstone, which improves the customer payment process
- increased customer communications via the ER Leisure App
- upgraded all library PC's
- launched Net Promoter Score surveys for gyms, fitness and swimming members to give regular feedback on product and service
- migrated the Heritage archive to the Library Management System and developed the Local and Family History area of the website
- delivered online exhibition capability for Arts and Heritage teams to increase access to exhibitions
- integrated library events and activities on the website with the library online booking system

7. People

Lockdown and the on-going impact of Covid-19 has inevitably interrupted our ability to deliver aspects of our People Strategy.

During 2021-22 key surveys were carried out, the first focusing on the health and wellbeing of staff as they returned to work from furlough and the second, a follow up staff engagement survey. The output of the staff engagement survey was analysed, and a session held with the Extended Leadership Team. Sessions were then held with the wider team to gain feedback and to agree the action plans and delivery in response to the survey, which has included regular staff communication through a monthly newsletter.

Aims of our People Strategy

Our People Strategy sets out eight inter-related strategic aims, which will support the delivery of our overall strategic priorities and will further embed our values and behaviours.



Our Aims - we will:

- 1 **Attract** and **recruit** the best staff
- 2 **Develop** and **support** our staff to fulfil their potential and meet their career aspirations
- 3 **Retain** and **reward** our staff through recognising their contribution in the delivery of the charity's priorities
- 4 **Mobilise** our staff to become advocates for our values, and services and agents of change

Our Outcomes – we will:

- 5 Promote and secure **excellent leadership and management** at all levels, by empowering staff and embedding everyday leadership to secure the highest returns from our creativity and commitment
- 6 Create and maintain a **progressive, collaborative and healthy working Environment**
- 7 Establish a **sustainable and stable planning and delivery model**
- 8 Deliver **measurable community impact** and **demonstrable social change**

Strategic Aims & Outcomes	Strategic Objectives	Key Measures of Success and Impact	Key Risks
<p>Attract</p> <p>Recruit the best staff to drive the success of the organisation</p>	<p>We will:</p> <p>Develop our reputation to enhance our standing</p> <p>Through our business planning processes identify the areas in which we want to excel, identifying the roles we need, and the campaigns to recruit to them</p> <p>Develop our recruitment processes to ensure they are flexible and our partnerships and development pathways to enable us to recruit the best talent</p> <p>Attract and maintain a diverse workforce with the relevant skills, experience and backgrounds</p>	<ul style="list-style-type: none"> • Vast majority of our posts filled first time around with the right calibre of staff • Increased diversity of applicants 	<ul style="list-style-type: none"> • Insufficient staff with the right skills and experience to deliver our objectives • Regulatory non-compliance • Financial constraints reduce the ability to create or fill posts, or to compete with the market
<p>Develop</p> <p>Build on our commitment to growing people and ideas</p>	<p>We will:</p> <p>Design, develop and commission relevant development programmes which meet the needs of our staff in driving the organisations' development and improvement</p> <p>Identify and share learning and best practice internally</p> <p>Ensure all staff at all levels are supported and developed through our appraisal process, with clear targets and expectations, and excellent support</p> <p>Develop a culture of continuous improvement and a clear understanding of service</p>	<ul style="list-style-type: none"> • Staff have a meaningful annual performance and review appraisal • Number of staff achieving in-work qualifications • Staff take part in mentoring, coaching or development programmes • Increased number of staff mentoring and supporting internal colleagues 	

Strategic Aims & Outcomes	Strategic Objectives	Key Measures of Success and Impact	Key Risks
<p>Retain</p> <p>Create an environment where staff can flourish, with a clear link between their performance and the success of the organisation</p>	<p>We will:</p> <p>Develop our approach to reward and recognition, ensuring it is fair and recognises excellence and celebrates success in the most inspiring ways</p> <p>Ensure our staffing structures and model meet the needs of our business and our customers' expectations</p> <p>Provide at-work programmes and opportunities in sport, arts and culture which both enrich the working lives of our staff and develop the passion and enthusiasm of our staff for our organisation and the work it does</p> <p>Identify, recognise, grow and develop our internal talent</p>	<ul style="list-style-type: none"> • Increased number of staff recognised and promoted internally • ERCL is recognised as a desirable place to work • Staff turnover rates • Take-up of at-work activities and the popularity 	<ul style="list-style-type: none"> • Cycle of expectations, development, resources and recognition is not closed leading to disengagement
<p>Mobilise</p> <p>Help our employees be role models and advocates for sport, arts and culture</p>	<p>We will:</p> <p>Develop a programme which provides volunteering opportunities for staff</p> <p>Provide at-work programmes and opportunities in sport, arts and culture which both enrich the working lives of our staff and develop the passion and enthusiasm of our staff</p>	<ul style="list-style-type: none"> • Staff volunteer hours (external) • High degree of satisfaction and motivation reported through staff engagement survey 	

Strategic Aims & Outcomes	Strategic Objectives	Key Measures of Success and Impact	Key Risks
<p>Excellent Management and Leadership</p> <p>Establish and grow everyday leadership to realise our common goals.</p>	<p>We will:</p> <p>Ensure that all leaders and managers are aware of their responsibilities and have the capacity to fulfil them</p> <p>Collaborate and learn from peers in the sector and beyond to build best practice</p> <p>Develop managers as leaders in their Disciplines</p> <p>Provide induction programmes which set the benchmark for our development programmes</p> <p>Work in partnership with our trade unions to develop our approach to staff engagement, communication and collaboration</p> <p>Ensure that leaders communicate and exemplify our values</p>	<ul style="list-style-type: none"> • Excellent leadership is recognised internally (staff survey) and externally (awards) • The charity is recognised as an excellent place to work (staff survey and exit surveys) • Number and quality of internal applications and appointments for leadership roles • Overall staff engagement surveys scores and feedback 	<ul style="list-style-type: none"> • Ineffective leadership or management skills lead to high turnover of high quality staff, or to staff working less effectively and not achieving objectives
<p>Progressive, Collaborative and Healthy Environment</p> <p>Create a progressive, collaborative, healthy and enjoyable working environment which benefits both customers and staff</p>	<p>We will:</p> <p>Maintain our staff engagement surveys and listen to staff</p> <p>Actively support health and wellbeing through Healthy Working Lives, and at-work programmes.</p> <p>Maintain effective internal communications</p> <p>Enable leaders to pro-actively assess staff wellbeing, health and safety within their teams and provide their appropriate management information to enable them to ensure the maintenance and improvement of a healthy and environment</p> <p>Foster a culture of continuous improvement and learning</p>	<ul style="list-style-type: none"> • Overall staff engagement surveys scores and feedback • Ratings of management and leadership through staff engagement surveys • Sickness and absence rates 	<ul style="list-style-type: none"> • Sickness levels rise because the triggers are not identified and addressed early or properly • Accidents or H&S issues arising from lack of training and development

Strategic Aims & Outcomes	Strategic Objectives	Key Measures of Success and Impact	Key Risks
Stability and Sustainability	<p>We will:</p> <p>Plan, implement and communicate change clearly, sensitively and thoughtfully</p> <p>Develop apprenticeships, volunteering, internship or work placement opportunities as a means of building pathways to employment with us</p>	<ul style="list-style-type: none"> • Evidence of well-managed change programmes (audits, feedback or pulse surveys) • Stress-related absence rates relative to the sector 	<ul style="list-style-type: none"> • Change is implemented poorly impacting on staff morale, engagement, absenteeism and wellbeing
Community Impact	<p>We will:</p> <p>Undertake periodic social impact surveys to evaluate our effectiveness in line with community planning</p>		

8. Services

8.1 Current Delivery Structure

ERCL is currently structured around operational services, headed by managers. These differ in size, and have slightly different management arrangements. These are:

- Operations (Sports and Cultural Venues comprising Eastwood Park, Barrhead Foundry, Eastwood High Sports Centre and Neilston Leisure Centre, Swimming, Health & Safety)
- Sports and Physical Activity (Sports Development, Active Schools, Gyms and Fitness, Physical Activity, Health and Wellbeing Programmes)
- Libraries & Information Services, (10 Libraries; Information Services, Digital Participation & Inclusion, Support to School Libraries, Macmillan Cancer Information Points).
- Communities and Arts (17 Community Facilities and Pavilions; evening and weekend school lets, Heritage Services, Arts Development and Performing Arts including. Eastwood Theatre).

8.2 Services Overview

8.2.1 Operations

- We operate 4 multi-function Venues, which deliver Leisure and Sport Activities, Theatre, Library and also facilitate Schools PE.
- Post Covid, our centres are busy, we have taken the opportunity to modernise our programmes and attendance at the sites are on track at 96% recovery.
- The swimming development programme has returned strongly to higher than pre-covid levels, unfortunately with EHS closed for an extended refurbishment this has limited our ability to fully provide for our waiting list. To enable this recovery we have invested in developing new swimming teachers by running 4 Courses, and we continue to monitor the quality of the provision with recent surveys showing good customer satisfaction.
- We have developed a new Schools Swimming programme and this has been well received and strongly adopted by 25 schools in the area.
- Venues are based in the larger ERC communities.
- Working with colleagues in Libraries we have a funded project officer in place at Barrhead Foundry to deliver improved connectivity with the community.
- Significant investment has been made into Barrhead Foundry and forthcoming investment in Eastwood Park and Neilston will further enhance our customer offer.
- We are rolling out OpsPal (organisation wide), this is a H&S support system which allows for scheduling and improvements to Premises operations to ensure work plans and tasks are delivered and monitored to improve the safest possible experience for our customers.

8.2.2 Sports and Physical Activity

- The Sport and Physical Activity unit consists of Community Sports, Gyms & Fitness, Active Schools and Health & Wellbeing services.

- We operate gyms in all four Sports Centres and pre Covid, delivered approx. 100 fitness classes each week. The current level of classes is around 95, with this number expected to increase as membership/participation levels return to pre Covid levels and new class opportunities are identified. There is very high local competition within this sector.
- Community Sports is focused on community capacity building and income generation, delivering 87 mixed sport and physical activity coaching classes and 17 football coaching classes per week during the school term with over 1,400 children participating in these activities weekly. During the school holiday periods we provide up to 10 weeks of holiday camp activity for children and young people with a mix of commercial and free spaces for vulnerable and children from low income families. We also support 32 local sports clubs and 6 Community Sports Hubs which have a combined membership of approx. 8,200 members.
- Active Schools is dedicated to developing and supporting the delivery quality out of school hours sporting opportunities, sports competition and sports leadership opportunities for children and young people in all schools (nursery, primary, secondary).
- We operate an extensive GP Referral (Live Active) and instructor led physical activity session programme (Vitality) to support people living with medical conditions and to prevent trips, slips and falls as constituent part of the primary care pathway in East Renfrewshire. We also deliver targeted programmes such as the For Your Entertainment (FYE) scheme which provides free access for vulnerable children and the Health for Heroes scheme which provides our veterans with free gym membership.

8.2.3 *Libraries & Information Services*

- With 10 libraries of varying sizes and opening hours there is a public library in almost every community within East Renfrewshire.
- Post COVID recovery to 2019-20 levels has not been as quick as other services although there is a steady growth in both physical visitors and book issues from one quarter to the next in the year 2022-23. Virtual visits show a similar dip although changes to the way they are recorded across the sector can account for most. As we recover, there is a drive to return to these levels, through continued engagement with schools, partnerships with local groups and organisations, development of activities and an extended digital offering.
- In addition to supporting reading and literacy and other cultural activities we support the residents of East Renfrewshire through ICT learning opportunities & digital support to health & well-being information and activities, and economic support. 2023 will see the implementation of Scotland's National Reading Strategy which has public libraries supporting and inspiring reading across all ages, improving levels of literacy and contributing to the health and well-being of readers.
- Public Libraries are universal with services accessed by all demographics in the community but through programmes like Bookbug and school visits focus continues to fall on families, children and young people.
- Public libraries tackle poverty through participation in cross-sectoral Cost of Living working groups, and are at the heart of East Renfrewshire's Warm and Welcome Spaces initiative offering a safe and trusted space for all. As part of the #RootCause project and to encourage sustainability we have introduced initiatives from welly boot swaps to halloween costume donations which will now be an ongoing service that we provide.

- Our Digital Participation team will continue to support learners through 1:1 and group learning opportunities and will work with partners across East Renfrewshire as part of the Digital Inclusion Partnership. Using Planning Gain funding we aim to develop a Maker Space environment in the learning centre at Mearns Library to allow us to offer access to 3D Printers, Virtual Reality headsets, Code Club activities, etc. in an appropriate environment.
- Public libraries support for health and well-being takes many forms from programmes of activities aimed at tackling social isolation and loneliness, to improving mental health through reading for pleasure, to partnerships with both local and national organisations such as the Health & Social Care Alliance. In 2023-24 as part of the Collective Force for Well-being library staff will undertake a number of health literacy training modules aimed at improving skills, knowledge and confidence with assisting the public to self-manage their health.
- The library service takes the lead role on GDPR and data protection for ERCL and provides professional support to ERC school libraries and librarians.
- The Macmillan Information Centre - Information and Support is delivered in libraries, specifically Barrhead and Clarkston but with outreach sessions in all libraries. Types of provision includes regular drop-ins, information stands, and financial support and outreach services. All sessions are free and delivered by volunteers. 2023-24 will see the rollout of the ICJ (Improving the Cancer Journey) across East Renfrewshire and libraries will support this in partnership with HSCP.
- OneCard is a Scottish Government initiative which will be rolled out during 2023-24 which will see the introduction of a single library membership card across Scotland, allowing people living in Scotland to borrow books from any Scottish public library and East Renfrewshire libraries will implement and participate in this initiative.
- Every Child A Library Member (ECALM) is another national initiative aimed at ensuring each child born in East Renfrewshire automatically becomes a library member, and their parents are supported to begin reading to their children at an early age. The refresh of this programme takes place in early 2023 but is anticipated to become fully implemented in 2023-24.

8.2.4 *Community & Arts*

- Pre Covid we welcomed around one million visitors across our 17 halls and 35 schools every year. Services in the halls and schools have returned to a full service offering, although social events continue to be restricted due to Carmichael Hall being used to support the Mass Vaccination Centre for the NHS.
- Customers of all ages take part in a wide range of activities and events from playgroups and lunch clubs to yoga classes and baby discos, from weddings to counselling services and everything in between
- We program Eastwood Park Theatre, provide sound and lighting technical support, develop and deliver visual and performance arts classes, events, exhibitions and outreach theatre
- We manage the Heritage Service and are developing a dynamic range of heritage classes and volunteering opportunities. The platform that hosts this information is being developed and aims to provide a more comprehensive and improved customer experience.
- The Business Support team support all ERCL services facilitating and programming bookings, payment, payroll procurement and directorate services.

9. Operational Plans

To achieve our strategic aim of creating ***“a financially sustainable business model, balancing strong ambitions with commercial viability”*** we must address and reduce the budgeted operating deficit, i.e. the difference between the income we generate from commercial activities and grants and our total operating expenditure.

To support the business delivering services and ensuring that the commercial activities are driving the best value, alongside the need to meet our charitable aims, development is on-going on the operational planning to ensure that the scheduling, dependencies and support for all the activities are delivered in an efficient manner.

In planning for the period 2023-24 we need to continue to build on our recovery as fast and efficiently as possible, and identify ways of mitigating projected losses. Options for mitigating a forecast loss for 2023-24 are being considered, in the context of a significant budget shortfall on the part of ERC. This will be very difficult to meet from either reserves or non-pay efficiencies, and therefore plans including the withdrawal of services from some sites; suspension or cessation of some programmes; organisational restructure; and a review of the operating model will need to be explored. These will all be highly sensitive. The current proposals being considered to close the anticipated financial gap form part of ERC's wider public consultation process and this will help to inform the final outcome for the actions to be taken.

10. Financials

The Trust reported an operating deficit of £1.0m (surplus of £0.8m excluding pension service cost) for the year ended 31 March 2022 (2021: £0.1m deficit; £0.7m surplus excluding pension service costs), which was in line with expectations. This is before allowing for the net actuarial gain of £6.0m in respect of the multi-employer defined benefit pension scheme (2021: loss of £3.3m). In summary, the financial position for the period ended 31 March is noted below:

£k	Year ended 31 March 2022	Year ended 31 March 2021	Movement
Income	10,068	8,910	1,158
Net Expenditure	(1,040)	(72)	(968)
Actuarial Gains / (Losses)	5,992	(3,272)	9,264
Total funds (after retirement benefit scheme gains / losses)	1,010	(3,942)	4,952

The latest year of trading has supported us in meeting our charitable aims and objectives, ending the year with a strong financial position, despite the on-going impact of the pandemic.

The principle funding sources are a combination of income generated through a level of sales, fees and charges for our charitable activities (£4.4m) (2021: £1.5m), as well as a Management Fee received from ERC of £5.4m (2021: £5.1m) for our work in managing the Leisure, Library, Arts and Community facilities within the local area. Funding was also provided via the CJRS of (£0.3m) (2021: £2.3m).

The primary areas of spend are people £9.4m (2021 £8.0m), Property £0.4m (2021: £0.3m) and Supplies and Services £1.2m (2021 £0.7m).

10.1 Reserves Policy

During 2020-21 the Trust agreed to increase reserves to a level of £500k due to Covid19 to support the management of financial risk and help deliver the Trust's commitments. This was in response to Covid19 and would therefore be regularly monitored and reviewed annually by the Finance, Audit and Risk committee. In light of the continued impact of Covid19 together with increased inflationary pressures, the trustees have agreed to increase the unrestricted non-designated reserves in 2021-22 to £800k.

At the year end the charity had a total surplus of £1,010k (2021: deficit £3,942k). There was a surplus of funds of £2,736k (2021: £1,984k), of which £2k (2021: £86k) was restricted and £2,734k (2021: £1,898k) was unrestricted. Of this amount, £1,468k was designated for Transformation and Recovery activities, £363k to support the Digital programme and £103k in respect of fixed assets, leaving free reserves of £800k.

The trustees will continue to strive to maintain the increased level of £800k unrestricted non-designated level of reserves in line with the reserves policy, but also to continue

to rely on assurances of ERC as the sole member, to fund the Trust to meet its liabilities as they fall due, should the Trust be unable to do so. This is particularly critical as the Trust emerges from Covid19 events.

10.2 Investment Policy

ERC manage investments on behalf of the Trust following their own organisational investment policy, primarily aimed at mitigating risk associated with safeguarding funds, ensuring liquidity of these funds and finally investment returns. As a result, the policy aims to invest cash and cash-like investments up to a maximum level on acceptable counterparties. Activity is monitored regularly and the policy is reviewed annually.

Any surplus funds held by the Trust are placed on deposit in line with the Treasury Management policy.

10.3 Fixed assets

The Trust has a maintenance lease agreement with ERC for the use of the buildings and equipment linked with the charitable activities and as such these assets do not belong to the Trust.

10.4 Budget 2023-24 – draft

The following table provides a summary of the latest draft budget for 2023-24. These figures are subject to final confirmation, including the ERC Service Fee.

<i>DRAFT</i>	23/24
£k	Draft Budget
Grant Income	372
Arts & Theatre Income	416
Theatre & Comm Facs Hire	505
Sports Income	2,275
Other Income	417
Operating Income	3,985
ERC Service Fee	5,711
Release from Reserves	38
Total Income	9,734
Staff Costs	9,331
Property Costs	524
Transport Costs	26
Supplies & Services / Other	1,595
Total Expenses	11,477
Net Income / (Expenditure)	(1,743)

Although, the Trust has experienced strong recovery post pandemic with most services back to pre-Covid levels, by the time we reach 2023-24, the Trust will have lost 4 years of income growth, at the same time as having to deliver savings through the reduction in the ERC service fee. This is against a backdrop of rising costs, both in terms of increased pay awards and the continuing pressure of high price inflation. All of these factors have put critical pressure on ERCL's ability to deliver core services within its existing financial resources.

The current projected loss for the year 2023-24 will be met by both Covid funding (for eligible elements), and a release from undesignated reserves, and has been provided for accordingly.

As noted in section 9, proposals that would help to close the financial gap on an on-going basis are currently being assessed and considered as part of the wider ERC

public consultation process and will be further discussed and agreed with partners including the Council, should they be required.

11. Support Services

As noted in previous Business Plans, a number of key support services are provided to ERCL by ERC under Service Level Agreements. These are regularly reviewed and revised but it has been recognised that internal customer service with attendance KPIs and mechanisms for service improvement, are a developmental need across ERC generally and not just in relation to the services delivered to ERCL.

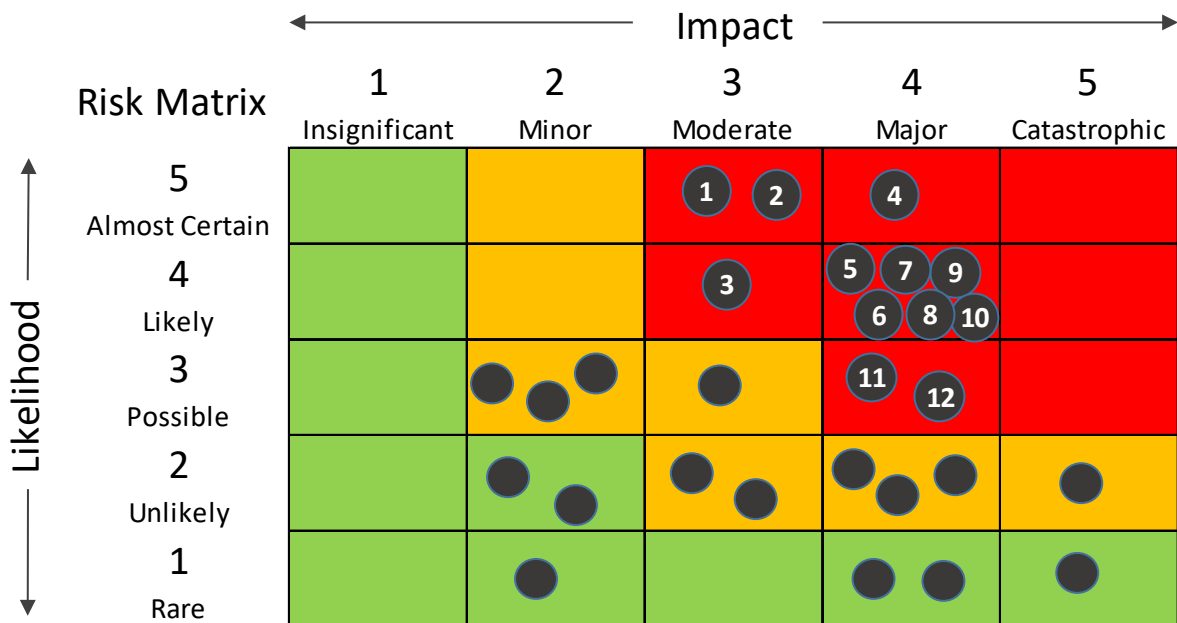
Improvement and action plans for Support Services and other interfaces between the Trust and the Council were identified in a Solace in Business (SiB) report commissioned by ERC in 2017 and was further complemented by recommendations arising out of the ERC Best Value Audit on the Trust undertaken in 2019. A review took place in August 2022 producing an updated Joint Action Plan, reflecting the latest position. This work was completed in conjunction with ERC, with the revised plan approved by the Board in August 2022.

12. Risk Management

A detailed Risk Register is presented to the Finance and Audit and Risk Committee. Following consideration by the Finance, Audit and Risk Committee, an abstract highlighting the top key risks at any given point is considered by the Board, and a joint Risk Register is maintained by ERC and ERCL capturing shared risks.

Throughout the year the Risk Register is reviewed and revised in the light of the fluidity of the current environment, with risks considered accordingly.

The following table summarises the spread of risks across the business, which incorporates risks identified due to Covid, together with a summary of the top 12 risks:



Ref	Risk Category	Summary of Risk
1	Market Changes	Changes in the competitive environment resulting in fewer customers.
2	Recruitment	Difficulties in recruiting to key roles impact adversely on operations, finances or performance
3	Government Policy / Legislation	Change in legislation or direction of Government policy, leading to significant change in priorities or patterns of uptake
4	Facility Failure	Facility Failure impacts negatively on service delivery and performance, income or reputation. (Damage to key elements of the facility resulting in unbudgeted repair costs and suspension / reduction of services; maintenance backlog; H&S issues; plant failure; and/or otherwise compromised service offering).
5	Shared vision with ERC	A single agreed ambition or vision for ERCL is not articulated and agreed by and with ERCL and ERC and its constituent departments.
6	External Providers / Contracts	Failure of external service providers to deliver on obligations, resulting in late or non-delivery of services, cancelled events, lost revenue and damaged credibility.
7	Industrial Action	Industrial Action leading to suspension of services, cancellation of events, loss of revenue, etc.
8	Savings Targets	Challenge of creating an effective balance between achieving proposed savings targets maintaining a vibrant and relevant service.
9	Operational Impact due to Capital Projects	Capital Projects impact adversely business through slippage or impact on management and operational resources.
10	Business Continuity / Finance Recovery	Recovery will have a long tail as customers and services require time to adjust to new ways of operating
11	IT Systems Failure	Failure /Misuse of systems resulting in 1) loss of data 2) withdrawal of service 3) loss of revenue 4) increase in errors on the system. Major issues arising from Core Systems Project / implementation of changes to core business systems in Finance, Payroll and HR
12	ICT Systems Failure	Current ICT capability is not able to support a stable IT platform to enable remote working on an on-going basis and unable to support a new business model focused on a richer online offering to customers.

EAST RENFREWSHIRE COUNCIL1 March 2023Report by Head of Accountancy (Chief Financial Officer)SERVICE CONCESSION ARRANGEMENTS**PURPOSE OF REPORT**

1. To seek approval to apply additional flexibility to the accounting treatment for Private Finance and similar contracts (referred to as Service Concession Arrangements) that were in place before 1 April 2022, in line with the Local Government circular 10/2022. Under such schemes the Council pays a contractor to build and maintain an asset typically for 25 to 30 years, with the asset fully transferring to the Council's ownership at the end of that period. In order to apply this flexibility, the decision must be taken to full Council for approval setting out the reason for the change. The submission to full Council must make explicit that this change is prudent, sustainable and affordable over the life of the asset.

RECOMMENDATION

2. It is recommended that in the current financial year, the Council approves the write off of the liability held in the Council's Balance sheet for its five Service Concession Arrangements (SCAs) over the lives of the assets instead of the lives of the contracts, in line with the Local Government finance circular 10/2022.

3. It is also recommended that Council notes the longer term implications of implementing this flexibility, including the affordability assessment outlined in para 13.

REPORT

4. The Local Government finance circular 10/2022 permits the option for Scottish Councils to apply flexibility to the accounting treatment for Service Concession Arrangements (SCAs) in place before 1 April 2022. The statutory guidance flexibility may be applied in either of the financial years 2022/23 or 2023/24 but permits retrospective application as an option.

5. The Council has five such schemes being

- the St Ninian's HS/ Mearns PS PFI scheme;
- the Williamwood HS/ Mearns Castle HS/ Woodfarm HS/ Carlibar PS PPP scheme;
- the Barrhead HS hub scheme;
- the M77/GSO Roads scheme (in conjunction with Scottish Government and South Lanarkshire Council); and
- the Clyde Valley Waste Recycling Plant scheme (in conjunction with North Lanarkshire, East Dunbartonshire, North Ayrshire, and Renfrewshire Councils)

6. If this approach is adopted, it must be applied to all service concession arrangements, leases and similar arrangements except for such arrangements where the contract will expire within five years, where it may be applied.

7. The Council's budget currently provides for the repayment of the debt element of such schemes over the 25 to 30 year contract period. The new flexibility will allow this debt to be written off over the life of the asset (typically 50 years) rather than over the shorter contract period.

8. Authorities have the flexibility to apply the change in the calculation of the statutory charge in either 2022-23 or 2023-24. The adopted approach will apply to all such arrangements going forward, in line with the key accounting principle of consistency. There is an exception for schemes that have less than 5 years remaining; the Council has one such scheme (St Ninian's HS/Mearns PS) which will not be excluded from the application of this flexibility.

FINANCE AND EFFICIENCY

9. The current repayment charges for each SCA have been compared against an Equal Instalments of Principal (EIP) repayment profile based on the estimated useful asset lives, similar to that of assets owned by the Council. At the 31 March 2022 the total long term liability relating to the SCAs was £78,711k. As the assets are subject to a repairs & maintenance regime it is anticipated that they will be in good condition when they transfer to Council ownership at the end of the contract period, which can be between 25 and 30 years, at which time they will not be at the end of their useful life. However should the assets useful life be less than that estimated by the Council's Estates service, any unpaid liability will be charged to the General Fund in the Council's annual accounts.

10. The table below shows the length of each contract along with the estimated asset useful life for each of the SCAs:

Service Concession Arrangement	Length of contract	Asset Life
St Ninian's HS/ Mearns PS PFI scheme	25 years	50 Years
Williamwood HS/ Mearns Castle HS/ Woodfarm HS/ Carlibar PS PPP scheme	25 years	50 years
Barrhead HS hub scheme	25 years	50 years
M77/GSO Roads scheme	30 years	50 years
Clyde Valley Waste Recycling Plant scheme	26 years	26 years

11. The total cumulative adjustment up to 31 March 2022 which would result from changing the calculation of the repayment of the debt liability on the five SCAs, using a 50-year EIP for the schools and roads schemes and a 26-year EIP period in respect of the Clyde Valley Waste Recycling Plant, is £12.265m. This is broadly in line with the existing loans fund policy, reflecting that benefits from the SCAs can be achieved by better matching the debt costs to the expected useful lives of the assets, thereby repaying the cost of the debt across a longer period of time. This is a one-off in-year reduction and represents the excess amount paid to date as a result of calculating debt over the 25 to 30 year contract period rather than the longer asset life.

12. This does not change what we pay to the contractors in cash every year. This is simply about the accounting transactions to pay for the assets. Neither does it change the term over which we pay the contractors, it is just how we account for the repayment of the debt in the Council's Revenue Budget.

13. The reprofiling of the debt liability repayments would increase the Capital Financing Requirement (CFR), the Council's underlying need to borrow, by £12.265m as at 1 April 2022. This is not a cash benefit, but an accounting benefit and if the Council approves that the adjustment is made in the current financial year it will result in an increase to the General Fund unallocated reserve. The increase in the CFR will continue to be reduced by the revised repayments after each SCA contract has expired until the end of the revised period.

14. In the financial years from now until the expiry of each contract, the proposed changes will result in the Council's annual debt liability for these schemes reducing. On average, this will be around £3m per year for 10 years beginning with the current year. Following the end of each scheme's contract period, the proposed changes will result in the Council continuing to make debt repayments until the end of the asset's expected life. These continuing debt payments will peak at £2.6m per annum and, together with the ongoing running costs of these facilities, can be funded from the existing combined budgets for these schemes after the end of their contract periods. The additional revenue budget pressure arising from the lengthening of the repayment period can therefore be managed within the current budget available. The full repayment profiles are provided in detail for each SCA in Appendix A.

15. Over the full life of the SCAs the total repayment for the debt liability remains the same.

16. The Council's Loans Fund repayment policy for 2022/23 confirms that this methodology is already applied by the Council. The use of an EIP method for the writing down of the PPP debt liability therefore ensures a consistent approach for the writing down of all debt which is financing capital expenditure.

17. The Chief Financial Officer has included the financial implications of this flexibility within the context of the Council's medium/ long term plan and considered its application to be:

- **Affordable** - Ongoing costs of repaying debt after the end of the SCA contracts are affordable from the net PPP budget.
- **Prudent** – The approach better matches the costs of repaying debt to the useful life of the asset, and
- **Sustainable** – The generation of the retrospective benefit helps to sustain the Council's budget for a period of time

18. The accounting entries for the cumulative difference in the statutory repayment of debt will be a debit to the Capital Adjustment Account and a credit to the General Fund to recognise the reduction in the cumulative charge to the General Fund of the statutory repayment of debt and a corresponding increase in the balance of the Capital Adjustment Account (which will increase the Capital Financing Requirement). This will be reported in the Movement in Reserves Statement.

19. Specific financial statement disclosures will be required within the Council's Annual Accounts which are not yet drafted and will be subject to review and discussion with the Council's external auditors. However, the external auditors have reviewed our approach to this new flexibility and agreed with the principles of application.

RECOMMENDATION

20. It is recommended that the Council approves the application, in the current financial year, to write off the liability held in the Council's Balance sheet for its five Service Concession Arrangements (SCAs) over the lives of the assets instead of the lives of the contracts, in line with the Local Government finance circular 10/2022.

21. It is also recommended that Council notes the longer term implications of implementing this flexibility, including the affordability assessment outlined in para 13.

Report Author

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Back Ground papers – Local Government finance circular 10/2022

Appendix A

Total proposed rescheduling model

Year	PPP principal repayments	PPP (2005/06, £56m, 27 years)				PFI (2001/02, £14m, 25 years)				Hubs (2018/19, £22m, 26 years)				Roads (2005/06, £35m, 31 years)				Clydevalley (2019/20, £3m, 26 years)				Total (reduction) /cost £000	Total NPV £000
		Current position	Principal repayments based on simple 50 year EIP			Current position	Principal repayments based on simple 50 year EIP			Current position	Principal repayments based on simple 50 year EIP			Current position	Principal repayments based on simple 50 year EIP			Current position	Principal repayments based on simple 26 year EIP				
		Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000	Current repayment £000	Revised repayment £000	(Reduction) /cost £000	NPV 3.5% £000		
0	pre 2022/23	24,508	18,945	(5,562)	(5,562)	9,679	5,964	(3,715)	(3,715)	2,691	2,231	(461)	(461)	14,657	11,988	(2,668)	(2,668)	200	341	141	141	(12,265)	(12,265)
1	2022/23	2,358	1,114	(1,244)	(1,202)	1,058	284	(774)	(748)	618	446	(172)	(166)	1,090	705	(385)	(372)	87	114	27	26	(2,547)	(2,461)
2	2023/24	2,593	1,114	(1,479)	(1,380)	964	284	(680)	(635)	586	446	(140)	(131)	1,138	705	(433)	(404)	86	114	28	26	(2,704)	(2,525)
3	2024/25	2,597	1,114	(1,483)	(1,338)	1,207	284	(923)	(832)	547	446	(101)	(91)	1,142	705	(436)	(394)	74	114	40	36	(2,903)	(2,618)
4	2025/26	2,733	1,114	(1,618)	(1,410)	1,292	284	(1,008)	(878)	578	446	(132)	(115)	1,154	705	(449)	(391)	66	114	48	42	(3,159)	(2,753)
5	2026/27	2,877	1,114	(1,762)	(1,484)		284		239	581	446	(135)	(114)	1,293	705	(588)	(495)	105	114	9	8	(2,192)	(1,846)
6	2027/28	3,279	1,114	(2,164)	(1,761)		284		231	630	446	(184)	(150)	1,305	705	(600)	(488)	106	114	7	6	(2,657)	(2,162)
7	2028/29	3,860	1,114	(2,746)	(2,158)		284		223	676	446	(230)	(181)	1,618	705	(913)	(717)	111	114	3	2	(3,602)	(2,831)
8	2029/30	4,190	1,114	(3,075)	(2,335)		284		216	689	446	(243)	(185)	1,705	705	(999)	(759)	94	114	20	15	(4,014)	(3,048)
9	2030/31	4,416	1,114	(3,301)	(2,422)		284		208	727	446	(281)	(206)	1,770	705	(1,065)	(781)	99	114	15	11	(4,348)	(3,190)
10	2031/32	2,312	1,114	(1,197)	(849)		284		201	785	446	(339)	(240)	2,118	705	(1,413)	(1,002)	17	114	97	69	(2,568)	(1,821)
11	2032/33		1,114	1,114	763		284		195	854	446	(408)	(279)	1,993	705	(1,288)	(882)	12	114	102	70	(196)	(134)
12	2033/34		1,114	1,114	738		284		188	937	446	(490)	(325)	2,179	705	(1,474)	(975)	59	114	54	36	(511)	(338)
13	2034/35		1,114	1,114	713		284		182	1,037	446	(591)	(378)	1,892	705	(1,187)	(759)	139	114	(25)	(16)	(405)	(259)
14	2035/36		1,114	1,114	688		284		175	1,115	446	(669)	(413)	205	705	500	309	148	114	(35)	(21)	1,195	738
15	2036/37		1,114	1,114	665		284		170	1,155	446	(709)	(423)		705	705	421	132	114	(18)	(11)	1,376	821
16	2037/38		1,114	1,114	643		284		164	1,234	446	(788)	(454)		705	705	407	164	114	(51)	(29)	1,265	730
17	2038/39		1,114	1,114	621		284		158	1,397	446	(951)	(530)		705	705	393	165	114	(51)	(29)	1,101	614
18	2039/40		1,114	1,114	600		284		153	1,530	446	(1,084)	(584)		705	705	380	141	114	(27)	(15)	992	534
19	2040/41		1,114	1,114	580		284		148	1,613	446	(1,167)	(607)		705	705	367	191	114	(77)	(40)	859	447
20	2041/42		1,114	1,114	560		284		143	1,716	446	(1,270)	(638)		705	705	354	202	114	(88)	(44)	745	375
21	2042/43		1,114	1,114	541		284		138	609	446	(1,63)	(79)		705	705	342	183	114	(69)	(33)	1,872	909
22	2043/44		1,114	1,114	523		284		133		446	446	209		705	705	331	222	114	(108)	(51)	2,442	1,146
23	2044/45		1,114	1,114	505		284		129		446	446	202		705	705	320	155	114	(41)	(19)	2,509	1,137
24	2045/46		1,114	1,114	488		284		124		446	446	195		705	705	309					2,550	1,117
25	2046/47		1,114	1,114	472		284		120		446	446	189		705	705	298					2,550	1,079
26	2047/48		1,114	1,114	456		284		116		446	446	182		705	705	288					2,550	1,042
27	2048/49		1,114	1,114	440		284		112		446	446	176		705	705	279					2,550	1,007
28	2049/50		1,114	1,114	425		284		108		446	446	170		705	705	269					2,550	973
29	2050/51		1,114	1,114	411		284		105		446	446	165		705	705	260					2,550	940
30	2051/52		1,114	1,114	397						446	446	159		705	705	251					2,266	807
31	2052/53		1,114	1,114	384						446	446	154		705	705	243					2,266	780
32	2053/54		1,114	1,114	371						446	446	148		705	705	235					2,266	754
33	2054/55		1,114	1,114	358						446	446	143		705	705	227					2,266	728
34	2055/56										446	446	139									446	139
35	2056/57										446	446	134									446	134
36	2057/58										446	446	129									446	129
37	2058/59										446	446	125									446	125
38	2059/60										446	446	121									446	121
39	2060/61										446	446	117									446	117
40	2061/62										446	446	113									446	113

EAST RENFREWSHIRE COUNCIL1 March 2023Report by Head of Accountancy (Chief Financial Officer)FINANCIAL PLANNING 2023-2029**PURPOSE OF REPORT**

1. To submit for approval the updated Outline Revenue Financial Plan for 2023-2029.

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 2023 – 2029

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.

6. The Council had expected to receive three year settlement figures from the Scottish Government in December 2022 and had embarked on public consultation on this basis, however, due to the UK late autumn budget announcement, the Scottish Government settlement covered only 2023/24. As the Scottish Government will be announcing future budget plans in spring 2023, following a full UK budget, it is hoped that the Council can resume its multi-year detailed budget setting approach from 2024/25.

7. 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 2023/24 reflect the terms of the Local Government draft settlement, announced by the Scottish Government on the 20th of December 2022, together with subsequent updates. The Council's Outcome Delivery Plan and outline multi-year budget plans for 2024/25 onwards will also be refined to take account of the final figures.

8. 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.

9. 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 3 March 2022 and covers the next six years, 2023/24 to 2028/29.

10. 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 Ukraine and the legacy of the 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, high inflation/utility costs and late settlement of pay awards are making the situation even more challenging.

11. The Monetary Policy Committee of the Bank of England has taken action to address the inflationary pressures by implementing a series of increases in interest rates in recent months. This has resulted in the rate of inflation slowly beginning to reduce, but it is not yet certain when inflation and interest rates will fall back to previous levels. 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

12. 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.

13. The 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.

14. 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.

15. The Scottish Government's latest Spending Review (published together with the Medium Term Financial Strategy) in May 2022, assumed that overall funding would rise by 1.7% in real terms for 2023/24, however this increase was to be directed to social security and health, with non-prioritised areas, such as most Council services, facing real terms reductions. Councils were told to expect flat cash settlements for the next three years. This is very challenging in view of current inflationary pressures.

16. After significant turbulence in the UK Government during summer/autumn 2022, the November Autumn Statement provided some additional funding via the Barnett formula but, with high inflation, the Scottish Fiscal Commission forecast that Scottish public sector funding in 2023/24 would fall by 1.6% in real terms compared to this year. Due to the prioritisation of social security and health, this would produce larger cuts for other services. The December 2022 Scottish Government budget confirmed this pattern, with real terms increases for health and social security and a real terms reduction in local government spending plans.

17. As a result of the late timing of the UK announcement, a multi-year Scottish spending review will not now take place after the UK budget announcement on 15 March 2023, so there remains a large degree of uncertainty in medium to long term financial planning at present.

18. 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 and detailed plans and timescales remain unclear.

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

20. More broadly, the Scottish Fiscal Commission and the Office for Budget Responsibility agree that, after a short recession, the Scottish economy will recover by early 2025, with inflation falling below the 2% target level and possibly turning negative in 2025/26.

21. The Council's Treasury advisers, Link Consultancy, have recently assessed the outlook for UK economic growth and interest rates. They note that the recent succession of bank rate increases, with the most recent bringing this to 4% in February 2023, is likely to be nearing an end, and that the rate should peak at no more than 4.5%. Once the worst of the inflationary pressures have loosened, bank rates can be allowed to fall back gradually.

22. Consumer Price Index inflation was expected to peak at near 11% towards the end of 2022 but has begun to fall back slightly earlier than expected (currently 10.1% based on January 2023). This resulted in the forecast 0.75% bank rate increase in February 2023 being restricted to 0.5%. However, despite welcome recent reductions in some fuel and gas prices, food and pay inflation remains high. Wage increases, excluding bonuses, remain between 5.5% and 6% and the fear that this will continue to fuel inflation will mean that interest rate reductions will only be considered cautiously.

23. The draft 2023/24 public sector revenue budget plans announced by the Scottish Government on 20 December 2022 reflected an increase of £498m (4.18%) in cash terms for Councils, but after adjusting for £427m of new commitments and policy pressures announced in 2022/23 and new commitments for 2023/24 included in the settlements, COSLA calculated this to represent only a £71m (0.6%) cash increase in core budgets. Most protection and new commitments related to Health and Social Care, Education and to 2022/23 pay awards. Pay increases for 2023/24 have not yet been agreed (with the 2022/23 pay settlements for teachers and Chief Officers also still outstanding) but negotiating bodies are expected to seek awards significantly in excess of the UK Government's long term 2% inflation target. These factors will continue to increase pressures on Council services which are not afforded Scottish Government protections or prioritisation.

24. Scottish Budget plans published relate only to 2023/24 and considerable uncertainty exists beyond this due to the ongoing impact of Brexit, the war in Ukraine, 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 2024/25 and this would be welcomed as an aid to forward planning.

25. In recent years additional funding has been announced for local government as the Scottish budget progresses through the Parliamentary stages. Whilst some updates have

been confirmed since the initial settlement announcement on 20 December 2022, final confirmation of the 2023/24 Scottish budget will not be available until all stages are completed in early March 2023. However, further scope for late changes has reduced due to the SNP/Green joint working arrangements which include budget matters. Further information for later years should become available after the UK budget on 15 March 2023 and the Scottish Government's response thereafter.

26. Consideration has been given to the additional fiscal flexibilities announced during 2020 for local authorities, in particular reprofiling PFI/PPP debt calculations. This option was originally offered to help Councils to meet the cost of unfunded COVID-19 pressures without impacting on short term revenue budget plans, however Councils may also utilise this approach to assist with wider current budget pressures and the Council proposes to do this in setting the 2023/24 budget. Funding forecasts in this report also reflect that the Council intends to make use of existing COVID grants to cover any unfunded COVID pressures in 2022/23 and 2023/24 and does not expect COVID pressures to be met from core budgets.

27. The Council's grant for 2023/24 is £223.066m and produces a cash increase of £8.7m (4%) over the 2022/23 grant figure reported to Council in February 2022, however recognising that £7.28m of this increase relates to new commitments, mainly relating to adult social care, education and pay, this represents only a £1.5m (0.7%) cash increase, or an only slightly better than flat cash position once new non-domestic rates liabilities of £0.7m are factored in.

28. For the second consecutive year, the 2023/24 settlement gave Councils freedom to set their level of Council Tax for the coming year.

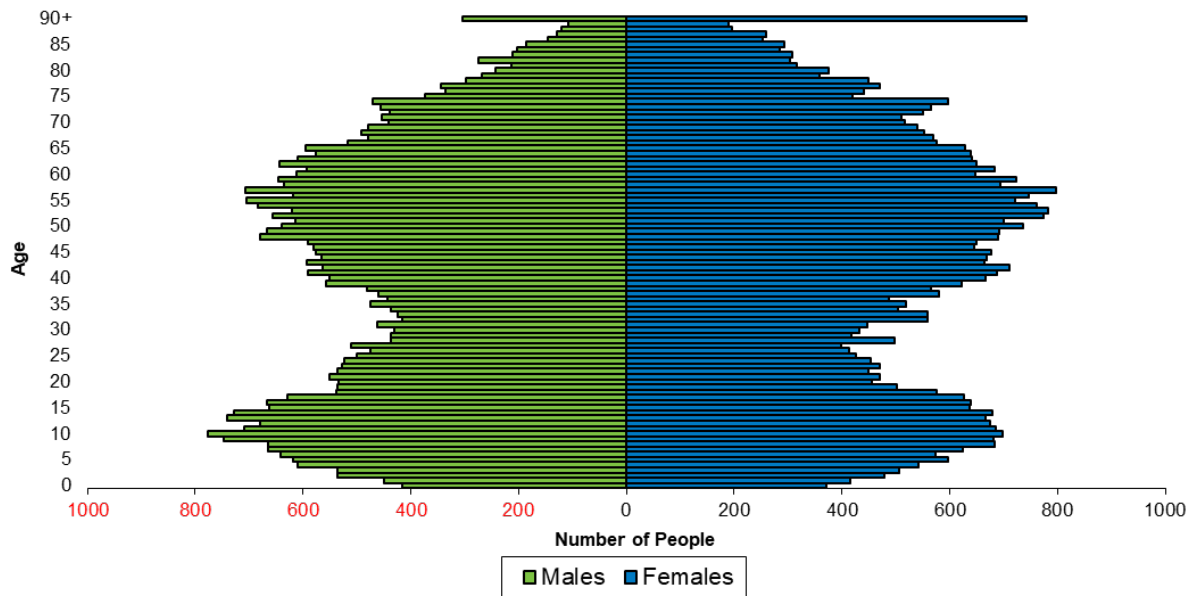
DEMAND PRESSURES

DEMOGRAPHICS

29. 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. 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.

30. The population of East Renfrewshire is currently estimated at 96,580. 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 59 per cent of the population whilst older aged adults (65 and over) make up the remaining 21%.

1



Source: NRS 2021 Mid-Year Population Estimates

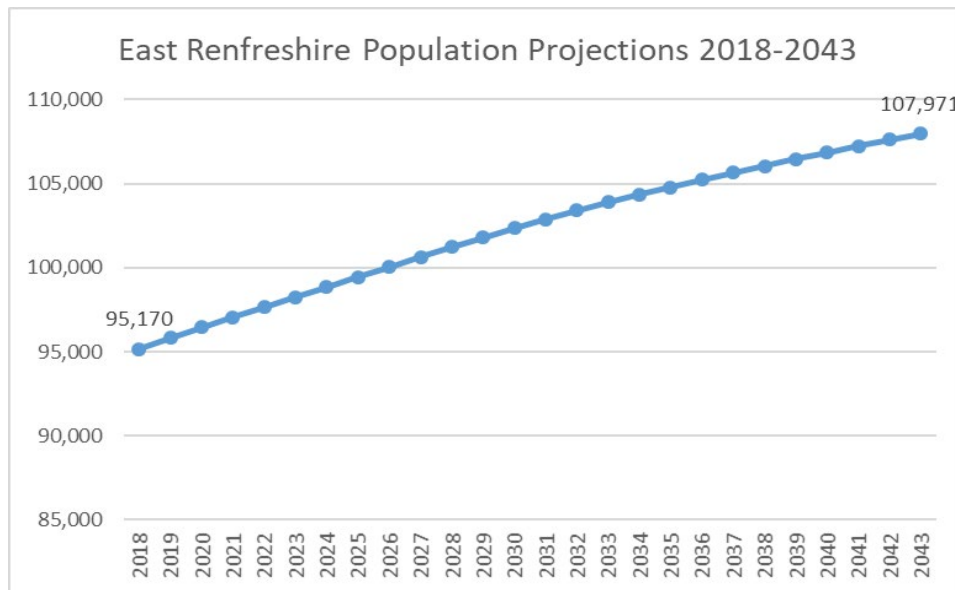
31. By 2043 the population of East Renfrewshire is projected to be 107,971, an increase of 13.5 per cent compared to the population in 2018 (base year for projections). The population of Scotland is projected to increase by 2.5 per cent between 2018 and 2043. Over the 25 year period, the age group that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

32. 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%

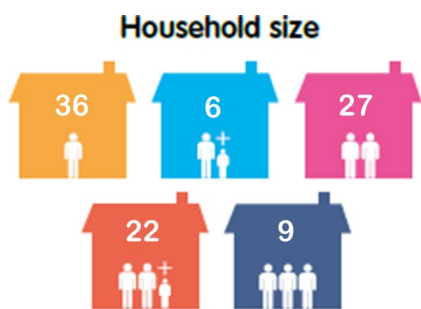
Source: NRS 2018-Based Population projections, published March 2020

33. 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



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

35. 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 2018-Based Household projections, published September 2020)

Based Household projections, published September 2020)

36. 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)

37. 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.

38. 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

39. Over the next 5 years (2023- 2028), a number of changes have the potential to create financial pressure.

40. 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

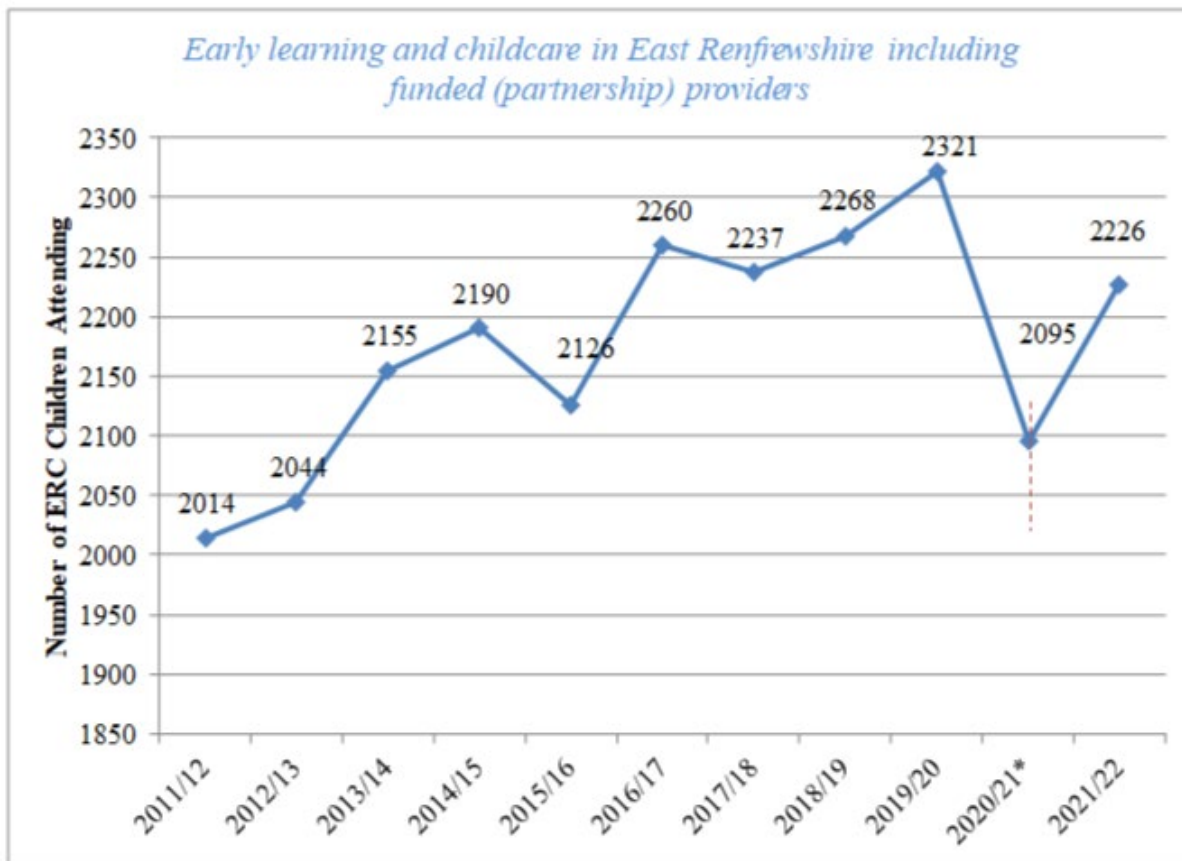
maintenance, parking, money advice, customer services, early learning, childcare and education, employability, schools, health and social care, leisure and transport.

41. 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. In recent times the Education Department has seen a proportion of new applications for children and young people who have moved to the Council area from abroad; this includes a significant number of children from Hong Kong, refugee families from the conflict in Ukraine and other parts of the world, and unaccompanied refugee children. This has and will continue to result in the requirement for additional support for such children, where English may be an additional language or little spoken/knowledge of English, in the form of specialised teachers (or training) and resources for learners of English as an additional language.

42. In East Renfrewshire there has been a rise in population of children under 15 years old. From 2016 to 2021, the number of children under the age of 15 increased by 5.3 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.

43. 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 11% from 2011/12 to 2021/22. It is anticipated that in line with the trend and projection of increasing population in this age group, the demand for early learning and childcare will continue. This demand will also increase with legislative changes, enabling children who are not 5 years of age at the start of the school academic year to access another year of fully funded ELC.

44. 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.

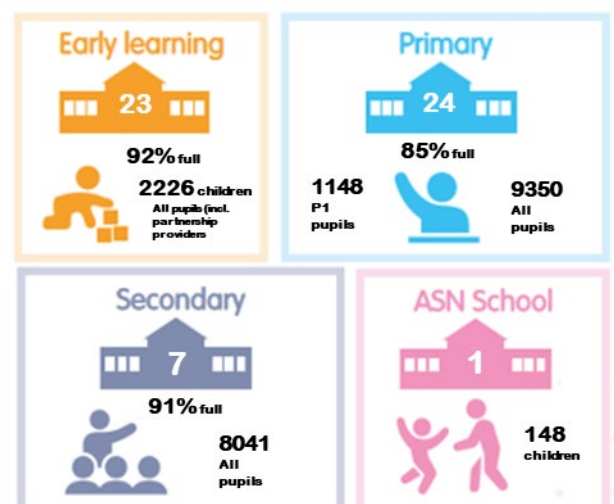


There is a legislative requirement for flexibility, accessibility and choice for families in the early learning and childcare (ELC) offer. In ensuring that families are able to access their statutory entitlement in line with these Scottish Government principles, it is essential to ensure that choice is available in a variety of different settings. This can result in differing levels of attendance across the week, necessitating the need for additional capacity which may not be fully utilised at all times, in order to meet these statutory entitlements

45. Through ongoing revisions to the operating models, admissions procedures and through regular consultation, the Education department will look to ensure that any additional capacity can be utilised by families through the purchase of add-on hours, supplementing their child’s attendance patterns. With consideration to the number of available ELC places related to staffing levels within establishments, the overall occupancy rate in ELC establishments in 2021/2022 was around 92%.

46. To fulfil the statutory duty and implement the Scottish Government’s Funding Follows the Child Guidance, local authorities must support parental choice and so there is the need to fund ELC places from the private, voluntary and independent sectors and childminders. In 2021/22 18 per cent of the early learning and childcare provision was commissioned from funded providers for East Renfrewshire children.

47. 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 15% between 2011 and 2021. From 2011 there has been a reduction of around 41% 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 22% over the same period. This will further 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.

48. Overall the occupancy rates in the primary and secondary school sector are at 87% of available planning places. There are varying rates across schools, but there are several establishments with very high occupancy levels, with 12 establishments where the school's roll is in excess of 90% of its planning capacity

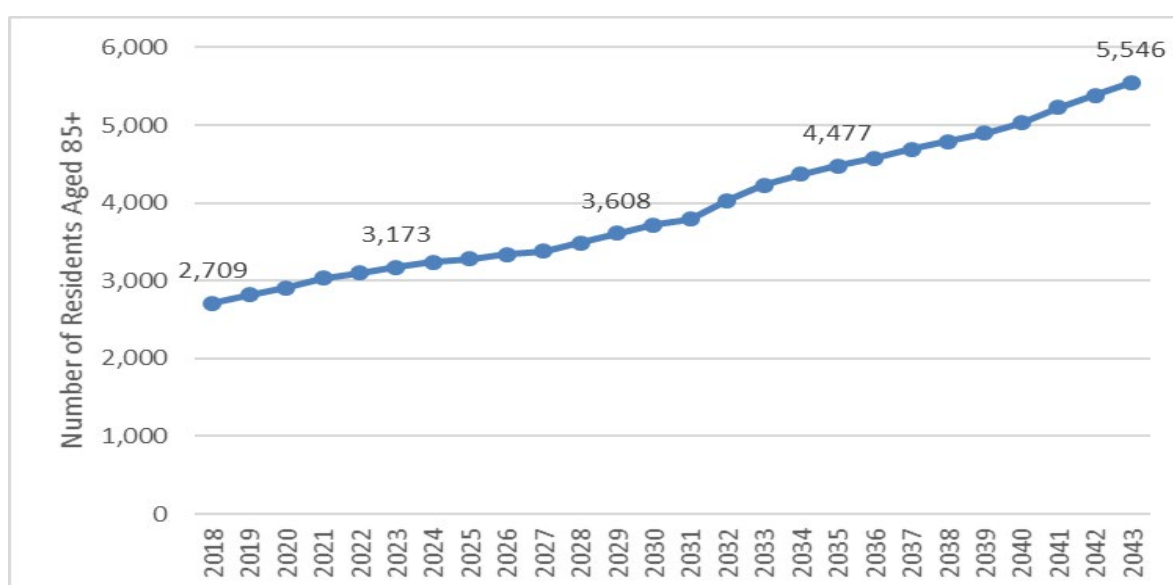
49. Further new education places will be required as a consequence of ongoing and planned new residential development and inward migration to the authority. This includes the need to increase the very specialist places for our most vulnerable children and young people as more families move into the area 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 recently undertook a public consultation on the creation of ASN services at Carolside Primary School which was approved by Education Committee on 8 December 2022. This will ensure appropriate support for early years and primary school learners on the basis of their needs and to ensure availability of places to such provision. The Education Department continues to consider its provision of ASN services for the secondary sector given the increasing demands in this sector. Accordingly there is likely to be an increasing revenue and capital spending pressure to meet the demand for such specialist support in the coming years.

50. The number of looked after children in East Renfrewshire has fluctuated over recent years from a high of 146 in 2018/19 to a lower number of 128 currently for 2022/23. The drop is partly due to the reduction in Children's Hearings that took place during the COVID-19 pandemic. As hearing activity has returned 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 decrease in children being accommodated away from their family, with those in foster care decreasing by 39.5% from 2018/19 to the current day, and an increase in those looked after with family. This is as the result of significant efforts by staff to maintain children with their families where it is safe and in the child's best interests. However, the number of young people requiring residential care placements due to very complex needs has increased by 41.7% from 2018/19 financial year to the current day.

51. 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. 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.

52. Between 2020 and 2021 East Renfrewshire experienced a 0.9 per cent decrease in the number of births, decreasing slightly from 797 in 2020 to 790 in 2021. This is the fourth consecutive year where the number of births has decreased within East Renfrewshire. The number of births across Scotland increased between 2020 and 2021 by 2.1%. The East Renfrewshire deaths decreased by 4.1 per cent between 2020 and 2021. East Renfrewshire has amongst the highest life expectancy rates in Scotland for both men (79.4) and women (83.8).

53. 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

54. 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 needs 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.

55. 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.

56. 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.

57. 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.

58. 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, with the Council's share of GAE broadly steady over the last few years. The Council now has a 1.95% share of the overall GAE (2022/23 1.93%), but this is still significantly higher than our population share of 1.75%.

59. 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 53.3%, the effect on the council's budget is significant.

60. In overall terms it is estimated that the high pupil numbers will increase our expenditure by almost £24m as compared to an average council of a similar population and this is taken into account by the Government in estimating our budget needs.

61. Our share of social work GAE is slightly below our population share at just over 1.73% 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.

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

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 £3.595m in 2022/23 (2021/22 £3.271m).

64. 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.

CAPITAL INFRASTRUCTURE

65. 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, especially as interest rates have been rising in recent months.

66. 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

67. 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

68. 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 (new tenants have now begun to move in following the facility's 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 transport infrastructure projects which aim to kick start regeneration and to create access to employment in the communities of Barrhead and Eastwood. Improvements on Balgraystone Road have enabled an accelerated affordable residential development in Barrhead and improved accessibility to the Dams to Darnley Country Park. An already created bus interchange will serve a key City Deal project; a new rail station in south Barrhead on the existing Glasgow to Neilston branch. The Aurs Road Realignment between Barrhead to Newton Mearns will improve road safety, replace a weak bridge, deliver new active travel route, a new public promenade on Balgray Reservoir, install a replacement culvert between Balgray Reservoir and the Brock Burn and will provide new visitor facilities at the Dams to Darnley Country Park.

69. 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

70. 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, having already been made available to families in East Renfrewshire from August 2020.

71. To provide families with flexibility the Council delivers the entitlement through a range of delivery models. The offer of such flexibility was achieved through the development of new establishments and extending some existing early years' provision, accompanied with increasing fully funded ELC places provided by the private, voluntary and independent sectors and childminders.

72. The expansion from 600 to 1140 hours of early learning and childcare 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 deliver locally in line with the principles of quality, flexibility, accessibility and affordability.

73. Whilst additional capital and revenue funding was made available from the Scottish Government towards the costs of the new early learning and childcare entitlement, initial revenue allocations did not fully cover the annual cost of expansion to 1140 hours under the

Council's delivery plan. The current financial year 2022/23 is the first year of a new methodology which has been introduced to allocate overall ELC resources going forward. Whilst the specific amount will be subject to the overall level of funding provided nationally, it is envisaged that this new methodology will provide a higher allocation of funding for East Renfrewshire in future. Unfortunately, the full extent of the changes are being phased in over 3 years, meaning that the service will not fully benefit until 2024/25. For 2023/24 the ELC national revenue quantum will be reduced by £9.1m meaning that whilst ERC will benefit from a higher share of funding, the overall sum available nationally has been reduced.

74. The Council nurseries and family centres remain very popular with families with an ever increasing level of flexibility and accessibility across each of the geographical communities. 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. East Renfrewshire consulted with families in November 2022, with models being adapted according to demand and feedback.

75. 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.

76. New legislation was laid in the Scottish Parliament by the Scottish Government in December 2020 extending the right to funded ELC places for all children who defer entry to primary one. This will mean that, from August 2023, all children who are not yet 5 years old at the start of term and who defer, will be entitled to continue accessing funded ELC for another year; in the current system only the youngest children, i.e. those with a January or February birth date, currently have this entitlement. The department has introduced revised school and ELC admissions processes to manage applications for deferrals and ensure that all children can continue to access their entitlement in their geographical community. It is estimated that around 15% of those who meet the new extended criteria for eligibility to access the additional year of funding will do so initially, resulting in further pressures on physical capacity and a requirement for increased staff resources to continue to meet statutory ratios in ELC. Following the introduction from August 2023, the department will monitor uptake and it will feature in future financial planning.

77. In October 2022 the Scottish Government published *Best Start – strategic early learning and school age childcare plan 2022-2026*. The plan expands upon the Scottish Government's intention to further develop the childcare on offer to families over the next four years, with a focus on introducing a new ELC offer for one and two year olds and the offer of before and after school childcare. In both instances there will be a focus on providing such services to those that need it from the most disadvantaged communities where access to provision will be free. These strategies are in their infancy and are not yet at the stages of determining national revenue quantum or distribution methodologies, however these may result in future additional financial revenue pressures for the Council.

Expansion of Universal Free School Meal Entitlement for Children in the Primary Sector

78. In 2023 the Scottish Government intends to progress with its expansion of free school meals for all primary 6 and 7 pupils in receipt of the Scottish Child Payment, as the next step in fulfilling its commitment to universal provision in primary schools from August 2024. The revenue allocation to the Council to support this expansion is yet unclear and may result in additional financial revenue pressure for the Council.

Digital device for every school attending pupil

79. The Scottish Government's Programme for Government published in September 2022 indicated its intention for every school-aged learner to have access to a digital device by the end of this parliament in 2026. Whilst the allocation of any capital and revenue funding associated with this initiative is unclear, the allocation of a device to every child may result in increased pressure on the Council's revenue budget as a consequence of factors such as increased utility costs, technical support for users and ongoing maintenance of devices.

Reduction in non-class contact time for teachers

80. 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

81. 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 included the requirement for the Council to publish its scheme for Devolved Management of Schools (DSM) by April 2022. The Council's plans for this new scheme were considered and approved by Education Committee on 3 February 2022 and by Cabinet on 10 March 2022 and the updated DSM scheme is now in place. There is a requirement for regular review and consultation on the Council's DSM every three years.

Educational Attainment

82. From 2022/23 ring fenced funding via the refreshed Scottish Attainment Challenge Fund has been 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.

83. East Renfrewshire's share of the local authority allocation is £135k in 2022/23, this will rise to £533k in 2025/26. The Education Department's Scottish Equity Fund strategy for the use and monitoring of impact of such funding was approved by Education Committee on 25 August 2022.

84. In terms of PEF, East Renfrewshire schools benefitted by £1.485m in 2022/23 with funding distributed directly in line with the policy objectives and based on the number of pupils registered for free school meals; the PEF allocation to schools will continue to be £1.485m in 2023/24. PEF spending must be additional and determined by head teachers in consultation with their school community including staff, parents and pupils and focus primarily on closing the poverty related attainment gap; accordingly the Council is not at liberty to control any of this funding. Many of our schools use a participatory budget approach to determining spend.

Instrumental music tuition and core curriculum costs

85. 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. To date the money received from the Scottish Government has not met the expected levels to be able to meet pupil demand and/or growth in the instrumental music service. There is also a concern that the funding provided as part of the Scottish Government's commitment, and future funding allocation, will not take cognisance of other factors such as demand for music tuition, which is high in East Renfrewshire and which as a consequence will possibly result in increased pressure on the Council's budget to meet the rising demand.

Gaelic Medium Education

86. 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.

87. In accordance with the statutory guidance, the Education Department has now determined that there is demand for GMPE within East Renfrewshire Council following the full assessment, from school session 2023/24, and undertook a public consultation on the location of GMPE, proposed as Thornliebank Primary School. The consultation report was considered by Education Committee on 8 December 2022 with Thornliebank Primary School being approved as the location for GMPE from August 2023. The Education Department has submitted a revenue bid for funding to meet some of the costs of the staffing for the GMPE provision as well as other revenue costs such as transport; this grant will likely fund up to 75% of the revenue costs associated with the school with regards to staffing and pupil transport. In addition the department has also submitted a bid to the Gaelic Capital Fund to allow for accommodation works to take place at the school. As yet this has not been confirmed. Accordingly, there will be an increasing spending pressure in future sessions to meet the demand for GMPE.

Protection for Teacher and Pupil Support Assistant Numbers

88. In recent weeks, the Scottish Government has indicated that it is considering further measures to ensure that Councils maintain numbers of teachers and pupil support assistants within schools, effectively protecting large areas of Council budgets from cuts. As Education is by far the largest Council service and that social care, the next largest service, must receive at least a flat cash budget contribution, this means that the bulk of the budget reductions in the coming years would impact most on the remaining smaller environmental, community and support services. Local Government bodies are concerned that this is unsustainable and are making representations to the Scottish Government on this issue, calling for a fairer overall settlement for Councils in future.

Participatory budgeting

89. In October 2017 COSLA Leaders endorsed the Community Choices Budgeting Framework (mainstream Participatory Budgeting), which committed Councils to 1% of their budget being allocated through participatory methods. This target figure was £1.96m in 2021/22.

90. 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 and the joint learning campus of Neilston, St Thomas' Primary Schools and

Madras Family Centre, 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.

91. As detailed in paragraphs 81 and 82, East Renfrewshire received a share of Scottish Attainment Challenge Funding for the first time in April 2022. The four year commitment of funds enables the department and our schools to identify activities, approaches or resources which are clearly additional to universal improvement plans and are carefully targeted at improving outcomes for those children and young people most impacted by poverty. Using the identified themes and relevant data as a starting point, a participatory budgeting approach was taken, where children, staff members, parents and wider partners further developed the rationale for the funding and outlined key activities, grounded on evidence that would complement the existing Local Improvement Plan and further tackle the poverty related attainment gap. A representative group of these key stakeholders met and prioritised the activities identified and agreed on the initial funding spend.

92. Following delays due to the pandemic, the Council was able to turn its attention to PB again in the last two years – holding staff workshops throughout 2021 and 2022 to enable department colleagues 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 2023/24.

93. In 2021/2022 the Environment Department committed £699,000 of the Gatehouse development at Cowan Park, Barrhead for PB through a community participatory and survey exercise that resulted in a new café and public toilets.

94. In 2022/2023 PB projects have taken place in a number of schools and HSCP colleagues are exploring a number of PB activities through the Drug Mission Fund. This includes a lived-experience peer led group and family support project at a total value of £0.016m

95. Following a pause during the pandemic, the Council was able to reinvigorate its approach to locality planning through Linking Communities, an umbrella group of representatives from each neighbourhood who have delivered PB events since 2019. During May and June 2022, Linking Communities held 3 events within the Locality Planning areas of Barrhead, Neilston and Thornliebank with 45 local groups and organisations receiving in total £82,928 of a £95,000 Council community fund. A further event will be held in March 2023 to allocate the balance. Our Community Planning Partners at VAER ran the first of a grant making PB event in November 2022 with £150,000 provided by the Council via COVID Funds. £75,000 was allocated to 24 projects. A further event will be held in February 2023 to allocate a further £75,000.

96. In addition to these events, East Renfrewshire Youth Voice delivered the first ever youth led PB which saw 14 youth groups access a share of £5,000 funding to provide them with new opportunities as they took steps to recover from the pandemic. Applications were received from 18 groups which met one of 4 themes - environment, safe spaces, mental health and health and well-being.

97. Overall, however, it will be challenging for East Renfrewshire to reach the target 1% level in the near future.

Welfare reform

98. 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

99. 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

100. While the United Kingdom left the European Union a number of years ago, the full socio-economic impacts are only likely to be apparent over a number of years, requiring to be monitored. The primary and most obvious local impact will be the change from European Structural Funds (ESF) to the UK Government's Shared Prosperity Fund (SPF). The SPF will initially operate a three year programme.

101. In the 2014-2020 programming period, East Renfrewshire Council received £1,253,904 for the delivery of employability activity through ESF and £266,030 for business growth grants and Business Gateway services through European Regional Development Funding. The SPF commenced in the 2022/23 financial year, and acts as a central pillar of the UK Government's Levelling Up agenda. Overall, the SPF provides £2.6 billion of new funding across the UK for local investment by March 2025. All areas will receive an

allocation from the Fund through a funding formula rather than a competition; with the view of helping places across the UK to deliver enhanced outcomes, while recognising that even the most affluent parts of the UK contain pockets of deprivation and need support.

102. The overarching aim of the SPF is to build pride in place (and increase life chances), this is supported by three investment priorities: Communities and Place, Supporting Local Business, and People & Skills.

103. East Renfrewshire Council has been awarded £2,722,202 for the 2022/23 to 2024/25 programme. The SPF rules dictate the fund is split between revenue and capital expenditure. A paper outlining proposed projects to be supported by the SPF was approved by Cabinet on 10 November 2022.

104. 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. Impacts arising from the UK's departure from the European Union will continue to be monitored.

105. The UK Government has also introduced another funding stream, the Levelling Up fund. This is a competitive funding application process and ERC submitted a bid for £20m in respect of Thornliebank and Barrhead in the most recent phase. Unfortunately this was unsuccessful, but we await feedback which may help with future bids.

COVID-19

106. The COVID-19 pandemic impacted significantly on all Council services during 2020 and 2021 and continued to influence services during 2022 as we planned 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 has been used to cover both unfunded COVID service costs and local community pandemic related pressures. 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.

Proposal to Develop a National Care Service

107. 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

108. Brexit and political changes around the world have been exacerbated by the global COVID pandemic, the war in Ukraine and recent turbulence within the UK Government. This has increased market uncertainty resulting, with a sharp rise in inflation and interest rates increasing to combat this. Whilst the rate of increase in inflation is beginning to slow, it is forecast that the UK Government's long term target of 2% will not be achieved until 2024. Interest rates are also still rising, however they are expected to fall back within the next two years. The risk of further COVID variants and ongoing issues related to the Ukraine war 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

109. 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.*" Historically, 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 2023/24.

110. The 2023/24 provisional Scottish Council settlement figures were announced on 20 December 2022.

111. The latest local government settlement figures appear slightly more favourable than forecast with a cash increase of £1.5m (0.7%) for East Renfrewshire (after adjusting for new policy commitments) when compared to the equivalent budget for 2022/23. After adjusting for 2023/24 changes in non-domestic rates, however, the year to year position is close to flat cash, which is in line with our forecasts.

112. The impact of the settlement on the Council results in a shortfall for 2023/24 of £18.134m. This is before applying any Council Tax increase.

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

114. Although the Council is not in a position to set a multi-year budget this year, it will continue to plan ahead and prepare three year financial plans as part of the Outcome Delivery Planning process. These will be updated annually to take account of emerging factors such as the UK and Scottish medium term budget plans to be announced in March 2023, or the scheduled revaluation of the Strathclyde Pension Fund to take effect from April 2024.

115. 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 £1.620m to £15.295m per year from 2024/25 until 2028/29. From 2024/25 onwards the estimated savings requirements have been calculated on the basis that a 3% Council Tax increase is applied each year and no reserves are applied. The savings requirement for 2024/25 is significantly higher than the later years' gaps, mainly because the 2024/25 shortfall includes savings previously deferred by use of reserves. Subsequent gaps reflect continuing rises in the loan charges profile in later years. Assuming annual grant remains broadly flat in cash terms, an average savings gap of £7.569m 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

	CASH MOVEMENT 2024/25 ONWARDS			
FORECAST ANNUAL BUDGET GAP	+1%	+0.5%	0% (FLAT CASH)	-0.5%
	£M	£M	£M	£M
2024/25	11.949	13.065	14.180	15.295
2025/26	4.844	5.976	7.097	8.207
2026/27	2.873	4.043	5.189	6.313
2027/28	2.649	5.002	6.161	7.286
2028/29	1.620	4.043	5.219	6.350

116. Whilst the outlook for the 5 years beyond 2023/24 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

117. 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

118. 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. The Council commissioned research on the impact of the pandemic which was published in early 2022 that allowed a refocussing of work to meet the needs of those most affected by the pandemic. The main challenge currently faced by residents is the cost of living crisis. The Council is co-ordinating a partnership response to the crisis through regular operational meetings. The research and new data emerging from the cost of living crisis will continue to shape the Fairer East Ren plan.

- Our Local Child Poverty Action Report, which we are required to publish annually has been developed as a partnership plan, and was published in 2022. 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. As pandemic recovery continues, 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.
- In Neilston a survey is currently being developed by the Steering Group to review local priorities, and in Auchinback the locality plan is currently under review with residents. In Thornliebank engagement and consultation is happening within the communities around 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.

119. We have fully implemented a new Equality and Fairness impact assessment process 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. We are currently reviewing the progress made with our Equality Outcomes through our Mainstreaming Equality and Human Rights Report 2021-2025 through a series of engagement events.

120. 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 diverted the attentions of our organisations towards response and recovery throughout 2020 and 2021, the themes of Vision for the Future remain as appropriate as ever, if not even more so.

121. 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 through the pandemic. It was agreed that the focus going forward will be developing this vision further and aligning it to the Community Plan. Further stakeholder and partnership engagement will be carried out 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.

122. 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.

123. 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

124. 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.

125. 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).

126. 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 2022, Cabinet considered an [update](#) on our Digital Transformation Programme.

127. It was noted that the key aspects of the programme that will lead to budget savings are:

- Continuing to implement 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

128. It continues to 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.

129. Projects are funded through a Digital transformation budget, which will need reviewed year on year as part of the budget process. The funding comes from:

- a regular drawdown from modernisation fund (£1m plus any underspend from previous years);
- recharges to Capital;
- a small number of revenue-funded posts including Programme Management Office;
- drawdown from HRA, IJB and ERCLT reserves as required;
- departmental revenue budget “top slicing”, which may be required in future years as Modernisation Fund resources deplete.

130. The modernisation reserve was created in 2014 to fund change projects across the Council. In the early days the fund was topped up annually from underspend at year end. However in recent years, there has been little opportunity to top up so the fund has been declining in value. The budget process for 2024/25 will need to address this issue or the Council will be unable to resource digital transformation beyond that period.

PARTNERSHIP WORKING

131. 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.

132. The Council has also facilitated partnership working approaches in response to major challenges including Covid and the Cost-of-Living crisis ensuring resources and expertise are shared across multiple agencies to have maximum impact.

SERVICE REDUCTIONS

133. 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
- Council departments will do all they can within overall budget constraints to meet any conditions of Scottish Government grant (e.g. teacher numbers, IJB funding)
- Outcomes for our most vulnerable residents will be protected where possible
- Staff will be treated fairly and compulsory redundancies avoided where possible

134. 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

135. In 2023/24 Councils are free to increase Council Tax as they wish, without any Government imposed sanctions or caps. A 1% Council Tax increase in 2023/24 would provide additional income of around £0.632m for the Council. It is unknown whether future grant settlements will reimpose a cap on increases.

Charging For Services

136. 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. Likewise, scope for income generation in Education has also reduced due to the abolition of charging for instrumental music tuition and core curriculum materials, in addition to the move towards universal free school meals in primary schools.

USE OF RESERVES

137. Audit Scotland have noted that in 2021/22 the level of usable reserves was relatively high 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 years. 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.

138. 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.

139. 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"

140. 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.

141. The Council forecasts holding routine unallocated General Reserves of £7.959m (2.76%) as at 31 March 2023. 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 2023/24, 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 done with a view to transitioning to a more sustainable financial basis in future years, with reserves 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.

142. During 2022, the Scottish Government agreed to offer Councils a new fiscal flexibility in relation to PFI/PPP type service concessions. Such service contracts usually run for 25 or 30 years although the assets delivered (such as schools or roads) will last much longer. The new flexibility allows Councils to account for the debt element of these contracts over the life of the assets concerned – typically 50 years, rather than the 25-30 year contract periods. Applying this approach to our historic PFI/PPP schemes produces a one-off financial benefit of £14.8m at 31 March 2023. This sum will be added to our General Reserve and utilised in full over the next three years to transition into the forecast service reductions required as a result of the flat cash settlements set out in the Scottish Government’s May 2022 Spending Review.

Future Workplan

143. Accountancy staff have been reviewing financial pressures and funding levels for the coming year and outline budget proposals for 2023/24 are contained later on today’s agenda for approval. Work will continue in updating budget scenarios for the period to 2029 with a view to continuing with multi-year budget planning in future.

144. The timescales for submission of the Council’s financial plans are listed below:

Plan	Approval
Financial Plan 2023/2029	Council, March 2023
Capital Investment Strategy	Council, March 2023
10 year Capital Plan 2023/2033	Council, March 2023
Reserves Policy	Council, February 2024

Revenue Budget 2023/24	Council, March 2023
ODP 2023/24 (including 3 year draft budget figures)	Council, June 2023
Financial Plan 2024/2030	Council, February 2024
3 Year Revenue Budget 2024/27	Council, February 2024

CONCLUSIONS

145. 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

146. 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 2023 – 2029

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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EAST RENFREWSHIRE COUNCIL1 March 2023Report by Chief ExecutiveSTRATEGIC IMPACT OF THE FINANCIAL
SETTLEMENT**PURPOSE OF REPORT**

1. The purpose of this report is to analyse the key factors affecting the Council's financial situation, consider the impact on our future strategic direction and our capacity as an organisation.

RECOMMENDATIONS

2. Council is asked to:-

- a) Note that our growing population is not adequately reflected in our share of the Scottish Government grant and if addressed would have provided £4.2m of additional funding for 23/24;
- b) Note that the impact of the high number of children educated in East Renfrewshire puts increasing pressures on the budgets for other services;
- c) Note that an updated strategy document, Vision for the Future, will be brought to Council in June and whilst seeking to be ambitious in the longer term, will have to reflect the very challenging financial circumstances and a reduced level of ambition in the short term;
- d) Note that both today's budget and the updated Vision for the Future will require a high level of prioritisation of services;
- e) Note the importance of continued investment in our organisational capabilities capital, technology and our staff and
- f) Encourage Cosla to lobby for:-
 - A change in the way the funding for additional services (new burdens) is calculated with an allowance for support services and a guaranteed inflationary rise.
 - Scottish Government to assess the value of new services against existing services to ensure that priorities continue to be funded.
 - A change to the way that the Floors Mechanism is operated to ensure that it acts as a smoothing mechanism for reducing budgets, rather than a protection mechanism.

BACKGROUND

3. Over the next 3 years the council faces a very difficult financial position. For 2023/24 on a like for like basis, we have received a grant settlement of about £1.5m more than the previous year. An inflationary increase of 10.1% would have given an increase of £22.2m so this is essentially a flat cash settlement. This is at a time where our population is growing and we are seeing increased demands for our services, especially from the most vulnerable because of Covid and the increase in the cost of living.

4. With below inflation increases for many years, there are now considerable risks to the long-term sustainability of services in all councils. With the early action we have taken as outlined in the Revenues Estimates paper the immediate financial situation can be managed but not without a significant reduction in services. These risks affect all parts of the Council family including the IJB and the ERCLT.

5. We need to understand why councils are in this position, what issues are facing our own council and discuss options with Government about how we can jointly make the best use of available funding. This is likely to require a review of our strategy, a realistic approach to what can be funded and clear communication with our residents and staff.

OUR FINANCIAL SITUATION

6. East Renfrewshire Council has a reputation for strong financial management and high levels of relative performance on benchmark comparisons with other councils, particularly in children's services and recycling. We have a strong ethos of continuous improvement and transformation and compare ourselves, not just to other councils, but to a range of organisations including the private sector. Despite this strong level of performance, we are struggling to fund services that are important to our residents and the most vulnerable in our society and we need to understand the factors contributing to this.

Our Budget

7. Council budgets are complicated. Funding comes from many different sources with the biggest source being our General Revenue Grant from the Scottish Government. Our government grant has increased over the years so it can be difficult to understand why councils are unhappy with their funding. For example, at last year's Council meeting we noted our SG grant was about £205m and this year it is about £220m, a 7.5% increase. However, our grant each year includes a list of new responsibilities (usually called burdens) along with new funding. We must deliver on those new responsibilities which are often backed by legislation or grant conditions. This year on a cash like for like basis, our grant has increased by just £1.5m or 0.7%, well short of inflation at 10.1%.

Grant Aided Expenditure - underfunding of circa £40m between 2008 and 2019

8. The biggest part of our government grant is called Grant Aided Expenditure (GAE). GAE is calculated using a sophisticated methodology which reflects population size, rural and urban factors and levels of deprivation. Whilst there are many views about the weighting of the various factors, in general it serves its purpose and reasonably fairly distributes funding to councils. Up until 2019 the size of the GAE grant for Scotland has been fixed with any increases added as "changes".

9. From 2008 to 2019, the total pot of money (GAE plus changes) available to councils increased by very little on a like for like basis. It has not increased in line with increasing population numbers in Scotland or with inflation and this is the biggest factor on the funding crisis now affecting Local Government. A calculation carried out in 2019 showed that an increase of circa £40m would have been required in the East Renfrewshire Council GAE grant just to keep to the same effective level as 2008. From about 2019, GAE began to include the funding for new responsibilities so although helpful in terms of simplification, it is not possible to provide a more up to date figure.

The “Floors” Mechanism - underfunding of £3.5m

10. The “Floors” mechanism is designed to be a smoothing mechanism so that councils with falling populations do not have a rapid decrease in budget and don’t fall below a % “floor”. However, the way the “Floors” mechanism is presently working, rather than smoothing decreases, it protects councils from falling budgets.

11. For example, Argyll and Bute Council, which has a similar population base to East Renfrewshire Council, in 2008 contributed £0.349m which helped a small number of other councils stay above the “Floor” but now receives over £16m extra though the “Floors” mechanism to reflect their falling population. West Dunbartonshire contributed £0.223m in 2008 and now receives £6.662m. In 2008, we contributed £0.275m to the floors mechanism and we now contribute over £3.5m which is a very considerable sum equivalent to 1.6% of our grant.

12. For councils with increasing populations, a significant element of their population-based grant settlement is now reduced and councils with falling populations are having their budgets protected in the long term. The “Floors” mechanism has removed over £3.5 million pounds from our budget in 2023/24, 1.6% of our grant.

Early learning and Childcare – underfunding of £0.7m

13. A secondary contributor to our financial situation has been the underfunding of our Early Learning and Childcare expansion. Although the historical underfunding of some councils has now been recognised and a new calculation put in place, our budget has been reduced this year by circa £0.7m as part of a smoothing mechanism. It will be 2024/25 before a full budget is in place and this increase has been included in our budget projections for future years

Higher than average numbers of children in our schools

14. Our area has seen rapid population growth, with particularly strong growth in the number of families with young children and older people. This growth is in part caused by the availability of new housing and consequential migration into the area but also we have the highest number of children per family in Scotland.

15. Our schools also attract children from the surrounding areas through placement requests. This means that many schools operate at very close to full capacity, leading to good levels of efficiency with the cost per child very close to the Scottish average.

16. The Scottish Government reflects the higher-than-average number of children at our schools in our budget and we receive about 20% more funding for education, than council areas with similarly sized populations. This means that a higher % of our budget is spent on education than most other councils.

17. Over the years, both the Scottish Government and East Renfrewshire Council have protected education budgets and the number of teachers employed by the Council, as far as possible. This has meant that the budget for education has taken an increasing share of overall Council budgets. Given the high share of our budget we already spend on education, we believe that this has had a more significant effect on our budgets for other services, as compared to other Council areas.

Additional Services (Burdens)

18. Although our budget, on a like for like basis, has been essentially flat cash for several years, our overall budget has increased. These increases in grant from the Scottish Government come for specific purposes.

- Some increases are a replacement for other funding e.g., government grant for music tuition which replaces parental contributions. This does not change our total expenditure, or the level of services delivered but does show up as an increase in government grant.
- Some increases are for new services and the Scottish Government provide us with extra funding. An increase in the hours that children can access free Early Learning and Childcare to 1140 hours is a good example where our budget has increased by over £8m. However, that money is required to provide the additional hours if early learning and childcare.
- Some increases are passed straight through to other organisations. For example, money is often ringfenced to be passed through to our Integration Joint Board (IJB) who then must pass that money onto other organisations. For example, this year commissioned providers are receiving extra funding to pay their staff the living wage.

19. When funding is given for additional services, it is a fixed amount. The figure is usually not inflated in future years to cover cost and salary inflation. Therefore, funding of £3.2m for additional teachers and support staff given in 2021/22 does not meet the costs of almost £3.6m for the same number of staff in 2023/24, yet there is an expectation that the number of teachers will not be reduced. Whilst funding for new initiatives is welcome to fund jointly agreed strategic aims from the Scottish Government and COSLA, the funding package must be sufficient in the longer term to continue to deliver the new services.

20. Additional funding usually makes no allowance for the overheads in delivering the new service such as the additional HR costs of recruiting extra staff, the accountancy costs of managing the increased budget and additional ICT requirements. A formal allowance for overheads in any new funding would help to ensure new services are fully funded.

Displacement of funding for existing services by funding for new services

21. The funding of additional services, at a time of financial constraint is clearly displacing funding for inflationary rises for existing Council services. An option appraisal should be able to identify what will have the biggest impact, the new service or inflationary funding for core services.

Statutory services and legislation

22. Much of what councils do is governed by legislation and many of our services are considered statutory. Legislation has built up over many years and ranges from very specific rules such as the maximum number of children allowed in a classroom with one teacher, to legal duties which are measured by inspection such as Community Learning and Development (CLD) to more broad based legislation around equalities. We also have duties around support areas such accountancy, procurement, freedom of information and complaints which all must be met.

23. With core council budgets reduced in real terms, funding for statutory services has had to be prioritised. This has left councils with little discretionary funding to meet the needs of local residents and provide extra support for the most vulnerable, above the statutory minimum.

24. One piece of legislation which is worth highlighting is the duty of best value. The Local Government in Scotland Act 2003 introduced a statutory framework for Best Value in local authorities and this also applies to all public bodies in Scotland. Best Value is about ensuring good governance and effective management of resources, with a focus on improvement, to deliver the best outcomes for the public. Statutory guidance has been in place since 2004 and was [revised in 2020](#), identifying the characteristics of Best Value including: vision and leadership; governance and accountability; effective use of resources; partnerships and collaborative working; working with communities; sustainability; and fairness and equality. The guidance on Best Value also needs to be considered in line with the statutory guidance on Community Planning as part of the Community Empowerment (Scotland) Act 2015, which recognises the criticality of partnership working to delivering outcomes.

25. The duty of Best Value is overseen and reported on by Audit Scotland and these reports are a key aspect of a council's national reputation.

Council Tax

26. Whilst only 18% of council spend comes from council tax, residents understandably assume that an increase in Council Tax will protect services. However, as increases in our core source of income, which is government grant, is sitting below inflation, then only a massive increase in Council Tax would protect services. Over the next 3 years, excluding the use of reserves and fiscal flexibilities, a cumulative Council Tax rise of about 50% would have been needed to retain the same levels of service as in 2022/23.

OUR STRATEGY

27. Our purpose as a Council is to Make People's Lives Better, promoting equality and fairness and enhancing the area in which we live, now and for the future. This is what drives our work. Our long term strategy is called *Vision for the Future*. Given the constraints on our budgets for the next 3 years, there will be parts of our strategy that we can no longer deliver so work must be undertaken to review our strategy and focus on the areas which are of highest priority and can be funded.

28. Our strategy will be brought back to Council at the end of June 2023 and the following areas are likely to influence the revised strategy.

Outcomes for our residents

29. Outcomes for Children - During our budget consultation, residents reconfirmed the priority of education and support for children and young people. Our education service and our children's services (operated through our HSCP and CLD teams) have been recognised as sector leading and it is the integration between the teams that has been particularly important in closing the attainment gap and improving the lives of our care experienced young people.

30. Outcomes For Place -The Covid restrictions brought the importance of place into sharp focus. We know our residents value our area, be it the many lovely towns and villages, the beautiful greenspaces both within and surrounding our residential areas and the good local transport connections available. It will be challenging to continue to fund the many core services residents expect of councils such as roads and refuse collection to the same level but by taking a longer-term look and maximising our use of capital funding progress can be made. It will be important to plan for local neighbourhoods, planning places around healthier lifestyles and active travel, as well as reducing the impact of the area on the environment.

31. Outcomes for the most vulnerable - Our work with the most vulnerable has always been at the heart of everything we do. With Covid our communities came to the fore, working closely with the Council and partners to support our most vulnerable. Residents are now facing increasing cost-of-living, with our voluntary sector crucial to helping reduce the impact. As funding for discretionary services is reduced, the prioritisation of resources and support for community capacity building will be crucial and challenging.

OUR CAPACITY AS AN ORGANISATION

Capabilities

32. In 2016, the Council agreed 5 capabilities which were fundamental to delivery of our outcomes. These capabilities were prevention, empowering communities, digital technology, modernisation and data and are still as relevant as they ever were. Investment in preventing poor outcomes in the future and the empowerment of communities was at the heart of the Christie review. Digital technology, data and modernisation have now merged to such a degree, that they can be described under the word Digital and are now part of our daily lives, accelerated by the lock-down periods of Coronavirus.

33. In this budget, savings have been taken from the budgets which would normally provide the future investment to develop services. Training budgets, community engagement and digital development budgets have all been reduced and in future years if we need to take the draft savings, they will be decimated, putting efficiencies, services and delivery of statutory Best Value duties at risk. This will have a fundamental impact on the Council's performance and reputation.

34. Any organisation that wants to be successful in the future must invest in people, technology and capital to improve productivity and address the depreciation of assets. Short term savings in these areas can be an effective way of managing short term budget problems but are not a long term solution. Organisations which disinvest in the long term will eventually become unsustainable. We must find a way of continuing to invest in the future of East Renfrewshire, even if it means difficult decisions over the next few years.

Values

35. Visitors and new staff often comment on the good atmosphere in the council and what caring staff we have. Our values, which were developed by our staff, of Ambition, Trust and Kindness held true right through Covid. However, our value of ambition is becoming challenging as staff see budgets decline and services and training opportunities restricted more and more to the statutory minimum. Services to help the most vulnerable are being reduced and this does not fit well with our values.

36. Increasingly our residents are frustrated with reducing levels of service despite paying increased Council Tax. This frustration from residents has a major impact on the morale of staff. Staff, who are trying their very best in difficult circumstances, can be subject to difficult conversations with residents about levels of service which staff themselves would like to improve but they know that funding is not available.

Our Staff

37. We have committed skilled staff, dedicated to our purpose of making people's lives better and many work long hours to serve residents. COVID being an excellent example of where staff put in whatever hours were needed to provide services over a very difficult and prolonged period.

38. We have a highly qualified workforce with highly transferable skills. Most residents will recognise that our teachers are degree qualified but may not be as aware of the number of other staff who are degree qualified e.g. social workers, planners, quantity surveyors, architects, environmental health specialists, lawyers, accountants, child development officers, CLD practitioners, auditors, procurement, IT and HR specialists. Other staff have specialist skills such as our home carers who work towards an SVQ3 in care and our vehicle drivers who have an HGV licence. Many of our staff have worked in the private sector and other parts of the public sector, bringing their skills into our organisation.

39. Many staff live locally, often attracted by the opportunity of a better life work balance. This means that they have an added commitment to the area and their wages go back into the local economy.

40. The increasing workload on staff in all parts of the public service is leading to higher levels of stress and illness and when the cost-of-living pressures are added in, we see the impact in our own organisation. Burnout has been widely discussed in the context of the NHS but added to the impact of increased illness in society post-pandemic, this is a real concern for all councils.

41. The working environment we offer is of very mixed quality. Our HSCP team and staff who work in our new schools have a contemporary, bright environment, set up for modern ways of working and of a similar quality they would find in much of the private sector or public sector. For other staff the physical environment of our buildings is relatively poor, with little investment in even the most basic hygiene and canteen facilities. A good working environment is important to potential employees, especially younger employees who have benefited from some of the recent investments in colleges and universities.

42. Our ability to invest in training and skills development has been mixed and can be a barrier to recruiting and retaining talent. In education, teachers have had access to some of the best training and development opportunities in the country and the impact of this has been shown in the very high inspection evaluations of our schools. However, even these budgets are now under pressure.

43. Training budgets in other parts of organisation are very tight. As much use as possible is made of in house training and online training. Adverts for the private sector and other public sector organisations, who have not been affected as much as councils by cuts, will often focus on their investment in staff training and it is hard for us to compete.

44. Most organisations are finding problems with recruitment due to the tight labour market. It is already a struggle for us to recruit for certain posts including in the care services; in digital and project management environments; in audit and Planners and Building Standards Officers.

45. We need to ensure that our staff remain motivated by our purpose and feel valued, that we invest in their development and that we are conscious of workload issues, even in difficult times financially.

IMPLICATIONS OF THE PROPOSAL

There are no immediate implications of this paper but it does highlight the challenges we will have in meeting legislative requirements and our equalities duties unless funding levels are addressed.

FINANCE & EFFICIENCY

This paper highlights some of the background to the financial situation facing councils in Scotland.

CONCLUSION

46. The financial situation is the biggest challenge facing councils throughout the United Kingdom. Coming on top of the pressures of the COVID response and Cost of Living increases, this is an unprecedented situation for both Elected Members and for staff, managers and leaders at all levels in councils.

47. We should:

- Review our strategy *Vision for the Future* and be realistic about what we can deliver within the next 3 years although not losing our long-term vision and ambition for our area.
- Be honest with our residents, staff and partners about the challenges ahead and continue to include them in the development and prioritisation of plans.
- Ensure that we invest in the long term future of our services by investing in training, capital and digital technology.
- Ensure that cuts do not fall disproportionately onto the working conditions of staff such that we lose our best and most committed staff to other organisations where training, pay and the working environment are significantly better, leading ultimately to poorer services.

48. In addition to these broad principles, there are also specific actions we can take to lobby the Scottish Government and Cosla which have been discussed in this paper and these are included in the recommendations.

RECOMMENDATION

49. Council is asked to:-

- g) Note that our growing population is not adequately reflected in our share of the Scottish Government grant and if addressed would have provided £4.2m of additional funding for 23/24;
- h) Note that the impact of the high number of children educated in East Renfrewshire puts increasing pressures on the budgets for other services;
- i) Note that an updated strategy document, Vision for the Future, will be brought to Council in June and whilst seeking to be ambitious in the longer term, will have to reflect the very challenging financial circumstances and a reduced level of ambition in the short term;
- j) Note that both today's budget and the updated Vision for the Future will require a high level of prioritisation of services;
- k) Note the importance of continued investment in our organisational capabilities, capital, technology and our staff and
- l) Encourage Cosla to lobby for:-
 - o A change in the way the funding for additional services (new burdens) is calculated with an allowance for support services and a guaranteed inflationary rise.
 - o Scottish Government to assess the value of new services against existing services to ensure that priorities continue to be funded.
 - o A change to the way that the Floors Mechanism is operated to ensure that it acts as a smoothing mechanism for reducing budgets, rather than a protection mechanism.

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EAST RENFREWSHIRE COUNCIL1 March 2023Report by Head of Accountancy (Chief Financial Officer)REVENUE ESTIMATES 2023/24**PURPOSE OF REPORT**

1. To submit for approval outline revenue estimates of income and expenditure as the basis for the Council Tax declaration for 2023/24.

RECOMMENDATIONS

2. It is recommended that the Council: -

- (i) Notes that the revenue estimates for 2023/24 (Annex A) have been prepared on the basis of a 5% Council Tax increase, the utilisation of £10.231m of new resources made available through fiscal flexibilities agreed by the Scottish Government and savings proposals of £4.742m (Annex B);
- (ii) Notes that £0.281m of the listed 2023/24 savings, together with those relating to the increased charges for garden waste, have already been determined by Council;
- (iii) Notes that a 1% change to the level of Council Tax set would produce an adjustment of £0.632m to the level of savings required;
- (iv) Notes that savings for 2024/25 and 2025/26 have been estimated at £9.2m and £9.8m respectively, based on the full utilisation of the remaining fiscal flexibilities and Council Tax increases of 3% for these years;
- (v) Agrees that the management of the Council's finances and services will continue to be undertaken on a longer term basis;
- (vi) Determines the Council Tax Band D level for 2023/24;
- (vii) Determines the utilisation of reserves and the savings to be implemented for 2023/24; and
- (viii) Approves a number of savings for implementation in 2024/25 to a value of £3.482m (Annex B) to permit preparatory work to be undertaken.

REVENUE BUDGET PROCESS

3. In approving the revenue estimates in recent years the Council has recognised that the future financial position was likely to remain very difficult in terms of spending pressures,

demand for services and level of government grant. Accordingly, the Council has adopted a long term financial planning policy which assumes a real terms reduction in available budgets. This position remains appropriate with the Scottish Government's latest Spending Review and Medium Term Financial Strategy, in May 2022, setting out a flat cash position for the next three years.

4. Recognising these ongoing financial pressures, the Council has reviewed and updated its long term Financial Plan for 2023-29, also on today's agenda. As a result of the Scottish Government settlement announced in December 2022 again detailing figures for only one year however, the revenue budgets to be considered today will cover 2023/24 only. It is expected that detailed multi-year budget setting will resume from 2024/25 after the UK and Scottish budgets scheduled for March 2023 provide more clarity on multi-year financial plans. In keeping with our longer term financial approach, however, departmental modelling of the Council's financial position will continue internally for the three years 2023/24 to 2025/26 in support of our Outcome Delivery Plan.

5. In summer 2022, savings proposals to address forecast funding shortfalls for the next three financial years were identified. These proposals were subjected to extensive consultation and active engagement with the Council's communities, service users, trades unions, employees and partners in autumn 2022, with consultees being invited to provide their views on the budget savings proposals set out. Feedback from that engagement exercise informed the development of the savings measures proposed covering the financial years 2023/24 to 2025/26. In view of uncertainty and delays impacting on the confirmation of UK and Scottish medium term budget information, a new Council three year budget and associated savings proposals could not be compiled and the Council will again produce only a single year budget for 2023/24, however in addition to agreeing the 2023/24 savings, the lead in times required to deliver some future savings mean that approval must also be given now for advance work to enable full year delivery of some 2024/25 savings.

6. As a part of the process for constructing the budget proposals for the next financial year, departments compiled detailed budget information on the cost of services to be provided in 2023/24. In practice this represents the cost of maintaining existing service levels and in addition providing for: -

- The impact of inflationary pressures including pay awards
- Scottish and UK Government initiatives
- Cost of Council decisions and legal commitments
- Revenue implications of the Capital Programme
- Increased demand for services from growing population

7. The budget timetable observes the necessity to set Council Tax and issue bills to residents prior to the start of the new financial year.

8. The budget process has involved consultation with Trades Unions both at departmental and corporate levels and formally through the Joint Consultative Committee and this will continue.

SCOTTISH GOVERNMENT GRANT FUNDING 2023/24

9. Aggregate External Finance (AEF) is the mainstream grant support for the Council. It is determined by the Scottish Government and comprises: -

- General Resource Grant
- Specific Grants
- Income from Non Domestic Rates

10. For comparative purposes budgeted grant levels are shown below. The figures in the first column reflect the 2022/23 grant announced by the date of the budget meeting. The second column includes late increases announced in March 2022, mostly relating to Scottish Government initiatives on free school meals, removal of curricular and music tuition charging and additional support for health & social care services. The third column shows the 2023/24 grant confirmed for the Council to date.

	AEF 2022/23	ADJ AEF 2022/23	AEF 2023/24
	£000	£000	£000
General Revenue Funding	188,172*	194,822*	196,806*
Specific Grants	9,950	9,950	10,565
Non Domestic Rates	<u>9,574*</u>	<u>9,574*</u>	<u>15,695*</u>
	<u>207,696</u>	<u>214,346</u>	<u>223,066*</u>

*The General Revenue Funding in both years above has been adjusted to compensate for the level of NDR income lost due to ongoing COVID rating reliefs.

11. In the table above, total grant has increased by £8.7m between March 2022 and January 2023. However, during 2022/23 the Scottish Government announced additional funding for various new policy commitments, including £0.8m for 2021/22 teachers' pay, £2.6m in support of 2022/23 pay settlements, and £0.5m for Whole Family Wellbeing which had to be passed to the IJB. The 2023/24 column above therefore includes this additional recurring 2022/23 funding of £3.9m as well as a further net additional £4.8m of funding for 2023/24. The increased funding for 2022/23 has already been included in our revenue reports in the current year.

12. The 2023/24 increased general revenue grant allocation includes additional funding of £2.9m for various Scottish Government policy commitments.

- a. An additional £0.6m was received for free personal care for the elderly and must be passed directly to the IJB. Further new funding of around £1.7m has also been confirmed for adult care services and will also have to be passed directly to the IJB.
- b. Funding of £0.3m was received to help expand free school meals to some P6&7 pupils, whilst an additional £0.2m was also provided for empty property relief and £0.1m for a local energy strategy.

13. The 2023/24 general revenue grant also reflects the removal of £0.3m of one-off social care monies which were included in the 2022/23 grant figure for one year only.

14. In 2023/24, the Council also received an increase of £0.7m as specific grant towards the provision of 1140 hours of early learning and childcare. Whilst this is not a new government initiative, it represents a significant adjustment in the way in which this funding is distributed. A further similar increase is expected in 2024/25.

15. The Specific Grant figure also incorporates £1.485m ring fenced funding to support educational attainment. This is a similar level to 2022/23 and must be distributed to head teachers for them to determine utilisation. As such the expenditure cannot be directed by the Council.

16. The Scottish budget debate on 21 February indicated that further grant funding was being allocated to Councils in recognition of significant pressures currently being faced. Any confirmed allocations will be reported to members as soon as possible, however such funding will be directly linked to pay offers.

17. COSLA has calculated that, after adjusting for new Government policy commitments, the national grant increase is only £71m (0.6%) in cash terms. After adjusting for new grant funding for Scottish Government policies and other amendments as set out in paragraphs 12 to 14 above, East Renfrewshire Council's 2023/24 settlement equates to a net cash increase of £1.54m (0.7%) against the updated 2022/23 budget. In broad terms this figure consists of:

- An increase of £1.8m as our share of the overall national funding increase to Councils. This largely reflects our increasing population share, particularly in relation to children of school age and the very elderly;
- A decrease of £0.3m to reflect an increased contribution to the floors arrangement to support Councils with reducing budgets.

18. Once the £0.7m impact of the new cost pressure from the 2023/24 revaluation of Non-Domestic Council properties has been taken into account, the like for like position is a small cash increase of £0.845m (0.4%) between 2022/23 and 2023/24.

19. The Council's 2023/24 grant settlement therefore makes virtually no ongoing provision for any inflationary or local demand pressures faced by the Council, so pay and price increases, service demands and other pressures (such as the impact of the non-domestic rates revaluation) are not funded through Scottish Government grant but need to be self-funded by the Council. These represent a total annual pressure for 2023/24 of more than £13.9m to be absorbed by the Council (excluding IJB).

20. As a part of the grant settlement for 2023/24, the Scottish Government expects that:

- Nationally Councils will maintain teacher numbers in line with pupil numbers and secure places for all probationers who require one under the teacher induction scheme; and
- Council contributions to IJBs will be maintained at least at a flat cash level before the new funding commitments of £2.8m are added.

21. The budget proposals submitted for Council consideration assume delivery against the above points in 2023/24.

22. The grant figures above relate to normal Council operations only and do not include Scottish Government funding specifically to address COVID pressures. Such funding, provided in previous years through government grants, is accounted for separately by the Council. As such, COVID pressures have not been reflected in the budget figures in this report and have not added directly to the 2023/24 budget shortfall addressed here.

“FLOORS” ARRANGEMENT

23. In determining grant distribution the Scottish Government has again put in place a “floors” arrangement to ensure year-on-year stability in grant at individual Council level. The cost of bringing local authorities up to the “floor” is borne by the remaining Councils. Under this arrangement East Renfrewshire will contribute £3.595m by way of deduction from AEF grants in 2023/24. This is £0.324m higher than in the current year and reflects the high level of support distributed to a small number of other Councils. This contribution has been reflected in the above figures.

NON DOMESTIC RATES INCOME

24. Non-domestic rates income is paid into a central pool which is then distributed as part of AEF. The amount paid to Councils from the pool is fixed for each year with any surplus or shortfall in the overall pool being adjusted in the following year's rate poundage or AEF settlement. The forecast for NDRI draws on Councils' estimates of the amounts they will contribute to the pool. Included in the calculation are: gross income; expected losses from appeals; in-year cost of transitional relief; mandatory and other reliefs; write-offs and provisions for bad debts.

25. In 2021/22 and 2022/23 the amount of NDRI distributed was lower than usual because of rates reliefs awarded to businesses to address COVID impacts and to stimulate the economy. General Revenue grant was adjusted upwards in both years to compensate for these rates reliefs. The position has now reverted to normal (pre pandemic, the figure was around £15m) and this accounts for most of the increase in the 2023/24 NDR figure.

26. A revaluation of non-domestic properties also takes effect from 1 April 2023 and also contributes to the year on year increase. Around £0.695m of this increase relates to rises in NDR charges for the Council's own buildings.

FINANCIAL OUTLOOK

27. 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 aspired to consider 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. Given the ongoing challenging financial outlook it is proposed that the Council continues to adopt this longer term approach and this has been set out in the Council's Financial Plan for 2023-29.

28. As multi-year Scottish Government settlements are not available, it is proposed to agree budget plans only for 2023/24 at today's meeting. Council officers will continue to model departmental figures for 2023/24 to 2025/26 and continue to update longer term figures (as set out in the Financial Planning 2023 – 2029 paper on today's agenda) for longer term financial planning purposes. The Council anticipates approving a further multi-year budget in February/March 2024 once multi-year figures have been announced by the Scottish Government.

29. Taking account of the 2023/24 settlement announcement, updated expenditure forecasts, a flat cash base contribution to IJB and an expectation of some Council Tax buoyancy from new housebuilding, a total budget shortfall of £18.134m has been confirmed for the coming year. A 3% increase in Council Tax income was assumed for the purposes of budget consultation and initial planning. This would reduce the budget shortfall by £1.897m, to £16.237m.

30. In view of the May 2022 Scottish Spending Review figures, flat cash settlements are forecast for the years 2023/24 to 2025/26, producing ongoing shortfalls for the next five years. After balancing the budget for 2023/24, mid-range budget shortfalls of £14.180m and £7.097m respectively are also forecast to remain for 2024/25 and 2025/26, after applying an assumed 3% Council Tax increase and assuming no use of reserves. It is important that the Council continues to manage this scenario in line with its longer term financial management strategy.

COUNCIL TAX

31. The 2023/24 settlement does not include restrictions on Council Tax levels. The Council's published forecasts had been based on a 3% assumed Council Tax increase, however with inflation (Consumer Price Index) currently running at 10.1% and the settlement close to flat cash, this would require very difficult reductions in services to be imposed.

32. The revenue estimates have therefore been prepared on the basis of a 5% Council Tax increase being set, rather than the 3% assumed in earlier plans. This would increase income by a further £1.264m per year and reduce the budget gap to £14.973m.

RESERVES AND SAVINGS PROPOSALS

33. Budgets are closely monitored throughout the year and the latest 2022/23 monitoring forecasts a non COVID related underspend of £1.440m. This represents an improving trend which has been taken into account when considering the scope for a draw on reserves. As set out in paragraph 47 of this report, the general reserve is forecast to be at least £7.959m at 31 March 2023. This represents 2.76% of the Council's annual revenue budget. The Council's policy is to hold a minimum level of this reserve of "around 2%" so there is limited scope for utilisation of this reserve.

34. As a result of the Scottish Government's permitting Councils a new fiscal flexibility in relation to accounting for debt on PFI/PPP style service concession projects over a longer period, as set out in a separate paper on today's agenda, the Council will enjoy a one-off benefit of £14.812m as at 31 March 2023. This sum will be added to the general reserve and it is proposed that this fiscal flexibility is fully utilised in the next three years to mitigate the impact of the expected flat cash settlements over this period and to help transition into the significant savings required.

35. A further £7.531m of the outstanding 2023/24 savings requirement could therefore be deferred on a short term basis by a drawdown from the new fiscal flexibility resources within the unallocated general reserve funds. The budget shortfall for 2023/24 can thus be reduced to £7.442m. A further £5m of the remaining fiscal flexibility resource could then be utilised to assist with the 2024/25 budget pressures, with over £2m available to support the 2025/26 budget exercise, revising the gaps for these years to £9.2m and £9.8m respectively.

36. The application of this fiscal flexibility will also produce a recurring revenue benefit of £2.7m for the next 10 years. It is proposed that this also be applied to reduce the budget shortfall to £4.742m.

37. The Integrated Joint Board and the East Renfrewshire Culture & Leisure Trust have their own separate scheduled budget plans and will determine their own detailed savings on the basis of the Council's contributions to these bodies as set out in Annex A. After adjusting for these contributions, the Council's remaining departmental budgets stand at some £230m and the budget shortfall figures in paragraphs 28 to 35 above relate only to these budgets.

38. Annex B sets out details of Council departmental savings available to close the remaining £4.742m gap. These proposals take into account the results of the Council's extensive public consultation undertaken in autumn 2022 (summarised in Annex C), together with representations from Trades Unions. The proposals also comply with Scottish Government requirements to maintain overall teacher and Pupil Support Assistant numbers.

39. Whilst the Council continues to make every effort to minimise impact on front line services, the cumulative impact of successive real terms cuts in grant settlements means

that the scope for further efficiencies to be identified is significantly reducing. Nevertheless, £0.652m (14%) of the Council's savings proposals for 2023/24 relate to efficiencies or to the Council's Digital Transformation Programme and the focus on the Council's 5 capabilities.

40. Many of the savings options involve service restructuring and reductions in staffing and these may involve one-off costs where staff leave employment as a result of voluntary redundancy. Whilst there is some provision in existing budgets for such costs, the significant savings challenge over the next few years is expected to require additional resource of potentially £0.750m pa to be identified to cover increased Human Resources support and one-off pension fund and redundancy payments. As these costs would be non-recurring, consideration could be given in the coming months to funding these from reserves rather than from the revenue budget.

41. Recognising that many savings involving service reductions or restructuring require long lead in times, members are asked to agree that officers undertake preparatory work during 2023/24 to ensure that such savings, expected to be required in 2024/25, can be implemented from the start of the year. Further, some 2023/24 reductions implemented part way through that year will only produce part year savings in the first year, and the full year impact will consequently be captured in 2024/25. Both of these categories of 2024/25 savings are listed in Annex B.

42. Further, as substantial use of reserves is proposed in 2023/24 to delay the immediate impact of savings, Annex D sets out potential savings options already identified for 2024/25 and 2025/26. This demonstrates that the Council's medium term plan addresses the need to transition from reliance on reserves and to identify and implement permanent savings.

NET EXPENDITURE

43. The revenue estimates for 2023/24 reflect net expenditure of £302.533m, as follows:-

	BUDGET 2023/24 £m
Education	175.533
Contribution to Leisure Trust	5.653
Contribution to IJB	67.656
Environment	28.015
Business Operations & Partnerships – Non Support	11.740
Chief Executive's Non Support	0.771
Joint Boards	2.379
Contingency - Welfare	0.200
Capital Financing Costs	8.466
Other	2.120
	302.533

44. This total is supported by £66.496m of Council Tax, £10.231m of service concession reserves, £2.255m of capital reserves and £0.485m of other grant funding in addition to the £223.066m of general government grant support set out earlier.

45. Welfare reform continues to impact on council services. As these changes, particularly Universal Credit, are still being rolled out the budget for 2023/24 includes contingency provision to help the Council make the necessary investment to support the changes and to progress measures to mitigate their impact on the public. As the financial impact of the changes is clarified in coming years, the contingency provision will continue to be allocated to appropriate service areas.

COUNCIL TAX COLLECTION

46. On the basis of past performance the Council Tax collection rate for 2023/24 has been assumed at 98%.

RESERVES AND BALANCES

General Fund

47. Setting aside earmarked reserves, the balance on the unallocated General Fund as at 31 March 2022 stood at £11.772 million with £5.253m of that allocated to balance the 2022/23 budget. Recognising the latest reported projections of in year underspends and interest earned it is projected that the closing balance on the General Fund at 31 March 2023 will be £7.959 million (2.76%). This is slightly above the Council's minimum policy of around 2% and represents an improving position which will be monitored until year end.

48. The additional new service concession fiscal flexibility will produce a further one-off £14.812m contribution to the Council's unallocated General Reserve at 31 March 2023. It is proposed that this is transferred to a separate earmarked reserve and fully utilised to manage into the required savings for the period 2023/24 to 2025/26.

49. The Council's identified aim has been to hold a General Reserve of 4% of net revenue expenditure so as to provide against unforeseen expenditure which may arise and to accommodate the short and medium term financial plans of the Council. A 4% reserve is at the most prudent end of accepted reserve levels and, given Audit Scotland comments in recent years on the levels of reserves held by Councils and the unprecedented challenges at present, it is considered that the proposed drawdowns in 2023/24 can be justified. It should be noted that the General Reserve cannot be used to permanently finance recurrent expenditure and can only delay savings.

50. The current and forecast positions of the General Fund and other key Council reserves are set out in graphical form in Annex E.

Modernisation Fund

51. This earmarked funding has been identified to enable the upfront investment required for the Council's transformation activities. The balance as at 31 March 2022 was £4.616m and it is anticipated that net spend of £1.204m will be utilised during 2022/23, this being supported by robust business cases. Movements in the reserve are currently estimated as:

		£000
Estimated Balance	1/04/23	3,412
Interest Receivable	2023/24	35
Expenditure	2023/24	(1,755)
		<hr/>
Closing Balance	31/3/24	<u>1,692</u>

Insurance Fund

52. The Fund has been established to provide for insurance voluntary excess costs and there are no plans to use this fund during 2023/24. Movements in the fund are estimated as follows:

		£000
Estimated Balance	1/4/23	1,841
Interest Receivable	2023/24	38
Expenditure	2023/24	-
Closing Balance	31/3/24	<u>1,879</u>

Equalisation Fund

53. The Fund has been established to equalise future PFI/PPP payments. It is anticipated that in closing this year's accounts no contribution will be made to the reserve. It is not proposed to utilise this Fund during 2023/24. Movements in the fund are estimated to be as follows:

		£000
Estimated Balance	1/4/23	2,966
Interest Receivable	2023/24	65
Expenditure	2023/24	-
Closing Balance	31/3/24	<u>3,031</u>

Repairs and Renewals Fund

54. The Fund is established to assist with repairs and renewals to roads, properties and other infrastructure. Most of the remaining funds in this reserve are already committed and the unallocated balance at 31 March 2023 is expected to be only £0.500m. No contribution to this reserve is anticipated in closing the 2022/23 accounts and it is not proposed to utilise this fund during 2023/24, although £300,000 will be available as a contingency to be drawn down if next year's winter is more adverse than "average".

		£000
Estimated Balance	1/4/23	500
Interest Receivable	2023/24	5
Dept Contributions	2023/24	0
Expenditure	2023/24	<u>0</u>
Closing Balance	31/3/24	<u>505</u>

Capital Reserve

55. During 2022/23 the Council received additional capital grant of £2.255m from the Scottish Government to assist in funding the higher than anticipated public sector pay award. This sum does not increase the Council's capital spending capacity. Instead, the Council's loans fund will be adjusted to provide a £2.255m benefit to the 2023/24 revenue budget. There is therefore a net zero impact on the capital reserve balance at 31 March 2023. It is anticipated that in closing this year's financial accounts a contribution of £2.628m will be made to the reserve, as capital receipt income temporarily set aside in case of additional COVID pressures is returned. In the budget for 2023/24 it is not proposed to contribute

further to the reserve. This reserve will assist in maintaining capital investment during the current economic challenges and it will be utilised in accordance with the Council's Capital Plan. The closing balance at 31/3/24 is estimated to be £5.529m.

Devolved School Management Reserve

56. In recent years Head Teachers have been permitted to set aside funding to assist schools in meeting future financial challenges and in managing budgets which span more than one financial year. Utilisation of this fund is at the discretion of Head Teachers and the balance on this fund at 31/3/24 is estimated to be £3.203m.

Unspent COVID-19 Grants Reserve

57. This earmarked reserve was established to fund cost pressures relating to the COVID pandemic. The estimated balance at 31 March 2023 is £4.537m and it is anticipated that there will be no further contributions to this fund. £3.2m of the balance has already been committed and it is expected that a report will be submitted to Cabinet in April 2023 on spending proposals for the remaining resources, with the fund expected to be fully utilised by 31 March 2024.

Other Reserves

58. The Council has various other earmarked reserves including Unspent Grants, Whitelee Wind Farm, Feasibility Fund and Commuted Sums. These funds will continue to be operated by senior management in response to service needs.

EFFICIENT GOVERNMENT

59. In recent years the Council has placed high reliance on its digital transformation Programme to drive change and savings across all services. Key themes included designing services from the customer's perspective, improving the efficiency of our business systems and processes, enhancing productivity through Office 365, improving access to information and reducing numbers of buildings and staff.

53. 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.

54. 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 2022, Cabinet considered an [update](#) on our Digital Transformation Programme.

55. Projects are funded through a Digital transformation budget, which will need reviewed year on year as part of the budget process. The funding comes from:

- a regular drawdown from modernisation fund (over £1m plus any underspend from previous years);
- recharges to Capital;

- a small number of revenue-funded posts including Programme Management Office;
 - drawdown from HRA, IJB and ERCLT reserves as required;
 - departmental revenue budget “top slicing”, which may be required in future years as Modernisation Fund resources deplete.
56. The modernisation reserve was created in 2014 to fund change projects across the Council. In the early days the fund was topped up annually from underspend at year end. However in recent years, there has been little opportunity to top up so the fund has been declining in value. The budget process for 2024/25 will need to address this issue or the Council will be unable to resource digital transformation beyond that period.

EQUALITY IMPACT ASSESSMENT

60. Section 149 of the Equality Act 2010 (the public sector general equality duty), requires the Council, in the exercise of its functions, to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act 2010;
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- foster good relations between people who share a protected characteristic and those who do not.

61. The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 requires the Council, when proposing a new policy or practice, or revising an existing one, to:

- assess the impact of applying its proposals or changes against the three needs of the general equality duty, listed above;
- consider relevant evidence relating to different equality groups (including any evidence received from individuals from those groups);
- take account of the results of any assessment in respect of that policy or practice;
- publish, within a reasonable period, the results of any assessment where the Council decides to apply the policy or practice in question; and
- make arrangements to review and where necessary revise any policy or practice that the Council applies in the exercise of its functions.

62. The Fairer Scotland Duty places a legal responsibility on the Council to actively consider (“pay due regard” to) how they can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions. Socio-economic disadvantage can be described as:

- Low/no wealth
- Low income
- Area deprivation
- Socio-economic background
- Material deprivation

The inequalities that people can face as a result of socio-economic disadvantage include:

- Poorer skills and attainment
- Lower healthy life expectancy
- Lower quality, less secure and lower paid work
- Greater chance of being a victim of crime
- Less chance of being treated with dignity and respect

63. Recognising this statutory duty, the Council has undertaken an equality impact assessment on each of the budget savings measures. Where appropriate, consultation and engagement is undertaken with relevant groups prior to implementing any savings measures assessed as possibly having an impact in equality terms with a view to minimising this impact.

COUNCIL TAX 2023/24

64. The outline revenue estimates in Annex A are based on a Band D Council Tax level of £1,401.87 being set for 2023/24. This Council Tax level represents a 5% increase in Council Tax when compared to the current year's level.

RECOMMENDATIONS

65. It is recommended that the Council: -

- (i) Notes that the revenue estimates for 2023/24 (Annex A) have been prepared on the basis of a 5% Council Tax increase, the utilisation of £10.231m of new resources made available through fiscal flexibilities agreed by the Scottish Government and savings proposals of £4.742m (Annex B);
- (ii) Notes that £0.281m of the listed 2023/24 savings, together with those relating to the increased charges for garden waste, have already been determined by Council;
- (ii) Notes that a 1% change to the level of Council Tax set would produce an adjustment of £0.632m to the level of savings required;
- (iii) Notes that savings for 2024/25 and 2025/26 have been estimated at £9.2m and £9.8m respectively, based on the full utilisation of the remaining fiscal flexibilities and Council Tax increases of 3% for these years;
- (iv) Agrees that the management of the Council's finances and services will continue to be undertaken on a longer term basis;
- (v) Determines the Council Tax Band D level for 2023/24;
- (vi) Determines the utilisation of reserves and the savings to be implemented for 2023/24; and
- (vii) Approves a number of savings for implementation in 2024/25 to a value of £3.482m (Annex B) to permit preparatory work to be undertaken.

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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FINANCIAL ESTIMATES 2023/24

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CALCULATION OF COUNCIL TAX BAND 'D'

2022/23 £'000		2023/24 £'000
275,181	Net Expenditure	302,533
-	Contribution to Balances / Special Funds	-
275,181		302,533
(207,696)	Aggregate External Finance (including other grants)	(223,551)
(5,253)	Contribution from Reserves	(12,486)
62,232	Amount to be met from Council Tax	66,496
47,563	Number of Band 'D' Equivalents	48,402
951	Less Provision for Non Payment	968
46,612	Effective Tax Base	47,434
£1,335.11	Council Tax Band D	£1,401.87

COUNCIL TAX CHARGES 2023/24

<u>Valuation Band</u>	<u>Fraction of Band D</u>	<u>Upper Value £</u>	<u>Council Tax £</u>
A	240/360	27,000	934.58
B	280/360	35,000	1,090.34
C	320/360	45,000	1,246.11
D	1.00	58,000	1,401.87
E	473/360	80,000	1,841.90
F	585/360	106,000	2,278.04
G	705/360	212,000	2,745.33
H	882/360	over 212,000	3,434.58

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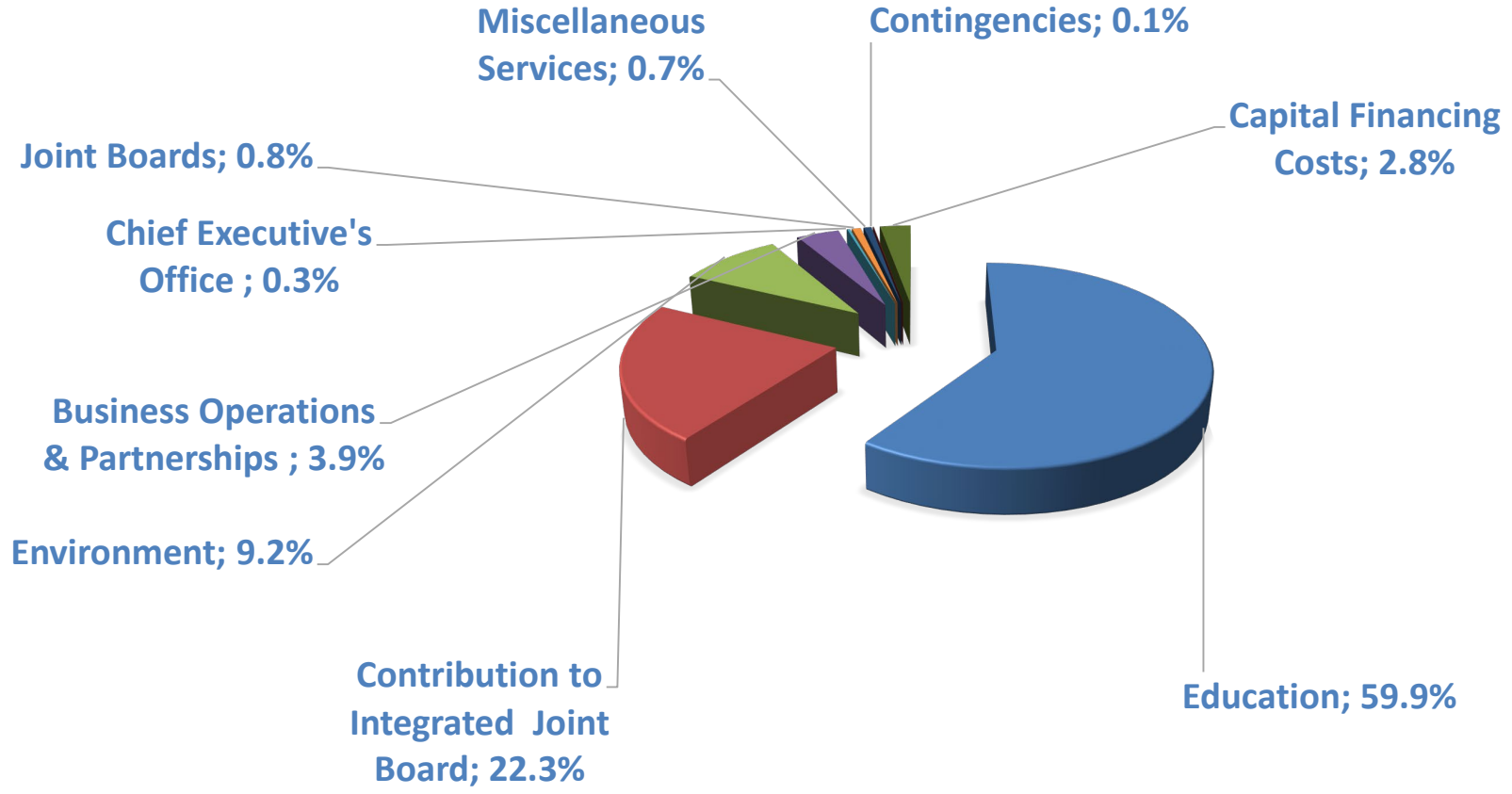
REVENUE ESTIMATES SUMMARY 2023/24 (excluding Covid-19 impact)

NET EXPENDITURE	2022/23	2023/24
	Approved Budget	Approved Budget
	£'000	£'000
Education	160,728	181,186
Contribution to Integration Joint Board (including Ring Fenced Grant)	60,755	67,656
Environment	26,770	28,015
Business Operations & Partnerships	11,608	11,740
Chief Executive's Office - Non Support	764	771
Joint Boards	2,352	2,379
Miscellaneous Services	3,038	2,120
Contingency - Welfare	200	200
Capital Financing Costs	8,966	8,466
Additional Expenditure / (Savings) to be identified		
	275,181	302,533
Contribution to Assist in Maintaining Reserves.		
	275,181	302,533
FINANCED BY:-		
Revenue Support Grant and Non Domestic Rates	197,746	212,501
Ring Fenced Grants	9,950	10,565
Other Grants		485
Contribution from General Reserve	5,253	10,231
Contribution from Capital Reserve	0	2,255
Council Tax	62,232	66,496
	275,181	302,533

REVENUE ESTIMATES SUMMARY 2023/24 (including Covid-19 assumptions)

	2022/23 Approved Budget	2023/24 Approved Budget
	£'000	£'000
NET EXPENDITURE		
Education	163,907	183,425
Contribution to Integration Joint Board (including Ring Fenced Grant)	60,755	67,656
Environment	27,684	28,397
Business Operations & Partnerships	12,291	12,317
Chief Executive's Office - Non Support	764	799
Joint Boards	2,352	2,379
Miscellaneous Services	3,038	2,148
Contingency - Welfare	200	200
Capital Financing Costs	8,966	8,466
Additional Expenditure / (Savings) to be identified		
	279,957	305,787
Contribution to Assist in Maintaining Reserves.		
	279,957	305,787
FINANCED BY:-		
Revenue Support Grant and Non Domestic Rates	197,746	212,501
Ring Fenced Grants	9,950	10,565
Other Grants	-	485
COVID-19 Funding	4,776	3,254
Contribution from General Reserve	5,253	10,231
Contribution from Capital Reserve	-	2,255
Council Tax	62,232	66,496
	279,957	305,787

2023/24 GENERAL FUND REVENUE BUDGET BY SERVICE (EXCLUDES COVID-19 IMPACT)



E D U C A T I O N

DEPARTMENTAL SUMMARY

	Budget 2022/23 £'000	Budget 2023/24 £'000
Pre Five Education	16,762	20,355
Schools:- Primary	49,709	56,647
Secondary	62,204	68,924
Other	3,651	3,995
Special Education	8,009	9,138
Psychological Services	925	1,006
Transport (Excl Special)	1,250	1,345
Clothing	290	290
Administration & Support Services	8,526	8,527
Cleaning and Janitorial Services	1,986	2,177
Catering Services	-	-
School Crossing Patrollers	-	-
Culture and Leisure Services	7,416	8,782
	<u>160,728</u>	<u>181,186</u>

CONTRIBUTION TO INTEGRATION JOINT BOARD**DEPARTMENTAL SUMMARY**

	Budget 2022/23 £'000	Budget 2023/24 £'000
Ring Fenced Government Grant	614	616
Council Contribution to Integration Joint Board	60,141	67,040
	<u>60,755</u>	<u>67,656</u>

ENVIRONMENT

DEPARTMENTAL SUMMARY

	Budget 2022/23 £'000	Budget 2023/24 £'000
Directorate	1,900	1,855
Environment Accommodation	0	0
Energy Management	161	222
Environment - Non Operational Properties	167	130
Planning & Building Control	1,440	1,486
Economic Development	836	944
Roads	9,470	9,773
Roads Contracting Unit	0	0
Neighbourhood Services	5,370	0
Parks Services	241	2,087
Prevention Services	1,139	1,208
Waste Management	3,883	5,987
Cleansing	53	2,090
Vehicles Services	0	0
Other Housing	2,110	2,233
Office Accommodation	0	0
	<u>26,770</u>	<u>28,015</u>

BUSINESS OPERATIONS & PARTNERSHIPS

DEPARTMENTAL SUMMARY

	Budget 2022/23 £'000	Budget 2023/24 £'000
Directorate	0	0
Community Safety	1,209	1,321
Democratic Representation & Management, Elections and Members Expenses	1,202	990
Grants	145	146
Democratic Services	521	569
Money Advice and Rights	960	987
Registrars	162	169
Customer First - Non Support	242	344
Community Planning	366	328
Communities	1,009	960
Council Tax & Non Domestic Rates	4,688	4,798
Revenues - Benefits & Discretionary Payments	794	857
Housing Benefits	310	271
Business Support Team	0	0
Revenues - Admin	0	0
Communities, Revenues and Change	0	0
	<u>11,608</u>	<u>11,740</u>

CHIEF EXECUTIVE'S - NON SUPPORT SERVICES**DEPARTMENTAL SUMMARY**

	Budget 2022/23 £'000	Budget 2023/24 £'000
Accountancy	224	125
Civic Licensing	(17)	38
Licensing Board	3	6
Corporate Management	554	602
	<u>764</u>	<u>771</u>

JOINT BOARDS

	Budget 2022/23 £'000	Budget 2023/24 £'000
Passenger Transport	1,766	1,793
Valuation	586	586
	<u>2,352</u>	<u>2,379</u>

MISCELLANEOUS SERVICES

	Budget 2022/23 £'000	Budget 2023/24 £'000
Restructuring etc. costs	412	412
Miscellaneous	87	45
Superannuation Additional Allowances	1,036	1,036
Other Operational Costs	1,503	319
Non Domestic Rates - Devolved Empty & Other	0	308
	<u>3,038</u>	<u>2,120</u>

B U D G E T E D P E R S O N N E L 2023/24
ALL SERVICES

	Full Time Equivalent
Education	2,563
Environment	396
Business Operations & Partnerships	143
Chief Executive's - Support Services	49
Chief Executive's - Non Support Services	1
Business Operations & Partnerships - Support Services	140
Environment - Support	41
Health & Social Care Partnership	602
Total	<u><u>3,935</u></u>

EDUCATION

DEPARTMENTAL SUMMARY

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	119,694	129,570
Property Costs	12,775	16,962
Transport Costs	2,161	2,551
Supplies & Services	27,382	32,518
Third Party Payments	10,465	10,577
Transfer Payments	911	1,128
Support Services	6,070	6,096
Total Expenditure	179,458	199,402
<u>Income</u>		
Ring Fenced Government Grant	9,336	9,949
Other Government Grant	5,226	2,736
Recharge Income (Internal)	10,175 *	12,741 **
Fees Charges etc	2,926	2,335
Other Income	403	404
Total Income	28,066	28,165
NET EXPENDITURE FOR COUNCIL TAX	151,392	171,237
<u>Adjustments</u>		
Ring Fenced Government Grant	9,336	9,949
NET EXPENDITURE	160,728	181,186

* includes £600k contribution from Repairs and Renewals Fund

** includes £400k contribution from Repairs and Renewals Fund

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	4.0
Teachers	1,392.7
APT & C	856.0
Manual	309.9
TOTAL	2,562.6

EDUCATION

PRE FIVE EDUCATION

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	14,338	15,715
Property Costs	709	985
Transport Costs	-	-
Supplies & Services	1,235	1,313
Third Party Payments	3,153	3,074
Transfer Payments	-	-
Support Services	8	9
Total Expenditure	19,443	21,096
<u>Income</u>		
Ring Fenced Government Grant	7,998	8,442
Other Government Grant	1,909	-
Recharge Income (Internal)	31 *	-
Fees Charges etc	741	741
Other Income	-	-
Total Income	10,679	9,183
Net Expenditure for Council Tax	8,764	11,913
<u>Adjustments</u>		
Ring Fenced Government Grant	7,998	8,442
NET EXPENDITURE	16,762	20,355

* includes £31k contribution from Repairs and Renewals Fund

<u>Budgeted Personnel 2023/24</u>	
	Full-time Equivalent
Chief Officers	-
Teachers	40.1
APT & C	380.6
Manual	-
Total	<u>420.7</u>

EDUCATION

PRIMARY EDUCATION

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	39,159	41,595
Property Costs	4,827	6,369
Transport Costs	-	-
Supplies & Services	7,184	9,361
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	62	65
Total Expenditure	51,232	57,390
<u>Income</u>		
Ring Fenced Government Grant	850	983
Other Government Grant	457	267
Recharge Income (Internal)	312 *	-
Fees Charges etc	726	448
Other Income	28	28
Total Income	2,373	1,726
Net Expenditure for Council Tax	48,859	55,664
<u>Adjustments</u>		
Ring Fenced Government Grant	850	983
NET EXPENDITURE	49,709	56,647

* includes £312k contribution from Repairs and Renewals Fund

<u>Budgeted Personnel 2023/24</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	578.6
APT & C	140.2
Manual	-
Total	718.8

E D U C A T I O N
S E C O N D A R Y E D U C A T I O N

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	46,590	49,602
Property Costs	5,248	6,814
Transport Costs	17	17
Supplies & Services	13,460	15,072
Third Party Payments	835	787
Transfer Payments	-	-
Support Services	56	59
Total Expenditure	66,206	72,351
<u>Income</u>		
Ring Fenced Government Grant	352	372
Other Government Grant	2,663	2,318
Recharge Income (Internal)	235 *	-
Fees Charges etc	1,039	1,044
Other Income	65	65
Total Income	4,354	3,799
Net Expenditure for Council Tax	61,852	68,552
<u>Adjustments</u>		
Ring Fenced Government Grant	352	372
NET EXPENDITURE	62,204	68,924

* includes £235k contribution from Repairs and Renewals Fund

<u>Budgeted Personnel 2023/24</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	669.7
APT & C	139.7
Manual	-
Total	809.4

EDUCATION

SCHOOLS - OTHER

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	1,419	1,469
Property Costs	200	200
Transport Costs	-	-
Supplies & Services	1,980	2,132
Third Party Payments	18	19
Transfer Payments	606	823
Support Services	1	-
Total Expenditure	4,224	4,643
<u>Income</u>		
Ring Fenced Government Grant	-	12
Other Government Grant	133	126
Recharge Income (Internal)	-	400 *
Fees Charges etc	340	22
Other Income	100	100
Total Income	573	660
Net Expenditure for Council Tax	3,651	3,983
<u>Adjustments</u>		
Ring Fenced Government Grant	-	12
NET EXPENDITURE	3,651	3,995

* includes £400k contribution from Repairs and Renewals Fund

<u>Budgeted Personnel 2023/24</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	18.7
APT & C	10.0
Manual	-
Total	28.7

EDUCATION

SPECIAL EDUCATION

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	5,471	6,217
Property Costs	228	336
Transport Costs	831	1,124
Supplies & Services	525	506
Third Party Payments	1,039	995
Transfer Payments	-	-
Support Services	1	2
Total Expenditure	8,095	9,180
<u>Income</u>		
Ring Fenced Government Grant	124	130
Other Government Grant	26	-
Recharge Income (Internal)	18 *	-
Fees Charges etc	42	42
Other Income	-	-
Total Income	210	172
Net Expenditure for Council Tax	7,885	9,008
<u>Adjustments</u>		
Ring Fenced Government Grant	124	130
NET EXPENDITURE	8,009	9,138

* includes £18k contribution from Repairs and Renewals Fund

<u>Budgeted Personnel 2023/24</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	65.4
APT & C	72.4
Manual	-
Total	137.8

E D U C A T I O N
P S Y C H O L O G I C A L S E R V I C E S

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	927	1,002
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	4	4
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	931	1,006
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	6	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	6	-
Net Expenditure for Council Tax	925	1,006
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
NET EXPENDITURE	925	1,006

Budgeted Personnel 2023/24

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	10.3
APT & C	1.7
Manual	-
Total	12.0

EDUCATION

TRANSPORT (EXCLUDING SPECIAL EDUCATION)

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	1,288	1,383
Supplies & Services	-	-
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>1,288</u>	<u>1,383</u>
<u>Income</u>		
Ring Fenced Government Grant	12	10
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	38	38
Other Income	-	-
Total Income	<u>50</u>	<u>48</u>
Net Expenditure for Council Tax	<u>1,238</u>	<u>1,335</u>
<u>Adjustments</u>		
Ring Fenced Government Grant	12	10
NET EXPENDITURE	<u><u>1,250</u></u>	<u><u>1,345</u></u>

Budgeted Personnel 2023/24

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	<u><u>-</u></u>

E D U C A T I O N
P R O V I S I O N F O R C L O T H I N G

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	-	-
Third Party Payments	-	-
Transfer Payments	290	290
Support Services	-	-
Total Expenditure	290	290
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure for Council Tax	290	290
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
NET EXPENDITURE	290	290

Budgeted Personnel 2023/24

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

EDUCATION

ADMINISTRATION & SUPPORT SERVICES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	3,381	3,512
Property Costs	200	61
Transport Costs	-	-
Supplies & Services	436	596
Third Party Payments	16	11
Transfer Payments	-	-
Support Services	4,980	4,818
Total Expenditure	9,013	8,998
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	32	25
Recharge Income (Internal)	455 *	446
Fees Charges etc	-	-
Other Income	-	-
Total Income	487	471
Net Expenditure for Council Tax	8,526	8,527
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
NET EXPENDITURE	8,526	8,527

* includes £4k contribution from Repairs and Renewals Fund

<u>Budgeted Personnel 2023/24</u>	<u>Full-time Equivalent</u>
Chief Officers	4.0
Teachers	9.9
APT & C	37.7
Manual	-
Total	51.6

E D U C A T I O N
C L E A N I N G A N D J A N I T O R I A L S E R V I C E S

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	4,777	5,318
Property Costs	130	130
Transport Costs	2	2
Supplies & Services	278	281
Third Party Payments	-	-
Transfer Payments	4	4
Support Services	138	133
Total Expenditure	5,329	5,868
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	3,168	3,515
Fees Charges etc	-	-
Other Income	175	176
Total Income	3,343	3,691
Net Expenditure for Council Tax	1,986	2,177
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	1,986	2,177

Budgeted Personnel 2023/24

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	61.7
Manual	126.1
Total	187.8

EDUCATION

CATERING SERVICES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	3,287	4,745
Property Costs	26	26
Transport Costs	19	21
Supplies & Services	2,178	3,094
Third Party Payments	-	-
Transfer Payments	11	11
Support Services	96	93
Total Expenditure	5,617	7,990
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	5,582	7,955
Fees Charges etc	-	-
Other Income	35	35
Total Income	5,617	7,990
Net Expenditure for Council Tax	-	-
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	-	-

<u>Budgeted Personnel 2023/24</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	12.0
Manual	165.6
Total	177.6

EDUCATION

SCHOOL CROSSING PATROLLERS

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	345	395
Property Costs	-	-
Transport Costs	4	4
Supplies & Services	23	25
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	2	1
Total Expenditure	374	425
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	374	425
Fees Charges etc	-	-
Other Income	-	-
Total Income	374	425
Net Expenditure for Council Tax	-	-
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
NET EXPENDITURE	-	-

<u>Budgeted Personnel 2023/24</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	18.2
Total	18.2

E D U C A T I O N
C U L T U R E A N D L E I S U R E S E R V I C E S

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	1,207	2,041
Transport Costs	-	-
Supplies & Services	79	134
Third Party Payments	5,404	5,691
Transfer Payments	-	-
Support Services	726	916
Total Expenditure	7,416	8,782
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	7,416	8,782

Budgeted Personnel 2023/24

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

ENVIRONMENT

DEPARTMENTAL SUMMARY

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	16,712	18,194
Property Costs	3,837	4,177
Transport Costs	3,329	3,713
Supplies & Services	14,830	21,324
Third Party Payments	882	889
Transfer Payments	717	1,035
Support Services	2,591	2,374
Total Expenditure	42,898	51,706
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	711	722
Recharge Income (Internal)	8,754	14,778 *
Fees Charges etc.	5,158	6,123
Other Income	1,505	2,068
Total Income	16,128	23,691
Net Expenditure	26,770	28,015

* Includes a £222k contribution from Whitelee Windfarm Reserve.

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	3.0
Teachers	-
APT & C	208.6
Manual	184.0
Total	395.6

ENVIRONMENT

DIRECTORATE

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	1,211	1,235
Property Costs	83	89
Transport Costs	-	-
Supplies & Services	186	401
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	693	403
Total Expenditure	2,173	2,128
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	273	273
Fees Charges etc.	-	-
Other Income	-	-
Total Income	273	273
Net Expenditure	1,900	1,855

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	18.1
Manual	-
Total	19.1

ENVIRONMENT

ENVIRONMENT ACCOMMODATION

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	772	774
Transport Costs	-	-
Supplies & Services	3	2
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	775	776
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	775	776
Fees Charges etc.	-	-
Other Income	-	-
Total Income	775	776
Net Expenditure	-	-

<u>Budgeted Personnel 2023/24</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

ENVIRONMENT

NON-OPERATIONAL PROPERTIES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	161	112
Transport Costs	-	-
Supplies & Services	20	20
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	3	15
Total Expenditure	184	147
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	17	17
Other Income	-	-
Total Income	17	17
Net Expenditure	167	130

<u>Budgeted Personnel 2023/24</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

ENVIRONMENT

ENERGY MANAGEMENT

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	56	122
Property Costs	52	84
Transport Costs	-	-
Supplies & Services	1	13
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	52	55
Total Expenditure	161	274
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	52
Other Income	-	-
Total Income	-	52
Net Expenditure	161	222

<u>Budgeted Personnel 2023/24</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	2.0
Manual	-
Total	2.0

ENVIRONMENT

PLANNING & BUILDING CONTROL
(INCORPORATING OUTDOOR ACCESS, COUNTRY PARK & WHITELEE)

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	2,144	2,370
Property Costs	115	115
Transport Costs	12	14
Supplies & Services	185	145
Third Party Payments	94	93
Transfer Payments	102	102
Support Services	196	171
Total Expenditure	2,848	3,010
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	233	242 *
Fees Charges etc.	1,036	1,140
Other Income	139	142
Total Income	1,408	1,524
Net Expenditure	1,440	1,486

* Includes a £222k contribution from Whitelee Windfarm Reserve.

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	41.8
Manual	-
Total	42.8

ENVIRONMENT

**PLANNING & BUILDING CONTROL
(INCORPORATING OUTDOOR ACCESS, COUNTRY PARK & WHITELEE)**

This service comprises:-

	Budget 2022/23 £'000	Budget 2023/24 £'000
Development Planning	641	651
Outdoor Access	46	0
Country Park	50	54
Whitelee	(1)	- *
Development Management	251	271
Building Control	81	112
Business Intelligence	372	398
	<u>1,440</u>	<u>1,486</u>

* Includes a £222k contribution from Whitelee Windfarm Reserve.

ENVIRONMENT

ECONOMIC DEVELOPMENT
(INCORPORATING CITY DEAL)

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	1,040	1,273
Property Costs	196	216
Transport Costs	-	-
Supplies & Services	350	348
Third Party Payments	91	91
Transfer Payments	149	232
Support Services	147	170
Total Expenditure	1,973	2,330
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	239	269
Recharge Income (Internal)	106	117
Fees Charges etc.	259	259
Other Income	533	741
Total Income	1,137	1,386
Net Expenditure	836	944

Budgeted Personnel 2023/24

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	22.3
Manual	-
Total	22.3

ENVIRONMENT

ROADS

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	2,063	2,183
Property Costs	238	241
Transport Costs	107	126
Supplies & Services	8,426	8,211
Third Party Payments	57	57
Transfer Payments	-	-
Support Services	257	308
Total Expenditure	11,148	11,126
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	129	129
Recharge Income (Internal)	1,009	620
Fees Charges etc.	479	543
Other Income	61	61
Total Income	1,678	1,353
Net Expenditure	9,470	9,773

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	40.4
Manual	-
Total	40.4

ENVIRONMENT

ROADS

This service comprises:-

	Budget 2022/23 £'000	Budget 2023/24 £'000
Routine Maintenance Roads	1,434	1,339
Routine Maintenance Street Lighting	356	244
Winter Maintenance	875	850
Footway Resurfacing & Patching	200	0
Carriageway Resurfacing & Patching	392	92
School Crossing Patrols	356	424
Street Lighting Electricity	761	1,131
Flood Prevention	70	60
Administration & Support (Including PFI Costs)	5,026	5,633
	<u>9,470</u>	<u>9,773</u>

ENVIRONMENT

ROADS CONTRACTING UNIT

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	1,022	1,093
Property Costs	46	3
Transport Costs	582	377
Supplies & Services	111	176
Third Party Payments	-	-
Transfer Payments	18	18
Support Services	91	100
Total Expenditure	1,870	1,767
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	1,870	1,767
Fees Charges etc.	-	-
Other Income	-	-
Total Income	1,870	1,767
Net Expenditure	-	-

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	1.0
Manual	24.0
Total	25.0

ENVIRONMENT

NEIGHBOURHOOD SERVICES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	5,401	5,902
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	34	34
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	5,435	5,936
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	65	5,936
Fees Charges etc.	-	-
Other Income	-	-
Total Income	65	5,936
Net Expenditure	5,370	-

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	20.0
Manual	134.4
Total	154.4

ENVIRONMENT

PARKS SERVICES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	347	417
Transport Costs	226	250
Supplies & Services	486	2,264
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	280	276
Total Expenditure	<u>1,339</u>	<u>3,207</u>
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	19	-
Recharge Income (Internal)	347	313
Fees Charges etc.	732	807
Other Income	-	-
Total Income	<u>1,098</u>	<u>1,120</u>
Net Expenditure	<u><u>241</u></u>	<u><u>2,087</u></u>

Budgeted Personnel 2023/24

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	<u><u>0.0</u></u>

ENVIRONMENT

PARKS SERVICES

This service comprises:-

	Budget 2022/23 £'000	Budget 2023/24 £'000
Administration	259	272
Parks Operations	(38)	869
Arboriculture	100	100
Cemeteries	(70)	228
Park Rangers	0	586
Parks Upkeep	(10)	32
	<u>241</u>	<u>2,087</u>

ENVIRONMENT

PREVENTION SERVICES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	870	945
Property Costs	19	19
Transport Costs	-	-
Supplies & Services	199	194
Third Party Payments	74	74
Transfer Payments	2	2
Support Services	103	104
Total Expenditure	1,267	1,338
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	6	6
Recharge Income (Internal)	7	34
Fees Charges etc.	75	50
Other Income	40	40
Total Income	128	130
Net Expenditure	1,139	1,208

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	16.5
Manual	-
Total	16.5

ENVIRONMENT**PREVENTION SERVICES**

This service comprises:-

	Budget 2022/23 £'000	Budget 2023/24 £'000
Environmental Health	714	753
Trading Standards	403	431
Licensing	22	24
	<u>1,139</u>	<u>1,208</u>

ENVIRONMENT

WASTE MANAGEMENT

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	90	101
Transport Costs	5	6
Supplies & Services	3,578	5,860
Third Party Payments	22	30
Transfer Payments	-	-
Support Services	409	211
Total Expenditure	<u>4,104</u>	<u>6,208</u>
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	221	221
Other Income	-	-
Total Income	<u>221</u>	<u>221</u>
Net Expenditure	<u><u>3,883</u></u>	<u><u>5,987</u></u>

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	<u><u>0.0</u></u>

ENVIRONMENT

WASTE MANAGEMENT

This service comprises:-

	Budget 2022/23 £'000	Budget 2023/24 £'000
Refuse Disposal	3,475	5,295
Strategic Waste Fund	408	692
	<u>3,883</u>	<u>5,987</u>

ENVIRONMENT

CLEANSING

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	361	349
Property Costs	142	142
Transport Costs	791	995
Supplies & Services	349	2,715
Third Party Payments	1	1
Transfer Payments	-	-
Support Services	103	262
Total Expenditure	1,747	4,464
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	92	92
Fees Charges etc.	1,602	2,282
Other Income	-	-
Total Income	1,694	2,374
Net Expenditure	53	2,090

Budgeted Personnel 2023/24

	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	-
Manual	6.0
Total	7.0

ENVIRONMENT
CLEANSING

This service comprises:-

	Budget 2022/23 £'000	Budget 2023/24 £'000
Refuse Collection	573	2,441
Street Cleaning	96	805
Cleansing Management	(847)	(1,410)
Civic Amenity Sites	168	184
Thornliebank Depot	63	70
	<u>53</u>	<u>2,090</u>

ENVIRONMENT

VEHICLES SERVICES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	737	834
Property Costs	36	36
Transport Costs	1,587	1,924
Supplies & Services	191	194
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	2,551	2,988
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	2,521	2,958
Fees Charges etc.	30	30
Other Income	-	-
Total Income	2,551	2,988
Net Expenditure	-	-

<u>Budgeted Personnel 2023/24</u>	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	1.0
Manual	19.6
Total	20.6

ENVIRONMENT
OTHER HOUSING

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	1,807	1,888
Property Costs	456	550
Transport Costs	19	21
Supplies & Services	660	696
Third Party Payments	543	543
Transfer Payments	446	681
Support Services	257	299
Total Expenditure	4,188	4,678
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	318	318
Recharge Income (Internal)	321	321
Fees Charges etc.	707	722
Other Income	732	1,084
Total Income	2,078	2,445
Net Expenditure	2,110	2,233

<u>Budgeted Personnel 2023/24</u>	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	45.5
Manual	-
Total	45.5

ENVIRONMENT

ACCOMMODATION

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	1,084	1,278
Transport Costs	-	-
Supplies & Services	51	51
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	1,135	1,329
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	1,135	1,329
Fees Charges etc	-	-
Other Income	-	-
Total Income	1,135	1,329
Net Expenditure	-	-

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

BUSINESS OPERATIONS & PARTNERSHIPS

DEPARTMENTAL SUMMARY

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	6,272	6,432
Property Costs	64	68
Transport Costs	72	68
Supplies & Services	2,650	2,853
Third Party Payments	311	319
Transfer Payments	17,640	17,651
Support Services	1,402	1,481
Total Expenditure	28,411	28,872
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	13,230	13,230
Recharge Income (Internal)	2,759	3,058
Fees Charges etc.	437	442
Other Income	377	402
Total Income	16,803	17,132
Net Expenditure	11,608	11,740
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	11,608	11,740

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	2.0
Teachers	-
APT & C	141.2
Manual	-
Total	143.2

BUSINESS OPERATIONS & PARTNERSHIPS

DIRECTORATE

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	184	192
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	6	7
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>190</u>	<u>199</u>
<u>Income</u>		
Ring Fenced Government Grant	-	
Other Government Grant	-	
Recharge Income (Internal)	190	199
Fees Charges etc.	-	
Other Income	-	
Total Income	<u>190</u>	<u>199</u>
Net Expenditure	<u><u>-</u></u>	<u><u>-</u></u>

Budgeted Personnel 2023/24

	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	0.8
Manual	-
Total	<u>1.8</u>

BUSINESS OPERATIONS & PARTNERSHIPS

COMMUNITY SAFETY

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	1,115	1,212
Property Costs	21	21
Transport Costs	30	30
Supplies & Services	115	135
Third Party Payments	64	67
Transfer Payments	-	-
Support Services	198	190
Total Expenditure	1,543	1,655
<u>Income</u>		
Ring Fenced Government Grant	-	
Other Government Grant	-	
Recharge Income (Internal)	258	258
Fees Charges etc.	57	57
Other Income	19	19
Total Income	334	334
Net Expenditure	1,209	1,321

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	28.2
Manual	-
Total	28.2

BUSINESS OPERATIONS & PARTNERSHIPS**COMMUNITY SAFETY**

This service comprises:-

	Budget 2022/23 £'000	Budget 2023/24 £'000
Management	336	358
CCTV	534	597
Community Wardens	339	366
	<u>1,209</u>	<u>1,321</u>

BUSINESS OPERATIONS & PARTNERSHIPS

DEMOCRATIC REPRESENTATION & MANAGEMENT, ELECTIONS AND MEMBERS EXPENSES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	2	2
Property Costs	6	7
Transport Costs	-	-
Supplies & Services	1,008	777
Third Party Payments	3	3
Transfer Payments	-	-
Support Services	183	201
Total Expenditure	1,202	990
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	1,202	990

<u>Budgeted Personnel 2023/24</u>	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

BUSINESS OPERATIONS & PARTNERSHIPS

GRANTS

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	4	4
Third Party Payments	134	134
Transfer Payments	4	4
Support Services	3	4
Total Expenditure	145	146
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	145	146

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

BUSINESS OPERATIONS & PARTNERSHIPS

DEMOCRATIC SERVICES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	387	413
Property Costs	-	-
Transport Costs	9	7
Supplies & Services	58	80
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	67	69
Total Expenditure	521	569
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	521	569

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	7.5
Manual	-
Total	7.5

BUSINESS OPERATIONS & PARTNERSHIPS

MONEY ADVICE AND RIGHTS TEAM

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	778	767
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	78	103
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	131	144
Total Expenditure	<u>987</u>	<u>1,014</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	27	27
Fees Charges etc.	-	-
Other Income	-	-
Total Income	<u>27</u>	<u>27</u>
Net Expenditure	<u><u>960</u></u>	<u><u>987</u></u>

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	19.4
Manual	-
Total	<u>19.4</u>

BUSINESS OPERATIONS & PARTNERSHIPS

REGISTRARS

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	176	189
Property Costs	3	3
Transport Costs	-	-
Supplies & Services	77	84
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	42	34
Total Expenditure	298	310
<u>Income</u>		
Ring Fenced Government Grant	-	
Other Government Grant	-	
Recharge Income (Internal)	-	
Fees Charges etc.	131	136
Other Income	5	5
Total Income	136	141
Net Expenditure	162	169

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	3.8
Manual	-
Total	3.8

BUSINESS OPERATIONS & PARTNERSHIPS

CUSTOMER FIRST - NON SUPPORT

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	1,061	1,083
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	145	341
Third Party Payments	1	1
Transfer Payments	-	-
Support Services	242	344
Total Expenditure	1,449	1,769
<u>Income</u>		
Ring Fenced Government Grant	-	
Other Government Grant	-	
Recharge Income (Internal)	1,207	1,425
Fees Charges etc.		
Other Income	-	
Total Income	1,207	1,425
Net Expenditure	242	344

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	26.1
Manual	-
Total	26.1

BUSINESS OPERATIONS & PARTNERSHIPS

COMMUNITY PLANNING

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	315	272
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	100	111
Third Party Payments	8	8
Transfer Payments	-	-
Support Services	39	39
Total Expenditure	462	430
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	96	102
Fees Charges etc.	-	-
Other Income	-	-
Total Income	96	102
Net Expenditure	366	328

Budgeted Personnel 2023/24

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	3.9
Manual	-
Total	3.9

BUSINESS OPERATIONS & PARTNERSHIPS

COMMUNITIES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	681	645
Property Costs	34	37
Transport Costs	13	10
Supplies & Services	153	158
Third Party Payments	40	40
Transfer Payments	-	-
Support Services	108	90
Total Expenditure	<u>1,029</u>	<u>980</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	20	20
Total Income	<u>20</u>	<u>20</u>
Net Expenditure	<u><u>1,009</u></u>	<u><u>960</u></u>

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	10.9
Manual	-
Total	<u>10.9</u>

**BUSINESS OPERATIONS & PARTNERSHIPS
COMMUNITIES**

This service comprises:-	Budget 2022/23 £'000	Budget 2023/24 £'000
Communities	943	889
Mearns Youth Facility	10	10
Barrhead Youth Facility	25	30
Auchenback Resource Centre	31	31
	<u>1,009</u>	<u>960</u>

BUSINESS OPERATIONS & PARTNERSHIPS

COUNCIL TAX & NON DOMESTIC RATES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	449	496
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	476	584
Third Party Payments	61	66
Transfer Payments	4,074	4,085
Support Services	147	144
Total Expenditure	5,207	5,375
<u>Income</u>		
Ring Fenced Government Grant	-	
Other Government Grant	-	
Recharge Income (Internal)	12	45
Fees Charges etc.	249	249
Other Income	258	283
Total Income	519	577
Net Expenditure	4,688	4,798

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	13.5
Manual	-
Total	13.5

BUSINESS OPERATIONS & PARTNERSHIPS

REVENUES - BENEFITS & DISCRETIONARY PAYMENTS TEAM

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	300	332
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	185	214
Third Party Payments	-	-
Transfer Payments	331	331
Support Services	126	128
Total Expenditure	942	1,005
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	73	73
Fees Charges etc.	-	-
Other Income	75	75
Total Income	148	148
Net Expenditure	794	857

Budgeted Personnel 2023/24

	Full Time Equivalent
Chief Officers	-
Teachers	-
APT & C	11.6
Manual	-
Total	11.6

BUSINESS OPERATIONS & PARTNERSHIPS

REVENUES - HOUSING BENEFIT

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	179	155
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	89	96
Third Party Payments	-	-
Transfer Payments	13,231	13,231
Support Services	116	94
Total Expenditure	13,615	13,576
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	13,230	13,230
Recharge Income (Internal)	75	75
Fees Charges etc.	-	
Other Income		
Total Income	13,305	13,305
Net Expenditure	310	271

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	4.6
Manual	-
Total	4.6

BUSINESS OPERATIONS & PARTNERSHIPS

BUSINESS SUPPORT TEAM

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	192	190
Property Costs	-	-
Transport Costs	20	21
Supplies & Services	62	102
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	274	313
<u>Income</u>		
Ring Fenced Government Grant	-	
Other Government Grant	-	
Recharge Income (Internal)	274	313
Fees Charges etc.	-	
Other Income	-	
Total Income	274	313
Net Expenditure	-	-

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	5.5
Manual	-
Total	5.5

BUSINESS OPERATIONS & PARTNERSHIPS

REVENUES - ADMIN

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	335	360
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	70	54
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	405	414
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	405	414
Fees Charges etc	-	-
Other Income	-	-
Total Income	405	414
Net Expenditure	-	-

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	5.4
Manual	-
Total	5.4

BUSINESS OPERATIONS & PARTNERSHIPS

COMMUNITIES, REVENUES AND CHANGE

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	118	124
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	24	3
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	142	127
<u>Income</u>		
Ring Fenced Government Grant	-	
Other Government Grant	-	
Recharge Income (Internal)	142	127
Fees Charges etc.	-	
Other Income	-	
Total Income	142	127
Net Expenditure	-	-

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	-
Manual	-
Total	1.0

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES

DEPARTMENTAL SUMMARY

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	24	27
Property Costs	-	-
Transport Costs	3	3
Supplies & Services	448	544
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	569	631
Total Expenditure	1,044	1,205
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	20	150
Fees Charges etc	260	284
Other Income	-	-
Total Income	280	434
Net Expenditure	764	771

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	0.7
Manual	-
Total	0.7

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES

ACCOUNTANCY

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	244	275
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>244</u>	<u>275</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	20	150
Fees Charges etc	-	-
Other Income	-	-
Total Income	<u>20</u>	<u>150</u>
Net Expenditure	<u><u>224</u></u>	<u><u>125</u></u>

<u>Budgeted Personnel 2023/24</u>	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	<u><u>-</u></u>

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES
CIVIC LICENSING

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	24	27
Property Costs	-	-
Transport Costs	3	3
Supplies & Services	127	188
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	9	22
Total Expenditure	<u>163</u>	<u>240</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	180	202
Other Income	-	-
Total Income	<u>180</u>	<u>202</u>
Net Expenditure	<u><u>(17)</u></u>	<u><u>38</u></u>

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	0.7
Manual	-
Total	<u><u>0.7</u></u>

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES

LICENSING BOARD

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	77	81
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	6	7
Total Expenditure	<u>83</u>	<u>88</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	80	82
Other Income	-	-
Total Income	<u>80</u>	<u>82</u>
Net Expenditure	<u><u>3</u></u>	<u><u>6</u></u>

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	<u><u>-</u></u>

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES

CORPORATE MANAGEMENT

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	-	-
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	554	602
Total Expenditure	<u>554</u>	<u>602</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	<u>-</u>	<u>-</u>
Net Expenditure	<u><u>554</u></u>	<u><u>602</u></u>

<u>Budgeted Personnel 2023/24</u>	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	<u><u>-</u></u>

SUPPORT SERVICES

SUMMARY

	Budget 2022/23 £'000	Budget 2023/24 £'000
Chief Executive's Office	444	459
Accountancy	1,463	1,606
Legal	477	522
Procurement	311	329
Internal Audit	285	309
Strategy Support and Insight	580	692
Digital Transformation	433	631
Communications and Printing	608	551
Human Resources and Payroll	1,942	2,263
Customer First	60	67
Revenues - Account Receivable & Payable and Insurance	592	662
Digital Services	5,556	4,333
Property and Technical	1,359	1,563
	<u>14,110</u>	<u>13,987</u>

ALLOCATION:-

Education (including ERCLT)	6,070	6,096
Health & Social Care Partnership	2,475	2,455
Business Operations & Partnerships	1,402	1,481
Chief Executives - Non Support	569	631
Environment	2,591	2,374
Joint Boards	-	
Miscellaneous	87	45
Housing Revenue Account	916	905
	<u>14,110</u>	<u>13,987</u>

CHIEF EXECUTIVE'S - SUPPORT SERVICES

DEPARTMENTAL SUMMARY

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	3,150	3,218
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	220	375
Third Party Payments	78	81
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	3,448	3,674
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	377	365
Fees Charges etc	45	38
Other Income	46	46
Total Income	468	449
Net Expenditure	2,980	3,225

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	2.0
Teachers	0.0
APT & C	46.8
Manual	0.0
Total	48.8

CHIEF EXECUTIVE'S - SUPPORT SERVICES

CHIEF EXECUTIVE'S OFFICE

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	423	434
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	21	25
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	444	459
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	444	459

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	5.1
Manual	-
Total	6.1

CHIEF EXECUTIVE'S - SUPPORT SERVICES
ACCOUNTANCY

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	1,537	1,555
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	84	216
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	1,621	1,771
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	158	165
Fees Charges etc	-	-
Other Income	-	-
Total Income	158	165
Net Expenditure	1,463	1,606

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	23.4
Manual	-
Total	24.4

CHIEF EXECUTIVE'S - SUPPORT SERVICES

LEGAL SERVICES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	505	537
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	81	96
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	586	633
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	64	73
Fees Charges etc.	45	38
Other Income	-	-
Total Income	109	111
Net Expenditure	477	522

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	7.6
Manual	-
Total	7.6

CHIEF EXECUTIVE'S - SUPPORT SERVICES

PROCUREMENT

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	411	401
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	23	20
Third Party Payments	78	81
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>512</u>	<u>502</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	155	127
Fees Charges etc	-	-
Other Income	46	46
Total Income	<u>201</u>	<u>173</u>
Net Expenditure	<u><u>311</u></u>	<u><u>329</u></u>

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	6.0
Manual	-
TOTAL	<u><u>6.0</u></u>

CHIEF EXECUTIVE'S - SUPPORT SERVICES

INTERNAL AUDIT

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	274	291
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	11	18
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	285	309
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	285	309

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	4.7
Manual	-
Total	4.7

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

DEPARTMENTAL SUMMARY

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	6,466	7,429
Property Costs	4	1
Transport Costs	17	19
Supplies & Services	4,942	5,435
Third Party Payments	26	26
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	11,455	12,910
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	1,673	3,700 *
Fees Charges etc.	7	11
Other Income	4	-
Total Income	1,684	3,711
Net Expenditure	9,771	9,199

* Includes £1,169k contribution from Modernisation fund

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	2.0
Teachers	-
APT & C	138.2
Manual	-
Total	140.2

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BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

STRATEGY (SUPPORT) AND INSIGHT

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	406	437
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	148	229
Third Party Payments	26	26
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	580	692
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	580	692

Budgeted Personnel 2023/24

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	7.5
Manual	-
Total	<u>7.5</u>

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

DIGITAL TRANSFORMATION TEAM

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	855	1,667
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	105	133
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	960	1,800
<u>Income</u>		
Ring Fenced Government Grant	-	
Other Government Grant	-	
Recharge Income (Internal)	527	1,169 *
Fees Charges etc.	-	
Other Income	-	
Total Income	527	1,169
Net Expenditure	433	631

* Includes £1,169k contribution from Modernisation fund

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	27.5
Manual	-
Total	27.5

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

COMMUNICATIONS AND PRINTING

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	504	451
Property Costs	4	1
Transport Costs	13	14
Supplies & Services	168	166
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	689	632
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	81	81
Fees Charges etc.	-	-
Other Income	-	-
Total Income	81	81
Net Expenditure	608	551

Budgeted Personnel 2023/24

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	9.4
Manual	-
Total	9.4

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

HR AND PAYROLL

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	1,723	1,857
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	441	635
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	2,164	2,492
<u>Income</u>		
Ring Fenced Government Grant	-	
Other Government Grant	-	
Recharge Income (Internal)	211	218
Fees Charges etc.	7	11
Other Income	4	
Total Income	222	229
Net Expenditure	1,942	2,263

Budgeted Personnel 2023/24

	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	35.0
Manual	-
Total	36.0

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

CUSTOMER FIRST

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	54	60
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	6	7
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>60</u>	<u>67</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	<u>-</u>	<u>-</u>
Net Expenditure	<u><u>60</u></u>	<u><u>67</u></u>

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	2.0
Manual	-
Total	<u><u>2.0</u></u>

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

REVENUES - ACCOUNTS PAYABLE & RECEIVABLE AND INSURANCE

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	372	408
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	220	254
Third Party Payments	-	-
Transfer Payments	-	-
Support Services		
Total Expenditure	592	662
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	592	662

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	10.0
Manual	-
Total	10.0

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

DIGITAL SERVICES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	2,552	2,549
Property Costs	-	-
Transport Costs	4	5
Supplies & Services	3,854	4,011
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	6,410	6,565
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	854	2,232
Fees Charges etc	-	-
Other Income	-	-
Total Income	854	2,232
Net Expenditure	5,556	4,333

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	46.8
Manual	-
Total	47.8

ENVIRONMENT - SUPPORT

DEPARTMENTAL SUMMARY

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	2,203	2,382
Property Costs	-	-
Transport Costs	15	17
Supplies & Services	255	306
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	2,473	2,705
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	1,114	1,142
Fees Charges etc	-	-
Other Income	-	-
Total Income	1,114	1,142
Net Expenditure	1,359	1,563

Budgeted Personnel 2023/24

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	41
Manual	-
Total	40.6

ENVIRONMENT - SUPPORT

PROPERTY & TECHNICAL

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	2,203	2,382
Property Costs	-	
Transport Costs	15	17
Supplies & Services	255	306
Third Party Payments	-	
Transfer Payments	-	
Support Services	-	
Total Expenditure	2,473	2,705
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	1,114	1,142
Fees Charges etc	-	-
Other Income	-	-
Total Income	1,114	1,142
Net Expenditure	1,359	1,563

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	40.6
Manual	-
TOTAL	40.6

HEALTH & SOCIAL CARE PARTNERSHIP

DEPARTMENTAL SUMMARY

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	28,211	28,367
Property Costs	826	975
Transport Costs	277	307
Supplies & Services	2,344	2,575
Third Party Payments	46,707	49,977
Transfer Payments	40	76
Support Services	2,475	2,455
Total Expenditure	80,880	84,732
<u>Income</u>		
Additional IJB Grant	5,859	5,968
Ring Fenced Government Grant	614	616
Other Government Grant	3,408	152
Non Recurring Income (offset Central Support Uplift) Note 1	138	-
Recharge Income (Internal)	-	123
Fees,Charges etc.	1,248	1,369
Other Income	9,472	9,464
Total Income	20,739	17,692
Net Expenditure for Council Tax	60,141	67,040
<u>Adjustments</u>		
Ring Fenced Government Grant	614	616
Funding from Integrated Joint Board (Note 1)	60,755	67,656
Net Expenditure	-	-

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	4.0
Teachers	-
APT&C	382.1
Manual	216.1
TOTAL	602.2

Note 1: The HSCP's budget is indicative only and will be directed and amended by the Integrated Joint Board on an ongoing basis

HEALTH & SOCIAL CARE PARTNERSHIP

PUBLIC PROTECTION - CHILDREN & FAMILIES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	4,384	4,337
Property Costs	7	7
Transport Costs	46	51
Supplies & Services	463	459
Third Party Payments	5,585	5,835
Transfer Payments	37	74
Support Services	-	-
Total Expenditure	10,522	10,763
<u>Income</u>		
Additional IJB Grant	-	-
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Non Recurring Income (offset Central Support Uplift)	-	-
Recharge Income (Internal)	-	77
Fees, Charges etc.	20	21
Other Income	312	205
Total Income	332	303
Net Expenditure for Council Tax	10,190	10,460
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	10,190	10,460

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	79.8
Manual	-
TOTAL	79.8

HEALTH & SOCIAL CARE PARTNERSHIP

INTENSIVE SERVICES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	12,645	12,665
Property Costs	96	153
Transport Costs	168	185
Supplies & Services	503	523
Third Party Payments	4,082	4,070
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>17,494</u>	<u>17,596</u>
<u>Income</u>		
Additional IJB Grant	161	185
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Non Recurring Income (offset Central Support Uplift)	-	-
Recharge Income (Internal)	-	-
Fees, Charges etc.	761	875
Other Income	1,741	2,304
Total Income	<u>2,663</u>	<u>3,364</u>
Net Expenditure for Council Tax	<u>14,831</u>	<u>14,232</u>
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	<u><u>14,831</u></u>	<u><u>14,232</u></u>

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	89.4
Manual	197.9
TOTAL	<u><u>287.3</u></u>

HEALTH & SOCIAL CARE PARTNERSHIP

ADULT LOCALITIES - OLDER PEOPLE

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	813	1,080
Property Costs	15	15
Transport Costs	-	-
Supplies & Services	168	168
Third Party Payments	18,906	18,155
Transfer Payments	1	1
Support Services	-	-
Total Expenditure	<u>19,903</u>	<u>19,419</u>
<u>Income</u>		
Additional IJB Grant	3,021	2,949
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Non Recurring Income (offset Central Support Uplift)	-	-
Recharge Income (Internal)	-	-
Fees, Charges etc.	412	418
Other Income	1,038	442
Total Income	<u>4,471</u>	<u>3,809</u>
Net Expenditure for Council Tax	<u>15,432</u>	<u>15,610</u>
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	<u><u>15,432</u></u>	<u><u>15,610</u></u>

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	21.2
Manual	
TOTAL	<u><u>21.2</u></u>

HEALTH & SOCIAL CARE PARTNERSHIP

ADULT LOCALITIES - PHYSICAL/SENSORY DISABILITY

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	2,604	2,481
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	592	592
Third Party Payments	3,526	3,454
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	6,722	6,527
<u>Income</u>		
Additional IJB Grant	718	829
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Non Recurring Income (offset Central Support Uplift)	-	-
Recharge Income (Internal)	-	10
Fees, Charges etc.	34	34
Other Income	411	435
Total Income	1,163	1,308
Net Expenditure for Council Tax	5,559	5,219
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	5,559	5,219

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	43.8
Manual	-
TOTAL	43.8

HEALTH & SOCIAL CARE PARTNERSHIP

ADULT LOCALITIES - LEARNING DISABILITY

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	1,818	1,878
Property Costs	148	194
Transport Costs	46	51
Supplies & Services	62	62
Third Party Payments	14,844	15,925
Transfer Payments	2	1
Support Services	-	-
Total Expenditure	16,920	18,111
<u>Income</u>		
Additional IJB Grant	1,649	1,678
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Non Recurring Income (offset Central Support Uplift)	-	-
Recharge Income (Internal)	-	-
Fees, Charges etc.	3	3
Other Income	3,896	3,901
Total Income	5,548	5,582
Net Expenditure for Council Tax	11,372	12,529
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	11,372	12,529

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	31.1
Manual	18.2
TOTAL	49.3

HEALTH & SOCIAL CARE PARTNERSHIP

RECOVERY SERVICES - MENTAL HEALTH & ADDICTIONS

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	1,464	1,516
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	29	29
Third Party Payments	2,036	2,248
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	3,529	3,793
<u>Income</u>		
Additional IJB Grant	115	131
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Non Recurring Income (offset Central Support Uplift)	-	-
Recharge Income (Internal)	-	-
Fees, Charges etc.	-	-
Other Income	1,348	1,416
Total Income	1,463	1,547
Net Expenditure for Council Tax	2,066	2,246
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	2,066	2,246

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	21.0
Manual	-
TOTAL	21.0

HEALTH & SOCIAL CARE PARTNERSHIP

CRIMINAL JUSTICE

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	538	570
Property Costs	18	22
Transport Costs	17	20
Supplies & Services	51	50
Third Party Payments	107	135
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	731	797
<u>Income</u>		
Additional IJB Grant	-	-
Ring Fenced Government Grant	614	616
Other Government Grant	88	152
Non Recurring Income (offset Central Support Uplift)	-	-
Recharge Income (Internal)	-	-
Fees, Charges etc.	-	-
Other Income	-	-
Total Income	702	768
Net Expenditure for Council Tax	29	29
<u>Adjustments</u>		
Ring Fenced Government Grant	614	616
Net Expenditure	643	645

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	12.4
Manual	-
TOTAL	12.4

HEALTH & SOCIAL CARE PARTNERSHIP

FINANCE AND RESOURCES

	Budget 2022/23 £'000	Budget 2023/24 £'000
<u>Expenditure</u>		
Staff Costs	3,945	3,840
Property Costs	542	584
Transport Costs	-	-
Supplies & Services	476	692
Third Party Payments	- 2,379	155
Transfer Payments	-	-
Support Services	2,475	2,455
Total Expenditure	5,059	7,726
<u>Income</u>		
Additional IJB Grant	195	196
Ring Fenced Government Grant	-	-
Other Government Grant	3,320	-
Non Recurring Income (offset Central Support Uplift) (Note 1)	138	-
Recharge Income (Internal)	-	36
Fees, Charges etc.	18	18
Other Income	726	761
Total Income	4,397	1,011
Net Expenditure for Council Tax	662	6,715
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	662	6,715

<u>Budgeted Personnel 2023/24</u>	
	<u>Full-time Equivalent</u>
Chief Officers	4.0
Teachers	-
APT&C	83.4
Manual	-
TOTAL	87.4

ANNEX B

SAVINGS PROPOSALS 2023/24 AND FULL YEAR IMPACTS/ADVANCE APPROVALS
2024/25

Department of Education

		2023/24	2024/25
Ref:	Description of Saving	Proposed	FY Impacts/ Advance Approval
		£'000s	£'000s
EDU 4.2	Income Generation - School Meal price increase	91	25
EDU 1.1	Primary Teaching Staffing Model - Remove Equity Management time Allocation	90	54
EDU 2.1	Remove Outdoor Education Subsidy	26	
EDU 2.2	Reduce behaviour support PSAs who support pupils across secondary schools	166	104
EDU 2.3	Reduction in other staff groups (excluding teachers) based in ELC/Schools	211	276
EDU 2.4	Removal of funding for Dreams Come True, Specialist Therapies and KAOS Club	41	
EDU 2.5	Reduction in Classroom supplies budget	45	
EDU 2.6	Reduction in Support for Quality in Education budget	89	
EDU 3.1	Reduction in centrally based business support and budget teams	44	140
EDU 3.2	Reduction in Centrally Based Support Posts	56	109
EDU 3.3	Reduction in Psychological Services		188
EDU 3.4	Removal of Early Intervention and Prevention Resource	135	
EDU 3.5	Reduction in Janitorial Service (ELC & Schools)	16	197
EDU 3.6	Reduction in Catering Service (ELC & Schools)	103	510
EDU 3.7	Reduction in Cleaning Service (ELC & Schools)	15	527
EDU 3.8	Reduction in Parent Pay transaction fees	10	
EDU 3.9	Remove annual authority subscription to Connect	4	
EDU 3.10	Reduction in recruitment advertising budget	30	
EDU 3.11	Removal of service agreement with Glasgow CC to provide hospital tuition	44	
EDU 3.12	Reduction in centrally managed budgets which support schools	21	15
EDU 3.13	ELC -Delay in eligibility for statutory entitlement	79	40

EDU 3.14	Removal of funding for junior conservatoire	5	3
EDU 3.15	Remove funding for Campus Police Officers	48	
EDU 3.16	Reduction in Centrally Managed Replacement teaching budget	216	
EDU 3.17	Reduction in CLPL budget (50%)	11	
EDU 3.18	Reduction in Modern Apprentice Posts	39	
EDU 3.19	Reduce Adult Learning Staffing	18	
EDU 4.1	Full Year Impact :School Transport : Removal of Mearnskirck Bus Services	14	
EDU 4.1	Full Year Impact :School Transport : Removal of FME Transport Additional Eligibility Criteria	8	
EDU 4.1	Full Year Impact : Income Generation- School Meals price from August 2022	11	
EDU 4.3	Remove Balance of Repairs and Renewals funding re ICT Technology Refresh	400	-400
		£2,086	£1,788

Department of Environment

		2023/24	2024/25
Ref:	Description of Saving	Proposed	Advance Approval
		£'000s	£'000s
ENV 7.1	IT Software Budget	29	
ENV 7.2	Public EV Charging Income	52	
ENV 7.3	Increased Income Planning / Building Standards	35	
ENV 7.4	Increased charges for roads services	50	
ENV 7.5	Income from Greenhaggs Solar Farm		200
ENV 7.6	Increased Charges for Food / Garden Waste Collections	460	
ENV 7.7	5,000 Add bins for Garden / Food Waste scheme	180	120
ENV 7.8	Surcharge on Add Bins Delivery	60	-20
ENV 1.1	Increase Burial Charges	50	
ENV 1.2	Cancel Summer Standby – Mechanics	4	
ENV 1.3	Prevention Services: Remove Citizen's Advice Bureau Funding		12
ENV 1.4	Prevention Services Savings	7	
ENV 2.1	Reduce winter maintenance budget	125	
ENV 2.2	Reduce Roads Network management	300	
ENV 2.3	Reduce Street lighting replacement budget	100	

ENV 2.4	Reduce Winter Lighting Budget	40	
ENV 2.5	Reduction in School Crossing Patrollers		170
ENV 3.1	Redesign of Mixed Tenure Service		100
ENV 3.2	Close Connor Road Young Persons' Supported Accommodation		170
ENV 3.3	Housing: Remove Citizens Advice Bureau Funding		42
ENV 3.4	Reduction in Private Sector Housing Grant	23	
ENV 3.5	Environment Department Support Staff Reductions	50	
ENV 4.1	Non-operational Property Budget Reduction	50	
ENV 4.1	Property & Tech Services: Building Closure		100
ENV 5.1	Planning/Building Standards Staff Reductions		100
ENV 7.8	Increase Rents - Temporary Accommodation	110	40
ENV 7.9	Increase Factoring Fees	4	
ENV 7.10	Additional Charging for Services Income 23/24	15	
		£1,744	£1,034

Department of Business Operations and Partnerships

		2023/24	2024/25
Ref:	Description of Saving	Proposed	Advance Approval
		£'000s	£'000s
BOP 4.1	Increase Registration & Duke of Edinburgh fees	5.0	
BOP 1.1	Democratic & Members Services: Budget reductions	8.1	
BOP 1.2	Customer First: Reductions in staff & service	72.8	132.7
BOP 1.3	Revenues & Benefits: Staff reductions	36.0	109
BOP 1.4	Business Support & Accounts Receivable: Restructure	20.0	62
BOP 1.5	MART: Delete vacant hours	27.6	
BOP 1.6	Public Wifi: Limit rollout	25.0	
BOP 1.7	Democratic Services: Reduce Community Grant to ER Citizens Advice Bureau		10
BOP 2.1	Community Safety: Budget reduction	5.0	

BOP 2.2	Community Learning & Development: Staff & service reductions	89.2	40.6
BOP 4.1	Water Direct: Introduce deductions	33.0	51
SS 1.1	ICT: Education Technicians reductions	28.2	84.5
SS 1.2	ICT: Staff reductions	43.8	44.7
SS 1.3	ICT: Staff reductions - Reduce Change Team	126.2	
SS 1.4	HR/Payroll: Staff reductions	6.9	55.4
SS 1.5	Communications: Staff reductions & print room budget reductions	29.8	15.8
SS 1.6	Strategic Services: Staff reductions	63.1	54.3
SS 1.7	ICT: Remove training budgets	20.0	
SS 1.8	HR: Reduction in BO&P training budget	5.0	
SS 2.1	ICT: Contracts savings	250.0	
		£894.7	£660.0

Chief Executive's Office

		2023/24	2024/25
Ref:	Description of Saving	Proposed	Advance Approval
		£'000s	£'000s
SS 1.9	Chief Executive's Business Unit: Full impact of previous restructure with reduction in staff	15	
SS 1.10	Accountancy: Move Budget Strategy Group (BSG) meetings to Eastwood Headquarters to save on room hire	1	
SS 1.11	Accountancy: Further reductions in staff training budget	1	
		£17	£0

TOTAL SAVINGS PROPOSALS	£4,741.7	£3,482
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Education

REDUCTION IN DEVOLVED SCHOOL MANAGEMENT BUDGETS INVOLVING OTHER STAFF GROUPS AND BUDGETS

EDU 2.1: All Schools - Remove Outdoor Education Subsidy

This proposal relates to the removal of the budget which is allocated to schools to allow Head Teachers to support pupils and families with the costs of participating in school trips.

This funding is allocated to schools by a formula which takes account of both the relative size of the school and levels of deprivation. This saving will result in increased costs for low-income families in relation to pupils accessing school trips.

2023/24 £26k	2024/25	Total £26k	FTE 0
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EDU 2.2: All Secondary Schools - Reduce Behaviour Support Pupils Support Assistants who support pupils Across Secondary Schools

This proposal reduces the number of Pupil Support Assistants who are allocated to secondary schools, to provide support for pupils in regulating and managing their behaviour, to access their curriculum. This saving would reduce this support for pupils by 66% which could impact on their educational outcomes.

2023/24 £166k	2024/25 £104k	Total £270k	FTE 11
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EDU 2.3: Reduction in staff groups, other than teachers and Pupil Support Assistants (PSAs), based in Early Learning Centres (ELC)/Schools

This saving is based on a reduction in funding for staff groups other than teachers and PSAs, based in ELC/Schools. These staff groups include bilingual support workers, school based librarians, school based technicians and ELC/School based business support staff. Collectively, the overall saving would result in a reduction equivalent to 14.1 FTE, a 9.2% reduction.

This saving could impact on the quality and variety of learning experiences for pupils; the attainment, achievement and wellbeing of English as an Additional Language (EAL) learners; and/or lead to increased workload for school management teams as tasks/responsibilities currently undertaken would need to be reviewed/reduced given the reduction in business support staff. It could also result in a reduced library service in secondary schools. It may result in reduced support to teachers and pupils in science and technical areas of study as well as support for digital devices and multi-media equipment.

2023/24 £211k	2024/25 £276k	Total £487k	FTE 14.1
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EDU 2.4: Special Needs - Removal of Funding for Dreams Come True, Specialist Therapies and KAOS Club

Isobel Mair School Dreams Come True weekend - £21,000

In the past senior pupils have had the opportunity to experience a residential trip to an outdoor centre supported by staff in IMS and senior pupils in ERC schools. Historically, this has been funded by the Education Department. Due to Covid-19, this weekend has not taken place for the past 3 years. This saving would see the removal of this additional funding. It is proposed that the residential experience could continue to take place but in line with practice in all other ERC schools would take place during the school week, with costs covered by parents and carers. In addition, it is expected that the school would make arrangements to raise funds to subsidise the trip and mitigate against the Cost of the School Day.

Isobel Mair School Funding for specialist therapies - £13,300

Additional Funding is provided to IMS in order for them to access specialist therapists such as music, dance and art therapists. These staff enhance the curricular experiences of pupils attending IMS whilst supporting with both the physical and mental wellbeing of children and young people. It is proposed that this funding is removed and IMS prioritise their devolved budgets if they wish to continue with this resource.

Carlibar Communication Centre (CCC) Funding for KAOS Club - £6,700

KAOS funding is related to a weekly evening club and holiday club during Easter and Summer. These did not take place during Covid-19 and since then have not been reinstated. CCC could continue to provide similar sessions through their devolved budgets.

2023/24 £41k	2024/25	Total £41k	FTE 0
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EDU 2.5: Early Learning Centres and All Schools - Reduction in Classroom Supplies Budget

This saving would result in a 5% reduction in the budget devolved to ELCs/schools to support the purchase of materials and equipment used to deliver the curriculum. This saving would reduce the resources available for children and young people.

2023/24 £45k	2024/25	Total £45k	FTE 0
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EDU 2.6: Early Learning Centres and All Schools - Reduction in Support for Quality in Education Budget

This saving would result in a 20% reduction in the budget devolved to ELCs/schools to support improvements which address local, departmental and national priorities. In line with the principles of empowerment, Head Teachers/Heads of Centre have autonomy in terms of how they use this resource to deliver improvement at local level. For example, it may be used to support professional learning for staff.

This saving will impact on the number of improvement priorities schools and ELC establishments are able to take forward and will reduce the quality of learning and teaching and attainment in ERC establishments.

2023/24 £89k	2024/25	Total £89k	FTE 0
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REDUCTION IN CENTRALLY BASED EDUCATION STAFF AND BUDGETS**EDU 3.1: Admin and Support - Reduction of 20% in Centrally Based Business Support and Budget Teams**

This saving involves a reduction of 3.5 posts in the Business Support & Leading Change team within the Education Department. This involves staff who provide business support across the department and staff supporting business change and improvement across education. In addition, it involves a reduction of 2 FTE within the education budget unit team who support the department and schools in terms of devolved school management and wider budget support for centrally based budget holders. This team also provide business support in terms of facilities management functions. Reducing the staffing in this area by 20%, will inevitably lead to increased workload and delays in responding as tasks/responsibilities currently undertaken would need to be reviewed given the reduction in staff.

2023/24 £44k	2024/25 £140k	Total £184k	FTE 5.5
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EDU 3.2: Administration & Support - Reduction in Centrally Based Support

This saving involves the net reduction by 2 FTE (7%) of centrally based staff in the Education Department who support schools. This saving will impact on the ability of the Education Department to meet our statutory duty to secure improvement in the quality of education and raise standards.

2023/24 £56k	2024/25 £109	Total £165k	FTE 2
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EDU 3.3: Psychological Services - Reduction in Psychological Services

This saving involves a reduction in the psychological services team by approximately 2 FTE (20%). Most recently, the impact of Covid-19 has been significant and there are increasing demands placed on Education Psychologists, particularly in relation to supporting children and young people with their mental and emotional wellbeing. The saving could lead to an increase in the waiting time for pupils and families awaiting assessment and impact negatively on learners' wellbeing and attainment.

2023/24	2024/25 £188k	Total £188k	FTE 2
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EDU 3.4: Early Learning Centres – Reduction of Early Intervention and Prevention Resources

This would reduce the funding available to ELCs to support Early Intervention and Prevention. This funding supports the implementation of strategies to reduce the attainment and achievement gap between our most and least affluent communities, including access to ELCs for those children living in poverty.

2023/24 £135k	2024/25	Total £135k	FTE 0
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EDU 3.5: Cleaning and Janitorial - Reduction in Janitorial Service (Early Learning Centres and Schools)

This saving will involve a full review of janitorial services, including management, across the education estate and would be expected to deliver a further 10% budget reduction, with an estimated FTE reduction of 6.1 posts. Whilst the full impact of the saving will be determined by the review, the reduction in posts will lead to an increase in the periods of time which a school will not have access to a janitor, so Head Teachers will have to be mindful of this when planning support from janitorial staff. This saving could also result in delays in dealing with

immediate issues with the school estate and impact on the availability of school building lets outwith the school day and during non-term time.

2023/24 £16K	2024/25 £197k	Total £213k	FTE 6.1 posts
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EDU 3.6: Catering - Reduction in Catering Service (Early Learning Centres and Schools)

This saving will involve a full review of current provision, including management, to deliver a 10% reduction in costs. Primarily this would be achieved by reducing the number of catering staff posts whilst also looking at reduced menu options and other aspects of service delivery e.g., greater use of disposable materials. Reduced staffing levels will negatively impact on school management of lunch time services and the lunch time experience for children and young people.

2023/24 £103K	2024/25 £510k	Total £613k	FTE 20.6
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EDU 3.7: Cleaning - Reduction in Cleaning Service (Early Learning Centres and Schools)

This saving relates to a significant reduction in the cleaning service provided to schools and early learning and childcare establishments and a review of management. This will result in:

1. Removal of morning cleaners who clean establishments prior to the start of the day, primarily for schools where lets have taken place the previous evening;
2. Removal of day cleaners who undertake day cleaning on an ongoing basis throughout the school day;
3. Reduction of 5% in the after-school cleaning service being provided.

Reduced staffing levels by approximately 17% will mean cleaners will need to prioritise main communal areas, bins and bathrooms on a daily basis, meaning other areas such as classrooms and offices will not be cleaned as regularly as they are currently.

2023/24 £15k	2024/25 £527k	Total £542k	FTE 21.6
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EDU 3.8: Schools Other - Reduction in the Budget for ParentPay Transaction Fees

This saving relates to a reduction in the budget allocated to cover the cost of transaction fees incurred when parent/carers pay for services such as school meals using the online ParentPay system. The saving reflects current levels of expenditure.

2023/24 £10k	2024/25	Total £10k	FTE 0
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EDU 3.9: Schools Other - Removal of Annual Authority Subscription to National Parent Organisation (Connect)

This saving relates to the annual subscription that the Education Department pays to Connect. This is to support Parent Councils and schools with parental engagement and involvement. The support of Connect contributes to the actions and outcomes in the Education Department's Parental Engagement and Involvement Strategy. Parent Councils would need to fund this directly going forward.

2023/24 £4k	2024/25	Total £4k	FTE 0
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EDU 3.10: Admin and Support - Reduction in Advertising Budget

This proposal relates to a saving in the cost of recruitment advertising for teaching posts. Previously ERC subscribed to advertising of teaching posts in the TES publication – in addition to MyjobsScotland. This service is no longer available in TES and posts will now be advertised exclusively via MyjobScotland.

2023/24 £30k	2024/25	Total £30k	FTE 0
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EDU 3.11: Special Education - Removal of Service Agreement with Glasgow City Council to Provide Hospital Tuition

East Renfrewshire Council currently has an agreement with Glasgow City Council to provide education to pupils from East Renfrewshire who are admitted to either The Royal Hospital for Sick Children or Skye House. The saving would see the removal of the funding for this service. With advances in technology and the introduction of the team to support pupils not attending school, there is scope for East Renfrewshire to meet the needs of children in hospital using our own resources.

2023/24 £44k	2024/25	Total £44k	FTE 0
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EDU 3.12: Administration & Support - Reduction in Centrally Managed Budgets Which Support Schools

This saving reduces the central education schools budget. This budget is used to support a range of activity, including vocational education transport costs, Rights Respecting Schools, Customer Service Excellence and support with curriculum and timetabling. This saving could reduce the uptake of vocational courses by young people and would reduce the funding for external accreditation of quality.

2023/24 £21k	2024/25 £15k	Total £36k	FTE 0
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EDU 3.13: Early Learning Centres - Delay in Eligibility for Early Learning Funding to Align with Statutory Entitlement

The Scottish Government's Statutory Guidance on the delivery of 1,140 hours sets out the following eligibility dates for children to access their entitlement:

- Birthday from 1 March to 31 August – Autumn Term (August start)
- Birthday from 1 September to 31 December – Spring Term (January start)
- Birthday from 1 January to 28 February – Summer Term (April start)

At present within East Renfrewshire, children can access their funding from the day following their third birthday and this can often be significantly in advance of their actual entitlement start date. The proposal would see children only receiving a funded place in Council or funded provider provision from the dates set out above.

2023/24 £79k	2024/25 £40k	Total £119k	FTE 0
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EDU 3.14: All Schools – Removal of Funding for Junior Conservatoire

This budget is used to support talented young people in East Renfrewshire schools who are offered places on the Royal Conservatoire 'Junior Conservatoire' Music Programme. Around 30 students are supported each year with 10% of the principal study fee. East Renfrewshire is one of the few remaining local authorities who provide a contribution towards the fees of the Junior Conservatoire. As a result of the saving parents would no longer receive this support,

2023/24 £5k	2024/25 £3k	Total £8k	FTE 0
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EDU 3.15: Secondary Schools - Removal of Campus Police Officers

The Education Department currently part funds 3 campus police officers at an annual cost of £48,000 per year and this budget saving would remove the funding for these 3 posts. The impact of this saving could result in an increase in offending and antisocial behaviour.

2023/24 £48k	2024/25	Total £48k	FTE 0
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EDU 3.16: All Schools - Reduction in Centrally Managed Replacement Teaching Budget

This saving relates to the centrally managed replacement teaching budget which cover costs for long-term absences and maternity leave. This saving could result in insufficient funds in this budget to cover long-term absences and maternity leave, particularly if there are changes to current levels and patterns of absence.

2023/24 £216k	2024/25	Total £216k	FTE 0
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EDU 3.17: Admin & Support – Reduction in Professional Learning Budget

This saving proposes a 50% reduction in the central professional learning budget for education staff. This budget was drastically reduced in 2018/19 with a reduction of around £80k. This saving will result in only £11,500 being available for centrally funded professional learning. This saving will have an impact of the range and number of professional learning opportunities provided for staff and the quality of learning, teaching and leadership in ERC schools and early learning centres.

2023/24 £11k	2024/25	Total £11k	FTE 0
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EDU 3.18: Early Learning Centres – Reduction in Modern Apprentice Posts

This saving would reduce the level of funding available to support modern apprentice (MA) posts in Early Learning and Childcare. There would be a reduction of 2 MA posts, equivalent to 30%. As a result, there would be fewer MA posts available impacting on career progression.

2023/24 £39k	2024/25	Total £39k	FTE 2 MA posts
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EDU 3.19: Adult Learning Service (Admin & support) - Reduce Adult Learning Staffing

This saving would reduce the adult learning team by 0.4 FTE. The impact of this saving will be a reduction in the adult learning opportunities for learners.

2023/24 £18k	2024/25	Total £18k	FTE 0.4
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OTHER SAVINGS

EDU 4.3: All Schools - Remove earmarked reserve held in Repairs and Renewals Fund for ICT Technology Refresh to reduce pressure on education savings in year 1

A fund (within the repairs and renewal fund) was established some time ago to support the replacement of inter-active whiteboards/projectors used in classrooms when they reach the end of their useful life. No contributions have been made to the fund in recent years and there is projected to be a balance of around £400k as of 31 March 2023, which would be expected to be utilised during 23/24. Going forward the refresh of whiteboards will have to be funded from the overall digital refresh capital budget.

This approach would free up the £400k in the Repairs and Renewal reserves to be used on a one-off basis in the revenue plan and delaying £400k of Education savings.

2023/24 £400k	2024/25 -£400k	Total £0
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Environment

ALREADY APPROVED SAVINGS/INCOME OR SAVINGS ALREADY IN PLACE

ENV 7.1: Change & Governance - Remove IT Purchase Software Budget

This budget was for a Digital Platform which has now been fully decommissioned.

2023/24 £29k	2024/25	Total £29k	FTE 0
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ENV 7.2: Roads & Transportation - Income from EV Charging

The Council currently pays the electricity bill for public EV charging. There are 12 points throughout East Renfrewshire and it is currently free for anyone to charge vehicles. The cost has increased significantly above the £52k budget. Cabinet has agreed to introduce charges for EV charging

2023/24 £52k	2024/25	Total £52k	FTE 0
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ENV 7.3: Planning and Building Standards - Income Generation

Income generation for Planning in 2023/24 through the implementation of discretionary charging. Cabinet has granted authority to introduce new charging and costs have been updated in the Proposed Charges for Services 2023-24 list.

2023/24 £35k	2024/25	Total £35k	FTE 0
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ENV 7.4: Roads - Income Generation for Roads

Council approved the introduction of new charging in December 2022 and costs have been updated in the Proposed Charges for Services 2023-24 list.

2023/24 £50k	2024/25	Total £50k	FTE 0
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ENV 7.5: Income from Greenhags Solar Farm

As approved at council, there is commercial interest in the development of a Solar farm at Greenhags with potential income to the council in the region of £200k. This is subject to relevant statutory consents being obtained.

2023/24	2024/25 £200k	Total £200k	FTE 0
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ENV 7.6: Operations - Food and Garden Waste Scheme - Increased Income from Permits

Increase Food and Garden Waste Permit Fee, subject to approval at cabinet on 23rd February and March 1 council. This decision is expected to be made prior to the revenue budget discussion. The income below is modelled on a £60permit fee.

2023/24 £460k	2024/25	Total £460k	FTE 0
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ENV 7.7: Operations - Food and Garden Waste Scheme - Increased Income from Second Bin Permits

Households can now purchase a second garden waste permit. The cost of the permit is subject to approval at cabinet on 23rd February and March 1 council. This decision is expected to be made prior to the budget papers being discussed. This will bring additional income through the sale of permits. The income below is modelled on a £60permit fee.

2023/24 £180k	2024/25 £120k	Total £300k	FTE 0
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ENV 7.8: Operations - Food and Garden Waste Scheme - Increased Income by Charging for the Delivery of a Second Bin

Delivery and supply of 5000 new secondary bins where requested. Demand is predicted to be highest in the first year with a reducing income stream after that.

2023/24 £60k	2024/25 -£20K	Total	FTE 0
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ENV 7.10 Additional Charging For services Income

As Approved by cabinet

2023/24 £15K	2024/25	Total £15k	FTE 0
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SERVICE REDUCTIONS ACROSS WASTE AND PARKS OPERATIONS**ENV 1.1: Operations - Increase Burial Charges to raise an additional income of £50k**

Through historical burial numbers an average fee of £1,351 would be the new cost of burials which would see a rise of £270(average) on proposed charging for services costs (23/24). This would be in addition to the Cabinet approved price increase detailed in the Proposed Charges for Services 2023-24 list.

2023/24 £50k	2024/25	Total £50k	FTE 0
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ENV 1.2: Operations - Removal of Summer Standby Transport Section

The summer standby is rarely if ever required whereby mechanics would be called out to roadside breakdowns of Council vehicles. The winter standby allowance will be maintained to protect the winter gritting regime.

2023/24 £4k	2024/25	Total £4k	FTE 0
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ENV 1.3: Prevention Services – ERCAB savings

This saving would involve the removal of the £12.5k funding that the Trading Standards team provide to Citizen's Advice.

2023/24 £0k	2024/25 £12k	Total £12k	FTE 0
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ENV 1.4: Prevention Service Savings

This proposal will reduce spend on supplies, software, contaminated land and miscellaneous budget lines for the Prevention Team which will reduce the support which they can provide to the public.

2023/24 £7k	2024/25	Total £7K
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REDUCE ROADS BUDGET**ENV 2.1: Roads - Reductions in Winter Gritting Budgets**

Reductions in the winter maintenance (gritting, etc) of roads with a saving by route optimisation and by a reduction in the precautionary salting routes, reducing treatment and staff standby costs to achieve the saving.

2023/24 £125k	2024/25	Total £125k	FTE 0
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ENV 2.2: Roads – Reduction in roads budgets which includes roads and footways resurfacing.

There is a significant reduction of £300k in the revenue budget that supports the maintenance of the roads and footways. In addition, a further £500K of spend for roads which has historically been funded by council reserves on an annual basis, has now been exhausted. However, in addition to a £3m capital investment in roads for 2023/24, there is a proposed further capital investment of £3.5 m from 2024/25 onwards and this ensure that carriageway and footway resurfacing continue.

2023/24 £300k	2024/25	Total £300k	FTE 0
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ENV 2.3: Roads –Reduction in the Street Lighting budget

It is proposed that the street lighting replacement and renewal revenue budget is reduced by £100k. Street lighting replacement and renewal would instead be funded as part of the proposed capital budget (subject to approval).

2023/24 £100k	2024/25	Total £100K	FTE 0
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ENV 2.4: Roads - Winter Lighting

Winter lighting is in place from November to March each year across East Renfrewshire. The reduction in budget would impact on capacity to replace broken lights and maintain lights to the same standard.

2023/24 £40K	2024/25	Total £40K	FTE 0
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ENV 2.5: Roads - Removal of Some School Crossing Patrollers

The number of school crossing patrollers will be reduced from 22 to 10. Subject to approval of capital investment, controlled pedestrian crossings will be installed to replace School Crossing Patrollers. This work will be closely coordinated as part of our work on road safety around schools and subject of risk assessments.

2023/24	2024/25 £170k	Total £170k	FTE 5
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REDUCE SERVICES IN HOUSING AND ECONOMIC DEVELOPMENT**ENV 3.1: Housing Services – Redesign of Mixed Tenure Service**

The mixed tenure scheme is currently jointly funded by the Housing Revenue Account (250K) and the Council General revenue Fund (250K). It delivers small housing property improvement projects including grass cutting, new fencing and close cleaning for areas that are part owned by both the Council and private owners. The redesign will consider new funding options linked to wider community environmental improvement projects and benefits.

2023/24	2024/25 £100k	Total £100k	FTE 0
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ENV 3.2: Housing Services - Close Connor Road Young Persons Supported Accommodation

Connor Road provides supported accommodation to young adults between 16 and 25. Its purpose is to prevent homelessness and deliver tenancy sustainment skills. As well as on-site support and accommodation at Connor Road, the staff also provide outreach support to young tenants in mainstream tenancies. Alternative support arrangements are being developed in partnership with HSCP and other stakeholders.

2023/24	2024/25 £170	Total £170k	FTE 8
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ENV 3.3: Housing Services - Remove CAB Funding

Remove £42k of funding awarded to ERCAB to deliver housing advice and facilitate a rent deposit scheme. This would reduce the local advice available to residents. This is in addition to the £10K reduction proposed by the Business Operations & Partnerships Department.

2023/24	2024/25 £42k	Total £42k	FTE 0
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ENV 3.4: Housing Services - Reduce Services Provided from Private Sector Housing Grant (PSHG) including the Care and Repair Service and repair grants for private owners in mixed tenure tenements and flats

It is proposed to review the Care and Repair Service and reduce the repair grants for private owners in mixed tenure blocks of flats and or tenements to achieve an overall saving of £23k.

2023/24 £23k	2024/25	Total £23k	FTE 0
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ENV 3.5: Reductions in Environmental Department Support staff

This proposal reduces the number of employees across the key sections of Change, Digital, Governance, Central Business Support and Customer Relations Change teams.

2023/24 £50k	2024/25	Total £50k	FTE 1
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REVIEW OFFICE ACCOMMODATION**ENV 4.1: Property – Vacant Properties Budget Reduction**

This proposes a reduction in the budget for non-operational (vacant) properties. It is proposed a reduction of £50k is manageable (based on review of previous years' transactions).

2023/24 £50k	2024/25	Total £50k	FTE 0
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ENV 4.2: Property and Technical Services – Building Closures

This saving proposal is for the closure of a main office building and a reduction in other property related costs. The saving is subject to a business case and a report to Cabinet. As it would take a number of years to implement the proposal and achieve savings, the proposal would require working being undertaken in 23/24.

2023/24	2024/25 £100K	Total £100k	FTE 0
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REDUCTION OF SERVICE IN PLANNING AND BUILDING STANDARDS**ENV 5.1: Planning and Building Standards - Staff Reductions**

Savings will be made by a reduction of the Planning and Building Standards team. It is proposed to reduce the team by 2 posts in 2024/25.

2023/24	2024/25 £100k	Total £100k	FTE 2
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INCREASE INCOME**ENV 7.8: Housing Services - Increase the Weekly Rent Charge for Emergency Homeless Accommodation**

This proposal is to increase the weekly rent charge for emergency homeless accommodation from £140 per week (approx.) to £200 per week (approx.). The current service is not covering its cost and is supplemented by other council budgets and housing support funding from HSCP. The increase in weekly rent charges will reduce the call on Council budgets and allow the saving to be made.

2023/24 £110k	2024/25 £40k	Total £150k	FTE 0
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ENV 7.9: Housing Services - Increase Factoring Charges

It is proposed to increase factoring charges for owners in mixed tenure blocks by a 5% increase on factoring fees for 23/24.,

2023/24 £4k	2024/25	Total £4k	FTE 0
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Business Operations & Partnerships

ALREADY APPROVED SAVINGS/INCOME OR SAVINGS ALREADY IN PLACE

BOP 4.1: Registration Services & Duke of Edinburgh (CLD) - Increased Income from Fees & Charges

Increased charges for Registration, for the non-statutory fees, and Community Learning & Development for Duke of Edinburgh Award administration fees.

We introduced administration charges for Duke of Edinburgh Award participation (with measures to ensure the most disadvantaged young people could participate) in 2021/22 and have increased these charges by approx. 10-12% for 2023/24 as part of the Council's Charging for Services process. The service is on a longer-term path to make DofE completely cost neutral to the Council.

2023/24 £5k	2024/25	Total £5k	FTE 0
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REDUCTION TO SERVICE DELIVERY IN CUSTOMER FIRST, REVENUES AND BENEFITS AND SUPPORT FOR COUNCIL COMMITTEES AND ELECTED MEMBERS

BOP 1.1: Democratic & Members Services - Reduction in Democratic & Members' Services Non-Staff Budgets

The saving is for a general reduction in budget lines of £4.5K, reduction in transport costs due to the lease of an electric car of- £3.6K.

2023/24 £8.1k	2024/25	Total £8.1k	FTE 0
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BOP 1.2: Customer First - Reduction in Customer Services Staff and Service Levels

This saving represents a 16% cut to the Customer First service from 30.8 FTE to 25.8 FTE and will have a significant impact on customers.

The pandemic has brought opportunities which have resulted in Council services changing the way they work. This has resulted in an increase of acceptance in electronic documents reducing the volume of face-to-face footfall. The replacement of our switchboard with a new telephony platform ('Unified Communications') will provide modern technology to distribute calls. A further reduction of roles in Customer Services would impact on customer response rates. Customer expectations are changing. To meet the future demands we are focussing on data and continual improvement of our processes and we need to update our supervisor and management roles to support these changes.

A reduction in cash opening times at Barrhead would further reduce staff requirements. We would consult our customers in relation to potential changes, however in line with current customer demand there is scope for a reduction of up to 60/70% of our current opening times.

2023/24 £72.8k	2024/25 £132.7k	Total £206k	FTE 5
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BOP 1.3: Revenues & Benefits - Staff reductions

This proposal is to restructure the Revenues & Benefits Teams, reflecting the changes in roles because of the new system implementation and improved automation. From current staffing levels of 37.1 FTE, Year 1 is reduction of 1 FTE and Year 2 a further 3 FTE. The Year 1 savings will not affect customers but the Year 2 savings may increase processing timescales.

2023/24 £36k	2024/25 £109	Total £145k	FTE 4
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BOP 1.4: Business Support - Restructure of Business Support & Accounts Receivable

This savings proposal involves reduction of Business Support and Accounts Receivable posts (currently 14.9 FTE) through restructuring. These can be achieved without significant impact to service delivery. In addition to the savings below, a further 2.5 FTEs are proposed to move to the Chief Executive's Office, leaving 9.4 FTE remaining.

2023/24 £20k	2024/25 £62k	Total £82k	FTE 3
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BOP 1.5: Money Advice & Rights Team (MART) - Reduce Budget Lines and Remove Vacant Hours in Money Advice & Rights (MART)

This savings proposal builds on work done last year to review the structure of the Money Advice & Rights Team (MART). This involved reconfiguring roles and grades to reduce costs, but with no detriment to the customer – this is a further benefit from that work and can be achieved whilst maintaining current service levels. This saving will not impact on service delivery.

2023/24 £27.6k	2024/25	Total £27.6k	FTE 0.8
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BOP 1.6: ICT - Reduce Public Wifi Scope

This proposal represents a reduction in the scope and scale of the planned public Wi-Fi service that will be deployed to ER Culture & Leisure Trust and Council properties. The Public Wi-Fi project is currently underway, with the aim to provide publicly available Wi-Fi across all Leisure Trust properties plus corporate buildings with public access.

This proposal would reduce the deployment to only those Leisure Trust properties that currently have a Public Wi-Fi service and 3 priority venues identified with ERCLT.

2023/24 £25k	2024/2	Total £25k	FTE 0
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BOP 1.7: Democratic Services - Reduction in Community Grant Provision to East Renfrewshire Citizens Advice Bureau

The Council provides annual revenue funding of £157K to CAB which is made up of a Community Grant of £102.5K plus £54.5K specifically for housing support. In this proposal the Community Grant element would be reduced by £10K. This is in addition to a further cut in funding proposed by the Environment Department. This £10K reduction would reduce the level of advice support available and is likely to increase pressure on the Money Advice & Rights Team (MART). The close relationship between both organisations allows work and resources to be shared and peaks in demand to be addressed in tandem. Any drop in CAB’s capacity would have a corresponding increase on MART’s demands.

For 22/23 and 23/24 the Council is providing CAB with additional Covid funding of £40K and £127K to support temporary front line staff to assist with the increase in post pandemic demand.

2023/24	2024/25 £10k	Total £10k	FTE 0
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REDUCTION IN COMMUNITY SAFETY AND COMMUNITY LEARNING AND DEVELOPMENT SERVICES

BOP 2.1: Community Safety – Budget reduction

There will be a review of budget lines in Community Safety, without impact to the service.

2023/24 £5k	2024/25	Total £5k	FTE 0
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BOP 2.2: Community Learning & Development (CLD) - Reduce CLD Budget & Staff

This proposal is to reduce a CLD Senior post (1 FTE) from the team of 12 FTE who carry out the statutory CLD youthwork and community engagement. It would also reduce budget lines and cease funding to the annual Youth Awards event. The savings impact vulnerable young people most (those from most deprived areas, involved in risk-taking behaviour and young people with Additional Support Needs) and reduces provision for community capacity building, community engagement, participatory budgeting and locality planning.

2023/24 £89.2k	2024/25	Total £89.2k	FTE 1
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Community Learning & Development (CLD) - Further Reduction in CLD staffing

This proposal is for reduction of a further 1 FTE from the CLD team (which would be at 11 FTE after Year 1 saving above). At this level the savings would represent a major cut to the statutory service of Community Learning & Development (CLD), which will result in an increased risk of the Council being challenged that it cannot reasonably demonstrate it is fulfilling its statutory CLD duties. It would reduce the ratio of youth workers to young people, impact vulnerable young people most (those from most deprived areas, involved in risk-taking behaviour and young people with Additional Support Needs (ASN)) and/or leave extremely limited provision for statutory community capacity building.

2023/24	2024/25 £40.6k	Total £40.6k	FTE 1
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INCREASE INCOME

BOP 4.1: Revenues - Use of Water Direct Scheme to Increase Income

This proposal would implement a scheme, called Water Direct, which would collect water and sewerage debt from customers in receipt of Council Tax Reduction, direct from their benefits at source by DWP. It is likely to prove unpopular with customers, especially due to the cost-of-living crisis but is widely used in Scottish councils. The estimated debt is about £200k per year and a challenging recovery target of up to 50% could be set which would have to be netted off against one off set up costs. Our partners, Scottish Water, will also benefit from a proportion of this Water Direct recovery income.

2023/24 £33k	2024/25 £51k	Total £84k	FTE 0
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SERVICE REDUCTION IN SUPPORT SERVICES**SS 1.1: ICT - Reduction of Education ICT Technician Service**

This proposal represents a 34% cut to the Education ICT Technician Service. The ICT Education Technician Service provides a range of ICT support to High Schools, Primary Schools and Early Years facilities. The school estate has expanded in recent years, and continues to do so, stretching existing staffing levels. Whilst we will be able to meet some of the support needs of the Education Department, we will be unable to meet ambitions for a digital Education environment.

This proposal would reduce the service to single technicians per High School cluster, with a supervisor acting in a floating role. This proposal represents a loss of 3 FTE technicians –

2023/24 £28.2k	2024/25 £84.5k	Total £112.7k	FTE 3
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SS 1.2: ICT – Staff reductions

This will reduce the staff available to support departments with ICT requirements and to take forward the development of digital transformation opportunities. This proposal will achieve a saving by restructuring the ICT team with a net reduction of 1-2 FTEs and other potential changes in staff grades.

2023/24 £43.8k	2024/25 £44.7k	Total £88.5k	FTE 1.5
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SS 1.3: ICT – Reduction in the ICT Change Team

This proposal will impact the ability to support and deliver the Council's Digital Transformation programme. ICT supports the Council's Digital Transformation programmes through a range of resources which are engaged throughout the lifecycle of projects and programmes, covering project management, alongside application and infrastructure specialists.

Currently there are circa. 10 posts aligned to the change programme. Initially there would be a reduction of 2 posts. This would result in impact to the digital transformation programmes due to the limiting of ICT capacity.

2023/24 £126.2k	2024/25	Total £126.2k	FTE 2
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SS 1.4: Human Resources – budget reduction

This proposal represents a further cut to a support service which is already operating with staffing ratios below industry-standard benchmarks. Services throughout the Council rely on the HR service to fulfil their management responsibilities. There will be an impact to process improvement work.

2023/24 £6.9k	2024/25 £55.4k	Total £62.3K	FTE 1
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SS 1.5: Communications - Reduction in Communications Team Staffing & Print Room Budget Lines

We would consult with staff to reduce a post from the communications team and redesign the remaining service. There would be a resulting reduction in service to the organisation and information to residents. The supplies and services lines would also be reduced by £12K plus, removal of £2.3K of budget lines from the Print Room.

2023/24 £29.8K	2024/25 £15.8K	Total £45.6k	FTE 1
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SS 1.6: Strategic Services – Reduction in Strategic Services Staffing

This is a 25% service reduction in the council's strategic planning capacity which will impact the Council's ability to meet its Best Value (incl. Performance management) duties including Community Empowerment and equalities. There have been various consolidations of teams over the years into this single team of now 8 FTE. This reduction of a further 2 FTE would severely weaken the Council's capacity and capability to develop strategic partnership plans; support formal community planning arrangements; as well as support service engagement with locality planning and equalities and encourage the development and implementation of mainstream Participatory Budgeting (PB). The Council has already struggled to meet its 1% PB targets in recent years.

2023/24 £63.1k	2024/25 £54.3k	Total £117.4k	FTE 2
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SS 1.7: ICT - Removal of ICT Training Budgets

This proposal suggests the removal of the ICT service's ability to maintain and develop staff skills to support the ever-changing technology that underpins the operations of the organisation. Currently staff are provided technical specialist training on an ongoing basis as technology is replaced or upgraded. This is required to ensure the teams are able to support and develop the technology used by the Council.

2023/24 £20k	2024/25	Total £20k	FTE 0
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SS 1.8: All BOP - Reduction of BO&P Departmental Training Budget

There would be a reduction of £5K in the Business Operations & Partnerships departmental training budget which is a 68% budget cut.

2023/24 £5k	2024/25	Total £5k	FTE 0
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RATIONALISATION OF DIGITAL CONTRACTS**SS 2.1: ICT - ICT Contract Savings**

This proposal is to undertake an ICT contract rationalisation following a number of new and upgraded systems being implemented with old contracts being no longer required. Future years' options are unknown at this stage, but there is an expectation that further efficiency can be achieved.

2023/24 £250k	2024/25	Total £250k	FTE 0
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DEPARTMENT: Chief Executive's Office

SERVICE REDUCTION IN SUPPORT SERVICES

SS 1.9: Chief Executive's Office & Business Unit - Restructure of Chief Executive's Office Administration and Business Unit

This is the full impact of a previous restructure of the Chief Executive's Office and Business Unit Team with the reduction of 0.5 FTE

2023/24 £15k	2024/25	Total £15k	FTE 0.5
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SS 1.10: Accountancy - Revised Budget Strategy Group Arrangements

Relocate BSG meetings to Eastwood HQ to save on room hire costs

2023/24 £1k	2024/25	Total £1k	FTE 0
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SS 1.10: Accountancy - Reduce Accountancy Training Budget

Reduce staff training budget from £3k to £2k

2023/24 £1k	2024/25	Total £1k	FTE 0
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East Renfrewshire Council's Public Consultation on Budget Planning 2023- Summary Report

Introduction

During autumn 2022, East Renfrewshire Council carried out the largest public consultation exercise on budget planning to date with residents, employees and stakeholders. Feedback from the engagement exercise will inform the budget setting that will take place at a Council meeting on the 01 March 2023.

The Council began the consultation process through publishing a series of [budget briefings](#), outlining savings proposals to address forecasted funding shortfalls over the next three financial years.

The consultation process found that although education is a key area of concern, residents are also protective of environmental services, particularly around maintenance and cleanliness; community safety and frontline community services. What is also evident is a strong commitment to supporting our most vulnerable and disadvantaged residents and reducing inequalities.

This report describes the engagement methods used and key findings from the process.

The Engagement Process

The public consultation involved a number of stages and methods including;

- The publishing of three budget briefings on our website with social media posts directing people to the page. The briefings were also made available in print in all public buildings.
- Across our social media channels we posted 40 times with a reach of over 150,000. Links to the survey and briefs were clicked a total of 7,400 times.
- The use of a Budget Simulator, an educational, easy to use, tool that allows people to grapple with the challenges of balancing the Council budget
- A public online survey using the Citizens Space platform which had 1787 responses. Respondents could tick more than one category regarding their circumstances and 1606 selected resident, 345 Council employee and 85 local business.
- Paper copies of the online survey were also made available in all ten public libraries with stamped addressed envelopes of which there were 14 returns.
- Face-to-face budget panel engagement events with 49 attendees, held with five stakeholder groups over a series of nine sessions.
- A further survey with 332 responses through our Citizens Panel platform which is more demographically representative of the local population.
- The Council owned digital advertising screen in Neilston promoted the engagement process to drive people to the survey page, and there were a number of articles in print and online in the Barrhead news and Glasgow Live.

The methods used for the consultation allowed for a breadth of engagement. There was a dedicated **Budget Panel** event for secondary school pupils to engage young people, the panel events also attracted a number of older residents, particularly those using Culture and Leisure Services. It is worth noting that women predominated the public **online survey** results at 70%. The 35-44 year age category accounted for 46% of the total responses, which is 34% above that age group representation with East Renfrewshire demographic profile. Younger and older people were much less represented in the survey (1.7% of 16-24 year olds and 4.3% of people aged 65+). This could suggest that a high number of respondents were parents, invested in maintaining the high education standards of East Renfrewshire.

The **Citizens Panel survey** however had a higher proportion of older adults represented, with 37% of respondents aged over 65. This is 11% above East Renfrewshire population profile where older adults make up 26%. The gender split was slightly more even with men accounting for 44%. The Citizens Panel also demonstrated a reach to minority ethnic communities at 7% of respondents nearly 3% above the proportionate demographic population of East Renfrewshire.

The panel survey is more reflective of the demographic make-up of East Renfrewshire and overall there was a balance of views across key groups. However, some variation in views was evident across respondent age groups. This was most evident for Education services, with under 65s (and especially under 45s) being more likely than older respondents to wish to protect Education services. This was especially notable for staffing and management structures, funding for smaller class sizes in Maths and English, and janitorial, catering, cleaning. Respondents aged 65+ were more likely than others to wish to protect Environment services (especially winter maintenance). Overs 65's were also more likely to protect benefit payments and welfare support, and less likely to protect digital modernisation, subsidised sport/physical activity and town centre regeneration.

Consultation Methods

A number of methods were used for the budget engagement exercise ensuring a mix between face-to-face groups, written and online responses. Each engagement method had its strengths and limitations and appealed to different parts of our communities. The choice of methods recognised that communities are not homogenous and hold a rich tapestry of diverse views, preferences and opinions.

- **Online Public Survey**

The online public survey ran for 6 weeks. The survey was designed to allow respondents to rank spend areas by preference within, rather than across, departments, with open questions to highlight specific concerns or make suggestions to reduce impact. The departments covered were Education (including Culture and Leisure), Business Operations and Partnerships, Environment and Support Services. Health and Social Care Services have undertaken a separate consultation process in line with IJB requirements. The survey also included a question on areas that respondents would be willing to pay more for and the level of council tax increase that would be acceptable.

- **Citizens Panel Survey**

The Citizens Panel membership reflects the demographics of the population. A budget survey was sent to panel members which invited them to prioritise and rank savings in 28 areas across four departments. The survey ran for four weeks and there were 332 responses.

- **Budget Panel Events**

The Budget Panel events were externally facilitated and ran throughout the month of November at a number of locations including Barrhead High School, Giffnock Library and Woodfarm High School. Community Councils, Parents Councils, faith groups, community organisations, Tenants and Residents Associations, business representatives, and third sector partners, were invited to take part. There were five groups in total including Education (Parents and Pupils separately), Culture and Leisure and two groups which covered Environment, Business Operations and Partnerships and Support Services budgets.

Each group had two sessions with the first as a general information session followed by a second more detailed discussion two weeks later. They covered the current context in relation to budget setting and explored key themes, concerns, solutions and ideas from the participants which are summarised in the findings section below.

Key Responses and Findings

The following section outlines key themes and responses across the three main consultation and engagement methods.

Online public survey

Education:

For the section on Education, respondents were asked to rank spend areas which they **most want protected from savings** and the results are outlined below;

1. Devolved school budgets involving teachers
2. Devolved school budgets involving other staff groups and budgets
3. Centrally-based education staff and budgets

Key concerns highlighted in the survey were the impact of savings on vulnerable children and those with additional support needs, the reduction of pupil support and the cutting of school hours. A number of suggestions were given for reducing the impact of the cuts however the most prominent was to increase means testing and charging for school meals.

Culture and Leisure

Respondents were asked to **rate in order of importance** the key Culture and Leisure Services they would want to **protect**. These are ordered as follows;

1. Leisure Facilities
2. Libraries
3. Community Facilities
4. Non-fully funded sports and physical activities (e.g. Vitality. Live Action and GP referral, MacMillan Cancer Support and support for veterans and other vulnerable groups)

The key thematic concerns identified were the impacts of cutting library services and the overall impact on health and wellbeing that could come with the reduction in Culture and Leisure Services. Suggestions for mitigating these impacts included increasing of fees and not progressing the New Eastwood Leisure Centre.

Environment

Survey respondents **prioritised the following in terms of importance**;

1. Services for waste and parks operations
2. Roads budget
3. Services in housing and economic development
4. Services in planning and building standards
5. Management restructure
6. Office accommodation

The main thematic concerns identified in the open questions were a reduction in refuse collection and increased charging; and cuts in roads maintenance. Suggestions to mitigate the impacts of cuts included rationalisation of the Council estate and a review of management structures, along with, in contrast to the concerns raised, increased charges for refuse collection.

Business Operations and Partnerships

The following service areas were ranked in **order of importance**;

1. Community Safety
2. CLD (Youth Work & Community Group Support)
3. Customer Services
4. Revenues & Benefits
5. Support for local democratic functions
6. Management Restructure

The key concerns highlighted in relation to this area were the impacts on community safety and support to young people. It was deemed important to prioritise all aspects of community safety and to review management structures and pay before making cuts.

Support Services

For support services respondents were again asked to rank these in order of **importance for protecting**.

1. Services to support governance control, statutory reporting and digital infrastructure.
2. External digital contracts to support the Council's work

Concerns highlighted were the impact on other services should these support functions be reduced and a delay in digital modernisation that will ultimately lead to efficiencies. Suggestions included a review and rationalisation of contracts and increased collaboration and sharing of resources across Local Authorities.

Council tax and Charging for Services

Survey respondents ranked in order the Council services they would be **willing to pay more for**. The top five were:

1. Non-statutory registration fees for marriages and civil-partnerships
2. Increase school dinners by 20p
3. Increase administrative costs for the Duke of Edinburgh awards
4. Water Direct charges where water and sewage charges are taken directly from benefits for those failing to pay
5. Charges for collection of garden waste and offer additional Brown Bins
6. Charges for parking in Council Carparks and introduction of residential parking permits

An open question then asked if there were any other services not listed that residents were willing to pay more for. The top three suggestions were: Leisure Services (30 respondents), Car Parking (26) and school meals (24), though 28 respondents said they were not willing to pay for any additional services.

Respondents were also asked if they would be willing to pay a higher rate of council tax if it protected service cuts with 53% indicating they would pay higher council tax, 35% stating they would not want to pay more and 12% undecided. For those that agree to a higher rate, they were asked what level of increase they would be willing to pay; 3%,4%,5% or greater than 5%. 1 in 5 are willing to pay over 5% and 45% are willing to pay a 3% increase.

The thematic analysis of all the survey comments found that the **top five concerns** from residents were primarily around the impact of reducing Education budgets.

1. Education: The impact of education cuts of children with Additional Support Needs and vulnerable children and young people.
2. Education: A reduction in Pupil Support Assistants.
3. Education: A reduction in hours of the school week.
4. Education: a decrease in the quality of education.
5. Environment: reducing or charging for refuse collection

The top five suggestions for **reducing the impact of cuts** were;

1. A review of management pay and structures
2. Rationalising of the Council estate
3. Increased charges for refuse collection or changing of collection frequency
4. Increased means testing and charging of school meals
5. Increased fines

Citizens Panel

Panel respondents were presented with a number of service delivery areas across departments. They were asked to rate these areas in terms of how much they would like to protect them from budget savings from one to ten. When asked to consider the full range of services, respondents identified a wide range of **spending areas as priorities to be protected from savings**. The ten spending areas scoring as the highest priority are listed below;

1. Winter maintenance (Environment)
2. Roads and pavement maintenance and repairs (Environment)
3. Leisure centres (Culture & Leisure)
4. The frequency of waste collection and the Barrhead recycling site (Environment)
5. Janitorial, catering and cleaning services (Education)
6. Community safety (Business Operations & Partnerships)
7. Subsidised sports and physical activity (Culture & Leisure)
8. Community libraries (Culture & Leisure)
9. Benefit payments and welfare support (Business Operations & Partnerships)
10. Additional in-school support (Education)

In contrast to the Public Online Survey, respondents were most likely to prioritise Environment and Culture & Leisure spending areas over Education.

In terms of areas ranked as the **lowest priority**, starting from the lowest:

- Number of Council office buildings (Environment)
- Democratic services (Business Operations & Partnerships & Support)
- Support services to run the Council (Business Operations & Partnerships & Support)
- Planning and building standards services (Environment)
- Digital modernisation and transformation to make efficiencies (Business Operations & Partnerships & Support)
- Maintenance of mixed tenure blocks of flats (Environment)
- Centrally-based education staff (Education)

Town centre regeneration and other support for local business (Environment)

Customer-facing services for enquiries and complaints (Business Operations & Partnerships & Support)

Classroom supplies, trips, activities/clubs, outdoor education (Education)

In addition to the scoring of all service areas, respondents were also asked to identify up to **five spending areas they would like to protect from savings** as follows;

Roads and pavement maintenance and repairs (Environment) – 42% would like to protect this from savings.

The length of the pupil week for primary schools (Education) – 39%.

Benefit payments and welfare support (Business Operations & Partnerships & Support) – 36%.

Community safety (Business Operations & Partnerships & Support) – 35%.

Staffing and management structures in schools and early years (Education) – 32%

The frequency of waste collection and the Barrhead recycling site (Environment) – 32%

Respondent were also asked which five areas they think should be **least protected from savings**;

Number of Council office buildings (Environment) – 65% feel these should be least protected from savings.

Democratic services (Business Operations & Partnerships & Support) – 52%.

Digital modernisation and transformation to make efficiencies (Business Operations, & Partnerships & Support) – 46%.

Support services to run the Council (Business Operations & Partnerships & Support) – 40%.

Customer-facing services for enquiries and complaints (Business Operations & Partnerships & Support) – 37%.

Budget Panel Events

Overall panel summary:

The Budget Panels allowed for a more detailed discussion around the complexity of budget setting, which can be challenging to convey in online consultations. Participants were also given time to use the Budget Simulator tool and discuss the challenge of balancing budgets. However, although each panel was given a detailed briefing on the budget planning process it did highlight some limits in public knowledge around financial process such as moving spend between capital and revenue budgets, and this should be considered in future communications and public briefings. There was

some scepticism as to whether the Council has done everything it possible can to address “efficiency” savings that would not necessarily impact on service provision and individual outcomes, though some of the efficiency suggestions made would not necessarily have a financial impact on savings.

Across the Budget Panels, it was clear that participants were concerned about the potential scale of budget cuts, the extent to which these would impact on the services provided and the consequent impact on individuals, particularly the most vulnerable. The most commonly expressed areas of concern related to budget savings within Education. This was particularly so amongst Parent Council participants but was also reflected in the other groups. Within this, however, the desire to ensure that any savings that are made do not impact on the most disadvantaged pupils was particularly apparent.

There were also concerns raised about wider department cuts in areas including, for example, reductions in grass cutting which would mean the effective loss of football pitches and closure of existing community amenities and facilities.

A number of common underlying principles emerged from the various Budget Panels, as follows;

- The Council should prioritise maximising “efficiencies” before cutting services or increasing charges or costs; in particular, this would include demonstrating that the Council is adapting to new methods of working post-pandemic in terms of its premises requirements and use of digital technology.
- There should be protection of services that impact on the most vulnerable individuals and communities.
- Beyond this, seeking to ensure that budget savings or other changes do not add to existing disadvantage and inequality (whether economic or otherwise).
- Maintaining some level of service where possible, even if lessened in scope or different model of delivery is used, however don’t just cease delivery.
- Being more open to those budget savings where a reasonable mitigation can be put in place.
- Taking the more damaging savings as late in the 3-year budgetary period as practical, this reflecting a hope that the environment for Council finances over the period may not be as difficult as expected.

In general, there was a degree of greater openness to charging for services, increasing charges and increasing council tax at a higher level than previous years. However, for some panels an increase in council tax came with caveats that residents could specify how they would want this allocated e.g. Education services for some, community services for others. Overall communication around this area would need to outline limitations and challenges better.

Some panel participants highlighted concerns about Council job losses and the impact on those individuals and their families but also in relation to the wider economic impact that this would have on the area.

Departmental Panel summaries:

The following outlines a summary of key themes which emerged from each stakeholder panel group.

Education (Pupils)

- Pupils recognised that East Renfrewshire’s schools are of high quality and that this has a very positive impact on individuals, families and communities across the Council area; their concern was about the long-term impact of some of the potential savings options.
- They placed a high priority on protecting elements focused on those most in need. There is a strong sense of fairness and desire to protect support for pupils with Additional Support Needs.
- There was recognition that while some cuts had negative impacts, innovative digital approaches could mitigate impact (absence/class sizes/shared classes across schools).
- There were mixed views on reducing the length of the primary week especially around childcare impact on families so this may require more clarity.
- Though open to efficiency savings, pupils recognised the importance of understanding support roles and the impact of this, in particular for non-teaching staff roles.
- Some savings were seen as less damaging, more often in “non-core areas” e.g. campus police. Pupils had mixed views on importance of school librarians but some quite significant concerns over loss of Bilingual Support Workers and Multimedia Technicians.
- It was felt that higher than previously planned increases in council tax would be merited to reduce impact.

Education (Parents Council)

- Participants recognised the Council has wider budget challenges but placed a particularly high priority on protecting the Council’s investment in education, describing it as the “Jewel in the Crown” of East Renfrewshire and a significant motivator for people to wish to live in the area.
- A high priority was placed on education support for those most in need e.g. Pupil Support Assistants. Similarly to the pupils’ panel there was a strong sense of fairness, particularly protecting support for pupils with Additional Support Needs.
- There were significant concerns raised about reducing the length of the school week for primary with the impact this would have on attainment and childcare
- The Parents Council members raised a number of concerns around loss of school libraries and librarians.
- It was felt that while school offices could be more efficient, they have a wider value in terms of culture and care, and should be retained.
- Savings should focus on non-core areas out with the school day. Although reluctantly, it was agreed some cuts could be made to central improvement functions, Easter Schools & Outdoor Education with scope to charge those who can afford it.
- Higher than previously planned increases in council tax between 3-10% are merited though any increase should be ring-fenced specifically to education.

Culture and Leisure

- The panels highlighted some challenges in relation to the distinct situation within Culture and Leisure, with services delivered by the Trust but with direct and indirect Council support.

There were discussions around where decision-making responsibility lies, especially, with respect to how any changes in service provision impacts on the Council's finances

- There was a measure of concern about the closure of individual libraries and community facilities. It was felt by panel members that ERCLT/ERC need to make better use of assets, with recognition that this may not generate significant savings.
- In general participants felt that services should be reduced rather than eradicated completely with an assessment of impact taken on any proposals, and for community facilities every option should be explored.
- There were mixed views on a temporary closure of Neilston Leisure Centre with a view that if closed it would be lost forever.
- Participants felt that a case-by-case approach needs to be taken with part-funded programmes (e.g. MacMillan Cancer Support, Veterans Support) but did have a concern that a cessation would impact on more vulnerable and disadvantaged people and offset any savings in terms of long-term implications.
- There was some perplexity from participants around committing to capital projects while major savings were being made, revealing a need for better communications around capital and revenue rules.
- Participants were open to higher than previously planned increases in council tax (though in most cases below the current rate of inflation). This view was expressed strongly by some who went as far as to suggest that increases at the lower end of the scale would be unacceptable to them.

Although the stakeholder groups for Environment, Business Operations and Partnerships and Support Services were combined, the following highlights concerns and suggestions raised at a departmental level.

Environment

- Participants commonly raised a concern around implications of reduced grass cutting on usage of certain facilities. In particular, loss of football pitches, which was considered to have a very significant negative social and health impact.
- There were also concerns highlighted around the closure of the Household Recycling Centre at Barrhead, with this impacting significantly on a more disadvantaged part of the Authority and could lead to consequences such as increased fly tipping.
- A reduction on town centre regeneration was viewed as having a negative effect on the local economy.
- The potential closure of Connor Road Supported Accommodation for Young people was highlighted due to its impact on a particularly vulnerable group.
- There was more acceptability around some service reductions including; extending waste collection cycle to 4 weekly, reductions in front-facing services such as Trading Standards, planning/building services, park operations and maintenance of mixed tenure/private sector housing blocks.
- The panel were open to reducing office accommodation, repairs budgets and management restructures while being mindful of unintended consequences.
- Increased income through garden waste, land leasing, parking charges and permits were considered to be "less bad" options given the scale of challenge, though consideration must be given to affordability.

Business Operations and Partnerships and Support Services

- Overall few concerns raised in these areas due to the prevalence of “back office” services, with a caveat that cuts should not be taken at levels to put compliance of statutory duties at risk.
- Where concerns were raised, they related to community safety and, especially, Community Learning and Development.
- There was an understanding that reductions in Customer First and Revenues & Benefits services would impact negatively on quality/standard of service but this was less of a concern than the loss of “visible” services.
- There was general acceptance of proposals to increase income for marriages and civil partnerships; charges for Duke of Edinburgh Awards scheme; and, taking contributions from water charge directly at source from Benefits- ‘Water Direct’.
- However Water Direct was an area where views were somewhat more divided with at least some participants feeling that this impacted particularly on people who were already struggling (though the explanation of “ability to pay” guidelines did give some reassurance in this respect).
- Participants were likely to suggest that the Council should seek to maximise revenues through higher than previously planned council tax increases though some concerns about the extent of this. There was concern that the public would be making a greater contribution whilst the levels of service would be reduced (in some cases visibly and significantly).

Other engagement responses

Just over 40 emails were received by Elected Members or via the East Renfrewshire Listening inbox and these were reviewed in addition to the thematic analysis carried out through the online survey. Education concerns predominated the emails followed by concerns around the closure of Culture and Leisure services and the impact this will have on health and wellbeing.

The key concerns identified in the emails were:

- A reduction of Pupil Support Assistants (PSA) and Additional Support needs in schools
- A reduction in the length of the primary school week
- The overall impact on any education cuts to the quality of learning, attainment targets and safety in schools.
- The impact of cutting school and community library provision.

Some suggestions were also put forward in emails including;

- Culture and Leisure- more partnership working with voluntary organisations to make best use of resources
- Prioritisation of education and health and social care services
- A review of capital spend for Leisure Centres and schools
- Introducing additional taxes e.g. car taxes.

The Council also received stakeholder feedback in emails from the Police and Community Councils. The police raised concerns about a reduction in community safety services and impact this would

have on anti-social behaviour and dog fouling. Barrhead Community Council specifically expressed their concerns about the closure of the Barrhead Civic Amenity site and the impact on the local community, reduced collection of refuse and increasing fees for garden waste.

Conclusion

East Renfrewshire Council has worked hard to reach and hear many voices across the Authority through a number of methods. This has resulted in the largest public budget engagement exercise carried out in East Renfrewshire.

While the most prominent area of concern is Education, the consultation has found that residents also want to protect environmental services such as roads maintenance, grass cutting, recycling and refuse collection, community safety and support to young people in the community and ensure that customer services continue to be available for those that most need them. Though “back office” and support services are not always prioritised, there is recognition that reducing their functions would have an impact on the smooth running of the Council, support for departments and statutory obligations. Residents want East Renfrewshire to be an efficient, effective and well-run Council that delivers good public services, especially to our most vulnerable residents.

There is a recognition across the different consultation process that while council tax increases are not popular, there is an unprecedented acceptance in the current financial climate and given the rate of inflation the level of council tax increase will need to be higher than has been the case in recent years in order to protect services, but it is important this is communicated clearly.

Through all the consultation methods there is a strong commitment to protecting the most disadvantaged and vulnerable residents. Fairness, inclusivity and addressing inequalities remains important to many East Renfrewshire residents.

ANNEX D

POTENTIAL SAVINGS OPTIONS FOR 24/25 AND 25/26

Education

Heading	Year 2 Saving £'000s	Year 3 Saving £'000s	Total Saving £'000s
EDU 1:Reduction in Devolved School Management Budgets involving teachers.	£4,007	£5,832	£9,839
EDU 2: Reduction in Devolved School Management Budgets involving other staff groups and budgets	£0	£215	£215
EDU 3:Reduction in centrally-based education staff and budgets	£0	£546	£546
EDU 4:Further savings (Property, utilities, energy etc)	£231	£30	£261
Total	£4,238	£6,623	£10,861

Environment

Heading	Year 2 Saving £'000s	Year 3 Saving £'000s	Total Saving £'000s
ENV 1:Service reductions across waste and parks operations	£100	£1,477	£1,577
ENV 2: Reduced roads budget	£425	£170	£595
ENV 3: Reduce services in housing and economic development	£173	£403	£576
ENV 4: Review office accommodation	£0	£500	£500
ENV 5: Reduction of services in planning and building standards	£0	£100	£100
ENV 6: Management Restructuring	£0	£0	£0
ENV 7:Increase income	£36	£312	£348
Total	£734	£2,962	£3,696

Business Operations and Partnerships (Non-Support)

Heading	Year 2 Saving £'000s	Year 3 Saving £'000s	Total Saving £'000s
BOP 1: Reduction to service delivery in Customer First, Revenues and Benefits and support for Council committees and elected members.	£0	£371.4	£371.4
BOP 2: Reductions in Community Safety and Community Learning and Development Services.	£10.7	£279.1	£289.8
BOP 3: Management Restructuring	£93.3	£126	£219.3
BOP 4: Increase income	£2.5	£11.5	£14
Total	£106.5	£788	£894.5

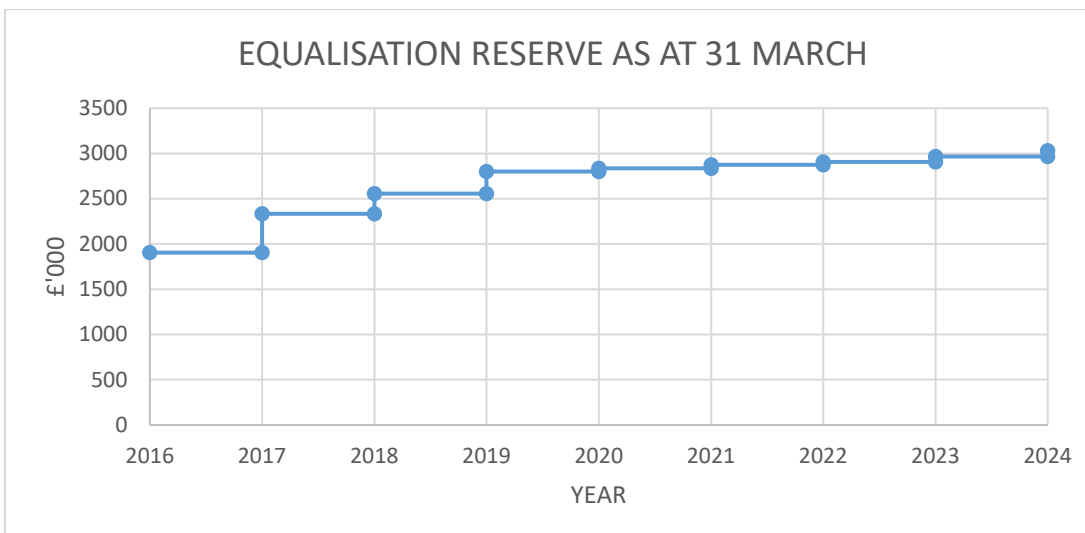
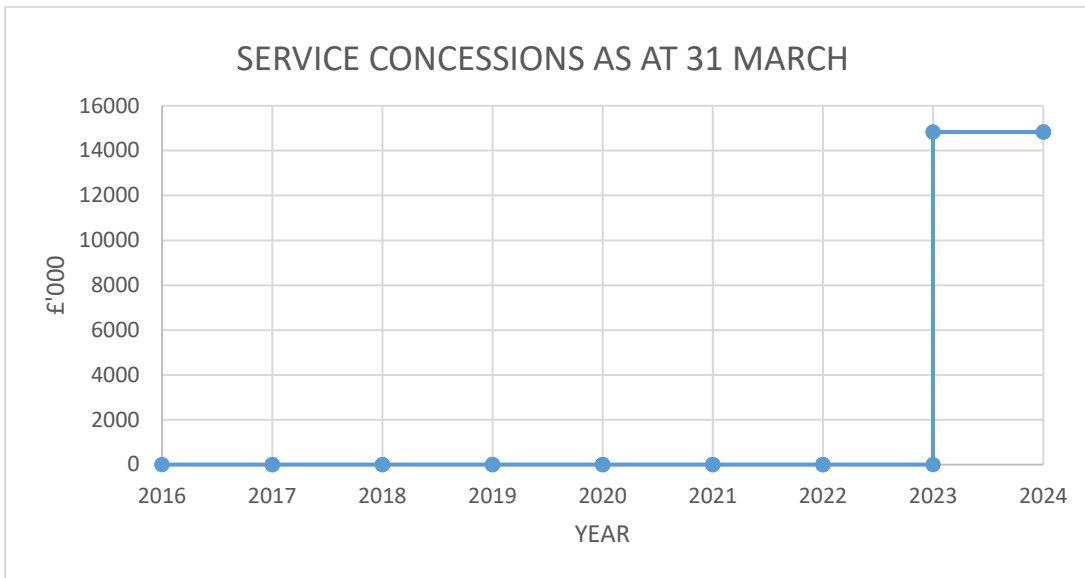
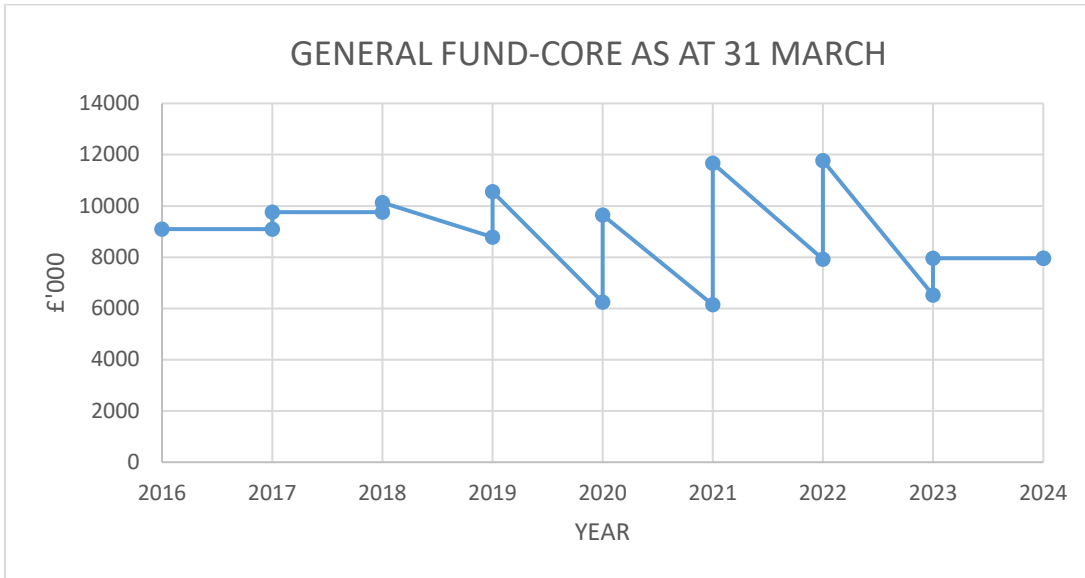
Business Operations and Partnerships (Support Services)

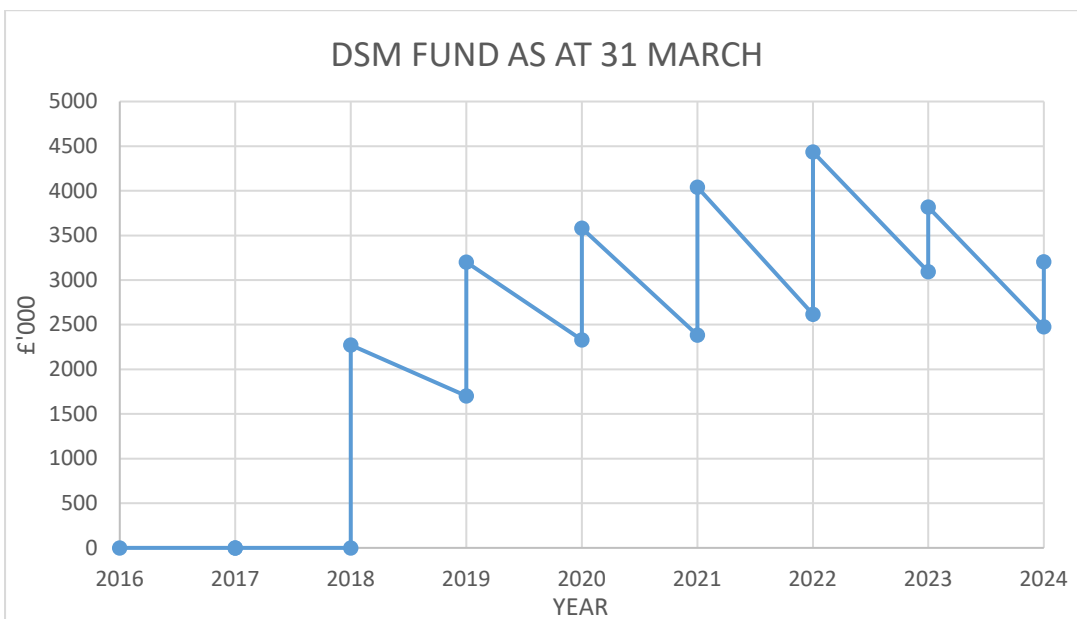
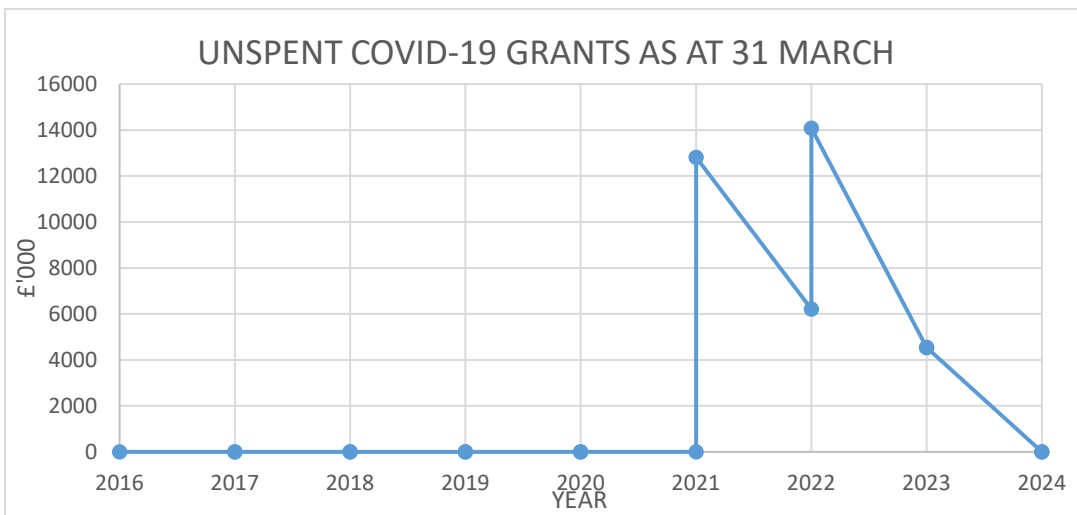
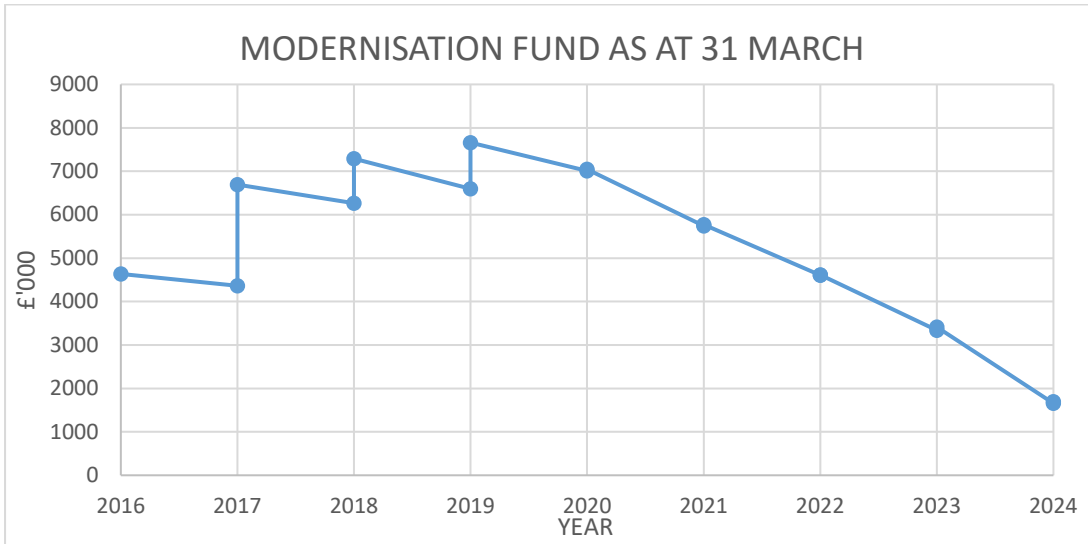
Heading	Year 2 Saving £'000s	Year 3 Saving £'000s	Total Saving £'000s
SS 1: Service reduction in support services of 21%	£0	£575.1	£575.1
SS 2: Rationalisation of Digital Contracts	£50	£50	£100
Total	£50	£625.1	£675.1

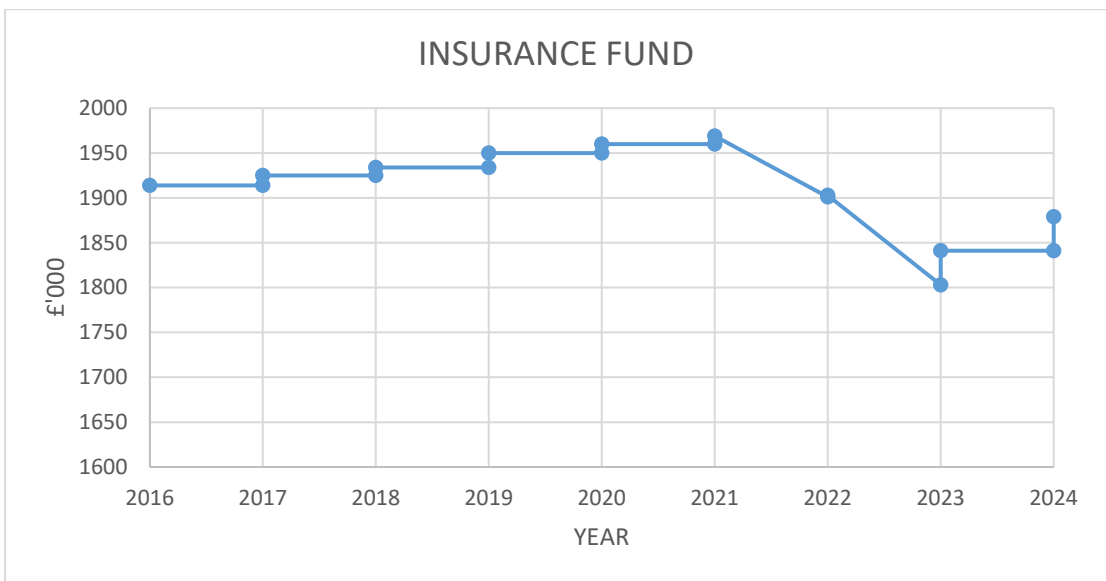
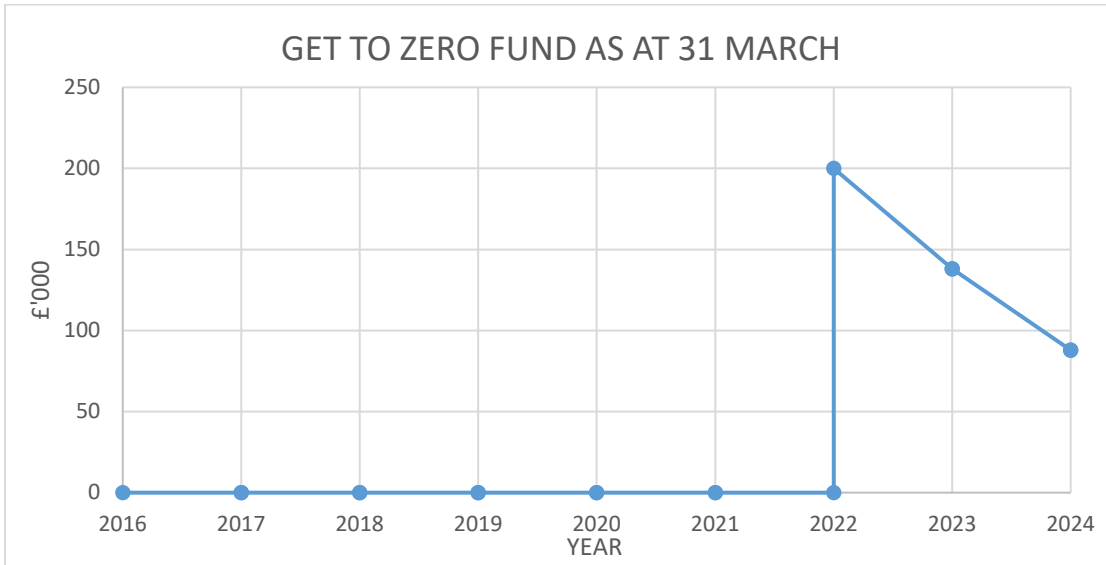
Chief Executive's Office (Support Services)

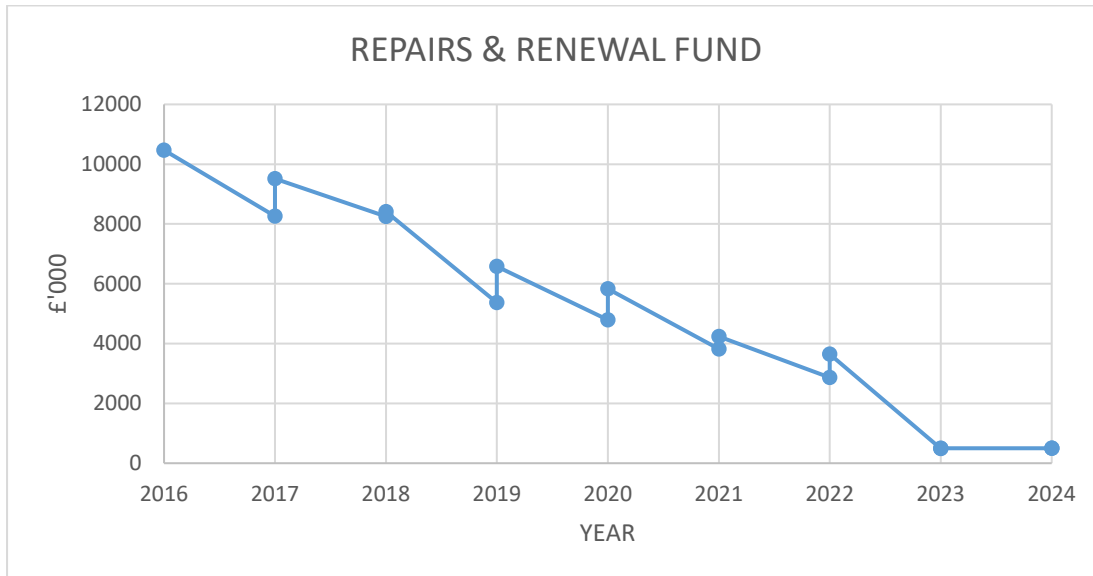
Heading	Year 2 Saving £'000s	Year 3 Saving £'000s	Total Saving £'000s
SS 1: Service Reduction in all support services of 21%	£0	£400	£400

TOTAL SAVINGS OPTIONS	5,128.5	11,398.1	16,526.6
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EAST RENFREWSHIRE COUNCIL1 March 2023Report by Head of Accountancy (Chief Financial Officer)CAPITAL INVESTMENT STRATEGY**PURPOSE OF REPORT**

1. The purpose of this report is to present for consideration the Capital Investment Strategy covering the long term capital ambitions of the Council. This report, together with the Treasury Management Strategy report, provides background information on the scale, objectives, affordability and risks associated with the Council's capital plans.

RECOMMENDATIONS

2. The Council is invited to approve the Capital Investment Strategy.

REPORT

3. All Councils are required to prepare a Capital Investment Strategy setting out their long term capital ambitions and the associated resource implications and risks. This assists with long term financial and service planning and ensures that capital investment aligns with local, regional and national strategies. The Capital Investment Strategy has been compiled with regards to these requirements.

4. The Capital Investment Strategy has been developed with regard to the Prudential Code 2017 and the Treasury Management Code of Practice 2017.

5. The strategy adopts a corporate approach to long term capital planning, beyond the span of our current capital plans, taking direction from the Council's Outcome Delivery Plan and a range of other key plans and strategies. These objectives, determined by the Council, will be driven forward by the Corporate Management Team, working in conjunction with partner organisations and local communities to ensure that investment is aligned to our strategies and that performance is measured against expected outcomes.

6. Whilst approval of the Capital Plan later on today's agenda will commit to the Council's capital expenditure for 2023/24 only, a long term strategic and financial view is essential for resilience in uncertain times and the Capital Investment Strategy will continue to be updated as new challenges and opportunities arise so that future capital plans can also be adapted.

7. The Council will continue to take a prudent approach to affordability and risk, assessing resource impacts through the prudential indicators and seeking to take a long term view to ensure that funding is in place for the delivery of our capital ambitions. Delivery of projects will also be closely monitored through tailored capital project monitoring at both officer and elected member level.

8. The Council has significant capital investment ambitions across the authority and the Capital Investment Strategy, together with the Treasury Management Strategy, Capital Plan and Revenue Estimates and Financial Planning reports sets out how these will be funded and managed.

CONCLUSION

9. Councils are required to prepare a Capital Investment Strategy, compiled with regard to the relevant guidance, to assist in the long term planning of their capital ambitions.

RECOMMENDATION

10. The Council is invited to approve the Council's Capital Investment Strategy.

Further information is available from:

M McCrossan, Head of Accountancy Tele No. 0141 577 3035

KEY WORDS

Capital Investment Strategy, Capital Plans, Prudential Code, Treasury Management Code.



Capital Investment Strategy

March 2023

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Capital Investment Strategy Intention

The Council set out a clear and strong direction in our Vision For the Future in 2020 which sets the scene for our investment ambition. This Capital Investment Strategy will contribute significantly towards addressing the challenges that we are facing in continuing to provide excellent services to our communities, businesses and residents, challenges such as meeting early learning and childcare requirements, achieving housing targets, planning for upgraded leisure facilities, addressing the Get to Zero agenda and maintaining school excellence.

Covid will have a long term impact on our communities and our Vision For the Future will be further updated to ensure that we focus on the long term recovery for the area. This Capital plan will contribute to that recovery by providing improved schools, leisure facilities and roads, all important for residents and providing a boost to our local economy. Our Capital Investment Strategy considers how we can deal with short to medium term financial uncertainty by taking a longer term view of how our capital investment can be put to best effect to meet the needs of the area, as demonstrated in our strategies and plans, such as the Local Development Plan and Housing Strategy.

It is clear that we cannot achieve our investment ambition on our own, we need to work collaboratively with communities and localities to make sure that we have understood local needs properly and that we can deliver what we promise. This means delivering the commitments in our Community Plan, (including the aims in Fairer East Ren) and making sure that this works on the ground through the delivery of locality plans and other community initiatives.

We are realistic about what we can achieve with our known available resources, which is why we are working with partners to deliver regional economic and infrastructure improvements. By working strongly with partners, we are ensuring that our resources can sit alongside external funding opportunities to optimise the benefits for our area. A key example of this partnership working in action is the progress that we are making with City Deal initiatives.

Councillor Owen O'Donnell – Leader of the Council

Focus on the Long-term Approach

As we continue to respond to the challenges of the COVID pandemic, it is all the more important for us to effectively and realistically plan for recovery and the delivery of our intended investment ambition. Our Capital Investment Strategy demonstrates the many influences on our capital plans, particularly external and partner influences, such as Scottish Government policies and the growing collaboration around the Glasgow City Region.

We need to continue to invest for the longer term benefit of our communities but always be mindful that any investment must be undertaken in a prudent, affordable and sustainable manner. Our Capital Investment Strategy takes a whole Council approach, ensuring that all our capital plans are aligned to our long term strategy, Vision For the Future, and measuring performance against our strategic outcomes.

Our Capital Investment Strategy is more than just a financial document. It has been informed by discussions across Directorates and service teams to produce a Strategy which encompasses all investment activities underway and in the pipeline. It explains why we are undertaking these investment activities in delivering our commitments to our communities, businesses and residents.

Our strategic, corporate and financial management processes are essential for achieving financial resilience in uncertain times. We must use our property, land and available resources wisely and ensure that we attract appropriate external funding to our area. Our Capital Plans cover a 10 year time frame and will continue to evolve and be updated as strategic influences change over time, as new challenges and opportunities present themselves and as the delivery of our investment ambition is realised.

Lorraine McMillan – Chief Executive

Summary of Capital Investment Strategy

This Capital Investment Strategy aims to set out our ambitions for capital investment across the full range of services provided by the Council for our communities. Whilst our General Fund and Housing Capital Plans cover the next 10 years, the Capital Investment Strategy considers longer term ambitions and allows them to be reflected in future planning. Not only does this longer term approach ensure that all future resource needs are recognised well in advance, but it also allows any challenges, shortfalls and opportunities for joint development to be identified early and addressed.

The Capital Investment Strategy is closely linked to the Council's medium and long term strategic plans. It is also aligned, however, with a range of national and regional plans and strategies across a number of individual services. This approach is strengthened by working with various partner organisations where appropriate, allowing the Council to benefit from an exchange of best practice and economies of scale.

The Council will now maintain a rolling, detailed 10 year general fund capital plan with new proposals for investment being brought forward annually through a Capital Project Appraisal process to ensure that they align with the Council's strategic objectives and asset management plans, are deliverable, affordable and represent best value. A 10 year rolling capital plan will also be maintained for Council housing stock, taking account of both national and local plans. Any revenue impacts associated with these plans, arising from both funding and / or running / maintenance costs are then reflected in the Council's revenue budget planning.

The Council's proposed 10 year General Fund and 10 year Housing capital plans referred to in this document are derived from the Capital Investment Strategy and aim to deliver on the stated priorities of the Council and its partners. In particular, these focus on the demand for Early Learning and Childcare and school places to serve the increasing numbers of houses being built in the area, on the need to replace and upgrade existing leisure facilities and educational establishments nearing the end of their useful life, the ambition to significantly improve the condition of local roads, to promote sustainable economic growth, to address the Get to Zero agenda and the commitment to deliver new Council housing across the authority.

Progress against the Council's capital plan is monitored by Cabinet, the Corporate Management Team and full Council, with any major issues examined by the Corporate Asset Management Group to ensure that good practice is followed in all projects. Risks are also identified and managed at both corporate and departmental level.

Whilst the Corporate Management Team will ensure that asset management plans and capital ambitions are continuously updated to take account of developing local and national strategies, the Chief Financial Officer will oversee the formal annual update of the Council's Capital Investment Strategy.

Relationship to other plans and strategies:

The Capital Investment Strategy does not stand in isolation but is closely linked to the strategic and operational plans developed by the Council and its partners. Figure 1 illustrates how our capital planning process aligns with both medium and long term local plans.

Figure 1: Integrating Strategic Plans and Operational Management

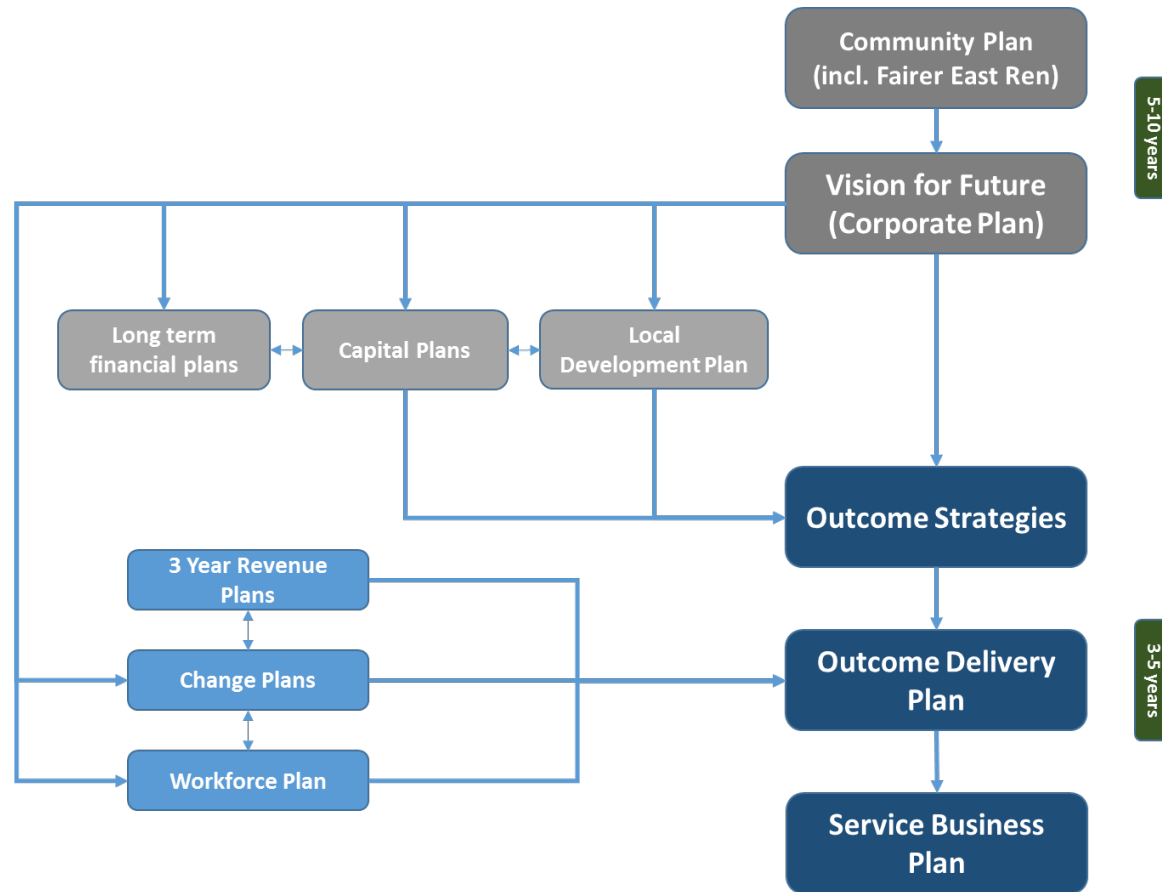
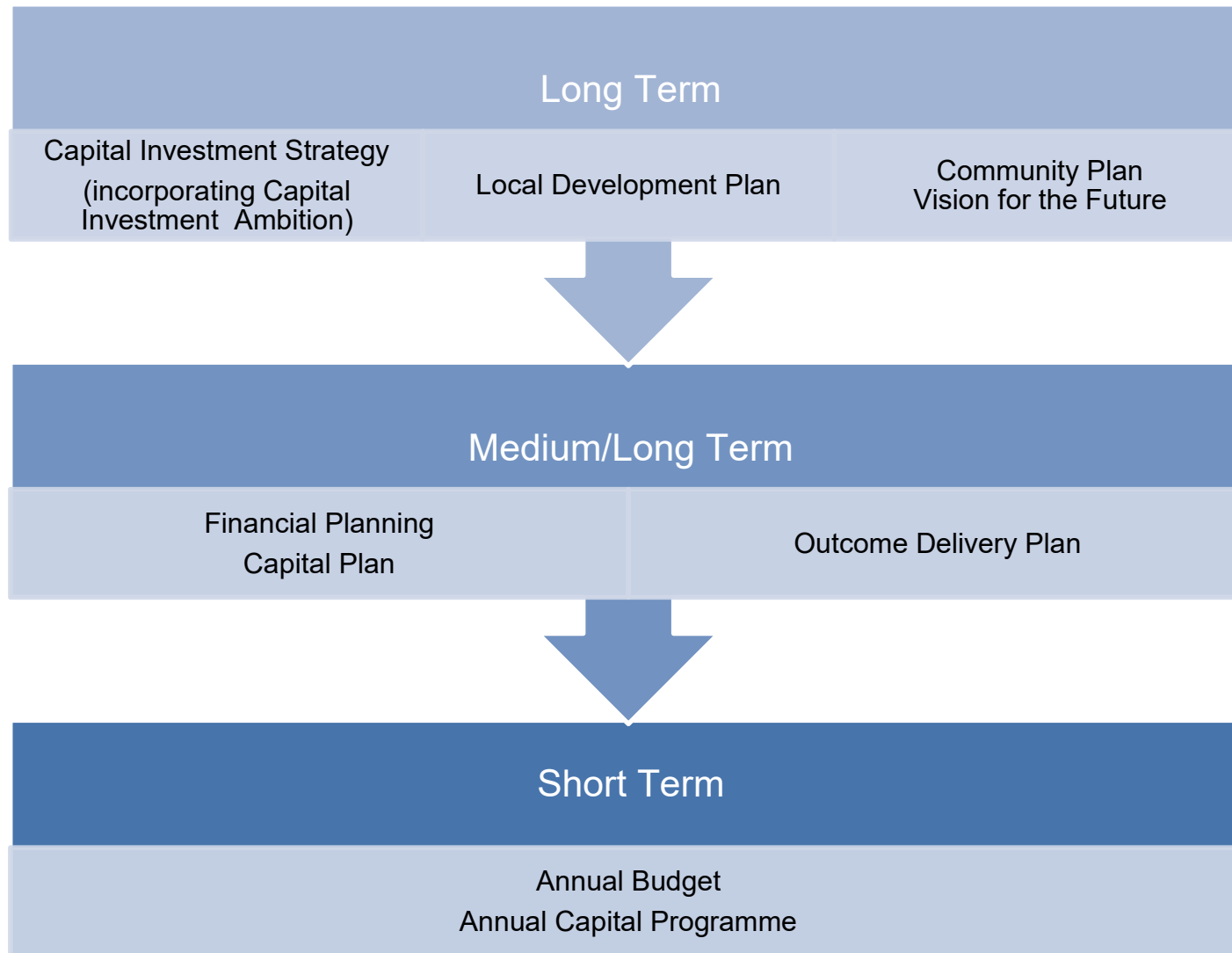


Figure 2: Summary of links to other plans and strategies



The above two diagrams show how the Capital Investment Strategy relates to the Council's overall aims and flows through to our multi-year capital plans and the capital programmes for the coming year.

Core Influences on Capital Investment

Our Capital Investment Strategy is influenced by many different factors. We have named them core influences, as these must be taken into account before establishing the appropriate strategy for contributing to the delivery of our Strategic Outcomes. In addition to the Council's own aspirations, these also reflect the ambitions of our local and regional partners as well as national strategies. More broadly, changing demands and demographic factors as set out in the Council's long term Financial Planning paper and our Planning for the Future statistical document also impact on our capital ambitions.

The following chart illustrates our core influences:

Figure 3: Summary of influences on the Capital Investment Strategy

<h1>National</h1>	<ul style="list-style-type: none"> • Scottish Govt: Housing Beyond 2040 • Scotland's Economic Strategy • Scotland's National Strategy for Economic Transformation • Scotland's National Transport Strategy • Net Zero Carbon in Public buildings by 2045 • Climate Change Bill • Energy Efficiency Standard for Social Housing • Early Learning & Childcare Policy • Universal Free School Meal Policy • Learning Estates Strategy • National Gaelic Language Plan 2018-2023 • Scottish Enterprise Strategic Priorities 2022 • Skills Development Scotland Strategic Plan 2022-2027 • Planning (Scotland) Act 2019 and National Planning Framework 4
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<h1>Regional</h1>	<ul style="list-style-type: none"> • Glasgow & Clyde Valley City Deal • Glasgow City Region Economic Strategy 2021 • Strathclyde Partnership for Transport Regional Transport Strategy 2022-2027 • GCV Regional Spatial Strategy
<h1>Local</h1>	<ul style="list-style-type: none"> • Community Plan • Fairer East Ren • Locality Plans • Local Development Plan 2 • Outcome Delivery Plan • Local Housing Strategy • Strategic Housing Investment Plan • Local Children’s Plan 2023-2026 • Local Transport Plan (publishing 2023) • Corporate Asset Management Plans • SFT Learning Estate Metrics • HSCP Strategic Plan • Gaelic Language Plan • Local Transport Strategy • Get to Zero Action Plan (in development)

Our Capital Investment Strategy has taken account of the external, partner and internal influences in shaping our approach. The following sections provide a summary of main points and our strategy and intended actions in each case:

National influences

Climate Change Plan Update (December 2020)

Scottish Government has set an ambition to transition to a net-zero carbon Scotland for the benefit of our environment, people and prosperity.

All of the council's 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 re-appraised 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.

The key actions which Scottish Government and therefore East Renfrewshire Council will focus on are:

- Reducing greenhouse gas emissions through a transition to a net-zero economy and society
- Driving Scotland's adaptation to climate change
- Supporting decarbonisation in the public sector
- Engaging with business and industry on decarbonisation
- Encouraging individuals to move towards low carbon living
- Supporting local communities to tackle climate change.

[Link to Climate Change \(Emissions Reduction Targets\) \(Scotland\) Act 2019](#)

[Link to Climate Change Plan Update \(2020\)](#)

More Homes Scotland

The existing Government initiative, More Homes Scotland, has put in place a commitment to year-on-year funding for affordable homes to be shared by councils across Scotland, via the Affordable Housing Supply Programme (AHSP) and bringing housing and planning requirements closer together through the Housing and Planning Delivery Framework.

The £3.6 billion investment from 2020-21 to 2025-2026 is intended to give councils and housing associations the certainty they need to help deliver the ambitious affordable homes target – 100k affordable homes by 2032, of which at least 70% will be available for social rent. This will continue to ensure delivery of the right homes in the right places.

Supporting information:

[More homes - gov.scot \(www.gov.scot\)](http://www.gov.scot)

Housing to 2040: a conversation

Housing to 2040, published in March 2021, is Scotland's first long-term national housing strategy with a vision for what housing should look like and how it will be provided to the people of Scotland, no matter where they live and what point in their life they are at. The ambition is that everyone in Scotland should have access to a warm, safe, affordable and energy efficient home that meets their needs.

In light of this there are emerging new housing policies and initiatives driving energy efficiency improvements and to address challenges such as child poverty and an ageing population, which will have to shape our local plans and we will continue to reflect this through the development and implementation of our Local Housing Strategy to be published in late 2022. We continually monitor Scottish Government housing policy activity in order to address any resulting opportunities or challenges and will update the Capital Investment Strategy accordingly.

[Housing to 2040 - gov.scot \(www.gov.scot\)](http://www.gov.scot)

Scotland's National Strategy for Economic Transformation

Scotland's National Strategy for Economic Transformation lays out six programmes of delivery. The Council's Capital Investment Strategy seeks to demonstrate the alignment of the local economic strategy to the national strategy.

The East Renfrewshire area currently has a relatively modest level of business activity, and this will have been further impacted by the pandemic. However, given the population growth expectations and the desirability for the area for families, particularly related to school excellence, there is merit in considering the potential knock on effect to business activity, particularly with regard to retail and leisure provision.

In December 2021 the Council and its partners published a Regional Economic Strategy which covers the wider City Deal region, followed by a regional action plan developed in 2022.

East Renfrewshire Council is developing an Economic Development Action Plan which will be informed by the Local Development Plan and link to National Strategy for Economic Transformation (NSET) and the Regional Economic Strategy. Once adopted, the Economic Development Action Plan will inform the Council's capital investment plan, as part of the Capital Investment Strategy.

Supporting information:

[**Link to Scotland's Economic Strategy**](#)

[**Link to City Deal Regional Economic Strategy**](#)

[**Link to the Regional Economic Strategy Action Plan**](#)

Scotland's National Transport Strategy 2

The National Transport Strategy 2 (NTS2) presents a Vision for Scotland's transport system over the next 20 years. The Strategy contains four key Priorities, each with three associated Outcomes for a sustainable, inclusive, safe and accessible transport system, helping to deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors. The key Priorities are:

- Reduce inequalities – “Everyone in Scotland will share the benefits of a modern and accessible transport system”
- Take climate action – “People will be able to make travel choices that minimise the long-term impacts on our climate and the wellbeing of future generations”
- Help deliver inclusive economic growth – “Scotland will have a transport system that will help deliver sustainable and inclusive economic growth enabling the whole country to flourish”
- Improve our health & wellbeing – “Scotland's transport system will be safe and enable a healthy, active and fit nation”

- A second delivery plan has been published for 2022-2023. The NTS Delivery Plan provides a package of actions and interventions which support Scottish Government's vision and strategic themes. At a local level the Regional Transport Strategies and Delivery Plans provide a detailed overview of the regional and local priorities, projects, actions and services, aligned with the NTS priorities.

The emerging Strategic Transport Review 2 (STPR2), which provides an overview of transport investment - infrastructure and other behavioural change recommendations – supports delivery of NTS2 priorities and objectives. STPR2 is a key component of Scotland's journey to net zero emissions and will, in conjunction with existing commitments and other policy ambitions, enable a reduction in transport emissions as well as addressing inequalities and improving health and wellbeing.

In the case of East Renfrewshire the national Strategy influences the Strathclyde Partnership for Transport strategies and plans. The SPT Regional Transport Strategy for 2022-2037 is in the process of being finalised following a public consultation and will replace the current plan, A Catalyst For Change. East Renfrewshire's refreshed Local Transport Strategy is due in April 2023, and will be informed by the new Regional Transport Strategy and National Plan. East Renfrewshire is demonstrating its alignment with national and regional transport strategy via the strategic City Deal projects.

2019 - 2020 saw the commencement of 2 of the major City Deal roads projects, Balgraystone Rd (2019) and Aurs Rd realignment (2020) although there have since been some delays due to Covid-19. Good progress is also being made with development of the proposed rail station at Barrhead South. As the position becomes clearer on the City Deal transport project the Council will consider if there is any further need for transport infrastructure in the area, over and above what will be achieved from the current funding package. Any capital investment ambition that is unmet will form the basis of future discussions with Scottish Government and strategic partners.

When determining the longer-term strategy for the Council, it is not immediately possible to identify investment in any detail beyond the current City Deal timescale. However, development of a refreshed Local Transport Strategy will provide a framework for transport decision making and investment over a ten year period. This will identify measures to deliver transport, health, environmental and sustainability outcomes in line with national, regional and local Strategic Objectives, including the East Renfrewshire Community and Fairer East Ren Plan. East Renfrewshire Council will work with partners and stakeholders in order to develop key proposals including the development of local active travel networks (to enable more walking, cycling and wheeling for everyday journeys), encourage greater use of public transport, promote low-carbon transport modes, (such as development of electric vehicle infrastructure) as well as actions to reduce car dependency and promote greater inclusivity across the transport network through Community Transport options. On this basis, the Council will consider any risks, financial and non-financial, which will inform decision making at a local level.

Supporting information:

[Link to Scotland's National Transport Strategy 2 – Link not working attached below](#)

[https://www.eastrenfrewshire.gov.uk/media/7540/Adopted-LPD2-March-2022/pdf/Adopted_LDP2_March_2022.pdf?m=63784232768280000.](https://www.eastrenfrewshire.gov.uk/media/7540/Adopted-LPD2-March-2022/pdf/Adopted_LDP2_March_2022.pdf?m=63784232768280000)

[Link to NTS second delivery plan 2022-2023](#)

[Current SPT Regional Transport Strategy](#)

[Draft SPT Regional Transport Strategy](#)

Early Learning and Child Care

Early Learning and Childcare (ELC) in East Renfrewshire is mainly provided by the local authority, with a relatively low proportion of children receiving their ELC in a funded (partnership) provider (i.e. private, voluntary and independent sectors and childminders). The ERC facilities operate at relatively high occupancy levels and are organised into 4 geographical communities.

From August 2014, all local authorities had a duty to increase provision to 600 hours of free ELC for all 3 and 4 year old children and eligible two year olds; and to introduce some flexibility on how entitlement is provided for parents. This placed demands on the capacity (available places) and resulting occupancy levels of East Renfrewshire ELC facilities. The Scottish Government's A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland increased the entitlement to 1140 hours per year of free ELC for all 3 and 4 year olds and eligible 2 year olds by 2020. This vision effectively doubled the entitlement to free ELC and was underpinned by the key principles of quality, flexibility, accessibility and affordability. In response to these national agendas, the Council expanded provision significantly to meet both of these duties with the creation of new facilities and the replacement, remodelling and extension of established services. Additionally new facilities were also developed in cognisance of natural projected population growth as well as projected growth from new residential developments aligned with local development planning

The availability of and demand for ELC places throughout the authority continues to be subject of regular monitoring and review. This will take into account future local planning processes and resultant new housing land supplies, other demographic changes and relevant necessary modifications to the educational estate as a consequence of local/national educational policy. East Renfrewshire has reviewed its provision in light of new legislation laid in the Scottish Parliament by the Scottish Government in December 2020 regarding funded early learning and childcare places for all children who defer their primary one start. All parents and carers in Scotland have the legal right to defer their child's entry to primary school if they are not yet 5 years old at the beginning of the school year. In the current system, the youngest children (those with a January or February birth date) are automatically entitled to an additional year of funded ELC; and those with an August to December birthday can still defer their school start, but that does not automatically come with funding for an additional year of ELC. The updated legislation will mean that from August 2023, all children aged 4 at the commencement of the school year will be entitled to defer the commencement of primary education and will be entitled to access another fully funded year of ELC provision. The Education Department has identified concerns regarding the availability of ELC places in the Barrhead and Lavern Valley areas to accommodate children requesting an additional year of fully funded ELC provision in light of the legislative change given current high occupancy rates, and is progressing with plans to increase the number of available places by repurposing spaces within St John's Primary School which have previously been used by central Education Department staff and the East Renfrewshire Culture & Leisure Trust, which will become available as a consequence of changes to the way we work.

The Children and Young People (Scotland) Act 2014 requires local authorities to consult on early learning and childcare every 2 years, and East Renfrewshire has done so recently in 2022/23. This consultation included seeking to address the changing needs of families with regards flexibility and choice and changes in provider status, reflecting available resources. Listening to our families so as to ensure we providing flexibility and choice to meet their needs on an ongoing basis, requires the Education Department and its estate to be responsive and adaptable to new ways of working and models of delivery which may lead to the need for significant investment in infrastructure

This evolving requirement will need to be updated in future iterations of the Capital Investment Strategy. It is a relatively high-risk area from a service delivery, asset and financial perspective, which is addressed in the Capital Investment Strategy risk assessment.

In October 2022, the Scottish Government published 'Best Start - strategic early learning and school age childcare plan 2022 to 2026'. This strategy will focus on embedding the best practice from the extension to 1140 hours provision and will seek to explore approaches to expanding early learning and childcare provision further. These objectives include ensuring flexibility of delivery models to meet the ever-changing needs of local communities and expanding early learning and childcare provision to include children aged one and two. The extension to include one and two year old children would double the demand currently being met for three and four year olds. Furthermore, with the extension to the fully funded deferral legislation, these combined changes will result in significant challenge for the Council with regards to sufficiency of places and would require a review and likely need for new/extended establishments to meet these demands.

Supporting information:

<https://www.gov.scot/policies/early-education-and-care/early-learning-and-childcare/>

<https://www.eastrenfrewshire.gov.uk/early-learning-and-childcare>

<https://www.gov.scot/publications/best-start-strategic-early-learning-school-age-childcare-plan-scotland-2022-26/>

- The Scottish Government requires all local authorities to consult with families every two years so that local authorities ensure that the ELC provision provided meets the needs of families and children with regards to flexibility, accessibility and affordability of provision offered. We continually reflect upon and evaluate the provision offered so as to build upon our high-quality Early Learning and Childcare (ELC) system by ensuring children and families have accessible and affordable childcare that is complemented with school and out-of-school care.
- East Renfrewshire's models ensure that ELC provides families with flexibility and choice which enables parents to work, train or study, especially those who need help with finding sustainable employment.
- We work in partnership with a variety of stakeholders to identify eligible two year olds and optimise uptake of early learning and childcare.
- We provide free Early Learning and Childcare to all 2 year old applicants living in SIMD areas 1 and 2. This improves outcomes for all children, especially those who are more vulnerable or disadvantaged, and helps to close the poverty related attainment gap.

Early learning and childcare access in a deferred year: joint implementation plan

Joint Scottish Government and Convention of Scottish Local Authorities (COSLA) plan for funded early learning and childcare places for all children who defer their primary one start.

The Scottish Government have laid legislation in the Scottish Parliament which will mean that, from August 2023, all children who defer their start to school will automatically be able to access funded ELC.

Best Start - strategic early learning and school age childcare plan 2022 to 2026

- Embed the benefits of the extended 1140 hours of high quality funded early learning and childcare.
- Extend early learning and childcare provision to include one and two year olds.
- Provide out of school childcare

Learning Estate Strategy: Schools

The ambition for East Renfrewshire's learning estate is an inclusive one at the heart of the community with quality environments which facilitate experiences to support skills for learning, life and work and a focus on meeting needs of learners and supporting staff, families and communities to thrive. In so doing the estate should contribute effectively to the aspirations, principles and objectives of Scotland's Learning Estate Strategy, the achievement of the Council's corporate and community objectives and the policies of the Education Department, which are exemplified in the department's vision of *Everyone Attaining, Everyone Achieving through Excellent Experiences*. The intent is to seek investment to continually improve East Renfrewshire's learning estate both physically and digitally and ensure sufficiency of education places and meet the requirements of national policy/legislation such as Gaelic Medium Primary Education and the extension of free school meal provision.

Sufficiency of school places

The Council has a well-earned reputation for providing an excellent education for children and young people and such success has contributed to a growth in the number of pupils in schools and children in early years' facilities. The number of East Renfrewshire resident pupils has risen significantly from 2012 to 2021; and based on the National Records of Scotland projections show the children and young people cohort continuing to grow over the next 25 years. Accordingly, many educational establishments already have high occupancy levels and others are increasingly starting to face pressure. New build housing naturally is in part facilitating this increase in demand for early learning and school places, notably in both the east and west of the authority. However pupil numbers are also increasing in established residential areas with families attracted by the education and the local environment at an earlier stage in their children's development than was historically the case; the demand for catchment school places in the denominational sector continues. As well as this growth in demand from a resident population, schools attract a significant number of placing requests from families out with the authority which we must accept within the legislative framework, albeit that the number of granted placing request applications has decreased over recent years given the demand for catchment places; this has led to an increase in legal challenge placed upon the Council.

With the continuing development of residential properties associated with the Local Development Plan 1, the Education Department continues to monitor the propensity of children from this new residential development area and future projections in order to ensure sufficiency of school places across primary and secondary sectors.

The Main Issues Report sites (MIR2) associated with the initial LDP2 reflected increased housebuilding and population growth with a major impact on new school requirements. In June 2019 the Council approved that the Proposed LDP2 would be about adopting a strategy of consolidation and regeneration through to 2029. Additional residential development and the resulting requirement of realignment of, or significantly more education infrastructure, will be addressed when LDP3 is progressed.

The long term strategic education, demographic and housing analysis that was prepared to support LDP2 identified that further housing releases would have major impacts upon the existing education infrastructure. The Development Strategy for LDP2 therefore focused upon the regeneration and consolidation of our urban areas and the enhancement of existing places. The need to continue to monitor the demand for education places and to bring forward a strategy that will fully address future education infrastructure requirements in a long term, coordinated and planned way remains a key issue. The Education and Environment Departments will continue to work in close collaboration to agree a strategy that will fully address future education and residential needs in a long term, coordinated and planned way through LDP3.

The Education Department will continue to monitor, evaluate and respond to the evolving requirements of our resident population for educational places throughout the learning estate including to the specialist requirements of our additional support needs sector to ensure the Council can meet its statutory obligations now and in the future. This will take account of future local planning processes and resultant new housing land supplies, other demographic changes and relevant

modifications to the educational estate as a consequence of local/national educational policy. Should this signal the need for investment, this will be considered at that time with any changes to the learning estate the subject of future committee and council reports, take account of any necessary consultation and be reflected in future Capital Investment Strategies and Capital Plans.

Newton Mearns

With the growth in the number of pupils, providing sufficient school places for residents continues to be a very high priority and is under close monitoring and review; recently capital provision was made for an extension at Crookfur Primary School which was planned to open in 2023/24. Regretfully as a consequence of current market conditions the planned extension to the school has been delayed with an expectation that the Council will look to re-tender the programme in for a proposed opening of 2024/25. With the nursery class being previously relocated to a new facility, the Education Department will look to manage the demand for places at the school in the short term; it is also anticipated that demand will be lower in August 2023 as a consequence of the extension of deferrals for an extra year of early learning and childcare.

The Education Department along with colleagues in the Planning Department, continue to monitor the propensity of pupils originating from new property developments within the Council area. The department is monitoring the sufficiency of appropriate curricular areas at Mearns Castle High School in order to ensure that all learners are able to access all areas of the curriculum within appropriate teaching and learning spaces. This may result in the need for modifications at the school; the department will continue to monitor this.

Barrhead and Lavern Valley

With the new approved residential development brought forward and planned in parts of Barrhead, going forward the sufficiency of places in the primary denominational sector requires to be addressed based on information to date. As noted in the Early Learning and Childcare section, the space currently being occupied by East Renfrewshire Leisure Trust at St John's Primary School campus is planned to be remodelled as an early learning and childcare facility. Furthermore as a consequence of changes to working practices introduced as a consequence of Covid, Education Department staff also based at the school in former classrooms have become permanently resident within the Education Department at Barrhead Headquarters. This will allow future repurposing of these spaces to learning and teaching spaces which will support an increase in the maximum school planning capacity and will accommodate pupils from future residential developments within the wider Barrhead and Lavern Valley area, projected to be required from circa 2025. The repurposing of these spaces at St John's Primary School Campus is a cost effective approach to increasing school planning capacity by maximising use of the current school estate. However with an increase in school roll, this impacts on the communal areas at the school, such as catering and dining (which must also be considered with regards to free school meal expansion at P6 and P7) and physical space (internal / external) for curricular areas such as physical education and drama which may result in a need for additional capital expenditure to ensure the continuation of the delivery of statutory education as well as excellent experiences.

Naturally an increase in the number of children requiring a place in the denominational primary sector is mirrored by demand for places in the secondary sector. The Education Department projects that there will be the need to accommodate additional catchment pupils at St Luke's High School by circa 2025 and therefore there is a need to remodel / increase the number of learning and teaching spaces at the school to accommodate catchment pupils.

Additional Support Needs

There is also a need to increase the very specialist places for our most vulnerable children and young people. East Renfrewshire has only one special school - Isobel Mair - which is experiencing pressure on places as a consequence of additional residential development, but also due to families moving into the area to access this widely recognised and valued specialist provision. Over the past 10 years the number of children who are enrolled at Isobel Mair School has increased by over 50% and so facilities at the school are becoming stretched; additional accommodation is being planned for at the school to accommodate the increasing roll, albeit this is challenging at this time given current market conditions and the complexities of the location of the school.

The additional support needs of children attending Carlibar Communication Centre (CCC) has changed over time with increasingly more complex children presenting with significant social and communication needs that require full time continued support within Carlibar Communication Centre (CCC). Over the past few years the delivery model for children attending the CCC has changed with a greater number of children now attending the centre on a full time basis and a reduction in the number attending on a split placement. In general, the overall number of children accessing the services offered at the CCC has increased over the past few years, with a larger number of children joining the CCC each year, than has been leaving it.

Currently, young people who are not ready for transitioning fully to mainstream secondary education attend the Williamwood Communication and Support Service (WCSS), with just under 75% of those having transitioned from the Carlibar Communication Centre (CCC). There is an increasing number of young people who have been evaluated as not being able to transition to a mainstream secondary setting (or who are not currently coping within a mainstream secondary) moving to WCSS having not previously received any support from CCC. Similarly to the CCC, with a greater number of children joining the WCSS than leaving it over the past few years, the roll has grown. This places a greater demand on the small finite number of places available at the WCSS.

When analysing the needs of the children who currently attend the CCC, and assuming a similar increase in the number of additional places requested as has been observed in recent years, it is predicted that the roll of pupils in attendance at the CCC will increase significantly in the next 3-5 years, potentially by around 25%. This projected increase in pupils in attendance at the CCC will obviously result in the requirement for a greater number of places at the Williamwood Service; however there is not the physical capacity to increase the number of places at the WCSS to accommodate the projected increase in pupils attending the CCC (and those who transition directly from mainstream) and who require this specialist provision in the secondary sector.

The authority has undertaken a review of Additional Support Needs 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. A full public consultation has recently concluded on the creation of an ASN service at Carolside Primary School which would provide a service for such learners across the east of the council. This would reduce the distance and travelling time for children who currently travel to the CCC in Barrhead and reduce the demands on this site.

As noted the increasing demand for additional support needs is resulting in greater number of learners attending the WCSS and projected challenges in the services ability to accommodate future intakes. Furthermore, similar to the CCC, learners are required to travel to the WCSS from all areas of the Council which can mean significant distance and time to travel. Consequently the Education Department continues to monitor demand for places at the WCSS and its ability to accommodate learners on an ongoing basis. It is anticipated that there will be a requirement to provide a similar alternative service for secondary pupils in the short to medium term, which the Education Department will progress through the Council's Corporate Asset Management Group when appropriate.

Curricular Demands

There are other specific projects to address curricular need such as in response to subject choices/uptake levels/ curricular entitlements that impact on the learning and teaching environment. For example the Capital Plan includes provision for a new synthetic sports pitch and athletics track to provide sufficient modern PE spaces to meet needs at Mearns Castle High School; this project is now progressing with the new facility expected to be available for use in Spring 2023.

Other Support Factors

As consequence of the impact from the Covid 19 pandemic there has been an increasing number of children and young people who have not fully re-engaged with school education. The Education Department is working to support those learners who are not attending school as a consequence of Emotionally Based School Avoidance. Given the nature of this challenge for these learners and their reluctance to attend a traditional school environment, it is likely that the Education Department will look towards repurposing appropriate education estate to provide an appropriate environment which will require capital funding.

Education Policy and Impact on School Estate

Changes in local and national educational policy can impact on infrastructure requirements of the education estate.

Expansion of Universal Free School Meal Provision

In January 2021 COSLA and the Scottish Government reached agreement on the phased expansion of free school meals to include all P4 pupils from August 2021 and P5 pupils from January 2022, with remaining year groups (P6 & P7) being included from August 2022. Whilst the introduction of free school meals for pupils at P5 was introduced in January 2022, the expansion of universal free school meals to P6 and P7 has been delayed following an announcement by the Scottish Government in December 2021. As announced in December 2022, the first step towards universal free school meals in P6 and P7 (within the lifespan of the current parliament) will be the introduction of free meals to pupils at these stages where the child's parents/carers are entitled to the Scottish Child Payment; the Council awaits further information in this regard but will progress plans for implementation.

East Renfrewshire Council encourages families and children to access the school meals service in order to ensure that all children have access to at least one healthy and nutritious meal per day given the physical and educational benefits this brings. The level of uptake of free school meals across East Renfrewshire at the P1-P5 year stages in March 2022, is the highest recorded of all local authorities in Scotland, as per the annual School Healthy Living Survey Statistics.

In preparation for the expansion to P6 and P7 stages the Council undertook an evaluation of its learning estate and identified the need for capital investment in several primary schools in order to ensure sufficient catering and/or dining capacity and shared this with Scottish Futures Trust (an executive non-departmental public body of the Scottish Government) which worked with local authorities to determine required capital investment as part of the nationally agreed approach by COSLA. With such high occupancy and school meal uptake levels, schools currently manage communal areas effectively to ensure that children have access to large indoor areas such as dining areas and gym halls for the purpose of educational experiences such as physical education, drama and assemblies as well as for wider requirements such as school dining and catering. This currently results in schools necessitating multiple dining sessions each day to accommodate all P1-P5 free school meal entitled children, means assessed eligible P6-P7 children and those children who wish to pay for a school meal, so as to avoid impact on the delivery of the curriculum. In order to ensure that the Council is able to meet its duty to provide a free school meal each day to every child in the primary sector, additional kitchen/catering facilities will be required to allow food preparation, and modifications/extensions to kitchen/food preparation areas and school dining facilities will also be required to accommodate the significant increase in the number of children who will be entitled to a daily free school meal. Previously, the Education Department identified the most critical establishments which would require facilities/modifications/extensions to be enacted to cater for the P6 and P7 expansion.

In September 2022, the Scottish Government announced its intention to extend the provision of free school meals to children in the P6 and P7 year stages of the primary sector as part of its Programme for Government. It has been suggested that another capital investment analysis will be required by local authorities in conjunction with Scottish Futures trust to determine required capital investment to realise P6 and P7 expansion; the Council welcomes the revisiting of this process in order to ensure: all school estate catering and dining capacity is re-evaluated following P4 & P5 expansion; the planned alterations to schools such as the introduction of Gaelic Education at Thornliebank Primary School and introduction of a nursery class at St John's Primary School are considered; and the impact of current market conditions on required capital. It is anticipated that capital investment will be required in catering and/or dining in order to meet the P6 and P7 extension of free school meal provision across East Renfrewshire.

Gaelic Medium Primary Education

The Gaelic Language (Scotland Act) 2005, and subsequent accompanying Scottish Government Gaelic Language Plans are intended to put in place the necessary structures and initiatives to ensure that Gaelic has a sustainable future in a modern and vibrant Scotland. The Education Scotland Act (2016) establishes a process by which parents can request Gaelic Medium Primary Education (GMPE) from their education authority (if GMPE is not currently being provided) and places a duty on education authorities to promote and support Gaelic education. On receipt of a request for GMPE education authorities must

consider the demand for GMPE and where it is considered that at least five children of the same pre-school year group have/will request GMPE, then in accordance with the 2016 act, an obligatory full assessment of demand must be undertaken. The need for a full assessment of need for GMPE does not currently extend to early years or to the secondary sector, albeit statutory guidance is clear that there may be a move towards inclusion of early years in future. At this time children who reside in East Renfrewshire are accessing Gaelic Medium Primary Education but this is currently being provided by other neighbouring local authorities. Over time demand has increased within the authorities who currently accommodate East Renfrewshire residents and so it is likely that such places may not be available in the future. In October 2021, the Education Department received a request from a parent resident in East Renfrewshire seeking an assessment of the demand for GMPE from East Renfrewshire residents, which subsequently resulted in the department progressing to a full assessment of the need for GMPE. The number of positive responses met the legislative threshold for GMPE in any one year group and consequently the Council approved the introduction of GMPE. A public consultation on the proposed location of GMPE being Thornliebank Primary School has been undertaken. The Council has been in discussion with the Gaelic and Scots Team of the Learning Directorate at The Scottish Government in order to access capital funding in order to undertake necessary works to ensure that the school campus is ready to accommodate GMPE.

Supporting Information

<https://www.gov.scot/publications/scottish-governments-gaelic-language-plan-2022-2027/pages/2/>

School Estate Condition and Suitability

The need to ensure that all educational buildings are 'fit for purpose' with regards to condition and suitability is an active driver in developing and maintaining the learning estate and in achieving the policy aims of excellence and equity for all.

In September 2019 East Renfrewshire was informed that it was successful in attracting funding support from the Scottish Government's new Learning Estate Investment Programme (LEIP) phase 1 in order to progress with the proposed campus approach in the Capital Plan to improve facilities for Learning and Leisure in the village of Neilston, which includes new build replacements for Neilston and St Thomas' primary schools and Madras Family Centre. St Thomas' and Neilston primary schools were identified as having the highest priority for renewal across East Renfrewshire as a consequence of being in the poorest condition and suitability status in 2019. In summer 2020 the project team was appointed and consultation was undertaken on realising the first phase of the new Learning Campus on the Neilston/Madras site and the next phase based on the vacated St Thomas's site focussed around further improvements to leisure for the village. Whilst the programme was delayed as a consequence of the impact of Covid, the development of the new campus commenced in June 2022 and good progress is currently being made.

St Thomas' and Neilston primary schools were identified as having the highest priority in need of renewal. There will be other projects that the Council will need to reflect in future Capital Investment Strategy and Capital Plan updates to address the ongoing need to renew/refurbish older schools whose condition and suitability deem them in need of investment.

At present, Carolside and Cross Arthurlie primary schools and the older wings of Woodfarm and Mearns Castle high schools have the poorest buildings in terms of condition and suitability in East Renfrewshire. The newer wings at these secondary schools are in very good condition and provide a modern learning environment. Carolside and Cross Arthurlie are currently the primary school buildings with the highest priority where their suitability and condition are in need of investment. The Education Department is intent on addressing these priorities as soon as it is able to do so and has recently submitted a bid to the Scottish Government's LEIP fund phase 3 for the redevelopment of both schools following political and financial support of the Council; the outcome of the bids should be known by early 2023 and if successful new schools are required to be functioning by December 2027. Whilst the Council's bid may or may not be successful, the Council will continue to explore funding opportunities to lever in additional investment to improve the condition and suitability of its learning environments, based on most pressing priorities; as noted there are other projects that the Council will need to reflect in future Capital Investment Strategy and Capital Plan updates to address the ongoing need to renew/refurbish older schools where condition and suitability deem them in need of investment or where other factors such as accessibility impact the experience of stakeholders.

Whilst new and refurbished schools have very good/excellent physical environments, there is the need to provide all learners with fit for purpose modern education facilities; however it is recognised that this will take some time to realise on a wholesale through major new build/refurb. In the interim to help progress improvements in the Council's older schools, capital provision is included in the Capital Plan providing an annual provision to upgrade learning environments to meet needs of modern learning styles and curriculum.

The impact of the Covid-19 pandemic has further highlighted the need to improve the school estate specifically to mitigate against viruses such as Covid-19, but more generally to improve the conditions in which learners and staff are operating in order to allow our children and young people to be successful. Whilst Covid has highlighted the need for good ventilation and reduced levels of CO² to mitigate against transmission of the virus, as a consequence of these considerations it has also highlighted the general need for good ventilation given the positive impact that this can have on learners' physical ability to learn. Outdoor learning has been a national focus for some time now, however Covid-19 encouraged schools to make greater use of outdoor learning spaces to mitigate against the virus. Consequently this has highlighted the inequity of outdoor learning environments across our school estate and the need for further improvement in this regard.

Supporting information:

Link to Scotland's Learning Estate Strategy

In September 2019, The Scottish Government and COSLA published their coproduced joint vision for the learning estate of the future which supports excellence and equity for all, Scotland's Learning Estates Strategy- Connecting People, Places and Learning.

The joint strategy comprises the following principles to guide investment in the learning estate:

- Learning environments should support and facilitate excellent joined up learning and teaching to meet the needs of all learners;
- Learning environments should support the wellbeing of all learners, meet varying needs to support inclusion and support transitions for all learners;
- The learning estate should be well-managed and maintained, making the best of existing resources, maximising occupancy and representing and delivering best value;
- The condition and suitability of learning environments should support and enhance their function;
- Learning environments should serve the wider community and where appropriate be integrated with the delivery of other public services in line with the place principle;
- Learning environments should be greener, more sustainable, allow safe and accessible routes for walking, cycling and wheeling and be digitally enabled; Outdoor learning and the use of outdoor learning environments should be maximised;
- Good consultation about learning environments, direct engagement with learners and communities about their needs and experiences, and an involvement in decision making processes should lead to better outcomes for all;
- Collaboration across the learning estate, and collaboration with partners in localities, should support maximising its full potential; and finally,
- Investment in Scotland's learning estate should contribute towards improving learning outcomes and support sustainable and inclusive economic growth.

The national digital strategy defines a number of strategic actions which in many ways mirror the strategic digital outcomes within the Council:

- Digital support for businesses
- Digital talent
- Digital transformation
- Using data effectively
- Digital identity
- Technology standards and assurance
- Broadband and mobile
- Digital participation
- Data linkage

Education Scotland has also developed a national digital strategy called the "Digital Learning and Teaching Strategy for Scotland". This strategy results in direct change within the Education Department and has been used to inform and influence the Council's Education Digital Strategy.

This strategy has four key objectives:

- Develop the skills and confidence of educators in the appropriate and effective use of digital technology to support learning and teaching
- Improve access to digital technology for all learners
- Ensure that digital technology is a central consideration in all areas of curriculum and assessment delivery
- Empower leaders of change to drive innovation and investment in digital technology for learning and teaching

Nationally, progress is being made towards providing local authorities with funding to provide each child with their own digital device. As a consequence it is likely that this will have an impact on the education estate and its IT infrastructure in order to support such an increase in digital devices. The Education and IT departments are considering the impact of this strategy and await further information on the rollout of devices and associated impact on the education estate infrastructure.

[Link to Digital Learning and Teaching Strategy for Scotland](#)

National Gaelic Language Plan 2018-2023

The Scottish Government is currently working towards overtaking the objectives of the third iteration of its National Gaelic Language Plan 2018-2023. The commitments in the plan build upon the successes in supporting Gaelic since the publication of the first plan in 2010. It set out how the Scottish Government will help deliver the National Gaelic Language Plan by enabling the use of Gaelic in its operations and the delivery of its services, and how it supports other public authorities to fulfil their own commitments to Gaelic.

Link to [Scottish Government Gaelic Language Plan 2016-2021](#)

[Link to Statutory Guidance for Gaelic Education](#)

Digital Strategies

NHS Scotland have developed a Digital Health and Care Strategy called Scotland's "Digital Health and Care Strategy: enabling, connecting and empowering". This strategy which exists to guide the NHS Boards is of real relevance to the Health and Social Care Partnership (HSCP) of the Council.

This strategy focuses on how digital can support the strategic aim for Health and Social Care in Scotland which offers high quality services, with a focus on prevention, early intervention, supported self-management, day surgery as the norm, and – when hospital stays are required – for people to be discharged as swiftly as it is safe to do so.

[Link to Digital Health and Care Strategy](#)

The Scottish Local Government Digital Office doesn't define strategy but does enable transformation through collaboration, building communities of interest and acting as a strong voice nationally, on behalf of the 32 Local Authorities. The programmes within the Digital Office often reflect the coming together of the national strategies identified above and the local strategies of the Local Authorities, which have real local context.

These national strategies influence the Council in terms of procurement and planned capital spend. They inform our own strategic goals around digital and technology. As an interface to the national arena, the Scottish Local Government Digital Office allows the Council to approach transformation with momentum, with collaboration and with maximum re-use of learning and capability. This momentum, re-use and shared learning directly influences ICT contract procurement and capital projects.

[Link to Scottish Local Government Digital Office](#)

Planning (Scotland) Act 2019 and NPF4

The Planning System in Scotland is undergoing a substantial transformation and the context for preparing our next Local Development Plan (LDP3) has changed significantly. LDP3 will now be prepared under the Planning (Scotland) Act 2019 which has introduced a new statutory process for Local Authorities in preparing local development plans together with enhanced status for the National Planning Framework.

The Fourth National Planning Framework (NPF) is a long-term plan (up to 2045) for Scotland that sets out where development and infrastructure is needed. It will guide spatial development, set out national planning policies, designate national developments and highlight regional spatial priorities.

NPF4 will be one of the key documents that will inform the next LDP, in particular setting our future housing requirements alongside the regional HNDA, and with an increased focus upon climate change, improving health and well-being, and securing positive effects for biodiversity and nature recovery.

NPF4 is central to the implementation of the Scottish Government's vision for the future of planning in Scotland. NPF4 will hold an enhanced status and be a formal part of the development plan. This means that NPF4 will influence planning decisions at all levels.

The Draft NPF4 consists of 4 parts, namely:

- Part 1 sets out the national spatial strategy which guides decisions on future development across Scotland, and aims to deliver net zero sustainable, liveable, productive and distinctive places, central to spatial objectives. NPF4 provides a spatial strategy and core planning policies to guide where development and infrastructure should go.

It also recognises the different challenges and opportunities across Scotland's regions, which are outlined in five geographic 'action areas'. In the context of the Glasgow City Region this is included as part of what is described as 'Central urban transformation' aimed at transforming and pioneering a new era of low carbon urban living.

- Part 2 sets out 18 national developments, which support the delivery of the National Spatial Strategy. Of relevance to East Renfrewshire are the Central Scotland Green Network; National Walking, Cycling and Wheeling Network; Urban Mass/Rapid Transport networks; Urban Sustainable, Blue and Green Drainage Solutions; Circular Economy Material Management Facilities; Strategic Renewable Electricity Generation and Transmission Infrastructure; and the Digital Fibre Network.
- Part 3 sets out 35 national planning policies based upon the following 4 themes.
 - Sustainable Places.
 - Liveable Places.
 - Productive Places
 - Distinctive Places
- Part 4 sets out an outline of how the Scottish Government will deliver the strategy.

Supporting information:

[NPF4](#)

Regional influences

Glasgow and Clyde Valley City Deal

The Glasgow and Clyde Valley City Deal was formally signed in August 2014. The Council achieved a £44 million investment through the City Deal to deliver the infrastructure to support and enhance the place making strategy adopted through the Council's Local Development Plan.

Our £44m investment is focused on five key projects around the M77 Strategic Corridor, designed to provide economic benefits through employment, recreational, tourism, residential and business opportunities:

1. **Levern works** – Crossmill Business Units were completed in 2016 and all 10 units are now occupied. The former Nestle site is prepared for private investment. A planning application has been approved for a new Neighbourhood Centre on the site, works have commenced and the development of a Retail Park is underway. The Retail Park is due to open in March 2023 creating approximately 200 new jobs.
2. **Dams to Darnley Country Park enhancements** – Plans are in place to transform the Dams to Darnley Country Park into an important leisure destination including visitor facilities and wake board park – Works will commence when Aurs Road works are complete in 2024
3. **Aurs Road Realignment** - Improving connections between the communities of Barrhead and Newton Mearns and creating a promenade along Balgray Dam and an active travel route for safe walking and wheeling along Aurs Road – planned completion by 2024
4. **Greenlaw Business Centre** - meeting a growing demand for flexible business space – Completed 2019 and due to open February 2020 but delayed due to COVID – The centre is now open, it has been popular and many tenants have moved in, marketing continues to fill all suites
5. **Barrhead South Rail Station** – Creation of a new rail station to improve access throughout East Renfrewshire, improve access to job opportunities in Glasgow and improve access to Dams to Darnley Country Park – Discussions continue with Transport Scotland but the station is planned to open in 2025

The City Deal is a strong demonstration of the Council's approach to collaboration and partnership working in prioritising projects which will have an impact on the wider region.

The Capital Investment Strategy makes the connection between the ambitions of the City Deal and the delivery of ongoing projects at a local level, as demonstrated in the capital investment plan.

The Council will continue discussions with regional partners to identify delivery and funding opportunities, by engaging effectively as an integral part of the City Deal governance and through its wider partnership networks.

Supporting information:

[Link to Glasgow and Clyde Valley City Deal](#)

Strathclyde Partnership for Transport Strategy: A Catalyst for Change 2008-21

The Regional Transport Strategy (RTS) shared goals and objectives are an important influence on the Council's Capital Investment Strategy. It is important for the Council to demonstrate the alignment of local and regional transport strategy and to recognise the capital investment made by the Council via the Strathclyde Partnership for Transport (SPT) programme.

Approval of the new RTS is expected Spring 2023. A refreshed delivery framework to support policies and emerging plans is expected soon after. The current position is covered by the SPT Delivery Plan 2018/19 – 2020/2021.

The Council recognises that the regional transport situation has changed in the last decade. The Glasgow Region City Deal is a vehicle that will deliver new development and infrastructure and there are trends of increased congestion and car ownership. Within the new RTS there is a greater emphasis on health & wellbeing, equality, inclusive growth and environmental sustainability.

The Council has engaged with SPT on the development of the RTS and are satisfied that key emerging policies and plans support wider ERC objectives, being both a City Deal partner, along with SPT, being involved in the meetings with SPT to discuss the renewal of the RTS and as a member of the working group that has been set up.

More clarity will be needed from the SPT in order to enable the Council to effectively plan for future transport proposals and the impact this will have at a local level.

The extent to which the RTS will impact proposed future capital projects is unknown, but will be assessed following development of both Local and Regional Transport Delivery Frameworks. This will be reflected in subsequent future Capital Investment Strategy updates.

Supporting information:

[Link to Strathclyde Partnership for Transport Regional Transport Strategy](#)

Supporting information:

[Link to Strathclyde Partnership for Transport Regional Transport Strategy – A Catalyst for Change 2008-21](#)

[Draft RTS Strategy 2022-2037](#)

The implementation of the Planning (Scotland) Act 2019 means that Clydeplan Strategic Development Plan (July 2017) will not be reviewed and will no longer form part of the Development Plan. Regional Spatial Strategies will provide clear place-based spatial strategy that guides future development for the region, but they will not have a statutory status. East Renfrewshire Council will continue to play an active role in the preparation and alignment of a future RSS and Regional Economic Strategy for the Glasgow City region.

The Indicative Regional Spatial Strategy (IRSS) submitted to Scottish Government in April 2021, is premised on delivery of the compact city model, along with a focus for new development on brownfield sites, reduction of the need to travel and support for increased levels of active travel. In relation to housing, the IRSS seeks to reinforce regional efforts to create high quality places which deliver the right type of homes in the right locations, through the reuse of vacant and derelict land and higher density development around key transport nodes and existing centres. The need to retrofit existing aging homes and to reshape communities affected by multiple deprivation around the principles of twenty minute neighbourhoods, are important issues in the Glasgow City Region.

Local influences

Community Plan and Fairer East Ren

The strategic context for the Council starts with the Community Plan. The Community Plan was updated in 2018, and is kept under review on an ongoing basis. The Community Plan incorporates the Fairer East Ren Plan (this is the statutory Local Outcomes Improvement Plan and is a set of outcomes for reducing inequalities across East Renfrewshire) and is important in setting the scene for strategic financial planning. Reference to the Community Plan and Fairer East Ren could form part of the contextual material provided in relation to capital proposals and individual proposals should be aligned to the aims within these Plans. The Fairer East Ren themes are aimed at reducing inequality and have been mapped to national outcomes. They are delivered by the Community Planning Partnership which is important in setting the scene for a partnership approach to capital investment and an open and frank dialogue with local communities.

The importance of community engagement and consultation in successfully planning for, and delivering, capital investment cannot be underestimated. The Council is very outcome focused, which makes it much easier to get strong messages across to community organisations, communities and residents when it comes to the purpose and expected outcome of capital investment plans.

The capital investment plan will be developed around the Community Plan five strategic outcomes:

1. **Early Years and vulnerable young people** – all children in East Renfrewshire experience a stable and secure childhood and succeed
2. **Learning, Life and Work** – East Renfrewshire residents are healthy and active and have the skills for learning, life and work
3. **Economy and Environment** – East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents
4. **Safe, Supportive Communities** – East Renfrewshire residents are safe and live in supportive communities
5. **Older People and 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

Supporting information: [Link to Community Plan](#)

Fairer East Ren outcomes are embedded within the overall community plan and are as follows:

1. *Reducing Child Poverty – Child Poverty in East Renfrewshire is reduced*
2. *Improved employability – Residents have the right skills, learning opportunities and confidence to secure and sustain work*
3. *Moving around – East Renfrewshire’s transport links are accessible, attractive and seamless*
4. *Improving mental health and wellbeing – Residents’ mental health and wellbeing is improved*
5. *Reducing social isolation, loneliness and increasing safety Residents are safe and more socially connected within their communities*

[Link to Fairer East Ren](https://www.eastrenfrewshire.gov.uk/fairer-east-ren) <https://www.eastrenfrewshire.gov.uk/fairer-east-ren>

Locality Plans

Our Locality Plans highlight specific areas of focus within the community with a specific aim of tackling inequality and demonstrate good examples of partnership working and collaboration in East Renfrewshire. We currently have two Locality Plans which cover the areas of Auchenback and Dunterlie, Arthurlie & Dovecothall, though we are working closely with communities to review those post-pandemic. A further two plans for Neilston and Thornliebank are in development. The 'locality planning' approach which we use to address inequalities considers residents' needs, priorities and aspirations and aims to improve them using resources across our CPP organisations and local community groups.

The Council considers how the relationship with partners and the community, via Locality Plans, can be used to best effect to leverage greater investment capability and to find the best fit for community needs.

The Council will continue to develop Locality Plans with residents and communities. The resource implications will be considered and priorities for further roll-out will be examined. Through our locality planning areas we also embed grant-making Participatory Budgeting approaches to ensure that residents are involved in decision making at a local level.

Supporting information:

[Link to current Locality Plans https://www.eastrenfrewshire.gov.uk/community-planning-partnership](https://www.eastrenfrewshire.gov.uk/community-planning-partnership)

ADD2 Barrhead 2017-27

Auchenback 2017-27

Neilston (in development)

Thornliebank (in development)

Vision for the Future

Vision for the Future sets out our long-term ambitions for the work of East Renfrewshire Council based on a horizon of 10 years.

In October 2018 Council approved that the Corporate Statement and Vision for the Future documents would be combined and that an updated Vision for the Future document covering a 10 year time period would be produced to reflect the Community Plan and the long-term ambition of the council's change programme.

In the 'golden thread' of strategic planning, 'Vision for the Future' currently sits under the Community Plan (our 10 year partnership strategy for the area) and above the Outcome Delivery Plan (the Council's delivery plan).

Significant work has been done over the last 5 years to improve the integration of strategic and operational planning to ensure a clear 'golden thread'. The strategic outcomes of the Community Plan, (incorporating Fairer East Ren) when considered alongside our long-term financial plan, Capital Investment plan and detailed demographic analysis, offers us a solid foundation on which to further develop our Vision for the Future.

On 27 February 2020, an updated version of [Vision for The Future](#) was reviewed and approved by the Council. Shortly after, the Covid-19 pandemic hit and the economic, social and health impacts have had a profound impact on our communities and the work of the Council. Whilst much of the foundations and key outcomes of Vision for the Future remain, the pandemic has moved us forward in the theme of 'connections' – between communities; driving a more local lifestyle and with greater focus on green issues, climate change and use of greenspaces. On the 3rd March 2022, a [further paper](#) was presented to Council where it was agreed that a refresh of [Vision for the Future](#) was timely, and would use public engagement and research data on the impact of the pandemic and align more to themes emerging through LDP3 planning. In October 2022 a workshop was held with Community Planning Partners where it was agreed that Vision for the Future should

integrate with the Community Plan to allow for a broader shared vision of place and people. Capacity and the substantial impact of the budget process for 2023/24 and beyond has limited scope for development of Vision for the Future in 2022/23 but work will be progressed in 2023.

Outcome Delivery Plan

The Council's Outcome Delivery Plan has historically been a rolling three year plan, updated annually. The 2021-24 plan was reviewed during 2022 taking into account recovery planning and the impact of Covid-19 across services. A one year operational plan will be set for 2023-2024, to enable a wider review of future strategic planning. The Outcome Delivery Plan continues to be the Council's contribution to the Community Plan and provides a very current and relevant influence on the Council's Capital Investment Strategy. The Outcome Delivery Plan drives the Council's capital investment ambition.

There are intermediate outcomes for each of the five Strategic Outcomes, enabling the mapping of capital investment decisions to Community Planning and Council priorities.

The Outcome Delivery Plan sets out the Council's contribution and the associated critical activities, strategic indicators and targets which make the Plan specific and measurable. It also provides a narrative across the five strategic outcomes setting the Council's capital investment in context and highlighting service provision and future challenges.

Strategic Outcomes will be mapped to the capital investment plan where relevant. This helps with the evaluation and prioritisation of future capital schemes, where a business case needs to consider the contribution to the achievement of priorities, as well as non-financial and financial benefits.

Supporting information:

Link to [East Renfrewshire Council Outcome Delivery Plan 2022-23](#)

East Renfrewshire Council is committed to improving the lives of local people, promoting equality and fairness and enhancing the area in which we live, now and for the future. This is the Council's Outcome Delivery Plan (ODP). It covers the time frame 2022-23 and sets out how services across the Council are contributing to the delivery of our outcomes, and our vision to be:

"A modern, ambitious council creating a fairer future with all"

The Council works with our Community Planning Partners to deliver on our five strategic outcomes and three organisational outcomes of Customer, Efficiency and People.

Local Development Plan 2015-25

The Council adopted the East Renfrewshire Local Development Plan 2 (LDP2) in March 2022. The Local Development Plan is the Council's key strategic land use planning document and aligns with and supports the vision and objectives of the Council's Corporate and Community Plans. The key purpose of the LDP is to set out a long term strategy and a policy framework to guide future development and sustainable and inclusive economic growth up to 2031 and beyond. It is influenced by national, regional and local policy and together with the emerging NPF4, makes up the Development Plan for East Renfrewshire.

The Strategic Aim and Objectives contained within LDP2 will influence the Council's capital investment ambition. The Council will consider the long-term impact of The Local Development Plan, and it will identify what part the Council's capital investment will play in contributing to meeting the long term needs of the local population and area.

The Council will look to ensure that our Capital Investment Strategy will accommodate the additional spend that comes with house building such as (but not limited to) school provision, new roads, new street lighting, refuse routes, open spaces and other associated community infrastructure.

Supporting information:

[Link to LDP2 \(March 2022\)](#)

Local Housing Strategy 2017-22

It is important for the Strategic Priorities in the Local Housing Strategy (LHS) to be reflected in the Council's Capital Investment Strategy, both from a direct capital investment perspective and an enabling perspective. The Council plays a vital role in ensuring that the Local Strategic Housing Investment Plan for Affordable Housing is delivered in terms of projects, housing mix and timescale.

The Housing Strategy highlights the importance of working in partnership and internal service collaboration, particularly related to corporate challenges such as carbon reduction/ energy efficiency, and the effective use and maintenance of our assets. The capital investment requirement is put into this context in the Capital Investment Strategy to demonstrate how this investment is contributing to the achievement of important housing targets.

The Council's current LHS 2017-2022 and LDP2 have a target of 45 units per year of affordable housing (on average over the 5-year period), which was a realistic target based on likely funding, capacity and the economy. This target (225) has been exceeded at 321 additional new and acquired units to the end of 2022. New targets are being set for the emerging Local Housing Strategy – to cover 2023-2028 – reflecting the need and demand identified for the local area. Subject to approval, these are expected to be a minimum of 45 additional affordable homes per annum on average, with ambition to achieve more across tenures.

The Strategic Housing Needs and Demand Assessment (HNDA3) carried out for Glasgow City Region is pending final approval. This lays the foundation of housing needs estimates and the basis for targets for housing delivery to be set for the future, but a joint approach to target setting is in place between Housing and Planning reflecting both land and investment plans. Working towards LDP3, the work of the LHS will be to inform and influence policy to ensure developers provide a greater mix of homes to meet local housing needs, where these are required.

A key evidence base for the LDP and the Local Housing Strategy (LHS) is the Regional Housing Need and Demand Assessment (HNDA). The HNDA estimates current and future housing need and demand; identifies any unmet needs; and considers the number of homes required in the affordable and private housing sectors to meet this need. The (HNDA 2015) provides housing estimates up to 2029 for East Renfrewshire. From these estimates Housing Supply Targets (HSTs) have been prepared and are set out in LDP2 and the LHS. A revised HNDA (2022) has been prepared to inform the emerging Regional Spatial Strategy and the Councils LDP3 and revised LHS and informs consideration of the number of homes that need to be built in the Glasgow City Region over the next 20 years and beyond. This analysis also informs the housing requirements set out in the emerging NPF4 and reflects the operation of the regional housing market.

The review of national affordable housing investment benchmarks carried out in 2021 resulted in the Cabinet Secretary for Social Justice, Housing and Local Government increasing those benchmark payments to local authorities to deliver affordable housing. The benchmark being £71.5k per unit (3 person equivalent) now for our authority area. However, the economic impacts of Brexit and post pandemic, as well as current economic pressures, present challenges to the delivery of affordable housing, even with benchmark uplifts. This will affect both Council and RSL programmes, as well as developer intentions to provide private housing on sites we are reliant on for delivery. This will continue to be monitored through our Strategic Housing Investment Programme, with Scottish Government.

Supporting information:

[Link to Local Housing Strategy 2017-2022](#)

Digital Strategy

The Council's Digital Transformation Strategy 2021-24 was approved at Cabinet in June 2021, based on moving forward on 3 fronts:

- Customer Experience – to provide a consistent, efficient customer experience designed with the user at heart
- Business Systems & Processes – efficient and effective business systems and processes enabled by digital technology and optimised across our organisation
- Workforce Productivity – increasing the productivity and effectiveness of our workforce enabled by Office 365 capabilities

It is important that the capabilities, solutions and services that ICT deliver are aligned with the overall outcomes of the Council. This is true across both normal service operation and where ICT help enable or support business transformation. To achieve this alignment the Council's Digital Strategy was created. The purpose of this strategy is to build our capability as a Council in digital technology and then to exploit digital to help us deliver outcomes for local people.

The strategy informs how ICT develops its services and influences contract and vendor procurement and selection. It's important that this influences the ICT Asset Management plan as it is a key conduit to effect procurement and management of ICT hardware and software assets throughout their lifecycle.

A number of strategic principles also support and influence ICT's procurement and management of ICT hardware and software assets. These include the adoption of Enterprise Architecture principles and those of the Digital Customer Experience principles.

The Council's draft ICT Strategy aims to provide more specific ICT Strategic direction that more widely underpins the operational services that ICT provide.

The Scottish Local Government Digital Office enables transformation through collaboration, building communities of interest and acting as a strong voice nationally, on behalf of the 32 Local Authorities. The programmes within the Digital Office often reflect the coming together of the national strategies identified above and the local strategies of the Local Authorities, which have real local context.

These national strategies influence the Council in terms of procurement and planned capital spend. They inform our own strategic goals around digital and technology. As an interface to the national arena, the Scottish Local Government Digital Office allows the Council to approach transformation with momentum, with collaboration and with maximum re-use of learning and capability. This momentum, re-use and shared learning directly influences ICT contract procurement and capital projects.

[Link to Scottish Local Government Digital Office](#)

Corporate Asset Management Plan

The importance of the link between the Corporate Asset Management Plan, and its constituent Asset Management Plans (AMPs), is stressed in the CIPFA Prudential Code. The AMPs should inform the Capital Investment Strategy but this also works both ways. The vision and ambition that is articulated in the Capital Investment Strategy should set the scene for the direction that the asset management in any particular area of operation should take. The Council's Corporate Asset Management

Plan is currently under review and will be reported to Cabinet in January 2023. This new plan will be a hierarchical document and should provide the thread and link to the Council's corporate policies and objectives etc. and all actions within the 6 AMP's should align to these objectives and priorities.

A Corporate Landlord Manager (CLM) has been appointed to implement a corporate approach to asset management across Departments.

There are six AMPs maintained by the Council, all of which are currently under review by AMP owners. These will complement the hierarchical structure of the new Corporate AMP. There is a process in place for maintaining these plans, which are live documents and are regularly reviewed. In depth reviews are recommended to be undertaken on a two-yearly basis. The Asset Management Plans have strategic objectives that clearly link with the Council's Strategic Outcomes.

Each AMP is brought to members of Corporate Asset Management Group (CAMG) firstly for peer review and comment and discussed at the CAMG forum. Following this process, the AMP's are reported to cabinet. CAMG will review the process once all AMP's have been reported to Cabinet. Summaries of the AMPs can be found at Appendix A.

The council will ensure that any refresh of the AMPs that results in a significant change will be reflected in an update to the Capital Investment Strategy.

Supporting information:

Corporate Asset Management Plan

There are six asset management plans. These are:

1. Roads*
2. Fleet
3. Open spaces
4. Property
5. ICT
6. HRA Assets

*The Roads Asset Management Plan is completed through participation with the Society of Chief Officers of Transportation in Scotland (SCOTS), which is a Scotland wide project which has prepared a standardised Roads Asset Management Plan format involving Transport Scotland and all Scottish Councils.

All other Asset Plans are prepared in accordance with the CIPFA Guide to Asset Management and Capital Planning and Audit Scotland's Best Value toolkit.

East Renfrewshire Culture and Leisure Business Plans

East Renfrewshire Culture and Leisure Trust delivers a wide range of services on behalf of the Council, as an ALEO and Community Planning Partner, and currently occupies under licence over a third of the 115 properties detailed in the Property Asset Management Plan from which Council services are delivered. In addition it is responsible for managing the letting of ERC schools out of hours.

Whilst these services include statutory services, including a number which are free-at-the-point-of-access, they are almost all customer-facing, with the vast majority commercial. Just as "...Council Property has an influence and impact on the Council's ability to deliver the outcomes of the Delivery Plan, to support the Single Outcome Agreement and to deliver the Council's overall vision," so the design, quality and condition of Trust-operated buildings has a direct impact on the ability of

the Trust to deliver services on behalf of residents generally, and compete for commercial income in particular. Property issues particularly associated with the Trust buildings are detailed in the Property Asset Management Plan, but remain notable factors in the realisation of plans in relation to culture and leisure services across the authority.

The Trust's annual business plan is agreed by Council and identifies the projected resources and/or expenditure of the Trust during each Financial Year in performing the Services to support the Council's Community Plans, but also the capital programme building spend, and property maintenance budget required from the Council in relation to the facilities occupied by the Trust under licence from the Council,

These Business Plans are in turn aligned to wider strategies which the Council approves and which define the vision for Culture and Leisure Services in the authority:

- Public Library Strategy (2019)
- Sports & Physical Activity Strategy (2015);
- Arts & Heritage Strategy (2015)
- Indoor Sports Facility Strategy (2018)
- Sports Pitch and Outdoor Sports Facilities Strategy (2018)

These are closely articulated to property and asset management plans, since on the whole public sports and leisure services are essentially asset-based.

<p>East Renfrewshire Community Plan: our high level ambitions for all age groups and communities, and tackling inequality</p>					
<p>Community Plan Strategic Outcomes</p> <p>(*strategies and plans in development are in italics)</p>	<p>All children in East Renfrewshire experience a stable and secure childhood and succeed.</p>	<p>East Renfrewshire residents are healthy and active and have the skills for learning, life and work</p>	<p>East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses</p>	<p>East Renfrewshire residents are safe and live in supportive communities</p>	<p>Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.</p>
<p>Regional and Community Planning Partner strategies and strategic plans that influence our Community Plan and help us to deliver our vision</p>	<p>Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022-2026</p>	<p>Glasgow City Region Regional Skills Investment Plan 2019-2024</p> <p>Skills Development Scotland Strategic Plan: Skills for a Changing World 2022-2027</p> <p>Voluntary Action East</p>	<p>Glasgow City Region Economic Strategy and Action Plan</p> <p>Scottish Enterprise Strategic Plan</p> <p>A Catalyst for Change: The Regional Transport Strategy for the west of Scotland 2008-2021</p>	<p>Moving Forward Together NHS GGC Strategy</p> <p>Policing 2026-10 year Strategy for Scotland</p> <p>East Renfrewshire Local Police Plan 2020-2023</p> <p>Fire and Rescue Scotland</p>	<p>Moving Forward Together NHS GGC Strategy</p> <p>Voluntary Action East Renfrewshire Strategic Plan</p>

		<p>Renfrewshire Strategic Plan</p> <p>West College Scotland Strategy 2019-2025</p> <p>East Renfrewshire Employability Delivery Plan 2022-2025 (2022-2025)</p>	<p>SPT Regional Transport Strategy 2022-2037 in consultation</p> <p>Clydeplan</p>	<p>Strategic Plan 2019-2022</p> <p>East Renfrewshire Local Fire and Rescue Plan 2021</p> <p>Adult Mental Health Strategy 2018-2023 (NHS GGC wide)</p> <p>Voluntary Action East Renfrewshire Strategic Plan</p>	
<p>Outcome-focused Partnership strategies and strategic plans</p>	<p>Local Child Poverty Action Plan 2022</p> <p>At Our Heart: Children and Young Peoples Services Plan 2020-2023 (new plan in development)</p>	<p>Fairer East Ren Employability Delivery Plan</p> <p>Local Child Poverty Action Plan 2022</p> <p>At Our Heart: Children and Young Peoples Services Plan 2020-2023</p>	<p><i>Fairer East Ren: transport delivery plan</i></p> <p>Local Housing Strategy 2017-2022</p> <p>Get to Zero Action Plan</p>	<p>Fairer East Ren: mental health and wellbeing delivery plan</p> <p>Community Justice Outcome Improvement Plan 2017-2020</p> <p>Equally Safe Improvement Plan 2020-2023</p>	<p>Fairer East Ren: safe and socially connected delivery plan</p>

		<p><i>Community Learning and Development Draft Plan 2021-2024</i></p> <p><i>Employability Delivery plan (2022-2025)</i></p>		<p><u>Alcohol and Drug Partnership Strategic Plan 2020-2023 and delivery plan</u></p>	
<p>Council “family” strategies and strategic plans (includes HSCP and Trust)</p>	<p><u>Working Together for East Renfrewshire: Health and Social Care Partnership Strategic Plan 2022-2025</u></p> <p><u>At Our Heart: Children and Young Peoples Services Plan 2020-2023</u></p>	<p><u>Working Together for East Renfrewshire: Health and Social Care Partnership Strategic Plan 2022-2025</u></p> <p><u>East Renfrewshire Culture and Leisure Trust Business Plan 2023-2024</u></p> <p><u>Public Libraries Strategy</u></p>	<p><i>Food growing strategy</i></p>	<p><u>Working Together for East Renfrewshire: Health and Social Care Partnership Strategic Plan 2022-2025</u></p>	<p><u>Working Together for East Renfrewshire: Health and Social Care Partnership Strategic Plan 2022-2025</u></p> <p><u>Carers Strategy</u></p> <p><u>HSCP Participation and Engagement Strategy 2020-2023</u></p>

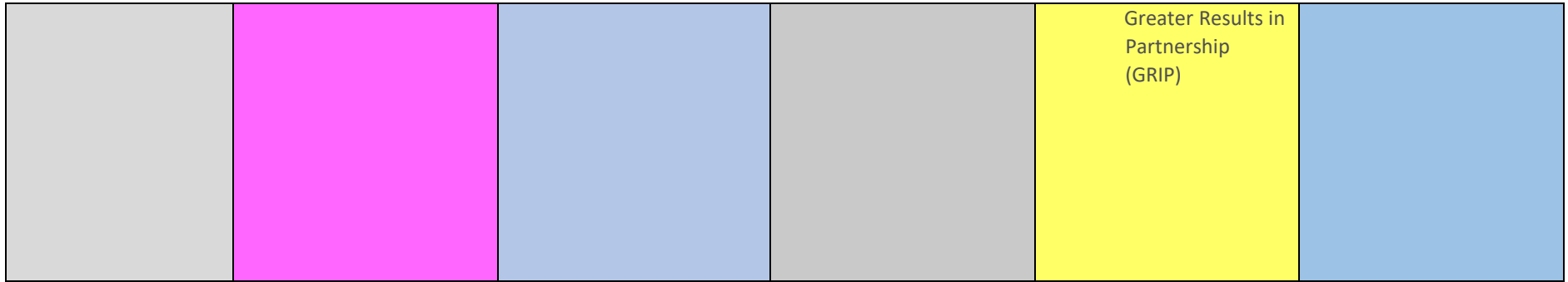
		<p><i>Arts & Heritage Strategy</i></p> <p><i>Sports and Physical Activity Strategy</i></p>			
<p>Council strategies and strategic plans</p>	<p>East Renfrewshire Council Outcome Delivery Plan 2022-2023</p> <p>Early Learning and Childcare Strategy</p>	<p>East Renfrewshire Council Outcome Delivery Plan 2022-2023</p> <p>Education Local Improvement Plan 2023-2026</p> <p>Strategic Equity Fund Plan 2022-2026</p> <p>Equality and Human Rights Mainstreaming Report and Outcomes 2021-2025</p>	<p>East Renfrewshire Council Outcome Delivery Plan 2022-2023</p> <p>Local Development Plan 2</p> <p><i>Economic Development Action Plan (in development)</i></p> <p><i>Get to Zero Action Plan –in development</i></p> <p><i>Heating & Energy Efficiency Strategy</i></p> <p><i>Community Wealth Building</i></p>	<p>East Renfrewshire Council Outcome Delivery Plan 2022-2023</p> <p>Equality and Human Rights Mainstreaming Report and Outcomes 2021-2025</p>	<p>East Renfrewshire Council Outcome Delivery Plan 2022-2023</p> <p>Equality and Human Rights Mainstreaming Report and Outcomes 2021-2025</p>

			Strategy- in development 2023		
Locality Plans (based on locally determined priorities)	Auchenback Locality Plan 2017-2027 ADD2Barrhead Locality Plan 2017-2027 <i>Neilston and Thornliebank Locality Plans in development</i>				

Partnerships

Strategic Oversight of Community Planning	<p>Community Planning Partnership Board</p> <p>Performance and Accountability Review</p>				
Strategic Outcomes	All children in East Renfrewshire experience a stable and secure childhood and succeed.	East Renfrewshire residents are healthy and active and have the skills for learning, life and work	East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses	East Renfrewshire residents are safe and live in supportive communities	Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.

<p>Regional Level Partnerships</p>	<p>West Partnership (regional education)</p>	<p>West Partnership (regional education)</p>	<p>Glasgow City Region and City Deal Board (regional level) CityFibre Partnership</p>			
<p>Strategic Partnerships</p>	<p>Fairer East Ren: Child Poverty Oversight Group</p> <p>Improving Outcomes for Children and Young People Partnership</p> <ul style="list-style-type: none"> • Early Years Sub-group • ASN sub-group • Corporate Parenting sub-group • Young Persons' Steering Group <p>Early Learning and Childcare Expansion Board</p>	<p>Fairer East Ren: Local Employability Partnership – Strategic</p> <ul style="list-style-type: none"> • Local Employability Partnership – Operational • Economic Development/Business Gateway Group • HSCP Mental Health Employability Working Group <p>Community Learning and Development Partnership</p>	<p>Fairer East Ren: transport delivery group</p> <p>Housing and Health Strategic Group</p> <p><i>Climate Change Partnership</i></p>	<p>Fairer East Ren: Improving Outcomes for Adults Group (mental health and wellbeing and safe and socially connected) and Safe East Renfrewshire Group</p>	<p>Community Justice Partnership</p> <p>Alcohol and Drugs Partnership</p> <p>Violence Against Women and Girls Partnership</p> <p>Tobacco Alliance</p>	<p>HSCP Strategic Planning Group</p>



Capital Investment Ambition by Strategic Outcome

The following table illustrates how key elements of our 10-year General Fund and housing investment plans will deliver against the Strategic Outcomes in our Outcome Delivery Plan:

Outcome	Scheme Name	Short Narrative explaining the proposal	Output
All children in East Renfrewshire experience a stable and secure childhood and succeed	Extension of deferral entitlement for entry to P1	From August 2023, families will be entitled to defer a child's entry to P1 and be provided with another year of fully funded ELC, if the child is born between August and December.	Further investment in the ELC estate, with respect to new facilities or extensions/modifications to current facilities. Increase in availability of places at St John's Primary School to support legislative changes to P1 deferrals.
East Renfrewshire residents are healthy and active and have the skills for learning, life and work	Eastwood Leisure	Existing leisure facilities in the Eastwood area are dated and at the end of their lifespan. Improved facilities are needed to address local demands.	Investment in leisure/community facilities to be provided in the Eastwood area.
	Learning and Leisure in Neilston	Local school and community facilities in Neilston are in poor condition and require replaced/upgraded. The project has attracted some support funding from the Scottish Government funding to help take forward the school condition improvements.	Campus approach to improve facilities for Learning and Leisure in the village of Neilston, which includes new build replacements for Neilston and St Thomas' primary schools and Madras Family Centre in addition to a new library with the village also to benefit from improved leisure facilities.

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	Cross Arthurlie and Carolside Primary Schools	Schools evaluated as being in condition C and suitability C status as per school core estate survey. The Council has submitted a bid for funding to take forward replacement schools for both of these establishments.	New build replacements for schools.
	Primary /Secondary / Special School Extensions/Remodelling	To provide sufficient pupil places associated with inward migration including new housing per LDP1/2.	Crookfur Primary School Extension St Luke's High School Isobel Mair School Introduction of Gaelic Medium Primary Education
	Synthetic pitch and athletics track at Mearns Castle High School	To provide adequate number of suitable PE spaces to meet pupils' curricular needs.	New synthetic pitch and athletics track at Mearns Castle High School
	Extension of free school meal provision to all children in the primary sector	To increase catering resources and space and dining areas to accommodate FME to all pupils in the primary sector.	Investment in catering dining facilities and resources, increase in area of food prep areas and storage space, extension to dining area and creation of outdoor MUGA.

<p>East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents</p>	<p>New railway station – Barrhead South</p>	<p>To serve new housing and leisure developments in the Barrhead area rail transport links will be improved via a City Deal initiative.</p>	<p>New railway halt to be delivered for Barrhead South.</p>
	<p>Newton Mearns to Barrhead New Road Connection</p>	<p>As part of the City Deal economic growth proposals road links between the east and west of the authority will be improved.</p>	<p>The Aurs Road Project will provide an improved link between Barrhead and Newton Mearns, allowing a public transport route and active travel corridor.</p>
	<p>Country Park Visitor Centre and Infrastructure</p>	<p>As part of the City Deal initiative a new visitor centre is planned together with improved access to the country park.</p>	<p>New visitor centre, board walk, parking etc to be built for Dams to Darnley country park.</p>
	<p>Roads</p>	<p>Increased capital investment is planned to ensure that roads are maintained in a safe condition.</p>	<p>Improved roads condition.</p>
	<p>Council Owned Public Buildings</p>	<p>Increased capital investment will be required to ensure that the Council can meet its net zero carbon targets for 2045, including the Scottish Government objective of all public buildings having zero-emission heating (i.e. no gas boilers) by 2038.</p>	<p>A review of properties to be retained and then existing buildings will require to be adapted at a cost to the Council to ensure they are energy efficient to meet the requirements for zero-emission heating. Additionally, any new build properties will require a different approach, likely at a higher cost, to ensure they are sustainable in the first instance and continue to be throughout their lifespan.</p>

	<p>Council House New Build Programme</p>	<p>The Council will deliver up to 370 new homes for rent as part of the commitment to increase affordable housing supply set out in the Local Housing Strategy (and SHIP) and in line with national priorities for investment.</p>	<p>A commitment to 370 new homes for rent from East Renfrewshire Council.</p> <p>Since commencing on site at our first new build in January 2018, ERC has completed some 174 properties across 7 sites in Barrhead and Maidenhill, Newton Mearns. A further 14 units are due to complete at Maidenhill in May 2023.</p> <p>The Council is currently negotiating with a major developer at Maidenhill to provide some 105 affordable units as well as taking forward ERC owned sites at Barrhead Road, Newton Mearns and Commercial Road, Barrhead which could see an additional 66 units being built.</p> <p>The Council have also acquired some 24 rent off the shelf units (ROT's).</p> <p>The Council will continue to identify additional sites for development to add to the rolling SHIP programme.</p>
<p>East Renfrewshire residents are safe and live in supportive communities</p>	<p>CCTV Infrastructure Refresh</p>	<p>Ageing infrastructure to be replaced.</p>	<p>Modern, more reliable CCTV coverage of the councils corporate and education property estate.</p>

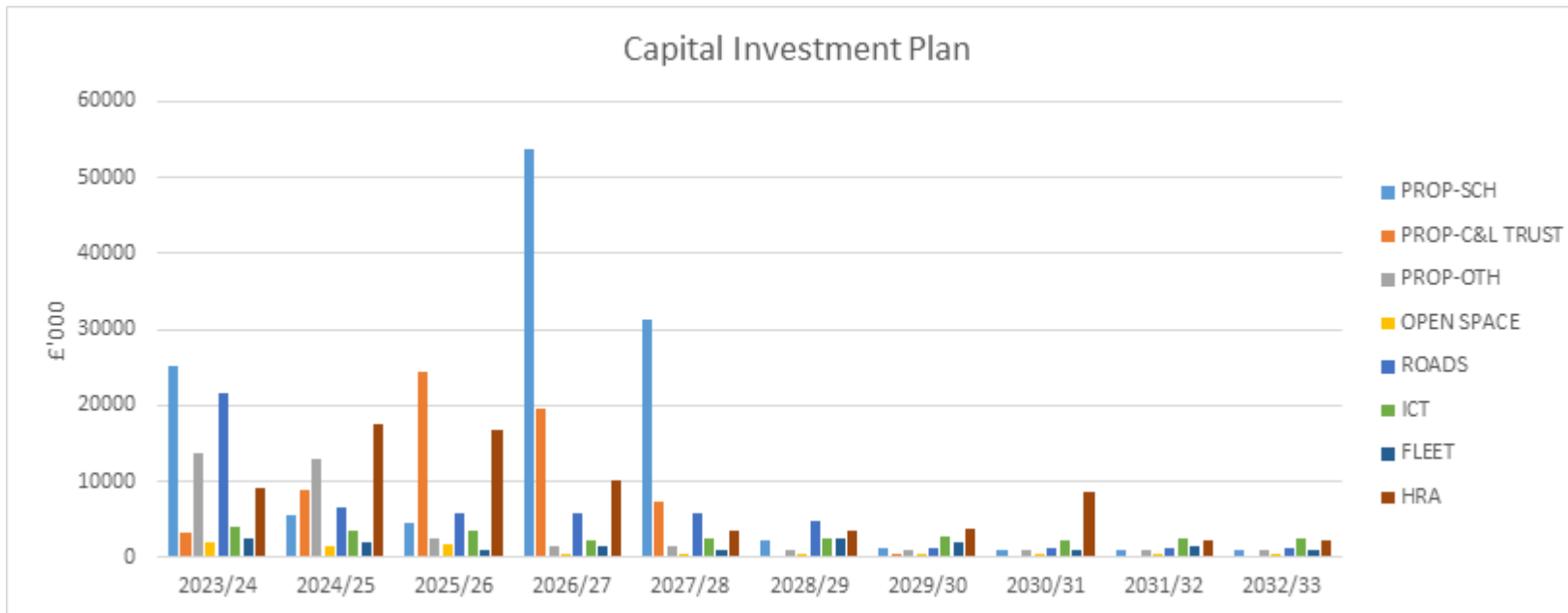
Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.	Bonnyton House Improvements	Care home for the elderly undergoing significant modernisation and improvement.	New roof and remodelled facilities to meet changing community needs.
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10-year Capital Investment Plan

Our 10-year capital investment plan covers the period 2023-2033, based on our capital investment ambition, similarly we have prepared a 10-year housing capital investment plan. These have been prioritised by applying our evaluation methodology to ensure that the longer term position is affordable and deliverable as planned and this is specifically addressed in our annual Treasury Management report which sets out the Prudential Indicators for the Council's spending plans. Our risk assessment examines the risk against the affordability and deliverability assumptions and this will inform the ongoing review of performance and update of the capital investment plan to ensure that it is effectively managed. Both capital plans are scheduled to be approved by Council on 1 March 2023 and links to these documents will be included in this strategy thereafter.

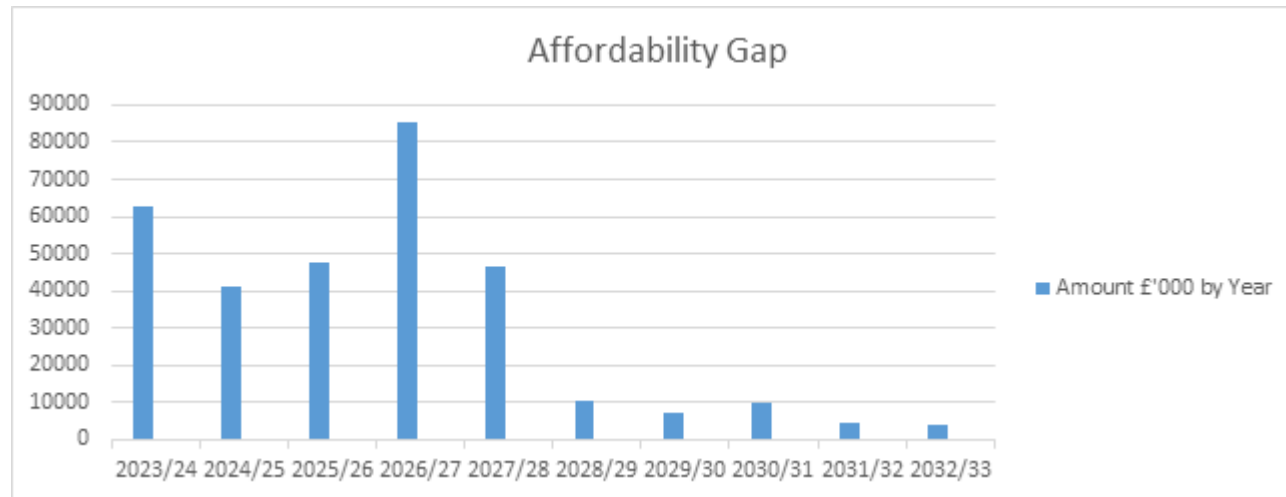
Several tables and charts have also been included within this strategy to provide a view of the 10-year capital investment plan from an investment and financing perspective, an affordability perspective and in terms of the contribution to the achievement of our Strategic Outcomes, our community improvements and our growth targets:

As work continues on development and delivery of our Local Development Plans, further capital investment needs are emerging. Once the timing and quantum of these items as been clarified they will be added to our future Capital Plans.



This graph shows the level of planned capital spend over the Council's asset categories as set out in the Capital Plans, General Fund 2023-2033 and Housing 2023-2033.

The following sections examine the evaluation and prioritisation of our 10-year capital investment plan, the additional analysis that informs our Capital Investment Strategy principles, our capacity to deliver and the potential options for addressing our capital investment ambition gap.



This graph shows the shortfall in resources in the Council's 2023-33 capital plan which will be required to be covered by internal or external borrowing. This will be kept under review as LDP pressures are incorporated into our future capital ambitions. The loan charge repayments associated with the 2023-33 capital plans have been factored in to the Council's revenue budget planning.

Examination of outcomes from prioritisation

The Council maintains a rolling, detailed 10 year general fund capital plan with new proposals for investment being brought forward annually through a Capital Project Appraisal process to ensure that they align with the Council's key objectives and that asset management plans, are deliverable, affordable and represent best value. Only those proposals which make a significant contribution to the Council's objectives and are considered deliverable are

progressed past an initial stage to a full appraisal by the Corporate Asset Management Group before being considered by the Corporate Management Team, Budget Strategy Group and Council. The current CPA template form is attached as Appendix B. For routine investments, such as ICT system renewals, property, parks & cemeteries and roads major maintenance, set sums are included in annual capital investment plans to facilitate forward planning and minimise administration.

The Corporate Asset Management Group also consider annually whether any adjustments are required to projects already listed in the capital plans (e.g. increased costs, reduced cost requirement, amended timing of spend etc.).

A 10 year rolling capital plan is maintained for Council housing stock, taking account of both national and local plans. Any revenue impacts associated with these plans, arising from both funding and or running/maintenance costs are then reflected in the Council's revenue budget planning.

New projects added to the Capital Plan this year are listed in the table below. Only CPA's of significant importance or unavoidable legislative consequences are being accepted for the 2023/24 Capital Programme due to financial constraints.

PROJECT	ASSET CATEGORY	£'000
Early Learning & Childcare & School Places (St John's PS) Note net of developer contributions £985k. Rating A	Property – Schools	985
Secondary School Places (St Luke's repurposing) Rating A	Property – Schools	1,152
New build of poor condition © Primary schools via LEIP phase 3. Rating B	Property – Schools	90,296
Gaelic Medium PS. Rating A	Property – Schools	666
Boiler & Roof Replacement Programme Rating B	Property – Other	2,300
Thornliebank Depot Electricity Sub Station. Rating B	Property – Other	400
Eastwood House New Roof & Preservation Works. Rating B/C	Property – Other	325
Roads - Carriageway and Other Infrastructure Assets Rating B/C	Roads	17,500
Street Lighting Column Replacement & Luminaries. Rating C	Roads	4,300

Any projects which have been identified later in the year may not yet have been fully costed and appraised so are not included in the Council’s updated capital plans to be considered in March 2023, however they will be incorporated into future years’ updates. This also applies to projects emerging as the Council’s new Local Development Plan is developed. Those major projects currently identified are listed below to ensure that they are taken into consideration for future planning purposes; the projects and timings are based on information to date.

PROJECT	TIMING	COMMENT
Isobel Mair School/ new ASN provision	Seek as soon as practical and depends on options timescale to realise	Timescale for the medium/longer term plan pending options exercise. Short term measures made to meet demand.
Bonnyton House Phase 2	From late 2023	Timescale to be kept under review as planning is progressed

Capital Project Appraisal Process

Developing proposals

The Council has established a structured Capital Project Appraisal (CPA) process which begins in April of each year and concludes by November. Based on this process, the Corporate Management Team (CMT) consider the validity of recommended projects, before seeking Council approval for the annual update to the 10 Year General Fund Capital Plan.

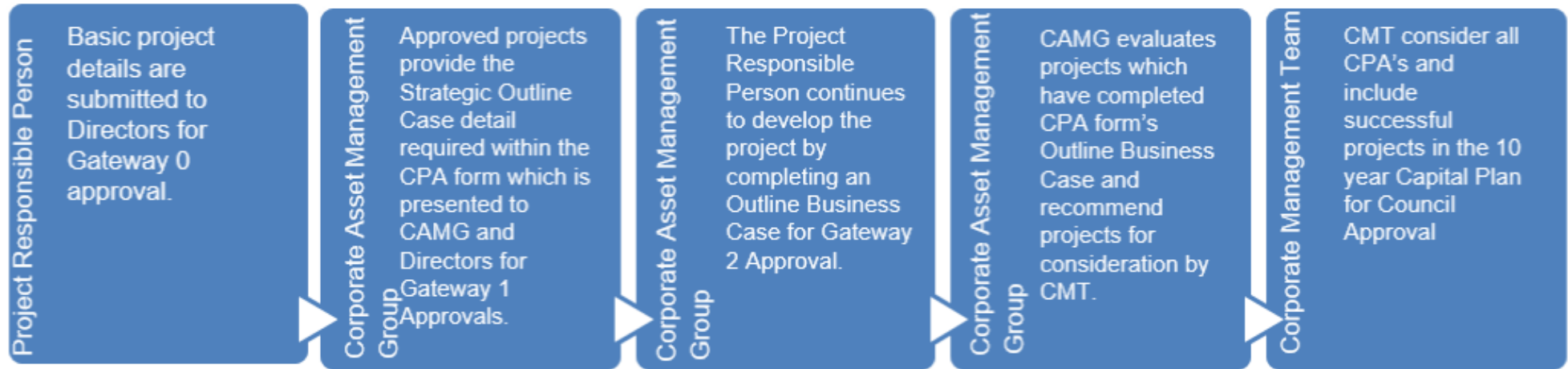
Capital Project Appraisal Form

The Capital Project Appraisal (CPA) Form, as shown in Appendix B, is designed to capture specific project information in order for that project to be assessed by the Corporate Asset Management Group (CAMG).

The form captures project details and objectives, links to strategic documentation and corporate aims and how the project can support these strategies and plans, finance details and delivery schedule. The form and the CPA process have recently been reviewed by the Corporate Asset Management Group, which has improved and refined the form to enhance, but simplify the process, build in gateway approval stages and monitor the outcomes.

The CAMG assesses the individual capital bids and evaluates projects against a Rating Matrix as part of the Capital Project Appraisal form. Following CAMG rating, new projects are passed to CMT for approval. In 2022, a Climate Change Impact Assessment was included in the CAMG rating to highlight the potential impact on carbon emissions and climate adaptation.

The chart below summarises the CPA form process up to the approval by Council stage:



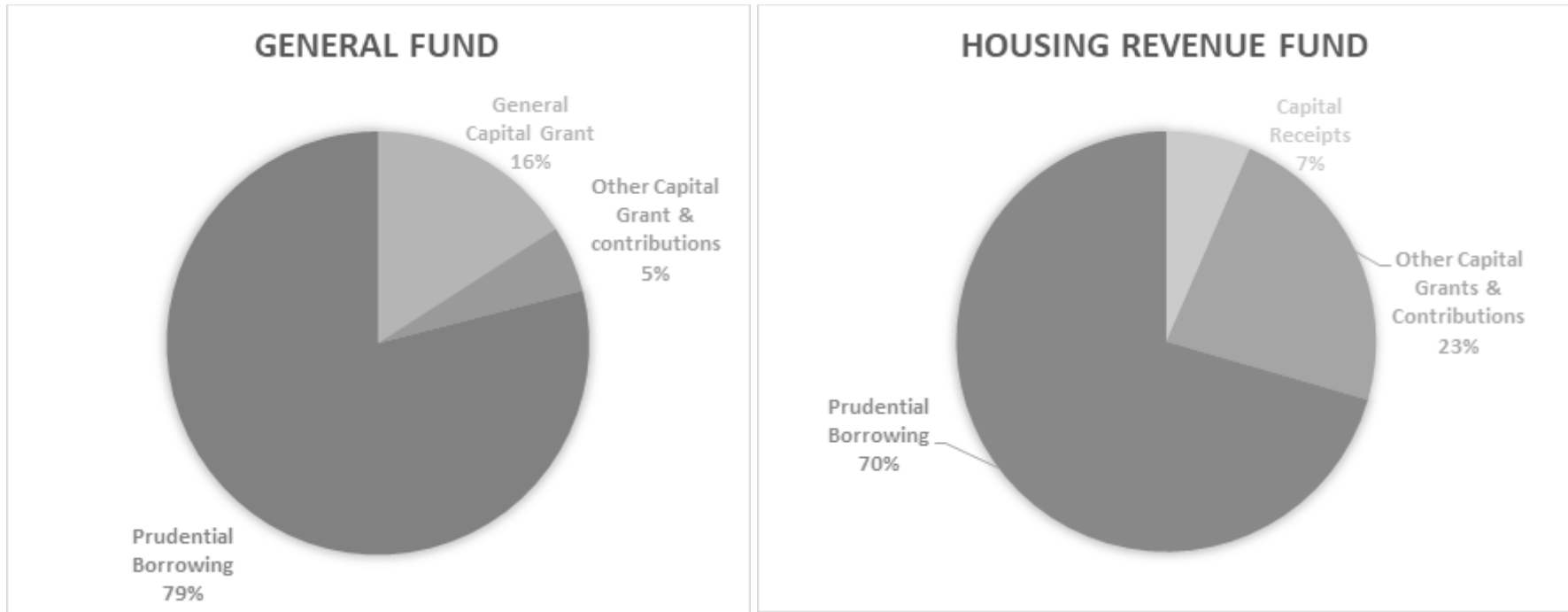
Capital resource allocation and analysis of balance sheet, treasury and reserve implications.

Current levels of capital grant are insufficient to address the Council's capital investment ambitions and so consideration must be given to closing the financial gap by additional borrowing (subject to affordability of future repayments), and by developer contributions, utilisation of capital reserves, capital receipts and grants from other bodies where available.

Decisions on the funding approaches require a joint evaluation of the revenue and capital financial needs and ambitions of the Council. This will take into account the overall availability of reserves, likely future pressures on capital and revenue budgets arising from both local demands and anticipated government grant settlements and the consideration of prudential indicators as set out in the CIPFA code. The impact of capital investment on the revenue budget (through increasing loan repayments arising from additional borrowing) are clearly articulated as this can directly impact on the level of revenue budget savings requirements in later years.

The Council's loans fund profiling supports future years' capital plans by ensuring that the authority's capital expenditure is financed over the expected life of the assets and that each year's repayment amount is reasonably commensurate with the period and pattern of the benefits.

The following pie charts highlight the Net Borrowing Requirements forecast for the following 5 years.



Treasury Management Strategy and Loans Fund Policy

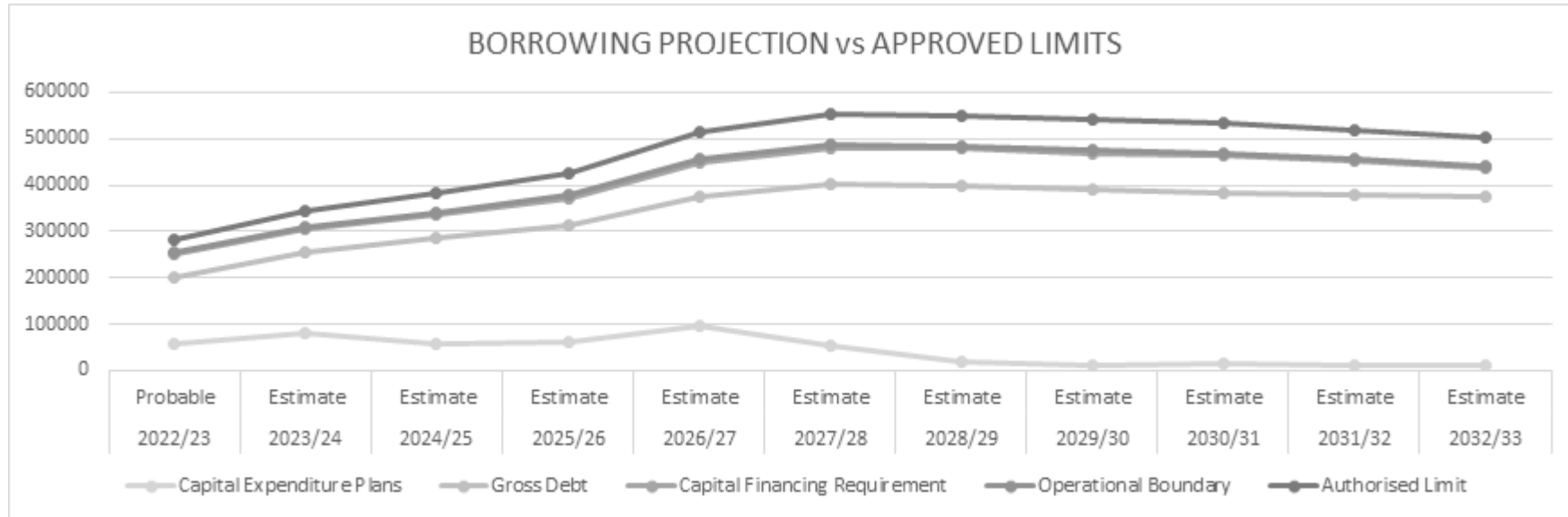
The Prudential Code for Capital Finance in local authorities enables councils to set their own borrowing limits with a requirement to ensure that investment plans are affordable, prudent and sustainable. The Council can borrow over a number of years to supplement its capital income, provided the resultant annual debt repayments can be accommodated within future years' revenue budgets. The Council's Treasury Management Strategy sets out the Prudential Indicators and parameters over the medium to long term, with regular reporting to Council members through:-

- Treasury Management Strategy
- Mid-year Treasury Management Report
- Annual Treasury Management Report, following the financial year end; and
- Capital Budget Monitoring reports

All of the monitoring reports compare the estimated Prudential Indicators with the Probable Outturn position.

The key prudential and treasury indicators include:-

- Capital expenditure plans
- Gross debt
- The Council's overall borrowing need (the Capital Financing Requirement)
- Limits to borrowing activity through the Operational Boundary and Authorised Limit



As reflected in the Treasury Management Strategy for 2023/24, the analysis of the Capital Financing Requirement for East Renfrewshire Council indicates the borrowing needs to support delivery of the capital programme. The analysis also indicates that this borrowing need continues to be well within the parameters of both the Operational Boundary (the expected maximum borrowing position of the Council) and the Authorised Limit (the limit beyond which external debt is prohibited).

Examination of capacity to deliver

In determining capital investment consideration is also given to the following areas:

- **People** – The Council monitors capacity of staff in services such as property, accountancy, ICT, Legal and Procurement so as to ensure adequate resources are available to support capital plans. Where insufficient capacity is in place it may be possible to engage temporary /agency staff (potentially funded from the Council’s Modernisation Fund reserve) or to utilise external consultants (e.g. private firms or public sector organisations such as hub West Scotland).

- **Procurement** – Wherever possible the Council encourages managers to self-serve for routine procurements and smaller procurements (under £50k) are undertaken by managers using the Quick Quote guidance. Projects over £50k are undertaken in conjunction with procurement professionals using a full tender process.
- **Reserves** – The Council maintains a Capital Reserve, Modernisation Fund, Insurance Fund, Feasibility Fund and Repairs and Renewals Fund. These may be accessed in appropriate circumstances and such instances will be identified by the Corporate Asset Management Group.
- **Project support** – The Council’s Project Management Office is available to provide project management support for major change projects such as system implementations. A capacity grid system is operated to assess whether any new demands can be accommodated. The Corporate Management Team have also developed a new executive reporting system to monitor progress of key projects.
- **Consultation process** – The Council has well established processes, particularly within the Environment and Education departments, for consultation with the public and other stakeholders on new proposals. It is essential that these are planned well in advance as long timescales are often required to accommodate both the consultation period and any potential objection/appeal processes.
- **Decision making process** – The Council has a clear process for consideration of capital proposals. This runs throughout the year from spring/summer when initial proposals are submitted, to February when formal approval of new schemes is granted by Council after consideration of affordability etc. Cabinet then monitors progress during the year with any changes to the agreed programme requiring approval by Council whose meetings are typically every 6 weeks.

Identification of platform for lobbying / negotiation / further discussion with Scottish Government / partners

The Council compiles a 3 year statement, Influencing the Future of East Renfrewshire, setting out key areas where it seeks additional powers or resources from the Scottish Government in order to support change. The statement for 2019-2022 was approved by Council on 18 December 2019 and includes several issues directly related to the Council’s capital ambitions. Influencing the Future is currently being updated. It is anticipated that the updated statement will continue to include a number of issues related to the Council’s capital ambitions.

- Request for increased investment funding for improvement/replacement of school buildings.
- Request for increased funding for infrastructure (e.g. education, leisure, community facilities) to meet demands from population growth associated with increased local housing targets.
- Request for streamlined process for changes to the school estate.
- Request for additional funding for a second phase of City Deal.
- Request for more funding for active and sustainable travel.

Risk Management and Risk Assessment

Strategic Risk Register and Management Process

Updates to the Strategic Risk Register and Risk Management Process are provided bi-annually to Audit & Scrutiny Committee and annually to Cabinet and are based on a 'live' risk register which is maintained by the Corporate Management Team.

These updates include a register of the corporate risks and draw out those which are evaluated as high or medium level risks. Where a risk has been evaluated as "low" it has been removed from the Strategic Risk Register and will be monitored within Departmental or Operational registers if appropriate'.

The report highlights how risks have been updated / re-evaluated according to the latest position, and illustrates the level of 'risk tolerance', through a matrix to demonstrate how risks have been scored.

The table below contains extracts from the Council's current Risk Management Strategy, demonstrates the processes in place to manage risks and the various levels of responsibility throughout the organisation. Details of the Council's risk management approach can be found here

(<https://www.eastrenfrewshire.gov.uk/article/8087/How-are-council-risks-managed>) and our risk management process is set out in Appendix D.

Area considered	Current Practice
Risk Management Strategy	<p>The Council's recognises the benefits of discussing risk on an open basis which are described as follows:</p> <ul style="list-style-type: none"> • Genuine consensus about the main risks (no hidden risks) • Clear allocation of risks and ownership as to how the risks will be managed • A clear process for managing and updating the view of risks • Greater trust and buy-in • One view and good communication is paramount. <p>Good risk management is about identifying what might go wrong, what the consequences might be of something going wrong and finally, deciding what can be done to reduce the possibility of something going wrong. If it does go wrong, as some things inevitably will, making sure that the impact is kept to a minimum.</p> <p>Risk management should ensure that an organisation makes cost effective use of a risk framework that has a series of well-defined steps. The aim is to support better decision making through a good understanding of risks and their likely impact.</p>

Area considered	Current Practice																																																																																																			
	<p>Risk management should be a continuous and developing process which runs throughout the organisation’s strategy and the implementation of that strategy, methodically addressing all risks surrounding the Council’s activities past, present and future.</p> <p>Risk Appetite:</p> <p>The term risk appetite describes our attitude towards the amount of risk that the Council is prepared to accept in trying to achieve our outcomes. The attitude towards risk can differ across our services, from risk averse to risk taking. Risk appetite is about taking well thought through risks where the long-term rewards are expected to be greater than any short-term losses.</p> <p>East Renfrewshire Council’s approach is to minimise its exposure to reputational, compliance and financial risk, whilst accepting and encouraging an increased degree of risk in pursuit of innovation and improved outcomes. It recognises that its appetite for risk varies according to the activity undertaken, and that its acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.</p> <p>The following diagram illustrates the Council’s risk tolerance levels across different areas of activity:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th colspan="4">Unacceptable to take risks</th> <th colspan="6">Higher willingness to take risks</th> </tr> <tr> <th></th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> <th>7</th> <th>8</th> <th>9</th> <th>10</th> </tr> </thead> <tbody> <tr> <td>Reputation</td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Compliance</td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Financial</td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>People and culture</td> <td></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Operational services</td> <td></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Major change activities</td> <td></td> <td></td> <td></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> </tr> <tr> <td>Environmental and social responsibility</td> <td></td> <td></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> <td></td> </tr> </tbody> </table>		Unacceptable to take risks				Higher willingness to take risks							1	2	3	4	5	6	7	8	9	10	Reputation											Compliance											Financial											People and culture											Operational services											Major change activities											Environmental and social responsibility										
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Area considered	Current Practice
Risk Assessment and Recording	<p>The Risk Management Strategy enables the Council to deliver advanced risk practice by incorporating risk within service plans and encouraging the use of joint risk registers where possible for projects and partnerships.</p> <p>Currently, each service has an operational risk register to record day to day and service specific risks. Meanwhile at council level, the strategic risk register sets out the key strategic risks to be considered by East Renfrewshire Council and details the actions that management has put in place to manage these risks. The strategic risk register is reviewed weekly by the CMT.</p> <p>The risk assessment technique used to determining the severity of the risk is consistent across the Council.</p>

<p>Risk Ownership:</p> <p>Roles and responsibilities</p>	<p>Roles and responsibilities in risk management are described in the Council's Risk Management Strategy, from Cabinet to individual employees, as illustrated in the following diagram:</p>  <p>The Risk Management Strategy (https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=17458&p=0) contains a table summarising the roles and responsibilities in managing risk across the authority.</p>
<p>Monitoring and reporting:</p>	<p>The Risk Management Strategy and associated Risk Management Framework include our risk guidance and reporting approach. The Council continually monitors risk and reports are submitted to Audit & Scrutiny Committee twice yearly and annually to the Cabinet.</p>

Using the corporate Risk Management Strategy and Risk Management Framework, the following capital specific risk register summarises some of the risks relevant to the Capital Investment Strategy.

Risk ID#	Risk Category	Description of Risk / Uncertainty	Mitigating Factors	Timescale (for review)	Risk Owner	Residual Risk Score
	Compliance	Insufficient catchment places available for children and young people across all sectors in light of inward migration, including the impact of new residential developments - in particular the Local Development Plan	<p>Regular review of places and demand including; and implementation of admission arrangements policy.</p> <p>Council's Capital Investment Strategy and associated 10-year Capital Plan updated to reflect education estate requirements for all school sectors taking account of operational requirements/timescales.</p> <p>On an ongoing basis, Education/Environment continue to review the release of housing and infrastructure requirements to also take cognisance of inward migration to existing housing along with ongoing residential developments under the adopted LDP1 and any windfall sites (similarly for Proposed LDP2) as reflected in the Housing Land Supply register.</p> <p>Education and Environment to collaborate closely about any potential further residential development as LDP3 progresses to ensure sufficiency of places across the education estate and that any new provision is included in future Capital Investment Strategies.</p>	<p>Annually</p> <p>Annually</p> <p>In line with relevant timescales</p>	Education Team	8

			<p>Continue to lobby Scottish Government and discuss implications of future requirements.</p> <p>As appropriate, education statutory consultation to be undertaken in advance of new provision and within required timeframes.</p> <p>Pupil Product Ratios refreshed to reflect up to date build costs</p>			
	Financial	Poor capital scheme forecasting leading to capital scheme overspends and higher revenue impact	<p>Collaboration across all relevant support services with intelligence and data sharing</p> <p>Application of scenario and sensitivity approach to test forecasts and assumptions</p> <p>Review of process for assessment of appropriate contingency levels</p> <p>Performance and exception reporting linked to main reporting cycle</p>	Quarterly	CMT/CAMG	8
	Financial	Poor capital programme management leading to slippage	<p>Strong management structure, robust governance and programme management in place</p> <p>Performance and exception reporting linked to main reporting cycle</p> <p>Revised reporting via new systems</p>	Quarterly	CMT/CAMG	9
	Financial / Operational	Adverse impact of labour shortages/rising prices on capital projects' timing and costs	<p>Robust governance/programme management in place</p> <p>Reprioritisation of key projects</p>	Quarterly	CFO	6

	Financial	Challenge of achieving new energy efficiency & building performance targets set by Scottish Government, particularly for Schools for the Future Programme could result in higher capital costs and negative impact on revenue funding streams.	ERC continue to liaise with Scottish Futures Trust to negotiate on scheme metrics and learn from best practice.	Quarterly	Education Team	8
	Financial	Glasgow and Clyde Valley City Deal infrastructure projects (including those projects outwith East Renfrewshire) do not proceed on schedule and/or do not produce the anticipated economic benefits owing to 3rd party issues, resulting in a gap in funding provided by UK and Scottish Government	Continue to engage with partners to monitor and contribute to delivery as required. Explore opportunities for partnership delivery mechanisms where appropriate. Participate in City Deal Gateway Reviews	Ongoing	Corporate Management Team	4
	People and Culture	Failure to recruit / retain staffing resource to deliver the volume of ICT work / projects both underway and planned constrains delivery of ICT projects and specific pieces of work, impacting on delivery of services and morale of existing staff.	Continue to promote skills sharing. Continue to manage absence in line with corporate policy. Continue use of alternative resources e.g. external employment agencies are used and/or contracts. Maintain use of Capacity Grid internally, highlighting areas of concern which require corrective action.	Ongoing	ICT Management Team	4

			<p>Skills Framework for the Information Age being introduced which will facilitate skills capture and planning.</p> <p>Renew framework contract to allow ICT to draw down additional ICT resources as required.</p> <p>Ensure scope within budgets to ensure that financial resources are available to obtain additional resource as required.</p>			
	Operational services	Reliance on the Council's single shared internet pipe across the Council results in lack of internet resilience for Council connectivity, potentially affecting delivery of operational services.	<p>Use of JaNET connectivity managed by SWAN and part of national infrastructure.</p> <p>Proactive monitoring for alert & detection of problems to facilitate more proactive approach.</p> <p>Second internet pipe implemented at second data centre with traffic actively flowing resiliently.</p>	Mitigated	ICT Management Team	0

Governance and Monitoring

Roles and responsibilities

The Chief Financial Officer will co-ordinate the annual updating of the Council's Capital Investment Strategy for approval in February/March each year, together with the Treasury Management Strategy and Prudential Indicators, prior to agreement of the revenue budget and capital plans.

The Corporate Management Team will review and update relevant strategies and influences as required by December each year.

The Corporate Asset Management Group will assess new capital proposals and any required changes to the current capital plan by October each year.

Cabinet will monitor progress against capital plans four times per year, with any changes being approved by Council.

Skills and training

Relevant professional staff will maintain up to date knowledge of capital issues by attendance at appropriate technical seminars (e.g. CIPFA training).

The Council's corporate procurement strategy sets out the process for all levels of projects and all projects over £50k are progressed in conjunction with procurement professionals through a full tender process.

All elected members will be offered capital, revenue and treasury management training as part of their induction, with refresher training normally offered every 2 years.

Capital Strategy Date for Review

The Capital Investment Strategy is intended as a 'living' document which is updated and refreshed in accordance with any changes in strategic influences and direction. The Strategy will therefore be updated on an annual basis, or as required.

Consultation and stakeholder engagement

All departments will be invited annually to submit proposals for inclusion in the Council's Capital Investment Plans. These will then be reviewed by the Corporate Asset Management Group, Corporate Management Team and elected members.

Where appropriate (e.g. for major property developments or proposals to build on open space), stakeholder consultation will be carried out in addition to any statutory consultation requirements.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

Signed: S95 Officer

Asset Management Plan Summaries

Executive Summary

Asset management ensures that assets are administered in the best way to meet the needs of the organisation and ensure the delivery of its corporate goals and objectives. This Corporate Asset Management Plan is about the long term broad plan for our assets to support corporate goals and objectives, derived from consideration of possible management options.

The Corporate Asset Management Plan serves to encapsulate that strategy and the key actions we will take to achieve our targeted outcomes.

Forward planning for assets is vital to secure best value for money:

- Time is needed to thoroughly formulate the Council's needs for assets and to translate those into sound proposals;
- It takes times to procure and deliver change in assets;
- Upkeep of assets can involve highly variable levels of expenditure that need to be forward planned; and
- Assets are expensive to provide and need to be used for the maximum time appropriate.

There are six services that are integral to the development of this Corporate Asset Management Plan and the ongoing maturity of East Renfrewshire Council's asset management approach.

Property

Property is an extremely important asset to the Council, as it can have a significant impact on all the services that East Renfrewshire Council provides to local residents. The long term objective for property is to ensure that the Council has the right properties in the right place to ensure they are fully utilised and provide best value to East Renfrewshire. The property portfolio should be suitable for its current use and support efficient and effective service delivery both now and in the future and meet the needs and expectations of building users. The future property portfolio will need to adapt to the Get to Zero requirement, which will include improved energy efficiency and the use of zero-emission heating. All properties must be safe and secure ensuring compliance with relevant property legislation. Properties need to be in an appropriate condition and maintained effectively. Adequate budget consideration is required to meet the demands of existing repairs and maintenance as well as future higher costs for the maintenance and servicing of advanced building management systems within newly constructed properties. Properties should be accessible for people with disabilities. Although current performance of property assets is good, it is not where the Council wants to be, and the actions within the document and the individual Property Asset Management Plan will drive forward an approach to asset management that allows the Council to identify improvements, and increase the performance of the service in the long term. The latest Property AMP is for 2019/21 and was approved by Cabinet in 2019. A new PAMP is currently being drafted and will be presented to Cabinet in 2023 for consideration.

Roads

East Renfrewshire Council's roads service is dealing with a significant backlog of maintenance requirements and as roads is one of, if not the most valuable assets that the Council has, it is clear that a step change in the way it is managed is required to combat this issue. Future roads asset management will be focussed on creating an innovative approach to repairing backlog maintenance, and the order in which repairs are prioritised. The Council will ensure that it is a systematic approach that takes a long term view of areas such as lifecycle, maximising benefits, balancing demands and allocation of resources. The Roads AMP, unlike the other AMP's in the Council's suite, is undertaken through a national reporting system.

Housing

There is a high pressure on housing stock across East Renfrewshire, this presents the Council with a key area for focus. Asset management techniques and processes will be embedded into Housing service delivery to maintain and improve current core stock, as well as enabling decision making for new homes across the area. Furthermore, East Renfrewshire Council will continue to make strong developments in ensuring all housing stock is at optimal levels of energy efficiency. The objectives of the Housing Asset Management plan are as follows:

- Ensure reliable stock condition information and thereby permit accurate level of EESSH compliance;
- Establish the level of investment required to achieve and maintain EESSH;
- Assess the make-up of the best portfolio required to deliver the Housing Service and meet housing need;
- Maximise efficiency of service delivery, ensuring that assets used for service delivery are fit for purpose;
- Improve stakeholder involvement and satisfaction with the provision of service;
- Ensure compliance with all statutory, legislative and regulatory requirements;
- Develop and implement programmes for energy efficiency initiatives that will deliver long term and sustainable energy use; and
- Develop and implement a planned maintenance and improvement programme that will maintain the assets to a good standard.

The current Housing Services AMP was reported to Cabinet in February 2019, for the years 2019-23 and will be reviewed during 2023.

ICT

Investment in ICT assets is prioritised to enable the delivery of all ODP Outcomes and to ensure that the Council is modern and ambitious. The Council's focus continues to be on how digital technology can improve outcomes for customers, particularly in big spend areas such as Education and Social Care. As a result of the pandemic, the Council must continue to embrace and utilise new technologies to gather data that will enable decision making for quicker responses and the support of those who cannot access digital technology easily.

The ICT Asset Management Plan objectives are:

- To acquire appropriate ICT assets for the Council with minimum costs and maximum benefits
- To optimise the use of each ICT asset during its life
- To dispose of ICT assets when they no longer provide a benefit compared to the cost to maintain them
- To support ICT asset compliance with relevant standards
- To provide the information needed for internal and external requirements

The current ICT Asset Management Plan was reported to Cabinet in October 2018 and will be reviewed during 2023.

Fleet

East Renfrewshire Council has an extremely high performing fleet management service, continually performing outstandingly well against other UK authorities at APSE benchmarking data level. In the long term the Transport Service wishes to focus on building a wider role for fleet management, to ensure the continued success of the department, particularly concentrating on greater efficiencies, improved digital processes and reduced emissions. The Fleet Asset Management Plan has recently been upgraded to fit in to the new hierarchy of Asset Management Plans, sitting under the new Corporate Asset Management Plan. Both AMP's have been drafted and await Cabinet approval.

There are a number of challenges for fleet managers going forward, particularly in relation to climate change and the steady move away from fossil based fuels, the introduction of Low Emission Zones to improve air quality, increasing number of homes within the area to be serviced and the development of alternative fuels for both light and heavy goods vehicles. Capital planning will be required to assess future fleet requirements, ongoing workplace infrastructure and how these vehicles will be powered in the future. The current reliance on diesel will not be sustainable and will require a step change and capital funding in future years. The transition of fleet from ICE (Internal Combustion Engine), to an electrical or alternative fuel based fleet, will take considerable and careful planning.

The Council has signed up to a long term, 25 year, contract in conjunction with Clyde Valley Local Authority partners, for the treatment of residual waste, and there should be no further requirement for capital investment in residual waste handling facilities at Greenhags, until that contract concludes.

The fleet requires enhanced depot facilities to operate from whether that be garaging, maintenance or collection / disposal points, and there will be a major infrastructure challenge ahead to accommodate and EV (Electrical Vehicle) Fleet, both in terms of space and charging infrastructure. This need should be considered within a future Local Development Plan.

The Council however, has other waste and recycling handling facilities, including Household Waste Recycling Centres, Bring Sites and recycling reception sheds / bays which will require future investment to enhance assets and be responsive to legislative changes and public demand, and this may impact on the type of fleet required to service these centres.

Open Spaces

Open Spaces is a combination of local outdoor access areas including parks such as Rouken Glen Park, Cowan Park, Dams to Darnley and Whitelee Wind Farm, but also playing fields, play areas, sports pitches and cemeteries. Green and open spaces are an important part of making East Renfrewshire an attractive place to live whilst providing a healthy and active lifestyle.

Rouken Glen Park continues to be developed as one of Scotland's most loved parks, and continues to win awards and accolades, being named Best Park in the UK 2016. Continued investment is required to ensure that parks and open spaces are improved and provide a diverse range of visitor opportunities across the area.

The corporate objectives for Open Spaces are:

- Provide a variety of opportunities for residents and visitors to exercise, learn and enjoy
- Provide a well-managed, accessible, attractive environment
- Focus on the needs of users and the community, and encourage their active involvement in the management of our land asset
- Ensure facilities on our publicly available green spaces, play areas and sports pitches are inclusive and modern and enhance the visitor experience for all users.

The OSAMP also includes information on woodland management, play areas and cemeteries.

Asset management for open spaces will be focused on developing a common and consistent approach to management, maintenance, operation and delivery across the services, and outlines future capital needs in a 5 year plan.

The Outdoor Space AMP has recently been upgraded to fit in to the new hierarchy of Asset Management Plans, sitting under the new Corporate Asset Management Plan. Both these AMP's, and the new Fleet AMP were granted Cabinet approval in January 2023.

All Asset Management Plans narratives will eventually be updated to reflect the re-aligned timeframes from Overarching Council Corporate Strategy, Capital Investment Plan through CAMP and into the individual plans, however progress has been impacted by the global pandemic and this provides an opportunity to reconsider objectives and new ways of working post COVID, particularly in relation to property and ICT.

Capital Project Appraisal Brief

Project Title:

Project Objectives

-
-
-

Project Challenges

-
-
-

Total Capital Costs requested:

Revenue Impact (where applicable):

Completion Date:

Link to CIS:

Project Rating:

RATING	PROJECT STATUS	PROJECT	CAMG COMMENTS
A	Must Have	Essential legislative requirement	
B	Service Improvement (High Priority)	Highly desirable project with Community benefits	
C	Service Improvement (Medium Priority)	Worthwhile project with community benefits	
D	Service Improvement (Low Priority)	Service project with limited benefits	

Capital Project Appraisal Form



STRATEGIC OUTLINE PROGRAMME

STEP1: Project Outline – Strategic Fit

1.1 Strategic Objectives

This section is to be used to identify the main strategic objectives which the project will satisfy. Full definitions of the Council's objectives are detailed in the current Community Plan and Outcome Delivery Plan (ODP).

From the lists below please identify the relevant links to the Council's priorities (PLEASE IDENTIFY ONLY THE MOST APPROPRIATE STRATEGIC OUTCOME) :

Link to ODP Themes		Links to Asset Management Plans	
Strategic Outcome No.1		Outdoor Space AMP	
Strategic Outcome No.2		Housing AMP	
Strategic Outcome No.3		ICT AMP	
Strategic Outcome No.4		Fleet AMP	
Strategic Outcome No.5		Property AMP	
Customer, Efficiency and People		Roads AMP	
Health & Safety / Legal Requirement / Contractual Requirement		Council Capital Asset	

1.2 Costs

<p>What is the estimated cost:</p> <p><u>Capital costs</u></p> <p>1.</p> <p><u>Revenue costs</u></p> <p>2.</p> <p><u>Income Potential</u></p> <p>3.</p>
<p>What is the source of your costings:</p> <p><u>Capital costs</u></p> <p>1.</p> <p><u>Revenue costs</u></p> <p>2.</p> <p><u>Income Potential</u></p> <p>3.</p>

1.3 Sponsoring Service

--

1.4 Service Lead Officer

--

GATE 0 – APPROVAL OF DIRECTOR REQUIRED

Director:

Approval Date:

Signature:

STRATEGIC OUTLINE CASE

STEP 2: Case For Change**2.1 Strategic context - Relationship with Council Strategy:**

This section is to be used to identify the main strategic objectives which the project will satisfy. Each project may relate to one or more of the Council's Strategic Objectives. Projects must also align with the Council's Capital Investment Strategy (see link below).

<https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=23880&p=0>

Please fill out each relevant section.

NB Full definitions of the Council's objectives are detailed in the Community Plan and Outcome Delivery plan.

2.2 Strategic Outcomes

Please specifically identify which single Strategic outcome the project most identifies with.

<http://intranet.erc.insider/CHttpHandler.ashx?id=9410&p=0>

2.3 Asset Management Plan Commitments

This section should be used to demonstrate the link between the relevant Asset Management Planning (AMP) and the proposed capital investment.

2.4 5 Capabilities

This section should outline how the capabilities will be used to improve the delivery of the project outcomes:

5 Capabilities	Comments
Prevention	
Modernisation	
Community Engagement	
Digital	
Data, Evidence and Benchmarking	

2.5 What are the Benefits of the Project?

Please provide details of how the project fits in with the following assessment criteria:	
How does the project improve/enhance assets and what benefits are derived from the project? <i>e.g a new school could meet the demands of new build housing and offer new benefits such as shared community space.</i>	
Does the project meet the definition of Capital spend? <i>i.e. does the expenditure result in the acquisition or creation of a new asset, or the enhancement of a current asset?</i>	
Is the project required to fulfil a statutory obligation, Health and Safety, contractual or legal requirement, and if so, for what reasons?	
Will the project lead to increased efficiency and/or reduced revenue running costs and if so, please provide details? If there are ongoing revenue implications, please identify.	

Are there any other factors not covered by the above which need to be taken into account?	
---	--

2.6 Are there any barriers to Project start e.g Planning permission, LDP status, land ownership, contamination etc?

STEP 3: Public Value

3.1 Public Value

Please outline in the box below, how the project is likely to be received by the community, both positives and negatives:

3.2 What are the Critical Success Factors which will define the project?

e.g. timing, best value, efficiency etc

3.3 What is the Service's strategy for delivering this project?

3.4 What other services can gain benefit from this project? Have you consulted with them?

3.5 Impact on the Environment and Carbon Reduction Benefits. Please outline any positive or negative effects the project will have once completed. In terms of carbon reduction for example, impacts could include use of renewable energy sources, reduced energy/fuel consumption, increasing recycling and reduced need for people to travel. In terms of the environment, benefits for example could include the provision of sustainable drainage, treeplanting, habitat creation and reduced use of plastics.

--

GATE 1 – STRATEGIC OUTLINE CASE

Approval by Capital Asset Management Group and Directors

<p>CAMG Approval date:</p> <p>Director:</p> <p>Approval Date:</p> <p>Signed:</p>
--

OUTLINE BUSINESS CASE

STEP 4: Full Options Appraisal

4.1 Options Appraisal:

<p>A Concise Summary of the Options Considered should be Detailed below. At least 4 options should be considered i.e. Do nothing plus 3 viable options.</p>		
Number	Options considered	Comments
1		
2		
3		
4		
5		

STEP 5: Commercial Viability

5.1 Procurement Strategy - What is the Procurement Strategy (please highlight one option):

Value of £20,000 or less for capital works	Value of capital works between £20,000 and £150,000	Value of capital works £150,000 and above
Determined by the Director of the procuring Department	Advertised following Quick Quote procedure. Will be purchased through Framework Agreement.	Invitation to Tender advertised by Chief procurement Officer

Which Service will be expected to procure this project?

Service:

5.2 Outline any Risk Apportionment issues between the Council and Contractor:

5.3 Outline Payment Mechanism (where relevant e.g. Hub):

5.4 Identify any Potential Contractual Issues e.g is there a certain time of year the project must be undertaken:

Step 6 : Affordability Project Financial Details and Delivery Schedule

6.1 Project Delivery Schedule:

Milestones	Timescales
Project Development Phase:	
Construction / Commencement Phase:	

6.2 Project Implementation Costs – Capital Expenditure (excluding Revenue - £000):

Financial Year	Purchase of site	Site prep	Fees	Build costs	Equipment / Furniture	IT costs	Demolition of old site	*Other costs	Total
2023/24									0
2024/25									0
2025/26									0
2026/27									0
2027/28									0
2028/29									0
Total	0	0	0	0	0	0	0	0	0

***Please asterisk and identify under Other Costs any components of the project which have a shorter replacement life than that of the overall project**

6.3 Impact on the Council Revenue Budget - Please provide details of any potential impact on the Council's Revenue budget during the Project Development and Construction Phase:

Financial Year	Additional Staff Resource	Consultancy Fees	Landscaping	Hire Costs	Equipment / Furniture	IT costs	Maintenance Costs	Other costs	Total
2023/24									0
2024/25									0
2025/26									0
2026/27									0
Total	0	0	0	0	0	0	0	0	0

6.4 Impact on the Council Revenue Budgets – Following Completion of Project

Financial Year	Additional Staff Resource	Consultancy Fees	Landscaping	Hire Costs	Equipment / Furniture	IT costs	Maintenance Costs	Other costs	Total
2023/24									0
2024/25									0
2025/26									0
2026/27									0
Total	0	0	0	0	0	0	0	0	0

6.5 Impact on the Council Revenue Budgets – Service Departments

On completion of the Project which Council Services will be expected to apply for ongoing additional funding?

e.g. Neighbourhood Services new Landscaping - £25,000 annually

6.6 Does this project require the addition of an Optimism Bias?

--

6.7 What scope does the project have to contribute towards the Council’s Participatory Budget requirements?

For example – what elements of choice/decision making, with an estimated monetary value, can be delegated to community stakeholders e.g. decisions on prioritisation, design, configuration, materials or finishes?

If so, describe the scope/element, target community stakeholders and estimated monetary value:

--

STEP 7: Planning for Successful Delivery

7.1 Who will the project be managed by?

7.2. Which internal services / contractors are you reliant on for delivery? Have they built this into their forward work programme?

7.3 What is the latest lead in time for completion by scheduled project completion date?

7.4 Risk Management - how will you manage the project risk?

7.5 Post Project Evaluation Strategy – how will you identify lessons learned on completion of project?

GATEWAY 2 - OUTLINE BUSINESS CASE

CAMG to undertake scoring assessment to accompany CPA.

Recommendation for Approval by CAMG including prioritisation

Final scrutiny of prioritisation by CMT

Approval by Council of Capital Plan:

FINAL BUSINESS CASE

STEP 8: Procurement

8.1 What method of Procurement is being used and when?

STEP 9: Contracting for the Deal

9.1 Setup Deal and Contractual Arrangements:

9.2 review financial implications of the deal and get further approvals as required for any changes

STEP 10: Ensuring Successful Delivery

10 .1 Finalise Project Management:

10.2 Finalise Contractors / Services:

10.3 Finalise Costs:

10.4 Finalise Risk Management Arrangements:

10.5 Finalise Contract Monitoring Arrangements:

10.6 Finalise Project Evaluation Arrangements

GATE 3: DIRECTOR OR SENIOR RESPONSIBLE PERSON

Date:

Date:

Date:

EAST RENFREWSHIRE COUNCIL

ORGANISATIONS APPROVED FOR THE INVESTMENT OF SURPLUS FUNDS

Banking Group	Individual Counterparty	Limits	
		Deposit	Transaction
Bank of England	Debt Management Office	£30m	£10m
	UK Treasury Bills	£5m	£5m
Barclays Banking Group	Barclays Bank	£5m	£5m
	Goldman Sachs International Bank	£10m	£10m
Lloyds Banking Group:	Bank of Scotland	£5m	£5m
	Lloyds Bank of Corporate Mkt (NRF)	£5m	£5m
Royal Bank of Scotland Group:	Royal Bank of Scotland	}	
	National Westminster Bank		£5m
Santander Group	Santander UK PLC	£10m	£10m
Standard Chartered Bank		£10m	£10m
Clydesdale Bank		£5m	£5m

Building Societies

Nationwide	£10m	£10m
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Local Authorities

All Local Authorities including Police & Fire (per fund)	£5m	£5m
--	-----	-----

Money Market Funds and Ultra-Short Dated Bond Funds

Maximum limit of £10m per fund,	£60m	£10m
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Credit Ratings

	Fitch		Moody's		S&P	
	LT	ST	LT	ST	LT	ST
Minimum Criteria	A-	F1	A3	P-1/P-2	A	A-1/A-2

(Unless Government backed)

(Please note credit ratings are not the sole method of selecting a counterparty)

Limit

Investment of surplus funds is permitted in each of the above organisations, with the limits set on an individual basis by the Head of Accountancy (Chief Financial Officer).

The limit may only be exceeded or another organisation approved with the written permission of the Head of Accountancy (Chief Financial Officer).

Deposit Periods

The maximum period for any deposit is currently set at 6 months, based on the Link Assets Services suggested Duration Matrix. These limits can only be exceeded with the written permission of the Head of Accountancy (Chief Financial Officer).

Hub scheme deposit periods are dependent on the lifetime of the associated scheme.

Risk Management Process

Risk Scoring Mechanism

A scoring chart and key is illustrated below:

		Risk Score Overall Rating			
		11-16	High RED		
		5-10	Medium YELLOW		
		1-4	Low GREEN		
Likelihood	4				
	3				
	2				
	1				
		1	2	3	4
		Impact			

Roles and Responsibilities

The responsibility for managing risks lies with all members of the organisation and is summarised in the table below:

Group	Role
Cabinet (Reporting Annually)	Oversee the effective management of risk throughout the council, and gain an understanding of its benefits.
Audit and Scrutiny Committee (Reporting monthly) 6	Provide independent assurance of the risk management process and its benefits. To be informed of the key risks facing the Council and the control measures which have been put in place to mitigate those risks
Corporate Management Team (Reporting 6 monthly)	Oversee the implementation of the risk management strategy and agree any inputs and resources required supporting the work corporately. Support the development of the risk management process, review the strategic risk register regularly, share experience on risk, and aid/advise in the review of risk management issues
Corporate Risk Management Group (Reporting 6 monthly)	Champion the risk management process throughout the Council with both Members and officers ensuring the process is embedded and effective.
Service Managers	Raise awareness, manage and implement the risk management process effectively in their services areas, attend risk management training and recommend any necessary training for employees on risk management. To produce and review risks relating to the delivery of targets and activities within their service plans
Employees	Manage risk effectively in their jobs, liaising with their manager to assess areas of risk in their job. Identify new or changing risks in their job and feed these back to their line manager.

Risk Reporting

The following table summarises the risk reporting and monitoring processes in place, along with associated timescales.

Timeframe	Description	Involvement from	Reported to
Weekly	Review of the Strategic Risk Register	Corporate Management Team	Internally (live register of risks)
Biannually (May and November)	Risks related to service delivery (within Departmental or service plans)	Chief Executive and Directors	Chief Executive (meetings)
Biannually (April and September)	Review of the Strategic Risk Register and progress on risk management	Corporate Management Team/ Leadership Group and Corporate Risk Management Group	Audit and Scrutiny Committee
Annually (October)	Review of the Strategic Risk Register and progress on risk management	Corporate Management Team/ Leadership Group and Corporate Risk Management Group Audit & Scrutiny Committee	Cabinet
Every 3 years	Review of the Risk Management Strategy and associated framework to identify and agree major changes	Corporate Management Team/ Leadership Group and Corporate Risk Management Group	Audit and Scrutiny Committee

Strategic Influences – action plan

Action	Why is this required?	Responsibility	Timescale
Monitor Scottish Government housing policy activity and update the Capital Investment Strategy to address any resulting challenges and opportunities.	It is important for the Council to continually monitor Scottish Government housing policy activity to inform the Local Housing Strategy, the Capital Investment Strategy and future Local Development Plans. This is particularly important for the planning of future school places.	Director of Environment	Annually
Liaise closely with local Health Board partners to identify initiatives requiring new capital investment or facilitating joint development.	Integration of health and social care services is well embedded within East Renfrewshire. As our population increases our community based services, required to meet the demands of our residents also need to expand. Work is ongoing with our Health Board Partners to assess the impact of population growth on our local health and care facilities including our GP practices.	Chief Officer, IJB	Annually
Liaise closely with regional initiatives associated with City Deal so as to reflect any challenges and opportunities in Council capital planning.	Joint development of economic growth and improved service delivery vehicles is becoming more prevalent and can deliver new initiatives in an efficient and economical manner.	Director of Environment	Annually

Strategic Outcomes – action plan:

Action	Why is this required?	Responsibility	Timescale
Keep under review, particularly as LDP is developed.	As the Council's Local Development Plan is currently under review there are likely to be several significant changes required to future capital investment plans.	CMT	Annually

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Capital investment ambition gap – action plan

Action	Why is this required?	Responsibility	Timescale
Review Developer Contribution policy to accompany new LDP2	To ensure adequate contribution to new schools/community infrastructure as a result of increased housebuilding.	Director of Environment	Policy review completed. New guidance to be submitted to Council following consultation in Spring/Summer 2022
Closely monitor progress on capital projects and identify/rectify delays or overspends. Reprioritise schemes in wake of COVID.	Projects should be kept to planned phasings as far as possible to align with financial and staffing resource plans and to ensure benefits re promptly delivered.	Corporate Management Team /Head of Property/ Head of ICT	Ongoing
Continue to consider allocation of any in year revenue underspends to capital and other reserves	Such allocation would reduce the need for new borrowing and thus ease pressures on future revenue budgets.	Chief Financial Officer	Annually
Continually review opportunities to lobby Scottish Government and/or partners for support with capital schemes	Existing grant funding levels and constrained revenue budgets do not align with the Council's capital investment ambitions.	Corporate Management Team	Ongoing

Risk Management Action Plan

Action	Why is this required	Responsibility	Timescale
Refresh and review specific capital risks as the Capital Investment Strategy is updated	To ensure that the Capital Investment Strategy is consistent with corporate risk management practices and that stakeholders are aware of how capital specific risks are aligned with ambitions as set out in the Capital Investment Strategy	CMT/CEO Business Manager	As and when the Capital Investment Strategy is updated and at least annually

Governance and monitoring – action plan

Action	Why is this required?	Responsibility	Timescale
Review and update the Capital Investment Strategy	To continually refresh the Strategy in line with evolving strategic influences and delivery of the capital investment plan	Leadership team	Annually / as required

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EAST RENFREWSHIRE COUNCIL1 March 2023Report by Head of Accountancy (Chief Financial Officer)GENERAL FUND CAPITAL PLAN 2023/24 TO 2032/33**PURPOSE OF REPORT**

1. The purpose of this report is to present for consideration the General Fund Capital Plan covering the 10 years from 2023/24 to 2032/33. This has been prepared in line with the approach set out in the Capital Investment Strategy report earlier on the agenda.

RECOMMENDATIONS

2. The Council is invited to:-
- (i) approve the programme for 2023/24 and authorise officers to progress the projects contained therein; and
 - (ii) agree that officers adjust the plans and report back to Council should the Learning Estate Improvement Programme (LEIP) bid for two replacement primary schools not be fully approved.

BACKGROUND

3. Whilst the Council only approves the capital programme for the coming year, the Capital Plan also includes figures for future years so that long term capital investment plans and their associated financial impacts can be recognised. Our rolling Capital Plan aligns with best practice in covering the next 10 years. The Council's Capital Investment Strategy provides an even broader view of the Council's capital ambitions.

RESOURCES

4. Capital resources available to support investment remain constrained for future years. Details of the available resources are provided in Appendix B.

5. Over the next financial year the Council does not currently have any significant confirmed capital receipts from the disposal of assets. This will be kept under review and disposals will only be progressed provided they demonstrate best value.

6. The Council's general capital grant for 2023/24 has been confirmed as £9.370 million. This includes £0.410m for Private Sector Housing Grant, which is accounted for separately from the Council's capital programme, and £1.443m of new funding to support the expansion of free school meals to pupils in P6 & 7.

7. Also included is £2.255m to help fund the 2022/23 pay award. This sum does not increase the Council's capital spending capacity. Instead, the Council's loans fund will be adjusted to provide a £2.255m benefit to the 2023/24 revenue budget.

8. After adjusting for the items described in paragraphs 6 and 7, the 2023/24 core capital grant is very close to the level reported to Council last year (3 March 2022). Indications are that grant will remain at a similar level from 2024/25 onwards. The Scottish Government intend to publish a multi-year budget in March 2023 and this will be very helpful in future long term capital planning.

9. The Capital Plan assumes total borrowing of £264.1 million, (£55.4 million in 2023/24, £32.4 million in 2024/25, £35.5 million in 2025/26 and £140.8 million in later years). This represents an increase of £97.5 million over the previously approved Plan. An increase in borrowing will result in increased loan charges which must be funded from revenue budgets, however, as interest rates are rising at present, officers will defer borrowing wherever possible until rates fall back, so as to minimise impact on the revenue budget. The cost of all elements of the planned borrowing has been factored into the Council's revenue budget plans for 2023/24 and beyond.

10. The City Deal project is funded by £38m of Government funding, around £6m from Sustrans and £6m of Council funding. However the projects will be completed over a 10 year period with grant income over a 20 year period. In the coming years the Council will require to fund further new borrowing of up to £26.2 million until full payment is received reducing the long term impact on the revenue budget.

11. Accountancy staff will continue to smooth repayment profiles between years to minimise any large variations in repayments between years.

12. In response to financial pressures arising from the COVID pandemic, the Scottish Government permitted Councils "fiscal flexibilities" in 2020/21, 2021/22 and 2022/23, effectively allowing certain capital funding approaches to be applied to cover COVID related revenue pressures. These included the flexibility to utilise capital receipts generated between 2020/21 and 2022/23 to help address unfunded COVID-19 pressures until 31 March 2023. The Council set aside £2.628m of capital receipts for this purpose.

13. As the COVID pressures did not require the Council to draw down this funding, it will now be returned to the capital reserve as at 31 March 2023 in line with Scottish Government requirements.

14. The Council continues to have active discussions with developers over contributions receivable in relation to housing developments. The timescale and amount of such receipts are often difficult to evaluate fully until each scheme progresses, however estimates of contributions totalling close to £0.7 million have been reflected within the proposed Plan. These will be firmed up as developments progress.

15. In recent years the Council has built up and utilised a significant Capital reserve to assist in supporting major projects. The projected balance on this reserve at 31 March 2023 (including the transfer described in paragraphs 12 and 13 above) is £5.414 million. This provides an element of cover should unforeseen costs arise. There are no plans to draw further on this reserve in 2023/24.

EXPENDITURE PLAN

16. The detailed programme for 2023/24 and the outline plan for the subsequent 9 years are set out in Appendix A. These plans are developed to support the delivery of the Council's overall strategy, have been compiled in line with the approach set out in the Council's Capital Investment Strategy (considered earlier on today's agenda) and align with the Asset Management Plans summarised in that document.

17. Significant capital investment of £333.635m is planned for the 10 year period and includes the following (with total project costs quoted below including the current or previous financial years' spend where appropriate to assist in clarifying the total investment on a particular project):

Outcome 1 – Early Years & Vulnerable Young People

- £1.2m is being invested to extend facilities for our most vulnerable young people at Isobel Mair School.
- £1.0m, including £0.5m of developers' contributions, is being invested to expand early learning and childcare places at St John's Primary in Barrhead.
- Investment of more than £0.4m is underway to upgrade Capelrig House, allowing the facility to be brought back into use and leased by a national charity to benefit vulnerable children.

Outcome 2 – Learning, Life and Work

- The Council is participating in the first phase of the Scottish Government's Learning Estate Improvement Programme (LEIP), an initiative to improve the condition of schools by replacing old facilities. Recognising this, the Plan makes provision totalling £40m for Learning and Leisure in Neilston.
 - The first stage of this project will be the provision of a new education campus comprising new build replacements for Neilston Primary, St Thomas' Primary and Madras Family Centre, together with replacement library provision. An estimated allocation of £30m has been earmarked for these elements. The new facilities will be maintained to a high standard and will deliver improvements in digital learning and energy efficiency as well as providing additional employment opportunities during the construction phase. As a result the Council expects to attract significant new revenue grant funding in future. The new facilities are scheduled to open in late 2023.
 - A future stage of the project will address leisure facilities within the village.
- Subject to a successful outcome in the third phase of LEIP bids, the Council plans to invest over £90m in the replacement of poor quality facilities at Carolside and Cross Arthurlie Primary Schools. The Scottish Government announcement of successful bids is imminent.
- Investment of £2.9 million to further extend Crookfur Primary School in view of increasing demand within the catchment area.
- Over £1.8 million to provide a new all-weather pitch and running track for Mearns Castle High School.
- A further £1.4 million to be invested over the next 10 years to improve learning environments to better meet modern learning styles and curricular experiences across the school estate.
- Over £1.1m to provide more capacity at St Luke's High School.
- Almost £0.7m to provide a Gaelic medium primary facility within Thornliebank Primary School.

- Almost £2m will be invested to upgrade/extend school kitchen/dining areas in support of the Scottish Government's plans to progress towards the provision of free school meals to all primary pupils.
- Investment of up to £55m for the provision of top quality new leisure facilities in Eastwood Park.
- Over £2.5 million investment to improve cultural, leisure and community facilities.
- A further £4.0 million to be invested over the next 10 years to upgrade the Council's artificial sports pitches.

Outcome 3 – Environment & Economy

- Investment of £45.1 million in City Deal infrastructure projects including improved road links between Barrhead and Newton Mearns, a new railway halt for Barrhead south and country park developments. This is part of an overall regional investment of £1.13 billion across the Glasgow City region which will bring a wide range of benefits to residents such as increased access to jobs. In addition to City Deal funding, this project has attracted over £6m of grant funding from Sustrans and several other sources.
- Major capital investment in Roads projects which will total more than £38.2 million over the 10 year period, aimed at achieving a significant improvement in the condition and safety of roads. This is in addition to the investment in roads through City Deal funding.

Outcome 4 – Safer, Supportive Communities

- £0.630 million investment in Overlee House to increase provision for the homeless.

Outcome 5 – Older People & People with Long Term Conditions

- Investment of £1.15 million to upgrade our telecare systems which allow older and vulnerable people to remain in their own homes.

Corporate

- A provision of £26.6 million for further ICT technology projects over the 10 year period to support necessary corporate improvements, enhance technology available in schools and other Council premises and provide a more modern, digital service to residents.
- A provision of £22.2 million over the period of the Plan for improvements necessary to Council property including energy efficiency measures.

CONCLUSIONS

18. Substantial borrowing has been planned over the next three years to support the capital plan and the revenue consequences have been factored into the Council's revenue budget. Planned 2023/24 expenditure is in line with available resources. Future borrowing plans will impact significantly on revenue budgets in the medium term.

19. The expenditure plan for subsequent years will continue to be subject to review in light of progress on capital receipts and the levels of funding provided by the Scottish Government.

RECOMMENDATIONS

20. The Council is invited to:-

- (i) approve the programme for 2023/24 and authorise officers to progress the projects contained therein; and
- (ii) agree that officers adjust the plans and report back to Council should the Learning Estate Improvement Programme (LEIP) bid for two replacement primary schools not be fully approved.

Further information is available from:

M McCrossan, Head of Accountancy Tele No. 0141 577 3035

KEY WORDS

General Fund Capital Plan 2023/24 to 2032/33, capital receipts, Capital Reserve.

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GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2023/2024 - 2032/2033

£'000												
	Spent Prior to 31/03/22	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
Property - Schools	57,840	25,198	5,409	4,482	53,690	31,300	2,301	1,100	900	900	900	184,020
Property - Culture & Leisure	4,670	3,186	8,733	24,282	19,573	7,390	100	377	100	100	154	68,665
Property - Other	6,889	13,809	12,892	2,450	1,410	1,410	960	960	960	960	960	43,660
Open Spaces	2,419	1,864	1,490	1,613	520	520	520	520	520	520	520	11,026
Roads	15,290	21,562	6,510	5,660	5,660	5,660	4,800	1,300	1,300	1,300	1,300	70,342
Corporate Wide - ICT	4,588	4,097	3,495	3,431	2,221	2,347	2,451	2,800	2,182	2,386	2,451	32,449
Fleet	9	2,357	2,003	909	1,445	866	2,366	2,003	909	1,445	866	15,178
EXPENDITURE SUB-TOTAL	91,705	72,073	40,532	42,827	84,519	49,493	13,498	9,060	6,871	7,611	7,151	425,340
Resources		71,551	40,134	42,504	83,696	49,043	13,393	8,956	6,767	7,507	7,047	
Deficit/(Surplus)		522	398	323	823	450	105	104	104	104	104	

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2023/2024 - 2032/2033

Property - Schools

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31/03/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
Grouped	Schools Major Maintenance	1,150	1,264	900	900	900	900	900	900	900	900	900	10,514
800050031	Maidenhill Primary School	14,243	100	0	0	0	0	0	0	0	0	0	14,343
Grouped	Early Learning & Childcare - Expansion to 1,140 hours	26,507	206	0	0	0	0	0	0	0	0	0	26,713
800050057	Neilston Learning Campus	13,402	14,225	2,344	29	0	0	0	0	0	0	0	30,000
800050064	Crookfur PS Extension	125	2,736	70	0	0	0	0	0	0	0	0	2,931
800050058	MCHS Sports Facility	1,610	232	0	0	0	0	0	0	0	0	0	1,842
800050065	Improving Learning	0	200	200	200	200	200	200	200	0	0	0	1,400
new code	Isobel Mair External Classrooms	240	932	0	0	0	0	0	0	0	0	0	1,172
	Free School Meals Expansion	538	1,443	0	0	0	0	0	0	0	0	0	1,981
	Early Learning & Childcare & School Places - St John's PS	25	985	0	0	0	0	0	0	0	0	0	1,010
	Secondary School Places - St Lukes Repurposing	0	0	1,129	23	0	0	0	0	0	0	0	1,152
	New Build of Poor Condition Primary Schools via LEIP Phase 3	0	2,225	750	3,330	52,590	30,200	1,201					90,296
	Gaelic Medium PS	0	650	16	0	0	0	0	0	0	0	0	666
		57,840	25,198	5,409	4,482	53,690	31,300	2,301	1,100	900	900	900	184,020

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2023/2024 - 2032/2033

Property - Culture & Leisure

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31/03/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
800200019	Eastwood Park Leisure - Refurbishment	3,038	1,707	350	23,196	19,473	7,236	0	0	0	0	0	55,000
800200021	Neilston Leisure	241	1,281	7,906	986	0	0	0	0	0	0	0	10,414
800200020	ERCLT General Building Improvement Fund	574	82	200	100	100	100	100	100	100	100	100	1,656
800050049	Eastwood HS Sports Centre Changing Rooms/Disabled Facilities	817	37	0	0	0	0	0	0	0	0	0	854
800200015	Equipment - Gym and Theatre	0	79	277	0	0	0	0	277	0	0	0	633
	Education - Theatre Equipment	0	0	0	0	0	54	0	0	0	0	54	108
		4,670	3,186	8,733	24,282	19,573	7,390	100	377	100	100	154	68,665

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2023/2024 - 2032/2033

Property - Other

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31/03/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
	1. City Deal												
Grouped	Barrhead South Access - Balgraystone Road & Railway Station	4,937	8,361	8,150	900	0	0	0	0	0	0	0	22,348
804000009	Country Park Visitor Centre & Infrastructure	303	552	1,805	140	0	0	0	0	0	0	0	2,800
	2. Environment Other Projects												
800420016	Overlee House Extension	0	630	0	0	0	0	0	0	0	0	0	630
	3. Council Wide Property												
Grouped	Retentions - All Services	0	50	50	50	50	50	50	50	50	50	50	500
Grouped	Property Maintenance	774	2,813	1,360	1,360	1,360	1,360	910	910	910	910	910	13,577
800420013	Eastwood Park Campus Improvements	310	10	202	0	0	0	0	0	0	0	0	522
800404017	Office Accommodation	315	900	925	0	0	0	0	0	0	0	0	2,140
800420020	Capelrig House Upgrade	250	168	0	0	0	0	0	0	0	0	0	418
	Thornliebank Depot Electricity Sub Station	0	0	400	0	0	0	0	0	0	0	0	400

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2023/2024 - 2032/2033

Property - Other

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31/03/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
	Eastwood House New Roof & Preservation Works	0	325	0	0	0	0	0	0	0	0	0	325
		6,889	13,809	12,892	2,450	1,410	1,410	960	960	960	960	960	43,660

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2023/2024 - 2032/2033

Open Spaces

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31/03/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
	1. REGENERATION												
802000008	Country Park - Tourism Infrastructure And Economic Activity Projects	69	86	80	0	0	0	0	0	0	0	0	235
802000032	Regeneration Projects - Provisional Sums	0	379	100	100	100	100	100	100	100	100	100	1,279
	2. Environment - Other Projects												
802200010	Environment Task Force	0	70	10	10	10	10	10	10	10	10	10	160
802000018	Town Centre Action	0	20	10	10	10	10	10	10	10	10	10	110
802200007	Parks, Cemeteries & Pitch Improvements	1,059	200	200	200	0	0	0	0	0	0	0	1,659
802200020	Renewal of Playparks	105	305	306	509	0	0	0	0	0	0	0	1,225
	Artificial Pitch Replacements	0	400	400	400	400	400	400	400	400	400	400	4,000
	Place Based Investment Programme	1,186	384	384	384	0	0	0	0	0	0	0	2,338
802200015	Braidbar Quarries	0	20	0	0	0	0	0	0	0	0	0	20
		2,419	1,864	1,490	1,613	520	520	520	520	520	520	520	11,026

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2023/2024 - 2032/2033

Roads

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31/03/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
	1. City Deal												
804000001	Levern Valley Accessibility Project	3,101	16,044	850	0	0	0	0	0	0	0	0	19,995
	2. ERC Roads												
803000004	Lighting - Core Cable & Equipment Replacement	0	160	160	160	160	160	160	160	160	160	160	1,600
803000007	Bridges Refurbishment & Pointing Work	0	53	53	53	53	53	53	53	53	53	53	530
803000015	Principal Inspection Group 1-6	0	21	21	21	21	21	21	21	21	21	21	210
803000025	Traffic Calming Studies	0	25	25	25	25	25	25	25	25	25	25	250
803000016	Road Safety Measures/Equipment at Schools	0	20	20	20	20	20	20	20	20	20	20	200
803000018	Safe Routes to School	0	20	20	20	20	20	20	20	20	20	20	200
803000030	A77 Ayr Road Reconstruction	0	175	0	0	0	0	0	0	0	0	0	175
803000089	A736 Main Street/Levern Road Barrhead	0	150	0	0	0	0	0	0	0	0	0	150
	B759 Carmunnock Road	0	115	0	0	0	0	0	0	0	0	0	115
803000106	C1 Mearns Rd, Carriageway	0	100	0	0	0	0	0	0	0	0	0	100

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2023/2024 - 2032/2033

Roads

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31/03/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
803000024	Cycling, Walking & Safer Streets	0	422	0	0	0	0	0	0	0	0	0	422
	B764 Eaglesham Moor Road	0	120	0	0	0	0	0	0	0	0	0	120
	B771 Paisley Road, Barrhead	0	50	0	0	0	0	0	0	0	0	0	50
	B769 Stewarton Road	0	130	0	0	0	0	0	0	0	0	0	130
	A736 Lochlibo Road, Neilston	0	100	0	0	0	0	0	0	0	0	0	100
	C3 Uplawmoor Road	0	186	0	0	0	0	0	0	0	0	0	186
803000189	Provisional Sums - Roads	0	0	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	9,009
Grouped	Roads Capital Works (Carriageways and Other Infrastructure Assets)	12,189	2,811	3,500	3,500	3,500	3,500	3,500	0	0	0	0	32,500
	Street Lighting Column Replacement & Lumenaries	0	860	860	860	860	860	0	0	0	0	0	4,300
		15,290	21,562	6,510	5,660	5,660	5,660	4,800	1,300	1,300	1,300	1,300	70,342

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2023/2024 - 2032/2033

Council Wide - ICT

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31/03/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
805000002	ICT Infrastructure Projects	0	725	500	500	500	500	500	500	500	500	500	5,225
805000025	IT General Provision	0	1,712	1,712	1,712	1,341	1,341	1,341	1,341	1,341	1,341	1,341	14,523
805000023	GDPR Requirements	70	60	60	60	0	0	0	0	0	0	0	250
805000003	Education Network	0	100	100	100	100	100	100	100	100	100	100	1,000
805000017	PCI DSS	97	38	0	0	0	0	0	0	0	0	0	135
805000031	Public Wifi Network	100	75	69	0	0	0	0	0	0	0	0	244
805000001	Core Corporate Finance, Payroll & HR	3,584	166	0	0	0	0	0	0	0	0	0	3,750
800050004	Education - Computer Equipment	0	386	490	839	221	386	490	839	221	386	490	4,748
805000033	Debt Recovery System (5 year replacement programme)	0	0	0	0	39	0	0	0	0	39	0	78
805600001	ERCLT People's Network	0	20	20	20	20	20	20	20	20	20	20	200
805000029	ERCLT Digital Platform	175	235	0	0	0	0	0	0	0	0	0	410
805500004	Social Work Case Management System	0	110	0	0	0	0	0	0	0	0	0	110
805300003	Education CCTV	100	126	200	200	0	0	0	0	0	0	0	626
805000027	Telecare Service and Peripherals	462	344	344	0	0	0	0	0	0	0	0	1,150
		4,588	4,097	3,495	3,431	2,221	2,347	2,451	2,800	2,182	2,386	2,451	32,449

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2023/2024 - 2032/2033

Fleet

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31/03/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
806000004	HSCP - Vehicles	0	0	501	0	0	0	0	501	0	0	0	1,002
806000001	Education - Vehicles	0	293	102	0	0	0	293	102	0	0	0	790
806000002	Environment - Vehicles	0	1,968	1,400	909	1,445	866	1,968	1,400	909	1,445	866	13,176
806000005	Environment - GPRS System	9	96	0	0	0	0	105	0	0	0	0	210
		9	2,357	2,003	909	1,445	866	2,366	2,003	909	1,445	866	15,178

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2023/2024 - 2032/2033

Annex 1 - Schools Major Maintenance Analysis

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31/03/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
Grouped	Window Renewal	809	312	0	0	0	0	0	0	0	0	0	1,121
Grouped	Roof Improvements	341	0	0	0	0	0	0	0	0	0	0	341
	Provisional Sums	0	952	900	900	900	900	900	900	900	900	900	9,052
		1,150	1,264	900	900	900	900	900	900	900	900	900	10,514

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2023/2024 - 2032/2033

Annex 2 - Property Maintenance Analysis

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31/03/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
800401001	Disability Discrimination Act	0	0	0	0	0	0	0	0	0	0	0	0
800404001	HardWire Testing	0	0	0	0	0	0	0	0	0	0	0	0
800404003	COSHH Upgrade	0	0	0	0	0	0	0	0	0	0	0	0
Grouped	Asset Management	0	0	0	0	0	0	0	0	0	0	0	0
800404009	Fire Risk Assessment Adaptations	0	150	150	150	150	150	150	150	150	150	150	1,500
800404012	Structural Surveys & Improvements	0	40	40	40	40	40	40	40	40	40	40	400
800600001	CEEF/Salix Energy Efficiency	0	75	75	75	75	75	75	75	75	75	75	750
800404005	Boiler Replacement	0	0	0	0	0	0	0	0	0	0	0	0
800404006	Roof Improvements	0	0	0	0	0	0	0	0	0	0	0	0
	Boiler & Roof Replacement Programme	0	500	450	450	450	450	0	0	0	0	0	2,300
800404014	Legionella Remedial Improvements	0	0	0	0	0	0	0	0	0	0	0	0
800420017	Ventilation Works (including CO2 monitors)	2,458	1,403	0	0	0	0	0	0	0	0	0	3,861
800420018	Provisional Sum	0	645	645	645	645	645	645	645	645	645	645	6,450
		2,458	2,813	1,360	1,360	1,360	1,360	910	910	910	910	910	15,261

EAST RENFREWSHIRE COUNCIL

Appendix B

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN2023/2024 - 2032/2033

Resources

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000	2032/33 £'000	TOTAL £'000
GRANTS											
GENERAL CAPITAL GRANT	5,262	5,262	5,262	5,262	5,262	5,262	5,262	5,262	5,262	5,262	52,620
FREE SCHOOL MEALS EXPANSION	1,443	0	0	0	0	0	0	0	0	0	1,443
GAELIC MEDIUM PS	650	16	0	0	0	0	0	0	0	0	666
CITY DEAL	2,000	2,000	1,000	0	0	0	0	0	0	0	5,000
SALIX/CENTRAL ENERGY EFFICIENCY FUND	75	75	75	75	75	75	75	75	75	75	750
RENEWAL OF PLAYPARKS	305	306	509	0	0	0	0	0	0	0	1,120
PLACE BASED INVESTMENT PROGRAMME	384	384	384	0	0	0	0	0	0	0	1,152
SUSTRANS	5,608	0	0	0	0	0	0	0	0	0	5,608
CYCLING WALKING SAFER STREETS	422	0	0	0	0	0	0	0	0	0	422
TOTAL GRANTS	16,149	8,043	7,230	5,337	5,337	5,337	5,337	5,337	5,337	5,337	68,781
DEVELOPERS CONTRIBUTIONS	501	56	56	54	0	0	0	0	0	0	667
CAPITAL RECEIPTS	0	0	0	0	0	0	0	0	0	0	0
BORROWING - ASSETS	2,802	2,770	1,748	1,705	1,306	2,856	3,119	1,130	1,870	1,410	20,716
BORROWING - CITY DEAL	17,349	8,805	40	0	0	0	0	0	0	0	26,194
BORROWING - GENERAL	34,750	20,460	33,430	76,600	42,400	5,200	500	300	300	300	214,240
	71,551	40,134	42,504	83,696	49,043	13,393	8,956	6,767	7,507	7,047	330,598

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EAST RENFREWSHIRE COUNCIL1 March 2023Report by Director of EnvironmentHOUSING CAPITAL PROGRAMME 2023/24 TO 2032/33**PURPOSE OF REPORT**

1. To seek the approval of the Council for the proposed ten year Housing Capital Programme from 2023/24 to 2032/33.

RECOMMENDATION

2. It is recommended that the Council approves the proposed Housing Capital Programme for the years from 2023/24 to 2032/33 and authorises the Director of Environment to progress the projects listed within 2023/24.

BACKGROUND

3. This report advises on details of anticipated capital expenditure requirements for Housing Services for the next ten years.

4. In recent years the capital programme has focused on the need to meet the Scottish Housing Quality Standard (SHQS) 2015 and Energy Efficiency Standard for Social Housing (ESSH). The first milestone of the ESSH was December 2020. In June 2019, the Government introduced a new milestone (ESSH2) for social rented houses to meet by December 2032. ESSH2 is in continuity of the shared commitment to tackle fuel poverty and mitigate climate change emissions.

5. There are two key milestones set for ESSH2. The first is when it is expected that no social housing should be below Energy Performance Certificate (EPC) D by 2025; and the second is by the end of December 2032; when all social housing should meet, or can be treated as meeting, EPC Band B or is as energy efficient as practically possible; within the limits of cost, technology and necessary consent.

6. It will be very challenging to achieve these targets (2025 and 2032), especially as much of the more easily attained and affordable energy efficiency work have been carried out to date. Social landlords are experiencing a lot of challenges currently as a result of inflation in relation to construction and maintenance and rising energy bills. These are adding pressure to the need for investment to be affordable.

7. In recognition of this the Scottish Government and the Scottish Housing Regulator have put ESSH2 Milestones on hold and commenced a review process. The aim of the review is to ensure that investment is targeted toward effective long-term solutions that will deliver net zero and support the eradication of fuel poverty. Therefore, majority of expenditure on the housing capital programme during 2023/24 and beyond will continue to focus on improving our housing stock, to meet the SHQS and deliver energy efficiency measures to help reduce running costs in our tenants' homes.

8. In December 2022 the Cabinet noted a £0.205 million reduction in the 2022/23 HRA capital programme expenditure. The resource will now be carried forward to fund these projects in 2023/24. These carry forwards are included in this 2023/24 programme. It is anticipated that there will be an increase in tender costs as we move forward due to market uncertainties.

9. Members are asked to note that there may be further slippage in 2022/23 resulting in a further carry forward of resources. The amount will be dependent on the progress made on contracts before the end of financial year. The slippage will be reported as part of the June 2023 Housing Capital Programme update report.

REPORT

10. The remainder of this report sets out the Housing Capital Programme for 2023/24. The appendix to this report provides detail of the spending priorities and financial values contained within the capital programme from 2023/24 to 2032/33.

11. Each year, when compiling the capital programme, it is necessary to achieve a difficult balance between the aspirations of tenants for improvements to their homes and the affordability of any investment. A key factor for the Council to consider is the age of its stock. Almost one third of the stock was constructed pre 1945, with a further third constructed before 1970. This creates a substantial need for investment, especially in relation to achieving SHQS standard; EESSH2 requirements and renewing the roof and wall render.

12. The Government updated the standard for insulated wall render recently and there has been notable increase in the cost of delivering the roof and wall render project. This places pressure on the capital investment and also increases the challenge to achieve balance between affordability and commitment to our tenants. It is worth noting however that the new standard comes with significant benefit to homes and their occupants. It provides improved air tightness in the homes, which makes them more energy efficient, especially at this crucial time where energy costs are rising.

13. There are also other pressures placed upon the HRA Capital Programme, some of which the Council approved in the previous ten year plan in February 2022. These include:

- The need to upgrade heating systems and telecare warden call systems in the sheltered housing complexes;
- Investment required to improve internal elements (kitchens; bathrooms and windows) in tenants' homes; and
- New energy efficiency requirements under EESSH2 as noted above.

14. These form part of the projects that will be delivered through the HRA Capital Programme.

15. Key areas that the capital programme will focus on for the next ten years are:

- Investment of £32.25 million between 2023/24 and 2026/27 towards the delivery of 171 new council houses. As agreed by the Cabinet on 13 October 2022, the delivery of these homes is supported by an anticipated £14.54 million of Scottish Government funding.
- A budget of £50k to fund house purchase opportunities, which may arise through; for example, the Scottish Government mortgage to rent scheme.

- Investment of £7.47 million in central heating. About a quarter of our housing stock has a heating system that is aged 15 years or more as at January 2023, while a substantial number of other systems are reaching the end of their lifecycle and becoming energy inefficient. The proposed budget will renew all these systems by 2032/33. This investment will enable us to improve energy efficiency ratings required to meet EESSH2 requirements, while also reducing fuel bills, with focus on supporting tenants in fuel poverty.
- Investment of £2.26 million on house electrical re-wiring, replacement of Fire Alarms Detectors that are at the end of their lifespan and Electrical Installation Condition Report (EICR) testing to comply with the new Electrical Testing requirements. The Scottish Housing Regulator changed the requirement for EICR periodical test from 10 years to 5 years in 2020.
- Investment of £15.83 million in external structural projects. This is primarily targeted at continuing our programme of Roof and Render Renewal, prioritising buildings with roofs well beyond their originally envisaged 60 year lifespan. This budget will also fund:
 - External Wall Insulation projects – with compliance to new standard and specification, it is likely for costs to be on the high side. Therefore, properties identified for the upgrade will be surveyed and designed before going out to tender, to ensure project costs are feasible.
 - Private owners that are part of mixed tenure blocks that we are carrying out projects on. They will be supported with Scottish Government Home Energy Efficiency Scheme: Area Based Scheme (HEEPS:ABS) grant. This allows us to carry out the EWI in mixed tenure properties.
- Investment of £14.69 million in installing new internal elements, such as kitchens, bathrooms, fans, windows and doors, and improving water management in people's homes.
- Investment of £1.57 million in sheltered housing – investment is required over the next two years to renew heating systems in two of the complexes; upgrade the warden call system from analogue to digital system; replace lifts as they are nearing end of their lives; and meet other demanding health and safety investment requirements for fire and water safety regulation, all of which makes this form of accommodation very expensive to operate.
- Investment in a new Housing Management IT System. The new system will allow Housing Services to reduce paper processes, deliver online services and be more efficient and customer focused. The implementation of the system is ongoing and there is a balance of £203K, which will be paid in 2023/24.

16. The capital programme for existing stock is mainly financed through borrowing. In addition there are recharges to owner occupiers. Recharges to owner occupiers have been estimated to allow the Council's borrowing requirements to be calculated. If these recharges are lower than estimated the overall expenditure will be reduced to maintain borrowing at the approved level. Conversely if recharges to owners are greater than estimated, then the overall expenditure may be increased assuming no change to borrowing requirements. An allowance has also been made for receipts from the sale of land in the capital programme.

17. The Council will note that in November 2016, approval was given to commence an ambitious new build programme of an initial 120 new homes; this target was extended in January 2018 to 240 new homes and in February 2022, this was extended to 370 units. To date, 181 homes have been built and 14 homes have been purchased on the open market. The 10 year capital programme includes the proposals for another 171 units that will be delivered over the next 4 years with a target completion date of 2026/27.

18. The 30 year housing business plan is updated annually. The most recent independent financial appraisal carried out confirms that Housing Services are in a position to support the required level of annual expenditure required to continue to meet the capital programme detailed in this report, thereby ensuring no dwellings fail the SHQS. This is based upon a number of assumptions in relation to rent increases and the disposal of specific land assets. These assumptions will continue to be monitored on an annual basis. However it is extremely challenging to meet the investment needs of the current stock whilst making finance available to build new stock.

19. The new build programme has made use of commuted sums and council tax from 2nd homes to assist the programme. This income has been set at £5k per unit as a baseline contribution for each future site. It will be necessary to consider, at a later date, whether this requires to be increased if new council house building is to be affordable.

20. It is essential that the Council ensures that capital expenditure achieves value for money, is appropriately targeted and is customer focused.

21. In conjunction with colleagues in Procurement and Property & Technical Services a robust approach is taken in relation to the procurement and management of external contractors, in order to achieve these aims. Regular meetings are held with contractors to ensure that quality is maintained and that any problems are addressed as soon as they occur.

FINANCE AND EFFICIENCY

22. Prudent management and adoption of the recommended rent increase of 5% p.a. for the next year will ensure the proposed expenditure for 2023/24 and future years is affordable.

23. The expenditure levels for years 2023/24 and onwards are provisional and will be reviewed in line with the Housing Asset Management Plan review.

CONSULTATION

24. The majority of the content of the capital programme is determined by the need to continue to meet the SHQS and the plan for achieving EESSH targets. The scope for its content is also determined through consultation with tenants and the most recent engagement was in October 2022. The focus of the forum was for representatives to advise their view of Housing Services' and areas where they want the service to improve. Nine key improvement areas were put forward and the area with most interest from representatives, was on '*improving the homes they live in*'. The interest and response could be related to the two year delay to internal works, due to Covid-19. These programmes have now resumed and there has been a lot of positive feedback from tenants that are seeing improvements to their homes.

25. Housing Services will continue to monitor resident satisfaction with capital programme projects, and where appropriate (e.g. where satisfaction levels show some areas of concern); we will hold focus groups with residents to consider improvements to how the programme is delivered.

PARTNERSHIP WORKING

263. In order to ensure the capital programme is efficient and delivers value for money, a partnership approach is in place with colleagues from Procurement and Property & Technical Services.

IMPLICATIONS OF THE PROPOSALS

27. This report does not have any implications in terms of staffing, legal or equalities.

28. The proposed projects will impact on energy efficiency through EESSH2 target and other elements of the SHQS to make sure that more tenants live in warmer, safer and drier homes.

CONCLUSIONS

29. The levels of investment contained within the programme are essential to allow the Council to continue to meet the SHQS, to meet the future requirements of EESSH2, and to provide homes that meet the needs and aspirations of our tenants and prospective tenants. The continued investment is affordable and will be welcomed by Council tenants who will see the quality of their homes continue to be improved. However resources are tight and prudent financial management is required.

RECOMMENDATION

30. It is recommended that the Council approves the proposed Housing Capital Programme for the years from 2023/24 to 2032/33 and authorises the Director of Environment to progress the projects listed within 2023/24.

Director of Environment

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

Convener contact details

Councillor Danny Devlin
(Convener for Housing and Maintenance Services)

Home: 0141 580 0288
Office: 0141 577 3107/8

March 2023

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HRA 10 Year Capital Programme

HRA Capital Programme - Existing Stock	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	2027/28 (£000)	2028/29 (£000)	2029/30 (£000)	2030/31 (£000)	2031/32 (£000)	2032/33 (£000)	Total
Central Heating Systems	798	1,228	965	396	529	698	497	846	617	900	7,474
Re-wiring and Other Electricals (including smoke detectors)	375	200	200	200	282	147	261	200	26	370	2,261
External Structural Works (Roof & Render, Damp Proof Courses, Structural Failures)	2,019	1,797	1,773	1,856	1,403	1,366	1,288	4,012	287	33	15,834
Estate Works (Paths, Walls, Lighting, Bin Stores, Drying Areas etc	176	100	-	-	-	-	-	-	-	-	276
Energy Efficiency Standard for Social Housing (ESSH)	300	300	-	-	-	-	-	-	-	-	600
Aids and Adaptations	200	200	200	200	200	200	200	200	200	200	2,000
Internal Element Renewals	972	1,094	2,662	1,084	1,144	1,119	1,463	3,283	1,078	795	14,694
Door Entry Systems	20	20	15	0	0	5	17	82	1	40	200
Sheltered Housing	1,567	-	-	-	-	-	-	-	-	-	1,567
Retentions	10										10
IT Systems	203	-	-	-	-	-	-	-	-	-	203
Sub-Total - HRA Capital Programme for Existing Stock	6,640	4,939	5,815	3,736	3,558	3,535	3,726	8,623	2,209	2,338	45,119
HRA Capital Programme for New Stock											
Compulsory Purchase Orders/Mortgage to Rent	50	-	-	-	-	-	-	-	-	-	50
New Build - Development Cost	2,404	12,490	11,055	6,300	-	-	-	-	-	-	32,249
Sub-Total - HRA Capital Programme for New Stock	2,454	12,490	11,055	6,300							32,299
Total HRA Capital Programme	9,094	17,429	16,870	10,036	3,558	3,535	3,726	8,623	2,209	2,338	77,418

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Resources:-

Borrowing	7,104	8,818	12,030	6,096	2,318	2,295	3,486	8,383	1,969	2,098	54,597
Receipts From Sale of Land - Barrhead South	-	-	1,000	1,000	1,000	1,000	-	-	-	-	4,000
ROTS Grant	50										50
Capital New Build - Government Grant	1,675	6,910	3,400	2,550	-	-	-	-	-	-	14,535
Capital New Build - Commuted Sums/Council Tax Discount	25	1,461	200	150	-	-	-	-	-	-	1,836
HEEPS Funds	140	140	140	140	140	140	140	140	140	140	1,400
Recharges to Owner Occupier	100	100	100	100	100	100	100	100	100	100	1,000
Total Resources	9,094	17,429	16,870	10,036	3,558	3,535	3,726	8,623	2,209	2,338	77,418

EAST RENFREWSHIRE COUNCIL1 March 2023Report by Head of HR and Corporate ServicesPOST OF CHIEF EXECUTIVE**PURPOSE OF REPORT**

1. The purpose of this report is to seek Council approval for an Appointments Committee for the Chief Executive post.

RECOMMENDATIONS

2. It is recommended that the Council:
- a) Notes the retirement of the Chief Executive with effect from 30 July 2023;
 - b) Approves the recruitment procedure as detailed and agrees to the appointment of a professional specialist advisor and support of a professional advisor from Aspen People Ltd;
 - c) Approves the Job Description and Person Specification for the post subject to any minor inconsequential modifications agreed by the Appointments Committee
 - d) Confirm the appointments of Councillor O'Donnell (Chair), Councillor Anderson, Councillor Buchanan, Councillor Montague and Councillor Wallace to the Appointments Committee;
 - e) Delegates to the Head of HR and Corporate Services to make the necessary arrangements
 - f) Authorises the Appointments Committee supported by the Head of HR and Corporate Services to put in place interim management arrangements for the Council if required.

REPORT

3. Mrs Lorraine McMillan has been Chief Executive in East Renfrewshire Council since 2008 bringing a wealth of experience from a number of previous senior leadership roles. Mrs McMillan has provided strategic leadership, vision and driven many changes during her time with the Council. In her role as chair of the Local Government Digital Transformation Board she has also supported and driven digital transformation and provides strategic leadership to the Local Government Digital Office.

4. The Chief Executive has now intimated that she will retire with effect from 30 July 2023. This notice period will allow sufficient time for her successor to be identified through a recruitment process and for a well organised handover.

5. Over the next few months there will be many opportunities to thank Mrs McMillan for her commitment to East Renfrewshire. This paper proposes the process for the recruitment of Mrs McMillan's successor.

6. The role of the Chief Executive as Head of Paid Service is crucial within any organisation in fulfilling its' vision, delivering against the Council's strategic priorities, and achieving service delivery expectations. Therefore it is vital that Elected Members (and employees) have confidence in the ability and credibility of the incoming Chief Executive and the process used to secure this role.

RECRUITMENT PROCEDURE

7. In view of the timing of the Chief executive's departure it is proposed that the Appointments Committee be established immediately to recruit a new Chief Executive.

8. An Appointments Committee, comprising 5 Elected Members, should be established to shortlist and interview candidates, and to make an appointment to the post. If for any reason a member of the Appointments Committee is unable to attend then the appointment of a substitute will be made.

9. Following discussions with Elected Members the proposed Appointments Committee is Councillor O'Donnell (Chair), Councillor Anderson, Councillor Buchanan, Councillor Montague and Councillor Wallace.

10. The following is the proposed timetable for the appointment to the post. The initial meeting of the Appointments Committee will agree the timeline and confirm the job description and process.

Initial meeting of the Appointments Committee	2 March
Post advertised: (Job description/person specification included in Appendix 1 subject to any small changes agreed by Appointments Committee)	w/c 6 March
Closing date:	2 April
Shortlisting by Appointments Committee:	late April
Shortlist by Assessment Centre	early May
Interview date:	mid May

11. Due to the specialist knowledge required within this post it is proposed to appoint an external professional specialist advisor to support the Assessment Centre and Appointments Committee.

12. This post will be advertised externally and the shortlisted candidates will be asked to participate in an assessment centre delivered by Aspen People Ltd where candidates will undertake a comprehensive range of leadership exercises to ensure the appropriate level of skills and competencies are displayed.

13. The Appointments Committee will be supported by the Head of HR and Corporate Services, an external professional specialist advisor and a professional advisor from Aspen People Ltd.

FINANCE AND EFFICIENCY

14. There are no additional financial implications as a result of the Chief Executive's retirement and no new posts are being added into the structures therefore no additional costs will be incurred. All costs associated with the recruitment process will be found from within existing budgets.

CONSULTATION AND PARTNERSHIP WORKING

15. Formal consultation in relation to these proposals is not required. As a matter of courtesy the Trade Unions will be made aware that a recruitment process will be undertaken.

IMPLICATIONS OF THE PROPOSALS

14. There are no ICT, sustainability, equalities, climate change or other implications associated with this report.

RECOMMENDATIONS

15. It is recommended that the Council:
- a) Notes the retirement of the Chief Executive with effect from 30 July 2023;
 - b) Approves the recruitment procedure as detailed and agrees to the appointment of a professional specialist advisor and support of a professional advisor from Aspen People Ltd;
 - c) Approves the Job Description and Person Specification for the post, subject to any minor inconsequential modifications agreed by the Appointments Committee;
 - d) Confirm the appointments of Councillor O'Donnell (Chair), Councillor Anderson, Councillor Buchanan, Councillor Montague and Councillor Wallace to the Appointments Committee;
 - e) Delegates to the Head of HR and Corporate Services to make the necessary arrangements
 - f) Authorises the Appointments Committee supported by the Head of HR and Corporate Services to put in place interim management arrangements for the Council if required.

REPORT AUTHOR:

Sharon Dick, Head of HR & Corporate Services, Sharon.dick@eastrenfrewshire.gov.uk
March 2023

CONVENOR:

Councillor O'Donnell Tel 0141 577 3107

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Appendix 1: Job Description and Person Specification

JOB DESCRIPTION**Department:** Chief Executive's Office**Job Title:** Chief Executive**Reports to:** The Council**Job Conditions:** Chief Officer**Date Revised:** February 2023

Principal Functions:	<p>Provide leadership, inspiring vision and strategic direction across all council services with a focus on demonstrating best value and transformation and be responsible for the development of collaborative working arrangements with key partners.</p> <p>As Head of Paid Service, responsible for the achievement of the Council's ambitious improvement plans through delivery of community plans, the Council's Strategic Plan and the Council's Local Outcome Plan through innovative and robust people practice and sound corporate governance.</p> <p>Lead, motivate and manage the Council's workforce to deliver services which meet the Council's statutory duties, published plans and priorities and improve the economic, social and environmental well-being of the local community.</p> <p>As principal policy adviser to the Council support Elected Members in determining the Council's overall strategic objectives and priorities</p>
Main Duties:	<p>Leadership/Strategy</p> <p>Provide high level leadership and strategic direction for the Council's long term vision and the development and design of Council services.</p> <p>Provide strategic leadership enabling the Council to participate and lead (as appropriate) in National, City Region working,</p>

	<p>Regional and Local initiatives to develop visibility and new ways of working.</p> <p>Further develop the Council profile across networks and continue to develop opportunities and plans for benchmarking, best practice and further improvements.</p> <p>Delivery</p> <p>To create a culture of excellence in service delivery, team working and customer ethos by actively promoting our values to achieve our vision of a modern ambitious council creating a fairer future with all.</p> <p>Ensure effective governance with robust policies, processes and procedures, transparency and best value.</p> <p>In conjunction with the Head of Accountancy/ S.95 Officer ensure financial excellence and effective budget controls are maintained and that appropriate financial advice and information is available to the Council.</p> <p>To exercise the specific delegations of the post as laid down in the Council's Scheme of Delegated Functions.</p> <p>Undertake all statutory responsibilities attached to the Chief Executive role. The Council may ask the Chief Executive to take on the role of Returning Officer for Elections.</p> <p>Lead the Council's emergency resilience arrangement and responses.</p> <p>Leading the Workforce</p>
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	<p>Lead and motivate the Council's workforce, ensuring there is a positive and inclusive culture across the organisation and that the agreed core values are embedded across all services.</p> <p>Lead, develop and support the Corporate Management Team (CMT) to establish strong and visible corporate leadership within the Council and with partners and the wider community.</p> <p>To build excellent working relationships and act as a trusted and reliable voice when working with other departments, services, elected members and partners.</p> <p>To apply equal opportunity practices in the workplace and in service delivery.</p> <p>Principal Policy Advisor</p> <p>To act as the principal policy adviser to the Council and assess and advise the Council on significant issues of risk.</p> <p>Establish and maintain effective relations with and between Stakeholders and Elected Members to deliver strategic plans, create an optimal governance structure, and develop strategic leadership to the Community Planning Partnership.</p>
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PERSON SPECIFICATION



POST OF: Chief Executive	DEPARTMENT: Chief Executive Office		
ATTRIBUTES	ESSENTIAL	DESIRABLE	METHOD OF ASSESSMENT
<p>PROFESSIONAL/ EDUCATIONAL QUALIFICATIONS</p> <p>Education to degree standard or equivalent</p> <p>Recognised management or leadership accreditation or qualification</p> <p>Evidence of continuing, relevant professional development</p>	<p>X</p> <p>X</p>	<p>X</p>	<p>Documentary proof</p> <p>Documentary proof Form/interview</p>
<p>RELEVANT WORK/ OTHER EXPERIENCE</p> <p>Considerable strategic visionary leadership and senior management experience in a large, complex organisation</p> <p>Proven track record in the management and co-ordination of significant financial resources and demonstration of value for money, probity and accountability.</p> <p>Comprehensive understanding of the role of Local Government and the environment within which it operates, including the legal, financial and political context.</p> <p>Leadership experience at senior management level in Local Government or similar organisation</p> <p>Able to demonstrate success in results delivery, change management and changing</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p>	<p>X</p>	<p>Form/Interview</p> <p>Form/Interview</p> <p>Form/Interview</p> <p>Form/Interview</p> <p>Form/Interview</p>

Persistent, tenacious, highly motivated and not easily discouraged	X		Form/Interview
Accomplished analytical skills to allow the exploration, evaluation and interpretation of information and opinions	X		Form/Interview
Strong ethical decision making skills with the ability to make decisions and recommendations based on the analysis of options.	X		Form/Interview
Capacity to work under pressure to meet deadlines, satisfy political objectives and organisational priorities.	X		Form/Interview
Experience of developing effective and productive links with Elected Members and working successfully in a political environment.	X		Form/Interview
LEADERSHIP COMPETENCIES			
Develop the vision for the organisation and inspire others to understand and buy into it	X		Form/Interview
Leads a motivating performance culture that achieves improved outcomes	X		Form/Interview
Acts in a politically sensitive manner, showing respect for a diversity of opinions and needs	X		Form/Interview
Delivers professional impact through clear prioritisation, effective delegation and timeous delivery of strategic priorities	X		Form/Interview
Maintains a calm and positive attitude under pressure and during times of conflict	X		Form/Interview
Encourages and nurtures the development of others through a variety of approaches including coaching and mentoring and learning from mistakes	X		Form/Interview
Empowers others to be innovative and make decisions	X		Form/Interview
Seeks and responds to feedback from key stakeholders to drive service improvements	X		Form/Interview

<p>Puts the customer at the heart of everything we do</p> <p>OTHER</p> <p>Must be prepared to work flexibly and out with office hours when necessary</p>	<p>X</p> <p>X</p>		<p>Form/Interview</p> <p>Form/Interview</p>
<p>PREPARED BY:</p>	<p>Head of HR and Corporate Services</p> <p>SIGNATURE</p>	<p>DATE</p>	<p>February 2023</p>
<p>DEPARTMENTAL</p> <p>EQUALITY OFFICER:</p>	<p>SIGNATURE</p>	<p>DATE</p>	

EAST RENFREWSHIRE COUNCIL1 March 2023Report by the Director of Business Operations & PartnershipsWORKFORCE MANAGEMENT**PURPOSE OF REPORT**

1. This report seeks Council approval on the level of discretionary enhanced compensatory payments made to employees who leave the organisation via means of redundancy or an early retirement efficiency.

RECOMMENDATIONS

2. Council are asked to approve the reduction in discretionary enhanced compensatory package, setting the compensatory lump sum at up to 52 weeks and the number of added years up to 2 added years. These changes would take effect with implementation of the budget savings for 2023/24 and apply thereafter.

BACKGROUND

2. As part of the budget process, the Council is currently taking decisions to reduce costs in targeted areas to deliver the savings required. It is certain that this will result in staff being affected although no formal decisions have yet been made.

3. Over a number of years the Council has made significant efficiency savings and the expected reduction in budgets cannot be met from efficiency savings alone to meet the expected reductions in funding from 2023/24 onwards. It is clear that the Council will be looking to reduce its employee headcount in certain areas over at least each of the next three years.

4. The Council will continue to do everything it can to avoid compulsory job losses for Local Government Employees including stringent review and management of vacancies, offering voluntary redundancy opportunities in affected areas, redeployment and offering suitable alternative employment opportunities.

CURRENT SITUATION

5. Currently reductions in the workforce are managed as a result of attrition and targeted restructuring. Employees leave the council for a number of reasons (resignation, retirement) and when a vacancy arises the manager will review and determine whether the post needs replaced or whether it can be given up for a saving. Targeted restructures have been achieved using enhanced compensatory payments for voluntary redundancy and voluntary early retirement for Local Government Employees (LGE) with employees being redeployed where appropriate.

6. There are 3 elements to be considered in making decisions about redundancy and early retirement and these will be set out in the sections below. The Council has discretion to

amend policy and practice for the first 2 but not Strain on the Fund, which is set in pension legislation:

- Discretionary compensatory lump sum
- Added years for pension purposes
- Strain on the fund costs

7. The current levels of compensatory lump sum and added years for LGE is detailed below. Due to the budget pressures there is a requirement to review the affordability of the enhanced compensatory packages on offer and consider East Renfrewshire Council's position relative to other Scottish local authorities. All voluntary enhanced payments must make a business case within 3 years to be considered for approval and this process is informed by HR and overseen by the Head of Accountancy and Director of Business Operations and Partnerships.

Discretionary Compensatory Lump Sum

8. All employees, with over two years' service, are entitled to a statutory redundancy payment if their employment is terminated due to closure of business, closure of the employee's workplace or diminishing need for employees to do the available work. The statutory redundancy payment is calculated by a predetermined formula based on age and length of service and provides up to a maximum of 30 weeks' pay as compensation. If employees are over the age of 55 (certain preservations above age 50) they will in addition to a redundancy payment be granted access to their pension including any discretionary award of compensatory added years.

9. The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Amendment Regulations 2009 allows authorities to substitute a discretionary special termination compensation payment of up to 104 weeks in place of the statutory redundancy payment. This is at the discretion of the Council and allows local authorities to offer more favourable terms than are laid out in statute. Within East Renfrewshire Council this has been limited up to 78 weeks and was restricted to situations where there was imminent danger of compulsory redundancies if voluntary redundancies were not forthcoming that met the business case with approval granted by the Director of Business Operations and Partnerships and the Head of Accountancy.

Added Years for Pension Purposes

10. The Local Government Pension Scheme Regulations provide discretion to local authorities to award added years for pension purposes to employees retired early on redundancy or efficiency grounds. The added years provisions are subject to a maximum which is the least of the following:

- Double the length of service
- Service up to age 65
- Service up to 40 years' service
- 6 2/3 years for redundancy or 10 years for efficiency

11. The Council currently offers based on the pension scheme maxima of up to 6 2/3rds added years, for both redundancy and efficiency, linked to establishing a business case identifying that there are financial benefits in progressing the redundancy. The sliding scale (subject to scheme maxima) for all early retirement in redundancy or efficiency situations is as follows:

After 5 years service	1 added year
After 10 years service	2 added years

After 15 years service	3 added years
After 20 years service	4 added years
After 25 years service	5 added years
After 30 years service	6 2/3 added years

Strain on the Fund

12. In Local Government the further complexity that needs to be considered in redundancy situations is the requirement that employees who are pension scheme members over 55 (certain preservations above age 50) must be given access to their pension. This is pension legislation and is not a Council decision. This incurs a cost to the employer which is called Strain on the Fund (SOF).

13. SOF is the charge made by Strathclyde Pension Fund to employing authorities (i.e. the Council) for the costs incurred by early payment of pension benefits to employees who leave the pension scheme before retirement age in various circumstances. The strain arising depends on:

- (a) size of member's accrual pension and lump sum;
- (b) how early the pension is paid relative to the member's Funded Retirement Date;
- (c) member's age at date of retirement.

This means the pension received by the employee at the age they become redundant will be the same as the pension they would have been due to receive at the employee's Funded Retirement Date e.g. age 65, 66, 67. The Council is required to fund the gap.

14. In summary there are currently 3 options considered for LGE staff offered voluntary redundancy payments shown in the table below. Option 1 and 2 apply to those who can access their pension (over 55 or 50 if certain preservations apply) and Option 3 applies to those who are either under 55 or 50 in the pension scheme or to those not in the pension scheme.

<p>Option 1</p> <p>Employees in pension scheme, aged over 55 (or 50 if certain preservations apply)</p>	<p>For employees who can access pension and opting for added years they receive up to maximum 30 weeks redundancy + added years + pension with the Council funding the redundancy payment and added years.</p> <p>The Council are required to pay a lump sum directly to the employee in respect of added years and there is an additional ongoing annual cost to the Council.</p> <p>The Council must meet the Strain on the Fund costs.</p>
<p>Option 2</p> <p>Employees in pension scheme, aged over 55 (or 50 if certain preservations apply)</p>	<p>For employees who can access pension opting for no added years they receive up to maximum 78 weeks redundancy (compensatory lump sum) + pension, with the council funding the redundancy payment.</p> <p>The Council must meet the Strain on the Fund costs.</p>
<p>Option 3</p> <p>Employees not in the pension scheme or those aged under 55 (or 50 if certain preservations apply)</p>	<p>Redundancy-only payment for employees who cannot access pension. They receive up to maximum 78 weeks (compensatory lump sum) only with the Council fully funding this.</p>

PROPOSED CHANGES TO DISCRETIONARY PAYMENTS

15. Given the current financial situation the enhanced discretionary provisions have been reviewed for affordability and Council is now asked to agree a future approach. Employees who typically come forward for voluntary redundancy are 55 and over (22.9% of our workforce) which means there will be a requirement to give the employee access to their pension which incurs a SOF cost. At the same time consideration must be given to ensuring the offer remains attractive to encourage employees to volunteer for redundancy to minimise the need for compulsory redundancies as the Council meets challenging budget requirements in future years.

16. A benchmarking exercise was undertaken with 18 of the 32 Scottish local authorities responding. Table 1 shows the compensatory lump sum offered (this covers 17 councils as 1 council offers a one off lump sum payment) and Table 2 shows the compensatory added years.

Table 1: Compensatory Lump Sum Benchmarking - 2022

Compensatory Lump sum (Number of week's pay)	Number of Councils
Up to 30 weeks	3
Up to 40 weeks	1
Up to 45 weeks	1
Up to 52 weeks	2
Up to 60 weeks	3
Up to 66 weeks	6
Up to 75 weeks	1
Up to 78 weeks	1 (ERC)

Table 2: Compensatory Added Years Benchmarking - 2022

Number of Added Years	Number of Councils
None	7
Up to 2 years	4
Up to 3 years	2
Up to 4 years	0
Up to 5 years	4
Up to 6 2/3 years	1 (ERC)
Up to 10 years	1

17. Further benchmarking from 2018 was requested and shared on compensatory lump sum benchmarking with the Trade Unions. Data was unavailable for compensatory added years.

Table 3: Compensatory Lump Sum Benchmarking - 2018

Compensatory Lump sum (Number of week's pay)	Number of Councils
Up to 30 weeks	2
Up to 40 weeks	2
Up to 44 weeks	1
Up to 45 weeks	3
Up to 52 weeks	1
Up to 60 weeks	3
Up to 66 weeks	11
Up to 75 weeks	1
Up to 78 weeks	1 (ERC)

18. Taking account of benchmarking from other local authorities and the current financial situation it is proposed that the discretionary enhanced compensation redundancy payment is reduced from up to 78 weeks to up to 52 weeks and the discretionary added year's element is reduced from up to 6 2/3 added years to up to 2 added years as shown:

Up to 10 years' service	No added years
11 - 20 years' service	1 added year
21- 30 years' plus service	2 added years

19. It is suggested that the discretionary enhanced termination compensation payments of up to 52 weeks' pay and up to 2 added years are applied for all situations related to the changes that will be implemented from 2023/24 onwards.

FINANCE AND EFFICIENCY

20. Failure to ensure that displaced employees are managed out of their original posts through either redeployment or redundancy will prevent the financial benefits of organisational change being achieved. Benchmarking has also demonstrated that there is scope to reduce costs of redundancy and early retirement whilst remaining competitive with other local authorities. Affordability of future packages will be critical to business cases being made for voluntary exit from the Council, which is a necessary precursor to meeting future budget challenges

CONSULTATION

21. The Trade Unions have been made aware of the proposed changes to the discretionary enhanced compensatory payments. They are not supportive of these changes and expressed concern at benchmarking responses being obtained from only 18 local authorities. The Trade Unions disagreed with the proposal as this would mean the enhancements offered were worse than the average of other councils. They requested better alignment with other councils i.e. offering up to 66 weeks for the discretionary enhanced compensatory payment – this remains an alternative option that Council could consider. They also seek clarification on the commitment to “no compulsory” redundancies.

RECOMMENDATION

22. Council are asked to approve the reduction in discretionary enhanced compensatory package, setting the compensatory lump sum at up to 52 weeks and the number of added years up to 2 added years. These changes would take effect with implementation of the budget savings for 2023/24 and apply thereafter.

REPORT AUTHOR

Director of Business Operations and Partnerships
March 2023

Report author: Sharon Dick, Head of HR and Corporate Services
E-mail: Sharon.dick@eastrenfrewshire.gov.uk

EAST RENFREWSHIRE COUNCIL1 MARCH 2023Report by Director of Business Operations and PartnershipsSCHEME FOR MEMBERS' REMUNERATION AND EXPENSES 2022/23**PURPOSE OF REPORT**

1. To seek approval of the Council's Scheme for Members' Remuneration and Expenses for 2023/24.

RECOMMENDATION

2. That the Scheme for Members' Remuneration and Expenses for 2023/24 be approved.

BACKGROUND

3. In accordance with the relevant legislation, the Council has in place a scheme for Members' Remuneration and Expenses.

4. The Scheme provides details of the levels of basic salary payable to all councillors, and the increased salaries payable to the Leader and the Civic Head (Provost) these amounts being prescribed in legislation. The Scheme also provides details of those positions in the Council identified as being "Senior Councillor" positions for the purposes of the Regulations, and the levels of salary to be paid to each postholder.

5. In addition, the Scheme provides details of those other categories in respect of which Elected Members are entitled to claim expenses, such as the performance of approved duties, travelling expenses, and subsistence allowances. The amounts claimed in these circumstances have a legislative basis and have remained unchanged for some time. It has also been updated to reflect the current position in relation to the provision of smartphones and laptops to Elected Members.

REPORT

6. The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2023 were made on 26 January and laid in the Scottish Parliament on 30 January 2023 and take effect from 1 April 2023.

7. The Regulations see an increase in the basic councillor remuneration from £19,571 to £20,099; the remuneration paid to the Leader of the Council increases from £32,622 to £33,503, and the remuneration paid to the Provost increases from £24,467 to £25,128. The remuneration paid to senior councillors will also increase from £24,467 to £25,128. These increases will take effect from 1 April 2023.

8. A copy of the new Scheme is attached (Appendix 1).

RECOMMENDATION/...

RECOMMENDATION

9. That the Scheme for Members' Remuneration and Expenses for 2023/24 be approved.

Local Government (Access to Information) Act 1985

Background Papers - None

Report Author: Eamonn Daly, Democratic Services Manager 577 3023

e-mail:- eamonn.daly@eastrenfrewshire.gov.uk

EAST RENFREWSHIRE COUNCIL
SCHEME FOR MEMBERS' REMUNERATION AND EXPENSES
2023/2024

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527 GUIDANCE NOTES

1. Members are responsible for completing their own expenses claim forms and for signing the declaration on each form that the expenses have been necessarily incurred for the performance of eligible approved duties. **Members should, as far as possible, also ensure that cost implications are considered in decisions regarding expenses to be incurred and should where possible adopt the most cost effective mode of transport.**
2. All travel, subsistence and telephone call claim forms must be submitted to the Members Services Section who will be responsible for checking that they have been properly completed. Members Services will sign the form in the box provided as evidence that the check has been carried out.
3. Travel and subsistence claims must include the following:
 - Date for which expense is claimed
 - Time of departure /arrival.
 - Detailed description of approved duty (including category).
 - Expense items / Journey details (including journey start and finish details).
 - Receipts for expenditure incurred.
4. Claims for travelling and subsistence in respect of conferences must be claimed on the conferences claim form which should then be submitted to Members Services.
5. Advances for conferences etc. can only be made up to seven days before departure and must be signed by the Member and an authorised signatory in Members Services.
6. When an advance has been made in respect of a conference a final claim form should be submitted as soon as possible thereafter. Advances will be recovered from the earlier occurring of next salary payment due or any subsequent payment in anticipation of which the advance was given.
7. Sample claim forms are appended to this Scheme for information. Actual forms are available from Members Services.
8. **Expense Claims Timetable/...**

8. Expense Claims Timetable

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<u>To be Submitted to Members Services by</u>	<u>Pay Date Friday</u>
07.04.23	21.04.23
05.05.23	19.05.23
02.06.23	16.06.23
07.07.23	21.07.23
04.08.23	18.08.23
01.09.23	15.09.23
06.10.23	20.10.23
03.11.23	17.11.23
01.12.23	15.12.23
05.01.24	19.01.24
02.02.24	16.02.24
01.03.24	13.03.24
05.04.24	19.04.24

Expenses forms should be submitted to Members Services by the dates shown above in order for any expenses being claimed to be included in salary payments made on the corresponding Pay Date Friday. Claims must be fully completed, signed and dated. Incomplete/inaccurate forms will be returned to Elected Members which may result in a delay in expenses being reimbursed. It is important that expenses claim forms are returned timeously so that expenses can be recorded in the correct period.

529 PAYMENT OF MEMBERS' SALARIES

Basic Salary

Each Member of the Council will receive a basic salary of £20,099 per annum. Payment of salary will be made on the third Friday of each month by a monthly payment of £1,674.92 subject to normal Income Tax, National Insurance and Pension Contribution deductions.

Senior Councillors

In terms of the 2007 Regulations the Council has resolved to pay Senior Councillor Salaries to Members with special responsibilities. These Salaries will be paid under the same arrangements as basic salaries.

	ANNUAL SALARY £	MONTHLY PAYMENT £
Leader of the Council	33,503	2,791.92
Provost	25,128	2,038.92
Deputy Provost	25,128	2,094
Convener for Education, Equalities, Culture and Leisure	25,128	2,094
Convener for Environment and Housing	25,128	2,094
Chair of Audit and Scrutiny Committee	25,128	2,094
Chair of Planning Applications Committee/LRB	25,128	2,094
Vice Chair of Planning Applications Committee/LRB	25,128	2,094
Chair of Licensing Committee	25,128	2,094

Payment of Salaries

Payment of salaries will be made automatically monthly into each Member's bank account on the third Friday of each month.

If a Member leaves office as a Councillor or ceases to be entitled to a Senior Councillor Salary, the payment due will be calculated on a daily basis from date of appointment to the date of demitting office. In such circumstances any overpayment will require to be repaid by the Member.

Prior to election, salaries will be calculated on a daily basis up to the appointed date.

530 APPROVED DUTIES

Travel and subsistence expenses may be claimed for approved duties. The list below provides details of all duties in respect of which claims can be submitted. When completing a claim form Members should include the category of the approved duty as listed below (A, B, C etc) as well as providing full details of the approved duty.

Attending or Undertaking:-

- A. Meetings of Council, Cabinet and Committees.
- B. Conference meetings or seminars etc. as approved representative of Council.
- C. Meetings organised to inform members of any development or to assist members with personal development wherever held.
- D. Political group meetings of the Council held within the East Renfrewshire area.
- E. Meetings with officers of the Council.
- F. Members' surgeries.
- G. Community Councils and Parent Councils.
- H. Duties as officer of political group.
- I. Duties as Convener, or Committee Chair/Vice-Chair.
- J. Functions required as Leader or Deputy Leader of Administration.
- K. Attendance at meetings of partner bodies as approved representative of Council.
- L. Attendance at meeting of partner bodies to which the Councillor has been appointed by virtue of their position as councillor.
- M. Duties undertaken as a ward representative.

531 TRAVELLING EXPENSES

Where it is reasonable to do so, Members should use public transport in the conduct of their duties. However where public transport is not reasonably available, alternative forms of transport (e.g. private vehicle) can be used. **In cases where alternative transport is used which is more expensive than the cost of travelling by public transport, the cost of travelling by public transport can be reclaimed although as no receipts or tickets can be provided this will be subject to tax. In the event that travelling by alternative transport is cheaper than the cost of travelling by public transport, the lower rate can be reclaimed.**

Public Transport – Reimbursement of Costs

Members may travel standard class by public transport, the cost of which will be reimbursed on production of a ticket except in the case of travel by air, where not more than the cost of the economy fare or any available cheap fare for travel by regular air service will be reimbursed, on production of a ticket. In cases of urgency where no such air service is available then the actual fare paid by the Member will be reimbursed on production of a ticket.

The production of tickets is required for all modes of public transport in order that appropriate supporting documentation can be produced to HMRC which may be demanded under current legislation. In the event Members are unable to produce tickets or receipts for any journey made on public transport, any amounts claimed will be subject to tax.

ZoneCard

Members who do not claim car mileage allowance, may at the Council's cost apply for a ZoneCard, details of which may be obtained from Members Services. The ZoneCard will cover journeys from their house or place of work to the Council's Headquarters by public transport and will as far as possible cover journeys within their wards.

Any Member in receipt of a ZoneCard from the Council will have details of this benefit submitted to HMRC at the end of each tax year. Tax may be levied on this benefit by HMRC.

Rail Cards

Members will be able to claim the cost of rail cards purchased by them to allow them to obtain reduced fares when on Council business. Details of the card and the business details should be sent to Members Services to allow discounts to be obtained when tickets are booked.

Any member in receipt of a rail card reclaimed from the Council will have the details of this benefit submitted to HMRC at the end of the tax year. Tax may be levied on this benefit by HMRC.

Mileage Allowances

For the purposes of calculating claims, **a councillor's normal place of residence is regarded as their normal place of work**, so expenses associated with travel from home to the Council HQ, and other locations to conduct council business, may be claimed back. Where a councillor travels on council business from their place of employment or business (which is not Council related) they may be reimbursed for the cost of the journey. However, if the cost of making this journey would have been lower had it started from the councillor's home, then that lower cost is the maximum amount that will be reimbursed.

For example if the distance from a councillor's home to council offices is 5 miles and from a councillor's business to council offices is 10 miles, a maximum of 5 miles may be claimed and reimbursed.

In the event a Member attends a meeting which requires them to **travel from and return to** their place of employment or business, and their place of employment or business is further away than their home, the actual mileage travelled can be claimed. If a councillor does not return to work after the meeting only the mileage from home to the council office can be claimed.

For example if the distance from a councillor's home to council offices is 5 miles and from a councillor's business to council offices is 10 miles, and the councillor leaves from their business to attend a meeting and returns there after the meeting, they are able to claim the total mileage (20 miles – 2 x 10 miles). If the councillor does not return to their work after the meeting but instead goes home then the lower mileage can be claimed (10 miles – 2 x 5 miles).

Under the Regulations, the following mileage rates apply.

car	-	45 pence per mile
passenger (approved duty)	-	5 pence per mile
motorcycle	-	24 pence per mile
bicycle	-	20 pence per mile.

When claiming mileage expenses the claim should be based on the shortest route between the start and end points of the journey regardless of the actual route taken.

Other Travelling Expenditure

The rates specified for car mileage may be increased by the amount of any expenditure incurred by tolls, ferries or parking fees.

No reimbursement will be made for the above costs unless receipts are produced.

The Council will not be responsible for any parking fines incurred.

Travel by Taxi or Private Hire Car

Taxis or private hire cars should only be used in exceptional circumstances when no other public transport is reasonably available.

Taxi or private hire car journeys should be booked through Members Services who will make the booking on behalf of the Member. When making a taxi booking request, Members will need to complete a Taxi Request Form. This form requires the member to provide details of the journey, its purpose and to confirm that there was no other reasonable travel option available,

When taxis or private hire cars are pre-booked they will be paid on account and there will be no need for the Member making the journey to include the journey details and costs on any expenses claims form. However the details will be included in the annual summary of Members' Expenses.

In the event that a taxi or private hire car journey is required which cannot be booked through Members Services, the journey cannot be made on account and the cost of the journey will need to be paid for by the Member making the journey. In claiming for the cost of the journey, the Member concerned will be required to confirm that the reason for the journey was either due to urgency or that public transport was not reasonably available. If these conditions are not met, the Member concerned will be required to repay the excess over the public transport cost.

The rate for travel by taxi or private hire car shall not exceed:-

In the case of urgency or where no public transport is reasonably available the amount of actual receipted fare.

In any other case the amount of fare for travel by appropriate public transport.

Travel by Other Hired Motor Vehicle

The rate for travel by a hired motor vehicle other than a taxi or private hire car shall not exceed the lower of:-

The car mileage rate as stated above being the rate which would have been applicable had the vehicle belonged to the Member who hired it.

The cost of hiring a vehicle of less than 1200cc

In order to reclaim reimbursement the Member must provide an appropriate VAT receipt.

Travel by Council Car

Members should be aware that the Council is required to record and publish as part of the annual members' expenses exercise costs relating to the use of chauffer driven cars. This will include costs incurred on such journeys by Provost, Deputy Provost and other Councillors being conveyed in the Council car.

Entitlement

Any Member is entitled to payment of subsistence claims where expenses are *necessarily incurred* and for which appropriate receipts are produced in carrying out approved duties which require continuous time involvements shown below.

Rates

These payments may not exceed maximum rates prescribed by Scottish Ministers.

MAXIMUM ALLOWANCE	AMOUNT	HOURS AWAY FROM HOME	PERIOD THAT MUST BE INCLUDED
	£		
Breakfast	8.00	3	No overnight subsistence.
Lunch	12.00	4	12 Noon to 2p.m.
Dinner	25.00	4	
Overnight stay with friends or family	25.00	24	Continuous absence which includes overnight stay.
Overnight Stay	110.00	24	Continuous absence which includes overnight stay.
Overnight stay London	131.00	24	Continuous absence which includes overnight stay.

Exclusions

- (i) In the case of breakfast, lunch and dinner no reimbursement can be claimed when a meal has been provided free of charge.
- (ii) In the case of an overnight stay the sum reimbursed shall be reduced in respect of any meal or accommodation provided free of charge.
- (iii) Where the Council books a conference which includes accommodation and subsistence no additional sums may be claimed by Members.

Smartphones and laptops

Members can be supplied with a smartphone and laptop by the Council. **The use of these devices is controlled by the Council's [Acceptable Use Policy and Framework](#).** This policy permits personal use of a Council supplied mobile device within usage plan limits, however, it does not permit the use of Council supplied devices for non-Council business activities.

Should members intend to use their smartphone or laptop overseas they should contact IT (0141 577 3131) with travel details no later than 10 days before travel to allow the appropriate considerations and technical arrangements to be made.

Please note that the authorisation to use these devices to access Council information and systems will depend on the intended destination; which might also include geographical risk factors. It should also be noted that technical factors at any destination could affect connectivity and performance and would be out with the Council's control or ability to support.

Members should also note that there may be additional costs associated with this depending on their travel destination. Should Members fail to notify IT of overseas travel and use devices without making appropriate arrangements, this may result in significant additional costs and cause unnecessary detection alerts through the Council's Security Scanning services resulting in additional workload for ICT staff and security partners.

Bills for mobile devices are sent to Members Services. In the event that a bill exceeds the monthly usage plan limit Members will be asked to confirm whether excess costs are personal or Council related. If personal, Members will be required to pay the excess by way of deduction from their next salary.

Members will be asked to sign an undertaking confirming that they will comply with the terms of the above and the Council's Acceptable Use Policy and Framework.

Conferences

Attendance at conferences requires to be approved in advance by the Director of Corporate and Community Resources or Head of Democratic and Partnership Services in consultation with the Leader of the Council.

Conferences have to be accounted for separately and accordingly there is a special conferences claim form.

In respect of conferences within the UK Members will be reimbursed according to normal rates for travelling and subsistence which will be subject to provision of appropriate receipts.

When the Council books overnight accommodation this should be at or below the Members' overnight allowance rate.

When the Council books a conference which includes accommodation and subsistence no additional sums may be claimed by Members.

Travel Abroad

In respect of travel outwith the UK, travelling expenses for the most appropriate form of transport and subsistence will be reimbursed provided details and receipts are produced.

Income Tax and National Insurance

Normal Income Tax and National Insurance rules are applied to salary payments, travel claims and telephone rental allowance.

Tax Relief

Members may wish to claim tax relief in respect of expenses which are not reimbursed by the Council e.g. expenses in connection with constituency work. Details of these expenses should be submitted normally at the end of the Tax Year, direct to HMRC. A form and guidance notes for this purpose will be available from the Payroll Section. If Members do not wish to make a claim in respect of such expenses no action need be taken.

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