

SUPPORTING THOSE MOST IN NEED AMIDST FINANCIAL CHALLENGES

Thank you Provost.

It is a real privilege for me to present my first Budget proposals as council leader and the first on behalf of our new administration following last May's council elections.

But it gives me no pleasure whatsoever to be having to outline cuts to our services as a result of the unfair funding settlement we have received from the Scottish Government.

Today is also our first Budget meeting to be held in person since 2020 due to Covid-19 restrictions and I am pleased to see so many of my fellow councillors here in person today.

While most of the restrictions which came with the pandemic are thankfully behind us, many people and businesses in East Renfrewshire were hit hard by Covid – and continue to be so.

And in the last year – just as we were looking to recover from the pandemic – most people have instead faced major new challenges as a result of the Cost of Living Crisis.

Spiralling inflation and soaring energy costs have combined to cause genuine hardship for many of our residents and they have rightly looked to their local council for support. I am immensely proud my administration has been able to give them practical support, putting money in their pockets to help with food bills and creating a network of Warm and Welcome Spaces.

We will continue to support those most in need and continue to plan for the future, building more new schools and council houses, and caring for older people.

But we also have to be upfront about the scale of the financial challenges faced by the Council and how that is likely to impact many of the vital services we currently provide.

As part of this honest conversation, we announced in October that East Renfrewshire Council was facing a funding shortfall of more than £30m over the next three years. The main reason for this is that the Council is facing the same challenges as everyone else in terms of rising energy costs and high inflation yet we have received barely any extra cash on a like for like basis from the Scottish Government to fund our services.

This £30m black hole means we are having to make some very difficult decisions about services which local people rely on. Levels of service will be reduced, or in some cases may stop altogether, Council Tax will increase and jobs will be at risk.

Back in October, we outlined the painful cuts we were having to consider and encouraged residents and staff to tell us what our spending priorities should be and what ideas they had to help us balance the books.

More than 1700 people shared their views with us – the biggest response we've ever had to an engagement exercise like this in the Council's history – and councillors have considered your views very carefully. My thanks to everyone who took part. Your views are important to us and have been reflected in this budget.

It remains the case that East Renfrewshire Council is facing very serious financial challenges which will impact many of the vital services we provide.

SCOTTISH GOVERNMENT GRANT SETTLEMENT 2023/2024

Most of the Council's funding comes from the Scottish Government in our annual grant settlement. Residents are often rightly concerned about what their council tax is spent on but it is important to remember the money raised from council tax only accounts for around 18% - less than one fifth - of our total funding.

It has also been a growing trend in recent years that the money we receive from the Scottish Government comes with strings attached and can often only be spent on national policy initiatives. These include important services like the expansion of early years child care, moving towards universal free school meals in primary schools and paying the real living wage to those working in social care.

These are initiatives we support but it does leave us with less flexibility on what we can spend money on here in East Renfrewshire. It is also the case that much of our funding can only be spent on specific projects – such as housing or transport – and can't be used in other areas.

That lack of freedom for local politicians also restricts us when it comes to making savings, with some parts of our spending protected from cuts. This means areas such as roads, parks, refuse collection and money advice for the most vulnerable often face more pressure.

Just a few weeks ago, we were notified of more planned restrictions on education spending by the Scottish Government. In East Renfrewshire, we are proud to provide the best council-run schools in the country, a success built on making the best decisions locally to suit our local circumstances.

Denying councils the power to decide how best to close the attainment gap will only mean more cuts to other essential services.

For 2023/24, our grant settlement from the Scottish Government is £223.1m. This represents a small increase on last year but much of that has again been committed to national priorities, leaving us with £1.5m extra. Once an increased rates bill for buildings such as our schools and offices is factored in, the Council is actually left with £800,000 extra, an increase of just 0.4% on a like-for-like basis on last year's settlement.

Given that the Council has been hit by the same financial challenges as everyone else over the last year, it is clear that small amount of extra money falls well short of what we require to even attempt to maintain current levels of service.

And coupled with the £80m in savings which we've already had to make since 2015/16 due to years of underfunding, that has left the Council's finances in a perilous position.

TACKLING THE CHALLENGE OF MAKING SIGNIFICANT SAVINGS

When we announced in October that the Council was facing a Budget gap of more than £30m over the next three years. I warned then that, with no extra money likely to come our way from the Scottish Government, we would have to consider cutting services and jobs.

The year ahead was always going to be the toughest and our Budget gap for 2023/24 stands at £18.1m.

There are a number of ways we can bridge this funding shortfall; we can raise more income by increasing Council Tax

or charging more for services; we can use any remaining reserves or we can make cuts to services.

We can also work with the Scottish Government to see if the rules around our budgets can be more flexible. On this issue of what are known as fiscal flexibilities, we have received some good news which allows us to spread the debt charges on certain major infrastructure projects like new schools. This is the approach we will take after agreeing the Service Concessions paper earlier on today's agenda.

We will receive a one-off benefit of £14.8m to our financial reserves, plus savings of around £2.7m-a-year starting from 2023/24. In the year ahead, we will use £7.5m of this one-off money, together with the £2.7m recurring saving, to reduce our Budget gap from £18.1m to £7.9m.

We have decided not to use all the money at once so we can spread this benefit over the following two years when we will also face very challenging savings targets.

WHAT THIS MEANS FOR NEXT YEAR'S COUNCIL TAX

Our officers' financial modelling for this Budget is based on a 5% rise in Council Tax. And although we are implementing cuts and using our reserves, a 5% increase would still not be enough to completely close our funding gap.

As a result – and as outlined in my earlier motion - I am today recommending East Renfrewshire Council increases Council Tax by 6% for 2023/24 which will reduce the level of cuts required.

It is worth pointing out that to close our Budget gap over the next three years by only using Council Tax and not making any

service cuts would mean a rise of more than 50% in Council Tax bills.

The 6% increase I am recommending is almost half the rate of inflation we have seen in recent months but I fully accept another increase in household bills will impact many people. However, if we had not opted to raise Council Tax by this level, we would have had to make further reductions in funding to our schools, our roads, our parks and our waste collection services.

For a Band D property in East Renfrewshire, this will mean an annual increase in Council Tax of £80.11 or £1.54 a week. And there will be smaller increases for the almost one third of our 41,000 households who already receive a 25% single person discount. If they live in a Band D property, they will instead pay just £1.16 a week more.

Families on low incomes, who make up about 11%, or almost 4,500, of all households in East Renfrewshire, will not have to pay the full increase, with some households continuing to pay no Council Tax at all because of their circumstances.

Just as we have offered the most vulnerable people in our communities direct financial assistance as part of our Cost of Living support, so they will also be protected from the proposed increase in Council Tax.

It is also important to note that in the last 10 years, Council Tax bands in East Renfrewshire have been below the Scottish average and are expected to remain around the Scottish average in the coming year. And this is whilst consistently delivering well above average vital services.

WHAT THIS MEANS FOR SAVINGS IN 2023/24

Increasing Council Tax will reduce the size of our £7.9m Budget gap for the year ahead but it will not close the gap completely. To do that, we will have to make £4.1m of savings in the next year and that will impact many of our vital services.

To ensure the public are fully aware of what we are proposing, a detailed list of these measures can be found in the annex to the Revenue Estimates report in today's council papers. I want to be absolutely clear that we do not want to make these cuts but we must take these difficult decisions to meet the legal requirement to balance our books.

And the fact is that, unless there is increased funding for local government, further severe cuts will be required in the future.

Our challenging financial situation also has serious implications for the important work of the East Renfrewshire Health and Social Care Partnership and our Culture and Leisure Trust.

The proposed budget contributions to the Integration Joint Board, which oversees the work of the HSCP, and to the leisure trust will have to be limited due to the financial constraints the Council is facing.

Confirmation of these contributions will allow the boards of both these organisations to plan their spending for the year ahead but it is highly likely they will have to make considerable cuts. The IJB will set its Budget at the end of March.

SAVINGS CHALLENGE CONTINUES IN FUTURE YEARS

By using reserves, increasing Council Tax and implementing £4.1m worth of savings, we will balance the books for the next 12 months.

But current estimates show we will have a Budget gap of a further £16.2m in 24/25 and then a further £14.2m in 25/26. The graph on the screens shows the size of those Budget gaps and how much in savings we predict we will have to take to close the gap; £9.3m worth of savings in 24/25 and £10m in 25/26.

These savings will inevitably include more cuts to services and jobs, unless the Scottish Government increases our funding.

CONTINUING TO INVEST IN OUR COMMUNITIES

Despite the unprecedented financial challenges facing the Council, we continue to plan for a better future for all our residents.

We are building more new schools and handing over more new council houses to local people.

The funding for long-term projects such as investment in new schools and nurseries is part of our capital budget which is separate from the money spent on day-to-day services through our revenue budget.

Our savings must come from these important services and money can't normally be moved from the long-term to the day-to-day budget to help. There are also many pots of funding which can only be spent on specific projects – so, for example,

we can't spend City Deal money on education, or social care money on repairing potholes.

Like all councils, East Renfrewshire has to stick to these rules but we remain absolutely committed to delivering as many projects to improve the lives of our residents as we can.

I would now like to focus on some of the excellent projects we are delivering.

EARLY YEARS AND VULNERABLE YOUNG PEOPLE

I was delighted to attend the official opening of Cross Arthurlie Primary's Nursery Class in November. This was the last of our six new nurseries to have opened across East Renfrewshire in recent years as part of our commitment to expanding early learning and childcare provision.

We will continue to provide the very best for all our children and young people, especially at this crucial early years stage.

We also remain committed to providing for our vulnerable young people. Pupils at Isobel Mair School have already benefitted from an upgraded sports pitch this year and we are also planning to spend more than £1m on increasing the size of this excellent school.

LEARNING, LIFE AND WORK

In June, we broke ground at the new Neilston Learning Campus and I have watched with interest as building work has progressed. My thanks to local residents for their patience during construction and I am sure we are all looking forward to seeing the campus open its doors later this year. The site will

provide a new home for pupils from Neilston Primary, St Thomas's Primary and the Madras Family Centre.

Our aim is to provide the very best environment to support young people's learning. Pupils across East Renfrewshire delivered another year of record-breaking exam results, confirming our status as having the best council-run schools in Scotland. It is testament to these young people, who were sitting formal exams for the first time due to the pandemic, and to their parents and our staff that they produced excellent results across the board – including many schools delivering their best-ever performances.

The Council's investment in education goes further than new buildings, with facilities to support sport, health and wellbeing also being provided. I'm delighted a new synthetic pitch and running track is soon due to be completed at Mearns Castle High School – replacing a 40-year-old blaes playing field which was unfit for purpose.

We're also focused on improving and extending the services provided in our schools. So, I'm delighted a new Additional Support Needs unit will be established in Carolside Primary at the start of the new school term in August.

ECONOMY AND ENVIRONMENT

In July, we opened our biggest ever Council house development on Balgraystone Road, Barrhead, creating high quality and energy efficient homes for more than 200 tenants.

The last year also saw the completion of 57 council houses in Maidenhill, including a number we'll be handing over to tenants in the next few weeks.

Support for local employers remains a key priority for East Renfrewshire Council and less than two weeks ago I opened The Greenlaw Works business centre in Newton Mearns. A range of local firms are now located at this impressive facility which is our most significant City Deal project to be delivered so far.

Our commitment to reducing the Council's carbon emissions remains strong, and we've made significant progress in the past year. In November, we agreed our target is to achieve net zero carbon emissions by 2045. Our forthcoming Get To Zero Action Plan will set out what work is needed to reduce emissions. But we will need significant additional funding to help us meet our targets.

Working in partnership with local people is key to achieving such goals and their contribution was highlighted by East Renfrewshire reclaiming its position as the top recycling area in Scotland.

The condition of our roads remains a key priority and the Council's capital investment programme to spend an extra £3m-a-year on resurfacing local roads continues to deliver.

In total, another 64 resurfacing projects are on track to be completed during the current year, benefiting communities across East Renfrewshire.

This extra capital investment was due to finish next year but I am delighted to be able to reveal today that we now plan to continue this popular improvement programme for another five years, spending more money - £3.5m-a-year – on upgrading roads and pavements.

Combined with other projects, we will spend £33.8m on improving local roads in the next 10 years.

SAFER, SUPPORTIVE COMMUNITIES

As I mentioned at the beginning of my speech, I was immensely proud to deliver a £4.4m Cost of Living package to support our most vulnerable residents. The Council distributed £100 gift cards to more than 4500 low-income households, helping people directly with their food bills and boosting local traders who signed up to the scheme.

This Cost of Living package, which was funded by Covid-recovery money from the Scottish Government, also supported the creation of a network of Warm and Welcome Spaces. Our libraries and leisure centres were among the first Warm and Welcome Spaces, offering a hot drink and advice to local people.

It was important this project should be community led, so residents could choose what would work best for them, and we set up a fund worth £100,000 to help local groups heat their buildings and provide refreshments.

Working closely with Voluntary Action, there are now 38 Warm and Welcome Spaces across East Renfrewshire, offering support to all residents.

OLDER PEOPLE AND PEOPLE WITH LONG-TERM CONDITIONS

HSCP staff have once again done a fantastic job in very challenging circumstances. Our care at home team, nurses and GPs remain on the very frontline of health care and do their very best to help some of our most vulnerable residents.

Like all social care providers, we have faced significant problems recruiting and retaining care at home staff and that caused particular challenges over Christmas.

But we continue to perform well compared to others HSCPs on the crucial issue of delayed discharges, which frees up NHS beds and ensures older and vulnerable residents are able to live in their own homes wherever possible.

Our growing population of older people and the continued impact of Covid present additional tests on top of the financial challenges we face. But our top priority remains to protect the most vulnerable members of our communities.

More than £1m is being spent on a new telecare system to improve the lifeline service which many of our residents rely on. And the installation of 1000 call blocker units has stopped one million nuisance or scam calls by criminals who often target older people.

THE KEY ROLE OF OUR STAFF

What has struck me the most during my first year in office has been the amount of good work that this council does to improve the lives of people in East Renfrewshire and the dedication of those who do that work.

I've been immensely impressed by our staff who go above and beyond on a daily basis to deliver vital services and who proudly demonstrate our Council's values of Ambition, Kindness and Trust.

As part of the discussions councillors have been having about the Budget, our trade union partners spoke to us about their members' priorities and I thank them for their input. Thanks

also to all our staff who have been involved in the extremely challenging and stressful Budget process this year

Despite having been able to significantly reduce the size of the Budget shortfall for the coming year, we still have to find £4.1m worth of savings and on the back of many years of previous savings and cuts, that becomes increasingly difficult.

It leaves us with no option but to look at cutting services and jobs. In November, we estimated as many as 550 jobs could be at risk over the next three years.

Whilst we don't have a clear idea of what our funding position is going to be after 2023/24, we can say that fewer than 50 posts may be affected in the year ahead. However, I can give an assurance that there will be no compulsory redundancies linked to this year's savings.

Unless funding of local government improves, it is likely jobs and vital council services will continue to be at risk in the years to come.

CONCLUSION

In today's Budget I have outlined the unprecedented financial challenges faced by East Renfrewshire Council.

We have had to take very difficult decisions on what savings to make and on increasing Council Tax but have closed our Budget gap and balanced the books.

It is vital that councils receive increased funding to maintain the services which residents rely on and – as council leader – I will continue to lobby for a better deal.

Last week I wrote to the First Minister to outline my concerns about the severe and far-reaching consequences the local government settlement will have on people here in East Renfrewshire. I also called on the First Minister to recognise the damaging impact of ring-fencing so much of our council budget to deliver national priorities. I have yet to receive a reply.

We do all that we can with the resources at our disposal. East Renfrewshire is a well-run council which has rightly earned praise from Audit Scotland, the independent watchdog which keeps check on public bodies. Our council-run schools are the best in the country, we top the recycling charts and we have delivered big savings by becoming more efficient.

With so many of our residents left reeling by the Cost of Living Crisis, the Council stepped up to the mark to provide them with financial and other practical support and helped create a network of Warm and Welcome Spaces.

In conclusion, we listened seriously to the concerns raised by residents in the budget engagement process.

You told us you were prepared to pay a little bit more in Council Tax so long as vital services are protected and we have delivered on that.

This year we have saved our grass cutting service, our popular mixed tenure scheme which keeps shared areas of flats in good condition and the recycling centre in Barrhead will stay open. And we have put in significant new capital spending on repairing our roads.

In education this year, we have protected teacher numbers, Pupil Support Assistant numbers and the length of the school week.

I am delighted we have not only removed the proposed saving impacting our ASN pupils but we have also added £60,000 of

new investment to support our most vulnerable children with complex needs in Isobel Mair, Carlibar Communication Centre and Williamwood Communication Service and will work with parents and carers to determine how best to use this money.

We will continue to build new schools, with the Neilston campus next on the list to be delivered. This year we have also saved Campus Police Officers.

All these measures will help give our children the best start in life and keep them safe and ensure East Renfrewshire continues to be a great place to live and raise a family.

Despite the very real financial challenges faced by this Council, our priorities will continue to be supporting the most vulnerable people in our communities and I remain optimistic and determined that we will be able to build a better future for all our residents.

Thank you.

I now formally move the motion which I outlined before the beginning of my speech.