

MINUTE
of
EAST RENFREWSHIRE COUNCIL

Minute of meeting held at 10.00am in the Council Chamber, Council Headquarters, Giffnock on 1 March 2023.

Present:

Councillor Andrew Anderson	Councillor Chris Lunday
Councillor Caroline Bamforth	Councillor David Macdonald (*)
Councillor Tony Buchanan	Councillor Jim McLean
Deputy Provost Kate Campbell	Councillor Colm Merrick
Councillor Angela Convery	Provost Mary Montague
Councillor Betty Cunningham	Councillor Andrew Morrison
Councillor Danny Devlin	Councillor Owen O'Donnell (Leader)
Councillor Paul Edlin	Councillor Katie Pragnell
Councillor Annette Ireland	Councillor Gordon Wallace (*)

Provost Montague in the Chair

Attending:

Lorraine McMillan, Chief Executive; Louise Pringle, Director of Business Operations and Partnerships; Mark Ratter, Director of Education; Caitriona McAuley, Director of Environment; Julie Murray, Chief Officer - Health and Social Care Partnership; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Anthony McReavy, Chief Executive, East Renfrewshire Culture and Leisure Trust; Andy Corry, Head of Environment (Operations); Phil Daws, Head of Environment (Strategic Services) (*); Gillian McCarney, Head of Environment (Chief Planning Officer) (*); Sharon Dick, Head of HR and Corporate Services; Siobhan McColgan, Head of Education Services (Equality and Equity); Barbara Clark, Chief Accountant; Graeme Smith, Communications Manager; Eamonn Daly, Democratic Services Manager; Jennifer Graham, Committee Services Officer; and Liona Allison, Assistant Committee Services Officer.

Also Attending:

Chief Superintendent Mark Sutherland, and Chief Inspector Graeme Gallie, Police Scotland.

(*) indicates remote attendance.

INTRODUCTORY REMARKS

343. Referring to the forthcoming retirement of the Democratic Services Manager, Provost Montague referred to the high regard in which he was held, thanking him for his contribution to the Council's work over many years. She confirmed there would be a further opportunity for Elected Members to make their own remarks to him following the meeting.

DECLARATIONS OF INTEREST

344. There were no declarations of interest intimated.

MINUTE OF MEETING OF THE COUNCIL HELD ON 14 DECEMBER 2022

345. The Council considered and approved the Minute of the meeting held on 14 December 2022.

MINUTE OF SPECIAL MEETING OF THE COUNCIL HELD ON 14 DECEMBER 2022

346. The Council considered and approved the Minute of the special meeting held on 14 December 2022.

MINUTES OF MEETINGS OF COMMITTEES

347. The Council considered and approved the Minutes of the meetings of the undernoted:-

- (a) Audit and Scrutiny Committee – 19 January 2023;
- (b) Cabinet – 26 January 2023;
- (c) Planning Applications Committee – 30 January 2023;
- (d) Education Committee – 2 February 2023;
- (e) Special Audit and Scrutiny Committee – 8 February 2023;
- (f) Cabinet (Police and Fire) – 9 February 2023
- (g) Licensing Committee – 14 February 2023;
- (h) Planning Applications Committee – 15 February 2023;
- (i) Local Review Body – 15 February 2023;
- (j) Cabinet – 23 February 2023; and
- (k) Audit and Scrutiny Committee – 23 February 2023

CABINET (POLICE and FIRE) – 9 FEBRUARY 2023 – EAST RENFREWSHIRE LOCAL POLICING PLAN 2023-2026

348. Under reference to the Minute of the meeting of the Cabinet (Police and Fire) of 9 February 2023 (Page 387, Item 319 refers), when it had been agreed to remit to the Council the Local Policing Plan 2023-2026 for consideration, the Council considered the Plan, which set out local policing priorities for East Renfrewshire over that period.

Having heard Chief Superintendent Sutherland praise the strong partnership approach in East Renfrewshire, the Council approved the East Renfrewshire Local Policing Plan 2023-26.

CABINET – 23 FEBRUARY 2023 – ADDITION TO CHARGING FOR SERVICES 2023/24: OUTCOME OF CALL-IN DISCUSSIONS

349. Under reference to the Minute of the meeting of the Cabinet of 23 February 2023 (Page 399, Item 333 refers), when it had been agreed to recommend to the Council that the charge for the Garden Waste Permit 2023/24 be increased from £40 to £50, and that the system for setting the garden waste charge in future not be subject to review outside the existing arrangement for reviewing service charges, the Council considered a report by the Director of Business Operations and Partnerships on the outcome of the deliberations of the

Audit and Scrutiny Committee on the Cabinet's decision regarding an *Addition to Charging for Services 2023/24*.

The Council agreed that:-

- (a) the charge for the Garden Waste Permit 2023/2024 be increased from £40 to £50; and
- (b) the system for setting the garden waste charges in future not be subject to review outside of the existing arrangements for reviewing service charges.

AUDIT AND SCRUTINY COMMITTEE – 23 FEBRUARY 2023 – TREASURY MANAGEMENT STRATEGY REPORT FOR 2023/24

350. Under reference to the Minute of the meeting of Audit and Scrutiny Committee of 23 February 2023 (Page 406, Item 340 refers), when it had been agreed to recommend to the Council that the Treasury Management Strategy for 2023/24 be approved, including the amended list of organisations for investment of surplus funds in accordance with Annex F to the report, and that the policy on the repayment of Loans Fund advances as specified in Section 3.4 of the report be approved, and the forms of investment instruments for use as permitted investments in accordance with Annex D to the report be approved, the Council considered a report by the Chief Financial Officer, reporting on the Treasury Management Strategy for the financial year 2023/24.

Councillor Morrison clarified that, in accordance with the CIPFA Treasury Management Code of Practice, the Audit and Scrutiny Committee was responsible for ensuring effective scrutiny of the Strategy, including the approved list of investors and the policy on the repayment of Loans Fund advances. He highlighted that the report set out the parameters within which the treasury function operated, highlighted that the strategy included policy on environmental, social and governance factors and showed outstanding loan debt, and confirmed that related mid-year and annual reports would be submitted to the committee in due course.

The Council agreed:-

- (a) that the Treasury Management Strategy for 2023/24 be approved, including the amended list of organisations for investment of surplus funds in accordance with Annex F to the report;
- (b) to approve the policy on the repayment of loans fund advances as specified in Section 3.4 of the report; and
- (c) to approve the forms of investment instruments for use as permitted investments in accordance with Annex D to the report.

STATEMENTS BY CONVENERS AND REPRESENTATIVES ON JOINT BODIES AND COMMITTEES

351. The following statement was made:-

- (a) **Councillor Anderson – Convener for Education and Equalities**

Councillor Anderson referred to the Scottish Government's summary statistics for attainment and leaver destinations in 2020/21, which had been published the previous day, highlighting that 98.5% of East Renfrewshire school leavers went on to a positive destination, the highest figure recorded, and which was

above the national average of 95.7%. He added that Barrhead High School had achieved 100% positive destinations, with St. Luke's High School just behind at 99%. Although these figures were excellent, he added that East Renfrewshire Council continued to strive for sustained, positive school leaver destinations for all young people and would continue to work in partnership with Skills Development Scotland, HSCP and Work East Ren in this regard. He advised that a follow up report would be issued in June and wished to congratulate all those involved in supporting this achievement.

The Council noted the statement.

PROVOST'S ENGAGEMENTS

352. The Council considered a report by the Deputy Chief Executive, providing details of civic engagements attended and civic duties performed by Provost Montague since the meeting on 14 December 2022.

The Council noted the report.

APPOINTMENT TO EAST RENFREWSHIRE CULTURE AND LEISURE TRUST BOARD

353. The Council considered a report by the Director of Education recommending for approval the nomination of a new independent board member for the Trust following a recent resignation.

The Council approved the appointment to the Board of Mr Darvil Johan in accordance with the Trust Articles of Association and Board Charter.

EAST RENFREWSHIRE CULTURE AND LEISURE TRUST 2023-24 BUSINESS PLAN

354. The Council considered a report by the Director of Education, seeking approval for the East Renfrewshire Culture and Leisure Trust (ERCL) 2023-24 Business Plan.

It was noted that the Business Plan had been approved by the ERCL Board, but that if the Council's proposed budget was not approved later at the meeting it could impact upon the Business Plan.

The Business Plan identified the projected resources and/or expenditure of the Trust; the Trust's People Strategy; a list of strengths, weaknesses, opportunities and threats identified; and a proposal for the next Annual Service Payment. The Business Plan had been developed through consultation with staff, board members and stakeholders to strategically plan how the Trust would deliver quality services whilst taking account of key issues, and a number of strategic aims had been identified.

The Business Plan gave clear strategic direction in accordance with the Council's strategies and took account of the continued ongoing impact of the Covid-19 pandemic and the current financial pressures across the Council. It was supported by detailed operational plans to deliver the Council's objectives under the Community Plan, Fairer East Ren Plan and Outcome Delivery Plan and to support recovering and renewal within communities.

In response to questions, the Chief Executive of East Renfrewshire Culture and Leisure Trust confirmed that there were no plans to close any libraries or community facilities in 2023/24 and any change to that policy would be included in future Business Plans for consideration.

In relation to risk management of older buildings, he reported that mechanisms were in place to cover the financial cost of any unplanned building closures and the Trust liaised regularly with the Council regarding ongoing building maintenance.

Having heard the Chief Executive confirm that all Trust buildings remained in the Council's ownership and any proposed closure would require Council approval, the Council approved the proposed East Renfrewshire Culture and Leisure Trust 2023-24 Business Plan, subject to confirmation of the Council budget.

SERVICE CONCESSION ARRANGEMENTS

355. The Council considered a report by the Head of Accountancy (Chief Financial Officer) seeking approval to apply additional flexibility to the accounting treatment for Private Finance and similar contracts (referred to as Service Concession Agreements (SCAs)) that were in place before 1 April 2022, in line with the Local Government circular 10/2022.

The report explained that the Local Government circular 10/2022 permitted the option for Scottish Councils to apply flexibility to the accounting treatment for SCAs in place before 1 April 2022. The Council's budget currently provided for the repayment of the debt element of such schemes over the 25 to 30 year contract period but the new flexibility would allow the debt to be written off over the life of the asset (typically 50 years). Reference was made to the five schemes which could be considered under this new flexibility including 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; and the Clyde Valley Waste Recycling Plant Scheme. It was reported that the adopted approach would apply to all such arrangements going forward, in line with the key accounting principle of consistency. Further information was provided on the financial implications of this flexibility which the Chief Financial Officer considered to be affordable; prudent and sustainable.

Having heard the Chief Financial Officer explain that this new flexibility had been granted to all Scottish Councils and that East Renfrewshire would limit the debt liability to the expected life of the asset, following consultation with advisors, the Council agreed:-

- (a) to approve 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; and
- (b) to note the longer term implications of implementing this flexibility, including the affordability assessment outlined in paragraph 13 of the report.

FINANCIAL PLANNING 2023-2029

356. The Council considered a report by the Head of Accountancy (Chief Financial Officer), on the updated Outline Revenue Financial Plan for 2023-2029.

The Council agreed:-

- (a) that the continuing budget pressures anticipated in the next 6 years and mitigating actions proposed be noted; and
- (b) that the Outline Revenue Financial Plan 2023-2029 be approved.

STRATEGIC IMPACT OF THE FINANCIAL SETTLEMENT

357. The Council considered a report by the Chief Executive analysing the key factors affecting the Council's financial situation, considering the impact on the Council's future strategic direction and the Council's capacity as an organisation.

It was reported that the Council faced significant financial challenges, in addition to the pressures of the COVID response and Cost of Living increases, and a review of the *Vision for the Future* Strategy was required in order to be realistic about what could be delivered within the next 3 years without losing the long-term vision and ambition for East Renfrewshire. Factors contributing to reductions in funding for services were outlined, including underfunding of Grant Aided Expenditure and the "Floors" Mechanism; higher than average numbers of children in schools; additional services; and funding of statutory services and legislation.

Investment in training, capital and digital technology would be required to ensure the long term future of our services and it was important to be honest with residents, staff and partners about the challenges ahead and to continue to include them in the development and prioritisation of plans. It was also important to ensure that any cuts did not fall disproportionately onto the working conditions of staff which could result in a loss of the best and most committed staff to other organisations where training, pay and the working environment were significantly better, leading ultimately to poorer services.

In response to questions the Chief Executive confirmed that savings had already been made through the shared Civic Contingency Service; additional joint working was taking place through the City Deal; and discussions were ongoing at a regional level to consider if more joint working could be introduced. She added that any future plans for joint working would be submitted to the Council for consideration.

Thereafter, the Council agreed:-

- (a) to note that our growing population was 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) to note that the impact of the high number of children educated in East Renfrewshire puts increasing pressures on the budgets for other services;
- (c) to note that an updated strategy document, Vision for the Future, would be brought to Council in June and whilst seeking to be ambitious in the longer term, would have to reflect the very challenging financial circumstances and a reduced level of ambition in the short term;
- (d) to note that both today's budget and the updated Vision for the Future would require a high level of prioritisation of services;
- (e) to note the importance of continued investment in our organisational capabilities capital, technology and our staff; and
- (f) to encourage Cosla to lobby for:-
 - a change in the way the funding for additional services (new burdens) was 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; and

- A change to the way that the Floors Mechanism was operated to ensure that it acted as a smoothing mechanism for reducing budgets, rather than a protection mechanism.

EAST RENFREWSHIRE COUNCIL REVENUE ESTIMATES 2023-24

358. The Council considered a report by the Head of Accountancy (Chief Financial Officer) on the outline revenue estimates of income and expenditure as the basis for the Council Tax declaration for 2023-24. A copy of the Revenue Estimates 2023-24 was appended to the report.

The report outlined the revenue budget process, commented on the Scottish Government's Grant Funding for 2023-24, and explained that in determining the grant distribution the Scottish Government had again put in place the "Floors" arrangement to ensure year-on-year grant stability at individual council level. Under this arrangement, the Council would contribute £3.595m by way of deduction from Aggregate External Finance (AEF) grants in 2023-24. This was £0.324m higher than in the current year and reflected the high level of support distributed to a small number of other councils.

Having commented on Non-Domestic Rates income, the report referred to the financial outlook and the practice in recent years of setting multi-year budgets. Given the ongoing financial outlook, it was proposed that the Council continued to adopt a longer-term financial planning approach, but as multi-year Scottish and UK Government settlements were not available, it was proposed to agree plans only for 2023-24. Officers would continue to model departmental figures for 2023-24 to 2025-26 and update figures as set out in the Council's report on Financial Planning 2023-29 for longer-term planning purposes. It was anticipated that a further multi-year budget would be set in February/March 2024 once multi-year figures had been announced by the Scottish Government.

Taking account of a range of matters, the report referred to a total initial budget shortfall of £18.134m for the coming year. After applying the assumed 3% increase in Council Tax income used in budget planning, this would reduce the budget shortfall to £16.237m. Referring to the May 2022 Scottish Spending Review figures, flat cash settlements were forecast for 2023/24 to 2025/26 producing ongoing shortfalls for the next five years.

The report explained that the 2023-24 settlement did not include restrictions on Council Tax levels and that the Council's published forecasts had been based on an assumed 3% Council Tax increase. However, with inflation running at 10.1% and the Scottish Government settlement close to flat cash, this would require difficult service reductions to be introduced.

Consequently it was being recommended that the Council agree to a Council Tax increase of 5%. This would increase income by £1.264m per year and reduce the budget gap to £14.973m.

It was explained that budgets were closely monitored throughout the year and the latest monitoring had forecast a non-COVID related underspend of £1.440m by the year-end. As set out in the report, the general reserve was forecast to be at least £7.959m at 31 March 2023. This represented 2.76% of the Council's annual revenue budget and, as the Council's policy was to hold a minimum level of this reserve of "around 2%" there was limited scope for utilisation of this reserve. However, as a result of the Scottish Government permitting Councils a new fiscal flexibility in relation to accounting for debt on PFI/PPP style service concession projects over a longer period, as agreed earlier in the meeting (Paragraph 355 above refers), the Council would receive a one-off benefit of £14.812m as at 31 March 2023. This money would be added to the general reserve to mitigate the impact of expected flat cash settlements over the next three years.

It was explained that a further £7.531m of the outstanding 2023/24 savings requirement could be deferred on a short term basis by a drawdown from the new fiscal flexibility resources reducing the budget shortfall to £7.442m. The remaining fiscal flexibility resource could be utilised to assist with budget pressures in 2024/25 and 2025/26. In addition, application of the fiscal flexibility would produce a recurring revenue benefit further reducing the budget shortfall to £4.742m.

It was highlighted that whilst the Council continued to make every effort to minimise impact on front line services, the cumulative impact of successive real terms cuts in grant settlements meant that the scope for further efficiencies to be identified was significantly reducing. Nevertheless, £0.652m (14%) of the Council's savings proposals for 2023-24 related to efficiencies or to the Council's Modern Ambitious Programme and the focus on the Council's 5 capabilities.

The report then summarised total proposed departmental budgets for 2023-24. Reference was also made to the continuing impact of Welfare Reform on Council services. As these changes, particularly Universal Credit, were still being rolled out, the budget for 2023-24 included 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 was clarified in future years, the contingency provision would continue to be allocated to appropriate service areas.

Reference was also made to the assumed Council Tax collection rate of 98% for 2023-24 and reserves and balances issues, particularly the General, Modernisation, Insurance, Equalisation, and Repairs and Renewal Funds, Capital Reserve, Devolved School Management Reserve and unspent Covid-19 Grants Reserve. Having referred to efficiency issues and the equality impact assessment carried out on the budget saving measures, the report concluded by indicating that the Revenue Estimates appended to the report were based on a Council Tax Band D level of £1,401.87 being set for 2023-24, representing a Council Tax increase of 5% compared to 2022-23.

Provost Montague then invited Councillor O'Donnell to speak on the proposals outlined in the report.

Councillor O'Donnell stated that it was a privilege to be presenting his first budget and he took no pleasure in outlining the cuts to services which were required to fund the £30million shortfall over the next 3 years, as a result of the unfair settlement received by the Scottish Government. He added that the Council also faced the challenges presented by the cost of living crisis but would continue to plan for a better future for all residents including by building more schools and housing. Residents and staff had been asked for their input throughout the budget setting process and more than 1700 people had shared their views. Residents were rightly concerned about what any additional Council Tax would be spent on, but he emphasised that Council Tax income only accounted for 18% of council funding. He advised that the settlement received by the Scottish Government equated to a flat cash settlement, and much of the budget had been ring-fenced to fund national priorities, denying councils the ability to make decisions according to local need. In addition, years of underfunding had left councils in a perilous position leading to cuts to services and jobs. In order to bridge the funding gap for 2023/24, it was proposed to increase Council Tax, increase some service costs, and utilise a one-off benefit from reserves. He added that the council would continue to support those on lower incomes, some of whom would not be required to pay the full Council Tax increase depending on their circumstances, with the most vulnerable being offered direct financial assistance to protect them from the Council Tax increase. He added that Council Tax bands in East Renfrewshire would remain around the Scottish average, even with the proposed 6% increase. However, in order to further reduce the funding gap, difficult decisions were required, including cutting or reducing some services, and it was expected that this would continue to be the case in future years without additional funding from the Scottish Government.

Referring to a number of projects which were planned, ongoing or had been completed, including Cross Arthurlie Primary School Nursery Class; a new Neilston learning campus; an Additional Support Needs (ASN) unit at Carolside Primary School; additional council housing in Barrhead and Maidenhill; support for local employers; and City Deal projects, Councillor O'Donnell added that the Capital Investment Programme would include an additional £3million for roads resurfacing. Although the extra investment received for roads projects was due to finish in 2023/24, the Council planned to continue the programme for another 5 years to further upgrade roads and pavements. Whilst reporting that the Council had delivered a cost of living package to support the most vulnerable residents, helping with food bills and boosting local trade; and a fund had been established to allow local groups to heat their premises and offer services to vulnerable local people, including many elderly residents who could not afford to heat their homes, he added that the HSCP continued to provide excellent care in the local community through the care at home team, nurses and GPs who were at the front line of health care. In addition, the Council continued to prioritise the protection of vulnerable members of the community and he reported that staff often went above and beyond their basic duties to provide services and support to those in need. In order to reduce spending, it was expected that approximately 550 Council jobs could be at risk over the next 3 years, but fewer than 50 posts would be affected during the next financial year, with no compulsory redundancies being linked to next year's savings.

In conclusion, Councillor O'Donnell highlighted that East Renfrewshire was a well-run Council which had been praised by Audit Scotland; provided some of the best schools in the country; remained at the top of the recycling charts; and continued to provide financial and practical support for the most vulnerable within the community. He advised that a letter had been sent to the First Minister expressing concern about the far reaching consequences of the inadequate Local Government settlement and the damaging impact of ring fencing so much of the budget for national priorities, but no response had yet been received. In moving the revenue estimates, he reported that account had been taken of concerns raised by residents and the protection of vital services including retention of the mixed tenure service; Barrhead recycling centre; teacher and pupil support assistance numbers; the school week; and providing new investment to support children with complex needs.

He asked for approval of the revenue estimates as outlined below, which included some amendments to the estimates proposed in the report, approval of the recommended level and use of reserves, approval of the Council Tax Band D level for 2023/24 to be set at £1,415.22, and that the Council note that management of the Council's finances and service plans would continue to be undertaken on a longer-term basis:-

- (i) Notes that the revenue estimates for 2023/24 (Annex A to the report) 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 to the report);
- (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) that the Council Tax Band D level for 2023/24 will be set at £1415.22 which is a 6% rise;
- (vii) that £10.228m of fiscal flexibilities will be utilised and approves a number of savings for implementation in 2023/24 to a value of £4.173m as shown in Appendix B to the report, amended as in the following tables, as shown below.

Savings items reversed and new investments. The new investment is to create a £60,000 participatory budgeting fund to support children with Additional Support Needs in Isobel Mair School, Carlibar Communication Centre, Williamwood ASN unit and the Carolside ASN unit.

<u>Ref</u>	<u>Description</u>	<u>2023/24 Proposed £'000s</u>	<u>2024/25 FY Impacts/ Advance Approval £'000s</u>
EDU 2.2	Reduce behaviour support PSAs who support pupils across secondary schools	166	104
EDU 2.4	Removal of funding for Dreams Come True, Specialist Therapies and KAOS Club	41	0
NEW	Participatory Budgeting Fund for ASN pupils in Isobel Mair, Carlibar Communication Centre, Williamwood - ASN Unit and Carolside - ASN unit	60	
EDU 3.15	Remove funding for Campus Police Officers	48	0
ENV 3.4	Reduction in Private Sector Housing Grant (Care and Repair)	23	
ENV 7.6	Charges for Food/Garden Waste at £50	230	0
ENV 7.7	3000 Additional Bins at £50	30	0

- (viii) Approves savings of £2.026m for implementation in 2024/25 to permit preparatory work to be undertaken, as shown in Annex B to the report, with the exception of those savings reversals identified in (vii) and with the exception of the items listed below.

Requests that work is undertaken on the following proposed savings and a report brought back to Council in October prior to implementation.

<u>Ref</u>	<u>Description</u>	<u>2023/24 Proposed £'000s</u>	<u>2024/25 FY Impacts/ Advance Approval £'000s</u>
EDU 3.5	Reduction in Janitorial Service (ELC & Schools)	16	197
EDU 3.7	Reduction in Cleaning Service (ELC & Schools)	15	527

EDU 3.3	Reduction in Psychological Services	0	188
ENV 2.5	Reduction in School Crossing Patrollers	0	170
ENV 3.1	Redesign of Mixed Tenure	0	100
ENV 3.2	Close Connor Road Young Persons' Supported Accommodation	0	170

Councillor Anderson seconded Councillor O'Donnell's motion and commended the proposals. He stated that the budget delivered the best choices to be made in the current circumstances whilst mitigating against financial constraints and ensuring fiscal planning for the future. He added that decisions made now would ensure that difficult decisions for the future would be made against sound planning. He referred to the ongoing conflict between CoSLA and the Scottish Government with regard to the financial settlement and the uncertainty about the teacher's pay dispute which had led to pupils being off school for additional periods of time. In conclusion, he referred to the significant effort and volume of work undertaken by the Budget Strategy Group, and expressed thanks to officers for the high level of advice provided to elected members during this long and arduous process.

Provost Montague then asked Councillor Buchanan to propose his amendment which had been submitted in advance of the meeting. Councillor Buchanan, seconded by Councillor Bamforth, moved the following amendment:-

- (i) Notes that the revenue estimates for 2023/24 (Annex A to the report) 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 to the report);
- (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 that the Council Tax Band D level for 2023/24 will be set at £1,408.54 which is a 5.5% rise;
- (vii) Determines that £10.731m of fiscal flexibilities will be utilised and approves a number of savings for implementation in 2023/24 to a value of £3.083m as shown in Appendix B to the report, excluding those listed in the table below, together with additional investment of £100k to support pupils with additional support needs. This is based on our share of the recently announced additional £100m of Scottish Government funding for the current 2023/24 pay offers, providing us with sufficient leeway of at least £0.943m to allow us to step back from some of the original savings options in Annex B to the report.

- (viii) Does not approve any of the savings identified in Annex B to the report for implementation in 2024/25 to permit preparatory work to be undertaken. Instead proposed that, following the outcome of the UK and Scottish budgets in the coming months, a further report is brought back to Council to seek approval for any such preparatory work.

<u>Ref</u>	<u>Saving to be rejected/New investment proposed</u>	<u>£'000</u>
Education		
ED 2.2	Reduce behaviour support PSAs who support pupils across secondary schools	166
ED 2.3	Reduction in other staff groups (excluding teachers) based in ELC/Schools	211
ED 2.4	Removal of funding for Dreams Come True, Specialist Therapies and KAOS Club	41
ED 3.1	Reduction in centrally based business support and budget teams	44
ED 3.2	Reduction in Centrally Based Support Posts	56
ED 3.4	Removal of Early Intervention and Prevention Resource	135
ED 3.15	Remove funding for Campus Police Officers	48
ED 3.19	Reduce Adult Learning Staffing	18
Investment	Create Additional Support Needs Wellbeing Fund	100
Environment		
ENV 1.1	Increase Burial Charges	50
ENV 2.2	Reduce Roads Network management	300
ENV 7.6/7.7	Adjusted increase re Garden Waste collections	260
BO&P		
BOP 1.2	Customer First: Reductions in staff & service	72.8
BOP 2.2	Community Learning & Development: Staff & service reductions	89.2
BOP 4.1	Water Direct: Introduce deductions	33.0
SS 1.1	ICT: Education Technicians reductions	28.2
SS 1.2	ICT: Staff reductions	43.8

SS 1.6	Strategic Services: Staff reductions	63.1
	TOTAL REDUCTION IN SAVINGS/INCREASED INVESTMENT	1,759.1

Speaking in support of his amendment, Councillor Buchanan expressed surprise that the administration had not taken responsibility for the budget which had been proposed by officers, but had instead submitted their own amendment. He agreed that councils needed great flexibility and freedom in order to carry out their job and deliver the best outcomes for residents and he had argued previously about the need to reduce the amount of ring fenced funding which came with the Scottish Government settlement. He highlighted that many of the projects commended by Councillor O'Donnell had commenced or been commissioned by the previous Council administration and would have been completed earlier if not for delays caused by the Covid-19 pandemic. He added that this amendment included additional support for the Environment Department, including roads improvements; no compulsory redundancies; no staff cuts; protection of non-teaching staff groups; continuation of the Dreams Come True Weekend; protection of the Campus Police officers; and continued support for Adult Learning services. Although some aspects of his amendment were similar to the amendment proposed by the administration, he highlighted that it was important not to burden residents with additional costs during the cost of living crisis, including in relation to increased burial charges, which were already the highest in the country. In addition, he referred to the need to protect the Customer 1st Team, which was a vital first point of contact for residents and members of the public, and to provide additional investment for pupils with additional support needs.

In closing, Councillor Buchanan advised that some decisions in relation to proposed service cuts should be delayed to take account of any additional funding which may be forthcoming following publication of the UK and Scottish Government budgets.

Speaking in support of the amendment, Councillor Bamforth expressed disbelief that the administration had also submitted an amendment and were taking credit for many of the projects started by the previous administration. Referring to the lack of funding for councils which was being experienced across the UK, as a result of reduced funding from the UK Government, she reported that the Scottish Government continued to fund councils, whilst keeping within their own limited budget, and had provided funds to support the most vulnerable in society through national initiatives, including the Scottish Child Payment. She added that the proposed amendment would retain a number of important local services including school crossing patrollers; library services; and campus cops.

Provost Montague then invited comments from other Members.

Councillor Wallace welcomed his involvement in the Budget Strategy Group which allowed the concerns of residents to be taken into account when proposing the budget, pointing out that this invitation had not been accepted by all members or political parties.

He added that the proposed Council Tax increase of 6% was necessary to protect education in general, and the most vulnerable pupils in particular, and his key concern with the proposed amendment was the need for officers to seek permission from the Council to operate their services. He thanked officers for their assistance during the budget setting process and indicated his support for the motion.

Councillor Morrison advised that the proposed motion set the groundwork to retain services for the future, including vital education services, which would allow high standards within local schools to be maintained and to help bridge the attainment gap. He advised that the amendment did not include any sustainable long term planning options and the Council's

financial circumstances would continue to be challenging without additional funding from the Scottish Government.

Councillor Ireland stated that she was not surprised by the administration's need to blame the Scottish Government entirely for the lack of funding to local authorities, even though high inflation driven by UK Government decisions had led to the Scottish Government budget being significantly reduced. She found it deeply concerning that school library services would be adversely affected by the proposed motion, adding that SNP Councillors would continue to try to protect local jobs and services, despite being in opposition.

Councillor Lunday expressed his support for the amendment which proposed a lower Council Tax rise; retention of a number of school based services, including library services; lower burial charges; and no compulsory redundancies.

Councillor Merrick thanked officers for their hard work in compiling the budget and commended the amendment which he believed demonstrated a fair, socially democratic budget.

Councillor Pragnell was heard in support of the motion, advising that this had been a most challenging budget as the Scottish Government settlement did not take account of the growing population in East Renfrewshire. She added that previous Council Tax freezes had led to local government being severely underfunded and the Scottish Government should allow local authorities to make decisions based on local need as opposed to national priorities.

Councillor Macdonald expressed surprise that the conservative group had chosen not to submit their own amendment to the budget but instead were supporting the Labour administration motion.

Councillor Edlin reminded colleagues that they were here to serve the residents of East Renfrewshire and commended the leader for producing a credible budget.

In response to comments made, Councillor O'Donnell clarified that saving ED 2.3 would not lead to the complete removal of school librarians, bilingual services and technicians as these services would be redesigned and retained at a lower level, with staff reductions taking place through retirement and voluntary redundancy, providing a partial cost saving. As part of the budget setting process, many residents had recognised the need for Council Tax to rise in order to protect services, and this had been taken into account when finalising the budget. New investment to support the most vulnerable children in our community had been included, together with future investment in schools and roads. The administration had been mindful of the serious financial challenges facing the Council in future years and reserves had been used to ensure fewer cuts to services in 2023/24. In conclusion, he invited members to support the motion which provided a prudent, measured and considered budget.

On the roll being called, Councillors Anderson, Campbell, Cunningham, Devlin, Edlin, McLean, Provost Montague, Councillors Morrison, O'Donnell, Pragnell, and Wallace voted for the motion and Councillors Bamforth, Buchanan, Convery, Ireland, Lunday, Macdonald, and Merrick voted for the amendment.

There being 11 votes for the motion and 7 votes for the amendment, the motion was declared carried and the Council:-

- (a) noted that the revenue estimates for 2023/24 (Annex A to the report) had 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 to the report);

- (b) noted that £0.281m of the listed 2023/24 savings, together with those relating to the increased charges for garden waste, had already been determined by Council;
- (c) noted that a 1% change to the level of Council Tax set would produce an adjustment of £0.632m to the level of savings required;
- (d) noted that savings for 2024/25 and 2025/26 had 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;
- (e) noted that the management of the Council's finances and services would continue to be undertaken on a longer term basis;
- (f) agreed that the Council Tax Band D level for 2023/24 would be set at £1415.22 which was a 6% rise;
- (g) agreed that £10.228m of fiscal flexibilities would be utilised and approved a number of savings for implementation in 2023/24 to a value of £4.173m as shown in Appendix B to the report, amended as in the tables included at Appendix 1 to the minute; and
- (h) approved savings of £2.026m for implementation in 2024/25 to permit preparatory work to be undertaken, as shown in Annex B to the report, with the exception of those savings reversals identified in Appendix 1 to the minute and with the exception of the items listed at Appendix 2 to the minute.

CAPITAL INVESTMENT STRATEGY

359. Under reference to the Minute of the meeting of 3 March 2022 (Page 1814, Item 1908 refers), when an update to the Capital Investment Strategy had been approved, the Council considered a report by the Head of Accountancy (Chief Financial Officer) seeking approval of a new Capital Investment Strategy.

Taken together with the Treasury Management Strategy report, it provided background information on the scale, objectives, affordability and risks associated with the Council's capital plans. A copy of the revised Strategy, which all councils were required to prepare, was appended to the report specifying the long-term capital ambitions of the Council and associated resource implications and risks, having been compiled with regard to these requirements, the Prudential Code 2017 and the Treasury Management Code of Practice 2017.

Having clarified that the Strategy adopted a corporate approach to long-term capital planning beyond the span of the Council's current capital plans, taking direction from the Outcome Delivery Plan and other key plans and strategies, the report confirmed that Council-determined objectives within the strategy would be driven forward by the Corporate Management Team working with partner organisations and local communities to ensure investment aligned to strategies, and that performance was measured against expected outcomes. A long-term strategic and financial view was considered essential for resilience in uncertain times and the strategy would be updated as required. A prudent approach to affordability and risk would continue to be taken with delivery of projects being closely monitored at officer and Elected Member level.

Against the background of the Council's significant capital investment ambitions, the strategy, together with the Treasury Management Strategy, Capital Plan and Revenue Estimates and financial planning reports, set out how these would be funded and managed.

The Council agreed to approve the updated Capital Investment Strategy.

GENERAL FUND CAPITAL PLAN 2023-24 – 2032-33

360. The Council considered a report by the Head of Accountancy (Chief Financial Officer) seeking approval of the General Fund Capital Plan covering the 10 years from 2023/24 to 2032/33. A copy of the plan, prepared in line with the approach within the Capital Investment Strategy, accompanied the report.

It was reported that substantial borrowing had been planned over the next three years to support the capital plan and the revenue consequences had been factored in to the Council's revenue budget. The expenditure plan for subsequent years would continue to be subject to review in light of progress on capital receipts and the levels of funding provided by the Scottish Government

Referring to the fact that construction costs were rising faster than inflation, Councillor Ireland sought clarification on whether this would have an impact on the anticipated costs for the new Eastwood Leisure Centre project which had recently been delayed. In response, the Chief Executive advised that a figure of £55m had been set aside in the Capital Plan for this project and if a smaller scheme was agreed, the cost could decrease. She advised that rising construction cost rates were expected to decrease in the near future and costs for the redesigned project would be submitted for consideration in due course. The Chief Financial Officer added that inflation, which was monitored through the Corporate Asset Management Group, was not expected to get any worse and improvements to the rate were predicted.

In response to Councillor O'Donnell, the Chief Executive confirmed that she expected the 2019 estimate for improvements to Capelrig House, a listed building, to increase and, if so, an updated estimate would be submitted for consideration in due course.

The Council approved the programme for 2023-24 – 2032-33 and authorised officers to progress the projects contained therein.

HOUSING REVENUE ACCOUNT – RENT SETTING 2023-24

361. Under reference to the Minute of the meeting of 3 March 2022 (Page 1817, Item 1910 refers), when the Council had approved the Housing Revenue Account (HRA) budget for 2022-23, the Council considered a report by the Director of Environment making recommendations in relation to proposed rent and service charge increases for Council housing in 2023/24.

Having referred to the need to review legislative requirements, local priorities, related costs and what would be sustainable, affordable and acceptable to tenants when determining the level of rent increase required, the report clarified that a key legislative challenge for the Council in recent years had been meeting and maintaining the Scottish Housing Quality Standard (SHQS), in addition to which sustainability improvements to the energy efficiency rating of its housing stock under the Energy Efficiency Standard for Social Housing (ESSH) had been required by 2020. Despite COVID-19 restrictions, 98% of the Council housing stock had been brought up to meet the standard required. In addition, two new milestones known as ESSH2 had been introduced which expected that no social housing should be below Energy Performance Certificate (EPC) C by 2025; and no social housing should be below EPC D by December 2032. It was anticipated that these two targets would be

challenging due in part to construction and maintenance inflation and rising energy bills. These challenges were in addition to addressing routine requirements such as “Right to Repair” commitments; planned maintenance; managing the housing waiting list; and enforcing tenancy conditions in relation to estate management and anti-social behaviour.

The report explained that approval of the proposed rent increase of 5% for 2023/24 effective from April 2023 broadly met the COSLA statement of intent to keep rent increases to an average of no more than £5 a week. The small number of properties expected to experience a rent rise of more than £5 per week due to the proposed 5% increase would have their rent increase capped at £5 per week. The report commented on a range of related matters further, including sheltered housing service charges, warden service, heating charges, staffing, cost pressures, loan charges and contribution from reserves. It was reported that pressures on the business plan for 2023/24 could require the service to draw up to £824k from reserves, although it was anticipated that this figure could be much lower, and the business plan would be reviewed in the first quarter of 2023/24.

Councillor Devlin was heard in support of the proposals during which he referred to the need to increase rents in order to meet legislative standards and confirmed that the authority remained the most affordable housing provider in the area.

The Council agreed that:-

- (a) a 5% increase be applied from April 2023;
- (b) a 5% increased be applied to the sheltered housing warden charge;
- (c) a 25% increase be applied to communal heating and laundry charges;
- (d) up to £824k from HRA reserves be available to support 2023/24 revenues; and
- (e) a further report be brought to Cabinet following a review of the Business Plan.

HOUSING CAPITAL PROGRAMME 2023-24 to 2032-33

362. Under reference to the Minute of the meeting of 3 March 2022 (Page 1817, Item 1911 refers), when the Council had approved the Housing Capital Programme 2022-23 to 2031-32, the Council considered a report by the Director of Environment, seeking approval of the proposed 10-year Housing Capital Programme for 2023-24 to 2032-33.

The report clarified the position on various matters, including how the programme had been focused on the need to meet the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (EESH).

The majority of expenditure for the housing capital programme during 2023-24 and beyond related to the need for housing to continue to meet SHQS and deliver energy efficiency measures to help reduce running costs in tenants' homes.

Planned improvements which were being implemented included investment in central heating, electrical re-wiring, replacement of fire alarm detectors and external structure projects and the commitment to provide an additional 171 new Council homes over the next four years. To date, 181 homes had already been built and 14 purchased from the open market.

Having heard from Councillor Devlin, Convener for Housing and Maintenance Services, the Council agreed to approve the proposed Housing Capital Programme for 2023-24 to 2032-33 and authorised the Director of Environment to progress the projects listed within 2023-24.

POST OF CHIEF EXECUTIVE

363. The Council considered a report by the Head of HR & Corporate Services seeking approval to convene an Appointments Committee for the Chief Executive post.

It was reported that the Chief Executive had intimated that she would retire with effect from 30 July 2023 and it was proposed that an Appointments Committee be established immediately to recruit a new Chief Executive. Membership of the committee had been proposed, following discussion with Elected Members, together with a timetable for the appointment to the post.

The Council agreed:-

- (a) to note the retirement of the Chief Executive with effect from 30 July 2023;
- (b) to approve the recruitment procedure as detailed and to the appointment of a professional specialist advisor and support of a professional advisor from Aspen People Ltd;
- (c) to approve the Job Description and Person Specification for the post subject to any minor inconsequential modifications agreed by the Appointments Committee;
- (d) to confirm the appointments of Councillor O'Donnell (Chair), Councillor Anderson, Councillor Buchanan, Provost Montague and Councillor Wallace to the Appointments Committee;
- (e) to delegate to the Head of HR and Corporate Services to make the necessary arrangements; and
- (f) to authorise the Appointments Committee supported by the Head of HR and Corporate Services to put in place interim management arrangements for the Council if required.

WORKFORCE MANAGEMENT

364. The Council considered a report by the Director of Business Operations and Partnerships seeking 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.

The report explained that when making decisions about redundancy and early retirement, the Council had discretion to amend policy and practice relating to the compensatory lump sum and added years for pension purposes. It was highlighted that strain on the fund costs were set in pension legislation and could not be amended by the Council. The discretionary payments had been reviewed for affordability and were subject to a benchmarking exercise with other local authorities, following which a number of changes had been proposed to reduce the enhanced compensation redundancy payment from up to 78 weeks to up to 52 weeks, and to reduce the added years element from up to 6 2/3 added years to up to 2 added years. It was further reported that the Trade Unions were not supportive of all the proposed changes.

Following discussion, Councillor O'Donnell seconded by Councillor Anderson, moved that the recommendations contained within the report be approved.

Councillor Buchanan seconded by Councillor Ireland, moved as an amendment that the enhanced compensation redundancy payment should be reduced to up to 66 weeks, which had been the figure suggested by the Trade Unions.

On the roll being called, Councillors Anderson, Campbell, Cunningham, Devlin, Edlin, McLean, Provost Montague, Councillors Morrison, O'Donnell, Pragnell and Wallace voted for the motion and Councillors Bamforth, Buchanan, Convery, Ireland, Lunday, Macdonald and Merrick voted for the amendment.

There being 11 votes for the motion and 7 votes for the amendment, the motion was declared carried and the Council:-

- (a) agreed 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 to 2 added years; and
- (b) noted that these changes would take effect with implementation of the budget savings for 2023/24 and apply thereafter.

SCHEME FOR MEMBERS' REMUNERATION AND EXPENSES 2023-24

365. The Council considered a report by the Director of Business Operations and Partnerships on the Scheme of Members' Remuneration and Expenses for 2023/24. A copy of the Scheme was appended to the report.

The report explained that the Scheme provided details of the levels of basic salary payable to all councillors, and the increased salaries paid to the Leader and Civic Head (Provost), these amounts being prescribed in legislation. The Scheme also provided details of those positions in the Council that had been identified as Senior Councillor positions for the purpose of the regulations, and the levels of salary to be paid to each post holder. In addition, the Scheme provided details of those other categories in respect of which Elected Members were entitled to claim expenses, such as the performance of approved duties, travelling expenses, and subsistence allowances.

The Council agreed to approve the Scheme of Members' Remuneration and Expenses for 2023-24.

PROVOST

Savings items reversed and new investments. The new investment is to create a £60,000 participatory budgeting fund to support children with Additional Support Needs in Isobel Mair School, Carlibar Communication Centre, Williamwood ASN unit and the Carolside ASN unit.

<u>Ref</u>	<u>Description</u>	<u>2023/24 Proposed £'000s</u>	<u>2024/25 FY Impacts/ Advance Approval £'000s</u>
EDU 2.2	Reduce behaviour support PSAs who support pupils across secondary schools	166	104
EDU 2.4	Removal of funding for Dreams Come True, Specialist Therapies and KAOS Club	41	0
NEW	Participatory Budgeting Fund for ASN pupils in Isobel Mair, Carlibar Communication Centre, Williamwood - ASN Unit and Carolside - ASN unit	60	
EDU 3.15	Remove funding for Campus Police Officers	48	0
ENV 3.4	Reduction in Private Sector Housing Grant (Care and Repair)	23	
ENV 7.6	Charges for Food/Garden Waste at £50	230	0
ENV 7.7	3000 Additional Bins at £50	30	0

Requests that work is undertaken on the following proposed savings and a report brought back to Council in October prior to implementation.

Ref	Description	2023/24 Proposed £'000s	2024/25 FY Impacts/ Advance Approval £'000s
EDU 3.5	Reduction in Janitorial Service (ELC & Schools)	16	197
EDU 3.7	Reduction in Cleaning Service (ELC & Schools)	15	527
EDU 3.3	Reduction in Psychological Services	0	188
ENV 2.5	Reduction in School Crossing Patrollers	0	170
ENV 3.1	Redesign of Mixed Tenure	0	100
ENV 3.2	Close Connor Road Young Persons' Supported Accommodation	0	170

