

EAST RENFREWSHIRE COUNCIL13 December 2023Report by Head of Accountancy (Chief Financial Officer)REVENUE ESTIMATES 2024/25 - ADVANCE SAVINGS PROPOSALS**PURPOSE OF REPORT**

1. To submit for approval further advance savings proposals for 2024/25 in accordance with the Council decision of 1 March 2023, and to provide an update on progress on the 2024/25 savings approved in advance by Council on 1 March 2023.

**RECOMMENDATIONS**

2. It is recommended that the Council: -
- (i) Notes the assessment of the further £1.383m of 2024/25 savings proposals where Council had requested a subsequent report;
  - (ii) Approves savings of £0.842m for implementation in 2024/25 to permit preparatory work to be undertaken, and a further £0.360m in 2025/26, giving a full year total saving of £1.202m (Annex A); and,
  - (iii) Notes that only £1.267m of the £2.026m savings approved by Council on 1 March 2023 for implementation in 2024/25 are now considered to be deliverable next year (Annex B), however at least a further £0.128m will be delivered in 2025/26.

**BACKGROUND**

3. On 1 March 2023, Council requested work to be undertaken on a further £1.383m of proposed 2024/25 savings, and that a report be brought back to Council in October 2023 prior to implementation.

4. At the same meeting, Council approved £2.026m of savings for implementation in 2024/25 to permit preparatory work to be undertaken and savings delivered as early as possible in the new financial year.

5. All other decisions in relation to the 2024/25 budget were to be taken at the Council meeting on 28 February 2024.

6. Financial challenges, uncertainty, and the need for savings persist, with the position on the 2024/25 Council Tax freeze compensation and the Council's grant settlement not yet known. The estimated budget shortfall for 2024/25 before savings, increased Council Tax, or the use of general reserves are applied is currently £9.558m. The estimated shortfall for 2025/26 is £11.988m.

## REPORT

7. Due to the complexity of the financial landscape, it was not possible for officers to complete an assessment of the overall position in time to submit the proposed savings report to Council in October 2023. Now that details of the temporary reduction in employer pension contributions have been confirmed however, it is clear that significant recurring savings are still required.

8. The Corporate Management Team has now completed its review of the six proposed savings as described below. The expected impact of these savings remains as set out in Annex B of the Council report of 1 March 2023 [https://www.eastrenfrewshire.gov.uk/media/8802/Council-Item-14-1-March-2023/pdf/Council\\_Item\\_14\\_-\\_1\\_March\\_2023.pdf?m=638128260215500000](https://www.eastrenfrewshire.gov.uk/media/8802/Council-Item-14-1-March-2023/pdf/Council_Item_14_-_1_March_2023.pdf?m=638128260215500000)

- **Reduction in Janitorial Service (ELC & Schools) - £213k:** This full review of janitorial services across the education estate should deliver a budget reduction of 10%, equivalent to a reduction of 5.8 FTE posts. This saving will result in a direct impact on the janitorial support available to Early Learning & Childcare establishments (ELCs) and schools and may result in some times of the day when a school does not have a janitor on site and reduced availability of letting opportunities. Any redesign of the service will aim to deploy the remaining staff so that the impact on establishments is minimised. Whilst the saving is considered possible, it will be dependent upon staff reductions achieved through voluntary means. It is recommended that the changes are implemented with effect from the start of the new school year, rather than from 1 April 2024, as this will be more manageable for both staff and pupils. This would provide a saving of £131k in 2024/25, with the full year saving of £213k being achieved in 2025/26.
- **Reduction in Cleaning Service (ELC & Schools) - £542k:** A review of the service is likely to reduce staffing levels by around 17% (approx. 21 FTE), with cleaning being reduced and priority given to communal areas, bathrooms and bins for daily cleaning. Staff reductions may be achieved through voluntary means as the service experiences a high level of vacancies/turnover. Currently the service is running with vacancies of around 7 FTE spread across the establishments on a temporary basis. As above, it is recommended that the change is implemented from August 2024, rather than April 2024. This would provide a saving of £334k in 2024/25, with the full year saving of £542k achieved in 2025/26.
- **Reduction in Psychological Services - £188k:** This saving was reviewed, at this stage it was not considered appropriate. However, £37k can be saved when a temporary contract comes to an end, resulting in a 0.4 FTE reduction (around 4% of the total team which is currently 10.3 FTE).
- **Reduction in School Crossing Patrollers - £170k:** This service is forecast to underspend by around £190k this year due to numerous vacancies that are proving difficult to fill. Roads and Education officers are liaising to assess all 42 sites and consider appropriate replacement with capital works where appropriate including puffin crossings and traffic controlled junction installations over a two year period. The proposed 2024/25 saving can be achieved subject to these capital works being approved within the 2024/25 capital programme. Further savings of £70k would follow in 2025/26.

- **Redesign of Mixed Tenure Scheme - £100k:** Consideration was given to a redesign to attract external funding to this service but this does not seem feasible without impacting significantly on the nature of the service provided to tenants. Accordingly, this saving is no longer recommended at this time.
- **Close Connor Rd Young Persons' Supported Accommodation - £170k:** a redesign of housing and support services for young people is already underway with Housing and HSCP officers. This saving is considered deliverable subject to conclusion of the service redesign and staff reductions through voluntary means.

9. In view of the above assessments, revised further savings proposals for 2024/25 and 2025/26 are set out in Annex A.

10. As previously stated in the 1 March 2023 report, the Council has undertaken equality impact assessments on each savings measure and consultation/engagement is carried out with relevant groups where appropriate prior to implementation. This aims to minimise any impact in equalities terms.

11. Officers have also been working to progress the £2.026m of savings already approved by Council for implementation in 2024/25, however a number of issues have arisen, restricting the savings that can be delivered in 2024/25 to £1.267m, with at least a further £0.128m in 2025/26.

12. Full details are contained in Annex B, but the main factors are:-

- Further time is required for some reviews to allow new managers to assess the situation or for planning of new policies to be completed.
- Voluntary trawls of staff in some areas have confirmed that the proposed savings cannot be delivered by voluntary means.
- As described in paragraph 8 above, it would be preferable to introduce school based savings from the start of the academic year, rather than the financial year.
- Budgeted 2023/24 income generation measures have raised less than anticipated and further such measures for 2024/25 are no longer feasible.

13. Once the 2024/25 settlement details are announced in the week beginning 18 December 2023, the above information will be taken into account in finalising the Council's budget plans for the coming year.

## RECOMMENDATIONS

14. It is recommended that the Council: -

- (i) Notes the assessment of the further £1.383m of 2024/25 savings proposals where Council had requested a subsequent report;
- (ii) Approves savings of £0.842m for implementation in 2024/25 to permit preparatory work to be undertaken, and a further £0.360m in 2025/26, giving a full year total saving of £1.202m (Annex A); and,

- (iii) Notes that only £1.267m of the £2.026m savings approved by Council on 1 March 2023 for implementation in 2024/25 are now considered to be deliverable next year (Annex B), however at least a further £0.128m will be delivered in 2025/26.

Further information is available from M McCrossan, Head of Accountancy, tel 0141 577 3035

**KEY WORDS** Revenue Estimates, Savings, advance, 2024/25

FURTHER SAVINGS RECOMMENDATIONS 2024/25 (DEC 2023)**ANNEX A**

Description of Saving	2024/25	2024/25	2025/26	Comment
	01-Mar-23	Updated Position	Cumulative FY Position	
	£'000	£'000s	£'000s	
<b>EDUCATION</b>				
Reduction in Janitorial	213.0	131.0	213.0	
Reduction in Cleaning (ELC & Schools)	542.0	334.0	542.0	
Reduction in Psychological Services	188.0	37.0	37.0	
	<b>943.0</b>	<b>502.0</b>	<b>792.0</b>	
<b>ENVIRONMENT</b>				
Reduction in School Crossing Patrol Service	170.0	170.0	240.0	
Close Connor Road Young Persons Accom	170.0	170.0	170.0	
	<b>340.0</b>	<b>340.0</b>	<b>410.0</b>	
<b>TOTAL MID-YEAR SAVINGS OPTIONS</b>	<b>1,283.0</b>	<b>842.0</b>	<b>1,202.0</b>	

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**SAVINGS PROPOSALS 2024/25 (PRE-AGREED ON 1 MARCH 2023)**

**ANNEX B**

**BUSINESS OPERATIONS & PARTNERSHIPS**

Description of Saving	2024/25	Icon	2024/25	Comment
	Pre-Agreed		Updated Position	
	£'000		£'000s	
<b>BUSINESS OPS &amp; PSHIPS</b>				
ICT: Education Technicians reductions	84.5	●	0.0	Deferred until at least 2025/26 to allow new Head of ICT & Resilience to review structure
ICT: Staff reductions	44.7	●	0.0	Deferred until at least 2025/26 to allow new Head of ICT & Resilience to review structure
HR/Payroll: Staff reductions	55.4	●	55.4	Need to access alternative funding from the OD reserve to deliver this whilst progressing employee wellbeing/development.
Comms: Staff reductions & print room budget reductions	15.8	●	0.0	Not possible without compulsory redundancies.
Strategic Services: Staff reductions	54.3	●	0.0	Deferred until 2026/27 to allow review structure and completion of Vision for the Future & Community Planning work.
Customer First: Reductions in service	132.7	●	132.7	
Revenues & Benefits: Restructure	109.0	●	109.0	Dependent on outcome of ongoing Voluntary Redundancy/Early Retirement exercise
Business Support & Accounts Receivable: Restructure	62.0	●	62.0	
CLD: Staff & service reductions	40.6	●	40.6	
Citizens' Advice Bureau: Reduce support	10.0	●	10.0	
Water Direct: Introduce deductions	51.0	●	51.0	
	<b>660.0</b>		<b>460.7</b>	
<b>EDUCATION</b>				
Primary Teacher: Remove Equity Mgmt Time Allocation	54.0	●	54.0	
Reduction other staff groups (excluding teachers) in ELC/schools	276.0	●	170.0	Delayed until August 2024. Will deliver £244k full year following further department wide reviews of business/budget support and school based technicians (reliant on VR/redeployment);balance of original saving not achievable without compulsory redundancies.
Reduction in centrally based support & budget teams	140.0	●	86.0	Delayed until August 2024. Will still deliver £140k full year. See also comment above re school based staff.
Reduction in Centrally Based Support Posts	109.0	●	109.0	
Reduction in Catering Services (ELC & Schools)	510.0	●	510.0	Already significant underspend/vacancies in 2023/24.
Reduction in centrally managed budgets which support schools	15.0	●	15.0	
ELC - Delay in eligibility for statutory entitlement	40.0	●	40.0	
Removal of funding for junior conservatoire	3.0	●	3.0	
Income generation - School meals price increase	25.0	●	25.0	
Remove balance of R&R funding re ICT Tech Refresh	-400.0	●	-400.0	
	<b>772.0</b>		<b>612.0</b>	
<b>ENVIRONMENT</b>				
Increased Income/Staff reductions Planning/Building Standards	100.0	●	100.0	Service review and reduction in staffing by 2 posts planned and subject to agreement on VR
Increase Rents - Temporary Accomodation	40.0	●	40.0	
Housing: Reduce CAB funding	42.0	●	42.0	
Additional Bins for Garden Waste Scheme	120.0	●	0.0	Also 23/4 shortfall of £220
Surcharge on Add Bins Delivery	-20.0	●	0.0	Also 23/4 shortfall of £60
Prevention Services	12.0	●	12.0	
Closure / Rationalisation of Office Space	100.0	●	0.0	Savings associated with Spiersbridge will not come into effect until February 2026.
Greenhags solar Farm income	200.0	●	0.0	Deal deferred until further investigations on site and options can be progressed.
	<b>594.0</b>		<b>194.0</b>	
<b>TOTAL SAVINGS</b>	<b>2,026.0</b>		<b>1,266.7</b>	
<b>TOTAL PRE-AGREED SAVINGS DELIVERABLE IN 24/5</b>			<b>1,266.7</b>	

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