

Department of Business Operations and Partnerships

Director: Louise Pringle

Council Headquarters, Eastwood Park, Giffnock, East Renfrewshire, G46 6UG

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Date: 23 February 2024

When calling please ask for: Linda Hutchison (0141 577 8388)

Email: linda.hutchison@eastrenfrewshire.gov.uk

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

EAST RENFREWSHIRE COUNCIL

A meeting of the East Renfrewshire Council will be held in the Council Chamber, Council Headquarters, Giffnock on **Wednesday, 28 February 2024 at 10.00am.**

The agenda of business is as listed below.

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

Yours faithfully

Louise Pringle

L PRINGLE

DIRECTOR OF BUSINESS OPERATION AND PARTNERSHIPS

PROGRAMME OF BUSINESS

1. **Report apologies for absence.**
2. **Declarations of Interest.**
3. **Submit for approval as a correct record and signature the Minute of the Meeting of the Council held on 13 December 2023.**
4. **Submit for approval as a correct record the Minutes of Meetings for the period 11 December 2023 to 27 February 2024.**

5. Items Remitted to the Council:-

- (i) **General Fund Capital Programme – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 5 - 28)(Cabinet – 14 December 2023).**

Cabinet Recommendations

- (a) **That the movements within the 2023/24 programme be approved;**
- (b) **That the transfer of £0.225m from the Education, Improved Learning project to St John’s Primary School, Early Learning and Childcare Places be approved;**
- (c) **That the transfer of £0.030m from Property Maintenance, Ventilation Works to Education, Gaelic Medium PS be approved; and**
- (d) **That additional variations for gym improvement works at the Foundry, Barrhead, funded from existing capital provisions and developer contributions, be homologated.**
- (ii) **Housing Capital Programme – Joint Report by Head of Accountancy (Chief Financial Officer) and Director of Environment (copy attached, pages 29 - 34)(Cabinet – 14 December 2023).**

Cabinet Recommendation

That the movements within the 2023/24 programme be approved.

- (iii) **Interim Treasury Management Report for 2023/24 - Quarter 3 – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 35 - 52)(Audit and Scrutiny Committee – 18 January).**

Audit & Scrutiny Committee Recommendation

That the organisations for investment of surplus funds be approved in accordance with Appendix 8 to the report.

- (iv) **Treasury Management Strategy 2024-25 – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 53 - 102)(Audit & Scrutiny Committee – 22 February 2024).**

Audit & Scrutiny Committee Recommendations

- (a) **That the Treasury Management Strategy for 2024/25 be approved, including the Prudential and Treasury Indicators and the amended list of organisations for investment of surplus funds (Annex E to report refers);**
- (b) **That the Council approves the policy on the repayment of loans fund advances (Section 3.4 of report refers); and**
- (c) **That the forms of investment Instruments for use as permitted investments be approved (Annex C to report refers).**

6. Motion on Notice

Consider Notice of Motion in the following terms:-

East Renfrewshire Council recognises and appreciates the collaborative work undertaken by the Conservative led UK government, the Labour led Welsh government and the SNP led Scottish government in bringing about a collective ban on disposable, single use vapes as part of wider legislative changes to tackle nicotine addiction.

**Moved by Councillor Macdonald
Seconded by Councillor Lunday**

- 7. Statements by Conveners and Representatives on Joint Boards and Committees.**
- 8. Provost's Engagements – Report by Director of Business Operations and Partnerships (copy attached, pages 103 - 104).**
- 9. East Renfrewshire Culture and Leisure Trust 2024-25 Business Plan – Report by Director of Education (copy attached, pages 105 - 148).**
- 10. Reserves Policy – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 149 - 154).**
- 11. Financial Planning 2024–2030 – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 155 - 188).**
- 12. East Renfrewshire Council Revenue Estimates 2024/25 – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 189 - 332).**
- 13. Capital Investment Strategy – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 333 - 440).**
- 14. General Fund Capital Plan 2024/25-2033/34 – Report by Head of Accountancy (Chief Financial Officer)(copy attached, pages 441 - 460).**
- 15. Housing Revenue Account – Rent Setting 2024/25 – Report by Director of Environment (copy attached, pages 461 - 470).**
- 16. Housing Capital Programme 2024/25 – Report by Director of Environment (copy attached, pages 471 - 478).**
- 17. Chief Officer Recruitment – Report by Director of Business Operations and Partnerships (copy attached, pages 479 - 482).**

18. Firework Control Zones – Report by Director of Business Operations and Partnerships (copy attached, pages 483 - 488).

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

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EAST RENFREWSHIRE COUNCILCabinet14 December 2023Report by the Chief Financial OfficerGENERAL FUND CAPITAL PROGRAMME**PURPOSE OF REPORT**

1. The purpose of this report is to monitor both income and expenditure as at 30 September 2023 against the approved General Fund Capital Programme and to recommend adjustments where possible.

RECOMMENDATIONS

2. The Cabinet is asked to recommend that Council:-
 - note and approve the movements within the 2023/24 programme;
 - approve the transfer of £0.225m from the Education, Improved Learning project to St John's PS, Early Learning and Childcare Places;
 - approve the transfer of £0.030m from Property Maintenance, Ventilation Works to Education, Gaelic Medium PS; and
 - note shortfall of £0.238m and that income and expenditure on the programme will be managed and reported on a regular basis.

BACKGROUND

3. The General Fund Capital Programme for 2023-2033 was approved by Council on 1 March 2023.
4. Movements on the 2023/24 programme were approved by Council on 28 June 2023 and Cabinet on 5 October, including a number of changes resulting from the finalisation of the outturn position for the previous financial year.
5. This report updates project costs and phasings based on progress to date and anticipated to 31 March 2024.
6. As highlighted in previous reports, in general, construction costs are rising faster than general inflation due to shortages of materials and labour and also due to bidders factoring in additional risk in their pricing.
7. Consequently, we are constantly monitoring project expenditure so that additional cost pressures on key projects can be covered by deferring or reducing other projects to compensate. Where we have general provision for regular capital expenditure (such as on ICT, Roads, or Schools Major Works) officers are expected to prioritise spend

on such schemes to remain within the budgeted level. It is recognised that this may mean that fewer such schemes will progress in year.

CURRENT POSITION

8.	Total anticipated expenditure (Appendix A)	£51.690m
	Total anticipated resources (Appendix B)	<u>£51.452m</u>
	Shortfall	<u>£ 0.238m</u>

INCOME MOVEMENTS

9. The main income movements are as follows: -

- **Borrowing**
Since the October Cabinet report, borrowing has been reduced by £5.530m due to timing variances in expenditure and other adjustments noted below.
- **General Capital Grant - Free School Meals**
The allocation of funding between all Scottish local authorities to allow them to overtake the initial Scottish Child Payment expansion of free school meals and the subsequent universal expansion to all primary six and seven pupils, is now the subject of a formal bid exercise. While the Council's bid has been submitted to the Scottish Government, the outcome remains outstanding. The initial grant estimate of £1.443m has been removed from the programme until confirmation of funding is received.
- **Place Based Investment Programme**
The Place Based Investment project is fully funded by grant from the Scottish Government. As the next section details, expected current year expenditure on this project has decreased by £0.135m. The grant income for 2023/24 has been reduced in line with expenditure. The grant remains available to support the expenditure transferred to the following financial year.

EXPENDITURE MOVEMENTS

10. The estimated expenditure has reduced by £7.050m below the level reported to Cabinet on 5 October 2023. The main expenditure movements are as follows:-

Property, Schools

- **Property Maintenance**
This project includes roof, window and toilet improvement works. While a number of roof improvement works have been progressed at various locations across the school estate, no further works are now planned to start before spring 2024. Expenditure in the current year has been reduced by £0.300m.
- **Crookfur Primary School Extension**
The returned tenders for this project exceed the available budget. The proposed scheme and budget provision will be reassessed. As a result of this delay the expenditure in the current year has been reduced by £1.900m.

- **Free School Meals**
As outlined in paragraph 9, the allocation of funding between all Scottish local authorities is now the subject of a formal bid exercise and the grant income has been withdrawn until confirmation of funding is received. Expenditure in the year has also been reduced by £1.443m (in line with the reduction in grant income).
- **Education, Improved Learning/St John's PS Early Learning & Childcare Places**
The purpose of the Improved Learning budget is to deliver improvements to various locations across the school estate and the total provision within the 10 year programme is £1.400m (£0.200m p.a. over 7 years). The St John's building requires a wide range of works to accommodate increased nursery spaces. Based on the returned tenders the budget for the St John's works is insufficient. In light of the returned tenders, timescales and importance of the works at St John's, it is proposed to transfer £0.225m from the Improved Learning budget to cover the revised cost of the works at St John's PS. Transfers of £0.025m for the current year and £0.200m for the 2024/25 financial year are proposed.

In addition, as a result of the prolonged tendering process and review of funding arrangements the project will start later than originally planned. Expenditure in the year has been reduced by £0.430m.

- **Property Maintenance, Ventilation/Education, Gaelic Medium Primary School**
The Gaelic Medium works at Thornliebank PS include a requirement for improved ventilation which would normally be funded from the Property Maintenance budget within the capital programme. In order to minimise disruption to the service and also to assist with the management of the project, the work will be covered by one contract. As a consequence, it is proposed to transfer £0.030m from the Property Maintenance budget to the Gaelic Medium project.
- **New Build of Poor Condition Primary Schools**
These projects would only progress with financial support from the Scottish Government through the Learning Estate Investment Programme Phase 3. The application for support was unsuccessful and, as a consequence, these projects have been removed from the programme. Expenditure in the current year has been reduced by £0.500m.
- **Maidenhill Primary School Extension**
Council approved the school extension at its meeting on 26th September 2023 together with an associated maximum budget provision of £0.500m in the current year. Additional budget will be required and this will be reflected in the ten year programme to be submitted to Council during March 2024. In the current year, a total provision of £0.500m has been added to the programme with initial expenditure in the current year estimated at £0.100m. More information will be included in future Cabinet reports when more precise costing figures are available.

Culture & Leisure

- **Eastwood Park Leisure – Refurbishment**
This project was placed on hold at the meeting of the Council on 26th October 2022 with only initial design work being progressed. This will be the subject of a separate report to Council on 13 December 2023 and estimated expenditure in the current year has been reduced by £1.140m.

- Neilston Leisure
As previously reported to Cabinet, this project remains at the feasibility stage with only initial works likely to progress this year. Estimated expenditure in the current year has been reduced by £0.100m.

Property - Other

- Overlee House Extension
The returned tenders for this project exceed the available budget. The proposed scheme and budget provision will be reassessed. As a result of this delay the expenditure in the current year has been reduced by £0.538m.
- Eastwood House New Roof & Preservation Works
Following clarification of the work involved including drainage improvements, this work will be rescheduled over the current and early part of the next financial year. Consequently, expenditure in the current year has been reduced by £0.135m.

Open Spaces

- Nature Restoration
As reported to Cabinet on 5 October 2023 additional grant of £0.121m was awarded through the 'Edinburgh Process' strand of the Nature Restoration Fund. This forms part of the General Capital Grant. Plans for this expenditure are being developed but are unlikely to be delivered before the end of this financial year. Expenditure in the current year has been reduced by £0.112m.
- Place Based Investment Programme
This project is fully funded by grant income and the budget has been fully allocated to various schemes. However two of these schemes, improvements at Easterton Playpark and property work at Braidbar PS to assist with emotionally based learning, will not be completed until the early part of 2024/25. Expenditure in the current year has therefore been reduced by £0.135m.

Roads

- A77 Ayr Road Reconstruction
In light of the active travel works being progressed on this route during the current year, the reconstruction works have been rescheduled to 2024/25. Expenditure in the current year has been reduced by £0.175m.
- Roads Capital Works
This is part of a long term investment programme to improve roads infrastructure across the authority. In order to complete the resurfacing works programme, approved by Cabinet on 13th April 2023, during this financial year it is necessary to increase expenditure by £0.429m. This reflects the current inflationary economic climate which is resulting in rising contract values. This increase will be partially off-set by the reduction on the A77 Ayr Road noted above. However, a full recovery will be made possible by a reduction in the 2024/25 capital provision.

Council Wide ICT

- **IT General Provision**
This project includes the cost of replacing wireless access points (WAP). Pilot works are currently being undertaken to help inform the full roll-out of this project. Supplier delays are likely with these works. Other projects are in line to benefit from any slippage of WAP costs into the next financial year. However, the extent to which these reserve projects can absorb later delivery of WAP may be limited due to the time required to plan and action the works involved. It is therefore prudent to reduce the IT General Provision by £0.200m for this year.
- **Public Wi-Fi Network**
The cost of works during the current year is higher than originally anticipated although still within the total budget provision of £0.244m. Expenditure in the current year has been increased by £0.080m and will be recovered by a corresponding reduction in the following year's budget.
- **Electronic Document Records Management**
Further works have been placed on hold until options to advance this project are considered. As a result, anticipated expenditure in year has been reduced by £0.112m.
- **City Fibre**
This project involves the replacement of the wide area network at most Council locations including schools. Although the implementation works are in progress, the expenditure incurred is dependent on both progress by the contractor and successful testing at each site. There is a degree of uncertainty around the detailed timescales but it is expected the works will continue into the next financial year. Expenditure in the current year has been reduced by a further £0.140m. The total project cost remains unchanged.

Fleet

- **Vehicles – Education/Environment**
The timescale for the delivery of replacement vehicles has been revised and expenditure has been reduced by £0.158m

COMMENT

11. The projected shortfall of £0.238m represents 0.5% of the resources available and is within manageable limits.
12. The projected expenditure figure of £51.690m significantly exceeds the actual outturn achieved during the previous financial year (£32.075m). A number of projects are scheduled to start on site later this financial year and the actual expenditure is dependent on the completion of the procurement process and the progress achieved by the successful contractors, which itself may be impacted by weather conditions. While comparing overall expenditure levels to date with those in previous years supports an increased level of capital expenditure in the current year, the £51.690m remains an ambitious target given the programme is being managed by a similar level of staff resource. Consequently further reductions in the projected outturn are likely as the year progresses and more clarity is provided on individual projects.

PARTNERSHIP WORKING

13. This report has been prepared following consultation with appropriate staff from various departments within the Council including Property and Technical Services and Information Technology.

RECOMMENDATIONS

14. The Cabinet is asked to recommend that Council:-
- note and approve the movements within the 2023/24 programme;
 - approve the transfer of £0.225m from the Education, Improved Learning project to St John's PS, Early Learning and Childcare Places;
 - approve the transfer of £0.030m from Property Maintenance, Ventilation Works to Education, Gaelic Medium PS; and
 - note shortfall of £0.238m and that income and expenditure on the programme will be managed and reported on a regular basis.

Further information is available from Paul Parsons, Principal Accountant, telephone 07741 701 451.

Margaret McCrossan
Head of Accountancy Services (Chief Financial Officer)
MMcC/PP
22 February, 2024

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

	ANNUAL COSTS £'000			TOTAL COST £'000		
	CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23	EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
Property - Schools	26,654	22,166	8,402	55,404	178,180	86,951
Property - Culture & Leisure	3,211	1,962	175	3,937	68,337	68,337
Property - Other	7,612	6,909	627	14,485	42,653	42,623
Open Spaces	2,629	2,362	703	6,562	11,330	11,330
Roads	11,399	11,698	3,232	14,902	39,296	39,606
Corporate Wide - ICT	5,487	5,003	1,273	6,698	13,837	13,623
Fleet	1,748	1,590	304	9	2,605	2,605
TOTAL	58,740	51,690	14,716	101,997	356,238	265,075

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

Property - Schools

		ANNUAL COSTS £'000				TOTAL COST £'000		
COST CODE	PROJECT NAME	CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23	COMMENT	EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
Grouped	Schools Major Maintenance	1,385	1,085	643	See Annex 1	0	1,385	1,385
800050031	Maidenhill Primary School	151	151		Complete - payments outstanding	14,192	14,343	14,343
Grouped	Early Learning & Childcare - Expansion to 1,140 hours	0	0	-688	Complete - outstanding payments accrued in to previous financial year - final accounts to be paid to supplier	26,729	26,729	26,729
800050039	St Ninian's HS Additional Temp Accommodation	48	28	0	Complete - payments outstanding	2,135	2,183	2,163
800050057	Neilston Learning Campus	15,649	15,649	7,439	Work in progress	10,481	30,000	30,000
800050038	St Mark's Car Park	290	290	1	Tender prepared	130	420	420
800050064	Crookfur PS Extension	2,000	100	6	Tenders returned over budget.	103	3,243	3,243
800050058	MCHS Sports Facility	560	560	429	Main works complete - payments outstanding.	1,560	2,167	2,167
800050065	Improving Learning	200	175	1	Work to be programmed. Total of £225k transferred to St John's PS project (£25k 2023/24 and £200k 2024/25)	0	1,400	1,175
800000028	Isobel Mair External Classrooms	1,116	1,116	196	Work in progress	41	1,172	1,172
	Free School Meals Expansion	1,981	538	125	Work in progress	0	1,981	538

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

Property - Schools

		ANNUAL COSTS £'000				TOTAL COST £'000		
COST CODE	PROJECT NAME	CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23	COMMENT	EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
	St John's PS - Early Learning & Childcare Places	1,730	1,300	150	Work programmed. Total cost increase of £225k - transferred from Improving Learning (£25k 2023/24 and £200k 2024/25)	21	1,805	2,030
	Gaelic Medium PS	688	718	99	Work in progress - increase funded by a transfer from Property Maintenance, ventilation works	12	700	730
	Inspiring Childcare Places - Hillview, Cross Arthurlie and Carlibar	150	150		Work to be programmed	0	150	150
	New Build of Poor Condition Primary Schools LEIP Phase 3	500	0		Application to Scottish Government for external funding unsuccessful. Project withdrawn.	0	90,296	0
	Maidenhill Primary School Extension		100		Per Council Report 26th September - up to a maximum of £500k for 2023/24		0	500
800050073	St Ninian's Wellbeing Hub	206	206		Works complete - payments outstanding	0	206	206
		26,654	22,166	8,402		55,404	178,180	86,951

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

Property - Culture & Leisure

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23		EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
800200019	Eastwood Park Leisure - Refurbishment	2,340	1,200	7	Design work only -project on hold per Council meeting 26 Oct 2022, subject to separate report to Council 13 Dec 2023. Outturn based on design works continuing.	2,405	55,000	55,000
800200021	Neilston Leisure	400	300		At design stage	123	10,414	10,414
800200020	ERCLT General Building Improvement Fund	43	43		Work to be programmed	588	1,631	1,631
800050049	Eastwood HS Sports Centre Changing Rooms/Disabled Facilities	312	312	135	Complete - payments outstanding	792	1,104	1,104
800200015	Equipment - Gym and Theatre	74	74		Work programmed	5	79	79
805600002	Theatre Equipment	42	33	33	Work in progress	24	109	109
		3,211	1,962	175		3,937	68,337	68,337

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

Property - Other

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23		EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
	1. City Deal							
Grouped	Barrhead South Access - Balgraystone Road & Railway Station	1,572	1,572	64	Balgraystone Road main works complete, Railway station - design report received from Network Rail and conditional STAG approval received from Transport Scotland. Outline business case in progress	4,964	22,348	22,348
804000009	Country Park Visitor Centre & Infrastructure	75	75		Work planned to follow on from land released on the completion of the Aurs Road project (Levern Valley Access project)	303	2,800	2,800
804000006	Greenlaw Business Incubator And Innovation Centre & Employment Support Linked To Barrhead Foundry	46	46		Complete - payment outstanding	5,676	5,722	5,722
	2. Environment Other Projects							
800200018	Crookfur Pavilion Changing Upgrade	0	0		Complete	700	700	700
800420016	Overlee House Extension	588	50	18	Tender returned over budget.	42	630	630
	3. Council Wide Property							

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

Property - Other

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23		EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
Grouped	Retentions - All Services	60	60	12	Retentions on other projects	0	60	60
Grouped	Property Maintenance	2,931	2,901	471	See Annex 2	1,466	5,517	5,487
800420013	Eastwood Park Campus Improvements	10	10		At design stage	310	522	522
800404017	Office Accommodation	910	910	49	At design stage	305	2,140	2,140
800050044	Overlee Pavilion Changing	0	0		Complete	689	689	689
800420020	Capelrig House Upgrade	1,170	1,170	13	Work in progress	30	1,200	1,200
	Eastwood House New Roof & Preservation Works	250	115		Work programmed	0	325	325
		7,612	6,909	627		14,485	42,653	42,623

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

		ANNUAL COSTS £'000				TOTAL COST £'000		
COST CODE	PROJECT NAME	CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23	COMMENT	EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
	1. REGENERATION							
80200008	Country Park - Tourism Infrastructure And Economic Activity Projects	50	50		Work will follow completion of main Aurs Road works (Levern Valley Access project)	69	235	235
80200015	White Cart Tributaries Environmental Improvements	469	469	171	Work in progress	2,745	3,214	3,214
80200032	Regeneration Projects - Provisional Sums	130	130	11	Staff fees only	0	413	413
	2. Environment - Other Projects							
802200010	Environment Task Force	0	0		Work to be programmed	0	70	70
80200018	Town Centre Action	0	0	0		0	50	50
802200007	Parks, Cemeteries & Pitch Improvements	249	249	85	Work in progress	1,010	1,659	1,659
802200020	Renewal of Playparks	305	305	101	Work in progress	0	305	305
802200021	Nature Restoration	162	50	5	Schemes to be identified	43	205	205
Grouped	Artificial Pitch Replacements	0	0		Deferred to 2024/25	0	633	633

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23		EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
802200030/31	Place Based Investment Programme II	605	470	202	Work in progress - met in full by grant income	970	1,575	1,575
Grouped	Town Centre Regeneration	0	0		Work to take place after 2023/24 and dependent on Local Action Plan	1,312	1,334	1,334
802000005	Public Realm/Town Centre Resilience	0	0			218	224	224
802000028	Giffnock Town Centre Improvements	0	0			0	10	10
802000007	Other Public Realm	0	0			3	20	20
802000002	Clarkston Town Centre Action And Traffic Management Improvements	0	0	0		192	217	217
	Braidbar Quarries	20	0			0	20	20
Grouped	UK Shared Prosperity Fund	521	521	33	Fully grant funded - work to be programmed	0	1,028	1,028
802200041	Cowan Park Tennis Courts	118	118	94	Work in progress	0	118	118
		2,629	2,362	703		6,562	11,330	11,330

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

Roads

		ANNUAL COSTS £'000				TOTAL COST £'000		
COST CODE	PROJECT NAME	CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23	COMMENT	EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
	1. City Deal							
804000001	Levern Valley Accessibility Project	4,358	4,358	125	Approval by City Deal Chief Executive's Group (25th October). Work programmed to start early 2024.	2,642	19,995	19,995
	2. ERC Roads							
803000004	Lighting - Core Cable & Equipment Replacement	160	160		Work in progress	0	160	160
803000012	Bridges Refurbishment & Pointing Work	53	53	12	Work in progress	0	53	53
803000015	Principal Inspection Group 1-6	21	21		Work in progress	0	21	21
803000025	Traffic Calming Studies	75	70	1	Work in progress	0	75	75
803000016	Road Safety Measures/Equipment at Schools	35	35	12	Work in progress	0	35	35
803000018	Safe Routes to School	20	20	5	Work in progress	0	20	20

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

Roads

		ANNUAL COSTS £'000				TOTAL COST £'000		
COST CODE	PROJECT NAME	CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23	COMMENT	EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
803000267	A77 Ayr Road Reconstruction	175	0		Work to be programmed 2024/25	0	175	175
803000265	A736 Main Street/Levern Road Barrhead	150	155		Complete - payments outstanding	0	150	155
803000247	B759 Carmunnock Road	115	155		Work in progress	0	115	155
803000106285	C1 Mearns Road, Carriageway	100	100		Work programmed	0	100	100
803000024	Cycling, Walking & Safer Routes	890	890	333	Work in progress	0	890	890
803000267	B764 Eaglesham Moor Road	120	135		Work in progress	0	120	135
	B771 Paisley Road, Barrhead	75	70	65	Complete - payments outstanding	0	75	70
	B769 Stewarton Road	130	120	115	Work complete	0	130	120
	A736 Lochlibo Road, Neilston	65	70	68	Complete - payments outstanding	0	65	70
	C3 Uplawmoor Road	186	186		Work in progress	0	186	186
Grouped	Roads Capital Works	2,740	3,169	1,471	Work in progress	12,260	15,000	15,260

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

Roads

		ANNUAL COSTS £'000				<i>TOTAL COST £'000</i>		
COST CODE	PROJECT NAME	CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23	COMMENT	<i>EXPENDITURE PRIOR TO 31.03.23</i>	<i>PREVIOUS TOTAL COST</i>	<i>REVISED TOTAL COST</i>
	Street Lighting Column Replacement & Luminaries	860	860	679	Work in progress	0	860	860
803000328	A77 Active Corridor Phase 2	950	950	346	Work in progress - further schemes to be identified/approved with Transport	0	950	950
	Road Safety Improvement Funds	121	121		Work to be programmed		121	121
		11,399	11,698	3,232		14,902	39,296	39,606

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

Council Wide - ICT

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23		EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
805000002	ICT Infrastructure Projects	725	725	428	Work in progress	0	725	725
805000025	IT General Provision	1,500	1,300	215	Work in progress	0	1,500	1,300
805000023	GDPR Requirements	0	0		Work to be programmed	70	250	250
805000003	Education Network	100	100	11	Work in progress	0	100	100
805000017	PCI DSS	88	45	19	Work in progress	47	135	135
805000031	Public Wi-Fi Network	100	180	153	Work in progress	3	244	244
805400002	Corporate GIS	34	34	18	Work in progress	166	200	200
805100002	Electronic Document Records Management (Rest Of Council)	112	0		Work to be programmed	241	353	353
805000020	Myaccount Signing In To On-Line Services	14	0		Complete	150	164	150
805000028	HSCP - Responder Service Modernisation & Safety Net Technology	58	58	9	Work in progress	80	180	180
805000022	The Digital Workplace	75	75		Work in progress	289	600	600

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

Council Wide - ICT

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23		EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
805000032	Flexi Time Application Replacement	40	15		Work to be programmed	40	80	80
805000001	Core Corporate Finance, Payroll & HR	100	70	5	Work to be programmed	3,449	3,750	3,750
800050004	Education - Computer Equipment	200	200	107	Work in progress	0	200	200
805600001	ERCLT People's Network	10	10	-10	Work in progress	0	10	10
805000029	ERCLT Digital Platform	248	248	35	Work to be programmed	132	410	410
805000009	School Servers Storage	56	56		Complete - payments outstanding	294	350	350
805500004	Social Work Case Management System	75	75		Work programmed	0	110	110
805300003	Education CCTV	100	100	23	Work to be programmed	0	626	626
805000027	Telecare Service and Peripherals	602	602	254	Work in progress	429	1,150	1,150
805000034	Full Fibre Digital Transformation	1,250	1,110	7	Work in progress	1,308	2,700	2,700
		5,487	5,003	1,273		6,698	13,837	13,623

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23		EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
806000001	Education - Vehicles	0	100		Work in progress	0	293	293
806000002	Environment - Vehicles	1,652	1,394	303	Work in progress	0	2,207	2,207
806000005	Environment - GPRS System	96	96	1	Work in progress	9	105	105
		1,748	1,590	304		9	2,605	2,605

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

Annex 1 - Schools Major Maintenance Analysis

		ANNUAL COSTS £'000				TOTAL COST £'000		
COST CODE	PROJECT NAME	CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23	COMMENT	EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
Grouped	Window Renewal	280	280	195	Complete - payments outstanding	0	280	280
Grouped	Roof Improvements	850	550	337	Work in progress	0	850	850
	Kirkhill PS Toilet Improvements	255	255	112	Work in progress	0	255	255
		1,385	1,085	643		0	1,385	1,385

GENERAL FUND CAPITAL PROGRAMME

PROGRESS REPORT

2023/2024

Annex 2 - Property Maintenance Analysis

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23		EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
800401001	Disability Discrimination Act				Work to be programmed	0	0	
800404001	HardWire Testing				Work to be programmed	0	0	
800404003	COSHH Upgrade	116	116	66	Work in progress	0	116	116
Grouped	Asset Management		125		Work in progress	0	0	125
800404009	Fire Risk Assessment Adaptations	386	400	39	Work in progress	0	386	400
800404012	Structural Surveys & Improvements	40	40	3	Work in progress	0	40	40
800600001	CEEF/Salix Energy Efficiency	75	75	45	Work in progress	0	75	75
800404005-6	Boiler & Roof Replacement	249	249	44	Work in progress	0	249	249
800404014	Legionella Remedial Improvements	100	155	41	Work in progress	0	100	155
800420017	Ventilation Works (including CO2 Monitors)	1,275	1,245	226	Work in progress - £30k transferred to Education Property, Gaelic Education	1,466	3,861	3,831
800420018	Provisional Sum	690	496	8	To be allocated to above projects on priority basis	0	690	496
		2,931	2,901	471		1,466	5,517	5,487

GENERAL FUND CAPITAL PROGRAMME 2022/2023

PROGRESS REPORT

2023/2024

RESOURCES

	£'000
Grants	
General Capital Grant (including nature restoration & renewal of playparks excl. meals)	5,583
General Capital Grant - Free School Meals Expansion (TBC)	0
Gaelic Medium Primary Schools	688
Inspiring Schoolchildren Childspaces, Hillview/Cross Arthurlie/Carlibar	150
Active Travel Transformation Fund	950
Cycling, Walking & Safer Routes	890
Low Carbon Fund	368
Road Safety Improvement Fund	121
Town Centre Fund	21
City Deal	2,000
Sustrans - Levern Valley Accessibility/Aurs Road	2,900
Place Based Investment Programme	470
Shared Prosperity Fund	521
White Cart Tributaries	126
Lawn Tennis Association	118
Salix/Central Energy Efficiency	75
	14,981
Developers Contributions	1,295
Capital Receipts	0
Capital Contribution from Current Revenue - St Ninian's Wellbeing Hub	206
Borrowing	34,970
	51,452

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EAST RENFREWSHIRE COUNCILCabinet14 December 2023Report by the Chief Financial Officer and Director of EnvironmentHOUSING CAPITAL PROGRAMME**PURPOSE OF REPORT**

1. The purpose of this report is to monitor both income and expenditure as at 30 September 2023 against the approved Housing Capital Programme and to recommend adjustments where required.

RECOMMENDATIONS

2. The Cabinet is asked to recommend that Council:-
 - note and approve the movements within the programme; and
 - note the shortfall of £0.097m and that income and expenditure on the programme will be managed and reported on a regular basis.

BACKGROUND

3. The Housing Capital Programme for 2023-2033 was approved by Council on 1 March 2023.
4. Movements on the 2023/24 programme were approved by Council on 28 June 2023 and Cabinet on 5 October 2023, including a number of changes resulting from the finalisation of the outturn position for the previous financial year.
5. This report updates project costs and phasings based on progress to date and anticipated to 31 March 2024.
6. As highlighted in previous reports, in general, construction costs are rising faster than general inflation due to shortages of materials and labour and also due to bidders factoring in additional risk in their pricing.
7. Consequently, we are constantly monitoring project expenditure so that additional cost pressures on key projects can be covered by deferring or reducing other projects to compensate.

CURRENT POSITION

- | | | |
|----|--|-----------------|
| 8. | Total anticipated expenditure (Appendix A) | £ 5.790m |
| | Total anticipated resources (Appendix B) | £ <u>5.693m</u> |
| | Deficit | £ <u>0.097m</u> |

EXPENDITURE

9. The estimated expenditure has reduced by £2.011m below the level reported to Council on 5th October 2023. The main expenditure movements are as follows:-

External Structural Works

As previously reported to Cabinet, works issued as part of this project are subject to a revised procurement process, with the design phase completed in advance of the tender for the main construction work being issued. There has been a delay issuing contracts while the revised process was finalised with a knock on impact on the site start date. Further assessment on the viability of the work is being undertaken. Expenditure in the current financial year has been reduced by £1.0m.

Aids and Adaptations

The main purpose of this budget is to help older residents to stay in their homes for a longer period of time. It is a statutory service which must be provided to tenants who meet the assessment criteria. As a result of increased demand for this service, expenditure in the current year has been increased by £0.100m.

Sheltered Housing

This project covers a range of works at various sheltered complexes including lift replacement, warden call systems and central heating systems. As previously reported to Cabinet only essential energy efficiency type works are being progressed and less urgent works deferred while the Council await revised energy efficiency guidance from the Scottish Government. Revised guidance may be some months away. No significant investment in central heating replacement is anticipated until there is clarity on this issue. The warden call system forms part of the wider Telecare project being implemented across the Council, while the first phase of these works is complete, the system requires a period of time to become fully established and effective. Consequently, the sheltered housing element is now scheduled for the early part of 2024/25. Expenditure in the current financial year had been reduced by a further £0.750m.

IT Systems

The new Housing management system is operational and further development work will be progressed which will deliver further benefits to the Housing service. However, like all major change projects, it presents numerous challenges and requires a period of time to become fully established and effective due to the need to integrate with other corporate systems. Consequently, the next major phase of development work will not progress until next year and expenditure in the current year has been reduced by £0.140m.

New Build Phase 2

This project has also been subjected to a revised procurement process with separate tenders being issued for the design and build elements. Consequently, the works at the Barrhead Road development are likely to be held back until spring 2024 with costs in the current financial year limited to initial design fees. Similarly, expenditure for the Commercial Road development is likely to relate solely to initial fees. Expenditure in the current year has been reduced by £0.212m.

INCOME

10. Resources to support the programme have been adjusted as follows:-

Recharges to Owner Occupiers

In light of the revised expenditure on the External Structural Works project the associated income from owners has been reduced by £0.120m.

Borrowing

In response to the expenditure and income movements outlined above the planned use of borrowing during the year has been reduced by £1.800m.

COMMENT

11. The projected shortfall of £0.097m represents 1.7% of the resources available and is within manageable limits.

PARTNERSHIP WORKING

12. This report has been prepared following consultation with appropriate staff from Housing Services.

RECOMMENDATIONS

13. The Cabinet is asked to recommend that Council:-

- note and approve the movements within the programme; and
- note the shortfall of £0.097m and that income and expenditure on the programme will be managed and reported on a regular basis.

Further information is available from Paul Parsons, Principal Accountant – Capital, telephone 07741 701 451.

Margaret McCrossan
Head of Accountancy Services (Chief Financial Officer)
MMcC/PP
22 February, 2024

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EAST RENFREWSHIRE COUNCILHOUSING CAPITAL PROGRAMMEPROGRESS REPORT2023/24

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED AT 05.10.23	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.23		EXPENDITURE PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
83500002	Renewal of Heating Systems	350	350	115	Work in progress	0	1,010	1,010
83200001	Rewiring (including smoke/carbon monoxide detectors)	385	385	72	Work in progress	0	602	602
83100002	External Structural Works	1,852	852	150	Phase 1 - work in progress. Phase 2 - work programmed, revised procurement arrangements in place.	0	2,602	2,602
83500008	Estate Works	100	100	5	Work in progress	0	123	123
83500006	Energy Efficiency (Including Cavity Wall Insulation)	75	75	0	Work in progress	0	575	575
83500010	Aids and Adaptations	200	300	3	Work in progress	0	200	300
83150001	Internal Element Renewals (including kitchens, bathrooms and doors)	972	972	428	Work in progress	0	972	972
83500005	Communal Door Entry Systems	250	250	133	Work in progress	0	250	250
83500012	Sheltered Housing	1,102	352	134	Work in progress	0	1,702	1,702
83050003	Purchase of Property (Mortgage to Rent Acquisition)	155	155		In progress, grant support confirmed	0	155	155
83500003	IT Systems	159	19		Work in progress	297	456	456
Grouped	Capital New Build Phase 1	229	220		Complete - payments outstanding	14,550	14,779	14,770
Grouped	Capital New Build Phase 2	1,962	1,750	1,464	Work in progress	11,629	45,321	45,321
N/A	Retentions	10	10			0	10	10
		7,801	5,790	2,504		26,476	68,757	68,848

EAST RENFREWSHIRE COUNCIL
HOUSING CAPITAL PROGRAMME 2023/24

PROGRESS REPORT

RESOURCES

	£'000
Borrowing	4,432
Commuted Sums - New Build	70
Grant - New Build Phase 2	751
Grant - Scottish Housing Net Zero Fund	218
Recharges to Owner Occupiers (including HEEPS grant)	120
Capital Receipts	0
Purchase of Property (Mortgage to Rent Acquisition)	102
	<hr/>
Total	5,693

EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE18 JANUARY 2024Report by Head of Accountancy (Chief Financial Officer)INTERIM (QUARTER 3) TREASURY MANAGEMENT REPORT FOR 2023/24**PURPOSE OF REPORT**

1. To advise the Audit & Scrutiny Committee on the Treasury Management activities for the Quarter ending 31 December 2023.

RECOMMENDATION

2. It is recommended that the Committee: -
 - a) note the Interim Treasury Management Report for Quarter 3 2023/24; and
 - b) recommend to the Council that the attached organisations for investment of surplus funds be approved.

BACKGROUND

3. In line with the CIPFA Code of Practice on Treasury Management, the Audit & Scrutiny Committee is responsible for ensuring effective inspection of treasury management activities and this report is submitted in accordance with this requirement.

SUMMARY

4. Overall the report demonstrates a well-managed treasury function within the Council. The average interest rate on long-term borrowing has remained the same from that reported in November. The Council continues to adopt a prudent approach to treasury management and in particular the percentage of loans held as at 31 December 2023 that had variable interest rates was 7.17% which is well below the Council's approved upper limit of 15%. The resulting stability in borrowing assists the Council in responding to the current national economic pressures.

RECOMMENDATION

5. It is recommended that the Committee: -
 - a) note the Interim Treasury Management Report for Quarter 3 2023/24; and
 - b) recommend to the Council that the attached organisations for investment of surplus funds be approved.

REPORT AUTHOR

Head of Accountancy (Chief Financial Officer): Margaret McCrossan

Chief Accountant: Barbara Clark

Telephone Number: 0141 577 3068

E-mail: Barbara.Clark@EastRenfrewshire.gov.uk

Report Date: 3 January 2024

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INTERIM TREASURY MANAGEMENT REPORT QUARTER 3 2023/24

Table 1

1. Actual External Debt

	Borrowing 30/09/23 £M	Average Interest %	Borrowing 31/12/23 £M	Average Interest %	Change in Qtr £M
<u>Long Term Borrowing</u>					
Public Works Loan Board	112.85	3.30	112.85	3.30	0.00
Local Authority Bonds	14.40	4.60	14.40	4.60	0.00
PFI / PPP Finance Leases	73.50	7.18	73.50	7.18	0.00
Total Long Term	200.75	4.81	200.75	4.81	0.00
<u>Short Term Investments</u>					
Temporary Investments	(53.67)	5.17	(50.65)	5.42	3.02

NOTES

- (i) For the purposes of this report long-term borrowing means loans taken on a long-term basis. This differs from the Annual Accounts, which have to categorise long-term loans with less than a year until repayment as short-term loans. Loans above totalling £0.365 million come into this category.
- (ii) The Treasury Strategy approved by the Council on 1st March 2023, ratified external borrowing of £58m from the Public Works Loan Board to be undertaken. However at present no new borrowing has been undertaken due to a recommendation by the Head of Accountancy to defer long term borrowing, where possible, until the current high interest rates come down. There was no repayment of Long Term Borrowing during the quarter.
- (iii) The average interest rate on long-term borrowing has not changed from that reported previously.
- (iv) The Council's net external borrowing position has increased in total by £3.02 million during the quarter due to both revenue and capital cash flows.
- (v) The Council's activity in the temporary investments market is shown along with the corresponding interest rate movements in Appendices 2 – 5. In response to difficulties in the financial markets and as part of a risk managed process designed to protect the principal of the sums invested, during the course of the year the maximum period of investment was restricted to 6 months.
- (vi) At 31 December 2023, 7.17% of the total debt outstanding consisted of loans which had a variable rate of interest. For the Council to gain a high level of stability in overall borrowing costs, the Council's Treasury Policy Statement requires the exposure to variable rate loans to be less than 15% of the total debt outstanding.

- (vii) Appendix 6 shows the Bank of England MPC base rate covering the period April 2022 to the date of this report.

2. PWLB

The primary source of medium/long term borrowing is from the UK Government through the Public Works Loan Board (PWLB). The PWLB provides loans to local authorities at rates, which are in general more attractive than loans available from other sources.

3. DEBT MATURITY PROFILE

The Council's debt maturity profile at 31 December 2023 is shown both below and in Graph format at Appendix 7.

It is a requirement of the Council's Treasury Policy Statement that the maximum amount of long-term debt maturing in any one year should be no more than 15% of the Council's long-term debt outstanding, at the time of borrowing.

The Council's Debt Maturity Profile as at 31 December 2023 was within the agreed limits.

Long Term Debt Maturity Profile as at 31 December 2023

	PWLB	Local Authority Bond	Total	
	£M	£M	£M	%
23/24	0.36	0.00	0.36	0.28
24/25	0.00	0.00	0.00	0.00
25/26	0.00	0.00	0.00	0.00
26/27	5.01	0.00	5.01	3.94
27/28	2.01	0.00	2.01	1.58
28/29	0.00	0.00	0.00	0.00
29/30	0.00	0.00	0.00	0.00
30/31	0.00	0.00	0.00	0.00
31/32	0.00	0.00	0.00	0.00
32/33	0.00	0.00	0.00	0.00
After 2033/34	105.47	14.40	119.87	94.20
Total	112.85	14.40	127.25	100.00

4. PRUDENTIAL INDICATORS

In line with the agreed monitoring arrangements for the Prudential Indicators, listed below there is a table showing all the prudential indicators comparing the approved indicator, as reported to the Council on 1 March 2023 along with the projected outturn figures recorded at 30 June 2023, 30 September 2023 and at 31 December 2023, demonstrating that the Council is operating well within the limits set.

Prudential Indicator	Approved indicator £'000s	Projected Outturn @ 30/06/23 £'000s	Projected Outturn @ 30/09/23 £'000s	Projected Outturn @ 31/12/23 £'000s	COMMENT
1. Capital Expenditure	£81,167	£66,541	£59,176	£57,480	Movement from the approved indicator is due to the revised planning of capital projects within both the Housing and General Fund Capital Programmes. The movement from the previous quarter relates to General Fund only.
2. Capital Financing Requirement	£304,873	£273,138	£266,180	£265,921	Movement from the approved indicator is due to a reduction in net capital expenditure in both previous and current years. The movement from the previous quarter relates to General Fund only.
3. Operational Boundary for External Debt	£309,855	£278,120	£271,162	£270,903	Movement from the approved indicator is due to a reduction in permitted borrowing from that approved due to a reduction in capital spend in both the previous and current years. The movement from the previous quarter relates to General Fund only.
4. Authorised Limit For External Debt	£345,308	£308,813	£300,812	£300,514	In addition to the variance explanation for the Operational Boundary for External Debt above, the Authorised limit for External Debt also includes a further 15% allowance to cover any unexpected temporary movements.

5. Gross Debt	£253,770	£228,270	£205,770	£205,770	Movement is due to the re-profiling of capital expenditure to future years and to deferral of borrowing, if possible, until rates come down.
6. Gross Borrowing to CFR (Under)/Over	(£51,103)	(£44,868)	(£60,410)	£(60,151)	Movement is due to a reduced net borrowing requirement as a result of a reduction in capital expenditure in both previous and current years, along with a deferral of borrowing, if possible, until rates come down.
7. Financing to Net Revenue Stream Non – HRA HRA	6.7% 34.4%	6.7% 32.4%	6.7% 32.8%	6.7% 32.8%	HRA variation from the approved indicator is in-line with a reduction in financing costs, along with increased rental income.
8. HRA - Ratio of Debt to Revenue	337.0%	305.8%	294.0%	294.0%	The variation from the approved indicator is due to a combination of reduced debt and increased rental Income.
9. HRA – Debt Per Dwelling £	16,450	15,682	15,079	15,079	The variation from the approved indicator is due to a combination of reduced debt and a reduction in the number of dwellings.
10. Code of Practice For Treasury Management	The Council has adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes	All of the approved activities within the Council Treasury Management Policy Statement have been complied with.			

The movement between the Capital Financing Requirement and the Gross Debt indicates the amount of internal borrowing required. The indicator above “Gross Borrowing to CFR” and the table below show that the capital borrowing need (the Capital Financing Requirement), has not been fully funded by external loan debt as the cash supporting the Council’s reserves, balances and cash flow has been used as a temporary measure. This strategy remains both prudent and cost effective as borrowing costs are currently relatively high and the Head of Accountancy has requested that borrowing, where possible, is not undertaken until interest rates come down from their current level.

	Approved Indicator £'000s	Projected Outturn @ 30/06/23 £'000s	Projected Outturn @ 30/09/23 £'000s	Projected Outturn @ 30/09/23 £'000s
Capital Financing Requirement	£304,873	£273,138	£266,180	£265,921
Gross Debt	£253,770	£228,270	£205,770	£205,770
Internal Borrowing Required	£51,103	£44,868	£60,410	£60,151

5. DEBT PERFORMANCE INDICATOR

The Treasury Strategy sets out the following two debt performance indicators

- i) Average “pool rate” should be at or below the Scottish average:
 - East Renfrewshire Council 2022/23 was 3.34%
 - Average All Scottish Local Authorities 2022/23 was 3.486%.
- ii) Average borrowing rate movement year on year:
 - Average borrowing rate in 2021/22 was 4.99%
 - Average borrowing rate in 2022/23 was 4.81%. Although this a decrease of 0.18%, the variance is likely to increase as new loans are taken due to the high interest rates currently available. The target set in the Treasury Strategy to maintain or reduce rates year on year may therefore be difficult to achieve.

6. Liability Benchmark

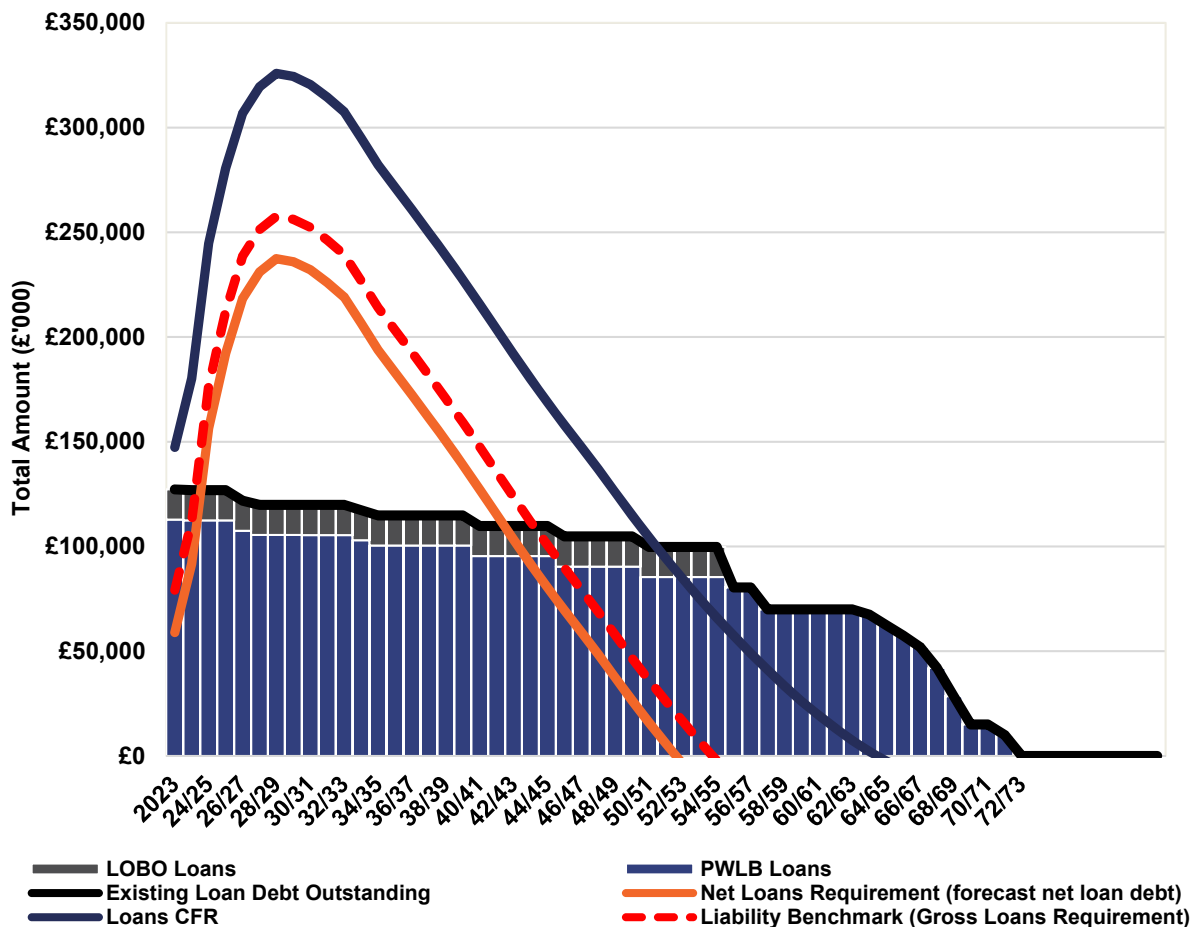
A new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum. It is a projection of the amount of loan debt outstanding that the Council needs to fund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

There are four components to the LB: -

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

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

Liability Benchmark @ 31/12/2023



7. APPROVED ORGANISATIONS FOR INVESTMENT

In line with normal practice the status of all Banks and Building Societies has been reviewed in order to amend the current list of approved organisations for investment (see appendix 8). No changes have been made to the list since last reported on 23 November 2023. All lending is in line with the permitted methods of investment which were approved by Council on 1 March 2023 as part of the Treasury Management Strategy report.

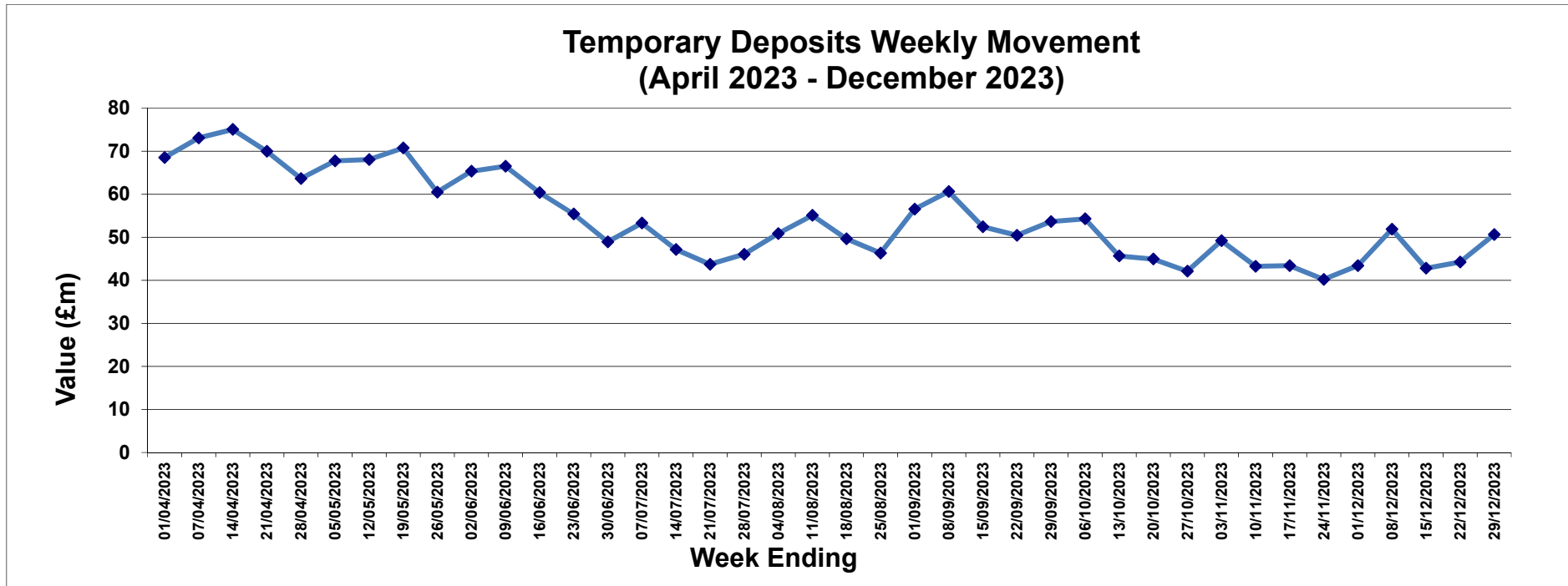
As a result of the banking crisis and in line with prudent financial management, investment has been restricted to UK organisations with high credit ratings. Also, the maximum period of investment was restricted to 6 months, in line with advice from our Treasury Advisers, Link Asset Services. These measures have been taken as part of a risk managed process designed to protect the principal of the sums invested.

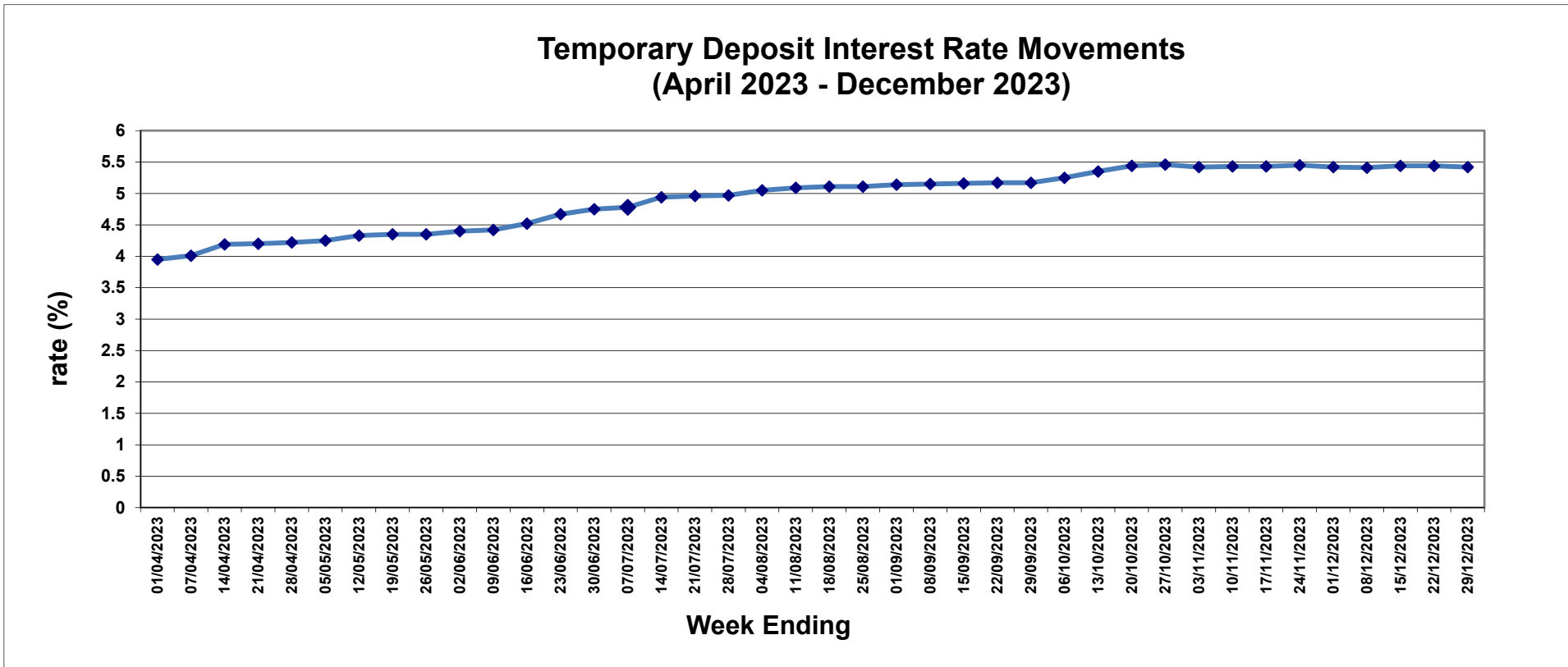
Credit ratings of organisations on the counter-party list are subject to continuous monitoring and review to ensure that subject to available professional advice, approved organisations remain sound for investment purposes.

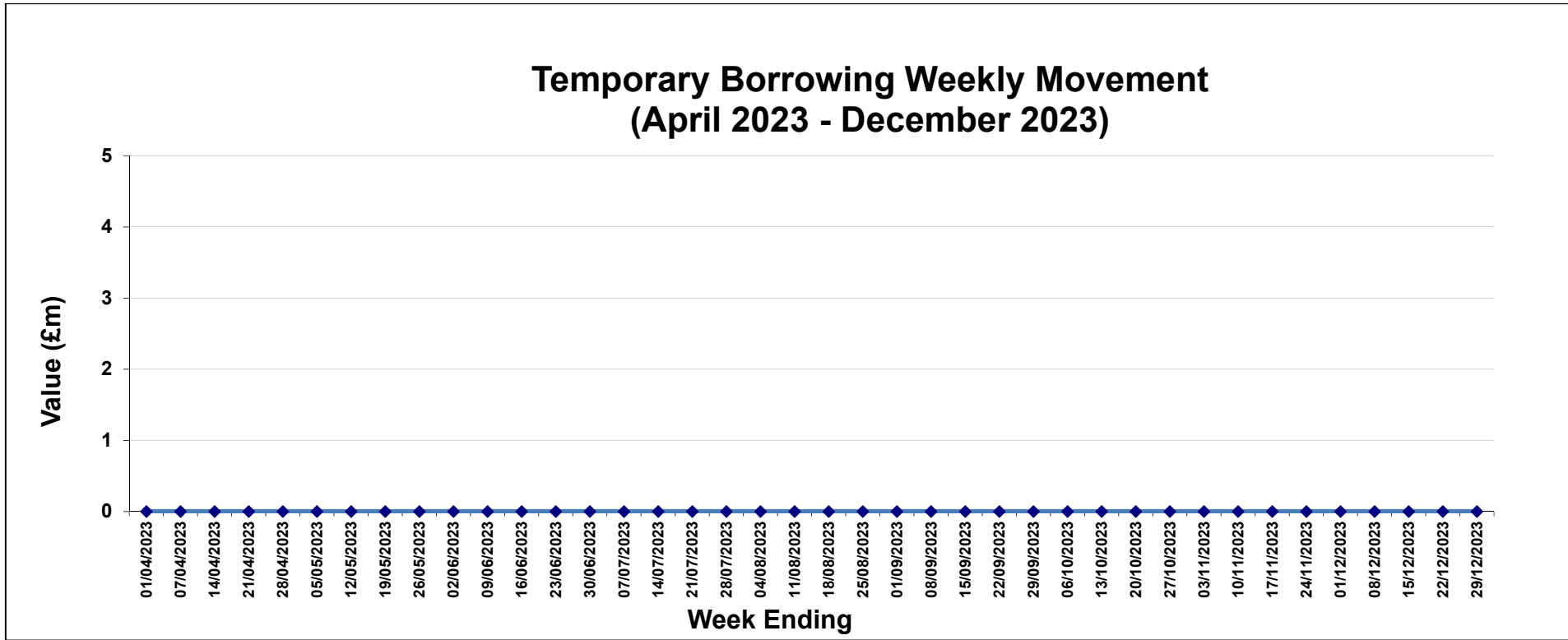
8. TREASURY MANAGEMENT RISK

Within the Operational Risk Register for Accountancy Services there is a risk listed that highlights the difficulty in obtaining sufficient institutions, that meet the Council's criteria, to invest surplus funds with. To minimise this risk the Council has six Money Market Funds which provide highly diversified investments.

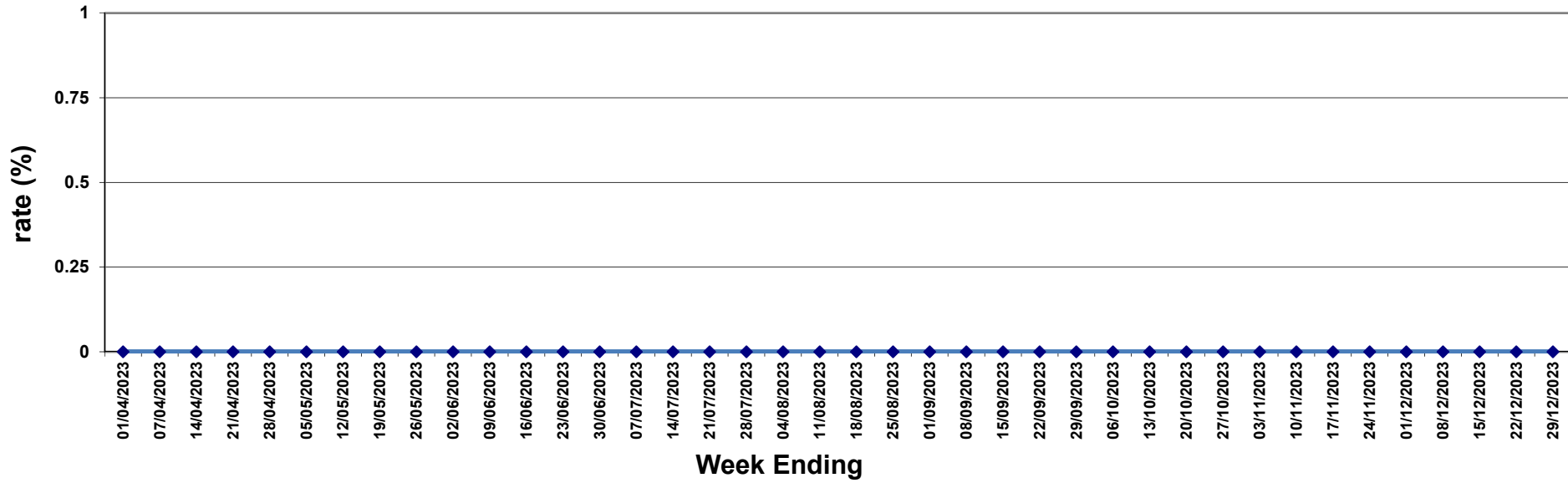
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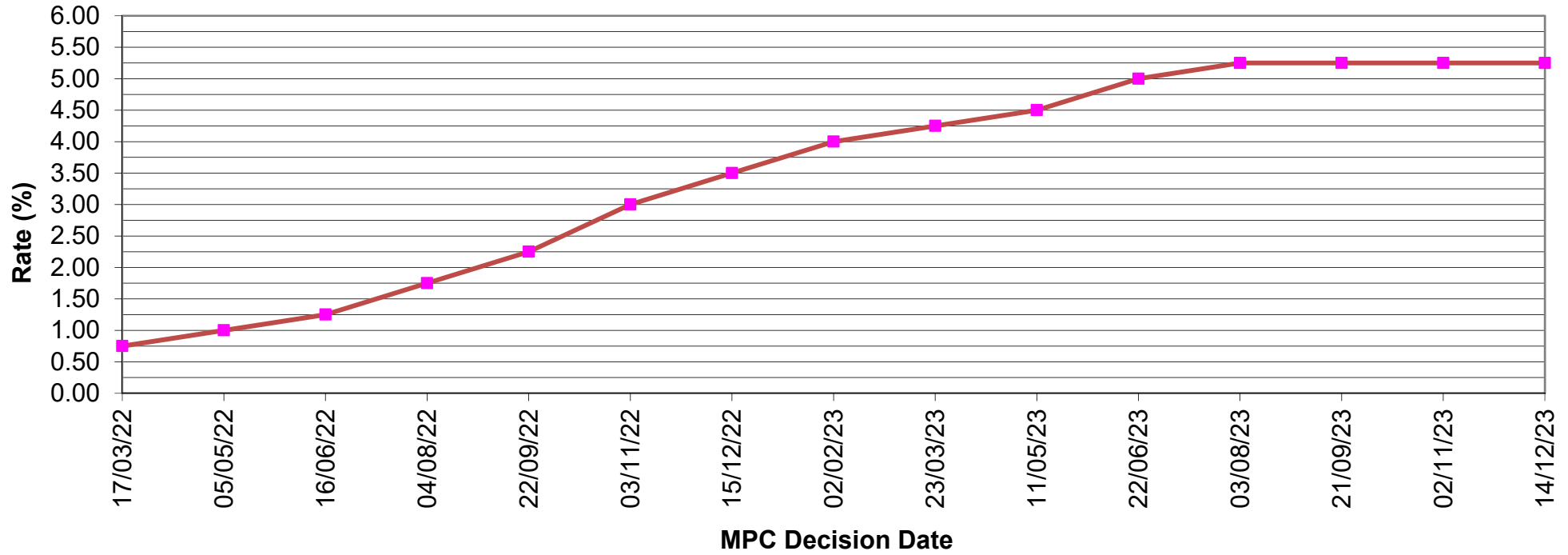




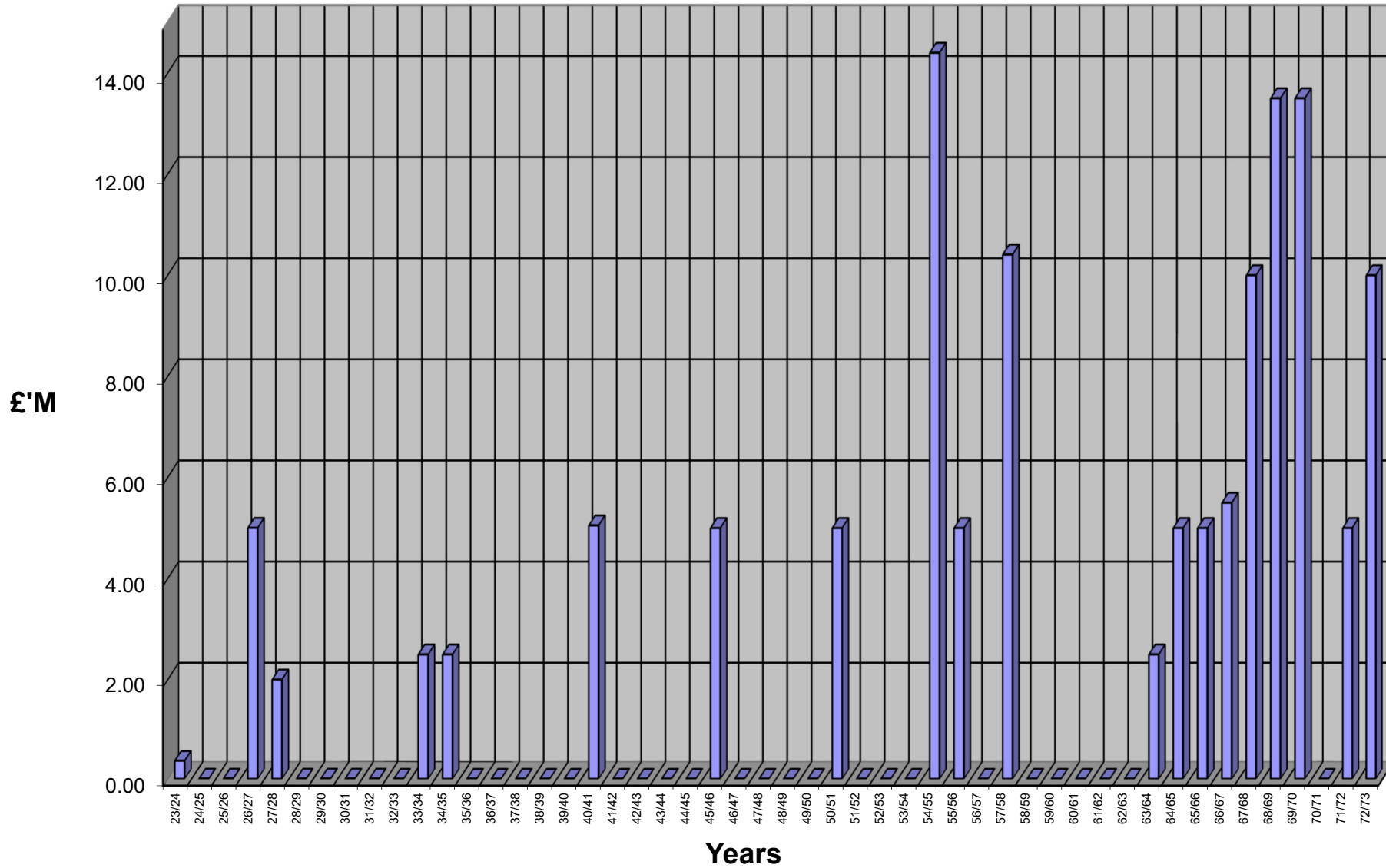
Temporary Borrowing Interest Rate Movements (April 2023 - December 2023)



Bank of England Base Rate Movements (April 2022 to December 2023)



Long Term Debt Maturity Profile as at 31/12/2023



EAST RENFREWSHIRE COUNCIL

ORGANISATIONS APPROVED FOR THE INVESTMENT OF SURPLUS FUNDS
Limits

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

Credit Ratings

	Fitch		Moodys		S&P	
	LT	ST	LT	ST	LT	ST
Minimum Criteria (unless Government backed) (please note credit ratings are not the sole method of selecting counterparty)	A-	F1	A3	P-1/P-2	A	A-1/A-2

Limit

Investment of surplus funds is permitted in each of the above organisations, limits can only be exceeded or another organisation approved with written permission of the Chief Financial Officer.

Deposit Periods

The maximum period for any deposit is based on the Link Asset Services suggested Duration matrix with a maximum of 6 months. These limits can only be exceeded with the written permission of the Chief Financial Officer.

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

EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE22 February 2024Report by Head of Accountancy (Chief Financial Officer)Treasury Management Strategy Report for 2024/25**PURPOSE OF REPORT**

1. To advise the Audit and Scrutiny Committee on the treasury management strategy for the financial year 2024/25.

RECOMMENDATIONS

2. It is recommended that Members:-
 - (a) Consider the content of the Treasury Management Strategy Report for 2024/25;
 - (b) Recommend to the Council that the Treasury Management Strategy for 2024/25 be approved, including the Prudential and Treasury Indicators and the amended list of organisations for investment of surplus funds (Annex E)
 - (c) Recommend to the Council that they approve the policy on the repayment of loans fund advances, see section 3.4, and
 - (d) Recommend to Council the forms of investment Instruments for use as permitted investments (Annex C)

BACKGROUND

3. In line with the CIPFA Treasury Management Code of Practice 2021, the Audit and Scrutiny Committee is responsible for ensuring effective scrutiny of the treasury management strategy and policies.
4. The attached Treasury Management Strategy Report for the financial year 2024/25 is submitted in accordance with this requirement. Figures contained in the report have been compiled on the basis of the latest available information.

TREASURY MANAGEMENT STRATEGY (TMS) FOR 2024/25

5. The TMS for 2024/25 is attached (see Appendix 1).

EQUALITY IMPACT

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

Report Author

Head of Accountancy (Chief Financial Officer): Margaret McCrossan

Chief Accountant:
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E-mail:

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barbara.clark@eastrenfrewshire.gov.uk

Report Date:

7 February 2024

APPENDIX 1

EAST RENFREWSHIRE COUNCIL

**TREASURY MANAGEMENT STRATEGY
2024/25**

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1 Background

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

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

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

CIPFA defines treasury management as:

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

2 Reporting Requirements

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

a) **Treasury Management Strategy 2024/25** (this report).

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

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

- b) **Quarterly Interim Treasury Management Reports** – These are primarily four progress reports and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision
- c) **Annual Treasury Report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimate within the strategy.

2.2 Scrutiny

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

2.3 Capital Investment Strategy

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

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

The aim of this capital investment strategy is to ensure that all elected members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite. An update to the Council's current Capital Investment Strategy will be presented to Council on 28 February 2024 for approval.

2.4 Treasury Management Strategy for 2024/25

The treasury management issues covered by this report are:

Capital Issues

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

Treasury management issues

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

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

2.5 Treasury Management Consultants

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

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

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

2.6 Council and Subsidiary Organisations

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

3 The Capital Prudential Indicators 2024/25 – 2028/29

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

A summary of the indicators can be found in Annex A

3.1 Capital Expenditure (Prudential Indicator PI-1)

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

The following capital expenditure forecasts are in line with the housing capital plan 2024/25- 2033/34 and the general fund capital plan 2024/25 – 2033/34 both of which will be submitted to Council on 28 February 2024:

Capital Expenditure (PI-1) £'000	2022/23 Actual	2023/24 Probable	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
General Fund – Capital Programme	31,181	51,690	58,273	57,454	36,246	29,598	19,461
– Other Relevant Expenditure	-	-	-	-	-	-	-
General Fund Subtotal	31,181	51,690	58,273	57,454	36,246	29,598	19,461
Housing	12,841	5,440	17,467	17,533	11,858	8,183	9,318
Total	44,022	57,130	75,740	74,987	48,104	37,781	28,779

3.2 Capital Financing Assumptions

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

General Fund £'000	2022/23 Actual	2023/24 Probable	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Capital Expenditure	31,181	51,690	58,273	57,454	36,246	29,598	19,461
Other Relevant Expenditure	-	-	-	-	-	-	-
Total	31,181	51,690	58,273	57,454	36,246	29,598	19,461
Financed by:							
Capital Receipts	185	-	-	-	-	-	-
Capital Reserve	-	-	-	-	-	-	-
Developer Contributions	1,609	1,295	856	290	100	100	100
Govt. General Capital Grant	6,788	5,258	4,688	4,688	4,688	4,688	4,688
Govt. Specific Capital Grants	4,422	6,630	2,348	2,893	-	-	-
Other Grants & Contributions	157	3,093	4,944	75	75	75	75
Repairs & Renewals	491	206	-	-	-	-	-
Fund/CFCR							
Net Borrowing Requirement for the year	17,529	35,208	45,437	49,508	31,383	24,735	14,598

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

Housing £'000	2022/23 Actual	2023/24 Probable	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Capital Expenditure	12,841	5,440	17,467	17,533	11,858	8,183	9,318
Financed by:							
Capital Receipts – Right to Buy	-	-	-	-	-	-	-
Capital Receipts – Land Disposal	-	-	-	1,000	1,000	1,000	1,000
Recharges to Owners	-	120	-	-	-	-	-
Govt. Specific Capital Grants	3,135	1,071	4,775	6,255	4,410	-	-
Commutated Sums	215	70	1,961	525	-	-	-
CFCR	3	-	-	-	-	-	-
Other	-	-	38	-	-	-	-
Net Borrowing Requirement for the year	9,488	4,179	10,693	9,753	6,448	7,183	8,318

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

Borrowing Requirement £'000	2022/23 Actual	2023/24 Probable	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
General Fund	17,529	35,208	45,437	49,508	31,383	24,735	14,598
Housing	9,488	4,179	10,693	9,753	6,448	7,183	8,318
Net Borrowing Requirement for the year	27,017	39,387	56,130	59,261	37,831	31,918	22,916

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

Borrowing Requirement £'000	2022/23 Actual	2023/24 Probable	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Internal	17,017	29,387	(5,870)*	14,261	15,331	19,418	22,916
External	10,000	10,000	62,000	45,000	22,500	12,500	0
Net Borrowing Requirement for the year	27,017	39,387	56,130	59,261	37,831	31,918	22,916

* Position due to deferral of new borrowing in 2022/23 and 2023/24 until current high interest rates come down, as previously notified in the Treasury Management quarterly reports.

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

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

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

The CFR includes any other long term liabilities (e.g. PPP schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council has liabilities of £73.500m relating to such schemes as at 31 March 2023.

The Council is asked to approve the CFR projections below:

Capital Financing Requirement (PI-2) £'000	2022/23 Actual	2023/24 Probable	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
General Fund	189,668	218,696	258,263	301,302	324,995	340,551	345,416
Housing	46,035	46,924	54,050	59,930	64,583	69,660	75,589
Total CFR (PI-2)*	235,703	265,620	312,313	361,232	389,578	410,211	421,005

Net borrowing requirement for the year (above)	27,017	39,387	56,130	59,261	37,831	31,918	22,916
Less loans fund principal repayment and other financing movements	(10,945) (3,054) 14,812	(12,174) - 2,704	(12,340) - 2,903	(13,501) - 3,159	(11,677) - 2,192	(13,942) - 2,657	(15,724) - 3,602
Movement in CFR	27,830	29,917	46,693	48,919	28,346	20,633	10,794

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

3.4 Statutory Repayment of Loans Fund Advances

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

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

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

Additionally, on 1 March 2023 the Council approved the application of the Scottish Government's permitted fiscal flexibility to account for the debt, included within the payments for service concessions such as PFI type deals, over the life of the asset instead of the life of the contract. This is a longer period and is in line with the treatment of the Council's loan charges. In closing the 2022/23 annual accounts this enabled an accounting benefit of £14.812m which will help to sustain the Council's budget for a period of time.

The table below shows what the future General Fund loans fund balances are expected to be, with year 1 being 2023/24:

£'000	Year 1	Years 2-5	Years 5-10	Years 10-15	Years 15-20	Years 20+
opening balance	101,356	133,048	247,339	254,112	218,454	179,269
advances	35,208	126,328	49,054	6,471	-	-
repayments	(3,516)	(12,037)	(42,281)	(42,129)	(39,185)	(179,269)
closing balance	133,048	247,339	254,112	218,454	179,269	-

The table below shows what the future HRA loans fund balances are expected to be, with year 1 being 2023/24:

£'000	Year 1	Years 2-5	Years 5-10	Years 10-15	Years 15-20	Years 20+
opening balance	46,035	46,924	64,583	83,333	75,591	53,600
advances	4,179	26,894	32,236	13,198	-	-
repayments	(3,290)	(9,235)	(13,486)	(20,940)	(21,991)	(53,600)
closing balance	46,924	64,583	83,333	75,591	53,600	-

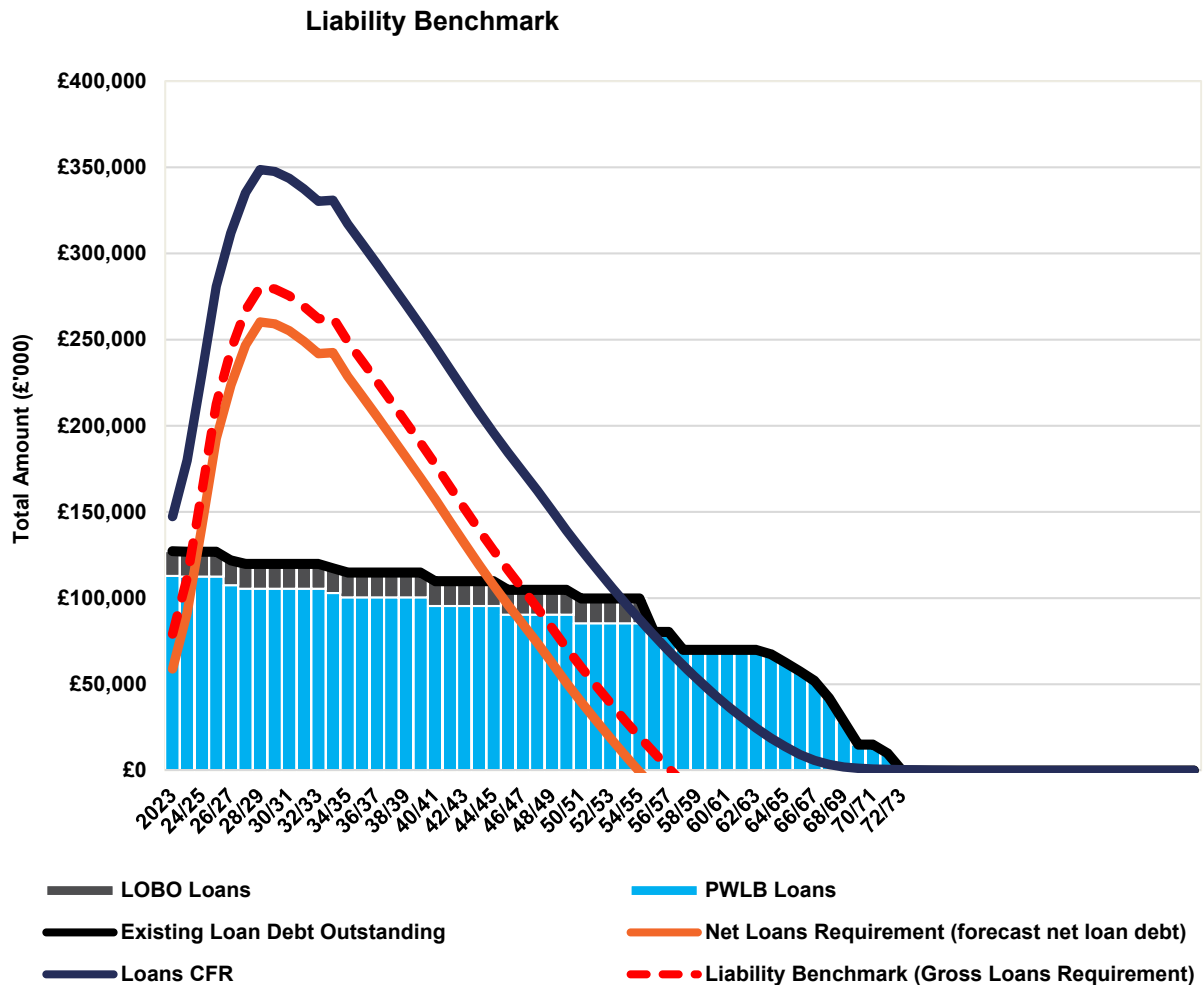
3.5 Liability Benchmark

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

There are four components to the LB: -

- 1. Existing loan debt outstanding:** the Council's existing loans that are still outstanding in future years.
- 2. Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned Loans Fund principal repayments.
- 3. Net loans requirement:** this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned Loans Fund principal repayments and any other major cash flows forecast.

4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.



4 Borrowing

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

4.1 Current Portfolio Position

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

£'000 as at 31 March	2022/23 Actual	2023/24 Probable	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Borrowing	128,015	137,638	199,623	244,607	272,091	292,574	305,057
Other Long Term Liabilities	73,500	68,132	62,565	56,742	51,886	46,565	40,299
Total Gross Debt (Prudential Indicator PI-3)	201,515	205,770	262,188	301,349	323,977	339,139	345,356
CFR – the borrowing need	235,703	265,620	312,313	361,232	389,578	410,211	421,005
(Under) / Over Borrowing (Prudential Indicator PI-6)	(34,188)	(59,850)	(50,125)	(59,883)	(65,601)	(71,072)	(75,649)

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these (PI-3) is that the Council needs to ensure that its gross debt figure (shown above) does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded by external loan debt as the cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels in the second half of 2024.

4.2 Treasury Indicators: Limits to Borrowing Activity

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

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

Operational boundary for external debt (PI-4) £'000	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Borrowing	249,012	303,767	341,982	364,950	380,024
Other Long Term Liabilities	68,132	62,565	56,742	51,886	46,565
Total	317,144	366,332	398,724	416,836	426,589

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

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

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

The proposed Authorised Limit for the Council is as follows:

Authorised limit for external debt (PI-5) £'000	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Borrowing	286,364	349,332	393,279	419,693	437,028
Other Long Term Liabilities	68,132	62,565	56,742	51,886	46,565
Total	354,496	411,897	450,021	471,579	483,593

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

From 1 April 2024, leases which were previously off balance sheet will now be included. As leases form part of the other long term liability figures which make up the Prudential Indicators above, it is possible that the Indicators currently suggested will be exceeded. Once the detailed data gathering has been substantially completed, later in the 2024/25 financial year, an updated report may be required to inform the members of the detailed impact of IFRS 16 with amended Prudential Indicators for approval.

4.3 Prospects for Interest Rates

The Authority has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 08 January 2024. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

Additional notes by Link on this forecast table: -

Our central forecast for interest rates was previously updated on 7 November and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and when there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months (although most recent GDP releases have surprised with their on-going robustness).

Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

PWLB RATES

The short and medium part of the gilt curve has rallied since the start of November as markets price in a quicker reduction in Bank Rate through 2024 and 2025 than held sway back then. This reflects market confidence in inflation falling back in a similar manner to that already seen in the US and the Euro-zone. At the time of writing there is c50 basis points difference between the 5 and 50 year parts of the curve.

The balance of risks to the UK economy: -

The overall balance of risks to economic growth in the UK is even.

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

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

The Bank of England has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.

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

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

Despite the tightening in Bank Rate to 5.25%, the **Bank of England allows inflationary pressures to remain elevated** for a long period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.

The pound weakens because of a lack of confidence in the UK Government's pre-election fiscal policies, which may prove inflationary, resulting in investors pricing in a risk premium for holding UK sovereign debt.

Projected **gilt issuance, inclusive of natural maturities and QT**, could be too much for the markets to comfortably digest without higher yields compensating.

LINK GROUP FORECASTS

We expect the MPC will keep Bank Rate at 5.25% until the second half of 2024, to combat on-going inflationary and wage pressures, even if they have dampened somewhat of late. We do not think that the MPC will increase Bank Rate above 5.25%.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation continues to fall through 2024.

Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 08.01.24 p.m.	Target borrowing rate now (end of Q4 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	4.53%	3.70%	3.80%
10 years	4.67%	3.90%	3.80%
25 years	5.19%	4.20%	4.20%
50 years	4.97%	4.00%	4.00%

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate remains at 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to factor in Bank Rate reductions for 2024 and later.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are set out below.

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.55%	4.70%
2025/26	3.10%	3.20%
2026/27	3.00%	3.00%
2027/28	3.25%	3.25%
2028/29	3.25%	3.25%
Years 6 to 10	3.25%	3.25%
Years 10+	3.25%	3.25%

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

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

4.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded

with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024

Against this background and the risks within the economic forecast, caution will be adopted with the 2024/2025 treasury operations. The Head of Accountancy (Chief Financial Officer) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

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

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

4.5 Treasury Management Limits on Activity

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

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

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

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

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

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

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

4.6 Policy on borrowing in advance of need

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

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

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

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

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

4.7 Debt Rescheduling

Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate

All rescheduling will be reported to Council at the earliest meeting following its action.

5 Annual Investment Strategy 2024/25

5.1 Investment Policy

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

- Local Government Investments (Scotland) Regulations 2010 (and accompanying Finance Circular 5/2010),
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

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

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

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political

environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.

3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This Council has defined the list of **types of investment instruments** that are permitted investments authorised for use in Annex C. Annex D expands on the risks involved in each type of investment and the mitigating controls.

5. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the information gathered (see points 1-3 above)

6. **Transaction limits** are set for each type of investment (see Annex E)

7. This Council has engaged **external consultants**, (see paragraph 2.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Council in the context of the expected level of cash balances and need for liquidity throughout the year.

8. This Council will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 5.7c).

9. The Council has determined that it will only use approved counterparties from within the United Kingdom.

However, this Council will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 5.8). Regular monitoring of investment performance will be carried out during the year.

5.2 Changes in Risk Management Policy from last year

The above criteria are unchanged from last year.

5.3 Creditworthiness Policy

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

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

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

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

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

- Banks 1 - good credit quality – the Council will only use UK banks which have, as a minimum, the following Fitch (or equivalent) ratings (where rated):
 - i. Short Term – *F1*
 - ii. Long Term – *A-*
- Banks 2 – Part nationalised UK bank – Royal Bank of Scotland ring-fenced operations. This bank can be included if it continues to be part nationalised or it meets the ratings in Banks 1 above.
- Banks 3 – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.
- Bank subsidiary and treasury operation - The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
- Building societies - The Council will use societies which meet the ratings for banks outlined above;
- Money Market Funds
- Ultra-Short Dated Bond Funds
- UK Government (including gilts, Treasury Bills and the Debt Management Agency Deposit Facility)
- Local authorities, including Police, Fire and the Council's subsidiary (East Renfrewshire Culture & Leisure Trust)

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

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

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

Creditworthiness. Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Council will not set a minimum rating for the UK.

5.4 Country and Council's Banker

a) Country Limits –

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

b) Council's Own Banker

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

5.5 The Monitoring of Investment Counterparties

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

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

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

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

5.6 Types of Investments

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

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

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

5.7 Investment Strategy and bank rate projections

a) In-house funds

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

Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of the Bank rate having peaked in the second half of 2023 and possibly reducing as early as the second half of 2024 so an agile investment strategy would be appropriate to optimise returns.

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

b) Investment returns expectations

The current forecast is that the Bank Rate peaked at 5.25% in Q2 2023.

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

Average earnings in each year	
2023/24 (residual)	5.30%
2024/25	4.55%
2025/26	3.10%
2026/27	3.00%
2027/28	3.25%
Years 6 to 10	3.25%
Years 10+	3.25%

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

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

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

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

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

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

The treasury indicator and limit proposed is:

Maximum principal sums invested > 365 days (TI-4)			
	2024/25	2025/26	2026/27
Principal sums invested > 365 days	5%	5%	5%

5.8 Risk Benchmarking

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

a) Security –

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

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

b) Liquidity

In respect of this area the Council seeks to maintain:

- Bank Overdraft: £100,000 East Renfrewshire Council
£25,000 East Renfrewshire Culture & Leisure Trust

c) Yield

Local Measures of yield benchmarks are:

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

5.9 End of year investment report

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

6 Performance Indicators

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

6.2 Debt Performance Indicator

- (i) Average "Pool Rate" charged by the Loans Fund compared to Scottish Local Authority average Pool Rate:
Target is to be at or below the Scottish Average for 2023/24

6.3 Loan Charges

Loan Charges for 2024/25 are expected to be at or below the Revenue Budget estimate contained in the Council's General Fund Financial Plans to be approved in February 2024, which are estimated as follows:

£m	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Capital Repayments	3,206	3,805	5,026	6,515	7,069
Interest on Borrowing	6,106	7,801	9,254	10,117	10,640
Expenses	212	219	245	245	245
Total Loan Charges*	9,524	11,825	14,525	16,877	17,954

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

6.4 Affordability prudential indicators

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

(i) Ratio of financing costs to net revenue stream

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

%	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Non-HRA	7.2	6.2	6.3	6.9	7.3	7.9	8.4
HRA	31.5	33.9	35.1	36.7	24.4	26.4	28.4

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

(ii) HRA ratios

£	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
HRA debt £m	46.035	46.924	54.050	59.930	64.583	69.660	75.589
HRA revenues £m	14.024	15.605	16.143	16.965	17.717	18.248	18.796
Ratio of debt to revenues %	328.3	300.7	334.8	353.3	364.5	381.7	402.2

£	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
HRA debt £m	46.035	46.924	54.050	59.930	64.583	69.660	75.589
Number of HRA dwellings	3,125	3,147	3,200	3,270	3,319	3,319	3,319
Debt per dwelling £	14,731	14,911	16,891	18,327	19,459	20,988	22,775

7 Monitoring and Reporting

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

Requirement	Purpose	Responsible Body	Frequency
Scrutiny of Treasury Management Strategy	Detailed scrutiny prior to annual approval by Council	Audit & Scrutiny Committee	Annually
Treasury Management Strategy	Reporting on Annual Strategy	Council	Annually prior to start of new financial year
Scrutiny of Interim Treasury Management Reports	Detailed scrutiny prior to approval by Council	Audit & Scrutiny Committee	Quarterly in September/ November/ January/ March of the current year
Interim Treasury Management Reports	Quarterly Performance Report	Council	Quarterly after reported to the Audit & Scrutiny Committee
Scrutiny of Treasury Management Annual Report	Detailed scrutiny prior to approval by Council	Audit & Scrutiny Committee	Annually in August of the financial year
Treasury Management Annual Report	Annual Performance report for previous financial year	Council	Annually after reported to the Audit & Scrutiny Committee
Treasury Management Practices		Council	As appropriate
Treasury Management Policy Statement	Reviews and Revisions	Council	As required

8 Member and Officer Training

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

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

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

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

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and members.

- Require treasury management officers and members to undertake self-assessment against the required competencies.
- Have regular communication with officers and members, encouraging them to highlight training needs on an ongoing basis.”

In addition the implementation of most of the recommendations arising from the CIPFA self-assessment schedules, completed by the Audit & Scrutiny committee in 2022 has been completed, with the remaining few scheduled to be progressed mid-Administration in 2024 and 2025. In order to support future training requirements updated self-assessment schedules will also be circulated to members mid administration.

The training needs of the Treasury management officers are periodically reviewed. A formal record of the training received by officers central to the Treasury function will be maintained by the Senior Treasury Officer who will also record any treasury management/capital finance training received by members. Training can be arranged with the Council’s treasury advisors, as required.

ANNEXES

ANNEX A

SUMMARY OF PRUDENTIAL AND TREASURY INDICATORS

Indicator (Page Ref.)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
PRUDENTIAL INDICATORS							
Capital Expenditure Indicator							
PI-1 (Page7) <u>Capital Expenditure Limits</u>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	58,273	57,454	36,246	29,598	19,461	9,638	6,871
Housing	17,467	17,533	11,858	8,183	9,318	6,786	6,193
Total	75,740	74,987	48,104	37,781	28,779	16,424	13,064
PI-2 (Page 10) <u>Capital Financing Requirement</u> General Fund	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	258,263	301,302	324,995	340,551	345,416	337,584	327,669
Housing	54,050	59,930	64,583	69,660	75,589	79,675	82,926
Total	312,313	361,232	389,578	410,211	421,005	417,259	410,595
Affordability Indicator							
External Debt Indicators							
PI-3 (Page 13) <u>Gross Debt</u>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing	199,623	244,607	272,091	292,574	305,057	305,039	305,020
Other Long Term Liabilities	62,565	56,742	51,886	46,565	40,299	33,622	26,610
Total	262,188	301,349	323,977	339,139	345,356	338,661	331,630
PI-4 (Page 13) <u>Operational Boundary for External Debt</u>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing	249,012	303,767	341,982	364,950	380,024	382,970	383,334
Other Long Term Liabilities	68,132	62,565	56,742	51,886	46,565	40,299	33,622
Total	317,144	366,332	398,724	416,836	426,589	423,269	416,956
PI-5 (Page 14) <u>Authorised Limit for External Debt</u>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing	286,364	349,332	393,279	419,693	437,028	440,416	440,834
Other Long Term Liabilities	68,132	62,565	56,742	51,886	46,565	40,299	33,622
Total	354,496	411,897	450,021	471,579	483,593	480,715	474,456

(Page 24) <u>Finance Costs</u>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	9,524	11,825	14,525	16,877	17,954	20,909	20,084
Other Long Term Liabilities	10,060	9,904	8,530	8,661	9,222	9,195	9,065
Housing	5,671	6,221	4,316	4,826	5,334	5,847	6,242
Total	25,255	27,950	27,371	30,364	32,510	35,951	35,391
(Page 25) Ratio of Financing costs to Net Revenue Stream – Non –HRA	6.3	6.9	7.3	7.9	8.4	9.1	8.8
(Page 25) Ratio of Financing costs to Net Revenue Stream – HRA	35.1	36.7	24.4	26.4	28.4	30.2	31.3
(Page 25) Ratio of HRA Debt To HRA Revenue	334.8	353.3	364.5	381.7	402.2	411.6	415.9
(Page 25) HRA Debt per Dwelling £	16,891	18,327	19,459	20,988	22,775	24,006	24,985
Indicators of Prudence							
PI-6 (Page 13) (Under)/Over Gross Borrowing against the CFR	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	(50,125)	(59,883)	(65,601)	(71,072)	(75,649)	(78,598)	(78,965)
TREASURY INDICATORS							
TI-1 (Page 17) Upper Limit to Fixed Interest Rates based on Net Debt	100% of debt position						
TI-2 (Page 17) Upper limit to Variable Interest Rates based on Net Debt	15% of debt position						
TI-3 (Page 17) Maturity Structure of Fixed Interest Rate Borrowing	15% maturing in any one year at the time of borrowing						
TI-4 (Page 23) Maximum Principal Sum invested greater than 365 days	5%	5%	5%	5%	5%	5%	5%

ANNEX B - LINK Group Economic Background (as at January 2024)

- The third quarter of 2023/24 saw:
 - A 0.3% m/m decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30th September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;
 - A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS “experimental” rate of unemployment has remained low at 4.2%;
 - CPI inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
 - Core CPI inflation decreasing from April and May’s 31 years’ high of 7.1% to 5.1% in November, the lowest rate since January 2022;
 - The Bank of England holding Bank Rate at 5.25% in November and December;
 - A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.
- The revision of GDP data in Q2 to a 0.1% q/q fall may mean the mildest of mild recessions has begun. Indeed, real GDP in October fell 0.3% m/m which does suggest that the economy may stagnate again in Q3. The weakness in October may partly be due to the unseasonably wet weather. That said, as the weakness was broad based it may also be the case that the ongoing drag from higher interest rates is more than offsetting any boost from the rise in real wages.
- However, the rise in the flash composite activity Purchasing Managers Index, from 50.7 in November to 51.7 in December, did increase the chances of the economy avoiding a contraction in Q3. The improvement was entirely driven by the increase in the services activity balance from 50.9 to 52.7. (Scores above 50 point to expansion in the economy, although only tepid in this instance.) The press release noted that this was primarily driven by a revival in consumer demand in the technological and financial services sectors. This chimes with the further improvement in the GfK measure of consumer confidence in December, from -24 to -22. The services PMI is now consistent with non-retail services output growing by 0.5% q/q in Q3, but this is in stark contrast to the manufacturing sector where the output balance slumped from 49.2 to 45.9 and, at face value, the output balance is consistent with a 1.5% q/q fall in manufacturing output in Q3.
- The 0.3% m/m fall in retail sales volumes in October means that after contracting by 1.0% q/q (which was downwardly revised from -0.8% q/q) in Q2, retail activity remained weak at the start of Q3. That suggests higher interest rates are taking a bigger toll on real consumer spending.
- Higher interest rates have filtered through the financial channels and weakened the housing market but, overall, it remains surprisingly resilient with the Halifax house price index recently pointing to a 1.7% year on year increase whilst Nationwide’s December data pointed to a -1.8% year on year decrease. However, the full weakness in real consumer spending and real business investment has yet to come as currently it is

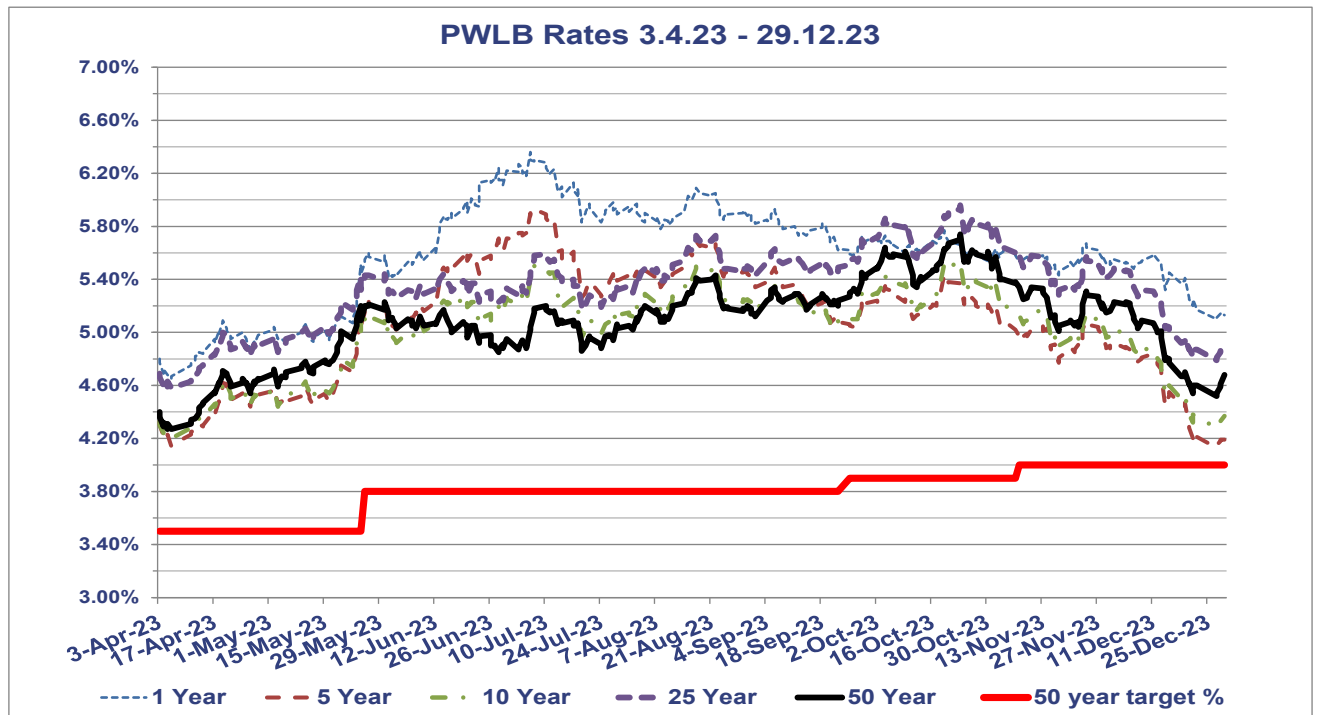
estimated that around two thirds to a half of the impact of higher interest rates on household interest payments has yet to be felt.

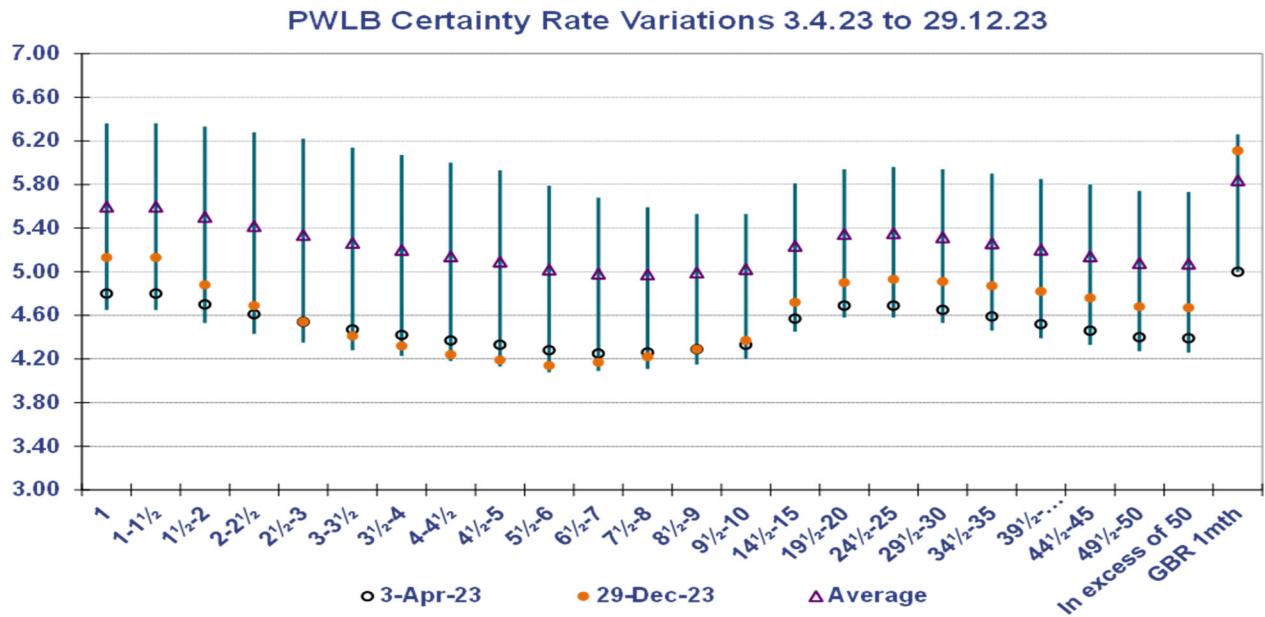
- Overall, we expect real GDP growth to remain subdued throughout 2024 as the drag from higher interest rates is protracted but a fading of the cost-of-living crisis and interest rate cuts in the second half of 2024 will support a recovery in GDP growth in 2025.
- The labour market remains tight by historical standards, but the sharp fall in wage growth seen in October will reinforce the growing belief in markets that interest rates will be cut mid-2024. Wage growth eased in October much faster than the consensus expected. Total earnings fell by 1.6% m/m, which meant the headline 3myy rate eased from 8.0% in September to 7.2% in October. This news will be welcomed by the Bank of England. Indeed, the timelier three-month annualised rate of average earnings growth fell from +2.4% to -1.2%. Excluding bonuses, it fell from 5.3% to 2.0%. Furthermore, one of the Bank's key barometers of inflation persistence, regular private sector pay growth, dropped from 7.9% 3myy to 7.3%, which leaves it comfortably on track to fall to 7.2% by December, as predicted by the Bank in November.
- The fall in wage growth occurred despite labour demand being stronger in October than expected. The three-month change in employment eased only a touch from +52,000 in September to +50,000 in October. But resilient labour demand was offset by a further 63,000 rise in the supply of workers in the three months to October. That meant labour supply exceeded its pre-pandemic level for the first time, and the unemployment rate remained at 4.2% in October. In the three months to November, the number of job vacancies fell for the 17th month in a row, from around 959,000 in October to around 949,000. That has reduced the vacancy to unemployment ratio as demand for labour eases relative to supply, which may support a further easing in wage growth in the coming months.
- CPI inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. Both these falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). That's the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some of it was due to services inflation falling from 6.6% to 6.3%. The Bank views the latter as a key barometer of the persistence of inflation and it came in further below the Bank's forecast of 6.9% in its November Monetary Policy Report. This will give the Bank more confidence that services inflation is now on a firmly downward path.
- The Bank of England sprung no surprises with its December monetary policy committee (MPC) meeting, leaving interest rates at 5.25% for the third time in a row and pushing back against the prospect of near-term interest rate cuts. The Bank continued to sound hawkish, with the MPC maintaining its tightening bias saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures". And it stuck to the familiar script, saying that policy will be "sufficiently restrictive for sufficiently long" and that "monetary policy is likely to need to be restrictive for an extended period of time". In other words, the message is that the MPC is not yet willing to endorse investors' expectations that rates will be cut as soon as May 2024.
- Looking ahead, our colleagues at Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline more decisively again in February. That explains why we think the Bank of England won't feel comfortable cutting interest rates until H2 2024.

- The fall in UK market interest rate expectations in December has driven most of the decline in 10-year gilt yields, which have fallen in line with 10-year US Treasury and euro-zone yields. 10-year gilt yields have fallen from 4.68% in October 2023 to around 3.70% in early January, with further declines likely if the falling inflation story is maintained.
- Investors' growing expectations that the Fed will cut interest rates soon has led to an improvement in risk sentiment, which has boosted the pound and other risky assets. In addition, the rise in the pound, from \$1.21 in November to \$1.27 now, has also been supported by the recent relative decline in UK wholesale gas prices.
- The further fall in 10-year real gilt yields in December has supported the recent rise in the FTSE 100. That said, the index remains 5% below its record high in February 2023. This modest rise in equities appears to have been mostly driven by strong performances in the industrials and rate-sensitive technology sectors. But UK equities have continued to underperform US and euro-zone equities. The FTSE 100 has risen by 2.2% in December, while the S&P 500 has risen by 3.8%. This is partly due to lower energy prices, which have been a relatively bigger drag on the FTSE 100, due to the index's high concentration of energy companies.

In the chart below, the rise in gilt yields across the curve in the first half of 2023/24, and therein PWLB rates, is clear to see, prior to the end of year rally based on a mix of supportive domestic and international factors.

PWLB RATES 3.4.23 - 29.12.23





HIGH/LOW/AVERAGE PWLB RATES FOR 3.4.23 – 29.12.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.13%	4.20%	4.58%	4.27%
Date	06/04/2023	27/12/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.53%	5.96%	5.74%
Date	06/07/2023	07/07/2023	23/10/2023	23/10/2023	23/10/2023
Average	5.60%	5.09%	5.03%	5.35%	5.08%
Spread	1.71%	1.80%	1.33%	1.38%	1.47%

MPC meetings 2nd November and 14th December 2023

- On 2nd November, the Bank of England's Monetary Policy Committee (MPC) voted to keep Bank Rate on hold at 5.25%, and on 14th December reiterated that view. Both increases reflected a split vote, the latter by 6 votes to 3, with the minority grouping voting for an increase of 0.25% as concerns about "sticky" inflation remained in place.
- Nonetheless, with UK CPI inflation now at 3.9%, and core inflating beginning to moderate (5.1%), markets are voicing a view that rate cuts should begin in Q1 2024/25, some way ahead of the indications from MPC members. Of course, the data will be the ultimate determinant, so upcoming publications of employment, wages and inflation numbers will be of particular importance, and on-going volatility in Bank Rate expectations and the gilt yield curve can be expected.
- In addition, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has kept short-term rates in the range of 5.25%-5.50%, whilst the ECB has moved its Deposit rate to a probable peak of 4%. Markets currently expect both central banks to start cutting rates in 2024.

ANNEX C

Permitted Investment Instruments

Treasury risks

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

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

Controls on treasury risks

1. **Credit and counter-party risk:** this Council has set minimum credit criteria to determine which counterparties and countries are of sufficiently high creditworthiness to be considered for investment purposes. See paragraphs 5.3 and 5.4.
2. **Liquidity risk:** this Council has a cash flow forecasting model to enable it to determine how long investments can be made for and how much can be invested.

3. **Market risk:** this Council purchases Certificate of Deposits, Corporate Bonds, Treasury Bills and Ultra-Short Bonds as they offer a higher rate of return than depositing in the DMADF. They are usually held until maturity but in exceptional circumstances, they can be quickly sold at the current market value, (which may be below the purchase cost), if the need arises for extra cash at short notice. Their value does not usually vary much during their short life.
4. **Interest rate risk:** this Council manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which aims to maximise investment earnings consistent with control of risk or alternatively, seeks to minimise expenditure on interest costs on borrowing. See paragraph 5.7.
5. **Legal and regulatory risk:** this Council will not undertake any form of investing until it has ensured that it has all necessary powers and also complied with all regulations. This applies to all types of investment instruments.

Objectives of each type of Permitted Investment instrument

1. DEPOSITS

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

- a) **Debt Management Agency Deposit Facility (DMADF).** This offers the lowest risk form of investment available to local authorities as it is effectively an investment placed with the Government. It is also easy to use as it is a deposit account and avoids the complications of buying and holding Government issued treasury bills or gilts. As it is low risk it also earns low rates of interest. However, it is very useful for authorities whose overriding priority is the avoidance of risk. The longest period for a term deposit with the DMADF is 6 months.
- b) **Term deposits with high credit worthiness banks and building societies.** This is the most widely used form of investing used by local authorities. It offers a much higher rate of return than the DMADF (dependent on term). The Council will ensure diversification of its portfolio of deposits ensuring that an approved maximum can be placed with any one institution or group. In addition, longer term deposits offer an opportunity to increase investment returns by locking in high rates ahead of an expected fall in the level of interest rates. At other times, longer term rates can offer good value when the markets incorrectly assess the speed and timing of interest rate increases. This form of investing therefore, offers a lot of flexibility and higher earnings than the DMADF. Where it is restricted is that once a longer term investment is made, that cash is locked in until the maturity date.
- c) **Call accounts with high credit worthiness banks and building societies.** The objectives are as for 1b, but there is instant access to recalling cash deposited. This generally means accepting a lower rate of interest than that which could be earned from the same institution by making a term deposit. Some use of call accounts is highly desirable to ensure that the Council has ready access to cash when needed to pay bills.

- d) **Fixed term deposits with variable rate and variable maturities (structured deposits).** This line encompasses ALL types of structured deposits. There has been considerable change in the types of structured deposits brought to the market over the last few years, some of which are already no longer available. In view of the fluidity of this area, this is a generic title for all structured deposits and provides greater flexibility to adopt new instruments as and when they are brought to the market. Approval will be sought before making deposits using instruments under this generic title.
- e) **Collateralised deposits.** These are deposits placed with a bank which offers collateral backing based on specific assets. Examples seen in the past have included local authority LOBOs, where such deposits are effectively lending to a local authority as that is the ultimate security.

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

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

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

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

- a) **Government liquidity funds.** These are the same as money market funds (see below) but only invest in government debt issuance with highly rated governments. Due to the higher quality of underlying investments, they offer a lower rate of return than MMFs. However, their net return is typically on a par with the DMADF, but with instant access.
- b) **Money Market Funds (MMFs).** By definition, MMFs are AAA rated and are widely diversified, using many forms of money market securities including types which this Council does not currently have the expertise or capabilities to hold directly. However, due to the high level of expertise of the fund managers and the huge amounts of money invested in MMFs, and the fact that the weighted average maturity (WAM) cannot exceed 60 days, MMFs offer a combination of high security, instant access to funds, high diversification and good rates of return compared to equivalent instant access facilities.

They are particularly advantageous in falling interest rate environments as their 60 day WAM means they have locked in investments earning higher rates of interest than are currently available in the market. MMFs also help an authority to diversify its own portfolio as e.g. a £2m investment placed directly with HSBC is a 100% risk exposure to HSBC whereas £2m invested in a MMF may end up with say £10,000 being invested with HSBC through the MMF. For authorities particularly concerned with risk exposure to banks, MMFs offer an effective way of minimising risk exposure while still getting much better rates of return than available through the DMADF.

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

4. SECURITIES ISSUED OR GUARANTEED BY GOVERNMENTS

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

- a) **Treasury bills.** These are short term bills (up to 18 months, but usually 9 months or less) issued by the Government and so are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a term deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales could incur a net cost during the period of ownership.
- b) **Gilts.** These are longer term debt issuance by the UK Government and are backed by the sovereign rating of the UK. The yield is higher than the rate of interest paid by the DMADF and another advantage compared to a term deposit in the DMADF is that they can be sold if there is a need for access to cash at any point in time. However, there is a spread between purchase and sale prices so early sales may incur a net cost. Market movements that occur between purchase and sale may also have an adverse impact on

proceeds. The advantage over Treasury bills is that they generally offer higher yields the longer it is to maturity (for most periods) if the yield curve is positive.

- c) **Bond issuance issued by a financial institution which is explicitly guaranteed by the UK Government** e.g. National Rail. This is similar to a gilt due to the explicit Government guarantee.

5. SECURITIES ISSUED BY CORPORATE ORGANISATIONS

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

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

6. OTHER

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

behind the loan and requires member approval. These loans are highly illiquid and may exhibit credit risk.

- c) **Loans to a Local Authority Company/ Partnership or Charity.** These loans have to be supported by the service rationale /business case and requires member approval. In general these loans will involve some form of security or clear cash flow that is available to service the debt. These loans are highly illiquid and may exhibit credit risk.
- d) **Shares in Hub schemes.** These are shares in projects that have both Council and the Scottish Government as participants. As such the Council are well placed to influence and ensure the successful completion of the projects, which are based on robust business cases with a cash flow from the public sector organisations. These investments are highly illiquid with a low credit risk.

ANNEX D

Credit and Counterparty Risk Management

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

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

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

(escalating rates, de-escalating rates etc.) (Low to medium risk depending on period & credit rating)	Whilst there is no risk to value with these types of investments, liquidity is very low and investments can only be broken with the agreement of the counterparty (penalties may apply).	primarily by credit ratings from Fitch, Moody's and Standard and Poor's. Day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	counterparty listing in annex E
j. Corporate Bonds (Medium to high risk depending on period and credit rating)	These are marketable securities issued by financial and corporate institutions. Counterparty risk will vary and there is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will be low.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poor's. Corporate bonds will be restricted to those meeting the base criteria. Day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.	Dependent on institution as listed in counterparty listing in annex E
k. Investment properties	These are non-service properties which are being held pending disposal or for a longer-term rental income stream. These are highly illiquid assets with high risk to value (the potential for property prices to fall or for rental voids)	In larger investment portfolios, some small allocation of property based investment may counterbalance/compliment the wider cash portfolio. Property holding will be re-valued regularly and reported annually with gross and net rental streams.	No limit
l. Loans to third parties, including soft loans	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each third party loan requires Member approval and each application is supported by the service rationale behind the loan and the likelihood of partial or full default.	£0.5m
m. Loans to a local authority company/ partnership or charity	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid	Each loan to a local authority company requires Member approval and each application is supported by the service rationale/business case behind the loan and the likelihood of partial or full default.	£1m

n. Shares in Hub Schemes	These are investments that are exposed to the success or failure of individual projects and are highly illiquid.	The Council and Scottish Government (via the SFT) are participants in and party to the governance and controls within the project structure. As such they are well placed to influence and ensure the successful completion of the project's term. These projects are based on robust business cases with a cash flow from public sector organisations (i.e. low credit risk)	Investment limited to HUB schemes where the Council is a major participant
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The Monitoring of Investment Counterparties

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

ANNEX E

EAST RENFREWSHIRE COUNCIL

ORGANISATIONS APPROVED FOR THE INVESTMENT OF SURPLUS FUNDS

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

Credit Ratings

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

(Unless Government backed)

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

Limit

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

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

Deposit Periods

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GLOSSARY OF TERMS

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

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EAST RENFREWSHIRE COUNCIL28 February 2024Report by Director of Business Operations and PartnershipsPROVOST'S ENGAGEMENTS**PURPOSE OF REPORT**

1. To advise the Council of the civic engagements carried out by Provost Montague and Deputy Provost Campbell since the meeting of the Council on 13 December 2023.

RECOMMENDATION

2. That the Council notes the report.

REPORT

3. Since the Council meeting on 13 December 2023 Provost Montague, and Deputy Provost Campbell where indicated, have carried out the following civic engagements:-

14 December	Deputy Provost Kate Campbell attended the ACCORD Hospice Carol Service, Paisley
22 January	Hosted the Council's Holocaust Memorial Day Event, Calderwood Lodge Primary School, Newton Mearns
24 January	Hosted a Citizenship Ceremony, welcoming new residents to East Renfrewshire, Council Chamber
27 January	Attended Glasgow Reformed Synagogue Holocaust Memorial Day Service, Newton Mearns
30 January	Attended the funeral of a former Council employee
3 February	Hosted a Drinks Reception for the 200 th Anniversary of Lodge Union & Crown and attended Dinner thereafter, Barrhead
23 February	Attended Dedication of Benches in Memory of Rita Connelly and Irene Simpson, Auchenback Resource Centre, Barrhead
23 February	Attended 100 th Birthday celebrations of constituent, Newton Mearns

RECOMMENDATION

4. That the Council notes the report.

Report Author

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Background papers - None

EAST RENFREWSHIRE COUNCIL28 February 2024Report by Director of EducationEAST RENFREWSHIRE CULTURE AND LEISURE TRUST 2024/25 BUSINESS PLAN**PURPOSE OF THE REPORT**

1. The purpose of this report is to seek Council approval for the East Renfrewshire Culture and Leisure Trust (ERCL) 2024/25 Business Plan.

RECOMMENDATION

2. That the Council approves the proposed Business Plan for 2024/25, following confirmation of the budget by the Council on 28 February 2024.

BACKGROUND

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

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

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

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

5. The Business Plan for 2024/25 (Appendix 1) is presented to Council for approval, subject to budget confirmation.

6. The Services Agreement between the Trust and the Council set outs a timeline for this process, with the business plan to be presented not less than three months before the

beginning of the financial year. However, during the Covid-19 pandemic a decision was taken to present the business plan later in the financial year. A continuation of this over the past 3 years has allowed the Trust to plan effectively and has aligned more closely the budget setting process with the development of the business plan.

REPORT

7. The Business Plan identifies:

- The projected resources and/or expenditure of the Trust during each Financial Year in providing the Services and complying with its contractual obligations to East Renfrewshire Council (ERC);
- The Trust's current delivery structure which includes Operations, Sports and Physical Activity, Libraries and Information Services and Communities and Arts, including which includes the newly transferred pitches;
- A list of strengths, weaknesses, opportunities and threats which the Trust has identified as impacting on its ability to support the council in delivering Best Value; and,
- The Trust's proposal for the next Annual Service Payment.

8. Through consultation with staff, board members and stakeholders, the business plan was developed to plan strategically how the Trust will deliver quality and an exciting portfolio of culture and leisure programmes whilst building its resilience, sustainability and brand.

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

10. The following strategic aims have been identified:

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

11. These themes all support the Trust's charitable objectives and its plans for ongoing organisational development and service improvement, and reflect a shared ambition to grow culture and leisure services in East Renfrewshire, in terms of quality, range and scope. It aligns with the long term ambitions outlined through Vision for the Future and specifically supports the Council in meeting its commitments outlined in its Community Plan and Fairer East Ren Plan.

FINANCE AND EFFICIENCY

12. The Council budget for 2024/25 will be agreed at the Council meeting on 28 February 2024; as such the Trust Business Plan and associated proposed budget are offered for approval subject to the final agreement with the Council.

13. As highlighted in the [ERCL End Year Report 2022-23](#), during 2022-23 East Renfrewshire Culture and Leisure Trust income exceeded budget which resulted in a significant improvement to the anticipated loss and a reversal of the loss to make a trading surplus for the year. This was primarily due to Sports and Theatre income. The latest forecast for 2023/24 indicates an operating loss of £0.4 million, which is an improved position from the predicted loss of £1.7 million expected this year.

14. In previous plans there has been a significant focus of the Trust to recover as fast and as efficiently as possible following the Covid-19 pandemic, however services have now been restored and performance levels have reached or exceeded the pre-pandemic levels. There has been growth in members, users, audience members and visitors which in many cases is at an all-time-high level and is commendable.

15. The Trust works closely with Council colleagues around capital planning, and plans are aligned to the Council's Capital Investment Strategy. ERCL is represented on the Council's Corporate Asset Management Group, where proposals for investment in assets (fixed and moveable) are considered. These include plans for the future of Eastwood Park Leisure Centre, which had planning permission approved in January 2022, and the longer-term vision for Neilston.

16. The Trust worked to meet its charitable aims and objectives and has ended the year in a more positive position than projected. 2022-23 was characterised by the successful re-establishment of all the Trust's services. This continues in 2023/24 and operating income of £4.8 million is forecast against a budget of £4.3 million.

17. East Renfrewshire Culture & Leisure Trust Best Value Review was considered in June 2020 by the Audit and Scrutiny Committee. The Director of Education, in consultation with the Chief Executive of the East Renfrewshire Culture and Leisure Trust, reviewed the recommendations within the Report in light of the current Covid-19 pandemic. The relevant recommendations were incorporated into a Joint Action Plan to address recommendations of Finance and Business Review and Best Value Review; this was shared with the Audit and Scrutiny Committee in March 21. Due to the progress made in the subsequent joint Trust / Council action plan, it was agreed at the 21 May 2023 ERCL Board Meeting that the joint action plan should be closed. Business will continue to be overseen by the Director of Education, the Trust's Board and its Chief Executive.

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

CONSULTATION

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

PARTNERSHIP WORKING

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

IMPLICATIONS OF THE PROPOSALS

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

22. The Business Plan provides detail of the ongoing work that will continue to further improve the customer journey through building on the new digital platforms, aligning all platforms and continuing to improve customer digital experience. There will be a renewed focus on the People Strategy with further work linked to ERCL's Mission, Vision, Value and Identify planned. A continued focus on operational planning will ensure that scheduling, dependencies and support for all activities are delivered in an efficient manner.

CONCLUSION

23. The ninth East Renfrewshire Culture and Leisure Trust Business Plan gives clear strategic direction that is in accordance with the Council's strategies and takes account of the successful recovery following the pandemic and the current financial pressures across the Council.

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

RECOMMENDATION

25. It is recommended that the Council approves the proposed Business Plan for 2024/25, subject to budget to be confirmed at a full Council meeting on 28 February 2024.

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Appendix 1

East Renfrewshire Culture and Leisure Trust Business Plan 2023/24



East Renfrewshire Culture & Leisure

2024-25 Business Plan

1. **Executive Summary**
 - 1.1 This Year's Plan
2. **Introduction**
3. **The Vision for East Renfrewshire Culture & Leisure**
 - 3.1 Purpose
 - 3.2 Vision
 - 3.3 Mission
 - 3.4 Values
4. **Strategic Context**
 - 4.1 The Social Enterprise Model
 - 4.2 East Renfrewshire Community Plans
 - 4.3 Local Development Plan for East Renfrewshire (LDP2/3)
 - 4.4 ERCL Strategic Aims
 - 4.5 SWOT Analysis
 - 4.6 PESTLE Analysis
 - 4.7 Horizon Scanning
5. **Covid Recovery Performance**
6. **Market Position**
 - 6.1 East Renfrewshire as a Market
 - 6.2 Timing and Alignment with Core Target Demographics
 - 6.3 Customer Journey
7. **People**
8. **Services**
 - 8.1 Current Delivery Structure
 - 8.2 Services Overview
9. **Operational Plans**
10. **Financials**
 - 10.1 Reserves Policy
 - 10.2 Investment Policy
 - 10.3 Fixed Assets
 - 10.4 Budget 2024-25 – to be agreed
11. **Support Services**
12. **Risk Management**

1. Executive Summary

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

This Business Plan identifies:

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

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

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

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

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

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

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

1.1 This Year's Plan

Whilst previous plans have been set in the context of recovery from the pandemic and the restrictions on operating and behaviours that accompanied it, we now consider our recovery complete. Our facilities are now fully open though there has been some displacement of activities to accommodate the continuing requirement of the mass vaccination centre at Carmichael Hall, and the continued form of mass vaccinations is itself uncertain.

Services have been restored and performance levels have reached or exceeded the pre-pandemic levels. Whilst some reporting is still benchmarked against the operational year 2019-20 (as the last virtually complete year with no restrictions or interruptions) for the most part our focus is now returned to year-on-year performance improvements, and service development. ¹

The pace and breadth of the recovery in East Renfrewshire reflects the quality of the work done by the team; their creativity and problem solving; and the excellent relationship they maintained with customers during the pandemic. The growth in members, users, audience members and visitors – in many cases to an all-time-high level - stands in contrast to the fortunes of some organisations and should be noted.

Last year's plan prioritised the continuation of the development and improvement plans for swimming lessons, gyms and fitness and the theatre. Pricing and product development focused on maintaining competitive pricing and introduced new products to attract younger members, the result of which – particularly in gyms and fitness membership - have been striking.

The relationship between staff and customers has been critical too, with NPS scores noting the quality of the staff interactions.

However, challenges remain. Staffing issues (recruitment, retention and sickness and absence) have all been adversely affected by the pandemic across the leisure sector, and East Renfrewshire is no different, though the teams have worked admirably to minimise the operational impacts. Scottish Trusts have seen a 27% increase in staff costs over the budgeted level, following the most recent pay award.

More generally the landscape is challenging across the sector in Scotland. 60% of Scottish Trusts face a deficit budget and anticipate having lost a third of their unrestricted reserves by the end of the financial year 2023/4. Over a third have permanently closed facilities or plan to do so soon, with a further 29% considering such plans. Prices and charges have increased nationally by anything from 6% to 20%. ²

Projects to increase digitisation and automation within the customer journey are planned this year, and the hope is this will go part-way to mitigate some of the staffing resource challenges

¹ Swimming lessons are at 125% the pre-covid levels; leisure centre attendances 122%; gym memberships 113%.

² *State of the Sector Report*, Autumn 2023, Community Leisure UK

Inflation is severely impacting on budgets, including goods, services, utilities and staffing; compounding supply chain volatility, and constraining, amongst other things, planned, routine and remedial maintenance.

The pandemic has undoubtedly changed customer expectations, and some media coverage has noted changes in behaviours which have impacted on sectors such as the theatre and performing arts sector. Some of the anti-social behaviour which has impacted on venues locally undoubtedly reflects the medium-term impacts of lockdown and the consequent suspension of support for some young people. On the other hand, residents working from home and increasingly exploring their local services and offerings has played a part in the growth in demand for the Trust's sports, leisure and cultural activities.

2. Introduction

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

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

The key purpose of the plan is to: -

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

3. The Vision for East Renfrewshire Culture and Leisure

3.1 Purpose (i.e. Charitable Objectives)

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

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

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

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

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

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

3.2 Vision

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

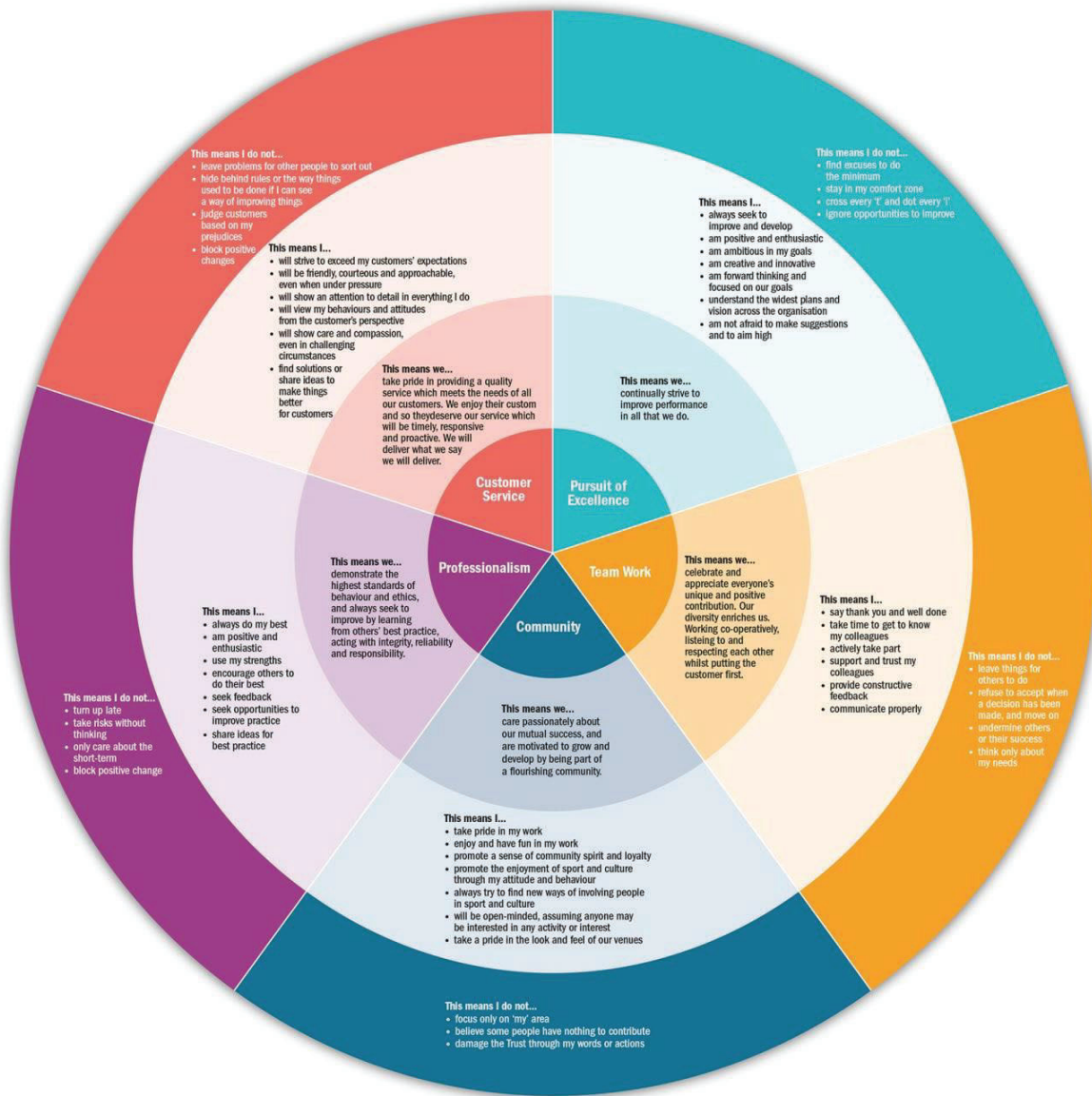
3.3 Mission

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

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

3.4 Values

Our Values and behaviours



4.0 Strategic Context

4.1 The Social Enterprise Model

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



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

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

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

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

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

4.2 East Renfrewshire Community Plans

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

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



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



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

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

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

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

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

This will require:

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

4.4 ERCL Strategic Aims

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

Our strategic aims are:

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

4.5 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Location of halls, venues, libraries and theatre – with good coverage geographically within local authority for access for local communities. • Continuous improvement approach in Services, Business Support and Management • Heightened recognition of the positive impacts from taking part in sports, leisure and cultural activity following their unavailability in lockdown • Increased home working and exploration of local services • Loyal customer base with extremely positive feedback from customers – strong word of mouth and survey responses. • Wide variety of services / classes available to customers in the area • Well trained front-line staff supported by innovative & creative development officers • Business Development programme supporting Gyms, Fitness, Community Sports, Theatre and Swimming 	<ul style="list-style-type: none"> • Resourcing is very lean, with limited ability to support development – commercial, improvement or community • Worsening Condition of the estate and limitations on improving it • Ideal staffing model, contracts and terms and conditions and operating hours do not align with customer demands – impacts recruitment and retention • Constraints on changing cost-base, given high proportion of staff costs-to -turnover, and limited discretionary non-pay budgets • Inability to respond quickly to evolving markets. • Car Parking at key sites • ICT infrastructure, systems and support, especially in relation to customer-facing ICT, not fit for purpose • Inadequate property maintenance budgets

Opportunities	Threats
<ul style="list-style-type: none"> • Aligning services to government objectives • Heightened public valuing of culture and leisure services following their forced withdrawal during the pandemic • Review business/staffing model to meet customer demands • Increased marketing, sales and promotion • Access to external funding to help support recovery, growth, re-design or improvement. • New Eastwood facility and Neilston developments • LDP3 and growth of population • Demand analysis work has identified opportunities to increase capacity in services and staff-time. • Transform customer journey investment. • Investment in digital capability transforming operational platform to drive customer shift to digital channel • Improvement in quality of Theatre performances • Upgrade facilities through targeted refurbishment • Health & Wellbeing partnership work with the HSCP and Education Department • Upgraded Swim provision at EHS following investment with Changing Spaces Changing Room has allowed significant expansion of ASN opportunities 	<ul style="list-style-type: none"> • 50% of income is Earned Income and at risk, with an expected reduction in year-on-year funding to Councils • Economic backdrop of price and pay inflation • Balancing Charitable and Commercial objectives. • Tutor / casual roles / employment status • Difficulties recruiting staff across several services • Growing competition in key commercial areas • High tender prices for goods, services, and rising utility costs, together with difficulties sourcing within reasonable timescales. • Impact of political decisions, legislation or policy changes • Unplanned closures, and the need to re-build customer engagement • Asset Transfer • Building Enhancement Fund over-committed • Capital funding constraints due to price increases and the increase in borrowing. • Ability to adapt to customer demands and trends • Condition and Vulnerability of Eastwood site

4.6 PESTLE Analysis

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

4.7 Horizon Scanning

4.7.1 Capital Investment

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

4.7.2 The Customer Journey and Digital Capability

Recent work to digital platforms such as the launch of the ERCL App, and the relaunched website which enables a smoother customer journey and an opportunity for improved customer communication, will be built on. Improved Wi-Fi, automated gates and development of out-of-hours customer support is all being progressed. Work is underway to introduce the ability to take card and online payments at libraries, and to further improve integration between the library system and the box office system with the ledger.

4.7.3 Increased Competition

Increased competition in the local sports and leisure market will continue to exert pressure on our income. Recent local developments in gyms and fitness will continue to pose a risk to that. We will seek to address this through tackling some of the maintenance and quality issues with venues; through continued improvements in customer care and quality assurance; and through ongoing business development work.

4.7.4 Funding

2023 sees the end of temporary Covid funding, which together with income from NHS Mass Vaccination Clinics (MVCs) has compensated for lost commercial revenues. The future of MVCs is uncertain, and income cannot be guaranteed, so the focus returns to commercial income and more traditional sources of funding. Strong trading performance has closed the budget gap, and reductions to Employer Pension Contributions will further help, but a draw on reserves is likely in the coming year, together with further options for mitigating an anticipated loss in 2024-25.

4.7.5 Tackling Inequality

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

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

4.7.6 Inclusivity & Diversity

As an employer we will revisit our People Strategy to promote initiatives which support diversity of our staff, and as a provider of public services work with the community to ensure our programming is inclusive, with a focus on widening participation especially families from low-income households, black and minority ethnic groups, people with disabilities/additional support needs, vulnerable children and care experienced young people, older people and children and young people.

4.7.7 Strategy Development

ERCL takes the lead in the development and production of key strategies on behalf of ERC and its partners and stakeholders. This has included the Sport & Physical Activity Strategy, the Libraries Strategy and the Arts Strategy. These are key pieces of work setting out high level objectives and actions that optimise the resources of multiple partnerships to improve future performance and tackle key local issues.

5. Performance

east renfrewshire
**CULTURE
& LEISURE**

2023 v 2022

Comparing Q1 & Q2 2023-24
with Q1 & Q2 2022-23



**GYM &
FITNESS
MEMBERS**

Up 18%



**VISITS TO LEISURE
CENTRES**

Up 31%

**COMMUNITY
SPORTS CUSTOMERS**



Up 22%



PUBLIC SWIMMING

Up 4%

SWIMMING LESSONS

Up 38%

(EHS pool closure: July 2022 to June 2023)

**PROFESSIONAL
THEATRE
AUDIENCES**



Up 20%



LIBRARY VISITS



Physical visits Up 28%



Virtual visits Up 27%

COMMUNITY FACILITIES



Halls & Pavilions Up 21%

Schools Out-of-hours Up 3%

6. Market Position

6.1 East Renfrewshire as a Market

The population of East Renfrewshire is 95,580 living in 39,275 households.

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

- 20.3% aged 65 and over
- 59.7% aged 16 – 64
- 20.0% aged 15 and under

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

The household composition is:

- Households with 1 or more dependent children – 31%
- Single person households – 30% (over 65yrs -14%, under 65 – 16%)
- Households with 2 adults (no dependent children) - 29%
- Households with 3+ adults – 10%

The key social grades of households in East Renfrewshire:

AB – Higher & intermediate management / admin / professional - 31.1%

C1 - Supervisory, clerical, junior management / admin / professional - 34.7%

C2 – Skilled manual workers - 15.6%

DE – semi-skilled / unskilled manual workers, on state benefit, unemployed - 18.5%

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

- Eastwood (population 75%), which encompasses Busby, Clarkston, Crookfur, Eaglesham, Giffnock and Newton Mearns, is a relatively affluent area comprised predominantly of owner-occupied households with young families or households of older residents (65+ plus) living as couples or alone.
- Barrhead/Neilston (population 25%) is an area with pockets of significant social and economic deprivation and a wider spectrum of household types including: young families; older adults; and younger adults with no dependent children.

We analyse East Renfrewshire's demography regularly to assess the potential uptake and demand for existing services and the development of new services. This provides us with insight into the potential market for new services and the attractiveness of our services to different customer groups in particular areas.

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

Children & young people (under 16yrs)	Adults
Young adults (16-24yrs)	Older Adults (65yrs+)

The largest audience segment is the adult audience, and the key group within this segment is the 39% of the overall population who are between 35 – 64 years old. This group are regular users of all our services, and we market to this group digitally using social media, email marketing and google advertising.

A key customer group is families, 31% of households have one or more children and 20% of the population is aged 15yrs and under. We offer a large range of services and activities for children and young people and we predominantly market to their parents.

Older adults make up a further 20% of residents. While many are regular customers of our gyms, swimming pools, theatre and sports / arts classes, others with health and mobility issues are beneficiaries of our Live Active and Vitality exercise classes.

Young adults, 11% of the overall population, is the smallest segment but a group which is being targeted by developing range of services aimed at this age group.

6.2 Timing and Alignment with Core Target Demographics

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

Service planning and the development, pricing and scheduling of activities requires careful assessment of the potential uptake among different customer groups. This requires a flexible approach that will allow us to test new offerings and identify appeal.

6.3 Customer Journey

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

- continued uptake of online joining and online Direct Debits for gym and fitness memberships and swimming lesson memberships
- continued development of the website, including improvements to our Search Engine Optimisation, which increases traffic to our website from search engines like Google.
- growth of social media followers across Facebook, Twitter and Instagram giving a direct connection to target audiences, increasing website traffic and improving effectiveness of digital marketing.
- increased customer communications via the ER Leisure App
- launched Net Promoter Score surveys for gyms, fitness and swimming members to give regular feedback on product and service
- integrated library events and activities on the website with the library online booking system
- Introduction of card / online payment facilities at libraries
- introduction of new, faster public Wi-Fi services across libraries and venues

6.4 Vision, values and brand

East Renfrewshire Culture and Leisure's vision, values and brand were established in 2015 when ERCL launched. ERCL has grown and developed since our launch and in 2024 we will refresh our vision, values and brand to create a distinct identity that aligns with our aims, resonates with our audiences and builds on customer loyalty.

7. People

Internal communications were developed and improved as part of the response to Extended Leadership Group work following our most recent Staff Engagement Survey, but there is a recognition that more focus is needed on our People Strategy generally. Further work on our Mission, Vision, Value and Identify with core staff is planned for this year, together with the next Staff Engagement Survey.

Aims of our People Strategy

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



Our Aims - we will:

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

Our Outcomes – we will:

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

Strategic Aims & Outcomes	Strategic Objectives 131	Key Measures of Success and Impact	Key Risks
<p>Attract</p> <p>Recruit the best staff to drive the success of the organisation</p> <p>Develop our own workforce through internal programmes</p>	<p>We will:</p> <ul style="list-style-type: none"> • Develop our reputation to enhance our standing • Through our business planning processes identify the areas in which we want to excel, identifying the roles we need, and the campaigns to recruit to them • Develop our recruitment processes to ensure they are flexible and our partnerships and development pathways to enable us to recruit the best talent • Attract and maintain a diverse workforce with the relevant skills, experience and backgrounds • Provide specific learning and development opportunities that equip local students/people to take up employment with ERCL 	<ul style="list-style-type: none"> • Vast majority of our posts filled first time around with the right calibre of staff • Increased diversity of applicants 	<ul style="list-style-type: none"> • Insufficient staff with the right skills and experience to deliver our objectives • Regulatory non-compliance • Financial constraints reduce the ability to create or fill posts, or to compete with the market
<p>Develop</p> <p>Build on our commitment to growing people and ideas</p>	<p>We will:</p> <ul style="list-style-type: none"> • Design, develop and commission relevant development programmes which meet the needs of our staff in driving the organisations' development and improvement • Identify and share learning and best practice internally • Ensure all staff at all levels are supported and developed through our appraisal process, with clear targets and expectations, and excellent support • Develop a culture of continuous improvement and a clear understanding of service 	<ul style="list-style-type: none"> • Staff have a meaningful annual performance and review appraisal • Number of staff achieving in-work qualifications • Staff take part in mentoring, coaching and / or development programmes • Increased number of staff mentoring and supporting colleagues 	

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

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

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

8. Services

8.1 Current Delivery Structure

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

- Operations (Sports and Cultural Venues comprising Eastwood Park, Barrhead Foundry, Eastwood High Sports Centre and Neilston Leisure Centre, Swimming, Health & Safety)
- Sports and Physical Activity (Sports Development, Active Schools, Gyms and Fitness, Physical Activity, Health and Wellbeing Programmes)
- Libraries & Information Services, (10 Libraries; Information Services, Digital Participation & Inclusion, Support to School Libraries, Macmillan Cancer Information Points).
- Communities and Arts (17 Community Facilities, 14 Pitch sites and Pavilions; evening and weekend school lets across all ERC schools, Heritage Services Visual and Performing Arts.

8.2 Services Overview

8.2.1 Operations

- We operate 4 multi-function Venues which deliver Leisure and Sport Activities, Professional Theatre, Library and also facilitate Schools PE.
- Post Covid, our centres are busy, we have taken the opportunity to modernise our programmes and attendance, attendances over all activities on site are significantly higher now than pre-COVID levels.
- The swimming development programme has returned strongly to higher than pre-Covid levels, with EHS reopening, we have recovered quickly through targeted work with 850 Swimming Lesson Pupils recruited. The refurbishment allowed us also to make this site the focus of our ASN programme which has expanded from 17 to over 60 participants per week. To enable this recovery, we have invested in developing new swimming teachers by running 7 Courses, and we continue to monitor the quality of the provision with recent surveys showing good customer satisfaction. For the 2nd year in a row, we have been a finalist at the Swimming provider of the Year awards recognising the significant shift in quality to the programme.
- We have developed a new Schools Swimming programme, which links it closely to the school curriculum, this has been well received and strongly adopted, this has been highlighted nationally as an example of good practice. Participation by schools however has dropped slightly this year due to pressure on school budgets for transport costs.
- Venues are based in the larger ERC communities.
- Significant investment has been made into Barrhead Foundry and forthcoming investment in Eastwood Park and Neilston will further enhance our customer offer.

- We have rolled out OpsPal (organisation wide), this is an H&S support system which allows for scheduling and improvements to Premises operations to ensure work plans and tasks are delivered and monitored to improve the safest possible experience for our customers.

8.2.2 Sports and Physical Activity

- The Sport and Physical Activity unit consists of a wide-ranging Community Sports programme which delivers sports coaching opportunities throughout East Renfrewshire, an extensive Gyms & Fitness operation, Active Schools programme, and Health & Wellbeing services
- We operate gyms and group fitness programmes in all four Sports Centres. We have recovered and exceeded our pre-Covid performance and membership is at an all-time-high. We deliver 110 fitness classes per week and we are constantly innovating. And testing new activity classes to meet demand. Junior membership has increased markedly subsequent to a full review and overhaul of our junior product. There is very high local private sector competition within the fitness market which drives our focus on developing our products, customer journey and physical spaces.

- Community Sports is focused on community capacity building and income generation, delivering 90 mixed sport and physical activity coaching classes and 17 football coaching classes per week during the school term with over 1,700 children participating in these activities weekly. During the school holiday periods we provide up to 10 weeks of holiday camp activity for children and young people with a mix of commercial and free spaces for vulnerable and children from low-income families. We also support 32 local sports clubs and 5 Community Sports Hubs which have a combined membership of approx. 8,200 members.
- Active Schools is dedicated to developing and supporting the delivery quality out of school hours sport and physical activity opportunities for children and young people in all our schools (nursery, primary, secondary), an inter school sports competition framework and sports leadership opportunities (including the East Renfrewshire Sports Leadership Academy). Developing and supporting volunteers and providing teacher training opportunities and organising school to club links.
- We operate an extensive GP Referral (Live Active) and instructor led physical activity session programme (Vitality) to support people living with medical conditions and to prevent trips, slips and falls as constituent part of the primary care pathway in East Renfrewshire. We also deliver targeted programmes such as the For Your Entertainment (FYE) scheme which provides free access for vulnerable children and the Health for Heroes scheme which provides our veterans with free gym membership.

8.2.3 *Libraries & Information Services*

- With 10 libraries of varying sizes and opening hours there is a public library in almost every community within East Renfrewshire.
- Since April 2021 the growth in library visits, both virtual and in-person, has been steady. There was an increase of 151% from 2021-22 to 2022-23 and a further 30% increase for the first 6 months of 2023-24 compared to the same period in the previous year. As we continue to recover there is a drive to maintain this growth through continued engagement with schools, partnerships with local groups and organisations, development of activities and an extended digital offering.
- This aim of continued growth is set against a backdrop of a library service review which will see a reduction of operating hours across Clarkston, Giffnock and Mearns libraries.
- In addition to promoting reading and literacy and other cultural activities we support the residents of East Renfrewshire through ICT learning opportunities & digital support to health & well-being information and activities, and economic support.
- Public libraries are universally accessible with services accessed by all demographics in the community but through programmes like Bookbug and school visits focus continues to fall on families, children and young people.

- Public libraries tackle poverty through participation in cross-sectoral Cost of Living working groups, offering a safe and trusted space for all. As part of the #RootCause project and to encourage sustainability we have introduced initiatives from welly boot swaps to Halloween costume donations which will now be an ongoing service that we provide.

- Our Digital Participation team will continue to support learners through 1:1 and group learning opportunities and will work with partners such as Barrhead Housing Association across East Renfrewshire as part of the Digital Inclusion Partnership. We aim to develop a Maker Space environment in the learning centre at Mearns Library to allow us to offer access to 3D Printers, Virtual Reality headsets, Code Club activities, etc. in an appropriate environment.
- Service development will occur in areas around sustainability by introducing Lend & Mend hubs offering access to sewing machines, and around supporting health & wellbeing through the introduction of Near Me facilities.
- Public libraries support for health and well-being takes many forms from programmes of activities aimed at tackling social isolation and loneliness, to improving mental health through reading for pleasure, to partnerships with both local and national organisations such as the Health & Social Care Alliance.
- The library service takes the lead role on GDPR and data protection for ERCL and provides professional support to ERC school libraries and librarians.
- The Macmillan Information Centre - Information and Support is delivered in libraries, specifically Barrhead and Clarkston but with outreach sessions in all libraries. Types of provision includes regular drop-ins, information stands, and financial support and outreach services. All sessions are free and delivered by volunteers.
- Every Child A Library Member (ECALM) is a national initiative aimed at ensuring each child born in East Renfrewshire automatically becomes a library member, and their parents are supported to begin reading to their children at an early age. The refresh of this programme took place in 2023 but is anticipated to become fully implemented in 2023-24.

8.2.4 *Community & Arts*

- Pre-Covid we welcomed around one million visitors across our 17 halls and 35 schools every year. Services in the halls and schools have returned to a full-service offering, although social events continue to be restricted due to Carmichael Hall being used to support the Mass Vaccination Centre for the NHS.
- Customers of all ages take part in a wide range of activities and events from playgroups and lunch clubs to yoga classes and baby discos, from weddings to counselling services and everything in between.
- The team support customers to have a welcoming and safe experience when visiting halls and provide first class customer service
- We also provide support for Local and General Elections and are first responders in the event of a Civil Emergency. A member of the team is embedded within the councils' Civil Contingency Team.
- The Arts team manage the creative content and professional programming of Eastwood Park Theatre and exhibition space, provide backstage support in sound and lighting technical support in the theatre and across community halls, develop and deliver visual and performance arts classes, events, exhibitions and outreach theatre
- We work in partnership to deliver innovative participatory opportunities e.g. First Nights with HSCP or Wake Up with Solar Bear (BSL theatre), Covid Stories Project with Green Space Scotland
- We work with leading sector providers to ensure a high calibre of live and streamed performance at EWPT including Royal Opera, Royal Ballet, National Theatre Live,

international producers, performers and promoters and we support the work of Scottish Touring Theatre

- We continue to develop our reputation for carefully curated and co-produced work including “an audience with” and more traditional drama pieces such as Tallys Blood (attracting over 1000 ticket sales)
- We manage the Heritage Service, developing a dynamic range of hugely popular heritage classes and volunteering opportunities.
- The platform that hosts much of our heritage database is being developed and aims to provide a more comprehensive and improved access for customers.
- Projects such as Beyond 2020 Covid Reflections Museums Galleries Scotland featuring on Radio Scotland.
- The Business Support team support is the engine room of ERCL facilitating, processing and programming bookings, events, classes. They support all our customers to make payments, direct debits and refunds. The support ERCL staff and managers by managing procurement, scheduling staff, payroll, HR support and directorate services.

9. Operational Plans

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

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

10. Financials

The Trust reported an operating deficit of £1.4m (surplus of £0.2m excluding pension service costs) for the year ended 31 March 2023 (2022: £1.0m deficit; £0.8m surplus excluding pension service costs), which was in line with expectations. This is before allowing for the net actuarial gain of £3.3m in respect of the multi-employer defined benefit pension scheme (2022: gain of £6.0m). In summary, the financial position for the period ended 31 March is noted below:

£k	Year ended 31 March 2023	Year ended 31 March 2022	Movement
Income	10,736	10,068	668
Net Expenditure	(1,414)	(1,040)	(374)
Actuarial Gains / (Losses)	3,293	5,992	(2,699)
Total funds (after retirement benefit scheme gains / losses)	2,889	1,010	1,879

The latest year of trading has supported us in meeting our charitable aims and objectives, ending the year with a strong financial position. 2022-23 was characterised by the successful re-establishment of all the Trust's services. Thanks to the swift, decisive and efficient work of all the operational teams, along with their innovation, planning and flexibility, all the Trust's buildings were re-opened and services re-established very quickly.

The Trust was therefore very prepared and receptive to heightened demand for services and this saw the Trust move beyond a process of recover during the year, to one of growth. This meant that ordinary trading activities exceeded pre-Covid levels and helped generate a surplus.

The principle funding sources are a combination of income generated through a level of sales, fees and charges for our charitable activities (£5.0m) (2022: £4.4m), as well as a Management Fee received from ERC of £5.6m (2022: £5.4m) for our work in managing the Leisure, Library, Arts and Community facilities within the local area. Funding was also provided via the CJRS was nil in 2023 (2022: £0.3m).

The primary areas of spend are people £10.2m (2022 £9.4m), Property £0.4m (2022: £0.4m) and Supplies and Services £1.5m (2022 £1.2m).

10.1 Reserves Policy

During 2022/23 the Trust agreed for the unrestricted non-designated reserves to be increased to £800k (2021/22: £500k). It was deemed that this increase would provide a small amount of insulation to the on-going challenges and allow for additional funds to support a reduction in income due to unknown customer behaviour as a result of both the pandemic and the current cost of living crisis together with providing the ability to fund recovery opportunities over and above those already designated, if required. This would be regularly monitored and reviewed annually by the Finance, Audit and Risk committee.

At the year end the charity had a total surplus of £2,889k (2022: surplus of £1,010k). There was a surplus of funds of £2,889k (2022: £2,736k), of which £50k (2022: £2k) was restricted and £2,839k (2022: £2,734k) was unrestricted. Of this amount, £1,591k was designated for Transformation and Recovery activities, £363k to support the Digital programme and £85k in respect of fixed assets, leaving free reserves of £800k.

The trustees will continue to strive to maintain the increased level of £800k unrestricted non-designated level of reserves in line with the reserves policy, but also to continue to rely on assurances of ERC as the sole member, to fund the Trust to meet its liabilities as they fall due, should the Trust be unable to do so.

10.2 Investment Policy

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

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

10.3 Fixed assets

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

10.4 Budget 2024-25 – to be agreed

The latest forecast for 2023-24 has an expected deficit, with a small surplus projected in 2024-25. This surplus is in the main due to the superannuation rate being temporarily reduced by 11.5%, saving the Trust £814k in payroll costs. Although the Trust has experienced a relatively strong recovery post pandemic, with most services now experiencing levels that are at, or exceeding pre-Covid levels, we are still operating against a backdrop of rising costs, both in terms of increased pay awards and the continuing pressure of high price inflation. All of these factors have put critical pressure on ERCL's ability to deliver core services within its existing financial resources. Although the ERC service fee has increased by £384k as a result of the recent pay award, it does not cover all of this increase in staff costs. For 2023-24 the pay award will increase costs by approximately £486k giving a shortfall of around £102k. We have still to finalise with ERC the service fee contribution as a result of taking over Sports Pitches.

	24/25 Draft
£k	Budget
Grant Income	350
Arts & Theatre Income	686
Theatre & Comm Facs Hire	532
Sports Income	3,122
Sports Pitches	295
Property / Other Auth / Agencies	245
Other Income	88
Operating Income	5,318
MVC	-
ERC Service Fee	6,055
ERCL Claims	11
Release from Reserves	117
Total Income	11,501
Staff Costs	9,991
Property Costs	565
Transport Costs	39
Supplies & Services / Other	1,700
Total Expenses	12,295
Net Income / (Expenditure)	(795)
Superannuation Savings (from 17.5% to 6.5%)	814
Net Income after Savings	19

11. Support Services

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

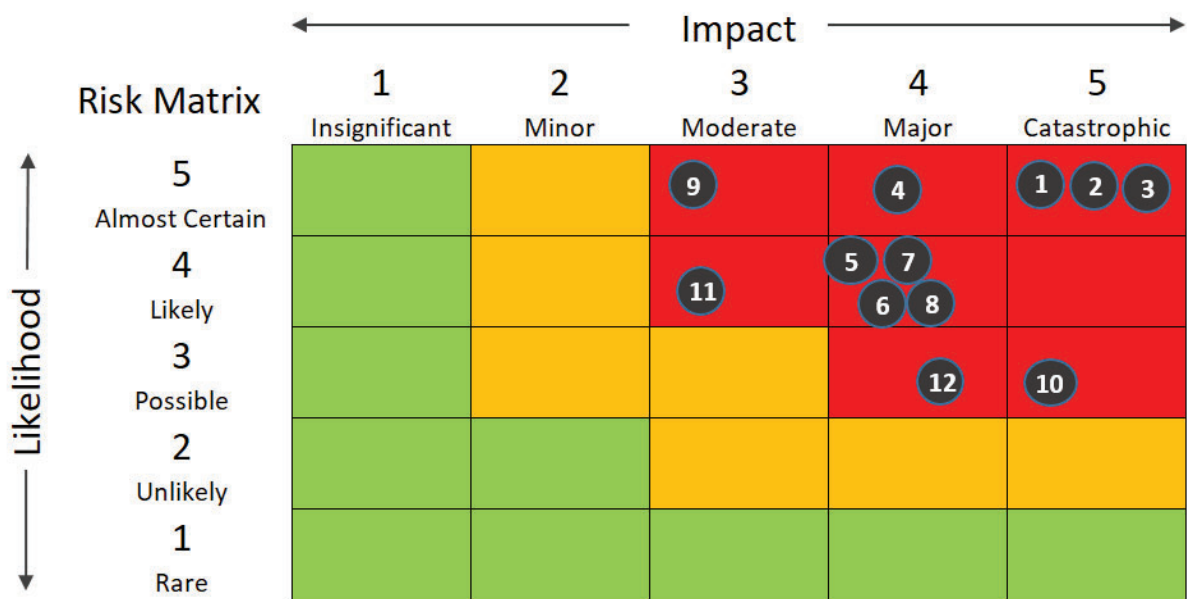
Improvement and action plans for Support Services and other interfaces between the Trust and the Council were identified in a Solace in Business (SiB) report commissioned by ERC in 2017 and was further complemented by recommendations arising out of the ERC Best Value Audit on the Trust undertaken in 2019. A review took place in August 2022 producing an updated Joint Action Plan, reflecting the latest position. This work was completed in conjunction with ERC, with the revised plan approved by the Board in August 2022. In May of 2023 the Board and Council agreed that the majority of actions in this Action Plan had either been implemented or else were covered in other planned activities, and the plan was closed.

12. Risk Management

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

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

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



Ref	Risk Category	Summary of Risk
1	Facility Failure	Facility Failure impacts negatively on service delivery and performance, income or reputation. (Damage to key elements of the facility resulting in unbudgeted repair costs and suspension / reduction of services; maintenance backlog; H&S issues; plant failure; and/or otherwise compromised service offering).
2	Savings Targets	Challenge of creating an effective balance between achieving proposed savings targets maintaining a vibrant and relevant service.
3	Capital Projects	Capital Projects impact adversely business through slippage or impact on management and operational resources.
4	Shared vision with ERC	A single agreed ambition or vision for ERCL is not articulated and agreed by and with ERCL and ERC and its constituent departments.
5	External Providers / Contracts	Failure of external service providers to deliver on obligations, resulting in late or non-delivery of services, cancelled events, lost revenue and damaged credibility.
6	Market Changes	Changes in the competitive environment resulting in fewer customers.
7	Industrial Action	Industrial Action leading to suspension of services, cancellation of events, loss of revenue, etc.
8	Pool Plant	Mechanical failure of equipment, or operator error, leading to loss of operation, contamination and/or illness or injury to bathers.
9	Recruitment	Difficulties in recruiting to key roles impact adversely on operations, finances or performance. Risk of loss of key staff in relation to EPLC decision / uncertainty around investment commitments.
10	Finance	Insufficient cash to operate business due to continued losses and inability to generate sufficient operating income to meet liabilities. Operating expenses are primarily fixed costs, with 80% staff costs
11	Partner Agencies - Changed Priorities	Changes to partner agency priorities resulting in an inability to deliver outcomes for dependant services and projects. HSCP withdrawal of funding for Wellbeing Officer role
12	Violence & Aggression	Increased aggressive behaviour by members of the public, caused by anti-social behaviour and resulting in injury, or stress to staff or other customers, and negative impact on sales and attendance. Decline in norms of behaviour in relation to public performances and conduct in public spaces noted across the country.

EAST RENFREWSHIRE COUNCIL28 February 2024Report by Head of Accountancy (Chief Financial Officer)RESERVES POLICY**PURPOSE OF REPORT**

1. The purpose of the report is to present for consideration an updated Reserves Policy for the Council.

RECOMMENDATION

2. The Council is invited to approve the Reserves Policy.

BACKGROUND

3. It is a requirement of good financial practice that the Council has a documented and approved Financial Reserves Policy and that this is reviewed and updated periodically. The Council aims to review this policy every three years.

4. Local Authority Accounting Practice (LAAP) Bulletin 99 published in July 2014 provides advice from CIPFA in respect of Local Authority Reserves and Balances.

5. The following Policy reflects the key messages from the LAAP Bulletin and also outlines the practical application within East Renfrewshire Council.

LAAP BULLETIN 99

6. In Scotland there are explicit statutory powers under Schedule 3 of the Local Government (Scotland) Act 1975 permitting Local Authorities to establish a Renewal and Repair Fund, an Insurance Fund and Capital Fund alongside a requirement to maintain a General Fund Reserve.

7. Within the General Fund Reserve, Scottish Local Authorities are permitted to earmark specific parts for specific purposes.

8. It is the duty of the Chief Financial Officer to report on the robustness of estimates and adequacy of reserves as part of their statutory duty. This requirement also needs to take account of the requirements of CIPFA's Prudential Code in respect of affordability when making recommendations about the Council's future Capital Programme.

9. The LAAP Bulletin makes it clear it is not the responsibility of External Auditors to prescribe the optimum or minimum level of reserves for individual authorities or authorities in general.

10. Whilst not prescribing a generally acceptable minimum level of reserves the LAAP Bulletin makes it clear that reserves should not be held without a clear purpose. This purpose however does include “a contingency to cushion the impact of unexpected events or emergencies”.

11. The purpose of each of the earmarked reserves is set out below, as are the governance arrangements for these funds to ensure continuing relevance and adequacy.

TYPES OF RESERVES OPERATED BY EAST RENFREWSHIRE COUNCIL

General Fund Reserve

12. The General Fund Reserve is split into a Non-Earmarked portion and Earmarked Reserves. The former is often referred to as the “Unallocated Reserve” and is held for unforeseen emergencies and contingencies. Council policy is to aim in the medium to long term for the Non-Earmarked Reserve to be a target of 4% of net budgeted Revenue Expenditure. It is recognised that this target level cannot always be met. The level of this unallocated reserve will be reviewed annually by Council as part of the budget setting process and a lower level may be agreed to assist the Council in addressing short to medium term financial challenges. Unless there are exceptional circumstances, the Council would not expect this reserve to fall below a level of around 2% of net budgeted Revenue Expenditure.

13. Earmarked Reserves are sums of money retained for specific purposes. The Council has currently designated the following such reserves within its overall General Fund.

14. Modernisation Fund - This funding has been set aside by the Council to enable the upfront investment required in staffing and systems to maintain modern systems, drive forward the Council’s transformation activities and to generate future savings which will demonstrate payback within an agreed timescale.

15. PFI/PPP Equalisation Reserve – This fund has been established by the Council to equalise future PFI/PPP payments as grant funding is not fully aligned to the contract repayment schedules and this could produce large affordability gaps in the latter years of these agreements. The expected funding shortfalls are £4m in 2030/31 and £1m in 2031/32 respectively.

16. Devolved School Management Reserve – Legislation requires Councils to maintain a DSM reserve and, in this regard, the Council permits Head Teachers to set aside a proportion of in-year underspends, up to a cumulative maximum of 6% of their budget, in order to assist schools in meeting financial savings challenges and in managing budgets which span more than one financial year.

17. Feasibility Fund – The small reserve was set up by the Council to permit preliminary investigations to be progressed for potential future capital projects. This is intended to enable a prompt start if a project is then approved for inclusion in the Capital Programme. Where such an approval is confirmed, the preliminary expenditure will be recharged to the capital project and the feasibility fund refunded.
18. Unspent Grants – This reserve is to allow the matching of grant spend against grant received. Where grant has been received and we are permitted to use the funding in the following year then we use this reserve to enable the balance to be carried forward.
19. Whitelee Wind Farm – The income for this fund is from sums provided by the Whitelee wind farm operator to provide grants to the local area and manage and maintain the current access infrastructure and allow for future access improvements to the wind farm.
20. Commuted Sums – The income for this reserve comes from standard second home / long term empty Council Tax income as well as contributions from planning gains to fund infrastructure and affordable housing investment within the area. The newly agreed additional premiums levied on second/empty homes are not assigned to this reserve, but are used instead to fund an empty homes housing officer and to support the wider Council budget.
21. Get to Zero Fund – This small fund is intended to permit preparatory works in relation to the Council's Get to Zero plans. It is recognised that this will fund only a small proportion of the Council's climate action requirements and that substantial government/other external funding will also be needed.
22. Service Concession Flexibility – In closing the accounts for 2022/23, the Council was permitted to align PFI/PPP debt to the life of these assets, rather than to the contract term. This released over £14m of funding which was earmarked to help ease the transition to challenging budget savings over the years 2023/24 to 2025/26. This fund will be fully utilised by 31 March 2026.
23. Workforce Restructuring Fund – In closing the 2022/23 accounts it was acknowledged that significant reductions in staffing might be required in order to address medium term budget shortfalls. This fund is intended to assist with these pressures by funding short term additional HR staff requirements as structures are redesigned, and by contributing towards the one-off costs of ending staff contracts across affected services.
24. Employee Wellbeing and Development Fund – This fund was set up in 2023 to support staff wellbeing and continuous professional development opportunities in recognition of the pressures impacting on our workforce in the wake of the COVID pandemic.
25. Community Capacity Building Fund – During the COVID pandemic, many community groups and support mechanisms ceased to function. This funding is intended to help local groups and networks re-establish themselves and develop further in order to strengthen their community resilience.

26. Other Earmarked Reserves – In closing the accounts each year, the Council determines the level of contribution to be made to the various General Fund and other earmarked reserves. This can include establishing new reserves if deemed appropriate. In particular, the Council will benefit from a substantial short-term reduction in employer's pension contributions in 2024/25 and 2025/26 and expects to allocate these funds to a new earmarked reserve so that these can be used to invest for the future, with officers working with the Budget Strategy Group to develop proposals for Cabinet to consider.

Capital Reserve

27. This reserve will assist in supporting capital investment for major projects and in maintaining capital investment during periods of economic challenge. It will be utilised in accordance with the Council's Capital Plan.

Repairs and Renewals Fund

28. The Fund has been established to enable a continuing programme of repairs and renewals to roads, properties and other infrastructure. The level and utilisation of this fund will be considered in conjunction with the Council's revenue and capital investment plans.

Insurance Fund

29. The Fund has been established to provide for insurance voluntary excess costs. Income and expenditure in relation to Insurance claims does not fall evenly on an annual basis. Given the long term nature of some insurance claims, it is important that the Council has an appropriate balance to meet these claims some of which could relate to events which happened decades ago.

HRA Reserve

30. This fund provides a contingency to meet short term financial demands of the Housing Revenue Account as well as permitting major costs to be spread over a period of time rather than impacting on rentpayers in only one year.

GOVERNANCE OF RESERVES

31. It is important that there is clarity on the rules and responsibilities in respect of governance of the Council's Funds and Reserves. The governance arrangements are as follows:

- a) General Fund Non-Earmarked Reserve
 - (i) Level of Non-Earmarked Reserves agreed as part of the Reserve Policy.

- (ii) Projected balance of Non-Earmarked Reserves reported to Budget Strategy Group and Council as part of the annual budget setting process. Proposed utilisation is agreed by the Council.
- (iii) Fund balance reviewed and reported to the Audit & Scrutiny Committee and Council as part of the Annual Accounts exercise.

b) Earmarked Reserves

- (i) Fund balances are reviewed and reported to the Audit & Scrutiny Committee and Council as part of the Annual Accounts exercise.
- (ii) Fund balances and the establishment of any new earmarked reserves are considered by the Budget Strategy Group annually. Proposed utilisation of Earmarked Reserves is agreed by the Council as part of the annual budget setting process or in response to specific reports if needs arise during the year. In the case of the smaller reserves, utilisation during the year may be delegated to senior management in response to service needs. Payments from the Whitelee Wind Farm fund are determined by a panel of elected members and a representative from the local voluntary sector in response to applications from local groups.

REPORTING AND REVIEW

32. The Reserves Policy will be reviewed and approved no less frequently than three yearly by Council.

CONCLUSION

33. It is good practice to adopt a formal reserves policy in relation to the various reserves held by the Council. This provides the Council with flexibility to respond to the varying levels of financial challenge it may face over time.

34. In recent years, the challenges facing Councils have increased and it is all the more important that reserves are used to assist in taking a medium to long term view in managing the varying financial demands on services.

RECOMMENDATION

35. The Council is invited to approve the Reserves Policy

Further information is available from :

M McCrossan, Head of Accountancy Tel 0141 577 3035

KEY WORDS

Reserves, General Fund, Non-Earmarked, unallocated reserves.

EAST RENFREWSHIRE COUNCIL28 February 2024Report by Chief Financial OfficerFINANCIAL PLANNING 2024-2030**PURPOSE OF REPORT**

1. To submit for approval the updated Outline Revenue Financial Plan for 2024-2030.

RECOMMENDATIONS

2. It is recommended that the Council: -
 - (i) notes the continuing budget pressures anticipated in the next 6 years and the mitigating actions proposed; and
 - (ii) approves the Outline Revenue Financial Plan 2024 – 2030

BACKGROUND

3. East Renfrewshire Council has undertaken long term financial planning for many years.
4. Capital planning is undertaken over a rolling 10 year period, reflecting the contents of the Capital Investment Strategy and the need to plan infrastructure over an extended period.
5. The Council normally plans its detailed revenue budgets over a 3 year time horizon and seeks to align these with the multi-year settlements from the Scottish Government. Due to the recent production of single year budgets by the Scottish Government and to significant shifts in the overall budget allocated to local government making long term planning challenging, the Council has been unable to prepare and publish detailed 3 year budget plans, updated annually, as it has in previous years. The Council does, however, maintain a rolling 3 year departmental budget to assist with its Outcome Delivery Plans and produces a Financial Planning document each year, forecasting financial resource levels for the next 6 years.

6. The Council had expected to receive three year settlement figures from the Scottish Government in December 2022 and on this basis had embarked in autumn 2022 on public consultation on savings proposals for the next three years, however the Scottish Government settlements in both December 2022 and December 2023 covered only single years.

7. As a result, the Council will confirm only the detailed 2024/25 budget at present, but will also set out its approach to revising and updating its plans to address forecast budget challenges for 2025/26 and beyond in its budget report. The budget proposals for 2024/25 reflect the terms of the Local Government draft settlement, announced by the Scottish Government on 21 December 2023. The Council's Outcome Delivery Plan and outline multi-year budget plans for 2025/26 onwards will also be refined to take account of these figures.

8. The Council's aim remains to resume multi-year detailed budget setting as soon as UK and Scottish Government settlement provide sufficient medium term clarity. Each year's budget, now and in future, will align with longer term financial, workforce and asset planning. As recent settlements for Local Government have been on a single year only basis and have been difficult to predict, work has been undertaken by the Corporate Management Team to plan for a number of financial scenarios.

9. Traditionally the longer term financial outlook and the associated financial plans of the council have been presented at the annual budget meeting. This paper updates the Financial Planning document approved on 1 March 2023 and covers the next six years, 2024/25 to 2029/30.

10. Financial planning continues to be extremely difficult in the present economic and political situation, with continuing uncertainty on both the impact of the Ukraine and middle east conflicts and the anticipated general election within the next year. Financial markets are uncertain about future economic growth prospects and the impact on the finances available to Scottish local government is very difficult to predict. One year budget settlements and the late settlement of pay awards are making the situation even more challenging.

11. The Monetary Policy Committee of the Bank of England has taken action to address the inflationary pressures by implementing a series of increases in interest rates over the last year. In recent months the bank base rate has plateaued at 5.25% and is expected to start a gradual decline later this year, settling around 3% from late 2025 onwards. The higher interest rates have resulted in the rate of inflation reducing to the current level of around 4%, with the Council's treasury advisers, Link, anticipating further reductions taking inflation below the Government's 2% target level by the end of 2024. The Council will, however, have to be prepared to continue to analyse a range of scenarios and be ready to undertake detailed budget planning after the UK general election as the most likely scenarios emerge for the coming years from anticipated future multi-year settlements.

FINANCIAL OUTLOOK

12. The Council's revenue grant for 2024/25 is £239.690m and produces a cash increase of £16.6m over the 2023/24 grant figure reported to Council in March 2023, however recognising that around £14m of this increase relates to new commitments, mainly relating to pay, adult social care and early learning & childcare, this represents only a £2.5m (1%) cash increase.

13. In addition to the grant figure above, the Scottish Government will provide a further £3.148m of grant funding if the Council agrees to freeze Council Tax for 2024/25. For East Renfrewshire Council, this equates to a Council Tax increase of 4.66%. While this funding will be recurring, it will not increase base Council Tax charges and so future years' Council Tax income will be lower than if the same percentage increase had been applied to 2024/25 bills.

14. In recent years additional funding has been announced for local government as the Scottish budget progresses through the Parliamentary stages. Whilst some clarifications have been provided since the initial settlement announcement on 21 December 2023, final confirmation of the 2024/25 Scottish budget will not be available until all stages are completed at the end of February 2024. Scope for late changes has reduced due to the SNP/Green joint working arrangements which include budget matters, however further adjustments may be made in the next month once the Scottish Government has assessed the implications of the UK Spring Budget scheduled for 6 March 2024. Similarly, clarification on some of the conditions associated with the Council's settlement, particularly in relation to teacher numbers and early learning and childcare funding, may not be received until after our budget has been set. In the spirit of the Verity House Agreement, concluded between Councils, COSLA and the Scottish Government in 2023, it is hoped that transparency and early consultation on shared priorities will be improved in future years.

15. In modelling the budgets for 2023/24 to 2025/26 the Council has factored in use of the additional fiscal flexibilities announced during 2020 for local authorities in relation to reprofiling PFI/PPP (service concession) debt calculations. This is helping the Council to transition gradually into challenging budget reductions.

16. In relation to planning for later years, each year since May 2018 the Scottish Government has published its Medium Term Financial Strategy, taking account of the new financial powers provided through the Scotland Acts 2012 and 2016.

17. The Scotland Act's powers resulted in a change from Scottish Government funding being supported mainly from UK Block Grant and Non Domestic Rates to the introduction of a Scottish rate of Income Tax, Scottish Landfill Tax, Land and Buildings Transaction Tax, Scottish Air Passenger Duty and the retention of VAT raised in Scotland. UK Block Grant funding is correspondingly reduced to take account of these new powers.

18. The Scottish Fiscal Commission has a key role in forecasting future Scottish tax income but this is very difficult, given the amount of concurrent change, so the Medium Term Financial Strategy contains only a broad approach to managing the Scottish budget.

19. The Scottish Government's Spending Review (published together with the Medium Term Financial Strategy) in May 2022, set out high level plans indicating that Councils should expect flat cash settlements for 2023/24 to 2025/26 and an increase of only 0.9% in 2026/27. These forecasts were not updated in the Scottish Government's May 2023 Medium Term Financial Strategy and so remain the latest guidance. No information was provided for later years, so the Council has assumed annual increases of only 0.5% thereafter. Nationally, COSLA considers that actual core settlements have in fact been very slightly worse than indicated in 2023/24 and 2024/25, but the Council will continue to assume flat cash for 2025/26 as our base for budget modelling, as our growing population share tends to result in our grant movement being slightly better than the Scottish average. Even with inflation coming back towards target, this flat cash assumption is very challenging, particularly when pay claims are still running well above general inflation.

20. With the UK Spring Budget scheduled for 6 March 2024 and a general election expected this autumn/winter, forecasts could change significantly in the next year. Further, it is unclear when formal multi-year planning figures will be published by the UK and Scottish Governments. The Council will therefore continue to model a range of medium term scenarios.

21. At present the Institute for Fiscal Studies' (IFS) latest analysis of the medium term outlook for Scotland suggests that an improvement in the devolved income tax position will increase the Scottish Government's revenue funding for 2025/26 by more than 2% in real terms, with smaller increases following for 2026/27 to 2028/29. Due to the Scottish Government's prioritisation of social security and health spending, however, the IFS forecasts that this improved position would still only produce a mid-range scenario for local government that was flat in real terms.

22. The IFS's outlook for capital is poorer, with flat cash UK capital block grant funding and expected reductions in the Scottish Government's borrowing producing real terms reductions of up to 16% in capital funding between 2024/25 and 2028/29. This will significantly constrain Councils' future capital ambitions, particularly as interest rates are not expected to fall back to recent historic lows and construction inflation remains stubbornly high.

23. The legacy of the COVID-19 pandemic continues to impact on some aspects of public sector medium term plans, as do the climate change and Levelling Up agendas. The Council's financial plans will continue to factor in any changes as these emerge.

24. In response to the 2021 Independent Review of Adult Social Care, a consultation on the proposals for a National Care Service (NCS) was launched in August 2021 and the

analysis of the responses was issued in February 2022. The proposals set out wide ranging implications for IJBs including creation of Community Health and Social Care Boards directly accountable to Scottish Ministers with a commissioning local delivery body for the NCS. The consultation did not include a financial analysis on the implementation of the proposals and detailed plans and timescales remain unclear.

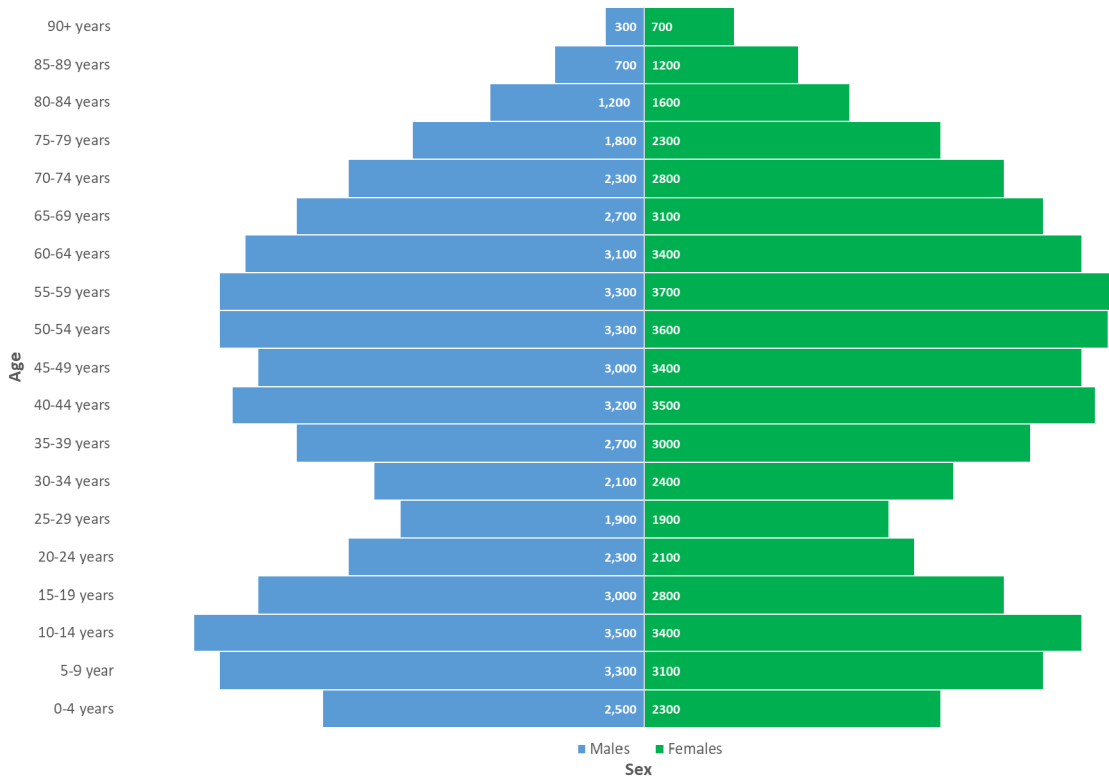
25. The National Care Service (NCS) (Scotland) Bill was introduced to the Scottish Parliament on 20 June 2022. The Health, Social Care and Sport Committee as part of Stage 1 scrutiny of the National Care Service (NCS) (Scotland) Bill, requested further clarification, following the Scottish Government's tripartite negotiations with local government and NHS since the shared accountability agreement in early summer 2023. The shared accountability agreement main changes include; Local Authorities will retain responsibility for all current functions and the delivery of social work and social care services and there will be no transfer of staff or assets; Integration Authorities (IAs) will be reformed rather than creating new Care Boards and the establishment of a National Care Service Board. The National Care Service Board would be the primary means through which to secure, operationalise and manage shared accountability. The national NCS Board will be established first with local Boards at a later date. The Minister for Social Care, Mental Wellbeing and Sport wrote to the Committee detailing progress to date. A separate correspondence was sent to the Convenor of the Finance and Public Administration Committee noting the Scottish Government proposal to make amendments to the Bill at Stage 2 in response to evidence taken at Stage 1 and ongoing feedback from stakeholders as part of the Scottish Government's co-design programme. This is envisaged as a substantive change to the costings of the Bill. The Bill remained at Stage 1 as at 31st January 2024.

DEMAND PRESSURES

DEMOGRAPHICS

26. Our Planning for the Future report and Infographics provide a comprehensive summary and analysis of the changing demographics of East Renfrewshire [Planning for the Future 2024](#). The report includes trend information from the Census and the use of National Records of Scotland (NRS) mid-year estimates and population projections. Information which is used to create the Local Development Plan such as service demand, Scottish Index of Multiple Deprivation (SIMD) data and future housing projections and associated infrastructure is also included. The report provides an overview of natural changes in the population such as birth and death rates.

27. According to the first results of Scotland's Census 2022, the population of East Renfrewshire is estimated at 96,800. The pyramid below shows the population split by sex and five-year age intervals. NRS 2021 Mid-Year Population Estimates find that around 20% of the population is made up of children and young people aged 0-15. The working age population (16-64) accounts for 59% of the population whilst older aged adults (65 and over) make up the remaining 21%.



Source: NRS Scotland's Census 2022

28. By 2043 the population of East Renfrewshire is projected to be 107,971, an increase of 13.5 per cent compared to the population in 2018 (base year for projections). The population of Scotland is projected to increase by 2.5 per cent between 2018 and 2043. Over the 25 year period, the age group that is projected to increase the most in size in East Renfrewshire is the 75+ age group. (Source: NRS 2018-Based Population projections, published March 2020)

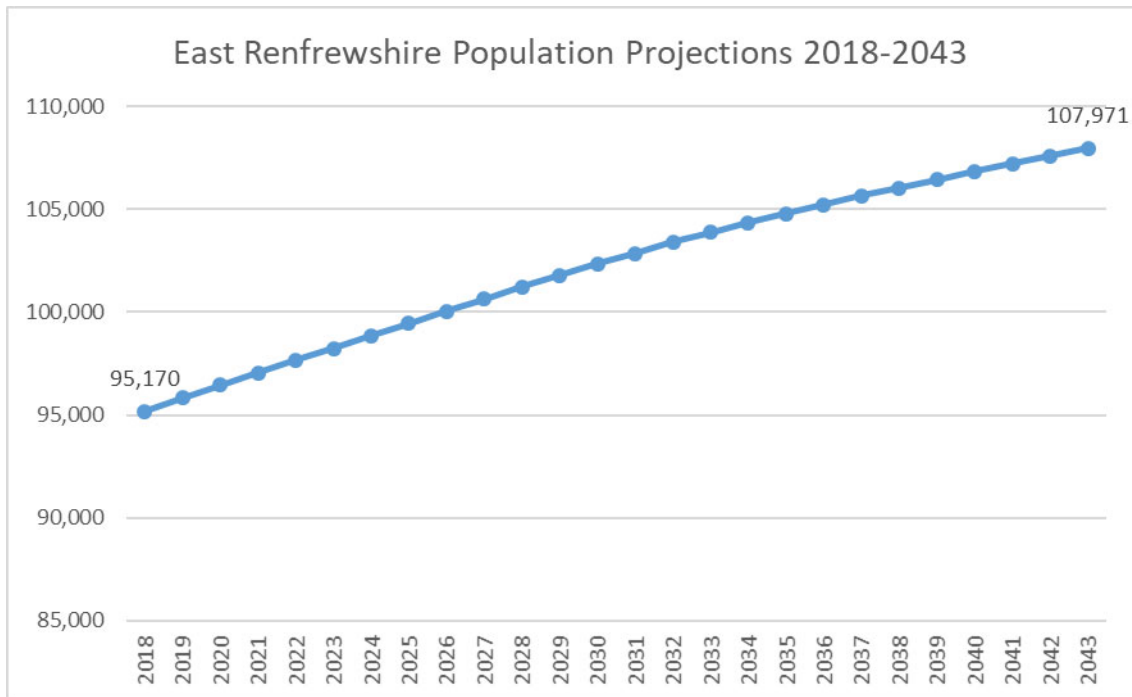
29. The growth in the population of children, those of working age and older people is shown in the table below.

Age group	2018 population (base year for projections)	Predicted 2043 population	Population growth (%)
0-15 years	19,322	20,234	4.7%
5-18 years	17,601	18,870	7.2%
Working age (16-64)	56,951	62,086	9.0%
65+ years	18,897	25,651	35.7%
Total population	95,170	107,971	13.45%

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

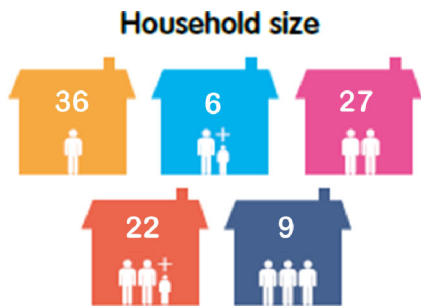
30. It should be noted that a significant proportion of the growth in the 65+ population is accounted for by those aged 85 and over. This has an impact on our services because the number of people aged 85 and over is expected to grow at a faster rate than the rest of the

population. On this basis we can expect the number of people with a need for home care or care home support to steadily increase year on year. The number of school age children is also expected to increase by more than 7% over this period.



Source: NRS 2018-Based Population projections

Predicted household size in 2043



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

32. It is predicted that single adult households (all ages) will account for almost 36% of all households in East Renfrewshire by 2043 (compared to 33% in 2018). Around a third of these single adult households will be occupied by someone aged 75 or over (Source: NRS 2018-Based Household projections, published September 2020).

33. Single adult households will stay around the same level and the proportion of households with dependent children is predicted to drop slightly to 28% (Source: NRS 2018-Based Household projections, published March 2020).

34. The average household size is expected to decrease from 2.42 people per household in 2018 to 2.29 in 2043, which is still the largest household size in Scotland.

35. In East Renfrewshire, from 2018 to 2043, households headed by people aged 75+ are projected to increase in number by 74 per cent as the older population grows.

36. In 2022, the number of households in East Renfrewshire was 40,697. This is a 1.5% increase from 40,081 households in 2021 (Source: NRS Mid-2022 Household Estimates, published June 2022).

2023). In comparison, the number of households in Scotland overall increased by 0.8%. East Renfrewshire had the 26th highest number of households in 2022, out of all 32 council areas in Scotland. Between 2021 and 2022, all councils saw an increase in the number of household

The next 5 years

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

38. The number of households is projected to increase by more than 800 by 2028/29 which represents a 2.0 per cent increase on the number of households recorded in the 2022 National Records of Scotland Household Estimates. This increase in households will create additional demand for the full range of council services especially waste management, road maintenance, parking, money advice, customer services, early learning, childcare and education, employability, schools, health and social care, leisure, and transport.

39. The pattern of more people entering East Renfrewshire than leaving is expected to continue. The largest proportion of entrants mostly tends to come from the Glasgow City Council area each year.

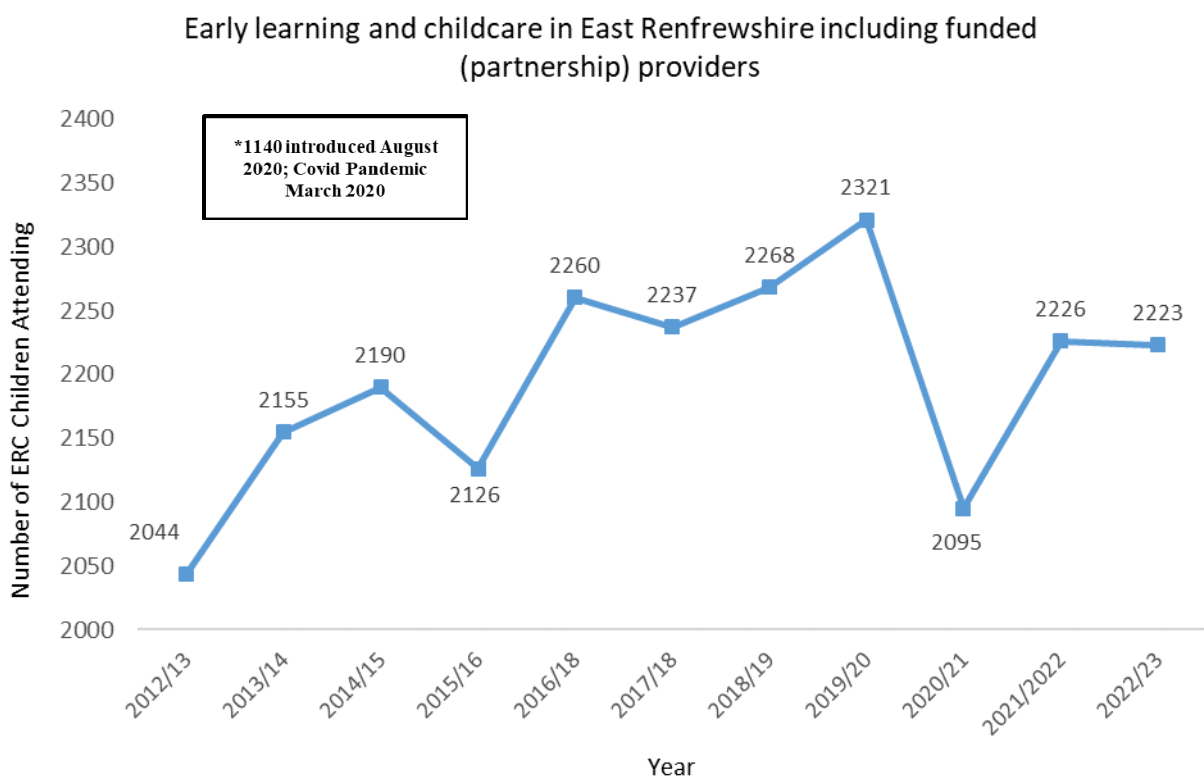
40. In recent times the Education Department has seen a proportion of new applications for children and young people who have moved to the Council area from abroad; this includes a significant number of children from Hong Kong, refugee families from the conflict in Ukraine and other parts of the world,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

41. In East Renfrewshire there has been a rise in population of children under 15 years old. According to census data, the number of children under the age of 15 increased by 8.6 per cent between 2011 and 2022. The proportion of 0 to 14 year olds as a percentage of the total East Renfrewshire population is the highest across Scotland. This suggests that those moving into the area do so with young families.

42. Projections also show the children and young people cohort continues to grow over the next 25 years, which produces increasing demand for early learning and childcare, primary and secondary school places (Source: NRS 2018-Based Household projections, published March 2020). The chart below shows the increasing trend in the number of 3 and 4 year olds in East Renfrewshire attending Council and funded (partnership) providers (i.e. private, voluntary and independent sectors and childminders) early years settings from 2012/13 through 2022/23: this equates to an increase of around 13.5% over the period. In 2020/21 there was a significant decrease in the number of children attending settings, impacted by COVID, however in the most recent two years the number of children has settled at around 2,225, an increase of 9% since 2012/13.

Source: Education Management Information Service (East Renfrewshire), May 2023.

Note: Excludes children attending East Renfrewshire early learning and childcare provision but living outwith the council area.



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

43. As noted in para 60, there has been a decreasing rate of births in the local authority area over consecutive years.

44. However, with a projected increasing number of households, and legislative changes around deferrals, enabling children who are not yet 5 years of age at the start of the school academic year to access another year of fully funded ELC and defer entry to primary one, the demand for early learning and childcare will continue.

45. Furthermore, in the last year the Scottish Government has supported local authorities to identify two year olds who are eligible for Early Learning and Childcare, allowing targeted

promotion of this service. This has successfully resulted in 21 children in the current session accessing a funded place who otherwise may not have been aware of the entitlement. The Scottish Government has signalled its intention to increase access to fully funded early learning and childcare to one year olds. Naturally it is anticipated that these initiatives will result in greater demand for funded places in early learning and childcare settings.

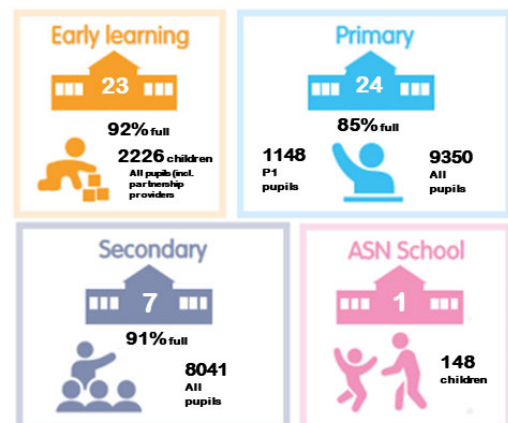
46. Given the various contradictory factors which may impact upon the number of children accessing early learning and childcare services, the Education Department will continue to monitor demand in this sector closely.

47. Through ongoing revisions to the operating models, admissions procedures and through regular consultation, the Education Department will look to ensure that any additional capacity can be utilised by families through the purchase of add-on hours, providing greater flexibility for parents and carers. With consideration to the number of available ELC places related to staffing levels within establishments, the overall occupancy rate in ELC establishments in 2022/2023 was 92%.

48. To fulfil the statutory duty and implement the Scottish Government's Funding Follows the Child Guidance, local authorities must support parental choice and so there is the need to fund ELC places from the private, voluntary and independent sectors and childminders. In 2022/23 20% of the early learning and childcare provision was commissioned from funded providers for East Renfrewshire children.

49. The annual school census figures of the number of pupils in our schools shows that the total number of primary pupils has steadily increased by over 14.9% between 2012 and 2022.

50. The number of external pupils has decreased from 11% in 2012 to 5% in 2022 and in the last four years the number of external places has reduced by over 200 places, a reduction of 31% over that period.



51. Although in previous years primary 1 saw a reduction, the overall primary roll continues to increase, indicating families are taking up residence within the Council area at later stages. ERC residents now make 95% of the total primary roll compared to 89% in 2012.

52. The total number of secondary pupils has remained fairly consistent until the last three years which have seen an increase to a roll greater than 8,000 for the first time in 2021 and a further increase in 2022. Whilst the overall secondary roll has increased by only 3% between 2012 and 2022, there has been a significant reduction of 58% in the number of secondary pupils who attend an East Renfrewshire school and reside out with the council area over the same period. The number of East Renfrewshire resident children has increased by almost 20% over the same period.

53. Overall the occupancy rates in the primary and secondary school sector are at 86.5% of available planning places. There are varying rates across schools, but there are several establishments with very high occupancy levels, with 10 establishments where the school's roll is in excess of 90% of its planning capacity

54. Further new education places will be required as a consequence of ongoing and planned new residential development and inward migration to the authority. This includes the need to increase the very specialist places for our most vulnerable children and young people as more families move into the area to access this widely recognised and valued specialist provision. The authority continues to make progress with its review of provision as part of a wider assessment of the needs of Additional Support Needs (ASN) services across the authority looking at how best to address needs in the short and longer term.

55. Following a public consultation on the creation of ASN services at Carolside Primary School which was approved by Education Committee on 8 December 2022, the Carolside Communication Service came into effect in August 2023. Additionally, a Pre-School Assessment and Development Unit (PSADU) will be created at Carolside Primary School which it is planned will come into effect from August 2024. This will ensure appropriate support for early years and primary school learners on the basis of their needs and to ensure availability of places to such provision.

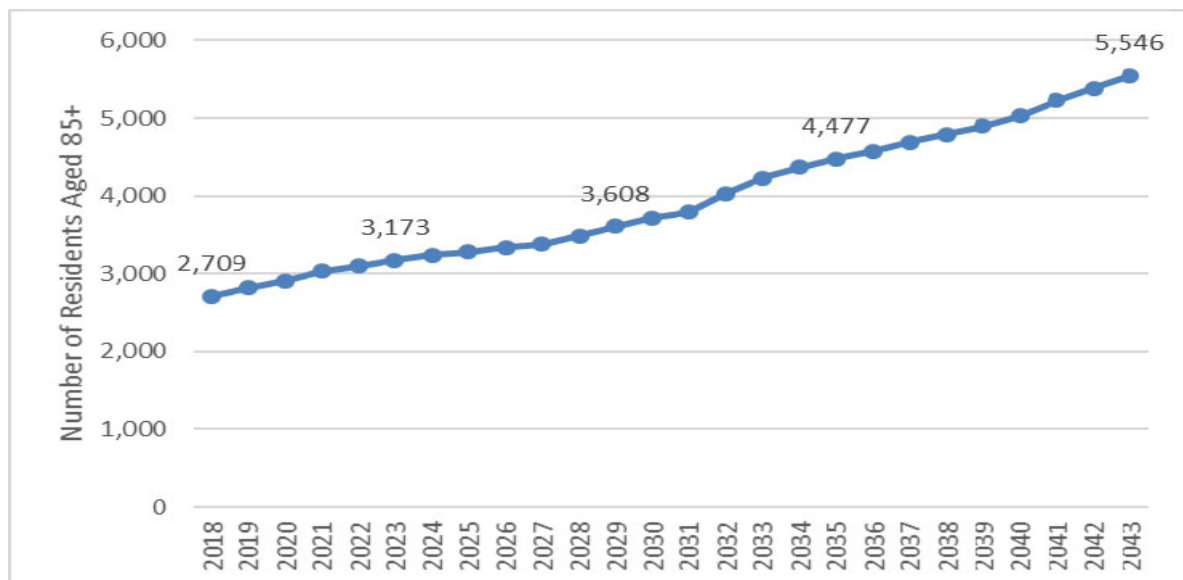
56. The Education Department continues to consider its provision of ASN services for the secondary sector. Accordingly, there is likely to be an increasing revenue spending pressure to meet the demand for such specialist support in the coming years.

57. The number of looked after children in in East Renfrewshire has decreased over a five year period, from a high of 146 in 2018/19 to 131 in 2022/23. This covers the first half of our ten year Signs of Safety implementation plan. The decreasing Looked After population is a reflection of considerable efforts to support families without statutory measures unless absolutely necessary. However, the proportion of our Looked After population that is made up of unaccompanied asylum seeking children has grown exponentially from 0.9% in 2018/19 to 17.7% in 2022/23 and is projected to continue increasing. This causes significant budgetary pressure and in particular extra need for placements. Coupled with an increase in the number of young people requiring residential care placements due to very complex needs, and trauma; the need for residential placements has increased year on year since 2018/19 and by 160% across five years.

58. In response, 2023 saw our most successful fostering campaign to date to expand the range of placements available to support families via extension of family networks. The Promise requires us to strive for the best quality care to meet the individual needs of each of our children, for who we are corporate parents. However, demand continues to outstrip supply. We are also seeing an increased complexity of support needs, particularly where there is a neurodevelopmental diagnosis. The number of children and families requesting assessment for an individual budget continues to grow. Despite the introduction of the supporting people framework threshold to only support those with substantial/critical need, the number of individual budgets remains high and this further evidences the complexity of support needs in this population. East Renfrewshire continues to have the lowest rate of young people in secure care in Scotland, we haven't placed a single young person in secure care in the last 8 years. This is a significant achievement, to maintain vulnerable high-risk young people in our community safely, however the level of support required to do so is resource intensive.

59. Between 2022 and 2023, East Renfrewshire experienced a 5.7% decrease in the number of births, decreasing from 790 in 2021 to 745 in 2022 (Source: NRS Mid-2022 Births, published July 2022). This is the fifth consecutive year where the number of births has decreased within East Renfrewshire. The number of births across Scotland decreased between 2021 and 2022 by 1.7%. Deaths in East Renfrewshire decreased by 8.6% between 2021 and 2022 (Source: Deaths, published July 2023). East Renfrewshire has amongst the highest life expectancy rates in Scotland for both men (79.9) and women (84.0) (Source: NRS Mid-2022 Life Expectancy in Scotland, published September 2023).

60. East Renfrewshire already has an increasing ageing population. By 2043, almost one quarter of East Renfrewshire will be aged 65 or over (NRS 2018-Based Population projections, published March 2020). In recent years, the number of people aged over 85 needing key services has been rising. This has an impact on our services because the number of people aged 85 and over is expected to grow at a faster rate than the rest of the population. On this basis we can expect the number of people with a need for home care or care home support to steadily increase year on year.



61. All of these changes will lead to increased pressures for both the Council and local health services. Health and social care support to reduce unplanned admissions to hospital continues to improve alongside a reduction in the number of people residing in care home settings. This is contrasted with increasing levels of care at home services providing support to people with complex health needs in their own homes. The impact of the pandemic has increased pressures on acute services and patterns of hospital care which has meant delays to planned services and potential for worsening health within communities. The Independent Review of Adult Social Care recognises the need to robustly factor in demographic changes to future planning as well as a focus on meeting early intervention and preventative community support. The proposals set out in the National Care Service consultation are now being considered and will change the funding model for adult care, with new Community Health and Social Care Boards directly accountable to Scottish Ministers. This could have an impact on the Council's future funding.

62. The Council's financial plans reflect the expectation of additional income from Council Tax due to an increase in the number of dwellings. However, any increase is dampened by a decrease in Government Grant as an estimate of Council Tax income is part of the calculation of General Revenue Grant from the Government.

63. The Council's General Revenue Grant is primarily made up of Grant Aided Expenditure (GAE), together with grants for loans repayments, the floors mechanism, "changes" which reflects the Council's share of any overall funding increases (or decreases) made available to local government and estimated changes to Council Tax income.

64. Whilst population is an important factor in calculating GAE, the calculation is extremely detailed and takes into account the age profile of the population, the number of schoolchildren and levels of deprivation as well as rurality. GAE is built up from a detailed analysis of the pressures on each service the council delivers. In recent years the calculation of several GAE allocations has undergone major change and this has resulted in some impact for the Council, most recently in reducing the level of grant support we attract for roads maintenance.

65. For many years East Renfrewshire Council's share of overall GAE had been steadily increasing as our population has grown. However, larger increases in population in other areas, particularly in the east of Scotland, have meant that East Renfrewshire's growth rate was slightly closer to the Scottish average. This change and an increasing focus on deprivation and other factors have slowed the growth trend for GAE, with the Council's share of GAE broadly steady for a number of years. The Council now has a 1.9% share of the overall GAE (2023/24 1.87%), but this is still significantly higher than our population share of 1.78%.

66. This high share is as a result of the relatively high number of pupils at our schools which is in part due to larger than average family unit sizes and in part due to the level of placements at our schools. Our share of Education GAE at 2.27% is well in excess of our population share and, as education GAE is the largest element of GAE at 46.7%, the effect on the council's budget is significant.

67. In overall terms it is estimated that the high pupil numbers increases our expenditure by around £30m as compared to an average council of a similar population and this is taken into account by the Government in estimating our budget needs.

68. Our share of social work GAE is slightly below our population share at 1.7% but this too has been steadily growing over recent years primarily as a result of our ageing population with the calculations giving us a high premium for those over 85 years of age who are likely to be in the most need of care at home or a nursing or residential care placement.

69. In recent years, much of the increased grant share from demographics has been cancelled out as a result of the Floors adjustment. This mechanism is designed to limit the level of grant reduction that any Council with falling demographics can bear. This has had a significant impact on East Renfrewshire, while protecting Councils with falling population from directly related budget reductions. However, in 2024/25 East Renfrewshire's grant was reduced by £2.769m, as against a £3.595m reduction in 2023/24. This net improvement is due in part to the Floors being set by the Scottish Government at a slightly lower level than in the recent past, together with the 2022 Census data being used for the 2024/25 settlement instead of the less accurate mid-year population estimates used in previous years.

70. These changes to our grant calculations mean that an increasing population does not necessarily produce a similar increase in funding each year. The Council therefore adopts a prudent approach in generally assuming a static share of national settlements as a starting point in budget modelling.

CAPITAL INFRASTRUCTURE

71. In terms of the capital infrastructure required to service our population's demands, the Council has produced a Capital Investment Strategy to inform investment priorities. This looks beyond our Capital Plan which covers 10 years. The Council will continue to utilise its Capital reserve provision and forecast developers' contributions to help support the investment required in relation to population growth in the coming years, but whilst inflation on capital works remains high and Scottish Government capital grants remain relatively fixed or declining in cash terms, this will increase pressures for Councils to borrow to finance capital works. This in turn increases pressures on revenue budgets from capital financing charges, especially as interest rates have not returned to their pre-pandemic low levels. This will be an increasing constraint on capital ambitions in future.

72. Provision of new early learning and childcare facilities to deliver the statutory increase in entitlement to 1140 hours per year, additional school facilities to meet demands from new house building, and the need to replace assets nearing the end of their lives, have all contributed to a significant increase in borrowing with a resultant impact on future years' revenue budgets for loan charge repayments.

73. More detail of the Council's plans to address future capital needs are set out in the Capital Investment Strategy report, which is updated annually.

CITY DEAL

74. Work continues to progress on the Council's £44 million of City Deal investment. In Newton Mearns, this has produced opportunities for business startups and networking at the new facility at Greenlaw, currently the building is 88% occupied. At Barrhead North, the remediation of the former Nestle site has provided exciting opportunities for retail and business and has created employment opportunities. The City Deal investment also includes significant transport infrastructure projects which aim to kick start regeneration and to create access to employment in the communities of Barrhead and Eastwood. Improvements on Balgraystone Road have enabled an accelerated affordable residential development in Barrhead and improved accessibility to the Dams to Darnley Country Park. A new bus interchange has already been created and will serve a new rail halt in south Barrhead on the existing Glasgow to Neilston branch line, which is also a City Deal project. Works have commenced on site at Aurs Road for the Aurs Road Realignment Project that will improve connections and road safety between Barrhead and Newton Mearns, replace a weak bridge, deliver a new active travel route and a new public promenade on Balgray Reservoir, and install a replacement culvert between Balgray Reservoir and the Brock Burn. Following this, there will be a project to provide new visitor facilities at the Dams to Darnley Country Park.

75. Whilst the majority of the funding of City Deal investment will be provided by both the UK and Scottish Governments, the Council will be required to contribute £6.2m as well as fund the cash flow over an extended period as most of the grant support will not be received until well into the future. This will significantly increase pressure from loans charges in the medium term.

LEGISLATIVE CHANGE

Entitlement to 1140 hours of Early Learning and Childcare provision

76. From August 2020, all families within East Renfrewshire have been able to access 1,140 hours of funded early learning and childcare as part of the new statutory entitlement for all 3 and 4 year olds and eligible 2 year olds. This was made available a year in advance of the legislative requirement of August 2021, being delayed nationally due to the disruption of the Covid-19 pandemic. To enable the delivery of the increase in the statutory entitlement, the Council has undertaken a significant transformation of early learning and childcare to deliver in line with the principles of quality, flexibility, affordability and accessibility. This has included close partnership working with funded providers through the provider-neutral approach.

77. Whilst additional capital and revenue funding was made available from the Scottish Government towards the costs of the new early learning and childcare entitlement, initial

revenue allocations did not fully cover the annual cost of expansion to 1140 hours under the Council's delivery plan. Whilst a change in the methodology for allocating funding was introduced from 2022/23, transitional arrangements have meant that 2024/25 is the first year ERC will benefit fully from a higher share of the national funding. Under the Verity House Agreement, subject to the establishment of an Education Assurance Board/framework, former ring-fenced funding for ELC expansion will be baselined into the general revenue grant from 2024/25.

78. Early Learning and Childcare across East Renfrewshire remains very popular with families with an ever increasing level of flexibility and accessibility across each of the geographical communities. The Children and Young People (Scotland) Act 2014 requires local authorities to consult on early learning and childcare on a biennial basis, ensuring services meet the needs of families. The most recent consultation was undertaken with families in autumn 2022 and this led to the introduction of further flexibility to meet different family circumstances, including the introduction of full-time models and wider roll out of "add on" hours, enabling families to top up their child's statutory entitlement. The department is next due to consult with families late in 2024.

79. The level of flexibility and accessibility the Council is able to provide for families will be at risk if the Council's resources continue to be restricted and delivery models may need to be reviewed in light of resources made available. This would inevitably impact on the attractiveness of Council provision, potentially increasing demand for private services, with an associated increase in partnership payment costs.

80. New legislation was laid in the Scottish Parliament by the Scottish Government in December 2020 extending the right to funded ELC places for all children who defer entry to primary one. This has meant that, from August 2023, all children who are not yet 5 years old at the start of term and who defer, have been entitled to continue accessing funded ELC for another year. Revised school and ELC admissions processes have been introduced to manage applications for deferrals and ensure that all children can continue to access their entitlement in their geographical community. This is likely to result in further pressures on physical capacity and a requirement for increased staff resources to continue to meet statutory ratios in ELC.

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

82. The Scottish Government has set out plans that, from April 2024, there will be an expectation on funded providers to pay a minimum hourly rate of £12 for all staff. This builds on the payment of the living wage, already set out through the National Standard. An additional £16m is to be made available nationally to enable local authorities to increase the sustainable rate to support this commitment.

83. In December 2023, the Scottish Government sought agreement from local authorities to commit to exploring options for a national rate for funded providers, replacing the existing, locally determined sustainable rates paid by each authority. At present, the rate paid to providers within East Renfrewshire takes account of local circumstances and is developed in consultation with local providers. Should there be any shift towards a nationally-determined rate, this would remove local control from the authority.

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

84. Building on the government's commitment to free school meals at P1-P5, for those attending special schools and services, and P6 and P7 children entitled to the Scottish Child Payment, the Cabinet Secretary confirmed the intention to support the expansion of free school meal provision to targeted pupils in P6 and P7 by February 2025, committing an additional £6 million pounds for this purpose. Should the revenue funding allocated to the Council to meet the targeted expansion to P6 and P7 pupils not be sufficient to cover the entire costs of school meals, this would result in an additional revenue pressure for the Council. The Education Department has undertaken a review of estate in order to determine the need for changes to catering and dining facilities to meet the demand for universal free school meals across all primary stages. The department has subsequently submitted a bid to Scottish Futures Trust, acting on behalf of Scottish Government, for capital funding to meet the projected costs of dining and catering amendments and awaits the outcome of this submission. Without such amendments, those identified schools will not be able to deliver the universal free school meal expansion.

Digital device for every school attending pupil

85. The Scottish Government's Programme for Government published in September 2022 indicated its intention for every school-aged learner to have access to a digital device by the end of this parliamentary term in 2026. Nationally, £10m of capital investment has been announced in December 2023 to be targeted at providing digital devices and connectivity to the most disadvantaged households with children. Whilst details of the Council's allocation of this initial funding have yet to be confirmed, any increase in devices will inevitably impact on the revenue budget in terms of factors such as increased utility costs, technical support for users and ongoing maintenance of devices.

Reduction in non-class contact time for teachers

86. The Scottish Government previously committed to reducing the class contact time of teachers and this would need to be from 22.5 hours per week to 21 hours per week with the intention of facilitating opportunities for teaching staff to access professional development opportunities and to design, plan and deliver improved educational experiences for children and young people. The timescales for implementation are still to be agreed. A reduction in class contact time for teachers would result in the requirement for additional teachers to be employed. Accordingly there will be a spending pressure to meet the demand for additional teachers, and this would need to be offset by additional Scottish Government funding.

Education governance: Empowerment

87. In June 2018, the Education Reform - Joint Agreement between the Scottish Government and Local Government was published. The Joint Agreement is based on the key principles that schools are empowered to make the decisions that most affect outcomes for their children and young people. This drive to an empowered system included the requirement for the Council to publish its scheme for Devolved Management of Schools (DSM) by April 2022. The Council's plans for this new scheme were considered and approved by Education Committee on 3 February 2022 and by Cabinet on 10 March 2022 and the updated DSM scheme is now in place. There is a requirement for regular review and consultation on the Council's DSM every three years.

Educational Attainment

88. From 2022/23 ring fenced funding via the refreshed Scottish Attainment Challenge Fund has been made available. This national fund currently comprises monies allocated to the Local Authority on the basis of Children in Low Income Families data, monies distributed to all local authorities via the Pupil Equity Fund (PEF) and monies distributed to the local authority to support care experienced children and young people. The aim is to improve outcomes for children and young people impacted by poverty, with a focus on tackling the poverty related attainment gap, thus helping to address excellence and equity for all learners.

89. East Renfrewshire's share of the local authority allocation is £401k in 2024/25, this will rise to £533k in 2025/26. The Education Department's Strategic Equity Fund plan for the use and monitoring of impact of such funding was approved by the Education Committee on 25 August 2022 with an updated action plan approved in September 2023.

90. In terms of PEF, East Renfrewshire schools benefitted by £1.485m in 2023/24 with funding distributed directly in line with the policy objectives and based on the number of pupils registered for free school meals; the PEF allocation to schools is expected to be £1.489m in 2024/25. PEF spending must be additional and determined by head teachers in consultation with their school community including staff, parents and pupils and focus primarily on closing the poverty related attainment gap; accordingly the Council is not at liberty to control any of this funding. Many of our schools use a participatory budgeting approach to determining this spend.

Instrumental music tuition and core curriculum costs

91. The Scottish Government has committed to meeting the costs for families of all core curriculum charges (such as costs for Home Economics/Technical subjects etc.). In addition further budgets have been allocated to all local authorities in Scotland towards the cost of the Instrumental Music lessons, removing the cost of this from families. To date the money received from the Scottish Government has been sufficient to meet pupil demand, which has allowed numbers to recover to pre-Covid figures. However, the funds would not be sufficient to meet any additional demand.

Gaelic Medium Education

92. The Education (Scotland) Act 2016 places a duty on education authorities to promote and support Gaelic Medium Education (GME) and Gaelic Learner Education (GLE) and establishes a process by which parents can request Gaelic Medium Primary Education (GMPE) from their education authority. The Council received a request seeking an assessment of the demand for GMPE in East Renfrewshire in late 2021. Following a full assessment of demand and subsequent consultation on the location of the school, Bun-Sgoil Ghàidhlig Thornliebank opened to its first pupils in August 2023 on the Thornliebank Primary School campus.

93. The Education Department submitted a revenue bid for funding to meet some of the costs of the staffing for the GMPE provision as well as other revenue costs such as transport; it is possible to receive up to 75% of the revenue costs associated with the school with regards to staffing and pupil transport; transport costs also include those children who continue to attend GMPE in other local authorities.

94. The revenue allocation made to the Council to support GMPE provision for 2023-24 was around 20% of the bid submitted.

95. The Education Department has once again made a bid for full funding of the costs of GMPE within East Renfrewshire Council for 2024-25, however it is likely given the allocation for 2023-24, to be significantly less than requested and to have a detrimental impact on the revenue budget once again.

96. For financial year 2026-27 and beyond, there will be additional staffing costs associated with GMPE provision as it will be necessary to introduce a second composite class to accommodate children as they progress through the P4 to P7 year stages. The department will make a bid at that time for full revenue funding, however it is likely to result in additional revenue pressure to the Council if the full amount requested is not provided.

97. The department submitted a bid to the Gaelic Capital Fund to allow for accommodation works to take place at the school to meet the demands of GMPE provision. The full capital amount requested was allocated and included on the Council's Capital Plan with works scheduled to complete in 2024.

Protection for Teacher and Pupil Support Assistant Numbers

98. The Scottish Government has confirmed that Councils will continue to be required to maintain teacher numbers in future. As Education is by far the largest Council service and that social care, the next largest service, must receive at least a flat cash budget contribution, this means that the bulk of the budget reductions in the coming years would impact most on the remaining smaller environmental, community and support services. Local Government bodies are concerned that this is unsustainable and are making representations to the Scottish Government on this issue, calling for a fairer overall settlement for Councils in future and a removal of ring fenced funding.

Participatory budgeting

99. In October 2017, COSLA Leaders endorsed the Community Choices Budgeting Framework (mainstream Participatory Budgeting), which committed Councils to 1% of their budget being allocated through participatory methods. The Councils target figure for 2022/2023, the latest year for which we have complete data, was £2.14m.

100. In principle, the Council defines mainstream PB as when we cede elements of control or decision making to communities; attach a specific monetary value to it and communities recognise that they have the power to make decisions. The expectation on local authorities is that PB does not become an exercise in top slicing budgets to "do PB". Local authorities are expected to embed processes for local people to have a direct and active role in mainstream budgetary decisions. This means that PB activity can be complex, requiring clarity of scope, detailed forward planning and commitment to implement properly.

101. The Council is expected to submit an annual return to COSLA on progress made towards the 1% target. The latest submission for the 2022/2023 period, was in August 2023. For that period the Council reached a total figure of £733,728 (0.34%) against the £2.14m target. This is broken down below.

102. The PB activity during the period 2022/2023 included £166,938 through the Education department where establishments involved children, young people and parents in determining the use of a variety of school budgets such as Pupil Equity Funding, Parent Council funds and devolved school budgets/reserves. For example, at Barrhead High School, pupils and parents were consulted on improving experiences for all with a particular focus on equity. This identified 3 options with learners across the school ultimately voting for the establishment of a School Supper Cart which provides warm food and snacks for pupils attending supported study/homework sessions. In addition the department undertook a PB approach when determining the priorities and spend for the Strategic Equity Fund. This spend along with the Pupil Equity Fund seeks to tackle the poverty related attainment gap.

103. In 2022/2023, Voluntary Action East Renfrewshire administered £150,000 of PB monies that was received via the Councils Humanitarian funds for supporting communities in pandemic recovery. This was awarded to 36 projects over two voting events with over 800 residents participating. Additionally a total of £166,090 was administered by Linking Communities to over 90 projects.

104. Through funding from the Regeneration Capital Grant Fund and the Council capital budget £250,700 was committed to PB as part of the Gatehouse Development at Cowan Park overseen by Economic Development. A community steering group was set up at the start of the project to create engagement around all the assets/uses in the park.

105. In 2023/2024, Education has continued to undertake PB activities. £60,000 was allocated through the budget setting process towards Out of School and Holiday provision for Children and Young People with Complex Additional Support Needs, and this will be on a recurring process. Education colleagues have worked with parents to co-design an approach to the fund within the boundaries of appropriate provision. Head Teachers/Heads of Centres across our schools and nurseries have continued to explore the use of PB when making spending decisions. Examples of projects being taking forward this year include a new pupil support hub within St Ninian's HS, Operation Outdoor Play Hub at Thornliebank PS and the purchase of camera equipment in early years establishments within the Williamwood HS cluster to allow sharing of their cluster Community Project activities with local care homes. PB was also used to determine the use of the Scottish Government funding for the Summer Programme and also capital funds for improving playgrounds.

106. In the past year, an officers steering group was formed and co-designed a PB logo for East Renfrewshire and have agreed a provisional framework. Further workshops have been offered and delivered to departmental colleagues on how to deliver PB exercises. These have included meetings with HSCP colleagues around use of the Drug Mission Fund, however due to other priorities, PB activity in this area has not progressed. With a challenging budget setting process last year, many of the proposals around PB projects were put on hold as departments focused more on areas of essential spend.

107. A number of PB projects have been funded in 2023/2024 via the Covid Reserves/Humanitarian funds with £150,000 allocated directly to communities. The focus of this PB fund will be helping communities recover from the pandemic, particularly through groups and activities that target more vulnerable and marginalised residents most impacted by Covid. The fund has been distributed across the five ward areas and targeted at key communities; Barrhead, Neilston, Thornliebank, Mearns Village, Busby and Eaglesham. There has been a dedicated post put in place via the Council's Community, Learning and Development (CLD) team to help communities build capacity and expertise around PB and wider citizen democracy processes. Additionally £20,000 has been allocated via Covid Reserves towards a Green PB event with a focus on food growing initiatives. The CLD team also supported East Renfrewshire Youth Voice to deliver a second youth led PB event in November 2023. 30 projects applied for the £14,500 fund (this included a £2,000 contribution from Young Scot) with 224 young people voting. 19 projects were funded.

108. Following approval from Cabinet in August 2023, the Roads team are preparing to run a PB project on traffic-management zones with £300,000 committed for residents' votes. This will involve residents being consulted and getting to decide on feasible traffic management interventions in 15 zonal areas (75 in total over 5 years).

109. East Renfrewshire did not reach the target 1% in 2022/23 and it is not likely that this level will be met in the near future. Budget setting continues to be a challenge and with the most recent Scottish Government draft settlement, there is more pressure than ever on Councils and a risk that only statutory provision can be made. Furthermore, COSLA has recently submitted a paper to the Scottish Government recommending that the 1% target is removed and a more qualitative and holistic approach is taken to monitor Participatory Democracy.

Welfare reform

110. The reform of the Welfare System and the demand related to COVID-19 has led to changes in the responsibilities of councils and the levels of financial support available to residents. Existing COVID funding has now been fully committed in this regard, but the Council continues to maintain a welfare contingency fund to assist us to support residents experiencing financial hardship.

Climate Change – Net Zero Carbon Targets

111. All of the Council's revenue and capital expenditure will need to be reviewed to show how we will align our spending plans and use of resources to contribute to reducing emissions and delivering emissions reduction targets. This is a requirement set out in The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment

Order 2020. It is acknowledged that this will be an ongoing process with investment decisions to be appraised on a case by case basis including a consideration of climate impact in each case.

112. A climate change action plan (the Get to Zero Action Plan - GTZAP) outlines the actions required over the next 22 years to progress towards the national net zero statutory target in 2045. It also covers what may be required to adapt Council and community infrastructure, land and assets to the changing climate.

113. The costs to implement the GTZAP have been estimated. Current estimates are that as much as £370m capital investment could be required in the period up to 2045. Given the need for detailed feasibility studies, the fact that low-carbon technologies are evolving amidst ongoing global market uncertainty, coupled with the long timespan which the GTZAP covers, the estimates should be treated as such. Whilst they are provided using the information and insight available at this time, these are not costs that we can depend upon but do provide a guide to the potential scale of investment that would be required. In short, this is a high level indicative cost and it will inevitably be subject to change and variation as government policy and technology develops as well as funding availability.

WIDER POLITICAL, SOCIETAL AND ECONOMIC CHANGE

COVID-19

114. The COVID-19 pandemic impacted significantly on all Council services during 2020 and 2021 and continued to influence services during 2022 and 2023 as we worked to recover and to establish a “new normal”. Service delivery approaches, workforce, technical capability and budgets have all had to be amended to recognise this. Grant funding was provided in 2020/21 and 2021/22 and has been used to cover both unfunded COVID service costs and local community pandemic related pressures. The position must continue to be carefully monitored in the coming years so that any such COVID-19 related costs are clearly identified and funding secured wherever possible so as to minimise additional pressure on already strained service revenue budgets.

Proposal to Develop a National Care Service

115. In response to the 2021 Independent Review of Adult Social Care the Scottish Government launched a consultation on the proposals for a National Care Service (NCS) in August 2021 and the analysis of responses was issued in February 2022. The proposals set out wide ranging implications for IJBs including the creation of Community Health and Social Care Boards directly accountable to Scottish Ministers, with a commissioning and local delivery body for the NCS. The proposals have far reaching implications for local authorities and the current arrangements for delivering social care services. This must be monitored and factored in to future Council plans.

116. The National Care Service (NCS) (Scotland) Bill was introduced to the Scottish Parliament on 20 June 2022. The Health, Social Care and Sport Committee as part of Stage 1 scrutiny of the National Care Service (NCS) (Scotland) Bill, requested further clarification, following the Scottish Government's tripartite negotiations with local government and NHS since the shared accountability agreement in early summer 2023. The shared accountability agreement main changes include; Local Authorities will retain responsibility for all current functions and the delivery of social work and social care services and there will be no transfer of staff or assets; Integration Authorities (IAs) will be reformed rather than creating new Care Boards and the establishment of a National Care Service Board. The National Care Service Board would be the primary means through which to secure, operationalise and manage shared accountability. The NCS Board will be established first with local Boards at a later date. The Minister for Social Care, Mental Wellbeing and Sport wrote to the Committee detailing progress to date. A separate correspondence was sent to the Convenor of the Finance and Public Administration Committee noting the Scottish Government proposal to make amendments to the Bill at Stage 2 in response to evidence taken at Stage 1 and ongoing feedback from stakeholders as part of the Scottish Government's co-design programme. This is envisaged as a substantive change the costings of the Bill. The Bill remains at Stage 1 as at 31st January 2024.

Economic uncertainty

117. Economic uncertainty continues on an international scale with the wars in Ukraine and the middle east, the forthcoming elections in the USA and UK and the ongoing cost of living crisis all impacting. This has resulted in higher inflation and interest rates and a sluggish recovery in productivity. Whilst the rate of inflation is now reducing, it is forecast that the UK Government's long term target of 2% will not be achieved until later in 2024. Interest rates are also still high, however they are expected to fall back to around 3% within the next two years. Any further economic detriment and related poverty would further increase the demand on council services, which has not yet reverted to pre-pandemic levels.

OUTLINE REVENUE FINANCIAL PLAN

118. The Council's agreed financial policy states that "*The Council will make spending decisions based on an assessment of medium to long-term needs and consequences and will seek to avoid taking a short-term outlook in its policy making, service planning and budget setting decisions.*" Historically, the Council has considered and set multi-year budgets. This has assisted in managing extremely difficult financial circumstances and is a demonstration of the value of adopting a longer term approach to financial planning. Whilst it is intended that the Council continues to adopt this longer term approach in future, the lack of multi-year budget information from the Scottish Government has resulted in the Council having to set only a single year budget for 2024/25.

119. The 2024/25 provisional Scottish Council settlement figures were announced on 21 December 2023.

120. The latest local government settlement figures for the Council appear slightly more favourable than forecast, due to our increasing population share, with a cash increase of £2.5m (1%) for East Renfrewshire (after adjusting for new policy commitments) when compared to the equivalent budget for 2023/24.

121. The impact of the settlement on the Council results in a shortfall for 2024/25 of £11.992m. This is before applying any Council Tax freeze funding, reserves or savings.

122. Detailed proposals to address this shortfall will be presented later on today's agenda.

123. Although the Council is not in a position to set a multi-year budget this year, it will continue to plan ahead and prepare three year financial plans as part of the Outcome Delivery Planning process. These will be updated annually to take account of emerging factors such as the UK budget plans to be announced in spring 2024.

124. Looking further ahead and taking account of future pay, inflation, capital financing and demand pressures currently foreseen, together with the impact of the reducing scope for mitigating savings pressures by utilising reserves in the coming years, Table 1 below illustrates how varying grant levels from the assumptions in paragraph 19 above could require savings of zero to £9.492m per year from 2025/26 until 2029/30. Estimated savings requirements have been calculated on the basis that Council Tax increases (for modelling purposes) of 6% and 4% are applied in 2025/26 and 2026/27, with 3% pa thereafter and that the remaining £2.3m of service concession (PFI) reserve is applied in 2025/26 with no other reserves applied thereafter. The savings requirement for 2025/26 is significantly higher than the later years' gaps, mainly because the 2025/26 shortfall includes savings previously deferred by use of reserves. The 2026/27 gap is less because it is assumed that the previous year's gap will be closed without use of any reserves. In addition, the Council starts to receive City Deal funding as a revenue grant from 2026/27. Subsequent gaps reflect continuing rises in the loan charges profile in later years. Assuming annual grant flows as per the Council's forecast central scenario (as set out in paragraph 19 above), an average savings gap (after illustrative Council Tax increases) of £5.426m per year is forecast over the next 5 years. As such, officers must continue to update and develop long term financial plans and options for consideration within our multi-year budgeting approach to ensure that these can be factored into business/service planning, together with workforce and asset plans. The move to multi-year settlements at a national level will assist with this.

Table 1

FUTURE YEARS' BUDGET OUTLOOK				
	SCENARIOS 2025/26 ONWARDS			
FORECAST ANNUAL BUDGET GAP	GRANT 1% BETTER	GRANT 0.5% BETTER	CENTRAL CASE (PARA 19)	GRANT 0.5% WORSE
	£M	£M	£M	£M
2025/26	5.902	7.099	8.296	9.492
2026/27	(0.245)	0.991	2.216	3.428
2027/28	2.466	3.728	4.966	6.180
2028/29	3.099	4.393	5.649	6.869
2029/30	3.403	4.728	6.004	7.229

125. Whilst the outlook for the 5 years beyond 2024/25 is illustrated in Table 1, our planning will also flag up and take account of any other major longer term issues impacting on financial forecasts over an even longer time horizon. Such items might include future expiry of PFI/PPP contracts, repayments of major tranches of loan charge debt, the move towards a National Care Service or other significant planned legislative change. This will be updated to take account of any proposed changes to local government funding arrangements once the alternative to the current Council Tax is determined.

MITIGATING ACTIONS

126. The Council has always taken a long term approach to financial planning. Whilst the scale of the budget cuts and the time period over which they would be implemented could not have been foreseen in 2008, the principles behind the approach to long term financial planning have stood the test of time. The focus has been on developing a very clear strategy to allow priorities to be identified and a very ambitious long term transformation programme to maximise all possible efficiencies in the Council.

COMMUNITY PLANNING AND THE COUNCIL'S STRATEGY

127. East Renfrewshire Council and its community planning partners have an outcome focussed approach to strategic planning. East Renfrewshire's current Community Plan covers our 5 overarching strategic outcomes:-

- **Early Years & Vulnerable Young People-** All children in East Renfrewshire experience a stable and secure childhood and succeed.

- **Learning, Life and Work-** East Renfrewshire residents are healthy and active and have the skills for learning, life and work
- **Environment & Economy** - East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses
- **Safer, Supportive Communities-** East Renfrewshire residents are safe and live in supportive communities
- **Older People & People with Long Term Conditions** - Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.

128. Fairer East Ren, our Local Outcomes Improvement Plan, is part of our Community Plan which is focused on tackling inequality and closing the gap between communities of place and interest. Fairer East Ren is the main way our Community Planning partners work together to reduce the embedded inequalities in East Renfrewshire, many of which have been exacerbated by the cost-of-living challenges. The Council co-ordinates a partnership response to the crisis through regular operational meetings and has utilised Covid Reserves funding to target responses to alleviate pressures caused by the pandemic and ongoing cost-of-living crisis.

129. We are required to annually publish a Local Child Poverty Action Report in partnership with the HSCP and other partners. This is linked to Fairer East Ren and focuses resources on three key areas of taking action to increase income from employment, maximising benefits and to reduce the costs of living for families –with the long-term impacts of the pandemic still being felt across our communities addressing all three objectives continues to be a priority.

130. Four Locality Planning areas have been identified in East Renfrewshire. These communities experience poorer outcomes than other areas across the authority. Post-pandemic there has been a refreshed approach to locality planning with local people being supported to co-produce and take ownership of their own locality plans in partnership with Council services and other agencies.

131. Throughout 2023, events were held with residents from Auchenback, ADD2 (Arthurlie, Dunterlie & Dovecothall) and Neilston to identify their priorities going forward, and to create realistic plans with short and longer term goals. Thornliebank Together have taken an active role in engaging with residents with ongoing support from the Council.

132. In April 2023, we published progress being made with our Mainstreaming Equality and Human Rights Report 2021-2025, taking the opportunity to engage with communities

and refocus areas of activity including developing a community-led equalities forum. We have fully embedded the United Nations Convention on the Rights of the Child (Scotland) Act 2024 requirements of assessing the rights of children and young people into our Equality, Fairness and Rights impact assessment (EFRIA) process to ensure that along with fulfilling our Fairer Scotland and Equalities and Human Rights duties we are including UNCRC rights.

133. The Council's current strategy and plans are based on our overall Community Plan and articulate the role of the East Renfrewshire Council family (the Council, the HSCP and the ERCLT) in delivering the Community Plan. The Council is currently refreshing the "Vision for the Future" strategy which will sit at the top of our strategic planning framework becoming the over-arching long term strategic vision and plan for the Council and Community Planning Partnership. The approach for Vision for the Future was approved by Council in [June 2023](#), with a progress update provided in [December 2023](#). This followed a series of partner and stakeholder consultation and engagement events with community representatives, CPP partners, elected members and Council staff.

134. The three pillars for Vision for the Future have been agreed; Flourishing Families and Individuals, Vibrant Communities and Places and Living Well. The Vision will provide a strategic framework that will inform planning on capital investment, land use, transport, communities and budget planning. The plan will also align to Local Development Planning and wider City Region work, ensuring that we can deliver on themes of environment/climate change and regenerating local areas.

135. The 2024/2025 period will see a cementing of our 15 year Vision for the Future and updated associate plans including the Councils Outcome Delivery Plan and Local Outcome Improvement Plan, alongside a review of the current CPP governance structures.

136. As part of this visioning process, the Council has also reviewed its five capabilities to three in recognition that our transformation programme combines the themes of data, modernisation of how we work and digital under one heading of digital change. The three capabilities of Empowering Communities, Prevention and Digital Change will help drive the activities and outcomes that come through Vision for the Future.

137. These capabilities will continue to shape service improvements and efficiencies for the Council, focussing on customer experience, our business systems and processes and capitalising on the use of Office 365 capabilities to enhance the productivity of our workforce. We aim to be excellent in each of these capabilities and then use them to redesign our services to make them more effective and more efficient.

DIGITAL TRANSFORMATION

138. Savings plans for future years will be developed by the Corporate Management Team on the basis of the Scottish and UK budgets and will be reviewed to take account of any multi-year settlement information subsequently published. Whilst it is recognised that it will become progressively more difficult to identify efficiencies in future, the Council will continue to seek efficiencies through reviews and transformation initiatives wherever possible.

139. East Renfrewshire Council has a policy of always taking a prudent approach to the calculation of savings. Savings are only included in formal budgets once we have a high degree of confidence that they can be achieved (and in many cases are already in place through work in previous years).

140. Whilst significant savings have already been achieved, the very difficult financial circumstances facing councils are expected to continue for the foreseeable future so the scale of change will need to be maintained. In June 2023, Cabinet considered an update on our Digital Transformation Programme.

141. It was noted that the key aspects of the programme that will lead to budget savings are:

- Continuing to implement our Digital Transformation Strategy, with a focus on customer experience, streamlined end to end systems and processes and greater use of Microsoft365 capabilities for productivity
- An increased focus on user engagement in service design and more community empowerment to provide services which put customers at the heart of provision, improving services and potentially lowering costs
- Improving the sharing and management of data across the organisation

142. It continues to be necessary for us to regularly prioritise this work to ensure a focus on benefit realisation and to rigorously manage the limited resources we have to support projects.

143. Projects are funded through a Digital transformation budget, which will need reviewed year on year as part of the budget process. The funding comes from:

- a regular drawdown from modernisation fund (£1m plus any underspend from previous years);
- recharges to Capital;
- a small number of revenue-funded posts including Programme Management Office;

- drawdown from HRA, IJB and ERCLT reserves as required;
- departmental revenue budget “top slicing”, which may be required in future years as Modernisation Fund resources deplete.

144. A report to Council in March 2023 highlighted the Strategic Impact of the Financial Settlement. It was noted that, “savings had been taken from the budgets which would normally provide the future investment to develop services. Training budgets, community engagement and digital development budgets have all been reduced and in future years if we need to take the draft savings, they will be decimated, putting efficiencies, services and delivery of Best Value duties at risk”.

145. The modernisation reserve was created in 2014 to fund change projects across the Council. In the early days the fund was topped up annually from underspend at year end. However in recent years, there has been little opportunity to top up so the fund has been declining in value. The budget process for 2025/26 will need to address this issue or the Council will be unable to resource digital transformation beyond that period.

PARTNERSHIP WORKING

146. The Council has already benefitted from joint working with other bodies in providing services and has delivered savings through the early adoption of integrated management of health and social care services in 2006, the establishment of the Integration Joint Board in June 2015 and through initiatives such as sharing Renfrewshire Council’s Non Domestic Rates system and participation in the Clyde Valley Waste project. Joint working with our partners in the Glasgow City Region area now also extends beyond economic development and regeneration projects into education, transport and other initiatives.

147. The Council has also facilitated partnership working approaches in response to major challenges including Covid and the Cost-of-Living crisis ensuring resources and expertise are shared across multiple agencies to have maximum impact.

SERVICE REDUCTIONS

148. Given the likely continuing constraints in cash terms on the Local Government budget over the foreseeable future and the increase in demand for services, it is clear that that the transformation programme cannot deliver the full scale of budget savings required. In future a reduction in service levels will be required to ensure a balanced budget. The strategy for service reductions will be heavily influenced by the policy and manifesto commitments of the administration of the Council. The present policy can be summarised as follows:

- Service cuts will only be taken once all possible efficiency savings have been taken, with an expectation that officers will deliver an ambitious programme of savings based on the 5 capabilities.
- Services will be maintained at statutory levels
- Council departments will do all they can within overall budget constraints to meet any conditions of Scottish Government grant (e.g. teacher numbers, IJB funding)
- Outcomes for our most vulnerable residents will be protected where possible
- Staff will be treated fairly and compulsory redundancies avoided where possible

149. The Council also ensures that it engages with key stakeholders and carries out all appropriate impact assessments when considering any new savings options.

150. To date, even where there have been significant changes to service provision the outcomes achieved for residents have, in the main and excluding the impact of COVID, been protected and the trend was for key performance measures to increase. However if future budget cuts are as high as predicted, this will not continue and a more radical programme of future service cuts will be required.

INCOME GENERATION

Council Tax

151. In 2024/25 the Scottish Government is offering additional grant support to Councils who implement a Council Tax freeze. The £3.148m grant on offer equates to a 4.66% Council Tax increase, however this would not increase the Council Tax base, so would produce a smaller return from future Council Tax increases than if bills were increased by the same amount in 2024/25. A 1% Council Tax increase in 2024/25 would provide additional income of around £0.676m for the Council. It is unknown whether future grant settlements will impose freezes or caps on increases.

Charging For Services

152. Each year the Council reviews charging for services. In general an inflationary rise is applied but market conditions are also taken into account, especially when there is alternative provision available to residents. During 2015 Sports and Leisure services were transferred to a Culture and Leisure Trust, allowing the management team to take a more commercial approach, to access additional sources of funding whilst still working as a charity for the residents of East Renfrewshire. Other sources of income generation will also be explored by the Council for future years, including new income generation and commercialisation opportunities. The opportunity for the Health & Social Care Partnership to generate income from charging may be limited going forward as one of the recommendations in the recent Independent Review of Adult Care Services is to abolish charging for non-residential care. Likewise, scope for income generation in Education has

also reduced due to the abolition of charging for instrumental music tuition, in addition to the move towards universal free school meals in primary schools.

USE OF RESERVES

153. In recent years, Audit Scotland have noted that the level of usable reserves was relatively high in many Scottish Councils by the end of the year. This was largely due to substantial COVID grant allocations paid to Councils in March 2021 to cover COVID pressures in the coming years, however these COVID funds will have been fully spent or committed by 31 March 2024 and other balances in most Councils are now also reducing. Forecast levels of this Council's usable reserves, including graphical illustrations of trends, are considered as part of the Revenue Estimates report later on this agenda.

154. The Council's Reserves Policy sets out how its reserves will be governed. The policy has recently been updated and a report is included on today's agenda. Due to the Council's prudent long term approach to financial planning, a range of reserves has been built up over a number of years to assist with expected and unexpected pressures. Should a budget gap remain after the application of savings measures and income generation the Council may consider the short term measure of drawing down on some of these reserves.

155. The Local Authority Accounting Panel (LAAP) Bulletin 99 on Reserves and Balances provides guidance to Chief Financial Officers in the area of using reserves to fund recurrent expenditure as follows:

“It is not normally prudent for reserves to be deployed to finance recurrent expenditure. CIPFA has commented that Councils should be particularly wary about using one off reserves to deal with shortfalls in current funding. Where such action is taken, this should be made explicit, and an explanation given as to how such expenditure will be funded in the medium to long term. Advice should be given on the adequacy of reserves over the lifetime of the medium term financial plan, and should also take account of the expected need for reserves in the longer term”

156. It is important that members understand that any use of Reserves is a short term, one off measure and is only justifiable to address non-recurring pressures or on the basis that there will be a fundamental review of Council budgets over the next year.

157. The Council forecasts holding routine unallocated General Reserves of £10.745m (3.43%) as at 31 March 2024. The Council's normal aim is ideally to hold 4% of our revenue budget as a general reserve. Auditors broadly consider reserves of between 2 and 4% to be prudent. Should it be decided to meet any of the gap from reserves in 2024/25, these would have to apply only to one off items or the savings would simply be deferred to future years. Should members wish to utilise reserves to help balance the budget in the short term, it is recommended that this should be done with a view to transitioning to a more sustainable

financial basis in future years, with reserves used as far as possible only to cover one off or short term spending pressures or where recurrent savings are expected to be identified in the near future or for the following year.

158. During 2022, the Scottish Government offered Councils a new fiscal flexibility in relation to PFI/PPP type service concessions. Such service contracts usually run for 25 or 30 years although the assets delivered (such as schools or roads) will last much longer. The new flexibility allows Councils to account for the debt element of these contracts over the life of the assets concerned – typically 50 years, rather than the 25-30 year contract periods. Applying this approach to our historic PFI/PPP schemes produced a one-off financial benefit of £14.8m at 31 March 2023. This sum was added to our General Reserve and will be utilised in full by 2025/26 to transition into the forecast service reductions required as a result of the flat cash settlements set out in the Scottish Government’s May 2022 Spending Review.

159. The Council also expects to benefit from a substantial short term reduction in employer’s pension contributions in 2024/25 and 2025/26, equating to around £6.340m in each of these years. It is proposed that a new reserve should be established to hold these funds, with officers working with the Budget Strategy Group to develop proposals as to how they can be best utilised to invest for the future. Proposals can then be brought to members for decision. Similarly, the IJB, East Renfrewshire Culture & Leisure Trust (ERCLT) and the Housing Revenue Account (HRA) will also benefit from short term reductions in their employers’ pension contributions.

Future Workplan

160. Accountancy staff have been reviewing financial pressures and funding levels for the coming year and outline budget proposals for 2024/25 are contained later on today’s agenda for approval. Work will continue in updating budget scenarios for the period to 2030 with a view to continuing with multi-year budget planning in future.

161. The timescales for submission of the Council’s financial plans are listed below:

Plan	Approval
Financial Plan 2024/2030	Council, February 2024
Capital Investment Strategy	Council, February 2024
10 year Capital Plan 2024/2034	Council, February 2024
Reserves Policy	Council, February 2024
Revenue Budget 2024/25	Council, February 2024

ODP 2024/25 (including 3 year draft budget figures)	Council, June 2024
Financial Plan 2025/2031	Council, February 2025
3 Year Revenue Budget 2025/28 (subject to multi-year government data availability)	Council, February 2025

CONCLUSIONS

162. In view of the significant financial and demand pressures facing the Council over the current and next six years it is essential that financial plans are updated regularly for consideration by the Council. This is in line with the Council's agreed financial policy of basing decisions on an assessment of medium to long term needs and consequences.

RECOMMENDATIONS

163. It is recommended that the Council: -

- (i) notes the continuing budget pressures anticipated in the next 6 years and the mitigating actions proposed; and
- (ii) approves the draft Outline Revenue Financial Plan 2024 – 2030

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

KEY WORDS Revenue Estimates, Council Tax, Reserves and Balances, Financial Planning

EAST RENFREWSHIRE COUNCIL28 February 2024Report by Head of Accountancy (Chief Financial Officer)REVENUE ESTIMATES 2024/25**PURPOSE OF REPORT**

1. To submit for approval outline revenue estimates of income and expenditure as the basis for the Council Tax declaration for 2024/25.

RECOMMENDATIONS

2. It is recommended that the Council: -

- (i) Notes that the revenue estimates for 2024/25 (Annex A) have been prepared with the budget gap of £11.992m, closed on the basis of a Council Tax freeze funded by £3.148m of additional grant support, the utilisation of £5.000m of resources made available through Service Concession Flexibilities agreed by the Scottish Government, a draw of £0.777m on general reserves, and savings proposals of £3.067m (Annex B);
- (ii) Notes that £2.109m of the listed 2024/25 savings have already been agreed by Council;
- (iii) Notes that a 1% change to the level of Council Tax set would produce an adjustment of £0.676m to the level of income available;
- (iv) Notes that gross outstanding budget gaps for 2025/26 and 2026/27 have been estimated at £15.147m and £5.110m respectively, before application of any new savings, utilisation of fiscal flexibilities, drawdown from general reserves or increases in Council Tax in these years;
- (v) Notes the estimated funding gaps of £6.326m, £2.184m and £2.638m also faced by the Integration Joint Board (IJB) in respect of social care in 2024/25, 2025/26 and 2026/27;
- (vi) Agrees that the management of the Council's finances and services will continue to be undertaken on a longer term basis;
- (vii) Agrees the Council Tax Band D level for 2024/25;
- (viii) Agrees the utilisation of reserves and the savings to be implemented for 2024/25;
- (ix) Agrees to establish a new Investment in the Future reserve to hold the funds available due to the short term reduction in employer's pension contributions, with officers working with the Budget Strategy Group to

bring forward proposals to Cabinet during the year for utilisation which will benefit the Council in future: and

- (x) Agrees that, where possible, savings for implementation in 2025/26 which require significant preparatory work should be brought back for approval later in the year to permit this to be undertaken timeously.

REVENUE BUDGET PROCESS

3. In approving the revenue estimates in recent years the Council has recognised that the future financial position was likely to remain very difficult in terms of spending pressures, demand for services and level of government grant. Accordingly, the Council has adopted a long term financial planning policy which assumes a real terms reduction in available budgets. This position remains appropriate with the Scottish Government's May 2022 Spending Review and Medium Term Financial Strategy setting out a flat cash position for the three years 2023/24 to 2025/26 and an increase of only 0.9% in 2026/27.

4. Recognising these ongoing financial pressures, the Council has reviewed and updated its long term Financial Plan for 2024-30, also on today's agenda. As a result of the Scottish Government settlement announced in December 2023 again detailing figures for only one year however, the revenue budgets to be considered today will cover 2024/25 only. It is hoped that detailed multi-year budget setting can resume in the near future, but this will rely on the UK and Scottish budgets, scheduled for spring 2024, providing more clarity on multi-year financial plans. In keeping with our longer term financial approach, however, departmental modelling of the Council's financial position will continue internally for the three years 2024/25 to 2026/27 in support of our Outcome Delivery Plan.

5. In summer 2022, savings proposals to address forecast funding shortfalls for the next three financial years were identified. These proposals were subjected to extensive consultation and active engagement with the Council's communities, service users, trades unions, employees and partners in autumn 2022, with consultees being invited to provide their views on the budget savings proposals set out. Feedback from that engagement exercise informed the development of the savings measures proposed covering the financial years 2023/24 to 2025/26. In view of uncertainty and delays impacting on the confirmation of UK and Scottish medium term budget information, a new Council three year budget and associated savings proposals could not be compiled and the Council will again produce only a single year budget for 2024/25. However, in addition to agreeing the 2024/25 savings, the lead in times required to deliver some future savings mean that consideration should be given to approval later this year for advance work to enable full year delivery of some 2025/26 savings. In addition, it is recognised that further savings will have to be identified for 2025/26 and beyond and further engagement undertaken in relation to new savings proposals.

6. As a part of the process for constructing the budget proposals for the next financial year, departments compiled detailed budget information on the cost of services to be provided in 2024/25. In practice this presents the cost of maintaining existing service levels taking account of: -

- The impact of inflationary pressures including pay awards
- Government initiatives
- Cost of Council decisions and legal commitments
- Revenue implications of the Capital Programme
- Increased demand for services from growing population

- Recurring reduction in pension contributions (£1m pa) as a result of the April 2023 actuarial review of Strathclyde Pension Fund

7. The budget timetable observes the necessity to set Council Tax and issue bills to residents prior to the start of the new financial year.

8. The budget process has involved consultation with Trades Unions both at departmental and corporate levels and formally through the Joint Consultative Committee and this will continue.

SCOTTISH GOVERNMENT GRANT FUNDING 2024/25

9. Aggregate External Finance (AEF) is the mainstream grant support for the Council. It is determined by the Scottish Government and comprises: -

- General Resource Grant
- Specific Grants
- Income from Non Domestic Rates

10. For comparative purposes budgeted grant levels are shown below. The figures in the first column reflect the 2023/24 grant announced by the date of that year's budget meeting. The second column shows the 2024/25 grant confirmed for the Council to date.

	AEF 2023/24	AEF 2024/25
	£000	£000
General Revenue Funding	196,806	221,637*
Specific Grants	10,565	2,162*
Non Domestic Rates	<u>15,695</u>	<u>15,891</u>
	<u>223,066</u>	<u>239,690</u>

*The General Revenue Funding and Specific Grants figures in 2024/25 above have been adjusted to reflect the transfer of Early Learning & Childcare specific grant funding to the general revenue allocation.

11. In the table above, total grant has increased by £16.6m between March 2023 and February 2024. This includes over £12.6m of Scottish Government contributions as part funding of local government and teaching staff pay awards in 2022/23 and 2023/24, a further sum of more than £0.7m representing the Council's increased share of national funding in support of early learning and childcare, and around a further £0.7m to be passed to the IJB in relation to Free Personal Care and Kinship Care. The remainder of the increase, around £2.5m, reflects East Renfrewshire's growing share of the overall Scottish population, particularly in relation to children.

12. The Specific Grant figure includes £1.489m ring fenced Pupil Equity Funding to support educational attainment. This is a similar level to 2023/24 and must be distributed to head teachers for them to determine utilisation. As such the expenditure cannot be directed by the Council. A further £0.616m of the specific grants is in relation to Criminal Justice and will be passed to the Integration Joint Board (IJB). The remaining £0.057m relates to Gaelic education.

13. The 2024/25 Scottish budget is due to be passed by the end of February 2024, however no significant changes which would impact on the Council's budget gap are anticipated by that point. Any late changes, currently expected to be confirmed in a revised circular after the final Holyrood budget debate, relate to uplifts to permit Councils to support payment of at least £12 per hour living wage to third and private sector workers providing commissioned care in early learning and childcare and adult care settings. As such, this funding will benefit external partners, rather than the Council. With the UK Spring Budget scheduled for 6 March 2023, there may be further changes in the Scottish Government's funding position, but at present the impact of these on local government is uncertain.

14. COSLA has calculated that, after adjusting for new Government policy commitments, the national grant settlement represents a cut of £62.7m (0.5%) in cash terms. After adjusting for new grant funding for Scottish Government policies and other amendments as set out in paragraphs 11 & 12 above, East Renfrewshire Council's 2024/25 settlement does not follow the national trend, showing a net cash increase of c£2.5m (1%) against the comparable 2023/24 budget. In broad terms this figure consists of:

- An increase of £0.75m as a consequence of a lower contribution to the floors arrangement to support other Councils with reducing budgets;
- An increase of £1.75m in general Council funding, reflecting our increasing young and old population share, particularly in relation to children of school age.

15. Whilst the Council's grant settlement includes some £12m of Scottish Government support for enhanced 2023/24 staff pay increases, it makes no ongoing provision for the first 3% of the 2023/24 pay uplift, for any of the 2024/25 pay award (yet to be determined) or for any inflationary pressures faced by the Council. These, together with most rising demand pressures are not funded through Scottish Government grant but need to be self-funded by the Council.

16. As a part of the grant settlement for 2024/25, the Scottish Government expects that:

- Nationally Councils will maintain teacher and support staff numbers (details of this requirement have still to be confirmed) and secure places for all probationers who require one under the teacher induction scheme; and
- Council contributions to IJBs will be maintained at least at a flat cash level before the new funding commitments of c£0.7m are added, with the living wage allocation to follow.

17. The budget proposals submitted for Council consideration assume delivery against the above points in 2024/25. Further, the Council contribution to the IJB will be in excess of flat cash, by passing on a proportionate share of Scottish Government funding in support of the increased 2023/24 pay award.

18. The grant figures above relate to normal Council operations only and do not include Scottish Government funding specifically to address COVID pressures. Such funding, provided in previous years through government grants, has been accounted for separately by the Council and will have been fully spent or committed by 31 March 2024.

“FLOORS” ARRANGEMENT

19. In determining grant distribution the Scottish Government has again put in place a “floors” arrangement to ensure year-on-year stability in grant at individual Council level. The cost of bringing local authorities up to the “floor” is borne by the remaining Councils. Under

this arrangement East Renfrewshire will contribute £2.769m by way of deduction from AEF grants in 2024/25.

NON DOMESTIC RATES INCOME

20. Non-domestic rates income is paid into a central pool which is then distributed as part of AEF. The amount paid to Councils from the pool is fixed for each year with any surplus or shortfall in the overall pool being adjusted in the following year's rate poundage or AEF settlement. The forecast for NDRI draws on Councils' estimates of the amounts they will contribute to the pool. Included in the calculation are: gross income; expected losses from appeals; in-year cost of transitional relief; mandatory and other reliefs; write-offs and provisions for bad debts.

FINANCIAL OUTLOOK

21. The Council's agreed financial policy states that "*The Council will make spending decisions based on an assessment of medium to long-term needs and consequences and will seek to avoid taking a short-term outlook in its policy making, service planning and budget setting decisions.*" Over the last number of years the Council has aspired to consider and set multi-year budgets. This has assisted in managing extremely difficult financial circumstances and is a demonstration of the value of adopting a longer term approach to financial planning. Given the ongoing challenging financial outlook it is proposed that the Council continues to adopt this longer term approach and this has been set out in the Council's Financial Plan for 2024-30.

22. As multi-year Scottish Government settlements are not available, it is proposed to agree budget plans only for 2024/25 at today's meeting. Council officers will, however, continue to model departmental figures for 2025/26 and beyond and continue to update longer term figures (as set out in the Financial Planning 2024 – 2030 paper on today's agenda) for longer term financial planning purposes. We will also continue to adopt a multi-year approach to elements of budget setting wherever possible, in particular taking a longer term view of reserves to determine where these can be used to smooth the transition through particularly difficult budget challenges. The Council anticipates moving back to full multi-year budgets in the coming years once multi-year planning figures have been announced by the UK and Scottish Governments.

23. Taking account of the 2024/25 settlement announcement, updated expenditure forecasts, a flat cash base contribution to IJB and an expectation of some Council Tax buoyancy from new housebuilding, a total budget shortfall of £11.992m has been confirmed for the coming year.

24. In view of the May 2022 Scottish Spending Review figures, a flat cash settlement is also forecast for 2025/26, with a 0.9% uplift anticipated for 2026/27. An annual 0.5% increase has been assumed for modelling purposes for the subsequent three years, although no indicative forecasts have been provided by the Scottish Government. This produces ongoing shortfalls for the next five years. After balancing the budget for 2024/25, mid-range gross budget shortfalls of £15.147m and £5.110m are forecast for 2025/26 and 2026/27. Even after modelling Council Tax increases of 6% and 4% in these years respectively, and applying the remaining available one-off fiscal flexibilities, there would still be shortfalls of £8.296m and £2.216m respectively. It is important that the Council continues to manage this scenario in line with its longer term financial management strategy.

COUNCIL TAX

25. The 2024/25 settlement offers additional grant for Councils opting to freeze Council Tax charges for the year. The £3.148m available to East Renfrewshire equates to slightly less than a 5% Council Tax increase. Whilst this funding is expected to be recurring, it will not increase base Council Tax charges and so future years' Council Tax income will be lower and budget gaps higher than if the same percentage increase had been applied to 2024/25 bills.

26. It should be noted that domestic Water and Sewerage charges, which are levied by Scottish Water and collected by the Council on their behalf together with Council Tax, are not subject to this freeze and will rise by 8.8% in 2024/25. Local residents will still, therefore, see an increase in their bills, even if the Council agrees to freeze Council Tax.

27. If the Council were to apply the Council Tax freeze and receive grant compensation of £3.148m, the budget gap would be reduced to £8.844m for 2024/25.

RESERVES AND SAVINGS PROPOSALS

28. Budgets are closely monitored throughout the year and accountancy staff currently estimate the 2023/24 year-end non COVID related underspend to be £4.087m. This has been taken into account when considering the scope for a draw on reserves. As set out in paragraph 42 of this report, the general reserve is forecast to be £10.745m at 31 March 2024. This represents 3.43% of the Council's annual revenue budget and is an increase on the level held at 31 March 2023 (£6.658m (2.3%)). The Council's policy is to hold at least a minimum level of this reserve of "around 2%" so there is some scope for utilisation of this reserve.

29. As a result of the Scottish Government's permitting Councils a new fiscal flexibility last year in relation to accounting for debt on PFI/PPP style service concession projects over a longer period, the Council enjoyed a one-off benefit of £14.812m as at 31 March 2023. In closing the 2022/23 accounts, this sum was used to set up a new earmarked reserve and it was agreed that this fiscal flexibility should be fully utilised in the next three years to mitigate the impact of the expected flat cash settlements over this period and to help transition into the significant savings required.

30. Accordingly, a further £5m of the outstanding 2024/25 savings requirement would therefore be deferred on a short term basis by a drawdown from the new fiscal flexibility resources reserve funds. The budget shortfall for 2024/25 can thus be reduced to £3.844m. The final £2.285m of the remaining fiscal flexibility resource would then be utilised to assist with the 2025/26 budget pressures.

31. The application of this fiscal flexibility also produced a recurring revenue benefit of £2.7m for the next 9 years. This recurring benefit was taken into account when setting the 2023/24 budget and so has already been recognised in the base position for 2024/25.

32. The Integration Joint Board and the East Renfrewshire Culture & Leisure Trust have their own separate scheduled budget plans and will determine their own detailed savings on the basis of the Council's contributions to these bodies as set out in Annex A. After adjusting for these contributions, the Council's remaining departmental budgets stand at some £244.342m and the budget shortfall figures in paragraphs 23 to 30 above relate only to these budgets.

33. Annex B sets out details of £3.067m of Council departmental savings recommended to help close the remaining gap. These proposals include the decisions already taken by Council in December 2023 as well as taking account of the results of the Council's extensive public consultation undertaken in autumn 2022, together with representations from Trades Unions. The savings suggested include an £0.800m savings target across the whole Council to be managed by directors during the year. This is considered prudent in view of the Council's historic performance in operating well within budget each year.

34. Annex B does not include any savings proposals in relation to teachers or Pupil Support Assistant (PSA) numbers. As such, the approach will support the Council to seek to maintain overall teacher and PSA numbers as the same level as the previous year, in line with Scottish Government policy. However, the number of additional teachers and PSAs employed under the Scottish Government 100 days/recovery grant funding will be lower than in previous years due to this funding not having been increased in line with pay inflation. Further details related to the maintenance of teacher numbers in future and the conditions around Scottish Government funding allocated for this purpose are awaited.

35. In view of the improved forecast general reserve position set out in paragraph 28 above, it is recommended that the remaining £0.777m budget gap is closed by a drawdown from the general reserve. This would leave an estimated balance of £9.968m (3.12%) on the unearmarked general reserve at 31 March 2025.

36. Whilst the Council continues to make every effort to minimise impact on front line services, the cumulative impact of successive real terms cuts in grant settlements means that the scope for further efficiencies to be identified is significantly reducing. Nevertheless, £1.122m (36%) of the Council's savings proposals for 2024/25 relate to efficiencies or to the Council's Digital Transformation Programme and the focus on the Council's 3 capabilities (i.e. prevention; empowering communities and digital change).

37. Many savings options in any year involve service restructuring and reductions in staffing and these may involve one-off costs where staff leave employment as a result of voluntary redundancy or early retirement. Whilst there is some provision in existing budgets for such costs, the significant savings challenge over the next few years is expected to require drawdown of funds from the Workforce Restructuring reserve. This issue will similarly impact on the HSCP.

38. The Council recognises that many savings, especially those involving service reductions or restructuring, require long lead in times with officers having to undertake substantial work in advance to ensure that the savings can be implemented from the start of the relevant year. It is therefore proposed that, wherever possible, some savings proposals for 2025/26 are brought to Council for decision during 2024 to permit the maximum benefit to be delivered in 2025/26. This approach has been extremely helpful in setting the 2024/25 budget.

39. Annex D of the report considered by Council on 1 March 2023 [Council Budget Report 1 March 2023](#), when setting the revenue budget for 2023/24, contained details of potential savings options for 2024/25 and beyond which had been identified as part of the three year budget consultation in autumn 2022. Although some of these savings are included in Annex B to today's report as recommendations to be applied in 2024/25, many others would have a fundamental impact on service delivery and will therefore require further review. Accordingly, substantial use of reserves is proposed in 2024/25, through drawing on both the Service Concession Flexibility and the general reserve, to reduce the impact on services. As the review of some of these remaining proposals may well confirm that they are considered unacceptable, further savings for 2025/26 and beyond will have to be identified. Officers will seek to identify additional savings suggestions during the year to provide more options for

2025/26 and beyond. This demonstrates that the Council's medium term plan addresses the need to transition from reliance on reserves and to identify and implement permanent savings.

NET EXPENDITURE

40. The revenue estimates for 2024/25 reflect net expenditure of £319.877m, as follows:-

	BUDGET 2024/25 £m
Education	182.949
Contribution to Leisure Trust	6.055
Contribution to IJB	69.480
Environment	28.892
Business Operations & Partnerships – Non Support	12.445
Chief Executive's Non Support	0.288
Joint Boards	2.430
Contingency - Welfare	0.130
Capital Financing Costs	9.525
Other	7.683
	319.877

41. This total is supported by £67.675m of Council Tax, £5m of service concession reserves, £2.7m of recurring service concession benefit, £0.777m of general reserves and up to £0.887m of other grant funding (outwith the settlement in relation to the new Neilston Learning Campus) in addition to the £239.690m of general government grant and £3.148m of Council Tax freeze compensation set out earlier.

42. Welfare reform continues to impact on council services. As these changes, particularly Universal Credit, are still being rolled out the budget for 2024/25 includes contingency provision to help the Council make the necessary investment to support the changes and to progress measures to mitigate their impact on the public. As the financial impact of the changes is clarified in coming years, the contingency provision will continue to be allocated to appropriate service areas.

COUNCIL TAX COLLECTION

43. On the basis of past performance the Council Tax collection rate for 2024/25 has been assumed at 98%.

RESERVES AND BALANCES

General Fund

44. Setting aside earmarked reserves, the balance on the unallocated General Fund as at 31 March 2023 stood at £6.658 million with none of that allocated to balance the 2023/24 budget. Recognising the latest reported projections of in year underspends and interest earned it is projected that the closing balance on the General Fund at 31 March 2024 will increase to £10.745 million (3.43%). This is within the Council's target range.

45. The Council's identified medium to long term aim, as set out in the Reserves Policy earlier on today's agenda, is to hold a General Reserve of 4% of net revenue expenditure so as to provide against unforeseen expenditure which may arise and to accommodate the short and medium term financial plans of the Council. It is recognised that this target level cannot always be met and the level of this reserve is reviewed annually as part of the budget setting process, with a lower level agreed if this will assist the Council in addressing short to medium term challenges. A 4% reserve is at the most prudent end of accepted reserve levels and, given Audit Scotland comments in recent years on the levels of reserves held by Councils and the unprecedented challenges at present, it is considered that the proposed £0.777m drawdown in 2024/25 can be justified. This would maintain the estimated reserve level at 31 March 2025 at £9.968m (3.12%) comfortably above the Council's minimum policy level. It should be noted that the General Reserve cannot be used to permanently finance recurrent expenditure and can only delay savings.

46. The current and forecast positions of the General Fund and other key Council reserves are set out in graphical form in Annex C.

Modernisation Fund

47. This earmarked funding has been identified to enable the upfront investment required for the Council's transformation activities. The balance as at 31 March 2023 was £5.560m and it is anticipated that net spend of £1.115m will be utilised during 2023/24, this being supported by robust business cases. Movements in the reserve are currently estimated as:

		£000
Estimated Balance	1/04/24	4,445
Interest Receivable	2024/25	45
Expenditure	2024/25	(1,895)
Closing Balance	31/3/25	<u>2,595</u>

Insurance Fund

48. The Fund has been established to provide for insurance voluntary excess costs and there are no plans to use this fund during 2024/25. Movements in the fund are estimated as follows:

		£000
Estimated Balance	1/4/24	1,981
Interest Receivable	2024/25	35
Expenditure	2024/25	-
Closing Balance	31/3/25	<u>2,016</u>

Equalisation Fund

49. The Fund has been established to equalise future PFI/PPP payments. It is anticipated that in closing this year's accounts no contribution will be made to the reserve. It is not proposed to utilise this Fund during 2024/25. Movements in the fund are estimated to be as follows:

		£000
Estimated Balance	1/4/24	3,093
Interest Receivable	2024/25	55

Expenditure	2024/25	-
Closing Balance	31/3/25	<u>3,148</u>

Repairs and Renewals Fund

50. The Fund is established to assist with repairs and renewals to roads, properties and other infrastructure. Most of the remaining funds in this reserve are already committed and the unallocated balance at 31 March 2024 is expected to be only £0.825m. No contribution to this reserve is anticipated in closing the 2023/24 accounts and it is not proposed to utilise this fund during 2024/25, although £300,000 will be available as a contingency to be drawn down if next year's winter is more adverse than "average".

		£000
Estimated Balance	1/4/24	825
Interest Receivable	2024/25	15
Contributions	2024/25	0
Expenditure	2024/25	<u>0</u>
Closing Balance	31/3/25	<u>840</u>

Capital Reserve

51. It is anticipated that in closing this year's financial accounts no contribution is planned to this reserve and in the budget for 2024/25 it is not proposed to contribute further to the reserve. This reserve will assist in maintaining capital investment during the current economic challenges and it will be utilised in accordance with the Council's Capital Plan. The closing balance at 31/3/25 is estimated to be £5.602m, however this may reduce if anticipated 2024/25 Sustrans grant funding for the Aurs Road scheme is not received in full and the reserve has to be called upon to meet any shortfall. The outcome of the funding application is expected to be known early in the financial year.

Devolved School Management Reserve

52. In recent years Head Teachers have been permitted to set aside an element of school underspends at financial year end to assist schools in meeting future financial challenges and in managing budgets which span more than one financial year. Utilisation of this fund is at the discretion of Head Teachers and the balance on this fund at 31/3/25 is estimated to be £3.242m.

Unspent COVID-19 Grants Reserve

53. This earmarked reserve was established to fund cost pressures relating to the COVID pandemic. The estimated balance at 31 March 2024 is £0.126m and it is anticipated that there will be no further contributions to this fund. The remaining balance on this reserve has been fully committed and it is expected that there will be a zero balance at 31/3/25.

Service Concessions Flexibility

54. This earmarked reserve holds one-off gains arising from the Council realigning PFI/PPP debt to the life of these assets, rather than to the term of the PFI/PPP contracts. The estimated balance at 31 March 2024 is £7.288m, with further gains of £2.903m accruing during 2024/25. It is planned to utilise £7.700m of this in setting the 2024/25 budget. The remainder of this balance will be available to assist in setting the budget for 2025/26.

Workforce Restructuring Fund

55. This fund supports additional short term HR staffing requirements and contributes towards the one-off costs of ending staff contracts across the Council due to budget driven restructuring. The estimated balance at 31 March 2024 is £0.750m and it is expected that the remaining funds will be required to assist in facilitating staffing savings to be delivered in 2024/25 and 2025/26.

Other Reserves & Funds

56. The Council has various other earmarked reserves including Unspent Grants, Whitelee Wind Farm, Feasibility Fund, Commuted Sums, Get to Zero Fund, Employee Wellbeing & Development Fund and Community Capacity Building Fund. These funds will mostly continue to be operated by senior management in response to service needs. In the case of Whitelee, however, bids from local groups will continue to be considered and determined by a panel consisting of elected members and a representative of Voluntary Action East Renfrewshire.

57. The Council also expects to benefit from a substantial short term reduction in employer's pension contributions in 2024/25 and 2025/26, equating to around £6.340m in each of these years. The 2024/25 element is currently included in the Other budget figure in paragraph 39 above. It is proposed that a new reserve should be established to hold these funds, with officers working with the Budget Strategy Group to develop proposals as to how they can be best utilised to invest for the future. Proposals can then be brought to Cabinet for decision. Similarly, the IJB, East Renfrewshire Culture & Leisure Trust (ERCLT) and the Housing Revenue Account (HRA) will also benefit from short term reductions in their employers' pension contributions.

EFFICIENT GOVERNMENT

58. In recent years the Council has placed high reliance on its digital transformation Programme to drive change and savings across all services. Key themes included designing services from the customer's perspective, improving the efficiency of our business systems and processes, enhancing productivity through Office 365, improving access to information and reducing numbers of buildings and staff.

59. Savings plans for future years will be developed by the Corporate Management Team on the basis of the Scottish and UK budgets and will be reviewed to take account of any multi-year settlement information subsequently published. Whilst it is recognised that it will become progressively more difficult to identify efficiencies in future, the Council will continue to seek efficiencies through reviews and transformation initiatives wherever possible. Nevertheless, as the scope for efficiencies reduces, an increasing element of savings will inevitably involve service reductions.

60. Whilst significant savings have already been achieved, the very difficult financial circumstances facing councils are expected to continue for the foreseeable future so the

scale of change will need to be maintained. In June 2023, Cabinet considered an update our Digital Transformation Programme. [June 2023 Digital Transformation Report](#)

61. Projects are funded through a Digital transformation budget, which will need reviewed year on year as part of the budget process. The funding comes from:

- a regular drawdown from modernisation fund (over £1m plus any underspend from previous years);
- recharges to Capital;
- a small number of revenue-funded posts including Programme Management Office;
- drawdown from HRA, IJB and ERCLT reserves as required;
- departmental revenue budget “top slicing”, which may be required in future years as Modernisation Fund resources deplete.

62. The modernisation reserve was created in 2014 to fund change projects across the Council. In the early days the fund was topped up annually from underspend at year end. However, in recent years there has only been scope to top up this fund on one occasion, so the fund has been declining in value. During 2024/25 this issue will be addressed and services which are effectively permanently required will be identified with a view to being transferred to mainstream funding. This will reduce the calls on this fund in future, but will instead increase pressure on mainstream budgets.

EQUALITY IMPACT ASSESSMENT

63. Section 149 of the Equality Act 2010 (the public sector general equality duty), requires the Council, in the exercise of its functions, to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act 2010;
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- foster good relations between people who share a protected characteristic and those who do not.

64. The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 requires the Council, when proposing a new policy or practice, or revising an existing one, to:

- assess the impact of applying its proposals or changes against the three needs of the general equality duty, listed above;
- consider relevant evidence relating to different equality groups (including any evidence received from individuals from those groups);
- take account of the results of any assessment in respect of that policy or practice;

- publish, within a reasonable period, the results of any assessment where the Council decides to apply the policy or practice in question; and
- make arrangements to review and where necessary revise any policy or practice that the Council applies in the exercise of its functions.

65. The Fairer Scotland Duty places a legal responsibility on the Council to actively consider (“pay due regard” to) how they can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions. Socio-economic disadvantage can be described as:

- Low/no wealth
- Low income
- Area deprivation
- Socio-economic background
- Material deprivation

The inequalities that people can face as a result of socio-economic disadvantage include:

- Poorer skills and attainment
- Lower healthy life expectancy
- Lower quality, less secure and lower paid work
- Greater chance of being a victim of crime
- Less chance of being treated with dignity and respect

66. United Nations Convention on the Rights of the Child (Scotland) Act 2024 places a legal duty on public authorities to respect and protect children’s rights in the work they do. There is a range of elements that the Council must consider in supporting these rights including:

- Ensuring that children and young people have a voice in decisions that affect them – both directly and indirectly;
- Undertaking assessments of how well the Council is protecting children, including children’s rights and wellbeing impact assessments and considering how budget planning supports better outcomes for children and young people.

67. Recognising these statutory duties, the Council has undertaken an Equality, Fairness and Rights impact assessment on each of the budget savings measures. Where appropriate, consultation and engagement is undertaken with relevant groups prior to implementing any savings measures assessed as possibly having an impact in equality terms with a view to minimising this impact.

COUNCIL TAX 2024/25

68. The outline revenue estimates in Annex A are based on a Band D Council Tax level of £1,415.22 being set for 2024/25. This Council Tax level represents a freeze in Council Tax when compared to the current year’s level.

RECOMMENDATIONS

69. It is recommended that the Council: -

- (i) Notes that the revenue estimates for 2024/25 (Annex A) have been prepared with the budget gap of £11.992m, closed on the basis of a

Council Tax freeze funded by £3.148m of additional grant support, the utilisation of £5.000m of resources made available through Service Concession Flexibilities agreed by the Scottish Government, a draw of £0.777m on general reserves, and savings proposals of £3.067m (Annex B);

- (ii) Notes that £2.109m of the listed 2024/25 savings have already been agreed by Council;
- (iii) Notes that a 1% change to the level of Council Tax set would produce an adjustment of £0.676m to the level of income available;
- (iv) Notes that outstanding budget gaps for 2025/26 and 2026/27 have been estimated at £15.147m and £5.110m respectively, before application of any new savings, utilisation of fiscal flexibilities, drawdown from general reserves or increases in Council Tax in these years;
- (v) Notes the estimated funding gaps of £6.326m, £2.184m and £2.638m also faced by the Integration Joint Board (IJB) in respect of social care in 2024/25, 2025/26 and 2026/27;
- (vi) Agrees that the management of the Council's finances and services will continue to be undertaken on a longer term basis;
- (vii) Agrees the Council Tax Band D level for 2024/25;
- (viii) Agrees the utilisation of reserves and the savings to be implemented for 2024/25;
- (ix) Agrees to establish a new Investment in the Future reserve to hold the funds available due to the short term reduction in employer's pension contributions, with officers working with the Budget Strategy Group to bring forward proposals to Cabinet during the year for utilisation which will benefit the Council in future: and
- (x) Agrees that, where possible, savings for implementation in 2025/26 which require significant preparatory work should be brought back for approval later in the year to permit this to be undertaken timeously.

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

KEY WORDS Revenue Estimates, Council Tax, Reserves and Balances, Financial Planning

FINANCIAL ESTIMATES 2024/25**CONTENTS**

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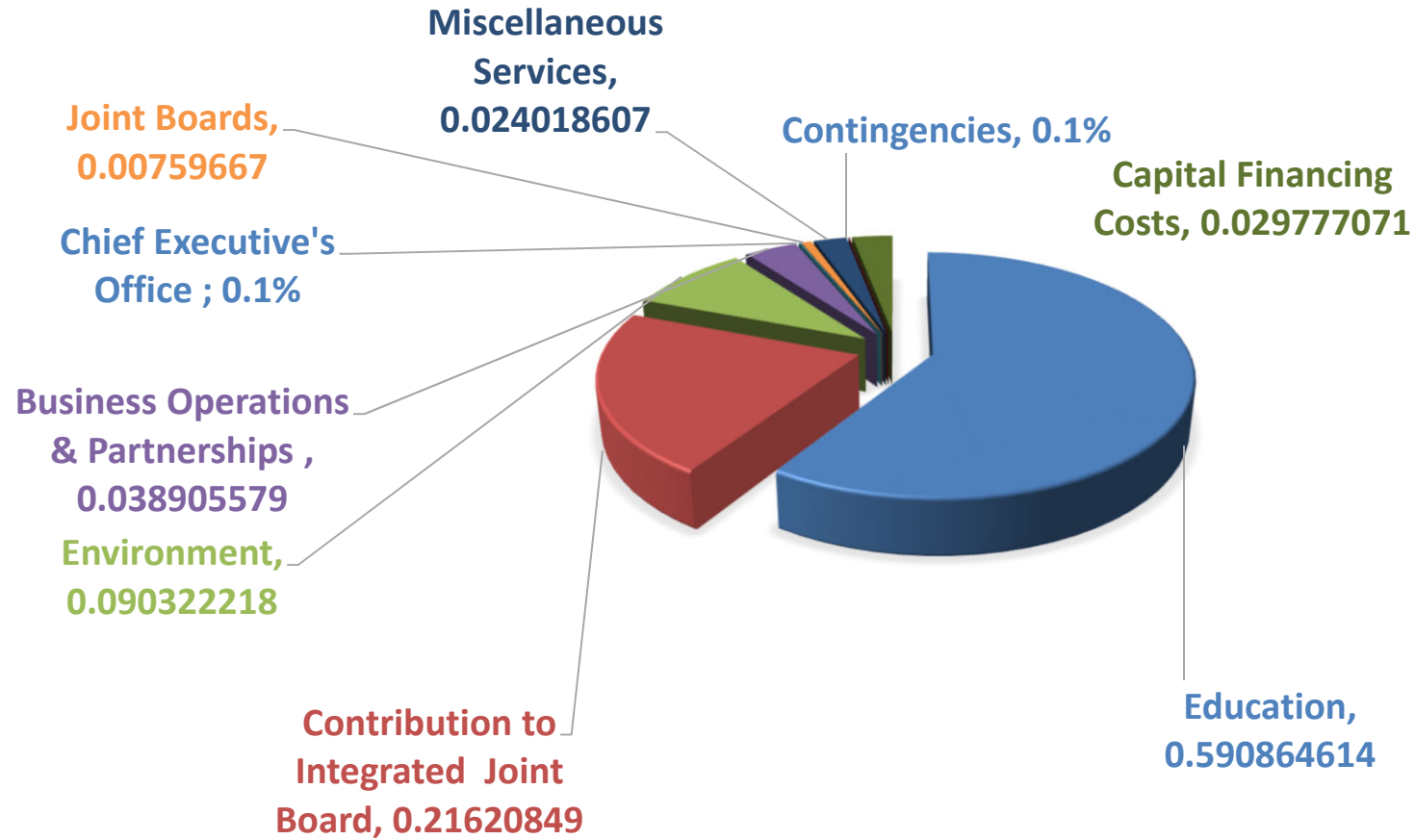
CALCULATION OF COUNCIL TAX BAND 'D'

2023/24		2024/25
£'000		£'000
303,162	Net Expenditure	319,877
-	Contribution to Balances / Special Funds	-
303,162		319,877
(223,551)	Aggregate External Finance (including other grants)	(243,725)
(12,483)	Contribution from Reserves	(8,477)
67,128	Amount to be met from Council Tax	67,675
48,401	Number of Band 'D' Equivalents	48,795
968	Less Provision for Non Payment	976
47,433	Effective Tax Base	47,819
£1,415.22	Council Tax Band D	£1,415.22

COUNCIL TAX CHARGES 2024/25

<u>Valuation</u> <u>Band</u>	<u>Fraction of</u> <u>Band D</u>	<u>Upper</u> <u>Value</u> £	<u>Council</u> <u>Tax</u> £
A	240/360	27,000	943.48
B	280/360	35,000	1,100.73
C	320/360	45,000	1,257.97
D	1.00	58,000	1,415.22
E	473/360	80,000	1,859.44
F	585/360	106,000	2,299.73
G	705/360	212,000	2,771.47
H	882/360	over 212,000	3,467.29

2024/25 GENERAL FUND REVENUE BUDGET BY SERVICE (EXCLUDES COVID-19 IMPACT)



REVENUE ESTIMATES SUMMARY 2024/25 (excluding Covid-19 impact)

	2023/24 Approved Budget	2024/25 Approved Budget
	£'000	£'000
NET EXPENDITURE		
Education	181,532	189,004
Contribution to Integration Joint Board (including Ring Fenced Grant)	67,656	69,480
Environment	28,298	28,892
Business Operations & Partnerships	11,740	12,445
Chief Executive's Office - Non Support	771	288
Joint Boards	2,379	2,430
Miscellaneous Services	2,120	7,683
Contingency - Welfare	200	130
Capital Financing Costs	8,466	9,525
Additional Expenditure / (Savings) to be identified	-	-
	303,162	319,877
Contribution to Assist in Maintaining Reserves.		
	303,162	319,877
FINANCED BY:-		
Revenue Support Grant and Non Domestic Rates	212,501	237,528
Ring Fenced Grants	10,565	2,162
Scottish Government Funding for Council Tax Freeze	-	3,148
Other Grants	485	887
Contribution from General Reserve	10,228	8,477
Contribution from Capital Reserve	2,255	-
Council Tax	67,128	67,675
	303,162	319,877

REVENUE ESTIMATES SUMMARY 2024/25 (including Covid-19 assumptions)

NET EXPENDITURE	2023/24	2024/25
	Approved Budget	Approved Budget
	£'000	£'000
Education	183,771	189,066
Contribution to Integration Joint Board (including Ring Fenced Grant)	67,656	69,480
Environment	28,680	28,956
Business Operations & Partnerships	12,317	12,445
Chief Executive's Office - Non Support	799	288
Joint Boards	2,379	2,430
Miscellaneous Services	2,148	7,683
Contingency - Welfare	200	130
Capital Financing Costs	8,466	9,525
Additional Expenditure / (Savings) to be identified	-	-
	306,416	320,003
Contribution to Assist in Maintaining Reserves.		
	306,416	320,003
FINANCED BY:-		
Revenue Support Grant and Non Domestic Rates	212,501	237,528
Ring Fenced Grants	10,565	2,162
Scottish Government Funding for Council Tax Freeze	-	3,148
Other Grants	485	887
COVID-19 Funding	3,254	126
Contribution from General Reserve	10,228	8,477
Contribution from Capital Reserve	2,255	-
Council Tax	67,128	67,675
	306,416	320,003

E D U C A T I O N

DEPARTMENTAL SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
Pre Five Education	20,357	19,830
Schools:- Primary	56,652	58,449
Secondary	69,144	73,441
Other	3,995	3,832
Special Education	9,239	10,353
Psychological Services	1,006	1,020
Transport (Excl Special)	1,345	1,428
Clothing	290	301
Administration & Support Services	8,529	9,037
Cleaning and Janitorial Services	2,193	2,021
Catering Services	-	-
School Crossing Patrollers	-	-
Culture and Leisure Services	8,782	9,292
	<u>181,532</u>	<u>189,004</u>

CONTRIBUTION TO INTEGRATION JOINT BOARD

DEPARTMENTAL SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
Ring Fenced Government Grant	616	616
Council Contribution to Integration Joint Board	67,040	68,864
	<u>67,656</u>	<u>69,480</u>

E N V I R O N M E N T

DEPARTMENTAL SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
Directorate	1,855	1,751
Environment Accommodation	-	-
Energy Management	222	242
Environment - Non Operational Properties	130	97
Planning & Building Control	1,486	1,315
Economic Development	944	948
Roads	9,773	9,665
Roads Contracting Unit	-	-
Neighbourhood Services	-	-
Parks Services	2,087	2,178
Prevention Services	1,208	1,173
Waste Management	5,987	6,597
Cleansing	2,350	2,563
Vehicles Services	-	-
Other Housing	2,256	2,363
Office Accommodation	-	-
	<u>28,298</u>	<u>28,892</u>

BUSINESS OPERATIONS & PARTNERSHIPS

DEPARTMENTAL SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
Directorate	-	-
Community Safety	1,321	1,434
Democratic Representation & Management, Elections and Members Expenses	990	898
Grants	146	-
Democratic Services	569	561
Money Advice and Rights	987	1,053
Registrars	169	115
Customer First - Non Support	344	220
Community Planning	328	348
Communities	960	943
Council Tax & Non Domestic Rates	4,798	5,318
Revenues - Benefits & Discretionary Payments	857	989
Housing Benefits	271	566
Business Support Team	-	-
Revenues - Admin	-	-
Communities, Revenues and Change	-	-
	<u>11,740</u>	<u>12,445</u>

CHIEF EXECUTIVE'S - NON SUPPORT SERVICES

DEPARTMENTAL SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
Accountancy	125	(364)
Civic Licensing	38	52
Licensing Board	6	10
Corporate Management	602	590
	<u>771</u>	<u>288</u>

JOINT BOARDS

	Budget 2023/24 £'000	Budget 2024/25 £'000
Passenger Transport	1,793	1,832
Valuation	586	598
	<u>2,379</u>	<u>2,430</u>

MISCELLANEOUS SERVICES

	Budget 2023/24 £'000	Budget 2024/25 £'000
Restructuring etc. costs	412	412
Miscellaneous	45	32
Superannuation Additional Allowances	1,036	1,039
Other Operational Costs	319	352
Non Domestic Rates - Devolved Empty & Other	308	308
Pension Windfall	-	6,340
Corporate Budget Management		(800)
	<u>2,120</u>	<u>7,683</u>

B U D G E T E D P E R S O N N E L 2024/25
A L L S E R V I C E S

	Full Time Equivalent
Education	2,529
Environment	370
Business Operations & Partnerships	138
Chief Executive's - Support Services	51
Chief Executive's - Non Support Services	1
Business Operations & Partnerships - Support Services	139
Environment - Support	45
Health & Social Care Partnership	634
Total General Fund Services	<hr/> 3,907

E D U C A T I O N

DEPARTMENTAL SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	129,767	134,919
Property Costs	16,975	17,331
Transport Costs	2,551	2,910
Supplies & Services	32,652	30,906
Third Party Payments	10,625	11,347
Transfer Payments	1,128	1,139
Support Services	6,096	6,768
Total Expenditure	199,794	205,320
<u>Income</u>		
Ring Fenced Government Grant	9,949	1,546
Other Government Grant	2,736	2,612
Recharge Income (Internal)	12,787	10,907 *
Fees Charges etc	2,335	2,394
Other Income	404	403
Total Income	28,211	17,862
NET EXPENDITURE FOR COUNCIL TAX	171,583	187,458
<u>Adjustments</u>		
Ring Fenced Government Grant	9,949	1,546
NET EXPENDITURE	181,532	189,004

* includes a £0k (2023/24 £400k) contribution from the Repairs and Renewals Fund

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	4.0
Teachers	1,395.5
APT & C	857.5
Manual	271.8
TOTAL	2,528.8

EDUCATION

PRE FIVE EDUCATION

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	15,715	15,335
Property Costs	987	954
Transport Costs	-	-
Supplies & Services	1,313	1,170
Third Party Payments	3,074	3,103
Transfer Payments	-	-
Support Services	9	9
Total Expenditure	21,098	20,571
<u>Income</u>		
Ring Fenced Government Grant	8,442	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	741	741
Other Income	-	-
Total Income	9,183	741
Net Expenditure for Council Tax	11,915	19,830
<u>Adjustments</u>		
Ring Fenced Government Grant	8,442	-
NET EXPENDITURE	20,357	19,830

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	38.3
APT & C	372.1
Manual	-
Total	410.4

EDUCATION

PRIMARY EDUCATION

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	41,595	43,711
Property Costs	6,374	6,454
Transport Costs	-	-
Supplies & Services	9,361	8,977
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	65	65
Total Expenditure	57,395	59,207
<u>Income</u>		
Ring Fenced Government Grant	983	1,030
Other Government Grant	267	275
Recharge Income (Internal)	-	-
Fees Charges etc	448	455
Other Income	28	28
Total Income	1,726	1,788
Net Expenditure for Council Tax	55,669	57,419
<u>Adjustments</u>		
Ring Fenced Government Grant	983	1,030
NET EXPENDITURE	56,652	58,449

Budgeted Personnel 2024/25

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	563.9
APT & C	141.4
Manual	-
Total	705.3

E D U C A T I O N
S E C O N D A R Y E D U C A T I O N

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	49,768	53,782
Property Costs	6,820	6,925
Transport Costs	17	20
Supplies & Services	15,072	15,186
Third Party Payments	835	836
Transfer Payments	-	-
Support Services	59	59
Total Expenditure	72,571	76,808
<u>Income</u>		
Ring Fenced Government Grant	372	376
Other Government Grant	2,318	2,186
Recharge Income (Internal)	-	-
Fees Charges etc	1,044	1,116
Other Income	65	65
Total Income	3,799	3,743
Net Expenditure for Council Tax	68,772	73,065
<u>Adjustments</u>		
Ring Fenced Government Grant	372	376
NET EXPENDITURE	69,144	73,441

<u>Budgeted Personnel 2024/25</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	687.1
APT & C	147.7
Manual	-
Total	834.8

EDUCATION

SCHOOLS - OTHER

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,469	1,445
Property Costs	200	200
Transport Costs	-	146
Supplies & Services	2,132	1,448
Third Party Payments	19	19
Transfer Payments	823	823
Support Services	-	-
Total Expenditure	4,643	4,081
<u>Income</u>		
Ring Fenced Government Grant	12	-
Other Government Grant	126	126
Recharge Income (Internal)	400	- *
Fees Charges etc	22	23
Other Income	100	100
Total Income	660	249
Net Expenditure for Council Tax	3,983	3,832
<u>Adjustments</u>		
Ring Fenced Government Grant	12	-
NET EXPENDITURE	3,995	3,832

* includes a £0k (2023/24 £400k) contribution from the Repairs and Renewals Fund

<u>Budgeted Personnel 2024/25</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	18.7
APT & C	10.0
Manual	-
Total	28.7

E D U C A T I O N

SPECIAL EDUCATION

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	6,217	6,814
Property Costs	336	399
Transport Costs	1,124	1,270
Supplies & Services	607	622
Third Party Payments	995	1,288
Transfer Payments	-	-
Support Services	2	2
Total Expenditure	9,281	10,395
<u>Income</u>		
Ring Fenced Government Grant	130	130
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	42	42
Other Income	-	-
Total Income	172	172
Net Expenditure for Council Tax	9,109	10,223
<u>Adjustments</u>		
Ring Fenced Government Grant	130	130
NET EXPENDITURE	9,239	10,353

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	67.7
APT & C	76.7
Manual	-
Total	144.4

E D U C A T I O N
P S Y C H O L O G I C A L S E R V I C E S

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,002	1,016
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	4	4
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	1,006	1,020
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure for Council Tax	1,006	1,020
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
NET EXPENDITURE	1,006	1,020

<u>Budgeted Personnel 2024/25</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	9.9
APT & C	1.7
Manual	-
Total	11.6

E D U C A T I O N

TRANSPORT (EXCLUDING SPECIAL EDUCATION)

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	1,383	1,445
Supplies & Services	-	-
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>1,383</u>	<u>1,445</u>
<u>Income</u>		
Ring Fenced Government Grant	10	10
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	38	17
Other Income	-	-
Total Income	<u>48</u>	<u>27</u>
Net Expenditure for Council Tax	<u>1,335</u>	<u>1,418</u>
<u>Adjustments</u>		
Ring Fenced Government Grant	10	10
NET EXPENDITURE	<u><u>1,345</u></u>	<u><u>1,428</u></u>

Budgeted Personnel 2024/25

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	<u><u>-</u></u>

E D U C A T I O N
P R O V I S I O N F O R C L O T H I N G

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	-	-
Third Party Payments	-	-
Transfer Payments	290	301
Support Services	-	-
Total Expenditure	290	301
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure for Council Tax	290	301
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
NET EXPENDITURE	290	301

<u>Budgeted Personnel 2024/25</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

EDUCATION

ADMINISTRATION & SUPPORT SERVICES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	3,543	3,361
Property Costs	61	62
Transport Costs	-	-
Supplies & Services	598	583
Third Party Payments	11	8
Transfer Payments	-	-
Support Services	4,818	5,476
Total Expenditure	9,031	9,490
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	25	25
Recharge Income (Internal)	477	428
Fees Charges etc	-	-
Other Income	-	-
Total Income	502	453
Net Expenditure for Council Tax	8,529	9,037
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
NET EXPENDITURE	8,529	9,037

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	4.0
Teachers	9.9
APT & C	34.3
Manual	-
Total	48.2

E D U C A T I O N
CLEANING AND JANITORIAL SERVICES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	5,318	4,864
Property Costs	130	130
Transport Costs	2	2
Supplies & Services	312	248
Third Party Payments	-	-
Transfer Payments	4	4
Support Services	133	151
Total Expenditure	5,899	5,399
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	3,530	3,203
Fees Charges etc	-	-
Other Income	176	175
Total Income	3,706	3,378
Net Expenditure for Council Tax	2,193	2,021
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	2,193	2,021

Budgeted Personnel 2024/25

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	61.6
Manual	103.0
Total	164.6

E D U C A T I O N

CATERING SERVICES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	4,745	4,358
Property Costs	26	45
Transport Costs	21	23
Supplies & Services	3,094	2,502
Third Party Payments	-	-
Transfer Payments	11	11
Support Services	93	106
Total Expenditure	7,990	7,045
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	7,955	7,010
Fees Charges etc	-	-
Other Income	35	35
Total Income	7,990	7,045
Net Expenditure for Council Tax	-	-
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	-	-

Budgeted Personnel 2024/25

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	12.0
Manual	158.3
Total	170.3

EDUCATION

SCHOOL CROSSING PATROLLERS

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	395	233
Property Costs	-	-
Transport Costs	4	4
Supplies & Services	25	27
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	1	2
Total Expenditure	425	266
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	425	266
Fees Charges etc	-	-
Other Income	-	-
Total Income	425	266
Net Expenditure for Council Tax	-	-
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
NET EXPENDITURE	-	-

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	10.5
Total	10.5

E D U C A T I O N
C U L T U R E A N D L E I S U R E S E R V I C E S

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	2,041	2,162
Transport Costs	-	-
Supplies & Services	134	139
Third Party Payments	5,691	6,093
Transfer Payments	-	-
Support Services	916	898
Total Expenditure	8,782	9,292
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	8,782	9,292

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

ENVIRONMENT

DEPARTMENTAL SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	18,194	16,622
Property Costs	4,177	4,633
Transport Costs	3,713	4,067
Supplies & Services	21,324	20,949
Third Party Payments	889	785
Transfer Payments	1,058	1,453
Support Services	2,374	2,561
Total Expenditure	51,729	51,070
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	722	545
Recharge Income (Internal)	14,778	14,494 *
Fees Charges etc.	5,863	5,456
Other Income	2,068	1,683
Total Income	23,431	22,178
Net Expenditure	28,298	28,892

* Includes a £182k (2023/24 £222k) contribution from the Whitelee Windfarm Fund

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	3.0
Teachers	-
APT & C	190.1
Manual	176.8
Total	369.9

ENVIRONMENT

DIRECTORATE

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,235	1,111
Property Costs	89	97
Transport Costs	-	-
Supplies & Services	401	171
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	403	645
Total Expenditure	2,128	2,024
Income		
<u>Ring-Fenced Grant</u>	-	-
Other Government Grant	-	-
Recharge Income (Internal)	273	273
Fees Charges etc.	-	-
Other Income	-	-
Total Income	273	273
Net Expenditure	1,855	1,751

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	16.2
Manual	-
Total	17.2

ENVIRONMENT

ENVIRONMENT ACCOMMODATION

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	774	895
Transport Costs	-	-
Supplies & Services	2	3
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	776	898
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	776	898
Fees Charges etc.	-	-
Other Income	-	-
Total Income	776	898
Net Expenditure	-	-

<u>Budgeted Personnel 2024/25</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

ENVIRONMENT
NON-OPERATIONAL PROPERTIES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	112	91
Transport Costs	-	-
Supplies & Services	20	20
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	15	3
Total Expenditure	147	114
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	17	17
Other Income	-	-
Total Income	17	17
Net Expenditure	130	97

<u>Budgeted Personnel 2024/25</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

ENVIRONMENT

ENERGY MANAGEMENT

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	122	198
Property Costs	84	216
Transport Costs	-	-
Supplies & Services	13	4
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	55	40
Total Expenditure	274	458
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	52	216
Other Income	-	-
Total Income	52	216
Net Expenditure	222	242

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	3.0
Manual	-
Total	3.0

ENVIRONMENT

**PLANNING & BUILDING CONTROL
(INCORPORATING OUTDOOR ACCESS, COUNTRY PARK & WHITELEE)**

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	2,370	2,170
Property Costs	115	136
Transport Costs	14	15
Supplies & Services	145	134
Third Party Payments	93	69
Transfer Payments	102	103
Support Services	171	170
Total Expenditure	3,010	2,797
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	242	202 *
Fees Charges etc.	1,140	1,140
Other Income	142	140
Total Income	1,524	1,482
Net Expenditure	1,486	1,315

* Includes a £182k (2023/24 £222k) contribution from the Whitelee Windfarm Fund

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	39.8
Manual	-
Total	40.8

ENVIRONMENT

PLANNING & BUILDING CONTROL (INCORPORATING OUTDOOR ACCESS, COUNTRY PARK & WHITELEE)

This service comprises:-

	Budget 2023/24 £'000	Budget 2024/25 £'000
Development Planning	651	601
Outdoor Access	-	-
Country Park	54	52
Whitelee	-	- *
Development Management	271	180
Building Control	112	97
Business Intelligence	398	385
	1,486	1,315

* Includes a £182k (2023/24 £222k) contribution from the Whitelee Windfarm Fund

ENVIRONMENT

ECONOMIC DEVELOPMENT
(INCORPORATING CITY DEAL)

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,273	1,094
Property Costs	216	258
Transport Costs	-	-
Supplies & Services	348	228
Third Party Payments	91	91
Transfer Payments	232	234
Support Services	170	165
Total Expenditure	2,330	2,070
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	269	-
Recharge Income (Internal)	117	122
Fees Charges etc.	259	259
Other Income	741	741
Total Income	1,386	1,122
Net Expenditure	944	948

Budgeted Personnel 2024/25

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	18.8
Manual	-
Total	18.8

ENVIRONMENT

ROADS

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	2,183	2,088
Property Costs	241	264
Transport Costs	126	135
Supplies & Services	8,211	8,184
Third Party Payments	57	57
Transfer Payments	-	-
Support Services	308	290
Total Expenditure	11,126	11,018
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	129	129
Recharge Income (Internal)	620	620
Fees Charges etc.	543	543
Other Income	61	61
Total Income	1,353	1,353
Net Expenditure	9,773	9,665

Budgeted Personnel 2024/25

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	40.1
Manual	-
Total	40.1

ENVIRONMENT

ROADS

This service comprises:-

	Budget 2023/24 £'000	Budget 2024/25 £'000
Routine Maintenance Roads	1,339	1,357
Routine Maintenance Street Lighting	244	244
Winter Maintenance	850	850
Footway Resurfacing & Patching	-	-
Carriageway Resurfacing & Patching	92	100
School Crossing Patrols	424	266
Street Lighting Electricity	1,131	1,248
Flood Prevention	60	60
Administration & Support (Including PFI Costs)	5,633	5,540
	<u>9,773</u>	<u>9,665</u>

ENVIRONMENT

ROADS CONTRACTING UNIT

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,093	1,069
Property Costs	3	3
Transport Costs	377	404
Supplies & Services	176	177
Third Party Payments	-	-
Transfer Payments	18	18
Support Services	100	100
Total Expenditure	1,767	1,771
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	1,767	1,771
Fees Charges etc.	-	-
Other Income	-	-
Total Income	1,767	1,771
Net Expenditure	-	-

Budgeted Personnel 2024/25

	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	1.0
Manual	24.0
Total	25.0

ENVIRONMENT

NEIGHBOURHOOD SERVICES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	5,902	5,388
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	34	44
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	5,936	5,432
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	5,936	5,432
Fees Charges etc.	-	-
Other Income	-	-
Total Income	5,936	5,432
Net Expenditure	-	-

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	19.0
Manual	127.2
Total	146.2

ENVIRONMENT

PARKS SERVICES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	417	477
Transport Costs	250	268
Supplies & Services	2,264	2,089
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	276	212
Total Expenditure	3,207	3,046
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	313	348
Fees Charges etc.	807	520
Other Income	-	-
Total Income	1,120	868
Net Expenditure	2,087	2,178

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	0.0

ENVIRONMENT

PARKS SERVICES

This service comprises:-

	Budget 2023/24 £'000	Budget 2024/25 £'000
Administration	272	249
Parks Operations	869	1,466
Arboriculture	100	320
Cemeteries	228	79
Park Rangers	586	-
Parks Upkeep	32	64
	<u>2,087</u>	<u>2,178</u>

ENVIRONMENT

PREVENTION SERVICES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	945	895
Property Costs	19	23
Transport Costs	-	-
Supplies & Services	194	195
Third Party Payments	74	87
Transfer Payments	2	2
Support Services	104	101
Total Expenditure	1,338	1,303
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	6	6
Recharge Income (Internal)	34	34
Fees Charges etc.	50	50
Other Income	40	40
Total Income	130	130
Net Expenditure	1,208	1,173

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	16.4
Manual	-
Total	16.4

E N V I R O N M E N T
P R E V E N T I O N S E R V I C E S

This service comprises:-

	Budget 2023/24 £'000	Budget 2024/25 £'000
Environmental Health	753	748
Trading Standards	431	405
Licensing	24	20
	<u>1,208</u>	<u>1,173</u>

ENVIRONMENT

WASTE MANAGEMENT

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	101	90
Transport Costs	6	6
Supplies & Services	5,860	6,303
Third Party Payments	30	30
Transfer Payments	-	-
Support Services	211	204
Total Expenditure	6,208	6,633
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	221	36
Other Income	-	-
Total Income	221	36
Net Expenditure	5,987	6,597

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	0.0

ENVIRONMENT
WASTE MANAGEMENT

This service comprises:-

	Budget 2023/24 £'000	Budget 2024/25 £'000
Refuse Disposal	5,295	5,648
Strategic Waste Fund	692	949
	<u>5,987</u>	<u>6,597</u>

ENVIRONMENT

CLEANSING

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	349	332
Property Costs	142	172
Transport Costs	995	1,102
Supplies & Services	2,715	2,541
Third Party Payments	1	1
Transfer Payments	-	-
Support Services	262	259
Total Expenditure	4,464	4,407
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	92	92
Fees Charges etc.	2,022	1,752
Other Income	-	-
Total Income	2,114	1,844
Net Expenditure	2,350	2,563

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	-
Manual	6.0
Total	7.0

ENVIRONMENT

CLEANSING

This service comprises:-

	Budget 2023/24 £'000	Budget 2024/25 £'000
Refuse Collection	2,441	2,381
Street Cleaning	805	767
Cleansing Management	(1,150)	(831)
Civic Amenity Sites	184	178
Thornliebank Depot	70	68
	<u>2,350</u>	<u>2,563</u>

ENVIRONMENT

VEHICLES SERVICES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	834	796
Property Costs	36	42
Transport Costs	1,924	2,115
Supplies & Services	194	194
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	2,988	3,147
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	2,958	3,117
Fees Charges etc.	30	30
Other Income	-	-
Total Income	2,988	3,147
Net Expenditure	-	-

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	1.0
Manual	19.6
Total	20.6

ENVIRONMENT
OTHER HOUSING

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,888	1,481
Property Costs	550	541
Transport Costs	21	22
Supplies & Services	696	610
Third Party Payments	543	450
Transfer Payments	704	1,096
Support Services	299	372
Total Expenditure	4,701	4,572
<u>Income</u>		
Ring-Fenced Grant	-	-
Other Government Grant	318	410
Recharge Income (Internal)	321	205
Fees Charges etc.	722	893
Other Income	1,084	701
Total Income	2,445	2,209
Net Expenditure	2,256	2,363

<u>Budgeted Personnel 2024/25</u>	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	34.8
Manual	-
Total	34.8

ENVIRONMENT

ACCOMMODATION

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	1,278	1,328
Transport Costs	-	-
Supplies & Services	51	52
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	1,329	1,380
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	1,329	1,380
Fees Charges etc	-	-
Other Income	-	-
Total Income	1,329	1,380
Net Expenditure	-	-

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

BUSINESS OPERATIONS & PARTNERSHIPS

DEPARTMENTAL SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	6,432	6,010
Property Costs	68	76
Transport Costs	68	73
Supplies & Services	2,853	2,348
Third Party Payments	319	313
Transfer Payments	17,651	16,756
Support Services	1,481	1,833
Total Expenditure	28,872	27,409
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	13,230	11,270
Recharge Income (Internal)	3,058	2,847
Fees Charges etc.	442	445
Other Income	402	402
Total Income	17,132	14,964
Net Expenditure	11,740	12,445
Adjustments		
Ring Fenced Government Grant	-	-
Net Expenditure	11,740	12,445

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	2.0
Teachers	-
APT & C	136.2
Manual	-
Total	138.2

BUSINESS OPERATIONS & PARTNERSHIPS

DIRECTORATE

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	192	186
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	7	8
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	199	194
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	199	194
Fees Charges etc.	-	-
Other Income	-	-
Total Income	199	194
Net Expenditure	-	-

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	0.8
Manual	-
Total	1.8

BUSINESS OPERATIONS & PARTNERSHIPS

COMMUNITY SAFETY

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,212	1,355
Property Costs	21	21
Transport Costs	30	33
Supplies & Services	135	92
Third Party Payments	67	69
Transfer Payments	-	-
Support Services	190	213
Total Expenditure	1,655	1,783
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	258	273
Fees Charges etc.	57	57
Other Income	19	19
Total Income	334	349
Net Expenditure	1,321	1,434

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	31.3
Manual	-
Total	31.3

BUSINESS OPERATIONS & PARTNERSHIPS

COMMUNITY SAFETY

This service comprises:-

	Budget 2023/24 £'000	Budget 2024/25 £'000
Management	358	332
CCTV	597	733
Community Wardens	366	369
	<u>1,321</u>	<u>1,434</u>

BUSINESS OPERATIONS & PARTNERSHIPS

DEMOCRATIC REPRESENTATION & MANAGEMENT, ELECTIONS AND MEMBERS EXPENSES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	2	-
Property Costs	7	8
Transport Costs	-	-
Supplies & Services	777	700
Third Party Payments	3	1
Transfer Payments	-	-
Support Services	201	189
Total Expenditure	990	898
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	990	898

<u>Budgeted Personnel 2024/25</u>	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

BUSINESS OPERATIONS & PARTNERSHIPS

GRANTS

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	4	-
Third Party Payments	134	-
Transfer Payments	4	-
Support Services	4	-
Total Expenditure	146	-
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	146	-

Grant payments moved to MART and Community Planning in 2024/25

<u>Budgeted Personnel 2024/25</u>	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

BUSINESS OPERATIONS & PARTNERSHIPS

DEMOCRATIC SERVICES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	413	384
Property Costs	-	-
Transport Costs	7	7
Supplies & Services	80	69
Third Party Payments	-	-
Transfer Payments	-	4
Support Services	69	97
Total Expenditure	569	561
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	569	561

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	7.5
Manual	-
Total	7.5

BUSINESS OPERATIONS & PARTNERSHIPS

MONEY ADVICE AND RIGHTS TEAM

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	767	730
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	103	88
Third Party Payments	-	93
Transfer Payments	-	-
Support Services	144	170
Total Expenditure	1,014	1,081
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	27	28
Fees Charges etc.	-	-
Other Income	-	-
Total Income	27	28
Net Expenditure	987	1,053

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	19.4
Manual	-
Total	19.4

BUSINESS OPERATIONS & PARTNERSHIPS

REGISTRARS

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	189	134
Property Costs	3	3
Transport Costs	-	-
Supplies & Services	84	86
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	34	36
Total Expenditure	310	259
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	136	139
Other Income	5	5
Total Income	141	144
Net Expenditure	169	115

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	2.8
Manual	-
Total	2.8

BUSINESS OPERATIONS & PARTNERSHIPS

CUSTOMER FIRST - NON SUPPORT

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,083	946
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	341	152
Third Party Payments	1	1
Transfer Payments	-	-
Support Services	344	564
Total Expenditure	1,769	1,663
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	1,425	1,443
Fees Charges etc.	-	-
Other Income	-	-
Total Income	1,425	1,443
Net Expenditure	344	220

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	24.8
Manual	-
Total	24.8

BUSINESS OPERATIONS & PARTNERSHIPS

COMMUNITY PLANNING

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	272	217
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	111	86
Third Party Payments	8	8
Transfer Payments	-	-
Support Services	39	37
Total Expenditure	430	348
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	102	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	102	-
Net Expenditure	328	348

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	3.9
Manual	-
Total	3.9

BUSINESS OPERATIONS & PARTNERSHIPS

COMMUNITIES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	645	621
Property Costs	37	44
Transport Costs	10	10
Supplies & Services	158	129
Third Party Payments	40	72
Transfer Payments	-	-
Support Services	90	87
Total Expenditure	<u>980</u>	<u>963</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	20	20
Total Income	<u>20</u>	<u>20</u>
Net Expenditure	<u><u>960</u></u>	<u><u>943</u></u>

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	10.9
Manual	-
Total	<u>10.9</u>

BUSINESS OPERATIONS & PARTNERSHIPS

COMMUNITIES

This service comprises:-	Budget 2023/24 £'000	Budget 2024/25 £'000
Communities	889	866
Mearns Youth Facility	10	13
Barrhead Youth Facility	30	33
Auchenback Resource Centre	31	31
	<u>960</u>	<u>943</u>

BUSINESS OPERATIONS & PARTNERSHIPS

COUNCIL TAX & NON DOMESTIC RATES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	496	475
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	584	532
Third Party Payments	66	69
Transfer Payments	4,085	4,627
Support Services	144	243
Total Expenditure	5,375	5,946
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	45	96
Fees Charges etc.	249	249
Other Income	283	283
Total Income	577	628
Net Expenditure	4,798	5,318

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	13.5
Manual	-
Total	13.5

BUSINESS OPERATIONS & PARTNERSHIPS

REVENUES - BENEFITS & DISCRETIONARY PAYMENTS TEAM

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	332	286
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	214	203
Third Party Payments	-	-
Transfer Payments	331	536
Support Services	128	115
Total Expenditure	1,005	1,140
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	73	76
Fees Charges etc.	-	-
Other Income	75	75
Total Income	148	151
Net Expenditure	857	989

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	9.6
Manual	-
Total	9.6

BUSINESS OPERATIONS & PARTNERSHIPS

REVENUES - HOUSING BENEFIT

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	155	153
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	96	87
Third Party Payments	-	-
Transfer Payments	13,231	11,589
Support Services	94	82
Total Expenditure	13,576	11,911
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	13,230	11,270
Recharge Income (Internal)	75	75
Fees Charges etc.	-	-
Other Income	-	-
Total Income	13,305	11,345
Net Expenditure	271	566

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	4.6
Manual	-
Total	4.6

BUSINESS OPERATIONS & PARTNERSHIPS

BUSINESS SUPPORT TEAM

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	190	56
Property Costs	-	-
Transport Costs	21	23
Supplies & Services	102	57
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	313	136
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	313	136
Fees Charges etc.	-	-
Other Income	-	-
Total Income	313	136
Net Expenditure	-	-

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	1.7
Manual	-
Total	1.7

BUSINESS OPERATIONS & PARTNERSHIPS

REVENUES - ADMIN

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	360	342
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	54	55
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	414	397
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	414	397
Fees Charges etc	-	-
Other Income	-	-
Total Income	414	397
Net Expenditure	-	-

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	5.4
Manual	-
Total	5.4

BUSINESS OPERATIONS & PARTNERSHIPS

COMMUNITIES & TRANSFORMATION

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	124	125
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	3	4
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	127	129
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	127	129
Fees Charges etc.	-	-
Other Income	-	-
Total Income	127	129
Net Expenditure	-	-

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	-
Manual	-
Total	1.0

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES

DEPARTMENTAL SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	27	26
Property Costs	-	-
Transport Costs	3	3
Supplies & Services	544	598
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	631	645
Total Expenditure	1,205	1,272
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	150	700
Fees Charges etc	284	284
Other Income	-	-
Total Income	434	984
Net Expenditure	771	288

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	0.7
Manual	-
Total	0.7

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES
ACCOUNTANCY

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	275	336
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	275	336
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	150	700
Fees Charges etc	-	-
Other Income	-	-
Total Income	150	700
Net Expenditure	125	(364)

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES
CIVIC LICENSING

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	27	26
Property Costs	-	-
Transport Costs	3	3
Supplies & Services	188	179
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	22	46
Total Expenditure	240	254
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	202	202
Other Income	-	-
Total Income	202	202
Net Expenditure	38	52

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	0.7
Manual	-
Total	0.7

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES
LICENSING BOARD

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	81	83
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	7	9
Total Expenditure	88	92
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	82	82
Other Income	-	-
Total Income	82	82
Net Expenditure	6	10

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	-

CHIEF EXECUTIVE'S - NONSUPPORT SERVICES

CORPORATE MANAGEMENT

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	-	-
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	-	-
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	602	590
Total Expenditure	<u>602</u>	<u>590</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	<u>-</u>	<u>-</u>
Net Expenditure	<u><u>602</u></u>	<u><u>590</u></u>

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	-
Manual	-
Total	<u><u>-</u></u>

SUPPORT SERVICES

SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
Chief Executive's Office	459	434
Accountancy	1,606	1,397
Legal	522	491
Procurement	329	304
Internal Audit	309	286
Strategy Support and Insight	692	603
Digital Transformation	631	595
Communications and Printing	551	525
Human Resources and Payroll	2,263	1,929
Customer First	67	65
Revenues - Account Receivable & Payable and Insurance	662	606
Digital Services	4,333	6,619
Property and Technical	1,563	1,516
	<u>13,987</u>	<u>15,370</u>

ALLOCATION:-

Education (including ERCLT)	6,096	6,768
Health & Social Care Partnership	2,455	2,616
Business Operations & Partnerships	1,481	1,833
Chief Executives - Non Support	631	645
Environment	2,374	2,561
Joint Boards	-	-
Miscellaneous	45	32
Housing Revenue Account	905	915
	<u>13,987</u>	<u>15,370</u>

CHIEF EXECUTIVE'S - SUPPORT SERVICES

DEPARTMENTAL SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	3,218	3,152
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	375	242
Third Party Payments	81	81
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	3,674	3,475
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	365	479
Fees Charges etc	38	38
Other Income	46	46
Total Income	449	563
Net Expenditure	3,225	2,912

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	2.0
Teachers	0.0
APT & C	49.3
Manual	0.0
Total	51.3

CHIEF EXECUTIVE'S - SUPPORT SERVICES

CHIEF EXECUTIVE'S OFFICE

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	434	511
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	25	25
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>459</u>	<u>536</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	102
Fees Charges etc	-	-
Other Income	-	-
Total Income	<u>-</u>	<u>102</u>
Net Expenditure	<u><u>459</u></u>	<u><u>434</u></u>

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	7.6
Manual	-
Total	<u><u>8.6</u></u>

CHIEF EXECUTIVE'S - SUPPORT SERVICES
ACCOUNTANCY

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,555	1,475
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	216	92
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	1,771	1,567
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	165	170
Fees Charges etc	-	-
Other Income	-	-
Total Income	165	170
Net Expenditure	1,606	1,397

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	23.4
Manual	-
Total	24.4

CHIEF EXECUTIVE'S - SUPPORT SERVICES

LEGAL SERVICES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	537	517
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	96	87
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	633	604
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	73	75
Fees Charges etc.	38	38
Other Income	-	-
Total Income	111	113
Net Expenditure	522	491

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	7.6
Manual	-
Total	7.6

CHIEF EXECUTIVE'S - SUPPORT SERVICES

PROCUREMENT

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	401	380
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	20	21
Third Party Payments	81	81
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	502	482
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	127	132
Fees Charges etc	-	-
Other Income	46	46
Total Income	173	178
Net Expenditure	329	304

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	6.0
Manual	-
TOTAL	6.0

CHIEF EXECUTIVE'S - SUPPORT SERVICES

INTERNAL AUDIT

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	291	269
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	18	17
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>309</u>	<u>286</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	<u>-</u>	<u>-</u>
Net Expenditure	<u><u>309</u></u>	<u><u>286</u></u>

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	4.7
Manual	-
Total	<u><u>4.7</u></u>

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

DEPARTMENTAL SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	7,429	7,170
Property Costs	1	1
Transport Costs	19	20
Supplies & Services	5,435	5,587
Third Party Payments	26	26
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	12,910	12,804
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	3,700	1,851 *
Fees Charges etc.	11	11
Other Income	-	-
Total Income	3,711	1,862
Net Expenditure	9,199	10,942

* Includes a £1,178k (2023/24 £1,169k) contribution from the Modernisation fund

<u>Budgeted Personnel 2023/24</u>	
	<u>Full Time Equivalent</u>
Chief Officers	2.0
Teachers	-
APT & C	136.6
Manual	-
Total	138.6

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

STRATEGY (SUPPORT) AND INSIGHT

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	437	412
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	229	165
Third Party Payments	26	26
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	692	603
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	692	603

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	7.5
Manual	-
Total	7.5

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

DIGITAL TRANSFORMATION TEAM

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,667	1,654
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	133	119
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>1,800</u>	<u>1,773</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	1,169	1,178 *
Fees Charges etc.	-	-
Other Income	-	-
Total Income	<u>1,169</u>	<u>1,178</u>
Net Expenditure	<u><u>631</u></u>	<u><u>595</u></u>

* Includes a £1,178k (2023/24 £1,169k) contribution from the Modernisation fund

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	27.5
Manual	-
Total	<u><u>27.5</u></u>

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

COMMUNICATIONS AND PRINTING

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	451	434
Property Costs	1	1
Transport Costs	14	15
Supplies & Services	166	156
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	632	606
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	81	81
Fees Charges etc.	-	-
Other Income	-	-
Total Income	81	81
Net Expenditure	551	525

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	9.3
Manual	-
Total	9.3

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

HR AND PAYROLL

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,857	1,724
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	635	435
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	2,492	2,159
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	218	219
Fees Charges etc.	11	11
Other Income	-	-
Total Income	229	230
Net Expenditure	2,263	1,929

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	35.0
Manual	-
Total	36.0

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

CUSTOMER FIRST

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	60	58
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	7	7
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	67	65
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc.	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	67	65

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	2.0
Manual	-
Total	2.0

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

REVENUES - ACCOUNTS PAYABLE & RECEIVABLE AND INSURANCE

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	408	382
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	254	224
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	662	606
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	-	-
Fees Charges etc	-	-
Other Income	-	-
Total Income	-	-
Net Expenditure	662	606

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	9.5
Manual	-
Total	9.5

BUSINESS OPERATIONS & PARTNERSHIPS - SUPPORT SERVICES

DIGITAL SERVICES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	2,549	2,506
Property Costs	-	-
Transport Costs	5	5
Supplies & Services	4,011	4,481
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	<u>6,565</u>	<u>6,992</u>
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	2,232	373
Fees Charges etc	-	-
Other Income	-	-
Total Income	<u>2,232</u>	<u>373</u>
Net Expenditure	<u><u>4,333</u></u>	<u><u>6,619</u></u>

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	1.0
Teachers	-
APT & C	45.8
Manual	-
Total	<u><u>46.8</u></u>

ENVIRONMENT - SUPPORT

DEPARTMENTAL SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	2,382	2,423
Property Costs	-	28
Transport Costs	17	18
Supplies & Services	306	258
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	2,705	2,727
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	1,142	1,211
Fees Charges etc	-	-
Other Income	-	-
Total Income	1,142	1,211
Net Expenditure	1,563	1,516

Budgeted Personnel 2024/25

	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	44.9
Manual	-
Total	44.9

ENVIRONMENT - SUPPORT

PROPERTY & TECHNICAL

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	2,382	2,423
Property Costs	-	28
Transport Costs	17	18
Supplies & Services	306	258
Third Party Payments	-	-
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	2,705	2,727
<u>Income</u>		
Ring Fenced Government Grant	-	-
Other Govt Grant	-	-
Recharge Income (Internal)	1,142	1,211
Fees Charges etc	-	-
Other Income	-	-
Total Income	1,142	1,211
Net Expenditure	1,563	1,516

<u>Budgeted Personnel 2024/25</u>	
	<u>Full Time Equivalent</u>
Chief Officers	-
Teachers	-
APT & C	44.9
Manual	-
TOTAL	44.9

HEALTH & SOCIAL CARE PARTNERSHIP

DEPARTMENTAL SUMMARY

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	28,367	28,382
Property Costs	975	1,003
Transport Costs	307	319
Supplies & Services	2,575	2,441
Third Party Payments	49,977	52,472
Transfer Payments	76	76
Support Services	2,455	2,616
Total Expenditure	84,732	87,309
<u>Income</u>		
Additional IJB Grant	5,968	5,571
Ring Fenced Government Grant	616	616
Other Government Grant	152	157
Recharge Income (Internal)	123	205
Fees, Charges etc.	1,369	1,478
Other Income	9,464	10,418
Total Income	17,692	18,445
Net Expenditure for Council Tax	67,040	68,864
<u>Adjustments</u>		
Ring Fenced Government Grant	616	616
Funding from Integrated Joint Board (Note 1)	67,656	69,480
Net Expenditure	-	-

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	4.0
Teachers	-
APT&C	381.1
Manual	248.8
TOTAL	633.9

Note 1: The HSCP's budget is indicative only and will be directed and amended by the Integration Joint Board on an ongoing basis

HEALTH & SOCIAL CARE PARTNERSHIP

PUBLIC PROTECTION - CHILDREN & FAMILIES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	4,337	4,171
Property Costs	7	7
Transport Costs	51	51
Supplies & Services	459	334
Third Party Payments	5,835	6,438
Transfer Payments	74	74
Support Services	-	-
Total Expenditure	10,763	11,075
<u>Income</u>		
Additional IJB Grant	-	-
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	77	-
Fees,Charges etc.	21	76
Other Income	205	274
Total Income	303	350
Net Expenditure for Council Tax	10,460	10,725
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	10,460	10,725

<u>Budgeted Personnel 2024/25</u>	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	78.7
Manual	-
TOTAL	78.7

HEALTH & SOCIAL CARE PARTNERSHIP

INTENSIVE SERVICES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	12,665	13,291
Property Costs	153	154
Transport Costs	185	194
Supplies & Services	523	523
Third Party Payments	4,070	5,347
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	17,596	19,509
<u>Income</u>		
Additional IJB Grant	185	189
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees,Charges etc.	875	915
Other Income	2,304	2,339
Total Income	3,364	3,443
Net Expenditure for Council Tax	14,232	16,066
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	14,232	16,066

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	90.3
Manual	235.2
TOTAL	325.5

HEALTH & SOCIAL CARE PARTNERSHIP

ADULT LOCALITIES - OLDER PEOPLE

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,080	956
Property Costs	15	15
Transport Costs	-	-
Supplies & Services	168	181
Third Party Payments	18,155	18,045
Transfer Payments	1	1
Support Services	-	-
Total Expenditure	19,419	19,198
<u>Income</u>		
Additional IJB Grant	2,949	3,040
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees,Charges etc.	418	434
Other Income	442	533
Total Income	3,809	4,007
Net Expenditure for Council Tax	15,610	15,191
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	15,610	15,191

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	19.5
Manual	-
TOTAL	19.5

HEALTH & SOCIAL CARE PARTNERSHIP

ADULT LOCALITIES - PHYSICAL/SENSORY DISABILITY

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	2,481	2,433
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	592	792
Third Party Payments	3,454	3,461
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	6,527	6,686
<u>Income</u>		
Additional IJB Grant	829	497
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	10	10
Fees,Charges etc.	34	34
Other Income	435	871
Total Income	1,308	1,412
Net Expenditure for Council Tax	5,219	5,274
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	5,219	5,274

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	51.4
Manual	-
TOTAL	51.4

HEALTH & SOCIAL CARE PARTNERSHIP

ADULT LOCALITIES - LEARNING DISABILITY

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,878	1,671
Property Costs	194	193
Transport Costs	51	53
Supplies & Services	62	62
Third Party Payments	15,925	16,813
Transfer Payments	1	1
Support Services	-	-
Total Expenditure	18,111	18,793
<u>Income</u>		
Additional IJB Grant	1,678	1,712
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees,Charges etc.	3	1
Other Income	3,901	3,971
Total Income	5,582	5,684
Net Expenditure for Council Tax	12,529	13,109
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	12,529	13,109

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	27.6
Manual	13.6
TOTAL	41.2

HEALTH & SOCIAL CARE PARTNERSHIP
RECOVERY SERVICES - MENTAL HEALTH & ADDICTIONS

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	1,516	1,386
Property Costs	-	-
Transport Costs	-	-
Supplies & Services	29	29
Third Party Payments	2,248	2,098
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	3,793	3,513
<u>Income</u>		
Additional IJB Grant	131	133
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	-	-
Fees,Charges etc.	-	-
Other Income	1,416	1,495
Total Income	1,547	1,628
Net Expenditure for Council Tax	2,246	1,885
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	2,246	1,885

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	22.4
Manual	-
TOTAL	22.4

HEALTH & SOCIAL CARE PARTNERSHIP

CRIMINAL JUSTICE

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	570	690
Property Costs	22	22
Transport Costs	20	21
Supplies & Services	50	51
Third Party Payments	135	55
Transfer Payments	-	-
Support Services	-	-
Total Expenditure	797	839
<u>Income</u>		
Additional IJB Grant	-	-
Ring Fenced Government Grant	616	616
Other Government Grant	152	157
Recharge Income (Internal)	-	-
Fees,Charges etc.	-	-
Other Income	-	-
Total Income	768	773
Net Expenditure for Council Tax	29	66
<u>Adjustments</u>		
Ring Fenced Government Grant	616	616
Net Expenditure	645	682

<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	-
Teachers	-
APT&C	13.4
Manual	-
TOTAL	13.4

HEALTH & SOCIAL CARE PARTNERSHIP

FINANCE AND RESOURCES

	Budget 2023/24 £'000	Budget 2024/25 £'000
<u>Expenditure</u>		
Staff Costs	3,840	3,784
Property Costs	584	612
Transport Costs	-	-
Supplies & Services	692	469
Third Party Payments	155	215
Transfer Payments	-	-
Support Services	2,455	2,616
Total Expenditure	7,726	7,696
<u>Income</u>		
Additional IJB Grant	196	-
Ring Fenced Government Grant	-	-
Other Government Grant	-	-
Recharge Income (Internal)	36	195
Fees, Charges etc.	18	18
Other Income	761	935
Total Income	1,011	1,148
Net Expenditure for Council Tax	6,715	6,548
<u>Adjustments</u>		
Ring Fenced Government Grant	-	-
Net Expenditure	6,715	6,548

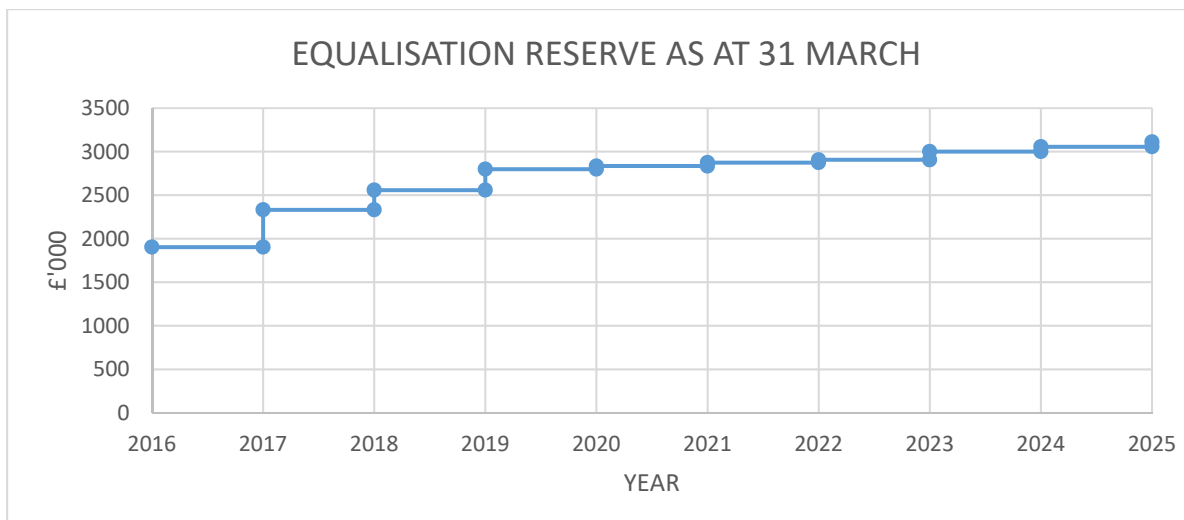
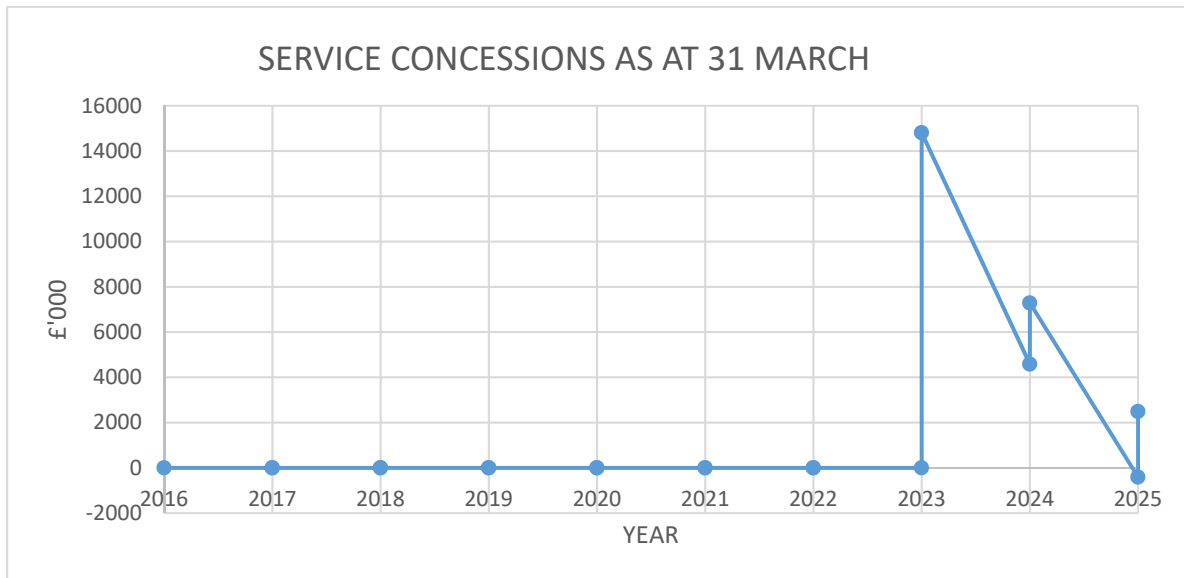
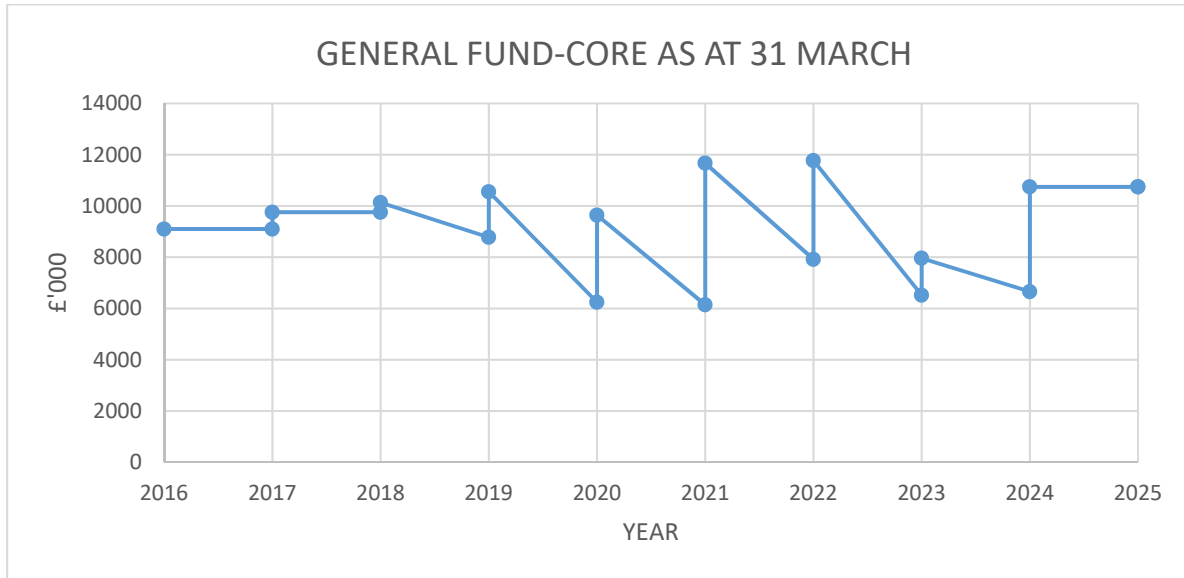
<u>Budgeted Personnel 2024/25</u>	
	<u>Full-time Equivalent</u>
Chief Officers	4.0
Teachers	-
APT&C	77.8
Manual	-
TOTAL	81.8

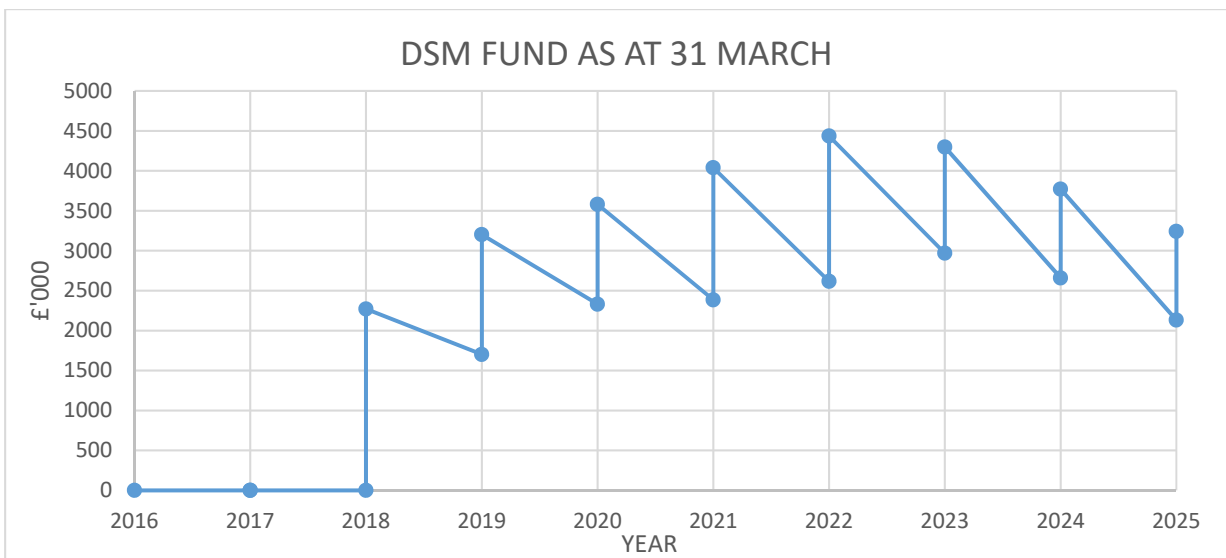
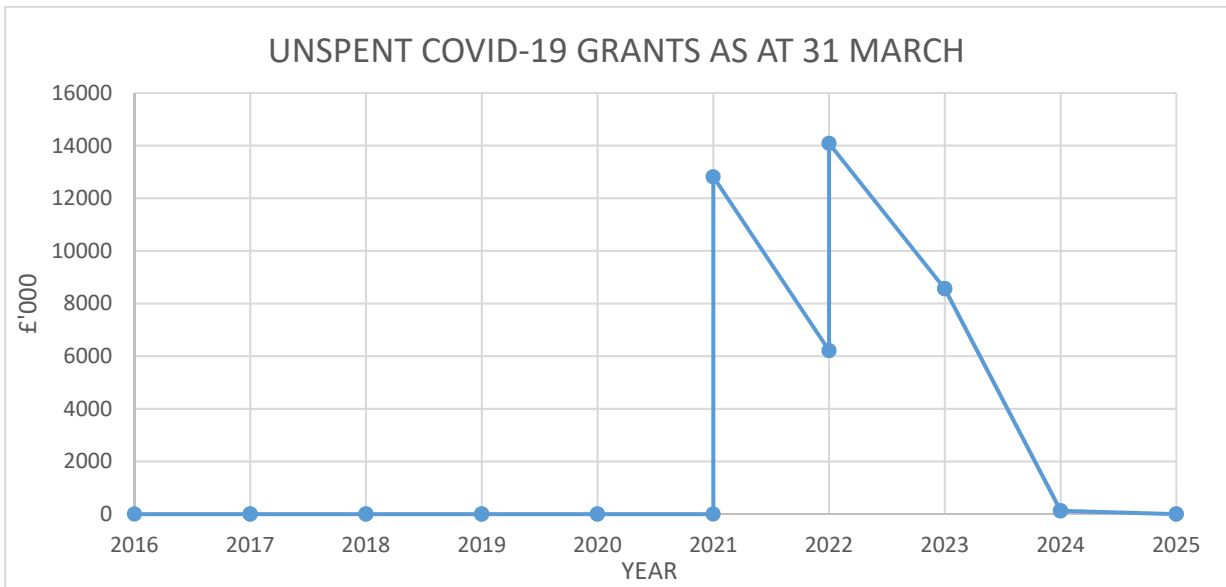
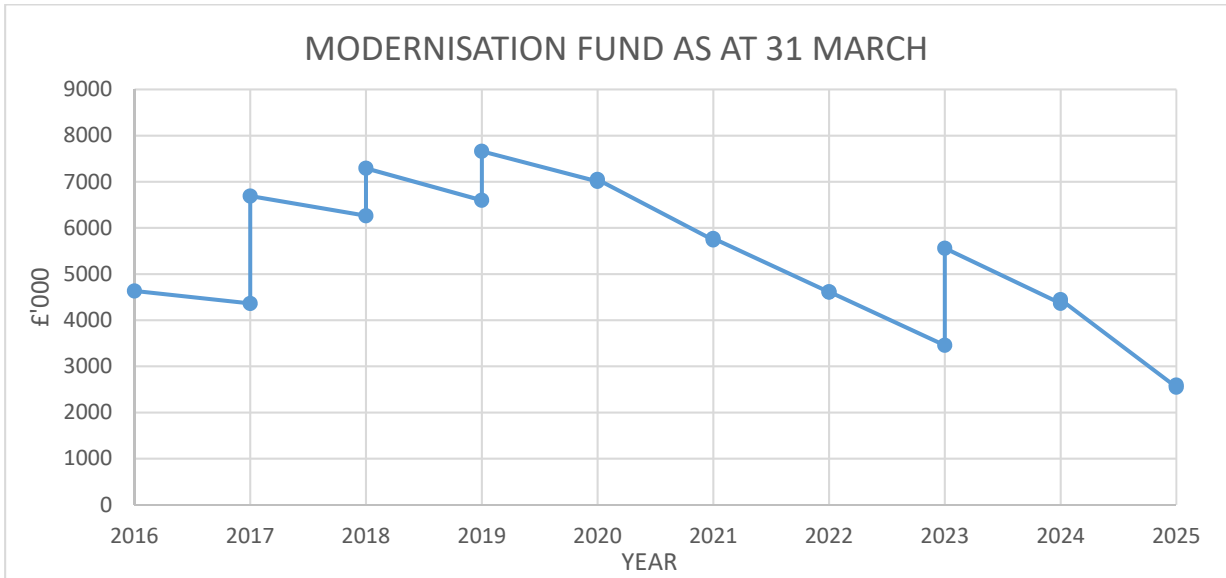
SAVINGS PROPOSALS 2024/25

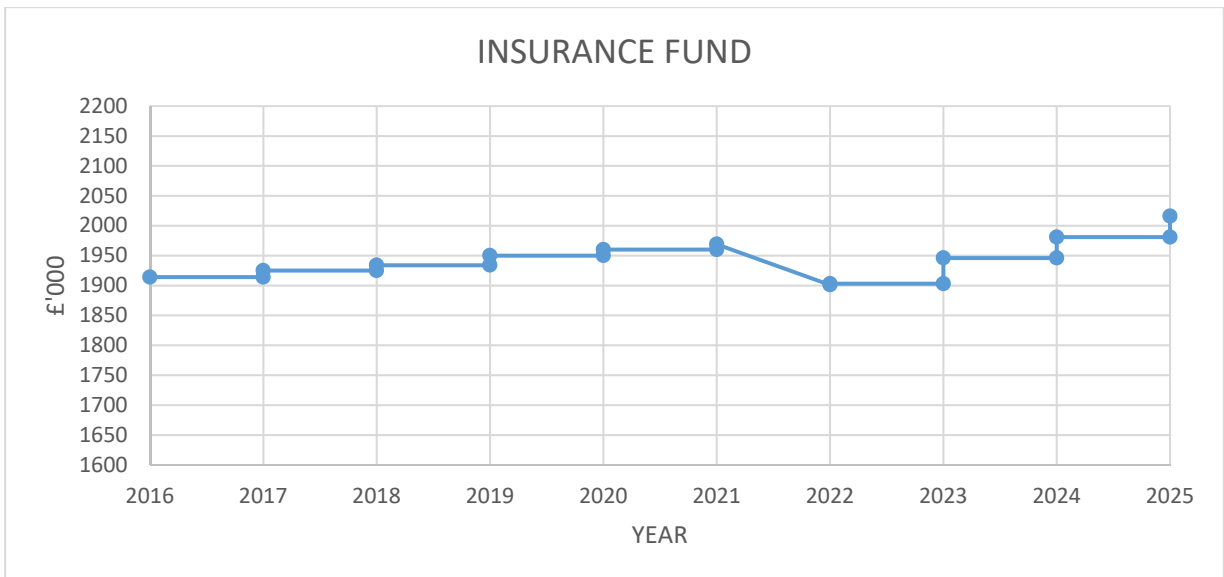
ANNEX B

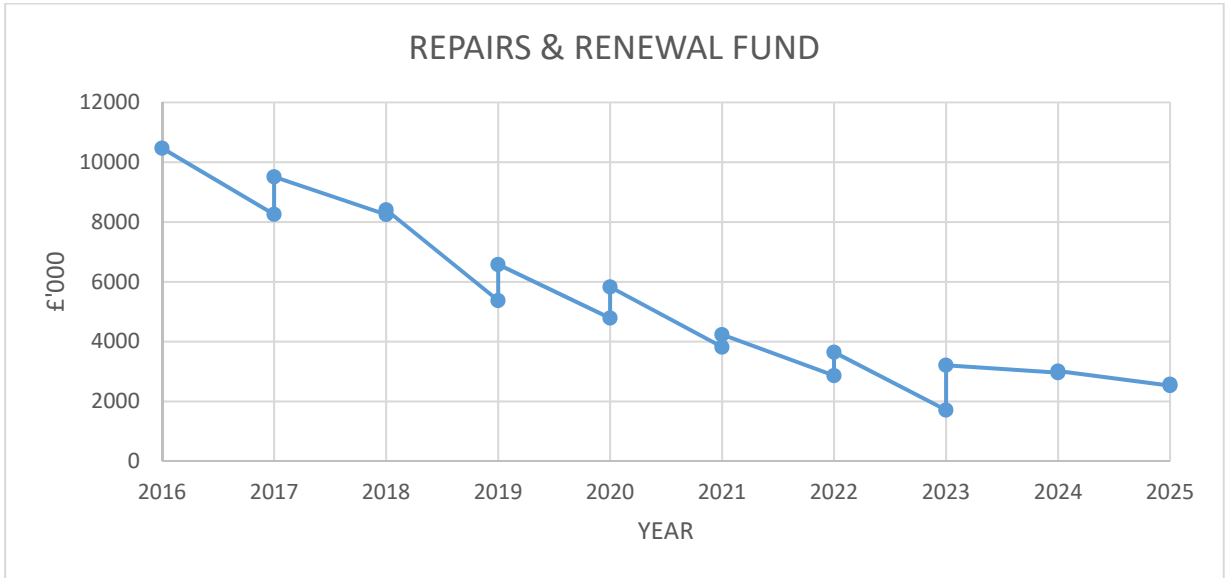
Description of Saving	Pre-agreed 13 December 2023	Further Proposals 28 February 2024	2024/25 Total
	£'000s	£'000s	£'000s
BUSINESS OPS & PARTNERSHIPS			
HR/Payroll: Staff reductions	55.4		55
Customer First: Reductions in service	132.7		133
Revenues & Benefits: Restructure	109.0		109
Business Support & Accounts Receivable: Restructure	62.0		62
CLD: Staff & service reductions	40.6		41
Citizens' Advice Bureau: Reduce support	10.0		10
Water Direct: Introduce deductions	51.0		51
ICT Contracts savings		50.0	50
Increase Registration & Duke of Edinburgh fees		2.5	3
	460.7	52.5	514
EDUCATION			
Primary Teacher: Remove Equity Mgmt Time Allocation	54.0		54
Reduction other staff groups (excluding teachers) in ELC/schools	170.0		170
Reduction in centrally based business support & budget teams	86.0		86
Reduction in Centrally Based Support Posts	109.0		109
Reduction in Catering Services (ELC & Schools)	510.0		510
Reduction in centrally managed budgets which support schools	15.0		15
ELC - Delay in eligibility for statutory entitlement	40.0		40
Removal of funding for junior conservatoire	3.0		3
Income generation - School meals price increase	25.0		25
Remove balance of R&R funding re ICT Tech Refresh	-400.0		-400
Reduction in Janitorial	131.0		131
Reduction in Cleaning (ELC & Schools)	334.0		334
Reduction in Psychological Services	37.0		37
Removal of Early Intervention & Prevention resource		43.0	43
	1,114.0	43.0	1,157
ENVIRONMENT			
Increased Income/Staff reductions Planning/Building Standards	100.0		100
Increase Rents - Temporary Accommodation	40.0		40
Housing: Reduce CAB funding	42.0		42
Prevention Services	12.0		12
Reduction in School Crossing Patrol Service	170.0		170
Close Connor Road Young Persons Accommodation	170.0		170
Increase Factoring Fees		1.0	1
Environment Dept Staff Reductions		61.0	61
	534.0	62.0	596
OTHER			
Corporate Budget Management (additional savings target)		800.0	800
	0.0	800.0	800
TOTAL SAVINGS PROPOSALS 2024/25	2,108.7	957.5	3,067

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EAST RENFREWSHIRE COUNCIL28 February 2024Report by Head of Accountancy (Chief Financial Officer)CAPITAL INVESTMENT STRATEGY**PURPOSE OF REPORT**

1. The purpose of this report is to present for consideration the Capital Investment Strategy covering the long term capital ambitions of the Council. This report, together with the Treasury Management Strategy report, provides background information on the scale, objectives, affordability and risks associated with the Council's capital plans.

RECOMMENDATIONS

2. The Council is invited to approve the Capital Investment Strategy.

REPORT

3. All Councils are required to prepare a Capital Investment Strategy setting out their long term capital ambitions and the associated resource implications and risks. This assists with long term financial and service planning and ensures that capital investment aligns with local, regional and national strategies. The Capital Investment Strategy has been compiled with regards to these requirements.

4. The Capital Investment Strategy has been developed with regard to the Prudential Code 2021 and the Treasury Management Code of Practice 2021.

5. The strategy adopts a corporate approach to long term capital planning, beyond the span of our current capital plans, taking direction from the Council's Outcome Delivery Plan and a range of other key plans and strategies. These objectives, determined by the Council, will be driven forward by the Corporate Management Team, working in conjunction with partner organisations and local communities to ensure that investment is aligned to our strategies and that performance is measured against expected outcomes.

6. Whilst approval of the Capital Plan later on today's agenda will commit to the Council's capital expenditure for 2024/25 only, a long term strategic and financial view is essential for resilience in uncertain times and the Capital Investment Strategy will continue to be updated as new challenges and opportunities arise so that future capital plans can also be adapted.

7. The Council will continue to take a prudent approach to affordability and risk, assessing resource impacts through the prudential indicators and seeking to take a long term view to ensure that funding is in place for the delivery of our capital ambitions. Delivery of projects will also be closely monitored through tailored capital project monitoring at both officer and elected member level.

8. The Council has significant capital investment ambitions across the authority and the Capital Investment Strategy, together with the Treasury Management Strategy, Capital Plan and Revenue Estimates and Financial Planning reports set out how these will be funded and managed.

CONCLUSION

9. Councils are required to prepare a Capital Investment Strategy, compiled with regard to the relevant guidance, to assist in the long term planning of their capital ambitions. This report sets out the key factors influencing our capital investment plans, together with the affordability and deliverability of our programme.

RECOMMENDATION

10. The Council is invited to approve the Council's Capital Investment Strategy.

Further information is available from:

M McCrossan, Head of Accountancy Tele No. 0141 577 3035

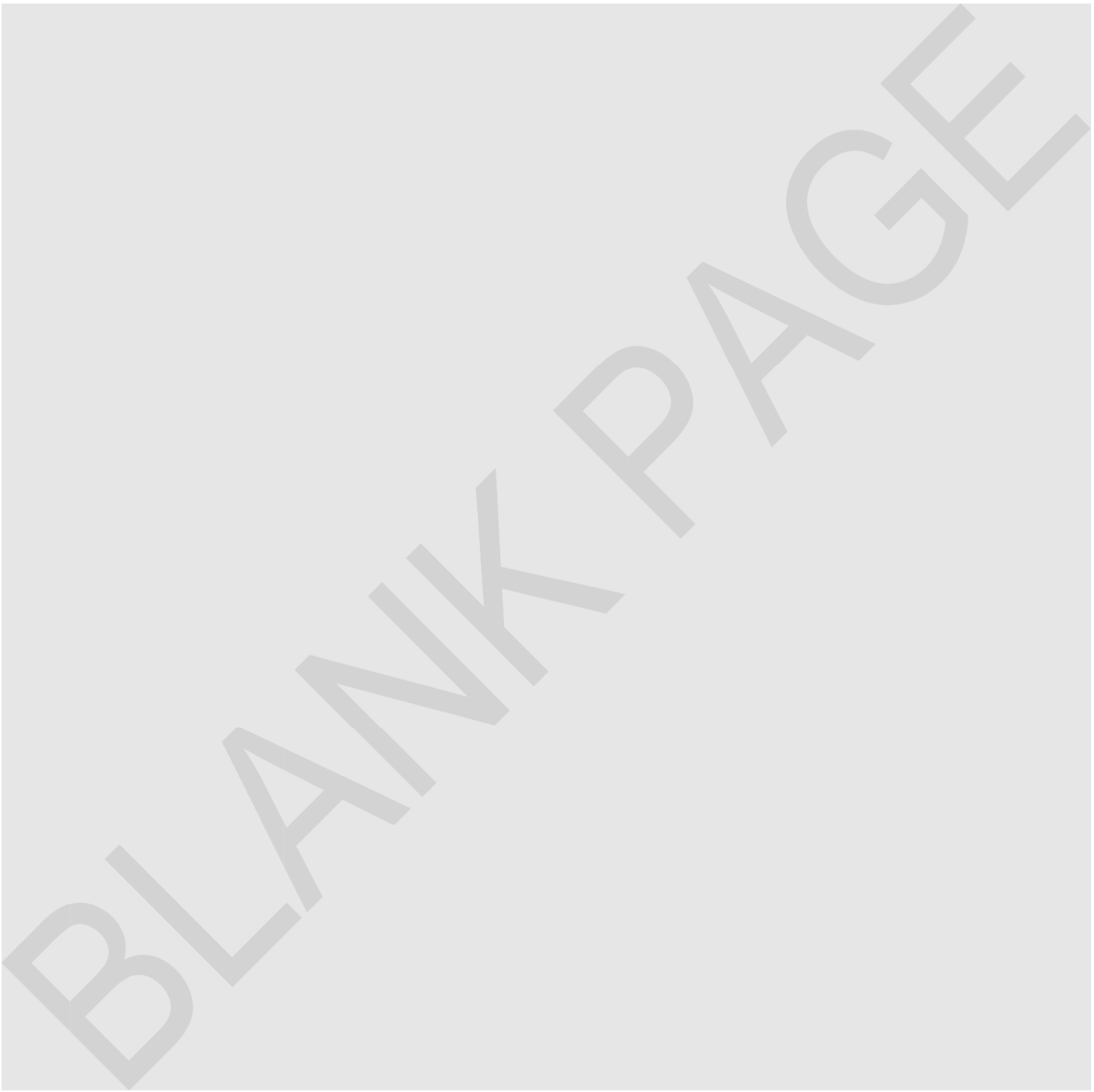
KEY WORDS

Capital Investment Strategy, Capital Plans, Prudential Code, Treasury Management Code.



Capital Investment Strategy

February 2024



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Capital Investment Strategy Intention

The Council is currently reviewing its long-term strategy, Vision for the Future, which provides a 10-year forward direction for East Renfrewshire. In turn this will set the scene for our investment ambition. Vision for the Future was last approved in full by Council in February 2020, but extensive engagement and updates to date have led to 3 core pillars: Flourishing Families; Vibrant Communities & Places; and Living Well.

Vision for the Future sits at the top of our strategic planning framework bringing our plans and strategies together and preventing them pulling in different directions. It helps us to make sure that we are making the greatest positive difference to our communities, while also setting out what's important to East Renfrewshire, by laying the foundational understanding of our challenges, assets (in the broadest sense) and strategic opportunities. An ambitious Vision for the Future gives us a framework for thinking about capital investment, land use, transport, communities, and a lens to think about year-to-year revenue spend, particularly in challenging circumstances.

This Capital Investment Strategy will contribute significantly towards addressing the challenges that we are facing in continuing to provide excellent services to our communities, businesses and residents, challenges such as meeting early learning and childcare requirements, achieving housing targets, planning for upgraded leisure facilities, addressing the Get to Zero agenda and maintaining school excellence. In the wake of the COVID pandemic, this partnership work to update Vision For the Future will ensure that we focus on the long term recovery for the area. The Capital Plan will contribute to that recovery by providing improved schools, leisure facilities and roads, all important for residents and providing a boost to our local economy.

Our Capital Investment Strategy considers how we can deal with short to medium term financial uncertainty by taking a longer term view of how our capital investment can be put to best effect to meet the needs of the area, as demonstrated in our strategies and plans, such as the Local Development Plan and Housing Strategy.

It is clear that we cannot achieve our investment ambition on our own, we need to work collaboratively with communities, localities and partners to make sure that we have understood local needs properly and that we can deliver what we promise. This means delivering our strategic commitments, plans and strategies and making sure that this works on the ground through the delivery of locality plans and other community initiatives.

We are realistic about what we can achieve with our known available resources, which is why we are working with partners to deliver regional economic and infrastructure improvements. By working strategically with partners, we are ensuring that our resources can sit alongside external funding opportunities to optimise the benefits for our area. A key example of this partnership working in action is the progress that we are making with City Deal initiatives.

Councillor Owen O'Donnell – Leader of the Council

Focus on the Long-term Approach

It is important for us to effectively and realistically plan for the future to support the delivery of our intended investment ambition. Our Capital Investment Strategy demonstrates the many influences on our capital plans, particularly external and partner influences, such as Scottish Government policies and the growing collaboration around the Glasgow City Region.

We need to continue to invest for the longer term benefit of our communities but always be mindful that any investment must be undertaken in a prudent, affordable and sustainable manner. Our Capital Investment Strategy takes a whole Council approach, ensuring that all our capital plans are aligned to our long term strategy, Vision For the Future, and measuring performance against our strategic outcomes.

Our Capital Investment Strategy is more than just a financial document. It has been informed by discussions across Directorates and service teams to produce a Strategy which encompasses all investment activities underway and in the pipeline. It explains why we are undertaking these investment activities in delivering our commitments to our communities, businesses and residents.

Our strategic, corporate and financial management processes are essential for achieving financial resilience in uncertain times. We must use our property, land and available resources wisely and ensure that we attract appropriate external funding to our area. Our Capital Plans cover a 10 year time frame and will continue to evolve and be updated as strategic influences change over time, as new challenges and opportunities present themselves and as the delivery of our investment ambition is realised.

Steven Quinn – Chief Executive

Summary of Capital Investment Strategy

This Capital Investment Strategy aims to set out our ambitions for capital investment across the full range of services provided by the Council for our communities. Whilst our General Fund and Housing Capital Plans cover the next 10 years, the Capital Investment Strategy considers longer term ambitions and allows them to be reflected in future planning. Not only does this longer term approach ensure that all future resource needs are recognised well in advance, but it also allows any challenges, shortfalls and opportunities for joint development to be identified early and addressed.

The Capital Investment Strategy is closely linked to the Council's medium and long term strategic plans. It is also aligned, however, with a range of national and regional plans and strategies across a number of individual services. This approach is strengthened by working with various partner organisations where appropriate, allowing the Council to benefit from an exchange of best practice and economies of scale.

The Council will now maintain a rolling, detailed 10 year general fund capital plan with new proposals for investment being brought forward annually through a Capital Project Appraisal process to ensure that they align with the Council's strategic objectives and asset management plans, are deliverable, affordable and represent best value. A 10 year rolling capital plan will also be maintained for Council housing stock, taking account of both national and local plans. Any revenue impacts associated with these plans, arising from both funding and/or running/maintenance costs are then reflected in the Council's revenue budget planning.

The Council's proposed 10 year General Fund and 10 year Housing capital plans referred to in this document are derived from the Capital Investment Strategy and aim to deliver on the stated priorities of the Council and its partners. In particular, these focus on the demand for school places to serve the increasing numbers of houses being built in the area, on the need to renew and upgrade the educational estate especially those facilities in poorest condition, on the need to replace and upgrade existing leisure facilities nearing the end of their useful life, the ambition to significantly improve the condition of local roads, to promote sustainable economic growth, to address the Get to Zero agenda and the commitment to deliver new Council housing across the authority.

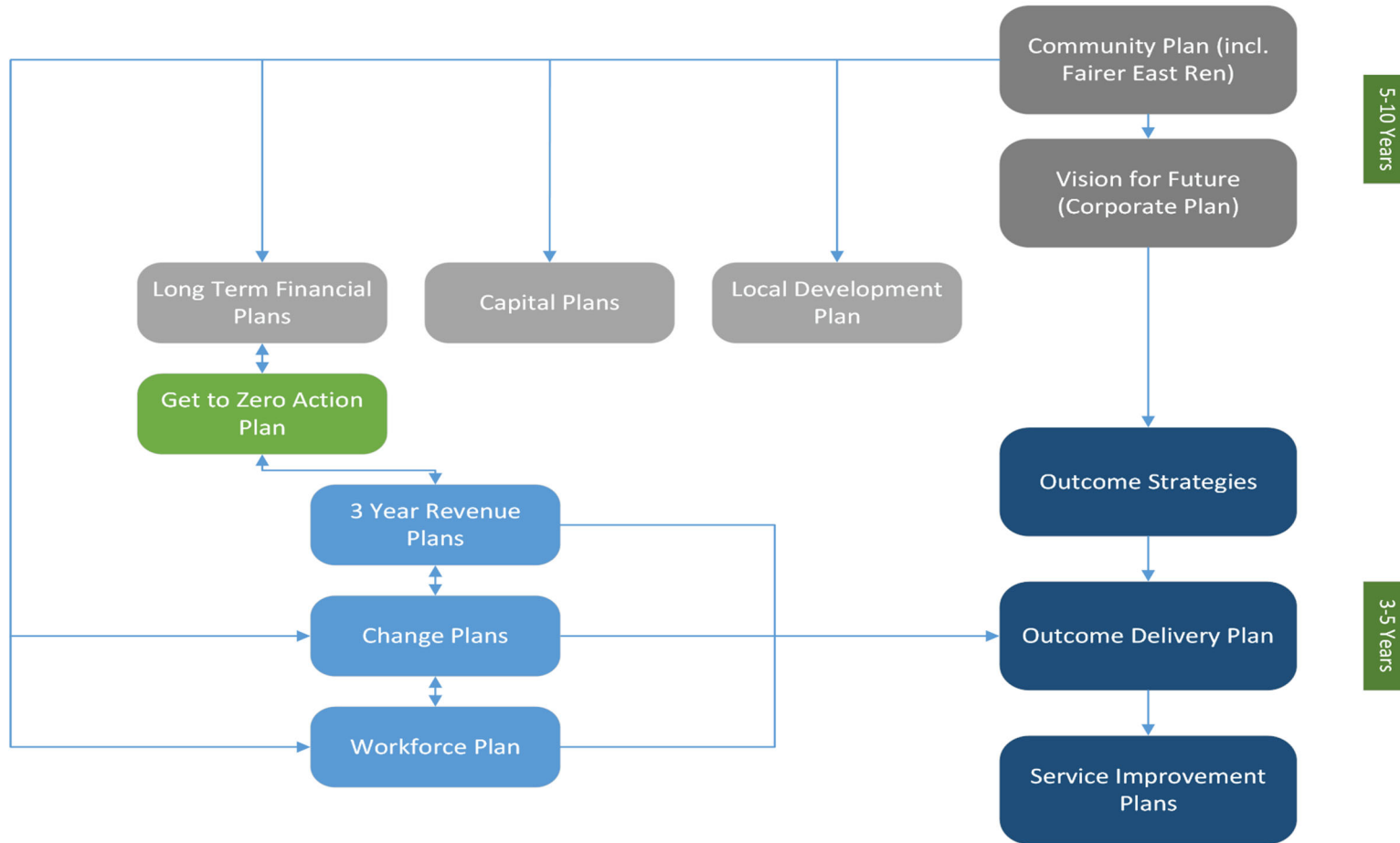
Progress against the Council's capital plan is monitored by Cabinet, the Corporate Management Team and full Council, with any major issues examined by the Corporate Asset Management Group to ensure that good practice is followed in all projects. Risks are also identified and managed at both corporate and departmental level.

Whilst the Corporate Management Team will ensure that asset management plans and capital ambitions are continuously updated to take account of developing local and national strategies, the Chief Financial Officer will oversee the formal annual update of the Council's Capital Investment Strategy.

Relationship to other plans and strategies:

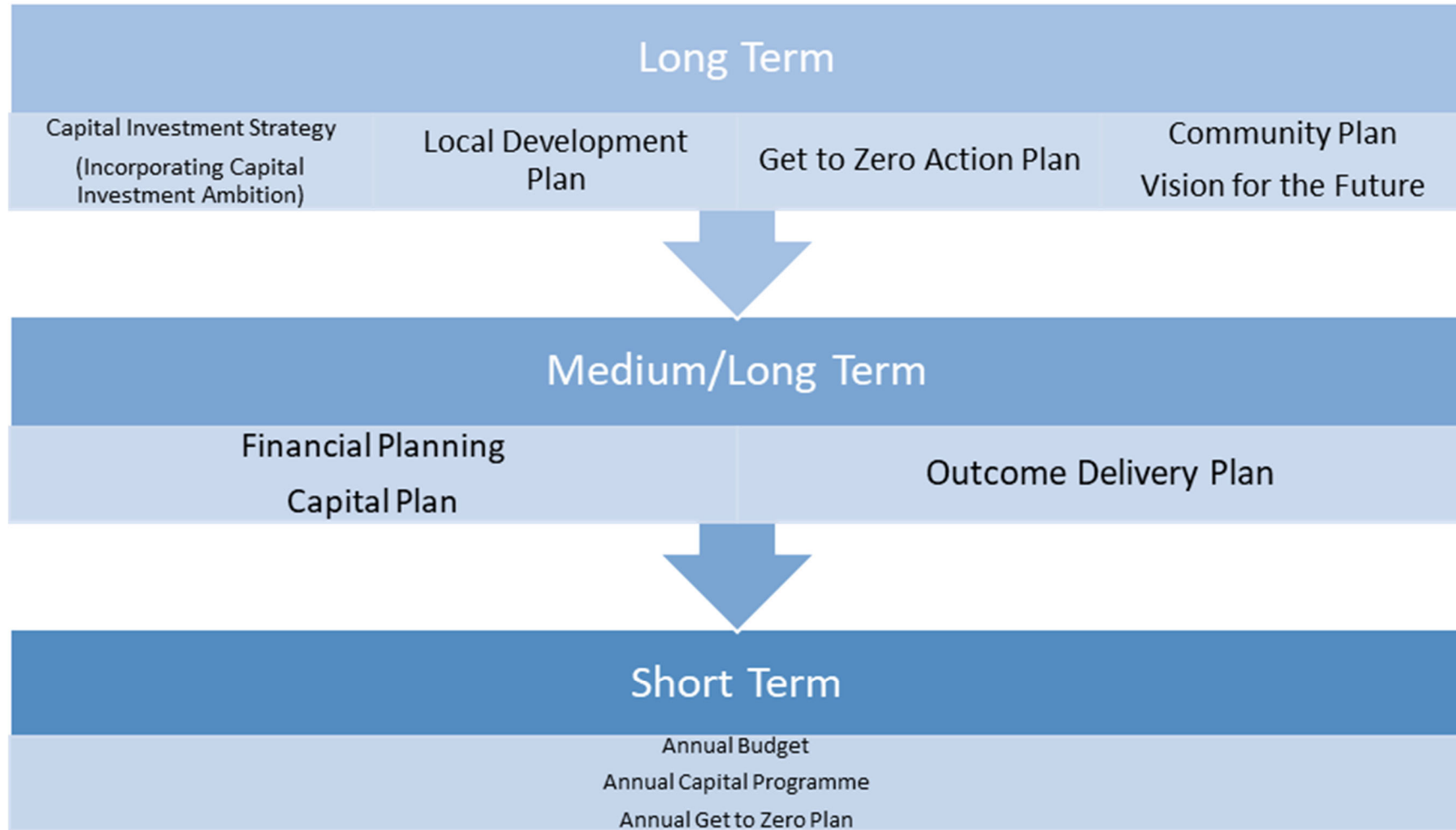
The Capital Investment Strategy does not stand in isolation but is closely linked to the strategic and operational plans developed by the Council and its partners. Figure 1 illustrates how our capital planning process aligns with both medium and long term local plans.

Figure 1: Integrating Strategic Plans and Operational Management



N.B. the aim of the refreshed Vision for the Future is that it becomes a partnership, long term strategy for East Renfrewshire with potential to replace the Community Plan.

Figure 2: Summary of links to other plans and strategies



The above two diagrams show how the Capital Investment Strategy relates to the Council's overall aims and flows through to our multi-year capital plans and the capital programmes for the coming year.

Core Influences on Capital Investment

Our Capital Investment Strategy is influenced by many different factors. We have named them core influences, as these must be taken into account before establishing the appropriate strategy for contributing to the delivery of our Strategic Outcomes. In addition to the Council's own aspirations, these also reflect the ambitions of our local and regional partners as well as national strategies. More broadly, changing demands and demographic factors as set out in the Council's long term Financial Planning paper and our Planning for the Future statistical document also impact on our capital ambitions.

The following chart illustrates our core influences:

Figure 3: Summary of key influences on the Capital Investment Strategy

<h1>National</h1>	<ul style="list-style-type: none"> • Scottish Govt: Housing To 2040 • Scotland's Economic Strategy • Scotland's National Strategy for Economic Transformation • Scotland's National Transport Strategy • Net Zero Carbon by 2045 (Public buildings 2038) • Climate Change (Emissions Reduction Targets) (Scotland) Act 2019. • Scottish Government guidance on public sector fleet targets for 2025 and 2030 • Energy Efficiency Standard for Social Housing • United Nations Convention on the Rights of the Child (UNCRC) • Early Learning & Childcare Policy • Universal Free School Meal Policy • Learning Estates Strategy
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	<ul style="list-style-type: none"> • National Gaelic Language Plan • Scottish Enterprise Strategic Priorities • Skills Development Scotland Strategic Plan 2022-2027 • Planning (Scotland) Act 2019 and National Planning Framework 4 • Public Sector Cyber Resilience Framework • Scottish Government Community Empowerment Act • Scottish Government Community Wealth Building legislation • Transforming Public Procurement Bill • Verity House & Bute House Agreements
<h2>Regional</h2>	<ul style="list-style-type: none"> • Glasgow & Clyde Valley City Deal • Glasgow City Region Economic Strategy • Strathclyde Partnership for Transport Regional Transport Strategy 2023-2038 • GCV Regional Spatial Strategy • Glasgow City Region's Adaptation Strategy and Action Plan
<h2>Local</h2>	<ul style="list-style-type: none"> • Community Plan • Fairer East Ren • Locality Plans • Local Development Plan • Outcome Delivery Plan • Local Housing Strategy • Strategic Housing Investment Plan • Local Children's Plan 2023-2026 • Digital Learning and Teaching Strategy • Future specialist provision for additional support for learning • School estate conditions • Local Transport Strategy (publishing 2024)

	<ul style="list-style-type: none">• Corporate Asset Management Plans• SFT Learning Estate Metrics• HSCP Strategic Plan• Gaelic Language Plan• Local Transport Strategy• Get to Zero Action Plan (in development)
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Our Capital Investment Strategy has taken account of the external, partner and internal influences in shaping our approach. The following sections provide a summary of main points and our strategy and intended actions in each case:

National influences

Climate Change Plan Update (December 2020)

Scottish Government has set an ambition to transition to a net-zero carbon Scotland for the benefit of our environment, people and prosperity.

All of the council's capital expenditure will need to be reviewed in light of the requirement to achieve net zero greenhouse gas emissions by 2045. The Bute House Agreement set out an additional target of achieving zero-emission public sector buildings by 2038. A climate change strategy (Get to Zero Action Plan) has been prepared and is due to be agreed by Cabinet in early 2024. The costs of achieving the climate change targets are estimated at in excess of £400m of capital investment required over the period to 2045. The contribution from Scottish Government and other sources is unknown and therefore there will be an ongoing process over a number of years to propose investment decisions on a case by case basis.

The key actions the Council will focus on are:

- Reducing greenhouse gas emissions in the Council estate through energy efficiency and changing heating systems away from natural gas.
- Transitioning the Council fleet away from Internal Combustion Engines to zero-emissions vehicles.
- Facilitating the community to reduce emissions through planning, transport and social housing policies and investments.
- Helping both Council and community assets to adapt to the changing climate.
- Restoring natural environments to support climate adaptation and increased biodiversity.

[Link to Climate Change \(Emissions Reduction Targets\) \(Scotland\) Act 2019](#)

[Link to Climate Change Plan Update \(2020\)](#)

More Homes Scotland

The existing Government initiative, More Homes Scotland, has put in place a commitment to year-on-year funding for affordable homes to be shared by councils across Scotland, via the Affordable Housing Supply Programme (AHSP) and bringing housing and planning requirements closer together through the Housing and Planning Delivery Framework.

The £3.6 billion investment set out from 2020-21 to 2025-2026 is intended to give councils and housing associations the certainty they need to help deliver the ambitious affordable homes target – 100k affordable homes by 2032, of which at least 70% will be available for social rent. This continues to ensure delivery of the right homes in the right places.

However, recent budget announcements indicate likely reductions in this funding, with detail of where exactly these reductions will be made still to be clarified. The ambition to increase affordable homes remains but the balance of building new, versus acquiring existing homes, will likely have a bearing on how investment is directed going forward.

Supporting information:

[More homes - gov.scot \(www.gov.scot\)](https://www.gov.scot)

Housing to 2040: a conversation

Housing to 2040, published in March 2021, is Scotland's first long-term national housing strategy with a vision for what housing should look like and how it will be provided to the people of Scotland, no matter where they live and what point in their life they are at. The ambition is that everyone in Scotland should have access to a warm, safe, affordable and energy efficient home that meets their needs.

In light of this there are emerging new housing policies and initiatives driving energy efficiency improvements and to address challenges such as child poverty and an ageing population, which will have to shape our local plans and we will continue to reflect this through the development and implementation of our Local Housing Strategy (which is in final draft, awaiting outcomes of Scottish Government review). We continually monitor Scottish Government housing policy activity in order to address any resulting opportunities or challenges and will update the Capital Investment Strategy accordingly.

[Housing to 2040 - gov.scot \(www.gov.scot\)](https://www.gov.scot)

Scotland's National Strategy for Economic Transformation

Scotland's National Strategy for Economic Transformation lays out five programmes of delivery. These will:

- establish Scotland as a world-class entrepreneurial nation founded on a culture that encourages, promotes and celebrates entrepreneurial activity in every sector of our economy;
- strengthen Scotland's position in new markets and industries, generating new, well-paid jobs from a just transition to net zero;
- make Scotland's businesses, industries, regions, communities and public services more productive and innovative;
- ensure that people have the skills they need at every stage of life to have rewarding careers and meet the demands of an ever-changing economy and society, and that employers invest in the skilled employees they need to grow their businesses;
- reorient our economy towards wellbeing and fair work, to deliver higher rates of employment and wage growth, to significantly reduce structural poverty, particularly child poverty, and improve health, cultural and social outcomes for disadvantaged families and communities.

A sixth programme on delivery introduces a new streamlined delivery model in which all participants are clear about their roles and accept accountability for their actions.

Council's Capital Investment Strategy seeks to demonstrate the alignment of the local economic strategy to the national strategy.

The East Renfrewshire area currently has a relatively modest level of business activity. This is characterised by the following businesses: 2,385 micro (0-9 employees), 205 small (10-49 employees), 25 medium (50-249 employees) and 5 large (250+ employees). However, given the population growth expectations and the desirability for the area for families, particularly related to school excellence, there is merit in considering the potential knock on effect to business activity, particularly with regard to retail and leisure provision.

In December 2021 the Council and its partners published a Regional Economic Strategy which covers the wider City Deal region, followed by a regional action plan developed in 2022. It sets out an evidence base of our economy, the future challenges we collectively face, the opportunities we must grasp, and where we need to prioritise our resource.

East Renfrewshire Council is developing an Economic Development Action Plan which will be informed by the Local Development Plan and link to National Strategy for Economic Transformation (NSET) and the Regional Economic Strategy. Once adopted, the Economic Development Action Plan will inform the Council's capital investment plan, as part of the Capital Investment Strategy.

Supporting information:

[Link to Scotland's Economic Strategy](#)

[Link to City Deal Regional Economic Strategy](#)

[Link to the Regional Economic Strategy Action Plan](#)

Scotland's National Transport Strategy 2

The National Transport Strategy 2 (NTS2) presents a Vision for Scotland's transport system over the next 20 years. The Strategy contains four key Priorities, each with three associated Outcomes for a sustainable, inclusive, safe and accessible transport system, helping to deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors. The key Priorities are:

- Reduce inequalities – “Everyone in Scotland will share the benefits of a modern and accessible transport system”
- Take climate action – “People will be able to make travel choices that minimise the long-term impacts on our climate and the wellbeing of future generations”
- Help deliver inclusive economic growth – “Scotland will have a transport system that will help deliver sustainable and inclusive economic growth enabling the whole country to flourish”
- Improve our health & wellbeing – “Scotland's transport system will be safe and enable a healthy, active and fit nation”
- A third delivery plan was published in December 2023. The NTS Delivery Plan provides a package of actions and interventions which support Scottish Government's vision and strategic themes. At a local level the Regional Transport Strategies and Delivery Plans provide a detailed overview of the regional and local priorities, projects, actions and services, aligned with the NTS priorities.

The emerging Strategic Transport Review 2 (STPR2), which provides an overview of transport investment - infrastructure and other behavioural change recommendations – supports delivery of NTS2 priorities and objectives. STPR2 is a key component of Scotland's journey to net zero emissions and will, in conjunction with existing commitments and other policy ambitions, enable a reduction in transport emissions as well as addressing inequalities and improving health and wellbeing.

In the case of East Renfrewshire the national Strategy influences the Strathclyde Partnership for Transport strategies and plans. The SPT Regional Transport Strategy for the West of Scotland 2023-2038 (A Call to Action) has been published following a public consultation. East Renfrewshire's refreshed Local Transport Strategy will follow in 2024, and will be informed by the new Regional Transport Strategy and National Plan. A draft Case for Change report was published in September 2022, forming the evidential basis for a major issues consultation. The Case for Change report and Major Issue Consultation represent the first stage of the LTS development.

Good progress is being made with the major City Deal projects in East Renfrewshire, with Aurs Road realignment and the development of the proposed rail station at Barrhead South impacting on roads. As the position becomes clearer on the City Deal transport project the Council will consider if there is any further need for transport infrastructure in the area, over and above what will be achieved from the current funding package. Any capital investment ambition that is unmet will form the basis of future discussions with Scottish Government and strategic partners.

When determining the longer-term strategy for the Council, it is not immediately possible to identify investment in any detail beyond the current City Deal timescale. However, development of a refreshed Local Transport Strategy will provide a framework for transport decision making and investment over a ten year

period. This will identify measures to deliver transport, health, environmental and sustainability outcomes in line with national, regional and local Strategic Objectives, including Vision for the Future and LDP3. East Renfrewshire Council will work with partners and stakeholders in order to develop key proposals including the development of local active travel networks (to enable more walking, cycling and wheeling for everyday journeys), encourage greater use of public transport, promote low-carbon transport modes, (such as development of electric vehicle infrastructure) as well as actions to reduce car dependency and promote greater inclusivity across the transport network through Community Transport options. On this basis, the Council will consider any risks, financial and non-financial, which will inform decision making at a local level.

Supporting information:

[Link to NTS' third delivery plan publication](#)

[SPT Regional Transport Strategy 2023-2038 \(Final Draft\)](#)

[ER LTS Case for Change Report \(Draft for Consultation\)](#)

Early Learning and Child Care

Early Learning and Childcare (ELC) in East Renfrewshire is mainly provided by the local authority, with a relatively low proportion of children receiving their ELC in a funded (partnership) provider (i.e. private, voluntary and independent sectors and childminders). The ERC facilities operate at relatively high occupancy levels and are organised into 4 geographical communities.

Previously, all local authorities had a duty to provide up to 600 hours of free ELC for all 3 and 4 year old children and eligible two year olds

The Scottish Government's A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland increased the entitlement to 1140 hours per year of free ELC for all 3 and 4 year olds and eligible 2 year olds from 2020. This vision effectively doubled the entitlement to free ELC and was underpinned by the key principles of quality, flexibility, accessibility and affordability. In response to these national agendas, the Council expanded provision significantly to meet both the demand for places and need for flexibility of provision offered to parents, with the creation of new facilities and the replacement, remodelling and extension of established services. Additionally new facilities were also developed in cognisance of natural projected population growth as well as projected growth from new residential developments aligned with local development planning.

The availability of and demand for ELC places throughout the authority continues to be subject of regular monitoring and review. This takes into account future local planning processes and resultant new housing land supplies, other demographic changes and relevant necessary modifications to the educational estate as a consequence of local/national educational policy.

East Renfrewshire has reviewed its provision in light of new legislation laid in the Scottish Parliament by the Scottish Government in December 2020 regarding funded early learning and childcare places for all children who defer their primary one start. Previously, all parents and carers in Scotland had the legal right to defer their child's entry to primary school if they were not yet 5 years old at the beginning of the school year. In that system, the youngest children (those with a January or February birth date) were automatically entitled to an additional year of funded ELC; and those with an August to December birthday could still defer their school start, but that did not automatically come with funding for an additional year of ELC. Since August 2023, all children aged 4 on 1 August are now entitled

to defer the commencement of primary education and are entitled to access another fully funded year of ELC provision. The Education Department identified concerns regarding the availability of ELC places in the Barrhead and Levern Valley areas to accommodate children requesting an additional year of fully funded ELC provision in light of the legislative change and given current and projected high occupancy rates, and is progressing with plans to increase the number of available places by repurposing spaces within St John's Primary School which have previously been used by central Education Department staff and the East Renfrewshire Culture & Leisure Trust. It is anticipated that St John's Nursery Class will be complete and in place for commencement of the new school year August 2024.

In the last year the Scottish Government has supported local authorities in identifying two year olds who are eligible for ELC by providing details of who these children are to allow targeted promotion of this service. This has successfully resulted in an increase in the number of two year olds accessing places in ELCs. Furthermore, the Scottish Government has signalled its intention to increase access to fully funded early learning and childcare to one year olds. However, these initiatives naturally have / will have an impact on the availability of places and the opportunity to meet the flexibility requests of all parents and carers and is an area the department will continue to monitor.

The Children and Young People (Scotland) Act 2014 requires local authorities to consult on early learning and childcare every 2 years, and East Renfrewshire has done so recently in 2022/23. This consultation included seeking to address the changing needs of families with regards flexibility, accessibility, affordability and choice as well as changes in provider status, reflecting available resources. Providing the required flexibility and choice enables parents to work, train or study, especially those who need help with finding sustainable employment. Furthermore, we provide free Early Learning and Childcare to all 2 year old applicants living in SIMD areas 1 and 2. This signals a commitment to improve outcomes for all children, especially those who are more vulnerable or disadvantaged, and is intended to support the closing of the poverty related attainment gap.

The duty to consult every two years with families, to ensure we are providing flexibility and choice to meet their needs on an ongoing basis, requires the Education Department and its estate to be responsive and adaptable to new ways of working and models of delivery which may lead to the need for significant investment in infrastructure.

In October 2022, the Scottish Government published 'Best Start - strategic early learning and school age childcare plan 2022 to 2026'. This strategy will focus on embedding the best practice from the extension to 1140 hours provision and will seek to explore approaches to expanding early learning and childcare provision further. These objectives include ensuring flexibility of delivery models to meet the ever-changing needs of local communities and expanding early learning and childcare provision to include children aged one and two. The extension to include one and two year old children would double the demand currently being met for three and four year olds. Furthermore, with the extension to the fully funded deferral legislation, these combined changes will result in significant challenge for the Council with regards to sufficiency of places and would require a review and likely need for new/extended establishments to meet these demands.

This evolving requirement will need to be updated in future iterations of the Capital Investment Strategy. It is a relatively high-risk area from a service delivery, asset and financial perspective, which is addressed in the Capital Investment Strategy risk assessment.

Supporting information:

<https://www.gov.scot/policies/early-education-and-care/early-learning-and-childcare/>

<https://www.eastrenfrewshire.gov.uk/early-learning-and-childcare>

<https://www.gov.scot/publications/best-start-strategic-early-learning-school-age-childcare-plan-scotland-2022-26/>

Early learning and childcare access in a deferred year: joint implementation plan

Joint Scottish Government and Convention of Scottish Local Authorities (COSLA) plan for funded early learning and childcare places for all children who defer their primary one start.

The Scottish Government has laid legislation in the Scottish Parliament which means that, from August 2023, all children who defer their start to school will automatically be able to access funded ELC.

Best Start - strategic early learning and school age childcare plan 2022 to 2026

- Embed the benefits of the extended 1140 hours of high quality funded early learning and childcare.
- Extend early learning and childcare provision to include one and two year olds.
- After school childcare

Learning Estate Strategy: Schools

The ambition for East Renfrewshire's learning estate is an inclusive one at the heart of the community with quality environments which facilitate experiences to support skills for learning, life and work and a focus on meeting needs of learners and supporting staff, families and communities to thrive. In so doing the estate should contribute effectively to the aspirations, principles and objectives of Scotland's Learning Estate Strategy, the achievement of the Council's corporate and community objectives and the policies of the Education Department, which are exemplified in the department's vision of *Everyone Attaining, Everyone Achieving through Excellent Experiences*. The intent is to seek investment to continually improve East Renfrewshire's learning estate both physically and digitally and ensure sufficiency of education places and meet the requirements of national policy/legislation such as Gaelic Medium Primary Education and the extension of free school meal provision.

Sufficiency of school places

The Council has a well-earned reputation for providing an excellent education for children and young people and such success has contributed to a growth in the number of pupils in schools and children in early years' facilities. The number of East Renfrewshire resident pupils has risen significantly from 2012 to 2022; and based on the National Records of Scotland projections show the children and young people cohort continuing to grow over the next 25 years. Accordingly, many educational establishments already have high occupancy levels and others are increasingly starting to face pressure. New build housing naturally is in part facilitating this increase in demand for early learning and school places, notably in both the east and west of the authority. Pupil numbers in established residential areas vary with some schools remaining consistent in the pupil roll, whilst others demonstrate a decreasing trend. The demand for catchment school places in the denominational sector continues with all denominational schools in the East of the Council operating in excess of 80% capacity with some schools in excess of 90% and 95% of capacity. As well as this growth in demand from a resident population, schools attract a significant number of placing requests from families out with the authority which we must accept within the legislative framework, albeit that the number of granted placing request applications has decreased over recent years given the demand for catchment places; this has led to an increase in legal challenge placed upon the Council.

The Main Issues Report sites (MIR2) associated with the initial LDP2 reflected increased housebuilding and population growth with a major impact on new school requirements. In June 2019 the Council approved that the Proposed LDP2 would be about adopting a strategy of consolidation and regeneration through to 2029. Additional residential development and the resulting requirement of realignment of, or significantly more educational infrastructure, will be addressed when LDP3 is progressed.

The long term strategic education, demographic and housing analysis that was prepared to support LDP2 identified that further housing releases would have major impacts upon the existing education infrastructure. The Development Strategy for LDP2 therefore focused upon the regeneration and consolidation of our urban areas and the enhancement of existing places. With the continuing development of residential properties associated with the Local Development Plan 2, the Education Department continues to monitor the propensity of children from new residential development areas and future projections in order to ensure sufficiency of school places across primary and secondary sectors.

The need to continue to monitor the demand for education places and to bring forward a strategy that will fully address future education infrastructure requirements in a long term, coordinated and planned way remains a key issue. The Education and Environment Departments will continue to work in close collaboration to agree a strategy that will fully address future education and residential needs in a long term, coordinated, phased and planned way through LDP3. Any significant increase in the number of residential properties is very likely to result in the requirement for extended or an increased number of primary and secondary schools, not only as a result of the increased number of children but also as a consequence of other demands on the school estate from national policies such as universal free school meals.

The Education Department will continue to monitor, evaluate and respond to the evolving requirements of our resident population for educational places throughout the learning estate including to the specialist requirements of our additional support needs sector to ensure the Council can meet its statutory obligations now and in the future. This will take account of future local planning processes and resultant new housing land supplies, other demographic changes and relevant modifications to the educational estate as a consequence of local/national educational policy. Should this signal the need for investment, this will be considered at that time with any changes to the learning estate the subject of future committee and council reports, take account of any necessary consultation and be reflected in future Capital Investment Strategies and Capital Plans. Conversely, if there are schools where the school roll is projected to reduce, the Education Department will consider ways of ensuring maximum efficient use of the school estate to ensure best value, such as considering changes to school catchment areas to increase the covered residential area associated with a school, whilst reducing the catchment area of other schools which are operating at high capacity levels or which are projected to exceed optimum school capacity levels.

Newton Mearns

With the growth in the number of pupils, providing sufficient school places for residents continues to be a very high priority and is under close monitoring and review; recently capital provision was made for an extension at Crookfur Primary School which was planned to open in 2023/24. Regretfully as a consequence of current market conditions the planned extension to the school has been delayed, with alternative options currently being considered to allow an increase in the school's capacity within the financial envelope available.

The Education Department along with colleagues in the Planning Department, continue to monitor the propensity of pupils originating from new property developments within the Council area with an ongoing focus on the current masterplan site at Maidenhill. The department has continuously monitored the number of children who have taken up residence in this area from the new development and analysed the impact on catchment schools. Analysis has shown that the number of children requiring school places from the area increased more than expected due to the rate at which properties have been built in the area being significantly greater at this point than was planned for at the outset in 2019. Furthermore, the pupil product ratio from the development, aligned to the expected uptake of denominational and non-denominational schooling which had been projected using analysis of historical residential developments of similar scale across East Renfrewshire, has proven to be significantly different for the Maidenhill area. Most recent analysis demonstrates that significantly more families in Maidenhill have opted for non-denominational education than projected; this may be a result of the village type feel to the new development and Maidenhill Primary School being at the heart of the new community. Whilst all catchment children have been accommodated at the school, this has been achieved by efficient class composition and the increase of additional staff to make best use of the school building. However projections demonstrate that should the pupil product ratio of families taking up residence in the area continue, that Maidenhill would not be able to accommodate all future catchment children. As a result, the Education Department proposed options to Council in September 2023¹ to accommodate the projected future in take at the school, and subsequently was provided with permission to progress plans to increase the capacity of Maidenhill Primary School.

Naturally an increase in primary school rolls will result in future impact on the associated secondary schools of those primary schools and place stress on the physical school building, and consequently, on the sufficiency of school places and ability to allow all children full access to all curricular areas. Mearns Castle High School, the secondary school associated with Maidenhill Primary School, already operates at a high level of occupancy, with the school's capacity projected to be exceeded in the coming years, as a consequence of the impact of the Maidenhill development. The Education Department is currently progressing with a proposal to increase the capacity at the school via the Council's processes and specifically the Corporate Asset Management Group.

¹Full Council meeting 26 September 2023, report by the Director of Education, availability of school places at Maidenhill Primary School
https://eastrenfrewshire.gov.uk/media/9566/Council-Item-06-26-September-2023/pdf/Council_Item_06_-_26_September_2023.pdf?m=638308217820670000

currently operating at its maximum capacity. In 2024, it is projected that the school's roll will increase as a large primary cohort from [unclear] transfers to the school and a small year stage leaves the S6 year stage. Of course the projected numbers cannot account for placing [unclear] catchment Eastwood pupils to other ERC secondary schools and so the year stage intake may reduce. The school's roll is projected to [unclear] following 3/4 years with decreased year stages thereafter. This increase in the year stage is related to the Greenlaw residential [unclear] to the position at Mearns Castle High School. The department will continue to monitor the position at Eastwood High School to [unclear] be accommodated at the school.

Developments planned for in parts of Barrhead, going forward the sufficiency of places in the primary denominational sector requires [unclear] information to date. As noted in the Early Learning and Childcare section, the space previously occupied by East Renfrewshire Leisure [unclear] school campus is being remodelled as an early learning and childcare facility. Furthermore as a consequence of changes to working [unclear] sequence of Covid, Education Department staff also based at the school in former classrooms, have become permanently resident [unclear] at Barrhead Headquarters. This will allow future repurposing of these spaces to learning and teaching spaces, which will support [unclear] school planning capacity and will accommodate pupils from future residential developments within the wider Barrhead and Levern [unclear] of these spaces at St John's Primary School is a cost effective approach to increasing school planning capacity by maximising use [unclear] however with an increase in school roll, this also impacts on the communal areas at the school, such as catering and dining (which [unclear] regards to free school meal expansion at P6 and P7) and physical space (internal and external spaces) for curricular areas such as [unclear] result in a need for additional capital expenditure to ensure the continuation of the delivery of statutory education (2 hours per week [unclear] experiences.

The number of children requiring a place in the denominational primary sector is mirrored by demand for places in the secondary sector. [unclear] expects that there will be the need to accommodate additional catchment pupils at St Luke's High School by circa 2025 and therefore [unclear] increase the number of learning and teaching spaces at the school to accommodate catchment pupils, which is being planned for in [unclear]

In the [unclear] of education, there is also a need to increase the very specialist places for our most vulnerable children and young people. East [unclear] special school - Isobel Mair - which is experiencing pressure on places as a consequence of additional residential development, but [unclear] the area to access this widely recognised and valued specialist provision. Over the past 10 years the number of children who are [unclear] has increased by over 50% and so facilities at the school are becoming stretched. Furthermore, each year a small number of children [unclear] Woodfarm High School to allow these children to access National Qualifications which can be delivered at the school. Currently, [unclear] the rear of the Isobel Mair building are being developed to meet some of the increasing demand at the school, with the expectation [unclear] be available to the school by April 2024.

The number of children attending Carlibar Communication Centre (CCC) has changed over time with increasingly more complex children [unclear] and communication needs that require full time continued support within the CCC. Over the past few years the delivery model for [unclear]

The authority has undertaken a review of Additional Support Needs provision as part of a wider assessment of the needs of ASN services across the authority, considering how best to address needs in the short and longer term. A full public consultation² on the creation of an Additional Support Needs service at Carolside Primary School, to mirror the service at Carlibar Primary School thus reducing the distance and travelling time for children from the east of the Council, as well as increasing capacity, was undertaken. Subsequently, the Carolside Communication Service was opened in August 2023 for the P1 year stage cohort, with the intention of the service growing year on year as new P1 cohorts join. The department will continue to monitor demand for this provision and where required, will progress any proposals for extension of the service and any capital requirements, via the Council's Capital Asset Management Group.

Naturally the Pre-School Assessment and Development Unit (PSADU) at Carlibar Primary School campus, which supports pre-school children with significant additional support needs, has also grown over the years and has faced the same challenges as the Carlibar Communication Centre. In order to address these capacity issues, as well as issues regarding locale which pre-school children face from the east of the authority, plans are being currently developed for a Carolside PSADU, so as to mirror the service provision in the east and west of the council, by redesigning the use of current space.

Currently, young people who are not ready for transitioning fully to mainstream secondary education attend the Williamwood Communication and Support Service (WCSS), with just under 75% of those having transitioned from the Carlibar Communication Centre (CCC); There is an increasing number of young people who have been evaluated as not being able to transition to a mainstream secondary setting (or who are not currently coping within a mainstream secondary) moving to WCSS having not previously received any support from CCC. Similarly to the CCC, with a greater number of children joining the WCSS than leaving it over the past few years, the roll has grown with the number of children in each cohort being around double the number of pupils when the service was initially developed. This places a greater demand on the small finite number of places available at the WCSS.

When analysing the needs of the children who currently attend the CCC, and assuming a similar increase in the number of additional places requested as has been observed in recent years, it is predicted that the roll of pupils in attendance at the CCC will increase significantly in the next 3-5 years, potentially by around 25%. This projected increase in pupils in attendance at the CCC will obviously result in the requirement for a greater number of places at the Williamwood Service. In its current form, there is not the physical capacity to increase the number of places at the WCSS to accommodate the projected increase in pupils attending the CCC (and those who transition directly from mainstream) and who require this specialist provision in the secondary sector.

Furthermore, similarly to the context of the CCC, learners are required to travel to the WCSS from all areas of the Council which can mean significant distance and time to travel. Consequently the Education Department continues to monitor demand for places at the WCSS and its ability to accommodate learners on an ongoing basis. It is anticipated that there will be a requirement to extend the WCSS or to provide a similar alternative service for secondary pupils in the short to medium term, which the Education Department will progress through the Council's Corporate Asset Management Group if/when appropriate.

Whilst the development of new ASN facilities will reduce the travelling time for children who access these services, the increasing number of children who are attending the ASN facilities places greater demand on transportation resources; this may result in the need for an increased number of buses to meet demand. The Education Department will continue to monitor the demand and spaces available and will progress any request for capital for ASN transport via the Council's Corporate Asset Management group, if required.

Curricular Demands

National policy development regarding curriculum design can impact on the education estate and the need for change or additional capital resources. Locally, an increasing school roll or changes in subject choices/uptake levels/ curricular entitlements that impact on the learning and teaching environment, may result in

² Future specialist additional support for learning provision for children of East Renfrewshire Council:
https://www.eastrenfrewshire.gov.uk/media/8455/ASN-Consultation-Response-report/pdf/East_Renfrewshire_Council_ASN_Consultation_Response_Report_November_2022.pdf?m=638042159066230000

the need for capital projects to meet such demands. For example, recently a new synthetic sports pitch and athletics track was developed to replace an ash running track which was no longer fit for purpose at Mearns Castle High School, to provide sufficient appropriate PE spaces to meet needs at the school.

Scottish Education is at a crossroads following several years of review and recommendations from independent bodies such as the Organisation for Economic Co-operation and Development (OECD) and the International Council of Education Advisors, which is likely to result in significant change. One such area of change is with regards to qualifications and assessment with the subsequent recommendations in the report *It's Our Future - Independent Review of Qualifications and Assessment*³. It is likely that there will be significant changes to the way in education is delivered, curricular pathways and the need for greater IT infrastructure and devices to overtake the recommendations. Any capital requirements emerging from the Education Department's plans will be progressed via the Council's capital planning processes and the Corporate Asset Management Group.

Other Support Factors

As consequence of the impact from the Covid 19 pandemic there has been an increasing number of children and young people who have not fully re-engaged with school education. The Education Department is working to support those learners who are not attending school as a consequence of Emotionally Based School Avoidance. Given the nature of this challenge for these learners and their reluctance to attend a traditional school environment, the Education Department will look towards repurposing appropriate education estate to provide an appropriate environment which will require capital funding. The Education Department has made progress in this area, being successful in a bid to the Place Based Investment Programme for capital to support the repurposing of the former janitor's house at Braidbar Primary School which will be progressed in 2024-25. The Education Department will continue to consider other areas of education estate to support the EBSA service.

Education Policy and Impact on School Estate

Changes in local and national policy can impact on infrastructure requirements of the education estate.

Expansion of Universal Free School Meal Provision

East Renfrewshire Council encourages families and children to access the school meals service in order to ensure that all children have access to at least one healthy and nutritious meal per day given the physical and educational benefits this brings. The level of uptake of free school meals across East Renfrewshire in March 2023 is the highest recorded of all local authorities in Scotland, as per the annual School Healthy Living Survey Statistics.

With such high occupancy and school meal uptake levels, schools currently manage communal areas effectively to ensure that children have access to large indoor areas such as dining areas and gym halls for the purpose of educational experiences such as physical education, drama and assemblies as well as for wider requirements such as school dining and catering. This currently results in schools necessitating multiple dining sessions each day to accommodate all P1-P5 free school meal entitled children, means assessed eligible P6-P7 children and those children who wish to pay for a school meal, so as to avoid impact on the delivery of the curriculum. In order to ensure that the Council is able to meet its duty to provide a free school meal each day to every child in the primary sector, additional kitchen/catering facilities will be required to allow food preparation, and modifications/extensions to kitchen/food preparation areas and school dining facilities will also be required to accommodate the significant increase in the number of children who will be entitled to a daily free school meal.

In January 2021 COSLA and the Scottish Government reached agreement on the phased expansion of free school meals to include all P4 pupils from August 2021 and P5 pupils from January 2022, with remaining year groups (P6 & P7) being included from August 2022. Whilst the introduction of free school meals for

³ It's Our Future - Independent Review of Qualifications and Assessment <https://www.gov.scot/publications/future-report-independent-review-qualifications-assessment/>

pupils at P5 was introduced in January 2022, the expansion of universal free school meals to P6 and P7 has been delayed following an announcement by the Scottish Government in December 2021. As announced in December 2022, the first step towards universal free school meals in P6 and P7 (within the lifespan of the current parliament) will be the introduction of free meals to pupils at these stages where the child's parents/carers are entitled to the Scottish Child Payment (SCP); the Council still awaits further information in this regard. Despite this, the Education Department has made progress to increase catering and dining facilities and to make plans for P6 and P7 expansion, using capital allocated from the Scottish Government at this time.

In preparation for the expansion to P6 and P7 stages, in 2021 the Council undertook an evaluation of its learning estate and identified the need for capital investment in several primary schools in order to ensure sufficient catering and/or dining capacity and shared this with Scottish Futures Trust (an executive non-departmental public body of the Scottish Government) which worked with local authorities to determine required capital investment as part of the nationally agreed approach by COSLA. Since then, the Council has undertaken another assessment of demand and need and has submitted this to the Scottish Futures trust in October 2023 and awaits further communication on this. It is anticipated that capital investment will be required in catering and/or dining in order to meet the P6 and P7 extension of free school meal provision across East Renfrewshire. The Education Department awaits further direction from Scottish Government following this submission.

Gaelic Medium Primary Education

The Gaelic Language (Scotland Act) 2005, and subsequent accompanying Scottish Government Gaelic Language Plans are intended to put in place the necessary structures and initiatives to ensure that Gaelic has a sustainable future in a modern and vibrant Scotland. The Education Scotland Act (2016) establishes a process by which parents can request Gaelic Medium Primary Education (GMPE) from their education authority (if GMPE is not currently being provided) and places a duty on education authorities to promote and support Gaelic education. On receipt of a request for GMPE education authorities must consider the demand for GMPE and where it is considered that at least five children of the same pre-school year group have/will request GMPE, then in accordance with the 2016 act, an obligatory full assessment of demand must be undertaken. The need for a full assessment of need for GMPE does not currently extend to early years or to the secondary sector, albeit statutory guidance is clear that there may be a move towards inclusion of early years in future. At this time children who reside in East Renfrewshire are accessing Gaelic Medium Primary Education but this is currently being provided by other neighbouring local authorities. Over time demand has increased within the authorities who currently accommodate East Renfrewshire residents and so it is likely that such places may not be available in the future. In October 2021, the Education Department received a request from a parent resident in East Renfrewshire seeking an assessment of the demand for GMPE from East Renfrewshire residents, which subsequently resulted in the department progressing to a full assessment of the need for GMPE. The number of positive responses met the legislative threshold for GMPE in any one year group and consequently the Council approved the introduction of GMPE. A public consultation on the proposed location of GMPE being Thornliebank Primary School was undertaken and the school was identified as the location for GMPE. Bun-Sgoil Ghàidhlig Thornliebank opened to learners at the start of the school term in August 2023.

The Council made a submission to the Gaelic and Scots Team of the Learning Directorate at The Scottish Government in order to access capital funding to make necessary changes to the school to allow for a discrete GMPE school, which integrates with and is part of, the wider Thornliebank Primary School community. The Council was successful in that bid and capital works have been ongoing and are expected to be complete January 2024. In future years, there will be a requirement for the Council to consider the demand for Gaelic Medium Education in the secondary sector, which may have an impact on the education estate or demand for appropriate resources to allow access to secondary education delivered in the Gaelic medium, which may result in the need for further capital investment.

Expanding School Age Childcare

The Scottish Government's 2023-24 Programme for Government announced a set of proposals to expand high quality, funded childcare, particularly for low-income families. The ambition is to build a system of school age childcare by the end of this Parliament, providing care before and after school, all year round. Local authorities and other agencies will be included in the plans. In May 2023, the Education Department made a successful bid to the Scottish Government's Inspiring School Age Childcare Spaces (ISACS) Programme which was made available to support initiatives that promote change and encourage ambition in the way school age childcare is delivered within the learning estate. Applications for funding could only be made in relation to schools which currently have or will have after school care in place and where the school community demographic meets certain conditions. The department successfully bid for outdoor play equipment at Hillview, Cross Arthurlie and Carlibar primary schools, which is currently being progressed. The Education Department will continue to consider national policy development in this area and seek funding where available to allow further enhancement of resources to support any expansion of school age childcare.

Supporting Information

<https://www.gov.scot/publications/scottish-governments-gaelic-language-plan-2022-2027/pages/2/>

School Estate Condition and Suitability

The need to ensure that all educational buildings are 'fit for purpose' with regards to condition and suitability is an active driver in developing and maintaining the learning estate and in achieving the policy aims of excellence and equity for all.

In September 2019 East Renfrewshire was informed that it was successful in attracting funding support from the Scottish Government's new Learning Estate Investment Programme (LEIP) phase 1 in order to progress with the proposed campus approach in the Capital Plan to improve facilities for Learning and Leisure in the village of Neilston, which includes new build replacements for Neilston and St Thomas' primary schools and Madras Family Centre. St Thomas' and Neilston primary schools were identified as having the highest priority for renewal across East Renfrewshire as a consequence of being in the poorest condition and suitability status in 2019. In summer 2020 the project team was appointed and consultation was undertaken on realising the first phase of the new Learning Campus on the Neilston/Madras site and the next phase based on the vacated St Thomas's site focussed around further improvements to leisure for the village. Whilst the programme was delayed as a consequence of the impact of Covid, the development of the new campus commenced in June 2022 and good progress is currently being made with an expected opening date of St Thomas' and Neilston Primary Schools and Madras Family Centre, of March/April 2024.

St Thomas' and Neilston primary schools were identified as having the highest priority in need of renewal. There will be other projects that the Council will need to reflect in future Capital Investment Strategy and Capital Plan updates to address the ongoing need to renew/refurbish older schools whose condition and suitability deem them in need of investment.

Currently, Carolside and Cross Arthurlie primary schools and the older wings of Woodfarm and Mearns Castle high schools have the poorest buildings in terms of condition and suitability in East Renfrewshire. The newer wings at these secondary schools are in very good condition and provide a modern learning environment. Carolside and Cross Arthurlie are currently the primary school buildings with the highest priority where their suitability and condition are in need of investment. The Education Department is intent on addressing these priorities as soon as it is able to do so and submitted a bid to the Scottish Government's LEIP fund phase 3 for the redevelopment of both schools following political and financial support of the Council. Regrettably both bids were not successful. The Council will continue to explore funding opportunities to lever in additional investment to improve the condition and suitability of its learning environments, based on most pressing priorities. Given that Carolside and Cross Arthurlie Primary Schools are the only two schools within the Council categorised as condition C, the Education Department will look to progress plans for remedial works to be undertaken at these schools to correct the issues which are impacting on the condition categories and to ensure the best possible learning environment for learners, staff and the community, via the Council's capital programme processes and the Corporate Asset Management Group.

As noted there are other projects that the Council will need to reflect in future Capital Investment Strategy and Capital Plan updates to address the ongoing need to renew/refurbish older schools where condition and suitability deem them in need of investment or where other factors such as accessibility and condition of communal areas such as toilet facilities, impact detrimentally on the experience of stakeholders. Whilst recent work has been undertaken to evaluate the condition of roofs and boilers across the Council estate and to identify and prioritise those in need of replacement, the Council should consider wider condition survey reports across the education estate to support longer term estate management plans (on going ten year plans) for improving the condition of the education estate.

The impact of the Covid-19 pandemic has further highlighted the need to improve the school estate specifically to mitigate against viruses such as Covid-19, but more generally to improve the conditions in which learners and staff are operating in order to allow our children and young people to be successful. Whilst Covid has highlighted the need for good ventilation and reduced levels of CO² to mitigate against transmission of the virus, as a consequence of these considerations it has also highlighted the general need for good ventilation given the positive impact that this can have on learners' physical ability to learn. Significant work has been undertaken and continues to improve ventilation in the education estate, where required. Outdoor learning has been a national focus for some time now, however Covid-19 encouraged schools to make greater use of outdoor learning spaces to mitigate against the virus. Consequently this has highlighted the inequity of outdoor learning environments across our school estate and the need for further improvement in this regard.

Supporting information:

Link to Scotland's Learning Estate Strategy

In September 2019, The Scottish Government and COSLA published their coproduced joint vision for the learning estate of the future which supports excellence and equity for all, Scotland's Learning Estates Strategy- Connecting People, Places and Learning.

The joint strategy comprises the following principles to guide investment in the learning estate:

- Learning environments should support and facilitate excellent joined up learning and teaching to meet the needs of all learners;
- Learning environments should support the wellbeing of all learners, meet varying needs to support inclusion and support transitions for all learners;
- The learning estate should be well-managed and maintained, making the best of existing resources, maximising occupancy and representing and delivering best value;
- The condition and suitability of learning environments should support and enhance their function;
- Learning environments should serve the wider community and where appropriate be integrated with the delivery of other public services in line with the place principle;
- Learning environments should be greener, more sustainable, allow safe and accessible routes for walking, cycling and wheeling and be digitally enabled; Outdoor learning and the use of outdoor learning environments should be maximised;
- Good consultation about learning environments, direct engagement with learners and communities about their needs and experiences, and an involvement in decision making processes should lead to better outcomes for all;
- Collaboration across the learning estate, and collaboration with partners in localities, should support maximising its full potential; and finally,
- Investment in Scotland's learning estate should contribute towards improving learning outcomes and support sustainable and inclusive economic growth.

The national digital strategy defines a number of strategic actions which in many ways mirror the strategic digital outcomes within the Council:

- Digital support for businesses
- Digital talent
- Digital transformation
- Using data effectively
- Digital identity
- Technology standards and assurance
- Broadband and mobile
- Digital participation
- Data linkage

Education Scotland has also developed a national digital strategy called the "Digital Learning and Teaching Strategy for Scotland". This strategy results in direct change within the Education Department and has been used to inform and influence the Council's Education Digital Strategy.

This strategy has four key objectives:

- Develop the skills and confidence of educators in the appropriate and effective use of digital technology to support learning and teaching
- Improve access to digital technology for all learners
- Ensure that digital technology is a central consideration in all areas of curriculum and assessment delivery
- Empower leaders of change to drive innovation and investment in digital technology for learning and teaching

Nationally, progress is being made towards providing local authorities with funding to provide each child with their own digital device. As a consequence it is likely that this will have an impact on the education estate and its IT infrastructure in order to support such an increase in digital devices. The Education and IT departments are considering the impact of this strategy and await further information on the rollout of devices and associated impact on the education estate infrastructure.

[Link to Digital Learning and Teaching Strategy for Scotland](#)

National Gaelic Language Plan

The Gaelic Language (Scotland) Act 2005 (“the Act”) asks Bòrd na Gàidhlig to prepare and submit a National Gaelic Language Plan with proposals relating to the use and promotion of Gaelic with a focus on the needs and priorities of the Gaelic language for its speakers, learners, and supporters. In December 2023, the Bòrd na Gàidhlig published its fourth iteration of its National Gaelic Language Plan 2023-2028. The commitments in the plan build upon the successes in supporting Gaelic since the publication of the first plan in 2010.

While the Act requires Bòrd na Gàidhlig to prepare the Plan, the responsibility for making progress with the aims and targets within it sits with a number of authorities, organisations, and communities, meaning the publication of this plan is a key moment for Gaelic organisations and development officers and their work over the next 5 years. Bòrd na Gaidhlig has authority to issue a statutory notice to any relevant public authority, requiring it to prepare a Gaelic Language Plan; East Renfrewshire Council received such notice and published its second Gaelic Language Plan for consultation in May 2023 and submitted for approval to the Bòrd in October 2023.

Link to [Bòrd na Gaidhlig National Language Plan 2023-2028](#)

[Link to East Renfrewshire Gaelic Plan 2023-2028](#)

[Link to Statutory Guidance for Gaelic Education](#)

[Link to Bòrd na Gaidhlig approved plans list](#)

Digital Strategies

NHS Scotland have developed a Digital Health and Care Strategy called Scotland's "Digital Health and Care Strategy: enabling, connecting and empowering". This strategy which exists to guide the NHS Boards is of real relevance to the Health and Social Care Partnership (HSCP) of the Council.

This strategy focuses on how digital can support the strategic aim for Health and Social Care in Scotland which offers high quality services, with a focus on prevention, early intervention, supported self-management, day surgery as the norm, and – when hospital stays are required – for people to be discharged as swiftly as it is safe to do so.

[Link to Digital Health and Care Strategy](#)

The Scottish Local Government Digital Office doesn't define strategy but does enable transformation through collaboration, building communities of interest and acting as a strong voice nationally, on behalf of the 32 Local Authorities. The programmes within the Digital Office often reflect the coming together of the national strategies identified above and the local strategies of the Local Authorities, which have real local context.

These national strategies influence the Council in terms of procurement and planned capital spend. They inform our own strategic goals around digital and technology. As an interface to the national arena, the Scottish Local Government Digital Office allows the Council to approach transformation with momentum, with collaboration and with maximum re-use of learning and capability. This momentum, re-use and shared learning directly influences ICT contract procurement and capital projects.

[Link to Scottish Local Government Digital Office](#)

Scottish Government have developed a Cyber Resilience Framework to promote a safe, cyber resilient culture in Scotland. The framework aims to ensure that the cyber resilience is a foundation of Scottish digital public services. The Public Sector Cyber Resilience Framework is currently being reviewed with the launch of V2 anticipated early in 2024. The updates reflect a growing use of cloud based ICT Services, expansion of home working following the COVID Pandemic and the increasing use of outsourced ICT services. The framework itself does not define strategy through the creation of prescriptive requirements, but is instead more outcome focussed.

This framework influences East Renfrewshire Council in both procurement and Capital Spend. Cyber resilience is a core part of all digitally focussed procurement exercises to ensure transformational activities protect our customers and our information assets.

Planning (Scotland) Act 2019 and NPF4

The Planning System in Scotland is undergoing a substantial transformation and the context for preparing our next Local Development Plan (LDP3) has changed significantly. LDP3 will now be prepared under the Planning (Scotland) Act 2019 which has introduced a new statutory process for Local Authorities in preparing local development plans together with enhanced status for the National Planning Framework.

The Fourth National Planning Framework (NPF) is a long-term plan (up to 2045) for Scotland that sets out where development and infrastructure is needed. It guides spatial development, sets out national planning policies, designates national developments and highlights regional spatial priorities.

NPF4 is one of the key documents that will inform the next LDP, in particular setting our future housing requirements alongside the regional HNDA, and with an increased focus upon climate change, improving health and well-being, and securing positive effects for biodiversity and nature recovery.

NPF4 is central to the implementation of the Scottish Government's vision for the future of planning in Scotland. NPF4 holds an enhanced status and is a formal part of the development plan. This means that NPF4 influences planning decisions at all levels.

NPF4 consists of 3 parts, namely:

- Part 1 sets out the national spatial strategy which guides decisions on future development across Scotland to 2045, and aims to deliver net zero sustainable, liveable, productive and distinctive places, central to spatial objectives. NPF4 provides a spatial strategy and core planning policies to guide where development and infrastructure should go.

It also recognises the different challenges and opportunities across Scotland's regions, which are outlined in five geographic 'action areas'. In the context of the Glasgow City Region this is included as part of what is described as 'Central urban transformation' aimed at transforming and pioneering a new era of low carbon urban living.

- 18 national developments are set out, which support the delivery of the National Spatial Strategy. Of relevance to East Renfrewshire are the Central Scotland Green Network; National Walking, Cycling and Wheeling Network; Urban Mass/Rapid Transport networks; Urban Sustainable, Blue and Green Drainage Solutions; Circular Economy Material Management Facilities; Strategic Renewable Electricity Generation and Transmission Infrastructure; and the Digital Fibre Network.
- Part 2 sets out 33 national planning policies based upon the following themes.
 - Sustainable Places.
 - Liveable Places.
 - Productive Places
- Part 3 includes a number of Annexes detailing how to use the document and providing information on national developments statements of need, spatial planning priorities, six qualities of successful places, minimum all-tenure housing land requirement, and a glossary of definitions and acronyms.

Supporting information:

[NPF4 New link](#)

Regional influences

Glasgow and Clyde Valley City Deal

The Glasgow and Clyde Valley City Deal was formally signed in August 2014. The Council is managing a £44 million investment through the City Deal to deliver the infrastructure to support and enhance the place making strategy adopted through the Council's Local Development Plan.

Our £44m investment is focused on five key projects around the M77 Strategic Corridor, designed to provide economic benefits through employment, recreational, tourism, residential and business opportunities:

1. **Levern works** – Crossmill Business Units were completed in 2016 and all 10 units are now occupied. The former Nestle site was prepared for private investment for a Retail Park. The Retail Park opened in June 2023 creating approximately 200 new jobs.
2. **Dams to Darnley Country Park enhancements** – Plans are in place to transform the Dams to Darnley Country Park into an important leisure destination including visitor facilities and non-motorised water sports – Works will commence when Aurs Road works are complete in 2024
3. **Aurs Road Realignment** - Improving connections between the communities of Barrhead and Newton Mearns and creating a promenade along Balgray Dam and an active travel route for safe walking and wheeling along Aurs Road – planned completion by 2024
4. **Greenlaw Business Centre** - meeting a growing demand for flexible business space – Completed 2019 and due to open February 2020 but delayed due to COVID – The centre is now open, it has been popular and many tenants have moved in, marketing continues to fill all suites
5. **Barrhead South Rail Station** – Creation of a new rail station to improve access throughout East Renfrewshire, improve access to job opportunities in Glasgow and improve access to Dams to Darnley Country Park – Discussions continue with Transport Scotland but the station is planned to open in 2025

The City Deal is a strong demonstration of the Council's approach to collaboration and partnership working in prioritising projects which will have an impact on the wider region.

The Capital Investment Strategy makes the connection between the ambitions of the City Deal and the delivery of ongoing projects at a local level, as demonstrated in the capital investment plan.

The Council will continue discussions with regional partners to identify delivery and funding opportunities, by engaging effectively as an integral part of the City Deal governance and through its wider partnership networks.

Supporting information:

[Link to Glasgow and Clyde Valley City Deal](#)

Strathclyde Partnership for Transport Strategy: A Call to Action 2023-38

The Regional Transport Strategy (RTS) shared goals and objectives are an important influence on the Council's Capital Investment Strategy. It is important for the Council to demonstrate the alignment of local and regional transport strategy and to recognise the capital investment made by the Council via the Strathclyde Partnership for Transport (SPT) programme.

The SPT Regional Transport Strategy for the West of Scotland 2023-2038 (A Call to Action) was published in 2023. A refreshed delivery framework to support policies and emerging plans is expected to follow soon.

The Council recognises that the regional transport situation has changed in the last decade. The Glasgow Region City Deal is a vehicle that will deliver new development and infrastructure and there are trends of increased congestion and car ownership. Within the new RTS there is a greater emphasis on health & wellbeing, equality, inclusive growth and environmental sustainability.

The Council has engaged with SPT on the development of the RTS and are satisfied that key emerging policies and plans support wider ERC objectives, being both a City Deal partner, along with SPT, being involved in the meetings with SPT to discuss the renewal of the RTS and as a member of the working group that has been set up.

More clarity will be needed from the SPT in order to enable the Council to effectively plan for future transport proposals and the impact this will have at a local level.

The extent to which the RTS will impact proposed future capital projects is unknown, but will be assessed following development of both Local and Regional Transport Delivery Frameworks. This will be reflected in subsequent future Capital Investment Strategy updates.

Supporting information:

[SPT Regional Transport Strategy 2023-2038 \(Final Draft\)](#)

Glasgow and Clyde Valley Regional Spatial Strategy

The implementation of the Planning (Scotland) Act 2019 means that Clydeplan Strategic Development Plan (July 2017) will not be reviewed and will no longer form part of the Development Plan. Regional Spatial Strategies will provide clear place-based spatial strategy that guides future development for the region, but they will not have a statutory status. East Renfrewshire Council will continue to play an active role in the preparation and alignment of a future RSS and Regional Economic Strategy for the Glasgow City region.

The Indicative Regional Spatial Strategy (IRSS) submitted to Scottish Government in April 2021, is premised on delivery of the compact city model, along with a focus for new development on brownfield sites, reduction of the need to travel and support for increased levels of active travel. In relation to housing, the IRSS seeks to reinforce regional efforts to create high quality places which deliver the right type of homes in the right locations, through the reuse of vacant and derelict land and higher density development around key transport nodes and existing centres. The need to retrofit existing aging homes and to reshape communities affected by multiple deprivation around the principles of twenty minute neighbourhoods, are important issues in the Glasgow City Region.

Local influences

Strategic Planning

The Council and Community Planning Partnership have always had a strong “golden thread” running through their plans and strategies. For the Council this can be seen, in part, through the “strategy on a page” shown below with 5 Outcomes, 3 Organisational Capabilities (updated in 2023), and 3 Values:



Our family of key strategies and plans is underpinned by a common socio-economic analysis, informed by the Council's Planning for the Future document which sets out key population statistics and projections.

All statutory strategies and plans and the Council's Outcome Delivery Plan (the Council's contribution to the Community Plan) link to the five high-level community planning outcomes and we use driver-diagrams to set out Council and partner activities that will contribute to achieving our five outcomes. The driver diagrams set out the key SMART (Specific, Measurable, Achievable, Relevant, Timebound) success measures that are used to track performance at mid and end-year. This framework is also used in Council service planning which in turns feeds into staff annual quality conversations, completing the "golden thread".

As well as the five community outcomes, the Council's Outcome Delivery Plan has an additional focus on Customers, Efficiency (Finance and Transformation) and People). These elements are more focussed on how the organisation operates and serves its customers. This is where the Council's capabilities and values sit within the strategic planning framework. The Council's 'capabilities' have informed our thinking around transformation and were updated in 2023 to: Prevention, Empowering Communities, and Digital Change.

Staff were involved in identifying the Council's values of Ambition, Kindness, and Trust in late 2018 and our current values were formally adopted in early 2019. Individual capital proposals should be aligned to this strategic planning framework.

The Fairer East Ren themes are aimed at reducing inequality and have been mapped to national outcomes. They are delivered by the Community Planning Partnership which is important in setting the scene for a partnership approach to capital investment and an open and frank dialogue with local communities.

The importance of community engagement and consultation in successfully planning for, and delivering, capital investment cannot be underestimated. The Council is very outcome focused, which makes it much easier to get strong messages across to community organisations, communities and residents when it comes to the purpose and expected outcome of capital investment plans.

The capital investment plan will be developed around the five strategic outcomes:

1. **Early Years and vulnerable young people** – all children in East Renfrewshire experience a stable and secure childhood and succeed
2. **Learning, Life and Work** – East Renfrewshire residents are healthy and active and have the skills for learning, life and work
3. **Economy and Environment** – East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents
4. **Safe, Supportive Communities** – East Renfrewshire residents are safe and live in supportive communities
5. **Older People and people with long term conditions** – Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives

Supporting information: [Link to Community Plan](#)

Fairer East Ren outcomes are embedded within the overall community plan and are as follows:

1. *Reducing Child Poverty – Child Poverty in East Renfrewshire is reduced*
2. *Improved employability – Residents have the right skills, learning opportunities and confidence to secure and sustain work*
3. *Moving around – East Renfrewshire's transport links are accessible, attractive and seamless*
4. *Improving mental health and wellbeing – Residents' mental health and wellbeing is improved*
5. *Reducing social isolation, loneliness and increasing safety Residents are safe and more socially connected within their communities*

[Link to Fairer East Ren](https://www.eastrenfrewshire.gov.uk/fairer-east-ren) <https://www.eastrenfrewshire.gov.uk/fairer-east-ren>

Link to [Planning for the Future](#)

Locality Plans

Our Locality Plans highlight specific areas of focus within the community with a specific aim of tackling inequality and demonstrate good examples of partnership working and collaboration in East Renfrewshire. We currently have two Locality Plans which cover the areas of Auchenback and Dunterlie, Arthurlie & Dovecothall, though we are working closely with communities to review those post-pandemic. A further two plans for Neilston and Thornliebank are in development. The 'locality planning' approach which we use to address inequalities considers residents' needs, priorities and aspirations and aims to improve them using resources across our CPP organisations and local community groups.

The Council considers how the relationship with partners and the community, via Locality Plans, can be used to best effect to leverage greater investment capability and to find the best fit for community needs.

The Council will continue to develop Locality Plans with residents and communities. The resource implications will be considered and priorities for further roll-out will be examined. Through our locality planning areas we also embed grant-making Participatory Budgeting approaches to ensure that residents are involved in decision making at a local level.

Supporting information:

[Link to current Locality Plans](https://www.eastrenfrewshire.gov.uk/community-planning-partnership) <https://www.eastrenfrewshire.gov.uk/community-planning-partnership>

ADD2 Barrhead 2017-27

Auchenback 2017-27

Neilston (in development)

Thornliebank (in development)

Vision for the Future

The Council's first "Vision for the Future" document was published in September 2015, providing a 10-year forward direction for the organisation. The document has undergone changes over time to take account of:

- changing socio-economic demographics and anticipated future trends for the local area through our "Planning for the Future" analysis;
- a broad assessment of the political, economic, social, technological, legal, environmental (PESTLE) trends that impact East Renfrewshire, as well as a self evaluation of the Council's strengths, weaknesses, opportunities, and threats (SWOT);
- Residents' priorities, as identified through the Citizens Panel and other engagement activities;
- future financial planning scenarios, acknowledging that finance has been and remains one of the most significant areas of uncertainty.

Council approved an updated 'Vision for the Future' in February 2020. This set out the long-term ambitions for the work of East Renfrewshire Council and provided a platform and context to deliver our Community Plan, Local Outcome Improvement Plan (LOIP: Fairer) and the wider inter-connected family of strategies that guide the work of Council and partners. In 2020, it was agreed to begin an ongoing dialogue on the long-term ambitions for the work of East Renfrewshire Council over the next 10 years and beyond. The aim was to develop this vision over time, in conversation with a range of stakeholders and in tandem with important processes such as Local Development Planning and wider City Region work, with a particular initial focus on the themes of the environment/climate change and building communities. Clearly the onset of the pandemic significantly disrupted this work in recent years and a status update was given to Council in March 2022.

Vision for the Future (VFTF) sits at the top of our strategic planning framework. The Council and Community Planning Partnership have a range of statutory plans and strategies, Vision for the Future provides a unifying framework that brings our plans and strategies together and prevents them pulling in different directions and working against each other. It helps us to make sure that we are making the greatest positive difference to our communities that we can over the longer term, while also setting out what's important to East Renfrewshire, by laying the foundational understanding of our challenges, assets (in the broadest sense) and strategic opportunities. An ambitious Vision for the Future gives us a framework for thinking about capital investment, land use, transport, communities, and a lens to think about year-to-year revenue spend, particularly in challenging circumstances.

Council considered updates on Vision for the Future in [June](#) and December 2023 and agreed the following 3 pillars for development of this 10 year vision for the area: Flourishing Families; Vibrant Communities & Places; and Living Well.

Work is underway to analyse socio-economic data relating to each pillar, map the outcomes contained in existing plans and strategies, and review relevant engagement and research. Work is also being undertaken to link Vision for the Future to key Council, HSCP and partnership plans and strategies including Local Development Plan 3, the Local Transport Strategy, the Council's "Get to Zero" Action Plan, the HSCP Strategic Plan, Education Local Improvement Plan, which will help inform Vision for the Future.

This work is looking at what data and strategy mapping is telling us about what makes East Renfrewshire distinctive, our people, places, and economy, and help us assess whether we are missing anything or need to shift our strategic focus. This will provide a platform to consider how we can work to close the outcomes gaps, undertake prevention work, reduce vulnerability, and enhance resilience, and further embed equality, equity and rights into our work and communities.

Our approach to the engagement and workshops is to help build ownership of Vision for the Future, over time, among services and partners, and ultimately communities.

Despite the huge financial and societal challenges facing public services, working together with our statutory and community partners, we can attract, utilise, and deploy significant resources, albeit over the long term. This requires:

- a) a long-term horizon – at least a decade;
- b) a clear vision and level of ambition that enjoys cross-party, community and partner support that is stable and consistent; and
- c) a flexible delivery model which can adjust to changing circumstances while remaining true to the vision and ambition set out in the plan.

'Vision for the Future' is intended to be a living document which will be regularly updated. It is a direction of travel rather than a detailed strategy. The Council doesn't claim to have all the answers and this report shows that we are now on a journey to work with others to develop ideas and explore how we can best work together to improve the lives of people across East Renfrewshire over the next 10-15 years.

Outcome Delivery Plan

The Council's Outcome Delivery Plan has historically been a rolling three year plan, updated annually. The 2021-24 plan was reviewed during 2022 taking into account recovery planning and the impact of Covid-19 across services. A one year operational plan was set for 2023-2024, to enable a wider review of future strategic planning. The Outcome Delivery Plan continues to be the Council's contribution to the Community Plan and provides a very current and relevant influence on the Council's Capital Investment Strategy. The Outcome Delivery Plan drives the Council's capital investment ambition.

There are intermediate outcomes for each of the five Strategic Outcomes, enabling the mapping of capital investment decisions to Community Planning and Council priorities.

The Outcome Delivery Plan sets out the Council's contribution and the associated critical activities, strategic indicators and targets which make the Plan specific and measurable. It also provides a narrative across the five strategic outcomes setting the Council's capital investment in context and highlighting service provision and future challenges.

Strategic Outcomes will be mapped to the capital investment plan where relevant. This helps with the evaluation and prioritisation of future capital schemes, where a business case needs to consider the contribution to the achievement of priorities, as well as non-financial and financial benefits.

Our focus is on delivering better outcomes for all our customers and residents across East Renfrewshire, while managing the significant challenge of increasingly complex local service demands against a backdrop of decreasing public sector funding. In this challenging climate, exacerbated by the long term impact of COVID-19 and cost-of-living pressures, we continue to find innovative and efficient solutions to meet the challenges ahead. We also work together to deliver on national priorities including the Promise to ensure all children and young people in East Renfrewshire grow up loved, safe and respected. A key priority is also to reduce inequalities through early intervention and preventative approaches. We build these approaches across all areas of service delivery so that we can make a difference to the lives of our residents. Working towards a more sustainable future, we are embracing technology to improve the capability of our organisation, our employees and our services. By putting our values of ambition, kindness and trust at the heart of everything we do we strive to be the best Council we can be.

Supporting information:

Link to [East Renfrewshire Council Outcome Delivery Plan 2023-24](#)

East Renfrewshire Council is committed to improving the lives of local people, promoting equality and fairness and enhancing the area in which we live, now and for the future. This is the Council's Outcome Delivery Plan (ODP), which sets out how services across the Council are contributing to the delivery of our outcomes, and our vision to be:

"A modern, ambitious council creating a fairer future with all"

The Council works with our Community Planning Partners to deliver on our five strategic outcomes and three organisational outcomes of Customer, Efficiency and People.

Local Development Plan 2015-25

The Council adopted the East Renfrewshire Local Development Plan 2 (LDP2) in March 2022. The Local Development Plan is the Council's key strategic land use planning document and aligns with and supports the vision and objectives of the Council's Corporate and Community Plans. The key purpose of the LDP is to set out a long term strategy and a policy framework to guide future development and sustainable and inclusive economic growth up to 2031 and beyond. It is influenced by national, regional and local policy and together with the emerging NPF4, makes up the Development Plan for East Renfrewshire.

The Strategic Aim and Objectives contained within LDP2 will influence the Council's capital investment ambition. The Council will consider the long-term impact of The Local Development Plan, and it will identify what part the Council's capital investment will play in contributing to meeting the long term needs of the local population and area.

The Council will look to ensure that our Capital Investment Strategy will accommodate the additional spend that comes with house building such as (but not limited to) school provision, new roads, new street lighting, refuse routes, open spaces and other associated community infrastructure.

Supporting information:

[Link to LDP2 \(March 2022\)](#)

Local Housing Strategy 2017-22

It is important for the Strategic Priorities in the Local Housing Strategy (LHS) to be reflected in the Council's Capital Investment Strategy, both from a direct capital investment perspective relating to our own assets, but also in a strategic enabling capacity through influencing the investment and focus of other housing providers, as well as local home owners. The Council develops and monitors delivery of the Local Strategic Housing Investment Plan (SHIP) for Affordable Housing; driving the priority projects, housing mix funding and timescales in line with the strategic vision for the local area.

The Housing Strategy highlights the importance of working in partnership and internal service collaboration, particularly related to corporate challenges such as carbon reduction/ energy efficiency, and the effective use and maintenance of our assets. The capital investment requirement is put into this context in the Capital Investment Strategy to demonstrate how this investment is contributing to the achievement of important housing targets.

The Council's existing LHS target of 45 units per year of affordable housing (on average over the 5-year period), was a realistic target based on likely funding, capacity and the economy. The existing target (225) has been exceeded at 321 additional new and acquired units to March 2022/23. New targets are being set for the emerging Local Housing Strategy – to cover 2023-2028 – reflecting the need and demand identified for the local area. Our ambition for the refreshed LHS (pending Scottish Government approval) is to exceed this target to address ongoing significant shortfalls in affordable homes locally, as well as increasing homelessness driven by limited affordable homes elsewhere in the local housing market. Subject to approval, these are expected to be a minimum of 45 additional affordable homes per annum on average, with ambition to achieve more across tenures.

The Strategic Housing Needs and Demand Assessment (HNDA3) carried out for Glasgow City Region lays the foundation of housing needs estimates and the basis for targets for housing delivery to be set for the future. This is in both relation to the LDP and LHS with a joint approach to Housing supply, Target setting is required between Housing and Planning reflecting consideration around housing and land requirements, local housing needs and likely resources available to meet our investment plans. Working towards LDP3, the work of the LHS will be to inform and influence policy to ensure developers provide a greater mix of homes across tenures to meet local housing needs. This includes delivering clearly required entry level housing for sale and rent which reflects the needs of local residents.

A revised HNDA has been prepared to inform GCV Regional Spatial Strategy and the Councils LDP3 and revised LHS. This informs consideration of the number of homes that need to be built in the Glasgow City Region over the next 20 years and beyond. This analysis also informs the housing requirements set out in the emerging NPF4 and reflects the operation of the regional housing market. This in turn is filtered down to local authority level to consider homes required, and the arrangements for delivering these, including setting of appropriate housing land supply and housing supply targets.

The review of national affordable housing investment benchmarks carried out in 2021 resulted in increases to those benchmark payments to local authorities to deliver affordable housing. However, the economic impacts of Brexit and current economic pressures, present challenges to the delivery of affordable housing, even with benchmark uplifts. The average cost per unit to deliver a new Council home is almost 3 times the grant funding available per unit. With cuts to programme budgets noted earlier, grant funding will continue to affect both Council and RSL programmes, as well as developer intentions to provide private housing on sites we are reliant on for delivery. This will continue to be monitored through our Strategic Housing Investment Programme, with Scottish Government.

Supporting information:

(Final draft LHS 2023 onwards pending approval by Scottish Government)

[Link to Local Housing Strategy 2017-2022](#)

Digital Strategy

The Council's Digital Transformation Strategy 2021-24 was approved at Cabinet in June 2021, based on moving forward on 3 fronts:

- Customer Experience – to provide a consistent, efficient customer experience designed with the user at heart
- Business Systems & Processes – efficient and effective business systems and processes enabled by digital technology and optimised across our organisation
- Workforce Productivity – increasing the productivity and effectiveness of our workforce enabled by Office 365 capabilities

It is important that the capabilities, solutions and services that ICT deliver are aligned with the overall outcomes of the Council. This is true across both normal service operation and where ICT help enable or support business transformation. To achieve this alignment the Council's Digital Strategy was created. The purpose of this strategy is to build our capability as a Council in digital technology and then to exploit digital to help us deliver outcomes for local people.

The strategy informs how ICT develops its services and influences contract and vendor procurement and selection. It's important that this influences the ICT Asset Management plan as it is a key conduit to effect procurement and management of ICT hardware and software assets throughout their lifecycle. There is important consideration to be given to the shift to 'cloud' and what this will mean for the Council's ICT budgeting, with a shift from a Capital model to a more revenue-based framework. External assistance and advice will be required to support the Council on this journey and to frame our cloud strategy.

A number of strategic principles also support and influence ICT's procurement and management of ICT hardware and software assets. These include the adoption of Enterprise Architecture principles and those of the Digital Customer Experience principles.

The Council's draft ICT Strategy aims to provide more specific ICT Strategic direction that more widely underpins the operational services that ICT provide.

The Scottish Local Government Digital Office enables transformation through collaboration, building communities of interest and acting as a strong voice nationally, on behalf of the 32 Local Authorities. The programmes within the Digital Office often reflect the coming together of the national strategies identified above and the local strategies of the Local Authorities, which have real local context.

These national strategies influence the Council in terms of procurement and planned capital spend. They inform our own strategic goals around digital and technology. As an interface to the national arena, the Scottish Local Government Digital Office allows the Council to approach transformation with momentum, with collaboration and with maximum re-use of learning and capability. This momentum, re-use and shared learning directly influences ICT contract procurement and capital projects.

[Link to Scottish Local Government Digital Office](#)

Corporate Asset Management Plan

The importance of the link between the Corporate Asset Management Plan (CAMP) and its constituent Asset Management Plans (AMPs), is stressed in the CIPFA Prudential Code. The AMPs should inform the Capital Investment Strategy but this also works both ways. The vision and ambition that is articulated in the Capital Investment Strategy should set the scene for the direction that the asset management in any particular area of operation should take. The Council's Corporate Asset Management Plan was reported to Cabinet in January 2023 and covers the 5 year period 2023 – 2028 and has been developed in line with "A Guide to Asset Management and Capital Planning in Local Authorities" published by CIPFA. This new CAMP outlines the Council's approach to Asset Management and how this links with; our strategic planning framework, The Climate Change (Scotland) Act 2009, amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 outcomes and the aspirational Net Zero Carbon Standard for Public Buildings 2045 set by the Scottish Government. This new plan is a hierarchical document and provides the thread and links to the Council's corporate policies and objectives etc. and all actions within the 6 AMP's should align to these objectives and priorities. This plan is flexible to ensure that our assets can contribute effectively to changing needs of service delivery by being fit for purpose, suitable, sustainable and environmentally friendly.

A Corporate Landlord Manager (CLM) has been appointed to implement a corporate approach to asset management across Departments.

There are six AMPs maintained by the Council, all of which have recently been reviewed or are currently under review by AMP owners. These will complement the hierarchical structure of the new CAMP. There is a process in place for maintaining these plans, which are live documents and are regularly reviewed to ensure they reflect the respective AMPs' priorities either as a result of changing legislation, Council priorities or changing customer needs which affect how services are delivered. In depth reviews are recommended to be undertaken on a two-yearly basis. The Asset Management Plans have strategic objectives that clearly link with the Council's Strategic Outcomes.

Each AMP is brought to the Corporate Asset Management Group (CAMG) firstly for peer review and comment and discussed at the CAMG forum. Following this process, the AMP's are reported to Cabinet. CAMG will review the process once all AMP's have been reported to Cabinet. Summaries of the AMPs can be found at Appendix A.

The council will ensure that any refresh of the AMPs that results in a significant change will be reflected in an update to the Capital Investment Strategy.

Supporting information:

Corporate Asset Management Plan

There are six asset management plans. These are:

1. Roads* (RAMP)
2. Fleet (FAMP)
3. Open spaces (OSAMP)
4. Property (PAMP)
5. ICT (ICTAMP)
6. Housing (HAMP)

*The Roads Asset Management Plan is completed through participation with the Society of Chief Officers of Transportation in Scotland (SCOTS), which is a Scotland wide project which has prepared a standardised Roads Asset Management Plan format involving Transport Scotland and all Scottish Councils.

All other Asset Plans are prepared in accordance with the CIPFA Guide to Asset Management and Capital Planning and Audit Scotland's Best Value toolkit.

East Renfrewshire Culture and Leisure Business Plans

East Renfrewshire Culture and Leisure Trust delivers a wide range of services on behalf of the Council, as an ALEO and Community Planning Partner, and currently occupies under licence over a third of the 115 properties detailed in the Property Asset Management Plan from which Council services are delivered. In addition it is responsible for managing the letting of ERC schools out of hours.

Whilst these services include statutory services, including a number which are free-at-the-point-of-access, they are almost all customer-facing, with the vast majority commercial. Just as "...Council Property has an influence and impact on the Council's ability to deliver the outcomes of the Delivery Plan, to support the Single Outcome Agreement and to deliver the Council's overall vision," so the design, quality and condition of Trust-operated buildings has a direct impact on the ability of the Trust to deliver services on behalf of residents generally, and compete for commercial income in particular. Property issues particularly associated with the Trust buildings are detailed in the Property Asset Management Plan, but remain notable factors in the realisation of plans in relation to culture and leisure services across the authority.

The Trust's annual business plan is agreed by Council and identifies the projected resources and/or expenditure of the Trust during each Financial Year in performing the Services to support the Council's Community Plans, but also the capital programme building spend, and property maintenance budget required from the Council in relation to the facilities occupied by the Trust under licence from the Council,

These Business Plans are in turn aligned to wider strategies which the Council approves and which define the vision for Culture and Leisure Services in the authority:

- Public Library Strategy (2024)
- Sports & Physical Activity Strategy (2023);
- Arts & Heritage Strategy (2024)
- Indoor Sports Facility Strategy (2018)
- Sports Pitch and Outdoor Sports Facilities Strategy (2018)

These are closely articulated to property and asset management plans, since on the whole public sports and leisure services are essentially asset-based.

Strategies

East Renfrewshire Community Plan : our high level ambitions for all age groups and communities, and tackling inequality					
Community Plan Strategic Outcomes (*strategies and plans in development are in italics)	All children in East Renfrewshire experience a stable and secure childhood and succeed.	East Renfrewshire residents are healthy and active and have the skills for learning, life and work	East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses	East Renfrewshire residents are safe and live in supportive communities	Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.
Regional and Community Planning Partner strategies and strategic plans that influence our Community Plan and help us to deliver our vision	Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022-2026	Glasgow City Region Regional Skills Investment Plan 2019-2024 Skills Development Scotland: Skills for a Changing Future Strategic Plan 2022-2027 West College Scotland Strategy 2019-2025 Forward: Scotland's Public Library Strategy 2021-2025 A Culture Strategy for Scotland	Glasgow City Region Economic Strategy Scottish Enterprise Strategic Priorities A Call to Action: The Regional Transport Strategy for the west of Scotland 2023-2038 National Planning Framework ClydePlan Climate Ready Clyde- GCR	Moving Forward Together NHS GGC Strategy Policing 2026-10 year Strategy for Scotland East Renfrewshire Local Policing Plan 2023 to 2026 Fire and Rescue Scotland Strategic Plan 2022-2025 East Renfrewshire Local Fire and Rescue Plan 2021 Adult Mental Health Strategy 2018-2023 (NHS GGC wide)	Moving Forward Together NHS GGC Strategy
Outcome-focused Partnership strategies and strategic plans	Local Child Poverty Action Report 2022 to 2023 At Our Hearts- The Next Steps: Children and Young People's Services Plan 2023-2026	Local Child Poverty Action Report 2022 to 2023 At Our Hearts- The Next Steps: Children and Young People's Services Plan 2023-2026	Local Housing Strategy 2017-2022 Strategic Housing Investment Plan 2023-2028	Community Justice Outcome Improvement Plan 2017-2020 Equally Safe Improvement Plan 2020-2023	Fairer East Ren: safe and socially connected delivery plan

		<p>Community, Learning and Development Plan 2021-2024</p> <p>Work ER Local Employability Delivery plan (2022-2025)</p>		<p>Alcohol and Drug Partnership Strategic Plan 2020-2023 and delivery plan</p>	
<p>Council “family” strategies and strategic plans (includes HSCP and Trust)</p>	<p>Working Together for East Renfrewshire: Health and Social Care Partnership Strategic Plan 2022-2025</p> <p>At Our Hearts- The Next Steps: Children and Young People’s Services Plan 2023-2026</p>	<p>Working Together for East Renfrewshire: Health and Social Care Partnership Strategic Plan 2022-2025</p> <p>East Renfrewshire Cultural Strategy 2024-2029- pending publication</p> <p>Sports and Physical Activity Strategy 2023-2028</p> <p>East Renfrewshire Culture and Leisure Public Library Strategy 2019-22</p>		<p>Working Together for East Renfrewshire: Health and Social Care Partnership Strategic Plan 2022-2025</p>	<p>Working Together for East Renfrewshire: Health and Social Care Partnership Strategic Plan 2022-2025</p> <p>Carers Strategy</p> <p>HSCP Participation and Engagement Strategy 2020-2023</p>

<p>Council strategies and strategic plans</p>	<p>East Renfrewshire Council Outcome Delivery Plan 2023-24</p>	<p>East Renfrewshire Council Outcome Delivery Plan 2023-24</p> <p>Education Local Improvement Plan 2023-2026</p> <p>Equality and Human Rights Mainstreaming Report and Outcomes 2021-2025</p>	<p>East Renfrewshire Council Outcome Delivery Plan 2023-24</p> <p>Local Development Plan 2</p> <p>Capital Investment Strategy</p> <p>Local Transport Strategy- in development</p> <p><i>Get to Zero Action Plan to be published</i></p> <p><i>Local Heat & Energy Efficiency Strategy (LHEES)- in development</i></p>	<p>East Renfrewshire Council Outcome Delivery Plan 2023-24</p> <p>Equality and Human Rights Mainstreaming Report and Outcomes 2021-2025</p>	<p>East Renfrewshire Council Outcome Delivery Plan 2023-24</p> <p>Equality and Human Rights Mainstreaming Report and Outcomes 2021-2025</p>
<p>Locality Plans (based on locally determined priorities)</p>	<p>Auchenback Locality Plan 2017-2027</p> <p>ADD2Barrhead Locality Plan 2017-2027</p> <p><i>Neilston and Thornliebank Locality Plans in development</i></p>				

Partnerships

Strategic Oversight of Community Planning	<p style="text-align: center;">Community Planning Partnership Board</p> <p style="text-align: center;">Performance and Accountability Review</p>				
Strategic Outcomes	All children in East Renfrewshire experience a stable and secure childhood and succeed.	East Renfrewshire residents are healthy and active and have the skills for learning, life and work	East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses	East Renfrewshire residents are safe and live in supportive communities	Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.
Regional Level Partnerships	West Partnership (regional education)	West Partnership (regional education)	Glasgow City Region and City Deal Board (regional level) CityFibre Partnership		NHS GGC Board
Strategic Partnerships	Fairer East Ren: Child Poverty Oversight Group Improving Outcomes for Children and Young People Partnership <ul style="list-style-type: none"> • Early Years Sub-group • ASN sub-group • Corporate Parenting sub-group • Young Persons' Steering Group Early Learning and Childcare Expansion Board	Local Employability Partnership – Operational Economic Development/Business Gateway Group HSCP Mental Health Employability Working Group Community Learning and Development Partnership	Housing and Health Strategic Group	Community Justice Partnership Alcohol and Drugs Partnership Violence Against Women and Girls Partnership Greater Results in Partnership (GRIP) Safer ER Group	HSCP Strategic Planning Group

Capital Investment Ambition by Strategic Outcome

The following table illustrates how key elements of our 10-year General Fund and housing investment plans will deliver against the Strategic Outcomes in our Outcome Delivery Plan:

Outcome	Scheme Name	Short Narrative explaining the proposal	Output
All children in East Renfrewshire experience a stable and secure childhood and succeed	Extension of deferral entitlement for entry to P1	From August 2023, families will be entitled to defer a child's entry to P1 and be provided with another year of fully funded ELC, if the child is born between August and December.	Further investment in the ELC estate, with respect to new facilities or extensions/modifications to current facilities. Increase in availability of places at St John's Primary School to support legislative changes to P1 deferrals.
East Renfrewshire residents are healthy and active and have the skills for learning, life and work	Eastwood Leisure	Existing leisure facilities in the Eastwood area are dated and at the end of their lifespan. Improved facilities are needed to address local demands.	Investment in leisure/community facilities to be provided in the Eastwood area.
	Learning and Leisure in Neilston	Local school and community facilities in Neilston are in poor condition and require replaced/upgraded. The project has attracted some support funding from the Scottish Government funding to help take forward the school condition improvements.	Campus development to improve facilities for Learning and Leisure in the village of Neilston is nearing completion. This includes new build replacements for Neilston and St Thomas' primary schools and Madras Family Centre in addition to a new library with the village also to benefit from improved leisure facilities.

	Investment in Education Infrastructure	To ensure the ongoing operation of our education estate, a programme of boiler and roof replacement will be developed, with those establishments most at risk of failure prioritised.	Improved infrastructure to ensure establishments are wind and water tight and are not at risk from heating failure, avoiding educational establishment closures and subsequent impact on learners and staff.
	Primary /Secondary / Special School Extensions/Remodelling	To provide sufficient pupil places associated with inward migration including new housing per LDP1/2.	<p>Crookfur Primary School Extension</p> <p>St Luke's High School re-modelling of internal spaces</p> <p>Isobel Mair School – Additional classrooms to be completed early 2024</p> <p>Four classroom extension to Maidenhill Primary School</p> <p>Repurposing of internal spaces and regeneration of existing impractical spaces to increase teaching and learning spaces at Mearns Castle High School</p> <p>Regeneration and repurposing of former janitor homes at Braidbar Primary School and St Luke's High School to support the objectives of Emotional Based School Avoidance service and vocational studies</p>

	A programme of synthetic pitch (carpet) replacement	To provide adequate and safe playing surfaces for our educational establishments and service users	Renewed synthetic pitches at educational establishments, for use by schools and wider communities.
	Extension of free school meal provision to all children in the primary sector	To increase catering resources and space and dining areas to accommodate FME to all pupils in the primary sector.	Investment in catering dining facilities and resources, increase in area of food prep areas and storage space, extension to dining area and creation of outdoor MUGA.
East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents	New railway station – Barrhead South	To serve new housing and leisure developments in the Barrhead area rail transport links will be improved via a City Deal initiative.	New railway halt to be delivered for Barrhead South.
	Newton Mearns to Barrhead New Road Connection	As part of the City Deal economic growth proposals road links between the east and west of the authority will be improved.	The Aurs Road Project will provide an improved link between Barrhead and Newton Mearns, allowing a public transport route and active travel corridor.
	Country Park Visitor Centre and Infrastructure	As part of the City Deal initiative a new visitor centre is planned together with improved access to the country park.	New visitor centre, board walk, parking etc to be built for Dams to Darnley country park.
	Roads	Increased capital investment is planned to ensure that roads are maintained in a safe condition.	Improved roads condition.

	Council Owned Public Buildings	Increased capital investment will be required to ensure that the Council can meet its net zero carbon targets for 2045, including the Scottish Government objective of all public buildings having zero-emission heating (i.e. no gas boilers) by 2038.	A review of properties to be retained and then existing buildings will require to be adapted at a cost to the Council to ensure they are energy efficient to meet the requirements for zero-emission heating. Additionally, any new build properties will require a different approach, likely at a higher cost, to ensure they are sustainable in the first instance and continue to be throughout their lifespan.
	Council House New Build Programme	The Council will deliver up to 370 new homes for rent as part of the commitment to increase affordable housing supply set out in the Local Housing Strategy (and SHIP) and in line with national priorities for investment.	<p>A commitment to 370 new homes for rent from East Renfrewshire Council.</p> <p>Since commencing on site at our first new build in January 2018, ERC has completed some 188 properties across 8 sites in Barrhead and Maidenhill, Newton Mearns.</p> <p>The Council is currently negotiating with a major developer at Maidenhill to provide some 105 affordable units as well as taking forward ERC owned sites at Barrhead Road, Newton Mearns and Commercial Road, Barrhead which could see an additional 66 units being built.</p> <p>The Council have also acquired some 24 rent off the shelf units (ROTs).</p> <p>These projects will allow achievement of our new build target. However, the Council will continue to identify additional sites for development to add to the rolling SHIP programme.</p>

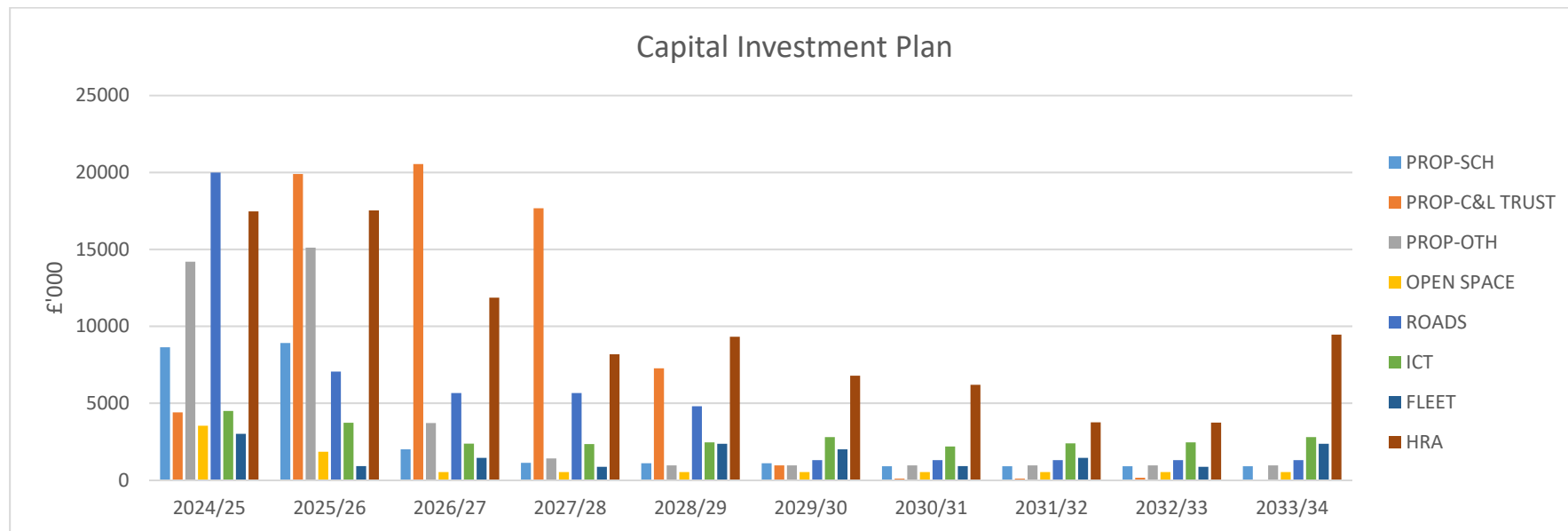
East Renfrewshire residents are safe and live in supportive communities	CCTV Infrastructure Refresh	Ageing infrastructure to be replaced.	Modern, more reliable CCTV coverage of the councils corporate and education property estate.
Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives.	Bonnyton House Improvements	Care home for the elderly undergoing significant modernisation and improvement.	New roof and remodelled facilities to meet ongoing needs along with any improvements required by the Care Inspectorate.
Customers, Efficiency & People	ICT Investment & Renewal	ICT hardware & software renewal projects. These include development of Microsoft 365 platform; upgrade of WAPs/firewalls/switches/servers; secure cloud platform connectivity; implementation of Windows 11; replacement of single points of failure; replace manual/paper processes with Intelligent Process Automation; improve end user “access anywhere” experience; refreshed managed print service; system integration/enterprise architecture; and increased resilience to cyber risks.	Supported, resilient, fit for purpose ICT network and applications available across the corporate and education establishments.

	Office Accommodation Project.	As part of The Way We Work project, the projects to refurbish Barrhead office and Eastwood HQ align with the wider office estate review on how the council uses its office accommodation though implementing a hybrid workstyle.	<p>Remodelling of the Barrhead office provides the much needed improvement in welfare facilities within the building and improves customer access to the Customer Hall.</p> <p>The refurbishment of Eastwood HQ will improve the work environment and improve the functionality and flexibility of how the space in the building is used by creating more open plan areas.</p> <p>These works, through a spend to save approach, will enable the 150 staff from the Spiersbridge office to relocate to Barrhead and Eastwood HQ offices when the lease on the Spiersbridge office comes to an end in February 2026.</p>
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10-year Capital Investment Plan

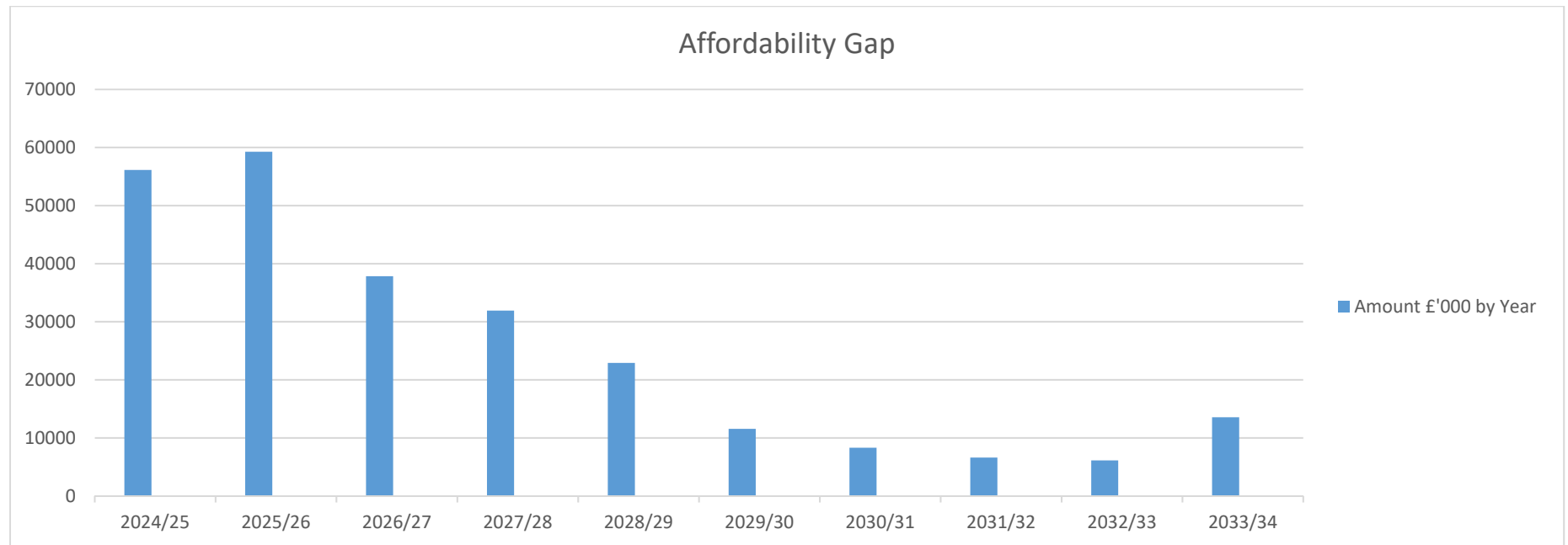
Our 10-year capital investment plan covers the period 2024-2034, based on our capital investment ambition, similarly we have prepared a 10-year housing capital investment plan. These have been prioritised by applying our evaluation methodology to ensure that the longer term position is affordable and deliverable as planned and this is specifically addressed in our annual Treasury Management report which sets out the Prudential Indicators for the Council’s spending plans. Our risk assessment examines the risk against the affordability and deliverability assumptions and this will inform the ongoing review of performance and update of the capital investment plan to ensure that it is effectively managed. Both capital plans are scheduled to be approved by Council on 28 February 2024 and links to these documents will be included in this strategy thereafter.

Several tables and charts have also been included within this strategy to provide a view of the 10-year capital investment plan from an investment and financing perspective, an affordability perspective and in terms of the contribution to the achievement of our Strategic Outcomes, our community improvements and our growth targets. As work continues on development and delivery of our Local Development Plans, further capital investment needs are emerging. Once the timing and quantum of these items as been clarified they will be added to our future Capital Plans.



The above graph shows the level of planned capital spend over the Council’s asset categories as set out in the Capital Plans, General Fund 2024-2034 and Housing 2024-2034.

The following sections examine the evaluation and prioritisation of our 10-year capital investment plan, the additional analysis that informs our Capital Investment Strategy principles, our capacity to deliver and the potential options for addressing our capital investment ambition gap.



This graph shows the shortfall in resources in the Council's 2024-34 capital plan which will be required to be covered by internal or external borrowing. This will be kept under review as LDP pressures are incorporated into our future capital ambitions.

The loan charge repayments associated with the 2024-34 capital plans have been factored in to the Council's revenue budget planning. It is considered good practice to keep loan charges (including on PFI/PPP schemes) to less than 10% of the Council's net revenue stream. For 2024/25 the above investment plan entails loan charges representing 6.3% of net revenue stream, however the figure rises to 9.1% by 2029/30, due to the Council's commitments on a number of major schemes. This will increase pressure on other elements of the revenue budget but is considered manageable. Nevertheless, careful consideration will have to be given to any future capital ambitions, unless these can be funded without incurring further borrowing. This may be a challenge, as Scottish Government capital grants have reduced in 2024/25 and are expected to remain at this level in the coming years.

Examination of outcomes from prioritisation

The Council maintains a rolling, detailed 10 year general fund capital plan with new proposals for investment being brought forward annually through a Capital Project Appraisal process to ensure that they align with the Council's key objectives and that asset management plans, are deliverable, affordable and represent best value. Only those proposals which make a significant contribution to the Council's objectives and are considered deliverable are progressed past initial stage to full appraisal by the Corporate Asset Management Group before being considered by the Corporate Management Team, Budget Strategy Group and Council. The current CPA template form is attached (Appendix B). For routine investments (e.g. ICT system renewals, property, parks & cemeteries and roads major maintenance, set sums are included in the annual plans to facilitate forward planning and minimise administration. The Corporate Asset Management Group also consider annually whether any adjustments are required to projects already listed in the capital plans (e.g. increased costs, reduced cost requirement, amended timing of spend etc.).

A 10 year rolling capital plan is maintained for Council housing stock, taking account of both national and local plans. Any revenue impacts associated with these plans, arising from both funding and or running/maintenance costs are then reflected in the Council's revenue budget planning.

New projects added to the Capital Plan this year are listed in the table below. Only CPA's of significant importance or unavoidable legislative consequences are being accepted for the 2024/25 Capital Programme due to financial constraints.

PROJECT	ASSET CATEGORY	£'000
Maidenhill Primary school extension	Property – Schools	2,800
Repurposing/regeneration of spaces at Mearns Castle High School	Property – Schools	5,372
Neilston Leisure	Property – Culture & Leisure	6,450
Eastwood HQ Refurbishment	Property - Other	4,520
CCTV Response Centre Refurbishment	Property - Other	189
Additional Heating & Roofing Works	Property – Other	2,400
Cathcart Cemetery Wall	Open Spaces	350
Traffic Signals – School Routes	Roads	240
Education Network Funding	Councilwide ICT	450
CCTV Response Centre Systems	Councilwide ICT	96
The Way We Work – Monitors & Conference Screens	Councilwide ICT	140

Any projects which have been identified later in the year may not yet have been fully costed and appraised so are not included in the Council's updated capital plans to be considered in February 2024, however they will be incorporated into future years' updates. This also applies to projects emerging as the Council's new Local Development Plan is developed. Those major projects currently identified are listed below to ensure that they are taken into consideration for future planning purposes; the projects and timings are based on information to date.

PROJECT	TIMING	COMMENT
Isobel Mair School/ new ASN provision	Seek as soon as practical and depends on options timescale to realise	Timescale for the medium/longer term plan pending options exercise. Short term measures made to meet demand.
Bonnyton House Phase 2	From late 2023	Timescale to be kept under review as planning is progressed
Improved accessibility to educational establishments	From 2025/26	To ensure that any residents who may have a disability are able to attend an appropriate educational establishment within their community, in an inclusive way with all other service users,
Improve condition of the poorest condition schools	From 2025/26	To improve the condition of educational establishments evaluated as C condition in the annual school estate surveys.

Capital Project Appraisal Process

Developing proposals

The Council has established a structured Capital Project Appraisal (CPA) process which begins in April of each year and concludes by November. Based on this process, the Corporate Management Team (CMT) consider the validity of recommended projects, before seeking Council approval for the annual update to the 10 Year General Fund Capital Plan.

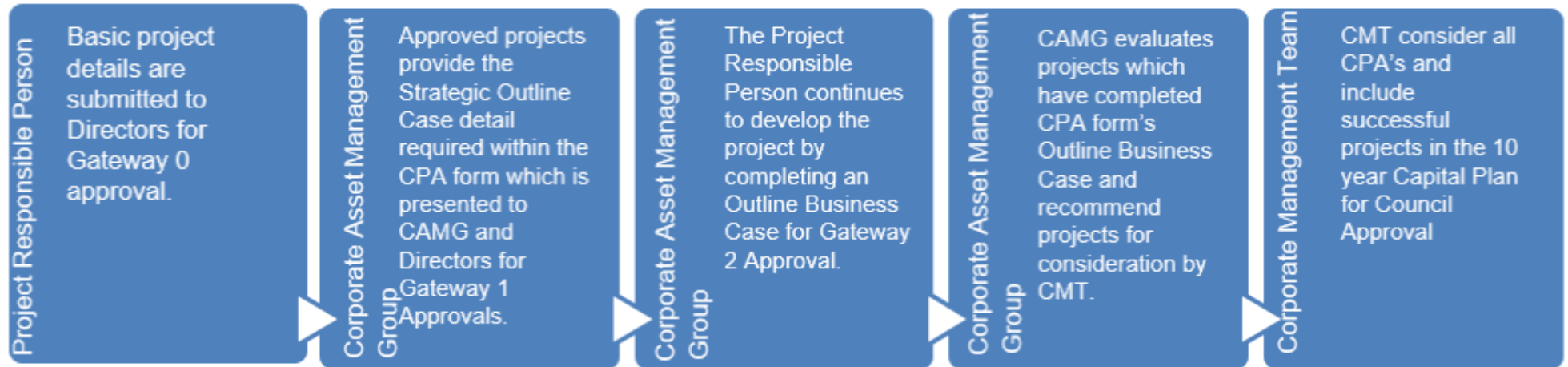
Capital Project Appraisal Form

The Capital Project Appraisal (CPA) Form, as shown in Appendix B, is designed to capture specific project information in order for that project to be assessed by the Corporate Asset Management Group (CAMG).

The form captures project details and objectives, links to strategic documentation and corporate aims and how the project can support these strategies and plans, finance details and delivery schedule. The form and the CPA process have recently been reviewed by the Corporate Asset Management Group, which has improved and refined the form to enhance, but simplify the process, build in gateway approval stages and monitor the outcomes.

The CAMG assesses the individual capital bids and evaluates projects against a Rating Matrix as part of the Capital Project Appraisal form. Following CAMG rating, new projects are passed to CMT for approval. In 2022, a Climate Change Impact Assessment was included in the CAMG rating to highlight the potential impact on carbon emissions and climate adaptation.

The chart below summarises the CPA form process up to the approval by Council stage:



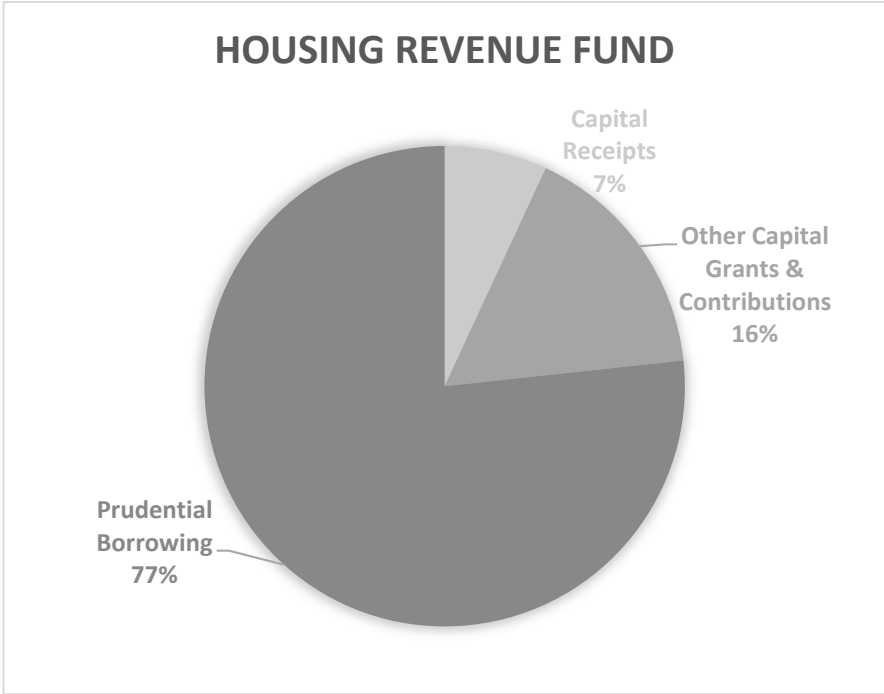
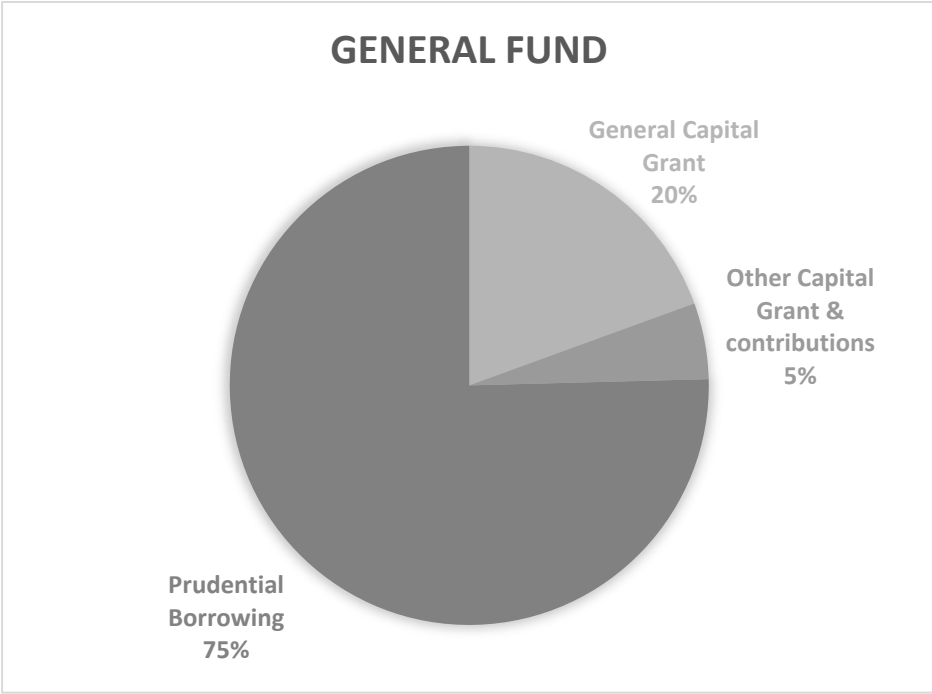
Capital resource allocation and analysis of balance sheet, treasury and reserve implications.

Current levels of capital grant are insufficient to address the Council's capital investment ambitions and so consideration must be given to closing the financial gap by additional borrowing (subject to affordability of future repayments), and by developer contributions, utilisation of capital reserves, capital receipts and grants from other bodies where available.

Decisions on the funding approaches require a joint evaluation of the revenue and capital financial needs and ambitions of the Council. This will take into account the overall availability of reserves, likely future pressures on capital and revenue budgets arising from local demands, national priorities, legislative requirements, anticipated government grant settlements and the consideration of prudential indicators as set out in the CIPFA code. The impacts of capital investment on the revenue budget (through increasing loan repayments arising from additional borrowing) are clearly articulated as this can directly impact on the level of revenue budget savings requirements in later years. As highlighted in the narrative on the affordability gap, the increasing impact on the revenue budget will be a constraint on the Council's future capital ambitions.

The Council's loans fund profiling supports future years' capital plans by ensuring that the authority's capital expenditure is financed over the expected life of the assets and that each year's repayment amount is reasonably commensurate with the period and pattern of the benefits.

The following pie charts highlight the Net Borrowing Requirements forecast for the next 5 years.



Treasury Management Strategy and Loans Fund Policy

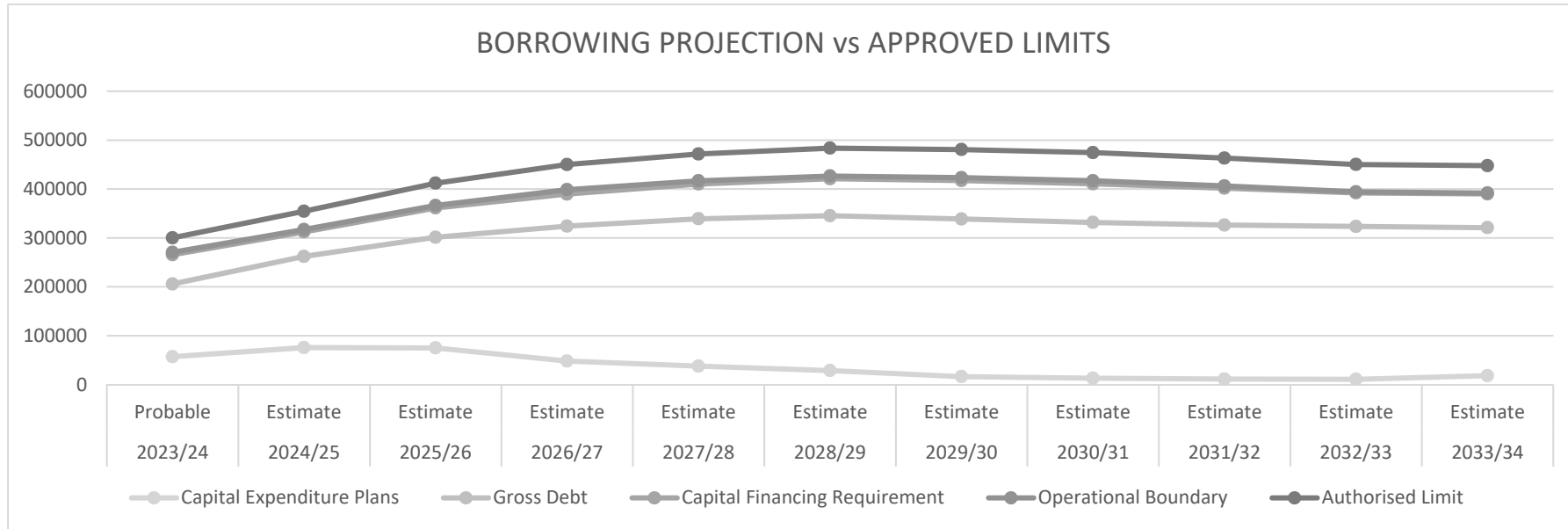
The Prudential Code for Capital Finance in local authorities enables councils to set their own borrowing limits with a requirement to ensure that investment plans are affordable, prudent and sustainable. The Council can borrow over a number of years to supplement its capital income, provided the resultant annual debt repayments can be accommodated within future years' revenue budgets. The Council's Treasury Management Strategy sets out the Prudential Indicators and parameters over the medium to long term, with regular reporting to Council members through:-

- Treasury Management Strategy
- Quarterly Treasury Management Reports
- Annual Treasury Management Report, following the financial year end; and
- Capital Budget Monitoring reports

All of the monitoring reports compare the estimated Prudential Indicators with the Probable Outturn position.

The key prudential and treasury indicators include:-

- Capital expenditure plans
- Gross debt
- The Council's overall borrowing need (the Capital Financing Requirement)
- Limits to borrowing activity through the Operational Boundary and Authorised Limit



As reflected in the Treasury Management Strategy for 2024/25, the analysis of the Capital Financing Requirement for East Renfrewshire Council indicates the borrowing needs to support delivery of the capital programme. The analysis also indicates that this borrowing need continues to be well within the parameters of both the Operational Boundary (the expected maximum borrowing position of the Council) and the Authorised Limit (the limit beyond which external debt is prohibited).

Examination of capacity to deliver

In determining capital investment consideration is also given to the following areas:

- **People** – The Council monitors capacity of staff in services such as property, accountancy, ICT, Legal and Procurement so as to ensure adequate resources are available to support capital plans. Where insufficient capacity is in place it may be possible to engage temporary /agency staff (potentially funded from the Council’s Modernisation Fund reserve) or to utilise external consultants (e.g. private firms or public sector organisations such as hub West Scotland).

- **Procurement** – Wherever possible the Council encourages managers to self-serve for routine procurements and smaller procurements (under £50k) are undertaken by managers using the Quick Quote guidance. Projects over £50k are undertaken in conjunction with procurement professionals using a full tender process.
- **Reserves** – The Council maintains a Capital Reserve, Modernisation Fund, Insurance Fund, Feasibility Fund and Repairs and Renewals Fund. These may be accessed in appropriate circumstances and such instances will be identified by the Corporate Asset Management Group.
- **Project support** – The Council's Project Management Office is available to provide project management support for major change projects such as system implementations. A capacity grid system is operated to assess whether any new demands can be accommodated. The Corporate Management Team have also developed a new executive reporting system to monitor progress of key projects.
- **Consultation process** – The Council has well established processes, particularly within the Environment and Education departments, for consultation with the public and other stakeholders on new proposals. It is essential that these are planned well in advance as long timescales are often required to accommodate both the consultation period and any potential objection/appeal processes.
- **Decision making process** – The Council has a clear process for consideration of capital proposals. This runs throughout the year from spring/summer when initial proposals are submitted, to February when formal approval of new schemes is granted by Council after consideration of affordability etc. Cabinet then monitors progress during the year with any changes to the agreed programme requiring approval by Council whose meetings are typically every 6 weeks.

Identification of platform for lobbying / negotiation / further discussion with Scottish Government / partners

The Council prepared a paper on the [Strategic Impact of the Financial Settlement](#) in March 2023 to analyse the key factors affecting the Council's financial situation, consider the impact on our future strategic direction and our capacity as an organisation.

Council agreed that:

- our growing population is not adequately reflected in our share of the Scottish Government grant and if addressed would have provided £4.2m of additional funding for 23/24
- the impact of the high number of children educated in East Renfrewshire puts increasing pressures on the budgets for other services;
- Our emerging Vision for the Future would seek to be ambitious in the longer term, but would have to reflect the very challenging financial circumstances and a reduced level of ambition in the short term;
- That the revenue budget and the updated Vision for the Future will require a high level of prioritisation of services;
- the importance of continued investment in our organisational capabilities capital, technology and our staff and

- To encourage Cosla to lobby for:-
 - o change in the way the funding for additional services (new burdens) is calculated with an allowance for support services and a guaranteed inflationary rise.
 - o Scottish Government to assess the value of new services against existing services to ensure that priorities continue to be funded.
 - o A change to the way that the Floors Mechanism is operated to ensure that it acts as a smoothing mechanism for reducing budgets, rather than a protection mechanism.
- Further areas for lobbying have since been identified, with the most significant being the need for increased capital investment to support Councils as they transition towards carbon reduction (Get to Zero) targets. For example, East Renfrewshire's Fleet policy update in September 2023 recognised that the move away from diesel vehicles would increase capital costs by £2.3m between 2027 and 2030.

Risk Management and Risk Assessment

Strategic Risk Register and Management Process

Updates to the Strategic Risk Register and Risk Management Process are provided bi-annually to Audit & Scrutiny Committee and annually to Cabinet and are based on a 'live' risk register which is maintained by the Corporate Management Team.

These updates include a register of the corporate risks and draw out those which are evaluated as high or medium level risks. Where a risk has been evaluated as "low" it has been removed from the Strategic Risk Register and will be monitored within Departmental or Operational registers if appropriate'.

The report highlights how risks have been updated / re-evaluated according to the latest position, and illustrates the level of 'risk tolerance', through a matrix to demonstrate how risks have been scored.

The table below contains extracts from the Council's current Risk Management Strategy, demonstrates the processes in place to manage risks and the various levels of responsibility throughout the organisation. Details of the Council's risk management approach can be found here

(<https://www.eastrenfrewshire.gov.uk/article/8087/How-are-council-risks-managed>) and our risk management process is set out in Appendix D.

Area considered	Current Practice
Risk Management Strategy	<p>The Council's recognises the benefits of discussing risk on an open basis which are described as follows:</p> <ul style="list-style-type: none"> • Genuine consensus about the main risks (no hidden risks) • Clear allocation of risks and ownership as to how the risks will be managed • A clear process for managing and updating the view of risks • Greater trust and buy-in • One view and good communication is paramount. <p>Good risk management is about identifying what might go wrong, what the consequences might be of something going wrong and finally, deciding what can be done to reduce the possibility of something going wrong. If it does go wrong, as some things inevitably will, making sure that the impact is kept to a minimum.</p> <p>Risk management should ensure that an organisation makes cost effective use of a risk framework that has a series of well-defined steps. The aim is to support better decision making through a good understanding of risks and their likely impact.</p> <p>Risk management should be a continuous and developing process which runs throughout the organisation's strategy and the implementation of that strategy, methodically addressing all risks surrounding the Council's activities past, present and future.</p> <p>Risk Appetite:</p> <p>The term risk appetite describes our attitude towards the amount of risk that the Council is prepared to accept in trying to achieve our outcomes. The attitude towards risk can differ across our services, from risk averse to risk taking. Risk appetite is about taking well thought through risks where the long-term rewards are expected to be greater than any short-term losses.</p> <p>East Renfrewshire Council's approach is to minimise its exposure to reputational, compliance and financial risk, whilst accepting and encouraging an increased degree of risk in pursuit of innovation and improved outcomes. It recognises that its appetite for risk varies according to the activity undertaken, and that its acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.</p>

Area considered	Current Practice									
	The following diagram illustrates the Council's risk tolerance levels across different areas of activity:									
	Unacceptable to take risk					Higher willingness to take risks				
	1	2	3	4	5	6	7	8	9	10
Reputation										
Compliance										
Financial										
People and Culture										
Operational Services										
Major Change Activities										
Environmental and Social Responsibility										

Area considered	Current Practice
Risk Assessment and Recording	<p>The Risk Management Strategy enables the Council to deliver advanced risk practice by incorporating risk within service plans and encouraging the use of joint risk registers where possible for projects and partnerships.</p> <p>Currently, each service has an operational risk register to record day to day and service specific risks. Meanwhile at council level, the strategic risk register sets out the key strategic risks to be considered by East Renfrewshire Council and details the actions that management has put in place to manage these risks. The strategic risk register is reviewed weekly by the CMT.</p> <p>The risk assessment technique used to determining the severity of the risk is consistent across the Council.</p>

<p>Risk Ownership:</p> <p>Roles and responsibilities</p>	<p>Roles and responsibilities in risk management are described in the Council's Risk Management Strategy, from Cabinet to individual employees, as illustrated in the following diagram:</p>  <p>The Risk Management Strategy (https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=17458&p=0) contains a table summarising the roles and responsibilities in managing risk across the authority.</p>
<p>Monitoring and reporting:</p>	<p>The Risk Management Strategy and associated Risk Management Framework include our risk guidance and reporting approach. The Council continually monitors risk and reports are submitted to Audit & Scrutiny Committee twice yearly and annually to the Cabinet.</p>

Using the corporate Risk Management Strategy and Risk Management Framework, the following capital specific risk register summarises some of the risks relevant to the Capital Investment Strategy.

Risk ID#	Risk Category	Description of Risk / Uncertainty	Mitigating Factors	Timescale (for review)	Risk Owner	Residual Risk Score
	Compliance	Insufficient catchment places available for children and young people across all sectors in light of inward migration, including the impact of new residential developments - in particular the Local Development Plan	<p>Regular review of places and demand including; and implementation of admission arrangements policy.</p> <p>Council's Capital Investment Strategy and associated 10-year Capital Plan updated to reflect education estate requirements for all school sectors taking account of operational requirements/timescales.</p> <p>On an ongoing basis, Education/Environment continue to review the release of housing and infrastructure requirements to also take cognisance of inward migration to existing housing along with ongoing residential developments under the adopted LDP1 and any windfall sites (similarly for Proposed LDP2) as reflected in the Housing Land Supply register.</p> <p>Education and Environment to collaborate closely about any potential further residential development as LDP3 progresses to ensure sufficiency of places across the education estate and that any new provision is included in future Capital Investment Strategies.</p>	<p>Annually</p> <p>Annually</p> <p>In line with relevant timescales</p>	Education Team	8

			<p>Continue to lobby Scottish Government and discuss implications of future requirements.</p> <p>As appropriate, education statutory consultation to be undertaken in advance of new provision and within required timeframes.</p> <p>Pupil Product Ratios refreshed to reflect up to date build costs</p>			
	Financial	Poor capital scheme forecasting leading to capital scheme overspends and higher revenue impact	<p>Collaboration across all relevant support services with intelligence and data sharing</p> <p>Application of scenario and sensitivity approach to test forecasts and assumptions</p> <p>Review of process for assessment of appropriate contingency levels</p> <p>Performance and exception reporting linked to main reporting cycle</p>	Quarterly	CMT/CAMG	8
	Financial	Poor capital programme management leading to slippage	<p>Strong management structure, robust governance and programme management in place</p> <p>Performance and exception reporting linked to main reporting cycle</p> <p>Revised reporting via new systems</p>	Quarterly	CMT/CAMG	9
	Financial / Operational	Adverse impact of labour shortages/rising prices on capital projects' timing and costs	<p>Robust governance/programme management in place</p> <p>Reprioritisation of key projects</p>	Quarterly	CFO	6

	Financial	Challenge of achieving new energy efficiency & building performance targets set by Scottish Government, particularly for Schools for the Future Programme could result in higher capital costs and negative impact on revenue funding streams.	ERC continue to liaise with Scottish Futures Trust to negotiate on scheme metrics and learn from best practice.	Quarterly	Education Team	8
	Financial	Glasgow and Clyde Valley City Deal infrastructure projects (including those projects outwith East Renfrewshire) do not proceed on schedule and/or do not produce the anticipated economic benefits owing to 3rd party issues, resulting in a gap in funding provided by UK and Scottish Government	Continue to engage with partners to monitor and contribute to delivery as required. Explore opportunities for partnership delivery mechanisms where appropriate. Participate in City Deal Gateway Reviews	Ongoing	Corporate Management Team	4
	People and Culture	Failure to recruit / retain staffing resource to deliver the volume of ICT work / projects both underway and planned constrains delivery of ICT projects and specific pieces of work, impacting on delivery of services and morale of existing staff.	Continue to promote skills sharing. Continue to manage absence in line with corporate policy. Continue use of alternative resources e.g. external employment agencies are used and/or contracts. Maintain use of Capacity Grid internally, highlighting areas of concern which require corrective action.	Ongoing	ICT Management Team	4

			<p>Skills Framework for the Information Age being introduced which will facilitate skills capture and planning.</p> <p>Renew framework contract to allow ICT to draw down additional ICT resources as required.</p> <p>Ensure scope within budgets to ensure that financial resources are available to obtain additional resource as required.</p>			
	Operational services	<p>Failure of Council ICT Network</p> <p>Reliance on the Council's single shared internet connection results in a lack of internet connectivity resilience for the Council, potentially affecting delivery and leading to disruption of operational services.</p>	<p>Use of JaNET connectivity managed by SWAN and part of national infrastructure.</p> <p>Proactive monitoring for alert & detection of problems to facilitate more proactive approach.</p> <p>Second internet connection provisioned through the second data centre provides some basic resilience for some core systems.</p> <p>Full ICT infrastructure review being scoped to identify opportunities to improve resilience and reduce residual ICT risk.</p>	Ongoing	ICT Management Team	9

Governance and Monitoring

Roles and responsibilities

The Chief Financial Officer will co-ordinate the annual updating of the Council's Capital Investment Strategy for approval in February/March each year, together with the Treasury Management Strategy and Prudential Indicators, prior to agreement of the revenue budget and capital plans.

The Corporate Management Team will review and update relevant strategies and influences as required by December each year.

The Corporate Asset Management Group will assess new capital proposals and any required changes to the current capital plan by October each year.

Cabinet will monitor progress against capital plans four times per year, with any changes being approved by Council.

Skills and training

Relevant professional staff will maintain up to date knowledge of capital issues by attendance at appropriate technical seminars (e.g. CIPFA training).

The Council's corporate procurement strategy sets out the process for all levels of projects and all projects over £50k are progressed in conjunction with procurement professionals through a full tender process.

All elected members will be offered capital, revenue and treasury management training as part of their induction, with refresher training normally offered every 2 years.

Capital Strategy Date for Review

The Capital Investment Strategy is intended as a 'living' document which is updated and refreshed in accordance with any changes in strategic influences and direction. The Strategy will therefore be updated on an annual basis, or as required.

Consultation and stakeholder engagement

All departments will be invited annually to submit proposals for inclusion in the Council's Capital Investment Plans. These will then be reviewed by the Corporate Asset Management Group, Corporate Management Team and elected members.

Where appropriate (e.g. for major property developments or proposals to build on open space), stakeholder consultation will be carried out in addition to any statutory consultation requirements.

A handwritten signature in blue ink, appearing to be 'M. M. Con', written in a cursive style.

Signed: S95 Officer

Asset Management Plan Summaries

Executive Summary

Asset management ensures that assets are administered in the best way to meet the needs of the organisation and ensure the delivery of its corporate goals and objectives. This Corporate Asset Management Plan is about the long term broad plan for our assets to support corporate goals and objectives, derived from consideration of possible management options.

The Corporate Asset Management Plan serves to encapsulate that strategy and the key actions we will take to achieve our targeted outcomes.

Forward planning for assets is vital to secure best value for money:

- Time is needed to thoroughly formulate the Council's needs for assets and to translate those into sound proposals;
- It takes times to procure and deliver change in assets;
- Upkeep of assets can involve highly variable levels of expenditure that need to be forward planned; and
- Assets are expensive to provide and need to be used for the maximum time appropriate.

There are six services that are integral to the development of this Corporate Asset Management Plan and the ongoing maturity of East Renfrewshire Council's asset management approach.

Property

Property is an extremely important asset to the Council, as it can have a significant impact on all the services that East Renfrewshire Council provides to local residents. The long term objective for property is to ensure that the Council has the right properties in the right place to ensure they are fully utilised and provide best value to East Renfrewshire. The property portfolio should be suitable for its current use and support efficient and effective service delivery both now and in the future and meet the needs and expectations of building users. The future property portfolio will need to adapt to the Get to Zero requirement, which will include improved energy efficiency and the use of zero-emission heating. All properties must be safe and secure ensuring compliance with relevant property legislation. Properties need to be in an appropriate condition and maintained effectively. Adequate budget consideration is required to meet the demands of existing repairs and maintenance as well as future higher costs for the maintenance and servicing of advanced building management systems within newly constructed properties. Properties should be accessible for people with disabilities. Although current performance of property assets is good, it is not where the Council wants to be, and the actions within the document and the individual Property Asset Management Plan will drive forward an approach to asset management that allows the Council to identify improvements, and increase the performance of the service in the long term. The latest Property AMP is for 2019/21 and was approved by Cabinet in 2019. A new PAMP is currently being drafted and will be presented to Cabinet in 2024 for consideration.

Roads

East Renfrewshire Council's roads service is dealing with a significant backlog of maintenance requirements and as roads is one of, if not the most valuable assets that the Council has, it is clear that

a step change in the way it is managed is required to combat this issue. Future roads asset management will be focussed on creating an innovative approach to repairing backlog maintenance, and the order in which repairs are prioritised, with the aim of improving the Roads Condition Indicator (RCI). The Council will ensure that it is a systematic approach that takes a long term view of areas such as lifecycle, maximising benefits, balancing demands and allocation of resources. The Roads AMP, unlike the other AMP's in the Council's suite, is undertaken through a national reporting system. The Roads service has produced an updated Local AMP in 2024, to provide a more local context to capital investment in the area, and as part of the Council's suite of AMP's.

Housing

There is a high pressure on housing stock across East Renfrewshire, this presents the Council with a key area for focus. Asset management techniques and processes will be embedded into Housing service delivery to maintain and improve current core stock, as well as enabling decision making for new homes across the area. Furthermore, East Renfrewshire Council will continue to make strong developments in ensuring all housing stock is at optimal levels of energy efficiency. The objectives of the Housing Asset Management plan are as follows:

- Ensure reliable stock condition information and thereby permit accurate level of EESSH compliance;
- Establish the level of investment required to achieve and maintain EESSH;
- Assess the make-up of the best portfolio required to deliver the Housing Service and meet housing need;
- Maximise efficiency of service delivery, ensuring that assets used for service delivery are fit for purpose;
- Improve stakeholder involvement and satisfaction with the provision of service;
- Ensure compliance with all statutory, legislative and regulatory requirements;
- Develop and implement programmes for energy efficiency initiatives that will deliver long term and sustainable energy use; and
- Develop and implement a planned maintenance and improvement programme that will maintain the assets to a good standard.

The current Housing Services AMP was reported to Cabinet in February 2019, for the years 2019-23 and is currently being refreshed for approval later in 2024.

ICT

Investment in ICT assets is prioritised to enable the delivery of all ODP Outcomes and to ensure that the Council is modern and ambitious. The Council's focus continues to be on how digital technology can improve outcomes for customers, particularly in big spend areas such as Education and Social Care. As a result of the pandemic, the Council must continue to embrace and utilise new technologies to gather data that will enable decision making for quicker responses and the support of those who cannot access digital technology easily.

The ICT Asset Management Plan objectives are:

- To acquire appropriate ICT assets for the Council with minimum costs and maximum benefits
- To optimise the use of each ICT asset during its life
- To dispose of ICT assets when they no longer provide a benefit compared to the cost to maintain them
- To support ICT asset compliance with relevant standards
- To provide the information needed for internal and external requirements

The current ICT Asset Management Plan was reported to Cabinet in October 2018 and will be reviewed in 2024.

Fleet

East Renfrewshire Council has an extremely high performing fleet management service, continually performing outstandingly well against other UK authorities at APSE benchmarking data level. In the long term the Transport Service wishes to focus on building a wider role for fleet management, to ensure the continued success of the department, particularly concentrating on greater efficiencies, improved digital processes and reduced emissions. The Fleet Asset Management Plan has recently been upgraded to fit in to the new hierarchy of Asset Management Plans, sitting under the new Corporate Asset Management Plan.

There are a number of challenges for fleet managers going forward, particularly in relation to climate change and the steady move away from fossil based fuels, the introduction of Low Emission Zones to improve air quality, increasing number of homes within the area to be serviced and the development of alternative fuels for both light and heavy goods vehicles. Capital planning will be required to assess future fleet requirements, ongoing workplace infrastructure and how these vehicles will be powered in the future. The Council approved a new Fleet Purchasing Policy in September 2023 to transition from diesel to zero-emission vehicles from 2027-2030. The report noted that this is estimated to cost an additional £2.3m in capital costs over that period. The transition of fleet from ICE (Internal Combustion Engine), to an electrical or alternative fuel based fleet, will take considerable and careful planning.

The Council has signed up to a long term, 25 year, contract in conjunction with Clyde Valley Local Authority partners, for the treatment of residual waste, and there should be no further requirement for capital investment in residual waste handling facilities at Greenhags, until that contract concludes.

The fleet requires enhanced depot facilities to operate from whether that be garaging, maintenance or collection / disposal points, and there will be a major infrastructure challenge ahead to accommodate an EV (Electrical Vehicle) Fleet, both in terms of space and charging infrastructure. This need should be considered within a future Local Development Plan.

The Council however, has other waste and recycling handling facilities, including Household Waste Recycling Centres, Bring Sites and recycling reception sheds / bays which will require future investment to enhance assets and be responsive to legislative changes and public demand, and this may impact on the type of fleet required to service these centres.

The Fleet Asset Management Plan 2023-2028 was reported to and approved by Cabinet in January 2023.

Open Spaces

Open Spaces is a combination of local outdoor access areas including parks such as Rouken Glen Park, Cowan Park, Dams to Darnley and Whitelee Wind Farm, but also playing fields, play areas, sports pitches and cemeteries. Green and open spaces are an important part of making East Renfrewshire an attractive place to live whilst providing a healthy and active lifestyle.

Rouken Glen Park continues to be developed as one of Scotland's most loved parks, and continues to win awards and accolades, being named Best Park in the UK 2016. Continued investment is required to ensure that parks and open spaces are improved and provide a diverse range of visitor opportunities across the area.

The corporate objectives for Open Spaces are:

- Provide a variety of opportunities for residents and visitors to exercise, learn and enjoy
- Provide a well-managed, accessible, attractive environment
- Focus on the needs of users and the community, and encourage their active involvement in the management of our land asset
- Ensure facilities on our publicly available green spaces, play areas and sports pitches are inclusive and modern and enhance the visitor experience for all users.

The OSAMP also includes information on woodland management, play areas and cemeteries.

Asset management for open spaces will be focused on developing a common and consistent approach to management, maintenance, operation and delivery across the services, and outlines future capital needs in a 5 year plan.

The Outdoor Space AMP has recently been upgraded to fit in to the new hierarchy of Asset Management Plans, sitting under the new Corporate Asset Management Plan. Both these AMP's, and the new Fleet AMP were granted Cabinet approval in January 2023.

All Asset Management Plans narratives will eventually be updated to reflect the re-aligned timeframes from Overarching Council Corporate Strategy, Capital Investment Plan through CAMP and into the individual plans, however progress has been impacted by the global pandemic and this provides an opportunity to reconsider objectives and new ways of working post COVID, particularly in relation to property and ICT.

Capital Project Appraisal Brief Projects Commencing 2025/26 Onwards

Project Title:

Project Objectives

-
-
-

Project Challenges

-
-
-

Total Capital Costs requested:

Revenue Impact (where applicable):

Completion Date:

Link to CIS:

P&TS Rating on Deliverability

- 1- Not deliverable
- 2- Deliverable through external resourcing
- 3- Deliverable with delayed start
- 4- Deliverable within designated year(s)
- 5- P&TS resource not required

Project Rating (to be completed by CAMG):

RATING	PROJECT STATUS	PROJECT	CAMG COMMENTS
P&TS Rating (1-5)		Deliverability	
A	Must Have	Essential legislative Requirement	
B	Service Improvement (High Priority)	Highly desirable project with Community benefits	
C	Service Improvement (Medium Priority)	Worthwhile project with community benefits	
D	Service Improvement (Low Priority)	Service project with limited benefits	

Capital Project Appraisal Form



STRATEGIC OUTLINE PROGRAMME

STEP1: Project Outline – Strategic Fit

6.2 Strategic Objectives

This section is to be used to identify the main strategic objectives which the project will satisfy. Full definitions of the Council's objectives are detailed in the current Community Plan and Outcome Delivery Plan (ODP).

From the lists below please identify the relevant links to the Council's priorities (PLEASE IDENTIFY ONLY THE MOST APPROPRIATE STRATEGIC OUTCOME) :

Link to ODP Themes		Links to Asset Management Plans	
Strategic Outcome No.1		Outdoor Space AMP	
Strategic Outcome No.2		Housing AMP	
Strategic Outcome No.3		ICT AMP	
Strategic Outcome No.4		Fleet AMP	
Strategic Outcome No.5		Property AMP	
Customer, Efficiency and People		Roads AMP	
Health & Safety / Legal Requirement / Contractual Requirement		Council Capital Asset	

1.2 Costs

<p>What is the estimated cost:</p> <p><u>Capital costs</u></p> <p>1.</p> <p><u>Revenue costs</u></p> <p>2.</p> <p><u>Income Potential</u></p> <p>3.</p>
<p>What is the source of your costings:</p> <p><u>Capital costs</u></p> <p>1.</p> <p><u>Revenue costs</u></p> <p>2.</p> <p><u>Income Potential</u></p> <p>3.</p>

1.3 Sponsoring Service

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1.4 Service Lead Officer

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GATE 0 – APPROVAL OF DIRECTOR REQUIRED

Director:

Approval Date:

Signature:

STRATEGIC OUTLINE CASE

STEP 2: Case For Change**2.1 Strategic context – Relationship with Council Strategy:**

This section is to be used to identify the main strategic objectives which the project will satisfy. Each project may relate to one or more of the Council's Strategic Objectives. Projects must also align with the Council's Capital Investment Strategy (see link below).

<https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=23880&p=0>

Please fill out each relevant section.

NB Full definitions of the Council's objectives are detailed in the Community Plan and Outcome Delivery plan.

2.2 Strategic Outcomes

Please specifically identify which single Strategic outcome the project most identifies with.

<http://intranet.erc.insider/CHttpHandler.ashx?id=9410&p=0>

2.3 Asset Management Plan Commitments

This section should be used to demonstrate the link between the relevant Asset Management Planning (AMP) and the proposed capital investment.

2.4 Three Capabilities

This section should outline how the capabilities will be used to improve the delivery of the project outcomes:

3 Capabilities	Comments
Prevention	
Empowering Communities	
Digital Change	

2.5 What are the Benefits of the Project?

Please provide details of how the project fits in with the following assessment criteria:	
How does the project improve/enhance assets and what benefits are derived from the project? <i>e.g a new school could meet the demands of new build housing and offer new benefits such as shared community space.</i>	
Does the project meet the definition of Capital spend? <i>i.e. does the expenditure result in the acquisition or creation of a new asset, or the enhancement of a current asset?</i>	
Is the project required to fulfil a statutory obligation, Health and Safety, contractual or legal requirement, and if so, for what reasons?	
Will the project lead to increased efficiency and/or reduced revenue running costs and if so, please provide details? If there are ongoing revenue implications, please identify.	

<p>Are there any other factors not covered by the above which need to be taken into account?</p>	
--	--

2.6 Are there any barriers to Project start e.g Planning permission, LDP status, land ownership, contamination etc?

STEP 3: Public Value

3.1 Public Value

Please outline in the box below, how the project is likely to be received by the community, both positives and negatives:

3.2 What are the Critical Success Factors which will define the project?

e.g. timing, best value, efficiency etc

3.3 What is the Service’s strategy for delivering this project?

3.4 What other services can gain benefit from this project? Have you consulted with them?

3.5 Impact on the Environment and Carbon Reduction Benefits. Please outline any positive or negative effects the project will have once completed. In terms of carbon reduction for example, impacts could include use of renewable energy sources, reduced energy/fuel consumption, increasing recycling and reduced need for people to travel. In terms of the environment, benefits for example could include the provision of sustainable drainage, treeplanting, habitat creation and reduced use of plastics.

GATE 1 – STRATEGIC OUTLINE CASE

Approval by Capital Asset Management Group and Directors

CAMG Approval date:

Director:

Approval Date:

Signed:

OUTLINE BUSINESS CASE

STEP 4: Full Options Appraisal

4.1 Options Appraisal:

A Concise Summary of the Options Considered should be Detailed below. At least 4 options should be considered i.e. Do nothing plus 3 viable options.

Number	Options considered	Comments
1		
2		
3		
4		
5		

STEP 5: Commercial Viability

5.1 Procurement Strategy – What is the Procurement Strategy (please highlight one option):

Value of £20,000 or less for capital works	Value of capital works between £20,000 and £150,000	Value of capital works £150,000 and above
Determined by the Director of the procuring Department	Advertised following Quick Quote procedure. Will be purchased through Framework Agreement.	Invitation to Tender advertised by Chief procurement Officer

Which Service will be expected to procure this project?

Service:

5.2 Outline any Risk Apportionment issues between the Council and Contractor:

5.3 Outline Payment Mechanism (where relevant e.g. Hub):

5.4 Identify any Potential Contractual Issues e.g is there a certain time of year the project must be undertaken:

Step 6 : Affordability Project Financial Details and Delivery Schedule

6.1 Project Delivery Schedule:

Milestones	Timescales
Project Development Phase:	
Construction / Commencement Phase:	

6.2 Project Implementation Costs – Capital Expenditure (excluding Revenue - £000):

Financial Year	Purchase of site	Site prep	Fees	Build costs	Equipment / Furniture	IT costs	Demolition of old site	*Other costs	Total
2025/26									0
2026/27									0
2027/28									0
2028/29									0
2029/30									0
2030/31									0
Total	0	0	0	0	0	0	0	0	0

***Please asterisk and identify under Other Costs any components of the project which have a shorter replacement life than that of the overall project**

6.3 Impact on the Council Revenue Budget – Please provide details of any potential impact on the Council’s Revenue budget during the Project Development and Construction Phase:

Financial Year	Additional Staff Resource	Consultancy Fees	Landscaping	Hire Costs	Equipment / Furniture	IT costs	Maintenance Costs	Other costs	Total
2025/26									0
2026/27									0
2027/28									0
2028/29									0
Total	0	0	0	0	0	0	0	0	0

6.4 Impact on the Council Revenue Budgets – Following Completion of Project

Financial Year	Additional Staff Resource	Consultancy Fees	Landscaping	Hire Costs	Equipment / Furniture	IT costs	Maintenance Costs	Other costs	Total
2025/26									0
2026/27									0
2027/28									0
2028/29									0
Total	0	0	0	0	0	0	0	0	0

6.5 Impact on the Council Revenue Budgets – Service Departments

On completion of the Project which Council Services will be expected to apply for ongoing additional funding?

e.g. Neighbourhood Services new Landscaping - £25,000 annually

6.6 Does this project require the addition of an Optimism Bias?

--

6.7 What scope does the project have to contribute towards the Council’s Participatory Budget requirements?

For example – what elements of choice/decision making, with an estimated monetary value, can be delegated to community stakeholders e.g. decisions on prioritisation, design, configuration, materials or finishes?

If so, describe the scope/element, target community stakeholders and estimated monetary value:

--

STEP 7: Planning for Successful Delivery

7.1 Who will the project be managed by?

7.2. Which internal services / contractors are you reliant on for delivery? Have they built this into their forward work programme?

7.3 What is the latest lead in time for completion by scheduled project completion date?

7.4 Risk Management - how will you manage the project risk?

7.5 Post Project Evaluation Strategy – how will you identify lessons learned on completion of project?

GATEWAY 2 - OUTLINE BUSINESS CASE

CAMG to undertake scoring assessment to accompany CPA.

Recommendation for Approval by CAMG including prioritisation

Final scrutiny of prioritisation by CMT

Approval by Council of Capital Plan:

FINAL BUSINESS CASE

STEP 8: Procurement

8.1 What method of Procurement is being used and when?

STEP 9: Contracting for the Deal

9.1 Setup Deal and Contractual Arrangements:

9.2 review financial implications of the deal and get further approvals as required for any changes

STEP 10: Ensuring Successful Delivery

10.1 Finalise Project Management:

10.2 Finalise Contractors / Services:

10.3 Finalise Costs:

10.4 Finalise Risk Management Arrangements:

10.5 Finalise Contract Monitoring Arrangements:

10.6 Finalise Project Evaluation Arrangements

GATE 3: DIRECTOR OR SENIOR RESPONSIBLE PERSON

Date:

Date:

Date:

EAST RENFREWSHIRE COUNCIL

ORGANISATIONS APPROVED FOR THE INVESTMENT OF SURPLUS FUNDS

Banking Group	Individual Counterparty	Limits	
		Deposit	Transaction
Bank of England	Debt Management Office	£30m	£10m
	UK Treasury Bills	£5m	£5m
Barclays Banking Group	Barclays Bank	£5m	£5m
Goldman Sachs International Bank		£10m	£10m
Lloyds Banking Group:	Bank of Scotland	}	
	Lloyds Bank of Corporate Mkt (NRF)		
Royal Bank of Scotland Group:	Royal Bank of Scotland	}	
	National Westminster Bank		
Santander Group	Santander UK PLC	£10m	£10m
Standard Chartered Bank		£10m	£10m
Clydesdale Bank		£5m	£5m
Building Societies			

Nationwide	£10m	£10m
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Local Authorities

All Local Authorities including Police & Fire (per fund)	£5m	£5m
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Money Market Funds and Ultra-Short Dated Bond Funds

Maximum limit of £10m per fund,	£60m	£10m
---------------------------------	------	------

Credit Ratings

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

(Unless Government backed)

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

Limit

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

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

Deposit Periods

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

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

Risk Management Process

Risk Scoring Mechanism

A scoring chart and key is illustrated below:

		Risk Score		Overall Rating	
		11-16		High RED	
		5-10		Medium YELLOW	
		1-4		Low GREEN	
Likelihood	4				
	3				
	2				
	1				
		1	2	3	4
		Impact			

Roles and Responsibilities

The responsibility for managing risks lies with all members of the organisation and is summarised in the table below:

Group	Role
Cabinet (Reporting Annually)	Oversee the effective management of risk throughout the council, and gain an understanding of its benefits.
Audit and Scrutiny Committee (Reporting monthly) 6	Provide independent assurance of the risk management process and its benefits. To be informed of the key risks facing the Council and the control measures which have been put in place to mitigate those risks
Corporate Management Team (Reporting 6 monthly)	Oversee the implementation of the risk management strategy and agree any inputs and resources required supporting the work corporately. Support the development of the risk management process, review the strategic risk register regularly, share experience on risk, and aid/advise in the review of risk management issues
Corporate Risk Management Group (Reporting 6 monthly)	Champion the risk management process throughout the Council with both Members and officers ensuring the process is embedded and effective.
Service Managers	Raise awareness, manage and implement the risk management process effectively in their services areas, attend risk management training and recommend any necessary training for employees on risk management. To produce and review risks relating to the delivery of targets and activities within their service plans
Employees	Manage risk effectively in their jobs, liaising with their manager to assess areas of risk in their job. Identify new or changing risks in their job and feed these back to their line manager.

Risk Reporting

The following table summarises the risk reporting and monitoring processes in place, along with associated timescales.

Timeframe	Description	Involvement from	Reported to
Weekly	Review of the Strategic Risk Register	Corporate Management Team	Internally (live register of risks)
Biannually (May and November)	Risks related to service delivery (within Departmental or service plans)	Chief Executive and Directors	Chief Executive (meetings)
Biannually (April and September)	Review of the Strategic Risk Register and progress on risk management	Corporate Management Team/ Leadership Group and Corporate Risk Management Group	Audit and Scrutiny Committee
Annually (October)	Review of the Strategic Risk Register and progress on risk management	Corporate Management Team/ Leadership Group and Corporate Risk Management Group Audit & Scrutiny Committee	Cabinet
Every 3 years	Review of the Risk Management Strategy and associated framework to identify and agree major changes	Corporate Management Team/ Leadership Group and Corporate Risk Management Group	Audit and Scrutiny Committee

Strategic Influences – action plan

Action	Why is this required?	Responsibility	Timescale
Monitor Scottish Government housing policy activity and update the Capital Investment Strategy to address any resulting challenges and opportunities.	It is important for the Council to continually monitor Scottish Government housing policy activity to inform the Local Housing Strategy, the Capital Investment Strategy and future Local Development Plans. This is particularly important for the planning of future school places.	Director of Environment	Annually
Liaise closely with local Health Board partners to identify initiatives requiring new capital investment or facilitating joint development.	Integration of health and social care services is well embedded within East Renfrewshire. As our population increases our community based services, required to meet the demands of our residents also need to expand. Work is ongoing with our Health Board Partners to assess the impact of population growth on our local health and care facilities including our GP practices.	Chief Officer, IJB	Annually
Liaise closely with regional initiatives associated with City Deal so as to reflect any challenges and opportunities in Council capital planning.	Joint development of economic growth and improved service delivery vehicles is becoming more prevalent and can deliver new initiatives in an efficient and economical manner.	Director of Environment	Annually

Strategic Outcomes – action plan:

Action	Why is this required?	Responsibility	Timescale
Keep under review, particularly as LDP is developed.	As the Council's Local Development Plan is currently under review there are likely to be several significant changes required to future capital investment plans.	CMT	Annually

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Capital investment ambition gap – action plan

Action	Why is this required?	Responsibility	Timescale
Review Developer Contribution policy to accompany new LDP2	To ensure adequate contribution to new schools/community infrastructure as a result of increased housebuilding.	Director of Environment	Policy review completed. New Development Contributions Supplementary Guidance adopted June 2023
Closely monitor progress on capital projects and identify/rectify delays or overspends. Reprioritise schemes in wake of COVID.	Projects should be kept to planned phasings as far as possible to align with financial and staffing resource plans and to ensure benefits re promptly delivered.	Corporate Management Team /Head of Property/ Head of ICT	Ongoing
Continue to consider allocation of any in year revenue underspends to capital and other reserves	Such allocation would reduce the need for new borrowing and thus ease pressures on future revenue budgets.	Chief Financial Officer	Annually
Continually review opportunities to lobby Scottish Government and/or partners for support with capital schemes	Existing grant funding levels and constrained revenue budgets do not align with the Council's capital investment ambitions.	Corporate Management Team	Ongoing

Risk Management Action Plan

Action	Why is this required	Responsibility	Timescale
Refresh and review specific capital risks as the Capital Investment Strategy is updated	To ensure that the Capital Investment Strategy is consistent with corporate risk management practices and that stakeholders are aware of how capital specific risks are aligned with ambitions as set out in the Capital Investment Strategy	CMT/Env't Business Manager	As and when the Capital Investment Strategy is updated and at least annually

Governance and monitoring – action plan

Action	Why is this required?	Responsibility	Timescale
Review and update the Capital Investment Strategy	To continually refresh the Strategy in line with evolving strategic influences and delivery of the capital investment plan	Leadership team	Annually / as required

EAST RENFREWSHIRE COUNCIL28 February 2024Report by Head of Accountancy (Chief Financial Officer)GENERAL FUND CAPITAL PLAN 2024/25 TO 2033/34**PURPOSE OF REPORT**

1. The purpose of this report is to present for consideration the General Fund Capital Plan covering the 10 years from 2024/25 to 2033/34. This has been prepared in line with the approach set out in the Capital Investment Strategy report earlier on the agenda.

RECOMMENDATIONS

2. The Council is invited to approve the programme for 2024/25 and authorise officers to progress the projects contained therein.

BACKGROUND

3. Whilst the Council only approves the capital programme for the coming year, the Capital Plan also includes figures for future years so that long term capital investment plans and their associated financial impacts can be recognised. Our rolling Capital Plan aligns with best practice in covering the next 10 years. The Council's Capital Investment Strategy provides an even broader view of the Council's capital ambitions.

RESOURCES

4. Capital resources available to support investment remain constrained for future years. Details of the available resources are provided in Appendix B.

5. Over the next financial year the Council does not currently have any significant confirmed capital receipts from the disposal of assets. This will be kept under review and disposals will only be progressed provided they demonstrate best value.

6. The Council's general capital grant for 2024/25 has been confirmed as £5.098 million. This includes £0.410m for Private Sector Housing Grant, which is accounted for separately from the Council's capital programme.

7. This represents a 10% reduction against the comparable core general capital grant for 2023/24 and it is forecast that grant will remain at or below this level from 2025/26 onwards. This, together with current high construction inflation, ongoing revenue budget pressures, and the expectation that interest rates will not fall back to pre-pandemic levels in the next few years, will constrain the Council's ability to deliver its capital ambitions in future.

8. The Capital Plan assumes total borrowing of £177.3 million, (£45.3 million in 2024/25, £49 million in 2025/26, £30.9 million in 2026/27 and £52.1 million in later years). Any new borrowing will result in increased loan charges which must be funded from revenue budgets, however, as interest rates remain relatively high at present, but are expected to reduce gradually within the next year or so, officers will defer borrowing wherever possible

until rates fall back, so as to minimise impact on the revenue budget. The cost of all elements of the planned borrowing has been factored into the Council's revenue budget plans for 2024/25 and beyond producing significant increases in loan charges over the next five years.

9. The City Deal project is funded by £38m of Government funding, a further £7.8m from Sustrans (£4.9m of this to be confirmed in the coming months), and £6m of Council funding. However the projects will be completed over a 10 year period with grant income over a 20 year period. In the coming years the Council will require to fund further new borrowing of up to £26.1 million until full payment is received reducing the long term impact on the revenue budget.

10. Accountancy staff will continue to smooth repayment profiles between years to minimise any large variations in repayments between years.

11. The Council continues to have active discussions with developers over contributions receivable in relation to housing developments. The timescale and amount of such receipts are often difficult to evaluate fully until each scheme progresses, however estimates of contributions totalling more than £1.5 million have been reflected within the proposed Plan. These will be firmed up as developments progress.

12. In recent years the Council has built up and utilised a significant Capital reserve to assist in supporting major projects. The projected balance on this reserve at 31 March 2024 is £5.502 million. This provides an element of cover should unforeseen costs arise. There are no plans to draw further on this reserve in 2024/25 unless the unconfirmed element of Sustrans funding, highlighted in paragraph 9 above, does not materialise.

EXPENDITURE PLAN

13. The detailed programme for 2024/25 and the outline plan for the subsequent 9 years are set out in Appendix A. These plans are developed to support the delivery of the Council's overall strategy, have been compiled in line with the approach set out in the Council's Capital Investment Strategy (considered earlier on today's agenda) and align with the Asset Management Plans summarised in that document.

14. Significant capital investment of £241.149m is planned for the 10 year period and includes the following (with total project costs quoted below including the current or previous financial years' spend where appropriate to assist in clarifying the total investment on a particular project):

Outcome 1 – Early Years & Vulnerable Young People

- £2.0m, including £0.5m of developers' contributions, is being invested to expand early learning and childcare places at St John's Primary in Barrhead.

Outcome 2 – Learning, Life and Work

- The Council is participating in the first phase of the Scottish Government's Learning Estate Improvement Programme (LEIP), an initiative to improve the condition of schools by replacing old facilities. Recognising this, the Plan includes projects representing investment of almost £47m for Learning and Leisure in Neilston.
 - The first stage of this project is the provision of a new education campus comprising new build replacements for Neilston Primary, St Thomas' Primary and Madras Family Centre, together with replacement library provision. An estimated allocation of £29m has been earmarked for these elements. The new facilities will be maintained to a high standard and will deliver improvements in

digital learning and energy efficiency as well as providing additional employment opportunities during the construction phase. As a result the Council expects to attract significant new revenue grant funding in future. The new facilities are scheduled to open in March 2024.

- A future stage of the project will address leisure facilities within the village.
- Investment of £3.2 million to further extend Crookfur Primary School in view of increasing demand within the catchment area.
- A further £1.2 million to be invested over the next 10 years to improve learning environments to better meet modern learning styles and curricular experiences across the school estate.
- £1.15m to provide more capacity at St Luke's High School.
- Investment of £2.9m to extend facilities at Maidenhill Primary school to address further new housebuilding in the area.
- Almost £5.4m to repurpose and expand spaces at Mearns Castle High School to address capacity demands and improve the learning environment.
- Investment of up to £55.7m for the provision of top quality new leisure facilities in Eastwood Park.
- £2.5 million investment to improve cultural, leisure and community facilities.
- £4.6 million to be invested over the next 10 years to upgrade the Council's artificial sports pitches.

Outcome 3 – Environment & Economy

- Investment of £43.1 million in City Deal infrastructure projects over the next 10 years, including improved road links between Barrhead and Newton Mearns, a new railway halt for Barrhead south and country park developments. This is part of an overall regional investment of £1.13 billion across the Glasgow City region which will bring a wide range of benefits to residents such as increased access to jobs. In addition to City Deal funding, this project is expected to attract up to £7.8m of grant funding from Sustrans and several other sources.
- Major capital investment in Roads projects which will total more than £50 million over the 10 year period, aimed at achieving a significant improvement in the condition and safety of roads. This is in addition to the investment in roads through City Deal funding.

Outcome 4 – Safer, Supportive Communities

- £0.630 million investment in Overlee House to increase provision for the homeless.
- Almost £0.300m investment in the Council's CCTV response centre and its IT systems.

Outcome 5 – Older People & People with Long Term Conditions

- Investment of £1.15 million to upgrade our telecare systems which allow older and vulnerable people to remain in their own homes.

Corporate

- A provision of over £35 million for further ICT technology projects over the 10 year period to support necessary corporate improvements, enhance technology available in schools and other Council premises and provide a more modern, digital service to residents.
- A provision of £25.5 million over the period of the Plan for improvements necessary to Council property including energy efficiency measures.

CONCLUSIONS

15. Substantial borrowing has been planned over the next three years to support the capital plan and the revenue consequences have been factored into the Council's revenue budget. Planned 2024/25 expenditure is in line with available resources. Future borrowing plans will impact significantly on revenue budgets in the medium term.

16. The expenditure plan for subsequent years will continue to be subject to review in light of progress on capital receipts and the levels of funding provided by the Scottish Government.

RECOMMENDATIONS

17. The Council is invited to approve the programme for 2024/25 and authorise officers to progress the projects contained therein.

Further information is available from:

M McCrossan, Head of Accountancy Tele No. 0141 577 3035

KEY WORDS

General Fund Capital Plan 2024/25 to 2033/34, capital receipts, Capital Reserve.

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

	£'000											
	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Property - Schools	32,291	8,634	8,911	2,000	1,124	1,100	1,100	900	900	900	900	58,760
Property - Culture & Leisure	4,795	4,406	19,896	20,540	17,671	7,264	955	100	100	154	0	75,881
Property - Other	7,300	14,201	15,107	3,710	1,410	960	960	960	960	960	960	47,488
Open Spaces	5,592	3,533	1,846	520	520	520	520	520	520	520	520	15,131
Roads	22,495	19,992	7,052	5,660	5,660	4,800	1,300	1,300	1,300	1,300	1,300	72,159
Corporate Wide - ICT	8,321	4,498	3,733	2,371	2,347	2,451	2,800	2,182	2,386	2,451	2,800	36,340
Fleet	0	3,009	909	1,445	866	2,366	2,003	909	1,445	866	2,366	16,184
Expenditure Sub-total	80,794	58,273	57,454	36,246	29,598	19,461	9,638	6,871	7,611	7,151	8,846	321,943
Resources		58,165	56,927	35,793	29,120	18,978	9,149	6,376	7,108	6,657	8,336	
Deficit/(Surplus)		108	527	453	478	483	489	495	503	494	510	4,540

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

Property - Schools

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Grouped	Schools Major Maintenance (Annex 1)	1,085	1,200	900	900	900	900	900	900	900	900	900	10,385
800050057	Neilston Learning Campus	26,130	1,305	1,729									29,164
800050064	Crookfur PS Extension	203	2,280	760									3,243
800050058	MCHS Sports Facility	2,120	47										2,167
800050065	Improving Learning	175	0	200	200	200	200	200					1,175
800050067	Isobel Mair External Classrooms	1,157	15										1,172
800000023	Early Learning & Childcare & School Places - St John's PS	1,321	709										2,030
	Secondary School Places - St Lukes Repurposing	0	0	1,129	23								1,152
	Maidenhill Primary School Extension	100	1,008	1,742	50								2,900
	Mearns Castle High School Extension	0	2,070	2,451	827	24							5,372
		32,291	8,634	8,911	2,000	1,124	1,100	1,100	900	900	900	900	58,760

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

Property - Culture & Leisure

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
800200019	Eastwood Park Leisure - Refurbishment	3,605	3,877	19,796	19,696	8,089	531	106					55,700
800200021	Neilston Leisure	423	0	0	744	9,428	6,633	472					17,700
800200020	ERCLT General Building Improvement Fund	631	200	100	100	100	100	100	100	100	100		1,631
800200015	Equipment - Gym and Theatre	79	277	0	0	0	0	277					633
	Education - Theatre Equipment	57	52	0	0	54	0	0	0	0	54	0	217
		4,795	4,406	19,896	20,540	17,671	7,264	955	100	100	154	0	75,881

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

Property - Other

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
	1. City Deal												
Grouped	Barrhead South Access - Railway Station	2,453	7,740	7,688	450								18,331
804000009	Country Park Visitor Centre & Infrastructure	394	479	1,897	30								2,800
	2. Environment Other Projects												
800420016	Overlee House Extension	92	538										630
	3. Council Wide Property												
Grouped	Retentions - All Services	0	50	50	50	50	50	50	50	50	50	50	500
Grouped	Property Maintenance (Annex 2)	2,711	3,280	2,160	2,160	1,360	910	910	910	910	910	910	17,131
800420013	Eastwood Park Campus Improvements	320	30	172									522
800404017	Office Accommodation	1,215	785	140									2,140
	Thornliebank Depot Electricity Sub Station	0	400	0									400
	Eastwood House New Roof & Preservation Works	115	210	0									325
	Eastwood Refurbishment		500	3,000	1,020								4,520

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

Property - Other

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
	Response Centre Refurbishment		189										189
		7,300	14,201	15,107	3,710	1,410	960	960	960	960	960	960	47,488

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

Open Spaces

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033-34	Total
	1. Regeneration												
802000008	Country Park - Tourism Infrastructure And Economic Activity Projects	119	116										235
802000032	Regeneration Projects - Provisional Sums	130	150	333	100	100	100	100	100	100	100	100	1,413
	2. Environment - Other Projects												
	Town Centre & Neighbourhood Regeneration	221	173	20	20	20	20	20	20	20	20	20	574
802200007	Parks, Cemeteries & Pitch Improvements	1,259	200	200									1,659
802200020	Renewal of Playparks	305	306	509									1,120
802200021	Nature Restoration	93	112										205
802000002	Clarkston Town Centre Action And Traffic Management Improvements	192	25										217
Grouped	Artificial Pitch Replacements	0	1,033	400	400	400	400	400	400	400	400	400	4,633
802200030/31	Place Based Investment Programme	1,440	519	384									2,343
Grouped	Town Centre Regeneration	1,312	22										1,334
802200015	Braidbar Quarries	0	20										20
Grouped	UK Shared Prosperity Fund	521	507										1,028
	Cathcart Cemetery Wall	0	350										350

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

Open Spaces

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033-34	Total
		5,592	3,533	1,846	520	520	520	520	520	520	520	520	15,131

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

Roads

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
	1. City Deal												
804000001	Levern Valley - Aurs Road Project	6,206	14,481	1,252									21,939
	2. ERC Roads												
803000004	Lighting - Core Cable & Equipment Replacement	0	160	160	160	160	160	160	160	160	160	160	1,600
803000007	Bridges Refurbishment & Pointing Work	0	53	53	53	53	53	53	53	53	53	53	530
803000015	Principal Inspection Group 1-6	0	21	21	21	21	21	21	21	21	21	21	210
803000025	Traffic Calming Studies	0	30	25	25	25	25	25	25	25	25	25	255
803000016	Road Safety Measures/Equipment at Schools	0	20	20	20	20	20	20	20	20	20	20	200
803000018	Safe Routes to School	0	20	20	20	20	20	20	20	20	20	20	200
803000030	A77 Ayr Road Reconstruction	0	250										250
803000089	A736 Main Street Barrhead	0	175										175
	B764 Eaglesham Moor Road	0	200										200
	B771 Paisley Road, Barrhead	0	72										72
	A736 Lochlibo Road, Neilston	0	104										104

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

Roads

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
	C3 Uplawmoor Road	0	200										200
803000189	Provisional Sums - Roads	0	175	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	9,184
Grouped	Roads Capital Works (Carriageways and Other Infrastructure Assets)	15,429	3,071	3,500	3,500	3,500	3,500						32,500
	Street Lighting Column Replacement & Lumenaries	860	860	860	860	860							4,300
	Traffic Signals - School routes	0	100	140									240
		22,495	19,992	7,052	5,660	5,660	4,800	1,300	1,300	1,300	1,300	1,300	72,159

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

Council Wide - ICT

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2031/32	2033/34	Total
805000002	ICT Infrastructure Projects	0	500	500	500	500	500	500	500	500	500	500	5,000
805000025	IT General Provision	0	1,912	1,712	1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341	14,352
805000003	Education Network	0	250	250	250	100	100	100	100	100	100	100	1,450
805100002	Electronic Document Records Management (Rest Of Council)	241	0	112									353
805000028	HSCP - Responder Service Modernisation & Safety Net Technology	138	42										180
805000022	The Digital Workplace	364	100										464
805000032	Flexi Time Application Replacement	55	25										80
805000001	Core Corporate Finance, Payroll & HR	3,519	131	100									3,750
800050004	Education - Computer Equipment	0	490	839	221	386	490	839	221	386	490	839	5,201
805000033	Debt Recovery System (5 year replacement programme)	0	0	0	39	0	0	0	0	39	0	0	78
805600001	ERCLT People's Network	0	20	20	20	20	20	20	20	20	20	20	200
805000029	ERCLT Digital Platform	380	30										410
805500004	Social Work Case Management System	75	35										110
805300003	Education CCTV	100	326	200									626

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

Council Wide - ICT

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2031/32	2033/34	Total
805000027	Telecare Service and Peripherals	1,031	119										1,150
805000034	Full Fibre Digital Transformation	2,418	282										2,700
	Response Centre CCTV	0	96										96
	The Way We Work Monitors/Conference Screens	0	140										140
		8,321	4,498	3,733	2,371	2,347	2,451	2,800	2,182	2,386	2,451	2,800	36,340

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EAST RENFREWSHIRE COUNCIL

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

Fleet

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
806000004	HSCP - Vehicles	0	401					501					902
806000001	Education - Vehicles	0	395				293	102				293	1,083
806000002	Environment - Vehicles	0	2,213	909	1,445	866	1,968	1,400	909	1,445	866	1,968	13,989
806000005	Environment - GPRS System	0					105					105	210
		0	3,009	909	1,445	866	2,366	2,003	909	1,445	866	2,366	16,184

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EAST RENFREWSHIRE COUNCIL

Appendix A

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

Annex 1 - Schools Major Maintenance Analysis

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Grouped	Window Renewal	280											280
Grouped	Roof Improvements	550	300										850
	Provisional Sums	255	900	900	900	900	900	900	900	900	900	900	9,255
		1,085	1,200	900	900	900	900	900	900	900	900	900	10,385

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN

2024/2025 - 2033/2034

Annex 2 - Property Maintenance Analysis

		£'000											
COST CODE	PROJECT NAME	Spent Prior to 31.03.24 (Estimated)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2031/32	2032/33	Total
800404009	Fire Risk Assessment Adaptations	0	150	150	150	150	150	150	150	150	150	150	1,500
800404012	Structural Surveys & Improvements	0	40	40	40	40	40	40	40	40	40	40	400
800600001	CEEF/Salix Energy Efficiency	0	75	75	75	75	75	75	75	75	75	75	750
800404005-6	Boiler & Roof Replacement	0	450	450	450	450							1,800
800420017	Ventilation Wks (incl.CO2 monitors)	2,711	1,120										3,831
800420018	Provisional Sum	0	645	645	645	645	645	645	645	645	645	645	6,450
	Additional Heating and Roofing Works	0	800	800	800	0	0	0	0	0	0	0	2,400
		2,711	3,280	2,160	2,160	1,360	910	910	910	910	910	910	17,131

EAST RENFREWSHIRE COUNCIL

APPENDIX B

GENERAL FUND CAPITAL PROGRAMME

10 YEAR PLAN2024/2025 - 2033/2034

Resources

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000	2032/33 £'000	2033/34 £'000	TOTAL £'000
GRANTS											
GENERAL CAPITAL GRANT - MAIN	4,688	4,688	4,688	4,688	4,688	4,688	4,688	4,688	4,688	4,688	46,880
GENERAL CAPITAL GRANT - RENEWAL OF PLAYPARKS	306	509									815
GAELIC MEDIUM PS	16										16
CITY DEAL	1,000	2,000									3,000
SALIX/CENTRAL ENERGY EFFICIENCY FUND	75	75	75	75	75	75	75	75	75	75	750
PLACE BASED INVESTMENT PROGRAMME	519	384									903
SHARED PROSPERITY FUND	507										507
SUSTRANS - LEVERN VALLEY ACCESSIBILITY/AURS ROAD	4,869										4,869
TOTAL GRANTS	11,980	7,656	4,763	4,763	4,763	4,763	4,763	4,763	4,763	4,763	57,740
DEVELOPERS CONTRIBUTIONS	856	290	100	100	100	110					1,556
CAPITAL RECEIPTS	0	0	0	0	0	0	0	0	0	0	0
BORROWING - ASSETS	3,828	1,748	1,705	1,306	2,856	3,119	1,130	1,870	1,410	3,205	22,177
BORROWING - CITY DEAL	16,886	8,685	480								26,051
BORROWING - GENERAL	24,615	38,548	28,745	22,951	11,259	1,157	483	475	484	368	129,085
	58,165	56,927	35,793	29,120	18,978	9,149	6,376	7,108	6,657	8,336	236,609

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EAST RENFREWSHIRE COUNCIL28 February 2024Report by Director of EnvironmentHOUSING REVENUE ACCOUNT: RENT SETTING 2024/25**PURPOSE OF REPORT**

1. To make recommendations to the Council in relation to the proposed rent and service charge increase for council housing for 2024/25

RECOMMENDATIONS

2. The Council is asked to approve the recommendations that a:
- a) 5.9% rent increase be applied from April 2024;
 - b) 5.9% increase be applied to the sheltered housing warden charge;
 - c) 5.9% increase be applied to communal heating and laundry charges; and
 - d) Up to £775k from HRA reserves be available to support 2024/25 revenues.

BACKGROUND

3. When determining the level of rent increase the Council requires to deliver its landlord service, it is necessary to establish what the relevant legislative requirements will be for the future. In addition, it is necessary to identify any local priorities the Council may have. These requirements and priorities then need to be costed.

4. Once this information is available, an exercise is then undertaken to ensure that the Council achieves an acceptable balance between meeting these requirements and priorities, and agreeing rent levels that are sustainable, affordable and acceptable to tenants. It should be noted that the impact of inflation and interest rates remains a significant factor.

5. It is recognised that this is a challenging process as aspirations in relation to improved service delivery can often be curtailed due to the need to keep rents at an acceptable level.

REPORTNational and local priorities for Housing

6. One of the key legislative challenges for the Council in past years has been to meet the Scottish Housing Quality Standard (SHQS). To achieve this standard required significant investment. In addition the Energy Efficiency Standard for Social Housing (EESH) was also introduced by the Scottish Government in March 2014 and requires all Scottish social landlords to substantially improve the energy efficiency rating of their houses over and above that required by the SHQS. The Council has an ongoing duty to maintain these standards which remains a significant issues in determining investment decisions.

7. In February 2023, the Government made a decision to review the EESSH, with a view to strengthen and realign the standard with Net Zero requirements. An update on this was published by the Scottish Government in November 2023. This is a consultation to seek views on a new Social Housing Net Zero Standard (SHNZS) in Scotland. The consultation is out until 12 March 2024. This creates uncertainty around planning major improvement works because the review could change the direction of works required to meet new and proposed energy efficiency standards.

8. These legislative challenges are in addition to the “routine” requirements of the service such as continuing to meet “Right to Repair” commitments, planned maintenance, managing the housing waiting list and enforcing tenancy conditions in relation to estate management and anti-social behaviour.

Rent Increase

9. When setting a rent level, it is essential to assess if the proposed increase is affordable. As part of the rent setting process the Housing Services Business Plan was reviewed to undertake an affordability assessment of income for those in employment and those in receipt of benefits. Available guidance states that housing costs should be no greater than 25-35% of a household’s total income and the proposed rent increase of 5.9% does not breach this level.

10. It is also useful to compare rent levels with other social landlords. The table below details approximate rent levels for other social landlords operating in East Renfrewshire. It should be noted that East Renfrewshire Council’s rent charges are calculated on a 48-week basis. For comparison purposes, all the figures presented below are adjusted to a 52-week basis to ensure the data is comparable and relate to 2022/23 published data.

Landlord	2022/23 Average Rent Charge	2023/24 Estimated Average Rent Charge
East Renfrewshire Council	£84.97	£88.19
All Scottish Landlords including Housing Associations	£87.59	£92.06
Link Housing Association	£93.92	£99.56
Barrhead Housing Association	£90.82	£95.36
Hanover Housing Association	£128.45	£133.46

11. As a social landlord, East Renfrewshire Council operates within the same labour, housing and wage markets as all other landlords in the area. The current and predicted average rent charges above show that East Renfrewshire Council’s rents are lower than other local social housing landlords’ rents. Indicative benchmarking figures for 2024/25 will not be published until September 2024.

Staffing

12. The increasing staffing costs are a result of the average 6% pay award increase for 2023/24 which was agreed December 2023 and Council wide budgetary assumptions for 2024/25.

Loan Charges

13. The Council operates under prudential borrowing guidelines and in previous years the prudential ratio of loan repayments to turnover has not exceeded 40% and loan repayments for 2024/25 remain under this ratio at approximately 35%. However, loan charges remain a significant strain on the business plan due to historical debts inherited at the time of re-organisation alongside new borrowing required to invest in existing and new stock.

Sheltered Housing Service Charges.

14. Residents in sheltered housing pay additional charges associated with the additional services provided by their on-site warden and for complexes.

15. The warden charge generates an annual income of £75k per year. The staffing cost to the HRA of providing the service is just over £500k per year. The proposed 5.9% increase on this charge will support the additional staffing costs incurred as a result of the recent pay award.

16. The complexes on the former Eastwood side of the authority have communal heating systems and tenants pay this via a weekly heating and laundry charge. This generates an income of £212k per year. However the annual charge to deliver this service is estimated to be £238k per year for 2024/25. As the gas supply is charged directly to the Council, the residents do not benefit from the UK Government energy support scheme, nor does the Council.

Contribution from Reserves

17. These pressures on the business plan for 2024/25 could require the service to draw up to £775k from reserves. The capital programme has been reduced to essential services only to ensure loan repayments remain as low as possible. Due to work being undertaken on the HRA Business plan it is considered that this draw down upon reserves is prudent and affordable.

18. A payment into the reserves of approximately £450k is planned during 2024/25 and 2025/26 from the Strathclyde fund pension windfall. This will mitigate the planned drawdown from reserves.

19. Full details of the draft Housing Revenue Account for 2024/25 are shown in appendix 1.

HRA Business Plan

20. Members will note that a paper was presented to Cabinet 19th June 2023 discussing the interim review of the Housing Revenue Account (HRA) business plan and the measures available to manage the temporary deficit in the years 2024/25 and 2025/26 and the impact on reserves. However the higher than expected pay award has meant reserves are required to support the 2025/26 budget.

21. The business plan has been reviewed during 2023. The process is nearing completion and will be presented to Cabinet once the sale of the land at Barrhead South has been completed.

FINANCE AND EFFICIENCY

22. The key driver of expenditure within Housing Services relates to repairs and the service continues to ensure value for money is delivered by effective procurement mechanisms. Void rent loss continues to improve year on year, delivering key savings for the service.

23. Members should note that Cost of Living (Tenant Protection) (Scotland) Act 2022 moratorium on evictions and the current cost of living crisis has increased rent arrears. Housing Services have a new arrears strategy in place to assist tenants in financial crisis but ensure effective rent collection in light of these new challenges.

CONSULTATION

24. The Housing (Scotland) Act 2001 requires social landlords to consult tenants and take account of their views when making decisions about proposed rent increases.

25. To undertake the consultation, Housing Services:

- Wrote directly to all ERC tenants with a survey form and postage paid return envelope;
- Placed a survey form on Citizen Space, the Council's on line survey platform, which was promoted on the Council's social media platforms.

26. Housing Services received 141 completed surveys (5% of the total sent out) and the results are as follows:

Proposed % increase	No of returns	% of tenants response
5.9%	113	80%
6.9%	24	17%
7.9%	4	3%

IMPLICATIONS OF THE PROPOSALS

27. The feedback indicates a range of views on the options provided but with a preference for 5.9% increase for rent and sheltered housing service charges.

28. The proposed increase is deemed to be affordable, is comparable in relation to other landlords and is essential to provide needed investment to maintain and improve the service delivered to East Renfrewshire tenants.

29. This report does not have any implications in terms of property, staffing, legal, equalities, IT and sustainability at this point in time.

CONCLUSIONS

30. It is proposed that council house rents should increase by 5.9% with effect from April 2021. It should be noted that this increase will also apply to lock ups and garage sites held in the Housing Revenue Account.

31. This proposal of 5.9% ensures that the income from rents is at a level which is sufficient to meet the statutory requirements of the service, such as continuing to meet the SHQS and improving energy efficiency required by EESSH whilst still being affordable in 2023/24. However pressure from historical debt will require continued draw down from reserves.

RECOMMENDATIONS

32. The Council is asked to approve the recommendations that a:

- a) 5.9% rent increase be applied from April 2024;
- b) 5.9% increase be applied to the sheltered housing warden charge;
- c) 5.9% increase be applied to communal heating and laundry charges; and
- d) Up to £775k from HRA reserves be available to support 2024/25 revenues.

Director of Environment

Further information can be obtained from: Phil Daws, Head of Housing, Property and Climate Change

phil.daws@eastrenfrewshire.gov.uk 0141 577 3186

Convener contact details

Councillor Danny Devlin
(Convener for Housing and Maintenance Services)

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February 2024

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Appendix 1

EAST RENFREWSHIRE HOUSING REVENUE ACCOUNT
ESTIMATED EXPENDITURE FOR THE YEAR FROM 1.4.24 TO 31.3.25

HRA – OVERALL SUMMARY		2023/24	2024/25
		Budget	Estimate
		£	£
1	Payroll costs		
	a APTC basic	2,527,300	2,819,600
	b Overtime	17,000	17,000
	c National Insurance	269,600	280,100
	d Superannuation	465,400	493,300
	e Craft – basic	1,417,300	1,446,000
	f Craft – overtime	38,600	38,600
	g Craft National Insurance	148,500	139,300
	h Craft Superannuation	277,500	242,000
	i Other expenses	8,400	8,400
	j Apprentice Levy	19,600	21,100
	k Agency staff	100,000	100,000
		5,289,200	5,605,400
2	Property costs		
	a Rates	6,700	6,700
	b Metered Water Charges	1,200	0
	c Council Tax	24,000	24,000
	d Rents	14,000	14,000
	e Insurance premium	234,500	234,500
	f Insurance – provision for excess	47,800	47,800
	g Fixtures & fittings	4,800	0
	h Upkeep of ground	50,000	40,000
	i Mixed Tenure contribution	222,500	222,500
	j Fire protection	16,000	16,000
	k Redecoration	1,000	1,000
	l Laundry equipment maintenance	20,000	20,000
	m Lift maintenance	30,700	30,700
	n Decants	8,000	8,000
	o Private contractors HRA Misc	50,000	50,000
	p Gas maintenance contract	350,000	340,000
	q Asbestos	62,500	55,800
	r Legionella	30,000	23,300
	s Community alarms	21,000	19,000
	t Cleaning	46,800	46,800
	u Electricity	105,500	160,500
	v Gas	90,500	218,800
	w Property recharge	56,200	65,700
	x Council House Deed Plans	500	500
	Y Security General		2,000
		1,494,200	1,647,600

3	Transport costs			
	a	Fixed maintenance	50,100	50,100
	b	Additional work	24,900	24,900
	c	Overage vehicles	25,000	25,000
	d	Tyres	3,400	3,400
	e	Hires	6,500	6,500
	f	Fuel charges	45,900	45,900
	g	Garaging charges	5,800	5,800
	h	Other transport costs	5,200	5,200
			166,800	166,800
4	Supplies & services			
	a	Purchase equipment	5,000	5,000
	b	Purchase small tools	21,500	21,500
	c	Materials – non stock	100,000	100,000
	d	Hoist hire	2,000	2,000
	e	Skip hire	10,000	10,000
	f	Shredding charges	500	500
	g	IT Equipment & computer development	38,900	80,000
	h	Materials – stock	250,000	250,000
	i	Uniforms & protective clothing	8,600	8,600
	j	Winter maintenance council buildings	500	500
	k	Hire of scaffolding	6,000	6,000
	l	Sub-contractors	1,100,000	1,000,000
	m	Water supplied	500	500
	n	Printing, stationery, printing, postages	6,500	6,500
	o	Training	14,000	14,000
	p	Dept, Directorate and support costs	187,400	187,400
	q	Accommodation Direct Recharge	173,800	178,500
	r	Customer First	239,600	242,700
	s	Insurance – public liability claims	34,600	34,600
	t	Publications & subscriptions	20,000	20,000
	u	Court expenses	13,200	13,200
	v	Other accounts of the authority	191,100	191,100
	w	Void rent loss provision	205,000	175,000
	x	Rent remissions	10,000	10,000
	y	Irrecoverables	160,000	160,000
	z	Replacement furniture	5,000	5,000
	aa	Girobank Charges	3,000	3,000
	ab	Purchase Refuse Containers	5,000	5,000
	ac	Recruitment Advertising	5,000	5,000
	ad	Telephone / Mobile costs	27,000	27,000
	ae	Consultants	5,000	5,000
	af	Misc Supplies And Services	5,000	1,800
	ag	ICT Direct Recharge	66,600	0
			2,920,300	2,769,400
5	Transfer Payments			
	a	Superannuation additional allowances	20,900	20,900

	b	“One off” HRA Pre Disposal costs	5,000	5,000
	c	Assistance to Tenants Associations	30,800	30,800
	d	Specific debts written off	20,000	20,000
	e	Bad debt provision	265,900	215,900
			342,600	292,600
6		Support services		
	a	Central administration – central support	905,600	914,600
			905,600	914,600
7		Depreciation & impairment costs		
	a	Principal	3,357,000	3,567,000
	b	Interest	1,880,000	2,033,000
	c	Expenses	73,000	71,000
			5,310,000	5,671,000
		GROSS EXPENDITURE	16,428,700	17,067,400
8		Income – sales, fees & charges		
	a	Repairs recharged to tenants	-5,000	-7,500
	b	Repairs recharged to owner occupier	-50,000	-55,000
	c	Sheltered housing charges - wardens	-56,700	-75,000
9		Income – rental income		
	a	Rents – houses (Including Homeless persons)	-14,135,000	-15,000,000
	b	Service charges	-201,100	-212,300
	c	Rents – lock ups	-23,000	-23,300
	d	Rents – garage sites	-6,000	-6,400
	e	Rents - shops	-215,000	-215,000
10		Income – Comm Ops Contract Income		
	a	Non HRA income	0	-35,000
	b	Housing capital	-500,000	-250,000
11		Income - other		
	a	Recharge to other accounts of the authority	-302,200	-302,200
	b	Recharge to capital	-86,800	-86,800
	c	Recharge to other Housing	-6,600	-6,600
	d	Interest on Revenue deposits	-17,300	-17,300
	e	Contribution from reserves	-824,000	-775,000
		TOTAL INCOME	16,428,700	17,067,400
		NET EXPENDITURE (INCOME)	-	-

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EAST RENFREWSHIRE COUNCIL28 February 2024Report by Director of EnvironmentHOUSING CAPITAL PROGRAMME 2024/25**PURPOSE OF REPORT**

1. To seek the approval from the Council for the Housing Capital Projects for 2024/25 and to note the proposed ten year programme.

RECOMMENDATION

2. It is recommended that the Council notes the proposed Housing Capital Programme for the years from 2024/25 to 2033/34 and authorises the Director of Environment to progress the projects listed for 2024/25.

BACKGROUND

3. This report outlines details of anticipated capital expenditure requirements for Housing Services for the next ten years. Members should note that the first two years of the Capital Programme will be focused on essential and statutory compliance works only. Existing loan charges for 2024/25 & 2025/26 remain a significant strain on the business plan due to historical debts inherited at the time of re-organisation alongside new borrowing required to invest in existing and new stock.

4. In addition in recent years the Housing Capital Programme has focused on the need to meet the Scottish Housing Quality Standard (SHQS) 2015 and Energy Efficiency Standard for Social Housing (ESSH). The first milestone of the ESSH was met in December 2020 and has to be maintained. In June 2019, the Government introduced new targets through ESSH2. Two key milestones were set for ESSH2. The first milestone is that no social housing should be below Energy Performance Certificate (EPC) D by 2025. The second milestone stated that all social housing should meet EPC Band B by the end of December 2032.

5. In February 2023, the Scottish Government made a decision to review the ESSH, with a view to strengthening and realigning the standard with the net-zero carbon emission target. A consultation to seek views on a new Social Housing Net Zero Standard (SHNZS) was launched in November 2023. The Government wants homes to be “warmer, greener and more efficient” and also committed to ensuring that everyone in Scotland, no matter their financial situation, has access to good quality housing that they can afford to heat. As such, the proposal will focus on fabric energy efficiency (FEE) and the requirement to replace polluting heating systems with a clean heating alternative by 2045. The consultation period ends on 12 March 2024.

6. This creates uncertainty around planning major improvement works because the review could change what is required to meet new and proposed energy efficiency standards. The new standard and its implications are not likely to be known until at least April 2025. All Capital projects with high implementation costs that fall within the energy efficiency category will be put on hold until clear guidance from the SHNZS consultation is complete and the new requirements are confirmed.

7. In December 2023 the Cabinet noted a £2.011m reduction in the 2023/24 HRA Capital Programme expenditure. The resource will now be carried forward to fund these projects in

future years.. It is anticipated that there will be an increase in tender costs as we move forward due to market uncertainties.

8. Members are asked to note that there may be further slippage in 2023/24 resulting in a further carry forward of resources. The amount will be dependent on the progress made on contracts before the end of financial year. The slippage will be reported as part of the June 2024 Housing Capital Programme Update report.

REPORT

9. The remainder of this report sets out the Housing Capital Programme for 2024/25. The appendix to this report provides detail of the spending priorities and values contained within the Capital Programme from 2024/25 to 2033/34.

10. Each year, when compiling the Housing Capital Programme, it is necessary to achieve the difficult balance between the aspirations of tenants for improvements to their homes and the affordability of any investment. A key factor for the Council to consider is the age of its stock. Almost one third of the stock is more than 75 years old, with a further third aged between 50 and 75 years. This creates a substantial need for investment, especially in relation to achieving both the SHQS, energy efficiency standard requirements and renewing roof and wall render.

11. Whilst the first two years of the programme have been limited to statutory and essential works only, the remaining 8 years show an additional £15m investment in Council homes. This is due to increasing costs but also the cyclical nature of the programme.

12. There has been a notable increase in the cost of delivering most projects. This is evident in the roof and wall render projects where costs have increased by 250%. The Government updated the standard for insulated wall render in 2021 to meet PAS 2030:2019 and PAS 2035:2019. Although the new standards comes with significant benefit to homes and their occupants, the increase in cost of works, labour and materials places immense pressure on capital investment. It also increases the challenge to achieve a balance between affordability and commitment to our tenants. The impact of this is being reviewed by the service and should be completed by Spring. As a consequence only essential roof and render projects where water penetration has been reported is planned in the next two years and or until the review is completed.

13. There are also other pressures placed upon the current HRA Capital Programme. These include:

- The need to upgrade heating systems and telecare warden call systems in the sheltered housing complexes;
- Ongoing cyclical investment required to improve internal elements and external elements in tenants' homes; and
- Heating upgrade works and other energy efficiency works requirements under EESSH2 or the new proposed SHNZS, as noted above; and
- Increasing costs to deliver new council housing.

14. Key areas that the Housing Capital Programme will focus on for the next ten years are:

- Investment of £33.93 million from 2024/25 to 2027/28 towards the delivery of 171 new council houses. This was detailed in the Strategic Housing Investment Plan (SHIP) 2024-29 which was agreed by Cabinet on 12 October 2023. The delivery of these homes is supported by an anticipated £15.39 million of Scottish Government funding.

- A budget of £50k to fund house purchase opportunities which may arise through the Scottish Government mortgage- to- rent scheme. This budget will be enhanced with grant support from the Scottish Government.
- Investment of £10.15 million in central heating. The proposed budget will enable us to improve energy efficiency of our housing stock and also support working towards meeting future standards requirements. About a quarter of housing stock has heating systems aged 15 years or more with a substantial number of other systems reaching 'end of life' and becoming inefficient. However, with the consultation on EESSH2 and the new SHNZS proposal still ongoing, the next two years' heating programme will only be for replacement of boilers and heating systems that break down or with obsolete parts. This decision will be in place until we have clear guidance and direction from the Scottish Government on future standards.
- Investment of £6.24 million on electrical re-wiring, replacement of fire alarms/detectors and Electrical Installation Condition Report (EICR) testing. The Scottish Housing Regulator changed the requirement for EICR periodical testing from 10 years to 5 years in 2020. As of December 2023, approximately 80% of housing stock is compliant. This means that safety checks are required to be undertaken in the remaining 20%. Safety checks will continue on an ongoing cyclical programme to ensure homes are within the five-year target.
- Investment of £22.9 million in external structural projects. This is primarily targeted at continuing programmes of Roof and Render Renewal and prioritising buildings with roofs well beyond their 60-year lifespan. This budget will also fund:
 - External Wall Insulation (EWI) projects – to work towards meeting energy efficiency requirements. With the Scottish Government consultation focusing on Fabric Energy Efficiency and also compliance to the new EWI standard and specification (PAS 2023:19 and PAS 2023:35), costs to meet these standards will be very high and could potentially be unaffordable. It is therefore important to note that additional resources will be needed to bring the majority of housing stock up to current and future proposed standards.
 - Private owners in mixed tenure blocks where works are being carried out. This will be supported by the Energy Efficiency Scotland: Area Based Scheme (EES: ABS) grant and will allow EWI in mixed tenure properties to be undertaken.
- Investment of £12.39 million in installing new internal elements, such as kitchens, bathrooms, fans, windows and doors, and improving water management in homes.
- Investment of £1.35 million in sheltered housing – investment is required to upgrade the warden call system from analogue to digital and to meet other health and safety standards for fire and water. It is worth noting that heating systems in two of the sheltered complexes have reached 'end of life' and costs to upgrade these are very expensive due to inflationary increases in construction materials and labour. Again, this poses the challenge of trying to balance affordability and commitment to our tenants. It also highlights why this form of accommodation is expensive to operate.
- Investment in a new housing management IT system. The new system will allow Housing Services to reduce paper processes, deliver online services and be more efficient and customer-focused. The implementation of the system is ongoing and there is a balance of £184K which will be paid by 2025/26.

15. The Capital Programme for existing stock is mainly financed through borrowing and recharges to owner occupiers. Recharges to owner occupiers have been estimated to allow the Council's borrowing requirements to be calculated. If these recharges are lower than estimated the overall expenditure will be reduced to maintain borrowing at the approved level. Conversely, if recharges to owners are greater than estimated, then the overall expenditure may be increased assuming no change to borrowing requirements. An allowance has been made for receipts from the sale of land in the Capital Programme.

16. The Council will note that in November 2016, approval was given to commence an ambitious new build programme of an initial 120 new homes. This target was extended in

January 2018 to 240 new homes and in February 2023 to 370 units. To date, 188 homes have been built 14 properties have been purchased in the open market. The 10-year Capital Programme includes the proposals for another 171 units that will be delivered over the next 4 years with a target completion date of 2027/28.

17. The 30-year Housing Business Plan is updated annually. The most recent independent financial appraisal confirmed that Housing Services are in a position to support the current level of annual expenditure required to continue to meet the Capital Programme detailed in this report. This is based upon a number of assumptions in relation to rent increases and the disposal of specific land assets. These assumptions will continue to be monitored on an annual basis.

18. The new build programme has made use of commuted sums received from private developers and council tax from second homes to assist the programme. This income has been set at £10k per unit as a baseline contribution for each future council housing site. However, an element of flexibility is in place to increase this funding to support significant infrastructure costs and excessive abnormal costs, if required.

19. It is essential that the Council ensures that capital expenditure achieves value for money, is appropriately targeted and customer-focused. In conjunction with colleagues in Procurement and Property & Technical Services a robust approach is taken in relation to the procurement and management of external contractors, in order to achieve these aims. Regular meetings are held with contractors to ensure that quality is maintained and that any problems are addressed as soon as they occur.

FINANCE AND EFFICIENCY

20. Prudent management and adoption of the recommended rent increase of 5.9% for the next year will ensure the proposed expenditure for 2024/25 and future years is affordable.

21. The expenditure levels for years 2024/25 and onwards are provisional and will be reviewed in line with the Housing Asset Management Plan review. An update Housing Asset Management Plan will be presented to Cabinet later in 2024.

22. The overall resources within the 10 year plan have gone up to £94m from £77m in 2023/24. This is a significant increase in our programme and represents the level of investment required within our existing stock. Work is ongoing to consider the future plans for new build in 2024/25 given the significant pressure and demand for more social housing.

CONSULTATION

23. The majority of the content of the Housing Capital Programme is determined by the need to continue to meet the SHQS and the plan for achieving energy efficiency standards. The scope for its content is also determined through consultation with tenants. The most recent engagement exercise took place in October 2023. The focus of the forum was for representatives to provide their view of Housing Services and areas where they want the service to improve. Feedback from tenants was centred on 'improving the homes they live in'. The forum also made our tenants aware of the challenges we are facing as Landlord in terms of balancing their expectations with affordability. This was also discussed at the rent-setting engagement session in December 2023 where tenants were advised that works over the next couple of years will be essential works only.

24. Housing Services will continue to engage with tenants and also monitor satisfaction with Capital Programme projects. When required or where appropriate (e.g. where satisfaction levels show some areas of concern), focus groups to consider improvements to the delivery programme will be held.

PARTNERSHIP WORKING

25. In order to ensure the Housing Capital Programme is efficient and delivers value for money, a partnership approach is in place with colleagues from Procurement and Property & Technical Services.

IMPLICATIONS OF THE PROPOSALS

26. This report does not have any implications in terms of staffing, legal or equalities.

27. The proposed projects will impact on energy efficiency through the EESSH target and other elements of the SHQS to make sure that more tenants live in warmer, safer and drier homes.

CONCLUSIONS

28. The levels of investment contained within the Programme are essential to allow the Council to continue to meet the SHQS, to meet the future requirements of energy efficiency and net zero standards, and to provide homes that meet the needs and aspirations of our tenants and prospective tenants. The continued investment is affordable and will be welcomed by council tenants who will see the quality of their homes continue to be improved.

RECOMMENDATION

29. It is recommended that the Council notes the proposed Housing Capital Programme for the years from 2024/25 to 2033/34 and authorises the Director of Environment to progress the projects listed for 2024/25.

Director of Environment

Further details can be obtained from Phil Daws, Head of Housing, Property and Climate Change on 0141 577 3186.

Convener contact details

Councillor Danny Devlin
(Convener for Housing and Maintenance Services)

Home: 0141 580 0288
Office: 0141 577 3107/8

February 2024

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HRA 10 Year Capital Programme

HRA Capital Programme - Existing Stock	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	2027/28 (£000)	2028/29 (£000)	2029/30 (£000)	2030/31 (£000)	2031/32 (£000)	2032/33 (£000)	2033/34 (£000)	Total
Central Heating Systems	250	250	1,128	858	1,080	1,283	1,343	1,050	1,218	1,689	10,149
Re-wiring and Other Electricals (including smoke detectors)	260	245	583	632	1,056	550	567	858	831	660	6,242
External Structural Works (Roof & Render, Damp Proof Courses, Structural Failures)	700	700	3,910	3,915	4,510	3,813	2,292	95	50	2,935	22,920
Estate Works (Paths, Walls, Lighting, Bin Stores, Drying Areas etc	50	50	100	100	100	100	100	100	100	100	900
Energy Efficiency Standard for Social Housing (ESSH)	50	50	200	200	200	300	300	300	300	300	2,200
Aids and Adaptations	350	350	350	350	350	350	350	350	350	350	3,500
Internal Element Renewals	550	563	1,615	1,475	1,343	385	1,231	981	878	3,372	12,393
Door Entry Systems	-	0	97	3	229	5	11	22	9	56	432
Sheltered Housing	450	-	-	450	450	-	-	-	-	-	1,350
IT Systems	134	50	-	-	-	-	-	-	-	-	184
Retentions	10	-	-	-	-	-	-	-	-	-	10
Sub-Total - HRA Capital Programme for Existing Stock	2,804	2,258	7,983	7,983	9,318	6,786	6,194	3,756	3,736	9,462	60,280

HRA Capital Programme for New Stock	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	2027/28 (£000)	2028/29 (£000)	2029/30 (£000)	2030/31 (£000)	2031/32 (£000)	2032/33 (£000)	2033/34 (£000)	Total
Compulsory Purchase Orders/Mortgage to Rent	50	-	-	-	-	-	-	-	-	-	50
Maidenhill Areas A1-A3 (Estimate 105 units)	9,500	9,500	-	-	-	-	-	-	-	-	19,000
Barrhead Road Newton Mearns (Estimate 17 units)	4,000	700	100	-	-	-	-	-	-	-	4,800
Commercial Road, Barrhead (Estimate 49 units)	1,000	5,000	3,700	200	-	-	-	-	-	-	9,900
Site investigation	113	75	75	-	-	-	-	-	-	-	263
Sub-Total - HRA Capital Programme for New Stock	14,663	15,275	3,875	200	0	0	0	0	0	0	34,013

Total Expenditure	17,467	17,533	11,858	8,183	9,318	6,786	6,194	3,756	3,736	9,462	94,293
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Resources:-	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	2027/28 (£000)	2028/29 (£000)	2029/30 (£000)	2030/31 (£000)	2031/32 (£000)	2032/33 (£000)	2033/34 (£000)	Total
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Borrowing	10,693	9,753	6,448	7,183	8,318	6,786	6,194	3,756	3,736	9,462	72,329
Capital Receipts	0	1,000	1,000	1,000	1,000	0	0	0	0	0	4,000
Owner Income	0	0	0	0	0	0	0	0	0	0	0
Scottish Government Grant											
- Rental Off the Shelf	50	0	0	0	0	0	0	0	0	0	50
- New Build	4,725	6,255	4,410	0	0	0	0	0	0	0	15,390
Commuted Sums	1,999	525	0	0	0	0	0	0	0	0	2524
Total Resources	17,467	17,533	11,858	8,183	9,318	6,786	6,194	3,756	3,736	9,462	94,293

EAST RENFREWSHIRE COUNCIL28 February 2024Report by Director of Business Operations & PartnershipsCHIEF OFFICER RECRUITMENT**PURPOSE OF REPORT**

1. The purpose of this report is:
 - a. To homologate the recruitment arrangements for the Head of Housing & Property; and
 - b. Put arrangements in place to ensure continuity and stability within the Chief Executive's Office and seek Council approval for an Appointments Committee for the Head of Finance post.

RECOMMENDATION

2. It is recommended that the Council:
 - notes the resignation of the Head of Housing, Property & Climate Change with effect from 5 April 2024 and the retirement of the Head of Accountancy from September;
 - homologates the recruitment procedure for the Head of Housing & Property as detailed;
 - approves the changes to the Head of service remit for Head of Finance;
 - provide nominations to the Appointments Committee for the Head of Finance;
 - bring an external advisor in to support officers with the assessment centre for the Head of Finance post;
 - delegate to the Head of HR & Corporate Services, in consultation with the Director of Environment and Chief Executive to make the necessary arrangements for both recruitments;
 - authorises the Director of Environment to put in place appropriate interim management arrangements for the Department; and
 - authorises the Chief Executive to put in place appropriate interim management arrangements for the Chief Executive's Office if required.

BACKGROUND

3. In the Environment department the Head of Housing, Property & Climate Change has intimated his intention to resign with effect from 5 April 2024. The Head of Service has been in post following 23 years' service with East Renfrewshire Council. The Head of Service has

made a valuable contribution to East Renfrewshire supporting many services during his time in the role.

4. Due to the timing of this resignation there was a requirement to proceed with the advertising of this post and setting up of the Appointments Committee to minimise the impact to the services.

5. In the Chief Executive's Office the Head of Accountancy has intimated that she will retire from September 2024. The Head of Service has been in post since 1 November 2004 and has worked in local government for over 42 years. During this time she has supported East Renfrewshire through many challenging budget cycles and provided professional advice to all stakeholders.

6. Over the coming months there will be many opportunities to thank the Head of Services for their commitment to East Renfrewshire. The purpose of this paper is to agree the process for recruitment.

RECRUITMENT

Environment Department

7. As agreed at Council on 23 June 2023 the three Heads of Service remits in Environment are:

- Head of Environment Operations
- Head of Housing, Property and Climate Change
- Head of Place

The Head of Housing, Property & Climate Change is responsible for Housing & Homelessness, Property, Major Capital Projects, Get to Zero and Corporate Health & Safety.

8. Homologated approval is sought for the recruitment of the Head of Housing & Property post. The recruitment timetable is as follows:

Post advertised:	26 January 2024
Closing date:	18 February 2024
Shortlisting by Interview Committee:	4 March 2024
Shortlist by Assessment Centre:	21 March 2024
Interview date:	26 March 2024

9. The title of the post has been changed to Head of Housing & Property to be more reflective of the role when publicising for potential candidates.

10. The Appointments Committee, comprising of 5 Elected Members, has been established to shortlist and interview candidates, and to make an appointment to the post. If for any reason a member of the Appointments Committee is unable to attend then the appointment of a substitute can be made.

11. The assessment centre will focus on ensuring the candidates have the correct skills mix to be considered for appointment by the Committee.

12. Due to timings a successor will not be in place by 5 April 2024 and the Director of Environment will put in place interim management arrangements to ensure stability and continuity within the service until such time as a suitable replacement can be recruited.

Chief Executive's Office

13. The Chief Executive's Office covers Accountancy, Business Unit, Internal Audit, Legal and Procurement with one Head of Service in the Head of Accountancy post. Given the resignation of the Head of Accountancy the chance has been taken to review roles and responsibilities in the Chief Executive's Office. The responsibilities for Procurement will now be moved into the Head of Service role and this will be renamed Head of Finance.

14. Approval is sought for the recruitment of the Head of Finance post. The recruitment timetable is as follows:

Post advertised:	8 March 2024
Closing date:	1 April 2024
Shortlisting by Interview Committee:	15 April 2024
Shortlist by Assessment Centre:	22 April 2024
Interview date:	29 April 2024

15. The Appointments Committee, comprising 5 Elected Members, should be established to shortlist and interview candidates, and to make an appointment to the post. If for any reason a member of the Appointments Committee is unable to attend then the appointment of a substitute can be made. Due to the technical content within this post it is recommended to bring an external advisor in to support officers with the assessment centre.

16. The assessment centre will focus on ensuring the candidates have the correct skills mix to be considered for appointment by the Committee.

17. If for any reason a successor is not in place by September 2024 the Chief Executive will put in place interim management arrangements to ensure stability and continuity within the service and council until such time as a suitable replacement can be recruited.

FINANCIAL IMPLICATIONS

18. There are no additional financial implications as one Head of Service is resigning and the other has chosen to retire. All costs associated with the recruitment processes will be found from within existing budgets.

CONSULTATION AND PARTNERSHIP WORKING

19. The Trade Union have been made aware of this proposed recruitment process.

RECOMMENDATION

20. It is recommended that the Council:

- notes the resignation of the Head of Housing, Property & Climate Change with effect from 5 April 2024 and the retirement of the Head of Accountancy from September;
- homologates the recruitment procedure for the Head of Housing & Property as detailed;
- approves the changes to the Head of service remit for Head of Finance;
- bring an external advisor in to support officers with the assessment centre for the Head of Finance post;
- provide nominations to the Appointments Committee for the Head of Finance;
- delegate to the Head of HR & Corporate Services, in consultation with the Director of Environment and Chief Executive to make the necessary arrangements for both recruitments;
- authorises the Director of Environment to put in place appropriate interim management arrangements for the Department; and
- authorises the Chief Executive to put in place appropriate interim management arrangements for the Chief Executive's Office if required.

REPORT AUTHOR:

Sharon Dick, Head of HR and Corporate Services, Tel 0141 577 4079

CONVENER:

Councillor Owen O'Donnell, Tel 0141 577 3107

EAST RENFREWSHIRE COUNCIL28 FEBRUARY 2024Report by Director of Business Operations & PartnershipsFIREWORK CONTROL ZONES**PURPOSE OF REPORT**

1. The purpose of this report is to give a briefing on new legislation regarding fireworks, the duty this places upon the Council and to set out an approach for managing 'Community Requests' for Firework Control Zones.

RECOMMENDATIONS

2. Council is asked to:

- a) note the new local authority powers to set up 'Firework Control Zones' under the Fireworks and Pyrotechnic Articles (Scotland) Act 2022;
- b) delegate to the Director of Business Operations and Partnerships, via the Safe East Ren Group, to work with local partner agencies to put in place suitable arrangements for Firework Control Zones, in line with national guidance.

BACKGROUND

3. Local councils now have powers to set up 'Firework Control Zones' to restrict the use of fireworks in their areas. The Fireworks and Pyrotechnic Articles (Scotland) Act 2022, gives discretionary powers to local authorities to designate Firework Control Zones, where it is considered there is a need to restrict the use of fireworks in specific areas. This is one of a number of changes to the law on the sale and use of fireworks in Scotland.

4. If an area has been designated as a firework control zone:

- members of the public are not allowed to use fireworks, including on private property such as a garden;
- fireworks can only be used at public displays and for some limited other purposes.

5. Firework control zone powers came into effect in June 2023, with a series of follow-up briefings for local authorities across the autumn. The powers aim to reduce the negative impact fireworks can have in some communities and protect public safety.

6. Given the timings around the issue of the guidance and associated briefings, and the need for local authorities to develop internal procedures to administer the process, it was not possible for local authorities to consider zones for 2023, however it is expected that processes will be in place during 2024.

REPORT

7. There is detailed national [guidance](#) in place to support local authorities to consider and designate control zones in their area. Councils are required to:

- Consult with communities before designating, changing or removing an area as a Firework Control Zone.
- Publish information about any designated, changed or removed zones in the area.

8. A Firework Control Zone is defined as an ‘*Area within a Local Authority boundary in which it is a criminal offence for a member of the public to ignite a firework, including on private property*’. Category 1 Fireworks (e.g. small sparklers, ice fountains, Christmas crackers and party poppers) can continue to be used in a Firework Control Zone.

Exemptions

9. Fireworks can only be used in a control zone:

- for the purposes of an organised public fireworks display - local licensing requirements still apply;
- in connection with a regulatory authority's function;
- for business purposes by businesses involved in the manufacture, import, distribution, or supply of fireworks.

10. Enforcement within a Firework Control Zone will be the responsibility of Police Scotland.

11. The boundary of the zone needs to be clearly defined in terms of area and duration and has to be proportionate in size so that it is enforceable. The guidance states that “Firework control zones have not been designated as a measure to cover a whole local authority area, or to cover extensive parts of a local authority area”.

12. The guidance contains examples of reasons why a firework control zone could be designated. These include:

- misuse of fireworks (e.g. anti-social behaviour, attacks on public, noise from fireworks)
- injuries from fireworks (e.g. number and severity)
- animal welfare (e.g. anxiety, injuries, effect on livestock)
- impact on Vulnerable Groups (e.g. autism, assistance dogs, Post Traumatic Stress Disorder)
- environmental protection (e.g. air quality, spent fireworks, proximity to nature reserves).

13. In each category the local authority would be expected to have a good evidence base for the designation of a zone using data and intelligence from agencies including Police, Scottish Fire and Rescue Services (SF&RS), East Renfrewshire Council (Community Safety & Trading Standards) along with other agencies and Council Departments as required. There is also an expectation that other courses of action would have been considered. For example:

- community engagement and awareness
- enforcement activities
- targeted use of Police or SF&RS resources
- retailer compliance checks
- engagement with young people (e.g. via schools / clubs).

PROPOSALS

14. It is proposed that the Firework Control Zone process sits within the terms of reference of the Safer East Ren Group, with Community Safety as the lead service.

15. The Safer East Ren Group is our multi agency Community Safety Partnership and is part of the mechanism for delivery of the overall Community Plan for East Renfrewshire Council.

16. The priority for the group is 'Safe Supportive Communities' under the Strategic outcome: '*East Renfrewshire residents are safe and live in supportive communities*'. Progress measures are under Outcome Theme 4 - '*Reducing Unintentional Injuries & Supporting Safe Communities*'.

17. The scope of Safe East Ren includes:

- sharing information on existing activities and topics/issues where partner support is required
- identifying opportunities for new partnership activities
- co-ordinating communication with communities
- sharing data across partners to identify trends and develop action planning
- work jointly to address specific issues of concern.

18. The group is chaired by the Council's Community Safety Manager and includes members from across Council Departments along with Police Scotland and the Scottish Fire & Rescue Service.

19. A Safe East Ren sub group has been created to act as the review board to consider any Firework Control Zone requests and would be the initial decision making body for any community requests.

20. There are currently no recommendations from the Safe East Ren Group for designation of a Firework Control Zone in East Renfrewshire.

Community Requests

21. Following national guidance, a community request is a route to ask the Council and its partners to consider if a Firework Control Zone can be designated, amended or revoked in a particular place within its area. If a community request is accepted, this would begin a formal process of consideration of a zone as set out in guidance. A community request being accepted is therefore not the same as a zone being designated and does not negate the statutory requirement for a consultation to be carried out.

22. Details of the Council's approach to Firework Control Zones and how to make a community request will be published on the Council's website. This process will also be publicised via social media and to Community Councils.

23. Requests need to come from a 'Community' and not an individual. National guidance states that this can be "any group of people who feel they have something in common; in many cases this may be that they live in the same area. It can, however, also be that they share an interest or characteristic". For example, this may be groups such as a Community Council or a group representing faith, ethnicity, culture; or people affected by a particular illness or disability; or sports clubs, conservation groups, heritage associations, animal welfare groups or environmental groups.

24. The Council is required to publish details of how to submit a Community Request. This will include the timings involved and who to contact. When a request is received, an acknowledgment needs to be sent and a formal response issued within 4 weeks.

25. The Community Request application will be formally considered by the Safe East Ren Sub Group using all evidence available and will either be accepted to proceed to a consultation, or rejected at this initial stage.

26. If rejected, a response will be issued with clear reasoning as to why the decision was taken not to proceed to a consultation and will demonstrate that account has been taken of any issues raised.

27. If proceeding to a consultation, a proposal for designation of a Firework Control Zone will then be developed and published for consultation.

28. The guidance issued by the Scottish Government recommends the following timescales, which represent a maximum of 32 weeks. However, these are not statutory and can be shortened by the Council as required.

- Community request received, considered and response issued - up to 4 weeks
- If accepted develop consultation proposal for zone – up to 4 weeks
- Consultation period - 8 to 12 weeks
- Consultation response considered and analysed – up to 4 weeks
- Decision on a zone has a 60 day period prior to taking effect

29. Once a consultation is completed and submissions considered, the outcome will be to either designate or not designate a zone. The decision must include:

- a summary of the consultation and analysis of responses
- the number of responses and details of respondents
- the partnership group's rationale to proceed or not to proceed.
- clear demonstration that account has been taken of responses and of any issues raised.

30. If a decision has been taken to establish a Firework Control Zone or to amend or revoke an existing control zone, appropriate steps must be taken to raise awareness of the decision, including reasonable steps to inform those who live or work in or near the zone.

31. If the decision after consultation is not to designate a zone, the group applying can request a review within 28 days. The review needs to be carried out by a Council Officer not involved in the decision-making process. We are currently engaging with other Community Safety partnerships to learn from and share approaches to the reviews.

FINANCE & EFFICIENCY

32. It is expected that these new requirements will incur minimal costs, which can be covered through existing budgets.

CONSULTATION & PARTNERSHIP WORKING

33. The above sections set out the proposed approach to consultation and the partnership approach via the Safe East Ren group.

IMPLICATIONS OF THE PROPOSALS

34. These proposals are in line with new Firework Control Zone powers for local authorities arising from the Fireworks and Pyrotechnic Articles (Scotland) Act 2022 and associated guidance.

35. It is expected that an Equality and Fairness Risk Assessment and Climate Change Impact Assessment would be standard aspects of the decision-making processes for designation of Firework Control Zones. There are no implications for staffing, property, subsidy control, ICT arising from this report.

CONCLUSIONS

36. Local authorities now have powers to set up Firework Control Zones to restrict the use of fireworks in their areas. There is national guidance to support the consultation and publication of such zones and it is proposed that in East Renfrewshire this process is overseen by the multi-agency Safe East Ren group. There are currently no proposals or recommendations for Firework Control Zones arising from local partners, but agreement of today's report will open this process to community requests which may lead to consultations on potential new areas for control for the future.

RECOMMENDATIONS

37. Council is asked to:

- a) note the new local authority powers to set up 'Firework Control Zones' under the Fireworks and Pyrotechnic Articles (Scotland) Act 2022;
- b) delegate to the Director of Business Operations and Partnerships, via the Safe East Ren Group, to work with local partner agencies to put in place suitable arrangements for Firework Control Zones in line with national guidance.

REPORT AUTHOR

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BACKGROUND PAPERS

Firework Control Zones: Guidance for Local Authorities

<https://www.gov.scot/publications/firework-control-zones-guidance-local-authorities/>

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