

EAST RENFREWSHIRE COUNCILCABINET30 May 2024Report by Head of AccountancyINVESTMENT FOR THE FUTURE RESERVE – INITIAL UTILISATION PROPOSALS**PURPOSE OF REPORT**

1. The purpose of this report is to agree criteria for utilisation of the Council's Investment in the Future reserve and to propose the first tranche of projects to be allocated financial support.

RECOMMENDATION

2. Cabinet is invited to:

- a) Agree the utilisation criteria to be adopted for draws from the reserve;
- b) Note the potential applications identified to date for the reserve;
- c) Agree the initial projects to be supported; and
- d) Note that further reports on proposed utilisation of the reserve will be brought back to Cabinet in due course.

BACKGROUND

3. Temporary reductions in employers' contributions to the Strathclyde Pension Fund to 6.5% are estimated to save the Council around £6.3m each year in 2024/25 and 2025/26, before rates revert to the 17.5% longer term budgeted level. This provides c£12.6m of one-off resource which can be utilised to benefit the Council in future. The HSCP, Leisure Trust and Housing Revenue Account budgets will also benefit from reductions in their employer contributions over these two years.

4. In setting its 2024/25 budget, East Renfrewshire Council established a new Investment in the Future reserve to hold these funds, 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.

REPORT

5. In April 2024 the Budget Strategy Group considered how the new reserve might best be utilised to benefit the Council in the coming years.

6. The Council faces serious financial challenges in the short to medium term, with estimated gross budget gaps of £15m, £5m and £5m for the years from 2025/26 to 2027/28. As such, it was recognized that the Council may have to consider using some of the Investment in the Future reserve to assist with short term budget pressures, thereby allowing more time to put in place future recurring savings plans.

7. The aim of the fund is to support the Council to deliver on future plans and so utilisation proposals must align with our Vision for the Future Plans. To support prioritization of any requests for utilization of the fund, criteria have been developed. These are:

- Proposals should be sustainable (i.e. there must be an exit strategy)
- Proposals should not reverse any previously agreed savings
- Proposals should be aligned to the Council's Vision for the Future
- Projects should support Spend to Save (pay for themselves) or should support investing in and developing our people

8. Projects meeting the above criteria and proposed for immediate focus are listed below, together with indicative costs. Additional details are provided in Annex 1 to this report.

- a) HSCP - closing the financial gap (£700k)
- b) Child & Family Poverty – closing the poverty related attainment gap & using data to drive support for families experiencing poverty (£350k)
- c) Introduction of Parking Charges and Review of Council/HSCP Fleet utilisation and maintenance arrangements (£400k)
- d) Investing in Developing Our People (£400k)

9. Further reports will be brought to Cabinet for approval as new spending proposals are identified. Potential future areas for consideration may include

- Community wealth building
- Housing/homelessness/family poverty
- ICT infrastructure
- Digital development/Artificial Intelligence for productivity

FINANCE AND EFFICIENCY

10. The proposed approach to utilisation of the Investment for the Future reserve will assist the Council in addressing its future budget challenges.

CONSULTATION

11. The Corporate Management Team and Budget Strategy Group have been consulted on this matter and assisted in the compilation of proposals.

PARTNERSHIP WORKING

12. Departments will continue to work with a variety of existing partners to deliver the projects set out in this report and to measure and monitor the impact of spend.

CONCLUSIONS

13. The report sets out the criteria to be used to guide utilisation of the new Investment in the Future reserve. Initial proposals for immediate investment have been identified and further reports will be submitted as subsequent spending options are confirmed.

RECOMMENDATIONS

14. Cabinet is invited to:

- a) Agree the utilisation criteria to be adopted for draws from the reserve;
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- c) Agree the initial projects to be supported; and
- d) Note that further reports on proposed utilisation of the reserve will be brought back to Cabinet in due course.

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INVESTMENT IN THE FUTURE RESERVE**DETAIL OF PROPOSALS (MAY 2024)**

DEPARTMENT	PROPOSAL	FOCUS AREAS	REQUIRED ACTIONS	£ (INDICATIVE) £'000
HSCP	Close the Financial Gap	<ul style="list-style-type: none"> • Improve staffing levels • Review of care packages • Child to adult transitions • Fair charging 	<ul style="list-style-type: none"> • Additional HR/comms resource to support recruitment, retention & absence management • Significantly increase care package review team capacity • Increase Social Worker capacity to support transition reviews/care packages • Provide capacity to progress financial assessment and charging 	700
EDUC/BOP	Reduce Child/Family Poverty, raising attainment for all while closing the poverty related attainment gap	<ul style="list-style-type: none"> • Early years intervention to support readiness to learn/ closing the attainment gap • Enhance data use to identify families in/at risk of poverty • Joined up approach to co-ordinated support 	<ul style="list-style-type: none"> • Staff coaching to improve support in Early Learning & Childcare (ELC) settings • Use data to identify financially vulnerable households • Share data between MART/SWF to extend support & advice where there are gaps in provision • Increase frontline staff awareness of poverty to widen support for intervention 	350
ENVT	Future Income/Savings Opportunities	<ul style="list-style-type: none"> • Develop Parking Strategy • Review Vehicle Fleet 	<ul style="list-style-type: none"> • Additional resource expertise to develop a plan and deliver an associated work programme that will inform policy and approach to the introduction of parking charges. The plan will be developed for approval by Cabinet. • Additional post to support review of the Council and HSCP fleet to maximise utilisation and efficiency. The work will also consider current maintenance arrangements and develop more efficient options. Both reviews will inform future preparedness for transition to EV for the fleet. 	400
CORP	Invest/Develop Our People	<ul style="list-style-type: none"> • Employer of Choice • Learning Organisation 	<ul style="list-style-type: none"> • Health & wellbeing support, maximise attendance, occupational health, counselling 	400 (This supplements

		<ul style="list-style-type: none">• People Strategy Priorities	<ul style="list-style-type: none">• Leadership development, management networks, succession planning, coaching/mentoring• Talent management, improved policies on recruitment, retention & wellbeing• Explore apprenticeships/graduate opportunities• Staff engagement, survey findings actions, recognition	the existing Employee Wellbeing & Development Fund)
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