

MINUTE

of

JOINT CONSULTATIVE COMMITTEE (FIRST TIER)

Minute of Meeting held at 2.00pm in the Council Chamber, Council Headquarters, Giffnock on 19 January 2017.

Present:

Councillor Jim Fletcher
Councillor Ian McAlpine

Councillor Gordon McCaskill
Councillor Ralph Robertson

Union Representatives:

Mr Martin Doran (GMB)
Mr John Guidi (SSTA)
Mr Mark Kirkland (UNISON)
Mr Steven Larkin (UNISON)

Mr Gordon Lees (UNISON)
Mr Des Morris (EIS)
Mr James O'Connell (UNITE)
Mr John Rodgers (EIS)

Mr Morris in the Chair

Attending:

Lorraine McMillan, Chief Executive; Caroline Innes, Deputy Chief Executive; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Phil Daws, Head of Environment (Housing and Property Services); Frank White, Head of Health and Community Care; Sharon Beattie, Head of HR, Customer and Communications; Hugh Friel, Senior HR Officer; and Linda Hutchison, Senior Committee Services Officer.

Apology:

Mr Joe Lynch (UNISON).

Urgent Item of Business

Mr Morris gave notice that he had accepted an additional item of business regarding the sale of Bonnyton House as urgent on the grounds of information on this that had just come to light.

MINUTE OF PREVIOUS MEETING

1. The committee considered and approved as a correct record the Minute of the meeting held on 22 September 2016, subject to the amendment of the typographical error in the last line of the third last paragraph of the item on the Potential Sale of Bonnyton House.

HEALTH AND SAFETY COMMITTEE

2. Under reference to the Minute of the meeting of 22 September 2016 (Item 5 refers) when it had been noted that the Head of Environment (Housing and Property Services) would provide further clarification to Councillor McCaskill following the meeting on levels of violence towards staff in the Education Department compared to other departments, Councillor McCaskill thanked the Head of Environment for providing this promptly. It was reported that further clarification had been provided to the Trade Unions also and that such issues were being raised at further meetings as required.

The committee noted the position.

SALE OF BONNYTON HOUSE

3. Under reference to the Minute of the meeting of 22 September 2016 (Item 4 refers) when the current position and comments made on the potential sale of Bonnyton House had been noted, Mr Larkin sought clarification on the sale, the way forward now and the position on savings in light of the bid by the preferred bidder having just been withdrawn.

Having referred to the Integration Joint Board's (IJB's) role and its decision on the future of the facility, Councillor Fletcher commented on the decision the Council had required to take on the sale of the property in light of this and the appropriate way forward now which was under discussion. He referred to a range of related issues, including contact with a further bidder, tender arrangements, and liaison required with the IJB such as if the second bidder no longer wished to pursue a bid for the property. He also referred to the need to discuss, think through and determine how best to proceed depending on circumstances on which clarification was being sought.

In reply to Mr Larkin and Mr O'Connell who commented on the second bidder for the property and, more generally, on due diligence issues raised by the Trade Unions, the Chief Executive and Head of Health and Community Care referred to the evaluation and suitability of both the preferred and second bidders, appropriate information on which had been passed to the Trade Unions. It was clarified that a detailed explanation on why the preferred bid had been withdrawn had not been received thus far and that it was felt that such an explanation should be provided. Having reiterated that it continued to be the case that the Council wished to ensure that service quality at the facility remained high and professional and that the terms and conditions of staff transferring, including pension arrangements, were as good as possible under the new provider, Mr O'Connell highlighted that the Trade Unions continued to support the service being provided by the public sector.

Having heard Councillor McCaskill express concern regarding the lack of clarity on the withdrawal of the bid, comment that an alternative bidder might not now be found and refer to the savings the IJB still required to make, Mr O'Connell referred to the Trade Unions' wish to continue to engage fully in the process to secure a bidder whilst not supporting the sale of the property; and to meet with any new preferred bidder and the Head of Health and Community Care on the way forward. He added that, irrespective of whether or not the second bidder submitted a bid or retendering was required, it was hoped that the Council would reflect on lessons learned thus far, clarifying that the Trade Unions' view was that some questions remained unanswered.

Whilst acknowledging the Trade Unions' position, Councillor Fletcher referred to the pressures faced by the authority, the need to set a legal budget and the pursuit of due diligence by the Council on the sale of Bonnyton House. He also referred to the expectation that any preferred bidder, once identified, would engage with the Trade Unions, those at the facility and others as appropriate to discuss and resolve various issues.

Councillor McAlpine expressed hope that lessons had been learned and disappointment regarding the delay now in moving things forward, referring to the possible need for the IJB, rather than the Council, to discuss issues further in the current circumstances.

Having heard Mr Larkin refer to the importance of any new preferred bidder being fully aware of what they were taking on in terms of the running of the facility and their other responsibilities such as under the Transfer of Undertakings (Protection on Employment)(TUPE) Regulations, the Chief Executive referred to the terms of the decision taken by the Council on the sale of Bonnyton House, the pursuit of due diligence and the possibility of retendering if required to identify a new bidder. Reiterating that checks were currently being undertaken on how issues now needed to be taken forward and through the IJB if required, she undertook to clarify the position to the Trade Unions through the Head of Health and Community Care when possible. Having highlighted that no inaccurate information on the preferred bidder had been passed to the Trade Unions previously, the Head of Health and Community Care added that it was possible that some further information might have been appropriate to provide.

The committee noted:-

- (a) that further clarification on the position would be provided to the Trade Unions through the Head of Health and Community Care and otherwise as appropriate, including at the two weekly meetings held between the Head of Health and Community Care and the Trade Unions; and
- (b) otherwise, the position and comments made.

REVENUE BUDGET 2017/18

4. The committee considered a report by the Head of Accountancy on developments regarding the 2017/18 revenue budget. In keeping with a longer term approach adopted to managing the current financial difficulties, in February 2015 the Council had approved the 2015/16 revenue budget and indicative budgets for 2016/17 and 2017/18 based on spending pressures forecasts and funding and savings measures for 2015/16 to 2017/18 which had been subject to full consultation. Based on grant assumptions, the 2017/18 savings had fallen short of the total expected to be required by £4.52m, the intention being to keep such forecasts and grant assumptions under review and submit updated budgets to the Council for approval annually as funding was confirmed.

The report explained that when the Council's provisional 2017/18 grant figures were announced in December 2016, it was confirmed that the core grant for 2017/18 would reduce in cash terms by £6.224m. (3.5%), in addition to which new ring-fenced funds of £1.326m. for educational attainment and £0.462m. for criminal justice would be available, giving a total grant of £172.01m. It had also been announced that Councils could retain monies collected from the increased bandings for Band E to H properties which was estimated to be around £4.1m. This left the Council with access to £2.1m less in cash terms than in 2016/17 which was more severe than the original planning estimates, but not as severe as predicted at the previous meeting. Efficiencies had to be found to compensate for pay and price increases and service demand pressures which were not funded.

The settlement terms continued to require Councils to maintain teacher numbers in line with pupil numbers; permitted Councils to increase Council Tax by up to 3% for the first time in 10 years; and limited the amount by which Councils could reduce their budgeted contribution to IJBs, although the exact amount of the restriction remained to be confirmed so budget plans were based on best estimates of this.

It was highlighted that the overall grant figures for Councils remained provisional as some elements of grant still had to be distributed and checks carried out, with confirmation of the final settlement due in February.

Issues referred to on financial impact included that the Council had had to address a budget gap of £23m. from 2015/16 to 2017/18, the 2017/18 shortfall being £9.4m, which after applying savings agreed in February 2015 could be reduced to £5.1m. Reference was also made to consultation with the Trades Unions on further savings options of around £4m. which, if accepted, would still leave a funding gap, and further options to increase Council Tax and/or use reserves. Other issues commented on included the Council's agreed financial policy and multi-year budgets set by the Council over several years to manage the difficult financial circumstances faced and demonstrate the value of a longer term approach to financial planning. The fact that 2017/18 was the last year of the Council's current three year budget; and how it was best practice for the Council to continue to consider the longer term view as economic forecasts for 2018/19 and beyond were even more challenging were also referred to. It was confirmed that the Council would give early consideration to its approach to addressing these continuing difficulties in considering a report on long term financial planning in February 2017, and that long term financial planning and multi-year budget considerations from 2018/19 onwards would continue to involve engagement with the Trade Unions.

Whilst commenting on the Council's 8 year Capital Plan for 2017/18 to 2024/25 for the General Fund, the report referred to the need for investment to reflect economic circumstances, reductions in capital receipts and use of an appropriate level of its Capital Reserve over the coming years. Reference was also made to the Housing Capital Plan and, more generally, related consultation and communication, including with the Trade Unions.

The Head of Accountancy highlighted key issues within the report, including the ring-fencing of some funds, the Band E to H property multiplier in relation to Council Tax, the local retention of funds generated in this way, a corresponding reduction in the grant allocated to the authority and related issues. She also referred to recent, further clarification received on the grant settlement on the basis of which the 2017/18 funding shortfall was now considered to be £9.7m., rather than £9.4m. as specified in the report based on information available when it was prepared. The Head of Accountancy also referred to the Council's ambitious Capital plans.

Having heard Mr Larkin support the Council making use of its reserves and powers to increase Council Tax, and its proposed commitment to no compulsory redundancies in 2016/17, Councillor Fletcher encouraged all parties to take on board the Trade Unions' views. He referred to funds available to the authority, the on-going need for savings and related challenges, clarifying that the Administration did not support a Council Tax freeze at the same time as service cuts. He added that not all Councils were taking the same approach and expressed the view that the decision to increase Council Tax and by how much or not should be determined locally rather than the Scottish Government imposing a cap.

Mr Doran asked what pressure was being exerted on the Scottish Government to increase the unacceptable local government financial settlement received. He expressed some concerns about cutting services and increasing Council Tax levels simultaneously, supported the Trade Unions working jointly with local politicians to fight further cuts, and commented on the impact cuts were having on both residents and staff. In reply, Councillor Fletcher referred to options that had been open to the Scottish Government on funding, cuts facing other authorities, efforts made to date by the Council to reduce expenditure and staffing and make efficiencies, and the Council Tax increases facing residents living in properties in Bands E to H introduced by the Scottish Government.

Mr O'Connell referred to various other campaigns in which the Trade Unions were involved such as on a debt amnesty and related objectives, in respect of which he indicated that he would be happy to share with the Council information on East Renfrewshire.

Councillor McAlpine welcomed the announcement about Council Tax raised through Band E to H properties being retained locally, commented it was useful to know and reflect on the Trade Unions' views on Council Tax increases and reserves, and referred to his Party's wish to reduce cuts and increase and develop services. In response to Councillor Robertson who stated that he did not think the Council would gain financially from the Council Tax raised from Band E to H properties, the Head of Accountancy clarified how the overall grant awarded to the Council was calculated and how it had been rebalanced taking account of the revenue raised locally in this way.

Mr Lees asked what advice had been given to the Education Department on the use of the dedicated funds for schools for raising attainment and commented that the Trade Unions should have a role in related discussions. Mr Morris supported this view, referring to the significant funds involved and related accountability issues. The Chief Executive and Head of Accountancy clarified what was known at present and that further details were awaited, following which reference was made to the discretion Head Teachers would have to spend the funds although the Director of Education could provide some appropriate encouragement. Having heard the Chief Executive indicate that she would ask the Director of Education to provide an update to the Trade Unions when possible, Councillor Fletcher added that some Head Teachers did not want the role they had been given on this and that they could be alerted to the Trade Unions' request to be involved in related discussions. He also commented that it was anticipated that the Scottish Government would evaluate the effectiveness of the initiative in due course and suggested that the Trade Unions raise any concerns they had regarding the initiative directly with the appropriate Scottish Government Minister.

Mr Morris reported that maintaining teacher numbers was welcomed, but that other cuts in schools were not supported, such as in support staff.

It was agreed to note:-

- (a) that the Trade Unions were happy to share with the Council information on the debt amnesty campaign in respect of East Renfrewshire;
- (b) that the Chief Executive would ask the Director of Education to provide an update to the Trade Unions on the attainment funding when possible and to alert Head Teachers that the Unions were keen to be involved in discussions on its expenditure; and
- (c) otherwise, the position and comments made.

COUNCIL HEALTH AND SAFETY COMMITTEE

4. There was submitted the Minute of the Council's Health and Safety Committee held on 3 November 2016.

In reply to Councillor McCaskill, the Head of Environment commented on attendance at meetings of the Health and Safety Committee, a review of its role and its value in addressing health and safety issues and listening to staff views.

The committee noted the Minute.

DATE OF NEXT MEETING

5. The committee noted that the next meeting was scheduled to take place on Thursday, 8 June 2017.