

**MINUTE**  
**of**  
**EAST RENFREWSHIRE COUNCIL**

**Minute of Meeting held at 10.00am in the Council Chamber, Council Headquarters, Giffnock on 9 February 2017.**

Provost Alastair Carmichael	Councillor Ian McAlpine
Deputy Provost Betty Cunningham	Councillor Gordon McCaskill
Councillor Tony Buchanan	Councillor Stewart Miller
Councillor Danny Devlin	Councillor Mary Montague
Councillor Jim Fletcher (Leader)	Councillor Paul O’Kane
Councillor Charlie Gilbert	Councillor Tommy Reilly
Councillor Barbara Grant	Councillor Ralph Robertson
Councillor Elaine Green	Councillor Jim Swift
Councillor Kenny Hay	Councillor Gordon Wallace
Councillor Alan Lafferty	

Provost Carmichael in the Chair

**Attending:**

Lorraine McMillan, Chief Executive; Caroline Innes, Deputy Chief Executive; Julie Murray, Chief Officer – Health and Social Care Partnership; Mhairi Shaw, Director of Education; Andy Cahill, Director of Environment; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Barbara Clark, Chief Accountant; Phil Daws, Head of Environment (Housing and Property Services); Emma Edwards, Communications Manager; Mary Docherty, Quality Improvement Officer; Eamonn Daly, Democratic Services Manager; and Linda Hutchison, Senior Committee Services Officer.

**Apology:**

Councillor Vincent Waters.

**DECLARATIONS OF INTEREST**

**2373.** Provost Carmichael and Councillors Gilbert, Hay, and Montague declared a non-financial interest in Items 2383 and 2385 below by virtue of their membership of the Board of East Renfrewshire Culture and Leisure Trust.

**MINUTE OF PREVIOUS MEETING**

**2374.** The Council considered and approved the Minute of the meeting held on 14 December 2016, in respect of which, in reply to Councillor Grant, the Democratic Services Manager confirmed that the Motion approved regarding a further Scottish Independence Referendum was as she had proposed subject to the amendment proposed by Councillor O’Kane.

## **MINUTES OF MEETINGS OF COMMITTEES**

**2375.** The Council considered and approved the Minutes of the meetings of the undernoted:-

- (a) Education Committee – 20 December 2016;
- (b) Licensing Committee – 20 December 2016;
- (c) Licensing Committee – 17 January 2017;
- (d) Planning Applications Committee – 18 January 2017;
- (e) Local Review Body – 18 January 2017;
- (f) Audit and Scrutiny Committee – 19 January 2017;
- (g) Cabinet – 26 January 2017;
- (h) Education Committee – 2 February 2017; and
- (i) Audit and Scrutiny Committee – 2 February 2017.

## **INTRODUCTION OF OFF-STREET PARKING CHARGES**

**2376.** Under reference to the Minute of the meeting of the Cabinet of 26 January 2017 (Page 2198, Item 2363 refers), when it had been agreed to recommend that the Council did not proceed with the introduction of off-street parking charges; and that the Director of Environment submit a report to the Council to make and confirm the East Renfrewshire (Off-Street Parking Places) Order in part, to bring into force off-street car park controlling regulations, the Council considered a report by the Director of Environment regarding the proposals.

The report referred to the consultation period which had ended on 2 December 2016 associated with the draft Order, and provided details of the representations received. It was clarified that all the objections received had related to the introduction of the parking charges whereas no representations had been received in relation to the proposed regulations. Having referred to consideration given to the representations made and the alternative suggestions put forward, the report explained that, following an option appraisal exercise, the preferred option was not to proceed with the introduction of off-street parking charges and that a further report be submitted to a future meeting of the Council to progress the controlling regulations.

The report concluded by outlining what the aims of the off-street parking charges had been and highlighting that the outcome of the consultation had demonstrated that the introduction of the charges as proposed would not achieve the desired outcomes of all residents and businesses.

Councillor Robertson welcomed that representations made during the consultation had been taken account of, but queried if the parking charges would be proposed again at an early date following the forthcoming elections. Supported by Councillor McCaskill, he also welcomed the proposed introduction of the controlling regulations at various car parks. In reply, Councillor Fletcher commented further on why the Cabinet had recommended proceeding on the basis it had. He made reference to the Opposition's support for a variation of the proposed scheme, the purpose and outcome of the consultation through which views expressed had been taken account of, a lack of sufficient revenue anticipated from introducing the charges, and the need to address parking issues for residents. He added that as there would have been little net gain from implementing the charges, progressing this further had not been supported.

Councillor Swift referred to the costs associated with the proposals, expressed concern regarding the extent to which car parks had been surveyed which he considered to be too limited to ensure that views were sufficiently known, and commented on the lack of a case for introducing the parking charges. He also sought a firm commitment from members of the current Administration not to pursue charges again following the election.

Councillor Lafferty stated that he considered the exercise undertaken to have been worthwhile and one which had demonstrated community engagement in action. He acknowledged the concerns expressed by residents regarding parking and welcomed a commitment to consider residential parking issues in areas of pressure.

Councillor Miller commented that Councillor Fletcher had only now chosen to refer to potential income generated from parking charges, but cited the consultation as an example of one of the first through which the Council had listened to residents' views.

Councillor Buchanan highlighted that the consultation had been on both parking charges and controlling regulations, referring to the strength of feeling against the former and benefits of the latter. He added that he was aware of issues regarding residential parking which would be considered further.

The Council agreed:-

- (a) not to proceed with the introduction of off-street parking charges; and
- (b) that the Director of Environment submit a report to a future meeting of the Council to make and confirm the East Renfrewshire (Off Street Parking Places) Order in part, to bring into force the off street car park controlling regulations.

## **TREASURY MANAGEMENT STRATEGY REPORT 2017/18**

**2377.** Under reference to the Minute of the meeting of the Audit and Scrutiny Committee of 2 February 2017 (Page 2205, Item 2372 refers), the Council considered a report by the Head of Accountancy (Chief Financial Officer) explaining that, in line with the revised Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice 2011, the committee were responsible for ensuring effective scrutiny of the Council's treasury management strategy and policies.

In accordance with that requirement, a copy of the Treasury Management Strategy Report for 2017/18 was attached for consideration, which included a proposal to amend treasury management practices in accordance with Annex E accompanying the report. This listed organisations approved for the investment of surplus funds, required credit ratings, limits, and deposit periods. It was also proposed that a policy on the repayment of loans fund advances, as specified in Section 6.4 of the report, be approved.

Councillor Wallace, Chair of the Audit and Scrutiny Committee, confirmed that the committee had considered the report at its most recent meeting, and commented on key aspects of it.

In reply to Councillor McCaskill who sought clarification on an issue regarding the criteria for choosing investment counterparties, the Head of Accountancy referred to issues that could be encountered; and the importance of security, liquidity and yield regarding investment of funds, supporting the proposed approach.

Councillor Swift welcomed comments within the report on high economic growth within the UK economy, expressing the view that the position in Scotland was less favourable and that current Scottish Government policy was likely, potentially, to make the position worse.

The Council agreed that the:-

- (a) Treasury Management Strategy Statement Report 2017/18 be approved, including the amendment of treasury management practices in accordance with Annex E of the report; and
- (b) policy on the repayment of loans fund advances as specified in Section 6.4 of the report be approved.

### **PROVOST ENGAGEMENTS**

**2378.** The Council considered and noted a report by the Deputy Chief Executive, providing details of civic engagements attended and civic duties performed by Provost Carmichael since the last meeting.

### **STATEMENTS BY CONVENER**

**2379.** Provost Carmichael intimated that no statements had been received.

### **STATEMENTS BY REPRESENTATIVES ON JOINT BOARDS/COMMITTEES AND COMMUNITY JUSTICE AUTHORITY**

**2380.** Provost Carmichael intimated that no statements had been received.

### **FINANCIAL PLANNING**

**2381.** Under reference to the Minute of the meeting of 14 December 2016 (Page 2159, Item 2320 refers), when the Council had noted the increasing budget pressures anticipated in the next 5 years and the mitigating actions proposed; approved the draft Outline Revenue Financial Plan 2017-2022; and noted that an update on the Plan would be submitted to this meeting, the Council considered a report by the Chief Financial Officer seeking approval of the updated Outline Revenue Financial Plan 2017-2022.

The report commented on background information associated with the Council's long term financial planning: the financial outlook and related forecasts, demand pressures, legislative and other changes; and the position on wider political, societal and economic change. Having commented on the Outline Revenue Financial Plan and related issues, the report made reference to a range of mitigating actions open to the Council to address the forecasted annual spending gaps in coming years.

The report concluded by making reference to the significant financial and demand pressures facing the Council over the current and forthcoming 5 years, to the importance of the Council's financial plans being updated regularly for consideration by the Council and, in particular, for the new Administration in May 2017. This was in line with the Council's agreed financial policy of basing decisions on an assessment of medium to long term needs and consequences.

In reply to Councillor Swift who sought clarification on action being taken to address a lack of sufficient nursery provision, the Director of Education confirmed that work was being done to build on current plans as reported to the Education Committee, and that additional funding was expected from the Scottish Government to help address the issue. Having commented that, in addition to the Council's own facilities, reliance was placed on private facilities and the services of child minders amongst others, she clarified that a report on future plans was to be submitted to the Education Committee in the autumn.

The Council:-

- (a) noted the increasing budget pressures anticipated in the next 5 years and the mitigating actions proposed; and
- (b) agreed that the Outline Revenue Financial Plan 2017-2022 be approved.

## **RESERVES POLICY**

**2382.** The Council considered a report by the Head of Accountancy (Chief Financial Officer), proposing for consideration a Reserves Policy for the Council.

The report explained that it was regarded good financial practice that the Council had a documented and approved Financial Reserves Policy, making reference to Local Authority Accounting Practice (LAAP) Bulletin 99 published in July 2014 which provided advice from CIPFA on local authority reserves and balances. Having clarified that the proposed policy reflected key messages from that Bulletin, the report referred to their practical application within the Council.

Whilst commenting on related issues in further detail, the report made reference to the various types of reserves operated by the Council, following which the importance of clarity on the rules and responsibilities in respect of governance of the Council's funds and reserves was referred to. The governance arrangements in respect of the General Fund Unallocated Reserve and Earmarked Reserves were summarised, following which it was clarified that the Policy would be reviewed no less frequently than 3-yearly.

The Council agreed that the Reserves Policy be approved.

## **EAST RENFREWSHIRE COUNCIL REVENUE ESTIMATES 2017/18**

**2383.** The Council considered a report by the Head of Accountancy (Chief Financial Officer), submitting for consideration proposed revenue estimates of income and expenditure as the basis for the Council Tax declaration for 2017/18. A further supplementary report was submitted on late amendments to the Local Government 2017/18 settlement increasing the previously notified government revenue grant by £2.546 million and the capital grant by 0.451million. Further related documents were tabled.

The main report reminded Members that in approving estimates for previous years, it had been recognised that the future financial position was likely to become increasingly difficult in terms of spending pressures, demand for services, and level of government grant. Accordingly, the Council had introduced a Financial Policy to make spending decisions based on an assessment of medium to long-term needs and would seek to avoid taking a short-term outlook in policy making, service planning and budget setting.

Members were reminded that, in his Autumn Statement 2016, the Chancellor of the Exchequer had reviewed his financial forecasts, confirming that public sector funding restraints were likely to continue until 2020. Recognising these ongoing financial pressures, the Council had already reviewed its financial plan for 2017-22. The main report clarified that whilst the revenue budget to be considered and approved related only to 2017/18, in keeping with a longer term financial strategy, modelling of the Council's financial position would continue internally beyond the budget period.

The report explained that, as part of the process for constructing the 2017/18 budget proposals, which had included consultation with the Trade Unions, departments had been required to provide detailed budget information by autumn 2016 regarding the cost of services to be provided that year. In practice, this represented the cost of maintaining approved service levels and providing for the impact of inflationary pressures; Scottish Government and UK initiatives; the cost of Council decisions and legal commitments; revenue implications of the Capital Programme; and increased demand for services from a growing population. It was clarified that the Council's provisional grant figures for 2017/18, issued in December 2016, were subject to further clarifications and amendments issued during January 2017 and the late amendments referred to above. The figures also had to be regarded as provisional pending formal approval being granted by the Scottish Parliament in late February 2017.

The main report explained that Aggregate External Finance (AEF), comprising three elements, and determined by the Scottish Government, was the mainstream grant support for the Council, the total for the Council for 2017/18 being £173.424 million. This incorporated £1.326 million new, ring fenced funding to be distributed to head teachers for their use to support educational attainment; and also incorporated a further £0.462 million for criminal justice. The figure had also been adjusted to reflect £1.183 million additional revenue support for the new Barrhead High School and took account of the changes applied from 1 April 2017 by the Scottish Government to the Council Tax multipliers for houses in Bands E to H which were expected to generate around £4.15 million locally, the assumption being that this would be retained locally with the total grant adjusted accordingly. Overall, the main report explained that the 2017/18 settlement represented a like for like cash reduction of £6.3 million (3.5%) when compared against the current year. Taking account of the late amendment, the revised settlement limited this cash reduction to £3.77 million (2.2%).

The report clarified that the 2017/18 grant settlement did not make provision for any inflationary pressures faced by the Council or legislative changes, such as those relating to the apprenticeship levy, requiring almost £8.2 million to be self-funded by the Council. It was also clarified that the grant was subject to adherence to various conditions such as on maintaining teacher numbers in line with pupil numbers and securing places for all probationers requiring one under the teacher induction scheme; limiting reductions in Council contributions to IJBs; and limiting any Council Tax increase to a maximum of 3%. The proposals submitted for consideration assumed delivery against these commitments.

The report also referred to funding arrangements for Integration Joint Boards (IJBs), explaining that the Scottish Government's budget plans for 2017/18 included a national allocation of £107 million to be paid to IJBs from the Health budget to support social care services. In line with an associated grant condition, the Council required to limit the reduction in its planned contribution to the IJB in 2017/18 to £1.15 million.

The report explained the "Floors" arrangement whereby in determining grant distribution the Scottish Government had again put in place an arrangement to ensure year-on-year stability in grant at individual council level. The cost of bringing local authorities up to the "floor" was borne by the remaining councils. Under this arrangement the Council would contribute £2.589 million by way of deduction from AEF grant in 2017/18, this contribution having been reflected in the grant figure.

Having referred to non-domestic rates income and related issues, the report commented on the financial outlook for the Council and practice in recent years of setting multi-year budgets which had assisted in managing difficult financial circumstances and demonstrated the value of adopting a longer-term approach to financial planning. It was proposed that the Council continue to adopt this approach, as set out in the Council's Outline Financial Plan 2017-2022. Since the Council's grant had only been confirmed for 2017/18 and this was the final year of the Council's current 3 year budget, a single year budget was proposed. It was expected that the new Administration would wish to review the longer term outlook and financial plan later this summer. Further cash reductions in grant were forecast beyond 2017/18.

Regarding savings proposals, the main report referred to a budget shortfall for 2017/18 in the light of the main settlement announcement and updated expenditure information. It identified a gap of £9.762 million in 2017/18 which required to be addressed and a total shortfall of £23.4 million over the period 2015-18. Taking account of the amended settlement announced, the overall revenue budget shortfall had reduced from £9.762 million to £7.216 million.

The main report proposed £4.025 million savings identified for 2017/18 following the Council's three year budget consultation, and a further £3.73 million savings identified during the current year to close the gap, with every effort being made to minimise the impact on front line services. More than 70% of these related to efficiencies or the Council's Modern Ambitious Programme (MAP) and focussed on the Council's 5 capabilities.

Regarding additional funding proposals, the main report proposed a 3% Council Tax increase for 2017/18, increasing income by £1.507 million per year, and that the remaining shortfall of £0.500 million be met on a one-off basis from the Council's unallocated general reserve. Regarding investment it was also proposed to apply a further £2.303 million of that reserve on a one-off basis to support lasting improvements across services as set out in Annex B of the report, a revised copy of which was one of a series of related documents tabled. Taking account of the late announcement, as set out in the supplementary report, it was explained that the use of reserves could be reduced from £2.803 million to 0.257 million.

Further to the late amendment announced by the Scottish Government, as well as a revised copy of Appendix B to the report being tabled proposing additional investment, a revised copy of the Revenues Estimates Summary 2017/18 was also tabled. These were complemented by a summary that was tabled specifying consequential amendments to the revenue estimates detailed in the main report which explained which savings it was proposed to defer to 2018/19 and what further proposals in the sum of £1.826 million were being made.

Taking account of the amendments referred to above, collectively all of the reports and related documents available explained that the draft revenue estimates for 2015/16, 2016/17 and 2017/18 provided for net expenditure of £225.360 million; £222.009 million; and £230.514 million respectively. It was also explained that significant reforms to Council services continued to flow from Welfare Reform related legislative changes, with some of the impact to be fully evaluated as changes rolled out. Consequently the 2017/18 budget included contingency provision to allow the Council to invest to enable changes and progress measures to mitigate their impact on the public. On clarification of the financial impact of the changes, the provision was to be allocated to specific services.

Whilst referring to reserves and balances, the report commented that, setting aside earmarked reserves, the balance on the unallocated General Fund at 31 March 2016 had been £9.099 million, that it was not planned to budget for a further contribution to the

Reserve in 2017/18, but that in closing the Accounts consideration would be given to allocating funds to this reserve if possible to allow the Council to fulfil the aim of holding a General Reserve of 4% of net revenue expenditure.

Regarding the Modernisation Fund, this was earmarked to enable investment required to drive forward the Council's transformation activities. In closing the Accounts it was anticipated that a contribution of £1 million would be made to this reserve. It was also proposed to incur a total of £800,000 Spend to Save and Transformation expenditure in 2017/18, this being supported by robust business cases.

Regarding 2017/18, it was proposed to use £200,000 of the Insurance Fund; to contribute £400,000 to the Equalisation Fund; and in terms of the Repairs and Renewals Fund, to incur expenditure of £600,000 for targeted property repairs to education premises; £500,000 for road repairs, and £300,000 as a contingency to be drawn down if winter 2017/18 was more adverse than "average". A further £158,000 was planned to support other developments including the Auchenback Family Centre. It was anticipated that in closing the 2016/17 Accounts, a contribution of £1 million would be made to the Capital Reserve.

Having referred to the MAP and related issues and commented on Equality Impact Assessments undertaken in respect of budget savings measures, the report explained that the revenue estimates were based on setting a Band D Council Tax level of £1,159.78, this being a 3% increase compared to 2016/17. Further reference was made to the new multipliers for Bands E to H properties that had been taken into account in the 2017/18 budget plans.

Referring to the documents that were tabled, Councillor Robertson, seconded by Councillor Wallace, moved that the meeting be adjourned for 15 minutes to give Members the opportunity to study them. Thereafter, on a vote being taken, 7 Members voted for the motion to adjourn and 12 Members voted not to adjourn. The motion was accordingly defeated.

Councillor Fletcher, Leader of the Council, referred to the proposals before the Council which were subject to the amendments tabled. He commented on the Scottish Government's late amendment to the 2017/18 local government settlement announced when the local budget process was at an advanced stage, and action taken by the Administration to review its budget proposals in light of the additional grant to identify how the resource could be used to best effect. He highlighted that there had been a cash reduction in terms of the total grant, the Administration's aim of protecting frontline services, severe service pressures faced, and the need for investment such as that linked to the area's growing elderly population and high number of young families.

Having commented on the need to deliver a balanced budget through sound long term financial planning, Councillor Fletcher referred to the importance of acting prudently and ensuring the Council was placed on a sound financial footing, as well as using the budget to invest in areas of importance to residents and those having a long term community impact.

Having confirmed that no compulsory redundancies were required to deliver the 2017/18 budget, Councillor Fletcher referred to the ongoing redesign and modernisation of services; the need for staff to work flexibly and be open to redeployment and training; and increasing the living wage for the Council's lowest paid workers. He thanked the Administration, the Trade Unions, Accountancy officers and the Corporate Management Team for their efforts.

Councillor Fletcher welcomed that the Council could retain the £4.1 million linked to the Scottish Government's decision to raise Council Tax charges for Band E to H properties. He clarified that the total funds available to the Council, on a like for like basis, remained similar

to 2016/17, which did not take account of inflation or increased service demands, the savings gap for 2017/18 being £7.2 million which took no account of areas residents wished prioritised and gave no opportunity to invest in services needed by the most vulnerable.

Councillor Fletcher referred to the prudent, long term financial plan set by the Council in 2015 to deliver £22 million of savings over the financial years 2015 – 2018. Having referred to savings identified in the main report before the Council in the sum of £7.7 million, such as through the MAP, in light of the late budget announcement, he commented on the proposal to defer various savings until 2018/19, and on making an additional one-off payment to the IJB to, in part, compensate for savings planned from the transfer of Bonnyton House to the private sector and allow it time to find a new purchaser. He emphasised that the decision to sell the property was taken with a heavy heart, but was in the best interests of local tax payers and protected residents and jobs of those working there.

Whilst commenting on the Council's track record on savings through more efficient and redesigned services, Councillor Fletcher highlighted the Administration's pride in the pace and scale of change, referring to staff who worked agilely, the MAP through which 70% of savings had been achieved to protect frontline services, service redesigns and streamlining of processes, citing examples of redesigned and modernised services.

Having commented on the growing financial challenges faced, Councillor Fletcher highlighted that opportunities to invest in vital services had reduced. He added that the only way to prepare for future years and offer protection against service cuts was to take the difficult, but prudent, decision to raise Council Tax for the first time in a decade by 3%. This would generate £1.5 million and fund investment in vital services to reduce the impact on budgets in future years. He clarified that residents and the Trade Unions preferred this approach to cutting services and jobs.

Councillor Fletcher made reference to the Council's current level of reserves relative to net revenue expenditure. Referring to difficulties forecast, he reported that the Administration proposed using some reserves to fund key investments in services most valued by residents and put them on a more solid footing. He explained that the late settlement meant the level of investment planned initially could be increased, announcing a package of investment in key improvement projects for core services.

Having reported that levels of residents' satisfaction in services were at their highest in over a decade and that they considered their quality of life to be the highest for 5 years, Councillor Fletcher confirmed that a top priority for residents was roads, another important theme being access to affordable early learning and childcare. Amongst a wide range of investments commented on were key environmental projects including to make improvements to local roads and footpaths, town and village centres and playparks; and education projects such as to put schools at the forefront of digital learning, reduce the cost of wraparound care and enhance outdoor learning landscapes. Other initiatives commented on included investment to support looked after young people gain access to employment; in graduate trainee places; aids and adaptations; and leisure facilities through the Culture and Leisure Trust.

Councillor Fletcher also referred to the Council's major £131 million capital investment programme over the next 8 years to drive growth, deliver new schools, ensure City Deal plans were delivered, and create opportunities. He made reference to various projects, including the new Barrhead High School, the Barrhead South railway station, and investment in the Eastwood Park Leisure and Theatre complex.

In conclusion, Councillor Fletcher referred to challenges faced, key investment plans and related funding issues. He also called upon the Scottish Government to provide longer term settlements in future to allow plans to be made as effectively as possible

Having again thanked all those involved in the budget process, Councillor Fletcher moved that, subject to the amendments tabled by the Administration and listed at Appendix 1 accompanying this Minute, the Council:-

- (a) approve the 2017/18 revenue estimates;
- (b) approve the recommended level and utilisation of reserves;
- (c) determine the 2017/18 Council Tax Band D at £1,159.78; and
- (d) note that management of the Council's finances and service plans would continue to be undertaken on a longer term basis.

Seconding the motion, Councillor Buchanan referred to the Council's long-term and prudent financial approach, its management of financial challenges over a number of years, and the extent to which the MAP was embedded in the authority and related benefits. He also referred to local services of a high quality, such as education services, and the importance of services for the most vulnerable. He commented on how the Council had been one of the first to establish an IJB, amenities for residents, investment in a range of capital projects and measures to ease the burden on some staff, such as the commitments to increase the minimum wage and no compulsory redundancies, describing the budget as one for the future and stability.

Thereafter, Councillor Miller moved as an amendment that the estimates be approved subject to proposals as set out in Appendix 2 accompanying this Minute.

Having thanked senior officers for advice they had provided recently and, in the context of the challenges faced by the authority, and sterling efforts made by officers to make savings, Councillor Miller was heard in further explanation of the savings, income and expenditure proposals outlined in the amendment, including to reduce the CMT by one member, to freeze recruitment and increase revenue through advertising. He stated that the recommendations were intended to enhance the Administration's proposals.

Amongst other things, Councillor Miller commented that the Administration had not made clear until this meeting their plans regarding the additional grant announced, expressing the view that resources should be directed back to residents by reducing their Council Tax burden by 6% in light of the funds received. Whilst commenting on a proposal to enhance roads expenditure, Councillor Miller emphasised that approving this would demonstrate to residents that the Council was listening to them.

Councillor Swift, seconding the amendment, suggested that if the Administration was serious about supporting issues that mattered to residents, it would not increase Council Tax providing residents with further choice on how they wished to incur expenditure equivalent to the rise, and adding that reducing Council Tax would help those in higher and lower band properties. Further to comments made by Councillor Miller, he cited concerns relayed to him on the impact on residents of the Council Tax increase for those in Band E to H properties.

Whilst welcoming smarter ways of working, Councillor Swift expressed the view that savings realised could have been delivered sooner. Other issues he commented on included the growing elderly population, budget pressures and issues he had raised previously on how Bonnyton House could, in his view, remain under local authority control.

Thereafter, full discussion on the proposals followed.

Having reiterated his disappointment about not having been given time to read the documents tabled and stated he supported many of the Administration's proposals, Councillor Robertson referred to comments made to him by residents in support of raising Council Tax, whilst also commenting on the additional Council Tax burden already imposed on those in Band E to H properties. Having commented on the deferral of the saving relating to Bonnyton House, he voiced concern regarding the ultimate future of the facility, expressing the view that it should be viable to retain it in the public sector if a private sector provider could deliver the service. He also referred to the impact of the sale on staff, such as in relation to their terms and conditions.

Councillor Lafferty commented that the Conservative Opposition favoured reduced taxation over investment, reflecting the UK Government's approach. He outlined the financial challenges faced associated with the withdrawal of the bid for the purchase of Bonnyton House and other savings required if the deferred saving proposal was not approved, adding that services such as those provided by Bonnyton House were required, but need not be provided directly by the public sector if better value for money was achievable another way. He commented that the position would be difficult if a further buyer could not be found, referring to related challenges, duties and responsibilities, including in terms of stewardship.

Referring to the financial pressures faced referred to by Councillor Fletcher and comments made by the Chair of the IJB on stewardship, Councillor Wallace referred to the mind-set of the Administration on expenditure and taxation, citing examples of work undertaken to refurbish the reception area and other planned expenditure on the Headquarters building, such as on new desks, expressing related concerns. He also expressed concern that the proposed meeting adjournment had not been approved.

Councillor McCaskill commented that the Scottish's Government's late budget allocation had created chaos and further instability, referred to increases such as in Council and Business Tax as swingeing and penal, and supported the 6% cut in Council Tax proposed by the Conservative Opposition. He opposed the proposed allocation to the Trust, referring to its status as an Arms Length External Organisation.

Referring to the adjournment that had been proposed, Councillor O'Kane highlighted that the Conservative's amendments had been tabled at the meeting, not only the additional papers for the Administration. He commented that the specific post the Opposition proposed be removed from the CMT had not been specified; referred to changes already made to the senior and middle management team in pursuit of savings; added that it was unclear if the Conservative's proposed recruitment freeze extended to teachers; and referred to a reduction in gritting proposed by the Opposition in March 2016 contrasting this with its current support for roads investment.

At this stage, Provost Carmichael invited Councillor Fletcher to sum up.

In summing up, Councillor Fletcher commented on the initiatives proposed by Councillor Miller, expressing the view that they were irresponsible, not costed properly, and demonstrated that the Conservatives could not be trusted to run the Council. He referred to a report to be submitted to the IJB in the near future on Bonnyton House, the scale of the unit and how it mitigated against economies of scale being achieved. Referring to Councillor Wallace's comments, he referred to a focus placed on customers by the Council, stating that the expenditure on the foyer had been modest and why it had been incurred.

Thereafter on a vote being taken, 13 Members voted for the motion and 6 Members voted for the amendment. The motion was accordingly declared carried and it was agreed, subject to the amendments tabled by the Administration and listed at Appendix 1 accompanying this Minute, that the Council:-

- (a) approve the 2017/18 revenue estimates;
- (b) approve the recommended level and utilisation of reserves;
- (c) determine the 2017/18 Council Tax Band D at £1,159.78; and
- (d) note that management of the Council's finances and service plans would continue to be undertaken on a longer term basis.

### **CAPITAL INVESTMENT STRATEGY 2017-2022**

**2384.** The Council considered a report by the Director of Environment referring to the importance of the Council having a long term capital investment strategy linked to its Single Outcome Agreement and other strategic aims and priorities. A further purpose of the report was to demonstrate that the Council had in place robust capital appraisal, prioritisation and monitoring procedures.

The report made reference to measures put in place to ensure the Council followed best practice recommendations identified within the 2013 Audit Scotland report on good practice with regard to major capital investment in Councils, commenting also on a related follow up report published by Audit Scotland in January 2016, a key recommendation of which was that councils have a long term capital investment strategy.

It was explained that the proposed strategy, a copy of which was appended to the report, was intended to cover 2017/18 and the 5 years thereafter. Whilst commenting on the proposed strategy, reference was made to related aims, reviews of the Council's Asset Management Plans, project appraisal and prioritisation processes, and related issues.

The report concluded that the Council had in place robust and comprehensive capital appraisal, prioritisation and monitoring arrangements, but that room for improvement existed. It was explained that the Capital Investment Strategy drew together the Council's current practice and Audit Scotland's advice regarding best practice and helped ensure it was managing its capital investment proposals in a proper and effective manner.

The Council agreed that the proposed Capital Investment Strategy be approved.

### **GENERAL FUND CAPITAL PLAN 2017/18 – 2024/2025**

**2385.** The Council considered a report by the Head of Accountancy (Chief Financial Officer) seeking approval of the General Fund Capital Plan covering the 8 years from 2017/18 to 2024/25. A copy of the plan, prepared in line with the approach within the Capital Investment Strategy, accompanied the report.

In proposing the plan to the Council, Councillor Fletcher was heard on the significant levels of capital investment planned over the next 8 years, during which he referred to related issues and benefits, including to the local economy and various specific projects. Councillor Buchanan also referred to the plan, referring to it as comprehensive and clarifying that it would be amended as appropriate in light of the approval of the Local Development Plan.

Councillor Robertson referred to the scale of proposed expenditure on the new railway station at Barrhead South and the lack of clarity on the exact provision in terms of the station itself and related work.

Councillor Swift expressed concern regarding insufficient provision for nurseries within the plan in the context of the number of houses being planned and built in the area, and referred also to the need for a new High school to complement provision at St Ninian's High School. He also commented on the City Deal, suggesting that money could be better spent than proposed and referring to the responsibilities of the Strathclyde Passenger Transport Authority.

Councillor Green commented that additional nursery provision would be delivered through a number of projects and that secondary provision would be increased, clarifying that there was no intention to transport children to St Luke's High School from other areas of the authority.

Councillor Buchanan welcomed the resources made available for the City Deal, clarifying that the level of expenditure proposed for the station reflected that a railway line already existed and the need for related infrastructure, including an access road and car parking. He also commented on the importance of linking the Eastwood and Levern Valley sides of the authority, enhancing access to the Dams to Darnley Park, and the promotion of employment opportunities such as those generated by the project itself. He added that the project was important for the authority and developers, following which Councillor Devlin commented that local residents welcomed the station, including the access it would provide to the city centre.

The Council:-

- (a) noted the 2017/18 – 2014/2025 General Fund Capital Plan; and
- (b) approved the 2017/18 programme and authorised officers to progress the projects contained therein.

## **HOUSING REVENUE ACCOUNT – BUDGET APPROVAL**

**2386.** The Council considered a report by the Director of Environment, seeking approval of the Housing Revenue Account (HRA) budget for 2017/18.

The report reminded Members that in February 2015 the Council had agreed to implement a 4.9% rent increase for each of the 3 financial years 2015/16 to 2017/18. Accordingly proposals for a rent increase were not being submitted for consideration. However, approval of the HRA budget for 2017/18 was being sought.

Having referred to both national and local objectives for housing, including the need to meet the Scottish Housing Quality Standard (SHQS), the report explained that determining affordability was helpful to gauge what could be defined as a reasonable rent charge, and provided comparative details of both the Scottish average and other providers in the area. These indicated that the Council's rent levels were lower than other local providers.

The report referred to improvement measures introduced in 2016/17, the Council's ambitious housing building programme to build 120 new houses over the next 5 years, and the service's improving performance in terms of key local government benchmarking figures.

Whilst commenting on the full HRA budget, details of which accompanied the report, specific areas of expenditure increase in the coming year were commented on during which

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reference was made to an anticipated increase in net income of £243,000 in 2017/18 from rent, reduction in borrowing linked to right to buy and increase in bad debt provision. Other issues commented on included the impact of welfare reform, staffing, and consultation undertaken such as with customers biennially, through surveys and with the Residents and Tenants Organisation Forum.

The report concluded that the financial environment in which Housing Services operated continued to be challenging, including in terms of welfare reform, adding that the Housing service continued to perform at levels largely above the Scottish average whilst charging rent below it.

Having heard Councillor Devlin in support of the proposals, Councillor Swift sought clarification on what proportion of tenants' rents was paid by the Department of Work and Pensions.

The Council:-

- (a) approved the 2017/18 Housing Revenue Account budget; and
- (b) noted that further clarification on the issue raised by Councillor Swift would be provided to him following the meeting.

#### **HOUSING CAPITAL PROGRAMME 2017/18 – 2021/2022**

**2387.** The Council considered a report by the Director of Environment, seeking approval of the proposed Housing Capital Programme 2017/18 – 2021/2022 and authority for officers to progress the projects programmed for 2017/18. A copy of the programme accompanied the report.

Councillor Devlin was heard in support of the report during which he commented on the extent to which expenditure was linked to meeting the SHQS, efforts to maintain and improve services, and related challenges.

In response to Councillor Swift who sought clarification on the extent to which it was planned to build houses on parks and green spaces, Provost Carmichael and Councillor Devlin commented that work was at a development stage and that the proposals remained unknown.

In response to Councillor McCaskill who commented that, when taken together with an increase in Council Tax and water charges, the 4.9% rent increase referred to in the report would be challenging for the area's poorest and most vulnerable, Provost Carmichael clarified that the increase had been approved in February 2015. Councillor Devlin commented that, at the time, the Opposition had proposed a higher increase.

The Council approved the proposed Housing Capital Programme for the period 2017/18 to 2021/22 and authorised the Director of Environment to progress the projects programmed for 2017/18.

## ADMINISTRATION ADDITIONAL PROPOSALS

The following savings are to be deferred until 2018/19

- Review of admin and clerical staffing in schools (€87,000)
- Review of Bonnyton (€425,000)
- Reduction in curriculum, quality and delegated school budgets (€208,000)

Giving a total of deferred savings of €720,000.

Further investments of €1.826m

- Schools outdoor learning landscapes (€200,000)
- Pre-Five pupil equity fund (€107,000)
- Primary reading recovery scheme (€50,000)
- East Renfrewshire Culture & Leisure Trust increase in resources for
  - Library books and resources (€70,000)
  - Live broadcast capability for Eastwood Theatre (€15,000)
  - Mobile theatre rig for community hall use (€50,000)
  - New fitness equipment for the Foundry and Eastwood Park Leisure (€20,000)
  
- Additional investment in roads and footpaths (€600,000)
- Town centre regeneration, roads and pavements (€64,000)
- Cowan Park – new play area and war memorial upgrade (€250,000)
- Kingston Playing Fields – improvements and play area (€100,000)
- Cycle hire pilot scheme – Rouken Glen Park (€10,000)
- Netherlee car park improvements (€10,000)
- Road safety at schools (€20,000)
- Fencing and painting works in mixed tenure areas (€50,000)
- Dunterlie & Auchenback regeneration funding for a community worker, local projects, and improvements to Dunterlie Resource Centre (€100,000)
- Funding to support disability friendly taxis (€10,000)
- Funding for graduate trainee posts for digital and data projects (€100,000)

**CONSERVATIVE GROUP AMENDMENT**

Sale of Advertising (bin lorries, council building etc)	£100,000
Reduction in one member of the CMT	£90,000
Recruitment freeze	£200,000
Council Tax collection rate increase by 0.5%	£1,100,000
Increased money from Holyrood	£2,546,000
<b>TOTAL</b>	<b>£4,036,000</b>

**INCREASED INVESTMENT**

Double roads investment	£1,000,000
Double local recycling point investment	£15,000
6% cut in Council Tax	£3,013,800
<b>TOTAL EXTRA INVESTMENT</b>	<b>£4,028,800</b>
Underspend	£7,200
<b>BALANCE</b>	<b>£4,036,000</b>