

**Department of Business Operations and Partnerships**

**Director: Louise Pringle**

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

Phone: 0141 577 3000

website: [www.eastrenfrewshire.gov.uk](http://www.eastrenfrewshire.gov.uk)

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When calling please ask for: Barry Tudhope (Tel: 0141 577 3023)

Email: [barry.tudhope@eastrenfrewshire.gov.uk](mailto:barry.tudhope@eastrenfrewshire.gov.uk)

TO: Councillors O O'Donnell (Chair); A Anderson (Vice Chair); D Devlin; and K Pragnell.

## **CABINET**

A meeting of Cabinet will be held in the Council Chamber, Council Headquarters, Eastwood Park, Giffnock, G46 6UG on **Thursday 7 November 2024 at 10.00am.**

The agenda of business is as listed below.

Yours faithfully

*Louise Pringle*

**LOUISE PRINGLE**

**DIRECTOR OF BUSINESS OPERATIONS AND PARTNERSHIPS**

## **AGENDA**

**1. APOLOGIES FOR ABSENCE**

**2. DECLARATIONS OF INTEREST**

Members are requested to give notice of any declarations of interest in respect of items of business on the Agenda.

**3. ESTIMATED REVENUE BUDGET OUTTURN 2024/2025**

Report by Head of Finance (copy attached, pages 3 – 40)

**4. CHARGING FOR SERVICES – ISOBEL MAIR OUT OF SCHOOL CARE (OSC)**

Report by Director of Education (copy attached, pages 41 – 46)

**5. HOUSING REVENUE ACCOUNT – 30 YEAR BUSINESS PLAN**

Report by Director of Environment (copy attached, pages 47 – 54)

**6. HOUSING ASSET MANAGEMENT PLAN 2024-2026**

Report by Director of Environment (copy attached, pages 55 – 106)

**7. CHILD POVERTY PRACTICE ACCELERATOR FUND 2024-2026**

Report by Director of Environment (copy attached, pages 107 – 110)

A recording of the Council 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 COUNCILCABINET7 November 2024Report by Head of FinanceESTIMATED REVENUE BUDGET OUT-TURN 2024/25**PURPOSE**

1. To advise Cabinet of the estimated projected revenue out-turn for 2024-25. The report provides details of expected year end variances for each department at period 5 and is based on the financial position as at 31 August 2024 and subsequent assessment of pressures.

**RECOMMENDATION**

2. It is recommended that:
  - members note the forecast underlying General Fund operational underspend of £768k and the HRA operational overspend of £160k before any contribution from the HRA reserve.
  - members approve service virements and operational adjustments as set out in the notes to the tables on pages 15 to 32 and note the reported probable out-turn position.

**BUDGET MONITORING STATEMENTS**

3. The attached budget monitoring statements provide information in respect of:
  - Detailed variance analysis between budgeted and out-turn expenditure
  - Service virement and operational budget adjustments

**BACKGROUND**

4. This report shows the out-turn position as at period 5 against the Council's approved revenue budget for 2024-25, as adjusted to comply with accounting requirements and any subsequent Cabinet operational decisions.

The revenue budget for 2024-25 approved by Council on 28 February 2024 has been adjusted for monitoring purposes as follows:

|   | £'000                 |
|---|-----------------------|
| Budgeted net expenditure per 1 March 2024 report to Council     | 319,877               |
| Capital Financing - Loans Charge Adjustment (Note 1)            | (9,525)               |
| Service Operational Capital Charge Adjustment (Note 2)          | 20,726                |
| Accountancy adjustments for Ring Fenced Revenue Grants (Note 3) | (2,162)               |
| Restated net expenditure  | <u>328,916</u>        |
| Adjustments to General Revenue Grant (Note 4)                   | 5,640                 |
|   | <u><u>334,556</u></u> |

## 4

**Note 1.** The net expenditure agreed on 28 February 2024 includes the Council's budgeted capital financing costs (Loans Charges). These comprise of principal repayments, cost of interest payments and other expenses, associated with the purchase of capital related expenditure and are managed within the Loans Fund. These costs are removed from the approved budget as they are not allocated out to individual services and therefore are not deemed to form part of a service's operational revenue budget. The main reason for this approach is that the Loans Charges do not reflect current operating costs as they comprise of loan repayments over long periods of time resulting from past decisions on funding terms of prior purchases of capital expenditure and do not reflect the true current operational cost of using these capital assets. In order to provide a comprehensive and current measure of a service's operating costs, a capital charge is included within the service's operating revenue budget. This is in the main a depreciation charge based on a true annual usage cost of all capital assets used within the service and is calculated via current asset cost valuations and the useful remaining life of the asset. Capital charges were introduced when Capital Accounting was adopted by LASAAC and the Accounting Code of Practice in the preparation of Local Authority Financial Accounts. The use of capital charges is also to provide a more accurate total cost of an operation or service that can then be measured and compared with other service providers, both external and internal.

**Note 2.** This is the adjustment required to include the appropriate capital charges in the Council's service budgets instead of the capital financing costs removed as described above.

**Note 3.** Ring Fenced Revenue Grant is a resource element within the 2024-25 Local Government Finance Settlement and is not included within Service budgets in the approved Council's 2024-25 Revenue Budget exercise. In compliance with LASAAC on the preparation of Local Authority Financial Accounts, designated Ring Fenced Grants should be reported as income within Service budgets that it is specific to and this adjustment adheres to reporting guidelines. This funding resource is noted in the adjustment funding schedule below.

**Note 4.** This is an adjustment to the General Revenue Grant funding received by the Council as a redetermination of the 2024-25 Local Government Finance Settlement and is noted in the adjustment funding schedule below. The late increase in the settlement is not specific to any department and a pro rata budget share has been allocated to HSCP (£256k) with the remainder held in other expenditure (£922k).

Schedule of adjustment funding (Note 3 and Note 4)

| Funding Source        | Description                    | Service                            | £'000 |
|-----------------------|--------------------------------|------------------------------------|-------|
| Ring Fenced Rev Grant | Pupil Equity Fund              | Education                          | 1,489 |
| Ring Fenced Rev Grant | Gaelic                         | Education                          | 57    |
| Ring Fenced Rev Grant | Criminal Justice               | HSCP                               | 616   |
|                       |                                | <b>Note 3</b>                      | 2,162 |
| General Revenue Grant | Adult Social Care Uplift       | HSCP                               | 3,929 |
| General Revenue Grant | Discretionary Housing Payments | Business Operations & Partnerships | 533   |
| General Revenue Grant | Late Increase in Settlement    | Other Expenditure/HSCP             | 1,178 |
|                       |                                | <b>Note 4</b>                      | 5,640 |

The report reflects the required accountancy treatment of the IJB in that the Council makes a contribution to the IJB and the IJB then makes a contribution to the Health & Social Care Partnership (HSCP) equal to the costs of the activities that the IJB has directed the HSCP to undertake. It is expected the HSCP will in operation terms have a net expenditure of zero. However an accounting entry of £1,203k has been added to reflect capital charging policies. This sum does not require to be funded.

**BUDGET PERFORMANCE**

5. As at 31 August 2024, the actual position against the phased budget shows a total net underspend of £203k, this is largely due to timing variances.
6. The forecasted outturn table below shows an overall favourable variance of £768k for the General Fund services and an adverse variance of £160k for the Housing Revenue Account, before any contribution from the HRA reserve. Council Tax income is currently anticipated to be in line with budget and will not impact on the total forecast.
7. It is anticipated that the forecast pandemic pressures of £1,351k will be covered by utilising COVID grant resources previously awarded to the Council.
8. The projected operational outturn includes an assumed 3.2% pay award for both teaching and local government employees, as the position was finalised before pay negotiations were concluded. It is expected the Scottish Government will fund the increase above 3.2%. This position will be updated in future reports as funding levels are finalised.

The table below provides detail of each department's operational year to date position as at 31 August.

| <b>Department</b>                       | <b>Period 05 Position<br/>£'000</b> |
|---|-------------------------------------|
| Education                               | <b>1,485</b>                        |
| Contribution (to) IJB                   | <b>(1,883)</b>                      |
| Environment (Incl. O/Housing)           | <b>278</b>                          |
| Environment – Support                   | <b>(246)</b>                        |
| Business Operations & Partnerships      | <b>(609)</b>                        |
| Business Operations & P'ships - Support | <b>532</b>                          |
| Chief Executive's Office                | <b>(25)</b>                         |
| Chief Executive's Office - Support      | <b>113</b>                          |
| Other Expenditure & Income              | <b>(92)</b>                         |
| Joint Boards                            | <b>19</b>                           |
| Corporate Contingency                   | <b>(2)</b>                          |
| HSCP                                    | <b>29</b>                           |
| Housing Revenue Account                 | <b>604</b>                          |
| <b>Total £ Variance</b>                 | <b>203</b>                          |
| <b>Total Budgeted Expenditure</b>       | <b>124,925</b>                      |
| <b>% Variance</b>                       | <b>0.16%</b>                        |

## 6

The table below provides detail of each department's estimated projected revenue out-turn variance.

| Department                                   | Forecasted Outturn |                    |
|--|--------------------|--------------------|
|  | Period 03<br>£'000 | Period 05<br>£'000 |
| Education                                    | 543                | 734                |
| Contribution (to) IJB                        | 0                  | 0                  |
| Environment (Incl. O/Housing)                | (648)              | (719)              |
| Environment – Support                        | 156                | 176                |
| Business Operations & Partnerships           | (148)              | (35)               |
| Business Operations & Partnerships - Support | 52                 | 148                |
| Chief Executive's Office                     | 265                | 277                |
| Chief Executive's Office - Support           | 77                 | 65                 |
| Other Expenditure & Income                   | 922                | 122                |
| Joint Boards                                 | 0                  | 0                  |
| Corporate Contingency                        | 0                  | 0                  |
| HSCP   | 0                  | 0                  |
| Housing Revenue Account                      | (124)              | (160)              |
| <b>Total £ Variance</b>                      | <b>1,095</b>       | <b>608</b>         |
| <b>Total Budgeted Expenditure</b>            | <b>334,556</b>     | <b>334,556</b>     |
| <b>% Variance</b>                            | <b>0.33%</b>       | <b>0.18%</b>       |

Notable variances are as follows:-

### i) Education

The current position at period 5 is an underspend of £1,485k and is mainly due to a combination of timing and real variances within payroll, utilities, income received and timing variances within supplies and services. The year end forecast based on the information available prior to the start of the new academic year indicates an underspend of £734k mainly as a result of additional staff turnover, reduced utility costs, lower than budgeted PFI/PPP contract costs and an anticipated over-recovery of income. This is partially offset by increased costs associated with pay awards and detriment/redundancy costs associated with the delivery of approved savings. Costs of £86k which are a result of Covid, will be met from the Covid grant reserve and do not affect the net budget or forecast.

### ii) Environment Non Support

The current position at period 5 is an underspend of £278k and is a combination of timing variances partly off-set by a real variance on Homelessness and temporary accommodation.

The year-end forecast indicates an overspend of £719k. Homelessness and temporary accommodation continues to be a substantial financial pressure this year, with a projected overspend of £1.5m on this service. This will be partly off-set by external grant income and other savings across services, mainly related to vacancies and staff turnover. Costs of £565k which are a result of Covid, will be met from the Covid grant reserve and do not affect the net budget or forecast.

**iii) Environment Support**

The current position at period 5 is an overspend of £246k resulting from delayed processing of staff recharges to capital. The year-end forecast indicates an underspend of £176k as a result of the service carrying a number of vacancies. Costs of £50k which are a result of Covid, will be met from the Covid grant reserve and do not affect the net budget or forecast.

**iv) Business Operations & Partnerships**

The current position at period 5 is an overspend of £609k resulting from a mix of timing and real variances across the services. The year end forecast indicates an overspend of £35k which is mainly due to operational issues affecting the Community Safety service offset by underspends on payroll budgets, Council Tax Reduction and Housing Benefits. Costs of £650k which are a result of Covid, will be met from the Covid grant reserve and do not affect the net budget or forecast.

**v) Business Operations & Partnerships – Support Services**

The current position at period 5 is an underspend of £532k which is mainly due to timing variances relating to IT contracts. The year-end forecast indicates an underspend of £148k which is mainly due to underspends in staffing and Digital Service contracts.

**vi) Chief Executive's Office**

The current position at period 5 is an underspend of £88k and is mainly due to staff vacancies. The year-end forecast indicates an underspend of £342k which is mainly due to an increase in interest earned on temporary investment balances and staff vacancies.

**vii) Other Expenditure**

The current position at period 5 is an overspend of £92k and is timing variances within Pension Additional Allowances and other costs. The year end forecast is an underspend of £122k. This reflects the late increase in the 2024/25 grant settlement of £922k provided by the Scottish Government, off-set by the additional corporate savings target of £800k. This corporate savings target is expected to be met by underspends across the other departments.

**viii) IJB/Health & Social Care Partnership (HSCP)**

The current position at period 5 is an overspend of £1.854m. The forecasted year-end position is expected to be breakeven as any underspend will be used as a net contribution to the IJB reserves in order to meet the projected operational overspend relating to Health in the current financial year. The current estimated net contribution is £444k. This includes expected savings shortfalls against plans (£1.474m) and operational pressures (£0.149m) offset by the pension gain (£2.067m).

**ix) Housing Revenue Account**

The current position at period 5 is an underspend of £604k. The forecasted year-end position before any contribution from the HRA reserve is an overspend of £160k. The main drivers being the "pension windfall" following the reduction in employers superannuation from the budgeted 17.5% to 6.5%, an estimated reduction in loan charges of £54k and additional interest income of £83k. The estimated drawdown from the HRA reserve during the current financial year reduces from £775k to £160k.

9. The Council's projected revenue out-turn position is reported as a net underspend of £608k and assumes that £1,351k of Covid pressures will be met from the Covid grant reserve. The report has highlighted the continued financial pressures on services arising from the COVID-19 pandemic. Departments should continue to closely monitor and manage their budget.

## RECOMMENDATIONS

10. It is recommended that:
- members note the forecast underlying General Fund operational underspend of £768k and the HRA operational overspend of £160k before any contribution from the HRA reserve.
  - members approve service virements and operational adjustments as set out in the notes to the tables on pages 15 to 32 and note the reported probable out-turn position.

## REPORT AUTHOR

|                      |   |                 |   |
|----------------------|---|-----------------|---|
| Head of Finance      | - | Kirsty Stanners |   |
| Principal Accountant | - | Paul Parsons    | Tel. 07741 701451<br>paul.parsons@eastrenfrewshire.gov.uk |
| Report date          |   |                 | 16 October 2024   |

## BACKGROUND PAPERS

The report refers to the attached budgetary monitoring statements.



**BUDGET MONITORING REPORTS**

**PERIOD 05**

**31st AUGUST 2024**

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**PROBABLE OUTTURN FORECAST AS AT 31st AUGUST 2024 - £734,100 UNDERSPEND****Pre Five Education (£212,900 underspend)**

The underspend relates to projected savings in utility costs (£3k) due to lower than budgeted prices, the provision of meals in Early Years establishments (£112k), and higher than budgeted income in relation to Add-On (£124k). This is partially offset by increased costs associated with the pay awards for both teaching and local government staff (£27k).

**Primary Education (£101,700 overspend)**

The overspend relates to increased costs associated with the pay awards for both teaching and local government staff (£58k), redundancy costs associated with approved savings (£28k) and the cost of the school meals service in this sector (£105k) due to the projected higher than budgeted uptake of meals. This overspend is partially offset by a forecast saving on utility costs (£66k) due to a lower than budgeted prices and on PFI/PPP contracts due to lower than budgeted inflation (£22k).

**Secondary Education (£100,400 underspend)**

The underspend relates to a forecast saving on utility costs (£168k) due to a lower than budgeted prices and on PFI/PPP/HUB contracts due to lower than budgeted inflation (£137k). This is partially offset by increased costs associated with the pay awards for both teaching and local government staff (£72k), redundancy costs associated with approved savings (£79k) and an overspend on the cost of the school meals service in this sector (£49k).

**Special Education (£145,000 underspend)**

An underspend is forecast in relation to the cost of external placements for pupils with additional support needs based on the information currently available (£163k) and on utility costs (£17k). This is partially offset by ongoing detriment costs associated with the delivery of approved savings (£28k) and increased costs associated with the pay awards for both teaching and local government staff (£9k).

**Other Services (£44,100 overspend)**

The forecast overspend relates to redundancy costs associated with approved savings (£64k) and increased transport costs (£33k). This is partially offset by additional staff turnover within centrally based teams (£62k).

**Facilities Management (£289,100 underspend)**

An underspend is forecast in relation to the Catering service (£238k) due to additional staff turnover in the early part of the year, ongoing recruitment challenges and a forecast over-recovery of income due to higher than budgeted uptake of meals. In addition a net underspend is forecast in relation to the cleaning and janitorial service due to additional staff turnover as the services transition to new staffing structures in order to realise approved savings (£79k) and additional income (£42k). These underspends are partially offset by redundancy and detriment costs (£84k).

**Culture and Leisure Services (£132,500 underspend)**

The underspend relates to a forecast saving on utility costs (£129k) due to a lower than budgeted prices and an underspend on equipment maintenance costs (£5k).

**Summary:**

Period 5 figures have been prepared on a probable outturn basis and therefore reflect anticipated full year costs. This forecast, which is based on the information currently available indicates an operational underspend of £734,100 which is 0.4% of the Education department budget.

In addition to the operational variances outlined above the department will also incur estimated Covid costs of £86k during this financial year which will be met from the Covid grant reserve.

Overall the main variances forecast at Period 5 can be summarised as underspends in centrally based teams and cleaning & janitorial staffing (£141k), utilities (£383k), PFI/PPP/HUB contracts (£159k), the cost of external placements (£163k) and the catering service (including school meals) (£196k). An over-recovery of income is also forecast in relation to Add-On based on the information currently available (£124k). This position is offset by overspends in relation to increased costs associated with the pay awards for both teaching and local government staff (£166k) and detriment and redundancy costs to date associated with approved savings (£283k).

All variances will continue to be monitored and will be revised as the year progresses and further information becomes available. Costs associated with external placements for pupils with additional support needs could alter significantly as the school year progresses. A service review is underway in relation to the delivery of approved savings within facilities management therefore costs and savings in this area are based on the best information available at present and may change.

As noted in the previous report the budget for replacement teachers covering maternity and long term absence is forecast to be overspent. At this stage it is expected that these additional costs will be covered by budgets devolved to head teachers/ DSM reserves. This area continues to be closely monitored at department level with projections updated regularly to reflect the latest information available.

**CONTRIBUTION TO INTEGRATION JOINT BOARD**

**PROBABLE OUTTURN FORECAST AS AT 31st AUGUST 2024 – NIL VARIANCE**

**Contribution to Integration Joint Board (IJB) ( Nil variance )**

The projected outturn position reflects the agreed contribution to the Integration Joint Board.

**Summary:**

The projected outturn position is that the contribution to IJB is in line with agreed funding.

**ENVIRONMENT – NON SUPPORT**

**PROBABLE OUTTURN FORECAST AS AT 31st AUGUST 2024 - £719,000 OVERSPEND**

**Directorate & Management - incl. Energy Management (£102,100 Underspend)**

Payroll costs are projected to underspend due to vacancies across the service (£110k). Contributions from the Modernisation and Get to Zero Funds (£115k), as well as the Covid grant reserve (£57k), are also being used to offset payroll costs.

**Properties (Environment & Non-Operational) (£53,900 Underspend)**

An underspend in utility costs is projected (£17k) given lower than budgeted unit costs of Gas and Electricity. Expenditure on Non Operational Properties (£25k) and Street Nameplates (£10k) is also projected to underspend.

**Office Accommodation (£49,400 Underspend)**

An underspend in Gas and Electricity costs is projected (£45k) as the current average unit cost is lower than budgeted.

**Planning and Building Control – incl. Strategy BI Team (£93,800 Underspend)**

Payroll costs are projected to underspend (£60k) given turnover across the service. An over-recovery in interest earned on developer contribution balances (£200k) may be partially offset by an under-recovery in fee income (£150k).

**Economic Development (£81,500 Underspend)**

Payroll costs are projected to underspend (£85k). Additional grant income (£2.52m) from the Covid Local Authority Discretionary Fund, Local Authority Covid Economic Recovery Fund, UK Shared Prosperity Fund and a number of Employability programmes will offset corresponding grant related expenditure in payroll and other costs.

**Roads (£Nil)**

**Neighbourhood Services (£18,900 Overspend)**

An overspend in payroll costs is projected (£19k) with agency staff being employed to mitigate the impact of staff turnover across the service.

**Parks (£39,800 Underspend)**

Income from Other Agencies is projected to over-recover (£40k) due to a compensation payment received from Scottish Water.

**Cleansing (£73,500 Underspend)**

Income received from garden waste permits is projected to over-recover (£80k).

**Waste Management (£168,100 Underspend)**

An underspend in waste disposal costs are projected (£50k) as the Clyde Valley Residual Waste Contact disposal rate is slightly lower than anticipated. An underspend in Civic Amenity Recyclables (£50k) is also projected, whilst income from the Sale of Recyclables is projected to over-recover (£45k).

**Protective Services (£8,100 Underspend)**

-

**Other Housing (£1,370,300 Overspend)**

A significant overspend on temporary accommodation is projected (£1.5m) as the Council continues to incur significant and ongoing spend on Bed & Breakfast accommodation. This will be partially offset by external grant funding (£150k). Additional grant income (£440k) will offset corresponding grant related expenditure in Payroll, Supplies & Services and Payments to Other Bodies.

**Summary:** The above figures have been prepared on a probable outturn basis and reflect anticipated full year costs. Across the department there are a range of operational variances as noted above. Whilst overspends are projected across the main expenditure groupings, much of this will largely be offset by additional grant income in Economic Development, Roads and Other Housing.

The most notable financial pressure faced by the department is in relation to temporary accommodation/homelessness with significant expenditure on bed and breakfast accommodation continuing to be incurred and showing no signs of easing off.

The projections include an assumption that £565k of expenditure will be met in full from the Covid grant reserve. The variances noted above will be closely monitored for the remainder of the year with mitigating actions taken by management where this is possible.

**14**  
**ENVIRONMENT – PROPERTY AND TECHNICAL SERVICES**

**PROBABLE OUTTURN FORECAST AS AT 31st AUGUST 2024 – £176,300 UNDERSPEND**

**Property & Technical - Operations (£105,800 Underspend)**

Payroll costs are projected to underspend (£200k) due to a number of vacancies across the service. This will be partially offset by a corresponding under-recovery in costs recharged to capital projects (£100k).

**Property & Technical – Strategy (£70,500 Underspend)**

An underspend in payroll costs (£185k) is projected given high staff turnover across the service, although this will be partially offset by increased expenditure on agency staff (£117k).

**Summary:**

The above figures have been prepared on a probable outturn basis and reflect anticipated full year costs. Staff turnover across the service results in an underspend being projected at this stage.

The projections assume that £50k of expenditure will be offset by a contribution from the Covid grant reserve.

## 15 BUSINESS OPERATIONS & PARTNERSHIPS

**PROBABLE OUTTURN FORECAST AS AT 31st AUGUST 2024 - £34,900 OVERSPEND**

### **Communities and Community Planning (£11,800 Underspend)**

There are staffing variances in Community Planning of £10.7k (slippage on a vacancy) and an overspend in supplies of £28.2k. In Communities additional supplies costs of £16K are offset by additional income of £45.3k

### **Community Safety (£200,800 Overspend)**

Staffing continues to be overspent (£166K) and several equipment repair costs (£20K) have been incurred. Additional income due (£10K) has partially offset the increased expenditure.

### **Money Advice & Registrars (£17,300 underspend)**

The underspend is due underspend on allowance and slippage on a vacancy

### **Customer First (£24,800 Underspend)**

The underspend is mainly due to vacant posts.

### **Members Expenses and Democratic Services (£27,400 Overspend)**

This variance relates to additional staff costs of £18K within Committee Services to facilitate the General Election, in addition to a partially unbudgeted pay award for Members of £9K.

### **Directorate, Strategic Insight & Communities Management (£1,000 Underspend)**

The underspend relates to minor staffing variances.

### **Revenues Benefits and Business Support (£51,700 overspend)**

The overspend is due to additional staffing required for benefits processing £38k and additional Supplies and Services £21k offset by additional income £7k.

### **Housing Benefits (£124,700 underspend)**

The variance relates to an underspend of £45k due to a lower spend than budgeted in relation to Rent Officer referrals and £79k reduction in other allowances and rebate expenditure.

### **Council Tax/Non Domestic Rates (£65,400 underspend)**

The variance relates to an underspend on Council Tax reduction of £65k.

### **Humanitarian Need / BOP Covid Recovery (no variance)**

Business Operations expects to incur expenditure of £650k which will be met in full from the Covid grant reserve.

### **Summary:**

Period 5 figures have been prepared on a probable outturn basis and therefore reflect anticipated full year costs. The projections include an assumption that £650k of covid related spend will be met from the final balance of covid grant reserve. The operational overspend of £34,900 is mainly due to overspends on Community Safety and Democratic services offset by underspends on Housing Benefits, Council Tax Reduction and payroll budgets across a number of services.

**16**  
**BUSINESS OPERATIONS & PARTNERSHIPS – SUPPORT SERVICES**  
**PROBABLE OUTTURN FORECAST AS AT 31st AUGUST 2024 - £147,900 UNDERSPEND**

**Revenues (£2,500 underspend)**

There are no significant variances at this time.

**Digital Services (£215,300 Underspend)**

The variance is due to a combination of underspends on contracts totalling £70.9k together with underspends in payroll of £144.4k.

**Strategy – Support and Insight (£1,900 Overspend)**

There is some slippage (£6.1K) that relates to a vacant post in Insight, however this is almost fully offset by increased subscription costs (£4K) and non-achieved turnover in Strategy – Support (£4K).

**Communications & Printing (£1,700 underspend)**

There are no significant variances at this time.

**Human Resources (£52,000 Overspend)**

The overspend is due to additional resource required for Itrent support and development.

**Payroll (£6,200 Overspend)**

The overspend is due to non-achievement of Turnover savings

**Customer First Reception (£1,400 Underspend)**

The underspend is due to scale point variance.

**Digital Transformation (£12,900 Overspend)**

The overspend is due to maternity cover.

**Summary:**

Period 5 figures have been prepared on a probable outturn basis and therefore reflect anticipated full year costs. The operational underspend of £147,900 is mainly due to variances in staffing across a number of services and underspend on Digital Service contracts.



**CHIEF EXECUTIVE'S OFFICE – NON SUPPORT**

**PROBABLE OUTTURN FORECAST AS AT 31st AUGUST 2024 - £277,100 UNDERSPEND**

Temporary Loans Fund Interest income is projected to outturn over-recovered (£300k) due to an increased level of interest rates currently available in commercial markets.

Partly offsetting this favourable variance is a projected overspend in Civic Licensing (£22.9k) mainly due to lower taxi licensing income.

**Summary:**

Period 5 figures have been prepared on a probable outturn basis and therefore reflect projected full year costs.

The projected underspend at Period 5 of £277,100 is due mainly to higher Temporary Loans Fund Interest.

**18**  
**CHIEF EXECUTIVE'S OFFICE - SUPPORT**

**PROBABLE OUTTURN FORECAST AS AT 31<sup>st</sup> AUGUST 2024 - £64,400 UNDERSPEND**

The projected underspend of £64,400 is comprised of several variances:

There are projected underspends in Legal Services (£57k) and Procurement (£33.9k) due to staff vacancies. In addition, Supplies and Services in Legal Services (£27.4k) and Accountancy (£6.3k) are projected to underspend based upon last year's outturn and current levels of expenditure to date.

Partly offsetting these favourable variances is a projected overspend in Internal Audit (£10.9k) mainly due to a lower level of staff turnover and staff costs being higher than estimated. There are projected overspends in Internal Audit Supplies and Services (£1.5k) and Chief Executive's Office Supplies and Services (£2.9k) due to additional costs. In addition, Legal Services Income (£44.9k) is projected to under-recover due to a lower level of demand than what was anticipated in the Estimates.

**Summary:**

Period 5 figures have been prepared on a probable outturn basis and therefore reflect projected full year costs.

The projected underspend at Period 5 of £64,400 is due to vacant posts in the Legal Services and Procurement. Supplies and services in Legal Services and Accountancy are projected to underspend based on last year's outturn and current levels of expenditure to date. Partly offsetting these favourable variances there is an under-recovery of Income in Legal Services and an overspend in Internal Audit due mainly to staff costs being higher than estimated and a lower level of staff turnover.

## 19 OTHER EXPENDITURE & INCOME

### PROBABLE OUTTURN FORECAST AS AT 31st AUGUST 2024 - £122,000 UNDERSPEND

The forecasted underspend reflects the late increase in the 2024/25 grant settlement from the Scottish Government of £922k, off-set by the additional corporate savings target of £800k. While it is relatively early in the financial year, there are no other significant variances estimated within other expenditure and income.

While this reflects the anticipated position to the year-end, this could still be subject to change in future reports.

#### **Summary:**

Period 5 figures are prepared on a probable outturn basis and reflect projected full year costs.

An underspend of £122k is forecast as a result of the late increase in the 2024/25 grant settlement, off-set by the additional corporate savings target.

## HEALTH &amp; SOCIAL CARE PARTNERSHIP

## PROBABLE OUTTURN FORECAST AS AT 31st AUGUST 2024 – NIL VARIANCE

**Children & Families & Public Protection (£344,000 Underspend)**

Fostering and Direct Payment costs continue to be under committed and offset in part by residential placement costs. This is a reduction in projected costs of £284k since last reported, mainly from a reduction in residential care placement costs. There still remains a high degree of volatility within the service for unaccompanied asylum seekers and we will review this as the year progresses.

**Adult – Intensive Services (£639,000 Overspend)**

The majority of which is the current projected shortfall on savings within Care at Home along with continued operational pressures on purchased care. There are a number of underspends elsewhere in the service that partly offset these pressures. This is a reduction in costs of £83k since last reported due to Supporting People Framework (SPF) savings reduction of £119k offset by reduced operational costs of £202k.

**Adult – Localities Services (£748,000 Overspend)**

The main variances within our adult community services across both Eastwood and Barrhead localities are:

1. Older People – (£324k underspend) primarily relates to community based care costs within localities which has decreased overall since last year. This is offset in part by nursing and residential care which is projected to overspend by £190k. This is an increase in costs of £281k since last reported due to £189k additional staffing and care costs and £92k SPF savings reduction.
2. Physical & Sensory Disability – (£341k overspend) this remains due to our current cost of care commitments and is an increase of £60k.
3. Learning Disability – (£731k overspend) this remains due to current care commitment costs, offset in part by Independent Living Fund income. This is an increase in projected costs of £453k including SPF savings reductions of £63k and a realignment of a grants savings of £90k.

**Recovery Services – Mental Health & Addictions (£47,000 Overspend)**

This is mainly due to pressures within care and associated costs and reflects a reduction in care commitments of £48k since last reported.

**Finance & Resources (£1,534,000 Underspend)**

Whilst this is a significant underspend, it needs to be recognised that this budget holds the benefit from the pension gain as well as a number of HSCP wide costs. This is a reduction in costs of £135k from property and turnover. The key elements of the underspend remain:

- £2,067k pension gain underspend / planned over recovery

Offset in part by

- £374k savings shortfalls (£354k of which relates to 20% supplies & income)
- £159k HSCP wide costs including supernumerary posts, historic pension charges, additional HR and Communication costs, IT licences etc.

**Contribution to IJB (£444,000)**

This is the projected net contribution to the IJB reserves and will be required to meet the projected operational overspend relating to Health in the current financial year. The Chief Officer and management team continue to work on actions to mitigate cost pressures in the current year.

Continued on next page

## HEALTH & SOCIAL CARE PARTNERSHIP

### PROBABLE OUTTURN FORECAST AS AT 31st AUGUST 2024 – NIL VARIANCE

**Summary:**

The projected outturn shows a potential underspend for the year of £444k based on known care commitments, management of vacant posts and other supporting information from our financial systems. This includes expected savings shortfalls against plans (£1.474m) and operational pressures (£0.149m) offset by the pension gain (£2.067m) which reflected the plan to over recover on savings, recognising the pension gain is non-recurring.

To help with the delivery of savings, Council is providing Invest to Save funding of £700k to support review capacity, additional Human Resources, recruitment and a post to support implementation of income from charges. The Supporting People Framework (SPF) is showing an overall projected shortfall of £787k in the current year. This position is inclusive of additional funding of £240k that will be passed through to the HSCP as part of SG consequential funding the council will receive, relating to social care funding from the UK budget. We have also applied £200k as we have received confirmation of this funding in relation to living wage increases for children's social care. As the IJB had previously agreed increases to these costs as part of its budget we are able to apply this funding to SPF. All savings, including SPF, are continuously monitored and we continue to try to identify every opportunity across the HSCP and more widely if and where possible to reduce all shortfalls.

## HOUSING REVENUE ACCOUNT

**PROBABLE OUTTURN FORECAST AS AT 31st AUGUST 2024 – £160,000 OVERSPEND  
(Note - Overspend is before contribution from reserves)**

### **Housing Revenue Account (£160,000 Overspend, before contribution from reserve)**

A large underspend is projected in HRA payroll costs (£460k). This is mainly due to the 'pension windfall' following a reduction in employer's superannuation pension costs from the budgeted 17.5% to 6.5% (£470k).

A small underspend is projected across a number of premises related costs (£20k).

HRA Financing Costs / Loans Charges are projected to be lower than budgeted (£54k).

Additional interest income is anticipated during the year (£83k).

Due to the above, the HRA is not anticipated to require the full budgeted contribution from reserves (£775k).

The projected overspend of £160k will be funded from the HRA reserve. The revised projected drawdown from the reserve during 2024/25 has been reduced by £615k (from £775k to £160k).

### **Summary:**

The above figures have been prepared on a probable outturn basis and therefore represent full year variances.

The drawdown on reserves to meet HRA running costs has been anticipated and budgeted for this year. This drawdown will be less than anticipated because of the 'pension windfall', revised loan charges and additional interest income noted above. Whilst this is welcome, the HRA will continue to be monitored closely throughout the year.

Budgetary Control Statement  
Period 5 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department                              | Approved Budget<br>Per 01 | Operational<br>Adjustments | Revised Estimate Per<br>03 | Budget Estimate to<br>Date - Per 03 | Actual to Date     | Variance<br>(Over)/Under | Forecast       |
|---|---------------------------|----------------------------|----------------------------|-------------------------------------|--------------------|--------------------------|----------------|
| Education                               | 200,458,400               | 0                          | 200,458,400                | 76,450,881                          | 74,965,496         | 1,485,385                | 734,100        |
| Contribution to Integration Joint Board | 73,409,500                | 256,000                    | 73,665,500                 | 27,945,902                          | 29,828,903         | (1,883,001)              | 0              |
| Environment                             | 35,226,900                | 0                          | 35,226,900                 | 10,501,469                          | 10,223,790         | 277,679                  | (719,000)      |
| Environment - Support                   |                           | 0                          | 0                          | 746,034                             | 992,073            | (246,039)                | 176,300        |
| Chief Executives Office                 | 291,400                   | 0                          | 291,400                    | (1,614)                             | 23,280             | (24,894)                 | 277,100        |
| Chief Executives Office - Support       |                           | 0                          | 0                          | 1,196,101                           | 1,083,438          | 112,663                  | 64,400         |
| Business Operations & Partnerships      | 13,162,300                | 0                          | 13,162,300                 | 3,052,340                           | 3,660,859          | (608,519)                | (34,900)       |
| Business Ops & Partnership - Support    |                           | 0                          | 0                          | 6,983,558                           | 6,451,956          | 531,602                  | 147,900        |
| Other Expenditure & Income              | 8,861,000                 | (256,000)                  | 8,605,000                  | 433,000                             | 525,100            | (92,100)                 | 122,000        |
| Joint Boards                            | 2,430,000                 |                            | 2,430,000                  | 915,700                             | 896,417            | 19,283                   | 0              |
| Contingency - Welfare                   | 130,000                   | 0                          | 130,000                    | 0                                   | 1,788              | (1,788)                  | 0              |
| Health & Social Care Partnership        | 587,400                   | 0                          | 587,400                    | (256,667)                           | (286,026)          | 29,359                   | 0              |
| Service Resource Adjustment             | 0                         | 0                          | 0                          |                                     |                    | 0                        | 0              |
| Additional Council Tax Income           |                           | 0                          | 0                          | 0                                   | 0                  | 0                        | 0              |
| General Fund Sub-total                  | 334,556,900               | 0                          | 334,556,900                | 127,966,704                         | 128,367,074        | (400,370)                | 767,900        |
| Housing Revenue Account                 | 0                         | 0                          | 0                          | (3,041,514)                         | (3,645,023)        | 603,509                  | (160,000)      |
| <b>TOTAL</b>                            | <b>334,556,900</b>        | <b>0</b>                   | <b>334,556,900</b>         | <b>124,925,190</b>                  | <b>124,722,051</b> | <b>203,139</b>           | <b>607,900</b> |

Summary of Operational Adjustments.

|   |          |
|---|----------|
| Devolved School Management                    | 0        |
| Revenue Support Grant - £256K Transfer to IJB | 0        |
| Approved 5 September 2024 Cabinet             | 0        |
| -   | <u>0</u> |
|   | <u>0</u> |

Budgetary Control Statement  
Period 5 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Subjective Name             | Approved Budget Per 01 | Operational Adjustments | Revised Estimate Per 03 | Budget Estimate to Date - Per 03 | Actual to Date     | Variance (Over)/Under | Forecast           |
|-----------------------------|------------------------|-------------------------|-------------------------|----------------------------------|--------------------|-----------------------|--------------------|
| Employee Costs              | 191,134,924            | (247,294)               | 190,887,630             | 79,523,322                       | 78,392,683         | 1,130,639             | (2,265,200)        |
| Property Costs              | 24,753,805             | 76,468                  | 24,830,273              | 11,866,517                       | 9,886,730          | 1,979,787             | 308,500            |
| Transport Costs             | 7,538,750              | 8,997                   | 7,547,747               | 3,241,195                        | 3,067,768          | 173,427               | 43,500             |
| Supplies & Services         | 69,869,493             | 237,004                 | 70,106,497              | 23,980,452                       | 23,321,378         | 659,074               | (1,765,100)        |
| Third Party Payments        | 71,627,300             | 256,018                 | 71,883,318              | 24,089,195                       | 27,301,721         | (3,212,526)           | (3,625,600)        |
| Transfer Payments           | 19,938,300             | 0                       | 19,938,300              | 6,360,164                        | 7,417,096          | (1,056,932)           | (2,592,600)        |
| Support Services            | 15,370,000             | 0                       | 15,370,000              | 162,542                          | 0                  | 162,542               | 0                  |
| Other Expenditure           | 0                      | 0                       | 0                       | 0                                | 0                  | 0                     | 0                  |
| Depcn And Impairment Losses | 21,264,900             | 0                       | 21,264,900              | 0                                | 0                  | 0                     | 0                  |
| Financing Costs             | 5,671,000              | 0                       | 5,671,000               |                                  |                    | 0                     | 54,000             |
| <b>TOTAL EXPENDITURE</b>    | <b>427,168,472</b>     | <b>331,193</b>          | <b>427,499,665</b>      | <b>149,223,387</b>               | <b>149,387,376</b> | <b>(163,989)</b>      | <b>(9,842,500)</b> |
| Income                      | (92,611,572)           | (331,193)               | (92,942,765)            | (24,298,197)                     | (24,665,325)       | 367,128               | 10,450,400         |
| <b>TOTAL</b>                | <b>334,556,900</b>     | <b>0</b>                | <b>334,556,900</b>      | <b>124,925,190</b>               | <b>124,722,051</b> | <b>203,139</b>        | <b>607,900</b>     |



Budgetary Control Statement  
Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department               | Subjective Name             | Approved Budget<br>Per 03 | Operational<br>Adjustments | Revised Estimate<br>Per 03 | Budget Estimate to<br>Date - Per 03 | Actual to Date    | Variance<br>(Over)/Under | Forecast           |
|--------------------------|-----------------------------|---------------------------|----------------------------|----------------------------|-------------------------------------|-------------------|--------------------------|--------------------|
| Education                | Employee Costs              | 134,366,524               | (247,294)                  | 134,119,230                | 53,902,143                          | 53,573,719        | 328,424                  | (1,221,300)        |
|                          | Property Costs              | 17,392,305                | 76,468                     | 17,468,773                 | 9,062,421                           | 7,599,422         | 1,462,999                | 322,700            |
|                          | Transport Costs             | 2,909,950                 | 8,997                      | 2,918,947                  | 1,297,992                           | 1,210,368         | 87,624                   | (21,700)           |
|                          | Supplies & Services         | 31,956,393                | 493,004                    | 32,449,397                 | 11,171,770                          | 10,974,620        | 197,150                  | (167,400)          |
|                          | Third Party Payments        | 11,347,100                | 18                         | 11,347,118                 | 5,626,243                           | 5,695,590         | (69,347)                 | 98,200             |
|                          | Transfer Payments           | 1,139,200                 | 0                          | 1,139,200                  | 702,737                             | 485,115           | 217,622                  | (216,300)          |
|                          | Support Services            | 6,767,400                 | 0                          | 6,767,400                  | 0                                   | 0                 | 0                        | 0                  |
|                          | Depcn And Impairment Losses | 12,999,900                | 0                          | 12,999,900                 | 0                                   | 0                 | 0                        | 0                  |
| <b>Total Expenditure</b> |                             | <b>218,878,772</b>        | <b>331,193</b>             | <b>219,209,965</b>         | <b>81,763,306</b>                   | <b>79,538,834</b> | <b>2,224,472</b>         | <b>(1,205,800)</b> |
|                          | Income                      | (18,420,372)              | (331,193)                  | (18,751,565)               | (5,312,425)                         | (4,573,338)       | (739,087)                | 1,939,900          |
| Education                | <b>TOTAL</b>                | <b>200,458,400</b>        | <b>0</b>                   | <b>200,458,400</b>         | <b>76,450,881</b>                   | <b>74,965,496</b> | <b>1,485,385</b>         | <b>734,100</b>     |

Summary of Operational Adjustments:

Devolved School Management There  
have been operational adjustments between subjective headings in this  
reporting period in accordance with approved DSM scheme.

0

Budgetary Control Statement  
Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department | Objective Name             | Approved Budget<br>Per 03 | Operational<br>Adjustments | Revised Estimate<br>Per 05 | Budget Estimate to<br>Date - Per 05 | Actual to Date | Variance<br>(Over)/Under | Forecast  |
|------------|----------------------------|---------------------------|----------------------------|----------------------------|-------------------------------------|----------------|--------------------------|-----------|
| Education  | Pre Five Education         | 20,271,610                |                            | 20,271,610                 | 7,597,661                           | 6,718,469      | 879,192                  | 212,900   |
|            | Primary Education          | 61,157,322                |                            | 61,157,322                 | 24,539,065                          | 24,181,012     | 358,053                  | (101,700) |
|            | Secondary Education        | 79,989,742                |                            | 79,989,742                 | 32,240,015                          | 31,180,041     | 1,059,974                | 100,400   |
|            | Schools Other              | 3,835,257                 |                            | 3,835,257                  | 1,249,113                           | 926,352        | 322,761                  | 42,000    |
|            | Special Education          | 10,846,487                |                            | 10,846,487                 | 4,141,594                           | 3,755,749      | 385,845                  | 145,000   |
|            | Psychological Service      | 1,031,381                 |                            | 1,031,381                  | 414,281                             | 516,344        | (102,063)                | 32,800    |
|            | Transport (excl Spec Educ) | 1,417,800                 |                            | 1,417,800                  | 716,744                             | 797,430        | (80,686)                 | (32,500)  |
|            | Bursaries / Emas           | 0                         |                            | 0                          | 0                                   | (15,227)       | 15,227                   | 0         |
|            | Provision for Clothing     | 301,000                   |                            | 301,000                    | 263,604                             | 248,040        | 15,564                   | 0         |
|            | Administration & Support   | 9,365,901                 |                            | 9,365,901                  | 1,359,206                           | 1,405,874      | (46,668)                 | (86,400)  |
|            | School Crossing Patrollers | 0                         |                            | 0                          | (17,993)                            | 23,250         | (41,243)                 | 0         |
|            | Catering                   | 0                         |                            | 0                          | (262,344)                           | (5,819)        | (256,525)                | 237,900   |
|            | Cleaning & Janitorial      | 2,021,300                 |                            | 2,021,300                  | 578,372                             | 1,693,617      | (1,115,245)              | 51,200    |
|            | Culture & Leisure Services | 10,220,600                |                            | 10,220,600                 | 3,631,563                           | 3,540,364      | 91,199                   | 132,500   |
| Education  | TOTAL                      | 200,458,400               | 0                          | 200,458,400                | 76,450,881                          | 74,965,496     | 1,485,385                | 734,100   |

Summary of Operational Adjustments:

Devolved School Management

There have been operational adjustments between objective headings in this reporting period in accordance with approved DSM scheme.

0

Budgetary Control Statement  
 Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department                              | Subjective Name      | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date | Variance (Over)/Under | Forecast |
|---|----------------------|------------------------|-------------------------|-------------------------|----------------------------------|----------------|-----------------------|----------|
| Contribution to Integration Joint Board | Third Party Payments | 73,409,500             | 256,000                 | 73,665,500              | 27,945,902                       | 29,828,903     | (1,883,001)           | 0        |
| Contribution to Integration Joint Board | TOTAL                | 73,409,500             | 256,000                 | 73,665,500              | 27,945,902                       | 29,828,903     | (1,883,001)           | 0        |

Summary of Operational Adjustments:  
 Revenue Support Grant - Increase/Transfer to IJB Approved 5 September 2024 Cabinet

256,000

256,000

| Department                              | Objective Name | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date | Variance (Over)/Under | Forecast |
|---|----------------|------------------------|-------------------------|-------------------------|----------------------------------|----------------|-----------------------|----------|
| Contribution to Integration Joint Board | Core Funding   | 73,409,500             | 256,000                 | 73,665,500              | 27,945,902                       | 29,828,903     | (1,883,001)           | 0        |
| Contribution to Integration Joint Board | TOTAL          | 73,409,500             | 256,000                 | 73,665,500              | 27,945,902                       | 29,828,903     | (1,883,001)           | 0        |

Summary of Operational Adjustments:  
 Revenue Support Grant - Increase/Transfer to IJB Approved 5 September 2024 Cabinet

256,000

256,000

Budgetary Control Statement  
Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department               | Subjective Name             | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date    | Variance (Over)/Under | Forecast           |
|--------------------------|-----------------------------|------------------------|-------------------------|-------------------------|----------------------------------|-------------------|-----------------------|--------------------|
| Environment              | Employee Costs              | 16,622,600             | 0                       | 16,622,600              | 6,241,788                        | 6,395,704         | (153,916)             | (854,100)          |
|                          | Property Costs              | 4,634,400              | 0                       | 4,634,400               | 1,707,709                        | 1,717,147         | (9,438)               | (11,400)           |
|                          | Transport Costs             | 4,066,000              | 0                       | 4,066,000               | 1,694,163                        | 1,713,143         | (18,980)              | 86,200             |
|                          | Supplies & Services         | 20,948,800             | 0                       | 20,948,800              | 5,853,909                        | 5,164,913         | 688,996               | (371,300)          |
|                          | Third Party Payments        | 784,600                | 0                       | 784,600                 | 78,592                           | 492,153           | (413,561)             | (2,180,500)        |
|                          | Transfer Payments           | 1,452,200              | 0                       | 1,452,200               | 573,993                          | 1,242,347         | (668,354)             | (1,692,600)        |
|                          | Support Services            | 2,561,500              | 0                       | 2,561,500               | 162,542                          | 0                 | 162,542               | 0                  |
|                          | Depcn And Impairment Losses | 6,873,400              | 0                       | 6,873,400               | 0                                | 0                 | 0                     | 0                  |
| <b>Total Expenditure</b> |                             | <b>57,943,500</b>      |                         | <b>57,943,500</b>       | <b>16,312,696</b>                | <b>16,725,407</b> | <b>(412,711)</b>      | <b>(5,023,700)</b> |
|                          | Income                      | (22,716,600)           | 0                       | (22,716,600)            | (5,811,227)                      | (6,501,617)       | 690,390               | 4,304,700          |
| <b>Environment</b>       | <b>TOTAL</b>                | <b>35,226,900</b>      | <b>0</b>                | <b>35,226,900</b>       | <b>10,501,469</b>                | <b>10,223,790</b> | <b>277,679</b>        | <b>(719,000)</b>   |

Summary of Operational Adjustments:

-

0

| Department         | Objective Name                 | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date    | Variance (Over)/Under | Forecast         |
|--------------------|--------------------------------|------------------------|-------------------------|-------------------------|----------------------------------|-------------------|-----------------------|------------------|
| Environment        | Directorate & Supp Environment | 1,817,600              | 0                       | 1,817,600               | 408,497                          | 446,670           | (38,173)              | 18,600           |
|                    | Environment Accommodation      | 51,100                 | 0                       | 51,100                  | 452,333                          | 996,837           | (544,504)             | 16,500           |
|                    | Office Accommodation           | 0                      | 0                       | 0                       |                                  |                   | 0                     | 49,400           |
|                    | Planning & Development         | 931,500                | 0                       | 931,500                 | 240,685                          | 369,484           | (128,799)             | 103,000          |
|                    | Economic Development Summary   | 1,118,000              | 0                       | 1,118,000               | 339,696                          | 785,980           | (446,284)             | 81,500           |
|                    | Roads - Council                | 14,804,700             | 0                       | 14,804,700              | 4,069,659                        | 4,109,969         | (40,310)              | 0                |
|                    | Roads Contracting Unit         | 0                      | 0                       | 0                       | (79,873)                         | (97,368)          | 17,495                | 0                |
|                    | Parks                          | 2,530,400              | 0                       | 2,530,400               | 139,913                          | (553,110)         | 693,023               | 39,800           |
|                    | Cleansing & Recycling          | 2,684,900              | 0                       | 2,684,900               | (328,250)                        | (1,043,202)       | 714,952               | 73,500           |
|                    | Waste Management               | 6,945,100              | 0                       | 6,945,100               | 1,859,051                        | 1,777,407         | 81,644                | 168,100          |
|                    | Protective Services            | 1,173,700              | 0                       | 1,173,700               | 386,803                          | 288,397           | 98,406                | 8,100            |
|                    | Transport                      | 0                      | 0                       | 0                       | (81,634)                         | 75,052            | (156,686)             | 0                |
|                    | Neighbourhood Services Mgmt    | 8,700                  | 0                       | 8,700                   | 2,041,532                        | 2,081,449         | (39,917)              | (18,900)         |
|                    | Env Strat/ Op Management       | 198,500                | 0                       | 198,500                 | 100,258                          | 66,910            | 33,348                | 83,500           |
|                    | Non Operational Properties     | 136,900                | 0                       | 136,900                 | 49,258                           | 19,400            | 29,858                | 37,400           |
|                    | Other Housing                  | 2,440,200              | 0                       | 2,440,200               | 758,898                          | 756,212           | 2,686                 | (1,370,300)      |
|                    | Strategy - Bi Team             | 385,600                | 0                       | 385,600                 | 144,643                          | 143,703           | 940                   | (9,200)          |
| <b>Environment</b> | <b>TOTAL</b>                   | <b>35,226,900</b>      | <b>0</b>                | <b>35,226,900</b>       | <b>10,501,469</b>                | <b>10,223,790</b> | <b>277,679</b>        | <b>(719,000)</b> |

Summary of Operational Adjustments:

-

0

Budgetary Control Statement  
Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department               | Subjective Name             | Approved Budget<br>Per 03 | Operational<br>Adjustments | Revised Estimate<br>Per 05 | Budget Estimate to<br>Date - Per 05 | Actual to Date | Variance<br>(Over)/Under | Forecast       |
|--------------------------|-----------------------------|---------------------------|----------------------------|----------------------------|-------------------------------------|----------------|--------------------------|----------------|
| Environment - Support    | Employee Costs              | 2,423,100                 | 0                          | 2,423,100                  | 909,873                             | 794,452        | 115,421                  | 81,900         |
|                          | Property Costs              | 28,000                    | 0                          | 28,000                     | 11,667                              | 72,902         | (61,235)                 | (35,000)       |
|                          | Transport Costs             | 17,800                    | 0                          | 17,800                     | 7,417                               | 738            | 6,679                    | 0              |
|                          | Supplies & Services         | 258,100                   | 0                          | 258,100                    | 76,377                              | 123,981        | (47,604)                 | 30,000         |
|                          | Support Services            | 0                         |                            | 0                          | 0                                   | 0              | 0                        | 0              |
|                          | Depcn And Impairment Losses | 0                         |                            | 0                          | 0                                   | 0              | 0                        | 0              |
| <b>Total Expenditure</b> |                             | <b>2,727,000</b>          |                            | <b>2,727,000</b>           | <b>1,005,334</b>                    | <b>992,073</b> | <b>13,261</b>            | <b>76,900</b>  |
|                          | Income                      | (1,210,500)               | 0                          | (1,210,500)                | (259,300)                           | 0              | (259,300)                | 99,400         |
| Environment - Support    | <b>TOTAL</b>                | <b>1,516,500</b>          | <b>0</b>                   | <b>1,516,500</b>           | <b>746,034</b>                      | <b>992,073</b> | <b>(246,039)</b>         | <b>176,300</b> |

| Department            | Objective Name                  | Approved Budget<br>Per 03 | Operational<br>Adjustments | Revised Estimate<br>Per 05 | Budget Estimate to<br>Date - Per 05 | Actual to Date | Variance<br>(Over)/Under | Forecast       |
|-----------------------|---------------------------------|---------------------------|----------------------------|----------------------------|-------------------------------------|----------------|--------------------------|----------------|
| Environment - Support | Prop & Tech - Operations        | 1,002,500                 | 0                          | 1,002,500                  | 417,055                             | 415,513        | 1,542                    | 105,800        |
|                       | Accommodation                   | 0                         | 0                          | 0                          | 0                                   | 0              | 0                        |                |
|                       | Property & Technical - Strategy | 514,000                   | 0                          | 514,000                    | 328,979                             | 576,560        | (247,581)                | 70,500         |
| Environment - Support | <b>TOTAL</b>                    | <b>1,516,500</b>          | <b>0</b>                   | <b>1,516,500</b>           | <b>746,034</b>                      | <b>992,073</b> | <b>(246,039)</b>         | <b>176,300</b> |

Budgetary Control Statement  
 Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department               | Subjective Name             | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date | Variance (Over)/Under | Forecast       |
|--------------------------|-----------------------------|------------------------|-------------------------|-------------------------|----------------------------------|----------------|-----------------------|----------------|
| Chief Executives Office  | Employee Costs              | 26,000                 | 0                       | 26,000                  | 9,667                            | 9,444          | 223                   | (600)          |
|                          | Transport Costs             | 3,200                  | 0                       | 3,200                   | 1,334                            | 1,650          | (316)                 |                |
|                          | Supplies & Services         | 597,500                | 0                       | 597,500                 | 105,843                          | 116,559        | (10,716)              | 800            |
|                          | Support Services            | 645,100                | 0                       | 645,100                 | 0                                | 0              | 0                     |                |
|                          | Depcn And Impairment Losses | 3,900                  | 0                       | 3,900                   | 0                                | 0              | 0                     |                |
| <b>Total Expenditure</b> |                             | <b>1,275,700</b>       |                         | <b>1,275,700</b>        | <b>116,844</b>                   | <b>127,653</b> | <b>(10,809)</b>       | <b>200</b>     |
|                          | Income                      | (984,300)              | 0                       | (984,300)               | (118,458)                        | (104,373)      | (14,085)              | 276,900        |
| Chief Executives Office  | <b>TOTAL</b>                | <b>291,400</b>         | <b>0</b>                | <b>291,400</b>          | <b>(1,614)</b>                   | <b>23,280</b>  | <b>(24,894)</b>       | <b>277,100</b> |

Summary of Operational Adjustments:

|   |          |
|---|----------|
| - | 0        |
|   | <u>0</u> |

| Department              | Objective Name            | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date | Variance (Over)/Under | Forecast       |
|-------------------------|---------------------------|------------------------|-------------------------|-------------------------|----------------------------------|----------------|-----------------------|----------------|
| Chief Executives Office | Accountancy & Directorate | (363,800)              | 0                       | (363,800)               | 101,300                          | 101,342        | (42)                  | 300,000        |
|                         | Corporate Management      | 590,000                |                         | 590,000                 |                                  |                | 0                     |                |
|                         | Licensing                 | 55,700                 | 0                       | 55,700                  | (69,623)                         | (42,502)       | (27,121)              | (22,900)       |
|                         | Licensing Board           | 9,500                  | 0                       | 9,500                   | (33,291)                         | (35,560)       | 2,269                 |                |
| Chief Executives Office | <b>TOTAL</b>              | <b>291,400</b>         | <b>0</b>                | <b>291,400</b>          | <b>(1,614)</b>                   | <b>23,280</b>  | <b>(24,894)</b>       | <b>277,100</b> |

Summary of Operational Adjustments:

|   |          |
|---|----------|
| - | 0        |
|   | <u>0</u> |

Budgetary Control Statement  
Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department                        | Subjective Name      | Approved Budget<br>Per 03 | Operational<br>Adjustments | Revised Estimate<br>Per 05 | Budget Estimate to<br>Date - Per 05 | Actual to Date   | Variance<br>(Over)/Under | Forecast       |
|-----------------------------------|----------------------|---------------------------|----------------------------|----------------------------|-------------------------------------|------------------|--------------------------|----------------|
| Chief Executives Office - Support | Employee Costs       | 3,152,300                 | 0                          | 3,152,300                  | 1,184,397                           | 1,072,286        | 112,111                  | 98,100         |
|                                   | Property Costs       | 0                         | 0                          | 0                          | 0                                   | 0                | 0                        |                |
|                                   | Transport Costs      | 0                         | 0                          | 0                          | 0                                   | 2                | (2)                      |                |
|                                   | Supplies & Services  | 242,100                   | 0                          | 242,100                    | 57,912                              | 38,693           | 19,219                   | 29,300         |
|                                   | Third Party Payments | 81,000                    | 0                          | 81,000                     | 0                                   | 0                | 0                        |                |
|                                   | Transfer Payments    | 0                         |                            | 0                          | 0                                   | 0                | 0                        |                |
|                                   | Support Services     | 0                         |                            | 0                          | 0                                   | 0                | 0                        |                |
| <b>Total Expenditure</b>          |                      | <b>3,475,400</b>          |                            | <b>3,475,400</b>           | <b>1,242,309</b>                    | <b>1,110,981</b> | <b>131,328</b>           | <b>127,400</b> |
|                                   | Income               | (563,400)                 | 0                          | (563,400)                  | (46,208)                            | (27,543)         | (18,665)                 | (63,000)       |
| Chief Executives Office - Support | <b>TOTAL</b>         | <b>2,912,000</b>          | <b>0</b>                   | <b>2,912,000</b>           | <b>1,196,101</b>                    | <b>1,083,438</b> | <b>112,663</b>           | <b>64,400</b>  |

| Department                        | Objective Name            | Approved Budget<br>Per 03 | Operational<br>Adjustments | Revised Estimate<br>Per 05 | Budget Estimate to<br>Date - Per 05 | Actual to Date   | Variance<br>(Over)/Under | Forecast      |
|-----------------------------------|---------------------------|---------------------------|----------------------------|----------------------------|-------------------------------------|------------------|--------------------------|---------------|
| Chief Executives Office - Support | Chief Executives Section  | 433,500                   | 0                          | 433,500                    | 193,838                             | 183,378          | 10,460                   | (2,900)       |
|                                   | Accountancy & Directorate | 1,397,000                 | 0                          | 1,397,000                  | 575,656                             | 545,256          | 30,400                   | 6,300         |
|                                   | Legal Services            | 491,300                   | 0                          | 491,300                    | 193,680                             | 161,962          | 31,718                   | 39,500        |
|                                   | Purchasing & Procurement  | 303,800                   | 0                          | 303,800                    | 130,193                             | 91,730           | 38,463                   | 33,900        |
|                                   | Internal Audit            | 286,400                   | 0                          | 286,400                    | 102,734                             | 101,112          | 1,622                    | (12,400)      |
| Chief Executives Office - Support | <b>TOTAL</b>              | <b>2,912,000</b>          | <b>0</b>                   | <b>2,912,000</b>           | <b>1,196,101</b>                    | <b>1,083,438</b> | <b>112,663</b>           | <b>64,400</b> |

Budgetary Control Statement  
 Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department                         | Subjective Name             | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date   | Variance (Over)/Under | Forecast           |
|------------------------------------|-----------------------------|------------------------|-------------------------|-------------------------|----------------------------------|------------------|-----------------------|--------------------|
| Business Operations & Partnerships | Employee Costs              | 6,027,700              | 0                       | 6,027,700               | 2,253,740                        | 2,384,520        | (130,780)             | (997,100)          |
|                                    | Property Costs              | 76,000                 | 0                       | 76,000                  | 35,224                           | 24,224           | 11,000                | 5,200              |
|                                    | Transport Costs             | 73,200                 | 0                       | 73,200                  | 29,183                           | 17,559           | 11,624                | (12,000)           |
|                                    | Supplies & Services         | 2,346,500              | 0                       | 2,346,500               | 416,484                          | 564,621          | (148,137)             | (231,400)          |
|                                    | Third Party Payments        | 312,800                | 0                       | 312,800                 | 115,417                          | 149,910          | (34,493)              | (11,500)           |
|                                    | Transfer Payments           | 17,271,300             | 0                       | 17,271,300              | 5,051,917                        | 5,674,798        | (622,881)             | (722,700)          |
|                                    | Support Services            | 1,833,200              | 0                       | 1,833,200               | 0                                | 0                | 0                     | 0                  |
|                                    | Depcn And Impairment Losses | 184,300                | 0                       | 184,300                 | 0                                | 0                | 0                     | 0                  |
| <b>Total Expenditure</b>           |                             | <b>28,125,000</b>      |                         | <b>28,125,000</b>       | <b>7,901,965</b>                 | <b>8,815,632</b> | <b>(913,667)</b>      | <b>(1,969,500)</b> |
|                                    | Income                      | (14,962,700)           | 0                       | (14,962,700)            | (4,849,625)                      | (5,154,773)      | 305,148               | 1,934,600          |
| Business Operations & Partnerships | <b>TOTAL</b>                | <b>13,162,300</b>      | <b>0</b>                | <b>13,162,300</b>       | <b>3,052,340</b>                 | <b>3,660,859</b> | <b>(608,519)</b>      | <b>(34,900)</b>    |

Summary of Operational Adjustments:

|   |                 |
|---|-----------------|
| - | 0               |
|   | <u>0</u>        |
|   | <u><u>0</u></u> |



Budgetary Control Statement  
 Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department                         | Objective Name                         | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date   | Variance (Over)/Under | Forecast        |
|------------------------------------|--|------------------------|-------------------------|-------------------------|----------------------------------|------------------|-----------------------|-----------------|
| Business Operations & Partnerships | Community Learning & Dev               | 931,300                | 0                       | 931,300                 | 274,035                          | 244,044          | 29,991                | 29,300          |
|                                    | Community Planning                     | 354,800                | 0                       | 354,800                 | 95,061                           | 239,149          | (144,088)             | (17,500)        |
|                                    | Community Safety                       | 1,435,300              | 0                       | 1,435,300               | 540,909                          | 623,583          | (82,674)              | (200,800)       |
|                                    | Registrars & Customer First            | 340,300                | 0                       | 340,300                 | 364,304                          | 294,975          | 69,329                | 24,800          |
|                                    | Grants                                 | 0                      | 0                       | 0                       | 0                                | 1,146            | (1,146)               | 0               |
|                                    | Auchenback Resource Centre             | 30,700                 | 0                       | 30,700                  | 12,792                           | 17,692           | (4,900)               | 0               |
|                                    | Strategic Insight & Comm.Mgmt.         | 37,400                 | 0                       | 37,400                  | 0                                | 33,743           | (33,743)              | 0               |
|                                    | Members Expenses                       | 538,500                | 0                       | 538,500                 | 211,408                          | 211,756          | (348)                 | (4,800)         |
|                                    | MART                                   | 1,075,000              | 0                       | 1,075,000               | 372,450                          | 407,419          | (34,969)              | 17,300          |
|                                    | Directorate                            | 3,900                  | 0                       | 3,900                   | 117,509                          | 112,261          | 5,248                 | 1,000           |
|                                    | Business Support Team                  | 14,100                 | 0                       | 14,100                  | 178,618                          | 155,870          | 22,748                | (8,100)         |
|                                    | Housing Benefits                       | 1,105,500              | 0                       | 1,105,500               | 157,536                          | 694,266          | (536,730)             | 124,700         |
|                                    | Revenues - Benefits                    | 1,004,700              | 0                       | 1,004,700               | 292,062                          | 196,714          | 95,348                | (43,600)        |
|                                    | Council Tax/Ndr                        | 5,336,400              | 0                       | 5,336,400               | 197,533                          | 175,515          | 22,018                | 65,400          |
|                                    | Cost Of Elections                      | 39,800                 | 0                       | 39,800                  | 13,541                           | 20,605           | (7,064)               | (100)           |
|                                    | Democratic Representation & Management | 914,600                | 0                       | 914,600                 | 224,582                          | 232,121          | (7,539)               | (22,500)        |
| Business Operations & Partnerships | <b>TOTAL</b>                           | <b>13,162,300</b>      | <b>0</b>                | <b>13,162,300</b>       | <b>3,052,340</b>                 | <b>3,660,859</b> | <b>(608,519)</b>      | <b>(34,900)</b> |

Summary of Operational Adjustments:

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0

0

Budgetary Control Statement  
 Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department                            | Subjective Name             | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date   | Variance (Over)/Under | Forecast        |
|---------------------------------------|-----------------------------|------------------------|-------------------------|-------------------------|----------------------------------|------------------|-----------------------|-----------------|
| Business Ops & Partnerships - Support | Employee Costs              | 7,170,300              | 0                       | 7,170,300               | 2,693,073                        | 2,587,128        | 105,945               | (68,400)        |
|                                       | Property Costs              | 1,200                  | 0                       | 1,200                   | 1,083                            | 585              | 498                   | 0               |
|                                       | Transport Costs             | 20,400                 | 0                       | 20,400                  | 8,460                            | 6,711            | 1,749                 | 0               |
|                                       | Supplies & Services         | 5,584,800              | 0                       | 5,584,800               | 4,271,567                        | 3,863,074        | 408,493               | 6,400           |
|                                       | Third Party Payments        | 26,000                 | 0                       | 26,000                  | 26,000                           | 3,783            | 22,217                | (3,800)         |
|                                       | Support Services            | 0                      |                         | 0                       | 0                                | 0                | 0                     | 0               |
|                                       | Depcn And Impairment Losses | 0                      |                         | 0                       | 0                                | 0                | 0                     | 0               |
| <b>Total Expenditure</b>              |                             | <b>12,802,700</b>      |                         | <b>12,802,700</b>       | <b>7,000,183</b>                 | <b>6,461,281</b> | <b>538,902</b>        | <b>(65,800)</b> |
|                                       | Income                      | (1,860,400)            | 0                       | (1,860,400)             | (16,625)                         | (9,325)          | (7,300)               | 213,700         |
| Business Ops & Partnerships - Support | <b>TOTAL</b>                | <b>10,942,300</b>      | <b>0</b>                | <b>10,942,300</b>       | <b>6,983,558</b>                 | <b>6,451,956</b> | <b>531,602</b>        | <b>147,900</b>  |

| Department                            | Objective Name              | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date   | Variance (Over)/Under | Forecast       |
|---------------------------------------|-----------------------------|------------------------|-------------------------|-------------------------|----------------------------------|------------------|-----------------------|----------------|
| Business Ops & Partnerships - Support | Revenues                    | 606,300                | 0                       | 606,300                 | 149,906                          | 153,370          | (3,464)               | 2,500          |
|                                       | Digital Services            | 6,619,300              | 0                       | 6,619,300               | 5,070,796                        | 4,520,375        | 550,421               | 215,300        |
|                                       | Strategy - Support          | 335,400                | 0                       | 335,400                 | 121,964                          | 93,317           | 28,647                | (8,000)        |
|                                       | Communications              | 360,200                | 0                       | 360,200                 | 149,398                          | 150,121          | (723)                 | (5,800)        |
|                                       | Printing                    | 165,100                | 0                       | 165,100                 | 68,182                           | 80,052           | (11,870)              | 7,500          |
|                                       | Human Resources & Payroll   | 1,928,500              | 0                       | 1,928,500               | 694,375                          | 823,455          | (129,080)             | (58,200)       |
|                                       | Customer Services           | 64,800                 | 0                       | 64,800                  | 21,629                           | 22,895           | (1,266)               | 1,400          |
|                                       | Digital Transformation Team | 139,600                | 0                       | 139,600                 | 353,872                          | 216,661          | 137,211               | (1,500)        |
|                                       | Insight                     | 267,900                | 0                       | 267,900                 | 85,729                           | 122,963          | (37,234)              | 6,100          |
|                                       | Project Management Office   | 455,200                | 0                       | 455,200                 | 267,707                          | 268,747          | (1,040)               | (11,400)       |
| Business Ops & Partnerships - Support | <b>TOTAL</b>                | <b>10,942,300</b>      | <b>0</b>                | <b>10,942,300</b>       | <b>6,983,558</b>                 | <b>6,451,956</b> | <b>531,602</b>        | <b>147,900</b> |

Budgetary Control Statement  
 Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department                 | Subjective Name  | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date | Variance (Over)/Under | Forecast       |
|----------------------------|------------------|------------------------|-------------------------|-------------------------|----------------------------------|----------------|-----------------------|----------------|
| Other Expenditure & Income | Expenditure      | 8,828,800              | (256,000)               | 8,572,800               | 433,000                          | 592,000        | (159,000)             | 122,000        |
|                            | Support Services | 32,200                 |                         | 32,200                  | 0                                | 0              | 0                     |                |
| <b>Total Expenditure</b>   |                  | <b>8,861,000</b>       | <b>(256,000)</b>        | <b>8,605,000</b>        | <b>433,000</b>                   | <b>592,000</b> | <b>(159,000)</b>      | <b>122,000</b> |
|                            | Income           | 0                      | 0                       | 0                       | 0                                | (66,900)       | 66,900                |                |
| Other Expenditure & Income | <b>TOTAL</b>     | <b>8,861,000</b>       | <b>(256,000)</b>        | <b>8,605,000</b>        | <b>433,000</b>                   | <b>525,100</b> | <b>(92,100)</b>       | <b>122,000</b> |

Summary of Operational Adjustments:  
 Revenue Support Grant - Increase/Transfer to  
 IJB Approved 5 September 2024 Cabinet

(256,000)  
(256,000)

| Department                 | Objective Name             | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date | Variance (Over)/Under | Forecast       |
|----------------------------|----------------------------|------------------------|-------------------------|-------------------------|----------------------------------|----------------|-----------------------|----------------|
| Other Expenditure & Income | Other Expenditure & Income | 8,861,000              | (256,000)               | 8,605,000               | 433,000                          | 592,000        | (159,000)             | 122,000        |
|                            | Income                     | 0                      | 0                       | 0                       | 0                                | (66,900)       | 66,900                |                |
| Other Expenditure & Income | <b>TOTAL</b>               | <b>8,861,000</b>       | <b>(256,000)</b>        | <b>8,605,000</b>        | <b>433,000</b>                   | <b>525,100</b> | <b>(92,100)</b>       | <b>122,000</b> |

Summary of Operational Adjustments:  
 Revenue Support Grant - Increase/Transfer to  
 IJB Approved 5 September 2024 Cabinet

(256,000)  
(256,000)

Budgetary Control Statement  
Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department        | Subjective Name  | Approved Budget<br>Per 03 | Operational<br>Adjustments | Revised Estimate<br>Per 05 | Budget Estimate to<br>Date - Per 05 | Actual to Date | Variance<br>(Over)/Under | Forecast |
|-------------------|------------------|---------------------------|----------------------------|----------------------------|-------------------------------------|----------------|--------------------------|----------|
| Joint Boards      | Contributions    | 2,430,000                 | 0                          | 2,430,000                  | 915,700                             | 896,417        | 19,283                   |          |
|                   | Support Services | 0                         |                            | 0                          | 0                                   | 0              | 0                        |          |
|                   |                  |                           |                            |                            |                                     |                |                          |          |
| Total Expenditure |                  | 2,430,000                 |                            | 2,430,000                  | 915,700                             | 896,417        | 19,283                   |          |
|                   |                  |                           |                            |                            |                                     |                |                          |          |
| Joint Boards      | TOTAL            | 2,430,000                 | 0                          | 2,430,000                  | 915,700                             | 896,417        | 19,283                   | 0        |

| Department   | Objective Name               | Approved Budget<br>Per 03 | Operational<br>Adjustments | Revised Estimate<br>Per 05 | Budget Estimate to<br>Date - Per 05 | Actual to Date | Variance<br>(Over)/Under | Forecast |
|--------------|------------------------------|---------------------------|----------------------------|----------------------------|-------------------------------------|----------------|--------------------------|----------|
| Joint Boards | SPTE (incl Concess Fares)    | 1,831,600                 |                            | 1,831,600                  | 915,700                             | 896,417        | 19,283                   |          |
|              | Renfrewshire Valuation J/Brd | 598,400                   | 0                          | 598,400                    | 0                                   | 0              | 0                        |          |
|              | Support Services             | 0                         |                            | 0                          | 0                                   | 0              | 0                        | 0        |
|              |                              |                           |                            |                            |                                     |                |                          |          |
| Joint Boards | TOTAL                        | 2,430,000                 | 0                          | 2,430,000                  | 915,700                             | 896,417        | 19,283                   | 0        |

Budgetary Control Statement  
 Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department            | Subjective Name     | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date | Variance (Over)/Under | Forecast |
|-----------------------|---------------------|------------------------|-------------------------|-------------------------|----------------------------------|----------------|-----------------------|----------|
| Contingency - Welfare | Supplies & Services | 130,000                | 0                       | 130,000                 | 0                                | 1,788          | (1,788)               |          |
| Total Expenditure     |                     | 130,000                |                         | 130,000                 | 0                                | 1,788          | (1,788)               | 0        |
| Contingency - Welfare | TOTAL               | 130,000                | 0                       | 130,000                 | 0                                | 1,788          | (1,788)               | 0        |

| Department            | Objective Name      | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date | Variance (Over)/Under | Forecast |
|-----------------------|---------------------|------------------------|-------------------------|-------------------------|----------------------------------|----------------|-----------------------|----------|
| Contingency - Welfare | Supplies & Services | 130,000                | 0                       | 130,000                 | 0                                | 1,788          | (1,788)               |          |
| Contingency - Welfare | TOTAL               | 130,000                | 0                       | 130,000                 | 0                                | 1,788          | (1,788)               | 0        |

Budgetary Control Statement  
Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department                       | Subjective Name                           | Approved Budget<br>Per 03 | Operational<br>Adjustments | Revised Estimate<br>Per 05 | Budget Estimate to<br>Date - Per 05 | Actual to Date    | Variance<br>(Over)/Under | Forecast           |
|----------------------------------|---|---------------------------|----------------------------|----------------------------|-------------------------------------|-------------------|--------------------------|--------------------|
| Health & Social Care Partnership | Employee Costs                            | 28,486,700                | 0                          | 28,486,700                 | 10,223,813                          | 9,753,837         | 469,976                  | 288,000            |
|                                  | Property Costs                            | 1,003,500                 | 0                          | 1,003,500                  | 508,838                             | 166,158           | 342,680                  | 4,000              |
|                                  | Transport Costs                           | 319,600                   | 0                          | 319,600                    | 133,145                             | 77,244            | 55,901                   | (9,000)            |
|                                  | Supplies & Services                       | 2,292,100                 | 0                          | 2,292,100                  | 764,716                             | 904,056           | (139,340)                | (1,116,000)        |
|                                  | Third Party Payments                      | 56,460,200                | 256,000                    | 56,716,200                 | 17,312,327                          | 20,058,470        | (2,746,143)              | (1,528,000)        |
|                                  | Transfer Payments                         | 75,600                    | 0                          | 75,600                     | 31,517                              | 14,836            | 16,681                   | 39,000             |
|                                  | Support Services                          | 2,616,000                 | 0                          | 2,616,000                  | 0                                   | 0                 | 0                        | 0                  |
|                                  | Depcn And Impairment Losses               | 1,203,400                 | 0                          | 1,203,400                  | 0                                   | 0                 | 0                        | 0                  |
|                                  |   |                           |                            |                            |                                     |                   |                          |                    |
|                                  | <b>Total Expenditure</b>                  | <b>92,457,100</b>         | <b>256,000</b>             | <b>92,713,100</b>          | <b>28,974,356</b>                   | <b>30,974,601</b> | <b>(2,000,245)</b>       | <b>(2,322,000)</b> |
|                                  |   |                           |                            |                            |                                     |                   |                          |                    |
|                                  | Income                                    | (12,889,900)              | 0                          | (12,889,900)               | (1,285,121)                         | (1,431,724)       | 146,603                  | 2,766,000          |
|                                  |   |                           |                            |                            |                                     |                   |                          |                    |
|                                  | Core funding from Integration Joint Board | (78,979,800)              | (256,000)                  | (79,235,800)               | (27,945,902)                        | (29,828,903)      | 1,883,001                | (444,000)          |
|                                  |   |                           |                            |                            |                                     |                   |                          |                    |
| Health & Social Care Partnership | <b>TOTAL</b>                              | <b>587,400</b>            | <b>0</b>                   | <b>587,400</b>             | <b>(256,667)</b>                    | <b>(286,026)</b>  | <b>29,359</b>            | <b>0</b>           |

Summary of operational adjustments  
Revenue Support Grant - Increase/Transfer to  
IJB Approved 5 September 2024 Cabinet

(256,000)

0

(256,000)

| Department                       | Objective Name                            | Approved Budget Per 03 | Operational Adjustments | Revised Estimate Per 05 | Budget Estimate to Date - Per 05 | Actual to Date | Variance (Over)/Under | Forecast  |
|----------------------------------|---|------------------------|-------------------------|-------------------------|----------------------------------|----------------|-----------------------|-----------|
| Health & Social Care Partnership | Public Protect.-Child. & Families         | 10,655,500             | 0                       | 10,655,500              | 3,734,527                        | 3,445,274      | 289,253               | 344,000   |
|                                  | Adult Health - Intensive Services         | 15,889,300             | 0                       | 15,889,300              | 6,112,304                        | 7,088,885      | (976,581)             | (639,000) |
|                                  | Adult Health-Localities Services          | 0                      | 0                       | 0                       |                                  |                | 0                     |           |
|                                  | Older People                              | 20,285,300             | 0                       | 20,285,300              | 7,000,190                        | 7,215,979      | (215,789)             | 324,000   |
|                                  | Physical Disability                       | 6,044,600              | 0                       | 6,044,600               | 2,485,771                        | 2,591,491      | (105,720)             | (341,000) |
|                                  | Learning Disability                       | 16,870,600             | 0                       | 16,870,600              | 5,724,189                        | 6,647,370      | (923,181)             | (731,000) |
|                                  | Recovery Services-Mental Health           | 2,142,400              | 0                       | 2,142,400               | 1,153,630                        | 1,309,118      | (155,488)             | (47,000)  |
|                                  | Criminal Justice                          | 13,100                 | 0                       | 13,100                  | (68,557)                         | (67,163)       | (1,394)               | 0         |
|                                  | Finance & Resources                       | 7,666,400              | 256,000                 | 7,922,400               | 1,547,181                        | 1,311,923      | 235,258               | 1,534,000 |
|                                  |   | 79,567,200             | 256,000                 | 79,823,200              | 27,689,235                       | 29,542,877     | (1,853,642)           | 444,000   |
|                                  |   |                        |                         |                         |                                  |                |                       |           |
|                                  |   |                        |                         |                         |                                  |                |                       |           |
|                                  | Core Funding from Integration Joint Board | (78,979,800)           | (256,000)               | (79,235,800)            | (27,945,902)                     | (29,828,903)   | 1,883,001             | (444,000) |
|                                  |   |                        |                         |                         |                                  |                |                       |           |
| Health & Social Care Partnership | TOTAL                                     | 587,400                | 0                       | 587,400                 | (256,667)                        | (286,026)      | 29,359                | 0         |

Summary of operational adjustments

Revenue Support Grant - Increase/Transfer to IJB Approved 5 September 2024 Cabinet

(256,000)

0

(256,000)

Budgetary Control Statement  
Period 05 / 2425 31 August 2024

Period End: 31 August 2024

Period 05 / 2425

| Department               | Subjective Name             | Approved Budget<br>Per 03 | Operational<br>Adjustments | Revised Estimate<br>Per 05 | Budget Estimate to<br>Date - Per 05 | Actual to Date     | Variance<br>(Over)/Under | Forecast         |
|--------------------------|-----------------------------|---------------------------|----------------------------|----------------------------|-------------------------------------|--------------------|--------------------------|------------------|
| Housing Revenue Account  | Employee Costs              | 5,605,400                 | 0                          | 5,605,400                  | 2,104,828                           | 1,821,593          | 283,235                  | 408,300          |
|                          | Property Costs              | 1,647,600                 | 0                          | 1,647,600                  | 539,575                             | 306,292            | 233,283                  | 23,000           |
|                          | Transport Costs             | 166,800                   | 0                          | 166,800                    | 69,501                              | 40,353             | 29,148                   | 0                |
|                          | Supplies & Services         | 2,769,400                 | 0                          | 2,769,400                  | 828,874                             | 977,073            | (148,199)                | (67,500)         |
|                          | Third Party Payments        | 292,600                   | 0                          | 292,600                    | 14,916                              | 5,398              | 9,518                    | 0                |
|                          | Transfer Payments           |                           |                            | 0                          | 0                                   | 0                  | 0                        | 0                |
|                          | Support Services            | 914,600                   | 0                          | 914,600                    | 0                                   | 0                  | 0                        | 0                |
|                          | Depcn And Impairment Losses | 5,671,000                 | 0                          | 5,671,000                  | 0                                   | 0                  | 0                        | 54,000           |
| <b>Total Expenditure</b> |                             | <b>17,067,400</b>         |                            | <b>17,067,400</b>          | <b>3,557,694</b>                    | <b>3,150,709</b>   | <b>406,985</b>           | <b>417,800</b>   |
|                          | Income                      | (17,067,400)              | 0                          | (17,067,400)               | (6,599,208)                         | (6,795,732)        | 196,524                  | (577,800)        |
| Housing Revenue Account  | <b>TOTAL</b>                | <b>0</b>                  | <b>0</b>                   | <b>0</b>                   | <b>(3,041,514)</b>                  | <b>(3,645,023)</b> | <b>603,509</b>           | <b>(160,000)</b> |

| Department              | Objective Name           | Approved Budget<br>Per 03 | Operational<br>Adjustments | Revised Estimate<br>Per 05 | Budget Estimate to<br>Date - Per 05 | Actual to Date     | Variance<br>(Over)/Under | Forecast         |
|-------------------------|--------------------------|---------------------------|----------------------------|----------------------------|-------------------------------------|--------------------|--------------------------|------------------|
| Housing Revenue Account | Housing Maintenance Team | 3,659,900                 | 0                          | 3,659,900                  | 1,286,953                           | 1,260,061          | 26,892                   | 95,300           |
|                         | Hra - Client             | (3,659,900)               | 0                          | (3,659,900)                | (4,328,467)                         | (4,905,084)        | 576,617                  | (255,300)        |
| Housing Revenue Account | <b>TOTAL</b>             | <b>0</b>                  | <b>0</b>                   | <b>0</b>                   | <b>(3,041,514)</b>                  | <b>(3,645,023)</b> | <b>603,509</b>           | <b>(160,000)</b> |



EAST RENFREWSHIRE COUNCILCABINET7 November 2024Report by Director of EducationCHARGING FOR SERVICES – ISOBEL MAIR OUT OF SCHOOL CARE (OSC)**PURPOSE OF REPORT**

1. The purpose of this report is to provide Cabinet with a proposed approach to developing an Out of School Care (OSC) provision in Isobel Mair School.

**RECOMMENDATIONS**

2. Cabinet is asked to:

- a) Note the actions taken to date in trying to source an external OSC provision;
- b) Agree to the establishment of an East Renfrewshire Council run Term Time Additional Support Needs After School Care Service in Isobel Mair School;
- c) Agree to the charge of £22.50 per session for 2024/25 to access this term-time OSC; and,
- d) Review charges for this service as part of the annual Charging for Services exercise.

**BACKGROUND**

3. At the full Council Meeting in March 2023, Elected Members committed to provide £60,000 recurring funding to support families of children who attend Isobel Mair School (IMS), Carlibar Communication Centre (CCC) and Williamwood Communication and Support Service (WCSS) out with school times through a participatory budgeting approach. At this time Carolside Communication Centre had not been established, however the funding also applies to this service. This additional funding was to compliment the supports already on offer via Inclusive Support, East Renfrewshire Culture and Leisure Trust and 3<sup>rd</sup> Sector organisations.

4. The Specialist Provision Out of School Care and Holiday Support Short Life Working group was set up to explore opportunities for engaging with external providers to develop an OSC and holiday provision for children with complex additional support needs.

5. The aim was to work collaboratively with parents/carers to agree an approach to using this funding to best meet the needs of children and young people and their families. The group comprised of the following:

- Parents/carers from IMS, CCC, and WCSS
- Education Department Senior Managers
- Senior managers from IMS/CCC/WCSS
- HSCP
- Voluntary Action East Ren

**REPORT**

6. Following a consultation with all parents/carers from the 3 services, the following was agreed with regards to how parents/carers wished the additional funding to be spent:

- Parents/carers requested an OSC Service to be based in Isobel Mair School and accessible for all specialist provision pupils.
- Parents/carers requested that this be subsidised from the funding which would reduce the cost parents/carers faced.
- Parents/carers requested more options for holiday provision and that this provision be provided in a safe and known environment such as IMS or Carlibar Primary School.
- Parents/carers highlighted that they wished the funding to go towards reducing the cost of out of school care during the whole summer rather than having a free service for 2 weeks. They also suggested it should be means tested so those living with lower levels of income would also be able to access at reduced costs if needed.

7. All OSC providers and 3rd sector organisations who currently operate within East Renfrewshire were approached and asked to express an interest in either developing an OSC service or holiday provision or both. Unfortunately no provider expressed an interest.

8. The group reached out to providers external to ERC through the Scottish Government and through other networks. In May 2023, Indigo Childcare (<https://www.indigogrp.com/aboutus>), indicated that they would be interested in forming a partnership with East Renfrewshire to develop a wrap around OSC and holiday provision for children with complex additional support needs.

9. Over the past 12 months Indigo have undertaken an in depth study of the requirements in ERC to assess the viability of developing an OSC service which included:

- Meetings with Head of Education Services (Equality and Equity), and Quality Improvement Manager, East Renfrewshire Council;
- A visit to both Isobel Mair and Carlibar Communication Centre, to explore available spaces, and observe children;
- 1-day onsite visit, observing and discussing individual children's needs within Isobel Mair and Carlibar Communication Centre, with key professionals involved in the day-to-day care and education of the children at each school;
- Observations of the children within the school day;
- Review of children's individual care plans where these were available;
- Review of occupancy projections from parent consultations; and,
- Calculating financial projections of a 40 and 20 place Out of School Care for ASN provision.

10. Whilst doing so the following considerations were taken into account:

- OSC environment should provide a minimum of 2.3sqm per child (mainstream guidance), however most ASN children will require more space, as such considering an average of 3.7sqm per child;
- A minimum ratio of 1:4 staff:child ratio, however, on average on a daily basis, there are a number of children who will require a higher adult to child ratio with some requiring 1:1 or 2:1 at times during the session. Therefore, on average a ratio of 1:3 is likely to be more appropriate;
- Given the specific needs of the children and their current experiences, most of the children are currently educated and cared for in small groups (max 6-8 children) therefore the spaces used for the service would need to take account of that. This means multiple smaller spaces are more appropriate for these children;

- Children’s experiences should include a high-quality play-based programme of activities, designed based on their interests and needs;
- Staffing should include a supportive, consistent and experienced staff team; and,
- Many children will not be able to manage till 6pm so consider an earlier finish time.

11. The findings of the study highlighted the following key information:

- Establishment of a service for 20 children and young people from IMS per day is more appropriate due to complexity of needs, staffing and space available;
- Based on 20 children/young people attending, there is sufficient space allowing an average of 3.7sqm per child, which provides additional space to allow children to be split into smaller groups as appropriate;
- A standalone provision for IMS is more appropriate due to the complexity of needs in IMS as it would not be considered possible or appropriate to deliver a single combined service in the one space for children from all specialist provisions.
- Children in Carlibar, Carolside and Williamwood Communication and Support Services would benefit from mainstream provision through identification of supported places within mainstream provision with training and support provided to the mainstream provider.
- A projected operating cost of £192,341 per annum was provided which, with a suggestion of using £60k funding to offset some of this, would result in each session costing £20.20 at current 2024/25 prices.

12. Whilst the study highlighted that developing a service is possible, Indigo advised that they would not be able to provide it themselves due to their own capacity and concerns around recruitment of staff.

13. Given the unavailability of Indigo, or any other organisations currently, to provide this and the fact that this model would use all of the £60k funding provided by the council, the Education Department has scoped out the costing of running an Out of School Care directly by the Council. This scoping is based on the following:

- OSC based in IMS for 20 children and young people
- Recruitment to include a leadership role
- Sessions run from 3.00pm – 5.30pm
- Adult to child ratio of 1:2.5
- Term Time Service

14. Based on the above, the annual operating cost for East Renfrewshire is projected at £111,931. The following 3 potential charging models were presented to the Specialist Provision Out of School Care and Holiday Support Short Life Working group:

| <b>Cost per session</b> | <b>Annual Income Generated</b> | <b>Shortfall – running cost of £111,931</b> |
|-------------------------|--------------------------------|---|
| £15.50                  | £58,900                        | £53,031                                     |
| £20                     | £76,000                        | £35,931                                     |
| £22.50                  | £85,500                        | £26,431                                     |

15. The working group agreed that the preferred option of cost would be £22.50 per session as this would use the lowest amount from the £60k funding leaving a significant amount to support summer activities.

16. It is widely recognised that clubs and services for children with complex additional support needs are more expensive. This is due to the fact that the cost to run them is significantly higher due to increased adult to child ratios.

17. For context, the largest OSC mainstream provider in ERC currently charges £15.50 per session to run their OSC service. The adult to pupil ratio in private providers is recommended at 1.8 for children under 8 and 1:10 for children over 8 whereas the suggested IMS service would be working on a ratio of 1:2.5. To mitigate the suggested higher rate in IMS OSC families are able to access supports such as Child Disability Living Allowance and increased Childcare Tax Credits.

18. Following Cabinet, should ERC take forward the establishment of a formal OSC provision within IMS, the next step would be to complete a Care Inspectorate registration, recruit and train staff with the aim of establishing the service by the end of academic session 2024/25.

## **FINANCE AND EFFICIENCY**

19. As mentioned previously £60k recurring funding has been allocated to support with OSC and holiday support to specialist provisions in ERC. In addition to this, in March 22 when the budget saving around the extended school day and year was agreed, £36k was retained in order to continue to support OSC and holiday provision within Isobel Mair School.

20. The proposals regarding charges will generate additional income of £85.5k per annum if all places are fully utilised. This will be used to offset the running costs of the term time out of school service in order to keep charges as low as possible for parents and carers.

21. Should there be insufficient demand for places at the newly established OSC, the shortfall in income to cover operating costs would need to be supplemented via the funds highlighted in paragraph 19. The service will be subject to review to ensure that there is sufficient demand to ensure it is viable to run it. Should the service be oversubscribed, the working group will develop an allocation criteria to ensure consistency and fairness.

## **CONSULTATION**

22. A formal consultation on OSC and holiday support was carried out between January and February 2023, there were 140 responses to this consultation. In the period following this, the parent's representatives on the working group have consulted with their parents via Parent Council Meetings and online questionnaires.

23. The development of a formal OSC will be clearly communicated and wider engagement with IMS parents and carers will be undertaken.

## **IMPLICATIONS OF THE PROPOSALS**

24. A full equalities impact assessment was undertaken as part of the budget setting process. This has been updated to take account of the new proposals regarding the establishment of an East Renfrewshire Council run OSC provision.

## CONCLUSION

25. It is usually the responsibility of a Parent Forum in conjunction with the Parent Council to organise an OSC service in in their school however due to the lack of any planned provision following extensive engagement with external providers, in order to support IMS families, the Education Department proposes the establishment of council run OSC in IMS.

26. In addition to this, the Education Department will work with external providers linked to Carlibar Primary School and the newly formed Carolside Primary School to explore how children at the communication support service there can access mainstream OSC provisions. Parents at Williamwood Communication and Support Service indicated that there is not a need for further support with OSC.

## RECOMMENDATIONS

27. Cabinet is asked to:

- a. Note the actions taken to date in trying to source an external OSC provision;
- b. Agree to the establishment of an East Renfrewshire Council run Term Time Additional Support Needs After School Care Service in Isobel Mair School;
- c. Agree to the charge of £22.50 per session for 2024/25 to access this term-time OSC; and,
- d. Review charges for this service as part of the annual Charging for Services exercise.

Mark Ratter  
Director of Education  
7 November 2024

Convener Contact Details  
Councillor Anderson, Convener for Education, Equalities, Culture and Leisure  
Tel: 07341 640 825  
Tel: 0141 577 3107  
[andrew.anderson@eastrenfrewshire.gov.uk](mailto:andrew.anderson@eastrenfrewshire.gov.uk)

Report Author  
Siobhan McColgan, Head of Education Services (Equality and Equity)  
Tel: 0141 577 3253  
[Siobhan.McColgan2@eastrenfrewshire.gov.uk](mailto:Siobhan.McColgan2@eastrenfrewshire.gov.uk)

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EAST RENFREWSHIRE COUNCIL

Cabinet

7 November 2024

Report by Director of Environment

HOUSING REVENUE ACCOUNT: 30 Year Financial Business Plan

**PURPOSE OF REPORT**

1. The purpose of the report is to advise Cabinet of the 2024/25 review of the Housing Revenue Account (HRA) business plan and the implications for service delivery and investment.

**RECOMMENDATIONS**

2. The Cabinet is asked to note:
- a) The current financial status of the HRA and key activity areas for focus in 2024/25 & 2025/26;
  - b) The assumptions made for future years around rent increases and the HRA debt affordability ratio;
  - c) The future investment pressures and the impact on the 30 year business plan; and
  - d) The annual submission of a detailed 10 year capital programme to Council.

**BACKGROUND**

3. The Housing (Scotland) Act 1987 requires local authorities to prepare a Housing Revenue Account (HRA). The HRA is separate from the General Fund (GF) of East Renfrewshire Council (which sets out income & expenditure associated with Council Tax and Scottish Government (SG) Grants. An HRA in Scotland is required to be self-financing and must balance each year. It is by statute a ring-fenced account managing the income and expenditure of specific housing related activities. Consequently, HRA resources may only be spent on matters relating solely to or deriving substantial benefit to tenants; HRA resources cannot be used for other purposes inconsistent with these requirements and may not be used to cross subsidise GF spending pressures.

4. The HRA is responsible for all social housing owned by the Council, including sheltered housing. It also includes lock-ups and garage sites, related open spaces, roads and footpaths which are not adopted by the Roads Service. There are also a number of commercial buildings and shops. In managing the HRA, local authorities are expected to prepare a 30 year business plan which addresses all of these factors.

5. This is to ensure that all opportunities to maximise income, offset current and future liabilities and/or to achieve capital receipts where appropriate are explored in order to derive maximum benefit for HRA tenants in respect of the management and maintenance of their homes and all other HRA assets. Whilst these non-Housing HRA assets are relatively minor in scale, nonetheless the more effectively these are managed and monetarised then the lesser the impact on housing rental charges. Furthermore, the more efficiently that the HRA is managed creates opportunities for revenue growth and investment and/or in constraining the rate at which rents might otherwise be required to increase to sustain our housing ambitions for new builds and investing in existing stock.

6. The 30 year business plan will assess the impact of capital investment costs on revenue loan charges. It is important that current capital investment decisions do not place an unnecessary burden on future rent payers or indeed the Council more generally. Capital spends and investment decisions must therefore not only be considered from the perspective of the impact on the loans charges, but also in terms of any additional revenue budget implications that may arise from future additional maintenance spend requirements that may be created as a result. Sustainable capital investment requires not just a consideration of the capital cost of the project but the whole cost of managing, maintaining and eventual remodelling and/or disposal of an asset in due course as may be appropriate, at the end of its useful asset life/design life.

7. An interim report was submitted to cabinet on [19 June 2023](#).

## REPORT

8. In addition to the key income and expenditure needs, the business plan needs to ensure that as a social landlord, the Council can meet all its statutory obligations. These are in place to ensure our assets and services to tenants are appropriate. These include, as non-exhaustive examples:

- Housing Scotland Act 2001
- Scottish Housing Quality Standard (SHQS)
- Energy Efficiency Standard for Social Housing (ESSH)
- Scottish Social Housing Charter 2014

9. In February 2023, the Scottish Government made a decision to review the ESSH, 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 and followed with a consultation that closed in March 2024. This is a consultation to seek views on a new Social Housing Net Zero Standard (SHNZS) in Scotland. The new SHNZS is not expected to be published until March 2025. As such, this creates uncertainty around future investment needs, and it is likely that future iterations of our 30 year business plan will need to be flexed to accommodate the implications of this process once it becomes exactly clear what they are.

10. The 10 year capital programme is presented to Council every February, informing members of the 10 year investment needs and seeking consent to proceed with the following years programme. For 2024/25, the budget was set in [February 2024](#) and updated at Full Council in [June 2024](#).

## Income

11. The main source of income for the HRA is the rent charged to Council tenants. This is supplemented by other charges for lock-ups/garage sites, commercial units and re-chargeable repairs. With exception of income borrowed from the Scottish Government, HRAs do not receive any other income to deliver services.

12. In setting rent levels, the Council must consider all legislative requirements and local priorities. Once this is clear, the Council must ensure that it achieves an acceptable balance between meeting these requirements and priorities, and agreeing rent levels that are sustainable, affordable and acceptable to tenants.

13. East Renfrewshire Council's rents are higher than the Scottish average for both Scottish Councils and other Registered Social Landlords. However, in context these have been assessed to be affordable and the Council remains the most affordable housing provider in the area. Income from tenant rents is essential to enable us to be able to afford to borrow



to continue to invest in our existing stock, and in order to ensure that we are able to continue to support the building of much needed additional Council housing. There is a direct link between our revenue streams and our approaches to the level we set future years rents at across our HRA portfolio, and consequently our ability to meet the statutory requirements around Net Zero and general fitness of our existing stock, as well as our ability to fund future new build ambitions. It is recognised that this will require to be met in a way which is reasonable, proportionate and affordable to our tenants.

14. In order to meet the future investment needs, but also ensure rent levels are affordable across the 30 year period, the business plan assumes that rents will rise at an average of the Retail Price Index (RPI) plus 1%. It also assumes that RPI plus 1% will equate to 2% for future years, though this will be subject to regular reviews for affordability, both from the tenant perspective and from the perspective of addressing the issues set out in paragraph 13 above. The actual percentage will depend upon the actual RPI figure in any relevant year.

15. Housing Services will undertake a rent consultation with Council tenants in the coming months following the same approved statutory processes as it has done in prior years. The options provided will be based on assumptions made in the business plan but also any current financial pressures such as:

- A higher than expected pay rise agreement;
- Increasing construction and maintenance costs; and
- Additional costs as a result of any regulatory or statutory interventions from Government.

16. The outcome from the consultation exercise set out in paragraph 14 above, together with options for consideration and recommendations will, as in previous years be presented to Council for approval as part of the annual budget setting process.

#### Additional Income (pension windfall & Barrhead South)

17. The HRA business plan has benefited from both a significant capital receipt from the land sale at Barrhead South and reduced expenditure from the pension windfall. The land at Barrhead South delivered a receipt of £12.2m. The income from this receipt has been placed in the capital reserve to support capital investment in the current and next two financial years thereby reducing borrowing in these years.


18. The decrease in expenditure from the pension windfall is being used to reduce the draw down on reserves for 2024/25 and 2025/26. This amounts to approximately £400k each financial year.

#### Debt Affordability

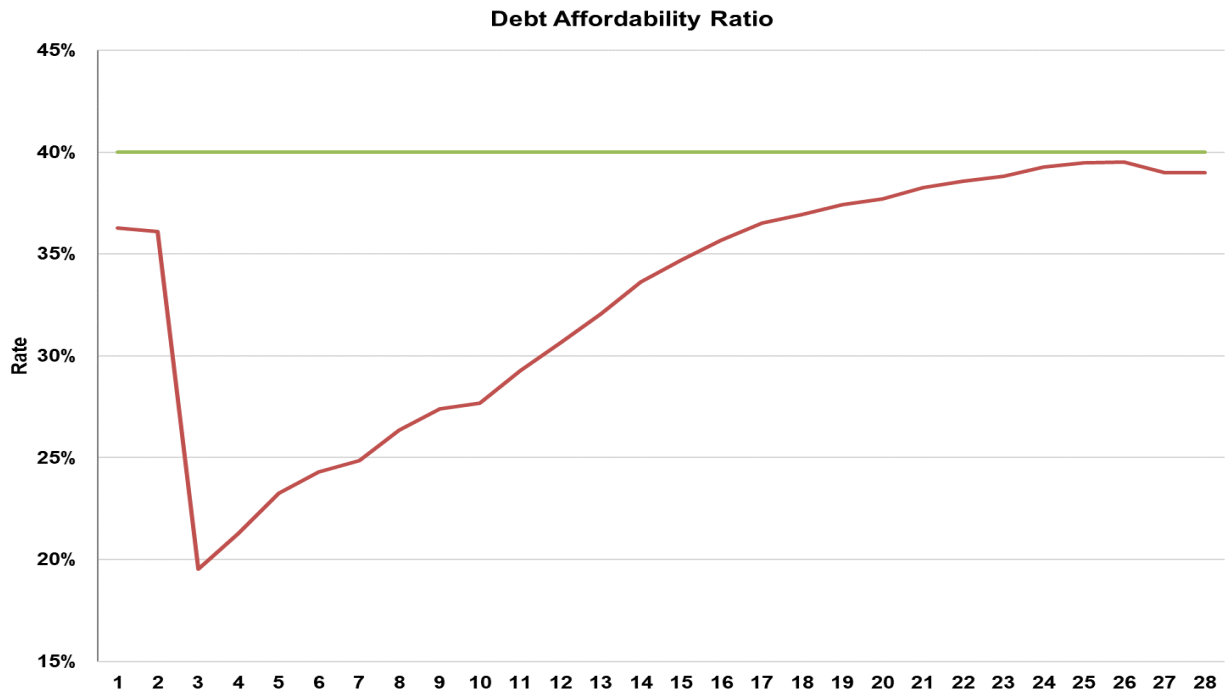
19. Whilst this capital receipt will help to reduce borrowing needs; the stock requires ongoing investment to ensure that it meets all relevant statutory standards of general fitness and energy efficiency. Housing Services will still require to borrow in order to fund the capital investment programme. This borrowing is paid back with interest over a number of years.

20. Whilst there is no legal limit, it is generally accepted good practice for the debt affordability rate to be at or under 40% for an HRA. This essentially means that loan repayment charges should not be above 40p for every £1 of rent received. However, that does not mean that there cannot be fluctuations above and below that ideal maximum position, as long as the medium to long term average sits at or around 40%.

#### **Chart: Debt Affordability Ratio**

- Debt Affordability 40% 

- ERC Debt Affordability —————



21. The chart above demonstrates the debt affordability of the 30 year business plan. The red line represents the percentage of revenue costs used to repay debt; the green line represents the 40% debt affordability limit. Members will note from the chart that whilst the debt affordability rates do drop significantly from year 3 (2026/27), they begin to steadily climb again thereafter reaching 40% in year 26 (2050/51). It is important to note that the investment decisions made now, can have a significant impact on future years. Decisions taken in relation to capital investment impact not only future debt affordability percentages, as represented in the graph above, but they will also impact on the Council's HRA revenue maintenance and cyclical maintenance budget requirements. Similarly, the risk profile adopted in respect of debt affordability will inform the envelope available for capital funding and therefore what money is available to provide investment in new build and existing stock without disproportionately requiring significant rent increases that might impact on tenant affordability.

#### Historic Debt

22. It has been common practice for social landlords to borrow over a 30 year period. As such, the Council is still paying off debt inherited from Renfrew and Eastwood District Councils at the time of re-organisation. The impact of the final years of the historical debt is seen in the chart above for years 1 (2024/25) and years 2 (2025/26). It shows that it will be a number of years before the 40% debt affordability guideline position for the HRA is approached based upon the current trajectory and projections, however, this will require to be monitored and updated regularly to ensure that affordability ratios are maintained within approved limits.

#### Future Borrowing Requirements

23. Whilst in the past, borrowing for capital investment has been paid back over 30 years, any new borrowing within the current programme varies depending on the lifecycle of the asset. For example, borrowing for internal improvements such as kitchens and bathrooms is paid back over a 10 year period, whereas external elements such as roof and render are paid back over 40 years. East Renfrewshire Council has also borrowed for new Council housing over a 40 year period. Borrowing for new build is under review and the existing business plan is based on a borrowing for new Council housing over a 60 year period. Approval for this change will be sought as part of the annual treasury management review.

**Table: 30 Year HRA Capital Investment Needs (£000s)**

|                    | <b>Year<br/>1<br/>(24/25)</b> | <b>Year<br/>2<br/>(25/26)</b> | <b>Year<br/>3<br/>(26/27)</b> | <b>Year<br/>4<br/>(27/28)</b> | <b>Year<br/>5<br/>(28/29)</b> | <b>Years<br/>6-10<br/>(29/30-<br/>33/34)</b> | <b>Years<br/>11-30<br/>(34/35-<br/>53/54)</b> | <b>Total</b>   |
|--------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--|---|----------------|
| Existing Stock     | 4,481                         | 6,633                         | 7,126                         | 7,065                         | 7,522                         | 29,116                                       | 113,865                                       | <b>181,801</b> |
| New Homes          | 19,750                        | 375                           | 10,075                        | 4,400                         | 300                           |  |   | <b>34,900</b>  |
| <b>Total</b>       | <b>24,231</b>                 | <b>7,008</b>                  | <b>17,201</b>                 | <b>11,465</b>                 | <b>7,822</b>                  |  |   | <b>216,701</b> |
| Revenue Investment | 0                             | 0                             | 0                             | 2,274                         | 2,089                         | 9,923  | 20,345  | <b>34,631</b>  |

24. The table above demonstrates the assumed investment costs over the 30 years of the plan. The investment programme is based on the need to ensure existing council stock meets current and future statutory conditions. As noted in paragraph 8, the future investment costs around SHNZS are unclear and therefore the table represents our best estimate of future costs at the point of authoring this paper; as these and other costs crystallise, we will provide further updates.

25. The table above also demonstrates the potential revenue investment. After year 3, the business plan indicates the HRA will be able to make a contribution from revenue to subsidise capital investment. This will reduce the annual borrowing required and the associated annual loan repayment costs. This is vital to ensure that the debt affordability remains under 40%.

26. In addition to the investment in current stock, given housing need pressures in East Renfrewshire, there remains a constant need for new housing. The current plan will provide up to 171 new homes between 2024/25 to 2027/28, this includes the 105 units currently being delivered at Maidenhill. We will continue to look at any opportunities presenting themselves to acquire or build additional units as and when these become available insofar as these are considered to be affordable within the prudential borrowing limits that the Council must observe. However, it is also important to note that we still have statutory duties, as mentioned above, in terms of the condition of our existing stock. Consequently, as well as general debt affordability issues, we will require to get the correct balance between investing in existing stock and in new build/additional acquisitions, and in how much we borrow and how much we require to increase rents by whilst maintaining affordability.

27. At present there is no capacity within the business plan to extend the target for new build social housing by the Council for the reasons, in summary, narrated in the preceding paragraphs of this report. However, this position will be reviewed on an ongoing and annual basis and our ability to change this will depend on a number of factors; our position on the HRA debt/affordability ratio, and our position on setting rents, and our decision on resource allocation between new build housing and ensuring our existing stock meets the statutory requirements around general fitness and energy efficiency measures. Members should note that any new projects are dependent on grant funding for affordable housing, which was cut nationally by 25%, with funding at similar level expected to continue into subsequent years.

#### Contribution from Reserves

28. Members will note from the report presented in June 2023 that the pressure of loan charges was having a significant impact on reserve levels, and it was estimated that reserves may be exhausted by 2024/25. As a result of the significant capital receipt and the reduction in expenditure from the pension windfall, the reserve levels are within a healthy range in 2024/25 at £1.8m. However, these will be required to support the repayment of inherited debt for 2024/25 and 2025/26 and expenditure in these years must be prudent.

29. From year 3, the HRA is able to rebuild reserves to a healthy level. There is no agreed or approved minimum reserve levels for the HRA. However, to ensure reserve levels are at an appropriate level to meet any future unexpected needs, a reserve level of 7-8% will be proposed as the baseline assumption over the life of the business plan and is considered to be a reasonable and proportionate medium risk approach for HRA reserves; this particular provision can be revised if appropriate in future years updates of this business plan.

## **FINANCE AND EFFICIENCY**

30. Financial planning is challenging particularly in the current economic environment. Whilst the financial outlook of the business plan has significantly improved, the HRA budget is under significant financial pressure from pay awards, inflation and ongoing loan funds repayments.

31. A number of measures are now in place to manage these issues, including use of additional income to support the capital reserve and reduce borrowing and the re-scheduling of debt for new council housing.

32. Whilst it is important that investment decisions are made to improve and enhance tenants' homes, high levels of debt are a risk. Therefore, debt levels must be appropriate but prudent to mitigate any impact of high interest charges. This risk will be reviewed on an annual basis.

## **CONSULTATION**

33. No consultation has been required in the preparation of this report, although as is statutorily required, tenant consultation takes place each year on rent levels, and we also consult with tenants with regards to our capital investment proposals.

## **PARTNERSHIP WORKING**

34. This paper has been prepared by officers from Housing Services and Finance.

## **IMPLICATIONS OF THE PROPOSALS**

35. There no implications arising from this report in terms of staffing, legal, IT, Subsidy Control, sustainability, equalities and climate change.

## **CONCLUSIONS**

36. As noted in the paper submitted to cabinet June 2023, the HRA faced a short-term financial pressure as a result a combination of high inflation, a peak in loan charge repayments and a reduced level of reserves.

37. The business plan is supported and developed in conjunction with Housing Service Asset Management Plan. The aim is to set an investment level which is both ambitious but sustainable in the long term.

38. However, a number of changes have taken place to mitigate this impact including:

- A significant capital receipt from the sale of Barrhead South; and

- An assumed change to the borrowing period of new council homes from 40 to 60 years (subject to approval in Treasury Annual Review).

39. Members should note that whilst the position of the business plan has greatly improved. Years 2024/25 & 2025/26 remain a challenge due to the impact of historic debt payments, albeit nonetheless still under the 40% accepted good practice debt affordability ratio limit measure. Furthermore, whilst the financial position improves significantly from 2026/27, the impact of future investment needs will put pressure on loan repayments in future years.

40. It is vital that decisions taken at this stage not only ensure rents are affordable to existing and future Council tenants, but that borrowing decision are also taking account of future generations.

## RECOMMENDATIONS

41. Cabinet is asked to note:

- a) The current financial status of the HRA and key activity areas for focus in 2024/25 & 2025/26;
- b) The assumptions made for future years around rent increases and the HRA debt affordability ratio;
- c) The future investment pressures and the impact on the 30 year business plan; and
- d) The annual submission of a detailed 10 year capital programme to Council.

Director of Environment

Further information can be obtained Mark Rodgers, Head of Housing & Property; [mark.rodgers@eastrenfrewshire.gov.uk](mailto:mark.rodgers@eastrenfrewshire.gov.uk)

October 2024

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EAST RENFREWSHIRE COUNCIL

CABINET

7 November 2024

Report by Director of Environment

HOUSING ASSET MANAGEMENT PLAN 2024-2026

**PURPOSE OF REPORT**

1. The purpose of this report is to advise the Cabinet on the updated Housing Asset Management Plan 2024-2026.

**RECOMMENDATION**

2. It is recommended that Cabinet approves the Housing Asset Management Plan 2024-2026.

**BACKGROUND**

3. The Council's Housing Asset Management Plan (Appendix 1) has been updated to fit into the hierarchy of the Corporate Asset Management Plan and outlines the work being undertaken by the Council in relation to the management of the Council housing stock and Housing Revenue Accounts (HRA) assets.

4. It acknowledges the complexity of managing Council housing assets, with several work streams involved to ensure that these assets are and, in the future, remain fit for purpose and comply with our statutory requirements. These include the statutory housing quality standards, net zero considerations, customer needs and affordability within the HRA Business Plan.

**REPORT**

5. The Housing Asset Management Plan (HAMP) acknowledges that managing our housing assets effectively is a key driver to provide the best possible quality housing to our customers, whilst recognising the need to keep rents affordable. It sets out the Council's approach to the management of its housing assets in 2024 and 2025.

6. As of March 2024, the Council housing stock is 3,141 dwelling units, including sheltered housing. These are made up of 3,125 owned by the HRA account and 15 owned by the Council General Fund account. Other assets owned by the HRA account include:

- Lock-ups and garage sites;
- Commercial property (property that is leased to third parties); and
- Open spaces, roads and footpaths.

7. The value of the Housing Services assets and expenditure on maintenance and new build development is significant. In the last three years, the Council spent an average of £8 million investment per year on maintaining the existing housing stock, capital investment included. Therefore, setting out a clear vision for the future of the Council's Housing Services

property portfolio will be crucial to ensure that investment meets the needs of ongoing service delivery, as well as new build development aspirations.

8. The vision is to provide homes that are:

- Efficiently managed to meet current and future needs;
- Suitable for their purpose and deliver value for money;
- Compliant with legislation;
- Energy efficient and progressing towards net zero emissions; and
- Contributing to a positive public perception of the Housing Service and Council.

9. The HAMP identifies key challenges:

- Housing needs and demand exceed current supply;
- The review of the Energy Efficiency Standard for Social Housing (EESH) review and uncertainties around potential changes related to the Social Housing Net Zero Standard (SNZHS) and longer-term net zero target;
- Decarbonising our housing stock, i.e. moving to low or zero carbon heating systems is financially challenging;
- Ensure decarbonisation of heat prioritises affordable heat, in line with fuel poverty milestones including the statutory target that no more than 15% of households living in fuel poverty by 2030;
- Information and analysis to guide investment needs for net zero ambitions;
- Skill gaps and funding uncertainty to carry out required work to meet net zero ambitions;
- Changes to the Scottish Housing Quality Standard (under tolerable standard); and
- Inflationary rises in materials' costs are making property maintenance and construction increasingly expensive.

10. With these challenges in mind, the HAMP offers a coherent, manageable and flexible approach which acknowledges that we cannot do everything at once. In addition, regulatory and statutory changes at both UK and Scottish Government level, may occur even throughout the life of this short plan, which may then affect how we manage and improve our housing stock. At the time of writing this HAMP, the energy efficiency and net zero standards are under review by the Scottish Government, with the ambition that social housing would lead the transition to zero direct emissions buildings. Therefore, this is a two year plan and a review of this HAMP in 2026 will ensure that we are adapting to any changes, as required.

11. The HAMP outlines the work undertaken in the last 12 months and planned actions over the next two years. These actions reflect the need for a solid foundation to put the Council in the best position to meet future challenges. Many of the actions will provide us with better information to make informed decisions about investment and future management of our housing assets.

12. The approach to managing the housing stock over the next two years will be:

- Target significant investment principally in relation to properties that are not wind and/or watertight or related to delivery of SHNZS, when this is confirmed;
- Analyse our current stock condition survey data with consideration to assess how valid our data is; i.e. are there any gaps; and develop a plan to address data gaps to inform a future investment plan;
- Reassess the Council New Build Programme with a view to building more units where this is sustainable in terms of capital programme affordability and any revenue



consequentials arising, ensuring the right balance between maximising the condition of our existing assets and the desire to build more new housing;

- Review 10-Year Capital Programme to ensure equal investment each year;
- Benchmark and test our investment assumptions, including lifespan, specification and costs related to kitchens and bathrooms, heating sources, roof and render replacements; and
- Consider investment priorities of the Scottish Housing Quality Standard (SHQS) versus non- SHQS; example of SHQS works are kitchens, doors, windows so homes meet tolerable standards; while non-SHQS works are close painting; renewing fences or general facelift work.

13. The Council's investment priority in the housing assets have been determined by the need to meet the SHQS, statutory compliance requirement and the plan for achieving energy efficiency standards. The majority of these works have also been determined following consultations with tenants and their feedback which is centred on improving the homes they live in. As such, our capital investment over the next two years will be to ensure that our homes are wind and water tight; meet statutory standards and are good quality homes with safe and secure environment for our tenants.

14. In addition to continuing with capital investment programmes, the remainder of the HRA assets will be reviewed through different appraisals to determine how they will be managed and maintained in future.

15. Some HRA assets are made up of lock-ups principally constructed as part of housing development. 142 lock-ups are managed by Housing Services and they are leased to both council tenants and non-council tenants. Pressure on HRA capital resources limit the extent of improvements or major maintenance work on these lock-ups; as a result, some garages are beginning to fall into a state of disrepair. These will need to be assessed, to identify what is needed to ensure their long-term life or whether demolition and disposal would be more appropriate.

16. There are 22 commercial assets (retail units, offices and grounds) currently leased out. They are let on a "maintaining and insuring" basis. Given the current condition of these assets, there are no issues that need to be addressed during the lifespan of this Housing Asset Management Plan. In addition to these commercial assets, HRA assets include 69 hard standings on 17 sites. These are plots of land leased to individuals who have built garages or lock-ups. The Council is not responsible for repairs and maintenance. However, the Council is responsible for maintaining the land and the demolition of any garages that are in a state of extensive disrepair.

17. Housing Services are responsible for about 209 roads and 117 footpaths throughout the Council area. These generally exist on council-built housing estates and used by tenants and private owners. Maintenance is paid through the HRA, which means that private owners are not contributing to their share of the maintenance costs despite having use of them. This is a similar situation with parks and open spaces, which were formerly 100% Council-owned estates. These assets, many of which are held on the HRA, provide amenity value to Council tenants and private owners across the Council area. Open spaces have significant impact on our housing neighbourhoods and their sustainability.

18. A detailed action plan is also required for assessment of unadopted roads and footpaths; to consider whether the roads and paths are up to the adoptable standard applied by the Roads Service. Ones that do not meet the standard, will be identified for remedial work. Carrying out remedial work may enable transfer of ownership from the HRA to the Roads Service, depending on levels of investment required.

## **FINANCE AND EFFICIENCY**

19. The costs to implement the investments and aspirations in the HAMP are significant but, as yet not fully defined. Many of the actions identified in the HAMP Action Plan are related to scoping and appraising options for investment and, or future savings. In order to do this, an investment in resource with technical expertise will be required, to appraise low or zero carbon technologies. Without this initial investment, progress in delivery of the HAMP will be challenging.

20. Sustained capital investment over a long period of time will be required to ensure that the Council continues to provide homes that are fit-for-purpose, comply with legislation and are of good quality for our tenants. As such, budgets allocated to the capital investment programme over the next two years (lifetime of this HAMP) and that of future years, approved for 2024 – 2034 capital programme; will allow the Council to continue to meet the SHQS. A review of the HRA 30 Year Business Plan is essential to test financial assumptions and the longer-term financial implications of investment. Especially taking into account the investment that will be required to meet 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.

21. The 30-year HRA Business Plan is updated annually. There is an ongoing review of this, as it is important to understand, how we can continue to support current level of annual expenditure and continue to meet the Capital Programme. This includes investment in existing housing stock and new build aspirations. The assumptions in the Business Plan are based on rent increases and the disposal of specific land assets.

22. Government and other external funding streams may be available to support specific projects or support the research cost and development of our future investment plans. These will be explored to ensure that the Council can benefit, where appropriate.

## **CONSULTATION AND PARTNERSHIP WORKING**

23. Our project delivery timescales require resources from other services within the Council in order to deliver on the HAMP, for example resource from the Property and Technical Services team, Estates team, Procurement and Legal teams. Key actions are detailed within the HAMP that will require continued collaboration and input from these services. It is recognised that there are interdependencies that will be pivotal to the success of the HAMP; collaboration will be a crucial vehicle for delivery across Departments, while recognising the competing priorities.

24. Finally, the Housing Services team will engage with the Scottish Housing Regulator (SHR); the Scottish Government; relevant industry, statutory and professional bodies and other local authorities in terms of best practice in management of our assets. Also, acknowledging the need to enhance in-house knowledge on low and zero carbon technologies and other potential future changes in statutory compliance.

## **IMPLICATIONS OF THE PROPOSALS**

25. The HAMP will have impact on housing assets, as decisions and planned investment will impact on energy efficiency of our assets and other elements of the SHQS, to make sure that our tenants live in warmer, safer and good quality homes.

26. Assessment in terms of both Equalities, Fairness and Rights and Climate Change impacts can be applied to some actions within HAMP action plan.

## **CONCLUSIONS**

27. The Housing Asset Management Plan 2024-2026 sets out the Council's plans for the management of its Council housing stock and other HRA assets. The plan builds on the previous plan including the work completed within the past 12 months and sets out the framework for the next 12 to 18 months, in developing a strategy to meet the challenges for improved management and use of our key assets.

28. The management of Housing Services assets is complex with a number of elements for consideration to ensure they are fit for purpose – these include the financial situation, net zero considerations, the levels of usage and meeting our customers' changing needs.

29. The planned actions over the next two years aim to put the Council in the best possible position to provide homes that meet the needs and aspirations of our tenants and prospective tenants. Also, ensure that continued investment is affordable and will be welcomed by Council tenants, who will see the quality of their homes continue to be improved.

## **RECOMMENDATION**

30. It is recommended that Cabinet approves the Housing Asset Management Plan 2024-2026.

Director of Environment

For further information contact: Mark Rodgers, Head of Housing & Property  
[mark.rodgers@eastrenfrewshire.gov.uk](mailto:mark.rodgers@eastrenfrewshire.gov.uk);

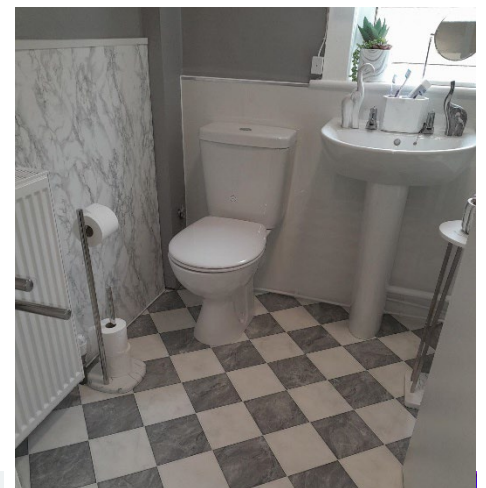
November 2024

**APPENDIX 1** - Housing Asset Management Plan 2024-26

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# Housing Asset Management Plan 2024 – 2026



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## 1. EXECUTIVE SUMMARY

The purpose of the Housing Asset Management Plan (HAMP) is to outline our proposals with regards to the management, maintenance and improvement of our Council Housing stock and other Housing Revenue Account assets, on behalf of our customers, elected members, officers and key stakeholders.

The requirement for the HAMP flows from the wider Corporate Asset Management Plan (CAMP) approach, and as such it is one of a suite of asset management plans used to manage the Council's property, land and other assets, for example the Council fleet, open spaces, land, housing and IT assets, amongst others. This HAMP aligns with the priorities of the CAMP which has as its overarching objective the delivery of improved outcomes across a range of indicators for the people of East Renfrewshire.

Although this HAMP covers two years, it aligns with our already agreed 10 year Capital Investment Programme, the 30 year HRA Business Plan, the Local Housing Strategy and the Strategic Housing Investment Plans. This plan will:

- build on the achievements of the previous plan;
- highlight level of investment on development of new buildings and on existing housing stock;
- outline work that have been done to date on how we meet current and future requirements and statutory standards in our assets; and
- set out the steps proposed over the next 12 to 18 months in developing our strategy to improve management and use of our assets.

The management of our assets is a complex exercise with several elements involved, to ensure that our HRA assets are fit for purpose now or that there is a plan to bring them up to the required standard, and that they are maintained thereafter to the required standards. These include statutory housing quality standards, net-zero and energy efficiency requirements, customer needs, and customer and Council affordability considerations which are set out in the current iteration of the 30 year HRA Business Plan.

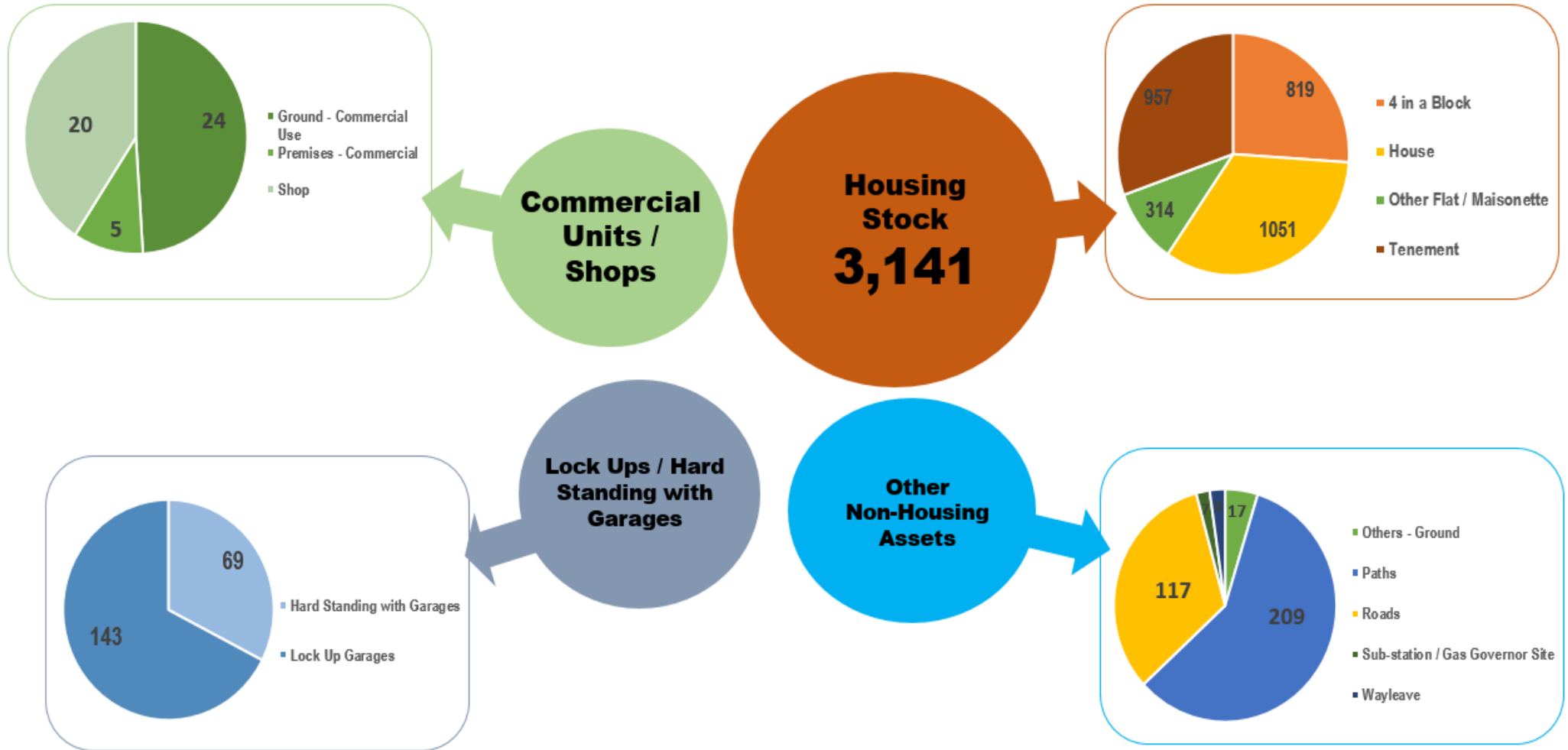
In order to deliver on these priorities, the Housing Asset Management Plan covers:

- **The Council housing stock and HRA assets;**
- **Asset profile and stock condition surveys and data analysis;**
- **The legal framework in which they operate;**
- **The future challenges;**
- **How these challenges will be met; and**
- **How we will assess our assets to determine if they will meet net zero or energy efficiency standard or not.**

All of the above will inform decisions that will require to be taken around which buildings to retain and invest in as core sustainable stock, and which to dispose of. Decisions will be assessed on a sustainable economic and/or social value evidence base and data.

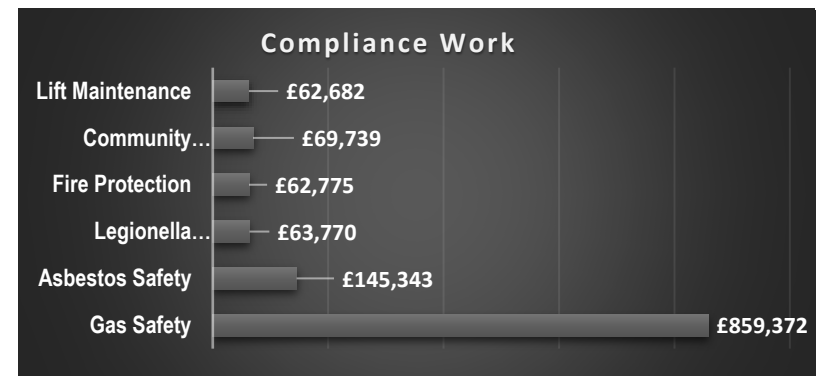
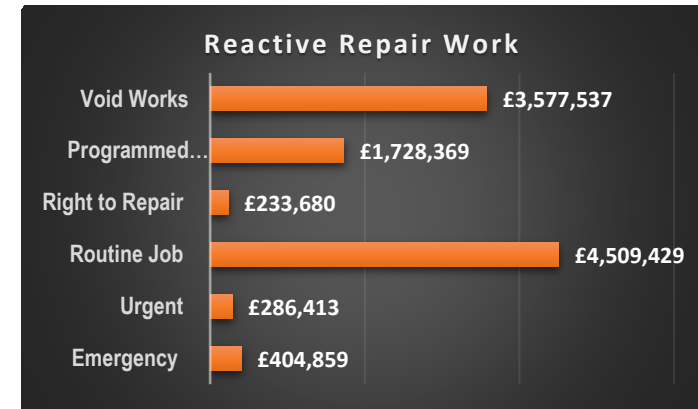
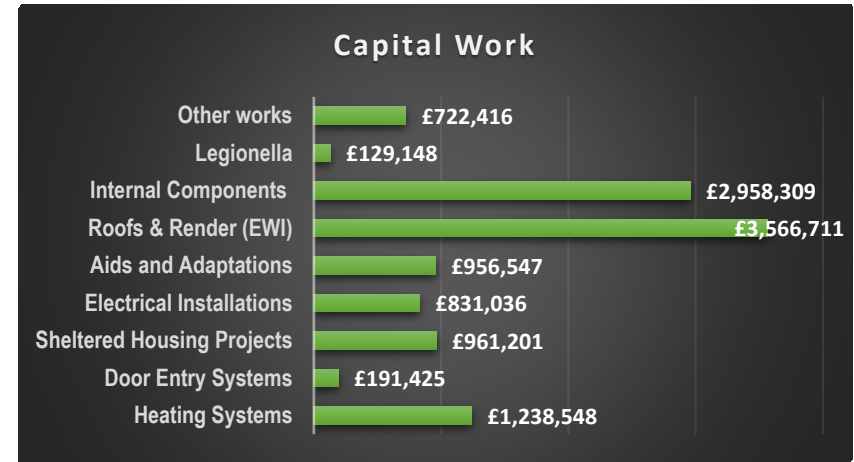
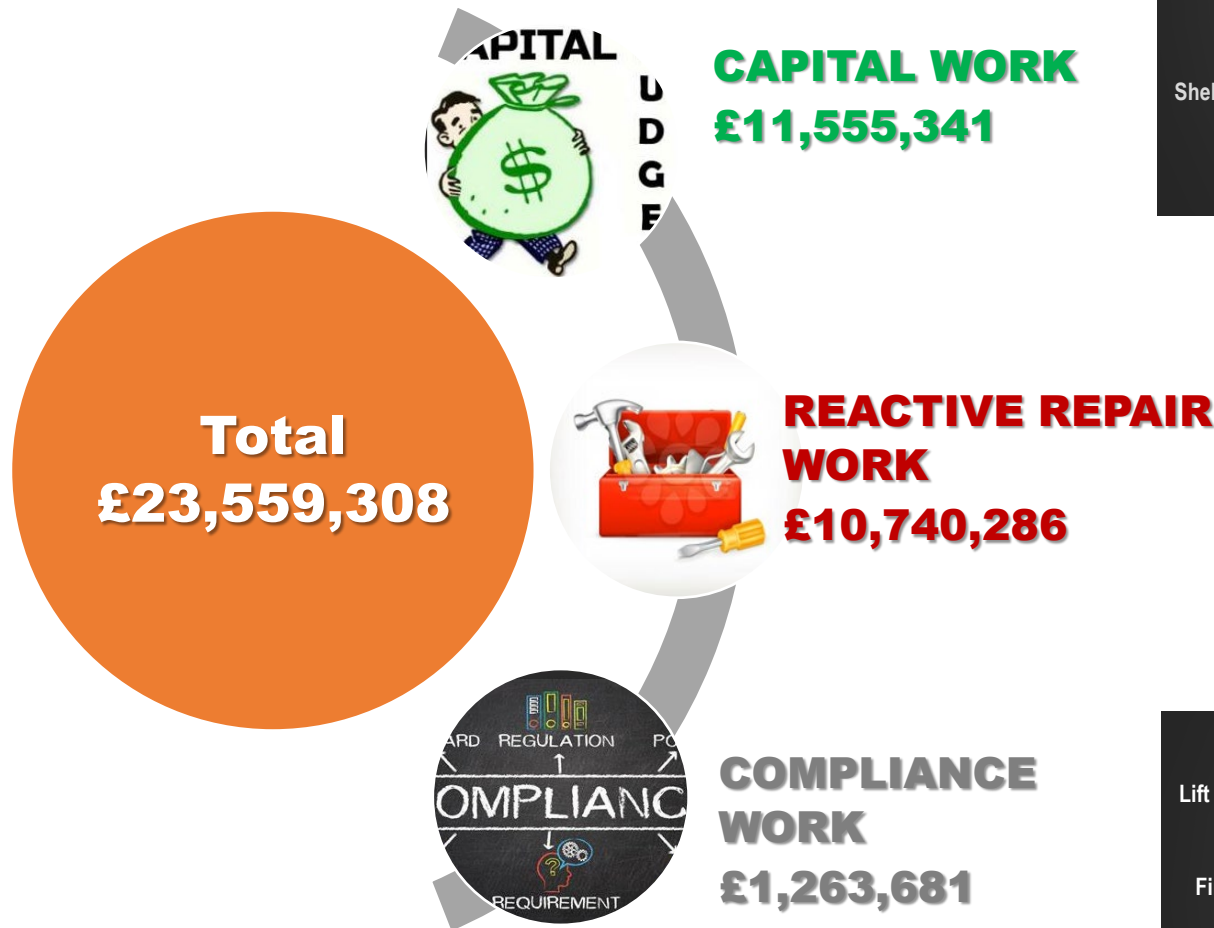
2. KEY FACTS

Total Number of Council Housing Stock and HRA Assets





Total Cost Spent Apr 2021 – March 2024 on Housing Stock



### 3. THE VISION

It has long been recognised that good quality housing provides the foundations for our residents to attain and maintain good health, social support, good educational outcomes and positive post educational destinations, and to enable employment to be sought and sustained. This Housing Asset Management Plan (HAMP) outlines how we will continue to maintain our housing stock to provide warm, safe and secure homes. As such our vision is to provide homes that are:

- **efficiently managed to meet current and future needs;**
- **suitable for their purpose and deliver value for money;**
- **compliant with legislation;**
- **energy efficient and progressing towards net zero emissions; and**
- **contributing to a positive public perception of the Housing Service and Council, and the communities in which we have stock.**

The development of a housing asset management plan is crucial to enable the effective deployment of revenue and capital resources, and to ensure clear alignment to the Council's strategic goals.

This HAMP focusses on the need to lay a solid foundation now, in order to put the Council in the best position to meet future challenges with regards to its housing stock, particularly the statutory requirement to meet both housing quality and energy efficiency standards across all of our stock. The HAMP underpins the Housing Service aims to provide the best possible quality housing to its customers whilst recognising the need to keep rents affordable and the cost of energy in these homes low. It also aims to meet the demands of homelessness and the need for more affordable homes in the area.

This 2024-2026 HAMP supersedes the previous version which was adopted and approved by the Council in 2019.

## 4. THE CHALLENGE

East Renfrewshire Council acknowledges that achieving its vision for housing and addressing the challenges of the current housing emergency is going to be challenging. This is partly because of the age profile of our stock and the general affordability constraints of the HRA and the Council generally, as referenced in our current 30 year HRA business plan. But this challenge has also been made more difficult in recent times as a result of decreasing funding for new build housing in particular, notably the reduction in Government subsidy in both real terms and as a percentage of the costs.

This reduction has occurred notwithstanding the ever-increasing demand for social housing, increasing pressures on temporary accommodation and the nationally declared housing emergency. East Renfrewshire Council declared a local housing emergency on 11 September 2024. This local declaration acknowledges significant increase in homeless applications and the dearth of appropriate accommodation across all tenures and in particular accommodation of all tenures that is affordable to those in need. It also recognised that the local housing market makes it challenging to respond to this increased and sustained demand, reflected in the high cost of purchasing a house, which is particularly important given that owner occupation represents more than 80% of all housing by tenure across our Council area. Given that the private and midmarket rental sectors are very small and in many cases equally unaffordable, this creates significant pressure on social rented housing across all providers, of which the Council represents the substantial proportion of all stock.

In addition to the issues of addressing housing needs and demand challenges, the current legislative framework for social housing energy efficiency standards are in development. At the time of writing, the Scottish Government has just completed a consultation on the proposed Social Housing Net Zero Standard (SNZHS) but we do not as yet have the detail that would enable us to firm up the potential costs to the Council of compliance. Whilst the direction of travel is towards increased energy efficiency and a move to low or zero carbon heating systems, the exact requirements are currently unclear and unlikely to be clarified until 2025. Technology related to such requirements is also evolving at pace which represents a further challenge.

Consequently, it is difficult to accurately evidence the impact on our investment requirements as regards our existing stock at this point in time. We can however say that it is likely to increase the cost of that stock attaining and sustaining the statutory requirements that we outline here, and additional spend on existing resource may constrain the number of new build units that we can afford and/or the timeline over which they may be delivered.

**In summary current challenges include:**

- **housing needs and demand exceed current supply;**
- **supply and affordability of housing across all tenures is challenging;**
- **EESHS review and uncertainties around potential changes related to the SNZHS and longer term net zero target;**

- decarbonising our housing stock, i.e. moving to low or zero carbon heating systems is financially challenging;
- ensuring that the decarbonisation of heat prioritises affordable heat, in line with fuel poverty milestones including the statutory target that no more than 15% of households should be living in fuel poverty by 2030;
- suitable information and analysis to guide investment needs for net zero ambitions;
- skills gaps and funding uncertainties that impact on our ability to carry out required work to meet net zero ambitions;
- changes to the Scottish Housing Quality Standard (essentially the measure of the minimum acceptable tolerable standard for our stock); and
- Inflationary rises in materials costs are making property maintenance and construction increasingly expensive, particularly because construction industry inflation for goods, materials and labour often significantly exceeds CPI and RPI measures of general inflation across our economy at a national level.

Given the extent of the challenge, we believe this HAMP offers a coherent, manageable and flexible approach which acknowledges that we cannot do everything at once but that does provide a balanced, sustainable and proportionate response to these challenges within the constraints of resource availability. In addition, regulatory and statutory changes at both a UK and Scottish Government level may occur even throughout the life of this plan which may then affect how we manage and improve our housing stock. We will address this challenge through a review of the HAMP in 2026, which will ensure that we are adapting to any changes appropriately at that time, while we prepare the next HAMP which will cover the next five years for our HRA assets post 2026.

## **5. NET ZERO AND ENERGY EFFICIENCY STANDARD**

Whilst maintaining a portfolio of varying housing types has always been a challenge for local authorities, the need to improve energy efficiency and decarbonise heating systems significantly increases the scale of the challenge and the investment required.

The current Energy Efficiency Standard for Social Housing (ESSH) targets are that

- by 31 December 2025, no social housing is to be re-let below EPC B and D; and
- by 31 December 2032, all social housing meets, or can be treated as meeting, EPC B and D, or is as energy efficient as practically possible, within the limits of cost, technology and necessary consent.

The Scottish Government decided to review the standards applying across all buildings, with the ambition that social housing would lead the transition to zero direct emissions across all of them.

The new Social Housing Net Zero Standard (SHNZS) that we are currently awaiting the details upon was a part of the process of this review.

As mentioned, at the time of writing, the finer details of the SHNZS are unknown. However, the Council does know that it must undertake the following activities, which are likely to have potentially significant resource implications as the costs crystallise once the detail of the SHNZS is finalised and published:

- 1. Review existing data to assess current compliance status with the SHNZS;**
- 2. Assess / carry out surveys of our housing stock to get accurate information on the Fabric Energy Efficiency (FEE). This will include air testing, thermal imaging and other relevant processes in order to identify areas of heat loss in each property;**
- 3. Assess the number of homes that require a clean non carbon based heating alternative;  
and**
- 4. Identify works required to meet proposed FEE standards and to deliver on the requirement for us to change all heating provision to a clean heating alternative.**

## 6. IN SCOPE- WHAT DOES THIS HAMP COVER?

This HAMP covers all social housing owned by the Council, including sheltered housing. It also includes lock-ups and garage sites, related open spaces, roads and footpaths which are not otherwise currently adopted by the Council's Roads Service. There are also a number of commercial buildings and shops held on the HRA.

As of **March 2024**, the Council **housing stock is 3,141**; the HRA account holds 3,126 units, while 15 are held on the Council's General Fund (GF) account; these GF properties are held for homelessness temporary accommodation use and are held on the GF as homelessness functions are, by statute, GF chargeable as opposed to HRA chargeable.

We anticipate that there will be at least a **further 171 new dwelling units** that will be added to the HRA account by **2028**. In addition to this, £1million was made available from Council General Fund capital reserves in September 2024 to purchase additional housing units and/or new builds for homelessness temporary accommodation use. At mid October 2024, approximately £300k of this has been committed. This has allowed us to purchase two three bedroomed properties and will also cover investment works to bring them to the required standard, with further potential purchases being actively pursued from an active pipeline of potentially suitable acquisitions. There will be whole lifecycle cost implications to the GF for maintenance and investment in these properties over time, though given the small scale at present these are containable within existing resource allocations, though this will require to be reviewed in future years depending on the growth in acquisition of GF housing stock.

The table below shows a breakdown of dwelling type for both existing HRA housing stock and anticipated new HRA dwelling units.

| Existing Stock                     | 1 Apt      | 2 Apt      | 3 Apt        | 4 Apt      | 5 Apt     | 6 Apt    | Total        |
|------------------------------------|------------|------------|--------------|------------|-----------|----------|--------------|
| 4 in a Block                       | 36         | 189        | 414          | 151        | 25        | 4        | 819          |
| House                              | 108        | 165        | 436          | 291        | 51        |          | 1,051        |
| Other Flat / Maisonette            | 27         | 231        | 41           | 15         |           |          | 314          |
| Tenement                           | 51         | 357        | 489          | 56         | 4         |          | 957          |
| <b>Total Stock by apt size</b>     | <b>222</b> | <b>942</b> | <b>1,380</b> | <b>513</b> | <b>80</b> | <b>4</b> | <b>3,141</b> |
|                                    |            |            |              |            |           |          |              |
| New Stock                          | 1 Apt      | 2 Apt      | 3 Apt        | 4 Apt      | 5 Apt     | 6 Apt    | Total        |
| House                              |            |            | 48           | 42         | 6         |          | 96           |
| 4 in a Block                       |            | 40         | 4            |            |           |          | 44           |
| Other Flat / Maisonette            |            | 10         | 21           |            |           |          | 31           |
| Tenement                           |            |            |              |            |           |          | 0            |
| <b>Total Stock by apt size</b>     |            | <b>50</b>  | <b>73</b>    | <b>42</b>  | <b>6</b>  | <b>0</b> | <b>171</b>   |
|                                    |            |            |              |            |           |          |              |
| <b>TOTAL HOUSING STOCK BY 2028</b> |            |            |              |            |           |          | <b>3,312</b> |

In response to current and future challenges faced by all landlords, to ensure safety in tenants' homes and ensure they meet energy efficiency targets, the main areas of **focus of this HAMP** will be on our **3,141 existing properties**.

The new build dwelling units are not included in plans and discussions within this HAMP. This is because the Scottish Building Regulations 2024 provides a robust framework that ensures **new building developments built to current building standards**. The standards are for new build to comply with regulations for **Energy Efficiency; Ventilation; Renewables; Fire Safety and Carbon Emission**.

It is unlikely that these standards will change over the lifetime of this HAMP.

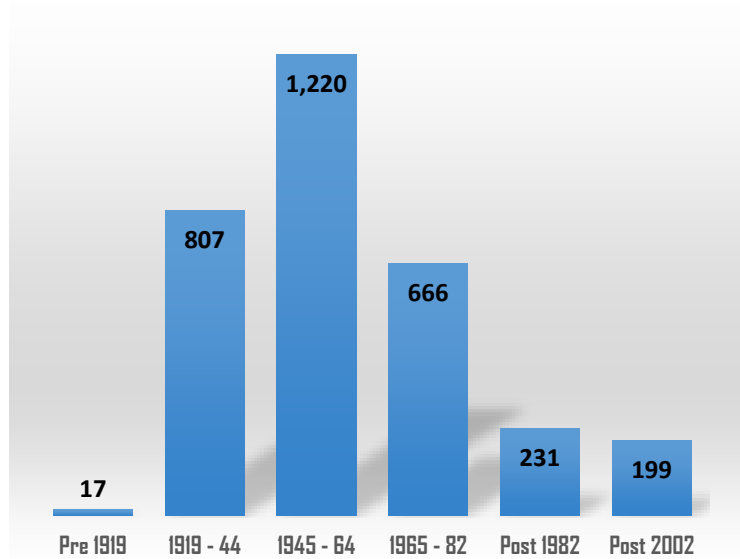
While these regulations present some challenges, particularly financial ones, they deliver long-term benefits in terms of reduced emissions, better living conditions, and lower costs to our tenants, therefore contributing positively to societal and environmental goals. Builders, landlords, and homeowners will need to adapt to these standards, potentially harnessing emerging technologies and government support to meet these evolving demands.

1. **Energy Efficiency** – new building are designed and built to significantly reduce energy consumption, which is critical in reducing utility costs for residents and minimizing the environmental impact of new buildings.
2. **Ventilation** – Adequate ventilation is prioritised to ensure good indoor air quality and prevent or mitigate such issues such as dampness and mould.
3. **Renewables** – The 2024 standards strongly encourage integrating renewable energy sources, such as solar panels and heat pumps.
4. **Fire Safety** – the regulations mandate using fire-resistant materials and advanced smoke detection systems. In addition, all affordable housing must now have water sprinkler systems in place.
5. **Carbon Emissions** – this mandates a decrease in carbon emissions from homes. Gas Fire Boilers are no longer allowed to be installed in new buildings. The goal is to align with Scotland's net-zero 2045 target.

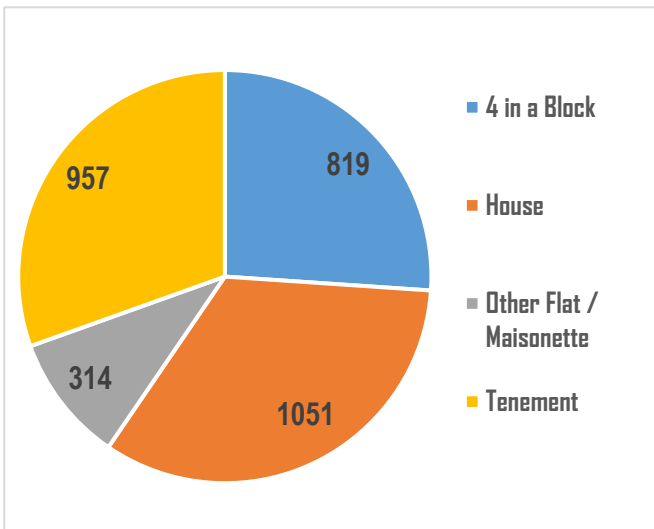
6.1 CURRENT HOUSING STOCK

Built Year

The majority of our housing stock (65%) was built during the inter-war (1919-1944) and post-war (1945-1964) periods. Due to the age of our stock, significant investment is required now and on an ongoing basis to ensure that it continues to provide good quality housing, and also to bring it up to, and to maintain it at, the Energy Efficiency and Net Zero Standards.



Dwelling Type



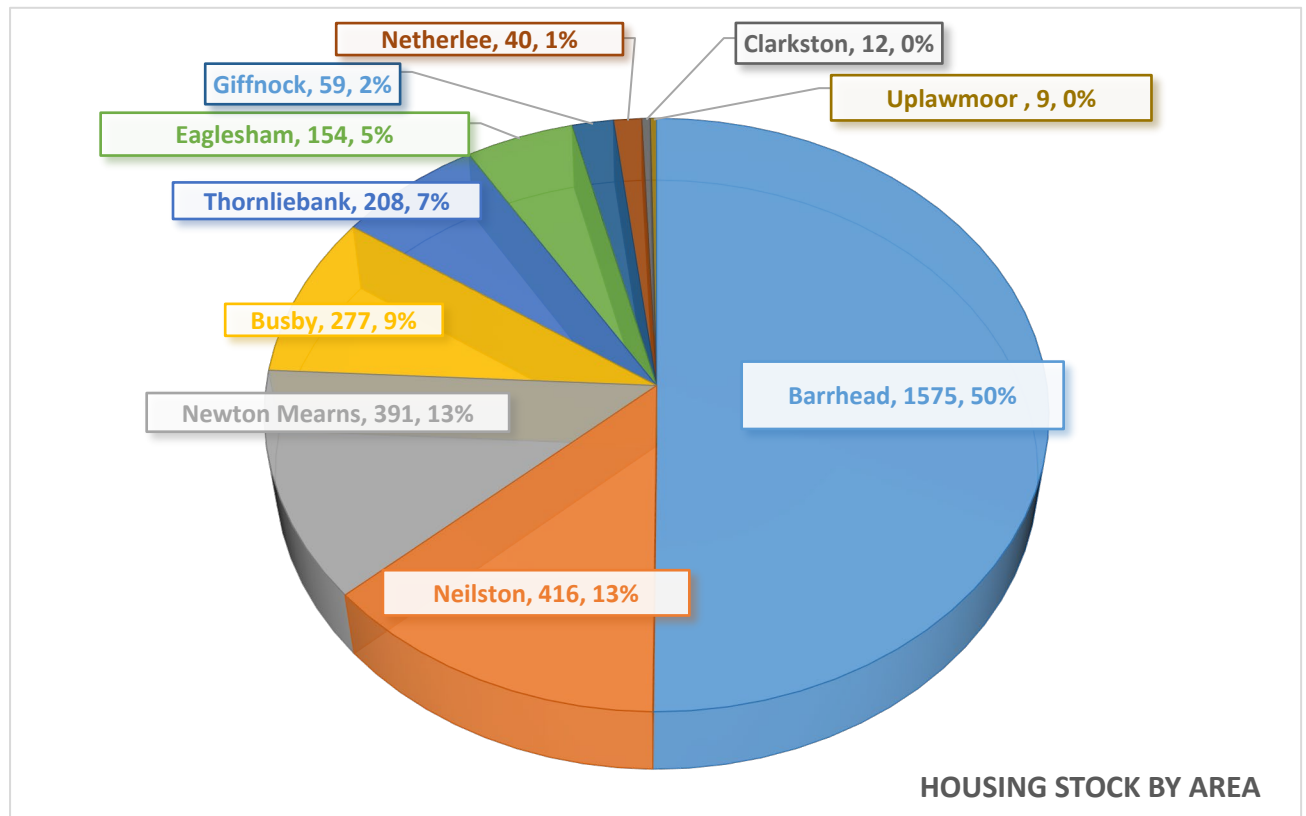
Our stock is a mix of tenement flats, own door flats within 4 in a block, sheltered unit flats within sheltered complexes, maisonette flats, and a mix of terraced, semi and detached houses.

This chart shows breakdown of housing stock by house type. Our stock is predominantly flats and tenements (67%). This includes 244 sheltered flats and bungalows and majority (173) of the sheltered flats are located in Eastwood area.



## Dwellings by Geographical Location

Most of our stock (64%) is located in the Barrhead and Neilston areas, with the remainder being located mainly in the Eastwood area.



## 6.2 NON HOUSING ASSETS

### i. Sheltered Housing Community Rooms

We have **8 Sheltered Housing complexes**, and these have a number of communal areas including 8 communal lounge areas and 8 communal kitchen areas, which are used as an integral part of the facilities that support this type of accommodation.

### ii. Lock-ups

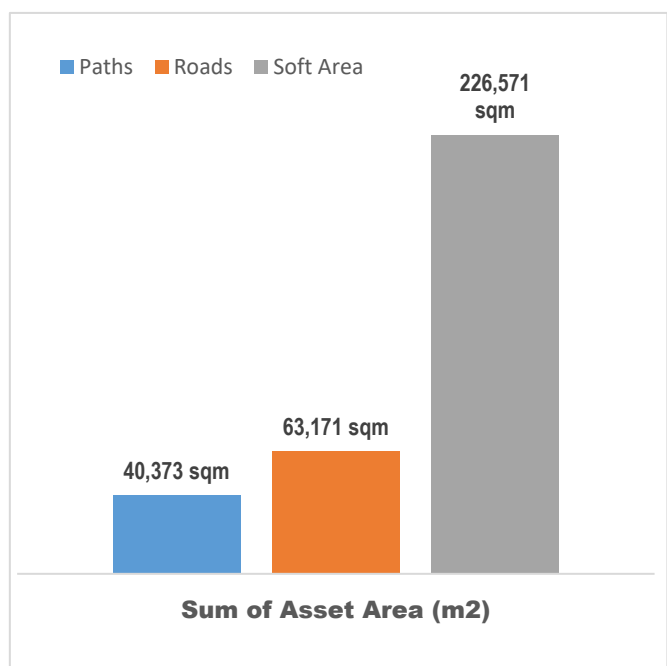
Lock-ups were principally constructed as part of housing developments when our larger scale estates were originally built. We manage **142 council owned lock-ups on 12 sites** which are available to tenants of Council houses and also to those who are not tenants. Reactive repairs are carried out where necessary on these garages, but pressure on HRA capital resources limit the extent of improvements or major maintenance work which would need to be funded from HRA capital. As a result, some garages are beginning to fall into a state of disrepair. We will review the long term viability of these sites and also their potential ability to be developed for housing or other alternative uses as may be appropriate.

### iii. Hard-standings – Garage Sites

Housing Services own **69 hard-standings on 17 sites**. These are plots of land leased to individuals who have built garages or lock-ups. The Council is not responsible for repairs and maintenance. However, the Council is responsible for maintaining the land and the demolition of any garages that are in a state of excessive disrepair. As with lock ups, we will review the long term viability of these sites and also their potential ability to be developed for housing or other alternative uses.

### iv. Unadopted roads and footpaths

Housing Services has responsibility for **209 roads and 117 footpaths** throughout the Council area. These generally exist on Council built housing estates where, when built, the expectation was that the roads and footpaths would be used solely by Council tenants paying rent to the HRA. However, as a result of Right-to-Buy these roads and footpaths are now used by tenants and private owners. Maintenance still sits with the tenants only through the HRA, which means that private owners are not contributing to their share of the maintenance costs, despite having use of them. Therefore these roads are being effectively subsidised by tenants/the HRA, contrary to accepted good practice and guidance in relation to what HRA tenant rent money should be spent on. This is a problem common to all stock owning Councils. We are currently establishing whether or not adoption of some of these roads through payment of a commuted sum by the HRA from capital budget resources to the GF may provide a sustainable longer term solution to this challenge. This would be delivered over a number of years by Housing, Roads and Grounds Maintenance teams and help to create a more resilient resource base for all services whilst ensuring quality standards in this area are maintained as far as is practicably possible. We will be trialling this during the course of this HAMP with a view to considering any further future roll out of activity in this area.



### v. Open Spaces/Land

A similar situation arises here as to that narrated above with regards to paths and roads. Parks and open spaces that were created within what were formerly 100% Council-owned estates, now provide amenity to Council tenants and private owners. Open spaces have significant impact on our housing neighbourhoods and their sustainability. These are held on the HRA and so as above, the costs incurred are paid for from the HRA even though these are no longer solely tenant related costs and have not been for a substantial period of time. The total area of the soft spaces owned by HRA is in the table above. A similar exercise to that proposed for the issue affecting roads and paths is being proposed for this activity.

**vi. Commercial buildings**

There are **22 commercial assets** (retail units, offices and grounds) currently leased out that are held on the HRA and these generate an annual income of approximately £188,000. Given the current condition of these assets and the fact that they are let on a “maintaining and insuring” basis where the lessees bear all repairing obligations and costs, there are no issues that need to be directly addressed during the lifespan of this Housing Asset Management Plan.

In summary, whilst there are a number of different asset categories covered by this HAMP, priority will be given to mainstream housing stock and sheltered complexes, because these make up the bulk of Housing Service assets and represent the very vast majority of our customers.

## 7. OUR PROPOSED APPROACH TO HOUSING ASSET MANAGEMENT

Given the current uncertainties and challenges, the approach to managing our housing assets over the next two years is proposed to be to:

- target significant investment principally in relation to properties that are not wind and/or watertight or related to delivery of SHNZS, when this is confirmed;
- analyse our current stock condition survey data with consideration to: assess how valid our data is, i.e. are there any gaps; and develop a plan to address data gaps to inform a future investment plan;
- reassess the Council New Build Programme with a view to building more units where this is sustainable in terms of capital programme affordability and any revenue consequential arising, ensuring the right balance between maximising the condition of our existing assets and the desire to build more new housing;
- review 10-Year Capital Programme to ensure equal investment each year;
- benchmark and test our investment assumptions, including lifespan, specification and costs related to kitchens and bathrooms, heating sources, roof and render replacements; and
- consider investment priorities of the Scottish Housing Quality Standard (SHQS) versus non- SHQS; example of SHQS works are kitchens, doors, windows so homes meet tolerable standards; while non-SHQS works are close painting; renewing fences or general facelift work.

## 8. CONDITION OF HOUSING STOCK

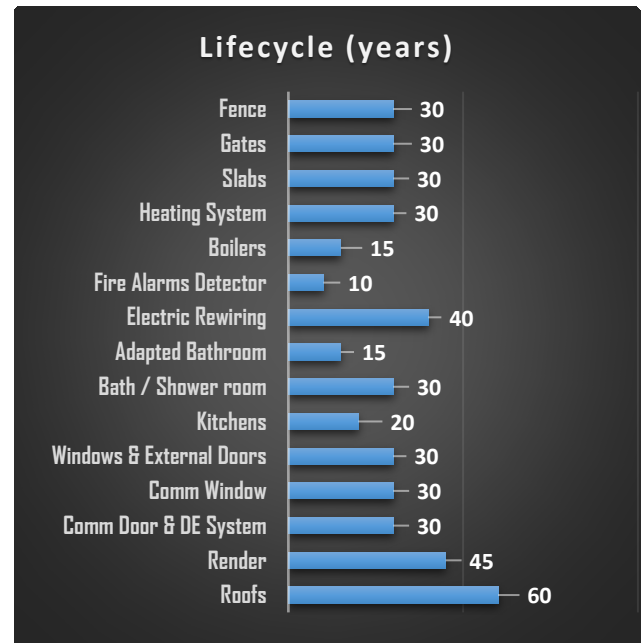
### DATA FROM STOCK CONDITION SURVEY

In 2011, we commissioned independent surveyors to carry out a stock condition survey of our housing stock. The information from this survey provided the basis for the creation of our current asset management database, APEX. In that 2011 survey, approximately 80% of the housing stock was surveyed while the remaining 20% of the data was cloned, which is consistent with accepted industry practice.

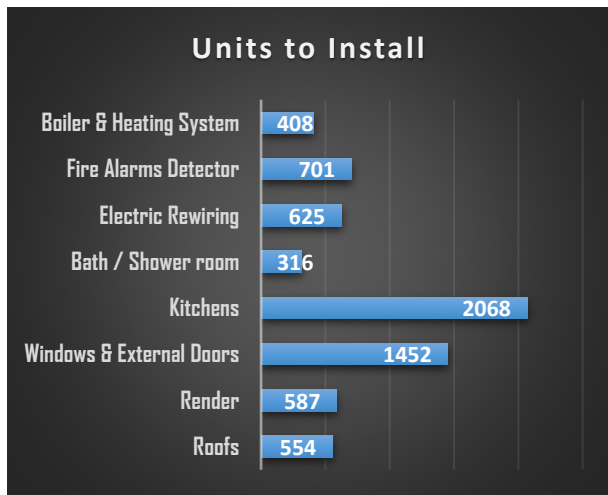
Over time, it has become clear that the data obtained no longer provided wholly accurate data and information on building elements and their attributes. As a result of this, a baseline for more accurate and realistic data was set from 2017, when we started our current approach to stock condition surveying.

Since 2017, we have carried out a full survey in 2,041 properties, meaning **we are reasonably confident that 65% of our housing stock has accurate information on APEX**. We will continue to survey at least 10% of the housing stock per year on a rolling basis, ensuring therefore that every unit has a full survey carried out at least once every ten years, in line with accepted good practice.

These surveys will assess the condition of elements within a property against their life expectancy and against the requirements of the Scottish Housing Quality Standard (SHQS) and energy efficiency standards such as EESSH and SHNZS or their successors. Going forward, a combination of our stock condition survey approach of 10% per annum, combined with data obtained from actual capital programme spend and day to day and cyclical maintenance spends will enable us to have a much more accurate picture of historical costs and future spend requirements than is currently the case. Implemented correctly, this will effectively enable us to update both our HRA capital plan and cost assumptions essentially in real time.



## 8.1 ASSET CONDITION - Lifecycle Replacements



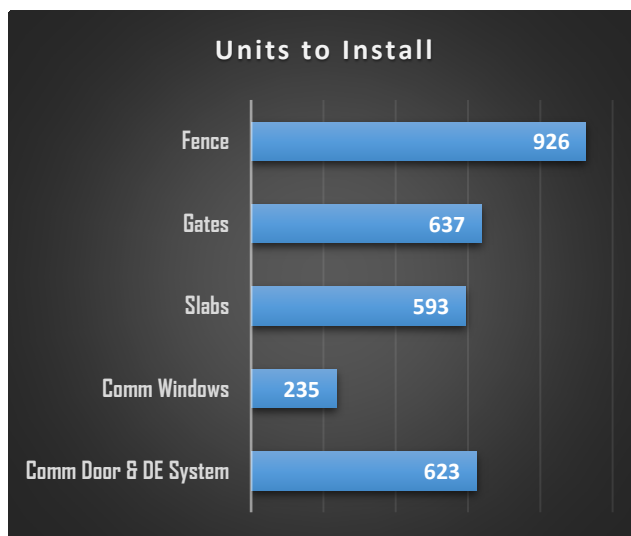
The surveys identify key areas that we will need to review and focus investment on within the next five years, examples including:

- **Windows** - about 1,350 properties are due new windows over the next 5 years based on age and expected lifecycle, subject to on site surveying and validation.
- **Roofs** – about 550 roofs have either reached or will reach end of their expected lifecycle in the next 5 years. Though we expect that a significant portion of these are likely to be in a fair condition, it will nonetheless be prudent to produce a reasonable and proportionate plan based on updated survey data for the partial replacing of these to ensure our properties are wind and water tight and thus continue to comply with statutory requirements. Again, this is subject to on site surveys and validation.
- **Kitchens** – are largely in good condition. Issues tend to be with wear and tear where kitchens have been potentially misused or suffered heavy use. To address this we will allow for an annual replacement programme of kitchens falling into this category as identified through our surveying process.
- **Bathrooms** – replacement requests from tenants are principally driven by aesthetic requirements as opposed to components such as sanitary and washing/bathing installations no longer being fit for purpose or failing in situ, and additionally around facelift of wall finishes and ceilings. We do not decorate tenant homes but install wall boards around the sanitary units – mainly around three walls in the bathroom. Sanitary and washing installations will be upgraded when appropriate, factoring in condition and other statutory investment requirements, once more subject to on site surveys and validation.
- **Fire Alarms Detectors** – these are replaced when they reach 10 years old, as is the statutory requirement, as part of our ensuring that we comply with our relevant health and safety obligations towards our tenants in their homes.
- **Electrical Rewiring** – there are over 600 properties that we estimate will need rewiring in the short to medium term. This can cause potentially significant disruption to tenants' homes, and it can be that some tenants would prefer to, or do, refuse access. Consequently, we prioritise these works being carried out when properties become void. To ensure safety, we carry out Electrical Installation Condition Report (EICR) safety checks every five years. At present, 90% of our stock holds the required valid five year certification with the remainder programmed in to our rolling safety check programme for completion. During the safety check programme, we will also be able to identify other categories of

repairs which will be followed up accordingly. This ensure tenants' safety and also to ensure that we are complying with the electrical installations regulations in their homes.

- **Gas Boilers & Heating Systems** – We are currently only replacing boilers that have either broken down or with obsolete parts. Investment in this area has been reduced until we have clear guidance from the government on the new energy efficiency and net zero standards, as the Scottish Government are moving us towards ceasing the use of fossil fuels as acceptable energy sources in all buildings over the medium to longer term.

The following works have not been part of the planned capital programme to date, but have instead previously been carried out on an ad hoc basis, subject to resource availability:



- **Communal Windows**

- **Doors and Door Entry System**

- **Slabs, Fences and Gates**

- **Gutters and downpipes** – where appropriate and required, generally renewed with full roof replacement, despite having a shorter expected lifecycle than roof.

- **Other Non-SHQS works** – where budget is available and subject to other competing

higher priorities, particularly those that are a statutory requirement.

## 8.2 ASSET CONDITION – Scottish Housing Quality Standard (SHQS)

The SHQS was introduced by the Scottish Government in 2004 to set out the minimum quality standards for all homes in the social rented sector in Scotland.

This table shows how many of our tenants homes met the SHQS standard as of 31 March 2024.

From above, we are able to identify key areas of SHQS non-compliance across our stock.

| Broad area (or criteria)                              | Category | Pass Properties | Fail Properties |
|---|----------|-----------------|-----------------|
| Tolerable Standard (the basic legal minimum standard) | A        | 3,141           | 0               |
| Free from serious disrepair                           | B        | 3,141           | 0               |
| Energy efficient                                      | C        | 3,138           | 3               |
| Modern facilities and services                        | D        | 3,135           | 6               |
| Must be Healthy, Safe and Secure                      | E        | 2478            | 663             |

- **Category C – Energy Efficiency Standard** – these are properties failing EESSH. The remedial works programme will depend on energy efficiency measures that are financially viable and feasible to install; examples of works that will improve energy efficiency of these properties would include external wall and cavity wall insulation, installation of solar panels and air source heat pumps.

These works can however come at a substantial cost. Whilst we will continue to look at alternative sources of funding these works, we will need to consider whether or not for some units of stock the price of retrofit is supportable by the increase in actual asset value and/or social value for any given unit. In simpler terms, it may be difficult to justify, for argument's sake, investing £30,000 to improve the thermal efficiency of a building by 1% when its actual value, on an open market or existing use (EUV-SH) basis, is not particularly high.

- **Category D – Modern Facilities and Services** – these properties have less than the required number of sockets in their kitchen. This principally relates to properties with very small kitchens where it can be difficult to install additional sockets and/or to remodel the layout accordingly to bring the given property into compliance with the required standard.
- **Category E – Safety requirement in relation to Electrical Safety Checks** – The requirement to carry out safety check changed recently and meant recertification every 5 years as opposed to every 10 years was now required. This significantly increased the proportion of our stock that failed the statutory SHQS requirements as a consequence. We are working our way through all of our properties to ensure that they are statutorily compliant as soon as is reasonably, practicably and affordably possible. This issue affects all social landlords across Scotland.
- **Exemptions & Abeyances** – There are various elements in the categories above that we are able to categorise as exemptions and abeyances in terms of the Scottish Housing Regulators (SHR) guidance. The purpose of these exemptions and abeyances is that the Scottish Government recognises that in certain circumstances, it will be impossible to meet specific elements of the SHQS for a number of potential reasons. Therefore the SHR reporting allows for exemptions and abeyances to be claimed, where circumstances behind non-compliance with the standard are outwith our control; typical examples include tenant refusal or owners blocking the work where we do not have a majority in shared ownership flatted blocks. The majority of our abeyances are in Category E and examples include

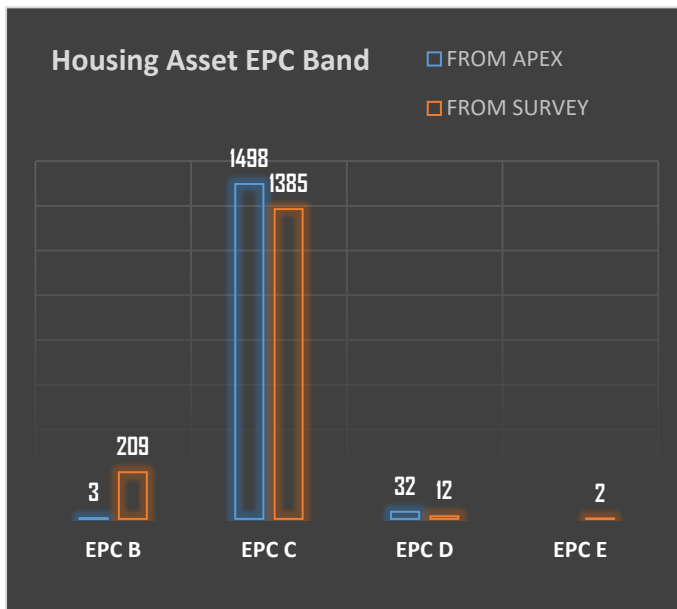
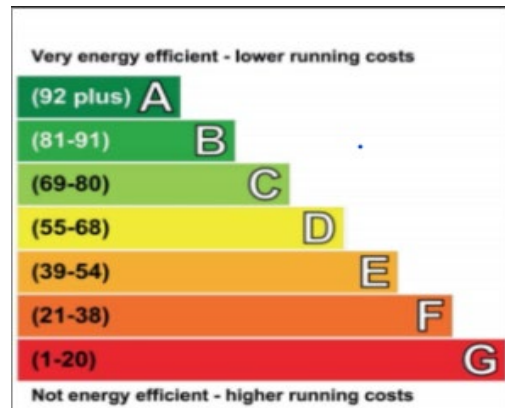
- Refusal to carry out communal work (Common External Door and Door Entry System) - 44
- Refusal to carry out internal work (GCH or Kitchen upgrade; EICR, etc.) - 50

Abeyances and exemptions are not registered as fails in terms of our reporting compliance with SHQS requirements. However, these areas of work are still statutorily required and will need to be carried out at some point in the future, subject to other statutory priorities and available funding and with the cooperation of owners and tenants.



8.3 ASSET CONDITION – Energy Performance Survey

The energy efficiency calculation of homes is presently based on SAP energy ratings, banding properties between EPC bands A to G; **where A is best and G worst**. There have been changes over time in the assessment process and how that process has been interpreted. To resolve this issue, and to ensure that we work towards obtaining accurate data and 100% coverage of our housing stock, we appointed a contractor in 2022 to carry out EPC surveys and this work is currently ongoing



The target is to carry out at least 500 EPC surveys per year. To date, about **51% of the housing stock now has an up to date EPC certificate**.

In addition to the EPC surveys, the contractor has also been carrying out Occupancy Assessments and Property Condition reports. This data is expected to inform energy efficiency status of our housing stock and to support investment planning towards energy efficiency and net zero targets.

Upcoming Changes to How we Assess Energy Efficiency

We anticipate that there will be a change in how we assess our housing stock, driven by the as yet uncompleted Scottish Government EESSH review and the forthcoming but as yet unpublished SHNZS requirements.

As we currently understand it, the proposals will focus on three key areas;

1. **Fabric Energy Efficiency** – this would require social landlords to install as many of these measures as practicable; 270 mm loft insulation, cavity wall insulation, draught proofing, modernised heating controls, and suspended floor insulation, etc.
2. **Air Quality** – it has been recognised that improvements in energy efficiency can potentially cause unintended consequences that adversely affect the air quality in homes. Therefore the proposal will be for landlords to install Mechanical Ventilation with Heat Recovery (MVHR); or to have an alternative monitoring strategy.

- **Fabric Energy Efficiency (FEE)**
- **Air Quality**
- **Clean Heating**

Both of these options will have capital and revenue consequential as yet not calculated pending confirmation of the required standard.

3. **Clean Heating** – This highlights that the elimination of emissions from heating systems that run on gas; oil and other fossil fuel heating systems is now a Scottish Government requirement. Approximately 80% of Scottish social housing stock currently relies on gas for heating; as such, the proposal would require installation of a clean heating system in social homes by a backstop date of 2045, with substantial capital and revenue consequential impacts

## 8.4 ASSET CONDITION – Compliance and Safety Requirements

### i. Gas Safety

A key statutory requirement arising out of the Gas Regulations governing installation and the use of gas appliances in domestic premises is that an annual gas safety check must be carried out on each gas appliance and flue by the landlord within 12 months of the last test and issue of a pass certificate. **The Council has consistently achieved a 100% record of compliance.** This is a substantial achievement in the context of the significant numbers of landlords across all sectors, who struggle to achieve compliance. It has been achieved through the implementation of a number of improvement actions that have been taken, namely:-

- Our service programme runs on a 10 month cycle rather than 12, which allows us more time to access our properties to ensure they are all serviced within the set timescales;
- We have a robust procedure for “No Access” properties which guarantees access before the 12 month expiry ;
- The introduction of hand held terminals by our gas servicing contractor ensures we receive certificates daily which allow us to record and monitor accurately;
- Our gas servicing contract requires the contractor to have an IT systems that allows close monitoring of progress on individual gas safety checks.

### ii. Asbestos Safety Management

The Council has a duty to comply with the Control of Asbestos Regulations (2012) and has a duty of care to inform customers, contractors and staff as to the presence of asbestos containing materials in properties. The council undertakes surveys and sampling to establish and develop an asbestos register, and continues to pro-actively maintain this Register. During 2016/17 data from the asbestos register was transferred to the asset management database (APEX).

An asbestos management plan is in place and this is updated annually or as required by changes in procedure or legislation. Procedures are in place to share information on asbestos when it might impact on the frontline workforce.

The risk of exposure to Asbestos Containing Materials (ACMs) for improvement contracts to housing properties is assessed as part of the Construction Design and Management (CDM) risk assessment process.

A high percentage of ACMs within the housing stock is found within textured coatings (artex), thermoplastic floor tiles and asbestos cement products (garage roofs, soffits, fascias). Where these are in good condition it is compliant with relevant legislative provisions and consequently acceptable to leave these in the property until such time as replacement work is necessary or desirable for other purposes (e.g. re-wiring, roof renewal).

| Property Status                | Number of Dwellings |
|--------------------------------|---------------------|
| Properties with no Asbestos    | 1963                |
| Properties with Known Asbestos | 1136                |
| Not Tested                     | 42                  |

The table presented shows the current position across our stock as regards properties with asbestos; properties with no asbestos and properties that have not been tested or not sure of asbestos presence. We carried out a desktop analysis exercise on the potential risks for the 42 properties that have not been tested. Based on property type, the likelihood of asbestos being present in the majority of these 42 properties is very low. In context, 15 out of the 42 properties have the likelihood of having some asbestos in them, based on similar property types, and these properties are being instructed to be surveyed so that we have necessary information on our record and can demonstrate statutory compliance

### iii. Legionella

Legionella is a respirable bacterium that is common in natural and artificial water systems. The Council has a proactive approach to Legionella Risk Management as required by the Approved Code of Practice (ACOP) set out by the Health and Safety Executive. We take proactive steps to manage and reduce risks of Legionella by implementing prevention measures in sheltered housing complexes, homeless units and dwellings, through the following approaches:

- carrying out risk assessments in all sheltered housing complexes and the main homeless complex at Overlee House;
- a comprehensive monitoring and maintenance programme in all sheltered housing and homeless complexes to reduce the risk of exposure to Legionella bacteria; and
- a street by street survey of all Council owned properties and mixed tenure blocks to ascertain if and where cold water storage tanks are being used to supply cold water. Where identified, these are being decommissioned and all cold water outlets connected to the mains water supply in line with accepted modern good practice.

As a result of the surveys and mains water conversions, about **67% of council housing stock now has cold water outlets connected to the mains water supply**. Going forward, the aim is to carry out approximately 500 surveys per year including void properties, and to decommission water tanks where they are still in use to remove the risk of potential injury. We anticipate that the remaining 33% will be surveyed and decommissioned over the next two years.

#### iv. Fire Safety

##### 1. Fire Safety – Detectors

Fire Safety Legislation in respect of Fire and Smoke Alarms changed from 1 February 2022. The requirement introduced was that every home must have interlinked fire alarms. Being interlinked means if one alarm goes off, they all go off. All our homes now need to have:

- one smoke alarm in the living room or the room used most frequently;
- one smoke alarm in every hallway and landing;
- one heat alarm in the kitchen;
- all smoke and heat alarms should be mounted on the ceiling and be interlinked; and
- homes with gas appliances, such as boilers, fires, non-electric heaters or flues must also have a carbon monoxide detector. This does not need to be linked to the fire alarms.

We started a programme to meet this target in 2019 and **we are 100% compliant with this.** This will now form part of our annual capital programme to replace detectors when they reach their end of lifecycle. They have ten year lifespan.

##### 2. Fire Safety – Electrical Safety

From March 2022, every landlord in Scotland has to carry out an electrical inspection of all the installations, fixtures, and fittings in a property. The requirement for the safety test changed from every 10 years to every 5 year period.

By end of March 2022, 49.5% of our housing stock had EICR certificate within the five year requirement. This meant we had about 1,532 properties to test in order to comply with this new mandatory standard. **As of March 2024, compliance has risen to 78%, and we are working towards 100% compliance by March 2025.**

#### v. Damp and Mould

As part of the Scottish Housing Quality Standard, tenants' homes must meet required tolerable standards, be free from serious disrepair, be energy efficient, have modern facilities and services, and be healthy, safe and secure. Landlords are also required to ensure that tenants' homes are not affected by mould and dampness. As such it is recommended that landlords should have appropriate proactive systems to identify and deal with any reported cases of mould and damp timeously and effectively.

With the current cost of living crisis, and in particular rising energy costs, more tenants are facing difficulties in heating their homes. Tenants are reducing their use of ventilation and heating systems, to save energy costs. We are aware of this and we are looking at opportunities to support tenants so that they keep their homes warm and dry. For us, it means having measures in place and robust procedures for managing reports and instances of mould and dampness.

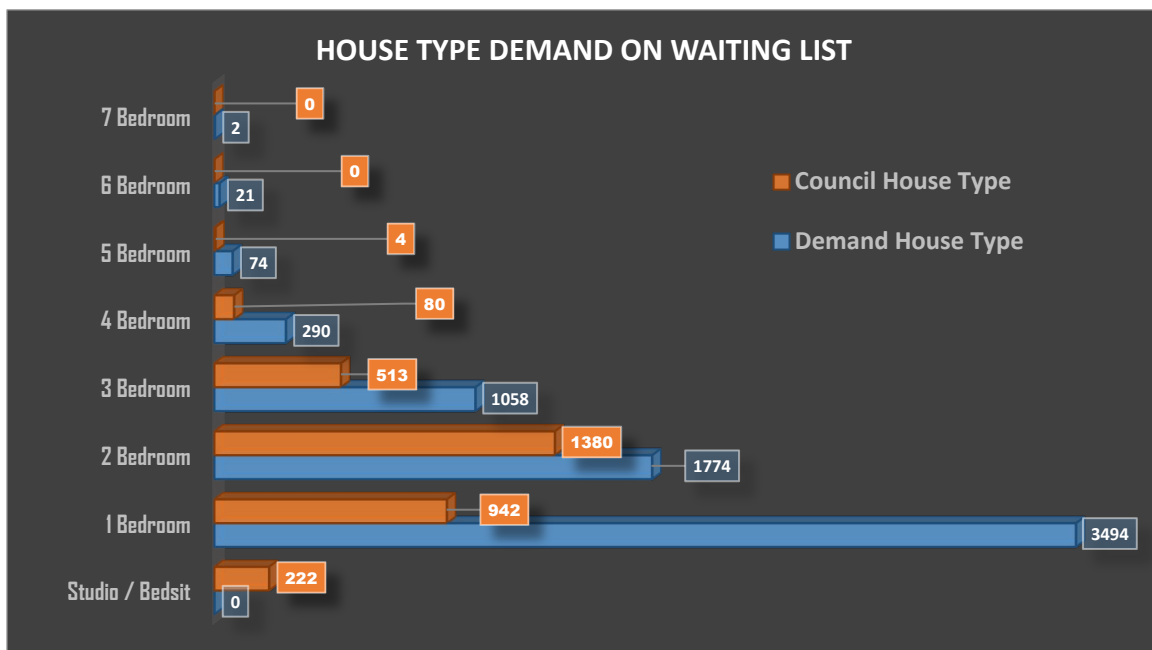
In July 2023, we reviewed our damp and mould policy and from this we established a framework that will seek to address these issues when they occur. This will involve us taking an early intervention up stream approach, coupled with proactive interventions, based upon approaches to diagnosing the underlying causes of the issues presenting, coupled with appropriate remedial works. Absolutely key in this process is putting our tenants first and ensuring that at all times we communicate effectively with them and provide the highest levels of customer care both throughout the process and also after works are completed.

## 9. WHAT HAS BEEN DONE SO FAR

### 9.1 Assessing Housing Needs and Demand

East Renfrewshire Council’s current housing application waiting list has over 6,700 applicants on it, compared with our current stock of 3,141. This highlights challenges in terms of the serious supply and demand mismatch faced by persons in need of affordable and social housing across our communities.

The table below shows council stock house types and demand for house types



East Renfrewshire Council has very high owner-occupation levels and has the smallest percentage of social housing in mainland Scotland. About 11.4% of homes in East Renfrewshire are social housing stock, compared to the Scottish average of 22.9%. The number of Council homes becoming available for new tenants has reduced over the past five years from around 260 to 190 homes per year. This is approximately half of the typical rate elsewhere in Scotland, further exacerbating the challenges.

Housing need and demand across the Council area is addressed through various Council strategic frameworks. The Local Housing Strategy (LHS) and the Strategic Housing Investment Plan (SHIP) both feed into the delivery of both national and local outcomes.

#### i. Local Housing Strategy (LHS)

The LHS for 2023-2028 is currently at draft stage following consultation. The LHS vision is that everyone in East Renfrewshire has “A Welcome Home” both now and in the future.

This aligns with the Local Development Plan in estimating the local housing requirement over the short, medium and longer term, and is informed by the findings of successive local and regional Housing Need and Demand Assessments (HNDAs), which confirm that East Renfrewshire is a pressured housing market. There are five priorities in the Local Housing Strategy:

- **enough of the right homes to rent or buy, in the places where we need them;**
- **homes that meet a lifetime of needs, supporting residents to live independently;**
- **working together to deliver accessible housing advice and support to households facing accommodation issues, including potential loss of accommodation or no accommodation;**
- **good quality homes and neighbourhoods improving standards across East Renfrewshire, recognising that housing is not just about bricks and mortar but people and place; and**
- **making improvements to our homes and reducing energy usage.**

More information on the LHS can be found through the following link - [Local Housing Strategy - East Renfrewshire Council](#)

## **ii. Strategic Housing Investment Plan (SHIP)**

The priorities from the LHS are mirrored in the Strategic Housing Investment Plan. The new affordable housing investments outlined in it include a mix of house types and sizes to meet a range of needs. The SHIP also focuses on re-using existing stock where supply is most pressed (through acquisition, including empty homes), remodelling existing provision to ensure effective use of stock and provide sustainable long term housing solutions, and developing a clear plan for delivery of other tenures such as mid-market rent to meet the needs of those “stuck in the middle” and whose movement could create turnover in much needed homes.

The main requirement is for new social rented housing of every type throughout the Council area. In particular there are requirements for:

- **smaller 1 and 2 bedroom homes that meet the needs of 1st time buyers, single people and downsizers;**
- **family sized homes, including bungalows;**
- **flatted, ‘own door’ or cottage flats are preferred; and**
- **new homes across all tenures which are built to wheelchair-adaptable standards. (Registered Social Landlords in particular see houses, rather than flats, as a future priority development.)**

More information on the SHIP can be found through the following link – [Strategic Housing Investment Plan - East Renfrewshire Council](#)

## **iii Council New Build Plan**

The Council is actively working in collaboration with our partner housing associations to deliver affordable social rented housing, including Barrhead Housing Association, Hanover Scotland and Link Group. The Council have also actively worked with private housing providers Taylor Wimpey, Robertson Homes and CALA to ensure they provide a minimum of 25% affordable housing in developments, with the prime recent example being the acquisition of 105 units at Maidenhill which will be complete in the current financial year 2024/25.

In November 2016, approval was given to commence a new build programme of 120 new homes. This target was extended in January 2018 to 240 new homes and in February 2023 was further extended to 370 units. To date, 188 homes have been built and 18 homes have been purchased on the open market. Over the next 5 years, another 171 units will be delivered, with a target completion date of 2028. This includes the 105 units being delivered in Maidenhill in 2024/25.

#### Proposed Developments by East Renfrewshire Council:

|  | HOUSE TYPE                     | 2 Apt     | 3 Apt     | 4 Apt     | 5 Apt    |
|--|--------------------------------|-----------|-----------|-----------|----------|
| Cala Maidenhill<br>(105 Units)<br>2024/25                | House                          |           | 37        | 26        | 6        |
|  | 4 in a block                   | 36        |           |           |          |
|  | Other Flat/Maisonette          |           |           |           |          |
|  | Tenement                       |           |           |           |          |
| Barrhead Road,<br>Newton Mearns<br>(17 Units)<br>2026/27 | House                          |           |           |           |          |
|  | 4 in a block                   | 4         |           |           |          |
|  | Other Flat/Maisonette          | 4         | 9         |           |          |
|  | Tenement                       |           |           |           |          |
| Commercial Road,<br>Barrhead<br>(49 Units)<br>2027/28    | House                          |           | 11        | 16        |          |
|  | 4 in a block                   |           | 4         |           |          |
|  | Other Flat/Maisonette          | 6         | 12        |           |          |
|  | Tenement                       |           |           |           |          |
|  | <b>Total Stock by apt size</b> | <b>50</b> | <b>73</b> | <b>42</b> | <b>6</b> |

It is important to note that our ambition and ability to accelerate the number of units of new build/new supply Council housing is absolutely linked to our requirement to maintain legislative standards across our existing stock, and is also linked to the HRA debt affordability ratio and the capacity of the HRA to borrow, as set out in our 30 year HRA business plan. We will face difficult decisions about what proportion of available resource has to be invested in ensuring compliance with statutory requirements in terms of our existing stock, and in terms of our ambitions to deliver more new housing to address chronic supply demand mismatch issues.

## 9.2 Various Investments and Improvement to Current Housing Stock

### i. Improvement to meet SHQS standards through void works

Compliance with the original SHQS standards was required by 2015. Since that date, roughly half of our stock has become void. We **average of 240 voids per year. Between 2014 and March 2024**, 1,545 properties have become void, albeit a third of these 1,545 have been void at least twice or more in the last 10 years. Given most of our stock is over 60 years old, properties becoming void present opportunity for us to upgrade them to ensure they meet quality and regulatory standards. This has to however factor in the investment required and the underlying asset value of the property concerned, and also has to factor in the need to improve stock with the requirement to minimise void rent loss and the number of days properties are empty, which are core performance indicators for the SHR and Council.



## ii. Improvement of Assets through Capital, Repairs and Maintenance Programmes

In the last three years, activity in this area has been delivered through a blend of investment from revenue and capital budgets. The majority of the work programmed and carried out have been determined by the need to continue to meet the **SHQS, to ensure statutory compliance**, and to meet **energy efficiency standards requirements**.

The majority of these works have been prioritised following consultation with tenants and our incorporating their feedback into our work programmes.

| Capital Replacement & Works          | Total Cost<br>(Over 3 years) | Total Number of Properties<br>(Over 3 Years) |
|--------------------------------------|------------------------------|--|
| Heating Systems                      | £1,238,548                   | 392  |
| Door Entry Systems                   | £191,425                     | 29   |
| Energy Efficiency Works & EPC        | £128,781                     | 1,180  |
| Lift Upgrade in SH Complexes         | £212,947                     | Various                                      |
| Heating Upgrade in SH Complexes      | £738,276                     | Various                                      |
| Fire Alarms Upgrade SH Complexes     | 87,640                       | Various                                      |
| Electrical Rewire                    | £174,181                     | 57   |
| Elec. Test & Inspect                 | £235,861                     | 2,102  |
| Fire Alarms Detector                 | £656,855                     | 914  |
| Aids and Adaptations (various works) | £956,547                     | 71   |
| Roofs & Render & EWI                 | £3,566,711                   | 181  |
| Windows & Doors                      | £1,511,740                   | 442  |
| Kitchens                             | £1,115,933                   | 266  |
| Bathrooms                            | £330,636                     | 101  |
| Mains Water Supply Connection        | £129,148                     | 533  |
| Estate Works (various works)         | £357,774                     | Various                                      |
| <b>Total Cost</b>                    | <b>£11,555,341</b>           |  |

### 9.3 Pilot Programmes and Works towards Improving Energy Efficiency Standards

Costs involved in the implementation of pilot programmes listed below are part of capital investment of £11.5m represented in the table immediately above.

#### i. Improvement through EWI Pilot programmes

EWI (External Wall Insulation) is part of our Roof and Render Capital Replacement programme. In 2021, we changed our approach to install cavity and external wall insulation in properties, instead of replacing existing wall finish with ordinary render. The properties were delivered in compliance with PAS 2030:2019 and PAS 2035:2019 standards as these will improve energy efficiency of our housing stock and work towards meeting EESSH targets, and will make a significant contribution towards lowering energy costs for our tenants.

For the 2021 to 2023 programme we procured installation of these work through 3 different processes, outlined in the table overleaf.

| Project                   | Pilot 1 - 2021-22 Roof & EWI                                    | Pilot 2 - 2023-24 Roof & EWI Non-Trad. Properties                       | Pilot 3 - 2023-24 Roof & EWI   |
|---------------------------|---|---|--|
| Contract Type             | Design & Build using Bill of Quantities (BoQ)                   | Design & Build without BoQ  | Design first and then Build  |
| Works Carried Out         | Roof; EWI and CWI to PAS2030 and 2035 standard                  | Roof and EWI; Solar PV and Battery Storage to PAS2030 and 2035 standard | Design & Roof and EWI; Solar PV and Battery Storage to Enerphit Standard |
| Average Cost per Property | <b>£35,000</b><br>- £31,000 – Terraced<br>- £39,000 – Semi Det. | <b>£48,000</b><br>- £43,000 – Terraced<br>- £52,000 – Semi Det.         | <b>£70,500</b><br><b>£1,269 (Design – Stage 1)</b>                       |

### Summary of the EWI Pilot Projects:

Pilot 3 did not progress as it did not represent value for money and did not provide good return on investment. The alternative options are currently being subjected to an evaluation of best value prior to a final decision being reached.

This work will be required in order to ensure that we can meet the current EESSH standard, which expects us to meet Energy Performance Certificate (EPC) band B as a minimum standard by 2032, and this ties in with our understanding of the proposed primary energy indicator emerging from the SHNZS consultation process, which will be one of proposed targets below;

- **112 – 162kWh/m<sup>2</sup>/year by 2033; or**
- **71 – 120kWh/m<sup>2</sup>/year by 2033 and 71kWh/m<sup>2</sup>/year or better, by 2040**

Examples from Pilot 1 and Pilot 2 are illustrated in table below, which show significant changes in the EPC Standard Assessment Procedure (SAP) rating in both properties.

- Improvement measures in **Pilot 1 did not meet proposed performance target** while;
- Improvement measures installed in **Pilot 2 meet proposed performance target**;

| Pilot 1 - March 2022                           |                             |                             |
|--|-----------------------------|-----------------------------|
| End Terrace Property had new Roof, EWI and CWI |                             |                             |
|  | Before Works                | After Works                 |
| EPC  | D                           | C                           |
| SAP rating                                     | 61                          | 75                          |
| Primary Energy indicator                       | 311kWh/m <sup>2</sup> /year | 176kWh/m <sup>2</sup> /year |

| Pilot 2 - March 2024   |                             |                             |
|--|-----------------------------|-----------------------------|
| End Terrace Property had new Roof, EWI, CWI, Solar PV and Electric Battery Storage |                             |                             |
|  | Before Works                | After Works                 |
| EPC  | D                           | B                           |
| SAP rating   | 63                          | 88                          |
| Primary Energy indicator   | 305kWh/m <sup>2</sup> /year | 110kWh/m <sup>2</sup> /year |

### ii. Energy Performance Assessment towards Net Zero Standard

One of the most significant challenges that we anticipate facing will be around meeting net zero standards and decarbonising our stock. Whilst we are await SHNZS guidance, we are assessing what can be done to improve existing housing stock to ensure that it meets the minimum EPC band B requirements (the EESSH 2032 target). We are carrying out surveys across our housing stock to provide Energy Performance Reports (EPR's).

EPR, unlike EPC, takes into account potential increases to SAP ratings that will arise as and when we install new energy efficiency measures (EEM), and so this changed approach from EPC's to EPR's will help to future proof us to a certain extent.

Measures proposed will include consideration of external wall insulation, cavity wall insulation, internal wall insulation, under floor insulation, loft insulation, solar panel installation and air source heat pump installations, all as appropriate to the individual property. **The EPR will then confirm the potential new SAP measure of energy efficiency after the measures are added.**

To date we have carried out surveys and assessed about 30% of our housing stock using the new EPR process. We selected a sample properties from these and the emerging findings are set out below, namely that there are:

- properties that **remained at the same EPC banding** with proposed installation of external wall insulation, underfloor insulation and air source heat pumps, at an approximate cost of about **£38,500 per unit;**
- properties that **changed from EPC band E to A, a substantial improvement,** with the proposed installation of under floor insulation, air source heat pumps and solar panels, at an approximate cost of **£22,500 per unit; and**
- properties that **changed from EPC C to bands A and B** with the proposed installation of external wall insulation, under floor insulation, air source heat pumps and solar panels, but at a very high cost of about **£62,500 per unit.**

Examples above show the importance of identifying the correct energy efficiency measures that would improve energy efficiency of properties, especially where similar measures and costs were carried out but with less significant changes in the EPC bandings. These will have to be deliverable at a cost that is reasonable and proportionate and reflects the existing asset value and the likely post investment increased asset value, amongst other factors.

This is an ongoing exercise and we will be use information from the surveys to identify most feasible and viable measures per house prototype / archetype. This will also provide a basis for us to estimate investment cost requirements in terms of compliance with the proposed SHNZS requirements.

### iii Air Quality Sensors

These are sensors which can be installed in homes to monitor temperature and humidity. One of the proposals set out in the new SHZNS requirements in our current understanding, is that there may be a requirement for landlords to consider the need for mechanical ventilation provision to improve throughput of fresh air and therefore improved air quality within their properties. It is also potentially the case that an alternative approach would be allowed, based on landlords devising suitable monitoring strategies based on sensor installation and monitoring, to identify air quality, to then inform which properties will be a priority for remedial works to ensure that air quality standards are achieved and sustained.

These air quality sensors also monitor the presence of condensation, damp and mould as well as collating data on indoor environmental conditions. Monitoring these could help us remediate any emerging issues around each of these areas, consistent with our earlier observations in this HAMP about shifting to an early intervention data led approach as opposed to a more reactive and after the fact response to complaints.

In 2021, we installed these sensors in about 50 properties as a pilot, when we upgraded smoke detectors to LD2 standard. The graph reproduced below is an example of humidity reading in a 2 bedroom tenement flat and represents relative humidity from sensors in one of the bedrooms, one in the bathroom and one in the kitchen, and was taken in the winter when people generally do not open their windows. This could explain high humidity at the time of the reading. However, percentage of relative humidity in each room is very high and, above recommended percentage. This suggests that further investigative work would be required to identify the appropriate early interventions required to prevent a potential deterioration in living conditions for the tenant and the potential deterioration of the physical structure of the building.



Air quality monitoring is something that we will likely need to roll out at some point in order to ensure compliance with the SHNZS. However, it is **expensive to roll out across all of our stock**. This reiterates some of the opportunity cost decisions to be factored in when deciding the appropriate balance of investment in new homes as against the various statutory standards of fitness that our existing stock will have to meet, all within the financial envelope set out in our 30 year HRA business plan.

## 10 WHAT WILL WE DO IN THE NEXT 12-18 MONTHS?

### 10.1 NEW HOUSING STOCK

#### i. Explore Sites and Opportunities for New Build

Available land supply remains challenging in East Renfrewshire. Housing Services will seek to identify new sites for future new build investment programmes. The Local Housing Strategy for 2024-2029 details proposed actions for the next five years. In and of itself, it is not enough to mitigate housing needs on a large scale, but it does commit us to continue to work with partners to prevent homelessness and meet overall housing need, and to delivering a **minimum** of 45 additional affordable homes per year on average, over 5 years.

Clearly our ability to maintain this target is influenced not just by our resource availability, but also by our emerging updated stock condition data and future legislative requirements around the standard that all of our stock will require to meet over time and so this does demonstrate the clear challenges surrounding our ambition to accelerate new build housing whilst ensuring that we comply with our legislative obligations in respect of our existing stock.

#### ii. Housing Revenue Account Business Plan

Our updated 30 year HRA Business Plan sets out resource availability and how these resources will be managed and maximised to maintain and improve the quality of existing homes and invest in building new affordable homes for rent. The financial investment needed to meet the required standard for existing stock and also meet the demand for new housing will be significant and compromise will be required in terms of the ratio of spend on new build as against existing stock investment. Therefore robust asset management planning and regular review of the 30 Year Business Plan is essential to test financial assumptions and the longer term financial implications of investment. It is also vital to ensure that rental charges and assumptions around rent increases are considered in line with local affordability.

### 10.2 EXISTING HOUSING STOCK

#### i. Investment in Existing Stock through Capital Programme

The Housing Capital Programme for 2024-2034 (10 years) was approved by Council on 28 February 2024. The investment proposals set within the 10 year capital programme and the HRA 30 year Business Plan are based on lifecycle replacement programmes and current statutory compliance works. Therefore expenditure levels for future years are provisional and these will be reviewed in line with this Housing Asset Management Plan.

In the next 12 to 18 months, our key focus and investment priorities will be to ensure that our homes are wind and water tight, meet statutory standards, and are good quality homes with safe and secure environment for our tenants, and in doing so that we reduce energy costs for our tenants as far as is reasonably practicable to do so.

The original HRA capital budget for 2024/25 and 2025/26 was increased from £5 million (approved in February) to a revised spend of £10.6 million in June 2024. The following table provides the breakdown of spend per area of capital programme work over the next two years.

| CAPITAL PROGRAMME   | 2024/25   | 2025/26   |
|---|-----------|-----------|
| Central Heating Systems   | 300,000   | 250,000   |
| Re-wiring and Other Electricals (including smoke detectors)               | 342,000   | 245,000   |
| Internal Element Renewals (Kitchens, Windows, Bathroom, Legionella, etc.) | 1,250,000 | 1,863,000 |
| Door Entry Systems  | 150,000   | 450,000   |
| Energy Efficiency Standard for Social Housing (ESSH)                      | 125,000   | 125,000   |
| External Structural Works (Roof & Render, Structural Failures etc.)       | 1,000,000 | 2,850,000 |
| Estate Works (Paths, Walls, Lighting, Bin Stores, etc.)                   | 100,000   | 250,000   |
| Sheltered Housing   | 634,000   | -         |
| Aids and Adaptations  | 350,000   | 350,000   |

It is anticipated that the budget in 2024/25 will deliver the following:

| CAPITAL PROJECTS 2024/25                                   | Number of Properties |
|--|----------------------|
| New Gas Central Heating Systems                            | 80                   |
| New Kitchen Installations                                  | 70                   |
| New Bathroom Installations                                 | 35                   |
| New Window Installations                                   | 130                  |
| New External Door Installations                            | 30                   |
| New Whole House Rewire                                     | 28                   |
| New Roof Replacement                                       | 18                   |
| New Render & CWI   | 9                    |
| Aids & Adaptation (Adapted Wet Floor Shower)               | 40                   |
| Properties Changed from Storage Tank to Mains Water Supply | 150                  |
| New LD2 Fire Alarms Installation                           | 80                   |

## ii. Review and Improve Data on APEX

Information from APEX has been used to plan our investment needs and to monitor outcomes and delivery as against SHQS and ESSH targets. To ensure that our approach remains robust and is able to demonstrate good practice, value for money and for us to accurately record historical spend and future resource requirements, key work activities in our asset management work stream over the next two years will include:

- *improving data management and carrying out data cleansing exercises on APEX;*
- *making better use of APEX modules for developing work programmes and energy assessments;*
- *amending discrepancies between EPC figures generated in APEX and figures from actual site survey; and*
- *a requirement to explore whether APEX remains the appropriate asset management IT solution or whether we may need to explore procuring a potential new asset management system that will provide the functionality required to run a more modern and efficient service, which would be supported and fit for purpose over the medium to longer term.*

### iii. Review and Plan for New Standards and Technologies

The new build design and development principles for stock directly built by the Council incorporates additional energy efficiency measures such as solar, battery storage and air source heat pumps, sprinkler systems and mechanical ventilation units, as non exhaustive examples. These are all new and additional building elements over and above what would have been provided for in the past. They recognise the influence of design influences such as the Passivhaus approach. They also recognise statutory and other best practice requirements of the Scottish Government in respect of energy efficiency and net zero, as well as around reducing the energy cost of occupying our homes for our tenants. All of these additional components will need to be maintained and serviced for effective performance and consequently there are both capital cost implications as well as higher ongoing revenue maintenance costs than would traditionally have been the case. As such, we will need to review and understand maintenance requirements, and procure specialist contractors where required to maintain them.

### iv. Options Appraisal of Housing Stock

Over the next 12 months, we will undertake a further assessment of our housing stock to understand the current and future levels of investment required for our housing stock to meet existing and upcoming statutory, quality and energy efficiency standards, and to sustain stock at these standards in future years. The principal driver for this options appraisal process will be to inform future decision on our assets and where we will need to target future investments; that is to say to identify whether they meet the service delivery needs of Housing, are affordable, meet statutory requirements, and importantly, identify with our current and future tenants needs. This options appraisal approach will identify:

- *core assets that we can continue to invest in*
- *assets that could potentially keep failing to meet required standards (regardless of investments) and what approaches we will take to remediating these issues for these assets, and review opportunities for regeneration, where possible as well as opportunities for alternative usage.*

A buildings retention strategy will be developed, which will assess assets within the housing portfolio what assets should be retained and what may require to be considered for disposal,(either fully or partially, or redeveloped to meet service delivery needs and the needs of current and future tenants.

## v. Future Appraisal Work

### - Assess Garage Sites

Carry out an option appraisal for the garage sites to assess what is needed to ensure their long term life or whether demolition and disposal and alternative uses would be more appropriate.

### - Unadopted Roads and Paths

Carry out condition assessment of unadopted roads and footpaths, to consider whether the roads are up to the adoptable standard applied by the Roads Service. A number of roads and footpaths are expected to be currently of an adoptable standard and ones that do not meet the standard, will be identified for remedial work. These will be costed to inform budget required to upgrade them. This may enable transfer of ownership from the Housing Revenue Account (HRA) to the Roads Service, depending on levels of investment required. This is currently being considered as part of a review of Housing Service environmental assets.

### - Open Spaces / Land

Some of the open spaces that currently sit on the HRA have been identified as potential for disposal under the East Renfrewshire Council Asset Disposal Framework, to reduce overall cost to the HRA. This proposal is currently being considered as part of a review of Housing Service environmental assets. In addition, we will consider the extent to which any of these spaces or land may be able to be adopted, similar to our proposals above in respect of HRA roads and paths. We will also consider the potential development options for these sites, subject to planning, other required consents and funding availability, and as an example this would include consideration of the use of this land for temporary demountable modular housing units to help address our temporary housing availability challenges.

### - Sheltered Housing

An options appraisal is required of all 8 complexes to understand local housing need and future investment needs. This will be carried out over the next two years.

In the last three years, we have invested approximately £1 million across the sheltered complexes to upgrade lifts, fire alarms and heating systems. A further £1.5 million spend is proposed over the next five years for further upgrade works, to include an upgraded warden call system; heating upgrades subject to a favourable feasibility study outcome, and a range of other works to ensure statutory compliance



## 11. DEPENDENCIES

To take forward our plans for the next 18 months, there are number of dependencies. These are:

### 11.1 Funding availability

Construction costs are rising faster than general inflation due to shortages of materials and labour. Contractors are also factoring in additional risk into their pricing. Across Scotland, many authorities are reporting cost increases of 20% to 50% on some projects. It is acknowledged that council funds through capital programme allocation are unlikely to meet the scale of investment required in the coming decades. Therefore, additional sources of funding, whether this is in the form of government grants and loans for decarbonisation activity will be explored, to subsidise our capital expenditure and borrowing requirements.

### 11.2 Owner Occupiers and Mixed Tenure

The delivery of our investment plan in mixed tenure depends heavily on owner occupiers within these blocks. Owners are required to pay their share of the cost of work to common elements of the property. Typical common works include roofs and gutters, external walls and render, chimneys, closes, close doors and door entry systems, drainage and garden / back close / estate work. Some of these work will be required to achieve SHQS compliance for us in mixed tenure flatted developments properties.

Where the Council has a majority ownership in a block, or where individual owners vote with the council to achieve a majority; work can progress. However, where we cannot get majority vote or owners' refusal to partake; work cannot currently progress. These situations often lead to whole blocks missing out on the planned investment programmes. This impacts on our tenants adversely because they are not able to enjoy the improvement and savings that these works would have provided.

### 11.3 Technical & specialist knowledge

Several key projects require a level of technical and specialist knowledge and skills that the current Housing Services team do not have. This is no reflection on staff currently employed in the service, but more a recognition that, in context, we are the smallest mainland stock owning Council measured in terms of the number of units of stock that we own. As such, investment will be required to attract new employees and/or train existing staff to develop technical and specialist knowledge and skills, or for us to procure appropriate qualified specialists and contractors. For example, as we install air source heat pumps and solar PV panels in our housing stock, there will be a need to better understand of the installation and maintenance requirements, which are different from those required for our traditional gas boilers.

#### 11.4 Staff training

Existing staff require to be trained in new and evolving technologies in order that they have confidence in both undertaking low carbon and renewables installations and in the delivery of energy efficiency improvements and in assessing reports, options appraisals and business cases provided to the Council by consultants and in the creation of the same for Council purposes. Establishing and building a level of in-house expertise is crucial and as such, a defined training plan by job role will be developed with mandatory continued professional development (CPD) time allocated for this purpose.

#### 11.5 Wider Council Resources

Our project delivery timescales require resources from other services within the Council in order to deliver on the HAMP, for example resource from the Property and Technical Services team, Estates team, Procurement and Legal teams. Key actions are detailed within the HAMP which will require continued collaboration and input from these services, recognising that this will all be required to be delivered having due regard to the priorities that all services and departments are required to deliver on.

Example of this working relationship and the interdependencies arising are shown in Appendix A, but listed below are some of the key functions that will be involved, their role, and available staffing resource.

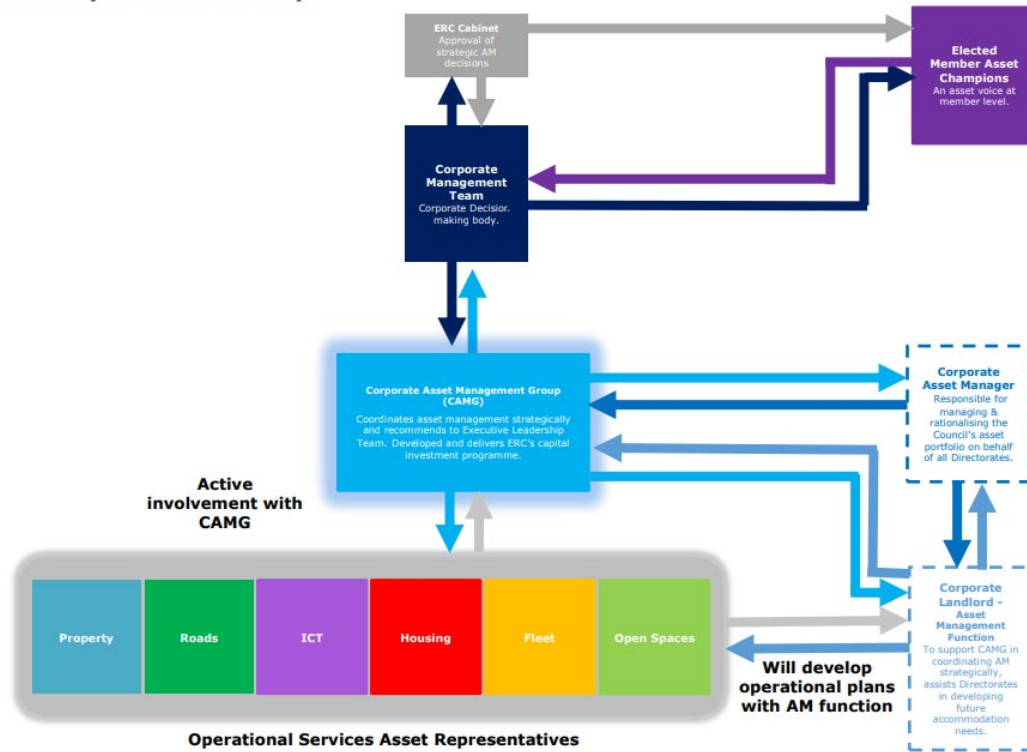
- **Property, Capital and Asset Management Team**, there are 17 FTE posts that support the delivery of housing asset management plans through project delivery, compliance works, surveying and assessments of assets and customer engagement (tenants and owners).
- **Housing Service Delivery Team** – Housing Officers (10 FTE post) and other officers support with customer engagement and provide relevant information to support successful project delivery.
- **Housing Maintenance Team** – there are 43 FTE posts; the team deliver all reactive and voids repairs. They also carry out some of the capital and planned project works.
- **Property and Technical Team** – the team supports project delivery and provide the following support services;
  - a. CDM (Construction Design Management Design) duties
  - b. Contract administration
  - c. Project Management and;
  - d. Clerk of Works
  - e. Health and Safety requirement and recommendation
- **Procurement and Legal Team** – the two teams support us with contracts procurement and award.

## 12. GOVERNANCE & STRUCTURE

### 12.1 Asset Management Governance

The graphic reproduced overleaf shows the current principal governance arrangements that exist within East Renfrewshire Council for asset management activities.

#### Principal communications of ERC asset management through integrated corporate ownership.



#### i. Corporate Asset Management Group (CAMG)

The CAMG is a non-decision making, cross-service group which is intended to promote corporate governance and consistency in relation to capital projects on a cross Council basis. The group coordinates responses to the Capital Investment Strategy (CIS), which in turn influences and determines corporate decision-making on capital expenditure. The group also provides a forum for the monitoring of current and future capital projects within the corporate 10-year capital programme, and annually processes new Capital Programme Appraisal (CPA) forms, with recommendations put forward to the Corporate Management Team (CMT).

#### ii. The Social Housing Investment Board (SHIB)

The Social Housing Investment Board provides oversight and governance in relation to a range of projects under East Renfrewshire Councils Capital Programme relating to investment in social housing. The Board is chaired by the Senior Housing Manager. The board meets regularly to consider the ongoing capital programme, as well as scoping projects in future financial years.

This board then feeds into the Environment Capital Project Board, chaired by the Director of Environment.

## 12.2 Performance Monitoring

The performance management arrangements in relation to housing capital investment are part of the remit of the **Social Housing Investment Board**. Arrangements for performance monitoring and review include:

- **detailed management and monitoring of the Capital Programme;**
- **review and challenge of any slippage and variance in the Capital Programme;**
- **undertaking closure reviews of completed capital schemes to include lessons learned; and**
- **obtaining feedback from tenants and other key stakeholders to facilitate continuous improvement.**

For the HAMP to achieve its objectives, its ambition needs to be accompanied by year-on-year delivery of significant, meaningful, and measurable benefits to our tenants. This will require monitoring of more than just capital projects and capital expenditure monitoring by the SHIB. A suitable forum will be sought where the gathered data related to energy usage, costs and carbon emissions from our housing stock can also be tracked.

In addition to internal monitoring, the performance of the Council in maintaining and managing the physical aspects of the council housing stock is benchmarked and reported via the following:

- **Scottish Housing Regulator (SHR)**
  - o Submission of the Annual Report on the [Scottish Social Housing] Charter (ARC) and;
  - o Annual validation of compliance with the Scottish Social Housing Charter (SSHC - 70 indicators).
- **Scotland's Housing Network**
  - o Annual submission of benchmark data, allowing accurate comparison with other Scottish Local Authorities.
- **Annual Scottish Government Return**
- **Improvement Service – Local Government Benchmarking Framework**

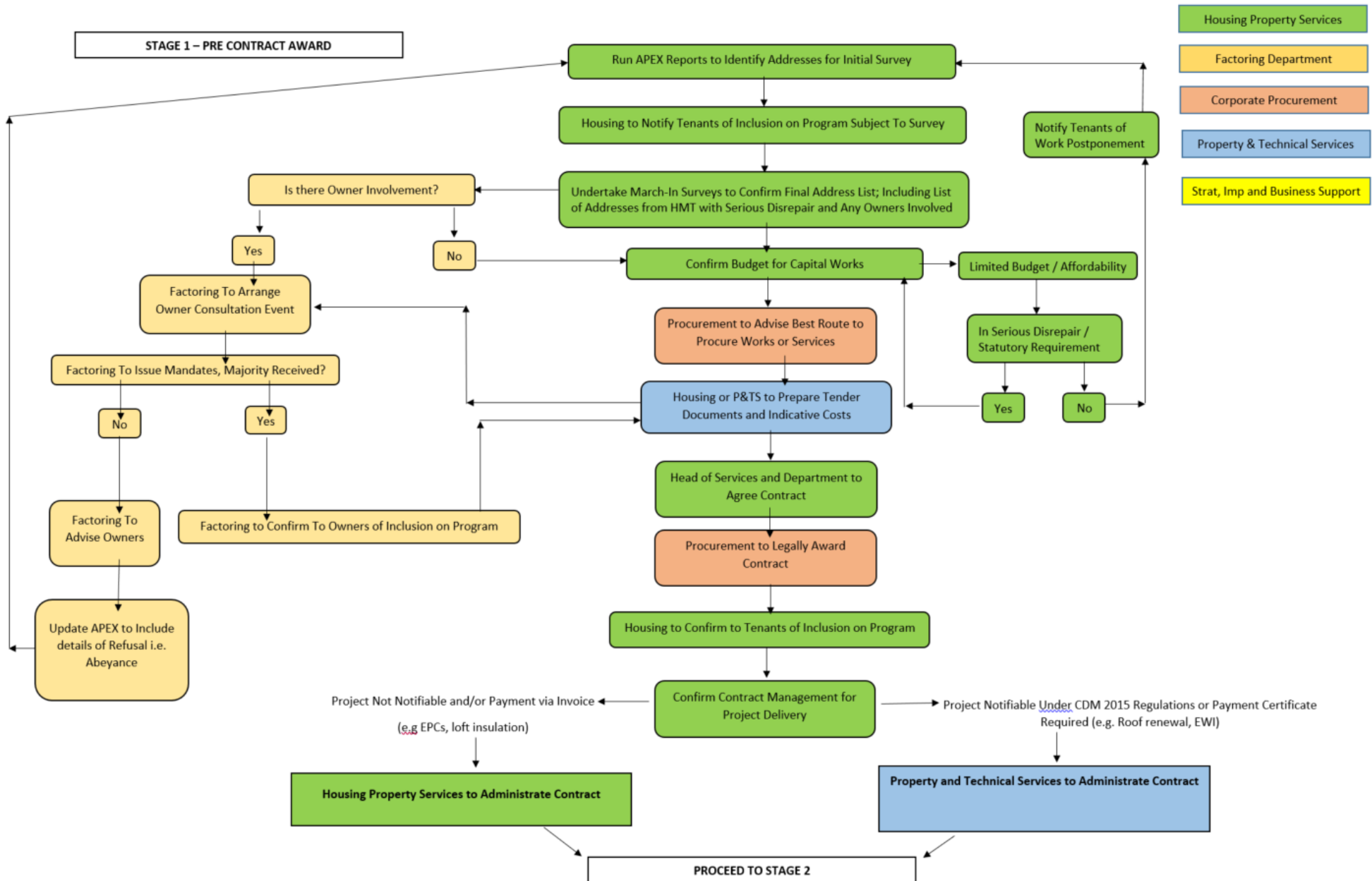
Post project evaluations are carried out on projects delivered under the HRA Capital programme. These reviews are incorporated to ensure that the council has delivered the outcomes we expected and to understand any lessons learnt that need to be embedded within our service delivery.

### 13. HOUSING ASSET MANAGEMENT PLAN ACTIONS

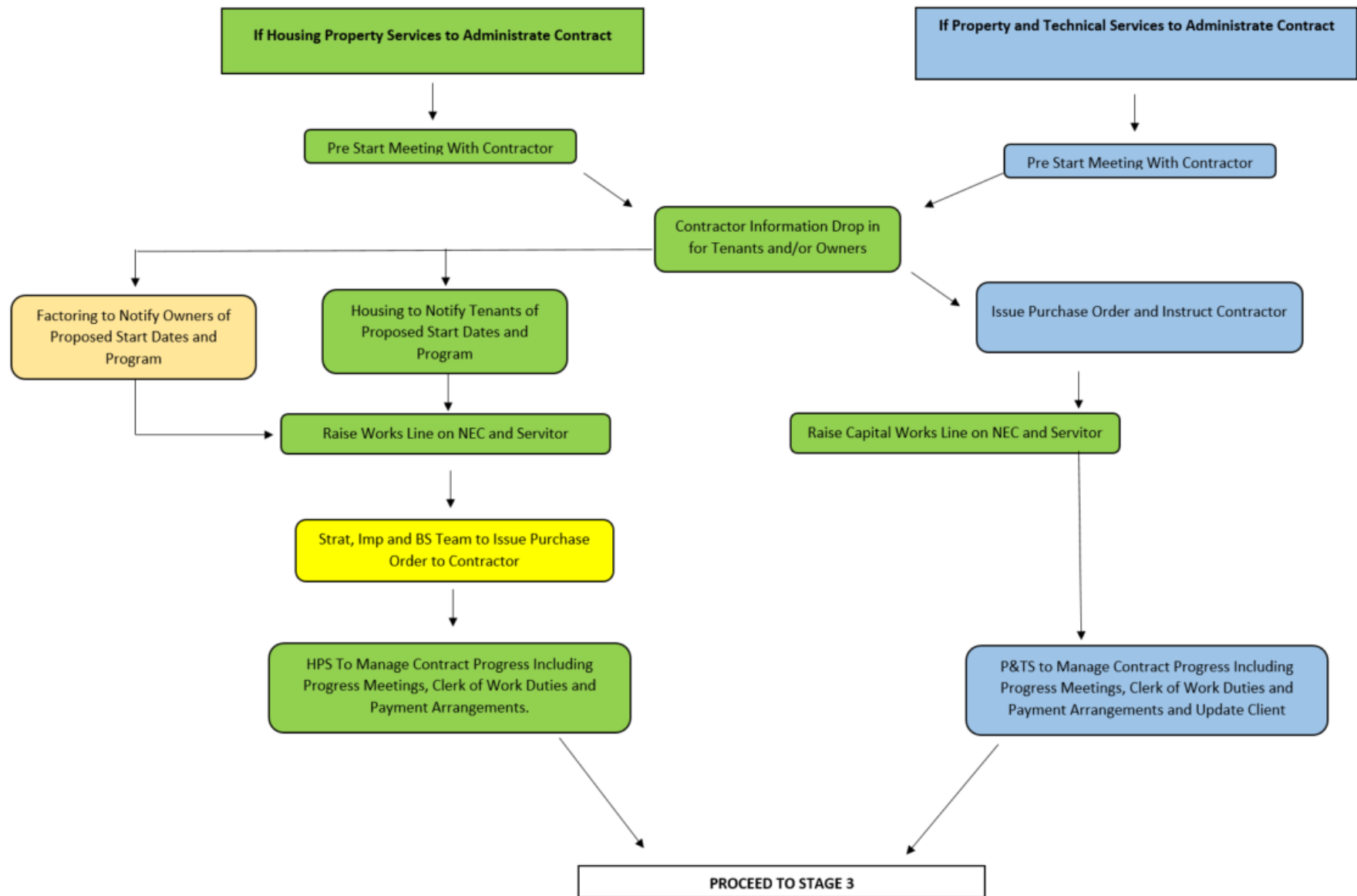
Below are list of actions that we will need to complete in the life time of this HAMP. The HAMP review in 2026, will be informed by results and findings from most of the actions listed below.

| Ref | Action  | Responsibility  |
|-----|---|---|
| 1   | Achieve full compliance against the SHQS. Review APEX to capture SHQS data accurately.  | Housing Services Manager (PCAM)                                   |
| 2   | APEX data Cleansing and Housekeeping to ensure accurate data on our housing stock and their attributes.   | Housing Services Manager (PCAM) & Housing Services Manager (SCPS) |
| 3   | Improve EPC figures generated from APEX in comparison to actual site survey by the EPC contractor.  | Housing Services Manager (PCAM) & Housing Services Manager (SCPS) |
| 4   | Ensure properties are compliant with electrical standards and are safe for our tenants.   | Housing Services Manager (PCAM)                                   |
| 5   | Legionella - progress with changing water tank supply to mains supply to mitigate against legionella infection risk.  | Housing Services Manager (PCAM)                                   |
| 6   | Damp & Mould - ensure our process for handling damp and mould is auditable and demonstrates improvement from start to finish.   | Housing Services Manager (SCPS)                                   |
| 7   | Maximise use of the APEX Planned Maintenance module to record cyclical and major repairs.   | Housing Services Manager (PCAM) & Housing Services Manager (SCPS) |
| 8   | Appoint consultants to undertake an options appraisal of our housing stock.   | Housing Services Manager (PCAM)                                   |
| 9   | Achievement of best value and compliance with legislation and procurement policy across all maintenance works, service and supply chains.   | Housing Services Manager (PCAM) & Procurement Team                |
| 10  | Progress with improvement in our tenants' homes through the capital repairs programme.  | Housing Services Manager (PCAM)                                   |
| 11  | Develop a robust Energy Strategy / statement on what we can realistically achieve with regard to energy efficiency improvement in our stock.  | Housing Services Manager (PCAM)                                   |
| 12  | Assess the current condition of roads and footpaths held on HRA and engage with relevant cross council services to consider future ownership and funding options and opportunities. | Head of Housing & Property & Head of Environmental (Operations)   |
| 13  | Undertake an options appraisal of Sheltered complexes to understand local housing need and future investment needs  | Senior Housing Manager  |

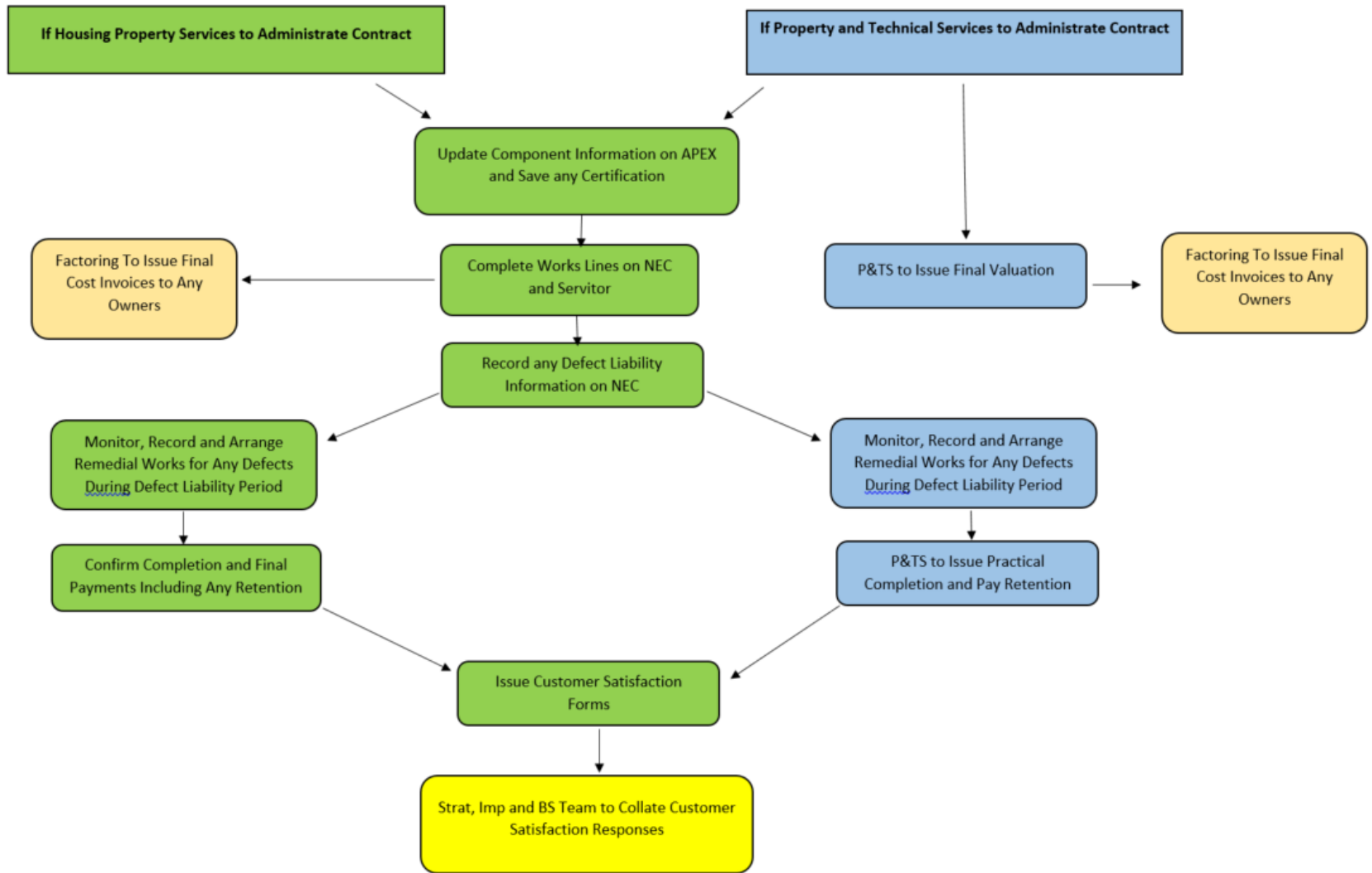
14. APPENDIX A



STAGE 2 - CONTRACT DURATION AND ADMINISTRATION



STAGE 3 – POST WORKS AND CONTRACT COMPLETION





## Glossary

ARC – Annual Return on the Charter

CDM – Construction Design Management

CWI – Cavity Wall Insulation

EEM – Energy Efficiency Measure

EES: ABS – Energy Efficiency Scotland: Area Based Scheme

EESHS – Energy Efficiency Standard in Social Housing

EICR – Electrical Installation Condition Report

EPC – Energy Performance Certificate

EPR – Energy Performance Report

EWI – External Wall Insulation

FEE – Fabric Energy Efficiency

HRA – Housing Revenue Account

IWI – Internal Wall Insulation

LHS – Local Housing Strategy

SAP – Standard Assessment Procedure

SHIP – Strategic Housing Investment Plan

SHN – Scotland’s Housing Network

SHNZS – Social Housing Net Zero Standard

SHQS – Social Housing Quality Standard

SHR – Scottish Housing Regulator

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EAST RENFREWSHIRE COUNCILCABINET7 November 2024Report by Director of EnvironmentChild Poverty Practice Accelerator Fund 2024/26**PURPOSE OF REPORT**

1. The purpose of this report is to inform members of the award of Child Poverty Practice Accelerator Fund from the Scottish Government for the delivery of employability in 2024/26.

**RECOMMENDATIONS**

2. It is recommended that the Cabinet:
- a) Note the contents of this report and the grant award from the Scottish Government and approve the use of the award for the Flexible for Families Employer Programme as outlined in the report.

**BACKGROUND**

3. The Child Poverty Practice Accelerator Fund (CPAF) was launched by the Scottish Government in July 2023, and a second round was launched in May 2024. The fund's aim is to provide support to enhance an area's approach to tackling child poverty: supporting small scale projects to generate evidence on known problems; adapting approaches that have been successful in other areas; or re-designing services to deliver greater impacts on child poverty. The initiative aligns with the Scottish Government's 'Tackling Child Poverty Delivery Plan, Best Start, Bright Futures 2022 to 2026' and its 'Equality Mission' to tackle poverty and protect people from harm. The national fund is a competitive scheme that local authorities can bid into.

4. East Renfrewshire Council has been awarded a grant of £20,000 in 2024/25 and £40,000 in 2025/26.

5. The award will fund a project to support local employers, including East Renfrewshire Council, to consider more flexible working opportunities which meet the needs of local parents and carers. By working flexibly, parents and carers, particularly lone parents, parents with a disability in the household and parents of large families, can get into work, stay and progress in work. This will help improve their finances and support their families to move out of poverty. Those parents on the programme will also be offered better off in work calculations and staff will report on improved earnings.

**REPORT**

6. East Renfrewshire Council submitted a successful grant bid to the Scottish Government's Child Poverty Practice Accelerator Fund (CPAF) in July 2024. The project, Flexible for Families Employer Programme, has been developed in partnership with Flexibility

Works who will undertake the day-to-day delivery of the project. Flexibility Works are a social enterprise who specialise in encouraging flexible and new ways of working in Scotland to meet the changing needs of businesses and employees. NHS Greater Glasgow and Clyde are also a partner in the project and will provide advice from a public health perspective.

7. Local lived experience feedback tells us that amongst parents and carers, there is a great deal of demand for jobs which are flexible, but such opportunities are not widely available. We want to support local employers to consider how flexible working might work for them, and therefore create a local employment market which offers a broader range of jobs which appeal to parents/carers.

8. The project will provide support for up to 30 local employers, including support assessments, mentorships and other actions as appropriate. The project will also support up to 15 families. Support to parents will include individualised action plan, job search support and job matching. Parents will also be linked into those local businesses with flexible working opportunities.

9. The project will deliver the following outcomes: Increased understanding of current flexible working practices across East Renfrewshire employers; Improved awareness amongst local employers of flexible working practices, and the benefits they can offer; Increased number of local employers adopting flexible working policies; Increased number of local employers working towards and achieving Flexible Working Accreditation, and; Increased number of parents entering flexible employment.

#### **FINANCE AND EFFICIENCY**

10. There are no significant finance implications from this report. The project will be funded by the Scottish Government grant award and the Service will oversee the management and delivery of the project activity and report to the Scottish Government as required.

11. The Council must comply with the conditions of the grant, as set out in Scottish Government guidelines.

#### **CONSULTATION AND PARTNERSHIP WORKING**

12. Consultation has taken place with a range of internal and external partners via the East Renfrewshire Local Employability Partnership and with the Employability Lived Experience Panel.

#### **IMPLICATIONS OF THE PROPOSALS**

13. There are no property, legal, IT, Subsidy Control, equalities, sustainability or climate change implications associated with this report.

#### **CONCLUSIONS**

14. The CPAF programme provides an excellent opportunity to support and strengthen local action to tackle child poverty in East Renfrewshire and will complement work already underway via the No One Left Behind and UK Shared Prosperity employability programmes.

**RECOMMENDATIONS**

15. It is recommended that the Cabinet:

- a) Note the contents of this report and the grant award from the Scottish Government and approve the use of the award for the Flexible for Families Employer Programme as outlined in the report.

Director of Environment

Further information can be obtained from Michaela Sullivan, Head of Place, 0141 577 3116 [Michaela.Sullivan@eastrenfrewshire.gov.uk](mailto:Michaela.Sullivan@eastrenfrewshire.gov.uk)

October 2024

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