

EAST RENFREWSHIRE COUNCIL

CABINET

6 February 2025

Report by Chief Executive

INVESTMENT FOR THE FUTURE RESERVE – PROPOSALS

PURPOSE OF REPORT

1. This report seeks Cabinet agreement for further utilisation of the Investment for the Future reserve.

RECOMMENDATIONS

2. It is recommended that Cabinet agrees the following commitments from the Investment for the Future reserve, totalling £3.7m:

- a) fund the purchase of a further £1m of temporary housing;
- b) fund a Property Condition Survey at a cost of £0.5m;
- c) extend the commitment to the Community Capacity Building reserve for a further 5 years (£1.2m); and
- d) extend the commitment to the Employee Wellbeing & Development Reserve for a further 5 years (£1m).

BACKGROUND

3. In setting its 2024/25 budget, East Renfrewshire Council established a new Investment for the Future reserve to hold the resources arising from temporary reductions in employers' contributions to the Strathclyde Pension Fund for the financial years 2024/25 and 2025/26, estimated at a total of c£12.6m of one-off resource.

4. Following discussion with Budget Strategy Group, in May 2024 Cabinet agreed criteria for utilisation of the Council's Investment for the Future reserve and the first tranche of projects to be allocated financial support. Beyond the initial agreed projects, it was noted that further reports would be brought to Cabinet for approval as new spending proposals were identified. A further report in October 2024 allocated funding for ICT infrastructure work.

5. Cabinet agreed 4 criteria for the Investment for the Future reserve:

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

6. The current commitments and balance of the Investment for the Future reserve are shown below:

Details	Approval	Amount £m	Total £m
Opening balance	Budget 24/25		6.415
HSCP closing the financial gap	Cabinet May 2024	(0.700)	
Child poverty	Cabinet May 2024	(0.350)	
Introduction of parking charges & fleet utilisation plan	Cabinet May 2024	(0.400)	
Investing in developing our people	Cabinet May 2024	(0.400)	
ICT infrastructure review	Cabinet October 2024	(0.850)	
TOTAL			(2.700)
Balance remaining			3.715

NEW PROPOSALS

7. Initiatives meeting the above criteria and now proposed are listed together with indicative costs. These proposals total to £3.7m:

- a) Fund the purchase of further temporary housing (£1m);
- b) Fund a Property Condition Survey (£0.5m);
- c) Extend the commitment to the Community Capacity Building reserve for a further 5 years (£1.2m); and
- d) Extend the commitment to the Employee Wellbeing & Development reserve for a further 5 years (£1m).

8. Further detail on each proposal is given below.

Housing Acquisition Fund

9. In response to September's declaration of a Housing Emergency, the Council agreed a £1m budget to purchase additional housing units and / or modular units to help alleviate the pressures faced. A particular challenge in relation to temporary accommodation is the financial impact of using hotel accommodation – in 2023/24, the Council spent £1.3m on hotel accommodation for homeless households. As of September 2024, there was a projected overspend of £1.5m for homeless accommodation, against an annual budget of £545k, with projected spend of £2.045m.

10. Increasing the supply reduces the number of homeless families who need to be housed in hotels, which is a key goal. Additionally, it provides further means to enhance our ambitions

to increase access to affordable housing within East Renfrewshire. By bringing existing properties under Council ownership, it allows us to offer more diverse property types that meet the varying needs of our families experiencing homelessness.

11. In addition, through buying property for use as temporary homelessness accommodation, the Council will lessen the numbers using hotels, saving on the amount spent. When using hotel accommodation, the Council can only recover 12% of the cost due to reduced housing benefit subsidy and the high costs. Whereas, when utilising Council-owned accommodation, the Council can recover approximately 80% of costs.

12. To date, 5 properties are at various stages of being acquired: either purchased, offer accepted and or legal instructions to proceed. Two further properties are currently under consideration. Inclusive of legal, survey, improvement and purchase costs for these 7 properties the service will exhaust the existing £1m budget allocation.

13. Further investment would allow purchasing of more properties from the open market to reduce reliance upon hotel accommodation. A further allocation of £1m is requested to increase provision of temporary accommodation as part of the Council's response to the Housing Emergency.

Property Condition Survey

14. The Council owns 220 non-domestic properties, including those that the Council or partner organisations (e.g. East Renfrewshire Culture & Leisure Trust) use to directly support service delivery such as schools, office buildings, leisure centres, a nursing home, libraries, a depot and the Council's commercial property estate.

15. Updated stock condition surveys across the 220 properties are required to enable the Council to meet the objectives set out in the 2024 Property Asset Management Plan, namely that the Council will provide buildings which are: well-maintained; suitable for their purpose; compliant with legislation; energy efficient and efficiently maintained; and progressing towards zero emissions and decarbonisation of buildings.

16. Carbon emissions from the Council's non-domestic property represent the largest source of Council emissions. A draft Heat in Buildings Bill is progressing through the Scottish Parliament, which outlines proposals to ensure public buildings are energy efficient and moving towards zero-emission heating systems (i.e. removing gas-heating).

17. Gathering stock condition data on the key elements of a building (i.e. roofs, walls, windows, heating system, electrics) is vital to help understand how to prioritise investment and inform a strategic asset management strategy. It also supports assumptions around, and the process of, valuation of our assets which is a key component of our annual accounts and external auditing processes. Stock condition surveys will also link to the Council's Capital Strategy by providing fundamental baseline data, which will strengthen evidence-driven decisions on where the Council spends on its assets and help prioritise capital and revenue spend. This would allow us to identify opportunities to invest in our estate and to contribute to delivering on our Get To Zero objectives. It will also identify opportunities for generating green electricity

through maximising opportunities to install solar panels, where reasonably practicable. £500k is requested to initiate a two-year process, which would see all 220 properties undergo a condition survey.

Community Capacity Building Reserve

18. The Council established a Community Capacity Building reserve as part of the 2024/25 budget process. This fund is a long-term investment in our local communities and the proposal here is to extend the life of the reserve by a further 5 years, making it possible to plan and prioritise key areas of work in support of two distinct objectives:

- a) supporting our local communities on their long-term journey to be thriving, inclusive and sustainable places; and
- b) strengthen the skills, capabilities, and culture of our staff to engage, empower, and innovate new ways of working in partnership with local people and communities.

19. The Council and Community Planning partners recently agreed 'A Place to Grow' as the long-term vision for East Renfrewshire. At the heart of this vision is an understanding of what is most important to local people that live and work in the area. This has been shaped by a range of engagement opportunities including research, public consultation, participatory budgeting events, and by engaging with our community-led equalities forum and the Citizens Panel. Our communities are crucial to the delivery of this vision, and it is more important than ever that we work together to problem-solve some of our more challenging issues and seek collective solutions. Our communities are growing and becoming increasingly diverse. We have statutory duties and strategic ambitions to foster positive relationships between and within communities. The reserve will help us build the skills, culture and relationships that are essential for this journey.

20. With the significant pressures on budgets, it is likely that some of the current models of public sector service delivery will be unsustainable in the future. It is vital that we can target our resources to those that most need them and to our residents that experience the most disadvantage. This means finding new ways of working alongside our communities to put support in place as early as possible. We have requirements to foster increased community ownership and leadership in the future, but this will not happen on its own, we need to help communities build the groups and networks they can rely on day-to-day.

21. An ambition of Place to Grow is that communities will be taking the lead in driving change for good health and wellbeing. The Community Capacity Building reserve will help realise this ambition by harnessing the significant strengths and experience we already have in our communities and residents; shifting resources towards more preventative spending and working in partnership with communities to enable better outcomes with the resources we have.

22. The reserve will be used to train and empower our staff who work with communities and to fund a small number of specialist staff who can help build capacity in local communities. This will grow the types of local groups that our communities need (e.g. older peoples'

friendship groups, parents' groups, groups for members of the community with additional support needs etc.); it will be used to help support key local community groups to be well-organised, well-run and well-placed to access external funding opportunities. It will be used to help build sustainable networks of local groups; enhancing volunteering and build connections between people. This type of work has been shown to give people a sense of purpose, reduce loneliness and have their voices heard so they can influence policy, services, resources and ultimately, to help shape the future of their local area. This area of work will be underpinned by further community engagement, including a community conference, in order to build the wider ownership that Place to Grow will need to become reality.

23. Success will be measured in a range of ways. At the most strategic level, through Place to Grow action planning and performance measurement. At an even more detailed level through the Community Learning and Development (CLD) Partnership Plan, which was recently commended by Education Scotland as "comprehensive, measurable and demonstrat[ing] good progress"; and through our own unique approach to data and insight. Qualitative, as well as quantitative, measures will be tracked as part of this work.

24. The importance of tracking qualitative impact was highlighted in the 2023 inspection visit by Education Scotland which highlighted that for some learners in East Renfrewshire the impact of the type of community capacity building work supported by the reserve was "...positive, and in some cases, life changing." Examples of outcomes arising from this type of activity, highlighted by Education Scotland's 2023 visit, included:

- success in identifying and removing barriers to participation;
- collaboration to improve mental health and reduce isolation;
- highly skilled volunteers taking responsibility for leading the participatory budgeting process in local communities, which had led to an increase in the number of residents engaged in local issues and planning priorities; and
- recognition that the number of groups and activities provided by local people is also increasing.

25. These are the types of outcomes that will be supported through an extension to the lifespan of the Community Capacity Building reserve over the next 5 years, demonstrating our commitment to the people of East Renfrewshire and our long-term ambitions of A Place to Grow.

Employee Wellbeing & Development

26. The Employee Wellbeing & Development reserve is critical to delivery of the Council's People Strategy. It will be used to help address issues arising from employee engagement surveys; to develop skills and learning opportunities both for existing and new staff and make us a more attractive employer in the recruitment market.

27. There are 3 main aspects to use of the Employee Wellbeing & Development Fund:

- Current & Future Skills - East Renfrewshire is an ambitious Council with increasing demands on our workforce to maintain high levels of services to our residents. We

therefore need the ability to implement learning solutions which develop the future skills required as roles evolve, as well as upskilling our existing workforce with the skills needed today.

- Absence & Wellbeing - We will also use the funding to address absence and stress in our workforce, by supporting a culture change so that managers are improve in their confidence and ability to manage sickness and wellbeing matters, which will ultimately reduce cost and increase capacity.
- Organisational change - Finally, the funding will also provide opportunities for broader organisational change in line with our long-term strategy, Place to Grow, and will help us to foster a positive and inclusive work environment where employees feel valued, respected and supported, with a solid foundation of workforce planning.

28. The outcomes of the People Strategy will be measured and reported as part of the Council's annual performance management and planning framework.

29. The extension of funding for the Employee Wellbeing & Development reserve demonstrates a continued commitment to our employees, both present and future, who we have identified as our greatest asset. The proposed £1m extension would facilitate this work to continue for a further 5 years which will be crucial to delivery of our People Strategy, our aim to become a learning organisation, and onward to Place to Grow.

FINANCE & EFFICIENCY

30. The proposals in today's paper would allocate the full Investment for the Future reserve for 2024/25. The forecast balance remaining in the reserve yet to be allocated is £6.197m and further reports will be brought to Cabinet for approval as new spending proposals are identified.

CONSULTATION

31. The proposals in today's paper were discussed with the Corporate Management Team and the cross-party Budget Strategy Group in January 2025.

PARTNERSHIP WORKING

32. The proposals are aligned to delivery of the Community Planning Partnership's long-term vision for East Renfrewshire, A Place to Grow; the Local Housing Strategy; Property Asset Management Plan; Get to Zero Action Plan and the Council's People Strategy. Departments will continue to work with a variety of existing partners to deliver the projects set out in this report and to measure and monitor the impact of spend, with reporting through existing mechanisms including mid/end-year reports to Cabinet and Council.

CONCLUSION

33. The report sets out further proposals for the Investment for the Future reserve which meet agreed utilisation criteria and further the strategic aims of the Council and its partners. Further reports will be submitted as subsequent spending options are confirmed.

RECOMMENDATIONS

34. It is recommended that Cabinet agrees the following commitments from the Investment for the Future reserve, totalling £3.7m:

- a) fund the purchase of a further £1m of temporary housing;
- b) fund a Property Condition Survey at a cost of £0.5m;
- c) extend the commitment to the Community Capacity Building reserve for a further 5 years (£1.2m); and
- d) extend the commitment to the Employee Wellbeing & Development Reserve for a further 5 years (£1m).

Chief Executive,
January 2025

Report authors: Louise Pringle, Director of Business Operations & Partnerships, 0141 577 3136, louise.pringle@eastrenfrewshire.gov.uk; Caitriona McAuley, Director of Environment & Kirsty Stanners, Head of Finance.

BACKGROUND PAPERS

- Investment for the Future Reserve – ICT Infrastructure Review, Cabinet 3 October 2024
- East Renfrewshire's Local Housing Strategy 2024-2029, Cabinet 3 October 2024
- A Place to Grow Strategic Vision & Community Plan, Council 11 September 2024
- Outline of Pressures Facing Homelessness, Council 11 September 2024
- Investment for the Future Reserve – Initial Utilisation Proposals, Cabinet 30 May 2024
- Property Asset Management Plan, Cabinet 25 April 2024
- Publication of Get to Zero Action Plan, Cabinet 22 February 2024
- Community Learning & Development Progress Update, Cabinet 14 December 2023