

Business Operations and Partnerships Department

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Date: 25 March 2022

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TO: Councillors T Buchanan (Chair); C Bamforth; B Cunningham; D Devlin; A Lafferty (Vice Chair); and C Merrick.

CABINET

A meeting of the Cabinet will be held on **Thursday, 7 April 2022 at 10.00am.**

The agenda of business is as shown below.

Please note this is a virtual meeting.

Louise Pringle

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DIRECTOR OF BUSINESS OPERATIONS & PARTNERSHIPS

AGENDA

- 1. Report apologies for absence.**
- 2. Declarations of Interest.**
- 3. Joint Consultative Committee (First Tier) – Minute of Meeting of 10 February 2022 (copy attached, pages 3 - 8).**
- 4. Revenue Budget Monitoring (Outturn) - Report by Head of Accountancy (Chief Financial Officer) (copy attached, pages 9 - 44).**
- 5. Flexible Local Authority COVID Economic Recovery Fund - Report by Director of Business Operations and Partnerships and Director of Environment (copy attached, pages 45 - 48)**
- 6. Mearns Castle High School Sports Facility - Report by Director of Education (copy to follow).**
- 7. Afghan Relocation and Resettlement Schemes – Report by Director of Environment (copy attached, pages 49 - 52).**

8. **Granting of Commercial Leases Policy and Procedures – Report by Director of Environment (copy attached, pages 53 - 72).**

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For information on how to access the virtual meeting please email sharon.mcintyre@eastrenfrewshire.gov.uk

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MINUTE

of

JOINT CONSULTATIVE COMMITTEE (FIRST TIER)**Minute of Virtual Meeting held at 2.00pm on 10 February 2022.****Present:**

Councillor Tony Buchanan
Councillor Caroline Bamforth

Councillor Jim McLean

Union Representatives:

Mr David James (UNISON)
Mr Scott Harkness (UNISON)
Mr Joe Lynch (UNISON)

Ms Kirsten Muat (GMB)
Mr Des Morris (EIS)

Mr Morris in the Chair

Attending:

Lorraine McMillan, Chief Executive; Julie Murray, Chief Officer – Health and Social Care Partnership; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Sharon Dick, Head of HR and Corporate Services; Graeme Hay, Education Senior Manager (Leading Business Change); Tracy Morton, Education Senior Manager; Sharon McIntyre, Committee Services Officer; and Liona Allison, Committee Services Assistant.

Apologies:

Councillors Alan Lafferty and Gordon Wallace; and Ms Karen Catlow (UNISON), Mr John Henry (GMB), Mr John Guidi (SSTA), Mr James O'Connell (UNITE), Ms Lisa Kennedy (EIS), Mr Steven Larkin (UNISON) and Ms Lynne Rankin (UNISON).

MINUTE OF PREVIOUS MEETING

1. The committee considered and approved as a correct record the Minute of the meeting held on 16 September 2021.

PAY CLAIMS - LOCAL GOVERNMENT EMPLOYEES AND TEACHERS

2. Under reference to the Minute of meeting of 16 September 2021 (Paragraph 2 refers), when the position regarding the outstanding Scottish Joint Council (SJC) and Scottish Negotiating Committee for Teachers (SNCT) pay claims for local government employees and teachers respectively had been noted, Mr Morris confirmed that the SJC pay claim was now settled.

With reference to the SNCT pay claim for 2021/22, although the offer of 13 December 2021 made by employers was rejected unanimously by the teachers' panel on 4 February 2022,

the Teachers' Side generally remained hopeful that a negotiated settlement could be reached on the basis of an improved offer. It was noted that there was a COSLA Leaders meeting scheduled for 11 February, following the SNCT Extended Joint Chairs meeting later this afternoon, and that it was hoped following both of these meetings that an improved offer could be tabled.

Councillor Buchanan noted the current outstanding position, and confirmed that in addition to the COSLA Leaders meeting scheduled on 11 February, a further meeting was scheduled on 25 February 2022. He also expressed hope that a settlement could be reached following negotiation between these two bodies.

The position was noted.

Sederunt

Councillor Bamforth joined the meeting.

REVENUE BUDGET 2022/23

3. The Head of Accountancy (Chief Financial Officer) provided an overview of the planning assumptions made in autumn 2021 for the revenue budget 2022/23 which included a flat cash grant settlement and a Council Tax increase of 3%. It was assumed that both the Integration Joint Board (IJB) and East Renfrewshire Culture and Leisure Trust (the Trust) would operate within flat cash budgets and determine their own savings. On this basis, a savings gap of £7.337m remained for Council services, excluding the IJB and the Trust. Departmental saving options of £4.284m had been identified and shared with the Trade Unions in confidence. It was noted that there was some scope for reserves to be used, and that the figures were subject to change, dependent on the settlement received from Scottish Government and the finalisation of spending pressures.

The Head of Accountancy (Chief Financial Officer) then outlined the 2022/23 settlement confirmed by the Scottish Government in December 2022, clarifying that the total grant awarded was £207.696m, which was a cash increase of £8.8m over the previous year which equated to a 4% increase. However, this additional funding was already accounted for with £6.2m allocated to the IJB and £1.7m allocated to teaching staff. This figure was reached through a comparison with the previous year, setting aside the COVID funding received for 2021/22, no COVID funding having been included in the 2022/23 settlement. A grant increase of £0.3m had been allocated to recognise the rising pressures on Council Tax reduction. Across services there was a net general Grant Aided Expenditure (GAE) increase of £0.5m.

The Head of Accountancy (Chief Financial Officer) explained that the total grant had been reduced by £0.6m because it was assumed that, due to increased house building in the area, more Council Tax would be generated and therefore less grant support required. Furthermore the Council's contribution to the Floors arrangement had risen by £1.5m, the adjustment made to ensure that all councils received a minimum guaranteed increase or maximum guaranteed decrease in funding from one year to the next. It was confirmed that over £3m was now allocated to the arrangement, including the £1.5m increase.

Recently additional funding of £120m had been announced by the Scottish Government which would be made available as a one-off grant, the Council's share of which was £2.2m. Although this resulted in a cash increase of £0.8m or 0.4% to the revenue budget when compared to 2021/22, as the £2.2m of grant was for one-year only, the revenue budget would reduce by 1.4% moving forward.

The Head of Accountancy (Chief Financial Officer) clarified that two conditions applied to the settlement, the national pupil to teacher ratio must be maintained and the minimum contribution to the IJB must be flat cash compared to the previous year, in addition to their share of the additional funding of £6.2m. It was anticipated that there would be further funding issued for the IJB.

In summary, in cash terms, the grant was increasing, however most of this had been allocated therefore there was actually very little cash uplift. In addition to inflation running much higher than before, there were many adjustments required taking account of assumptions on spending pressures over the course of the year. In particular the new National Insurance levy would be at a cost of £1.1m to the Council, with this requiring to be funded through savings as no ongoing funding was available for this. The initial assessment undertaken in autumn 2021 by the Council was very close to the estimation of the current position. Overall pressures had increased by £1.2m and £0.8m cash had been received resulting in a net gap of £0.4m which was larger than anticipated. As a result, the revised gap which required to be met, assuming a 3% Council Tax increase, was £7.729m.

The Head of Accountancy (Chief Financial Officer) then outlined the three main options to close the revenue gap which were departmental savings, use of reserves or a Council Tax increase. Options for departmental savings had been identified totalling £4.284m, with these being difficult ones because efficiency savings had already been removed.

The Council was forecasting a general reserve of £9.427m at 31 March 2022, which took account of the estimated year-end position and factored in an assumption of a small underspend for the current year. This level of reserves equated to about 3.63% of the annual budgeted net revenue expenditure which was slightly below the Council's most prudent target of 4% and within the recommended range of 2-4%. It was highlighted that the use of reserves was only a short term, one off measure and that this did not resolve the pressure faced, only delaying this for a further year.

There were no Scottish Government restrictions on Council Tax increases for 2022/23, although the Council recognised the economic challenges facing residents. Inflation was high, with the latest monthly Consumer Price Index (CPI) sitting at 5.4%, with this expected to rise again in April and then fall. Each 1% of a Council Tax rise would raise just over £0.6m.

The Head of Accountancy (Chief Financial Officer) reported that the various budget proposals would be considered by the Council on 3 March, this meeting having been delayed by a week to allow consideration of the additional funding allocated. No further delay was possible as Council Tax bills required to be issued.

The Head of Accountancy (Chief Financial Officer) confirmed that the UK Government's three-year settlement had been issued, explaining that these years were looking more difficult than the current one with rising inflation, interest and loan charges and the cessation of £2.227m one-off funding.

Mr Morris enquired if this position was inclusive of potential savings, such as on current vacancies and the use of temporary contracts. The Head of Accountancy (Chief Financial Officer) advised that an employee turnover assumption of 2-2.5% was accounted for in the budget and therefore a level of vacancies had been taken into account. Additionally she noted that when departments were undergoing restructures or reviews, assessments were undertaken regarding vacant posts or temporary contracts. It was confirmed that the Administration's proposals would be outlined in the Agenda for the Council meeting on 3 March which would be issued on 25 February.

In terms of the capital budget, the Head of Accountancy (Chief Financial Officer) clarified that the annual grant was £6.794m, of which £0.723m was for bridge maintenance and £0.420m was for cycling, walking and safer streets. The amount remained very close to the Council's usual assumption of a flat cash settlement and only covered a small element of the Council's annual capital plans. It was highlighted that construction inflation was rising quickly with significant issues foreseen. Substantial borrowing would be required to cover planned projects, resulting in loan charge increases to be met from the revenue budget, and further pressures on the budget and for savings in future. It was confirmed that the Council's various long term financial plans, their sustainability and related treasury management issues would be considered by the Council on 3 March to ensure that what was agreed for both revenue and capital expenditure was affordable.

Mr Morris regarded this as quite bleak news from the Education Department's perspective, referring to a meeting held with the education leadership team in December 2021 when the proposals for cuts were outlined. Although the Budget Strategy Group had discussed the cuts, the position remained unchanged. He noted that the additional funding referred to was tempered by other issues, including the National Insurance increase, therefore the additional funding might go some way to ameliorate issues, but possibly not as much as hoped. It was reported that a further meeting was scheduled with the education leadership team on 15 February, when it is hoped that the cuts outlined could be ameliorated as much as possible.

Mr Lynch enquired whether a commitment could be given at this time, as had been the case in previous years, to there being no compulsory redundancies. Whilst being supportive of this, Councillor Buchanan also highlighted the wish to use the additional funding provided to ameliorate the position on priorities and continue with as many services as possible. He also referred to restrictions on doing so taking account of statutory services and other areas for which funding was already ring fenced. He advised that this put additional pressure on other areas and services that the Council delivered. He noted that the Council was looking to protect as many services as possible and, in turn, doing its utmost to protect the jobs associated with delivering those. Amongst other things, he referred to the reduced funding and impact of the pandemic as a perfect storm.

Councillor Buchanan confirmed that reserves could be used only once, he referred to the decisions to be taken to protect as many services and jobs as possible and related challenges, he outlined the discussions held with Scottish Government and UK Government, and highlighted the impact of the increase in National Insurance contributions on workers and employers. Having referred to the request made by local authorities to the Scottish Government for additional funding and the additional funds secured, the Council's share of which was approximately £2.2m, he highlighted the cost of National Insurance contributions and other services where inflation was not taken into account. He reiterated that the Council was doing its utmost, as always, to protect jobs and services.

Mr Morris then advised that the Trade Unions had previously made clear their position.

The committee noted the position and comments made.

EDUCATION DEPARTMENT ANNUAL HEALTH, SAFETY AND SECURITY REPORT 2020/21

4. Under reference to the Minute of the meeting of 16 September when it had been noted that the Education Department Health and Safety Report 2020/21 would be circulated to the membership of the committee and submitted to this meeting for formal consideration, the committee considered the said report.

Whilst presenting the report, the Education Senior Manager referred to the delay in this report being presented to the committee and its previous circulation, confirming that the report would now follow the regular reporting cycle. He advised that responding to the COVID pandemic had been a priority of the department's activity throughout 2020/21 and acknowledged the work of the education and corporate health and safety teams to operate as safely as possible during these unprecedented times. He outlined the deferred items in the report impacted by the COVID pandemic and the progress now being made against these objectives. Having referred to the fall in in-person training and highlighted the progress towards the use of e-learning as a result of the pandemic, the Education Senior Manager advised that in-person training was now beginning to resume as conditions allowed this to occur safely which had been welcomed. He noted a decrease in some of the fire risk ratings and that, for outstanding items relating to building fabric issues, work was continuing with the property team to address these accordingly. He confirmed that the number of accidents and incidents fell during 2020/21 which was not unsurprising given the circumstances, adding that some properties had remained open to provide support therefore the figure could not be wholly discounted. The report also outlined the objectives in place for 2021/22.

Mr Morris welcomed the report and the reduction in violence to staff as reflected in the statistics for quarters one and two. He advised that the Education Health and Safety Committee meeting was scheduled for 11 February and that the Council Health and Safety Committee meeting would take place on 15 February, when further updates would be provided. He welcomed ongoing work in partnership to ensure a continued reduction in these statistics, confirming that meetings took place in November and May each year with education health and safety representatives. He noted the impact of the pandemic and the frequent updates provided to Scottish Government reducing risks in schools guidance which requires effective CO2 monitoring, and that CO2 monitors had now been installed in all classrooms. He thanked the Council for the delivery of these and welcomed future reporting from these monitors.

The committee noted the report.

COUNCIL HEALTH AND SAFETY COMMITTEE

5. The committee considered the Minute of the meeting of the Council's Health and Safety Committee held on 23 November 2021.

The committee noted the Minute.

DATE OF NEXT MEETING

6. It was noted that the next meeting of the committee was scheduled to take place on Thursday, 16 June 2022.

CHAIR

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EAST RENFREWSHIRE COUNCILCABINET7 April 2022Report by Head of Accountancy (Chief Financial Officer)ESTIMATED REVENUE BUDGET OUT-TURN 2021/22**PURPOSE**

1. To advise Cabinet of the estimated projected revenue out-turn for 2021-22. The report provides details of expected year end variances for each department at period 10 and is based on the financial position as at 31 January 2022 and subsequent assessment of pressures arising from COVID-19.

RECOMMENDATION

2. It is recommended that:
 - members note the continued financial pressures on operational services arising from the COVID-19 pandemic and that it is expected to cover these from accumulated COVID grant funding.
 - members note the forecast underlying General Fund operational underspend of £1,788k.
 - members approve service virements and operational adjustments as set out in the notes to the tables on pages 14 to 29 and note the reported probable out-turn position.
 - all departments continue to closely monitor and manage their budgets and ensure that spending up to operational budget levels does not take place.
 - In view of the challenging financial outlook for 2022-23 and beyond, Directors take action to avoid all non-essential expenditure for the remainder of the year.

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 10 against the Council's approved revenue budget for 2021-22, as adjusted to comply with accounting requirements and subsequent Cabinet operational decisions.

The revenue budget for 2021-22 approved by the Council on 25 February 2021 has been adjusted for monitoring purposes as follows:-

	£'000
Budgeted net expenditure per 10 March 2022 report to Council	278,097
Accountancy adjustments for Ring Fenced and other Grants	-
Restated net expenditure	<u>278,097</u>
Additional Grant Funding	238
Additional Release from Reserve	-
Total Net Expenditure to be Monitored	<u><u>278,335</u></u>

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 HSCP equal to the costs of the activities that the IJB has directed the HSCP to undertake. The HSCP will in operation terms have a net expenditure of zero. However an accounting entry of £1,260,700 has been added to reflect capital charging policies. This sum does not require to be funded.

BUDGET PERFORMANCE

5. As at 31 January 2022, the estimated year end position shows a net favourable variance on net expenditure of £2,118k based on current information. For General Fund services the projected underspend is £2,338k. Council Tax collection position is lower than budgeted, with a reduction in income of £550k now anticipated, bringing the total forecast underspend on General Fund services to £1,788k. It is anticipated that the forecast pandemic pressures of £2,465k will be covered by utilising the Covid grant resources awarded to the Council in 2020/21 and the current year. The forecast figures take account of the settlement of the 2021-22 Local Government Staff pay awards.

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

Department	Forecast Out-turn £'000			
	P5	P7	P9	P10
Education	237	16	445	445
Contribution (to) IJB	0	0	0	0
Environment (Incl. O/Housing)	(106)	(182)	43	250
Environment – Support	7	(86)	43	45
Business Operations and Partnership	(61)	(20)	282	326
Business Operations and Partnerships - Support	(84)	(36)	58	47
Chief Executive's Office	(160)	(165)	(166)	(166)
Chief Executive's Office - Support	(11)	6	3	(2)
Other Expenditure & Income	1,370	1,248	1,296	1,296
Joint Boards	28	29	28	28
Corporate Contingency	69	69	69	69
HSCP	0	0	0	0
Housing Revenue Account	56	(125)	(219)	(220)
Total £ Variance	1,345	754	1,882	2,118
Total Budgeted Expenditure	271,169	274,332	278,097	278,335
% Variance	0.5%	0.27%	0.68%	0.76%

Notable variances are as follows:-

i) Education

The current year end forecast indicates an operational underspend of £445k. Projected operational underspends include lower payroll costs achieved through savings and turnover, reduced expenditure within replacement teaching costs, Devolved school budgets, Utilities costs, Catering services and School milk operations and are partially offset by operational overspends within repairs and maintenance costs, transport costs for pupils with additional support needs, reduction in expected funding for music tuition fees and Payments to other Bodies in relation to Additional Support for Learning. The operational offset movements from that reported in Per 09 are mainly due to lower staff payroll costs, a reduction in Utilities costs, an improved forecast position on PFI/PPP charges, a managed Revenue Contribution to Capital (RCC) and lower than expected funding to meet the removal of music tuition fees.

ii) Environment

An operational underspend of £250k is forecast and anticipates that £1,464k of Covid pressures will be met from additional Covid grant resource. The main operational underspends are within Waste Management operations and over-recoveries of income, both internally generated and from external grants and receipts. The main operational overspends are within staff costs across the services, property repairs and maintenance, transport and contractor costs and Other Housing Subcontractor payments. The outturn position movement from that reported in Per 09 is mainly due to improved income recoveries within Parks, Waste management and Other Housing.

iii) Environment – Support

An operational underspend of £45k is forecast and anticipates that £70k of Covid pressures will be met from additional Covid grant resource. The main operational underspends are within payroll and Accommodation costs and are partially offset by operational overspends within Supplies and Services.

iv) Business Operations and Partnerships

An operational underspend of £326k is forecast and anticipates that £635k of Covid pressures will be met from additional grant resource. The projected underspend of £326k is mainly due to payroll and supplies underspends across a number of services and additional Housing Benefit income.

v) Business Operations and Partnerships – Support Services

An operational underspend of £47k is forecast and anticipates that £256k of Covid pressures will be met from additional Covid grant resource. The operational underspends are mainly due to net underspends across payroll and supplies and services.

vi) Chief Executive's Office

An operational overspend of £168k is forecast and anticipates that £40k of Covid pressures will be met from additional Covid grant resource. The projected operational overspend is primarily due to a reduction in Temporary Loans Fund Interest.

vii) Other Expenditure

The underspend of £1,296k is due to both the contingent nature of change etc. and a reduction in financing charges due to delays in capital projects and low interest rates. This will be subject to change during the year.

viii) Integration Joint Board (IJB) Contribution/ Health & Social Care Partnership (HSCP)

The projected outturn highlights a potential operational underspend of £264k and would result in a small contribution to IJB reserves subject to final outcome. The IJB expects services to be in line with budget at year end. Additional Covid related costs of around £6m are also expected but it has been assumed that Scottish Government funding will be provided to offset these, however significant financial risk remains that we may not receive full funding to offset specific categorised Covid costs.

CONCLUSIONS

6. The Council's projected revenue out-turn position is reported as an operational net underspend of £1,788k and anticipates that £2,465k of Covid pressures will be met by additional Covid grant resource. The report has highlighted the continued financial pressures on services arising from the COVID-19 pandemic however it is anticipated that drawdown of brought forward Covid grant funding will be used to cover these pandemic related overspends, leaving a forecast operational underspend of £1,788k. Departments should continue to closely monitor and manage their budget, ensure that spending up to budget levels does not take place and continue to avoid all non-essential expenditure.

RECOMMENDATIONS

7. It is recommended that:
- members note the continued financial pressures on operational services arising from the COVID-19 pandemic and that it is expected to cover these from accumulated COVID grant funding.
 - members note the forecast underlying General Fund operational underspend of £1,788k.
 - members approve service virements and operational adjustments as set out in the notes to the tables on pages 14 to 29 and note the reported probable out-turn position;
 - all departments continue to closely monitor and manage their budgets and ensure that spending up to operational budget levels does not take place.
 - In view of the challenging financial outlook for 2022-23 and beyond, Directors take action to avoid all non-essential expenditure for the remainder of the year.

REPORT AUTHOR

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Leader of the Council - Tony Buchanan Tel. 07890 592671(Mobile)

Report date 16th March 2022

BACKGROUND PAPERS

The report refers to the attached budgetary monitoring statements.

BUDGET MONITORING REPORTS
PERIOD 10
As at 31 January 2022

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Pre Five Education (£14,800 overspend)

The overspend arises due to a forecast overspend on repairs and maintenance (£44k) and insurance excesses (£6k). This is partially offset by an underspend in devolved budgets (£17k), non domestic rates (£6k) and utilities costs (£13k).

Primary Education (£40,800 overspend)

The overspend relates to a number of variances including a forecast overspend on repairs and maintenance (£104k), insurance excesses (£68k) and an under-recovery of income in relation to the recharge of Pupil Support Assistants (PSA) to other local authorities (£44k). This is offset by an underspend in devolved budgets (£32k), staffing costs including replacement teaching costs (£112k), staff travel costs (£14k) and PFI/PPP costs (£9k).

Secondary Education (£196,500 underspend)

The underspend arises in relation to devolved budgets (£34k), staffing costs including replacement teaching costs (£141k), staff travel costs (£10k), utilities (based on the information currently available) (£218k) and on repairs and maintenance within this sector (£82k). This is partially offset by insurance excesses (£44k), higher than budgeted costs associated with PFI and PPP costs (£40k), a managed Revenue Contribution to Capital (RCC) (£193k) and an under-recovery of PSA income (£12k).

Special Education (£249,100 overspend)

An overspend is forecast in relation to repairs and maintenance (£15k), transport costs (£161k), specialist therapies and equipment (£9k) and payments to other agencies and bodies in relation to pupils attending establishments outwith the authority (£90k). This is partially offset by an underspend in devolved budgets (£6k) and staffing costs (£16k).

Schools Other (£321,000 underspend)

The underspend relates to additional turnover and vacancies within the Modern Apprentice programme (£168k) and the Music service (£31k), reduced expenditure on school milk (£35k), an anticipated underspend on Parent Pay transaction fees as a result of Scottish Government policy changes associated with FSM and the removal of charges for the Instrumental Music Service (£29k), insurance costs (£56k), other miscellaneous costs (£50k), superannuation additional allowances (£52k) and higher than budgeted grant income (£18k). This is partially offset by a lower level of Scottish Government funding received in relation to the removal of Instrumental Music tuition fees than that budgeted from August 2021 (£128k).

Administration Services (£115,500 underspend)

The underspend arises mainly due to additional turnover forecast to be achieved within the central admin, quality improvement and adult learning teams (£142k) which is partially offset by increased insurance costs (£18k).

Facilities Management (£152,400 underspend)

An underspend is forecast in relation to additional payroll turnover savings achieved across the service (£73k) and reduced net expenditure on the Catering service (£77k)

Culture and Leisure Services (£10,300 overspend)

The overspend relates to a forecast overspend on repairs and maintenance costs (£45k) partially offset by a projected underspend on gas costs (£27k) and insurance costs (£8k)

Other Services (£25,900 overspend)

An overspend is forecast in relation to school transport based on the latest projection from SPT (£50k) and the under-recovery of privilege transport income (£22k). This is partially offset by turnover savings within Psychological Services (£33k) and an underspend in Clothing Grants (£14k).

Summary:

Period 10 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 £444,500.

In addition to the operational variances outlined above there are a number of offsetting Covid variances across the department including costs associated with absence cover, approved savings in Facilities Management that have not been able to be actioned, additional accommodation and a loss of income, however these are being offset at present by savings across the department in utilities for buildings that have experienced delayed re-openings and the Catering service including the school meal service. In addition to these variances it should also be noted that there are significant Education recovery costs have been incurred which are funded by specific Scottish government funding.

At Period 10 the main operational underspends can be summarised as an underspend in devolved budgets (£89k), a reduction in replacement teaching costs (£121k), lower payroll costs achieved mainly through additional turnover savings and the non filling of vacant posts plus some staff travel savings (£633k), projected savings in utilities costs (£261k), catering services (£77k), school milk (£35k) and superannuation additional allowances (£52k). These underspends are reduced by higher than budgeted repairs and maintenance costs (£120k), insurance costs (£73k), school transport costs, including for pupils with additional support needs (£211k), payments to other agencies and bodies in relation to pupils who require additional support for learning (£90k), Revenue Contribution to Capital (RCC) (£193k) and Scottish Government funding lower than budgeted income in respect of music tuition fees (£128k).

Whilst the operational underspend since the previous forecast remains the same there have been a number of movements in the forecast variances across the department which include an increase in staff cost savings (£128k) and utilities (£76k) and a reduction in the overspends now forecast in relation to PFI/PPP charges (£77k) and payments to other agencies in relation to pupils who require additional support for learning (£30k). This is partially offset by a managed Revenue Contribution to Capital (RCC) (£193k) and lower than budgeted funding received in relation to the removal of music tuition charges from August (£128k).

CONTRIBUTION TO INTEGRATION JOINT BOARD

PROBABLE OUTTURN FORECAST AS AT 31st JANUARY 2022 – Nil Variance

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

The projected outturn position reflects agreed additional funding within the 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 JANUARY 2022 - £ 250,500 UNDERSPEND**Directorate & Management (£147,000 Overspend)**

Whilst payroll costs are projected to overspend (£220k), contributions from Spend to Save and Modernisation Funds (£150k) will partially offset this. Electricity costs associated with an increasing number of electric vehicle charging points are projected to overspend (£40k). Subscription costs are projected to overspend (£15k), namely in relation to annual APSE Energy and Climate Change Ready subscriptions.

Properties (Environment & Non-Operational) (£90,400 Underspend)

Operational running costs of Thornliebank Depot and the Spiersbridge Offices are projected to underspend (£35k). In line with previous years, an underspend on Street Nameplates (£10k) is projected. Spend on Non-Operational Properties is expected to underspend (£40k).

Planning and Building Control (£26,800 Overspend)

Whilst payroll costs are projected to overspend (£120k), a contribution from the Modernisation Fund (£90k) will partly offset this.

Economic Development (£89,000 Overspend)

Income from Other Agencies is projected to under-recover (£150k). This will be partially offset by underspends across Supplies & Services (£50k).

Roads (£14,500 Overspend)

Whilst payroll costs are projected to overspend (£280k), it is expected this overspend will be fully offset by an over-recovery in income (£280k), mainly from external fees and grants. The projected underspend in School Crossing Patrollers (£125k) partially offsets projected overspends in Transport costs (£145k).

Neighbourhood Services (£102,300 Underspend)

Payroll costs are projected to underspend (£100k).

Parks (£10,600 Overspend)

Essential repair works to walls in Rouken Glen and Cathcart Cemetery must be carried out (£40k), whilst operational income is expected to over-recover (£30k).

Cleansing (£150,800 Overspend)

Net operational income is projected to under-recover (£55k). On top of this, necessary repair works at Thornliebank Depot (£80k) are required, which will be partially offset by a small underspend in payroll costs (£13k).

Waste Management (£419,400 Underspend)

Recyclable waste disposed at the Civic Amenity Sites is projected to underspend (£100k). Kerbside recycling costs are also projected to underspend (£80k). On top of this, other waste management fees and disposal costs are projected to underspend (£160k), whilst income from the Sale of Recyclable Paper is projected to over-recover (£80k).

Protective Services (£8,000 Underspend)

A number of underspends (£8k) are projected across Supplies & Services.

Other Housing (£69,100 Underspend)

An underspend in payroll costs (£130k) is projected as there are currently a number of vacancies. However, projected overspends on Subcontractors (£100k) and Payments to Other Agencies (£25k) offset this. The transfer of void HRA properties for use by Other Housing will result in a projected over-recovery of income (£60k).

Summary:

The above figures have been prepared on a Probable Outturn basis and therefore represent full year operational variances. Across the department there are a range of operational variances as noted above. Whilst Payroll costs, Property Repairs, Transport and Subcontractor costs are expected to overspend, it's worth noting that this will be more than offset by over-recoveries in income, both internally generated and from external grants and receipts. The projections include an assumption that £1.464m of covid related spend or lost income will be offset with covid funding. The variances noted will be closely monitored for the remainder of the year with mitigating actions taken by management where this is possible.

ENVIRONMENT – PROPERTY AND TECHNICAL SERVICES**PROBABLE OUTTURN FORECAST AS AT 31st JANUARY 2022 - £45,100 UNDERSPEND****Property & Technical - Operations (£36,900 Underspend)**

Payroll costs are projected to underspend (£25k), with Transport costs also projected to underspend (£10k).

Property & Technical – Strategy (£32,400 Overspend)

A number of overspends are projected across Supplies & Services (£35k), notably External Contractor costs.

Accommodation (£40,600 Underspend)

Central Office Accommodation costs are expected to underspend slightly (£40k).

Summary:

The above figures have been prepared on a Probable Outturn basis and therefore represent full year operational variances. The projections include an assumption that £70k of covid related spend will be offset with covid funding. These variances will continue to be monitored closely.

BUSINESS OPERATIONS & PARTNERSHIPS

Probable Outturn Forecast as at 31st JANUARY 2022 - £326,100 Underspend

Communities and Strategy – Operational (£111,600 Underspend)

The variance is largely due to underspends in payroll budgets combined with reduced expenditure on hall lets and other activities as a result of Covid-19.

Humanitarian Need – Covid-19 (no variance)

Funding of £800k was carried forward into the current financial year for Humanitarian projects. Of this, £300k has already been approved by Cabinet covering additional staffing (£205k), training (£50k), free breakfasts (£28k) and transport (£10k). Other initiatives including community projects, fuel support and emerging need are ongoing and the expectation is that the funding will be fully utilised by the end of March 2022. More recently, ERC has been allocated £236k from the Scottish Government's Winter Support Fund to tackle financial insecurity. This funding will be used in accordance with the guidance set out over the remainder of this year and carried forward into next year if necessary.

Community Safety (£28,000 Underspend)

The underspend is mainly due to a combination of slippage on the payroll budget and an overspend on maintenance costs.

Money Advice & Registrars (£78,900 Underspend)

The underspend is mainly due to payroll as a result of staff turnover, vacant hours and reduced spending on supplies and services.

Directorate, Strategic Insight & Partnerships Management (£7,200 Underspend)

This variance is due to controlled slippage within payroll budget.

Members Expenses, Grants, Elections and Corporate & Democratic Core (£30,700 Underspend)

The underspend is due to reduced expenditure on several lines including travel, training, miscellaneous supplies and grants budgets.

Housing Benefits & Revenues Benefits, Business Support Team and Revenues Admin (£69,700 Underspend)

The majority of the underspend relates to net additional income for Housing Benefit. Additional income of £104k for Housing Benefit relates to the prior year and income of £72k has been received for Discretionary Housing Payments. This is mainly offset by an in year overspend on Housing Benefit of £93k where DWP funding is insufficient to meet rent levels for supported exempt accommodation (impacting councils across the country).

Council Tax/Non Domestic Rates (no variance)

There are no significant variances to report at this time.

Summary:

Period 10 figures have been prepared on a probable outturn basis and therefore reflect full year costs. The projections include an assumption that £634,900 of covid related spend or lost income will be offset with covid funding resource. The operational underspend of £326,100 is mainly due to payroll and supplies underspends across a number of divisions including Communities, Community Safety and MART and additional Housing Benefit income.

BUSINESS OPERATIONS & PARTNERSHIPS – SUPPORT SERVICES**Probable Outturn Forecast as at 31st JANUARY 2022 - £46,700 Underspend****Revenues General (£20,100 Underspend)**

The underspend is mainly due to slippage on vacant posts.

Strategy – Support and Insight (£16,800 Underspend)

The underspend is mainly due to slippage on vacant posts partially offset by expenditure on data analytics and recruitment costs.

PMO – (£41,200 Underspend)

The underspend is due to a combination of slippage on payroll and reduced spending on supplies and services.

IT (no variance)

There are no significant variances to report at this time.

Customer First (£10,000 Underspend)

The underspend is mainly due to reduced expenditure on supplies and services.

Communications & Printing (£20,600 Overspend)

The overspend is due to a combination of increased staffing and supplies costs offset by underspends in transport.

Human Resources & Payroll (£49,300 Overspend)

The overspend is mainly due to increased staffing costs to cover for maternity, sickness absence and additional payroll resources required to support the new system, some of which is currently offset by Modernisation Funding.

Democratic Services (£28,500 Underspend)

The underspend is largely due to slippage on payroll and reduced expenditure across several supplies lines including transport, training, miscellaneous supplies and hospitality

Summary:

Period 10 figures have been prepared on a probable outturn basis and therefore reflect full year costs. The projections include an assumption that £256,000 of covid related spend or lost income will be offset with covid funding resource. The operational underspend of £46,700 is mainly due a combination of underspends in staffing budgets and supplies and services budgets across a number of divisions.

CHIEF EXECUTIVES'S – NON SUPPORT**PROBABLE OUTTURN FORECAST AS AT 31st JANUARY 2022 - £165,800 OVERSPEND**

Temporary Loans Fund Interest income is projected to outturn under-recovered (£160k) due to the very low level of interest rates currently available in commercial markets. The external Audit Fee is expected to outturn over-budget (£1.1k). In addition Civic Licensing is projected at present to outturn over budget (£4.7k) due to less staff turnover than what is allowed for in the budget and additional IT Software costs. Included in projected Income is £40k of Covid Grants to offset expected Licensing Income under- recoveries due to the Covid-19 pandemic.

Summary:

Period 10 figures have been prepared on a probable outturn basis and therefore reflect projected full year costs. The projected overspend at Period 10 of £165,800 is due mainly to a loss of Temporary Loans Fund Interest.

CHIEF EXECUTIVE'S OFFICE – SUPPORT

PROBABLE OUTTURN FORECAST AS AT 31st JANUARY 2022 - £2,000 OVERSPEND

The projected overspend of £2,000 is comprised of a number of variances:

There are projected overspends in Accountancy (£36k), Chief Executive's Office (£4k) and Legal Services (£9k) in payroll due to less staff turnover than what is allowed for in the budget. There was also a temporary post in Procurement that was funded by the Modernisation Fund. Supplies & Services in Procurement are projected to overspend (£78k) as the result of the costs of a seconded officer from Scotland Excel which is met from the Modernisation Fund. Supplies & Services in Legal Services are projected to overspend (£4k) due to additional legal costs most of which are rechargeable to other Departments (see below). Legal Services Sales Fees and Charges are projected to under-recover (£28k) due to a lower level of demand than what was anticipated in the Estimates.

Mostly offsetting these adverse variances are projected underspends In Internal Audit (46k) and Procurement (£68k) due to staff vacancies. In addition, Supplies and Services in Accountancy (8k) are projected to underspend based upon last year's outturn and current levels of expenditure to date. Legal recharges to other Departments are projected to outturn above budget (£12k) due to additional legal fees that have been incurred and are recoverable from other Departments (see above). Income in Procurement is projected to outturn above budget (£23k) due to a drawdown from the Modernisation Fund to fund a temporary post and the Scotland Excel secondment.

Summary:

Period 10 figures have been prepared on a probable outturn basis and therefore reflect projected full year costs. The projected overspend at Period 10 of £2,000 is due to lower than budgeted staff turnover in Accountancy, Chief Executive's Office and Legal Services. In Procurement there is a temporary post and additional costs for a seconded officer from Scotland Excel. In Legal Services there is additional legal fees and an under-recovery in Sales Fees and Charges. Mostly offsetting these adverse variances are vacant posts in Internal Audit and Procurement and an underspend in Accountancy Supplies and Services. There is also additional income in Legal from recharges to other Departments and additional income in Procurement from the Modernisation Fund.

OTHER EXPENDITURE & INCOME

PROBABLE OUTTURN FORECAST AS AT 31st JANUARY 2022 - £1,295,900 UNDERSPEND

Restructuring Costs (£212,500 Underspend)

It is expected that this resource will not be fully utilised to meet restructure commitments and redeployment costs at this time.

Unallocated Overheads (£174,000 Underspend)

Forecast pension revised based on anticipated utilisation of funds.

Loan Debt (£709,000 Underspend)

Current projection is Loan debt expenditure will be £673,000 favourable as against estimate at the end of the financial year. Given current uncertainties, position will continue to be monitored.

Other Services (£200,400 Underspend)

Lower than anticipated expenditure arising from contingent operations / costs that have not as yet materialised or been confirmed.

Summary:

Month 10 figures are prepared on a probable outturn basis and reflect initial projected full year costs. The reported position of £1,295,900 will be monitored and adjusted as required in conjunction with implementation of Council's service redesigns and arising events and it is expected to reduce before the year-end.

HEALTH & SOCIAL CARE PARTNERSHIP
PROBABLE OUTTURN FORECAST AS AT 31st JANUARY 2022 – Nil Variance

Children & Families & Public Protection (£100,000 Overspend)

The current projected overspend is mainly as a result of payroll and care commitments. As we emerge from the pandemic payroll projections indicate an overspend (£165k) alongside commitments for third party payments including agency foster care, residential costs, and grant related expenditure (£631k) which is net of Covid-19 funding against some of these costs. Other grant funding and utilisation of reserves (£681k) further offsets costs and this is reflected in the overspend reported.

Adult – Intensive Services (£1,462,000 Overspend)

The most significant cost pressure remains within Care at Home (both purchased and the in-house service) of £971k, with the telecare responders service projected overspend at £622k; all predominately around staffing and agency as we continue to respond to the pandemic.

Bonnyton House remains overspent (£151k) mainly due to staffing costs. These pressures are offset in part by staff turnover and vacancies within day services (£338k).

This is a net reduction in Intensive Services projected overspend of £483k since last reported in the main due to the budget movement between Residential Care and Care at Home of £500k.

Adult – Localities Services (£1,919,000 Underspend)

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

1. Older People – the projected underspend of £1,115k relates mainly to care commitments and staff turnover within teams. There remains a significant underspend of around £2m within Nursing and Residential care and alongside staffing underspends (200k) this continues to offset additional costs of care within localities purchased care (£1.1m) and also the increased activity in Care at Home within Intensive Services. There is some pressure within payroll in the Adult Support and Protection Team and also with current Care Home review activity, however this is currently offset by Covid 19 income. The cost projections continue to make some allowance for increased winter activity.

As described above an approved budget virement has taken place to move £500k to Intensive Services to offset pressures and reflect in some way the movement in costs between these areas. This in the main accounts for the movement in underspend from last reported.

2. Physical & Sensory Disability – the projected overspend of £19k reflects refined projections around current care package commitments, and overspends in staffing and adaptation costs (£19k). This is a reduction in projected costs of £23k mainly around refined staffing projections. Demand for adaptations may still yet increase towards the year end.
3. Learning Disability – the projected underspend of £823k is due to in the main to underspends in staffing costs due to turnover (£234k) and care package costs (£556k). This is a reduced underspend of £72k since last reported mainly due to updated care package commitment costs. This position is net of Covid support and we would expect care package costs to increase post pandemic

Recovery Services – Mental Health & Addictions (£203,000 Overspend)

The projected overspend of in Mental Health reflects current recorded overspend in care commitments (£367k) offset by staffing underspends (£79k) and other third party payments (£84k).

Finance & Resources (£110,000 Underspend)

A projected underspend of £110k is now reported in relation to staff turnover, and property costs across the service. This is an increase in projected costs of £48k since last reported due to improved staffing projections and also legal costs incurred.

Contribution from IJB (£264,000 Contribution to Reserve)

This is the net contribution to the IJB reserves to reflect the projected underspend position.

Summary:

The projected outturn position, which highlights a potential underspend of £264k, would enable a contribution to reserves as required, subject to the final outturn at the end of the financial year.

The partnership continues to carry unachieved savings of around £3.6m as the ability to achieve these savings has been impacted by capacity as a result of the pandemic. These unachieved savings are included in our COVID returns to Scottish government and we have confirmation of full Scottish Government support through Covid funding.

All other additional Covid19 costs continue to be reported to the Scottish Government as part of the HSCP Mobilisation Plan and are reflected in the reported position with the assumption of matching income. New Winter Planning funding has now been applied and spend against these funding streams will be monitored separately and closely towards the year end.

The cost assumptions will continue to be revised as actual costs are incurred, however the significant financial risk remains that we may not receive full funding to offset the additional costs.

This position will be subject to change as we near the year end and close monitoring will continue.

HOUSING REVENUE ACCOUNT

PROBABLE OUTTURN FORECAST AS AT 31st JANUARY 2022 - £ 220,400 OVERSPEND

Housing Revenue Account (£232,700 Underspend)

There are a number of under and overspends forecast within the Housing Revenue Account across the main expenditure groups. Projected underspends in Payroll costs due to ongoing staff vacancies (£146k). Capital financing loans charges are forecasted under budget due to delay in capital projects (£174k). Projecting additional income in council house rents due to Other Housing's above planned use of HRA stock for Homeless Persons Units. (£101k). Additional income due to increased Sheltered Housing fees (£8k) plus the Scottish government grant to pay carers £500 during Covid (£7k). Sub-contractor costs are higher due to unavailability of materials / labour (£228k). IT costs are forecasted above budget due to implementation delays so a longer system overlap is now required (£60k)

Housing Maintenance Team (£453,100 Overspend)

Projected under-recovery of Capital works due to unavailability of materials / labour (£458k), in addition to projected overspend in Subcontractors due to staff shortages (£266k). IT costs are forecasted above budget due to implementation delays so a longer system overlap is now required (£26k). This is partially offset by a projected underspend in payroll costs (£282k) due to a high level of vacancies.

Summary:

The above figures have been prepared on a Probable Outturn basis and therefore represent full year variances. Workload pressures caused by vacancies have required agency staff to be employed in the Housing Maintenance Team. Covid-19 is projected to impact significantly on the HRA, particularly in relation to the increased Bad Debt Provision cost impact due to increased level of rent arrears. The variances will be reviewed during the course of the year and with mitigating actions taken by management where possible. There is the option to mitigate overspend using the available reserve balance in the HRA account, discussions are underway on how much could potentially be used.

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Budgetary Control Statement
Period 10 / 2122 31 January 2022

Period End: 31 January 2022

Period 10 / 2122

Department	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Education	171,133,900	(5,000)	171,128,900	114,521,959	110,910,009	3,611,950	444,500
Contribution to Integration Joint Board	57,298,400	(351,000)	56,947,400	39,583,787	41,938,140	(2,354,353)	0
Environment	31,135,500	(25,000)	31,110,500	20,170,387	19,878,242	292,145	250,500
Environment - Support			0	2,022,810	2,337,138	(314,328)	45,100
Chief Executives Office	70,200	0	70,200	(8,589)	(1,418)	(7,171)	(165,800)
Chief Executives Office - Support			0	2,487,116	2,455,594	31,522	(2,000)
Business Operations & Partnerships	13,053,700	0	13,053,700	4,737,060	3,740,778	996,282	326,100
Business Ops & Partnership - Support		0	0	10,063,838	10,193,782	(129,944)	46,700
Other Expenditure & Income	1,789,300	1,375,000	3,164,300	863,000	613,421	249,579	1,295,900
Joint Boards	2,358,800		2,358,800	2,341,100	2,312,705	28,395	28,500
Contingency - Welfare	160,000	0	160,000	0	0	0	68,800
Health & Social Care Partnership	646,700	0	646,700	4,010,759	3,861,354	149,405	0
Service Resource Adjustment	(335,300)	30,000	(305,300)			0	0
Additional RSG Funding	786,000	(786,000)	0	0	0	0	0
Additional COVID19 Support Grant			0			0	0
Housing Revenue Account	0	0	0	(4,678,416)	(4,973,207)	294,791	(220,400)
TOTAL	278,097,200	238,000	278,335,200	196,114,811	193,266,538	2,848,273	2,117,900

Summary of Operational Adjustments.

Capital Charges

Ring Fenced Grants - Education & HSCP

Adjusted RSG - HSCP (core funding) (351,000)

Additional RSG - General 589,000

Addit.COVID19 Supp. Grant- 0

Devolved School Management 0

238,000

Budgetary Control Statement
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Period End: 31 January 2022

Period 10 / 2122

Department	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Employee Costs	170,565,300	59,600	170,624,900	142,997,014	142,674,870	322,144	(2,911,200)
Property Costs	17,955,800	(1,300)	17,954,500	14,356,289	11,666,452	2,689,837	(37,700)
Transport Costs	5,824,000	0	5,824,000	4,766,505	5,229,788	(463,283)	(866,100)
Supplies & Services	55,553,500	2,070,200	57,623,700	44,022,841	43,436,663	586,178	(2,395,300)
Third Party Payments	59,008,400	0	59,008,400	44,020,533	45,686,372	(1,665,839)	(7,885,800)
Transfer Payments	20,226,000	0	20,226,000	12,800,034	18,588,700	(5,788,666)	(1,047,000)
Support Services	15,440,800	30,000	15,470,800	43,167	825	42,342	6,000
Other Expenditure	786,000	(786,000)	0	0	0	0	0
Depcn And Impairment Losses	20,307,200	0	20,307,200	0	0	0	0
Financing Costs	4,289,000		4,289,000			0	174,000
TOTAL EXPENDITURE	369,956,000	1,372,500	371,328,500	263,006,383	267,283,670	(4,277,287)	(14,963,100)
Income	(91,858,800)	(1,134,500)	(92,993,300)	(66,891,572)	(74,017,132)	7,125,560	17,081,000
TOTAL	278,097,200	238,000	278,335,200	196,114,811	193,266,538	2,848,273	2,117,900

Budgetary Control Statement
Period 10 / 2122 31 January 2022

Period End: 31 January 2022

Period 10 / 2122

Department	Subjective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Education	Employee Costs	119,882,300	174,400	120,056,700	95,382,434	92,185,253	3,197,181	729,400
	Property Costs	12,665,500	(1,300)	12,664,200	10,095,621	8,325,016	1,770,605	(46,300)
	Transport Costs	2,064,500		2,064,500	1,599,903	1,624,984	(25,081)	(248,100)
	Supplies & Services	32,181,900	710,200	32,892,100	22,176,883	21,147,897	1,028,986	211,200
	Third Party Payments	12,844,100		12,844,100	8,413,587	7,790,954	622,633	(101,500)
	Transfer Payments	995,900		995,900	878,469	983,428	(104,959)	(329,000)
	Support Services	5,755,800		5,755,800	0	0	0	0
	Depcn And Impairment Losses	13,948,100		13,948,100	0	0	0	0
Total Expenditure		200,338,100	883,300	201,221,400	138,546,897	132,057,532	6,489,365	215,700
	Income	(29,204,200)	(888,300)	(30,092,500)	(24,024,938)	(21,147,523)	(2,877,415)	228,800
Education	TOTAL	171,133,900	(5,000)	171,128,900	114,521,959	110,910,009	3,611,950	444,500

Summary of Operational Adjustments:

Transfer to Legal Services (5,000)

Devolved School Management

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

(5,000)

Department	Objective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Education	Pre Five Education	9,746,500	(19,900)	9,726,600	2,772,710	2,832,717	(60,007)	(14,800)
	Primary Education	53,352,600	7,800	53,360,400	39,796,301	38,535,651	1,260,650	(40,800)
	Secondary Education	67,587,300	(15,100)	67,572,200	51,410,973	48,921,213	2,489,760	196,500
	Schools Other	4,164,900	(200)	4,164,700	2,545,979	2,343,153	202,826	321,000
	Special Education	7,967,600	40,400	8,008,000	6,110,474	5,862,218	248,256	(249,100)
	Psychological Service	907,300		907,300	747,701	846,642	(98,941)	35,300
	Transport (excl Spec Educ)	1,096,400		1,096,400	818,591	837,829	(19,238)	(75,200)
	Bursaries / Emas	0		0		41,160	(41,160)	0
	Provision for Clothing	374,700		374,700	360,802	271,190	89,612	14,000
	Administration & Support	11,872,200	(18,000)	11,854,200	2,831,114	2,735,293	95,821	115,500
	School Crossing Patrollers	0		0	(33,918)	15,389	(49,307)	0
	Catering	0		0	(306,673)	(509,364)	202,691	77,100
	Cleaning & Janitorial	2,322,200		2,322,200	1,409,585	3,600,722	(2,191,137)	75,300
	Culture & Leisure Services	11,742,200		11,742,200	6,058,320	4,576,196	1,482,124	(10,300)
Education	TOTAL	171,133,900	(5,000)	171,128,900	114,521,959	110,910,009	3,611,950	444,500

Summary of Operational Adjustments:

Transfer to Legal Services (5,000)

Devolved School Management

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

(5,000)

Budgetary Control Statement
 Period 10 / 2122 31 January 2022

Period End: 31 January 2022

Period 10 / 2122

Department	Subjective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Contribution to Integration Joint Board	Third Party Payments	57,298,400	(351,000)	56,947,400	39,583,787	41,938,140	(2,354,353)	0
Contribution to Integration Joint Board	TOTAL	57,298,400	(351,000)	56,947,400	39,583,787	41,938,140	(2,354,353)	0

Summary of operational adjustments
 Adjusted RSG - HSCP (core funding) (351,000)
 RSG - Adult Social Care Pressures
 RSG - HSCP Other
(351,000)

Department	Objective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Contribution to Integration Joint Board	Core Funding	57,298,400	(351,000)	56,947,400	39,583,787	41,938,140	(2,354,353)	0
Contribution to Integration Joint Board	TOTAL	57,298,400	(351,000)	56,947,400	39,583,787	41,938,140	(2,354,353)	0

Summary of operational adjustments
 Adjusted RSG - HSCP (core funding) (351,000)
 RSG - Adult Social Care Pressures
 RSG - HSCP Other
(351,000)

Budgetary Control Statement
Period 10 / 2122 31 January 2022

Period End: 31 January 2022

Period 10 / 2122

Department	Subjective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Environment	Employee Costs	15,429,400	(10,000)	15,419,400	11,809,333	12,295,352	(486,019)	(728,500)
	Property Costs	2,573,800		2,573,800	1,592,565	1,375,536	217,029	(26,000)
	Transport Costs	3,290,100		3,290,100	2,741,749	3,133,722	(391,973)	(516,300)
	Supplies & Services	15,080,500	(15,000)	15,065,500	11,871,085	12,364,047	(492,962)	(1,667,900)
	Third Party Payments	826,100		826,100	188,758	252,616	(63,858)	(365,300)
	Transfer Payments	706,200		706,200	534,217	6,033,479	(5,499,262)	(247,500)
	Support Services	2,955,100		2,955,100	42,250	0	42,250	6,000
	Depcn And Impairment Losses	4,877,600		4,877,600	0	0	0	0
Total Expenditure		45,738,800	(25,000)	45,713,800	28,779,957	35,454,752	(6,674,795)	(3,545,500)
	Income	(14,603,300)		(14,603,300)	(8,609,570)	(15,576,510)	6,966,940	3,796,000
Environment	TOTAL	31,135,500	(25,000)	31,110,500	20,170,387	19,878,242	292,145	250,500

Summary of Operational Adjustments.

Transfer to Legal Services

(25,000)

Department	Objective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Environment	Directorate & Supp Environment	1,893,600		1,893,600	862,151	384,225	477,926	(143,000)
	Environment Accommodation	77,000		77,000	705,883	580,724	125,159	37,900
	Planning & Development	976,000		976,000	541,665	692,698	(151,033)	(26,400)
	Economic Development Summary	1,057,000	(6,000)	1,051,000	519,717	1,625,383	(1,105,666)	(89,000)
	Roads - Council	12,140,000	(7,000)	12,133,000	8,351,056	8,825,625	(474,569)	(14,500)
	Roads Contracting Unit	0		0	(64,370)	(37,706)	(26,664)	0
	Parks	163,900	(1,000)	162,900	(520,766)	(476,666)	(44,100)	(10,600)
	Cleansing & Recycling	923,900		923,900	(105,146)	(239,196)	134,050	(150,800)
	Waste Management	4,515,000		4,515,000	3,040,950	2,663,975	376,975	419,400
	Protective Services	1,225,600		1,225,600	758,079	698,334	59,745	8,000
	Transport	0		0	(218,348)	(95,559)	(122,789)	0
	Neighbourhood Services Mgmt	5,340,000	(10,000)	5,330,000	3,967,906	3,823,242	144,664	102,300
	Env Strat/ Op Management	191,900		191,900	199,467	200,871	(1,404)	(4,000)
	Non Operational Properties	175,100		175,100	101,351	39,906	61,445	52,500
	Other Housing	2,084,000	(1,000)	2,083,000	1,751,893	849,750	902,143	69,100
	Strategy - Bi Team	372,500		372,500	278,899	342,636	(63,737)	(400)
Environment	TOTAL	31,135,500	(25,000)	31,110,500	20,170,387	19,878,242	292,145	250,500

Summary of Operational Adjustments.

Transfer to legal services

(25,000)

Budgetary Control Statement
 Period 10 / 2122 31 January 2022

Period End: 31 January 2022

Period 10 / 2122

Department	Subjective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Environment - Support	Employee Costs	2,123,200		2,123,200	1,626,371	1,550,728	75,643	125,600
	Property Costs	1,041,800		1,041,800	918,916	658,164	260,752	60,100
	Transport Costs	14,700		14,700	12,250	1,470	10,780	10,000
	Supplies & Services	286,400		286,400	190,581	410,826	(220,245)	(230,700)
	Support Services	1,100		1,100	917	0	917	
	Depcn And Impairment Losses	226,900		226,900	0	0	0	0
Total Expenditure		3,694,100		3,694,100	2,749,035	2,621,188	127,847	(35,000)
	Income	(1,114,200)		(1,114,200)	(726,225)	(284,050)	(442,175)	80,100
Environment - Support	TOTAL	2,579,900	0	2,579,900	2,022,810	2,337,138	(314,328)	45,100

Summary of Operational Adjustments.

Capital Charges

Department	Objective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Environment - Support	Prop & Tech - Operations	815,300		815,300	680,812	708,607	(27,795)	36,900
	Accommodation	1,319,800		1,319,800	961,499	687,565	273,934	40,600
	Property & Technical - Strategy	444,800		444,800	380,499	940,966	(560,467)	(32,400)
Environment - Support	TOTAL	2,579,900	0	2,579,900	2,022,810	2,337,138	(314,328)	45,100

Summary of Operational Adjustments.

Capital Charges

Budgetary Control Statement
Period 10 / 2122 31 January 2022

Period End: 31 January 2022

Period 10 / 2122

Department	Subjective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Chief Executives Office	Employee Costs	22,600		22,600	17,330	18,051	(721)	(2,100)
	Transport Costs	3,000		3,000	2,500	2,701	(201)	(500)
	Supplies & Services	413,500		413,500	169,014	164,792	4,222	(3,200)
	Support Services	56,500		56,500	0	0	0	0
	Depcn And Impairment Losses	5,200		5,200	0	0	0	0
Total Expenditure		500,800		500,800	188,844	185,544	3,300	(5,800)
	Income	(430,600)	0	(430,600)	(197,433)	(186,962)	(10,471)	(160,000)
Chief Executives Office	TOTAL	70,200	0	70,200	(8,589)	(1,418)	(7,171)	(165,800)

Department	Objective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Chief Executives Office	Accountancy & Directorate	58,500		58,500	157,600	158,737	(1,137)	(161,100)
	Licensing	11,700		11,700	(101,505)	(97,218)	(4,287)	(4,700)
	Licensing Board	0		0	(64,684)	(62,937)	(1,747)	0
Chief Executives Office	TOTAL	70,200	0	70,200	(8,589)	(1,418)	(7,171)	(165,800)

Budgetary Control Statement
 Period 10 / 2122 31 January 2022

Period End: 31 January 2022

Period 10 / 2122

Department	Subjective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Chief Executives Office - Support	Employee Costs	3,105,400		3,105,400	2,380,097	2,300,132	79,965	65,100
	Supplies & Services	86,400	30,000	116,400	107,270	114,850	(7,580)	(98,100)
	Third Party Payments	75,500		75,500	75,500	76,300	(800)	(800)
	Transfer Payments	0		0			0	0
	Support Services	0		0			0	0
Total Expenditure		3,267,300	30,000	3,297,300	2,562,867	2,491,282	71,585	(33,800)
	Income	(423,300)	0	(423,300)	(75,751)	(35,688)	(40,063)	31,800
Chief Executives Office - Support	TOTAL	2,844,000	30,000	2,874,000	2,487,116	2,455,594	31,522	(2,000)

Summary of Operational Adjustments.

Transfer from Education to Legal	5,000
Transfer from Environment to Legal	25,000
	<u>30,000</u>

Department	Objective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Chief Executives Office - Support	Chief Executives Section	431,700		431,700	330,972	333,102	(2,130)	(5,400)
	Accountancy & Directorate	1,399,200		1,399,200	1,196,663	1,184,587	12,076	(27,700)
	Legal Services	430,700	30,000	460,700	393,331	417,058	(23,727)	(28,200)
	Purchasing & Procurement	310,500		310,500	357,491	352,724	4,767	12,900
	Internal Audit	271,900		271,900	208,659	168,123	40,536	46,400
Chief Executives Office - Support	TOTAL	2,844,000	30,000	2,874,000	2,487,116	2,455,594	31,522	(2,000)

Summary of Operational Adjustments.

Transfer from Education to Legal	5,000
Transfer from Environment to Legal	25,000
	<u>30,000</u>

Budgetary Control Statement
Period 10 / 2122 31 January 2022

Period End: 31 January 2022

Period 10 / 2122

Department	Subjective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Business Operations & Partnerships	Employee Costs	4,942,100		4,942,100	3,781,878	4,111,921	(330,043)	(730,300)
	Property Costs	63,300		63,300	52,116	59,820	(7,704)	(35,300)
	Transport Costs	60,900		60,900	50,690	68,970	(18,280)	(17,000)
	Supplies & Services	1,213,900		1,213,900	753,963	833,250	(79,287)	(495,700)
	Third Party Payments	349,700		349,700	271,033	221,944	49,089	(234,900)
	Transfer Payments	18,153,600		18,153,600	11,317,250	11,477,425	(160,175)	(447,300)
	Support Services	3,507,400		3,507,400	0	0	0	
	Depcn And Impairment Losses	215,600		215,600	0	0	0	
Total Expenditure		28,506,500		28,506,500	16,226,930	16,773,330	(546,400)	(1,960,500)
	Income	(15,452,800)		(15,452,800)	(11,489,870)	(13,032,552)	1,542,682	2,286,600
Business Operations & Partnerships	TOTAL	13,053,700	0	13,053,700	4,737,060	3,740,778	996,282	326,100

Summary of Operational Adjustments

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Department	Objective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Business Operations & Partnerships	Community Learning & Dev	953,100		953,100	621,700	436,607	185,093	103,600
	Strategy (Operational)	368,800		368,800	185,219	92,072	93,147	8,000
	Community Safety	1,473,300		1,473,300	1,021,306	1,128,619	(107,313)	28,000
	Registrars	224,700		224,700	22,879	3,139	19,740	21,500
	Grants	165,500		165,500	150,300	136,494	13,806	14,000
	Auchenback Resource Centre	30,700		30,700	25,583	28,249	(2,666)	0
	Strategic Insight & Comm.Mgmt.	19,200		19,200	78,187	(534,099)	612,286	4,600
	Members Expenses	543,700		543,700	422,375	407,084	15,291	18,700
	MART	1,076,200		1,076,200	618,068	722,136	(104,068)	57,400
	Directorate	131,100		131,100	226,818	239,900	(13,082)	2,600
	Revenues Admin	335,300		335,300	235,396	242,679	(7,283)	(17,600)
	Business Support Team	249,600		249,600	166,113	151,893	14,220	5,000
	Housing Benefits	600,200		600,200	34,989	(173,537)	208,526	59,400
	Revenues - Benefits	859,400		859,400	454,910	392,950	61,960	22,900
	Council Tax/Ndr	4,374,500		4,374,500	387,250	384,539	2,711	0
	Cost Of Elections	181,100		181,100	19,567	13,323	6,244	(1,400)
Corporate & Democratic Core	1,467,300		1,467,300	66,400	68,730	(2,330)	(600)	
Business Operations & Partnerships	TOTAL	13,053,700	0	13,053,700	4,737,060	3,740,778	996,282	326,100

Summary of Operational Adjustments

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Budgetary Control Statement
 Period 10 / 2122 31 January 2022

Period End: 31 January 2022

Period 10 / 2122

Department	Subjective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Business Ops & Partnerships - Support	Employee Costs	7,886,500		7,886,500	6,018,724	6,346,154	(327,430)	(503,800)
	Property Costs	3,500		3,500	3,083	2,419	664	3,300
	Transport Costs	25,900		25,900	21,498	12,770	8,728	9,500
	Supplies & Services	4,271,800		4,271,800	4,630,266	4,355,297	274,969	(194,100)
	Third Party Payments	19,400		19,400	19,400	15,741	3,659	(2,800)
	Support Services	0		0	0	0	0	0
	Depcn And Impairment Losses	4,232,000		4,232,000	0	0	0	0
Total Expenditure		16,439,100		16,439,100	10,692,971	10,732,381	(39,410)	(687,900)
	Income	(1,963,500)		(1,963,500)	(629,133)	(538,599)	(90,534)	734,600
Business Ops & Partnerships - Support	TOTAL	14,475,600	0	14,475,600	10,063,838	10,193,782	(129,944)	46,700

Summary of Operational Adjustments.
 Additional Expenditure/Loss Income Covid

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Department	Objective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Business Ops & Partnerships - Support	Revenues - General	424,300		424,300	314,473	327,066	(12,593)	20,100
	Digital services	9,524,800		9,524,800	5,722,050	5,527,324	194,726	0
	Strategy - Support	308,300		308,300	209,514	164,627	44,887	34,700
	Communications	407,800		407,800	364,545	354,493	10,052	44,500
	Printing	145,000		145,000	126,119	168,375	(42,256)	(65,100)
	Human Resources & Payroll	1,724,600		1,724,600	1,372,218	1,599,783	(227,565)	(49,300)
	Democratic Services	411,600		411,600	316,178	288,799	27,379	28,500
	Customer Services	983,400		983,400	855,674	889,017	(33,343)	10,000
	Core Corporate	0		0	408,555	464,832	(56,277)	0
	Insight	202,200		202,200	127,013	117,965	9,048	(17,900)
	Project Management Office	343,600		343,600	247,499	291,501	(44,002)	41,200
Business Ops & Partnerships - Support	TOTAL	14,475,600	0	14,475,600	10,063,838	10,193,782	(129,944)	46,700

Summary of Operational Adjustments.

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Budgetary Control Statement
 Period 10 / 2122 31 January 2022

Period End: 31 January 2022

Period 10 / 2122

Department	Subjective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Other Expenditure & Income	Expenditure	1,717,000	1,375,000	3,092,000	863,000	642,117	220,883	1,267,200
	Support Services	72,300		72,300	0	0	0	0
Total Expenditure		1,789,300	1,375,000	3,164,300	863,000	642,117	220,883	1,267,200
	Income	0	0	0	0	(28,696)	28,696	28,700
Other Expenditure & Income	TOTAL	1,789,300	1,375,000	3,164,300	863,000	613,421	249,579	1,295,900

Summary of Operational Adjustments:
 Additional RSG notified Jan
 Transfer of Additional RSG

589,000
 786,000
1,375,000

Department	Objective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Other Expenditure & Income	Other Expenditure & Income	1,789,300	1,375,000	3,164,300	863,000	642,117	220,883	1,267,200
	Income	0	0	0	0	(28,696)	28,696	28,700
Other Expenditure & Income	TOTAL	1,789,300	1,375,000	3,164,300	863,000	613,421	249,579	1,295,900

Summary of Operational Adjustments:
 Additional RSG notified Jan
 Transfer of Additional RSG

589,000
 786,000
1,375,000

Budgetary Control Statement
Period 10 / 2122 31 January 2022

Period End: 31 January 2022

Period 10 / 2122

Department	Subjective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Joint Boards	Contributions	2,352,000		2,352,000	2,341,100	2,312,705	28,395	28,500
	Support Services	6,800		6,800	0	0	0	0
Total Expenditure		2,358,800		2,358,800	2,341,100	2,312,705	28,395	28,500
Joint Boards	TOTAL	2,358,800	0	2,358,800	2,341,100	2,312,705	28,395	28,500

Department	Objective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Joint Boards	SPTE (incl Concess Fares)	1,766,000		1,766,000	1,755,100	1,739,430	15,670	15,800
	Renfrewshire Valuation J/Brd	586,000		586,000	586,000	573,275	12,725	12,700
	Support Services	6,800		6,800	0	0	0	0
Joint Boards	TOTAL	2,358,800	0	2,358,800	2,341,100	2,312,705	28,395	28,500

Budgetary Control Statement
 Period 10 / 2122 31 January 2022

Period End: 31 January 2022

Period 10 / 2122

Department	Subjective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10 Date - Per 10	Budget Estimate to Per 10	Actual to Date	Variance (Over)/Under	Forecast
Contingency - Welfare	Supplies & Services	160,000	0	160,000	0	0	0	68,800
Total Expenditure		160,000		160,000	0	0	0	68,800
Contingency - Welfare	TOTAL	160,000	0	160,000	0	0	0	68,800

Department	Objective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10 Date - Per 10	Budget Estimate to Per 10	Actual to Date	Variance (Over)/Under	Forecast
Contingency - Welfare	Supplies & Services	160,000	0	160,000	0	0	0	68,800
Contingency - Welfare	TOTAL	160,000	0	160,000	0	0	0	68,800

Department	Objective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Health & Social Care Partnership	Public Protect.-Child. & Families	9,929,000		9,929,000	6,758,876	7,683,355	(924,479)	(100,000)
	Adult Health - Intensive Services	11,985,700	500,000	12,485,700	7,701,279	10,965,055	(3,263,776)	(1,462,000)
	Adult Health-Localities Services							
	Older People	18,192,700	(551,000)	17,641,700	14,215,077	11,124,144	3,090,933	1,115,000
	Physical Disability	5,540,000	(53,800)	5,486,200	4,510,653	4,118,986	391,667	(19,000)
	Learning Disability	11,641,300		11,641,300	8,832,543	7,142,534	1,690,009	823,000
	Recovery Services-Mental Health	1,868,500		1,868,500	1,319,316	1,425,660	(106,344)	(203,000)
	Criminal Justice	14,100		14,100	18,192	(118,193)	136,385	0
	Finance & Resources	4,139,300		4,139,300	238,610	3,457,953	(3,219,343)	110,000
		63,310,600	(104,800)	63,205,800	43,594,546	45,799,494	(2,204,948)	264,000
	Core Funding from Integration Joint Board	(62,663,900)	104,800	(62,559,100)	(39,583,787)	(41,938,140)	2,354,353	(264,000)
Health & Social Care Partnership	TOTAL	646,700	0	646,700	4,010,759	3,861,354	149,405	0

Summary of operational adjustments
Winter Plan - adjustment
Adjustment to HB core funding from IJB
Offset Adjusted core funding from IJB

(104,800)
(246,200)
351,000

0

Budgetary Control Statement
Period 10 / 2122 31 January 2022

Period End: 31 January 2022

Period 10 / 2122

Department	Subjective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Housing Revenue Account	Employee Costs	5,074,900		5,074,900	3,894,106	3,502,953	391,153	427,400
	Property Costs	1,840,300		1,840,300	1,029,511	691,249	338,262	65,500
	Transport Costs	147,600		147,600	123,001	107,923	15,078	(7,700)
	Supplies & Services	2,709,900	0	2,709,900	2,059,050	1,952,782	106,268	(516,800)
	Third Party Payments	0		0			0	0
	Transfer Payments	330,600		330,600	53,916	41,885	12,031	(2,200)
	Support Services	1,002,300		1,002,300	0	0	0	0
	Depcn And Impairment Losses	4,289,000	0	4,289,000	0	0	0	174,000
Total Expenditure		15,394,600		15,394,600	7,159,584	6,296,792	862,792	140,200
	Income	(15,394,600)	0	(15,394,600)	(11,838,000)	(11,269,999)	(568,001)	(360,600)
Housing Revenue Account	TOTAL	0	0	0	(4,678,416)	(4,973,207)	294,791	(220,400)

Department	Objective Name	Approved Budget Per 09	Operational Adjustments	Revised Estimate Per 10	Budget Estimate to Date - Per 10	Actual to Date	Variance (Over)/Under	Forecast
Housing Revenue Account	Construction	(3,291,800)	0	(3,291,800)	(6,911,370)	(7,323,105)	411,735	(453,100)
	Hra - Client	3,291,800	0	3,291,800	2,232,954	2,349,898	(116,944)	232,700
Housing Revenue Account	TOTAL	0	0	0	(4,678,416)	(4,973,207)	294,791	(220,400)

EAST RENFREWSHIRE COUNCILCabinet7 April 2022Report by Director of Business Operations & Partnerships and Director of EnvironmentFLEXIBLE LOCAL AUTHORITY COVID ECONOMIC RECOVERY FUND**PURPOSE OF REPORT**

1. The purpose of this report is to share an overview of the forthcoming Flexible Local Authority COVID Economic Recovery Fund and to give Cabinet the opportunity to shape the approach to this funding in East Renfrewshire.

RECOMMENDATIONS

2. It is recommended that Cabinet:
- a) Consider and approve the three-tiered approach detailed in this paper for use of the Local Authority COVID Economic Recovery Fund.
 - b) Agree, in principle, the funding allocation for the noted posts (para 7) and that consideration will be given to any further temporary resource required to manage this fund.
 - c) Delegates to the Director of Business Operations and Partnerships and the Director of Environment to make initial commitments within the spirit of the national guidance and to bring a further update to Cabinet once the specific allocation is known and more detailed proposals have been developed.

BACKGROUND AND CONTEXT

3. COSLA Leaders and the Scottish Government have agreed a local COVID Economic Recovery Fund of £80M to be provided to councils. At this time, the exact allocation to East Renfrewshire Council has not been confirmed but this will be known in the coming weeks – early indications from the Head of Accountancy suggest this could be in the region of £1.48M. The funding will be available for use on a one-off basis from the end of 2021/22 and can carry into 2022/23.

4. The intent of this funding is to support local economic recovery and cost of living impacts on low-income households. The funding is flexible and designed to empower local authorities to utilise funding where they consider this necessary or justified based on local circumstances. On 25 February 2022 COSLA Leaders agreed the following principles to guide spend:

Overarching guiding principles:
Interventions made under this fund should be based on a clear economic recovery and/or low-income household support rationale
A collaborative approach towards sharing of best practice and learnings from different interventions should be adopted to maximise benefits and positive effects while minimising risk and unintended consequences
Principles of spend (Local Authorities may wish to allocate funding based on one or more of the following):
Interventions that support local economic recovery and contribute to businesses being able to move from surviving the period of trading restrictions towards recovery, growth, adaptation and building resilience
Projects that can rebuild consumer confidence and stimulate demand and economic activity in their specific contexts
Support to low-income households, that are disproportionately impacted by the pandemic and the current cost of living crisis, to become more economically active

REPORT

5. As reported to Council on 3 March, we have recently undertaken research on the impact of COVID on East Renfrewshire residents. This, along with other relevant economic data, will allow us to take an evidence-based approach to allocating this funding in a targeted way. We will review local and national best practice and learnings through relevant network groups such as the National Child Poverty Leads group and Scottish Local Authorities' Economic Development (SLAED) Group. This will allow us to meet the overarching principles outlined above.

6. Within East Renfrewshire Council, we propose a three-tiered approach to this fund, which we believe will provide an appropriate balance of support for the local economy as well as low-income households:

- i. Support to businesses who are linked to low-income households. This will focus on prioritising support to businesses in sectors with lower-paid staff. This will aim to reduce any adverse COVID impacts to employees and, where relevant, support towards increased fair work practices (i.e. Real Living Wage accreditation).
- ii. Support to businesses who have been most adversely affected by the pandemic. This will support the wider economic recovery across East Renfrewshire. This support will include direct support to businesses (including compliance with COVID requirements) as well as initiatives to stimulate economic activity (including the 'Shop Local' campaign).
- iii. Support to low-income households who have been most adversely affected by the pandemic. This will focus on providing direct (i.e. shopping vouchers, food) and indirect (i.e. advice around income maximisation and fuel poverty) support to residents. This

will be targeted at those households most in need as identified in the research findings and by ongoing engagement through the Child Poverty Oversight Group.

7. In the short-term, there are two temporary officer posts which we recommend be extended from this funding. Both posts provide support to businesses and residents to adapt to changing circumstances and we believe this need will continue beyond the current post end dates. The COVID Compliance Officer post in Environmental Health is currently funded until the end of March 2022; we would recommend extending this post until the end of March 2023 at a cost of c.£40,000. The Fuel Poverty Officer post is currently funded until June 2022; we would recommend extending this post until the end of March 2023 at a cost of c£35,000. Whilst we do not yet know the exact allocation of the funding to East Renfrewshire at this time, we expect the level to be sufficient to cover these posts. Consideration will also be given to the resources required to manage this fund and whether any further temporary resource is required.

8. Given that the Council has not yet received its specific funding allocation, it is recommended that Cabinet delegates initial spend commitments to the Director of Business Operations and Partnerships and the Director of Environment with decisions in line with the guidance on use of the fund and aligned with the above 3-tier approach. A further report be submitted to Cabinet in the summer giving more detail on spend within this fund.

FINANCE & EFFICIENCY

9. There are no mainstream financial implications beyond the allocation of the one-off Flexible Economic Recovery Fund. The funding will be issued by the Scottish Government and there will be close contact with the Accountancy Service to monitor spend and adherence to conditions of use and there will be a national reporting requirement to allow councils to share learnings with the Scottish Government. East Renfrewshire's exact allocation of the £80M fund is yet to be confirmed, although the Head of Accountancy estimates this could be in the region of £1.48M.

CONSULTATION & PARTNERSHIP WORKING

10. The allocation of funding will be informed by the evidence gathered through the recent consultation and community research findings around the impact of COVID in East Renfrewshire. In delivering support, we will utilise ongoing multi-agency partnership working including the Humanitarian Group, the Child Poverty Oversight Group, and the Local Employability Partnership. A further report on use of the fund will be brought back to Cabinet in the summer.

IMPLICATIONS OF REPORT

11. There are no specific implications of this report in terms of staffing, property, legal, ICT, equalities, or sustainability. The intention of this funding is to support work to mitigate the widening inequalities arising from the pandemic and support local economic recovery. Any proposals funded will be required to consider these implications for that project.

CONCLUSION

12. This funding will provide much needed support to our local businesses and residents who have been adversely impacted by COVID-19. The recent research and engagement findings allow the opportunity to take an evidence-based approach to target this funding to the areas of most need and which are likely to see the greatest impact.

RECOMMENDATIONS

13. It is recommended that Cabinet:

- a) Consider and approve the three-tiered approach detailed in this paper for use of the Local Authority COVID Economic Recovery Fund.
- d) Agree, in principle, the funding allocation for the noted posts (para 7) and that consideration will be given to any further temporary resource required to manage this fund.
- e) Delegates to the Director of Business Operations and Partnerships and the Director of Environment to make initial commitments within the spirit of the national guidance and to bring a further update to Cabinet once the specific allocation is known and more detailed proposals have been developed.

March 2022

Director of Business, Operations and Partnerships & Director of Environment

REPORT AUTHOR

Claire Coburn, Strategic Services Lead Officer

BACKGROUND PAPERS

Strategic Planning, Council 3 March 2022

EAST RENFREWSHIRE COUNCILCABINET7-April 2022Report by Director of EnvironmentAFGHAN RELOCATION AND RESETTLEMENT SCHEMES**PURPOSE OF REPORT**

1. The purpose of this report is to update the Cabinet in relation to the UK Government Afghan relocation and resettlement schemes following the emergency situation in Afghanistan and to seek approval for the Council to be involved in the resettlement of Afghan refugees in East Renfrewshire.

RECOMMENDATIONS

2. The Cabinet is asked to:
- a) Note the situation resulting in the need for Afghan families to be resettled; and
 - b) Approve the Council's involvement in the UK Government's Afghan relocation and resettlement schemes.

BACKGROUND

3. In Summer 2021, UK and US troops withdrew from Afghanistan, culminating in an emergency situation as the Taliban took over control of most of Afghanistan. At that time, the UK Government wrote to all Local Authorities initially requesting support with relocating locally-employed staff but, as the emergency situation escalated, this was extended to other citizens seeking refuge. Those who have not yet been settled are living in holding hotel accommodation and it is vital that more permanent solutions are found in order for the individuals to start a new life in the UK.

REPORT

4. The Home Office has created two mechanisms of support:
- Afghan Relocations and Assistance Policy (ARAP) – current or former locally-employed staff who have supported British efforts during the conflict, and who are assessed to be under serious threat to life. They are offered priority relocation to the UK. This scheme has recently been reviewed by the Home Office to address particular challenges.
 - Afghan Citizens' Resettlement Scheme (ACRS) – developed as a result of the evacuation programme during the emergency situation to help those who were already brought to the UK under the emergency evacuation programme. The UK Government has committed to resettling up to 20,000 Afghans over the longer term with 5,000 in the first year. The ACRS will provide protection for people at

risk from the Taliban e.g. because of their stand for democracy and human rights, or because of their gender, sexuality or religion.

5. The UK Government has confirmed that the same funding package will be available under both of these schemes to ensure comparable support and the funding will be for **three years**. The Home Office will match families appropriately to the placements offered by local authorities, taking account of the size of the family and the accommodation offered to ensure appropriate space. In terms of security, all applications are subject to security checks carried out across government departments, including the police.

6. The Environment Department has considered various options in terms of accommodation in response to requests from the Home Office and COSLA. This has been challenging. Owing to the demand on the Council's housing stock the most suitable proposal is using private rented accommodation. Given current resources and demand for services across the Council and from HSCP it is proposed the Council accepts four families and use private sector accommodation to accommodate the families.

7. Barrhead Housing Association (BHA) have advised that they are currently working in partnership with the Scottish Refugee Council to re-house between two to four refugee families per year. Therefore, the Council has included two properties from BHA in the modeling process.

8. This would mean that the Council's offer would be to support six families in total through private rented accommodation and BHA properties. The matching of families will be determined by the size of properties available so it is unclear exactly how many individuals this would help support. As it is common for families to have two or more children, estimates are around 24-30 individuals.

9. Officers have been involved in Home Office and COSLA meetings in order to keep up-to-date on key information and take a lessons-learned approach to ensuring a welcome for those families urgently requiring accommodation. Some councils particularly those with larger numbers of available Council house stock have already received families. However, the matching process has been slow and the Home Office are continuing to work through a backlog.

10. East Renfrewshire Council has an excellent track record in welcoming refugees. In 2016, eleven Syrian families were resettled in the area, and nine families (42 individuals) still live here. Afghan families would be supported by a dedicated officer to help them navigate, access and register with mainstream services (including school registration, GP registration, Job Centre Plus appointments and utility registration). Targeted training and employability support will also be available for all adults.

11. All other Scottish Local Authorities have committed to accommodating refugees. If it is agreed that the Council is to be involved, it is hoped plans would be in place as soon as possible bearing in mind the need to allow time to secure properties and ensure they meet the standards required. Also, much depends upon how quickly the Home Office can identify families. Until appropriate families are identified with associated timescales it would be inappropriate to sign up to potentially costly private sector rented leases.

FINANCE AND EFFICIENCY

12. There are no finance and efficiency implications associated with this report as funding will be provided by the UK government to cover the entire cost of the proposal over the three-year period.

CONSULTATION AND PARTNERSHIP WORKING

13. The Environment department will work with other Council services and key partner agencies in order to support refugees. This will include liaising with third sector organisations which offer vital support. Discussion are ongoing with colleagues from Education and HSCP.

IMPLICATIONS OF THE PROPOSALS

14. There are no equality, sustainability or other implications associated with this report. Home Office funding will be used to support the families and this includes, for example, interpretation support, English classes and childcare. Dedicated officer support is available in order to help families integrate.

CONCLUSIONS

15. The Council has been considering how it can best offer support following the emergency situation in Afghanistan and the subsequent request from the Home Office for involvement in accommodating Afghan refugees through the ACRS and ARAP schemes. While it is recognised there is strain on all of our Council and HSPC services, particularly post-covid, the Council is keen to contribute.

16. Acknowledging the pressure on the Council's housing stock, the use of private rented accommodation is the most suitable solution. It is proposed the Council offers up to six families refuge (which includes supporting two families in BHA accommodation). It is difficult to estimate actual numbers as this will depend on the matching process, available private rents and numbers of children, but this could mean around 24-30 individuals.

17. The Council has a good track record in integrating refugee families into the area and has well-established support mechanisms in place. A working group has been formed and discussions are taking place between key Council services and partner agencies. Officers have been involved in Home Office and COSLA discussions/meetings in order to keep up-to-date on key information and best practice in order to welcome those families urgently requiring accommodation.

RECOMMENDATIONS

18. The Cabinet is asked to:

- a) Note the situation resulting in the need for Afghan families to be resettled; and
- b) Approve the Council's involvement in the UK Government's Afghan relocation and resettlement schemes.

Director of Environment

Further information can be obtained from: Phil Daws, Head of Environment (Strategic Services) phil.daws@eastrenfrewshire.gov.uk

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March 2022

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EAST RENFREWSHIRE COUNCILCABINET7 April 2022Report by Director of EnvironmentGRANTING OF COMMERCIAL LEASES POLICY AND PROCEDURES**PURPOSE OF REPORT**

1. This report is to seek approval for a revised Council policy concerning granting of commercial leases or licences of Council assets to prospective tenants. This is distinct from potential Community Asset Transfers which are covered by a separate report.

RECOMMENDATIONS

2. The Cabinet is asked to:
- a) Approve the Policy and Procedures for Granting of Commercial Leases as outlined in Appendix One; and
 - b) Support the upgrading to the ERC webpage to add a page for Council Commercial Assets, and promote the Council's policy on leasing these assets to help businesses and communities understand the procedures required to let a commercial council asset.

BACKGROUND

3. East Renfrewshire Council provides a range of commercial properties for let across the Council area including ground rents, industrial, shops and office premises.
4. There are two principal reasons why the Council leases commercial property namely:
- Commercial properties are let in areas where the market is recognised to have failed, and therefore they drive economic development by generation of business and employment in areas where it would otherwise not flourish.
 - To generate income through the leasing of commercial properties. This helps sustain Council operations.
5. The property portfolio raises revenue income in the region of £975,000 per annum split between the Economic Development and Housing Revenue Account budgets.
6. The existing policy and procedures were last reviewed some years ago and the proposed revised guidance entitled "Granting of Commercial Leases, Policy and Procedures" (see Appendix One) seeks to update the Council's practices.

7. Enhancing/clarifying the existing procedure will make the process of granting a commercial lease more transparent to business and third sector organisations, as well as give clear guidance to council officers, in particular the Estates team on the council's policy for managing its property assets.

REPORT

8. The full policy proposed can be found at Appendix One.

9. It is proposed the full policy document will be made available on the Council's website to help give prospective tenants a clear understanding of the process and how decisions are reached.

10. The new policy divides the cycle of letting an asset into three distinct stages with the detail noted in the document attached;

- Stage One: Marketing & Inspection
- Stage Two: Granting of a Lease or Licence
- Stage Three: Termination

FINANCE AND EFFICIENCY

11. There are no known financial implications.

CONSULTATION

12. There has been consultation within the Economic Development Team of the Environment Department, Legal Services and Accountancy Services.

PARTNERSHIP WORKING

13. No partnership working has been required in the preparation of this report.

IMPLICATIONS OF THE PROPOSALS

14. There are no legal, financial, staffing, IT or equality implications associated with this report at this point in time.

CONCLUSION

15. The policy will ensure the Council's procedures in dealing with the letting of commercial properties are dealt with in a consistent and transparent manner. The policy will also provide clarity and continuity for the Estates Team in how they deal with the day to day management of the Council's commercial property portfolio.

RECOMMENDATIONS

16. The Cabinet is asked to:

- a) Approve the Policy and Procedures for Granting of Commercial Leases as outlined in Appendix One; and
- b) Support the upgrading to the ERC webpage to add a page for Council Commercial Assets, and promote the Council's policy on leasing these assets to help businesses and communities understand the procedures required to let a commercial council asset.

Director of Environment

Further information can be obtained from Phil Daws Head of Environment (Strategic Services), phil.daws@eastrenfrewshire.gov.uk

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March 2022

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**APPENDIX ONE
THE POLICY**

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GRANTING OF COMMERCIAL LEASES POLICY



1. Introduction

- 1.1 This policy underpins the practices and procedures which East Renfrewshire Council Estates team utilises in the letting and estates management of the Council's commercial property portfolio and aims to provide a comprehensive and transparent document to guide the day to day activities of the Estates Team.

2. General

- 2.1 East Renfrewshire Council provides a range of properties for let across the Council area. There are two principal reasons why the Council leases commercial property.
- 2.2 Firstly, the Council retains an economic development role by providing commercial accommodation in areas where the market is recognised to have failed, and in this way generate business and employment in areas where it would otherwise not flourish.
- 2.3 Secondly to generate sufficient income through the leasing of commercial properties; this helps sustain Council operations. The property portfolio raises revenue income to support these financial needs.

3. Stage 1: Marketing of Properties

- 3.1 Inspection & Preparation of Marketing Particulars- When a property becomes vacant and is ready to be advertised, a member of the Estates team will undertake a survey of the property and prepare a set of marketing particulars detailing key pieces of information including;
- Location
 - Size
 - Price
 - Planning
 - Rates
 - Statutory Requirements
 - Any other information relevant to the property
- 3.2 How Properties are advertised – The wide range of advertising routes and tools which the Estates team utilises are noted below
- 3.3 Lists of all available property should be circulated electronically and by post (if requested) to interested parties.

- 3.4 A database of enquiries and property requirements will be maintained by the Estates team and used to provide a list of interested parties for properties as they become available. This document is held in accordance with the Council's data protection guidelines.
- 3.5 Details of individual vacant properties in the form of property particulars should be available to download from East Renfrewshire Council's website.
- 3.6 The Estates team will also make appropriate use of commercial property marketing websites. These sites also provide details of the available properties for other private and public landlord's across Scotland and the Estates team will direct interested parties to these sites if we cannot satisfy their property requirements.
- 3.7 Individual properties are usually advertised through the use of social media advertising on platforms such as Facebook and traditional advertising boards at the subjects.
- 3.8 If appropriate, industrial estates and business centres are promoted through general advertising boards for each location.
- 3.9 Industrial or less prominent properties are not generally promoted through the use of advertising boards to reduce the risk of burglary and vandalism.
- 3.10 High profile or sought after properties may be advertised in local newspapers and occasionally in the national and trade press.
- 3.11 The Estates team continues to develop and produce information which is designed to support existing and prospective tenants. This will be developed to provide augmented advice on those seeking properties and more particularly a Tenants' Handbook which will be designed to assist prospective tenants in taking on a lease and after they have move in.
- 3.12 All enquiries received by the Estates team will also be feed to the Council's Economic Development Team and its Business Gateway partners to ensure all possible advice and assistance is provided as this can be vital for both new start and existing businesses.

4.0 Basis of Marketing

- 4.1 Marketing Campaign: All Commercial Property Portfolio properties which become vacant are placed on the open market, through the marketing tools detailed in Section 3 above, at a marketing rent (see 6.2). The marketing process seeks to advertise the availability of commercial properties to as wide a catchment as is practically possible.

- 4.2 A minimum of a two week marketing campaign will be undertaken and parties on the Council's database contacted via electronic mail.
- 4.3 First Come First Served Basis Process: The council hold some properties where demand for the style, size or use of the premises does not attract a lot of interest. In these cases, it is appropriate to let these properties on a first come first served basis. This allows for a quicker letting process which is vital for many tenants, and helps the Estates team to maintain a relatively high level of occupancy.
- 4.4 Interested parties must complete and submit a Property Application Form before a property is considered "Under Offer". No fee or deposit is currently required at the application stage although this may be reviewed. An application does not place the interested party under any form of contract to lease the property.
- 4.5 Once a property is Under Offer, the applicant has the right of first refusal on that property for the period of one month. If, after the period of up to a month no substantive progress is being made in the letting, the Estates team retains the right to put the property back on the market subject to the Estates team issuing a 7 day ultimatum to the applicant in writing.
- 4.6 **Tender Process:** Some properties are often particularly sought after. When such properties become available they may be offered on a closed tender basis with a one week notice period of the Council's intention to set a closing date for offers and all parties who viewed the property will be informed for the closing date electronically.
- 4.7 In situations where offers to lease commercial property are submitted, these require to be returned as sealed bids to the on or before a nominated date, time and place, and they will be opened and recorded in accordance with the Estates team procedures.
- 4.8 As part of this process the Estates team will make prospective tenants aware of Council's asking price for the property. In addition, the Estates team will ensure tenants are advised to only submit bids which are sustainable in terms of each individual tenant's business plan. It is neither in the tenant's interest, nor the Council's interest for a business to fail due to an over inflated offer.
- 4.9 The Estates team will consider any offers received and determine which offer is successful in accordance with Section 8 below.
- 4.10 Whilst the rental to be paid is always the predominant consideration in determining the success of a bid, other factors may be taken into consideration such as use, sustainability of the business and benefit to local area and employment and the length of lease required. Any incentives requested will be factored into the assessment of the offer. Consequently the highest rental offer may not always be successful. This can occur if the bid is believed to be unsustainable or if the diligence completed identifies issues of concern relating to the proposed tenant.

- 4.11 After considering the merits of each offer a report will be submitted to the Principal Officer, Asset & Property Management for approval under delegated authority.
- 4.12 Following the assessment of the offers, the Estates team will advise the successful applicant and proceed with the letting process.
- 4.13 Where a property has been tendered but no acceptable bids have been received, the property will be placed back on the open market.
- 4.14 Experience has shown that market conditions can change and if demand is weak with limited enquiries it may not require the use of a tender exercise. It will therefore remain at the discretion of the Estates Team as to whether a tender exercise is necessary.

5. Business Support

- 5.1 Details of potential tenants who contact the Estates team regarding available property are passed to the Council's officers in Regeneration, to investigate whether the Council or Business Gateway can provide any form of business support.
- 5.2 Estates officers will actively seek to direct prospective tenants to business support as this undoubtedly assists for new businesses..

6. Basis of Rents

- 6.1 **RICS Governance:** East Renfrewshire Council is registered as a firm under the regulatory governance of the Royal Institution of Chartered Surveyors (RICS). The Estates surveyors are therefore compelled to complete the valuations we carry out on behalf of East Renfrewshire Council in accordance with the RICS regulations and guidance. This also ensures that Estates surveyors meets the requirements of the Council's Professional indemnity insurance policy.
- 6.2 In addition to this East Renfrewshire Council, as a public body, is obliged to recognise the Land Disposal Regulation. Under the terms of the Local Government (Scotland) Act 1973 Section 74(2), "*a local authority shall not dispose of land under subsection (1) above for a consideration less than the best that can reasonably be obtained*", this legislation applies equally to sale or lease. Whilst Section 74 has been modified by the Local Government in Scotland Act 2003 and The Disposal of Land by Local Authorities (Scotland) Regulation 2010, this central assumption remains out with exceptional circumstances.
- 6.3 Notwithstanding the above noted legislation, in line with the Property & Estates business plan, The Estates team must achieve the best possible rental return from its portfolio so its client services can continue to secure the income required for their operational purposes. Consequently the Estates team should always seek to achieve the best sustainable rental return from each property within its portfolio.

- 6.4 For the vast majority of rented properties, the best return is determined by deriving a rent based on comparing rents from new lettings of similar properties in the same or similar locations at around the same date as the date of valuation. This is known as the Market Rent which is determined by the comparative method of valuation. Listed below is a brief explanation of how that relates to the valuations that are carried out for leased out properties. The Estates team also utilises the International Property Measurement Standards or the RICS code of measuring practice in the valuation process.
- 6.5 **Marketing Rents:** (i.e. asking rents) these are based on evidence of recent comparable rents in the area. Where evidence is limited, market knowledge and rental trends are used to inform and underpin professional judgement. Marketing rents are produced to provide guidance for prospective tenants the marketing rent is only a guide price. The rent finally agreed may be above or below that figure depending on market conditions and the level of interest.
- 6.6 While the Estates team adopts a comparative valuation approach in all its valuations some properties are valued by comparing the turnover which can be achieved from properties. This type of comparable valuation is utilised for the valuation of some ground leases and also for public houses.
7. **Initial Rent:** This is generally the rent paid in the first year which is agreed between the landlord and a new tenant, but may vary from the marketing rent for a number of reasons:-
- **Tenders:** in a bidding situation, applicants may decide a property is more or less valuable to their business than the marketing rent.
 - **Repairs:** it may be agreed between the Estates team and an incoming tenant that the tenant carries out repairs to the fabric or services of the building which would fall under the landlords remit to fund, and that part or all of that cost can be deducted from the rent over a period of time.
 - **Market Forces:** changes in the economy or competing private landlords offering rental incentives can undermine the Estates team ability to secure a letting at the marketing rent. In these cases, the Estates team may need to match the rental incentives being offered in the wider market to secure the letting of a property that may otherwise remain vacant for a considerable period. This has the benefit of securing revenue for the Council, reducing the Council's rates liability and securing employment in East Renfrewshire that may well go elsewhere. However, any such incentives should be signed off by management before they are offered.
 - **Rent Reviews:** These transactions are calculated on the same basis as other rentals with reference to rental evidence in the locality, which is used to determine what the Market Rent would have been if the property was let on the open market at the rent review date. Some older leases or leased-in properties may have a different rent basis.

- 7.1 **Lease Renewals:** These transactions are also reviewed to the Market Rent, based on recent rental evidence in the locality at the date of the renewal. The Council is one of the few landlords that offers highly flexible leases, let on either a monthly, annual or short term basis to tenants. In these short leases, a review date cannot be specified, so leases must be terminated and renewed to allow the rent to be reviewed. Therefore, under the terms of the 1973 Act, the short term leased properties must be considered for rental uplift on a regular basis which would normally be every three or five years depending on the type of property.
- 7.2 **Rental Negotiations:** Tenants often expect the Estates team to consider their individual business or increase rents in line with indices, or some other mechanism. However, The Estates team must consider the 1973 Act what the property could be let for on the open market at the appropriate date. This is also the standard approach to valuing commercial properties and ensures that the Council's rents are in line with private sector rents and that the Estates team achieves the best possible return from its properties.
- 7.3 **Exceptions to Market Value:**
- 7.4 The Estates team will also occasionally lease its properties to charitable organisations on a week to week basis on a £1 if asked rental basis but with tenants responsible for all other costs including Non Domestic rates. Such tenancies are subject to a maximum term of 52 weeks. If the tenant wants to remain in the property thereafter they will need to pay the Market Rent or consider options under a Community Asset Transfer request.
- 7.5 Any properties leased on this basis will be left on the marketing list to try to secure a commercial tenancy. This will include letting boards being retained on the properties and the Estates team will also retain the right to carry out viewings of these properties with prospective tenants. The policy is therefore usually only considered appropriate for properties which have proven difficult to let and charitable tenants may need to be moved out at short notice. However the Estates Team will seek to provide as much notice as is possible to tenants occupying property under this policy.

8. Management of the Commercial Property Portfolio

- 8.1 **Permitted Use:** The Estates team seeks to provide commercial accommodation to a wide range of businesses, however this does not mean that the Council must, or is able to, support all businesses in all localities. Certain types of use can be regarded as a nuisance which can cause difficulty and disruption to other occupiers, and ultimately lead to a drop in the quality of an estate, the rental income and occupancy levels.
- 8.2 The types of uses which cause the greatest difficulty are:
- (i) Vehicle Maintenance - congestion and pollution issues
 - (ii) Haulage and Distribution - congestion and road/landscaping damage issues
 - (iii) Taxi/ Hire Car - congestion

- (iv) Car Wash/Valeting - water and chemical run-off and congestion
- (v) Waste Handling - waste overspill and pollution

8.3 If it is not possible to accommodate these uses without detriment to other tenants the Estates team will refuse to offer a lease to a prospective tenant.

Other problematic uses include:

- (i) Heavy Engineering - heavy equipment, noise, and pollution issues
- (ii) Dirty industrial uses - noise and pollution issues
- (iii) Food processing/Catering - food waste, vermin, blocked drains
- (iv) Hot food takeaways and restaurants – odour nuisance to neighbours
- (v) Construction - construction waste and congestion
- (vi) Licensed off sales and other Licensed uses

The Estates Team will however consider the suitability of these uses for specific locations on a case by case basis and reserves the right to refuse a letting for problematic uses.

9.0 Stage 2: Granting of Leases

- 9.1 The Estates team offers a wide variety of lease terms, depending on prospective tenants' needs or security of tenure, demand for the units or East Renfrewshire Councils future plans for the properties, the majority of which are highly flexible, running on year to year basis.
- 9.2 The Principal Officer, Asset & Property Management has delegated authority as per the Scheme of Delegation agreed by the Council to agree lease terms for East Renfrewshire Council properties in connection with all non-contentious leases.
- 9.3 Tenants entering into short or long term leases are always advised to seek their own legal representation. However, if they choose not to, East Renfrewshire Council is able to offer tenants the standard lease documentation prepared by the Council's Legal Services team.
- 9.4 East Renfrewshire Council charge prospective tenants our properly incurred legal and administration fees.
- 9.5 Any contentious Leases must be put forward to Cabinet for approval and must be referred to Legal Services for drafting. This may also require discussion with the tenant's legal representative and can be a longer, more expensive, process.

10. Lease Terms

- 10.1 Repairs:** As is standard practice for commercial leases, all East Renfrewshire Council leases are granted on the basis that the tenant carries out and pays for all internal and external repairs and repays the East Renfrewshire Council the cost of buildings insurance. This will be made clear in writing to all incoming tenants by East Renfrewshire Council prior to a lease being signed, and is clearly defined in the lease and supporting documents such as the Tenants Handbook. In cases where issues arise shortly after new tenants move in, East Renfrewshire Council may take reasonable action to resolve any initial problems. Where there is a long standing tenant, the full responsibility remains with the tenant.
- 10.2 East Renfrewshire Council retains the right to carry out common repairs in properties which share building elements, such as the roof in a business centre or in a terrace of industrial units. Acting as landlord East Renfrewshire Council can therefore choose to “factor” common repairs and may seek to do this to ensure tenants repairing obligations are enforced. This service will prevent individual businesses having to organise repairs separately and may achieve cost savings through economies of scale. Tenants will however remain responsible for the financial burden of repairs.
- 10.3 This service may be extended at the Estates team’s discretion to include servicing gas appliances within properties, but this may require a separate agreement with individual tenants. Any such costs will be recovered via a service charge on an equitable basis following the guidance provided by the RICS.
- 10.4 **Charges:** When leasing a property, the tenant will agree to take on responsibility for all costs associated with that property: including gas, electrical, water, telephone, internet, contents insurance and non-domestic rates. It is the tenant's responsibility to make the necessary arrangements with these agencies.
- 10.5 **VAT:** East Renfrewshire Council has not currently elected to tax its commercial properties and consequently revenue generated from its portfolio is not subject to VAT. However the Council retains the right to change this position should it require to do so.
- 10.6 **Security of Tenure:** Many East Renfrewshire Council leases are granted on a short term basis. Under Scots Law these leases can continue after the expiry date, unless the Council or the tenant wishes to end the lease. If a tenant requires security of tenure for the continuity of their business, then they should agree a longer lease with East Renfrewshire Council. This generally relates to retail tenancies where the tenant may have a marketable commodity in terms of the goodwill attached to their business and may wish to sell their business and transfer their lease by way of an assignation.

11. Assignation

- 11.1 Tenants on long leases usually have the right to assign or transfer their lease to a third party provided certain criteria are met. As noted in 9.4 this is particularly important to shop tenants who invest significant sums fitting out the shop and building up their businesses and will often seek to recover their investment by selling on their business through an assignation of their lease.

- 11.2 For the same reason, shop tenants who are nearing the end of their leases will often seek to extend their lease. This provides tenants with an asset which can be assigned in the future. East Renfrewshire Council usually supports this practice because it improves the sustainability of local businesses and employment. This investment in East Renfrewshire Council's properties helps to secure long term income generation.
- 11.3 Before East Renfrewshire Council will consider a tenants proposal to assign their lease, the tenant must agree. This can include the following:
- (i) That the outgoing tenant will have met all the lease obligations
 - (ii) Any outstanding payments must be paid before the assignment is concluded. If arrears remain outstanding, the transfer will not be granted and East Renfrewshire Council may need to initiate its debt recovery procedures. This may ultimately lead to the termination of the tenancy if the debt remains outstanding.
 - (iii) The incoming tenant will need to provide satisfactory proof of their ability to meet the financial commitments of the lease. This can be by means of a credit check or bank reference. Alternatively, other forms of documentation such as bank statements and landlord's references may be considered plus a suitable bank reference or credit check shall be sought for each tenant.
 - (iv) East Renfrewshire Council's legal and administration fees must be paid before the settlement of the assignment.

12. Stage Three: Terminations

- 12.1 There are many circumstances in which a tenancy may come to an end. When a lease comes to an end tenants are required to return the premises to the condition in which they were leased accounting for any rent abatements granted for works which the tenant had undertaken to carry out. This process is usually known as completing dilapidations and is discussed further in section 13 below.
- 12.2 East Renfrewshire Council will complete due diligence in such situation to ensure all possible factors are considered before a decision is taken to allow an early termination. This will usually include a financial assessment of a tenants business and often include guidance from the Council's economic development officers and Business Gateway to ensure a tenants circumstances are fully understood.
- 12.3 The reasons why a tenancy could be terminated include:
- (i) Natural Termination date: - All leases will have an intended expiry date. Each tenants and East Renfrewshire Council as landlord will have a right to terminate a tenancy at this date upon service of the notice period noted in the lease. If notice is not served the lease may continue under Scots law for a period of one year or less in the case of month to month leases.

- (ii) Early Termination with landlords consent: - In some circumstance East Renfrewshire Council will be approached by a tenant seeking to terminate their tenancy before the date agreed in the lease. This can happen when tenants find their business is struggling. In each circumstance East Renfrewshire Council's default position is to hold tenants to their contractual date of termination. However Management retain the flexibility to allow a tenant to leave early prevent them falling into an arrears situation. In these circumstances East Renfrewshire Council will usually expect the tenants to complete any dilapidations necessary to the unit.
- (iii) Moving to another East Renfrewshire Council property: - If tenants wish to expand their business and requires moving premises to do so East Renfrewshire Council will try to accommodate their needs and will allow an early termination of a lease for this purpose. East Renfrewshire Council may also allow tenants to downsize if the tenant is not in arrear and they are moving to another Council unit if it will aid their business to do so.
- (iv) Moving to another private property: - In circumstances where tenants are seeking an early termination to move to another private landlord East Renfrewshire Council may allow this if it believes it will be able to re-let the property quickly. In such circumstance it is usual to seek financial recompense for allowing a tenant to lease early.
- (v) Termination due to court action: - In circumstances where a tenant has built up sufficient arrears and is not able to come to a repayment arrangement East Renfrewshire Council can utilise Court Action to evict a tenant. This option is also available to East Renfrewshire Council if tenants are in non-monetary breach of their lease obligations but this is not usually utilised with other legal mechanisms being open for landlords to use.

13. Dilapidations

- 13.1 At the end of a lease, a tenant is required to fully reinstate the property to its original layout and condition as detailed in their lease terms. If the tenant has adapted or changed a property, even though they consider this an improvement, if required by East Renfrewshire Council, it must be fully reinstated to its original condition. As a general rule, East Renfrewshire Council will require this work to be carried out but may, if the alterations support the future leasing of the property, accept the improvements at no additional expense to the tenant, provided that the property is left clean, tidy and in all other respects acceptable.
- 13.2 Outgoing tenants also have an obligation to ensure that any gas appliances have been tested and are safe and that the fixed electrical wiring is safe. East Renfrewshire Council will work with tenants to certify the existing installations at termination. Tenants are also required to provide East Renfrewshire Council with an up to date asbestos register and a note of their utility suppliers.

14. Credit Checks and Financial References & Deposits

- 14.1 In order to comply with money laundering legislation and ensure that the tenant is able to pay the rental, East Renfrewshire Council undertake a series of checks before a tenant is granted a lease. For prospective tenants, these will include:

- (i) **Personal Identification** - tenants are required to produce photographic proof of identification (either a passport, or a birth certificate or driving licence). This also applies to company directors.
- (ii) **Proof of residence** - a copy of residential utility bill or proof of the company's existence.
- (iii) **Proof of the right to work in the UK** - they must demonstrate clearly that they have the right to reside and work in Britain for the period of the lease. This check is not required for limited companies.
- (iv) **Bank Reference or Credit Check:** A suitable bank reference or credit check shall be sought for each tenant.

14.2 It is necessary to establish the prospective tenant's ability to pay, as evidenced by a bank reference or some other form of guarantee. East Renfrewshire Council lets commercial property to support small and start-up businesses. These businesses by definition often find it difficult to provide good financial references and may be unable to secure a lease from a private landlord for that reason. Obtaining references in normal circumstances can be time consuming, and this can delay the letting process.

14.3 East Renfrewshire Council generally accepts references with the wording "good for the purpose of your enquiry", 'respectable and trustworthy' or the lesser 'satisfactory' as good references. However, references which use the terms "cannot comment" or "no information" is regarded as insufficient for our purposes. In these cases, the Estates Team will approach the tenant for some other form of reference. If that is not available, Principal Officer, Asset & Property Management will discuss the matter with the responsible staff member and the debt recovery team and provided that they are satisfied with the merits of the tenant, a lease may still be offered on the basis of a 3 to 6 month advanced rent payment, or in extreme cases a year's rent in advance.

14.4 However, if Management, following discussions with staff is not satisfied with the credit worthiness of the prospective tenant, it may be in East Renfrewshire Council's best interests to refuse to lease property to this tenant.

14.5 Tenants and their associates who have defaulted on rental payments in the past will be required to make good any unpaid rental or other costs incurred by East Renfrewshire Council before a new lease or additional lease is considered.

15. **Payment of Rent**

15.1 East Renfrewshire Council procedure dictates that the keys to a property will not be handed over until a banker's draft or company cheque is handed over for the first payment. In certain circumstances the insistence on a direct debit may be waived.

- 15.2 East Renfrewshire Council's Debt Recovery team will monitor all tenants' payments after leases are completed. East Renfrewshire Council prefers tenants to pay by Direct Debit or standing order and the team will contact every tenant who fails to pay on time.
- 15.3 In circumstances where tenants are paying late but settle the outstanding balance, no further action may be necessary. However the team will be aware of persistently later payers and will monitor these accounts to ensure East Renfrewshire Council's cash flow position is protected. These tenants will be contacted with a view to setting up payment via direct debit.
- 15.4 In circumstances where a tenant is not able to clear an outstanding balance, the Debt Recovery team will seek to come to an arrangement with the tenant to clear the debt over an extended period. East Renfrewshire Council understands that businesses can experience peaks and troughs and East Renfrewshire Council aims to assist tenants through these difficult periods. However, it is important to ensure that tenants are not allowed to exacerbate a debt situation. These debt cases are carefully monitored to ensure that timely action is taken to mitigate losses from bad debt situations.
- 15.5 In cases where debts have accrued over a period of 3 months or more or where arrangements to pay have not been honoured by tenants, it will be necessary to take legal action to recover the property and the outstanding debt. East Renfrewshire Council will handle these cases internally until it is necessary to issue formal notices at which time Council's Legal Services will be instructed to pursue the necessary civil actions via the courts.
- 15.6 East Renfrewshire Council may allow a debt situation to extend for longer than 3 months if there is an agreement with the tenant and East Renfrewshire Council is content that there is a viable business plan to recover the situation. Any such arrangement will be based upon the advice of the Debt Recovery team and /or the Senior Surveyor or Principal Officer; it may also be advantageous to include the advice provided by the Council's economic development officers to help assess a tenant's business situation. the Debt Recovery team will liaise with the Estates team to ensure that debt levels are kept to a minimum.
- 15.7 Tenants may sometimes withhold rent due to disputes regarding lease management issues. East Renfrewshire Council's leases do not allow tenants to do this and while East Renfrewshire Council will try to resolve any tenant disputes, we reserve the right to take whatever action is necessary to resolve debt cases regardless of the tenants rational for not paying their rent.
- 15.8 In future a deposit scheme could be utilised to mitigate losses and bad debts. This would help East Renfrewshire Council to reduce losses associated with the current policy of offering short term leases to more risky start-up businesses. While supporting such businesses is an important aspect of East Renfrewshire Council's business model, the security of a deposit scheme could help insulate East Renfrewshire Council from the small debts which often come from this letting model.

16. Sharing of information

- 16.1 East Renfrewshire Council shares information on new lettings with internal colleagues such as Non Domestic Rates and external bodies such as Renfrewshire Valuation Joint Board and Police Scotland in accordance with the Council's Data Protection policies. Market information is also shared with other property professionals, which is essential to facilitate Estates property transactions. In addition to the above, the Estates team will also notify the appropriate utility providers when a property has been let. The tenant's name along with the property address and the date of entry are passed to the supplier.
- 16.2 The General Data Protection Regulations (GDPR) which came into force in March 2018 altered how the Council utilises tenants' details and personal data and governs the Estates teams' approach to data protection to ensure it complies with GDPR.

17. Complaints

- 17.1 The Estates team utilises the standard Council two stage complaints procedure designed to provide customers with a transparent means of making complaints against The Estates team service delivery and staff.
- 17.2 The policy also provides protection to Estates staff and we recognise that the actions of customers who are angry, demanding or persistent may result in unreasonable demands on time and resources or unacceptable behaviour towards our staff. We will therefore, apply our policies and procedures to protect staff from unacceptable behaviour such as unreasonable persistence, threats or offensive behaviour from customers.
- 17.3 The Estates team will attempt to resolve complaints about service delivery by rectifying any identified service failure. However if the complaint relates to a member of staff or a failure to resolve a service complaint, any such complaint will be noted and answer in line with the agreed procedures.
- 17.4 Complainants also have final right to taken their complaint to the Scottish Public Services Ombudsman if they remain unhappy with any investigations carried out under the policy.

18. Conclusion

- 18.1 This document sets out the policies adopted by East Renfrewshire Council for the management of the Council's commercial property for the purpose of raising revenue and supporting economic activity in East Renfrewshire. It provides clear guidance to staff and elected members but is not intended as an exhaustive list of processes.

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