

NOTE

of

JOINT CONSULTATIVE COMMITTEE (FIRST TIER)

Note of Inquorate Meeting held at 2.00pm in the Council Chamber, Council Headquarters, Giffnock on 16 February 2023.

Present:

Councillor Andrew Anderson
Councillor Tony Buchanan

Councillor Owen O'Donnell

Union Representatives:

Karen Catlow (UNISON)

Des Morris (EIS)

Councillor Owen O'Donnell in the Chair

Attending:

Lorraine McMillan, Chief Executive; Louise Pringle, Director of Business Operations and Partnerships; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Phil Daws, Head of Environment (Strategic Services); Sharon Dick, Head of HR and Corporate Services; Lee McLaughlin, Head of Adult Services – Communities and Wellbeing; Tracy Morton, Education Senior Manager (Developing People); Linda Hutchison, Senior Committee Services Officer; and Liona Allison, Assistant Committee Services Officer.

Apologies:

Maria Brown (GMB); and Steven Larkin (UNISON).

Quorum

In accordance with the Constitution, there being only 2 Trade Union (TU) representatives present, in the absence of a quorum the meeting proceeded on an informal basis.

It was noted that, in view of this, any proposed decisions would require to be ratified at the next formal meeting of the committee.

Introductory Remarks

On behalf of the committee, Councillor O'Donnell requested that condolences be passed to Mr Larkin regarding his recent bereavement.

MINUTE OF PREVIOUS MEETING

1. The committee considered and approved as a correct record the Minute of the meeting held on 15 September 2022.

REVENUE BUDGET 2023/24

2. Under reference to the Minute of meeting of 15 September (Item 2 refers) when an update on the budget had been noted, the Head of Accountancy (Chief Financial Officer) provided an overview of the planning assumptions made in summer 2022 for the revenue budget 2023/24 which had included that a three year budget would be set, a flat cash grant settlement and a Council Tax increase of 3%. It had also been 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 £30m remained for Council services, excluding the IJB and the Trust. Reference was made to departmental saving options of over £33m identified over a period of 3 years on which there had been consultation with the TUs and the public. The limited scope that existed for reserves to be used, and that the figures had been subject to change, dependent on the final settlement received from the Scottish Government and the finalisation of spending pressures, were also referred to.

The Head of Accountancy (Chief Financial Officer) outlined the position on the 2023/24 settlement confirmed by the Scottish Government, clarifying it had been for one year only, and that the total grant expected was £223.066m, which was a cash increase of £9.07m over the previous year equating to 4.2%. It was highlighted that this included £2.8m allocated to the IJB for social care; £1m for early learning centres and free school meals; £0.8m and £2.6m for the 2021/22 and 2022/23 pay awards respectively; and £0.3m for other new Scottish Government initiatives. Across services there had been a net general Grant Aided Expenditure (GAE) increase of £1.8m, and there had also been an increased contribution to the floors arrangement of £0.3m.

Having confirmed that, on a like for like basis, there had been a cash increase of approximately £1.5m, equating to 0.7% compared to 2022/23, the Head of Accountancy (Chief Financial Officer) referred to two conditions that applied to the settlement, these being to maintain teacher numbers, and that the minimum contribution to the IJB required to be a flat cash increase compared to the previous year plus any new additional funding made available. She clarified that the new Non-Domestic Rates revaluation costs had the effect of reducing the like for like cash increase by £1.2m, but reported that the position had been appealed and that it was hoped that there would be a slight improvement regarding this.

Whilst commenting further on the impact of the 2023/24 settlement, she highlighted that departments were facing pressures of almost £13m due to inflation and pay pressure; that other pressures of £0.7m had been identified which included increased demand for services; but more positively that additional Council Tax of £0.7m should be received due to there now being a higher number of properties in the area. Having referred to an unfunded shortfall from 2022/23 due to the use of £5.3m of reserves that year, assuming a 3% increase in Council Tax, the funding gap which required to be filled for 2023/24, taking account of the financial settlement, was £16.737m.

The Head of Accountancy (Chief Financial Officer) outlined options to close the revenue gap which were departmental savings, use of reserves, a Council Tax increase, and use of fiscal flexibilities. As shared with the TUs, options had been identified for departmental savings totalling £4.742m, which were regarded as complex but deliverable, from over £30m considered over a three year period. There was also a need to approve a further £3m for 2024/25 given lead in time required.

Earlier in the financial year, the Council had been forecasting a general reserve of £6.130m at 31 March 2023, which equated to about 2.17% of annual budgeted net revenue expenditure and fell within the recommended range of 2-4%. It was highlighted that the use of reserves was only a short term, one off measure, and explained that a more recent forecast suggested the position could have improved a little.

There were no Scottish Government restrictions on Council Tax increases for 2023/24, although the Council recognised the economic challenges facing residents. It was reported that each 1% Council Tax rise would raise approximately £632k.

Regarding fiscal flexibilities, it was explained that the Scottish Government would allow the Council to account for Private Finance Initiative (PFI) debt over the lifetime of an asset rather than the lifetime of the contract in place. This could possibly generate a £14.8m one-off saving in addition to a recurring £2.7m annual saving.

The Head of Accountancy (Chief Financial Officer) reported that the various budget proposals would be considered by the Council on 1 March, which would allow sufficient time for Council Tax bills to be issued. She added that the outlook for 2024/25 and 2025/26 remained poor due to expected flat cash settlements. It was intended to review the position further in March after the United Kingdom and Scottish Government budgets had been set, which it was hoped would enable a multi-year budget to be set in future.

In terms of the capital budget, the Head of Accountancy (Chief Financial Officer) clarified that the amount remained close to a flat cash settlement. It was highlighted that construction inflation remained high and that substantial borrowing would be required in future to cover planned projects examples of which were cited, with the resulting loan charge increases requiring to be met from future revenue budgets placing further pressures on them.

Ms Catlow expressed gratitude for the information shared with the TUs. Having referred to the scale and impact of the cuts facing the education department, she requested that a commitment be made to no compulsory redundancies. Supporting the comments made, Mr Morris referred to the great concerns held for employees and education service provision, confirming that concerns he and Mr Larkin had expressed to the Budget Strategy Group remained.

Councillor O'Donnell acknowledged the validity of concerns expressed, but confirmed that a commitment to no compulsory redundancies could only be made by the Council and that everything possible would be done to reduce the impact of savings which he stated were as unacceptable to Councils as they were to the TUs. Having referred to the scale of the budget gap faced, he commented that none of the decisions facing the Council were easy or would be taken lightly. He encouraged the TUs to continue to lobby the Scottish Government, adding that he would also be making representations. He stressed that the budgetary position for 2024/25 and 2025/26 looked even more challenging, and that all Council Leaders shared concerns regarding the budgetary position.

The Head of Accountancy (Chief Financial Officer) confirmed that the bulk of savings proposed related to education services which also reflected the scale of that department relative to others. She also confirmed that the IJB and the Trust would be making their own decisions on savings.

The committee noted the position and comments made.

SCOTTISH NEGOTIATING COMMITTEE FOR TEACHERS 2022/23 PAY CLAIM

3. Under reference to the Minute of meeting of 15 September (Item 4 refers) when an update on pay negotiations had been noted, Mr Morris referred to the latest pay offer for teachers which had been rejected. He reported that the next meeting of the Scottish Negotiating Committee for Teachers (SNCT) was scheduled to take place a little later in the month, following which a formal response to the latest pay offer would be given. Whilst referring to forthcoming industrial action, he confirmed that the next national strikes were scheduled to take place on 28 February and 1 March following which further rolling action was planned, the dates of which remained to be confirmed.

Mr Morris expressed the view that the most recent pay offer indicated that additional funds were available, expressing disappointment that the offer had not been higher and hope that the next one made could be recommended for acceptance. He stated that the SNCT's pay claim for 2023/24 was likely to be submitted following its forthcoming meeting.

In response to Councillor Anderson who requested clarification why it had taken 3 months after the previous pay offer to make the most recent one and referred to the impact of industrial action on schools and forthcoming exams, Mr Morris reported that all he could refer to was the timeline for the 5 pay offers made on a 3 monthly basis, not the reasons why that had been the case. He considered the delay in resolving the position completely unreasonable given that the 2022/23 pay increase was due in April 2022. He confirmed when industrial action was planned relative to the forthcoming examination period.

The committee noted the position and comments made.

COUNCIL HEALTH AND SAFETY COMMITTEE

4. The committee considered and noted the Minute of the meeting of the Council's Health and Safety Committee held on 29 November 2022.

DATE OF NEXT MEETING

5. It was noted that the next formal meeting was scheduled to take place on Thursday, 18 May 2023.

CHAIR