

EXECUTIVE COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 26 June 2019

Chair: Councillor John Ross (ex officio)

Councillors Present:

Councillor Alex Allison, Councillor John Anderson, Councillor John Bradley, Councillor Robert Brown, Councillor Jackie Burns, Councillor Stephanie Callaghan (*for Councillor Jim McGuigan*), Councillor Maureen Chalmers (Depute), Councillor Gerry Convery, Councillor Peter Craig, Councillor Fiona Dryburgh, Councillor Joe Fagan, Councillor Allan Falconer, Councillor Alistair Fulton, Councillor Lynsey Hamilton, Councillor Ann Le Blond, Councillor Eileen Logan, Councillor Katy Loudon, Councillor Monique McAdams (*for Councillor Mo Razzaq*), Councillor Kenny McCreary, Councillor Colin McGavigan, Councillor Mark McGeever, Councillor Gladys Miller, Councillor Richard Nelson, Councillor David Shearer, Councillor Josh Wilson

Councillors' Apologies:

Councillor Margaret Cooper, Councillor Joe Lowe, Councillor Jim McGuigan, Councillor Mo Razzaq

Attending:

Chief Executive's Service

L Freeland, Chief Executive

Community and Enterprise Resources

M McGlynn, Executive Director

Education Resources

T McDaid, Executive Director

Finance and Corporate Resources

P Manning, Executive Director; G Bow, Administration Manager; J Burke, Administration Assistant; G McCann, Head of Administration and Legal Services

Housing and Technical Resources

D Lowe, Executive Director

Social Work Resources/Health and Social Care

I Beattie, Head of Health and Social Care (Hamilton and Clydesdale)

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Executive Committee held on 29 May 2019 were submitted for approval as a correct record.

The Committee decided: that the minutes be approved as a correct record.

3 Capital Budget Monitoring 2018/2019 Monitoring for Period 2 – 1 April to 24 May 2019

A report dated 3 June 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the physical and financial progress at 24 May 2019 on the various capital programmes.

The General Fund Capital Programme totalled £80.959 million and the Housing Capital Programme £61.835 million. The General Fund Programme had been revised to reflect a proposed adjustment which was detailed in Appendix 2 to the report.

Following a review of the programme of works, it had been identified that some of the expenditure could not be classed as capital and required to be moved to revenue expenditure and some current revenue expenditure should be reclassified as capital. Taking account of this review and the proposed adjustment, the revised Capital Programme totalled £78.349 million.

At 24 May 2019, £3.295 million had been spent on the General Fund Capital Programme.

The Housing Capital Programme totalled £61.835 million and, at 24 May 2019, £3.497 million had been spent.

The Committee decided:

- (1) that the position of the various Capital Programmes for 2019/2020, as detailed in the report, be noted; and
- (2) that the proposed adjustment to the General Fund Programme, attached as Appendix 2 to the report, be approved.

[Reference: Minutes of 29 May 2019 (Paragraph 4)]

4 Revenue Budget Monitoring for Period 2 – 1 April to 24 May 2019

A report dated 3 June 2019 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period ending 24 May 2019.

The figures included an underspend of £7.040 million on the General Fund Revenue Account and a breakeven position on the Housing Revenue Account.

The main factors contributing to the underspend on the General Fund Revenue Account were detailed in the report.

Additional information was provided on:-

- ◆ loan charges
- ◆ corporate items
- ◆ Education Resources and Pupil Equity Funding
- ◆ transfers to and from Capital
- ◆ additional General Revenue Grant
- ◆ other funding

Since setting the budget for 2019/2020, the Council had continued to review its loan charging strategy and in doing so had identified a principal repayment on debt that was due to be repaid in 2019/2020, totalling £5.800 million. It was proposed that the Council did not repay this amount in 2019/2020 and that the repayment be phased over a longer period. This would result in a one-off benefit of £5.500 million, with an additional cost of £0.300 million for future years which could be accommodated in the Budget Strategy.

In addition, it was forecast that there would be a further £1.000 million underspend in 2019/2020 as a consequence of low interest rates, resulting in a total underspend in loan charges of £6.500 million. It was proposed that this amount be transferred to Reserves at the end of 2019/2020 to support the 2020/2021 Budget Strategy.

The Committee decided:

- (1) that the underspend on the General Fund Revenue Account at 24 May 2019 and the forecast to 31 March 2020 be noted;
- (2) that the breakeven position on the Housing Revenue Account at 24 May 2019 and forecast to 31 March 2020 of a breakeven position be noted; and
- (3) that the proposals to deal with loan charges repayments, as detailed in the report, be approved.

5 Additional Funding from the Scottish Government and Other External Sources

A report dated 3 June 2019 by the Executive Director (Finance and Corporate Resources) was submitted on additional revenue funding totalling £2.885 million and additional capital funding totalling £2.103 million made available from the Scottish Government and other external sources. The funding was allocated as follows:-

Revenue Funding

Resource	2019/2020 (£m)
Education	1.964
Finance and Corporate	0.050
Social Work	0.871
Total	2.885

Capital Funding

Resource

Community and Enterprise	2.103
Total	2.103

The Committee decided: that the report be noted

6 Revenue Budget Monitoring Final Outturn and Annual Report and Accounts – 2018/2019

A report dated 3 June 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the:-

- ◆ 2018/2019 year-end position on the General Fund and Housing Revenue Accounts
- ◆ revenue budget performance of each Resource in 2018/2019
- ◆ outturn position of the Annual Accounts (Expenditure and Funding Analysis Statement), including a reconciliation with the revenue budget performance for 2018/2019
- ◆ Council's unaudited Annual and Charitable Accounts 2018/2019
- ◆ publication arrangements for the unaudited Annual Accounts

Details were provided on the following key areas:-

- ◆ an executive summary of the 2018/2019 outturn position
- ◆ the General Services year-end monitoring position for 2018/2019

- ◆ a summary of the year-end Reserves position
- ◆ the year-end position on the Housing Revenue Account
- ◆ an update on the Annual Accounts, including details of publication arrangements for the unaudited Accounts
- ◆ the reconciliation of the year-end monitoring position for 2018/2019
- ◆ details of those Charitable Accounts which the Council administered

The final outturn position in 2018/2019 for the General Services Revenue Account, after all transfers to Reserves, was an underspend of £1.298 million.

As part of the year end position, it was proposed that a further transfer to Reserves of £5.739 million be made, taking the total transfer to Reserves of £21.129 million. The transfer of £5.739 million included transfers from Resources, other corporate items and a specific underspend in loan charges totalling £2.841 million.

In line with a change in guidance provided by Audit Scotland, the Council had reprofiled its principal debt repayments for 2018/2019 in relation to schools, generating an additional underspend of £2.841 million. As this was a change to the arrangements contained in the Treasury Management Strategy, there was a requirement for this Committee to endorse this approach and refer the matter for approval to the Council as it had approved the Treasury Management Strategy.

The Housing Revenue Account showed a deficit for the year 2018/2019 of £2.613 million which was funded from a transfer from the Housing Revenue Account Reserve. Following the transfer, the position on the Housing Revenue Account was breakeven. When added to the accumulated surplus from 2017/2018, there remained an overall surplus of £9.011 million to be carried forward to 2019/2020 to meet commitments in future years' Business Plans.

In line with previous years, the full unaudited Accounts would be available for public inspection in the Council offices between 28 June and 19 July 2019 and would also be made available on the Council's website from 28 June 2019 until the audited Accounts were published. Elected members had been provided with a copy of both the Council's unaudited Accounts and the unaudited Charitable Accounts for 2018/2019 prior to the meeting.

The Committee decided:

- (1) that the outturn position of the General Fund Revenue Account for 2018/2019 be noted;
- (2) that the additional transfer to Reserves from Resources and corporate items totalling £5.739 million be approved;
- (3) that the change to the Treasury Management Strategy to reflect the method of debt repayment be endorsed and referred to the Council for formal approval;
- (4) that the final outturn position of the General Services Revenue Account for 2018/2019 of an underspend of £1.298 million and the transfer of the underspend to the Uncommitted General Fund be noted;
- (5) that the position of the Housing Revenue Account, including the transfer from Reserves of £2.613 million, be noted; and
- (6) that the publication arrangements for the unaudited Annual and Charitable Accounts for 2018/2019, as detailed in the report, be noted.

[Reference: Minutes of 1 May 2019 (Paragraph 4)]

7 2020/2021 Strategy and Savings Requirement

A report dated 30 May 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the:-

- ◆ principles and assumptions which had been adopted to construct the Revenue Budget Strategy for 2020/2021
- ◆ savings requirement for 2020/2021

Details were provided on:-

- ◆ government grant estimations
- ◆ other budget movements
- ◆ corporate solutions for consideration
- ◆ the level of savings requirement
- ◆ next steps in considering the 2020/2021 revenue budget
- ◆ the reinstatement of temporary solutions

An increase of 3% in Council Tax could reduce the amount of savings required by £3.900 million to £11.651 million. Following receipt of the final Government Grant for 2020/2021, a final decision on the level of Council Tax would be taken.

The budget strategy for 2020/2021 included the use of capital receipts of £5.000 million, Reserves of £5.000 million and other temporary solutions which would add to the savings requirement for 2021/2022. Given the impact that this would have in 2021/2022, the level of temporary solutions used in 2020/2021 would be considered again when the level of Government Grant was known.

A number of corporate solutions used to reduce the savings requirement in 2020/2021 were one-off benefits and would add to the savings requirement for future years. Details of those corporate solutions across future years were provided in the report.

The Committee decided:

- (1) that the Revenue Budget Strategy for 2020/2021, as detailed in the report, be approved;
- (2) that officers be authorised to develop savings proposals to the value £11.651 million and submit them to a future meeting for approval; and
- (3) that the summary, next steps and the potential impact of the reinstatement of temporary solutions on future years' savings requirements be noted.

[Reference: Minutes of 27 June 2019 (Paragraph 9)]

8 East Kilbride Town Centre/Civic Centre – Masterplan

A joint report dated 24 May 2019 by the Executive Directors (Community and Enterprise Resources), (Finance and Corporate Resources), (Education Resources) and (Housing and Technical Resources) was submitted on:-

- ◆ the preparation of a masterplan for the Civic Centre site in East Kilbride
- ◆ the potential lease of accommodation within East Kilbride town centre for a new nursery

Council officers had been in discussion with the East Kilbride town centre owners for a period of time on how the Council might develop initiatives based on the town centre first principle and the scope for the public sector to contribute to those initiatives.

There were a number of drivers that, when taken together, meant that the timing was right to consider the scope for the Council and the town centre owner to work together to re-assess wider plans for both the town centre and the Civic Centre. Details of the main drivers for developing a masterplan for the town centre and the Civic Centre were provided. The masterplan would explore and develop the following areas:-

- ◆ an assessment of the uses in and around the Civic Centre, the utilisation of the space and whether those and other public sector uses could be located in the town centre or elsewhere
- ◆ building fabric and economic life of the Civic Centre
- ◆ financial viability/model for relocation uses
- ◆ redevelopment potential of the Civic Centre site, economic benefits and financial return
- ◆ timescales and phasing

In order to meet the additional accommodation requirements in relation to the provision of 1,140 Hours Early Learning and Childcare by August 2020, the provision of a new nursery in the Civic Centre had been approved and designs for this facility were at an advanced stage.

In view of the potential masterplanning exercise, a feasibility study had been carried out to consider the implications of relocating the nursery project from the Civic Centre to the East Kilbride town centre. The relocation of the nursery was consistent with the town centre first principle and would bring public investment to the town centre and would increase footfall. For nursery users, it was considered that there would be improved parking and public transport and access to the town centre that would support joint trips to the commercial benefit of the town centre.

The outcome of the feasibility study was that the nursery requirements could be accommodated within the town centre and that the following 2 key criteria could be met:-

- ◆ the project could be delivered by August 2020
- ◆ the project would be completed within the approved budget of £2.600 million

The Committee decided:

- (1) that the Executive Directors (Community and Enterprise Resources) and (Housing and Technical Resources) be authorised to prepare a masterplan for the Civic Centre site in East Kilbride including carrying out an assessment, in liaison with the town centre owner, of the options within the town centre that might be suitable to accommodate public sector uses;
- (2) that the Executive Director (Housing and Technical Resources), in consultation with the Executive Directors (Education Resources) and (Finance and Corporate Resources), be authorised to negotiate the provision of a nursery within East Kilbride Town Centre provided that the proposal was deliverable by August 2020 and within the existing capital budget associated with adapting the Civic Centre for that use; and
- (3) that the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services, if appropriate, be authorised to conclude all matters in respect of the grant of lease for the nursery facility and to enter into the necessary legal agreements on terms which were in the best interests of the Council.

9 Land and Property Transfers and Disposals

A report dated 26 June 2019 by the Executive Director (Housing and Technical Resources) was submitted on recommendations to declare certain areas of land surplus to operational requirements.

The recommendations had been made in terms of agreed procedures for dealing with surplus land and property.

The Committee decided: that the transfer of the land, detailed in Appendix A to the report, from Community and Enterprise Resources to Education Resources, be approved.

10 Sustainable Development and Climate Change Strategy Update – Quarter 4 2018/2019

A report dated 3 June 2019 by the Executive Director (Community and Enterprise Resources) was submitted providing an update on the status of the Sustainable Development Strategy for Quarter 4 of 2018/2019.

The Council's Sustainable Development Strategy (SDS) covered a 5 year period from 2017 to 2022. Delivery of actions within the SDS provided the main focus for sustainable development activity over the period and enabled the Council to fulfil its duties under the Local Government (Scotland) Act 2009 and other associated environmental legislation.

The SDS action plan contained 31 actions which were sub-divided into 50 defined measures that provided the current status for each action. Those measures were rated using a traffic light system of green, amber or red. Of the 50 measures within the SDS:-

- ◆ 44 had been achieved or were on course to be achieved (green)
- ◆ 1 had seen some minor slippage against targets (amber)
- ◆ 0 had seen major slippage against timescale or major shortfall against target (red)
- ◆ 5 would be reported later when data was available

A number of highlights from 2018/2019 were detailed in the report.

The Committee decided: that the report be noted.

[Reference: Minutes of 8 February 2017 (Paragraph 15)]

11 Urgent Business

There were no items of urgent business.