

# FINANCE AND CORPORATE RESOURCES COMMITTEE

Minutes of meeting held in the Council Chamber, Council Offices, Almada Street, Hamilton on 11 December 2019

## **Chair:**

Councillor Gladys Miller

## **Councillors Present:**

Councillor Alex Allison, Councillor John Anderson, Councillor Graeme Campbell, Councillor Peter Craig, Councillor Maureen Devlin, Councillor Mary Donnelly (*substitute for Councillor Graeme Horne*), Councillor Isobel Dorman, Councillor Joe Fagan, Councillor Grant Ferguson, Councillor Eric Holford, Councillor Eileen Logan, Councillor Joe Lowe, Councillor Catherine McClymont, Councillor Mark McGeever, Councillor Davie McLachlan (*substitute for Councillor Monique McAdams*), Councillor Lynne Nailon, Councillor Mo Razzaq, Councillor Collette Stevenson (Depute), Councillor Jim Wardhaugh, Councillor Jared Wark

## **Councillors' Apologies:**

Councillor Walter Brogan, Councillor Geri Gray, Councillor Graeme Horne (Depute), Councillor Hugh Macdonald, Councillor Monique McAdams, Councillor Jim McGuigan, Councillor John Ross (ex officio)

## **Attending:**

### **Finance and Corporate Resources**

P Manning, Executive Director; C Fergusson, Head of Finance (Transactions); T Little, Head of Communications and Strategy; G McCann, Head of Administration and Legal Services; S McLeod, Administration Officer; K McVeigh, Head of Personnel Services; J Taylor, Head of Finance (Strategy)

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## **1 Declaration of Interests**

No interests were declared.

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## **2 Minutes of Previous Meeting**

The minutes of the meeting of the Finance and Corporate Resources Committee held on 2 October 2019 were submitted for approval as a correct record.

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

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## **3 Minutes of Appeals Panel**

The minutes of the meetings of the Appeals Panel held on 22 October and 7 November 2019 were submitted for approval as a correct record.

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

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## **4 Minutes of Grievance and Disputes Panel**

The minutes of the meeting of the Grievance and Disputes Panel held on 30 October 2019 were submitted for approval as a correct record.

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

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## **5 Revenue Budget Monitoring 2019/2020 – Finance and Corporate Resources**

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A report dated 13 November 2019 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure for the period 1 April to 11 October 2019 against budgeted expenditure for 2019/2020 for Finance and Corporate Resources.

**The Committee decided:**

- (1) that the breakeven position on Finance and Corporate Resources' revenue budget, as detailed in Appendix A to the report, be noted;
- (2) that the forecast to 31 March 2020 of a breakeven position be noted; and
- (3) that the budget virements, as detailed in the appendices to the report, be approved.

*[Reference: Minutes of 2 October 2019 (Paragraph 5)]*

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## **6 Capital Budget Monitoring 2019/2020 – Finance and Corporate Resources**

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A report dated 21 November 2019 by the Executive Director (Finance and Corporate Resources) was submitted advising of progress on Finance and Corporate Resources' capital programme for 2019/2020 and summarising the expenditure position at 11 October 2019.

**The Committee decided:** that Finance and Corporate Resources' capital programme of £0.993 million, and expenditure to 11 October 2019 of £0.232 million, be noted.

*[Reference: Minutes of 2 October 2019 (Paragraph 6)]*

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## **7 Finance and Corporate Resources – Workforce Monitoring – August and September 2019**

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A report dated 1 November 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the following employee information for Finance and Corporate Resources for the period August and September 2019:-

- ♦ attendance statistics
- ♦ occupational health statistics
- ♦ accident/incident statistics
- ♦ disciplinary hearings, grievances and Dignity at Work cases
- ♦ analysis of leavers and exit interviews
- ♦ Staffing Watch as at 14 September 2019

**The Committee decided:** that the report be noted.

*[Reference: Minutes of 2 October 2019 (Paragraph 7)]*

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## **8 Council-wide Workforce Monitoring – August and September 2019**

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A report dated 1 November 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the following Council-wide employee information for the period August and September 2019:-

- ◆ attendance statistics
- ◆ occupational health statistics
- ◆ accident/incident statistics
- ◆ disciplinary hearings, grievances and Dignity at Work cases
- ◆ analysis of leavers and exit interviews
- ◆ recruitment monitoring
- ◆ Staffing Watch as at 14 September 2019

**The Committee decided:** that the report be noted.

*[Reference: Minutes of 2 October 2019 (Paragraph 8)]*

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## **9 Treasury Management Activity – Second Quarter Review**

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A report dated 4 November 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the second quarter review of Treasury Management activity for 2019/2020.

Details were given on:-

- |  |                                  |
|--|----------------------------------|
| ◆ market performance                     | ◆ management of risk             |
| ◆ debt management and borrowing strategy | ◆ next quarter investment plans  |
| ◆ investment activity                    | ◆ treasury management indicators |

**The Committee decided:** that the report be noted.

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## **10 Finance and Corporate Resource Plan Quarter 2 Progress Report 2019/2020**

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A report dated 28 October 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the Finance and Corporate Resource Plan for 2019/2020. Details were provided on progress made at the end of quarter 2, covering the period 1 April to 30 September 2019, in implementing the priority projects identified in the Resource Plan.

**The Committee decided:** that the report be noted.

*[Reference: Minutes of the Executive Committee of 28 August 2019 (Paragraph 12)]*

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## **11 Revenue Collection and Approval for Write Offs**

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A report dated 15 November 2019 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ collection performance for 2019/2020 on revenues income which comprised Council Tax, non-domestic rates, sundry debts and arrears
- ◆ performance in the Business Rates Incentivisation Scheme (BRIS)
- ◆ the write-off of irrecoverable Council Tax, non-domestic rates, Hamilton and Carlisle Town Centre Business Improvement District (BID) levies, sundry debt and Housing Rent and associated charges

It was proposed that the following debts be written off:-

- ◆ irrecoverable Council Tax accounts from 1993/1994 to 2019/2020 to the value of £442,299.22 relating primarily to prescribed debt, sequestrations and estates of the deceased
- ◆ non-domestic rates from 2017/2018 to 2019/2020 totalling £592,688.65 relating to debtors who were in liquidation, had ceased trading or had been sequestrated
- ◆ BID levies totalling £3,910.13
- ◆ sundry debts to a value of £305,926.66
- ◆ former tenant rent arrears totalling £114,561.16, factoring arrears totalling £1,939.40 and Housing Benefit overpayments totalling £64,126.34

**The Committee decided:**

(1) that the Council's performance in the collection of revenues be noted; and

(2) that the write-off of the following irrecoverable debts be approved:-

- ◆ Council Tax debt from 1993/1994 to 2019/2020 to the value of £442,299.22
- ◆ non-domestic rates from 2017/2018 to 2019/2020 totalling £592,688.65
- ◆ Hamilton and Carlisle Town Centre Business Improvement District levies totalling £3,910.13
- ◆ sundry debts to a value of £305,926.66
- ◆ house rent and associated charges totalling £180,626.90

*[Reference: Minutes of 2 October 2019 (Paragraph 9)]*

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## **12 South Lanarkshire Community Planning Partnership Community Participation and Engagement – Additional Post**

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A report dated 5 November 2019 by the Executive Director (Finance and Corporate Resources) was submitted requesting approval of the establishment of a fixed term Community Development Officer post.

At its meeting on 7 August 2019, this Committee had approved the revised Community Engagement Team structure. It was now proposed to establish an additional post within the Team to ensure consistency of approach in delivering the priorities of the Community Planning Partnership (CPP) Board and to address the recommendations of the recent Best Value Assurance Report (BVAR) in terms of Community Engagement, links with Thematic Groups and the development of Locality Plans (known as Neighbourhood Plans).

It was proposed that the post of 1 full time equivalent (FTE) Community Development Officer on, Grade 3, Level 2-4 (£32,027 to £37,647) be added to the Finance and Corporate Resources' establishment for a fixed term period of 12 months, effective from 1 April 2020.

The associated salary and on-costs would be met from the CPP budget.

### **The Committee decided:**

- (1) that the addition of 1 full time equivalent (FTE) Community Development Officer post on Grade 3, Level 2-4 (£32,027 to £37,647) to the Finance and Corporate Resources' establishment, within the Community Engagement Team, for a fixed term period of 12 months, effective from 1 April 2020, be approved; and
- (2) that it be noted that the fixed term Community Development Officer post would be funded by the Community Planning Partnership (CPP).

*[Reference: Minutes of 7 August 2019 (Paragraph 15)]*

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## **13 Common Good – Update**

A report dated 8 November 2019 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ the Common Good final accounts for the year ended 31 March 2019
- ◆ the cyclical spend committed against the Common Good repairs and maintenance budgets for both Lanark and Hamilton
- ◆ projects committed from the Common Good budgets for both Lanark and Hamilton
- ◆ public consultations relating to Common Good properties

The Common Good funds held within South Lanarkshire Council were Lanark, Biggar, Hamilton and Rutherglen. The Common Good accounts for 2018/2019 were detailed in Appendix 1 to the report and showed that, as at the end of 2018/2019, the Common Good balance invested in the Council's Loans Fund was £0.766 million. This was the amount of cash held by the Council that was readily available to meet required expenditure.

The Common Good accounts in Lanark and Hamilton held a number of properties. An active approach to maintenance supported the viability of those assets and reduced the Council's risk to greater liability in the future. At its meeting on 2 October 2013, this Committee had approved an annual cyclical maintenance plan of £15,000 for both Lanark and Hamilton Common Good properties.

Details of current expenditure and commitments in relation to the Lanark and Hamilton Common Good repairs and maintenance budgets for 2019/2020 and projects committed outwith the repairs and maintenance budgets for Lanark and Hamilton Common Good funds were provided in the report.

Section 102 of the Community Empowerment (Scotland) Act 2015 required each local authority to establish and maintain a register of property which was held by the authority as part of the common good.

Before establishing a Common Good register, each local authority was required to publish a list of property that it proposed to include in its register. South Lanarkshire Council had produced a proposed Common Good register and had issued a consultation to members of this Committee and local elected members, Community Councils and community groups within Hamilton and Lanark, inviting them to make representations in respect of the proposed register. The closing date for responses to the consultation was 31 January 2020 and an update on this process would be submitted to a future meeting of this Committee.

On 20 August 2019, consultations had been issued on new lease arrangements in respect of the following Common Good assets:-

- ◆ Equestrian Centre, Lanark Racecourse, Hyndford Road, Lanark
- ◆ Moorpark Stadium, Hyndford Road, Lanark
- ◆ Gateway Site, Palace Grounds Road, Hamilton

The consultation period had since closed and no objections had been received regarding the new lease arrangements.

**The Committee decided:**

- (1) that the accounts for Common Good for the year ended 31 March 2019 be noted;
- (2) that the cyclical spend committed against the Common Good repairs and maintenance budgets for Lanark and Hamilton be noted;
- (3) that the projects committed outwith the repairs and maintenance budgets for Lanark and Hamilton Common Good funds be noted; and
- (4) that details of consultations relating to the Common Good be noted.

*[Reference: Minutes of 20 February 2019 (Paragraph 11)]*

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## **14 Community Benefits**

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A report dated 15 November 2019 by the Executive Director (Finance and Corporate Resources) was submitted on developments to ensure that the Council maximised community benefit opportunities through procurement.

The Procurement Reform (Scotland) Act 2014 required councils to consider imposing community benefits in all contracts awarded in excess of £4 million and publish a summary of community benefits in their Annual Procurement Reports.

The Council's Annual Procurement Report for 2018/2019, submitted to this Committee at its meeting on 7 August 2019, reported on the achievement of community benefits, the majority of which were derived from national or local frameworks, with others derived through the use of bespoke contract clauses.

There were currently a number of community benefit arrangements in place across the Council's contractual arrangements and those were detailed in the report. Whilst the Council had a good track record in securing community benefits, further consideration had been given on how:-

- ◆ specific community benefits were initially identified
- ◆ opportunities from procurement activity could be maximised
- ◆ the tendering process and monitoring arrangements could deliver improved results

As a result, it had been recognised that the main sources of identifying community benefits required from procurement activity related to:-

- ◆ community planning, which would focus on:-
  - ◆ community priorities identified through the Neighbourhood Planning process in the Council's most deprived areas
  - ◆ priorities within South Lanarkshire's Community Plan, with the potential to support projects and activity across the Council area

- ◆ employability benefits, including opportunities for modern apprenticeships, work experience and targeted training and employment opportunities, primarily focused on under-represented groups and disadvantaged communities
- ◆ Council services

The Procurement Team would work together with Resources, the Employability Team and the Community Participation and Empowerment Team (CPET) to identify and prioritise opportunities for community benefits through regular reviews of the Procurement 2 Year Wave Plan which outlined future activity.

Community benefit options identified from the review would then be matched to future contracts, enabling a stronger alignment of the community benefits' process to community planning and the overarching objective to tackle poverty and inequality.

In terms of the types of community benefits offered, the Council could either specify particular benefits required from a contract, allow the bidder discretion on the benefits offered, or opt for a combination of both.

To ensure that the level of community benefits obtained from procurement activity was proportionate to the contract, a points system would be adopted based on the value and duration of the contract.

A menu of community benefits had been developed, which included training and employment opportunities, poverty initiatives, use of local small and medium enterprises (SMEs) and social enterprises, with each type of community benefit allocated a number of points that would be assigned to an appropriate contract based on the overall points determined by its value and duration.

Community benefit bids would be scored, based on a minimum weighting of 10% in the quality bid of the tender, an increase from the current minimum weighting of 5%, to help highlight the significance of community benefits in tendering activity and incentivise bidder behaviour.

In order to extend the potential benefits sought through the community benefit procurement process, it was intended to request community benefits for all regulated tenders (in excess of £50,000 for services/supplies and £2 million for works).

In addition, the Council would implement the 'Cenefits' community benefit monitoring tool, expected to be operational from April 2020, which would provide a number of improvements in terms of monitoring, recording and reporting capability across all contracts.

Annual Procurement Reports, which summarised the community benefits delivered from contracts awarded, would continue as the means of reporting community benefits to this Committee.

#### **The Committee decided:**

- (1) that it be noted that community benefits were sought in all regulated tender activity (in excess of £50,000 for services/supplies and £2 million for works);
- (2) that the process to be used in identifying required community benefits and the changes to procurement activity to support delivery be noted;
- (3) that the intention to implement the 'Cenefits' system to monitor and record community benefits obtained through procurement be noted; and

- (4) that it be noted that the reporting of community benefits would continue to be submitted to this Committee as part of the Annual Procurement Report.

*[Reference: Minutes of 7 August 2019 (Paragraph 17)]*

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## **15 Notification of Contracts Awarded**

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A report dated 29 October 2019 by the Executive Director (Finance and Corporate Resources) was submitted on contracts awarded by Finance and Corporate Resources during the period 1 April 2019 to 30 September 2019.

In terms of Standing Order No 21.8 of the Standing Orders on Contracts, Resources were required to notify the relevant Committee of contracts awarded. Details of the contracts awarded by Finance and Corporate Resources were provided in the appendix to the report.

**The Committee decided:** that the report be noted.

*[Reference: Minutes of 8 May 2019 (Paragraph 10)]*

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## **16 Finance and Corporate Resources' Risk Register and Risk Control Plan - Update**

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A report dated 11 November 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the Risk Register and Risk Control actions for Finance and Corporate Resources.

The risks were scored in accordance with the Council's scoring mechanism which scored risks based on likelihood and impact of risk. This had resulted in risks being scored between 1 to 9 (low to high). Risks were scored on their inherent risk (risk if nothing was done) and their residual risk (risk after applying controls).

The Risk Register would be monitored and updated on an ongoing basis to allow new risks to be added and for the control measures and scores of the existing risks to be reviewed.

Details of the top risks (scored 7 to 9) for the Resource were detailed in the appendix to the report and table one within the report demonstrated that the risk exposure within the Resource was in line with acceptable tolerance.

There were no risk control actions due for completion between April and September 2019, 19 were due for completion during the remainder of 2019/2020 and 2 in 2020/2021. Outstanding actions to mitigate the risks would be progressed by relevant officers.

Within Finance and Corporate Resources, 3 partnerships had been identified, of which the Community Planning Partnership (CPP) had been assessed as high risk and the remaining 2 partnerships had been assessed as low risk.

Appropriate risk management arrangements were in place for the CPP. The Partnership's Risk Register would be reviewed and updated by the end of March 2020 and the outcome would be reported to the CPP Board.

A review of claims carried out for the period 1 April 2014 to 31 December 2016 identified that there were no hotspot areas for Finance and Corporate Resources. A review of up-to-date claims data would be undertaken during 2019/2020 to identify any new claims' trends or hotspot areas.

**The Committee decided:**

- (1) that the contents of the Finance and Corporate Resources' Risk Register be noted; and
- (2) that it be noted that the outstanding risk control actions would be progressed by relevant officers.

*[Reference: Minutes of 20 February 2019 (Paragraph 12)]*

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**17 Early Retirement, Voluntary Severance and Switch 2**

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A report dated 19 November 2019 by the Executive Director (Finance and Corporate Resources) was submitted on early retirements, voluntary severances, re-employment of early retirees and the Switch 2 programme for the period 1 April to 30 September 2019.

**The Committee decided:** that the report be noted.

*[Reference: Minutes of 8 May 2019 (Paragraph 11)]*

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**18 Urgent Business**

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There were no items of urgent business.

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**Chair's Closing Remarks**

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The Chair extended the compliments of the season to all members and officials present.