

FINANCE AND CORPORATE RESOURCES COMMITTEE

Minutes of meeting held via Microsoft Teams and in Committee Room 1, Council Offices, Almada Street, Hamilton on 19 August 2020

Chair:

Councillor Gladys Miller

Councillors Present:

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

Councillors' Apologies:

Councillor Joe Lowe, Councillor Jim McGuigan, Councillor John Ross

Attending:

Finance and Corporate Resources

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

1 Declaration of Interests

No interests were declared.

2 Previous Meeting

The Committee decided:	that the delegated decisions taken by the Chief Executive, in consultation with Group Leaders, in relation to the previous agenda of 13 May 2020, be noted as a correct record.
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3 Minutes of Appeal Panel

The Committee decided:	that the minutes of the meeting of the Appeals Panel of 4 August 2020 be approved as a correct record.
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4 Revenue Budget Monitoring 2019/2020 – Finance and Corporate Resources

A report dated 8 July 2020 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure for the period 1 April 2019 to 31 March 2020 against budgeted expenditure for 2019/2020 for Finance and Corporate Resources.

As at 31 March 2020, there was an overspend of £0.099 million. This was the position before transfer to reserves. The Resource position as at 31 March 2020, after approved transfers to reserves had been taken into account, was an overspend of £0.110 million.

The overspend related to lower than anticipated staff turnover costs across the Resource, a reduction of income from print room work and the renewal of licences. This was partially offset by the year end position in relation to Housing Benefit, the actual cost of the Employability programmes during the year and spend in relation to the provision of sanitary products in public places.

At its meeting on 24 June 2020, the Executive Committee approved a transfer of £0.011 million to reserves to meet commitments in relation to the implementation of the British Sign Language (Scotland) Bill in 2020/2021.

Details of expenditure incurred by the Resource in relation to COVID-19 were provided in Appendix I of the report.

The Committee decided: that Finance and Corporate Resources' final outturn position as at 31 March 2020 of an overspend of £0.099 million before transfer to reserves, and £0.110 million after transfer to reserves, as detailed in Appendix A to the report, be noted.

[Reference: Note of 20 May 2020 (Paragraph 4) and Minutes of Executive Committee of 24 June 2020 (Paragraph 3)]

5 Capital Budget Monitoring 2019/2020 – Finance and Corporate Resources

A report dated 30 July 2020 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 31 March 2020.

The implications of COVID-19, including the closure of construction sites in advance of the financial year-end, had an impact on the level of capital spend which had been achieved in 2019/2020 and would continue to impact on the 2020/2021 capital programme.

The Committee decided: that Finance and Corporate Resources' capital programme of £0.993 million, and expenditure to 31 March 2020 of £0.780 million, be noted.

[Reference: Note of 20 May 2020 (Paragraph 5)]

6 Revenue Budget Monitoring 2020/2021 – Finance and Corporate Resources

A report dated 29 June 2020 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure for the period 1 April to 19 June 2020 against budgeted expenditure for 2020/2021 for Finance and Corporate Resources.

The Committee decided:

- (1) that the overspend of £0.431 million, as detailed in Appendix A of the report, be noted;
- (2) that the forecast to 31 March 2021 of a breakeven position be noted; and
- (3) that the budget virements, as detailed in the appendices to the report, be approved.

7 Capital Budget Monitoring 2020/2021 – Finance and Corporate Resources

A report dated 30 July 2020 by the Executive Director (Finance and Corporate Resources) was submitted advising of progress on Finance and Corporate Resources' capital programme for 2020/2021 and summarising the expenditure position at 19 June 2020.

The progress in delivery of the capital programme had been affected by the lockdown due to COVID-19. The ongoing implications of this, including the closure of construction sites in advance of the financial year end, had an impact on the level of capital spend achieved in 2019/2020 and would continue to impact on the 2020/2021 capital programme.

The Committee decided: that Finance and Corporate Resources' capital programme of £5.249 million, and expenditure to 31 March 2020 of £0.073 million, be noted.

[Reference: Note of South Lanarkshire Council of 25 March 2020 (Paragraph 2) and minutes of the Executive Committee of 24 June 2020 (Paragraph 4)]

8 Finance and Corporate Resources – Workforce Monitoring – April to June 2020

A report dated 14 July 2020 by the Executive Director (Finance and Corporate Resources) was submitted on the following employee information for Finance and Corporate Resources for the period April to June 2020:-

- ◆ attendance statistics
- ◆ occupational health statistics
- ◆ accident/incident statistics
- ◆ disciplinary hearings, grievances and Dignity at Work cases
- ◆ analysis of leavers and exit interviews

The Committee decided: that the report be noted.

[Reference: Note of 20 May 2020 (Paragraph 6)]

9 Council-wide Workforce Monitoring – April to June 2020

A report dated 14 July 2020 by the Executive Director (Finance and Corporate Resources) was submitted on the following Council-wide employee information for the period April to June 2020:-

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

The Head of Personnel Services responded to members' questions on various aspects of the report.

Following discussion in relation to the recruitment of applicants of a black/ethnic minority background, the Executive Director (Finance and Corporate Resources) advised that significant work was ongoing in relation to this and gave a commitment to provide an update to the next meeting of this Committee.

The Committee decided: that the report be noted.

[Reference: Note of 20 May 2020 (Paragraph 7)]

10 Treasury Management Activity – First Quarter Review

A report dated 30 June 2020 by the Executive Director (Finance and Corporate Resources) was submitted on the first quarter review of Treasury Management activity for 2020/2021.

Details were given on:-

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|--|----------------------------------|
| ◆ 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.

[Reference: Note of South Lanarkshire Council (Special) of 25 March 2020 (Paragraph 3)]

11 Finance and Corporate Resource Plan 2020/2021

A report dated 10 August 2020 by the Executive Director (Finance and Corporate Resources) was submitted on the Finance and Corporate Resource Plan for 2020/2021.

Details were provided on the Resource Plan for 2020/2021, attached as Appendix 1 to the report, which outlined the:-

- ◆ key areas of focus for the year ahead
- ◆ objectives and outcomes
- ◆ measures and actions
- ◆ resourcing of the Plan
- ◆ organisational structure of the Resource

In line with the Council's performance management arrangements, a mid-year progress report on actions identified in the 2020/2021 Resource Plan would be submitted to a future meeting of the Committee.

The Committee recommended to the Executive Committee: that the Finance and Corporate Resource Plan for 2020/2021 be approved and uploaded to the Council's website.

12 Revenue Collection and Approval for Write-offs

A report dated 29 July 2020 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ collection performance for the financial year 2020/2021 to 30 June 2020 on revenue 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, sundry debt and Housing Rent and associated charges

Collection across all income streams had been significantly impacted upon by the temporary cessation of recovery action for the first 4 months of 2020/2021 due to the COVID-19 pandemic. In particular, no statutory recovery and sheriff officer activity had taken place between April and July 2020 in relation to Council Tax for both the current year and arrears years. The health crisis had also seen financial support provided, via Council Tax reduction, increase by almost 10%.

Statutory recovery in the form of reminders and recovery action for all income streams would commence at the end of July 2020.

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

- ◆ irrecoverable Council Tax accounts from 1993/1994 to 2020/2021 to the value of £237,851.27 relating primarily to prescribed debt, sequestrations and estates of the deceased
- ◆ sundry debts to a value of £877.65
- ◆ former tenant rent arrears and factoring arrears totalling £4,518.71

The Committee decided:

- (1) that the Council's performance in the collection of revenues be noted; and
- (2) that the Council's performance against the Business Rates Incentivisation Scheme target be noted; and
- (3) that the write-off of the following irrecoverable debts be approved:-
 - ◆ Council Tax debt from 1993/1994 to 2020/2021 to the value of £237,851.27
 - ◆ sundry debts to a value of £877.65
 - ◆ house rent and factoring arrears totalling £4,518.71

[Reference: Note of 20 May 2020 (Paragraph 8)]

13 Prudential Indicators, Treasury Management Activity and Annual Investment Report 2019/2020

A report dated 13 July 2020 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ Treasury Management activity and interim Prudential Code Indicators for 2019/2020
- ◆ the proposed Annual Investment Report for 2019/2020

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management required the Council to prepare an annual report on its Treasury Management activities. The CIPFA Prudential Code required councils to prepare a series of financial indicators that demonstrated affordability, prudence and sustainability with regard to capital financing decisions.

The Council's Capital Programme included, within its funding package, planned borrowing. The Prudential Code provided a framework to assist the management of the financial implications and helped to demonstrate that borrowing was both affordable and prudent.

The Council's Treasury Management Activity Report for 2019/2020 and the Treasury Management and Prudential Code Indicators for 2019/2020 were attached as Appendices 1 and 2, respectively, to the report.

In terms of the Local Government Investments (Scotland) Regulations 2010, the Council was required to prepare an Annual Investment Strategy prior to the start of each financial year and an Annual Investment Report after the financial year end. Both documents required to be approved by the Council.

The Annual Investment Strategy for 2019/2020 had covered the following areas:-

- ◆ permitted investments
- ◆ risk management
- ◆ borrowing in advance

The Annual Investment Report, attached as Appendix 3 to the report, detailed the Council's activity in each of those 3 areas for 2019/2020 and Appendix 4 detailed the permitted investments that the Council had approved for the financial year 2019/2020.

No borrowing in advance was taken during 2019/2020.

The Committee decided:

- (1) that the Treasury Management Activity Report for 2019/2020 and the 2019/2020 Treasury Management and Prudential Code Indicators be noted and referred to the Executive Committee for noting; and
- (2) that the 2019/2020 Annual Investment Report be endorsed and referred to the Executive Committee prior to submission to the Council for formal approval in line with The Local Government Investments (Scotland) Regulations 2010.

[Reference: Minutes of 4 March 2020 (Paragraph 7) and minutes of the Executive Committee of 24 June 2020 (Paragraph 12)]

Councillor Fagan left the meeting after this item of business

14 2020/2021 Information and Communication Technology (ICT) Asset Management Plan

A report dated 29 July 2020 by the Executive Director (Finance and Corporate Resources) was submitted on the 2020/2021 Information and Communication Technology (ICT) Asset Management Plan.

The proposed ICT Asset Management Plan outlined the priorities and strategies required to develop and support the ICT asset estate, which supported the business objectives of the Council whilst ensuring business continuity. The Plan highlighted the key support work planned for the year ahead to ensure that the Council's ICT assets were fit for purpose.

Details of the key support work were provided in the report and a copy of the proposed 2020/2021 ICT Asset Management Plan was attached as Appendix 1 to the report.

The Committee decided: that the 2020/2021 Information and Communication Technology (ICT) Asset Management Plan be approved.

[Reference: Minutes of 7 August 2019 (Paragraph 18)]

15 Common Good - Update

A report dated 10 July 2020 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ the Common Good final accounts for the year ended 31 March 2020
- ◆ 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
- ◆ the funding package for Lanark Loch pipe repair works
- ◆ 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 2019/2020 were detailed in Appendix 1 to the report and showed that, as at the end of 2019/2020, the Common Good balance invested in the Council's Loans Fund was £0.802 million. This was the amount of money 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.

An update had been provided to Committee on 28 November 2018 in relation to the survey of the damaged pipe at Lanark Loch. The Reservoir Consultant had now proposed a solution for the remedial works which were likely to cost in excess of £0.150 million.

As at 31 March 2020, Lanark Common Good Fund had a cash balance of £321,706. However, there were already commitments against this, as detailed in sections 5 and 6 of the report, leaving a balance of £211,131 available.

It was proposed that a funding package be put in place prior to the works being tendered. This included a contribution from the Council's Property Investment Fund (Capital) of 50% of the cost, with the other 50% met from the Common Good Fund. Following agreement of the funding package, the works would be tendered and the outcome would be reported to this Committee.

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 had been 31 March 2020. However, the consultation had been delayed due to the COVID-19 pandemic, but was now progressing and an update would be submitted to the next meeting of this Committee.

The Committee decided:

- (1) that the accounts for Common Good for the year ended 31 March 2020 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 from the Lanark and Hamilton Common Good funds be noted;
- (4) that the funding package for the Lanark Loch pipe repair works, as detailed in the report, be approved; and
- (5) that details of consultations relating to the Common Good be noted.

[Reference: Minutes of 28 November 2018 (Paragraph 10) and 11 December 2019 (Paragraph 13)]

16 Finance and Corporate Resource Plan Quarter 4 Progress Report 2019/2020

A report dated 15 July 2020 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 in implementing the priority projects identified in the Resource Plan 2019/2020, as detailed in the Quarter 4 Progress Report, attached as Appendix 1 to the report
- ♦ those measures which had changed in red/amber/green status, during the period from Quarter 2 to Quarter 4, as detailed in Appendix 2 to the report

The Committee decided:

- (1) that the Quarter 4 Progress Report for 2018/2019, attached as Appendix 1 to the report, together with the achievements made by the Resource during 2019/20120, be noted; and
- (2) that details of those measures which had changed in red/amber/green status, during the period from Quarter 2 to Quarter 4, as detailed in Appendix 2 to the report, be noted.

[Reference: Minutes of 11 December 2019 (Paragraph 10)]

17 Governance of Charitable Trust Funds – 2019/2020 Expenditure

A report dated 1 July 2020 by the Executive Director (Finance and Corporate Resources) was submitted on payments made to beneficiaries from the 69 Charitable Trust Funds administered by the Council which, at 1 April 2019, were valued at £1.187 million.

During 2019/2020, expenditure totalling £0.038 million had been distributed to beneficiaries of the Trust Funds. The expenditure was offset by income of £0.039 million from interest or dividends received from investments. In addition, funds of the Loudon Bequest, which were managed by Barclays Wealth, had been reinvested. This had resulted in a total closing balance on the Trust Funds, as at 31 March 2020, of £1.184 million.

Details of all active funds and payments made in 2019/2020, together with the balances of the funds as at 31 March 2020, were provided in Appendix 1 to the report.

At its meeting held on 25 April 2018, this Committee had approved a proposal to modernise the charitable trust funds. The Council's Administration and Legal Services had been working with the Office of the Scottish Charity Regulator (OSCR) to formally adopt trust deeds.

OSCR had approved the establishment of the South Lanarkshire Charitable Trust on 16 December 2019 and the South Lanarkshire Education Trust on 17 December 2019.

In early 2020, Administration and Legal Services had commenced the process of transferring the assets of the old trust funds/bequests to the new trust funds. A first draft of the Transfer Deed had been prepared and work on completing the forms OSCR required for approval of the transfer was progressing.

The Committee decided: that the report be noted.

[Reference: Minutes of 25 April 2018 (Paragraph 9) and 7 August 2019 (Paragraph 19)]

18 Finance and Constitution Committee – Calls for Views on Pre-Budget Scrutiny 2021/2022

A report dated 7 August 2020 by the Executive Director (Finance and Corporate Resources) was submitted on the Scottish Parliament's Finance and Constitution Committee's call for views on Pre-Budget Scrutiny 2020/2021.

The specific questions and the Council's response was summarised in Section 4 of the report and the full response was attached at Appendix 1 to the report. The deadline for response was 7 August 2020 and the Council's submission was returned prior to that date.

The Committee decided: that the report be noted.

19 Urgent Business

There were no items of urgent business.