



Council Offices, Almada Street
Hamilton, ML3 0AA

Wednesday, 11 July 2018

Dear Councillor

Executive Committee

The Members listed below are requested to attend a meeting of the above Committee to be held as follows:-

Date: Wednesday, 28 February 2018

Time: 10:00

Venue: Committee Room 1, Council Offices, Almada Street, Hamilton, ML3 0AA

The business to be considered at the meeting is listed overleaf.

Members are reminded to bring their fully charged tablets to the meeting

Yours sincerely

Lindsay Freeland
Chief Executive

Members

John Ross (Chair/ex officio), Maureen Chalmers (Depute Chair), Alex Allison, John Anderson, John Bradley, Walter Brogan, Robert Brown, Graeme Campbell, Gerry Convery, Margaret Cooper, Peter Craig, Maureen Devlin, Joe Fagan, Allan Falconer, Alistair Fulton, Lynsey Hamilton, Ann Le Blond, Eileen Logan, Katy Loudon, Joe Lowe, Colin McGavigan, Mark McGeever, Jim McGuigan, Davie McLachlan, Gladys Miller, Richard Nelson, David Shearer, Josh Wilson

Substitutes

Jackie Burns, Stephanie Callaghan, Andy Carmichael, Ian Harrow, Graeme Horne, Martin Grant Hose, Richard Lockhart, Hugh Macdonald, Catherine McClymont, Kenny McCreary, Mo Razzaq, Graham Scott, Collette Stevenson, Sheena Wardhaugh

BUSINESS

- 1 **Declaration of Interests**
- 2 **Minutes of Previous Meeting** 5 - 18
Minutes of the meeting of the Executive Committee held on 31 January 2018 submitted for approval as a correct record. (Copy attached)

Monitoring Item(s)

- 3 **Capital Budget Monitoring for Period 11 - 1 April 2017 to 5 January 2018** 19 - 26
Report dated 24 January 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 4 **Revenue Budget Monitoring for Period 11 - 1 April 2017 to 5 January 2018 and 2017-2018 Probable Outturn** 27 - 32
Report dated 15 January 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 5 **Trading Services Financial Performance for Period 11 - 1 April 2017 to 5 January 2018** 33 - 36
Report dated 15 January 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)

Item(s) for Decision

- 6 **Housing Revenue and Capital Account Budget 2018/2019 - Recomendations Referred from Special Housing and Technical Resources Committee** 37 - 40
Report dated 22 February 2018 by the Chief Executive. (Copy attached)
- 7 **Overall Position of Revenue Budget 2018/2019 and Savings Proposals** 41 - 128
Report dated 20 February 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 8 **Revenue Budget and Level of Local Taxation 2018/2019** 129 - 138
Report dated 20 February 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 9 **Pay Model Structure and Living Wage** 139 - 146
Report dated 20 February 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 10 **Capital Programme 2018/2019 to 2019/2020 Update** 147 - 156
Report dated 5 February 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 11 **Prudential Indicators, Treasury Management Strategy and Annual Investment Strategy 2018/2019** 157 - 182
Report dated 6 February 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 12 **Land and Property Transfers and Disposals** 183 - 186
Report dated 30 January 2018 by the Executive Director (Housing and Technical Resources). (Copy attached)
- 13 **Recommendations Referred from Resource Committees** 187 - 192
Report dated 13 February 2018 by the Chief Executive. (Copy attached)

- 14 Single Use Items** 193 - 196
Report dated 7 February 2018 by the Executive Director (Community and Enterprise Resources). (Copy attached)

Item(s) for Noting

- 15 Amendments to Committee Memberships and Representation on Outside Bodies Etc** 197 - 198
Report dated 8 February 2018 by the Chief Executive. (Copy attached)
- 16 Consultation Paper on Electoral Reform** 199 - 202
Report dated 14 February 2018 by the Chief Executive. (Copy attached)

Urgent Business

- 17 Urgent Business**
Any other items of business which the Chair decides are urgent.

Exclusion of Press and Public

- 18 Exclusion of Press and Public**
It is recommended that the Committee makes the following resolution:-
- "That, in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, the press and public be excluded from the meeting for the following item(s) of business on the grounds that it is likely that there will be disclosure of exempt information in terms of Paragraphs 8 and 10 of Part I of Schedule 7A of the Act."

Item(s) for Decision

- 19 Greenhills Road/A726 Strathaven Road Corridor Improvement - Final Business Case**
- Exempt information in terms of Paragraph 8 of Part I of Schedule 7A of the Act
 - Exempt information in terms of Paragraph 10 of Part I of Schedule 7A of the Act

For further information, please contact:-

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Clerk Telephone: 01698 454719

Clerk Email: gordon.bow@southlanarkshire.gov.uk

EXECUTIVE COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 31 January 2018

Chair:

Councillor John Ross (ex officio)

Councillors Present:

Alex Allison, John Anderson, John Bradley, Walter Brogan, Robert Brown, Stephanie Callaghan (*substitute for Councillor Chalmers*), Graeme Campbell, Gerry Convery, Margaret Cooper, Peter Craig, Maureen Devlin, Joe Fagan, Allan Falconer, Lynsey Hamilton, Graeme Horne (*substitute for Councillor Fulton*), Ann Le Blond, Eileen Logan, Katy Loudon, Joe Lowe, Catherine McClymont (*substitute for Councillor McLachlan*), Colin McGavigan, Mark McGeever, Gladys Miller, Richard Nelson, David Shearer, Collette Stevenson (*substitute for Councillor McGuigan*), Josh Wilson

Councillors' Apologies:

Maureen Chalmers (Depute), Alistair Fulton, Jim McGuigan, Davie McLachlan

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

Health and Social Care/Social Work Resources

L Purdie, Head of Children and Justice Services

Housing and Technical Resources

D Lowe, Executive Director

Also Attending:

Police Scotland

R Hay, Superintendent

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Executive Committee held on 6 December 2017 were submitted for approval as a correct record.

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

3 Capital Budget Monitoring for Period 10 - 1 April to 8 December 2017

A report dated 27 December 2017 by the Executive Director (Finance and Corporate Resources) was submitted on the physical and financial progress at 8 December 2017 on the various Capital Programmes.

The General Fund Capital Programme included Education Resources, Social Work Resources, Roads and Transportation and General Services. The General Fund Programme totalled £78.291 million and the Housing Programme £40.581 million. At 8 December 2017, £38.509 million had been spent on the General Fund Capital Programme and £22.687 million on the Housing Capital Programme.

The General Fund Programme had been increased from £78.047 million to £78.291 million to take account of proposed adjustments listed in Appendix 2 to the report.

Ongoing monitoring of the Capital Programmes would be undertaken by the Financial Resources Scrutiny Forum and reports submitted to this Committee on a regular basis.

The Committee decided:

- (1) that the position on the various Capital Programmes for 2017/2018, as detailed in the report, be noted; and
- (2) that the proposed adjustments to the General Fund Capital Programme, as detailed in Appendix 2 to the report, be approved.

[Reference: Minutes of 6 December 2017 (Paragraph 3)]

4 Revenue Budget Monitoring for Period 10 - 1 April to 8 December 2017 and 2017/2018 Probable Outturn

A report dated 18 December 2017 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period ending 8 December 2017.

The figures included an underspend of £0.563 million on the General Fund Revenue Account and a breakeven position on the Housing Revenue Account.

The Scottish Government had notified the Council of additional funding totalling £3.864 million for specific areas including:-

◆ Teachers' Pay	(£0.391 million)
◆ Discretionary Housing Payment (Administration Grant)	(£0.075 million)
◆ Council Tax Reduction Scheme (Administration Grant)	(£0.040 million)
◆ Temporary Homelessness	(£1.408 million)
◆ Sensory Impairment Strategy	(£0.019 million)
◆ Council Tax Reduction Scheme (10% holdback)	(£1.988 million)
◆ Building Warrant Fees (Reduction)	(£0.057 million)

A number of transfers from Reserves totalling £1.829 million had been actioned and had been added to Resource budgets to meet specific Resource commitments in 2017/2018.

Social Work Resources had also been advised of additional funding totalling £0.108 million from the Scottish Government Employability, Innovation and Integration Fund for the Deferred Sentence Project.

A probable outturn exercise had been carried out and each of the main elements of the Council's budget were detailed. The probable outturn position at 31 March 2018 was an underspend of £22.370 million. It was proposed to transfer £11.018 million to Reserves, resulting in a remaining underspend of £11.352 million.

The remaining underspend, totalling £11.352 million, was available to meet a number of future demands and budget pressures and it was proposed that £10.852 million be allocated as follows:-

♦ transfer to Insurance Fund	(£1.700 million)
♦ transfer to Winter Maintenance Fund	(£1.000 million)
♦ transfer to IT Development Fund	(£1.000 million)
♦ transfer to Earmarked General Fund	(£7.152 million)

It was also proposed to allocate the remaining £0.500 million to the Uncommitted General Fund.

An analysis of the Council's current Reserves position was detailed in the report.

The Committee decided:

- (1) that the underspend of £0.563 million on the General Fund Revenue Account at 8 December 2017 be noted;
- (2) that the Additional Revenue Grant received by the Council of £3.864 million be noted;
- (3) that the proposed transfer to Reserves, totalling £11.018 million, as detailed in the report, be approved;
- (4) that the Corporate Transfers of Reserves following the Council's probable outturn position totalling £10.852 million, as detailed in the report, be approved;
- (5) that the proposed transfer of the £0.500 million remaining as the final outturn position to the Uncommitted General Fund be approved; and
- (6) that the breakeven position on the Housing Revenue Account at 8 December 2017 and forecast to 31 March 2018 of a breakeven position be noted.

[Reference: Minutes of 6 December 2017 (Paragraph 4)]

5 Trading Services' Financial Performance for Period 10 - 1 April to 8 December 2017

A report dated 18 December 2017 by the Executive Director (Finance and Corporate Resources) was submitted on the projected financial results for 2017/2018 for the Council's Trading Services.

In the period to 13 October 2017, the target for Trading Services' surpluses was revised to £10.043 million to reflect transfers across Trading Operations in relation to the reallocation of:-

- ♦ savings
- ♦ living wage increases
- ♦ monies for Rates increases
- ♦ budget from Facilities Trading Operation to Community and Enterprise Resources

In the period to 8 December 2017, this figure had been further revised to £9.905 million to reflect a decrease to the budgeted trading surplus of £0.138 million.

At 8 December 2017, surpluses of £6.862 million had been achieved.

Officials were working to maximise the levels of surplus using the projected figure as a minimum target.

The Committee decided:

- (1) that the surpluses achieved to 8 December 2017 of £6.862 million be noted; and
- (2) that, following a probable outturn exercise, the revised forecast surplus to 31 March 2018 of £9.751 million be noted.

[Reference: Minutes of 6 December 2017 (Paragraph 5)]

6 Additional Funding from the Scottish Government and Other External Sources

A report dated 8 January 2018 by the Executive Director (Finance and Corporate Resources) was submitted on additional revenue funding, totalling £1.029 million, and capital funding, totalling £0.118 million, made available to the Council from the Scottish Government and other external sources to undertake various initiatives. The funding was summarised as follows:-

Revenue Funding

Resource	2017/2018	2018/2019	2019/2020	2020/2021
	(£)	(£)	(£)	(£)
Education	0.000	0.463	0.320	0.026
Social Work	0.108	0.112	0.000	0.000
Total	0.108	0.575	0.320	0.026

Capital Funding

Resource

Community and Enterprise	0.118
Total	0.118

The Committee decided: that the report be noted.

[Reference: Minutes of 6 December 2017 (Paragraph 6)]

7 Overall Position of Revenue Budget 2018/2019 and Savings Proposals

A report dated 24 January 2018 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ♦ updated information in relation to the level of grant funding allocated to the Council in 2018/2019
- ♦ a prioritised package of savings proposals developed in preparation for the 2018/2019 budget

Confirmation of the Council's settlement position in relation to grant income for 2018/2019, further movements in grant and updated grant figures received through tables provided by COSLA had resulted in the reduction in the Council's grant being £18.800 million less than had been assumed.

The Council was required to confirm to the Cabinet Secretary its intention not to reject the offer in principle, conditional upon obtaining committee approval as part of the Council's consideration of the 2018/2019 revenue budget. Any local authority not agreeing to the grant offer would receive a revised and less favourable settlement.

Additional costs in terms of Pay Policy (£4.200 million) and Non Domestic Rates Relief for Nurseries and Rates Poundage (£0.200 million) would reduce the overall benefit to the Council's Revenue Budget Strategy from £18.800 million to £14.400 million.

It was proposed that the Budget Strategy include an anticipated £3.800 million based on an increase in Council Tax of 3% which would benefit the Revenue Budget Strategy and result in a net improvement of £18.200 million on the previously reported position.

As part of the recently completed probable outturn exercise, there were 2 areas including the Council Tax Reduction Scheme and the collection of Council Tax arrears that would provide the Council with a further £2.000 million, resulting in an improvement of £20.200 million on the previously reported position.

To reflect the improved position, it was proposed that the savings package be reduced by £6.855 million to reflect a number of proposed savings reductions and to reflect a maximum 3% increase in the level of Council charges.

It was proposed that £0.685 million be used to invest in new initiatives around the following areas:-

- ◆ free breakfast clubs
- ◆ holiday lunch clubs
- ◆ activities relating to the Year of Young People
- ◆ free lets to Parent Councils and Parent Teachers' Associations for fundraising events
- ◆ extending free access for under 16 clubs
- ◆ uplift in grants to third sector organisations

Those reductions in savings would result in the impact on the Budget Strategy of £12.700 million, after grant settlement and Council Tax increases.

It was proposed that the £12.700 million improvement in the strategy position be used to remove the need to reinstate Reserves into 2019/2020 by allocating £10.500 million to Reserves, leaving a balance of £2.200 million. The £2.200 million would be used to assist the Council in terms of allocating an agreed sum of £5.300 million to a Reserve Fund to be used towards reducing savings each year until 2021/2022.

A package of savings totalling £16.674 million had been developed and was detailed in the appendices to the report. The package of savings had been amended to reflect the removal/amendments to savings totalling £6.855 million. The savings had been broken down into the following categories:-

◆ savings previously approved	£0.234 million
◆ efficiency and outturn	£8.694 million
◆ charging	£0.274 million
◆ service impact	£7.472 million

The savings previously approved totalling £0.234 million were those where the Council had taken a decision to implement the strategy/principle within the proposed savings.

The allocation of General Capital Grant for 2018/2019 totalling £27.607 million had been confirmed. The approved Capital Budget for 2018/2019 had been based on an estimate of £24.000 million, therefore, there was an additional £3.600 million of General Capital Grant for use in 2018/2019. It was proposed that £3.000 million of this funding be allocated to the improvement of footways (£1.000 million) and carriageways (£2.000 million) to mitigate the impact of the Roads Carriageway savings contained in the overall savings package.

In terms of the savings requirement beyond 2018/2019, those would continue to present a considerable challenge and would require further consideration of areas of service delivery.

A separate report had been issued to all members summarising the outcome of a wide-ranging consultation exercise carried out during December 2017.

The Committee decided:

- (1) that the Council accept the draft Finance Settlement and confirm this position to the Cabinet Secretary;
- (2) that the grant settlement for 2018/2019, the potential changes to that settlement and the impact on the Council's Revenue Budget Strategy for 2018/2019 be noted;
- (3) that consideration of any increase to the level of Council Tax as part of the budget strategy be continued to the next meeting of this Committee to be held on 28 February 2018;
- (4) that the intention to utilise additional budget identified as part of the 2017/2018 probable outturn exercise as part of the budget solutions for 2018/2019, as detailed in the report, be approved;
- (5) that consideration of the new initiatives, as detailed in section 12 of the report, be continued to the next meeting of this Committee to be held on 28 February 2018;
- (6) that the package of savings previously approved totalling £0.234 million be noted;
- (7) that consideration of the remaining package of savings totalling £16.440 million, detailed in the appendices to the report, be continued to the next meeting of this Committee to be held on 28 February 2018; and
- (8) that the additional General Capital Grant allocated to the Council totalling £3.607 million be noted and that consideration of proposals to allocate £3.000 million from this additional allocation to footpaths and roads carriageways, as detailed in the report, be continued to the next meeting of this Committee to be held on 28 February 2018.

[Reference: Minute of 6 December 2017 (Paragraph 8)]

8 South Lanarkshire Integration Scheme Amendment

A report dated 22 December 2017 by the Director, Health and Social Care was submitted on amendments to the South Lanarkshire Integration Scheme to reflect the requirements of the Carers (Scotland) Act 2016.

The Carers (Scotland) Act 2016 would come into effect from 1 April 2018 and would place a number of responsibilities/duties on Integration Authorities, the Council and the NHS Board to:-

- ◆ develop a new adult carer support plan with a personal outcomes focus
- ◆ develop a new young carer support plan with a personal outcomes focus
- ◆ support carers, including through the introduction of a local eligibility criteria

- ◆ prepare a local carers' strategy
- ◆ provide an information and advice service and publish a short breaks' services statement
- ◆ involve carers in the discharge from hospital of the people they care for

Following approval by both the Council and the Lanarkshire NHS Board, the revised Scheme would be forwarded to the Scottish Government by the due date of 2 March 2018.

The Committee decided: that the revisions to the South Lanarkshire Integration Scheme, as a result of the Carers (Scotland) Act 2016, be approved.

9 Foundation Apprenticeships

A joint report dated 14 December 2017 by the Executive Directors (Education Resources) and (Finance and Corporate Resources) was submitted on:-

- ◆ a successful funding bid which would allow the delivery of Foundation Apprenticeships in South Lanarkshire
- ◆ the proposed addition of 4 posts to the establishment of Education Resources to ensure effective delivery of the Apprenticeship Programme

The grant awarded by Skills Development Scotland totalled £809,478 to allow programme provision for 2 years and project staffing for 3 years.

To successfully run the programme and achieve the required outcomes, a team of 1 FTE Vocational Development Team Officer and 3 FTE Vocational Development Workers was required on a fixed term basis for 36 months as follows:-

- ◆ 1 post of Vocational Development Officer at Grade 3, Level 2, SCP 55–65 (£26,643 to £30,913)
- ◆ 3 posts of Vocational Development Assistant at Grade 2, Level 4, SCP 50–57 (£24,782 to £27,446)

The posts had been graded in line with the Council's Job Evaluation Scheme.

The Committee decided:

- (1) that the proposed delivery of the Foundation Apprenticeship Programme be approved; and
- (2) that the additional posts, as detailed in the report, be added to the establishment of Education Resources on a fixed terms basis for 36 months commencing in April 2018.

10 Police Scotland - Local Policing Plan 2017 to 2020

A report dated 9 January 2018 by the Executive Director (Housing and Technical Resources) was submitted on the South Lanarkshire Local Policing Plan 2017 to 2020.

The Plan, which was attached as an appendix to the report, had been produced as part of the planning process, and took account of the Scottish Government's overarching vision for public services and the Police Scotland 10 year strategy for policing entitled "Serving a Changing Scotland", which set out a clear direction for the long-term operational and financial sustainability of the Service.

The Plan included 5 key areas of focus, which were detailed in the report, together with the following 7 key priority areas which had been identified through consultation with partners, communities and through local and national policing experience:-

- ◆ counter terrorism
- ◆ serious organised crime and drugs
- ◆ serious violent crime and public protection
- ◆ road safety
- ◆ public confidence and local engagement
- ◆ acquisitive crime
- ◆ anti-social behaviour and hate crime

Police Scotland would continue its commitment to maintain public confidence and trust and this would be underpinned by strong partnership working with Community Planning Partners in South Lanarkshire.

Monitoring and scrutiny of performance in meeting the priorities and objectives set out in the Local Policing Plan 2017 to 2020 would be undertaken by the Safer South Lanarkshire Board.

The Committee decided: that the South Lanarkshire Local Policing Plan 2017 to 2020 be approved.

11 Representation on the Education Resources Committee - Update

A joint report dated 22 January 2018 by the Executive Directors (Education Resources) and (Finance and Corporate Resources) was submitted on the arrangements for the appointment of representatives other than Councillors to serve on the Education Resources Committee.

At its meeting on 30 August 2017, this Committee agreed that, following a review of current arrangements for the election/selection process for teacher representatives on the Education Resources Committee, the number of teacher representatives would remain at 2. All teachers permanently employed in educational establishments under the management of the Council and registered with the General Teaching Council were invited to apply to serve as teacher representatives.

At the closing date, 2 applications had been received from the following teachers:-

- ◆ Andy Harvey, Uddingston Grammar School
- ◆ Ann Marie Hobson, St Kenneth's Primary School, East Kilbride

Parent Councils had also been invited to submit applications to serve on the Education Resources Committee and, by the closing date, 8 applications had been received for the 2 positions available. Interviews were being arranged and the process was expected to conclude during February 2018. Details of the successful applicants would be confirmed at a future meeting of this Committee.

The Committee decided:

- (1) that the appointment of Andy Harvey and Ann Marie Hobson as the new teacher representatives on the Education Resources Committee be approved; and
- (2) that, following the completion of the interview process, a report on the Parent Council representatives on the Education Resources Committee be submitted to a future meeting of this Committee.

[Reference: Minutes of 30 August 2017 (Paragraph 11)]

12 Consultation on the Provisions of the Education (Scotland) Bill

A report dated 12 January 2018 by the Executive Director (Education Resources) was submitted on the Council's response to the Scottish Government's consultation on the provisions of the Education (Scotland) Bill.

The primary objective of the Bill was to create a school and teacher-led education system which empowered schools and school leaders to focus on the following areas:-

- ◆ The Headteachers' Charter
- ◆ parent and community engagement/pupil participation
- ◆ Regional Improvement Collaboratives
- ◆ education workforce

The consultation document included 24 specific questions and the Council's response to each of the questions was attached as an appendix to the report.

The Committee decided: that the Council's response to "Empowering Schools – The Scottish Government's consultation on the provisions of the Education (Scotland) Bill be approved subject to the following additional text being added to the start of the Council's response to question 13:- "No, such collaboration by the Council should not be compulsory."

13 Recommendations Referred by Resource Committees

A report dated 17 January 2018 by the Chief Executive was submitted on recommendations which had been referred to this Committee by the:-

- ◆ Community and Enterprise Resources Committee of 12 December 2017
- ◆ Housing and Technical Resources Committee of 13 December 2017

The recommendations of the Resource Committees were as follows:-

Community and Enterprise Resources Committee

- ◆ that the Community and Enterprise Resources' Resource Plan for 2017/2018 be approved

[Reference: Minutes of Community and Enterprise Resources Committee of 12 December 2017 (Paragraph 7)]

Housing and Technical Resources Committee

- ◆ that the Housing and Technical Resources' Resource Plan for 2017/2018 be approved

[Reference: Minutes of Housing and Technical Resources Committee of 13 December 2017 (Paragraph 10)]

The Committee decided: that the recommendations referred by the Community and Enterprise Resources and Housing and Technical Resources Committees in relation to Resource Plans for 2017/2018 be approved.

14 Amendments to Committee, Forum and Outside Body Memberships - SNP Group

A report dated 21 December 2017 by the Executive Director (Finance and Corporate Resources) was submitted on action taken, in terms of Standing Order No 36(c) because of the timescales involved, by the Executive Director (Finance and Corporate Resources), in consultation with the Chair and an ex officio member, for amendments to Committee, Forum and outside body memberships within the SNP Group.

The Committee decided:

that the following action taken, in terms of Standing Order No 36(c), by the Executive Director (Finance and Corporate Resources), in consultation with the Chair and an ex officio member, be noted:-

- ♦ that Councillor Nugent replace Councillor Bradley as Chair of the Cambuslang and Rutherglen Area Committee and Councillor Bradley assume the position of Depute Chair
- ♦ that Councillor Bradley replace Councillor Callaghan as the Chair of the Social Work Resources Committee and that Councillor Chalmers assume the position of Depute Chair
- ♦ that Councillor Loudon replace Councillor Callaghan as a member of the Social Work Resources Committee
- ♦ that Councillor Shearer replace Councillor Loudon as a substitute member on the Social Work Resources Committee
- ♦ that Councillor Bradley replace Councillor Callaghan as a member of the Executive Committee and that Councillor Callaghan fill the resultant position as substitute member
- ♦ that Councillor Stevenson replace Councillor Loudon on the Planning Committee and that Councillor Craig fill the resultant position as substitute member
- ♦ that Councillor Callaghan replace Councillor Shearer as a substitute member on the Community and Enterprise Resources Committee
- ♦ that Councillor Bradley replace Councillor Callaghan as a member on the Getting It Right for South Lanarkshire's Children's Partnership Group
- ♦ that Councillor Bradley replace Councillor Callaghan as Depute Chair of the South Lanarkshire Integration Joint Board
- ♦ that Councillor Bradley replace Councillor Callaghan as Chair of the South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee
- ♦ that Councillor Calikes replace Councillor Callaghan as a member on the South Lanarkshire Area Support Team
- ♦ that Councillor Bradley replace Councillor Callaghan as a member on the COSLA Policy Board – Health and Social Care Board
- ♦ that Councillor Chalmers replace Councillor Bradley on the Adult Protection Committee

[Reference: Minutes of South Lanarkshire Council of 18 May 2017 (Paragraph 7)]

15 Amendments to Committee and Forum Memberships - Labour Group

A report dated 7 December 2017 by the Executive Director (Finance and Corporate Resources) was submitted on action taken, in terms of Standing Order No 36(c) because of the timescales involved, by the Executive Director (Finance and Corporate Resources), in consultation with the Chair and an ex officio member, for amendments to Committee and Forum memberships within the Labour Group.

The Committee decided:

that the following action taken, in terms of Standing Order No 36(c), by the Executive Director (Finance and Corporate Resources), in consultation with the Chair and an ex officio member, be noted:-

- ◆ that Councillor Lennon replace Councillor Greenshields as a member on the:-
 - ◆ Community and Enterprise Resources Committee
 - ◆ Planning Committee
 - ◆ Licensing Committee
 - ◆ Equal Opportunities Forum
- ◆ that Councillor Lennon replace Councillor Greenshields as a substitute member on the:-
 - ◆ Planning Local Review Body
 - ◆ Roads Safety Forum
- ◆ that Councillor Scott fill the vacant substitute place on the Community and Enterprise Resources Committee
- ◆ that Councillor Lennon fill the vacant substitute places on the Education Resources Committee and the Finance and Corporate Resources Committee
- ◆ that Councillor Lennon fill the vacant place on the Joint Consultative Forum
- ◆ that Councillor Lennon replace Councillor Fagan as a member of the Housing and Technical Resources Committee
- ◆ that Councillor Lennon replace Councillor Fagan as a substitute member of the Social Work Resources Committee
- ◆ that Councillor McClymont fill the vacant place as a substitute member of the Planning Committee
- ◆ that Councillor Devlin fill the vacant places as a substitute member of the Licensing Committee and the Planning Local Review Body
- ◆ that Councillor Carmichael fill the vacant place as a substitute member of the Executive Committee
- ◆ that Councillor Lennon replace Councillor Carmichael as a member of the Risk and Audit Scrutiny Forum
- ◆ that Councillor McAdams replace Councillor Greenshields as a member of the Risk and Audit Scrutiny Forum
- ◆ that Councillor Cowie fill the vacant place as a substitute member of the Risk and Audit Scrutiny Forum
- ◆ that Councillor Greenshields be replaced as a substitute member on the Rural Task Force by a member of the Labour Group representing one of the 6 Rural Wards identified as Wards 1, 2, 3, 4, 5 and 20

- ♦ that Councillor Lennon be appointed to the Cambuslang and Rutherglen Area Committee
- ♦ that Councillor Cowie replace Councillor Hamilton as a member of the Child Protection Committee

[Reference: Minutes of South Lanarkshire Council of 18 May 2017 (Paragraph 7)]

16 Urgent Business

There were no items of urgent business.

17 Exclusion of Press and Public

The Committee decided: that, in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, the press and public be excluded from the meeting for the following item of business on the grounds that it was likely that there would be disclosure of exempt information in terms of Paragraphs 6, 9 and 12 of Part I of Schedule 7A of the Act.

18 Relocation of University of the West of Scotland to Eco Campus

A joint report dated 11 January 2018 by the Executive Directors (Community and Enterprise Resources), (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted on the relocation of the University of the West of Scotland (UWS) to the Eco Campus site and the associated redevelopment of the existing UWS campus site at Almada Street, Hamilton.

The Council had received notice that HBDL had sold their interest in the Eco Campus site which meant that the Campus would be leased by the new owners direct to UWS. This would result in the termination of the Council's lease agreement and any further entitlement by the Council to the full management fee.

The Council had received a portion of the management fee, giving the Council a total return of £569,870 in respect of facilitating the agreements for lease.

No detailed proposals had been received from UWS in terms of the lease of adjacent woodland to accommodate sport facilities and student residences and, accordingly, no progress in this area had been made.

The Council continued to be part of ongoing discussions in respect of the joint venture UWS site at Almada Street, Hamilton and an application for Planning Permission in Principle had been submitted by UWS in relation to the site. A report on the application would be submitted to the Council's Planning Committee on 13 February 2018.

The Committee decided:

- (1) that the termination of the agreements for the lease entered into between the Council and High Blantyre Development Limited in respect of the Eco Campus, Hamilton International Technology Park, High Blantyre, be noted;
- (2) that the Council's continued participation in discussions relating to the joint venture site at the Almada Street, Hamilton campus be noted;

- (3) that the financial return of £569,870 received by the Council in consideration of its facilitation of the lease of the Eco Campus to UWS be noted; and
- (4) that the position relating to the lack of progress in respect of the adjacent woodlands area at the Eco Campus owned by the Council be noted.

[Reference: Minutes of 16 November 2016 (Paragraph 20)]



Report

3

Report to:	Executive Committee
Date of Meeting:	28 February 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget Monitoring for Period 11 - 1 April 2017 to 5 January 2018
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Consolidate the capital budget monitoring to give a Council-wide summary of the 2017/2018 Capital Programme including 2016/2017 carry forward and adjustments. It includes information on two programmes: the General Fund Programme and the Housing Investment Programme.
- ◆ update the Executive Committee of progress on the Capital Programme for the period 1 April 2017 to 5 January 2018.

2. Recommendation(s)

2.1. The Executive Committee is asked to approve the following recommendations:

- (1) that the Period 11 position (ended 5 January 2018) of the General Fund Capital Programme itemised at Appendices 1 – 3 and the Housing Capital Programme at Appendix 4, be noted;
- (2) that the adjustments to the General Fund programme listed at Appendix 2, be approved;
- (3) that the revised programmes be monitored by the Financial Resources Scrutiny Forum.

3. Background

3.1. The attached statements to this report provide a summarised monitoring position as at 5 January 2018. Spending has been split into two separate sections:

- ◆ General Fund Capital Programme including Education, Social Work, Roads and Transportation and General Services (Section 5.1)
- ◆ Housing Capital Programme (Section 5.2)

4. Employee Implications

4.1. None

5. Financial Implications

5.1. General Fund

5.1.1. 2017/18 Budget

The budget agreed at Executive Committee on 31 January 2018 was £78.291 million. A revised budget of £78.317 million is presented in Appendix 1. This takes into account the proposed adjustments listed in Appendix 2.

5.1.2. 2017/18 Outturn

Current estimates from Housing and Technical Resources suggest a 2017/2018 outturn of £65.313 million. This is an underspend of £13.004 million and the main reason for this relates to the Primary Schools' Modernisation Programme within Education Resources. This reflects the expected timing of project spend and funding will carry forward into next financial year.

5.1.3. Period 11 Position

The programme spend and funding for the General Fund is summarised in Appendices 1 and 2. This totals £78.317 million for 2017/2018.

5.1.4. Budget for the period is £43.717 million and spend to the 5 January 2018 is £41.605 million (53.12%). This represents expenditure of £2.112 million behind profile. This is mainly due to timing of spend on the Council's Primary Schools' Modernisation Programme offset by spend occurring earlier than originally predicted on the Council's Glasgow City Region City Deal projects (Greenhills Road and Cathkin Bypass).

5.1.5. Actual funding received to 5 January 2018 is £65.264 million (83.33%). Relevant officers will continue to closely monitor the generation of all income including receipts.

5.2. Housing Programme

5.2.1. Appendix 3 summarises the position on the Housing programme as at 5 January 2018. The revised capital programme for the year is £40.581 million. Programmed funding for the year totals £40.581 million.

5.2.2. 2017/18 Outturn

In terms of the Housing Capital Programme work has been ongoing to clarify the predicted spend position for this financial year and current estimates from Housing and Technical Resources suggest an outturn of £38.080 million. This is an underspend of £2.501 million and reflects the anticipated timing of spend in relation to the Urban Park Development of the former Blairbeth Golf Course site and the continued work of the Housing Investment Programme. Funding for these projects will also carry forward into next financial year.

5.2.3. Period 11 Position

Budget for the period is £25.110 million and spend to 5 January 2018 amounts to £25.142 million (61.96%). This represents expenditure of £0.032 million ahead of profile.

5.2.4. As at 5 January 2018, £25.142 million of funding had been received.

5.2.5. Regular monitoring of both the General Fund Programme and the Housing Programme is carried out in detail by the Financial Resources Scrutiny Forum and reported on a regular basis to this Committee.

6. Other Implications

- 6.1. The main risk associated with the Council's Capital Programme is an overspend. The risk has been assessed as low given the detailed project management plans prepared and monitored for each project. The risk of overspend is managed through four weekly Investment management meetings.

7. Equality Impact Assessment and Consultation Arrangements

- 7.1. This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and therefore no impact assessment is required.
- 7.2. There was also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

24 January 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Executive Committee, 31 January 2018

List of Background Papers

- ◆ Capital Ledger prints to 5 January 2018

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2017/18
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2017 TO 5 JANUARY 2018

APPENDIX 1

	£m	£m
Total 2017/18 Budget Approved (Council, 16 February 2017)		112.839
Net Slippage from Previous Years		8.649
Transfers to Revenue:		
- Private Housing Scheme of Assistance	(1.000)	
- Planned Maintenance	<u>(4.301)</u>	
		(5.301)
Carry Forward Adjustment from 2016/17 Outturn		0.039
Reduction in Primary School Modernisation Programme requirement		(5.500)
Reduction in Street Lighting requirement:		
- LED's	(2.395)	
- Columns	<u>(1.048)</u>	
		(3.443)
Reduction in Glasgow City Region City Deal requirement		(16.531)
Total Original 2017/18 Budget including Carry Forward		90.752
Previously Approved Adjustments		(12.461)
Proposed Adjustments		0.026
Total Revised Budget including Carry Forward		78.317

<u>Resource</u>	<u>Approved</u> <u>2017/18</u> <u>Budget</u> <u>£m</u>	<u>C/F</u> <u>From</u> <u>2016/17</u> <u>£m</u>	<u>Previous</u> <u>Year</u> <u>Adj'ments</u> <u>£m</u>	<u>Total</u> <u>Original</u> <u>2017/18</u> <u>Budget</u> <u>£m</u>	<u>Previous</u> <u>Period</u> <u>Approved</u> <u>Adj'ment</u> <u>£m</u>	<u>Period 11</u> <u>Proposed</u> <u>Adj'ments</u> <u>£m</u>	<u>Revised</u> <u>2017/18</u> <u>Budget</u> <u>£m</u>
Community & Enterprise	52.174	1.059	(16.404)	36.829	(5.930)	0.026	30.925
Education	40.349	(1.519)	(1.969)	36.861	3.556	0.000	40.417
Finance & Corporate	1.026	(0.102)	0.680	1.604	0.355	0.000	1.959
Housing & Technical	7.994	0.492	(4.433)	4.053	0.558	0.000	4.611
Social Work	11.296	0.109	0.000	11.405	(11.000)	0.000	0.405
Total	112.839	0.039	(22.126)	90.752	(12.461)	0.026	78.317

Proposed Adjustments**Community and Enterprise Resources****Mauldslie and West Brownlie Woods Forest Restructuring and Access Improvements**

£0.026m

Approval is sought to increase the 2017/18 Capital programme by £0.026m to reflect additional funding received from the Forestry Commission Scotland (FCS) for forest restructuring and access improvement works within both Mauldslie and West Brownlie Woods in the Clyde Valley. This funding will be matched by a contribution of £0.027m from the Clyde and Avon Valley Landscape Partnership project.

£0.027m
(£0.027m)

Minor Adjustments

-

Total Adjustments**£0.026m**

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2017/18
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2017 TO 5 JANUARY 2018

APPENDIX 3

Expenditure	<u>2017/18</u> <u>Original</u> <u>Estimate inc</u> <u>C/F</u> £m	<u>2017/18</u> <u>Revised</u> <u>Budget</u> £m	<u>2017/18</u> <u>Budget to</u> <u>05/01/18</u> £m	<u>2017/18</u> <u>Actual to</u> <u>05/01/18</u> £m
General Fund Programme	90.752	78.317	43.717	41.605
Income	<u>2017/18</u> <u>Budget</u> £m	<u>2017/18</u> <u>Revised</u> <u>Budget</u> £m		<u>2017/18</u> <u>Actual</u> <u>To</u> <u>05/01/18</u> £m
Prudential Borrowing	53.461	33.432		33.432
Heritage Lottery / Sportscotland Grant	0.032	0.302		0.276
Developers Contributions	2.716	2.924		2.435
Partners (Including SPT, Sustrans, Viridor and Renewable Energy Fund)	0.808	3.188		1.475
Scottish Government:				
- Capital Grant	30.331	30.331		22.750
- Cycling, Walking and Safer Streets	0.433	0.433		0.000
- Vacant and Derelict Land	1.637	1.637		1.367
- Scotland's Energy Efficiency Programme (SEEP)	0.076	0.076		0.027
- Gaelic Education Hub	0.476	0.476		0.476
- Early Years 1,140 Hours	0.000	1.743		1.743
- Schools for the Future	0.000	2.492		0.000
Specific Reserves	0.511	1.012		1.012
Capital Receipts	0.000	0.000		0.000
Capital Financed from Current Revenue	0.271	0.271		0.271
TOTAL FUNDING	90.752	78.317		65.264

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2017/18
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2017 TO 5 JANUARY 2018

APPENDIX 4

	<u>2017/18</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2017/18</u> <u>Revised</u> <u>Budget</u> <u>£m</u>	<u>2017/18</u> <u>Budget to</u> <u>05/01/18</u> <u>£m</u>	<u>2017/18</u> <u>Actual to</u> <u>05/01/18</u> <u>£m</u>
Expenditure				
2017/18 Budget incl carry forward from 2016/17	39.709	40.581	25.110	25.142
Income				
	<u>2017/18</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2017/18</u> <u>Revised</u> <u>Budget</u> <u>£m</u>		<u>2017/18</u> <u>Actual to</u> <u>05/01/18</u> <u>£m</u>
Capital Receipts – House Sales	5.872	5.872		6.086
Capital Receipts – Land Sales	0.000	0.000		0.063
Capital Funded from Current Revenue	18.997	19.520		18.993
Prudential Borrowing	9.890	9.890		0.000
Specific Grant				
- Scottish Government – New Council Houses	4.830	4.830		0.000
- Scottish Government – Mortgage to Rent	0.120	0.120		0.000
Other	0.000	0.349		0.000
	39.709	40.581		25.142

Report

4

Report to: **Executive Committee**
 Date of Meeting: **28 February 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Revenue Budget Monitoring for Period 11: 1 April 2017 to 5 January 2018 and 2017/2018 Probable Outturn**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2017 to 5 January 2018, and a projection for the year.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the monitoring underspend of £1.125 million on the General Fund Revenue Account at 5 January 2018 as detailed in Appendix 1 of the report and the forecast position of an underspend of £0.500 million to 31 March 2018, be noted;
- (2) that the breakeven position on the Housing Revenue Account at 5 January 2018 and the forecast to 31 March 2018 of breakeven (Appendix 2), be noted.

3. Background

3.1. This is an overview report summarising the General Services Monitoring Position regarding actual expenditure and income to 5 January 2018, compared with the budget for the same period (section 4). This is provided on a Resource basis in Appendix 1 to the report and a subjective basis in Appendix 2.

2017/18 General Services Monitoring Position

4. Financial Position as at 5 January 2018

- 4.1. As at 5 January 2018, Appendix 1 of the report details an underspend of £1.125 million (1.4%) against the phased budget. This position reflects underspends anticipated on a number of Corporate Items, Council Tax and Council Tax Reduction Scheme, which are partially offset by an overspend on Social Work Resources.
- 4.2. **Trading Operations:** Included within the underspend position for the General Fund Revenue Account in 4.1 above are the Trading Operations. As at 5 January 2018, the actual surpluses achieved by the Trading Operations total £7.100 million, representing an under recovery of £0.143 million against the phased budget.
- 4.3. **Other Funding**
There has been no additional funding notified to Resources since the last report.

5. 2017/2018 General Services Probable Outturn

- 5.1. Following the probable outturn exercise, the financial forecast for year ended 31 March 2018, has been confirmed. Taking account of all known commitments, the figures at Appendix 1 and 2 show an underspend position of £0.500 million on the current year budget, which will be transferred to the Uncommitted General Fund at the end of the financial year.
- 5.2. This final outturn position includes transfers to reserves of £11.018 million from Resources and £10.852 million additional Corporate transfers.

6. Housing Revenue Account Position

- 6.1. As at 5 January 2018, Appendix 3 of the report shows a breakeven position against the phased budget on the Housing Revenue Account, after taking account of the proposed transfer to reserves of £0.029 million. The forecast to 31 March 2018 on the Housing Revenue Account is a breakeven position.

7. Employee Implications

- 7.1. None.

8. Financial Implications

- 8.1. As detailed in the report.

9. Other Implications

- 9.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. The risk has been assessed as low given the detailed budget management applied across the Resources. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensures early warning for corrective action to be taken where appropriate.
 - 9.2. There are no implications for sustainability in terms of the information contained in this report.
- ## **10. Equality Impact Assessment and Consultation Arrangements**
- 10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
 - 10.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

15 January 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 5 January 2018

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Period Ended 5 January 2018 (No.11)

<u>Committee</u>	Annual Budget	Forecast Before Transfers	Forecast After Transfers	Annual Forecast Variance (After Transfers)	Budget Proportion to 05/01/18	Actual to Period 11 05/01/18	Variance to 05/01/18	
Departments:	£m	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	120.135	120.501	120.819	(0.684)	82.550	82.477	0.073	under
Facilities Streets and Waste (Inc. Support)	62.736	62.865	62.975	(0.239)	45.177	45.418	(0.241)	over
Environmental Services (Inc. Projects)	4.542	4.401	4.401	0.141	3.352	3.175	0.177	under
Leisure and Culture Services	18.765	18.722	18.722	0.043	14.091	14.055	0.036	under
Planning and Economic Development	4.665	4.942	5.150	(0.485)	2.347	2.757	(0.410)	over
Roads	29.427	29.571	29.571	(0.144)	17.583	17.072	0.511	under
Education Resources	294.159	287.619	293.517	0.642	210.190	209.769	0.421	under
Finance and Corporate Resources	33.912	33.621	33.912	0.000	32.898	32.898	0.000	-
Finance Services	16.118	15.926	15.926	0.192	16.497	16.323	0.174	under
Audit and Compliance Services	0.421	0.445	0.445	(0.024)	0.462	0.486	(0.024)	over
Information Technology Services	3.902	3.902	3.902	0.000	4.650	4.650	0.000	-
Communications and Strategy Services	1.046	1.164	1.164	(0.118)	1.081	1.214	(0.133)	over
Administration and Licensing Services	5.756	5.806	5.806	(0.050)	4.897	4.914	(0.017)	over
Personnel Services	6.669	6.378	6.669	0.000	5.311	5.311	0.000	-
Housing and Technical Resources	23.967	23.308	23.967	0.000	18.605	18.605	0.000	-
Housing Services	7.639	6.784	7.443	0.196	4.713	4.619	0.094	under
Property Services	16.328	16.524	16.524	(0.196)	13.892	13.986	(0.094)	over
Social Work Resources	139.279	140.203	140.203	(0.924)	90.552	91.216	(0.664)	over
Performance and Support Services	7.944	7.544	7.544	0.400	6.245	6.122	0.123	under
Children and Family	27.200	28.224	28.224	(1.024)	21.078	21.797	(0.719)	over
Adults and Older People	103.169	103.553	103.553	(0.384)	62.637	62.768	(0.131)	over
Justice and Substance Misuse	0.966	0.882	0.882	0.084	0.592	0.529	0.063	under
Joint Boards	2.363	2.363	2.363	0.000	1.910	1.910	0.000	-
	613.815	607.615	614.781	(0.966)	436.705	436.875	(0.170)	over
Resource Forecast Variance BEFORE Transfers		6.200						

<u>Committee</u>	Annual Budget	Forecast Before Transfers	Forecast After Transfers	Annual Forecast Variance (after Transfers)	Budget Proportion to 05/01/18	Actual to Period 11 05/01/18	Variance to 05/01/18	
	£m	£m	£m	£m	£m	£m	£m	
Service Departments Total	613.815	607.615	614.781	(0.966)	436.705	436.875	(0.170)	over
Trading Accounts Surplus	(9.907)	(9.753)	(9.753)	(0.154)	(7.243)	(7.100)	(0.143)	over
CFCR	0.707	0.271	0.271	0.436	0.707	0.271	0.436	under
Loan Charges	57.751	52.501	52.501	5.250	48.866	44.424	4.442	under
Corporate Items	7.054	3.456	4.808	2.246	5.969	4.068	1.901	under
Transfer to Reserves	0.000	0.000	10.852	(10.852)	0.000	9.182	(9.182)	over
Total Expenditure	669.420	654.090	673.460	(4.040)	485.004	487.720	(2.716)	over
Council Tax	137.458	142.218	140.718	3.260	116.311	119.069	2.758	over rec
Less: Council Tax Reduction Scheme	(21.370)	(19.090)	(20.090)	1.280	(18.082)	(16.999)	1.083	under
Net Council Tax	116.088	123.128	120.628	4.540	98.229	102.070	3.841	over rec
General Revenue Grant	252.599	252.599	252.599	0.000	213.738	213.738	0.000	-
Non Domestic Rates	287.862	287.862	287.862	0.000	243.576	243.576	0.000	-
Transfer from Reserves	12.871	12.871	12.871	0.000	10.891	10.891	0.000	-
Total Income	669.420	676.460	673.960	4.540	566.434	570.275	3.841	over rec
Net Expenditure / (Surplus) Before Transfers to Reserves	0.000	(22.370)	(0.500)	0.500	(81.430)	(82.555)	1.125	under

	Annual Budget	Forecast for Year	Forecast After Transfers	Annual Forecast Variance (after Transfers)
	£m	£m	£m	£m
Net Expenditure / (Surplus) Before Transfers to Reserves	0.000	(22.370)	-	-
Transfers to Specific Reserves	0.000	5.102	-	-
(Surplus) After Transfers to Specific Reserves	0.000	(17.268)	-	-
Transfer to Earmarked General Fund	0.000	16.768	-	-
Surplus for Year Transferred to Uncommitted General Fund	0.000	(0.500)	(0.500)	0.500

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report (including Transfers to Reserves)

Period Ended 5 January 2018 (No.11)

<u>Budget Category</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 05/01/18	Actual to Period 11 05/01/18	Variance to 05/01/18	
	£m	£m	£m	£m	£m	£m	
Service Departments:							
Expenditure							
Employee Cost	403.529	401.294	2.235	298.688	297.499	1.189	under
Property Costs	54.976	54.163	0.813	41.730	41.204	0.526	under
Supplies and Services	33.198	34.996	(1.798)	18.676	19.328	(0.652)	over
Transport Costs	22.652	23.821	(1.169)	17.263	18.116	(0.853)	over
Administration Costs	11.964	12.445	(0.481)	7.838	8.112	(0.274)	over
Payments to Other Bodies	53.525	53.009	0.516	36.867	36.567	0.300	under
Payments to Contractors	177.024	178.243	(1.219)	116.651	116.927	(0.276)	over
Transfer Payments	2.444	2.503	(0.059)	2.248	2.313	(0.065)	over
Housing Benefits	85.034	85.034	0.000	63.594	63.594	0.000	-
Financing Charges (controllable)	1.564	1.459	0.105	1.059	0.972	0.087	under
Total	845.910	846.967	(1.057)	604.614	604.632	(0.018)	over
Service Departments Total	845.910	846.967	(1.057)	604.614	604.632	(0.018)	over
Trading Accounts Surplus	(9.907)	(9.753)	(0.154)	(7.243)	(7.100)	(0.143)	over
CFCR	0.707	0.271	0.436	0.707	0.271	0.436	under
Loan Charges	57.751	52.501	5.250	48.866	44.424	4.442	under
Corporate Items	7.054	4.808	2.246	5.969	4.068	1.901	under
Transfer to Reserves	0.000	10.852	(10.852)	0.000	9.182	(9.182)	over
Total Expenditure	901.515	905.646	(4.131)	652.913	655.477	(2.564)	over
Income							
Housing Benefit Subsidy	79.594	79.344	(0.250)	59.661	59.515	(0.146)	under rec
Other Income	152.501	152.842	0.341	108.248	108.242	(0.006)	under rec
General Revenue Grant	252.599	252.599	0.000	213.738	213.738	0.000	-
Non Domestic Rates	287.862	287.862	0.000	243.576	243.576	0.000	-
Council Tax (Net of Council Tax Reduction Scheme)	116.088	120.628	4.540	98.229	102.070	3.841	over rec
Transfer from Reserves	12.871	12.871	0.000	10.891	10.891	0.000	-
Total Income	901.515	906.146	4.631	734.343	738.032	3.689	over rec
Net Expenditure	0.000	(0.500)	0.500	(81.430)	(82.555)	1.125	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 5 January 2018 (No.11)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 05/01/18	Actual to Period 11 05/01/18	Variance to 05/01/18		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	12.639	12.197	0.442	9.430	9.053	0.377	under	4.0%	1
Property Costs	37.938	39.460	(1.522)	27.213	28.008	(0.795)	over	(2.9%)	2
Supplies & Services	0.610	0.619	(0.009)	0.376	0.381	(0.005)	over	(1.3%)	
Transport & Plant	0.215	0.175	0.040	0.142	0.130	0.012	under	8.5%	
Administration Costs	5.886	5.903	(0.017)	0.527	0.542	(0.015)	over	(2.8%)	
Payments to Other Bodies	3.491	3.233	0.258	0.063	0.068	(0.005)	over	(7.9%)	
Payments to Contractors	0.100	0.061	0.039	0.083	0.087	(0.004)	over	(4.8%)	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	19.520	19.513	0.007	19.031	19.023	0.008	under	0.0%	
Total Controllable Expenditure	80.399	81.161	(0.762)	56.865	57.292	(0.427)	over	(0.8%)	
Total Controllable Income	(95.401)	(95.664)	0.263	(60.814)	(60.776)	(0.038)	over recovered	0.0%	
Transfer to/(from) Balance Sheet	0.619	0.029	0.590	0.476	0.011	0.465	under	97.7%	
Net Controllable Expenditure	(14.383)	(14.474)	0.091	(3.473)	(3.473)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	14.383	14.474	(0.091)	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(3.473)	(3.473)	0.000	-	0.0%	

Variance Explanations

1. Employee Costs

This underspend reflects the current turnover levels within the service and also underspends on overtime.

2. Property Costs

This overspend is due to repairs and grounds maintenance works which are demand led services and will be managed within the overall budget.

Report

5

Report to: **Executive Committee**
 Date of Meeting: **28 February 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Trading Services Financial Performance for Period
1 April 2017 to 5 January 2018**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide information on the estimated surplus for each of the Council's Trading Operations,
- ◆ provide information on the actual surplus as at 5 January 2018, and
- ◆ provide an update on the projected results for the financial year 2017/2018.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the surplus achieved to 5 January 2018 of £7.100 million, as detailed in Appendix A of the report, be noted; and
- (2) that following the probable outturn exercise, the revised forecast surplus to 31 March 2018 of £9.753 million, be noted.

3. Background

Trading Operations Position

- 3.1. As part of the budget for 2017/2018, an estimated target for Trading Operations' surpluses was set at £14.323 million. In the period to 8 December 2017, this was revised to £9.905 million.
- 3.2. Since then, in the period to 5 January 2018, a transfer of budget has taken place from the Fleet Trading Operation to Community and Enterprise Resources in respect of the reallocation of a print saving.
- 3.3. The net effect of the above adjustments is to increase the Budgeted Trading Surplus by £0.002 million, resulting in a revised budget of £9.907 million.
- 3.4. Following the probable outturn exercise, the financial forecast for year ended 31 March 2018, has been confirmed. Taking account of all known commitments, the figures at Appendix A show a surplus of £9.753 million which represents an under recovery against surplus of £0.154 million on the current year budget.
- 3.5. This reflects a decreased surplus within Fleet (£0.071 million) and Roads (£0.083 million).
- 3.6. Details of the financial performance of each of the individual Trading Operations is provided in Appendix A to this report.

- 3.7. This budgeted surplus sum will continue to be taken as a minimum target for achievement by the Trading Operations. Effort will be maintained to maximise results during the remainder of this financial year.

4. Employee Implications

- 4.1. None

5. Financial Implications

- 5.1. As at 5 January 2018, the actual surpluses achieved by the Trading Operations total £7.100 million.

6. Other Implications

- 6.1. The main risk associated with the Trading Operations' Budgets is that there is a reduction in the surplus achieved. The risk has been assessed as low given the detailed budget management applied across the Trading Operations. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensures early warning for corrective action to be taken where appropriate.
- 6.2. There are no implications for sustainability in terms of the information contained in this report.
- #### **7. Equality Impact Assessment and Consultation Arrangements**
- 7.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 7.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

15 January 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 5 January 2018

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 5 January 2018 (No.11)
Trading Operations

	2017/2018 Revenue Budget Surplus	2017/18 Forecast Revenue Budget Surplus	Phased Budget (Surplus) at 05/01/18	Actual (Surplus) / Deficit at 05/01/18	Variance at 05/01/18	
Trading Service	£m	£m	£m	£m	£m	
Fleet	(1.957)	(1.886)	(1.525)	(1.445)	(0.080)	under surplus
Roads	(3.820)	(3.737)	(2.938)	(2.875)	(0.063)	under surplus
Property Services	(4.130)	(4.130)	(2.780)	(2.780)	0.000	-
Total	(9.907)	(9.753)	(7.243)	(7.100)	(0.143)	under surplus

Report

6

Report to: **Executive Committee**
Date of Meeting: **28 February 2018**
Report by: **Chief Executive**

Subject: **Recommendations Referred by Housing and Technical Resources Committee (Special) - Housing Revenue and Capital Account Budget 2018/2019**

1. Purpose of Report

1.1. The purpose of the report is to:-

request approval of the following recommendations referred to this Committee by the Housing and Technical Resources Committee (Special) of 21 February 2018:-

- ◆ that the Revenue Estimate proposals for the Housing Revenue Account Budget 2018/2019, as detailed in the report, be endorsed subject to the removal of the following from the Housing Revenue Account savings proposals for 2018/2019 in relation to the rationalisation of services in tower blocks:-
 - ◆ removal of Greenhill Court night shift cover £0.087m
 - ◆ reduction in communal cleaning £0.021m
 - ◆ rationalisation of the laundry service £0.010m
- ◆ that the rent increase of 3.95% for Council houses be endorsed
- ◆ that the 3.95% increase also be applied to the rent of lockups, garage sites and travelling persons' sites
- ◆ that the Council's factoring fee be increased from £28.08 to £28.78 per quarter
- ◆ that the next stage of rent harmonisation be progressed as detailed in the report and that tenants paying below the level will pay up to an additional maximum of £2.00 per week
- ◆ that, based on the rent increase of 3.95%, the 2018/2019 Housing Capital Programme of £44.935 million, as detailed in Appendix 2 to the report, be endorsed
- ◆ that an indicative rent increase baseline of 3.95% for Council houses for financial years 2019/2020 and 2020/2021 be endorsed

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the recommendations of the Housing and Technical Resources Committee (Special) of 21 February 2018 in relation to the Housing Revenue Account Budget 2018/2019 and the Housing Capital Programme 2018/2019 be endorsed and referred to the Council for approval subject to the removal of the following from the Housing Revenue Account savings proposals for 2018/2019 in relation to the rationalisation of services in tower blocks:-
 - ◆ removal of Greenhill Court night shift cover £0.087m
 - ◆ reduction in communal cleaning £0.021m
 - ◆ rationalisation of the laundry service £0.010m

(2) that the resultant funding gap in the Housing Revenue Account Budget 2018/2019 totalling £0.118m be met from the HRA Reserve.

3. Recommendations Referred by Housing and Technical Resources Committee (Special) of 21 February 2018 – Housing Revenue and Capital Account Budget 2018/2019 – Extract of Minute

3.1 A joint report dated 6 February 2018 by the Executive Directors (Housing and Technical Resources) and (Finance and Corporate Resources) was submitted on:-

- ◆ the Revenue Estimate proposals for the Housing Revenue Account (HRA) for 2018/2019 which had been prepared in line with the 30 year Business Plan
- ◆ the Housing Capital Programme totalling £44.935 million

In order to achieve the level of investment to reflect the priorities of increasing the supply of Council houses, maintaining the Council's housing stock to meet the requirements of the Scottish Housing Quality Standard (SHQS) and to work towards the new Energy Efficiency Standard for Social Housing (EESH) and other necessary works, a rent increase of 3.95% required to be applied to all Council houses, travelling persons' sites, garage sites and lockups.

These proposals also took account of a requirement to increase the provision for bad debts to £5.658 million to meet the anticipated increased arrears caused by the rollout of Universal Credit "Full Service" from 4 October 2017.

In line with the Council's commitment to rent harmonisation, it was proposed that all tenants paying below the harmonised level would pay up to an additional maximum of £2.00 per week.

In line with the Housing Investment Business Plan, efficiency savings of £0.288 million had been included in the overall budget. This included a reduction in the following areas:-

Administration Savings	£0.116m
Enhanced Leave Income	£0.025m
Strategy and Support Service	£0.023m
Rationalisation of Services in Tower Blocks	£0.124m

Details of the budget reductions were provided in an appendix to the report.

The revised budget also proposed an increase in the charge for the Council's factoring service from £28.08 to £28.78 per quarter, which would meet the increased costs of providing the service.

Details of the proposed Housing Capital Programme totalling £44.935 million were provided in an appendix to the report and details of how the programme would be funded were summarised in the report. The programme would ensure that a key priority within the Housing Investment Programme to increase the supply of Council housing would be progressed.

A wide-ranging consultation had been carried out with tenants and other stakeholders and details of the consultation process and associated outcomes were provided. During the consultation process, tenants had expressed their support for setting the rent increases over a longer period than the current single year. In response, it was proposed that an indicative rent increase baseline of 3.95%, in line with the business

plan and subject to annual review, be implemented for financial years 2019/2020 and 2020/2021.

Councillor Wilson, seconded by Councillor Buchanan moved that the recommendations be approved as detailed in the report. Councillor Convery, seconded by Councillor Lennon moved as an amendment that the following be removed from the Housing Revenue Account savings proposals for 2018/2019 in relation to the rationalisation of services in tower blocks:-

- | | |
|--|---------|
| ♦ removal of Greenhill Court night shift cover | £0.087m |
| ♦ reduction in communal cleaning | £0.021m |
| ♦ rationalisation of the laundry service | £0.010m |

On a vote being taken by a show of hands 9 members voted for the motion and 13 for the amendment which was declared carried.

The Committee recommended to the Executive Committee:

- (1) that the Revenue Estimate proposals for the Housing Revenue Account Budget 2018/2019, as detailed in the report, be endorsed subject to the removal of the following from the Housing Revenue Account savings proposals for 2018/2019 in relation to the rationalisation of services in tower blocks:-

- | | |
|--|---------|
| ♦ removal of Greenhill Court night shift cover | £0.087m |
| ♦ reduction in communal cleaning | £0.021m |
| ♦ rationalisation of the laundry service | £0.010m |

- (2) that the weekly rent increase of 3.95% for Council houses be endorsed;
- (3) that the 3.95% increase also be applied to the rent of lockups, garage sites and travelling persons' sites;
- (4) that the Council's factoring fee be increased from £28.08 to £28.88 per quarter;
- (5) that the next stage of rent harmonisation be progressed as detailed in the report;
- (6) that, based on the proposed rent increase, the 2018/2019 Housing Capital Programme of £44.935 million, as detailed in Appendix 2 to the report, be endorsed; and
- (7) that an indicative rent increase baseline of 3.95% for Council houses in 2019/2020 and 2020/2021 be endorsed.

Councillor Brown, as the mover of an amendment which failed to find a seconder, asked that his dissent be recorded

4. Employee Implications

- 4.1. Any employee implications were raised in the original report to the Housing and Technical Resources Committee.

5. Financial Implications

- 5.1. All financial implications have been highlighted as part of the original report to the Housing and Technical Resources Committee. Following the decision made at the special meeting of the Housing and Technical Resources Committee on 21 February 2018, it is proposed that the resultant funding gap in the Housing Revenue Account Budget 2018/2019 totalling £0.118m, be met from the HRA Reserve.

6. Other Implications

- 6.1. Any implications have been highlighted as part of the original report to the Housing and Technical Resources Committee.

7. Equality Impact Assessment and Consultation Arrangements

- 7.1. No equality impact assessment or consultation is required in terms of the proposals contained within this report.
- 7.2. Consultation with both tenants and members to agree the annual rent rises required to fund the Housing Business Plan had previously taken place in terms of the recommendations considered by the Housing and Technical Resources Committee.

Lindsay Freeland
Chief Executive

22 February 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Fair, open and sustainable
- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Housing and Technical Resources Committee (Special) of 21 February 2018

List of Background Papers

- ◆ Report submitted to Housing and Technical Resources Committee (Special) of 21 February 2018

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Report

7

Report to: **Executive Committee**
 Date of Meeting: **28 February 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Overall Position of Revenue Budget 2018/2019 and Savings Proposals**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update Committee in relation to the grant funding allocated to the Council for 2018/2019, and
- ◆ present savings proposals for approval in preparation of the 2018/2019 budget.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the updated 2017/2018 grant allocation, and the proposed transfer to reserves of £2.053 million (section 5.2), be approved;
- (2) that the updated summary of the 2018/2019 Revenue Budget, including the additional grant allocation (section 5), be noted;
- (3) that the inclusion within the Budget Strategy of an anticipated increase to Council Tax of 3% (section 6), be endorsed for future approval by Council;
- (4) that the New Initiatives proposed (section 8 and 9), be approved;
- (5) that the proposed changes to the temporary corporate solutions of £10.500 million (section 10), be approved;
- (6) that the package of already approved savings totalling £0.234 million (section 11.4) be noted;
- (7) that the remaining savings totalling £15.011 million (section 11.4) be approved; and
- (8) that the additional General Capital Grant of £3.607 million (section 12.1) be noted, and that £3.000 million of this Grant be allocated to Footpaths and Roads Carriageways, be approved (section 12.2).

3. Background

3.1. At its meeting on 31 January 2018, the Council's Executive Committee was advised of the updated Revenue Budget Strategy for 2018/2019, following receipt of the Finance Settlement.

3.2. This report will:

- summarise the agreed updates to the Revenue Budget Strategy, following the Executive Committee meeting on 31 January 2018 (section 4) then provide an update on the additional grant allocations for both 2017/2018 and 2018/2019, detailed in the Scottish Government Budget Bill Stage 1 (section 5);

- propose an increase in the level of Council Tax, including the impact on the budget (section 6);
- propose suggestions on the level of savings required, New Initiatives, and on the opportunity to reduce risks to budget going forward (sections 7 to 10).
- detail the savings proposals (section 11), give an update on the Capital Budget for 2018/2019 (section 12) and finally, provide a summary of the position beyond 2018/2019 (section 14).

4. Government Grant Allocations for 2017/2018 and 2018/2019

- 4.1. The report to the Executive Committee (31 January 2018) updated the Revenue Budget Strategy to take account of the grant allocation, as advised in the updated settlement on 23 January 2018 and also the anticipated additional costs for pay and rates.
- 4.2. In addition, the Executive Committee approved the additional corporate funding solutions in respect of Council Tax Arrears income (£1.000 million) and a reduction in the Council Tax Reduction Scheme budget (£1.000 million) based on current demand.
- 4.3. On 31 January 2018, the Scottish Government announced further allocations of grant funding to councils (see section 5).

5. Further Updated Position

- 5.1. As part of the budget process, the Scottish Government notified councils of additional grant funding for both 2017/2018 and 2018/2019, that is being made available as part of the Scottish Government Budget Bill Stage 1, which was presented to the Scottish Parliament on 31 January 2018.
- 5.2. For **2017/2018**, the Council has been awarded an **additional £2.053 million**. It is proposed that this funding is transferred to reserves.
- 5.3. In relation to **2018/2019**, the Council has been allocated a further **£7.440 million**. For the purposes of this report, these two amounts will be treated as one, additional amount of £9.493m, benefitting the 2018/2019 budget strategy. On the basis that there has been no confirmation that this funding will be recurring going forward, any planned use of the funding on a permanent basis, needs to be considered with regards to the impact on future budget strategies.
- 5.4. Table 1 overleaf shows revised **net benefit** to the Budget Strategy of **£25.893 million** including the changes agreed at the Executive Committee on 31 January 2018. This includes the amount of £16.400 million identified in the 31 January 2018 report, plus the additional £9.493 million (sections 5.2 and 5.3 above).

Table 1: Summary of Changes to Strategy Following Grant Allocation

	Movement £m
Benefit to Revenue Budget Strategy (Exec Cttee - 31 January 2018)	14.400
<i>Adjustments approved at Executive Committee (31 January 2018)</i>	
Add : Council Tax – Arrears	1.000
Council Tax Reduction Scheme – reduced demand	1.000
Updated Benefit to Revenue Budget Strategy	16.400
2017/2018 Additional Grant (section 5.2)	2.053
2018/2019 Additional Grant (section 5.3)	7.440
Revised Benefit to Revenue Budget Strategy	25.893

6. Increase in Council Tax

- 6.1. As part of the Local Government Settlement, the Scottish Government referenced the continued flexibility given to councils to increase their Council Tax by up to 3%. Table 2 below shows the impact of a 1%, 2% and 3% increase to the Council's Council Tax charges. These increases would benefit the Council's Budget Strategy by £1.300 million, £2.500 million and £3.800 million respectively.

Table 2: Impact of Council Tax Increase

Level of Increase in Council Tax	Band "D" Council Tax (current £1,101)	Income generated from increase
1%	£1,112	£1.3m
2%	£1,123	£2.5m
3%	£1,134	£3.8m

- 6.2. The Council's 2018/2019 Revenue Budget Strategy dated June 2017 (updated 6 December 2017), took no account of any additional income from increasing Council Tax.
- 6.3. It is proposed that the Budget Strategy include an anticipated increase in Council Tax of 3%. Final approval of Council Tax levels will be made at a future meeting of South Lanarkshire Council. An increase of 3% would benefit the Strategy **by £3.800 million**.
- 6.4. Taking this along with the movement achieved through the Grant position and additional corporate solutions (totalling £25.893 million and detailed in section 5.4) gives a **net £29.693 million** improvement on the previously reported position.
- 6.5. As a result of this £29.693 million improvement in the Budget Strategy position, there is the opportunity to consider 3 issues:
- The content of the savings package (section 7);
 - New Initiatives that can be funded (section 8 and 9); and
 - The extent to which the Council is exposed to risk through the use of temporary funding solutions in respect of its Medium Term Budget Strategy (section 10).
- 6.6. Given that the economic outlook remains uncertain, consideration should be given to all of these elements in looking at how the Council deals with the £29.693 million improvement on the previously reported position.

7. Proposed Changes to Savings Package

- 7.1. The savings package presented to Executive Committee in December 2017, after corporate funding solutions, totals £23.529 million. Suggestions have been made which recommend the removal of some savings from the savings package as well as some changes to a number of savings.
- 7.2. This report suggests that the savings package is reduced by the £6.855 million reported to the Executive Committee on 31 January 2018, plus a further £1.429 million, resulting in a total reduction of **£8.284 million** and a total reduction in FTE of 100.8 FTE. This is detailed below.
- 7.3. The original £6.855 million comprised the removal / reduction of some savings totalling £6.128 million and also proposals to limit charging increases to a maximum of 3%, totalling £0.727 million. These are summarised in Tables 3 and 4 below.
- 7.4. Table 3 shows the original savings suggested for removal or reduction. These savings total £6.128 million and would reduce the Full Time Equivalent posts affected by savings by 91.4 FTE.
- 7.5. Table 4 shows the proposed amendments in respect of the Charging Savings where an increase was proposed. The table details the financial impact of the original saving and the revised saving, and the resultant change to the savings package of these proposed changes - the total reduction to the savings package is £0.727 million.
- 7.6. Table 5 shows the Additional Savings suggested for removal or reduction. These savings total £1.429 million and would reduce the Full Time Equivalent posts affected by savings by 9.4 FTE. Appendix 1 of this report details the savings suggested for removal / reduction. This totals £7.557 million (the total from Table 3: £6.128 million and Table 5: £1.429 million).
- 7.7. The total reduction to the savings package from the changes proposed in Tables 3, 4 and 5 is **£8.284 million**.

Table 3: Proposed Savings to be Removed / Reduced

Ref	Description	FTE	Value £
Savings Removed			
COR02	Business Support	20.0	0.500
CER02	Staffing Structure - Roads Contracting Restructure	2.0	0.250
CER05	Catering Service to Social Work Lifestyles Centres	3.6	0.078
CER06	Pitch Maintenance Regime	1.0	0.029
CER07	Grounds Staffing Structure – Saving Reduced	1.0	0.037
CER10	South Lanarkshire Leisure and Culture Staffing Structure – Saving Reduced	4.8	0.240
CER13	Sole Bar Rights	-	0.030
CER26	Under 16 Clubs - Price Rationalisation	-	0.105
CER27	Environmental Services – Saving Reduced	2.0	0.090

Ref	Description	FTE	Value £
	<i>Continued from previous page</i>		
CER29	Market Surveillance Approach to Trading Standards Inspections	2.0	0.080
CER31	Planning and Economic Development Service – Saving Reduced	3.0	0.150
CER32	Payments to Other Bodies	-	0.118
CER34	Roads Staffing Structure	10.0	0.280
CER35	Footpath Resurfacing	-	0.120
CER37	Remove Night Shift Council Officer Cover at HQ and Realign Frequency of Duties in all Principle Offices	4.9	0.146
CER39	Mobile Library Services and Home Delivery Services	2.0	0.050
CER40	Town Centre Maintenance	-	0.020
CER41	Business Support Grants – Saving Reduced	-	0.115
CER42	Payments to Other Bodies	-	0.012
CER44	Rationalisation of Library Attendants – Saving Reduced	2.0	0.038
CER45	Carriageway Resurfacing Programme – Saving Reduced	-	1.366
CER47	Community Libraries	3.5	0.058
CER48	Reduction in Opening Hours at Leisure Centres – Saving Reduced	1.2	0.029
CER49	Provision of Cleaning in Council Offices and Depots	12.4	0.150
EDR02	Realignment of Property Costs, Supplies and Services and Administration Costs Budgets	-	0.337
EDR06	Psychological Services – Staffing Structure	1.0	0.050
EDR07	Behaviour Support in Secondary Schools	3.0	0.085
EDR08	Targeted Class Sizes Support - Primary 1	-	0.280
FCR08	IT Services	9.0	0.810
FCR09	Voluntary Organisations Grants	-	0.016
FCR10	Cambuslang Childcare Project	-	0.044
HTR08	Anti-Social Behaviour Service	3.0	0.035
SWR02	Increase in Taper Applied to Non-Residential Care Services	-	0.150
SWR03	Non Residential Charges for Adult Day Centres	-	0.130
SWR04	In House Care Support Services	-	0.100
Total Savings Removed / Reduced (per Exec Cttee 31 January)		91.4	6.128

Table 4: Proposed Savings to be Amended – 3% Increase in Charges

Ref	Description	Original £m	Revised £m	Change £m
CER21	Increase Price of School Meals	0.416	0.100	0.316
CER22	Charges for Cremation	0.100	0.022	0.078
CER23	Price Increases – Calderglen Zoo	0.035	0.006	0.029
CER24	Activage Membership	0.200	0.013	0.187
SWR01	Increase in Charge for Community Alert Alarm	0.130	0.013	0.117
Total Savings Amended (per Exec Cttee 31 January)				0.727

Total Reduction to Savings Package (from Tables 3 and 4)	6.855
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Table 5: Additional Savings to be Removed/Reduced

		FTE	Value £
CER18	Halls Staffing Structure	2.7	0.058
CER33	Employability Programmes	-	0.480
CER36	Flood Prevention	-	0.090
CER46	Community Managed Halls	1.0	0.025
CER48	Reduction in Opening Hours at Leisure Centres – Full Saving now removed	2.7	0.066
FCR07	Supported Employment and Management	1.0	0.200
HTR05	Lindsay House	2.0	0.060
SWR05	Adult and Older People Day Care – Saving Reduced	-	0.450
Total New Savings Removed / Reduced		9.4	1.429
Total Savings Removed / Reduced		100.8	8.284

- 7.8. **Cambuslang Childcare Project:** Although it is proposed that the saving is removed in 2018/2019, it is proposed that the funding provided to the Project is reduced from 2019/2020 onwards and that the Council liaises with the Project to manage the transition. The intention is that the saving will be included in the 2019/2020 savings exercise.
- 7.9. **Roads - Footpaths and Carriageways:** As part of the Finance Settlement for 2018/2019, additional capital grant was allocated to the Council, as detailed in section 12 of this report. To mitigate the level of saving in relation to the Roads Carriageway Resurfacing Programme, it is proposed that £1.000 million be added to the budget for footpaths and £2.000 million for carriageways from the additional capital grant. This means that the level of spend in these areas remains unchanged overall across the Capital and Revenue programme, totalling £24.000 million.
- 7.10. The savings activity referenced within the original saving, including better procurement will continue to be pursued. More competitive pricing can be achieved through packaging of projects and mini tendering. These actions should result in improved outcomes from the budget available leading to opportunities for further investment in roads.

8. New Initiatives

- 8.1. The previous report of 31 January 2018 highlighted a number of new initiatives (totalling £0.685m) summarised below:-

New Initiatives Proposed in Executive Committee - 31 January 2018 (Total: £0.685 million):

- Free Breakfast Clubs (Section 8.2) (**£0.225 million**)
- Holiday Lunch Clubs (Section 8.4) (**£0.225 million**)
- Year of Young People (Section 8.5) (**£0.050 million**)
- Free Lets for Parent Council / PTA (Section 8.6) (**£0.070 million**)
- Extending Concessions for Under 16 Clubs (Section 8.7) (**£0.035 million**)
- Uplift in Grants Paid to Third Sector Organisations (Section 8.8) (**£0.080 million**)

- 8.2. **Free Breakfast Clubs:** The proposal would be to allocate **£0.225 million** to enable a project to be developed to deliver Free Breakfast Club provision within primary schools across South Lanarkshire. There is already provision across some primary schools, some of which are provided at cost to the pupil, provided privately, or provided for free - provision is dependent on the school attended. The proposal to deliver a Free Breakfast club provision, provides benefits to children and their families. Ensuring a child enjoys a healthy breakfast can lead to improved learning and attendance. This proposal will also support the priority to close the poverty related attainment gap.
- 8.3. The initial **£0.225 million** will allow a programme to be developed through piloting implementation in a number of schools. Cost estimates will be refined and proposals for a full rollout presented to Executive Committee for consideration.
- 8.4. **Holiday Lunch Clubs:** The proposal would be to allocate **£0.225 million** to develop pilot Holiday Lunch Clubs in the primary schools within the Neighbourhood Planning Areas (Strutherhill; Whitlawburn and Springhall; and the Burnbank, Udston and Hillhouse areas). The provision of Holiday Lunch Clubs will help ensure that children continue to access healthy and nutritious meals throughout the summer when access to free school meals is not available. As well as providing lunch, the programme will include a range of activities designed to encourage children to be active during the summer period. An evaluation of this initial work will be undertaken and further reports presented to Executive Committee on the potential for roll out across South Lanarkshire.
- 8.5. **Year of Young People:** 2018 marks the Year of Young People. This will provide a platform to showcase talents and the achievement of Scotland's Young People, and give opportunities for young people to be involved in cultural and sporting opportunities across the country. It is proposed that **£0.050 million** is allocated towards Year of Young People Activities. The funding will support a breadth of activities across the six identified themes of participation, education, health and wellbeing, equality and discrimination, enterprise and regeneration and culture.
- 8.6. **Free Lets – Parent Council / PTA:** South Lanarkshire Leisure and Culture have advised that currently there are no free lets provided for Parent Council / PTAs fundraising events within schools. It is proposed that **£0.070 million** is allocated to allow four free lets for each Parent Council / PTA for this purpose. These free lets are in addition to the current policy of providing free lets for 10 PTA / Parent Council meetings, and 1 non fund-raising event per year.
- 8.7. **Extending Concessions for Under 16 Clubs:** Currently, some Under 16 Clubs get a 50% reduction on current junior admission rates. It is proposed that **£0.035 million** is allocated to allow the concessions for Under 16 Clubs to be extended to include athletics clubs, and for clubs using the James Hamilton Water Sports Centre, East Kilbride. This would allow recognised community groups including Sea Cadets, Scouts and Girl Guides to attend and participate in water based courses.
- 8.8. **Uplift in Grants Paid to Third Sector Organisations:** It is proposed that **£0.080 million** is allocated to allow an uplift of 3% across a list of identified core payments to third sector organisations and also to allow the funding provided to South Lanarkshire Disability Sport to be increased to the same level as the Sports Councils. Throughout the year, activity in this area will be reviewed with a view to identifying a new model moving forwards. A list of the bodies affected are detailed in Appendix 3.

9. Further New Initiatives

- 9.1. Given the additional funding highlighted at sections 5.2 and 5.3, the following further new initiatives totalling £7.860 million are proposed:

Additional Proposals (Total: £7.860 million):

- Teachers plus Classroom Support (Section 9.2) (**£3.000 million**)
- Employability - Early Years and Social Care (Section 9.5) (**£4.000 million**)
- Free School Meals and Clothing Grants (Section 9.11) (**£0.860 million**)

- 9.2. **Teachers plus Classroom Support:** Following the registration of P1s, which closed in January for the August 2018 term, the school pupil roll has increased and there is therefore a need for additional teachers and additional support assistants across the primary and secondary sector.
- 9.3. It is proposed that £1.200 million is set aside of the additional funding to meet the costs of these additional teachers into 2018/2019. This will fund an additional 17 mainstream teachers, 15 teachers supporting ASN, and 33 School Support Assistants. As the permanence of the funding cannot be confirmed, it is proposed that sufficient additional funding (£1.800 million) is set aside to cover these costs into 2019/2020. This **total funding of £3.000 million** will provide some sustainability to meeting the costs of these additional teachers, and allow time to build permanent budget into the Council's financial strategy.
- 9.4. This will allow the pupil teacher ratio to be maintained, and also provide additional ASN support through additional ASN teachers in mainstream schools and additional support assistants to reflect growth in the demand for these services.
- 9.5. **Employability: Early Years and Social Care:** The Council, through its workforce planning, has identified the need to prepare for the future increase in demand for early years and social care. Previous updates on the expansion of funded early years hours for children, identified the need for an increased workforce between now and 2020. In addition, the constancy of demand in social care and the turnover of staff in Care Homes, Day Care and Care at Home / Supporting Your Independence, means that the Council faces challenges in the recruitment of staff to all these posts.
- 9.6. The proposed initiative will provide a stream of qualified staff to contribute towards the staffing demands in these areas.
- 9.7. It is proposed that the Council establish a dedicated training programme leading to practical experience and qualifications in these fields. Students in these training programmes will be employed by the Council for an initial period of two years.
- 9.8. It is proposed that the programmes will deliver training to a minimum of 50 Early Years students, and 50 Social Care students over the two year period. As students move onto employment, a further intake of students can be considered and, when recruiting students, links will be made to employability programmes to ensure that disadvantaged, care experienced and looked after children are supported and targeted to attract applications from disadvantaged communities through further support and assistance.
- 9.9. In addition to the direct employment of students themselves, support staff will be employed within Education and Social Work to co-ordinate activities, support and mentor students and provide reporting, monitoring and evaluation of these initiatives.

The final staffing details, subject to approval of this report, will be submitted to Resource Committees for approval and updates will be provided to Members as these initiatives progress.

- 9.10. The annual cost to deliver the programme for 100 students (50 in each programme) would be £2.000 million. As the permanence of the additional grant funding cannot be confirmed, in order to ensure the sustainability of this programme, it is proposed that £2.000 million also be set aside (i.e. **total of £4.000 million**). This will cover the programme into 2019/2020 and allow time to build permanent budget into the Council's financial strategy.
- 9.11. **Free School Meals and Clothing Grant:** From analysis of the Council's council tax and benefit system, it has been identified that there are 1,200 families where children entitled to a free school meal are not registered to access that service. In addition, the analysis has identified 1,700 children entitled to a grant for clothing and footwear who do not currently access the grant.
- 9.12. In order to ensure that those entitled to their benefits are accessing them, it is proposed to enact automatic entitlement to the free school meal and clothing grant benefits. This means that eligible families will be registered for free school meals, and receive a clothing and footwear grant without an application having to be made. Parents may choose to opt out of receiving the benefit should they wish to do so.
- 9.13. It is also proposed to increase the level of Clothing Grant paid from £50 to £75. The current level of £50 is below the Scottish average and it is felt that £75 is a more realistic level of grant.
- 9.14. The estimated cost of this initiative is **£0.860 million**.
- 9.15. Through removing and reducing the savings as detailed at section 7 (£8.284 million) and funding of the new initiatives as detailed at section 8 and 9 (totalling £8.545 million), there is an impact on the Council's financial strategy of **£12.864 million**, after Grant settlement and Council Tax increase. There is still a requirement to make savings, and given the uncertainty around future grant settlements, the use of temporary funding solutions is considered at section 10.
- 10. Proposed Changes to Temporary Corporate Funding Solutions**
- 10.1. As was reported as part of previous budget papers (Executive Committee 6 Dec 2017), the current budget strategy proposes the use of Corporate Funding Solutions including the use of Reserves to reduce the need to make savings in 2018/2019.
- 10.2. The use of Reserves represents a risk to future budgets. This is because these Reserves can only be used once to reduce the need for savings. The budget for the following year needs to find permanent savings to replace these one-off solutions before it looks at any further budget pressures and grant reductions.
- 10.3. The Executive Committee paper (6 December 2017) explained that £14.077 million of budget has to be reinstated into 2019/2020. Of the £14.077 million, £3.577 million relates to three areas : the need to reinstate budget for Auto Enrolment; to reflect the expected reduction in grant due to increased Council Tax from additional properties; and for the reinstatement of a number of 2018/2019 savings which are for one-year only. The remaining £10.500 million of the reinstatement required is due to Reserves being used to balance the budget on a one off basis.

- 10.4. It should be noted that the figures in section 10.3 above, do not include the impact of any re-instatement of the £7.440 million additional grant monies required.
- 10.5. The grant settlement received in December can provide some degree of mitigation to the risk of having to reinstate budget into 2019/2020. The £12.864 million improvement to the strategy position can be used to remove the need to reinstate Reserves into 2019/2020 (£10.500 million). This leaves a balance of **£2.364 million**.
- 10.6. As part of the 2016/2017 Year End Financial Monitoring Report and Budget Strategy Paper (28 June 2017 - sections 10.4 and 10.5) it was agreed that an £18 million Reserve be created to assist in budget strategies from 2018/2019 to 2020/2021. It was agreed that £5.300 million of this Reserve would be used towards reducing savings each year until 2021/2022 when alternative budget savings would be required to be found. By using the balance of £2.364 million (section 10.5) only £2.936 million of the reserve is needed to balance the budget in 2018/2019. The balance of the reserve is available to contribute towards future years' budgets (see section 10.9).
- 10.7. Table 6 below shows the original risk to future year budgets when the temporary solutions and use of Reserves are required to be reinstated in 2019/2020. This totalled £14.077 million. That risk can be reduced to £3.577 million which is the budget items reinstated not relating to the use of reserves (see section 10.3).

Table 6: Future Budget Impacts due to Reinstatement

	Original 2019/20	Revised 2019/20
	£m	£m
Use of Reserves (sections 10.3. and 10.5.)		
2015/16 Underspend Balance	5.000	-
2016/17 Underspend	2.000	-
2017/18 Council Tax Over Recovery	1.500	-
2017/18 Utilities Underspend	1.000	-
2017/18 Council Tax Reduction Scheme underspend	1.000	-
Budget Assumptions		
Government Grant – Impact of Additional Properties Council Tax	1.200	1.200
Auto Enrolment	1.500	1.500
Savings		
Carbon Reduction Commitment (COR01)	0.500	0.500
Staffing Secondment (CER17)	0.035	0.035
Contribution to Community Planning (FCR05)	0.022	0.022
Homelessness Temporary Accommodation (HTR03)	0.300	0.300
Community Safety (HTR07)	0.020	0.020
Total Impact on Future Budgets	14.077	3.577

- 10.8. Table 6 shows that if the proposal is accepted, the impact of reinstatement into 2019/2020 is reduced to £3.577 million.
- 10.9. The £12.864 million of Corporate Funding Solutions not used in 2018/2019 would remain in Reserves and could be used in 2019/2020 to reduce the savings requirement in that year.

11. Savings Proposals 2018/2019

- 11.1. Based on the proposals detailed in sections 5 to 10, the total level of savings required to balance the budget for 2018/2019 would be £15.245 million. A revised package of savings has been prepared for Members' consideration.
- 11.2. The package of savings proposals totalling £15.245 million is attached at Appendix 2 to this report. This is a revised package to that presented to Members previously, (Awareness Session, 8 November 2017 and the Executive Committees on 6 December 2017 and 31 January 2018) taking into account the removal/amendments to savings totalling £8.284 million detailed in section 7.
- 11.3. The savings proposals have been categorised to provide Members with more information on how that saving will impact on the Council and its services. Table 7 below shows the split of savings across the categories, along with the FTE and savings value for each category:

Table 7: Savings across Categories

	FTE	£m
Approved	0.0	0.234
Efficiency and Outturn	105.1	8.376
Charging	0.0	0.274
Service Impact	19.5	6.361
TOTAL Proposed Savings	124.6	15.245

NB: It should be noted that the majority of reductions in FTEs come from efficiency and outturn however, the increase in staffing levels proposed as a result of the new initiatives will result in a net increase of FTEs to establishment levels.

- 11.4. The overall package includes £0.234 million of savings resulting from decisions which have already been approved. Of the remaining £15.011 million, there are Efficiency and Outturn savings of £8.376 million. In the remaining categories, Service Impact and Charging savings total £6.635 million. It is proposed that the remaining savings of £15.011 million are now approved.

12. 2018/19 Capital Grant Settlement

- 12.1. As part of Finance Circular 5/2017, the allocation of General Capital Grant for 2018/2019 was confirmed as £27.607 million. The approved Capital Budget for 2018/2019 was based on an estimate of General Capital Grant of £24.000 million, therefore there is an additional £3.607 million of General Capital Grant for use in 2018/2019.
- 12.2. A report updating the 2018/2019 Capital Programme will be presented to this meeting. As part of this report, it has been proposed that £3.000 million of this additional capital grant (£1.000 million for footpaths and £2.000 million for carriageways) be added to the capital budget to help mitigate the impact of the Roads Carriageway saving (as discussed at section 7.9 and 7.10).

13. Consultation Arrangements

- 13.1. As previously advised, the public consultation took place during December 2017. Face to face consultation involving representatives from the Citizen's Panel and specific interest groups took place. As has been the case in previous years, the public were also asked for their views on the budget proposals through a dedicated e-mail address, or by writing into the Council.

- 13.2. A separate report was issued to all Members summarising the outcome of the consultation exercises.

14. Position Beyond 2018/2019

- 14.1. This paper and the attached savings proposals focus on financial year 2018/2019, and reflect the Strategy approved by this Committee on 6 December 2017 and 31 January 2018, updated for information received on 31 January 2018 in respect of additional grant.
- 14.2. The position beyond 2018/2019 remains uncertain as there has been no further information on grant settlements beyond the one year settlement for 2018/2019.
- 14.3. The Council's Revenue Budget Strategy for 2019/2020 to 2021/2022 will be prepared and will be presented to Committee by summer 2018.
- 14.4. However, in advance of this work nearing completion, it is anticipated that the estimated savings requirement is anticipated to continue to pose a considerable challenge, and this will require further consideration of areas of service delivery.

15. Employee Implications

- 15.1. Each saving proposed in Appendix 2 shows the number of full time equivalent posts that will be affected. The savings options here would require a net reduction of 124.6 FTE posts in 2018/2019. A substantial number of these can be managed through anticipated turnover, vacant posts and the removal of temporary posts. The balance of posts will be achieved through a combination of redeployment and voluntary severance/early retiral.
- 15.2. The new initiatives detailed in section 9 present opportunities for the redeployment of staff displaced as a result of the proposed savings.

16. Financial Implications

- 16.1. The financial implications are as detailed in the report.

17. Other Implications

- 17.1. The savings target is based on the Financial Strategy for the Council which has been updated as a result of the issue of the Local Government Finance Settlement in December 2017, and the changes proposed in sections 5 to 10 above. The Financial Strategy is a way of managing a number of key risks which directly impact on the funding available to deliver the Council's Objectives.
- 17.2. The Local Government Finance Circular refers to the Grant allocations as being provisional at this stage until the full checking process is completed and the final Finance Circular is published. This takes place following the approval of the Finance Order by Parliament, which is expected in March 2018. If there are any changes to the settlement after this committee date, then a further paper will be brought back to update the Committee on the position.
- 17.3. Requirement to Set a Budget: Under statute and internal governance rules, Council Members have duties around setting budgets. Failure to set a balanced budget would have serious implications, not just for the Council but also potentially for individual Members who could incur personal responsibility for failure to comply with their statutory duty.

- 17.4. Any failure to set a balanced budget would almost certainly provoke intervention by Scottish Ministers and the Accounts Commission who have legislative powers to carry out investigations and make recommendations which could result in Scottish Ministers issuing binding directions to the Council. Under the Local Government (Scotland) Act 1973, special reporting processes exist (Section 102) which, if the Controller of Audit is not satisfied with the Council's steps to remedy such an issue, then he/she can make special report to the Accounts Commission on the matter. The Commission can then recommend that Scottish Ministers direct the Council to rectify the issue. Individual members who unreasonably contribute to the failure or delay in setting a budget could be ultimately censured, suspended or disqualified from standing for election for a prescribed period of time by the Standards Commission.
- 17.5. If a new budget is not set, then the Council could not enter into any new unfunded commitments including contracts, and spend would be restricted to meeting existing liabilities. As the Council's current position is that there is a budget shortfall that requires to be met through savings, without Council agreement on a 2018/2019 budget, a gap in our budget would remain.
- 17.6. In relation to individual savings, work has been carried out within Resources to ensure their deliverability. Through this exercise, any risks which may impact on service delivery have been considered.

18. Equality Impact Assessments and Consultation Arrangements

- 18.1. Where savings proposals have identified potential negative impact on service users, appropriate consultation and engagement will take place with those who may be affected.
- 18.2. In terms of consultation, the Trade Unions are being consulted. In addition, as in previous years, targeted Public Consultation on the budget has been carried out. Members have received a report covering the consultation.
- 18.3. The Equality Act 2010 expects that those making decisions give 'due regard' to equality considerations during the course of decision-making. The Equality Impact Assessments and their outcomes should help inform Elected Members so that their decisions have taken account of the different needs and rights of members of the community. This does not mean that difficult decisions cannot be made, but that they are made in a fair and transparent way.
- 18.4. In terms of the Council's public sector duties under the Equality Act 2010, initial Equality Impact Assessments (EQIAs) have been carried out on all the proposals which require them. Any proposal which has identified potential adverse impacts will also have mitigating actions to remove or lessen the impact on protected groups. The protected characteristics are age, disability, sex, sexual orientation, pregnancy and maternity, marriage and civil partnership, race, religion and beliefs and transgender identity.
- 18.5. Assessments of the overall impact of the savings proposals on service users and employees have also been carried out. The Equality and Human Rights Commission recommends that EQIAs should be considered carefully before decisions are taken. Further information on Impact Assessments is available from the Employee Development and Diversity Manager. Any necessary equality impact assessments in relation to savings resulting from decisions already approved (Approved category) have been completed and made available as appropriate.

Paul Manning
Executive Director (Finance and Corporate Resources)

21 February 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Executive Committee, 28 June 2017 – Revenue Budget Strategy – 2018/2019
- ◆ Members Awareness Session, 8 November 2017 – Revenue Budget Strategy 2018/2019 and Savings Proposals
- ◆ Executive Committee, 6 December 2017 – Revenue Budget 2018/2019 and Savings Proposals
- ◆ Executive Committee, 31 January 2018 – Revenue Budget 2018/2019 and Savings Proposals

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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E-mail: jackie.taylor@southlanarkshire.gov.uk

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
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2018/2019 Removed / Reduced Savings

COR02	All	Efficiency and Outturn	<p>Business Support</p> <p>From the consideration of back office services and processes, a saving of £0.500m can be achieved across all Resources.</p> <p>The saving will be achieved across the organisation through the creation of a single reporting responsibility for Business Support, which will enable the sharing of good practice and the delivery of economies of scale. Through the use of IT systems, efficiencies will be realised through enabling self-service and removing duplication of tasks.</p> <p>Savings identified for 2018/2019 will be achieved through changes in contract administration, improvements in booking systems, merging of support tasks, streamlining of complaints and Freedom of Information processes, and the removal of vacant posts across the Council.</p> <p>There are 709 FTE posts identified within Business Support. This saving proposes a reduction of 20 FTE posts to 689 FTE, saving £0.500m per annum.</p>	20.0	0.500
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Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER02	Roads and Transportation	Efficiency and Outturn	<p>Staffing Structure - Roads Contracting Restructure</p> <p>This proposal involves moving from the existing three area based teams to a single Construction Unit. This will enable a reduction in staff through economies of scale, which will generate a saving of £0.100m.</p> <p>Currently, the operational service is delivered via three separate operational teams. These cover the areas of Clydesdale (with depots at Carnwath and Lesmahagow plus a winter only depot at Elvanfoot), East Kilbride / Rutherglen (with a depot at Hawbank, East Kilbride) and Hamilton (with a depot at Canderside).</p> <p>The proposal is to amalgamate the three separate area teams into a single Construction Unit under the control of a single manager. Staff would primarily be based at Canderside Depot. In the short term, the remaining depots would act as satellite depots with the continuing need for these depots being reviewed in the medium term.</p> <p>The current establishment consists of 12 FTE posts across the three area based teams. The proposal will see a reduction of 2 FTE posts to 10 FTE. This will be managed through the removal of temporary posts from the current structure.</p> <p>In addition, operational efficiencies of £0.075m will be realised through more efficient planning and programming of works.</p> <p>A further £0.075m will be generated through identifying efficiencies within the utilisation of plant and fleet, and through operating a single pool of professional expertise.</p> <p>This represents a saving of 0.9% of the overall Roads Trading Service Expenditure Budget, and there will be no impact on current service provision.</p>	2.0	0.250

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER05	Facilities, Waste and Grounds	Efficiency and Outturn	<p>Catering Service to Social Work Lifestyle Centres</p> <p>Currently, meals are produced on site for Social Work Lifestyles facilities. Through centrally producing all foods at Council HQ, and transporting to Carluke, Fairhill, Eastfield (Cathkin Adult Training Centre), Murray Owen and Stonehouse Lifestyles Centres for serving, a saving of £0.078m can be realised.</p> <p>Centralising the production of a similar type of menu at specific sites allows the Resource to maximise the use and capacity of existing facilities and equipment.</p> <p>The current establishment consists of 8.7 FTE. The proposal will see a reduction of 3.6 FTE catering staff to 5.1 FTE. A total of 6 employees will be impacted by the proposal.</p>	3.6	0.078

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced																																								
CER06	Facilities, Waste and Grounds	Efficiency and Outturn	<p>Pitch Maintenance Regime</p> <p>This proposal would see the maintenance regime of pitches with limited formal usage reflect that of general open space. This would allow the areas to continue to be used for informal recreational purposes but would no longer be available to book for formal matches and would be removed from the SLLC booking schedule. Alternative pitches will be available for booking.</p> <p>The current establishment consists of 294 Grounds operatives and 115 Seasonal operatives. This proposal would remove 1 FTE from the current establishment and would impact on 2 members of staff. The pitches affected, alternatives and the number of current lets are detailed below:</p> <table><tr><th>Location</th><th>Alternative</th><th>Bookings 2017/18</th><th>Pitches</th></tr><tr><td>Meikle Earnock, Hamilton</td><td>Hamilton Palace Sports Ground or Ferniegair</td><td>14</td><td>1</td></tr><tr><td>Wooddean, Bothwell</td><td>Hamilton Palace Sports Ground</td><td>0</td><td>1</td></tr><tr><td>Glassford</td><td>Strathaven</td><td>0</td><td>1</td></tr><tr><td>Burnhill, Rutherglen</td><td>Peter Brownlee Cambuslang Park Welfare Park</td><td>0</td><td>2</td></tr><tr><td>Halfway Park, Cambuslang</td><td>Peter Brownlee Cambuslang Park Welfare Park</td><td>0</td><td>1</td></tr><tr><td>Kildare Park, Lanark</td><td>Lanark</td><td>4</td><td>1</td></tr><tr><td>Stonedyke, Clydesdale</td><td>Moorpark</td><td>0</td><td>1</td></tr><tr><td>Birkenshaw, Larkhall</td><td>Tileworks</td><td>0</td><td>1</td></tr><tr><td>Harleeshill, Larkhall</td><td>Tileworks</td><td>0</td><td>1</td></tr></table>	Location	Alternative	Bookings 2017/18	Pitches	Meikle Earnock, Hamilton	Hamilton Palace Sports Ground or Ferniegair	14	1	Wooddean, Bothwell	Hamilton Palace Sports Ground	0	1	Glassford	Strathaven	0	1	Burnhill, Rutherglen	Peter Brownlee Cambuslang Park Welfare Park	0	2	Halfway Park, Cambuslang	Peter Brownlee Cambuslang Park Welfare Park	0	1	Kildare Park, Lanark	Lanark	4	1	Stonedyke, Clydesdale	Moorpark	0	1	Birkenshaw, Larkhall	Tileworks	0	1	Harleeshill, Larkhall	Tileworks	0	1	1.0	0.029
Location	Alternative	Bookings 2017/18	Pitches																																										
Meikle Earnock, Hamilton	Hamilton Palace Sports Ground or Ferniegair	14	1																																										
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Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER07	Facilities, Waste and Grounds	Efficiency and Outturn	<p>Grounds Staffing Structure - SAVING REDUCED BY £0.037m</p> <p>Original Saving: The original proposal would have seen a reduction in the number of Grounds Officer posts, including those within Countryside and Greenspace, by 2 FTE, reducing the current establishment from 24 FTE to 22 FTE.</p> <p>There is currently one vacant Grounds Officer post within the service, which will contribute towards the saving.</p> <p>Duties will be re-prioritised and reallocated across the remaining resources within the service.</p> <p>1.0 FTE of this saving within Countryside and Greenspace is removed totalling £0.037m.</p>	1.0	0.037
CER10	South Lanarkshire Leisure and Culture	Efficiency and Outturn	<p>South Lanarkshire Leisure and Culture Staffing Structure - SAVING REDUCED BY £0.240m</p> <p>Original Saving: The original saving was to be achieved through the implementation of a number of operational changes and changes to the current management structure which will allow a reduction of 12.9 FTE. The saving will have a minimal impact on service delivery.</p> <p>4.8 FTE of this saving are removed totalling £0.240m.</p>	4.8	0.240
CER13	South Lanarkshire Leisure and Culture	Efficiency and Outturn	<p>Sole Bar Rights</p> <p>Through operating sole bar rights for functions in all venues which currently have bar facilities, additional income of £0.030m can be generated.</p> <p>Currently, the hirer has an option to bring in their own bar, or to hire one. It is proposed that this option be removed and that anyone using the venues must use the bar services provided by South Lanarkshire Leisure and Culture.</p> <p>This saving will affect Fernhill Integrated Community Facility, Stonehouse Integrated Community Facility and Ballerup Hall. Hamilton Town House, Rutherglen Town House and East Kilbride Arts Centre already have this in place.</p>	-	0.030

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER18	South Lanarkshire Leisure and Culture	Efficiency and Outturn	<p>Halls Staffing Structure</p> <p>The saving will be achieved through a reduction in the requirement for hall keepers and cleaning provision which will result in an overall reduction of 2.7 FTE.</p> <p>The saving will be achieved through the reorganisation of employees following the non-filling of vacancies. The opening hours of the halls will remain unaffected.</p>	2.7	0.058
CER26	South Lanarkshire Leisure and Culture	Charging	<p>Under 16 Clubs – Price Rationalisation</p> <p>Through offering a 25% discount on the current junior rate to sports clubs aimed at children under the age of 16, a saving of £0.105m can be achieved whilst still continuing to offer a concessionary price to these clubs. At present, a 50% discount is offered.</p> <p>Based on current junior rates, the revised rates per child will be as follows:</p> <ul style="list-style-type: none"> For a Club requiring a hall hire, the increase per person would be around 25p per hour. Junior price pitch hire of a 5 a side synthetic pitch would increase from £11.60 to £17.40 (58p per person). A grass 11 a side pitch would increase from £31.60 to £47.40 for 2 hours. For 26 participants the increase is 61p per person or 30p per hour. For use of a 7 a side pitch by 20 children the increase would represent 22p per person. <p>The number of users who will be affected by the change in level of concessionary discount applied represents less than 15% of all under-16s usage of Leisure facilities, due to the discount only applying to particular clubs.</p>	-	0.105

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER27	Fleet and Environmental	Service Impact	<p>Environmental Services – SAVING REDUCED BY £0.090m</p> <p>Original Saving: The cover of the Out of Hours Noise Control service will be managed to allow the reduction of 1 FTE. The service will continue to be provided 7 days a week, with a reduction in the size of both teams. The current establishment consists of 9 FTE. The proposal will see the removal of 1 FTE vacant post within the Service to 8 FTE.</p> <p>It is also proposed to realign the Public Health and Private Housing service through prioritisation of cases, consideration of response times, and directing complaints to appropriate third parties where possible.</p> <p>Currently the target response time for service requests is 2 working days. Implementation of the saving would see this increase to 5 working days. The current establishment consists of 18.5 FTE. The proposal will see the removal of 2 FTE posts within the Service.</p> <p>The removal of vacant hours within the Food and Business Regulation section has enabled the reduction of 0.5 FTE posts from the current structure of 15.6 FTE, to 15.1 FTE. The reduction in hours will be managed through less face to face customer contact for low risk sites, and a focus on the use of alternative enforcement strategies including telephone calls, questionnaires, use of technology, information gathering visits and themed visits.</p> <p>Finally, the work of the Environmental Protection service will be reprioritised to reflect current demands, including contaminated land and air quality. This will allow a reduction of 0.5 FTE from the current establishment of 2 FTE, which will be managed through a vacant post.</p> <p>The service currently deals with, on average, 22 contaminated land enquiries per annum, and assists with planning applications where contaminated land is an issue.</p> <p>Overall, the saving will result in a reduction of 4 FTE, from 45.1 FTE to 41.1 FTE.</p> <p>2.0 FTE of this saving are removed totalling £0.090m – the remaining 2 FTE saving proposed is in relation to vacant posts.</p>	2.0	0.090

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER29	Fleet and Environmental	Service Impact	<p>Market Surveillance Approach to Trading Standards Inspections</p> <p>Through a reduction in pro-active visits informed by market surveillance, and by directing customers to self-help facilities where appropriate, it is considered that 2 FTE can be removed from the current structure of 14.33 FTE.</p> <p>Planned interventions will continue to be carried out where required, and will focus on areas of greatest consumer detriment.</p> <p>Consumers will be directed to action they can take themselves to resolve customer advice requests and be directed to third party agents such as trade bodies and Citizens Advice Scotland.</p>	2.0	0.080
CER31	Planning and Economic Development	Service Impact	<p>Planning and Economic Development Service – SAVING REDUCED BY £0.150m</p> <p>Original Saving: This is a continuation of the 2017/2018 approved saving to restructure the Planning and Economic Development Service.</p> <p>Savings will be realised through changes within Planning and Economic Development which allow the re-prioritisation of service requirements and changes to the staffing structure to release 5 FTE posts.</p> <p>Statutory service delivery will continue to be met, but there will be an impact on the timescales, and deliverability on discretionary services. All requests for service would be prioritised.</p> <p>The service currently employs 110 FTE. The original proposal would see a reduction of 5 FTE.</p> <p>3.0 FTE of this saving are removed totalling £0.150m.</p>	3.0	0.150

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER32	Planning and Economic Development	Service Impact	<p>Payments to Other Bodies</p> <p>Through aligning priorities to the Community Plan, this will enable a reduction within the Payments to Other Bodies budget line. Following approval of the Community Plan in October 2017, current payments made to external organisations will be considered against the focus areas outlined in the Plan.</p> <p>The 2017/2018 budget for Payments to Other Bodies is £0.733m. The proposed saving of £0.118m (16%) will be achieved across a number of areas, which are outlined below:</p> <ul style="list-style-type: none"> • Money is contributed to a fund in Clydesdale for the provision of rural transport which mainly supports an additional bus route. Work can be picked up through other activities and funding sources such as the LEADER programme. The full allocation of £0.016m is proposed as a saving. • A saving of £0.040m will be realised from a reduction in the current Youth Diversion allocation of £0.382m. The Council will liaise with Regen:FX in order to ensure that the saving is attributed to those areas with the lowest impact on service delivery. • A further saving of £0.062m will be achieved through prioritisation of the remaining Payments to Other Bodies expenditure within the Service in line with focus areas identified within the Community Plan. 	-	0.118

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER33	Planning and Economic Development	Service Impact	<p>Employability Programmes</p> <p>There are a number of initiatives and changes impacting on the council requirement to provide employability support through commissioned programmes and this has allowed efficiencies to be made. These are the introduction of Fair Start Scotland, more activity around Developing the Young Workforce based in Education Resources, and efficiencies gained by centralising and delivering in house for some employability support.</p> <p>The Scottish Government is contracting for a new employability service for 2018/2019 (Fair Start Scotland). This service will support disabled and unemployed clients who would otherwise have been placed in a number of Council programmes such as Connect2 and Inclusiveness. This allows the Council to redirect work into other employability activity and not duplicate the work carried out via this Scottish Government contract.</p> <p>A redesign of the Council's employability programmes, together with delivering more through existing internal resources means a saving of £0.480m (10.5%) can be made from the current budget of £4.6m.</p>	-	0.480
CER34	Roads and Transportation	Service Impact	<p>Roads Staffing Structure</p> <p>Through a reprioritisation of existing work programmes, including those referenced in other savings (CER45 - Carriageway Resurfacing and CER36 - Flood Prevention), and active travel and cycling, staffing efficiencies have been identified. The saving will result in a reduction of 10 FTE, from 55.5 FTE to 45.5 FTE.</p> <ul style="list-style-type: none"> • Rationalisation of design teams from 6 FTE to 3 FTE • Reduction in Traffic/Transportation Team from 7.5 FTE to 6.5 FTE • Reduction in Flooding Team by one post, from 7 FTE to 6 FTE • Reduction in Streetworks Team by one post from 8 FTE to 7 FTE. • Reduction in Area Office Network Management Teams by 3 posts, from 22 FTE to 19 FTE • Reduction in Management Team by one post, from 5 FTE to 4 FTE. 	10.0	0.280

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER35	Roads and Transportation	Service Impact	<p>Footpath Resurfacing The proposal is to reduce footpath resurfacing by 24% from the current £0.500m annual programme to £0.380m per annum.</p> <p>The remaining investment of £0.380m will continue to be prioritised, taking account of footpath condition and usage.</p>	-	0.120
CER36	Roads and Transportation	Service Impact	<p>Flood Prevention This proposal is a 25% reduction in the level of flood prevention work currently undertaken through the Revenue Programme. Risks will continue to be managed through organising activity on a prioritised basis.</p> <p>The saving will be realised through a reduction in the number of studies undertaken as well as a decrease in the level of materials purchased and physical works undertaken.</p> <p>The current Revenue budget for Flood Prevention is £0.350m, which supplements the annual Capital Programme allocation (£0.100m in 2017/2018).</p>	-	0.090
CER37	Facilities, Waste and Grounds	Service Impact	<p>Remove Night Shift Council Officer Cover at HQ and Realign Frequency of Duties in all Principle Offices Reduce Council officer presence at HQ from 10.00pm to 6.00am. This would result in access to and from HQ from 6.00am to 10.00pm 7 days per week. HQ is currently accessible 24 hours a day.</p> <p>In other buildings, where there is a requirement for access to the building outwith hours, a booking system and procedure is in place. This would be implemented at HQ and would be followed if there was a requirement for access to the building during the night.</p> <p>The proposal would see the realignment of duties within the Council Officer service in terms of portage and setting up of rooms. Employees will be redeployed within the service where required. Employees would be employed specifically for any event that occurs after 10.00pm. Night time cleaning would be reprogrammed to be completed within the opening times.</p> <p>The saving will result in a reduction of 4.9 FTE, from 42.6 FTE to 37.7 FTE.</p>	4.9	0.146

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER39	South Lanarkshire Leisure and Culture	Service Impact	<p>Mobile Library Services and Home Delivery Service</p> <p>Following a rationalisation of the service during 2016/2017, it is now proposed that the mobile library service is removed. The current vehicles used in the provision of the service are likely to require investment or renewal in the coming years, which cannot be accommodated within existing budgets.</p> <p>Over the last 5 financial years between 2013/2014 and 2016/2017 there has been a 38% reduction in the use of this service.</p> <p>In addition to this, the new online virtual library has been launched which provides free 24hr access to eBooks, audio Books, newspapers, comics and magazines. It is anticipated that this will influence a downturn in demand for the home delivery service going forward.</p> <p>There will be no impact on service provision for those users who continue to require the Home Delivery Service. The service will continue to offer the same level of service provision, which can be arranged over the phone, online or by contacting the local library. However, through the introduction and promotion of alternative services available, it is anticipated that this will result in a natural decrease in demand.</p> <p>The number of occasions where the Home delivery service was utilised in 2016/2017 was as follows:</p> <p>Rutherglen - 732 Clydesdale - 1,162 East Kilbride - 693 Hamilton - 812</p> <p>The current establishment consists of 6.2 FTE. The proposals will see the removal of 2 FTE posts, reducing the establishment to 4.2 FTE.</p>	2.0	0.050

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER40	Planning and Economic Development	Service Impact	<p>Town Centre Maintenance</p> <p>A budget allocation of £0.020m is held within Economic Development for Town Centre Maintenance. This budget was established to enable reactive maintenance to be carried out in town centres, however, this function is now mainstreamed within other services of the Council, including Grounds Services and Waste Management. Examples include replacing litter bins, repairing benches and other ad hoc maintenance.</p> <p>It is proposed that the budget of £0.020m is removed and any discretionary maintenance required is funded from within the overall Service budget in future years.</p>	-	0.020
CER41	Planning and Economic Development	Service Impact	<p>Business Support Grants – SAVING REDUCED BY £0.115m</p> <p>Original Saving: Business Support Grants are available to small and medium enterprises (SME) across South Lanarkshire who may have difficulty raising funds through other means, or to assist in leveraging in further external funding. The grants are awarded for various purposes, including the purchase of equipment, marketing and investment in new premises.</p> <p>The proposal is to reduce the budget for Business Support Grants by 50%, from £0.230m to £0.115m, resulting in a saving of £0.115m in 2018/2019.</p> <p>This is not a statutory function. Scottish Enterprise deals with the high growth sector and the Council deals with SME. The Council will continue to offer non-financial assistance to enterprises where required. Business Gateway are also available to SME and provide advice and information on support available.</p> <p>The original savings proposal was a saving of £0.160m. £0.115m of this saving is removed in relation to grants leaving a saving of £0.045m in relation to the removal of one vacant post in 2018/19.</p>	-	0.115

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER42	Planning and Economic Development	Service Impact	<p>Payments to Other Bodies The proposal is to remove the current contributions to Young Apprentice (£0.005m) and Princes Trust (£0.007m) in 2018/2019.</p> <p>Both of these organisations receive other funding and work is underway, with Council support, to have the £0.005m Young Apprentice contribution replaced via sponsorship. Advice and guidance will still be provided.</p>	-	0.012
CER44	Facilities, Waste and Grounds	Service Impact	<p>Rationalisation of Library Attendants – SAVING REDUCED BY £0.038m Original Saving: As a result of a reduction in footfall within libraries over a number of years, the requirement for both an attendant and a cleaner in terms of providing an adult presence, and the requirement for the same level of cleaning provision, is no longer necessary. An analysis of the roles of library attendants and cleaners within 15 libraries across the Council has identified the option to standardise the service provided at each location through reducing the total number of staff on site at the same time. This will allow a saving of £0.080m to be achieved in 2018/2019.</p> <p>Details of the proposed changes can be provided.</p> <p>The original saving would have resulted in a reduction of 4 FTE, from the current establishment of 12.8 FTE, to 8.8 FTE.</p> <p>2.0 FTE of this saving at East Kilbride and Rutherglen Libraries are removed totalling £0.038m.</p>	2.0	0.038

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER45	Roads and Transportation	Service Impact	<p>Carriageway Resurfacing Programme - SAVING REDUCED BY £1.366m</p> <p>Original Saving: This proposal involves revising the current timescales for completion of resurfacing works, and would equate to a reduction to the overall revenue and capital roads budgets of 18%.</p> <p>There is £12m capital funding currently available, and £12m of revenue funding across all areas of roads budgets including reactive maintenance, giving a total allocation of £24m.</p> <p>Works will be prioritised over 2018/2019 and future years. The resurfacing projects we continue to undertake will be prioritised on the basis of road condition and the importance of the route. In general terms the effect for 2018/2019, is that approximately 85% of the programme will continue in 2018/2019, with any remaining works being reprogrammed in future years if there is a need to do so.</p> <p>The amount that we spend on projects can also be reduced through better procurement, we will ensure that more can be done with our remaining budgets. More competitive pricing can be achieved through packaging of projects and mini tendering.</p> <p>We will also reduce costs through reducing work carried out by contractors, and undertake more routine work in house, protecting the Council's workforce levels.</p> <p>Road safety will continue to be safeguarded via a system of inspections and defect repairs consistent with national standards.</p> <p>The original savings proposal was a saving of £4.366m. £1.366m of this saving is removed leaving a saving of £3m in 2018/19.</p> <p>The allocation of £3m to footpaths and carriageways from the additional capital grant means that the overall level of spend remains unchanged in 2018/19.</p>	-	1.366

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced																		
CER46	South Lanarkshire Leisure and Culture	Service Impact	<p>Community Managed Halls</p> <p>This proposal is to reduce the current level of staffing support offered within community managed halls, saving £0.025m per annum. Currently there are 352.3 staffing hours (10 FTE) employed across the following halls:</p> <table><tr><th>Location</th><th>Staffing Hours Provided</th></tr><tr><td>Tenants Association of Coatshill and Thornhill (TACT) Community Hall</td><td>91.30</td></tr><tr><td>Larkhall Community Centre</td><td>64.75</td></tr><tr><td>Uddingston Community Centre</td><td>68.25</td></tr><tr><td>Springwells Hall</td><td>13.00</td></tr><tr><td>North Halfway Hall</td><td>30.00</td></tr><tr><td>Carstairs Community Centre</td><td>17.00</td></tr><tr><td>Douglas St Brides</td><td>68.00</td></tr><tr><td>Total</td><td>352.30</td></tr></table> <p>The proposal would see a reduction of 42.3 hours, from 352.3 hours to 310 hours. This represents a 12% reduction in the number of hours of staffing support currently provided.</p> <p>Consideration of the current provision for each hall, and revised requirements, will see the remaining employee hours being reallocated across the halls based on actual requirements.</p> <p>There are currently 10 FTE within the service, which will reduce by 1 FTE, to 9 FTE.</p>	Location	Staffing Hours Provided	Tenants Association of Coatshill and Thornhill (TACT) Community Hall	91.30	Larkhall Community Centre	64.75	Uddingston Community Centre	68.25	Springwells Hall	13.00	North Halfway Hall	30.00	Carstairs Community Centre	17.00	Douglas St Brides	68.00	Total	352.30	1.0	0.025
Location	Staffing Hours Provided																						
Tenants Association of Coatshill and Thornhill (TACT) Community Hall	91.30																						
Larkhall Community Centre	64.75																						
Uddingston Community Centre	68.25																						
Springwells Hall	13.00																						
North Halfway Hall	30.00																						
Carstairs Community Centre	17.00																						
Douglas St Brides	68.00																						
Total	352.30																						

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER47	South Lanarkshire Leisure and Culture	Service Impact	<p>Community Libraries</p> <p>An assessment of operational hours and attendance levels has been carried out across Community Libraries, which has identified the ability to reduce the opening hours at 15 community libraries across the South Lanarkshire area in line with current demand. As a result, a saving of 3.5 FTE and £0.058m can be achieved.</p> <p>The proposal would move to a more peripatetic arrangement in terms of the delivery of children's activities, where the children's team would deliver events at other SLLC venues to enable continuation of the activity. This would mean that the impact on relationships with both primary and secondary schools will be minimised.</p> <p>The change in hours for each library has been programmed to complement the opening times of an alternative library within a reasonable proximity.</p> <p>In addition to this, the new online virtual library has been launched which provides free 24hr access to eBooks, audio Books, newspapers, comics and magazines.</p> <p>The proposal is to reduce the opening hours at Forth, Bothwell, Cathkin, St. Leonards, Halfway, Hillhouse, Uddingston, Burnbank, Lesmahagow, Lanark, Larkhall, Greenhills, Hamilton Town House, Rutherglen and Blantyre.</p>	3.5	0.058

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
CER48	South Lanarkshire Leisure and Culture	Service Impact	<p>Reduction in Opening Hours at Leisure Centres Through revising current opening hours within 5 leisure centres across South Lanarkshire in line with current demand levels, a saving of £0.095m can be generated. The saving reflects an analysis of attendance levels throughout the day, and the proposals suggest a slight change to current opening and closing times for each facility based on current attendance data.</p> <p>The proposal is to reduce the opening hours at Coalburn, Forth, Strathaven, Eastfield Lifestyles and Biggar.</p>	3.9	0.095
CER49	Facilities, Waste and Grounds	Service Impact	<p>Provision of Cleaning in Council Offices and Depots Through a reduction in the level of cleaning provided in the main council offices and depots, a saving of £0.150m can be generated in 2018/2019.</p> <p>The service currently provides cleaning 5 days per week, 52 weeks of the year in the majority of council offices and depots. The proposal would involve the provision of this service on alternate days, with the exception of the cleaning of toilet facilities in high usage locations, which will still be undertaken daily.</p> <p>Currently, alternate day cleaning is provided in 11 council offices and depots.</p> <p>Details of the locations affected by the proposal can be provided, and the sites where alternate day cleaning is currently in place, can also be provided.</p> <p>Further efficiencies of £0.150m are available in 2019/2020 from the implementation of this saving.</p>	12.4	0.150

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
EDR02	All	Efficiency and Outturn	<p>Realignment of Property Costs, Supplies and Services and Administration Costs Budgets Through targeting areas of non-essential spend across the Resource and removing budgets no longer required, a saving can be made across a number of budget lines.</p> <p>This saving will see a reduction in the per capita allocation to pupils from 3-18 years across all sectors. This will be a continuation of a managed programme of classroom materials reduction and will be allocated based on school roll. Savings can be realised in Early Years establishments and schools through the development and implementation of new procurement and delivery processes, which will generate savings through economies of scale and the identification of further efficiencies across the Resource.</p> <p>Additionally, there will be a reduction to postage, catering and parent council budgets as a result of efficiencies in service delivery.</p> <p>Finally, there will be the removal of property costs budgets of £0.028m no longer required.</p>	-	0.337
EDR06	Psychological Services	Service Impact	<p>Psychological Services - Staffing Structure As a result of changes to current working patterns through phased retirement and reduced hours, a reduction of 1 FTE Psychologist post can be achieved.</p> <p>Available resources will be developed in order to enable schools to better respond to any issues arising which will help to mitigate the reduction in staff.</p> <p>The current structure is 22.8 FTE.</p>	1.0	0.050

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced														
EDR07	Schools	Service Impact	<p>Behaviour Support in Secondary Schools</p> <p>The saving will be achieved by removing the provision of dedicated Behavioural Support staff in schools, and the introduction of a ‘whole school’ approach to behaviour which will be adopted and implemented by all teaching staff within secondary schools.</p> <p>This is the continuation of a programme to remove targeted behaviour support as part of the move to a whole school approach on behaviour.</p> <p>Staff resources will be either redeployed within schools, or the additionality used for this support will cease. This targeted support is only present in 6 schools and will ensure consistency of approach in all secondary schools in relation to behaviour management.</p> <p>The current allocation of 3 FTE for Behaviour Support across schools is as follows:</p> <table><tr><td>Calderside Academy</td><td>0.6 FTE</td></tr><tr><td>Cathkin HS</td><td>0.6 FTE</td></tr><tr><td>Larkhall Academy</td><td>0.3 FTE</td></tr><tr><td>St John Ogilvie HS</td><td>0.6 FTE</td></tr><tr><td>Stonelaw HS</td><td>0.3 FTE</td></tr><tr><td>Trinity HS</td><td>0.6 FTE</td></tr><tr><td>TOTAL</td><td>3.0 FTE</td></tr></table>	Calderside Academy	0.6 FTE	Cathkin HS	0.6 FTE	Larkhall Academy	0.3 FTE	St John Ogilvie HS	0.6 FTE	Stonelaw HS	0.3 FTE	Trinity HS	0.6 FTE	TOTAL	3.0 FTE	3.0	0.085
Calderside Academy	0.6 FTE																		
Cathkin HS	0.6 FTE																		
Larkhall Academy	0.3 FTE																		
St John Ogilvie HS	0.6 FTE																		
Stonelaw HS	0.3 FTE																		
Trinity HS	0.6 FTE																		
TOTAL	3.0 FTE																		

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
EDR08	Schools	Service Impact	<p>Targeted Class Sizes Support - Primary 1</p> <p>The saving will be achieved by removing the class size reduction from primary 1, and instead provide targeted class size reduction support to primary 1 children where required.</p> <p>By increasing the primary 1 class size to 25 pupils, 10 schools will see the Class Size Reduction teacher removed based on expected configurations and would take all classes to the statutory levels.</p> <p>All children have access to, and benefit from, a teacher in the Early Years setting, in advance of starting Primary 1.</p> <p>The Council will continue to maintain the required Pupil Teacher Ratio through ensuring that the reduction in posts are offset with necessary cover staff.</p>	-	0.280

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
FCR07	Personnel	Efficiency and Outturn	<p>Supported Employment and Management</p> <p>Through removing the duplication of services delivered following the introduction of the Scottish Government Fair Start Scotland programme, and assessing the current management structure and programme delivery, efficiencies can be achieved in 2018/2019. This is linked to saving CER33. This saving will be delivered through a reduced need to spend on employability programmes as the needs of some client groups will now be delivered through the national Fair Start programme. This will include a reduced need to pay partners to deliver programmes.</p> <p>Through planning the targeted projects the Council will deliver, there will be no duplication with Scottish Government delivered services. Programmes of work will be determined so that all key groups will still be targeted either through Council, Scottish Government, or other initiatives. The Council will ensure efficiency through coordinating its service through the supported employment team.</p> <p>There are 16 FTE posts within supported employment. This saving proposes a reduction of 1 FTE vacant management post to 15 FTE, as teams are merged for a more coordinated service delivery. The current budget in Personnel for this is £2.588m. This saving will reduce the budget to £2.388m.</p>	1.0	0.200

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
FCR08	IT	Efficiency and Outturn	<p>IT Services</p> <p>This saving will be achieved through the following efficiencies across the Service:</p> <ul style="list-style-type: none"> Reduction in number of end-user devices (phones, PCs) provided to Resources – Savings in lease and licensing costs will result from reducing the number of devices such as telephones and PC's (£0.100m). Rationalisation of software licences – Through using fewer licences, efficiencies can be gained (£0.100m). Introduction of self-service (1 FTE) – Self-service capabilities will be introduced on management tools and the SL intranet to enable customers to access information directly. In addition, self-service capabilities will be made available to raise new service desk tickets directly on the system, including out of hours. This will be implemented by June 2018 (£0.030m). Expenditure with External Providers – Savings will be made from reducing the level of spend we make with external providers on specialist servers and equipment. (£0.150m). Storage - To reduce storage costs, we will remove any non-priority back up storage beyond immediate requirements, and also look more to external solutions where possible (such as cloud). Rationalisation of the files that are held will be required to meet corporate retention standards, which will be relevant to each service (£0.065m). Reduction of non-core IT tasks (1 FTE) – These include writing and generating reports, efficiencies in managing contracts and 3rd parties on behalf of customers, opening tickets on behalf of customers, and resolving data-related issues. This will have little direct impact on Council services delivered. (£0.050m). Introduction of self-service (1 FTE) – Self-service capabilities will be introduced on management tools and the SL intranet to enable customers to access information directly. In addition, self-service capabilities will be made available to raise new service desk tickets directly on the system, including out of hours. This will be implemented by June 2018 (£0.020m). Staffing (6 FTE) – In addition, through the consideration and realignment of duties, and consideration of vacancies, a further saving of £0.295m and 6 FTE can be achieved. 4 FTE posts are currently vacant within the Service. The remaining 2 FTE posts will be achieved through natural turnover within the Service. <p>The current gross budget for IT is £11.202m. This saving will reduce the budget to £10.392m.</p>	9.0	0.810

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
FCR09	Administration, Legal and Licensing	Efficiency and Outturn	<p>Voluntary Organisations Grants</p> <p>A 5% reduction in grant is proposed for a range of voluntary organisations currently in receipt of grants from the Council. Actual reductions will range from £1,000 to around £20, saving £0.008m per annum (from a budget of £0.162m). A list of the organisations affected is available.</p> <p>In addition, Lightburn Elderly Association Project (LEAP) currently receives a contribution of £0.054m per annum from the Council. A 15% reduction in grant is proposed (£0.008m) in 2018/2019.</p> <p>LEAP receives support from a range of sources other than the Council, including NHS Lanarkshire, the National Lottery, the Voluntary Action Fund and People's Health Trust. LEAP also receives money through the third sector integrated care budget.</p> <p>Their overall income from grants to 31 March 2016 was £0.396m. The proposed saving of £0.008m represents 2.1% of LEAP's overall income from grants in 2015/2016.</p> <p>As at 31 March 2016, there was a balance of £0.045m on their unrestricted funds.</p>	-	0.016

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
FCR10	Administration, Legal and Licensing	Efficiency and Outturn	<p>Cambuslang Childcare Project</p> <p>The £0.082m current funding to Cambuslang Childcare Project (CCP) funds a free 0-3 year old nursery service for parents in the Cairns / Cambuslang area. The core grant also covers management and administration staffing costs etc.</p> <p>CCP also receives £0.061m funding from Education Resources for nursery placements.</p> <p>The free 0-3 year old service funded by this grant is unique in South Lanarkshire and is not available through any other nursery. The Council will work with CCP to replace the provision of free places for 0-3 year olds (saving £0.044m per annum) with places for 3-5 year olds, funded through partnership nursery arrangements.</p> <p>CCP have advised that the reduction could be manageable, if given time to implement the transition from the provision of 0-3 year old service to solely 3-5 year olds through partnership nursery arrangements.</p> <p>Eligible families can access free nursery provision through alternative arrangements funded by the Scottish Government for children from age 2.</p> <p>The saving equates to 31% of the overall funding currently provided to CCP in total from the Council.</p> <p>A further saving of £0.038m is achievable in 2019/2020 from the complete removal of the current funding.</p>	-	0.044

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
HTR05	Property Services	Efficiency and Outturn	<p>Lindsay House A saving of £0.060m can be realised through a reduction in Council Officer provision at Lindsay House from 121 hours per week to 94 hours per week. This will have no impact on service provision.</p> <p>There are 14 FTE posts within the service. This saving proposes a reduction of 2 FTE posts to 12 FTE, saving £0.060m per annum.</p>	2.0	0.060
HTR08	Housing Services	Service Impact	<p>Anti-Social Behaviour Service The proposal is to consider the prioritisation of the services of the central Anti-Social Behaviour Service, which includes the Community Wardens, Anti-Social Investigation Team and Mediation.</p> <p>The FTE shown reflects the full employee impact of the saving, however, as the Service is part funded by the HRA, the impact on the General Services budget is £0.035m.</p> <p>There are 33.1 FTE posts within the service. This saving proposes a reduction of 3 FTE to 30.1 FTE, saving £0.035m per annum.</p>	3.0	0.035

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced																										
SWR02	Adult and Older People Services	Charging	<p>Increase in Taper Applied to Non-Residential Care Services</p> <p>Non-residential care relates to all care provided in the community or in the service users' homes, including day care, supported living and social care, but excluding alert alarms and meals on wheels.</p> <p>The current charges to service users are based on ability to pay. The Council has discretion to apply a taper, to ensure that the service user contribution is not based on all of their eligible income. The proposal is to increase the taper from 60% to 65%, therefore the maximum contribution a service user would pay would be 65% of their eligible income.</p> <p>This change will affect 705 service users as detailed below:</p> <table><tr><th>Range increase (per week)</th><th>No. of Users</th></tr><tr><td><£1</td><td>63</td></tr><tr><td>£1.01 to £2</td><td>128</td></tr><tr><td>£2.01 to £3</td><td>74</td></tr><tr><td>£3.01 to £4</td><td>84</td></tr><tr><td>£4.01 to £5</td><td>96</td></tr><tr><td>£5.01 to £6</td><td>124</td></tr><tr><td>£6.01 to £7</td><td>90</td></tr><tr><td>£7.01 to £8</td><td>20</td></tr><tr><td>£8.01 to £9</td><td>13</td></tr><tr><td>£9.01 to £10</td><td>0</td></tr><tr><td>>£10.00</td><td>13</td></tr><tr><td>Total</td><td>705</td></tr></table> <p>There are 14 other councils who currently apply tapers of 65% or above.</p> <p>The saving will not change the type or level of service received by service users.</p>	Range increase (per week)	No. of Users	<£1	63	£1.01 to £2	128	£2.01 to £3	74	£3.01 to £4	84	£4.01 to £5	96	£5.01 to £6	124	£6.01 to £7	90	£7.01 to £8	20	£8.01 to £9	13	£9.01 to £10	0	>£10.00	13	Total	705	-	0.150
Range increase (per week)	No. of Users																														
<£1	63																														
£1.01 to £2	128																														
£2.01 to £3	74																														
£3.01 to £4	84																														
£4.01 to £5	96																														
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£6.01 to £7	90																														
£7.01 to £8	20																														
£8.01 to £9	13																														
£9.01 to £10	0																														
>£10.00	13																														
Total	705																														

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
SWR03	Adult and Older People Services	Charging	<p>Non Residential Charges - Adult Day Centres</p> <p>This saving will be achieved through the introduction of a charge for attendance at Adult Day Care Centres and also an increase in the price of the meal provided at the Adult Day Care Centres. Both of these will bring the Adult Day Care Centres in line with service users in other areas across the Service.</p> <p>The application of the Charging Policy for Non Residential Service users to service users attending adult day care centres will bring this into line with other service users currently in receipt of day care services. There are 161 users who would be affected by this proposal. However, the proposal is to include this as part of the total care package costs and apply the existing non-residential charging policy, therefore, the level of charge applied will be means tested and based on an assessment of their ability to pay.</p> <p>The proposal is also to increase the cost of the meals provided to service users attending adult day care centres. Service users are currently provided with a 2 course meal at a charge to the service user of £2.00. The proposal is to increase the charge from £2.00 to £3.00. This would bring the charge in line with the charge for community meals provided to other service users across the Council, namely Meals on Wheels and Lunch Clubs.</p> <p>The centres where the increase in meal charge will be introduced are the Integrated Facilities in Hamilton, Lanark, Carluke, Rutherglen, Stonehouse and the Murray Owen Centre.</p> <p>The saving will not change the type or level of service received by service users. It only introduces a new charge or increases the charges to users.</p>	-	0.130

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
SWR04	Adult and Older People Services	Service Impact	<p>In-House Care Support Services</p> <p>The savings will be achieved through an analysis of the care packages, where it is safe to do so, currently being delivered to service users, with a view to identifying alternative delivery methods, whilst ensuring that the service user continues to receive the support and care that they require.</p> <p>The changes will include removing sleepovers where the 'just checking' system has established that the service user does not require assistance during the night; removing the waking night service and introducing shared sleepovers where the service users stay in close proximity to each other including the use of assistive technology, if required. The increased use of assistive technology such as epilepsy monitors, smoke alarms connected to ALERT and door sensors to alert the service if the service user attempts to leave their home when unsupported means that there will be a reduced requirement for staff.</p> <p>The assessment for changes to support are subject to thorough risk assessments and carried out in partnership with care and support staff and social work staff from locality teams.</p> <p>The service will work closely with family members to reassure them of the changes and safety/wellbeing of the service users and that any assistive technology is in place to ensure responses are in place should the service user require support outwith times of support being delivered.</p> <p>The saving will be delivered through changes in the care package of a small number of service users. The reduction in care hours required to be delivered will allow the removal of 9.6 FTE posts from the structure, moving from 142.95 FTE to 133.35 FTE. Anticipated recruitment opportunities for the redeployment of staff affected will mean that in the case of this saving there is no net loss of posts.</p> <p>The current net budget for this service is £4.253m.</p>	-	0.100

Appendix 1 – Savings Removed / Reduced

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE Removed / Reduced	Saving £m Removed / Reduced
SWR05	Adult and Older People Services	Service Impact	<p>Adult and Older People Day Care – SAVING REDUCED BY £0.450m</p> <p>Original Saving: The redesign of adult and older people day care services will allow savings of £0.550m to be achievable in 2018/2019, from a net budget of £7.997m.</p> <p>This will be achieved through the reconfiguration of current day service models and delivery arrangements for adult and older people. Across adult and older people services there are 20 “building based” services some of which are significantly under used and the current model of delivery does not support an integrated care approach. The savings will be realised by a reduction in the number of these centres as services are realigned. This will mean reduced property, staffing and transport costs. The vision is to move away from traditional day service models to the development of intermediate care models and community hubs in each of the four locality areas in working partnership with health, leisure and third sector colleagues.</p> <p>The saving will be delivered through the re-provision of Adult Day Care from Carluke Day Centre to the Harry Smith Complex and the closure of 2 Older Peoples Day Care Centres - Ashley Grant, East Kilbride and Jenny MacLachlan, Carluke.</p> <p>The re-provision of Adult Day Care and closure of the 2 Older Peoples Day Care Centres will allow the removal of 15 FTE posts from the current structure of 87.1 FTE, resulting in a revised structure of 72.1 FTE. Anticipated recruitment opportunities for the redeployment of staff affected by the day care centre closures will mean that in the case of this saving there is no net loss of posts.</p> <p>Of this saving, £0.450m has been removed in respect of the Carluke Day Centre and Jenny MacLachlan Older People Day Care Centre, Carluke. The remaining saving will be met from the closure of the Ashley Grant Centre, East Kilbride.</p>	-	0.450
Total Removed / Reduced Savings				100.8	7.557

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Cross Resource Savings Proposals 2018/2019

COR01	All	Efficiency and Outturn	<p>Carbon Reduction Commitment</p> <p>A saving of £0.500m will be achieved from a one-off reduction in relation to the Carbon Reduction Commitment, which will require to be re-instated in 2019/2020. This is the result of underspends realised in previous years from reduced levels of carbon allowances required, mainly due to the completion of the Street Lighting Improvement Programme. The saving will be achieved through the Council utilising funds that have been built up, thus generating a one-off saving of £0.500m in 2018/2019.</p> <p>A further saving will be achieved from the ongoing reduction of £0.250m per annum in relation to the Carbon Reduction Commitment.</p>	-	0.750
COR03	All	Efficiency and Outturn	<p>Policy and Strategy</p> <p>Through a more focused use of resources, and a more joined up approach to policy and strategy across the Council, a reduction in staffing can be achieved across all Resources. Structural changes from bringing together teams, where a council wide approach is required, will enable efficiencies to be made and will remove duplication.</p> <p>Efficiencies of 3 FTE (£0.150m) are achievable in 2018/2019 through removing duplication in the preparation and monitoring of various policies, strategies and procedures across the Council.</p> <p>There are 59 FTE posts identified within Policy and Strategy. This saving proposes a reduction of 3 FTE posts to 56 FTE, saving £0.150m per annum.</p>	3.0	0.150

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
COR04	All	Efficiency and Outturn	<p>Overtime Criteria This saving is a further conversion of premium rate working to employment opportunities, building on the work carried out in partnership with the Trade Unions over 2016/2017 and 2017/2018.</p> <p>By continuing to review the overtime criteria, the amount of additional hours required to be worked will reduce, and the requirement for regular overtime will be translated into more established hours at Plain Time, reducing the cost to the Council.</p> <p>As part of this saving there will be engagement with the Trade Unions, and this saving will have no impact on service delivery.</p>	-	0.500
Total Cross Resource Savings Proposals 2018/2019				3.0	1.400

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Cross Resource Savings Summary Across Categories				FTE	£m
Approved				-	0.000
Efficiency and Outturn				3.0	1.400
Charging				-	0.000
Service Impact				-	0.000
Cross Resource Savings Proposals 2018/2019				3.0	1.400

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Community and Enterprise Resources' Savings Proposals 2018/2019

Community and Enterprise Resources' Efficiency and Outturn Savings

CER01	Fleet and Environmental	Efficiency and Outturn	<p>Realignment of Employee Budget Through realignment of budget to reflect actual salaries paid, a saving of £0.020m can be achieved in 2018/2019.</p> <p>This will have no impact on service delivery or FTE numbers.</p>	-	0.020
CER03	Roads and Transportation	Efficiency and Outturn	<p>Lighting Investment Programme The completion of the current programme of 100% LED switchover and 7,400 column replacements means that further longer term revenue budget savings can be realised.</p> <p>The saving will be achieved as a result of the early completion of the programme and a reduction in budget required due to reduced energy costs.</p> <p>The 2017/2018 budget allocation for Street Lighting is £3.940m, and so the proposed saving equates to 13% of the annual budget. The saving of £0.500m relates to funds currently redirected from the Roads revenue budget towards the Street Lighting Investment Programme which are no longer required as the project is now complete.</p>	-	0.500
CER04	Roads and Transportation	Efficiency and Outturn	<p>Winter Service – Route Optimisation Via a route optimisation exercise, the opportunity has been identified to achieve the same precautionary gritting coverage via 23 gritting routes rather than the existing 25. Savings will be realised through a reduction in fleet and overtime costs.</p> <p>It should be noted this change will be implemented for the coming winter given that it has no policy implication.</p>	-	0.230

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
CER07	Facilities, Waste and Grounds	Efficiency and Outturn	Grounds Staffing Structure – SAVING REDUCED This proposal would see the removal of 1 FTE vacant Grounds Officer post within the service, reducing the current establishment from 24 FTE to 23 FTE. Duties will be re-prioritised and reallocated across the remaining resources within the service.	1.0	0.038
CER08	Facilities, Waste and Grounds	Efficiency and Outturn	Delivery of Waste Services Following an analysis of current routes and working patterns to ensure optimum delivery of the service and to maximise use of the Council's fleet, savings of £0.180m have been identified. This follows the evaluation of the current provision of Waste Management Services, in conjunction with Zero Waste Scotland.	-	0.180
CER09	South Lanarkshire Leisure and Culture	Efficiency and Outturn	Rationalisation of ICT Services A saving of £0.030m will be achieved through the rationalisation of a number of ICT services, including the removal of a photocopier, a reduction in the number of leased PCs and a reduction in the number of Citrix licenses required. The 2017/2018 budget allocation for ICT Services is £0.227m, which will reduce to £0.197m following implementation of this saving.	-	0.030
CER10	South Lanarkshire Leisure and Culture	Efficiency and Outturn	South Lanarkshire Leisure and Culture Staffing Structure – SAVING REDUCED The saving will be achieved through the implementation of a number of operational changes and changes to the current management structure which will allow a reduction of 8.1 FTE. The saving will have a minimal impact on service delivery.	8.1	0.248

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
CER11	South Lanarkshire Leisure and Culture	Efficiency and Outturn	<p>Increase to the ACE Programme By offering an improved ACE Activity Programme, additional income can be generated through increased attendance and membership.</p> <p>By expanding the existing programme through adding more classes, the number of ACE membership packages can be increased by 308 (from 2,000 to 2,308), generating an additional £0.075m per annum. An additional £0.015m would be required for coaches to deliver the classes, resulting in a net saving of £0.060m in 2018/2019.</p>	-	0.060
CER12	South Lanarkshire Leisure and Culture	Efficiency and Outturn	<p>Supplies and Services and Administration Budgets and Realignment of Income This saving will be realised through a reduction in areas of overheads such as materials, marketing, printing and stationery, external training costs, events and activities and administration costs.</p> <p>In addition, there will be a realignment of budget to reflect an increase to the value of the catering contract at James Hamilton Heritage Park, and to reflect revised operational hours within the park. Further income can also be generated from the sale of advertising space and securing external sponsorship for a number of events.</p>	-	0.158
CER14	South Lanarkshire Leisure and Culture	Efficiency and Outturn	<p>East Kilbride Summer Fest It is proposed that the current budget allocation of £0.057m in relation to East Kilbride Summer Fest is reduced by £0.020m (35%).</p> <p>Since moving the event from the East Kilbride town centre to the East Kilbride Arts Centre, there has been a reduction in the requirement for security, litter picking, technical support and infrastructure.</p> <p>The focus of the event has become more family orientated, offering opportunities for participation in arts and other activities rather than the concert style event it was previously. These changes have allowed savings to be identified for 2018/2019.</p>	-	0.020
CER15	Fleet and Environmental	Efficiency and Outturn	<p>Efficiencies in Contracts This saving proposes to realign the income budget for pest control services. This will achieve a saving of £0.050m per annum which reflects the actual activity experienced in recent years.</p>	-	0.050

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
CER16	Fleet and Environmental	Efficiency and Outturn	<p>Fleet Asset Movements Changes to fleet assets across the Council has allowed efficiencies of £0.320m to be realised in 2018/2019.</p> <p>Casual hire to lease conversions, and the non-renewal of lease agreements for vehicles no longer required, have allowed savings to be achieved in the costs of these agreements and the associated running costs of the vehicles.</p>	-	0.320
CER17	Planning and Economic Development	Efficiency and Outturn	<p>Staffing Secondment A total saving of £0.085m can be realised in 2018/2019 due to a 2-year staff secondment which will commence in October 2017. The saving will be made up of an underspend of £0.025m from 2017/2018 and a full-year saving of £0.060m in 2018/2019. A further saving of £0.025m will be realised in 2019/2020.</p> <p>This post requires to be reinstated following completion of the secondment.</p>	1.0	0.085
CER19	Fleet and Environmental	Efficiency and Outturn	<p>Reduction in Non-Employee Cost Expenditure and Income Generation The proposal involves a reduction in expenditure on supplies and services within Fleet Services, including cleaning, plant and equipment and protective clothing. This will be achieved through identifying efficiencies within current service delivery and through adopting better procurement processes.</p> <p>In addition, through analysing the total level of mileage incurred for clients over 60, additional income can be generated through the Bus Services Operators Grant from Transport Scotland.</p> <p>The current budget allocation across these areas of expenditure is £0.245m. This will reduce by £0.060m, to £0.185m following implementation of this saving.</p>	-	0.060

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
CER20	Facilities, Waste and Grounds	Efficiency and Outturn	<p>Supplies and Services</p> <p>Reduce expenditure on Supplies and Services by £0.020m within Waste Services. The current budget allocation for 2017/2018 is £0.314m, which will reduce to £0.294m following implementation of this saving.</p> <p>This will have no impact on service delivery.</p>	-	0.020
Total Community and Enterprise Resources' Efficiency and Outturn Savings 2018/2019				10.1	2.019

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Community and Enterprise Resources' Charging Savings

CER21	Facilities, Waste and Grounds	Charging	<p>Increase Price of School Meals – AMENDED SAVING</p> <p>It is proposed that the price of a school lunch is increased by 3%. This is an increase of £0.05, from £1.60 to £1.65. This will not affect those pupils in Primary 1, 2, & 3 who receive free meals through the government initiative and those in Primary 4 to 7 and High School pupils entitled to free meals through national entitlement.</p> <p>The Council will continue to provide a 3 course lunch for primary school pupils and continue to have the lowest price charged across Scotland for both Primary and Secondary school meals (based on 2016/2017 school meal prices across other Councils).</p>	-	0.100																								
CER22	Facilities, Waste and Grounds	Charging	<p>Charges for Cremation – AMENDED SAVING</p> <p>It is proposed to increase cremation charges by 3% from the current charge of £599 per service to £617. The increase of £18 would generate additional income of £0.022m per annum.</p> <p>The increase will result in South Lanarkshire moving from 2nd of 12 in terms of lowest cost, to 4th of 12, based on current charges for other authorities, as detailed below:</p> <p>2016 Cremation Charges for Local Authorities:</p> <table><tr><td>Inverclyde</td><td>£552</td></tr><tr><td>South Lanarkshire</td><td>£599</td></tr><tr><td>Glasgow</td><td>£599</td></tr><tr><td>Falkirk</td><td>£608</td></tr><tr><td>West Dunbartonshire</td><td>£617</td></tr><tr><td>Argyll and Bute</td><td>£628</td></tr><tr><td>Fife</td><td>£642</td></tr><tr><td>City of Aberdeen</td><td>£693</td></tr><tr><td>Edinburgh</td><td>£708</td></tr><tr><td>Perth and Kinross</td><td>£749</td></tr><tr><td>South Ayrshire</td><td>£788</td></tr><tr><td>Highland</td><td>£849</td></tr></table>	Inverclyde	£552	South Lanarkshire	£599	Glasgow	£599	Falkirk	£608	West Dunbartonshire	£617	Argyll and Bute	£628	Fife	£642	City of Aberdeen	£693	Edinburgh	£708	Perth and Kinross	£749	South Ayrshire	£788	Highland	£849	-	0.022
Inverclyde	£552																												
South Lanarkshire	£599																												
Glasgow	£599																												
Falkirk	£608																												
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Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m								
CER23	South Lanarkshire Leisure and Culture	Charging	<p>Price Increases – Calderglen Country Park Zoo – AMENDED SAVING</p> <p>Propose to increase admission costs to Calderglen Zoo by 3%. A child price would increase from £0.50 to £0.52, and an adult price increase from £1.40 to £1.45.</p> <p>The proposed prices for the Zoo are still considerably lower than other similar attractions in the area. Charges for Amazonia are currently £4.75 per child, and Camperdown charge £4 per child.</p>	-	0.006								
CER24	South Lanarkshire Leisure and Culture	Charging	<p>Activage Membership – AMENDED SAVING</p> <p>The Activage membership is available to all South Lanarkshire residents aged 60+. The membership allows access to all mainstream leisure activities and a number of bespoke classes.</p> <p>An increase to the annual Activage membership fee of 3% from £54.60 to £56.25 per annum is proposed.</p> <p>This is the equivalent of an increase of £0.03 per week in 2018/2019.</p> <p>This is based on the current level of 8,000 members continuing membership following the increase.</p> <p>Membership levels have increased over the years as follows:</p> <table><tr><td>2014</td><td>6,176</td></tr><tr><td>2015</td><td>6,891</td></tr><tr><td>2016</td><td>7,421</td></tr><tr><td>2017</td><td>8,064</td></tr></table>	2014	6,176	2015	6,891	2016	7,421	2017	8,064	-	0.013
2014	6,176												
2015	6,891												
2016	7,421												
2017	8,064												

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
CER25	South Lanarkshire Leisure and Culture	Charging	<p>Price Increase Across Other Areas Increasing charges by 3% (except those covered in other savings and fitness, including pay as you go memberships) will generate a saving of £0.120m.</p> <p>Examples of the proposed increases are detailed below, with a full list of price increases available on request:</p> <p>Swimming Lane Hire 20m Lane 1 – Increase from £11.60 to £11.95 Gym – Increase from £6.10 to £6.30 Football 5 A Side – Increase from £43.35 to £44.65</p>	-	0.120
Total Community and Enterprise Resources' Charging Savings 2018/2019				-	0.261

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Community and Enterprise Resources' Service Impact Savings

CER27	Fleet and Environmental	Service Impact	<p>Environmental Services – SAVING REDUCED</p> <p>The cover of the Out of Hours Noise Control service will be managed to allow the reduction of 1 FTE. The service will continue to be provided 7 days a week, with a reduction in the size of both teams. The current establishment consists of 9 FTE. The proposal will see the removal of 1 FTE vacant post within the Service to 8 FTE.</p> <p>The removal of vacant hours within the Food and Business Regulation section has enabled the reduction of 0.5 FTE posts from the current structure of 15.6 FTE, to 15.1 FTE. The reduction in hours will be managed through less face to face customer contact for low risk sites, and a focus on the use of alternative enforcement strategies including telephone calls, questionnaires, use of technology, information gathering visits and themed visits.</p> <p>Finally, the work of the Environmental Protection service will be reprioritised to reflect current demands, including contaminated land and air quality. This will allow a reduction of 0.5 FTE from the current establishment of 2 FTE, which will be managed through a vacant post.</p> <p>The service currently deals with, on average, 22 contaminated land enquiries per annum, and assists with planning applications where contaminated land is an issue.</p> <p>Overall, the saving will result in a reduction of 2 FTE, from 26.6 FTE to 24.6 FTE.</p>	2.0	0.090
CER28	Fleet and Environmental	Service Impact	<p>Litter Enforcement</p> <p>Through a reduction of 2 FTE from the current establishment, a saving of £0.050m can be achieved. The delivery of service will continue to be prioritised and monitoring of the Council's performance will continue to ensure focus of attention remains in prioritised areas.</p> <p>The service currently has an establishment of 9 FTE. The saving proposes that this is reduced by 2 FTE to 7 FTE.</p> <p>Staff in the posts are currently on temporary contracts which are due to expire in March 2018.</p>	2.0	0.050

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
CER30	Fleet and Environmental	Service Impact	<p>Fleet Management</p> <p>This saving will be achieved by looking at the costs of replacing and maintaining the Council's fleet of vehicles.</p> <p>Through further replacement of casual hire vehicles by using more cost effective procurement methods, the identification of efficiencies in fuel supply through the use of telematics, and by extending the use of electric vehicles, a saving of £0.448m can be achieved.</p> <p>Further savings of £0.286m can be achieved in the costs of vehicle maintenance through consideration of changes in fleet requirements across the Council. In addition, the level of expenditure on avoidable damage can be reduced through better awareness and through communication with managers and staff.</p> <p>A saving can be generated from assessing current usage of the pool car fleet. An assessment of usage was carried out within Environmental Services. This identified that some vehicles were less used than others. Through ensuring that the pool car fleet utilisation increases towards capacity, savings of £0.016m can be generated.</p> <p>Finally, a saving of £0.150m can be realised by realigning income budgets to reflect current service delivery, and by reducing expenditure on outside repairs.</p>	-	0.900
CER31	Planning and Economic Development	Service Impact	<p>Planning and Economic Development Service – SAVING REDUCED</p> <p>This is a continuation of the 2017/2018 approved saving to restructure the Planning and Economic Development Service.</p> <p>Savings will be realised through changes within Planning and Economic Development which allow the re-prioritisation of service requirements and changes to the staffing structure to release 2 FTE posts.</p> <p>Statutory service delivery will continue to be met, but there will be an impact on the timescales, and deliverability on discretionary services. All requests for service would be prioritised.</p> <p>The service currently employs 110 FTE. This proposal would see a reduction of 2 FTE.</p>	2.0	0.100

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
CER38	South Lanarkshire Leisure and Culture	Service Impact	<p>Increase in Swimming Lesson Programme The swimming lesson programme continues to attract significant interest from the community. A saving of £0.050m is achievable in 2018/2019 from increased income from swimming lessons.</p> <p>Extension of the programme will be achieved through reducing public swimming sessions as follows:</p> <ul style="list-style-type: none"> • Hamilton Water Palace would close the 25 metre swimming pool on Thursdays from 3.20pm until 8pm to accommodate lessons. This would allow for an extra 5 classes accommodating 40 members @ £20.90 monthly - £0.010m. • Lanark Lifestyles would close on Wednesdays from 4pm until 6pm to accommodate 9 additional classes - 72 members @ £20.90 per month - £0.018m. • South Lanarkshire Lifestyles Eastfield would close on Mondays from 4pm until 6pm to accommodate 6 additional classes - 48 members @ £20.90 per month - £0.012m. • A further £0.010m would be raised from other pools where additional classes can be accommodated without a full pool closure. 	-	0.050
CER41	Planning and Economic Development	Service Impact	<p>Business Support Grants – SAVING REDUCED The proposal is remove 1 FTE post from the current structure, resulting in a saving of £0.045m in 2018/2019.</p> <p>The current establishment consists of 7 FTE posts. The proposal will see the removal of 1 FTE post within the Service to 6 FTE. The post to be removed is currently vacant.</p>	1.0	0.045
CER43	Planning and Economic Development	Service Impact	<p>Tourism Marketing It is proposed to reduce the current £0.059m annual contribution for participation in a spring marketing campaign with North Lanarkshire Council (NLC) by £0.018m to £0.041m per annum.</p> <p>The Council will continue to work with NLC on tourism marketing to encourage people to visit the area including an autumn marketing campaign and promotion of the Visit Lanarkshire website.</p>	-	0.018

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
CER44	Facilities, Waste and Grounds	Service Impact	<p>Rationalisation of Library Attendants – SAVING REDUCED</p> <p>As a result of a reduction in footfall within libraries over a number of years, the requirement for both an attendant and a cleaner in terms of providing an adult presence, and the requirement for the same level of cleaning provision, is no longer necessary. An analysis of the roles of library attendants and cleaners within 13 libraries across the Council has identified the option to standardise the service provided at each location through reducing the total number of staff on site at the same time. This will allow a saving of £0.042m to be achieved in 2018/2019.</p> <p>Details of the proposed changes can be provided.</p> <p>The saving will result in a reduction of 2 FTE, from the current establishment of 12.8 FTE, to 10.8 FTE.</p>	2.0	0.042
CER45	Roads and Transportation	Service Impact	<p>Carriageway Resurfacing Programme – SAVING REDUCED</p> <p>There is £12m capital funding currently available, and £12m of revenue funding across all areas of roads budgets including reactive maintenance, giving a total allocation of £24m.</p> <p>Works will continue to be prioritised over 2018/2019 and future years. The resurfacing projects we continue to undertake will be prioritised on the basis of road condition and the importance of the route.</p> <p>Efficiencies will be achieved through better procurement, ensuring that more can be done with our remaining budgets. More competitive pricing can be achieved through packaging of projects and mini tendering.</p> <p>We will also reduce costs through reducing work carried out by contractors, and undertake more routine work in house, protecting the Council's workforce levels.</p> <p>Road safety will continue to be safeguarded via a system of inspections and defect repairs consistent with national standards.</p> <p>The allocation of £3m to footpaths and carriageways from the additional capital grant, means that the overall level of spend remains unchanged in 2018/19.</p>	-	3.000

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
Total Community and Enterprise Resources' Service Impact Savings 2018/2019				9.0	4.295
Total Community and Enterprise Resources' Savings Proposals 2018/2019				19.1	6.575

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Community and Enterprise Resources' Savings Summary Across Categories				FTE	£m
Approved				-	0.000
Efficiency and Outturn				10.1	2.019
Charging				-	0.261
Service Impact				9.0	4.295
Community and Enterprise Resources' Savings Proposals 2018/2019				19.1	6.575

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Education Resources' Savings Proposals 2018/2019

Education Resources' Approved Savings

EDR01	Curriculum and Quality Improvement Service	Approved	<p>Curriculum and Quality Improvement Service Staffing</p> <p>A new structure has been implemented within Curriculum and Quality Improvement Services (CQIS), which has led to a reduction in the number of Development Officer posts required. This was achieved through identifying tasks which can be transferred to Lead Officer remits, those which were no longer essential, including the delivery of training and membership of Local Authority groups, and tasks which could be devolved directly to schools or Learning Communities, including the development of curriculum materials and resources.</p> <p>The proposed changes will have minimal impact on schools as all tasks deemed essential have been redistributed and will still be undertaken. The FTE has reduced from 22 FTE to 14 FTE as follows:</p> <table><tr><th>Original (22 FTE)</th><th>Revised (14 FTE)</th></tr><tr><td>Section Manager (1)</td><td>Section Manager (1)</td></tr><tr><td>-</td><td>Quality Improvement Manager (1)</td></tr><tr><td>Quality Improvement Officer (8)</td><td>Quality Improvement Officer (8)</td></tr><tr><td>Development Officer (12)</td><td>Development Officer (2)</td></tr><tr><td>Health and Safety (1)</td><td>Health and Safety (1)</td></tr><tr><td>-</td><td>Administration Officer (1)</td></tr></table> <p>There is no impact on FTE numbers as all staff have reverted back to their substantive posts in schools.</p>	Original (22 FTE)	Revised (14 FTE)	Section Manager (1)	Section Manager (1)	-	Quality Improvement Manager (1)	Quality Improvement Officer (8)	Quality Improvement Officer (8)	Development Officer (12)	Development Officer (2)	Health and Safety (1)	Health and Safety (1)	-	Administration Officer (1)	-	0.140
Original (22 FTE)	Revised (14 FTE)																		
Section Manager (1)	Section Manager (1)																		
-	Quality Improvement Manager (1)																		
Quality Improvement Officer (8)	Quality Improvement Officer (8)																		
Development Officer (12)	Development Officer (2)																		
Health and Safety (1)	Health and Safety (1)																		
-	Administration Officer (1)																		
Total Education Resources' Approved Savings 2018/2019				-	0.140														

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Education Resources' Efficiency and Outturn Savings

EDR03	Early Years	Efficiency and Outturn	<p>Early Years Realignment of Early Learning and Childcare Income</p> <p>Early Years has offered increased flexibility to parents and families through the provision of extended Early Learning and Childcare (ELC) provision across our nursery classes and stand-alone establishments over the last few years as part of our strategy of ELC expansion. This provides families with the ability to align with the needs of the child in the context of their families and in support of employment.</p> <p>Chargeable places are available beyond the statutory provision in certain nursery classes and stand-alone establishments and parents and families have been able to access these places over the years, and rely on these places, to support their childcare requirements.</p> <p>It is proposed to increase the budget in line with income levels and trends over the last few years. This proposed level of £0.200m is currently being achieved beyond the budget of £0.254m. This will have no impact on service delivery.</p> <p>It is anticipated this saving will be achievable until the move to 1140 hours implementation in advance of 2020 when the fees generated from paid places will be used for statutory provision and income levels will reduce significantly.</p>	-	0.200
Total Education Resources' Efficiency and Outturn Savings 2018/2019				-	0.200

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Education Resources' Service Impact Savings

EDR04	Curriculum and Quality Improvement Service	Service Impact	<p>Central Funding for Licences</p> <p>The following licence payments are currently made by the Curriculum and Quality Improvement Service (CQIS) on behalf of establishments:</p> <ul style="list-style-type: none"> • The Copyright Licencing Agency: The Copyright Licensing Agency simplifies copyright by providing blanket licences that allow establishments to copy from a wide repertoire of print and digital published content, without having to seek permission every time. • CEFM – Off Air Recording: This allows schools to make off air recordings of television and radio broadcasts without having to seek permission each time. • Phono Performance Licence and CEFM PRS Music Copyright Licence: Both licences are required for playing pre-recorded music. <p>It is proposed that the funding for this held within the Service is withdrawn, and that individual educational establishments pay for their own licences using devolved budgets. The invoices will continue to be paid centrally to retain the benefit of discounts from a single payment, and will then be recharged to the individual school budgets.</p> <p>Schools will only pay for what they use so schools who currently use the licenses will now pay for them direct and can tailor them to their own requirements. There will be no change to service delivery, or implications for schools who do not use them.</p>	-	0.061
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Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
EDR05	Youth Learning Service and Integrated Children's Services	Service Impact	<p>Youth Learning and Integrated Children's Services</p> <p>Youth Learning Services and Integrated Children's Services are merging to become one Service within Education Resources. The combined Service will provide Youth, Family and Community Learning Services which will support a closer alignment of services and deliver services for children and young people as well as community learning and development activities. The Service will provide for people of all ages through learning, personal development and active citizenship and building more stronger, resilient, supportive, influential and inclusive communities. This will be delivered through 3 main changes to provision:</p> <p>A review of the crèche facilities and the Early Years Home Link service has identified an opportunity to realign these services within the Early Years function and reduce the requirement through the Youth, Family and Community Learning Service.</p> <p>In relation to Attendance Officers, the provision has been reviewed and the service realigned to the Aspire project or the Youth, Family and Community Learning Service which has the same aim of supporting young people into employment.</p> <p>Through a review of the Social, Emotional and Behaviour Needs (SEBN) provision, an adaptation of the service is proposed which will deliver a targeted service for young people with specific needs. This will involve the Youth, Family and Community Learning Service staff with a Youth Learning background, working in providing from establishments such as the KEAR Campus and providing an alternative to the current academic provision.</p> <p>In the case of this saving, there is expected to be no net loss of posts as redeployment opportunities are made available in the move towards 1140 hours elsewhere within the Resource.</p>	-	1.255

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
EDR09	Schools	Service Impact	<p>School Technicians</p> <p>A reduction of 10.5 FTE Technicians can be achieved through standardising a range of tasks across schools. Currently, due to differing curricular models, there is variability across secondary schools in the range of tasks undertaken.</p> <p>School technicians support the delivery of the curriculum within the Secondary sector. This is carried out in 3 distinct disciplines - Science, Audio Visual and Technical. Schools currently have between 2.5 and 4.5 FTE Technicians (including a Team Leader) dependent on the size of the school.</p> <p>In addition, we currently operate a central technician team which provides advice for all schools and ensures we meet our legislative requirements. The role of the team will now be allocated fairly across schools to support the curriculum and to continue to carry out the legislative functions. There will be a reduced number of technicians overall and they will all be embedded within the secondary schools. The saving will be achieved through the management of temporary posts, retirements and Switch2.</p> <p>The current budget is £2.010m and 67 FTE. This saving proposes a reduction of 10.5 FTE posts to 56.5 FTE, saving £0.350m per annum.</p>	10.5	0.350

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
EDR10	Inclusive Education Service	Service Impact	<p>External Placements</p> <p>This saving relates to a reduction in expenditure following on from less children and young people being placed in external provision for their education, in line with the policy to educate and care for as many of our children within South Lanarkshire as is possible while still being needs led.</p> <p>An analysis of the suitability of the current placements has been undertaken which has allowed us to place as many children as possible within our own Authority provision, for example the Kear Campus or ASN schools. This is in line with the mainstreaming strategy and the trend experienced across recent years.</p> <p>Savings of £0.300m are achievable in 2018/2019 from a reduction in the external provision required.</p> <p>The current budget for Independent School Placements is £3.857m and this represents a saving of 7.8%.</p>	-	0.300
Total Education Resources' Service Impact Savings 2018/2019				10.5	1.966
Total Education Resources' Savings Proposals 2018/2019				10.5	2.306

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Education Resources' Savings Summary Across Categories				FTE	£m
Approved				-	0.140
Efficiency and Outturn				-	0.200
Charging				-	0.000
Service Impact				10.5	1.966
Education Resources' Savings Proposals 2018/2019				10.5	2.306

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
Finance and Corporate Resources' Savings Proposals 2018/2019					
Finance and Corporate Resources' Approved Savings					
FCR01	Administration, Legal and Licensing	Approved	<p>Licensing and Registration Income</p> <p>Through the introduction of charges for route testing and vehicle inspections to increase public safety, applying inflationary rises to current Licensing and Registration charges and the realignment of budget to reflect current income being received, efficiencies of £0.094m are available in 2018/2019.</p> <p>Approval to introduce the charges for route testing and for the Licensing and Registration increases was granted at the Finance and Corporate Resources Committee on 5 September 2017.</p>	-	0.094
Total Finance and Corporate Resources' Approved Savings 2018/2019				-	0.094

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Finance and Corporate Resources' Efficiency and Outturn Savings

FCR02	Finance	Efficiency and Outturn	External Audit Fee The budget for the External Audit Fee in 2018/2019 is £0.529m, however only £0.494m was required for services received in 2017/2018. Therefore, the saving will be achieved from realigning the budget to the expenditure being incurred.	-	0.035
FCR03	Finance	Efficiency and Outturn	Interest on Investments The saving will be achieved through increasing the income budget for interest on investments to reflect current income being received for deposits with the Debt Management Office. This is a realignment of budget only to reflect the current level of investments with no additional income being sought from interest on future investments.	-	0.050
FCR04	All	Efficiency and Outturn	Reduction in Supplies and Services and Administration Budgets and Realignment of Income This saving will be realised through a reduction in areas of overheads across the Resource such as payments to external contractors, system costs, agency fees, bulk mail, and membership fees. In addition, there will be a realignment of income budgets to better reflect actual income being received in relation to the supplier development programme and medicals income. The Resource budgets for Supplies and Services and Administration Costs are currently £5.771m and £7.121m respectively.	-	0.341

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
FCR05	Communication and Strategy	Efficiency and Outturn	<p>Contribution to Community Planning The Council currently pay a contribution to Community Planning of £0.022m per annum. The total current contributions from all of the partners is £0.048m per annum (including SLC £0.022m).</p> <p>At the end of 2016/2017, there was a balance carried forward of £0.044m into 2017/2018. The saving will be achieved through all partners not having to make a payment in 2018/2019 by utilising the funds that have been built up, thus generating a one-off saving of £0.022m in 2018/2019. This will not result in any reduction in work undertaken by the Partnership.</p>	-	0.022
FCR06	Communication and Strategy	Efficiency and Outturn	<p>Publications Efficiencies Efficiencies can be achieved in the following areas:</p> <ul style="list-style-type: none"> • Ceasing print production and household distribution of the annual Reporter with a digital option being made available (£0.030m); • Ceasing print production of the Works with staff communications offered digitally through a revised offer on the intranet (£0.006m) 	-	0.036

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
FCR11	Personnel	Efficiency and Outturn	<p>Personnel Services Staffing Structure</p> <p>Through the consideration and realignment of duties, and consideration of vacancies, a saving of £0.190m and 5.5 FTE can be achieved.</p> <p>The use of online forms with better integration into back office systems will allow a further reduction of 7 FTE posts to be made, generating a saving of £0.350m. Increased self-service for employees and managers will allow further efficiencies to be achieved.</p> <p>In addition, further efficiencies of £0.220m and 5 FTE posts can be achieved within Personnel Services through continuing efforts to move suitable training from face to face to more cost effective methods, increasing online opportunities and webinars. Staffing levels will reduce as a result of moving more online, adjusting our involvement in national training initiatives and ensuring that best value continues to be achieved for our involvement.</p> <p>This includes considering the support provided to the Clyde Valley Learning and Development Initiative to ensure the Council's lead role is provided at no net cost to the Council.</p> <p>By recognising the work undertaken by others around equalities, we can remove any duplication in efforts either within the Council or between partner organisations. Currently the Council supports a number of equality based programmes.</p> <p>This support will continue, and we will look at merging management roles to create staffing efficiencies.</p> <p>There are 164 FTE posts within Personnel Services. This saving proposes a reduction of 17.5 FTE posts to 146.5 FTE, saving £0.760m per annum, from a staffing budget of £3.334m.</p>	17.5	0.760

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
FCR12	Finance	Efficiency and Outturn	<p>Finance Services Staffing Structure</p> <p>Through the continued consideration of the management structure across services, reducing workload and considering more efficient financial monitoring, further efficiencies will be realised in 2018/2019. Within Transactions, a number of initiatives are resulting in a reduction in the administrative processes, and therefore staff, required to undertake the current functions, including the expansion of e-invoicing within creditors and more effective processes for the ordering of school and nursery provisions on a daily basis.</p> <p>Of the 33.5 FTE posts attached to this saving, it is expected that these will be managed partly through consideration of temporary posts, and the non - filling of existing vacancies.</p> <p>There are 224 FTE posts within Finance Services and Audit Services. This saving proposes a reduction of 33.5 FTE posts to 190.5 FTE, saving £1.065m per annum, from a staffing budget of £8.030m.</p>	33.5	1.065

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
FCR13	Finance	Efficiency and Outturn	<p>Q&A Offices Staffing Structure</p> <p>The number of customers seeking assistance from the Q&As continues to fall and in particular within the 3 smaller offices operated from the local libraries. This proposal will still ensure the delivery of Q&A services from these local libraries.</p> <p>In 2016/2017, in the Carluke, Blantyre, and Larkhall Q&As, the average number of customers visiting per day was 10, 12 and 25 respectively with the percentage of staff time used for actual interaction with customers being 7%, 10% and 33% respectively. There has also been a drop of 18% in the number of customers using the other 5 Q&As.</p> <p>The use of the satellite office based in Forth is also currently not effective, with on average only 4 customers attending per opening day.</p> <p>It is proposed that the Carluke, Blantyre, Larkhall and Forth Q&As continue as unstaffed services with public access to fast track phones and on line systems remaining. The libraries will continue to open the premises with signposting to the phones and PCs available for use. The satellite office based in Forth will continue to be opened throughout the week by the Community Group. Telephones and leaflets will be made available in the office for customers to use at all times.</p> <p>In circumstances where a member of the public could not make it to one of the staffed Q&As for a face to face discussion, an appointment would be made for them at their local service point. This will result in the release of 4 FTE posts from the current structure, saving £0.110m. To assist in delivering this, it is further proposed that the Q&As close at 4.15pm on Fridays in line with other Council Services. The number of visitors in the main Q&As after 4pm on Fridays averages less than 1, representing ineffective use of staff time and resources.</p> <p>It is further proposed that, due to the reduction in visitors to the main Q&As, an additional 4 FTE posts are removed from the current structure saving a further £0.110m per annum.</p> <p>There are 38 FTE posts within Q&A Services. This saving proposes a reduction of 8 FTE posts in total to 30 FTE, saving £0.220m per annum, from a staffing budget of £1.063m.</p>	8.0	0.220

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
FCR14	Administration, Legal and Licensing	Efficiency and Outturn	Realignment of Members Budget Boundary changes have resulted in the number of Members reducing from 67 to 64. The realignment of the budget to reflect these changes will result in savings of £0.057m in 2018/2019.	-	0.057
FCR15	Administration, Legal and Licensing	Efficiency and Outturn	Legal and Licensing Staffing Structure Continued revised working practices and better use of available technology allows a reduction in staffing of 8 FTE posts, saving £0.286m in 2018/2019. There are currently 3.7 FTE vacancies within the Service totalling £0.112m. The remaining posts will come from realigning the management structure across the Service, and through better use of technology with licensing going fully online and therefore the level of presentations at Licensing office counters will reduce resulting in staff requirements reducing across the 5 Licencing locations (East Kilbride, Hamilton (2 offices), Rutherglen and Lanark). There are 76.5 FTE posts within Legal and Licensing Services. This saving proposes a reduction of 8 FTE posts in total to 68.5 FTE, saving £0.286m per annum, from a staffing budget of £2.849m.	8.0	0.286

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
FCR16	Finance	Efficiency and Outturn	<p>Benefits and Revenues and Customer Contact Centre Staffing</p> <p>Improving performance through management arrangements and administrative practices, including the introduction of more effective IT software and associated working practices, will allow efficiencies of £0.400m to be achieved in 2018/2019.</p> <p>Staff numbers, comprising 3 FTE Grade 3 and 13 FTE Grade 2 employees, can be reduced following the introduction of IT solutions and improved working practices across the Services.</p> <p>IT solutions include the integration of Direct Debit and Single Persons discount forms directly into back office systems resulting in reduced manual intervention and therefore reduced staffing levels required.</p> <p>This saving represents 4.8% of the current staffing budget of £8.265m.</p> <p>There are 260 FTE posts within Benefits and Revenues and the Customer Contact Centre. This saving proposes a reduction of 16 FTE posts to 244 FTE, saving £0.400m per annum.</p>	16.0	0.400
FCR17	Finance	Efficiency and Outturn	<p>Q&A Development Team Staffing</p> <p>As a result of changes to the working practices in place at the Q&As, there is no longer a requirement for the same level of staff required to support these. This will allow savings of 3 FTE and £0.100m in 2018/2019.</p> <p>Q&A staff are no longer dealing with service requests from customers directly as these are now filtered through them to the relevant back office specialist staff across the Council. This has removed the level of duplication and has resulted in a lower level of staff from the development team to support them. At present, staff provide support for the SMS project and implementation of on-line forms and the maintenance of process maps for Q&A Services. Remaining staff will still be required to support some of these activities.</p> <p>There are 6.9 FTE posts within the Q&A Development Team. This saving proposes a reduction of 3 FTE posts to 3.9 FTE, saving £0.100m per annum, from a staffing budget of £0.238m.</p>	3.0	0.100

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
FCR18	Communication and Strategy	Efficiency and Outturn	Print and Graphic Services Reduced contract spend and a reduction in outsourced print across the Council will allow efficiencies to be achieved within the following areas in 2018/2019: Photocopying Paper - £0.035m (reduced contract spend and reduction in paper required - current budget £0.300m) Commercial Print - £0.055m (reduction in outsourced print across the Council - current budget £0.240m) Shredding - £0.010m (reduced contract spend - current budget £0.030m)	-	0.100
Total Finance and Corporate Resources' Efficiency and Outturn Savings 2018/2019				86.0	3.472
Total Finance and Corporate Resources' Savings Proposals 2018/2019				86.0	3.566

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Finance and Corporate Resources' Savings Summary Across Categories				FTE	£m
Approved				-	0.094
Efficiency and Outturn				86.0	3.472
Charging				-	0.000
Service Impact				-	0.000
Finance and Corporate Resources' Savings Proposals 2018/2019				86.0	3.566

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Housing and Technical Resources' Savings 2018/2019

Housing and Technical Resources' Efficiency and Outturn Savings

HTR01	Property Services	Efficiency and Outturn	<p>Estates Staffing Efficiencies</p> <p>Through the realignment of duties and consideration of vacancies, a saving of £0.030m and 1 FTE can be achieved within the Service.</p> <p>There are 31.5 FTE posts within the Estates section. This saving proposes a reduction of 1 FTE post to 30.5 FTE, saving £0.030m per annum.</p>	1.0	0.030
HTR02	Property Services	Efficiency and Outturn	<p>Planned and Reactive Maintenance</p> <p>Housing and Technical Resources hold the budget for planned maintenance across all Council Non Housing properties. Savings can be realised through the development and implementation of new procurement and delivery processes, which will generate savings through economies of scale and the identification of further efficiencies within the current programme. In addition, savings will be generated by considering the current timescales of the programme of planned maintenance works and extending these timescales where appropriate.</p> <p>Savings of £0.575m are anticipated in 2018/2019.</p>	-	0.575
HTR03	Housing Services	Efficiency and Outturn	<p>Homelessness Temporary Accommodation</p> <p>The Council will receive a funding allocation from the Scottish Government for temporary accommodation of £1.408m in 2017/2018. This funding will mitigate the loss of rental income within the Homelessness service as a result of welfare reform changes. Due to the phased migration towards Universal Credit, there will be an expected underspend in 2017/2018 which can be used as a one off saving in 2018/2019 of £0.300m.</p> <p>This budget will have to be reinstated in 2019/2020.</p>	-	0.300

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
HTR04	Property Services	Efficiency and Outturn	Budget Realignment Following the renegotiation of the contract for the care and repair service, a saving of £0.130m has been identified against the current budget allocation of £0.344m.	-	0.130
HTR06	Property Services	Efficiency and Outturn	Property Support Staffing Through consideration of the current structure within Property Support, savings can be achieved through combining the Planning and Delivery structures. This will result in a realignment of management and supervision duties. Through the consideration and realignment of duties, and the identification of vacancies, a saving of £0.200m and 5 FTE can be achieved across the Service.	5.0	0.200
HTR07	Housing Services	Efficiency and Outturn	Community Safety The proposal is to reduce the Community Safety budget by £0.030m (11% of current budget). By reviewing the way services are commissioned and delivered, the saving can be achieved with minimal impact on the services being delivered. The service will also benefit from a one-off refund from external partners of £0.020m for community safety project costs provided which are no longer necessary.	-	0.050
Total Housing and Technical Resources' Efficiency and Outturn Savings 2018/2019				6.0	1.285
Total Housing and Technical Resources' Savings 2018/2019				6.0	1.285

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Housing and Technical Resources' Savings Summary Across Categories				FTE	£m
Approved				-	0.000
Efficiency and Outturn				6.0	1.285
Charging				-	0.000
Service Impact				-	0.000
Housing and Technical Resources' Savings Proposals 2018/2019				6.0	1.285

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Social Work Resources' Savings 2018/2019

Social Work Resources' Charging Savings

SWR01	Adult and Older People Services	Charging	<p>Increase in Charge for Community Alert Alarms – AMENDED SAVING</p> <p>The Community Alarm Service provides a 24 hour response service for vulnerable individuals across South Lanarkshire. The majority of these are provided in the homes of service users using dispersed alarms, with the Community Alarm Service also providing emergency out of hours cover for sheltered housing tenants.</p> <p>The current charge for the Community Alarm Service is £1.54 per week and has remained the same since 2001/2002. Other councils across Scotland provide different levels of service and at different prices, with costs ranging from £1.00 per week to £5.80 per week.</p> <p>It is proposed to increase the charge by 3% from £1.54 per week to £1.59 per week.</p> <p>The increase in income is based on 5,437 chargeable alert alarms.</p> <p>The saving will not change the type or level of service received by service users. It only changes the charges to users.</p>	-	0.013
Total Social Work Resources' Charging Savings				-	0.013

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
Social Work Resources' Service Impact Savings					
SWR05	Adult and Older People Services	Service Impact	<p>Adult and Older People Day Care – SAVING REDUCED</p> <p>The redesign of adult and older people day care services will allow savings of £0.100m to be achievable in 2018/2019, from a net budget of £7.997m.</p> <p>Across adult and older people services there are 20 “building based” services some of which are significantly under used and the current model of delivery does not support an integrated care approach. The saving will be realised by a reduction in the number of these centres as services are realigned. This will mean reduced property, staffing and transport costs.</p> <p>The saving will be delivered through the closure of 1 Older Peoples Day Care Centre - Ashley Grant, East Kilbride.</p> <p>The closure of the Older Peoples Day Care Centre will allow the removal of 1.6 FTE posts from the current structure of 87.1 FTE, resulting in a revised structure of 85.5 FTE. Anticipated recruitment opportunities for the redeployment of staff affected by the day care centre closure will mean that in the case of this saving there is no net loss of posts.</p>	-	0.100
Total Social Work Resources' Service Impact Savings 2018/2019				-	0.100
Total Social Work Resources' Savings 2018/2019				-	0.113

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m
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Social Work Resources' Savings Summary Across Categories				FTE	£m
Approved				-	0.000
Efficiency and Outturn				-	0.000
Charging				-	0.013
Service Impact				-	0.100
Social Work Resources' Savings Proposals 2018/2019				-	0.113

Appendix 2 – Savings Proposals

Resource Reference	Service	Savings Type (Approved, Efficiency and Outturn, Charging, Service Impact)	Name, and Brief description of Saving	Employee FTE	Saving £m

Savings Summary Across Resources	Total	
	FTE	£m
Cross Resource	3.0	1.400
Community and Enterprise Resources	19.1	6.575
Education Resources	10.5	2.306
Finance and Corporate Resources	86.0	3.566
Housing and Technical Resources	6.0	1.285
Social Work Resources	-	0.113
Total 2018/2019 Savings Proposed	124.6	15.245

Savings Summary Across Categories	Total	
	FTE	£m
Approved	-	0.234
Efficiency and Outturn	105.1	8.376
Charging	-	0.274
Service Impact	19.5	6.361
Total 2018/2019 Savings Proposed	124.6	15.245

THIRD SECTOR ORGANISATIONS

NAME OF ORGANISATION
ARKEEN THEATRE COMPANY
AVONDALE COMMUNITY TRANSPORT
BIGGAR YOUTH PROJECT
CAMBUSLANG AND RUTHERGLEN SPORTS COUNCIL
CAMBUSLANG CHILDCARE PROJECT
CARE AND REPAIR IN SOUTH LANARKSHIRE
CARGILL HOUSE CLUB
CASH FOR KIDS
CENTRESPOT DEVELOPMENT
CHILDCARE IN THE COMMUNITY
CHILDRENS HOSPICE ASSOCIATION IN SCOTLAND
CLYDESDALE CITIZENS ADVICE BUREAU
CLYDESDALE SPORTS COUNCIL
COALBURN MINERS WELFARE CHARITABLE SOCIETY
COJAC CENTRE
COMMUNITY COUNCIL GRANTS
COMMUNITY GROUP GRANTS
COMMUNITY LINKS
CRUSE BEREAVEMENT CARE SCOTLAND
DISABILITY RESOURCE CENTRE CLYDESDALE - DIAL
EAST KILBRIDE CITIZENS ADVICE BUREAU
EAST KILBRIDE COMMUNITY TRANSPORT
EAST KILBRIDE SPORTS COUNCIL
EASTFIELD PHYSICALLY DISABLED CLUB
FAMILY MEDIATION SOUTH LANARKSHIRE
GALA GRANTS
GLASGOW WOMEN'S LIBRARY
GREENHILLS & EK SOUTH YOUTH CLUB
GREENHILLS OUT OF SCHOOL CARE
HAMILTON CHURCHES DROP IN CENTRE
HAMILTON CITIZENS ADVICE BUREAU
HAMILTON INFORMATION PROJECT FOR YOUTH
HAMILTON SPORTS COUNCIL
LANARK YMCA
LANARKSHIRE ASSOCIATION FOR MENTAL HEALTH
LANARKSHIRE CANCER CARE TRUST
LANARKSHIRE HINDU WELFARE ASSOCIATION
LANARKSHIRE RAPE CRISIS CENTRE
LARKHALL AND DISTRICT VOLUNTEER GROUP
LESMAHAGOW RESOURCE CENTRE
LIBER8 LANARKSHIRE LTD
LIGHTBURN ELDERLY ASSOCIATION PROJECT
NAME OF ORGANISATION
MILAN LUNCH AND SOCIAL CLUB
PASS PLUS
PEOPLE EXPERIENCING TRAUMA AND LOSS

PLAYCARE OUT OF SCHOOL CARE
PRINCESS ROYAL TRUST LANARKSHIRE CARERS CENTRE
PROBLEM SOLVING GROUPS
REGEN FX
REVIVE MS SUPPORT
RUTHERGLEN AN CAMBUSLANG CITIZENS ADVICE BUREAU
RUTHERGLEN COMMUNITY CARERS
SCOTTISH HUNTINGTONS ASSOCIATION
SOUTH LANARKSHIRE CARERS NETWORK LTD
SOUTH LANARKSHIRE DISABILITY SPORT**
SPECIAL NEEDS ADVENTURE PLAYGROUND
SPELL
STANMORE HOUSE PLAYScheme
STREET LEVEL
COMMUNITY ENGAGEMENT FUNDING
TENANTS INFORMATION SERVICE
THE RURAL DEVELOPMENT TRUST
THORNTON ROAD COMMUNITY CENTRE
VICTIM SUPPORT
VOICE
WEST OF SCOTLAND PLAYScheme ADVISORY FORUM
WOMEN'S AID SOUTH LANARKSHIRE
YOUNG SCOT

**The level of support provided to South Lanarkshire Disability Sport will be increased to the same level as the Sports Councils.

Report

8

Report to: **Executive Committee**
 Date of Meeting: **28 February 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Revenue Budget and Level of Local Taxation 2018/2019**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ outline the outcome of the budget process and the content of the Revenue Budget for 2018/2019;
- ◆ adopt the revenue budget for 2018/2019 as summarised at Section 5 of this report and the base budget allocation to Resources at Appendix 1; and
- ◆ recommend the level of Council Tax for 2018/2019 to South Lanarkshire Council.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the revenue budget for 2018/2019, as summarised in Section 5, and the base budget allocated to each Resource as shown in Appendix 1, be endorsed;
- (2) that on the basis that the budget is conditional on the receipt of the Local Government Finance (Scotland) Order 2018, a report be submitted to the next meeting confirming receipt of the Local Government Finance (Scotland) Order 2018, to allow the condition to be purified;
- (3) that the level of Council Tax for 2018/2019 of £1,134 (Council Tax Band D), endorsed by this Committee in the previous report for referral to the Council, be noted;
- (4) that governance arrangements, incorporating the Performance and Review Scrutiny Forum, the Risk and Audit Scrutiny Forum and the Financial Resources Scrutiny Forum, be continued;
- (5) that the continued work required to finalise the detailed revenue budget of the Council for 2018/2019, as outlined at Section 15 of this report, be approved; and
- (6) that the replacement of the Council Tax insert, previously supplied to all households, with online information (section 16), be noted.

3. Background

3.1. At today's meeting, a report was presented which updated the Revenue Budget position for 2018/2019, including a revised package of savings for approval. Following approval of these proposals, the budget for 2018/2019, including the proposed Council Tax has now been prepared on this basis, subject to the approval of the Local Government Finance (Scotland) Order 2018 by the Scottish Parliament.

4. Principles Applied in Budget Formation

- 4.1. The income yield from the level of tax which is recommended, together with the amount of government grant advised by the Scottish Government will fund the proposed expenditure in 2018/2019.
- 4.2. The Local Government Finance settlement provided by the Scottish Government in December 2017 (updated January 2018), provided grant settlement figures for the financial year 2018/2019.
- 4.3. The process to identify the level of expenditure needed to maintain the Council's services in 2018/2019 started in early 2017. Using the 2017/2018 budget as a starting point to reflect the Council's priorities, projections were made into 2018/2019. A number of adjustments were applied to core service budgets through the rollover process to include known commitments and additional budget priorities.
- 4.4. A package of efficiency savings totalling £15.245 million has been presented to Members for approval in an earlier report to this meeting. These have been incorporated into the Resource positions detailed at Appendix 1. The Council's strategy of seeking efficiency savings is consistent with the principles of best value.

5. Total Revenue Budget Summary

- 5.1. The total budget for 2018/2019 is now £684.493 million.
- 5.2. The detailed allocation of the budget to each Resource is shown at Appendix 1 for consideration of the Council in finalising the level of Council Tax. The statutory deadline for this announcement is 11 March 2018.
- 5.3. The main figures from Appendix 1 are summarised below:-

Current Year Base Budget £m		2018/2019 Proposed Budget £m
818.176	Total Services' Gross Expenditure (App 1, page ii)	837.356
(205.435)	Deduct: Total Services Gross Income (App1, page ii)	(203.781)
612.741	Net Service Spending	633.575
57.314	Add: Loan Charges	57.772
13.337	Add: Corporate Items	4.605
(10.054)	Deduct: Surplus from Trading Operations	(11.459)
673.338	Net Expenditure	684.493

- 5.4. **Local Government Finance (Scotland) Order** – The Local Government Finance (Scotland) Order was laid before the Scottish Parliament on 20 February 2018 and will be debated by the Parliament on 6 March 2018.
- 5.5. As the Finance Order has not yet been approved, the budget figures included in this report are based on the information received from the Scottish Government through finance circulars and updates as at 31 January 2018.
- 5.6. The budget is conditional on the approval of the Local Government Finance (Scotland) Order 2018. A Finance Circular confirming this will be issued on 6 March 2018 if the Order is approved. A report will be submitted to the next meeting confirming receipt of the Local Government Finance Order 2018 to allow the condition to be purified.

6. Living Wage

- 6.1. Since 2011, the Council has agreed that employees should be paid a Living Wage. The Living Wage campaign has identified an increase to the level of Living Wage and the current national pay award includes this as part of the agreement. A report covering this topic has been considered in a separate paper to this meeting. Funding is available within existing budgets to meet the costs of the new Living Wage proposal.

7. Government Grant

- 7.1. The Government Grant allocated to the Council for year 2018/2019 was announced in December 2017, and subsequently updated in January 2018. As noted in section 5.5, the budget is based on the information received from the Scottish Government through finance circulars and updates as at 31 January 2018. Any further changes will be reported to Members following the approval of the Finance Order.
- 7.2. The base for the overall grant allocation is the 2018/2019 Total Revenue Support figure, which is calculated using an extensive formula, including adjustments which take account of each council's ability to raise taxes locally.
- 7.3. The level of grant from the Government includes the effect of the 'Floor Adjustment' made by the Scottish Government as part of the grant allocation formula. The floor adjustment ensures that no council exceeds a maximum level of grant decrease. The maximum level of grant decrease has been set at 0.4%. Through the floor adjustment, South Lanarkshire received £9.914 million in 2018/2019.
- 7.4. The Total General Revenue Funding allocation notified by the Scottish Government on 15 December 2017 (updated 31 January 2018), was £549.116 million after taking account of the additional grant of £1.920 million, as advised in the savings report to the Executive Committee on 31 January 2018, and the additional £7.440 million notified to the Council by the Scottish Government on 31 January 2018.
- 7.5. This General Revenue Funding figure (of £549.116 million) is part of a package of funding which has a number of conditions attached to it. These conditions asked councils to agree to maintaining pupil / teacher ratios of 13.7, contributing to Teachers' Pay increases and supporting the expansion of Early Years provision and continuing financial support for social care, including the Living Wage and the implementation of the Carers (Scotland) Act.
- 7.6. Grant for 2018/2019 now totals £549.116 million and consists of the following:

	£m
Specific Grants	7.967
Non-Domestic Rate Income	295.500
General Revenue Grant	245.649
Total General Revenue Funding	549.116

- 7.7. Government grant and non-domestic rates income together meet over 80% of the Council's current expenditure and related loan charges. Because of this relatively large proportion from central sources, changes in grant levels have a significant impact on the amount of funding to be found from the local community.

8. Non-Domestic Rates

- 8.1. As part of the Finance Settlement, the Scottish Government have advised of a number of changes to non domestic rates as detailed below.

- 8.2. The Scottish Government continues to set the level of non-domestic rate poundage. The increase on the rate for 2018/2019 is provisionally set at 1.4p resulting in a rates poundage figure of 48.0p for 2018/2019. In addition, the large business supplement is provisionally set at 2.6p and the supplement will only be applicable, as was the case in 2017/2018, to properties with a rateable value over £51,000.
- 8.3. The Small Business Bonus Scheme (SBBS), designed to grant relief on rates to small businesses depending on the combined rateable value of their business properties in Scotland, remains unchanged from 2017/2018. The threshold for 100% relief remains at £15,000 and the levels of relief will continue to range from 25% to 100%.
- 8.4. The Government is proposing that Fresh Start relief will be expanded to include all types of non-domestic properties, with the qualifying period that properties must be empty before they are entitled to relief decreasing from 12 to 6 months, whilst the level of relief offered will increase from 50% to 100%.
- 8.5. A new Business Growth Accelerator is proposed to apply from 1 April 2018, which will delay any increase in rates liability due to the improvement of or expansion of an existing property for 12 months. This means that new build properties will pay no rates for an initial year once entered onto the valuation roll. More detail has still to be confirmed. In addition, new build properties will not be entered onto the valuation roll until they are occupied. The Government's commitment for a new relief for broadband fibre infrastructure will be met from this accelerator in 2018/2019.
- 8.6. New relief has been proposed for day nurseries and hydro generation properties. This will offer 100% relief for properties wholly or mainly used to provide day nursery care for pre-school children and 60% for hydro generation properties with a rateable value of up to £5 million.
- 8.7. No other Non Domestic Rate changes are proposed for 2018/2019 at this time, with other reliefs rolling forward unchanged from 2017/2018.

9. Council Tax and Other Balances

- 9.1. The final options in relation to the funding package for the proposed expenditure are the generation of Council Tax and the utilisation of the Council's surpluses.
- 9.2. As in previous years, it is recommended that the surpluses forecast to be generated by the Trading Operations should be used to minimise any increase in the level of overall budget. A figure of £11.459 million is estimated for trading surpluses in 2018/2019.
- 9.3. This leaves for consideration the level of Council Tax which is property based. All houses are classified into eight bands, A to H, with band H properties paying more than three times the level of band A. The Council's declared tax is for band D and all other rates are fixed using the following scale:

Property Ranges and Proportion of Band D Payable

Property Ranges in South Lanarkshire for Council Tax			
Property Value Range	Band	Proportion of Band D Tax Payable	Proportion of South Lanarkshire Property in each band December 2017
£27,000 and under	A	67%	24.18%
£27,001 to £35,000	B	78%	20.11%
£35,001 to £45,000	C	89%	17.13%
			(Total A to C: 61.42%)
£45,001 to £58,000	D	100%	13.57%
£58,001 to £80,000	E	131%	12.74%
£80,001 to £106,000	F	162%	7.81%
£106,001 to £212,000	G	196%	4.11%
Over £212,000	H	245%	0.35%

- 9.4. The Council's declared tax will be at the Band D level but only around 20,426 properties (13.57%) are in band D. Over the past few years, there has been an upward movement in the valuation of properties. However, approximately 61% of properties still remain in Bands A, B and C, so the effect of any increase in Council Tax is reduced by 33%, 22% and 11% respectively for most properties.
- 9.5. The number of houses in the tax base for South Lanarkshire now exceeds 150,500 as advised by the Assessor for the Lanarkshire Valuation Joint Board. From this figure, an allowance is deducted for single person discounts, students, disabled, vacant premises etc. to produce an estimated yield for £1 on a Band D basis at 100% collection of £132,339.
- 9.6. Calculating the cost to the local community, the Council must set an appropriate level allowing for non-collection. Council Tax collection rates have improved markedly in recent years due to the number of changes initiated by the Council.
- 9.7. It is suggested that a yield of £128,534 for £1 tax at Council Tax Band D be used in the 2018/2019 budget (an increase on 2017/2018 due to an increase in the number of properties). At 97.125%, this represents a continuation of the collection rate performance achieved in recent years.
- 9.8. This would set the Council Tax Band D at £1,134 and reflects the assumptions in the Overall Position of Revenue Budget 2018/2019 and Savings Proposals Report also presented to this Committee.

10. Governance Arrangements

- 10.1. The responsibilities of the Performance and Review Scrutiny Forum include overseeing the Council's strategy and approach to Best Value, improvement and performance management. This includes Local Government Benchmarking Framework Indicator results and the Council's responsibilities in respect of Public Performance Reporting.
- 10.2. The Financial Resources Scrutiny Forum has continued its role in reviewing financial activity and has maintained its regular pattern of assessing budgetary trends and the performance of the Council's Trading Operations.

- 10.3. The Risk and Audit Scrutiny Forum has continued to receive both internal and external audit reports.
- 10.4. Each Committee receives reports on its Resource's financial performance at meetings throughout the year. The Executive Committee takes an overview of the Council's financial position on a regular basis.
- 10.5. The importance of these Governance arrangements is acknowledged and the current level of scrutiny and control will be maintained going forward.

11. Summary of Overall Position and Options

- 11.1. The overall budget for financial year 2018/2019, including income and expenditure is summarised as follows:

Indicative Budget for 2018/2019	£684.493m
<u>Deduct:</u> Government Grant	£549.116m
<u>Deduct:</u> Use of 2017/18 Additional Revenue Grant	£2.053m
<u>Deduct:</u> Debt Flexibility Reserve	£2.936m
<u>Deduct:</u> Capital Fund / Receipts Reserve	£4.000m
Resultant Net Sum to be Funded Locally	£126.388m

- 11.2. The net sum to be funded locally comprises:

Gross Council Tax 2018/2019	£145.758m
<u>Deduct:</u> Council Tax Reduction Scheme	<u>(£19.370m)</u>
Resultant Net Sum to be Funded Locally	<u>£126.388m</u>

Estimated Product of £1 Gross Council Tax at 97.125% collection £128,534

12. Prudential Framework and Borrowing to Fund Capital Expenditure

- 12.1. Since financial year 2004/2005, councils have been able to determine their own borrowing limits in funding capital expenditure. This is subject to compliance with the Prudential Code. Councils are required to identify sources of revenue to fund capital expenditure beyond that level. Given the commitment to the modernisation of our primary schools, the Council takes full advantage of the flexibility offered by these arrangements. A detailed report on local prudential indicators will be presented to this meeting separately.
- 12.2. The Council's financial strategy, presented to Executive Committee in June 2017, provided details of the Council's expected borrowing requirements for capital expenditure. The financial impact of borrowing has been considered as part of the Council's financial strategy which Members approved in June 2017.

13. Future Years Budgets

- 13.1. The Executive Committee approved a budget strategy in June 2015 covering years 2016/2017 to 2018/2019 and the report also included a longer term outlook. At that point in time, the assumptions within the strategy projected that the government grant available would reduce across all the years of the strategy.
- 13.2. An updated Strategy will be prepared for consideration by the Executive Committee in the summer.

14. Voting

- 14.1. Members are reminded that restrictions on voting in setting the level of Council Tax still apply. These rules were introduced in 1992 and it is an offence to breach them.

In summary, Members who are present at the meeting and who are at least two months in arrears with payment of Council Tax or have outstanding bills for Community Charge/Poll Tax, must disclose this fact as soon as practicable after the start of the meeting and refrain from voting on any proposal for setting the level of tax.

15. Further Actions Required

15.1. Should the Council approve recommendations 1-3 outlined at Section 2 of this paper, then the following actions will be required to finalise the Council's revenue budget for 2018/2019:

- The final grant will be confirmed following the approval of the Finance Order by the Scottish Parliament, and the budgets will be implemented by Service Managers for 2018/2019 and a Service Summary will be produced for information.
- The Band D Council Tax for 2018/2019 will be applied at the figure decided.
- Necessary billing and collection mechanisms will be set in motion. The ten monthly Council Tax instalments will commence in April.
- Appropriate scrutiny will continue to ensure the process of reviewing budgetary performance is continued.

16. Council Tax Insert

16.1. For 2018/2019 Council Tax annual billing, the Council will replace the printed budget insert currently provided to all households with online information. Guidance on how to access the budget information will be enclosed with all bills and a small supply of printed leaflets will be available to customers on request.

17. Employee Implications

17.1. None.

18. Financial Implications

18.1. As outlined in report.

19. Other Implications

19.1. There are no significant issues in terms of sustainability or risk arising from the recommendations in this report.

20. Equality Impact and Assessment and Consultation Arrangements

20.1. *Equality Impact and Assessment*

The Equality Act 2010 expects that those making decisions give 'due regard' to equality considerations during the course of decision-making. The Equality Impact Assessments and their outcomes should help inform Elected Members so that their decisions have taken account of the different needs and rights of members of the community. This does not mean that difficult decisions cannot be made, but that they are made in a fair and transparent way.

20.2. In terms of the Council's public sector duties under the Equality Act 2010, initial Equality Impact Assessments (EQIA's) have been carried out on all the proposals which require them. Any proposal which has identified potential adverse impacts will also have mitigating actions to remove or lessen the impact on protected groups. The protected characteristics are age, disability, sex, sexual orientation, pregnancy and maternity, marriage and civil partnership, race, religion and beliefs and transgender identity.

- 20.3. Assessments of the overall impact of the savings proposals on service users and employees have also been carried out. The Equality and Human Rights Commission recommends that EQIA's should be considered carefully before decisions are taken. Further information on Impact Assessments is available from the Employee Development and Diversity Manager. Any necessary equality impacts in relation to savings resulting from decisions already approved (Approved category) have been completed and made available as appropriate.
- 20.4. *Budget Consultation*
The public consultation took place during December 2017. Face to face consultation involving representatives from the Citizen's Panel and specific interest groups took place. As has been the case in previous years, the public were also asked for their views on the budget proposals through a dedicated e-mail address, or by writing to the Council.
- 20.5. A separate report was issued to all Members summarising the outcome of the consultation exercises.

Paul Manning
Executive Director (Finance and Corporate Resources)

21 February 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 28 February 2018

List of Background Papers

- ◆ Finance Circular 5/2017 Local Government Finance Settlement 2018/2019 (updated 23 January 2018 and 31 January 2018)

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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South Lanarkshire Council
2018/2019 Revenue Budget Summary

	2017/18 Base Budget £m	2018/19 Rollover	2018/19 Savings	2018/19 Proposed Base Budget £m
Community and Enterprise Resources	118.311	3.833	(5.295)	116.849
Education Resources	301.496	14.509	(2.306)	313.699
Finance and Corporate Resources	30.278	5.187	(3.566)	31.899
Housing and Technical Resources	16.715	1.851	(1.195)	17.371
Social Work Resources	143.578	7.964	(0.163)	151.379
Joint Boards	2.363	0.015	0.000	2.378
Total of all Resources plus Joint Boards	612.741	33.359	(12.525)	633.575
Other Budget Items:				
Loan Charges	57.314	0.508	(0.050)	57.772
Corporate Items	13.337	(7.482)	(1.250)	4.605
Trading Services' Surpluses	(10.054)	0.015	(1.420)	(11.459)
Total Base Budget 2017/2018	673.338			
Total Proposed Budget 2018/2019		26.400	(15.245)	684.493

The 2017/18 base figures include budget adjustments approved during 2017/2018.

South Lanarkshire Council 2018/2019

Revenue Budget Summary

Budgetary Category	2017/2018 Base Budget £m	2018/2019 Proposed Base Budget £m
Employee Costs	392.637	407.333
Property Costs	50.159	50.046
Supplies and Services	32.125	32.819
Transport and Plant Costs	21.733	21.636
Administration Costs	10.873	10.641
Payments to Other Bodies	47.897	43.757
Payment to Contractors	172.854	180.869
Transfer Payments (Housing & Council Tax Benefit)	88.309	88.666
Financing Charges (Leasing Costs)	1.589	1.589
Total Expenditure	818.176	837.356
Total Income	(205.435)	(203.781)
Net Expenditure	612.741	633.575
Other Budget Items:		
Loan Charges	57.314	57.772
Corporate Items	13.337	4.605
Trading Services' Surpluses	(10.054)	(11.459)
Total Base Budget 2017/2018	673.338	
Total Proposed Budget 2018/2019		684.493

Report

Report to: **Executive Committee**
 Date of Meeting: **28 February 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Pay Model Structure and Living Wage**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide an update in respect of Living Wage arrangements and seek approval to implement changes to the Council's pay model across all grades on a phased basis over a two year period, with initial changes being applied with effect from 1 April 2018

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the proposal to restructure the current pay model over a two year period, as detailed in sections 4.4 and 4.5, be approved;
- (2) that the changes to grades and levels as detailed in Appendix 1, be implemented on a phased basis from 1 April 2018; and
- (3) that the Council's Living Wage of £9.00 per hour (assuming a 3% pay award) from 1 April 2018 (section 4.7.), be noted.

3. Background

- 3.1. The Living Wage Foundation announced an increase to the Living Wage on 6 November 2017, making the new rate £8.75 per hour. In previous years, the Council has applied the Living Wage with effect from 1 April, together with the national pay award for Local Government Employees (LGE). The LGE national pay award for 2018/2019 has yet to be agreed but will take account of the new living wage rate.
- 3.2. The Council achieved Living Wage formal accreditation in October 2016. This includes paying all employees at a level on, or above, the rate set by The Living Wage Foundation.
- 3.3. The Council has achieved the implementation of previous Living Wages by restructuring Grades 1 and 2 and removing spinal column points below the level of the Living Wage. In 2017, this meant changes to Grade 1, Levels 1, 2 and 3.
- 3.4. These changes have resulted in the number of spinal column points in Grade 1, levels 1 and 2 being reduced to one and two points, with other grades and levels across the Council Pay Structure remaining unchanged with three to six spinal column points in each level, the majority being four. This would mean with incremental progression applied yearly, an employee could take up to six years to reach the maximum

earnings for their post. The need to revisit the Council's pay model was highlighted in the report on the Living Wage to South Lanarkshire Council in February 2017.

4. Pay Model Structure

- 4.1. The current pay structure is made up of Grades and Levels, starting from Grade 1, Level 1 to Grade 6. Each Level includes a number of spinal column points which employees incrementally progress through. In terms of equalities, there should be a clear rationale as to progression through the grades and long incremental scales can be viewed as discriminatory and difficult to justify. In particular, women can be disadvantaged through more frequent breaks in their career. In addition, complexity in the grades can give rise to unequal treatment in placement, either through recruitment or career progression.
- 4.2. The lower grades have been adjusted in recent years and the proposed changes detailed at Appendix 1 have been developed to build on those adjustments. A consistent approach and rationale has been identified as follows:-
 - ◆ Grades should not overlap with each other
 - ◆ Levels should be limited to two spinal column points reflecting the employee's competence. These are:-
 - ◆ developing competence
 - ◆ fully competent
- 4.3. Grade overlap has occurred historically, dating back to when linked grades were required. This is no longer required and removing overlaps will make the pay model clearer.
- 4.4. In reviewing the current position across Grades 1 to Grade 6, 8,582 employees (80%) are currently at the maximum spinal column point of their Grade. A total of 1,164 employees (11%) are on the first spinal column point and due incremental progression in April 2018, with the remainder of employees in the process of incremental progression (9%).
- 4.5. **Proposals :**
It is proposed that the Council restructure the current pay model over a two year period. By removing the lowest spinal column points within grades, the grade structure will reduce to a maximum of three spinal column points in each level in Year 1 and achieving two spinal column point levels in Year 2.
- 4.6. Grade 1, Level 1 will remain at a single point, reflecting the speed with which an employee becomes competent at that level.
- 4.7. It is also proposed that Grade 3 Level 1 be removed. There are 30 employees currently being paid at this grade. The Job Evaluation Team will identify the posts at this grade and align these to an appropriate Grade and Level within the new pay structure. The spinal column points in Grade 2 Level 4 and Grade 3 Level 1 overlap and contain the same points.
- 4.8. The principles of the proposals have been discussed with the Trade Unions, and further consultation will take place on the recommendations contained within this report.

- 4.9. Any pay offer accepted would be applied, once approved, to the current hourly rates of pay. For illustration a 3% pay award on the lowest spinal column point will make the Council's entry level rate of pay £9.00 per hour.

5. Employee Implications

- 5.1. The proposed changes would benefit all employees. The reduction in the number of spinal column points in each grade level reduces the time taken, in some cases by four years, for employees to reach the ceiling point in their grade, and to reach their maximum earnings. It will bring clarity of pay application, simplifying the process for employees and managers.
- 6.2. The changes to the Living Wage and Pay Model Restructure will also aid recruitment and retention of posts within the organisation.

6. Financial Implications

- 6.1. As the proposal is a phased removal of spinal column points following incremental progression in each year, the costs are minimised. Increased costs will be incurred through new starts as they commence employment at a higher spinal column point than in previous years. Low turnover levels will minimise these additional costs.
- 6.2. There will be a cost at Grade 1 Level 2 where the top point has increased from spinal column point 22 to 23. There are currently 469 employees on this point and the increase would amount to £270 per year for a full time employee.
- 6.3. The increase in hourly rate could also increase overtime costs. However, the Trade Unions have agreed to continue to work with management to review current arrangements, and reduce the need for overtime working through changes in working practices.
- 6.4. The changes in the pay model will cost approximately £500,000 in 2018/2019 and this is accounted for within the current budget strategy.

7. Other Implications

- 7.1. There is a risk that if changes to a pay model are not thoroughly analysed there may be a disproportionate impact on various equality groups. The completion of the Equality Impact Assessment mitigates this risk.
- 7.2. There are no sustainability implications arising from this report.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. An equality impact assessment of these changes has been carried out. The proposed changes will have a beneficial impact on the gender pay gap within the authority and would be consistent with our equality duties.

Paul Manning
Executive Director (Finance and Corporate Resources)

20 February 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ People focused
- ◆ Excellent employer
- ◆ Tackling disadvantage and deprivation

Previous References

- ◆ None

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Appendix 1

		Current Year 2017/18		2018/19		2019/20	
Grade Name	LEVEL	SCP	2017 Hourly rate	SCP	2017 Hourly rate	SCP	2017 Hourly rate
Sleepover rate		4	6.94				
GRADE 1	1	20	8.74	20	8.74	20	8.74
GRADE 1	2	21	8.87				
		22	9.01	22	9.01	22	9.01
				23	9.15	23	9.15
GRADE 1	3	23	9.15				
		25	9.42	25	9.42	25	9.42
		27	9.69	27	9.69	27	9.69
GRADE 1	4	28	9.83				
		29	9.97	29	9.97		
		30	10.14	30	10.14	30	10.14
		31	10.28	31	10.28	31	10.28
GRADE 2	1	32	10.40				
		33	10.58	33	10.58		
		34	10.73	34	10.73	34	10.73
		35	10.91	35	10.91	35	10.91
GRADE 2	2	36	11.06				
		37	11.23	37	11.23		
		39	11.55	39	11.55	39	11.55
		40	11.72	40	11.72	40	11.72
GRADE 2	3	42	12.05				
		44	12.43	44	12.43		
		46	12.79	46	12.79	46	12.79
		48	13.19	48	13.19	48	13.19
GRADE 2	4	50	13.58				
		52	13.98	52	13.98		
		55	14.60	55	14.60	55	14.60
		57	15.04	57	15.04	57	15.04
GRADE 3	1	50	13.58				
		52	13.98				
		55	14.60				
		57	15.04				
GRADE 3	2	55	14.60				
		57	15.04				
		59	15.51				
		61	15.98	61	15.98		
		63	16.46	63	16.46	63	16.46
		65	16.94	65	16.94	65	16.94

Appendix 1

		Current Year 2017/18		2018/19		2019/20	
Grade Name	LEVEL	SCP	2017 Hourly rate	SCP	2017 Hourly rate	SCP	2017 Hourly rate
GRADE 3	4	68	17.70				
		70	18.22	70	18.22		
		72	18.77	72	18.77	72	18.77
		74	19.35	74	19.35	74	19.35
GRADE 3	8	75	19.64				
		77	20.21	77	20.21		
		79	20.84	79	20.84	79	20.84
		80	21.16	80	21.16	80	21.16
GRADE 4	2	79	20.84				
		80	21.16	80	21.16		
		82	21.78	82	21.78	82	21.78
		83	22.13	83	22.13	83	22.13
GRADE 4	5	83	22.13				
		85	22.79	85	22.79		
		86	23.12	86	23.12	86	23.12
		88	23.85	88	23.85	88	23.85
GRADE 4	9	90	24.54				
		91	24.92	91	24.92		
		93	25.67	93	25.67	93	25.67
		94	26.08	94	26.08	94	26.08
GRADE 5	1	93	25.67				
		94	26.08				
		96	26.84	96	26.84	96	26.84
		97	27.25	97	27.25	97	27.25
GRADE 5	5	99	28.08				
		100	28.46	100	28.46		
		102	29.33	102	29.33	102	29.33
		103	29.76	103	29.76	103	29.76
GRADE 5	8	103	29.76				
		105	30.67	105	30.67		
		107	31.63	107	31.63	107	31.63
		108	32.11	108	32.11	108	32.11
GRADE 5	13	111	33.57				
		113	34.56	113	34.56		
		114	35.09	114	35.09	114	35.09
		116	36.15	116	36.15	116	36.15

Appendix 1

		Current Year 2017/18		2018/19		2019/20	
Grade Name	LEVEL	SCP	2017 Hourly rate	SCP	2017 Hourly rate	SCP	2017 Hourly rate
GRADE 6	Heads	121-134	38.95 - 50.29	132-134	48.35 - 50.29	132 134	48.35 - 50.29
	Extended Heads	134-137	50.29 - 53.40	135-137	51.18 - 53.40	135 137	51.18 - 53.40



Report

Report to:	Executive Committee
Date of Meeting:	28 February 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Programme 2018/2019 – 2019/2020 Update
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide the Committee with an updated General Services Capital Programme for financial years 2018/2019 and 2019/2020, which continues to reflect Council priorities.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):

- (1) that adjustments to the expenditure profile in relation to Clyde Gateway, Glasgow City Region City Deal, and Residential Care Facilities, as detailed in section 4 of this report, be approved;
- (2) that confirmation of General Capital Grant funding for 2018/2019, as notified in Finance Circular 5/2017, of £27.607 million be noted;
- (3) that the proposed use of the Capital Grant funding, as detailed in section 5, be approved.
- (4) that the resultant Capital Investment Programme for 2018/2019 to 2019/2020, totalling £126.478 million, as summarised in section 5.9. and detailed in Appendix 2 of this report, be approved; and
- (5) that the other emerging capital issues, as identified in section 6, be noted.

3. Background

- 3.1. The General Services Capital Programme for financial years 2017/2018 to 2019/2020 was approved by the Executive Committee on 16 February 2017.
- 3.2. The report also included allocations for specific capital investment programmes which had already been approved by Committee, namely the Primary Schools' Modernisation Programme and the Roads Investment Plan which will both complete by 2019, as well as the Street Lighting Improvement Programme which will complete by 2020. The Council is also part of the Glasgow City Region City Deal Programme, with expenditure expected to complete by 2028.
- 3.3. Since the approval of this report, a number of changes to the programme had been approved by the Executive Committee throughout 2017/2018.

- 3.4. In addition, the Local Government Finance Circular 5/2017 has revised the Council's General Capital Grant allocation for 2018/2019. Grant funding has also been identified for specific spend programmes.
- 3.5. This report gives an update on the anticipated budget for 2018/2019 and 2019/2020, taking into account adjustments which have been approved during the course of 2017/2018 and the impact on the future spend profiles of Clyde Gateway, Glasgow City Region City Deal Programme and the Replacement Care Facilities project (section 4). This report also details changes to the funding package as a result of Finance Circular 5/2017 (section 5) and proposes how this funding should be utilised.
- 3.6. Since the approval of the 2017/2018 to 2019/2020 Capital Programme, a number of new capital issues have emerged and these are discussed in section 6.
- 4. Update to 2018/2019 and 2019/2020 Capital Programme**
- 4.1. The Executive Committee on 16 February 2017 approved new projects for 2018/2019 and 2019/2020 totalling £20.348 million and £19.225 million respectively.
- 4.2. Taking into account the anticipated spend on the Roads Investment Plan, Primary Schools' Modernisation Programme, Street Lighting Improvement Programme and Glasgow City Region City Deal – Roads Projects, the full programme approved was £63.870 million for 2018/2019 and £79.154 million for 2019/2020.
- 4.3. During 2017/2018, changes have been approved by the Executive Committee which has added £26.276 million to the expected spend in 2018/2019. These adjustments are listed in Appendix 1 attached.
- 4.4. In addition, work is ongoing on a number of the current capital programme streams which will have an impact on their profile expenditure and these are discussed further in sections 4.5. to 4.9. below.
- 4.5. **Clyde Gateway**: A commitment of £0.800 million per annum had been identified as continued support in relation to Clyde Gateway Regeneration Programme. In order to allow the completion of the Red Tree Business Incubator project at Shawfield, the Clyde Gateway Urban Regeneration Company have requested that the £0.800 million contribution scheduled for financial year 2019/2020 be paid one year early in 2018/2019.
- 4.6. **Glasgow City Region City Deal**: This Committee was advised on the 27 September 2017 of budget movements in the Cathkin Relief Road project (£1.7 million) and Greenhills Road project (£3.2 million) during 2017/2018. These were added to the 2018/2019 Capital Programme and are reflected in Appendix 1 attached.
- 4.7. A recent review of project expenditure, concentrating specifically on spend expected to occur in the next 5 years, has been undertaken. It is envisaged that £21.535 million will be required in 2018/2019 and £18.285 million in 2019/2020. This is a reduction of £10.392 million in 2018/2019 and £37.370 million for 2019/2020. Remaining budget will be carried forward into future years, to conclude these committed projects.
- 4.8. **Social Work Replacement Care Facilities**: During the course of 2017/2018, Social Work Resources identified budget movement into future years of £11 million. This is included in Appendix 1 attached and was profiled into 2018/2019.

- 4.9. A full project and implementation plan for this project is being developed, reflecting the direction of travel in relation to replacement care facilities. It is proposed that an allocation of £5 million be profiled into 2018/2019, a movement of £12.3 million into financial year 2019/2020. This assumes pre-development works in 2018/2019 with construction of the first facility commencing thereafter and completion the following year. This will be updated when further information becomes available.
- 4.10. Taking into account the adjustments noted at 4.2. to 4.9. above results in a revised budget for 2018/2019 and 2019/2020 totalling £121.538 million and this position is summarised in Table 1 below.

Table 1: Revised General Fund Programme 2018/2019 to 2019/2020 after approved adjustments and profiling changes

	2018/2019 £m	2019/2020 £m	Total £m
Approved Programme - February 2017 (Section 4.2.) (including Roads Investment Programme, Primary Schools' Modernisation Programme, Street Lighting Improvement Programme and Glasgow City Region City Deal)	63.870	79.154	143.024
Net Changes Approved from Previous Years (Section 4.3.)	26.276	-	26.276
Clyde Gateway (Section 4.5.)	0.800	(0.800)	-
Glasgow City Region City Deal (Section 4.6.- 4.7.)	(10.392)	(37.370)	(47.762)
Social Work Residential Care Facilities (Sections 4.8. - 4.9.)	(12.300)	12.300	-
Revised General Fund Expenditure Programme	68.254	53.284	121.538

5. Notification of Grant

- 5.1. **General Capital Grant:** The General Capital Grant figure which was included in the programme for 2018/2019 and 2019/2020 is £24 million per annum. This was a prudent assumption based on the approximate level of the 2016/2017 General Capital Grant allocation. It has been agreed that a proportion of this grant, £7 million in 2018/2019 and £6 million in 2019/2020 will be used to contribute towards the Glasgow City Region City Deal Programme, as the Council is required to meet 14% of the estimated costs.
- 5.2. Since the approval of this report, the Council has received confirmation of the Capital funding available in 2018/2019, as part of the Local Government Finance Settlement (FC5/2017) which was issued on 14 December 2017.
- 5.3. General Capital Grant of £27.607 million has been awarded for financial year 2018/2019. Grant levels beyond 2018/2019 have still to be confirmed. Therefore, there is additional funding of £3.607 million available in 2018/2019.
- 5.4. It has already been proposed to the Executive Committee that £3 million of this additional capital grant (£1 million Footways, and £2 million Carriageways) be added to the capital budget to help mitigate the impact of the Roads Carriageway revenue saving for 2018/2019. This leaves a balance of £0.607 million still to be allocated.

- 5.5. It is proposed that £0.307 million of this additional funding be allocated to the Springhall Regeneration Project. Cathkin Library is currently located on the upper floor, above a row of privately owned shops and the proposal involves relocating the Library into an area of Springhall Community Centre. This project will complement proposed redevelopment works at Springhall Community Centre, which are already the subject of a separate bid to the Scottish Government's Regeneration Capital Grant Fund. The bid involves developing a high quality community space incorporating a flexible training and learning centre, integrated IT facilities, kitchen and pop up cafe, multi-use area, informal meeting space and external community green space.
- 5.6. Of the remaining £0.300 million, it is proposed that £0.200 million be allocated to create Bin Storage Areas in a number of locations to mitigate ongoing environmental and access issues, and finally, that £0.100 million be allocated for the enhancement of War Memorials including stonemasonry, hard and soft landscaping and one off repairs, in advance of the 1st World War 100 Year Anniversary in November 2018.
- 5.7. Finance Circular 5/2017 also confirmed specific Capital Grant funding for Cycling, Walking and Safer Streets (£0.432 million) and Vacant and Derelict Land (£0.901 million).
- 5.8. An additional Scotland-wide allocation of £150 million has also been made available for the delivery of 1,140 Hours within Early Years, however this remains unallocated across Local Authorities. It is estimated that the Council's share, based on our previous allocation of 5.81%, will be approximately £8.7 million.
- 5.9. Taking into account the funding changes noted in 5.3. to 5.7. above, results in a revised General Services Capital Programme for 2018/2019 and 2019/2020 totalling £126.478 million and this is summarised in Table 2 below:-

Table 2: Revised General Fund Programme 2018/2019 to 2019/2020 after 2018/2019 Grant Notification

	2018/2019 £m	2019/2020 £m	Total £m
Revised General Fund Expenditure Programme (Section 4.10. above)	68.254	53.284	121.538
Additional General Capital Grant (Section 5.3.)	3.607	-	3.607
Specific Capital Grants (Section 5.7.)	1.333	-	1.333
Revised General Fund Programme	73.194	53.284	126.478

- 5.10. The proposed programme for financial years 2018/2019 and 2019/2020 is detailed in Appendix 2 to this report along with the funding package in Appendix 3.
- 6. Other Capital Issues**
- 6.1. In addition to the revisions identified in the approved programmes of works noted in sections 4 and 5 above, there are a number of other emerging capital issues which may have an impact on the 2018/2019 and 2019/2020 Capital Programme and these are discussed further below:-
- 6.2. **Education Growth and Capacities:** Due to actual and predicted pupil growth related to general population growth and significant new housing development across the

authority, a number of Primary and Secondary Schools are experiencing capacity pressures, or are predicted to in the near future. A review is currently underway to identify measures available to meet these pressures. A report will be presented to a future meeting of this Committee with proposals.

- 6.3. **Early Years – 1,140 Hours:** The Scottish Government have committed to increase entitlement to free early learning and childcare (ELC) from 600 hours per year to 1,140 hours per year by August 2020.
- 6.4. The Scottish Government allocated £30m in capital funding for 2017/2018 for the implementation of 1,140 hours. South Lanarkshire Council were allocated £1.743 million of this funding, based on the Council's 5.81% share of pre-school education GAE. These monies are being used for the design costs of 6 nurseries.
- 6.5. The Scottish Government have advised that capital funding for the expansion of Early Learning and Childcare will be made available for three further financial years (2018/2019 – 2020/2021 inclusive). They expect capital funding for the three year period to be £400 million. Based on a 5.81% share, £23.240 million would be allocated to South Lanarkshire.
- 6.6. South Lanarkshire Council submitted an Early Years and Childcare Expansion Plan to the Scottish Government, which was approved by the Executive Committee on 8 November 2017. The report detailed that 12 new nurseries and a refurbishment, along with additional capacity for hot food provision would be required to fully implement 1,140 hours, at an estimated capital cost of £46.503 million. Work continues to refine the requirements to deliver this obligation within the funding available.

7. Other Implications

- 7.1. The main risk associated with the Council's Capital Programme is an overspend. The risk has been assessed as low given the detailed project management plans prepared and monitored for each project. The risk of overspend is managed through four weekly Investment management meetings.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and therefore no impact assessment is required.
- 8.2. There was also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning
Executive Director (Finance and Corporate Resources)

5 February 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 16 February 2017

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Changes Approved by Executive Committee during 2017/2018

Project Name	Amount £m
Accommodation Upgrades – Community Facility, Walston Primary	0.100
Existing Synthetic & Grass Pitches	0.400
Zero Waste Fund Projects	0.400
Ballgreen Hall – Demolition	0.130
Demolition Programme	0.130
Upgrades to Community Infrastructure	0.120
City Deal – Cathkin Bypass	1.700
City Deal – Greenhills Road	3.200
Primary Schools' Modernisation Programme – St Patrick's Primary	2.390
Primary Schools' Modernisation Programme – Early Learning Unit	5.500
Schools ICT	0.943
Customer Contact Centre	0.093
FMS and HRMS Server Replacement	0.050
New FMS Modules & Systems Development	0.020
Mobile Working	0.100
Social Work Residential Facilities*	11.000
Total	26.276

** The approved adjustment slipped the budget 'into future years'. This has been assumed as 2018/2019 in the first instance and is discussed further in Section 4.8. to 4.9.*

Revised General Service Capital Programme 2018/2019 to 2019/2020

	2018/2019 £m	2019/2020 £m	Total £m
Community and Enterprise Resources			
Ballgreen Hall – Demolition	0.130	-	0.130
Accommodation Upgrades – Community Facility, Walston Primary	0.100	-	0.100
Zero Waste Fund Projects	0.400	-	0.400
Clyde Gateway	1.600	-	1.600
Extension / Improvement of Cemeteries	0.145	0.372	0.517
Existing Synthetic and Grass Pitches	0.731	0.225	0.956
Upgrades to Community Infrastructure	0.120	-	0.120
Demolition Programme	0.130	-	0.130
War Memorials	0.100	-	0.100
Bin Storage Areas	0.200	-	0.200
Roads Improvement (including Footpaths)	3.000	5.500	8.500
Roads Investment Programme	12.000	-	12.000
Street Lighting Improvement Programme	1.641	1.624	3.265
Cycling, Walking and Safer Streets	0.432	-	0.432
Vacant and Derelict Land	0.901	-	0.901
Total City Deal / Developer Contributions – Community Growth Areas	5.484	7.746	13.230
Total Glasgow City Region City Deal – Roads Projects (Greenhills, Cathkin, Stewartfield Way)	16.051	10.539	26.590
Total Community and Enterprise Resources	43.165	26.006	69.171
Education Resources			
Schools ICT Solutions for Learning	2.693	1.750	4.443
Multi Use Games Area Pitches - Schools	0.125	0.112	0.237
St John's Primary School, Blackwood	0.353	-	0.353
Loch Primary School	1.103	0.650	1.753
Capacity Issues – Mainstream Primary School	0.320	0.295	0.615
Primary Schools Modernisation Programme	10.744	2.650	13.394
Total Education Resources	15.338	5.457	20.795
Finance and Corporate Resources			
IT Infrastructure / Telephony and Productivity	0.555	0.534	1.089
Customer Contact Centre	0.093	-	0.093
FMS and HRMS Server Replacement	0.050	-	0.050
New FMS Modules & Systems Development	0.020	-	0.020
Mobile Working	0.100	-	0.100
Total Finance and Corporate Resources	0.818	0.534	1.352
Housing and Technical Resources			
Private Housing Scheme of Assistance	1.000	1.000	2.000
Planned Asset Management Programme	4.551	4.775	9.326
Prioritised Urgent Investment in Property	1.700	1.700	3.400
Headquarters Fabric Upgrade	0.690	0.887	1.577
Civic Centre Fabric Upgrade	0.625	0.625	1.250
Springhall Regeneration Project	0.307	-	0.307
Total Housing and Technical Resources	8.873	8.987	17.860

Revised General Service Capital Programme 2018/2019 to 2019/2020 (cont.)

	2018/2019 £m	2019/2020 £m	Total £m
Social Work Resources			
Social Work Residential Facilities	5.000	12.300	17.300
Total Social Work Resources	5.000	12.300	17.300
Total General Services Capital Programme 2018/2019 to 2019/2020	73.194	53.284	126.478

Revised General Services Capital Programme – Funding 2018/2019 to 2019/2020

	2018/2019 £m	2019/2020 £m	Total £m
Full Capital Programme	73.194	53.284	126.478
Funding Available			
Borrowing	24.568	12.267	36.835
Capital Receipts	1.500	1.500	3.000
General Capital Grant	27.607	24.000	51.607
Specific Capital Grant	1.333	-	1.333
Developers Contributions	1.216	1.074	2.290
City Deal Government Grant	-	4.411	4.411
City Deal (Borrowing / Reserves)	14.535	7.874	22.409
Specific Council Reserves – IT Development Fund	0.794	0.534	1.328
Revenue Contributions	1.641	1.624	3.265
Total Funding Available	73.194	53.284	126.478
Surplus / (Deficit) in Funding	-	-	-

Report

11

Report to:	Executive Committee
Date of Meeting:	28 February 2018
Report by:	Executive Director of Finance and Corporate Resources

Subject:	Prudential Indicators, Treasury Management Strategy and Annual Investment Strategy 2018/2019
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1. Purpose of Report

1.1 The purpose of the report is to:-

- ◆ provide members with the Prudential Code indicators for 2018/2019 to 2020/2021
- ◆ provide members with the Treasury Management Strategy for 2018/2019
- ◆ provide members with the Annual Investment Strategy for 2018/2019

2. Recommendation(s)

2.1 The Committee is asked to approve the following recommendation(s):-

- (1) that the Prudential Code Indicators for the period 2018/2019 to 2020/2021, the Treasury Management Strategy for 2018/2019 and the Annual Investment Strategy 2018/2019 be endorsed and referred to Council for formal approval.

3. Background

3.1 Through guidance and regulation the Council is required to produce Prudential Indicators, a Treasury Management Strategy and an Annual Investment Strategy. It has been cited as best practice to combine the information in one document. This paper will therefore cover:

- ◆ Prudential Indicators (Section 4)
- ◆ Treasury Management Strategy (Section 5)
- ◆ Annual Investment Strategy (Section 6)

4. Prudential Code Indicators

4.1 The Prudential Framework for local authority capital investment was introduced through the Local Government (Scotland) Act 2003 with the aim of supporting strategic planning for capital investment at a local level.

4.2. It was through the introduction of the Code that Councils are now able to take responsibility for deciding an affordable level of borrowing to fund capital expenditure. This moves away from the previous regime through which central government gave councils consent to borrow defined amounts for capital expenditure.

4.3. To meet the objectives of the Code we are required to report a number of indicators, and use those to demonstrate the affordability and sustainability of our capital plans.

- 4.4. A revision of the Prudential Code was issued by CIPFA in December 2017. The key objectives of the Code remain unchanged and are to ensure, within a clear framework, that Local Authorities capital investment plans are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.
- 4.5. The major changes to the updated code are the removal of the indicator showing the incremental impact of capital investment on Council Tax and House Rents; and the introduction of a requirement to have in place a capital strategy.
- 4.6. The capital strategy will consider capital investment necessary to achieve the priority outcomes of the Council. It will examine how this will be funded and will ensure that any borrowing required will provide value for money and be prudent, sustainable and affordable.
- 4.7. CIPFA have recognised that the requirement in the revised Prudential Code to produce a capital strategy may require a longer lead-in period and that this requirement may not be able to be fully implemented until 2019/2020. Officers within Finance Services are working on developing a capital strategy by September 2018. This strategy will link elements of the Prudential Indicators to the Capital Investment Plan which is considered as part of a separate report to this meeting.

Capital Expenditure and Asset Management

- 4.8. An update to the General Fund programme for years 2018/2019 to 2019/2020 has been presented to the Council at this meeting, and it allows for investment across priorities consistent with the Council Plan including:
- ◆ Improve achievement, raise educational attainment and support lifelong learning
 - ◆ Ensure schools and other places of learning are inspirational
 - ◆ Continuation of the Primary Schools Modernisation Programme
 - ◆ Improve the road network, influence improvements in public transport and encourage active travel
 - ◆ Continuation of the Roads Investment Programme
 - ◆ Improve later life
 - ◆ Social Work Residential Facilities Programme
- 4.9. The HRA capital programme for 2018/2019 has been presented to a Special Meeting of Housing and Technical Resources Committee on 21 February 2018. For financial years 2019/2020 and 2020/2021, estimated capital programmes based on the HRA business plan have been included.
- 4.10. Housing capital expenditure will result in an increase in the availability of social housing stock through the new build programme and improvements in the quality of the existing social housing stock. Future capital programmes will also include investment in housing stock to reflect the new Energy Efficiency Standard for Social Housing (EESH) which must be achieved by 31 December 2020. At present, 87.3% of the Council's houses are compliant with the EESH standard.
- 4.11. The level of capital expenditure that we choose to fund through borrowing has a direct impact on the treasury activities of the Council. The majority of funding for the Primary School Investment Programme is to be funded from borrowing. Borrowing is also required to fund the Roads Investment Programme and Housing Investment Programme. Borrowing will also be used in the short term to manage the cashflow

funding gap for City Deal. The Prudential Indicators show the level of borrowing required.

- 4.12. The Prudential Code also recognises that in making capital investment decisions the authority should be informed by sound asset management planning and options appraisal.
- 4.13. When considering potential capital investment, the Council ensures that the objectives of capital investment fit within the Council strategic plans and that the investment is informed through the asset management planning process. Options appraisal is required to derive the best method for meeting the objectives of the capital investment. The following asset management plans were updated for 2017 and approved by the relevant resource Committees.
- ◆ 2017 Property and Housing Asset Management Plans presented to Housing and Technical Resources Committee 13 December 2017
 - ◆ Fleet Asset Management Plan 2017 presented to Community and Enterprise Resources Committee 12 December 2017
 - ◆ 2017 Information and Communication Technology (ICT) Asset Management Plan presented to Finance and Corporate Resources Committee 15 November 2017
 - ◆ Roads Asset Management Plan – 2017 Update presented to Community and Enterprise Resources Committee 3 October 2017

Indicators 2017/2018 – 2020/2021

- 4.14. A new General Fund Capital Programme for 2018/2019 to 2019/2020 has been presented to this Committee meeting. During 2017/18, a number of adjustments have been approved by the Council's Executive Committee which will impact on 2018/2019.
- 4.15. The revised programme, including the adjustments has been used in the preparation of this Prudential Indicator report. Any future change to the programme will be reflected in future Prudential Indicator reports to Committee.
- 4.16. The funding package includes levels of General Capital Grant for 2017/2018 and 2018/2019 as advised by the Scottish Government. The Scottish Government have not yet issued estimates for 2019/2020 and 2020/2021. For the purpose of these indicators, a General Capital Grant of £24 million has been assumed for each of these years. This is a prudent assumption based on the approximate level of the 2016/2017 General Capital Grant allocation.
- 4.17. It should be noted that the programme also includes projects which will be funded by Specific Capital Grants from the Scottish Government.
- 4.18. The indicators are split into 2 categories:-
1. Capital Expenditure and External Debt
 2. Affordability
- 4.19. Through these Prudential Indicators we are laying out what our expectations are for the coming year, and setting limits based on these expectations. A report will be presented to Committee later this year showing actual achievement against the 2017/2018 indicators.
- 4.20. The Prudential Indicators for 2018/2019 to 2020/2021 are shown at Appendix 1 along with explanations for each indicator. An updated position for 2017/2018 is also included.

- 4.21. The first three indicators show details of capital expenditure, how this will be funded and set limits for external borrowing. The fourth indicator demonstrates the financial impact of the expected borrowing and that this is affordable.

5. Treasury Management Strategy

- 5.1. The Council's treasury activities are regulated by statute, and a professional code of practice (the CIPFA Treasury Management in Public Services Code of Practice). It is a requirement of this Code, and the financial regulations of South Lanarkshire Council that a Treasury Management Strategy is approved by Committee every year.
- 5.2. The Treasury Management Code was updated in December 2017 mainly to cover Non Treasury Investments such as investment property portfolios and has little impact on this Council.
- 5.3. The Treasury Management in the Public Services - Guidance Notes for Local Authorities details treasury management indicators that are to be reported within the Treasury Strategy.
- 5.4. CIPFA consulted on proposals to make changes to the treasury management indicators, however more guidance on the detail of these changes will not be available until the update of the CIPFA Publication Treasury Management in the Public Services Guidance Notes for Local Authorities is published later this year.
- 5.5. CIPFA recognises that local authorities may consider that they are unable to implement the changes to the indicators in full for the 2018/2019 financial year, and recommend that the changes be made to the reporting of the treasury management indicators as soon as reasonably possible and to be fully implemented from 1 April 2019.
- 5.6. The level of borrowing required to fund the Council's Capital programme, together with the variable nature of interest rates increases the risks associated with the treasury management function. As a result the Council will take a cautious approach to its Treasury Strategy by setting treasury management indicators to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of adverse movements in interest rates.
- 5.7. The indicators set limits on the Council's exposure to fixed and variable interest rate borrowing; limits on the maturity structure of fixed interest rate borrowing; and limits on investments over 364 days.
- 5.8. The main areas covered by the Strategy are:-
- ◆ Debt and Investment Projections
 - ◆ Expected Movement in Interest Rates
 - ◆ Borrowing Strategies
 - ◆ Statutory Repayment of Loans Fund Advances
- 5.9. Total external net debt is expected to reach £1,147,918 by the end of 2017/2018. This is gross debt of £1,282,468 less estimated investments of £134.550 million.
- 5.10. External debt includes the liability of £216.135 million that is included on the Council's balance sheet for the Secondary Schools and finance leases under International Financial Reporting Standards. It should be noted that while these liabilities are to be

classed as external debt, there is no requirement to borrow these amounts. There is no impact on borrowing costs and therefore no impact on revenue budgets.

5.11 The full Treasury Strategy for 2018/2019 is detailed at Appendix 2.

6. Annual Investment Strategy 2018/19

6.1 The Local Government Investments (Scotland) Regulations 2010 provides a formal investment framework for Councils. It provides greater autonomy for local authorities in their investment activities but with this greater freedom comes greater responsibility and the onus is on local authorities to act prudently with regard to their investment and treasury management activities.

6.2 The Council can decide what investment tools it will class as permitted investments in the coming year. The Regulations require an Annual Investment Strategy detailing the permitted investments to be approved by the Council.

6.3 The two fundamental principles of the Investment Regulations are that:

- ◆ Councils are required to manage their investments and deposits in a way that minimises the risk to the capital sum and optimises the return on the funds consistent with those risks. Security should be considered first, then liquidity, and lastly the yield or return.
- ◆ Councils are able to determine what investments they may make, including both the type and duration of the investment.

6.4 The Annual Investment Strategy is considered to be central to the Regulation. The Council is required to prepare an Annual Investment Strategy prior to the start of the financial year.

6.5 The Regulations require the Council to consider its investment activity as a whole. This includes a range of investments, which covers the depositing of temporary surplus funds with banks and similar institutions, shareholdings in companies or joint ventures, loans to group undertakings and third parties. It also covers investment properties

6.6 The Council is required to set out a strategy for investments that explains investment objectives and policies including any special circumstances applying to them that have led to a particular approach.

6.7 The attached strategy identifies the different types of treasury risk that investments are exposed to and the controls in place for limiting those risks. These include restrictions on who the Council will invest with and on the period of investment.

6.8 The Council is required to set out in the strategy the types of investment that it will permit in the financial year. These will be known as “permitted investments”.

6.10 The strategy also limits the amounts that may be held in such investments at any time in the year.

6.11 Any loan issued to a third party should be included as an investment. Statutory powers exist for local authorities to provide this type of financial assistance, for example the Housing (Scotland) Act 1987, the Housing (Scotland) Act 2006 and the general power to advance well-being contained in the Local Government in Scotland Act 2003 at section 20.

- 6.12 After consideration of the Council's requirements to manage funds and our approach to risk, no changes have been made to the permitted investments previously agreed for 2017/2018.
- 6.13 The Executive Director of Finance and Corporate Resources will ensure that the strategy is adhered to at all times. The Council can only make an investment if that type of investment is detailed in this Strategy. The exception to this is where the Council has recognised as an investment a financial transaction that relies on separate legislative powers, for example loans to third parties.
- 6.17 **Borrowing in Advance** Borrowing in advance of need increases the level of funds which require to be invested or deposited.
- 6.18 The CIPFA Prudential Code is clear that the Council must not borrow more than, or in advance of needs purely in order to profit from the investment of the extra sums borrowed.
- 6.19 The Council needs to be able to demonstrate that borrowing is for a legitimate purpose such as the exercise of day to day cash management or the management of borrowing for capital purposes.
- 6.20 The regulations do not prevent borrowing in advance of need but for it to be allowed the Council must detail its policy for borrowing in advance in the strategy.
- 6.21 The Executive Director of Finance and Corporate Resources will ensure that borrowing is taken at the most appropriate time to ensure best value and that the requirements of the Prudential Code are met.
- 6.22 The proposed Annual Investment Strategy for 2018/2019 has been included at Appendix 3.

7. Employee Implications

- 7.1 None

8. Financial Implications

- 8.1 There are no direct funding implications arising from the production of the Prudential Indicators, Treasury Management Strategy or Annual Investment Strategy.
- 8.2 The financial impact from treasury activity and borrowing for capital expenditure has been built into the long term revenue budget strategy.

9. Other Implications

- 9.1 South Lanarkshire Council recognises that any treasury management activity will carry an element of risk. It is important that risk is identified and controls put in place to limit those risks.
- 9.2 The preparation and approval of Prudential Indicators and the Treasury Management Strategy set a framework for treasury management activities and limits on debt in order to mitigate risks.
- 9.3 The CIPFA Treasury Management Code of Practice adopted by the Council, places Credit and Counterparty risk at the forefront of treasury risks.

- 9.4 South Lanarkshire Council recognises that any investment activity will carry an element of risk. It is important that risk is identified and controls put in place to limit and manage those risks.
- 9.5 Section 5 of the Annual Investment Strategy details how South Lanarkshire Council will manage these risks.
- 9.6 There is no requirement to carry out an environmental impact assessment in terms of the information contained within this report.
- 9.7 There are no implications for sustainability in terms of the information contained in this report.
- 10. Equality Impact Assessment and Consultation Arrangements**
- 10.1 This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 10.2 There is no requirement to undertake any consultation in relation to the content of the report.

Paul Manning
Executive Director of Finance and Corporate Resources

6 February 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, effective and efficient

Previous References

- ◆ South Lanarkshire Council (Special), 1 March 2016

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Prudential Indicators 2018/19 – 2020/21

The Prudential Indicators are shown below and are split into 2 categories:

- Capital Expenditure and External Debt
- Affordability

Indicators 1 to 3 show statements of the expected borrowing requirement for the years 2017/18 to 2020/21 and attributes limits for external borrowing.

Indicator 4 demonstrates the financial impact of the expected borrowing for the years 2017/18 to 2020/21 and that this borrowing is affordable.

After year end, the actual position for the Indicators will be reported to this Committee.

Capital Expenditure and External Debt Indicators

1. Prudential Indicator 1 – Capital Expenditure

- 1.1 This indicator states the capital expenditure plans for the years 2017/18 through to 2020/21.

	2017/18 Estimate £ m	2018/19 Estimate £ m	2019/20 Estimate £ m	2020/21 Estimate £ m
General Fund Capital Expenditure	78.291	73.194	53.284	36.907
<i>Funded by:</i>				
Borrowing	33.432	39.103	20.141	10.377
Capital receipts and grants	43.576	31.656	30.985	26.530
Revenue contributions	1.283	2.435	2.158	0.000
Total Funding	78.291	73.194	53.284	36.907
HRA Capital Expenditure	40.581	44.935	68.889	68.987
<i>Funded by:</i>				
Borrowing	9.890	15.253	24.842	26.641
Capital receipts and grants	11.171	5.952	21.010	21.010
Revenue contributions	19.520	23.730	23.037	21.336
Total Funding	40.581	44.935	68.889	68.987

- 1.2 The table overleaf summarises the above capital expenditure plans and how the borrowing required for the capital programmes are adjusted for loans fund principal repayments, maturing debt and borrowing not taken in prior financial years to derive the borrowing requirement for the Council in each financial year.

	2017/18 Estimate £ m	2018/19 Estimate £ m	2019/20 Estimate £ m	2020/21 Estimate £ m
Borrowing for General Fund Capital Expenditure	33.432	39.103	20.141	10.377
Borrowing for HRA Capital Expenditure	9.890	15.253	24.842	26.641
Total Borrowing for Capital Expenditure	43.322	54.356	44.983	37.018
Less Loans Fund Principal Repayments	(25.096)	(24.301)	(27.553)	(23.190)
Plus Maturing Debt	24.325	22.381	30.590	29.893
Borrowing carried over/(taken) in prior financial years	119.622	0.000	0.000	0.000
Borrowing carried over to next financial years	0.000	0.000	0.000	0.000
Total Borrowing Requirement	162.173	52.436	48.020	43.721

1.3 The borrowing identified above and associated costs have been included in the Council's Financial Strategy.

2. Prudential Indicator 2– Councils Borrowing Need (the Capital Financing Requirement) and Gross Debt

2.1 The Council's Capital Financial Requirement (CFR) is the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying need to borrow for past and present capital expenditure.

2.2 The Council is required to pay off an element of the accumulated balance of borrowing every year through a charge to the revenue account.

2.3. In order to ensure that over the medium term debt will only be for a capital purpose, the Council needs to ensure that debt does not, except in the short term, exceed the total of the Capital Financing requirement (CFR) in 2017/18 plus the estimates of any additional CFR for 2018/19 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

2.4. The projected Capital Financing Requirement and Gross Debt is shown in the table below

	2017/18 Estimate £ m	2018/19 Estimate £ m	2019/20 Estimate £ m	2020/21 Estimate £ m
General Fund Capital Financing Requirement	1,052.846	1,065.641	1,056.408	1,042.154
HRA Capital Financing Requirement	229.622	239.668	258.853	279.231
Total Capital Financing Requirement	1,282.468	1,305.309	1,315.261	1,321.385
Gross Debt	1,282.468	1,305.309	1,315.261	1,321.385
Difference	0.000	0.000	0.000	0.000

- 2.5 It can be seen that the estimated gross debt levels for the period 2017/18 to 2020/21 do not exceed the forecast CFR at the end of 2020/21, demonstrating that borrowing will only be undertaken for capital purposes.
- 2.6. This indicator sets out the expected CFR based on the capital plans shown at Indicator 1. Actual CFR for 2017/18 will be presented to committee following year end.
- 3. Prudential Indicator 3 – Limits to Borrowing**
- 3.1 The **Operational Boundary for external debt** is based on the expected maximum external debt that could be faced in the course of the year. It is set to accommodate the borrowing requirements as detailed at Prudential Indicator 1, and also includes sufficient scope to allow for changes to the capital programme throughout the year and to borrow for the following year should this be considered appropriate. This limit is permitted to be breached during the year. This would be reported in the Prudential Indicators report presented to Committee after year end.
- 3.2 The **Authorised Limit for External Debt** represents a limit beyond which external debt is prohibited. It represents the level of external debt which could be afforded in the very short term, but is not sustainable in the longer term without consideration to revenue budgets. This limit needs to be set or revised by the full Council who should also be advised if the limit is exceeded or is expected to be exceeded. Again the limits include scope to borrow for the following year should this be considered appropriate.

	2017/18 Estimate £ m	2018/19 Estimate £ m	2019/20 Estimate £ m	2020/21 Estimate £ m
Operational Limit for debt	1,150.000	1,170.000	1,190.000	1,190.000
Operational Limit for other liabilities	230.000	220.000	210.000	210.000
Operational Limit	1,380.000	1,390.000	1,400.000	1,400,000
Authorised Limit for debt	1,170.000	1,190.000	1,210.000	1,210.000
Authorised Limit for other liabilities	230.000	220.000	210.000	210.000
Authorised Limit	1,400.000	1,410.000	1,420.000	1,420,000

2. Affordability Indicators

Prudential Indicator 4 – Ratio of Financing Costs to Net Revenue Stream

- 4.1 This indicator focuses on the extent to which the Council's net revenue budget is used for servicing debt. This is shown for both General Fund and HRA. The figures for General Fund include the reduction in the PPP/Finance Lease Liability as a financing cost.

	2017/18 Estimate £ m	2018/19 Estimate £ m	2019/20 Estimate £ m	2020/21 Estimate £ m
General Fund Ratio of Financing Costs to Net Revenue Stream (expressed as %)	9.06%	9.53%	9.99%	9.22%
HRA General Fund Ratio of Financing Costs to Net Revenue Stream (expressed as %)	17.23%	17.75%	18.21%	18.75%

- 4.2. While work has commenced on the preparation of the Medium Term Financial Strategy for 2019/20 to 2021/22, we have not been advised of our General Revenue Grant funding beyond 2018/19. The indicators have been calculated on the basis that there is no change in grant levels.

Treasury Management Strategy 2018/19

1. Foreword

- 1.1. The treasury management function is an important part of the overall financial management of the Council's affairs. The treasury management function considers the effective funding of capital investment plans and works toward ensuring that best practice is followed when making decisions on managing Council deposited funds.

The Council's treasury activities are regulated by the Local Government (Scotland) Acts 1975 and 2003, and a professional code of practice (the CIPFA Code of Practice on Treasury Management – revised December 2017). It is a requirement of this Code, and the financial regulations of South Lanarkshire Council, that a Treasury Management Strategy is approved by Committee every year.

A key requirement of this strategy is to explain both the risks and the management of these risks associated with the treasury function. A further report will be produced after the year end to report on actual activity during the year. It is a requirement of the Treasury Management Code of Practice that a mid year monitoring report is produced. This will cover the period 1 April 2018 to 30 September 2018 and will be submitted to Committee after that date.

This strategy covers:

- The Council's debt and investment projections (Section 2)
- The Council's estimates and limits on future debt levels (Section 3)
- The expected movement in interest rates (Section 4)
- The Council's borrowing strategy (Section 5)
- Treasury Management Limits on Activity (Section 6)
- Statutory Repayment of Loans Fund Advances (Section 7)

2. Debt and Investment Projections 2018/19 – 2020/21

- 2.1 The expected levels of external borrowing and investment for 2018/19 to 2020/21 are shown in the table below. An updated position for 2017/18 is also shown.

	2017/18 Estimate £ m	2018/19 Estimate £ m	2019/20 Estimate £ m	2020/21 Estimate £ m
External Debt				
Borrowing	£1,066.333m	£1,096.388m	£1,113.818m	£1,127.646m
Other long term liabilities	£216.135m	£208.921m	£201.443m	£193.739m
Debt at 31 March (including PPP/Finance Lease Liability)	£1,282.468m	£1,305.309m	£1,315.261m	£1,321.385m
Investments				
Total Investments at 31 March	£134.550m	£134.550m	£134.550m	£134.550m

3. Estimates and Limits on Future Debt Levels

- 3.1 There are a number of key indicators to ensure the Council operates its activities within well defined limits. These are detailed in the Prudential Indicators Appendix 1, paragraphs 2.1 to 3.2.

4. Expected Movement in Interest Rates

- 4.1 The interest rate forecasts provided by the Council's treasury advisor, Link Asset Services and by Capital Economics are reproduced below. Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The forecasts below will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year.

Medium Term Interest rates - Annual Averages – Capita Asset Services

	Base Interest Rate	5 year PWLB	10 year PWLB	25 year PWLB	50 year PWLB
2018/19	0.625%	1.725%	2.400%	3.050%	2.825%
2019/20	0.875%	1.975%	2.650%	3.275%	3.075%
2020/21	1.188%	2.225%	2.900%	3.550%	3.350%

Medium Term Interest rates - Annual Averages – Capital Economics

	Base Interest Rate	5 year PWLB	10 year PWLB	25 year PWLB	50 year PWLB
2018/19	1.063%	2.200%	2.650%	3.150%	2.850%
2019/20	1.688%	2.400%	2.800%	3.338%	3.100%
2020/21	2.167%	2.733%	3.133%	3.667%	3.483%

- 4.2 At its meeting on 2 November 2017, the Monetary Policy Committee (MPC) delivered a 0.25% increase in the Base Interest Rate. This reversed the cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected another two increases of 0.25% by 2020.
- 4.3 Public Works Loans Board (PWLB) rates and gilt yields have continued to be volatile. It is likely that this volatility will continue for the foreseeable future. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently.
- 4.4 The differential between investment earnings and debt costs remains high and is expected to continue in 2018/19. This "cost of carrying" needs to be considered if borrowing is taken before our cash flow requires funds as returns on deposits will be lower than the rate paid on borrowing.
- ### **5. Borrowing Strategy**
- 5.1 The Council's strategy is to maintain maximum control over its borrowing activities as well as flexibility on its loans portfolio. Capital expenditure levels, market conditions and interest rate levels will be monitored during the year in order to minimise borrowing costs over the medium to longer term. A prudent and pragmatic approach to borrowing will be maintained to minimise borrowing costs without compromising the longer-term stability of the portfolio, consistent with the Council's Prudential Indicators.
- 5.2 In conjunction with advice from its treasury advisor, Link Asset Services, the Council will keep under review the options it has in borrowing from the PWLB, the market and other sources up to the available capacity within its CFR and Authorised Limit.

- 5.3 One of the options to finance capital borrowing is the issuance of Bonds. In the right circumstances, Bonds could be appropriate for the Council but are dependent on the level of borrowing, the repayment period and the mix of other funding sources to fund a large scale capital programme. To date, their use has not been considered appropriate or necessary given the amount the Council requires to borrow and the repayment period of the borrowing. Moving forward, they will remain an option and will be considered along with other sources of borrowing as required.
- 5.4 Alongside fixed rate maturity borrowing, other options such as variable rate or short term borrowing or EIP (equal instalments of principal) loans that help mitigate the impact of the cost of carry are all active considerations.
- 5.5 Any decision to borrow at low, variable rates of interest would only be taken after considering the level of longer term interest rates and the extent of variable rate earnings on the Council's investment balances. Longer term rates are regularly assessed relative to the cost of carry benefits of shorter term and variable rate alternatives.
- 5.6 The Council will continue to maintain a flexible policy on debt rescheduling. Market volatility may provide opportunities for rescheduling debt from time to time. The rationale for rescheduling would be one or more of the following:
- Savings in interest costs with minimal risk
 - Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio
 - Amending the profile of maturing debt to reduce any inherent refinancing risks.
- 5.7 To manage potential rescheduling activity the Council's debt portfolio will be monitored against equivalent interest rates and available refinancing options on a regular basis. As opportunities arise, they will be identified by Link Asset Services and discussed with the Council's officers.
- 5.8 All rescheduling will comply with the accounting requirements of the Local Authority SORP and Statutory requirements of the Scottish Government's Guidance on Local Authority Accounting Proper Accounting Practices dated 30 March 2007.
- 5.9 The overall strategy for borrowing will be to monitor interest rates, undertake planned borrowing at the best time, whilst investigating opportunities where possible to improve the management of our existing loan portfolio.
- 5.10 The expected borrowing requirement is detailed in the Prudential Indicators Appendix 1, paragraphs 1.1 to 1.3 and is summarised below.

	2017/18 Estimate £ m	2018/19 Estimate £ m	2019/20 Estimate £ m	2020/21 Estimate £ m
Total Borrowing Requirement	162.173	52.436	48.020	43.721

6. Treasury Management Limits on Activity

- 6.1 The Treasury Management in the Public Services - Guidance Notes for Local Authorities details treasury management indicators that are to be reported within the Treasury Strategy.

- 6.2 The purpose of these is to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs/improve performance. The indicators are detailed below.
- 6.3 Setting an upper limit on fixed and variable rate exposure identifies a limit for exposure to fixed and variable rates of interest. The purpose of this indicator is to provide a measure of stability against the adverse effects of market fluctuations. The levels will allow us to undertake variable / fixed or EIP borrowing to take full advantage of current interest rates.

	2017/18 Estimate £ m	2018/19 Estimate £ m	2019/20 Estimate £ m	2020/21 Estimate £ m
Upper limit of fixed rate exposures	180%	180%	180%	180%
Upper limit of variable rate exposures	30%	30%	30%	30%

- 6.4 The actual fixed rate exposure will be assessed by comparing the amount of Net Debt (which is borrowing less investments) we hold at a fixed rate to the Total Net Debt (both fixed and variable) of the Council. The same will be calculated for variable rate exposure.

An illustration of this calculation is shown below.

	£m		£m
Total Debt	1,066.333		
Total Investments	(134.550)		
Total Net Debt	931.783		
Fixed Net Debt		Variable Net Debt	
Fixed Debt	1,056.833	Variable Debt	9.500
Fixed Investments	(0)	Variable Investments	(134.550)
Fixed Net Debt	1,056.833	Variable Net Debt	(125.050)
Exposure	113%	Exposure	(13%)
(Fixed Net Debt / Total Net debt)		(Variable Net Debt / Total Net debt)	

- 6.5 By setting limits on the maturity structure of fixed rate borrowing the exposure to large concentrations of fixed rate debt needing to be replaced at the same time in the future at currently unknown rates can be limited. This effectively places a limit on exposure to longer term interest rate movement.

Maturity Structure of Fixed Rate Borrowings		
	Upper Limit	Lower Limit
Under 12 months	25%	0%
12 months and 24 months	30%	0%
24 months and 5 years	50%	0%
5 years and 10 years	50%	0%
10 years and 20 years	60%	0%
20 years and 30 years	70%	0%
30 years and 40 years	80%	0%
40 years and 50 years	90%	0%
50 years and above	90%	0%

- 6.6 Limits on the total principal sums invested for greater than 364 days protects against potential loss that we would suffer if we required to get our money back earlier than the full term of the investment.
- 6.7 This Council will, at any one time, have no more than £10m invested for periods greater than 364 days, subject to a maximum period of 5 years.
- 6.8 There is no specific recommended indicator in relation to credit risk, although the Treasury Management Code states that authorities may wish to design and set their own indicators in relation to this.
- 6.9 Details of how South Lanarkshire Council manages credit risk are included in the Annual Investment Strategy 2018/19 which is included in Appendix 3 of this report.

7. Statutory Repayment of Loans Fund Advances

- 7.1 The Scottish Government introduced The Local Authority (Capital Financing and Accounting) Scotland Regulations 2016 with effect from 1 April 2016. These regulations require the statutory loans fund to be administered in accordance with the 2016 Regulations, proper accounting practice and prudent financial management.
- 7.2 The Council is required to set out its policy for the statutory repayment of loans fund advances prior to the start of the financial year. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.
- 7.3 A variety of options are provided to councils so long as a prudent provision is made each year. The Council is recommended to approve the following policy on the repayment of loans fund advances:-

For loans fund advances made before 1 April 2016, the policy will be to maintain the practice of previous years and apply the **Statutory Method**, with all loans fund advances being repaid by the annuity method.

For loans fund advances made after 1 April 2016, the policy for the repayment of loans advances will be to use the most appropriate method of repayment for individual capital schemes or projects from the following methods while taking into consideration the capital expenditure plans and associated revenue implications that the Council had committed to, prior to the introduction of the Regulations coming into force on 1 April 2016.

1. **Statutory method** – loans fund advances will be repaid by the annuity method. The Council is permitted to use this option for a transitional period only, of five years until 31st March 2021, at which time it must change its policy to use alternative approaches based on asset life periods or a funding/income profile.

2. **Asset life method** – loans fund advances will be repaid with reference to the life of an asset using either the equal instalment or annuity method.

3. **Funding / Income profile method** – loans fund advances will be repaid by reference to an associated income stream.

7.4 The annuity rate applied to the loans fund repayments will be the loans fund interest rate – a measure of the average cost of funding capital advances to services in year.

7.5 Decisions taken each year on new advances create a liability to repay those advances from future years' budgets. The Council is required to report on the commitment to repay loans fund advances. This is shown in the following tables.

General Fund	Opening Balance	New Advances	Repayments	Closing Balance
2017/18	821.071	33.432	-19.931	834.572
2018/19	834.572	39.103	-19.094	854.581
2019/20 – 2022/23	854.581	85.482	-74.543	865.520
2023/24 – 2027/28	865.520	21.388	-131.141	755.767
2028/29 – 2032/33	755.767	0.000	-158.150	597.617
2033/34 – 2037/38	597.617	0.000	-142.958	454.659
2038/39 – 2042/43	454.659	0.000	-139.104	315.555
2043/44 – 2047/48	315.555	0.000	-147.057	168.498
2048/49 – 2052/53	168.498	0.000	-118.379	50.119
2053/54 – 2057/58	50.119	0.000	-47.718	2.401
2058/59 – 2062/63	2.401	0.000	-2.401	0.000
2063/64 – 2067/68	0.000	0.000	0.000	0.000

Housing Revenue Account	Opening Balance	New Advances	Repayments	Closing Balance
2017/18	224.883	9.890	-5.164	229.609
2018/19	229.609	15.253	-5.207	239.655
2019/20 – 2022/23	239.655	52.683	-25.381	266.957
2023/24 – 2027/28	266.957	7.700	-39.781	234.876
2028/29 – 2032/33	234.876	0.000	-48.140	186.736
2033/34 – 2037/38	186.736	0.000	-52.972	133.764
2038/39 – 2042/43	133.764	0.000	-29.293	104.471
2043/44 – 2047/48	104.471	0.000	-35.195	69.276
2048/49 – 2052/53	69.276	0.000	-37.140	32.136
2053/54 – 2057/58	32.136	0.000	-23.903	8.233
2058/59 – 2062/63	8.233	0.000	-8.026	0.207
2063/64 – 2067/68	0.207	0.000	-0.207	0.000

Annual Investment Strategy 2018/2019

1. Background

- 1.1. Local authority investment activity is regulated by statute. In Scotland the legislation that local authorities rely on to make investments has consisted of the Trustee Investments Act 1961 and the Local Government (Scotland) Act 1973.
- 1.2. In response to representation from local authorities that the existing regulation was too prescriptive, provision was made in the Local Government in Scotland Act 2003 for Scottish Ministers to introduce a new regulatory framework.
- 1.3. Section 40 of the Local Government in Scotland Act 2003 provides local authorities with the power to invest money. This power may be exercised in accordance with regulations made by Scottish Ministers under this section.
- 1.4. Scottish Ministers have, through Consent and Regulations, provided a formal investment framework, namely The Local Government Investments (Scotland) Regulations 2010 which came into force on 1 April 2010.
- 1.5. The new regulatory framework introduced by regulations made by Scottish Ministers under Section 40, provides greater autonomy for local authorities in their investment activities. With this greater freedom comes greater responsibility and the onus is on local authorities to act prudently with regard to their investment and treasury management activities.
- 1.6. Local authorities are required to manage their investments in a way that minimises the risk to the capital sum and optimises the return on the funds consistent with those risks.
- 1.7. Local authorities are required to prepare an Annual Investment Strategy before the start of the financial year.

2. Investment Policy and Strategy

- 2.1. Scottish Ministers have identified two CIPFA Codes of Practice which local authorities must have regard to in managing their investments:
 - Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (Fully Revised Second Edition 2009)
 - The Prudential Code for Capital Finance in Local Authorities (Fully Revised Second Edition 2009)
- 2.2. The first Code referenced covers the whole range of treasury management issues including the fundamental principles for making and managing investments. The second Code deals with capital investment but also includes guidance on Treasury Management.
- 2.3. The CIPFA Treasury Management Code and the CIPFA Prudential Code were updated in December 2017. There are no significant areas of change in the revised codes that would impact on our investment strategy.
- 2.4. This Council in its Treasury Management Policy Statement defines its Treasury Management Activities as:

The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

- 2.5. The main objective when investing surplus funds will therefore be the security of the transaction. The Council must also meet its liquidity requirement and only invest for the period of time that is prudent. Finally, and only after consideration of security and liquidity, the yield that will be gained from the investment will be considered.

3. Treasury Management Risks

- 3.1. The CIPFA Treasury Management Code of Practice adopted by the Council includes a section on Managing Treasury Management Risks, placing Credit and Counterparty risk at the forefront of treasury risks.
- 3.2. South Lanarkshire Council recognises that any investment activity will carry an element of risk. It is important that risk is identified and controls put in place to limit those risks.
- 3.3. Risks when carrying out investment activities can broadly be categorised as follows:

Credit Risk:	failure to receive back the principal and interest on an investment in full and on the due date
Liquidity Risk:	the maturity or terms of the investment are such that insufficient cash is available in the short term
Market Risk:	the effect of market prices on the value of the investment

4. Permitted Investments

- 4.1. Local authorities are required to list and document all types of investments that they will permit in the financial year. These will be described as the permitted investments for that local authority.
- 4.2. Local authorities are required to state the limits for the amounts which at any time during the year may be invested in each type of permitted investments, such limit being applied when the investment is made.
- 4.3. For each type of permitted investment the objectives of that investment are to be identified along with the associated treasury risks and the controls that will be put in place to limit those risks.
- 4.4. The permitted investments that South Lanarkshire Council have identified for the financial year 2018/19 are detailed in Annex 1 to this strategy and listed below:

- Deposits with the Debt Management Account Deposit Facility
- Deposits with UK Local Authorities
- Deposits with Banks and Building Societies
- Certificates of Deposit with Banks and Building Societies
- UK Government Gilts and Treasury Bills
- AAA Rated Bonds Issued by Multilateral Development Banks
- AAA Rated Money Market Funds
- Loans to Third Parties

Inclusion as a permitted investment simply allows the Council to use that investment if considered to be appropriate. It is not necessarily the case that all permitted investments will be used.

5. Risk Management

- 5.1. The CIPFA Treasury Management Code of Practice adopted by the Council includes a section on Managing Treasury Management Risks, placing Credit and Counterparty risk at the forefront of treasury risks. The Code states:

Credit ratings should only be used as a starting point when considering credit risk. Organisations should make use of generally available market information, such as the quality financial press, market data, and information on government support for banks including the ability and willingness of the relevant government to provide adequate support.

- 5.2. In managing credit and counterparty risk the Council will be required to:

- Establish a sound diversification policy with high credit quality counterparties
- Set clear minimum credit limits for counterparties.
- Have regard to the credit ratings issued by all three rating agencies and make decisions based on the lowest rating
- Consider country, sector and group limits
- Regularly review credit ratings and other creditworthiness indicators as outlined in 5.6 below and act upon forward looking rating warnings

Deposits with the Debt Management Account Deposit Facility

- 5.3. Deposits with the Debt Management Office Account Deposit facility provided by HM Treasury will be continued. This facility offers the highest security for investments and deposits will be subject to a maximum period of six months which is the maximum time allowed by the DMO and no maximum deposit size.

Deposits with UK Local Authorities

- 5.4. Deposits with UK local authorities, joint boards and passenger transport executives will be permitted subject to a maximum period of three years and a maximum deposit size of £15m for up to 364 days and £10m beyond this.

Deposits and Certificates of Deposit with Banks and Building Societies

- 5.5. The following minimum thresholds will be applied to all deposits with banks and building societies, including Certificate of Deposits.

Rating Agency	Long Term Rating	Maximum Deposit
Fitch	A-	£10m
Moody's	A3	£10m
Standard and Poors	A-	£10m

- 5.6. Prior to depositing funds with any bank or building society, additional indicators of creditworthiness (such as short term and secondary credit ratings, credit default swaps, Gross Domestic Product (GDP); net debt as a percentage of GDP, potential sovereign and parental support, share price) will also be considered.
- 5.7. Banks on negative rating watch with any credit rating agency will be heavily scrutinised before any deposit is made with that institution.

- 5.8. Currently all deposits are with UK institutions. Non UK banks would only be considered if they meet our strict criteria, and are recommended by our advisers. Any one foreign country would carry a limit of £10m deposits.
- 5.9. In the event that two or more organisations in the same group meet the criteria detailed in 5.5. then a group limit of £10m will be applied.
- 5.10. Deposits with banks or building societies will be restricted to 364 days.
- 5.11. The existing Counterparty policy sets out a sound approach to depositing cash in normal market circumstances. Whilst this policy still stands, the Executive Director of Finance and Corporate Resources may consider temporarily restricting deposits to those counterparties considered of higher credit quality than the minimum criteria set out in the policy.
- 5.12. Examples of these restrictions would be greater use of higher rated institutions; increased use of the DMO account and restricting the term of deposits as appropriate.
- 5.13. Operational banking will continue with our contracted provider. Any deposits with banks or building societies will continue to meet the criteria set in 5.5.

UK Government Gilts and Treasury Bills

- 5.14. UK Government Gilts and Treasury Bills are bonds issued by HM Treasury. Purchasing these bonds is a means of investing in the UK Government. The UK Government has never failed to make interest or principal payments on these bonds.
- 5.15. Investments in UK Government Gilts and Treasury Bills carry very little credit risk as they are investments in the UK Government. Gilts and Treasury Bills are marketable and the price fluctuates from day to day. There is therefore the potential of capital loss if sold ahead of maturity. Gilts and Treasury Bills will be bought by the Council with the intention of holding them to maturity thereby mitigating market risk. There will be no maximum limit to the amount that will be invested in UK Gilts or Treasury Bills for maturities of less than one year. For Gilts with maturities in excess of one year a limit of £10m will be applied and no maturity will exceed five years.

AAA Rated Bonds Issued by Multilateral Development Banks

- 5.16. These are bonds issued by supranational institutions such as the World Bank or the European Investment Bank.
- 5.17. Investments in AAA rated bonds issued by Multilateral Development Banks carry very little credit risk as they are backed by several Sovereign States. These bonds carry market risk as their price fluctuates from day to day. There is therefore the potential of capital loss if sold ahead of maturity. These bonds will be bought by the Council with the intention of holding them to maturity, thereby mitigating market risk. The maximum amount that will be invested in AAA rated bonds issued by Multilateral Development Banks is £10m with a maximum period of five years.
- 5.18. Any investments in these bonds would only be undertaken after careful consideration and with advice from our advisers to ensure security of our investments.

AAA Rated Money Market Funds

- 5.19 Investments in Money Market Funds will be limited to those funds rated as AAmmf by Fitch, Aaa by Moody's or AAAM by Standard and Poor's. In the event that the Money Market Fund is rated by more than one credit rating agency, each rating must meet the set criteria.
- 5.20 In addition to the credit rating, Money Market Funds will also be assessed for suitability on fund size, the strength of the custodian and the stability of invested capital.
- 5.21 Selection of suitable Money Market Funds will be undertaken in consultation with our advisers.
- 5.22 Investments in Money Market Funds will be restricted to 0.5% of the Money Market Fund size and to no more than £10m in any individual Money Market Fund.
- 5.23 Investments in Sterling Government Money Market Funds which only invest in Sterling denominated debt securities issued by the UK Government will be restricted to 2% of the Money Market Fund size and to no more than £10m in any individual Money Market Fund.

Loans to Third Parties

- 5.24 Any new types of loans to third parties should be approved by Members through the appropriate Committee with full consideration of the service rationale behind the loan and the likelihood of partial or full default and the impact that this will have on service budgets.

Liquidity Risk

- 5.25 In order to manage liquidity risk, the Council will endeavour to maintain a minimum balance of £5m in bank accounts and money market funds with instant access (same day notice account). This is dependent on these facilities continuing to be provided by the banks and subject to our minimum lending criteria.
- 5.26 In addition to retaining a balance of deposits on instant access, South Lanarkshire Council will maintain an appropriate overdraft facility.
- 5.27 Longer term investments will only be considered where the Council's liquidity requirements are ensured and an assessment of liquidity risk has been carried out. No more than £10m of investments at any one time will be for a period in excess of 364 days.

6. Borrowing In Advance

- 6.1. Borrowing in advance may be taken if it is considered appropriate. Borrowing in advance of need would increase the level of deposits and investments. When considering borrowing in advance, the risks of holding increased level of investments against the risk of adverse interest rate movements if borrowing was deferred will be assessed.
- 6.2. The risks of holding increased levels of deposits and investments would be managed in accordance with section 5 above. The Council has unlimited access to using the DMO Deposit Facility where necessary. This facility offers the highest security for investments.

7. Investment Projection 2018/19 – 2020/21

- 7.1. Over the period 2018/19 – 2020/21, at current reserve levels, it is estimated that an average level of investments of approximately £135m will be required to be managed. It is recognised that this is only an estimate and that this figure will vary according to cash flow movements and the timing and size of any borrowing taken.
- 7.2. Regardless of the level of deposits, the main consideration when investing surplus funds will be the security of the transaction. The Council must also meet its liquidity requirement and only invest for the period of time that is prudent. Finally, and only after consideration of security and liquidity, the yield that will be gained from the investment will be considered.

8. Prudential Indicators

- 8.1. The regulations require that the Annual Investment Strategy contains details of the relevant prudential indicators for investments.
- 8.2. The Treasury Management Code requires local authorities to set an upper limit for each forward financial year period for investments longer than 364 days. The purpose is to contain the exposure to the possibility of loss that might arise as a result of having to seek early repayment of principal sums invested.
- 8.3. No more than £10m may be invested for periods in excess of 364 days and that the maximum period for any investment is 5 years.

9. Common Good Investments

- 9.1. The regulations require local authorities to identify separately the permitted investments relating to the Common Good.
- 9.2. All investments relating to the Common Good funds administered by South Lanarkshire Council are cash investments in South Lanarkshire Council. These investments are not considered to have any significant risk attached.

Permitted Investment	Treasury Risks	Mitigating Controls	Limits
Deposits with the Debt Management Account Deposit Facility	<p>This is a deposit with the UK Government and so credit risk is very low.</p> <p>Liquidity risk has to be considered as deposits can only be broken with the agreement of the counterparty and penalties may apply.</p> <p>There is no market risk as the principal sum invested is not affected by market prices.</p>	There are no mitigating controls required.	<p>There is no maximum monetary limit.</p> <p>A maximum term of deposit of six months as set by the Debt Management Office.</p>
Deposits with UK Local Authorities and other bodies defined as local authorities in the Local Government Scotland Act 2003 (And Equivalent English Act)	<p>These are considered to be quasi UK Government investment and as such credit risk is very low.</p> <p>Liquidity risk has to be considered as deposits can only be broken with the agreement of the counterparty and penalties may apply.</p> <p>There is no market risk as the principal sum invested is not affected by market prices.</p>	There are no mitigating controls required.	<p>The maximum deposit with any local authority will be £15m for deposits less than one year.</p> <p>Deposits in excess of one year will be subject to a maximum term of deposit of three years and be limited to £10m.</p>
Deposits with Banks and Building Societies	<p>These tend to be low risk but credit risk will be higher than deposits placed with the DMO or UK local authorities.</p> <p>Liquidity risk has to be considered as deposits can only be broken with the agreement of the counterparty and penalties may apply.</p> <p>There is no market risk as the principal sum invested is not affected by market prices.</p>	<p>The counterparty selection criteria restricts lending only to high quality counterparties, measured initially by credit ratings from Fitch, Moody's and Standard and Poors.</p> <p>Additional indicators of creditworthiness will also be considered prior to placing any deposits.</p> <p>Liquidity risk can be controlled by the use of instant access call accounts.</p>	<p>The maximum deposit with any bank or building society will be £10m.</p> <p>A maximum term of deposit of 364 days.</p>

Certificates of Deposit with Banks and Building Societies	<p>These are short to medium term dated marketable securities issued by financial institutions.</p> <p>These tend to be low risk investments but credit risk will be higher than deposits placed with the DMO or UK local authorities.</p> <p>Liquidity risk is lower than placing a deposit with a Bank or Building Society as these can be sold on the market.</p> <p>There is a risk of capital loss arising from selling ahead of maturity.</p>	<p>The counterparty selection criteria restricts lending only to high quality counterparties, measured initially by credit ratings from Fitch, Moody's and Standard and Poor's.</p> <p>Additional indicators of creditworthiness will also be considered prior to using this type of instrument.</p> <p>Market risk would be mitigated by holding the instrument to maturity.</p>	<p>The maximum investment with any bank or building society will be £10m.</p> <p>A maximum period of investment of 364 days.</p>
UK Government Gilts and Treasury Bills	<p>These are marketable securities issued by the UK Government and as such credit risk is very low.</p> <p>Liquidity risk is very low as there is a huge market for Gilts and Treasury Bills</p> <p>There is a risk of capital loss arising from selling ahead of maturity.</p>	<p>There are no mitigating controls required for credit risk as the investment is with the UK Government.</p> <p>Market risk would be mitigated by holding the instrument to maturity.</p>	<p>There is no maximum limit to investments in UK Gilts or Treasury Bills for maturities less than one year and a limit of £10m for maturities greater than one year.</p> <p>The maximum period of investment will be five years.</p>
AAA Rated Bonds Issued by Multilateral Development Banks	<p>These are bonds issued by supranational bodies such as the European Investment Bank or World Bank and as a result are backed by several sovereign states and as such credit risk is very low.</p> <p>Liquidity risk is very low as there is a large market for Supranational Bonds.</p> <p>There is a risk of capital loss arising from selling ahead of maturity.</p>	<p>As the investment is effectively spread across a number of sovereign states, the Council will mitigate the credit risk of holding such bonds by considering the sovereign rating of the underlying sovereign states and only holding bonds that have a AAA rating.</p> <p>Market risk would be mitigated by holding the instrument to maturity.</p>	<p>The maximum amount that will be invested in AAA Rated Bonds issued by Multilateral Development Banks is £10m.</p> <p>The maximum period of investment will be five years.</p>

<p>AAA Rated Money Market Funds</p>	<p>Money market funds are pooled funds that invest in short-term money market instruments and other debt instruments.</p> <p>The underlying investments are diversified and Credit risk, liquidity risk and market risk are all very low.</p> <p>Investments in these MMFs are highly liquid (same day liquidity).</p>	<p>Money Market Funds will only be used where they have obtained a AAA rating from the credit rating agencies.</p> <p>In addition to the credit rating, Money Market Funds will also be assessed for suitability on fund size, the strength of the custodian and the stability of invested capital.</p>	<p>Investments in Money Market Funds will be limited to 0.5% of the Money Market Fund Balance and to no more than £10m in any one Fund.</p> <p>Investments in Sterling Government Money Market Funds which only invest in Sterling denominated debt securities issued by the UK Government will be restricted to 2% of the Money Market Fund size and to no more than £10m in any individual Money Market Fund.</p>
<p>Loans to Third Parties</p>	<p>These are service investments which may exhibit credit risk and are likely to be highly illiquid.</p>	<p>Any new types of loans to third parties should be approved by Members through the appropriate Committee with full consideration of the service rationale behind the loan and the likelihood of partial or full default and the impact that this will have on service budgets.</p>	

Report

12

Report to: **Executive Committee**
 Date of Meeting: **28 February 2018**
 Report by: **Executive Director (Housing and Technical Resources)**

Subject: **Land and Property Transfers and Disposals**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ recommend that land/property required in connection with transactions outwith the Property Bulletin process be declared surplus

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the land in connection with minor transactions, detailed in Appendix A, be declared surplus to Council requirements
- (2) that the land detailed in Appendix B, which will be the subject of negotiated transactions, be declared surplus to Council requirements

3. Background

- 3.1. Details of land and property, which is potentially suitable for redevelopment or disposal, are circulated to all Resources and Community Planning Partners via the Property Bulletin to establish if they are suitable for alternative operational use.
- 3.2. Any recommendations made follow consideration of planning, title and other legal constraints. Any assets with competing interests are judged against Council priorities, including the need for capital receipts, prior to a recommendation being made.
- 3.3. Transactions outwith the Property Bulletin process, where there is a requirement to reallocate or declare property surplus as part of minor/adjoining sales, or to facilitate a Council project, are not circulated through the Property Bulletin, however the details are included in this report.
- 3.4. Transactions are only included in the report after successful consultation with the Holding Resource(s) and Planning.

4. Minor Disposals

- 4.1. The schedule shown within Appendix A identifies proposed transactions where the holding Resource and Planning have agreed to the release of minor areas of land for disposal.
- 4.2. The Committee is asked to approve the recommendation that these areas of land are declared surplus to Council requirements in order that the Estates Section can conclude negotiations for their disposal.

5. Other Property Transactions

- 5.1. Appendix B details negotiated transactions where the land requires to be declared surplus in order that the Estates Section can conclude negotiations for their disposal.

6. Employee Implications

- 6.1. There are no employee implications.

7. Financial Implications

- 7.1. Capital receipts for both General Services and Housing Revenue Accounts will be secured through the disposals identified in this report.

8. Other Implications

- 8.1. There is a low risk that the capital receipts anticipated, as a result of declaring these properties surplus, may not be realised if, for reasons outwith the Council's control, the purchasers choose not to proceed with the transactions. However, the procedures and consultations described in Sections 3 and 9 of this report have been implemented to minimise this risk.
- 8.2. There are no significant issues in terms of sustainability arising from this report.
- ## **9. Equality Impact Assessment and Consultation Arrangements**
- 9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 9.2. Consultation was undertaken with all Resources through the Property Bulletin. In addition, Planning, Roads, Legal, and Housing Services were consulted through the Area Property Groups.

Daniel Lowe

Executive Director (Housing and Technical Resources)

30 January 2018

Link(s) to Council Objectives/Values

- ◆ Achieve efficient and effective use of resources

Previous References

- ◆ Executive Committee – 28 June 2017
- ◆ Executive Committee – 27 September 2017

List of Background Papers

- ◆ Plans of the land and property referred to in this report

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Joanne Forbes, Property Manager

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APPENDIX A

MINOR DISPOSALS

Area	Description	Holding Account	Proposal	Value Band
64 sqm	Land adjacent to 1 Burnhill Street, Strathaven	Housing	Extension to garden	4
22 sqm	Land adjacent to 7a Lilybank Street, Hamilton	Planning	Extension to garden	4
126 sqm	Land adjacent to 9 Caithness Street, Blantyre	Housing	Extension to garden	4
9 sqm	Land at Knocklea, Biggar	Housing	Formation of sub station	4

APPENDIX B

NON BULLETIN DISPOSALS

Area	Description	Holding Account	Proposal	Estimated Receipt
30 sqm	Former Lock-ups (6L and 6M) at Strathcona Lane, East Kilbride	Housing	Sale to adjoining owner	£16,000
1706 sqm	Open Space at Wilson Place, East Kilbride	Planning	Sale to adjoining owner	£26,000
866 sqm	Open Space at Lorne Street, Hamilton	Enterprise	Sale to adjoining owner	£95,000

Value Bands

1 – over £1 million

2 – £500,000 to £999,999

3 – £100,000 to £499,999

4 – less than £100,000

Report

13

Report to: **Executive Committee**
Date of Meeting: **28 February 2018**
Report by: **Chief Executive**

Subject: **Recommendations Referred by Resource Committees**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ request approval of the following recommendations referred to this Committee by the following Resources Committees:-
 - ◆ Education Resources Committee of 6 February 2018
 - ◆ Social Work Resources Committee of 7 February 2018
 - ◆ Finance and Corporate Resources Committee of 7 February 2018

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the recommendations referred by Education, Social Work and Finance and Corporate Resources Committees in relation to Resource Plans for 2017/2018 be approved; and
- (2) that the recommendations referred by Education Resources in relation to the Admissions Policy be approved.

3. Background

3.1. Education Resources' Resource Plan 2017/2018 – Extract of Minute

3.1.1. A report dated 11 January 2018 by the Executive Director (Education Resources) was submitted on the Education Resources' Resource Plan 2017/2018.

The Resource Plan for 2017/2018 outlined the:-

- ◆ objectives and actions for 2017/2018
- ◆ capital and revenue resources for 2017/2018
- ◆ organisational structure of the Resource

In line with the Council's performance management arrangements, a progress report on actions identified in the 2017/2018 Resource Plan would be submitted to a future meeting of the Committee.

The Committee recommended that the Education Resources' Resource Plan for
to the Executive Committee: 2017/2018 be approved.

[Reference: Minutes of the Executive Committee of 8 November 2017 (Paragraph 7) and South Lanarkshire Council of 6 December 2017 (Paragraph 3)]

3.2 **Review of Admissions Policy for Early Learning and Childcare Establishments – Extract of Minute**

- 3.2.1 A report dated 16 January 2018 by the Executive Director (Education Resources) was submitted on a review of the policy for the admission of children into Early Years' establishments in South Lanarkshire.

Since 1996, the Council's Admissions Policy for Early Years' Establishments had been regularly reviewed to reflect changes in legislation and national policy development. On 1 September 2015, the Committee had noted the implementation of the delivery of 600 hours of free early learning and childcare arising from the Children and Young People (Scotland) Act 2014.

The last review of the Admissions Policy had been completed in March 2016 and implemented in May of that year.

A consultation exercise had been undertaken between November 2017 and January 2018 with a range of stakeholders to evaluate the impact of the current Admissions Policy in meeting the needs of individual children in the context of their family. The main priorities which had emerged from the consultation process were outlined in the report and the proposed revised Policy, attached as Appendix 1 to the report, had taken account of those priorities.

The Admissions Policy would be used for the allocation of an early learning and childcare place. Should Early Learning and Childcare establishments have sufficient places and employees, they might be able to offer additional hours, on a paid basis, to children within the Council's exemption criteria. Additional hours would be allocated in accordance with the following priorities:-

- | | |
|-------------------|---|
| Priority 1 | all children within Priority 1, as detailed in the Admissions Policy |
| Priority 2 | children whose parents and/or carer were in employment or education |
| Priority 3 | all children allocated a place in the nursery, including those children returning to nursery for a further year which included approved deferred children |
| Priority 4 | all children resident outwith the Council area |

To ensure greater consistency and equity, a new process for the allocation and approval of all places would be implemented in May 2018. This would involve a central meeting with nominated representatives of local authority and partner providers. Places would be considered across the 4 geographical localities of the Council and would be based on the information held in the Nursery Admissions Management System.

The Committee recommended to the Executive Committee:

- (1) that the priorities for admission to Early Years' establishments be revised as follows:-

Children aged 0 to 3 years

Priority 1

1 (i)

Children affected by abuse
Children with additional support needs

Looked after and accommodated children from birth up to 2 years old

Children who at any time from the age of 2 years had been

♦ looked after and accommodated; or

♦ subject to a Kinship Care Order

Children aged 3 to 5 years

Priority 1

1(i)

Children affected by abuse
Children with additional support needs
Children who at any time had been

♦ looked after and accommodated; or

♦ subject to a Kinship Care Order

Children affected by domestic violence

Children affected by substance misuse

Children affected by a disability within the home

1(ii)

Eligible 3 and 4 year olds resident outwith South Lanarkshire Council area

Children affected by domestic violence
Children affected by substance misuse
Children affected by a disability within the home
2 year olds as required by relevant legislation from time to time applying

1(ii)

Eligible 2 year olds resident outwith South Lanarkshire Council area but within a catchment area of a primary school within the Council area

Priority 2

2(i)

Children aged 0 to 3 - new applications

2(ii)

New applications – eligible 2 year olds resident outwith South Lanarkshire Council area but within a catchment area of a primary school within the Council area

Priority 3

3(i)

Transfer applications – change in circumstances

3(ii)

Transfer applications – change in circumstances – eligible 2 year olds resident outwith South Lanarkshire Council area but within a catchment area of a primary school within the Council area

Priority 4

4(i)

Transfer applications – parental choice

4(ii)

Transfer applications – parental choice – eligible 2 year olds resident outwith South Lanarkshire Council area but within a catchment areas of a primary school within the Council area

but within a catchment area of a primary school within the Council area

Priority 2

2(i)

Children in their pre-school year – new applications

2(ii)

Approved deferred entry children - September to December birthdays

2(iii)

Transfer applications pre-school year children – change in circumstances

2(iv)

Children in their pre-school year resident outwith South Lanarkshire Council area but within a catchment area of a primary school within the Council area

Priority 3

3(i)

Children in their ante pre-school year – new applications

3(ii)

Transfer applications ante pre-school year – change in circumstances

3(iii)

Children in their ante pre-school year resident outwith South Lanarkshire Council area but within a catchment area of a primary school within the Council area

Priority 4

4(i)

Deferred entry children - September to December birthdays - parental choice

4(ii)

Transfer applications pre-school year children - parental choice

4(iii)

Transfer applications ante pre-school year – parental choice

4(iv)

Children resident outwith South Lanarkshire Council area but within a catchment area of a primary school within the Council area in 4(i), 4(ii) and

Priority 5

All children resident outwith South Lanarkshire area

Priority 5

All children resident outwith the Council area

- ◆ Priorities 1 to 4 would apply to children who were resident within the Council area and those children who were considered catchment pupils for a Council primary school
- ◆ all children residing outwith the Council area, no matter the circumstances, would be considered priority 5
- ◆ eligible children would have access to Early Learning and Childcare regardless of age, gender, race, religion or need
- ◆ Early Learning and Childcare would be provided on a non-denominational basis
- ◆ children with an identified and supported need (Priority 1) might be offered a place as soon as they reached their qualifying birthday
- ◆ securing a place in a school nursery class would not guarantee a primary school place within the primary school
- ◆ children deferring entry from Primary 1 and staying at nursery where an additional year of funding had been agreed by the Council were considered returning children

- (2) that the revised Admissions Policy for the allocation of places to all Early Years' Establishments be implemented from the start of the new term in August 2018.

[Reference: Minutes of Education Resources of 19 April 2016 (Paragraph 6) and Minutes of the Executive Committee of 11 May 2016 (Paragraph 16)]

3.3. Social Work Resources' Resource Plan 2017/2018 – Extract of Minute

A report dated 18 January 2018 by the Director, Health and Social Care was submitted on the Social Work Resources' Resource Plan 2017/2018.

The Resource Plan for 2017/2018 outlined the:-

- ◆ objectives and actions for 2017/2018
- ◆ capital and revenue resources for 2017/2018
- ◆ organisational structure of the Resource

In line with the Council's performance management arrangements, a progress report on actions identified in the 2017/2018 Resource Plan would be submitted to a future meeting of the Committee.

The Committee recommended to the Executive Committee: that the Social Work Resources' Resource Plan for 2017/2018 be approved.

[Reference: Minutes of the Executive Committee of 8 November 2017 (Paragraph 7) and South Lanarkshire Council of 6 December 2017 (Paragraph 3)]

3.4. Finance and Corporate Resources' Resource Plan 2017/2018 - Extract of Minute

A report dated 21 December 2017 by the Executive Director (Finance and Corporate Resources) was submitted on the Finance and Corporate Resources' Resource Plan 2017/2018.

The Resource Plan for 2017/2018 outlined the:-

- ◆ objectives and actions for 2017/2018
- ◆ capital and revenue resources for 2017/2018

- ♦ organisational structure of the Resource

In line with the Council's performance management arrangements, a progress report on actions identified in the 2017/2018 Resource Plan would be submitted to a future meeting of the Committee.

The Committee recommended to the Executive Committee: that the Finance and Corporate Resources' Resource Plan for 2017/2018 be approved.

[Reference: Minutes of 15 November 2017 (Paragraph 10), Minutes of the Executive Committee of 8 November 2017 (Paragraph 7) and Minutes of South Lanarkshire Council of 6 December 2017 (Paragraph 3)]

4. Employee Implications

- 4.1. All employee implications were highlighted as part of the original reports to Resource Committees.

5. Financial Implications

- 5.1. All financial implications were highlighted as part of the original reports to Resource Committees.

6. Other Implications

- 6.1. Any risks or sustainability issues or other implications were highlighted as part of the original reports to the Resource Committees.

7. Equality Impact Assessment and Consultation Arrangements

- 7.1. Equality impact assessment and consultation arrangements were highlighted as part of the original reports to the Resource Committees.
- 7.2. There is no requirement to carry out an Equality Impact Assessment or consultation in terms of the proposals contained in this report.

Lindsay Freeland
Chief Executive

13 February 2018

Link(s) to Council Values/Ambitions/Objectives

- ♦ Accountable, effective, efficient and transparent

Previous References

- ♦ Minutes of Education Resources Committee of 6 February 2018 (Paragraphs 6 and 7)
- ♦ Minutes of Social Work Resources Committee of 7 February 2018 (Paragraph 6)
- ♦ Minutes of Finance and Corporate Resources Committee of 7 February 2018 (Paragraph 9)

List of Background Papers

- ♦ Individual reports to Resource Committees

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Report

Report to:	Executive Committee
Date of Meeting:	28 February 2018
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Single Use Items
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update the Committee on the work done to date on reviewing single use items across the Council
- ◆ approve the development of an action plan to co-ordinate the continued reduction in the use of single use items through the Sustainable Development Member Officer Working Group, with progress being reported through Committee

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the content of the report be noted; and
- (2) that the development of a single use item action plan is developed and progress reported through Committee.

3. Background

3.1. The Scottish Government's Programme for Government 2017/2018 highlights the need to further efforts to end a 'throw-away' culture by examining how to reduce the demand for single-use items, such as disposable coffee cups, plastic cutlery and plastic straws.

3.2. In recent months there has been significant media attention around the use of non-recyclable plastics that end up in landfill or littered with many ending up in our seas and on beaches, causing harm to wildlife, marine life and blight our landscape. There have also been a number of high profile campaigns promoting the reduction in single-use items including:-

- ◆ The Last Straw campaign
- ◆ #wildbottlesightings (Marine Conservation Society)
- ◆ Have You Got The Bottle (The Association for the Protection of Rural Scotland)

3.3. The first ever Europe-wide strategy on plastics was adopted by the European Commission on 16 January 2018 as part of the transition towards a more circular economy. Under the new plans, all plastic packaging on the EU market will be recyclable by 2030, the consumption of single-use plastics will be reduced and the intentional use of

microplastics will be restricted. The Scottish Government has pledged to match the EU ban on single use plastics by 2030.

3.4. The Scottish Government has also announced a range of other initiatives including:-

- ◆ the introduction of legislation to ban the manufacture and sale of plastic stemmed cotton buds with the proposals to be put to public consultation and if implemented would position Scotland as the first country in the UK to legislate against these environmentally damaging items
- ◆ a commitment to a deposit return scheme
- ◆ establishing an expert panel to consider environmental levies on single-use items such as disposable coffee cups

4. Current Position

4.1. Council Resources have, on an individual basis, been reviewing the use of single use items and seeking to reduce or design out their use. These items can range from plastic stirrers to refuse sacks and can have a significant impact on the environment e.g. estimated that 550 million straws are used in the US and UK every day with the average use time being 20 minutes but they take 500 years to break down when its thrown away.

4.2. By way of example of action already implemented within the Council the following have been implemented:-

- ◆ removal of plastic straws from corporate catering venues
- ◆ removal of plastic cutlery from corporate catering venues (phase 1), these now need to be requested
- ◆ piloting of biodegradable food containers in corporate catering venues and secondary schools.
- ◆ removal of plastic stirrers from procurement catalogue, replaced by wooden
- ◆ discussion with Scotland Excel and suppliers who produce products with plastic straws which are attached
- ◆ move to online provision of reports and documents
- ◆ purchase of recyclable/biodegradable products e.g. food liner bags

4.3. It is proposed that the Sustainable Development Members/Officer Working Group would co-ordinate the collation of a Council Wide action plan to reduce the Council's reliance on and use of single use items. The aim would be to remove the item completely, however, if this is not practical then a suitable replacement item will be identified, if possible that has a lesser impact on the environment.

4.4. Where items cannot be removed or a more appropriate replacement identified, the service will investigate the most environmentally friendly way to dispose of the item.

4.5. The development of a single use item action plan, which will also identify the financial implication of any proposed changes, would be co-ordinated through the Sustainable Development Member/Officer Working Group and progress reported through Committee on a 6-monthly basis.

5. Employee Implications

- 5.1. There are no employee implications associated with this report at this time.

6. Financial Implications

- 6.1. There are no financial implications associated with this report at this time, but any changes proposed within the action plan will include the associated financial implications and these will be outlined in future reports to committee.

7. Other Implications

- 7.1. There are no risk implications in terms of the proposals contained within this report.
- 7.2. The benefits of the actions already in place outlined in paragraph 4.2 and the proposed development of a single use item action plan will have a positive impact on sustainability going forward.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

Michael McGlynn

Executive Director (Community and Enterprise Resources)

7 February 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Develop a sustainable Council and communities

Previous References

- ◆ None

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Report

15

Report to: **Executive Committee**
 Date of Meeting: **28 February 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Amendments to Committee Memberships and Representation on Outside Bodies Etc**

1. Purpose of Report

1.1 The purpose of the report is to:-

- ◆ advise on action taken, in terms of Standing Order No 36(c) because of the timescales involved by the Executive Director (Finance and Corporate Resources) in consultation with the Chair and an ex officio member, for amendments to the membership of a number of Committees, a Joint Body and an Outside Body

2. Recommendation(s)

2.1 The Committee is to approve the following recommendation(s):-

- (1) that the following action taken in terms of Standing Order 36(c) by the Executive Director (Finance and Corporate Resources), in consultation with the Chair and an ex officio member, for amendments to the membership of a number of Committees etc and Joint/Outside Bodies be noted:-
 - ◆ that Councillor Nugent be replaced by Councillor Lowe as a member of the Social Work Resources Committee
 - ◆ that Councillor Lowe be replaced by Councillor Greenshields as a member of the Community and Enterprise Resources Committee
 - ◆ that Councillor Brown be replaced by Councillor Cooper as a member of the Finance and Corporate Resources Committee
 - ◆ that Councillor Brown be replaced by Councillor Greenshields as a member of the Licensing Committee
 - ◆ that Councillor Greenshields be appointed as a substitute member of the Social Work Resources Committee
 - ◆ that Councillor Shearer be replaced by Councillor Nugent as a substitute member of the Social Work Resources Committee
 - ◆ that Councillor Calikes be replaced by Councillor Marrs as the Chair of the Corporate Connections Board.
 - ◆ that Councillor Marrs be replaced by Councillor Loudon on COSLA's Children and Young People Policy Board

3. Background

- 3.1. Memberships of all Committees/Joint Boards and Outside Bodies were approved at the statutory meeting of the Council held on 18 May 2017 and Executive Committee held on 28 June 2018. Following requests from the Independent/SNP Groups in relation to changes to memberships on Committees/Joint Boards, it is now proposed that these amendments be made to enable continuity of Council business.
- 3.2. Memberships of Cosla's Policy Boards were approved on 16 August 2017 and noted at the Executive Committee on 30 August 2017. It is now proposed that Cllr Marrs be replaced by Councillor Loudon on the Children and Young People Cosla Policy Board.

4. Employee Implications

- 4.1. There are no employee implications.

5. Financial Implications

- 5.1. There are no financial implications.

6. Other Implications

- 6.1. There are no issues in terms of sustainability or risk arising from the recommendations in this report.

7. Equality Impact Assessment and Consultation Arrangements

- 7.1. This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and therefore no impact assessment is required.
- 7.2. There was also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

8 February 2018

Link(s) to Council Values/Objectives

- ◆ Accountable Effective and Efficient

Previous References

- ◆ Council of 18 May 2017 and Executive Committee of 30 August 2017

List of Background Papers

- ◆ Nil

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Report

16

Report to: **Executive Committee**
Date of Meeting: **28 February 2018**
Report by: **Chief Executive**

Subject: **Consultation Paper on Electoral Reform**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide an update on the Consultation Paper on Electoral Reform which was launched on 19 December 2017.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendations:-

- (1) that confirmation that the Scottish Government published its consultation on Electoral Reform on 19 December 2017 be noted;
- (2) that the consultation paper and access to the online response system for individual or party feedback can be made at the following link: <https://consult.gov.scot/elections/electoral-reform>, be noted;
- (3) that the invitation to provide any comments no later than 12 March 2018 which is the end of the public consultation period, be noted;
- (4) that no corporate response will be provided to the Scottish Government, be noted;
- (5) that the Chief Executive, as Returning Officer, has been invited to provide comments on the consultation to the Electoral Management Board for Scotland and the fact that he also has the right to do this as an individual be noted; and
- (6) that the Assessor and Electoral Registration Officer will provide comments on the consultation to the Scottish Assessors Association, be noted.

3. Background

- 3.1. The Scottish Government's consultation on Electoral Reform was launched on 19 December 2017.
- 3.2. Under the Scotland Act 2016, the Scottish Parliament and Government have new powers and responsibilities relating to elections to the Scottish Parliament. These complement their existing responsibilities for local government elections. Control over both sets of elections opens up new possibilities for democratic renewal and putting the voter first.
- 3.3. Many organisations, including the Electoral Commission, the Electoral Management Board for Scotland, elected members, political parties, and local authorities have important roles to play in realising this aim of full engagement. The consultation is directed at the whole electorate so it covers a wide range of topics and a number of suggestions as to how the new powers could be used.
- 3.5. The Scottish Government and Parliament have a specific role to play to ensure that electoral law supports increased participation and removes barriers to voter

empowerment and will use the results of this consultation process to develop policy proposals that may be taken forward in future legislation.

4. Current Position

- 4.1. The Electoral Reform Public Consultation was received on Tuesday 19 December 2017 and the deadline for responses is due by Monday 12 March 2018. An online questionnaire template has been set up for responses and can be found at <https://consult.gov.scot/elections/electoral-reform>
- 4.2. The Chief Executive advised elected members on 21 December 2017 of the consultation and provided them with the above link to the online responses system. Elected Members were also advised that a report would go to Executive Committee on Wednesday 28 February 2018.
- 4.3. The Electoral Management Board (EMB) for Scotland has invited comments from Returning Officers to form part of their response and recognised Returning Officers may also wish to make their own responses.
- 4.4. The SOLAR Elections Working Group will meet on Wednesday 21 February 2017 to discuss the consultation and provide feedback to the EMB/Scottish Government.
- 4.5. The Scottish Assessors Association is in the process of co-ordinating a response on behalf of the Assessors in Scotland.
- 4.6. Due to the diverse nature of the consultation a corporate response will not be submitted to the Scottish Government from South Lanarkshire Council, and instead elected members, political parties are encouraged to respond direct.

5. Employee Implications

- 5.1. None.

6. Financial Implications

- 6.1. None.

7. Other Implications

- 7.1. There are no implications in relation to risk or sustainability.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 8.2. The consultation invites a wide range of stakeholders to comment.

Lindsay Freeland
Chief Executive/Returning Officer

14 February 2018

Link(s) to Council Objectives/Values

- ◆ People Focused
- ◆ Fair and Open
- ◆ Working with and Respecting Others
- ◆ Accountable, Effective and Efficient
- ◆ Governance and accountability

Previous References

None

List of Background Papers

- ◆ Consultation Paper on Electoral Reform
- ◆ Email of 21 December 2017 to Elected Members

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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