

FINANCE AND CORPORATE RESOURCES COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 20 February 2019

Chair:

Councillor Graeme Horne (Depute)

Councillors Present:

Councillor Alex Allison, Councillor John Anderson, Councillor Walter Brogan, Councillor Janine Calikes, Councillor Graeme Campbell, Councillor Peter Craig, Councillor Maureen Devlin, Councillor Mary Donnelly (*substitute for Councillor Gladys Miller*), Councillor Isobel Dorman, Councillor Joe Fagan, Councillor Geri Gray, Councillor Eric Holford, Councillor Eileen Logan, Councillor Joe Lowe, Councillor Catherine McClymont, Councillor Hugh Macdonald, Councillor Mark McGeever, Councillor Jim McGuigan, Councillor Mo Razzaq, Councillor Collette Stevenson (Depute), Councillor Jim Wardhaugh, Councillor Jared Wark

Councillors' Apologies:

Councillor Margaret Cooper, Councillor Monique McAdams, Councillor Gladys Miller (Chair), Councillor John Ross (ex officio)

Attending:

Finance and Corporate Resources

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

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Finance and Corporate Resources Committee held on 28 November 2018 were submitted for approval as a correct record.

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

3 Minutes of Appeals Panel

The minutes of the meetings of the Appeals Panel held on 13 December 2018 and 17 January 2019 were submitted for approval as a correct record.

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

4 Revenue Budget Monitoring 2018/2019 – Finance and Corporate Resources

A report dated 23 January 2019 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure for the period 1 April 2018 to 4 January 2019 against budgeted expenditure for 2018/2019 for Finance and Corporate Resources.

The Committee decided:

- (1) that the breakeven position on the Finance and Corporate Resources' revenue budget, as detailed in Appendix A to the report, be noted;
- (2) that the forecast to 31 March 2019 of a breakeven position be noted; and
- (3) that the budget virements, as detailed in the appendices to the report, be approved.

5 Capital Budget Monitoring 2018/2019 – Finance and Corporate Resources

A report dated 31 January 2019 by the Executive Director (Finance and Corporate Resources) was submitted advising of progress on Finance and Corporate Resources' capital programme for 2018/2019 and summarising the expenditure position at 4 January 2019.

The Committee decided: that the Finance and Corporate Resources' capital programme of £1.592 million, and expenditure to date of £1.402 million, be noted.

Councillor Holford entered the meeting during this item of business

6 Finance and Corporate Resources – Workforce Monitoring – October to December 2018

A report dated 21 January 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the following employee information for Finance and Corporate Resources for the period October to December 2018:-

- ◆ attendance statistics
- ◆ occupational health statistics
- ◆ accident/incident statistics
- ◆ disciplinary hearings, grievances and Dignity at Work cases
- ◆ analysis of leavers and exit interviews
- ◆ Staffing Watch as at 8 September 2018

The Committee decided: that the report be noted.

[Reference: Minutes of 28 November 2018 (Paragraph 6)]

7 Council-wide Workforce Monitoring – October to December 2018

A report dated 21 January 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the following Council-wide employee information for the period October to December 2018:-

- ◆ attendance statistics
- ◆ occupational health statistics
- ◆ accident/incident statistics
- ◆ disciplinary hearings, grievances and Dignity at Work cases
- ◆ analysis of leavers and exit interviews
- ◆ recruitment monitoring
- ◆ Staffing Watch as at 8 September 2018

The Committee decided: that the report be noted.

[Reference: Minutes of 28 November 2018 (Paragraph 7)]

8 Treasury Management Activity – Third Quarter Review

A report dated 3 January 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the third quarter review of Treasury Management activity for 2018/2019.

Details were given on:-

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

The Committee decided: that the report be noted.

9 Finance and Corporate Resource Plan – Quarter 2 Progress Report 2018/2019

A report dated 15 January 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the Finance and Corporate Resource Plan for 2018/2019. Details were provided on progress made at the end of quarter 2, covering the period 1 April to 30 September 2018, in implementing the priority projects identified in the Resource Plan.

The Committee decided: that the report be noted.

[Reference: Minutes of the Executive Committee of 21 November 2018 (Paragraph 19)]

10 Revenue Collection and Approval for Write-Offs

A report dated 31 January 2019 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ collection performance for 2018/2019 on revenues income which comprised Council Tax, non-domestic rates, sundry debts and arrears
- ◆ performance against the Business Rates Incentivisation Scheme (BRIS) target
- ◆ the write-off of irrecoverable Council Tax, non-domestic rates, Hamilton and Carlisle Town Centre Business Improvement District (BID) levies, sundry debt, former tenant rent arrears, factoring arrears and Housing Benefit overpayments

The BRIS was intended to incentivise growth of the local business tax base with a view to increasing non-domestic rates income yields. The Scottish Government set annual targets for growth (buoyancy) and councils that met their target would retain 50% of the additional income generated. The annual buoyancy target for South Lanarkshire Council for 2018/2019 had been set at 1.8% and the Council's performance against the target for the third quarter to the end of December 2018 was 0.25%. This meant that the Council's tax base required to achieve growth of 1.55% by 31 March 2019 to secure additional funding under the Scheme.

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

- ◆ irrecoverable Council Tax accounts from 1993/1994 to 2018/2019 to the value of £250,000.94, relating primarily to prescribed debt, sequestrations and estates of the deceased

- ◆ non-domestic rates from 2016/2017 to 2018/2019 totalling £645,263.98 relating to debtors who were in liquidation, had ceased trading or had been sequestrated
- ◆ BID levies totalling £2,858.58
- ◆ sundry debts to a value of £166,998.68
- ◆ former tenant rent arrears totalling £30,054.97, factoring arrears totalling £5,767.17 and Housing Benefit overpayments totalling £88,250.26

The Committee decided:

- (1) that the Council's performance in the collection of revenues be noted;
- (2) that the Council's performance against the Business Rates Incentivisation Scheme target be noted; and
- (3) that the write-off of the following irrecoverable debts be approved:-
 - ◆ Council Tax debt from 1993/1994 to 2018/2019 to the value of £250,000.94
 - ◆ non-domestic rates from 2016/2017 to 2018/2019 totalling £645,263.98
 - ◆ Hamilton and Carluke Town Centre Business Improvement District levies totalling £2,858.58
 - ◆ sundry debts to a value of £166,998.68
 - ◆ house rent and associated charges totalling £124,072.40

[Reference: Minutes of 28 November 2018 (Paragraph 9)]

11 Common Good Update

A report dated 26 October 2018 by the Executive Director (Finance and Corporate Resources) was submitted:-

- ◆ providing an update on the cyclical spend currently committed against the Common Good Repairs and Maintenance budgets for both Lanark and Hamilton
- ◆ providing an update on projects currently committed from the Common Good budgets for both Lanark and Hamilton
- ◆ requesting approval for funding of £30,000 from the Hamilton Common Good Fund for a first stage review of parking in Hamilton Town Centre

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

Details of current expenditure and commitments in relation to the Lanark and Hamilton Common Good repairs and maintenance budgets for 2018/2019 and projects committed against the Lanark Common Good Fund, outwith the repairs and maintenance budget allocation, as approved by this Committee, were provided in the report.

An update on progress in relation to ongoing projects, which had previously been reported to this Committee, was also provided in the report. This included the replacement of gabion baskets at Lanark Loch which could not be carried out until the repair to the loch's outlet pipe had been completed. An external specialist had been assessing the pipe repairs and it was anticipated that an estimated cost of repairs and contract documents would be available by the end of February 2019. Once this information had been received, a tender process would be undertaken to appoint a suitable contractor and a further report on the costs of the project would be reported to a future meeting of this Committee. It was noted that there was a specific window of opportunity to drain the loch in order to replace the gabion baskets and, as such, the earliest opportunity to complete the work would be February 2020.

At its meeting on 30 October 2018, the Community and Enterprise Resources Committee had approved a Hamilton Town Centre Strategy and Action Plan. The Plan set out a range of short and long-term actions which were designed to enhance and support Hamilton town centre. An early priority project was the renewal and maintenance of Hamilton's Town Square which included works on the "sails" structure at an estimated cost of £20,000. The remaining Hamilton Common Good repairs and maintenance budget for 2018/2019 of £13,249 would be used to contribute towards the cost of this project.

Concerns had been raised with Roads and Transportation Services in relation to poor lighting on a path between the Back Row and Common Green in Hamilton which was on Common Good land. There was no legislative requirement to light the path and, as it was on Common Good land, the Council's Roads and Transportation Services were not responsible for its maintenance. The cost to install lighting on the path had been estimated at £5,990 and it was intended to carry out the work in 2019/2020, with the cost being met by the Hamilton Common Good repairs and maintenance budget for 2019/2020.

At its meeting on 22 January 2019, the Community and Enterprise Resources Committee had considered a Parking Demand Management Review and had approved, in principle, Phase 1 of the Review which covered Hamilton town centre and the surrounding area, subject to the approval of funding by this Committee.

Effective management of parking on the road network allowed streets to be kept clear of inappropriately parked vehicles to ensure that traffic could flow more freely, buses could use the bays provided, deliveries could be made on time and available parking spaces had an appropriate level of turnover. It had been 3 years since there had been any amendments to parking demand management and given that in many areas, in particular around town centres, it remained a focus of attention, it was considered appropriate to initiate a phased review at this time.

The estimated costs for Phase 1 of the Review for Hamilton town centre and the surrounding area was £30,000 and it was proposed that this be met from the Hamilton Common Good Fund.

The Committee decided:

- (1) that the cyclical spend committed against the Common Good Repairs and Maintenance budgets for Lanark and Hamilton be noted;
- (2) that the projects currently committed outwith Repairs and Maintenance, from the Lanark and Hamilton Common Good Funds, be noted; and

- (3) that funding of £30,000 from the Hamilton Common Good Fund for Phase 1 of the Parking Demand Management Review in Hamilton town centre and the surrounding area be approved.

[Reference: Minutes of 28 November 2018 (Paragraph 10) and Minutes of Community and Enterprise Resources Committee of 22 January 2019 (Paragraph 12)] and 30 October 2018 (Paragraph 9)]

12 Update of the Finance and Corporate Resources' Risk Register and Risk Control Plan

A report dated 18 January 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the Risk Register and Risk Control actions for Finance and Corporate Resources.

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

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

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

There were 5 risk control actions due for completion during the remainder of 2018/2019 and outstanding actions to mitigate the risks would be progressed by relevant officers.

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

Appropriate risk management arrangements were in place for the CPP. The Partnership's Risk Register had recently been reviewed and updated and the outcome had been reported to the CPP Board at its meeting on 6 June 2018.

A review of claims carried out for the period 1 April 2014 to 31 December 2016 identified that there were no hotspot areas for Finance and Corporate Resources. A review of the claims received for the period 1 January 2017 to 31 March 2019 would be undertaken during 2019/2020 to identify any new claims trends or hotspot areas.

The Committee decided:

- (1) that the contents of the Finance and Corporate Resources' Risk Register be noted; and
- (2) that it be noted that the outstanding risk control actions for 2018/2019 would be progressed by relevant officers.

[Reference: Minutes of 7 February 2018 (Paragraph 11)]

13 Procurement Strategy - Action Plan Update

A report dated 25 January 2019 by the Executive Director (Finance and Corporate Resources) was submitted on progress made in relation to the Council's Procurement Strategy Action Plan for the period April to September 2018.

The Procurement Strategy, covering the period January 2017 to March 2020, which had been approved by the Executive Committee at its meeting on 8 February 2017, reflected those actions continued from the previous Strategy, including the introduction and roll out of supplier and contract management modules for appropriate contracts.

The Procurement Strategy Action Plan was attached as Appendix 1 to the report and included details on progress which had been achieved and actions which had been completed as at 30 September 2018. A summary of the main achievements and remaining actions, which would form part of a continual improvement programme, were summarised in the report.

The Committee decided: that progress on the Procurement Strategy Action Plan be noted.

[Reference: Minutes of 19 September 2018 (Paragraph 17) and Minutes of the Executive Committee of 8 February 2017 (Paragraph 8)]

15 Urgent Business

There were no items of urgent business.