

FINANCE AND CORPORATE RESOURCES COMMITTEE

Minutes of meeting held via Confero and in Committee Room 1, Council Offices, Almada Street, Hamilton on 6 December 2023

Chair:

Councillor Lesley McDonald

Councillors Present:

Councillor Alex Allison, Councillor Walter Brogan (Depute), Councillor Mathew Buchanan, Councillor Andy Carmichael, Councillor Maureen Chalmers, Councillor Andrea Cowan, Councillor Maureen Devlin, Councillor Colin Dewar (*substitute for Councillor Mary Donnelly*), Councillor Joe Fagan (ex-officio), Councillor Grant Ferguson, Councillor Gladys Ferguson-Miller, Councillor Graeme Horne, Councillor Richard Lockhart (*substitute for Councillor Martin Hose*), Councillor Katy Loudon, Councillor Catherine McClymont, Councillor Elaine McDougall, Councillor Richard Nelson, Councillor John Ross, Councillor Graham Scott, Councillor Kirsty Williams

Councillors' Apologies:

Councillor Margaret Cooper, Councillor Mary Donnelly, Councillor Celine Handibode, Councillor Martin Hose, Councillor Hugh Macdonald, Councillor Mark McGeever, Councillor Mo Razzaq

Finance and Corporate Resources

C Fergusson, Head of Finance (Transactions); M Husband, Head of IT Services; S Jessup, Administration Assistant; T Little, Head of Communications and Strategy; C Lyon, Administration Officer; G McCann, Head of Administration and Legal Services; M Milne, Head of Personnel Services; J Taylor, Head of Finance (Strategy)

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 27 September 2023 were submitted for approval as a correct record.

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

3 Minutes of the Appeals Panel

The minutes of the meetings of the Appeals Panel held on 26 September and 9 November 2023 were submitted for approval as a correct record.

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

4 Minutes of Recruitment Committee

The minutes of the meeting of the Recruitment Committee held on 30 October 2023 were submitted for approval as a correct record.

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

5 Revenue Budget Monitoring 2023/2024 – Finance and Corporate Resources

A report dated 19 October 2023 by the Executive Director (Finance and Corporate Resources) was submitted comparing the actual expenditure for the period 1 April to 6 October 2023 for Finance and Corporate Resources.

As at 6 October 2023, there was a breakeven position against the phased budget, detailed in Appendix A to the report.

The forecast to 31 March 2024 was a breakeven position.

Virements were proposed to realign budgets and those movements were detailed in the appendices to the report

The Committee decided:

- (1) that the breakeven position, as detailed in Appendix A of the report, be noted;
- (2) that the forecast to 31 March 2024 of breakeven be noted; and
- (3) that the proposed budget virements, as detailed in the appendices to the report, be approved.

[Reference: Minutes of 27 September 2023 (Paragraph 4)]

6 Capital Budget Monitoring 2023/2024 - Finance and Corporate Resources

A report dated 16 November 2023 by the Executive Director (Finance and Corporate Resources) was submitted advising of progress on Finance and Corporate Resources' capital programme for 2023/2024 and summarising the expenditure position at 6 October 2023.

The Finance and Corporate Resources' capital programme for 2023/2024 was £5.333 million. Anticipated spend to date was £1.471 million and spend to 6 October 2023 totalled £1.419 million. This represented an underspend of £0.052 million, mainly due to timing.

The Committee decided: that the Finance and Corporate Resources' capital programme of £5.333 million, and expenditure to date of £1.419 million, be noted.

[Reference: Minutes of 27 September 2023 (Paragraph 5)]

7 Finance and Corporate Resources – Workforce Monitoring – August and September 2023

A report dated 26 October 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the following employee information for Finance and Corporate Resources for the period August and September 2023:-

- ◆ 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 9 September 2023

The Committee decided: that the report be noted

[Reference: Minutes of 27 September 2023 (Paragraph 6)]

8 Council-wide Workforce Monitoring – August and September 2023

A report dated 26 October 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the following Council-wide employee information for the period August and September 2023:-

- ♦ 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 9 September 2023

Officers responded to a member's questions on various aspects of the report.

The Committee decided: that the report be noted.

[Reference: Minutes of 27 September 2023 (Paragraph 7)]

9 Treasury Management Activity – 2023/2024 Second Quarter Review

A report dated 15 November 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the second quarter review of Treasury Management activity for 2023/2024.

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 |

Officers responded to a member's question on the report.

The Committee decided: that the report be noted.

[Reference: Minutes of South Lanarkshire Council of 27 September 2023 (Paragraph 8)]

10 Non-Domestic Rates – Empty Property Relief

A report dated 17 November 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the proposed changes to the Council's Non-Domestic Rates Empty Property Relief (EPR) policy.

Non-domestic Rates were a tax on non-domestic properties to help fund essential council services. EPR provided certain rates relief on unoccupied non-domestic properties and, prior to 2023, the scheme was operated at a national level, which was mandatory and fully funded by the Scottish Government through the Local Government Financial Settlement.

EPR was devolved from the Scottish Government to local authorities from 1 April 2023, following the repeal of Section 24 of the Local Government (Scotland) Act 1966. This included the transfer of £105 million annually across all councils, fixed until the next revaluation in 2026. The Council's annual allocation from 2023/2024 onwards was £2.183 million. Each council now had autonomy to design their own scheme to best meet their needs.

On 1 March 2023, the Executive Committee had approved the Council's policy on EPR for implementation from 1 April 2023. The policy mirrored the previous legislation due to the short time frame given to consider potential changes and uncertainty of the impacts of the 2023 non-domestic rates revaluation. A commitment was given to review the policy and report back to the Finance and Corporate Resources Committee during 2023/2024 with any proposed changes to the policy.

The current criteria for awarding EPR was detailed in the report. Recent analysis highlighted that there were currently 478 empty properties in South Lanarkshire, with the Council being the ratepayer for 98 of those properties. Of the current empty properties, 347 (73%) had been empty for more than 12 months, with 61 belonging to the Council.

EPR of £1.721 million had been awarded in 2022/2023. The current projection for 2023/2024 was £2.820 million, which represented a significant overspend on the budget of £2.183 million due to East Kilbride Shopping Centre entering administration in November 2022. Any overspend would require to be funded by the Council, although discussions had commenced with COSLA and the Scottish Government regarding any scope for additional funding to mitigate the financial impact of this.

It was proposed that the Council revise the EPR policy to promote the occupation of empty properties and deliver the economic and social benefits in South Lanarkshire as well as to reduce the cost to the Council during a period of significant financial pressure.

Re-occupation of properties would stimulate economic growth and provide improved employment opportunities, increased spend in local business and a decreased risk of vandalism and anti-social behaviour. The proposed policy also looked to address issues of equity within the existing system by continuing to provide relief to empty property ratepayers but incentivising re-occupation by ending open ended exemptions and reliefs for most empty properties, with a 12 month time limit placed on any such award instead.

The proposed policy also removed the favourable empty relief terms offered to industrial categorised properties. They would now receive the same EPR as commercial properties, restricted for 12 months. It also proposed that the 100% indefinite relief currently provided to listed buildings be replaced with 50% relief in the first 3 months, followed by 10% relief for 9 months. This would align with the proposed relief for commercial industrial properties and incentivise owners of listed buildings to bring them back into use.

The duty on business owners to apply for relief timeously and ensure they received accurate bills was also reflected in the new policy. It was proposed that backdating EPR be restricted to the current financial year as opposed to the current policy, where backdating could be awarded up to the preceding 6 financial years.

Implementation of the new policy would commence from 1 April 2024 for all empty properties. For existing ratepayers affected by the policy change, entitlement would be dependent on how long the property had been empty.

It was proposed that a full review of the new policy be undertaken in 2027/2028 but would be carried out sooner if required.

A comparison of the proposed EPR policy with the existing policy, including the justification for the proposed changes, was detailed in Appendix 1 to the report, with the full policy attached at Appendix 3.

The Committee recommended to the Executive Committee: that the revised EPR Policy, to be adopted by the Council from 1 April 2024, as outlined at section 5 of the report and detailed in Appendix 3 to the report, be approved.

[Reference: Minutes of the Executive Committee of 1 March 2023 (Paragraph 12)]

11 Revenue Collection and Approval of Write-Offs

A report dated 17 November 2023 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ collection performance for the financial year 2023/2024 to 31 October 2023 on revenue income which comprised Council Tax, non-domestic rates, sundry debts and arrears
- ◆ performance in the Business Rates Incentivisation Scheme (BRIS)
- ◆ the write-off of irrecoverable Council Tax, non-domestic rates, BID levy, sundry debt and Housing Rent and associated charges

Details were provided on current collection targets. The Council was ahead of target but behind comparable performance from 2022/2023 in respect of Council Tax, non-domestic rates and sundry debt.

In terms of arrears collection targets, the Council was ahead of target but behind comparable performance from 2022/2023 in respect of Council Tax and non-domestic rates. In respect of sundry debt, the Council was ahead of target and equal to comparable performance in 2022/2023.

As previously advised to Committee, the BRIS scheme had been suspended for 2020/2021, 2021/2022 and 2022/2023 due to the impact of COVID-19. Further guidance and information was awaited from the Scottish Government with regards to reinstatement in 2023/2024, however, performance against the BRIS target continued to be closely monitored.

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

- ◆ irrecoverable Council Tax accounts from 1993/1994 to 2023/2024 (including bulk write-off for 1997/1998) to the value of £1,845,581.52 relating primarily to prescribed debt, sequestrations and estates of the deceased
- ◆ irrecoverable non-domestic rates from 2021/2022 to 2023/2024 to the value of £237,386.31 relating primarily to debtors in liquidation, those who had ceased trading or had been sequestrated
- ◆ Business Improvement District (BID) levies totalling £1,818.76 administered by the Council on behalf of Hamilton, Carlisle and Lanark BID companies
- ◆ sundry debts to a value of £174,223.76
- ◆ former tenant rent arrears totalling £1,917,322.65 (including bulk write-off for 2017/2018) and factoring arrears of £1,709.83
- ◆ school meal debt totalling £7,309.25

The Committee decided:

- (1) that the Council's performance in the collection of revenues be noted;
- (2) that the current position in respect of the Business Rates Incentivisation Scheme be noted; and

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

- ◆ Council Tax debt from 1993/1994 to 2023/2024 to the value of £1,845,581.52
- ◆ Non Domestic Rates from 2021/2022 to 2023/2024 totalling £237,386.31
- ◆ BID levies totalling £1,818.76
- ◆ sundry debts to a value of £174,223.76
- ◆ house rent and associated charges totalling £1,919,032.48
- ◆ school meal debt totalling £7,309.25

[Reference: Minutes of 27 September 2023 (Paragraph 10)]

12 Notification of Contracts Awarded 1 April to 30 September 2023 and Proposed Contract Award for Routes to Work South

A report dated 1 November 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the notification of contracts awarded from 1 April 2023 to 30 September 2023 and the proposed award of contract to Routes to Work South (RTWS) for 2023/2024.

In terms of Standing Order Nos 21.8 and 22.5 of the Standing Orders on Contracts, Resources were required to notify the relevant committee of contracts awarded. Details of the contracts awarded by Finance and Corporate Resources were provided in the appendix to the report.

Standing Order No 3.7 of the Council's Standing Orders on Contracts, required committee authority to be obtained for the award of contract using the "Teckal" exemption.

A "Teckal" exemption was a legal exemption to the public procurement rules where a public authority did not have to tender a public contract and the contract could be awarded directly by the Council to a separate legal entity, in this case RTWS, subject to certain requirements being met.

RTWS was a registered company in Scotland with charitable status that delivered a range of employability programmes, supporting unemployed residents into further education, training and employment on behalf of the Council. RTWS was established in 2001 and the Council was the sole member of the company.

Authorisation was sought for the award of contract reference SLC/FC/23/065 to RTWS for a total value of £2,063,000, as detailed in the report.

The costs of the RTWS programmes, as detailed in the report, for 2023/2024 were met entirely by the Council's externally funded employability grants.

Following a member's suggestion that it would be helpful if the value of any extension to a contract was included in the report, the Head of Finance (Transactions) agreed to look at this and respond to the member.

The Committee decided:

- (1) that details of the contracts awarded from 1 April to 30 September 2023 be noted; and
- (2) that the contract award to Routes to Work South (RTWS) be approved.

[Reference: Minutes of 28 June 2023 (Paragraph 13)]

13 Early Retirement Voluntary Severance and Switch 2

A report dated 10 November 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the activity related to early retirements, voluntary severances, re-employment of early retirees and re-deployments during period 1 April to 30 September 2023.

The Committee decided: that the report be noted.

[Reference: Minutes of 3 May 2023 (Paragraph 15)]

14 Common Good Update

A report dated 15 November 2023 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ the Common Good accounts for the year ended 31 March 2023
- ◆ the cyclical spend committed against the Common Good repairs and maintenance budgets for both Lanark and Hamilton

The Common Good funds held within South Lanarkshire Council were Lanark, Biggar, Hamilton and Rutherglen. The Common Good accounts for 2022/2023 were detailed in Appendix 1 to the report and showed that, at the year end, the Common Good balance invested in the Council's Loan Fund was £0.881 million.

The Common Good accounts in Lanark and Hamilton held a number of properties. On 2 October 2013, this Committee had approved an annual cyclical maintenance plan of £15,000 for both Lanark and Hamilton Common good properties. If inspections highlighted requirements to undertake investment which would be beyond routine maintenance, this would be considered separately for approval and would be the subject of a report to this Committee.

On 19 February 2008, the Finance and Information Technology Committee approved an annual contribution of up to £2,500 to be made towards the cost of maintaining St Nicholas Church Tower, Lanark. Refurbishment works to the Tower were carried out between 2009 and 2012 to a specification agreed with Historic Environment Scotland (HES). The redecoration schedule for exterior paint work was between 2 and 5 years and the steeple was redecorated in 2016. After completion of this, the steeple was programmed to receive an annual wash down to be implemented following the expiry of the guarantee period.

The first annual wash down was carried out in May 2018. However, in 2019 and 2020, tender exercises had been unsuccessful either due to lack of market interest or the quotes not representing value for money.

As the church and tower were now beyond the recommended 5 year redecoration schedule, it was intended to seek fresh advice from a Conservation Accredited Architect to identify the areas requiring repair to both the church and the steeple. Due to the past difficulties, it was now intended to look at options for protecting the building in a more effective and economic way, with the aim of working jointly with the church to find a longer-term solution that would eliminate the need for an annual wash down.

As the annual budget earmarked for the annual wash down had not been utilised in recent years, it would be used to cover the architect's costs, estimated at around £5,000. The outcome of this work would be brought back to Committee as appropriate.

The report provided an update in relation to the following:-

- ◆ current expenditure and commitments in relation to the Lanark and Hamilton Common Good repairs and maintenance budgets for 2022/2023
- ◆ the use of the earmarked budget for St Nicholas Church, Lanark

Officers responded to members' questions on various aspects of the report.

The Committee decided:

- (1) that the accounts for Common Good for the year ended 31 March 2023 be noted;
- (2) that the cyclical spend committed against the Common Good Repairs and Maintenance budgets for Lanark and Hamilton be noted; and
- (3) that the use of the earmarked budget for St Nicholas Church Tower, Lanark Common Good, be noted.

[Reference: Minutes of 7 September 2022 (Paragraph 15)]

Councillor Nelson left the meeting during consideration of the above item of business

15 Update of the Finance and Corporate Resources Risk Register and Risk Control Plan

A report dated 24 October 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the Risk Register and Risk Control Actions for Finance and Corporate Resources.

The Resource had followed Council guidance in developing, monitoring and updating its Risk Control Register on an ongoing basis. The Register had been developed to ensure that the Resource was fully aware of the main risks that it had, was able to prioritise those risks and had controls in place to eliminate or minimise the impact of risk.

The Resource scored the risks in accordance with the Council scoring mechanism based on likelihood and impact. This had resulted in risks being scored between 1 to 25 (low to very high). Risks were scored on their inherent risk (risk if nothing was done) and their residual risk (risk after applying controls).

The Risk Register had been developed and was monitored on an ongoing basis to add any new risks and review the scores of existing risks. The main changes to the Finance and Corporate Resources' risk profile from last year were:-

- ◆ 6 new risks being reported
- ◆ 3 risks had increased from medium to high
- ◆ 1 risk moved from being very high to high - "The Council was materially affected by the implications arising from the National Care Service Bill"

Risks scored 15 to 25 were considered very high and risks scored 8 to 12 were considered high risks. The top risks identified for the Resource were detailed in Appendix 1 to the report.

Appendix 2 provided a comparison of risk scores for 2022 and 2023 and also detailed changes in risk descriptions.

1 risk control action was due for delivery between April and September 2023 and had been completed on time.

12 actions were due for completion during 2022/2023 and 7 had been completed, with the other 5 carried forward.

There were currently 8 risk actions due for completion during the remainder of 2023/2024, with a further 1 action due to be completed in 2024/2025. Outstanding actions to mitigate the risks would be progressed by relevant officers.

Within Finance and Corporate Resources, 4 partnerships had been identified, of which the Community Planning Partnership (CPP) had been assessed as high risk and the remaining 3 partnerships had been assessed as low risk.

Appropriate risk management arrangements were in place for the CPP, with regular reports on its risk register and action plan presented to the CPP Board.

Officers responded to members' questions on various aspects of the report.

Following discussion, the Head of IT Services, in response to a member's question on what mitigations were in place in terms of infrastructure, advised that the report only included examples, however, he was happy to provide a summary of controls and mitigations in place. In respect of legacy systems, he further confirmed that all systems were treated equally and had a resilience plan assigned.

The Committee decided:

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

[Reference: Minutes of 16 November 2022 (Paragraph 13)]

16 Safety at Sports Grounds Issue of Special Safety Certificate for Fireworks Event at ZLX Stadium

A report dated 6 November 2023 by the Executive Director (Finance and Corporate Resources) was submitted on action taken, in terms of Standing Order No 37(c) in view of the timescales involved, by the Executive Director (Finance and Corporate Resources), in consultation with the Chair and an ex officio member, to issue a special safety certificate for the North and West Stands, Hamilton Academical Football Club, ZLX Stadium, Cadzow Avenue, Hamilton for the purpose of holding a fireworks event on 5 November 2023.

An application for a Special Safety Certificate had been received from HAFC Stadium Limited to hold a fireworks event on 5 November 2023. As the certificate was required to be issued prior to the event, the Executive Director (Finance and Corporate Resources), in consultation with the Chair and an ex officio member, approved the issue of the Special Safety Certificate, subject to the completion of a satisfactory site inspection.

A site inspection, attended by representatives of South Lanarkshire Sports Grounds Safety Advisory Group, had subsequently taken place on 5 November 2023. Representatives were satisfied with the event arrangements and the Special Safety Certificate had been issued prior to the admission of spectators.

The Committee decided: that the action taken, in terms of Standing Order No 37(c), by the Executive Director (Finance and Corporate Resources), in consultation with the Chair and an ex officio member, to issue a special safety certificate for the North and West Stands, Hamilton Academical Football Club, ZLX Stadium, Cadzow Avenue, Hamilton, for the purpose of holding a fireworks event on 5 November 2023 be noted.

[Reference: Minutes of 27 September 2023 (Paragraph 14)]

17 Urgent Business

There were no items of urgent business.

Chair's Closing Remarks

The Chair referred to Paul Manning's promotion from Executive Director (Finance and Corporate Resources) to Chief Executive. The Chair, on behalf of the members of the Committee, thanked him for his valuable contribution, assistance and advice to the Committee over the years.

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