



Council Offices, Almada Street
Hamilton, ML3 0AA

Tuesday, 08 August 2023

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, 16 August 2023

Time: 10:00

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

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

Yours sincerely

Cleland Sneddon
Chief Executive

Members

Joe Fagan (Chair/ex officio), Gerry Convery (Depute Chair), Alex Allison, John Anderson, Robert Brown, Andy Carmichael, Maureen Chalmers, Ross Clark, Margaret Cooper, Andrea Cowan, Maureen Devlin, Gladys Ferguson-Miller, Lynsey Hamilton, Mark Horsham, Eileen Logan, Katy Loudon, Hugh Macdonald, Ian McAllan, Catherine McClymont, Kenny McCreary, Lesley McDonald, Mark McGeever, Davie McLachlan, Richard Nelson, Mo Razzaq, Kirsten Robb, John Ross, David Shearer, Margaret B Walker

Substitutes

John Bradley, Walter Brogan, Poppy Corbett, Margaret Cowie, Elise Frame, Graeme Horne, Martin Hose, Susan Kerr, Ross Lambie, Elaine McDougall, Norman Rae, Graham Scott, David Watson

BUSINESS

1 Declaration of Interests

- 2 Minutes of Previous Meeting** 5 - 18
Minutes of the meeting of the Executive Committee held on 21 June 2023 submitted for approval as a correct record. (Copy attached)

Monitoring Item(s)

- 3 Revenue Budget Monitoring for Period 1 April 2023 to 14 July 2023** 19 - 24
Report dated 26 July 2023 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 4 Capital Budget 2023/2024 and Monitoring for Period 4 - 1 April 2023 to 14 July 2023** 25 - 32
Report dated 26 July 2023 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 5 Additional Funding from Scottish Government and Other External Sources** 33 - 36
Report dated 27 July 2023 by the Executive Director (Finance and Corporate Resources). (Copy attached)

Item(s) for Decision

- 6 Cost of Living – Support** 37 - 48
Report dated 4 July 2023 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 7 Job Evaluation – Back Pay** 49 - 54
Report dated 26 June 2023 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 8 Land and Property Transfers and Disposals** 55 - 60
Report dated 20 July 2023 by the Executive Director (Housing and Technical Resources). (Copy attached)
- 9 South Lanarkshire Council Response to Pre-budget Scrutiny Call for Evidence on Sustainability of Scotland's Finances** 61 - 76
Report dated 1 August 2023 by the Executive Director (Finance and Corporate Resources). (Copy attached)

Item(s) for Noting

- 10 Glasgow City Region City Deal – A72 Lanark Road M74 Junction 7 Signalisation – Revised Full Business Case** 77 - 84
Report dated 27 July 2023 by the Executive Director (Community and Enterprise Resources). (Copy attached)

Urgent Business

11 Urgent Business

Any other items of business which the Chair decides are urgent.

For further information, please contact:-

Clerk Name:	Pauline MacRae
Clerk Telephone:	07385 370044
Clerk Email:	pauline.macrae@southlanarkshire.gov.uk

EXECUTIVE COMMITTEE

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Minutes of meeting held via Confero and in Committee Room 1, Council Offices, Almada Street, Hamilton on 21 June 2023

Chair:

Councillor Joe Fagan (ex officio)

Councillors Present:

Councillor Alex Allison, Councillor John Anderson, Councillor Robert Brown, Councillor Andy Carmichael, Councillor Maureen Chalmers, Councillor Ross Clark, Councillor Gerry Convery (Depute), Councillor Margaret Cooper, Councillor Andrea Cowan, Councillor Margaret Cowie (*substitute for Councillor Mo Razzaq*), Councillor Maureen Devlin, Councillor Gladys Ferguson-Miller, Councillor Lynsey Hamilton, Councillor Mark Horsham, Councillor Ross Lambie (*substitute for Councillor Richard Nelson*), Councillor Eileen Logan, Councillor Katy Loudon, Councillor Hugh Macdonald, Councillor Ian McAllan, Councillor Catherine McClymont, Councillor Kenny McCreary, Councillor Lesley McDonald, Councillor Mark McGeever, Councillor Davie McLachlan, Councillor Kirsten Robb, Councillor John Ross, Councillor David Shearer, Councillor Margaret B Walker

Councillors' Apologies:

Councillor Richard Nelson, Councillor Mo Razzaq

Attending:

Chief Executive's Service

C Sneddon, Chief Executive

Community and Enterprise Resources

D Booth, Executive Director; A Brown, Head of Enterprise and Sustainable Development

Education Resources

C McKenzie, Executive Director

Finance and Corporate Resources

P Manning, Executive Director; T Little, Head of Communications and Strategy; G McCann, Head of Administration and Legal Services; P MacRae, Administration Adviser; K McLeod, Administration Assistant; M Milne, Head of Personnel Services

Housing and Technical Resources

S Gibson, Executive Director

Health and Social Care/Social Work Resources

S Sengupta, Director, Health and Social Care

Order of Business

The Committee decided:	that the items of business be dealt with in the order minuted below.
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1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Executive Committee held on 17 May 2023 were submitted for approval as a correct record.

The Committee decided:	that the minutes be approved as a correct record.
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3 Revenue Budget Year End 2022/2023

A report dated 12 June 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2022 to 31 March 2023.

The Council's overall probable outturn position for the year, including approved transfers to reserves, was reported to the meeting of the Executive Committee held on 1 February 2023 as an underspend of £4.969 million. This assumed underspend of £4.696 million on the Council's General Services would be transferred to reserves, resulting in a forecast breakeven position for the year.

Across Resources, Corporate Items and Council Tax, the year end position was an underspend of £3.966 million. This was after proposed transfers to reserves and was in addition to the £4.696 million reported as part of the probable outturn. Details of the year end position were provided in appendices 1 and 2 to the report. The year end underspend of £3.966 million included total transfers to reserves of £47.334 million. This included the transfers to reserves approved as part of the Probable Outturn (£39.111 million) adjusted for movements totalling £0.302 million to reflect the final position. The revisions to the Probable Outturn transfers were shown in Appendix 3 to the report, giving a total of £30.009 million for Probable Outturn transfers. Additional transfers to reserves proposed at year end totalled £8.325 million. This reflected carry forward of funding in reserves to allow committed areas of spend to be incurred in 2023/2024. Details of those additional proposed transfers were given in Appendix 4 of the report. It was proposed that the £3.966 million underspend be used to meet future budget pressures and, if this proposal was approved, those monies would be transferred to reserves, resulting in a breakeven position for the financial year 2022/2023.

The outcome of the Job Evaluation Exercise for Home Carers would result in significant recurring costs for the Care at Home service, which was delegated to the Integration Joint Board (IJB), in 2023/2024 and beyond. The costs of grade changes, estimated to be in the region of £7 million, were not included in the budget set by the IJB. Details were provided on the process set out in the IJB's Financial Regulations and Integration Scheme for such an eventuality. The financial position for both the IJB and Council partner indicated significant ongoing budget gaps and it was likely that any recovery plan identified would require changes to the services commissioned by the IJB. At its meeting on 1 February 2023, the Committee agreed that an underspend on core funding from the Council to the IJB would be dealt with as overfunding in year and the resultant underspend was presented as a transfer to reserves of £5.635 million. Since then, following a decision taken by the Council, at its meeting on 24 May 2023, to a review being undertaken of the implementation date of the outcome of the Home Carers' Job Evaluation, a basis had been established for back dating implementation to October 2020. Those costs would require to be included in the financial position for 2022/2023. As a result, it would not now be possible to implement the decision taken by the Executive Committee to claw back the non-recurring underspend from the IJB of £5.635 million as the IJB would not now underspend and that funding would no longer be available. Other funding would require to be identified to help with Children and Families costs into 2023/2024 and it was proposed that the additional underspend of £3.966 million be considered as a means of contributing towards meeting those costs, together with residual Covid funding held in the Council's reserves. Due to the timing of the result of the review, full costs and the funding package would require to be quantified and a report on this matter would be submitted to the meeting of the Committee to be held on 16 August 2023.

As at 31 March 2023, the position on the Housing Revenue Account was breakeven. This was after a transfer to the Housing Revenue Account reserves of £3.990 million, which was £0.490 million higher than budgeted, as detailed in Appendix 5 to the report.

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

The Committee decided:

- (1) that across Resources, Corporate Items and Council Tax, an additional year end underspend of £3.966 million after proposed transfers to reserves, as detailed in section 4 and Appendix 1 of the report, be noted;
- (2) that it be noted that the probable outturn transfers approved by members had been revised to £39.009 million, previously £39.311 million, as detailed in Appendix 3 of the report;
- (3) that the Resources' requests for transfers to reserves to spend on commitments against specific streams of funding during the final part of the year, totalling £8.325 million, as detailed in Appendix 4 of the report, be approved;
- (4) that the overfunding position on the IJB contribution, as detailed at section 4.5 of the report, be noted;
- (5) that approval be given for the £3.966 million underspend, after proposed transfers to reserves, to be transferred to reserves and used to fund future budget pressures, as detailed in section 4.13 of the report;
- (6) that it be noted that, following the transfer to reserves of £3.966 million, as detailed in recommendation 5, the result would be a breakeven position for the Council;
- (7) that the position regarding the recurring costs in relation to the Home Carers' Job Evaluation exercise, (section 5.1 to 5.4 of the report) be noted;
- (8) that it be noted that the outcome of the review on Home Carers' job evaluation had now been reached, and that a full paper covering expenditure and funding would be presented to the Committee in August 2023 (section 5.5 to 5.7 of the report);
- (9) that it be noted that the clawback of underspend from the IJB would not be possible, and that approval be given for the alternate funds identified to contribute towards Children and Families costs in 2023/2024, as detailed in section 5.6 of the report; and
- (10) that the breakeven position on the Housing Revenue Account (section 6) be noted.

[Reference: Minutes of 1 February 2023 (Paragraph 3) and Minutes of South Lanarkshire Council of 24 May 2023 (Paragraph 2)]

4 Revenue Budget Monitoring for Period 2 1 April to 19 May 2023

A report dated 2 June 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April to 19 May 2023.

At 19 May 2023, the position on the General Fund Revenue Account was breakeven.

Details were given on adjustments in relation to the following which had been included in the figures contained in Appendix 1 to the report:-

- ◆ loans fund review
- ◆ loan charges
- ◆ 2023/2024 investments

Details were also given on:-

- ◆ proposals in relation to residual covid funding
- ◆ the position following the outcome of the Job Evaluation exercise for Home Carers

Appendix 2 to the report showed that, at 19 May 2023, there was a breakeven position against the phased budget on the Housing Revenue Account.

The Committee decided:

- (1) that the breakeven position on the General Fund Revenue Account at 19 May 2023, as detailed in section 4 and Appendix 1 of the report, be noted; and
- (2) that the breakeven position on the Housing Revenue Account at 19 May 2023, as detailed in section 5 and Appendix 2 of the report, be noted.

5 Capital Budget Monitoring Final Outturn 2022/2023

A report dated 2 June 2023 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ the outturn position of the General Services and Housing Capital Programmes for the year ended 31 March 2023
- ◆ projects, expressed in financial terms, which had been carried forward into 2023/2024

The total spend on the General Services Capital Programme 2022/2023, as detailed in Appendix 1 to the report, amounted to £65.736 million. This compared to the budget of £78.396 million and resulted in an underspend of £12.660 million. This would be carried forward to the 2023/2024 financial year. The programme underspend was due to the timing of project spend and the main projects responsible for the underspend were detailed in the report and at Appendix 2. The majority of those projects would continue into 2023/2024. Details were also given of year end and accounting adjustments.

The Housing Capital Programme 2022/2023, as detailed in Appendix 3 to the report, totalled £66.361 million. The actual expenditure on the Housing programme amounted to £60.695 million, a net underspend of £5.666 million. Details were given on the reasons for the underspend. Taking into account the underspend position of £5.666 million and additional one-off income totalling £2.415 million, resulted in a carry forward of £8.081 million. This would be added into the Capital Programme when the spend profile had been finalised.

The Committee decided:

- (1) that the outturn on the 2022/2023 General Services Programme of £65.736 million, as detailed in section 4.1 of the report, be noted;
- (2) that approval be given for £12.660 million of General Services Capital Programme to be carried forward into 2023/2024, as detailed in section 4.2 of the report, be approved;
- (3) that the outturn on the 2022/2023 Housing Capital Programme of £60.695 million, as detailed in section 4.7 of the report, be noted;
- (4) that the £8.081 million of Housing Capital Programme to be carried forward into future years', as detailed in section 4.9 of the report, be approved; and

- (5) that it be noted that the level of overall spend anticipated in 2023/2024, for both the General Services and Housing Capital Programmes, would be the subject of a separate report to the Committee.

6 Capital Budget 2023/2024 and Monitoring for Period 2 - 1 April to 19 May 2023

A report dated 7 June 2023 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ♦ consolidation of capital budget monitoring to give a Council-wide summary of the 2023/2024 Capital Programme including 2022/2023 carry forward
- ♦ progress on the Capital Programme for the period 1 April to 19 May 2023

At its meeting on 22 February 2023, the Council agreed a General Services base budget for 2023/2024 amounting to £91.061 million. Since the approval of this programme, the financial year end and additional funding received had resulted in a revised General Services base budget position for 2023/2024 of £77.849 million, as detailed in appendices 3 and 4 to the report.

Since the budget was approved in February 2023, additional funding of £4.141 million had been awarded to the Council. In addition, it was proposed that funding from the Shared Prosperity Fund and developer contributions already received be added to the programme. A detailed breakdown of those proposals was provided in Appendix 2 to the report and, if approved, the total capital spending programme for 2023/2024 would be £81.990 million.

Appendix 4 summarised the programme spend and funding for the General Fund. Budget for the period amounted to £2.048 million and, at 19 May 2023, £2.048 million had been spent on the General Fund Capital Programme.

The Housing Capital Programme for 2023/2024 amounted to £63.916 million. Programmed funding for the year also amounted to £63.916 million. The funding sources were detailed in Appendix 5 to the report. Budget for the period amounted to £6.337 million and, at 19 May 2023, £6.337 million had been spent on the Housing Capital Programme.

The position on the General Fund Capital Programme and the Housing Capital Programme would be monitored by the Financial Resources Scrutiny Forum.

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

The Committee decided:

- (1) that the position of the General Fund Capital Programme, detailed in appendices 3 and 4, and the Housing Capital Programme, at Appendix 5 of the report, be approved;
- (2) that the adjustments to the General Fund programme, listed at Appendix 2 to the report, be approved; and
- (3) that the revised programmes be monitored by the Financial Resources Scrutiny Forum.

[Reference: Minutes of South Lanarkshire Council of 22 February 2023 (Paragraph 2) and Minutes of 29 March 2023 (Paragraph 4)]

7 Additional Funding from Scottish Government and Other External Sources

A report dated 1 June 2023 by the Executive Director (Finance and Corporate Resources) was submitted on additional funding for 2023/2024, totalling £2.995 million, which had been made available to the Council by the Scottish Government and other external sources. Further funding had been agreed in-principle for 2024/2025 and 2025/2026 (£1.213 million per annum) which reflected the total additional funding of £5.421 million.

The funding had been allocated as follows:-

Capital Funding

Resource	2023/2024 (£m)	2024/2025 (£m)	2024/2025 (£m)
Community and Enterprise	2.995	1.213	1.213
Total	2.995	1.213	1.213
Overall Total	£5.421		

The Committee decided: that the report be noted.

[Reference: Minutes of 17 May 2023 (Paragraph 3)]

8 2024/2025 Revenue Budget

A report dated 8 June 2023 by the Executive Director (Finance and Corporate Resources) was submitted advising on the budget position for 2024/2025.

At the Council meeting held on 22 February 2023, members were advised of an expected budget gap for 2024/2025 which, at that time, was considered to be £16.8 million. That figure was, however, subject to change and details were now provided on the current estimate for the budget gap for 2024/2025. In line with the usual approach, information was provided on estimates of Government Grant levels, requirements identified for revenue expenditure items, including the impact of previous budget decisions and, ultimately, the Budget Gap that had to be met to balance the budget for that year.

The focus on the 2024/2025 revenue budget position would cover:-

- ♦ revenue budget expenditure items
- ♦ corporate solutions
- ♦ summary and next steps

There were a number of revenue budget expenditure items that affected the Budget Strategy 2024/2025 and those were detailed in Appendix 1 and Table 1 of the report. The core budget strategy expenditure items gave an initial budget gap for 2024/2025 of £60.102 million before corporate solutions.

In considering the Budget Gap, some offsetting solutions could be taken into account and those corporate solutions were detailed in Appendix 2 and Table 2 of the report. Taking those into account would reduce the budget gap to £29.207 million. The Budget Strategy for 2024/2025 included a number of solutions which were temporary in nature and would require to be reinstated in 2025/2026 and those were detailed in Table 3 of the report.

At its meeting on 18 January 2023, the Council approved the implementation of the guidance on accounting for Service Concessions. This had resulted in a retrospective gain of £64 million. Members had previously agreed to use £11.4 million of the retrospective gain from service concessions to pay for the increased 2022/2023 pay award in 2022/2023 and 2023/2024. At the Council meeting held on 18 January 2023, members were advised that that, after taking into account the costs of the additional pay award, consideration could then be given to using £42.6 million of the retrospective benefit to support the Council's medium term budget strategies across 2024/2025 and 2025/2026 leaving £10 million of the £64 million retrospective benefit unallocated. £6.565 million of that sum was subsequently used at part of the budget motion agreed at the Council meeting held on 22 February 2023. It was proposed to use £27.500 million of the service concession retrospective gain in 2024/2025. This would leave £18.535 million of service concession funding unallocated.

Taking account of the Corporate Solutions, which included the efficiencies from the ongoing Reviews, the Budget Gap for 2024/2025 was £29.207 million, as detailed in section 5.3 of the report. This Budget Gap was based on the assumptions and estimates included in sections 4 and 5 of the report. Options to meet the budget gap would be developed for future consideration, however, the extent of the budget gap would require options significantly beyond the level of efficiencies made in previous years.

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

The Committee decided:

- (1) that the Revenue Budget position for 2024/2025, as detailed in sections 4 and 5 of the report, resulting in a Budget Gap of £29.207 million, be noted;
- (2) that the use of service concession funds, as detailed at section 5.9 of the report, be approved; and
- (3) that approval be given for options to meet the budget gap to be developed for members' consideration and brought back to a future meeting, as detailed in section 6.3 of the report.

[Reference: Minutes of South Lanarkshire Council of 18 January 2023 (Paragraph 3), Minutes of 1 February 2023 (Paragraph 3), Minutes of South Lanarkshire Council of 22 February 2023 (Paragraph 2)]

9 Jackton Primary School and Jackton Early Learning and Childcare Centre Staffing Requirements

A joint report dated 24 May 2023 by the Executive Directors (Education Resources), (Community and Enterprise Resources) and (Finance and Corporate Resources) was submitted advising of the staffing position in respect of the new Jackton Primary School and Jackton Early Learning and Childcare Centre (ELCC), both due to open in August 2023.

The new Jackton Primary School and separate Jackton ELCC were currently under construction and would be ready for occupation in August 2023. At full capacity, the management structure of the school, given a mainstream roll of 510 pupils, plus Additional Support Needs (ASN), would be 1 Head Teacher, 3 Depute Head Teachers and 2 Principal Teachers. Similarly, at full capacity, the ELCC would be managed by 1 Head of Centre and 1 Depute Head of Centre and would operate 52 weeks per year.

Teachers, Early Years and Support staff would be established over time in line with the requirements of the roll of the new school, the ELCC and the needs of individual children. The staffing requirements of the new establishments, when at capacity, was as follows:-

Jackton Primary School

Post	FTE	Grade/SCP Range	Annual Salary
Head Teacher	1	Depute/Head Teacher 10	£76,704
Depute Head Teacher	3	Depute/Head Teacher 2	£60,627
Principal Teacher	2	Principal Teacher 2	£53,997
Classroom Teachers 17 (mainstream) 4 AST Base Plus CCC	22.5	Class Teacher	£47,565
Support Staff Team Leader (Office) 27.5 hours per week	1	Grade1 Level 4 (TT) 30-31	£20,448 to £20,736
School Support Assistants (8 ASN, 7 mainstream, 1 office) 27.5 hours per week	16	Grade 1 Level 1 (TT) 27	£18,043 to £19,680

Jackton Early Learning and Childcare Centre

Post	FTE	Grade/SCP Range	Annual Salary
Head of Centre	1	Grade 4 Level 2 82-83	£48,943 to £49,715
Depute Head of Centre	1	Grade 3 Level 8 79-80	£46,840 to £47,535
Early Years Team Leader	1	Grade 2 Level 4 55-57	£33,529 to £34,494
Early Years Practitioner	11	Grade 2 Level 3 46-48	£29,632 to £30,481
Early Years Support Assistants	2	Grade 1 Level 1-3 20-27	£22,100
School Support Assistant	1	Grade 1 Level 4 31	£23,286

Facilities Services Staff

Post	FTE	Grade/ SCP Range	Annual Salary
Janitor (41.5 hours per week)	1.5	Grade 1 Level 1-3 25-27	£25,554 to £26,204
Catering (37 hours per week)	4.4	Grade 1 Level 1 (TT) 20	£19,086
	1.5	Grade 1 Level 1 20	£21,443
	0.9	Grade 1 Level 3 20	£22,783 to £23,362
Cleaning (37 hours per week)	3.1	Grade 1 Level 1 (TT) 20	£19,086
	0.9	Grade 1 Level 1 (TT) 20-27	£21,433 to £23,362

Total full year cost for staffing, when at capacity, aligned to current staff to pupil ratios and legislative class sizes based on current pay agreements, was £3.383 million.

The staffing costs for the first year of operation for both the school and ELCC, based on current school numbers, was outlined in Table 2 of the report.

Enrolment levels would be monitored to evaluate staffing requirements for August 2024 and beyond. The resulting increase in staffing budget requirements for both establishments would be managed through current education budgets for 2023/2024. with any required revenue consequences from this capital investment being considered as part of budget strategies.

The Committee decided:

- (1) that the establishment of the management posts of Head Teacher and Depute Head Teacher to lead Jackton Primary School, due to open in August 2023, as detailed in section 4 and Table 1 of the report, be approved;
- (2) that the establishment of the management posts of Head of Centre, Depute Head of Centre and Team Leader to lead Jackton Early Learning and Childcare Centre (ELCC), due to open in August 2023, as detailed in section 4 and Table 1 of the report, be approved;
- (3) that the staffing requirements, based on capacity, as outlined in Table 1 for both establishments, to be established in line with standard pupil roll related procedures, ASN staffing protocols and Early Years adult:child ratios and including the staffing to cover facilities services (Janitorial, Catering, and Cleaning) be approved;
- (4) that it be noted that, as rolls increased, both establishments would continue to be staffed as required; and
- (5) that the budgetary impact of the staffing requirements for both establishments, as detailed in section 5 of the report, be noted.

10 South Lanarkshire Social Enterprise Strategy 2023 to 2027

A report dated 26 May 2023 by the Executive Director (Community and Enterprise Resources) was submitted on the South Lanarkshire Social Enterprise Strategy 2023 to 2027.

The proposed Social Enterprise Strategy, attached at Appendix 1 to the report, set out the Council's commitment to increase the number of social enterprises and improve the sustainability of the sector in South Lanarkshire. The third sector had been consulted on the preparation of the Strategy and a list of consultees was provided at Appendix 2 to the report.

The 3 high level priorities of the Strategy were:-

- ◆ stimulating social enterprise
- ◆ developing stronger organisations
- ◆ realising market opportunity

The Strategy would:-

- ◆ provide an ongoing framework for dialogue about, and influence upon, capacity building and business support practices as they affected, and were informed by, enterprising third sector organisations and, specifically, social enterprises
- ◆ support the sector and ensure that South Lanarkshire social enterprises received targeted assistance to start up and grow

Details were given on the various sections contained within the Strategy, including its context and priorities. It was proposed that the Social Economy Steering Group would oversee the effective implementation of the Strategy.

Details were also given on local initiatives to support social enterprises within South Lanarkshire.

If approved, the Strategy would be launched in autumn 2023 as part of a wider local event for the enterprising third sector and key stakeholders.

The Committee decided: that the South Lanarkshire Social Enterprise Strategy 2023 to 2027 be approved.

11 Equalities Mainstreaming Progress Report

A report dated 28 April 2023 by the Executive Director (Finance and Corporate Resources) was submitted on progress achieved in meeting the Council's equality outcomes in the period 2021 to 2023 and in mainstreaming equalities within the Council.

The equalities outcomes were included in the Council Plan, "Connect" to ensure equalities duties were mainstreamed into the culture of the Council. A number of actions, which had been undertaken to progress the equality outcomes, were detailed in the report, including information on the workforce profile and the gender pay gap. The Mainstreaming Equalities Outcomes for the period 2021 to 2025 were detailed in the report and at Appendix 1 to the report. The Mainstreaming Equalities Outcomes report had been published on the Council's website and the Equality and Human Rights Commission would undertake a process of checking compliance.

Officers:-

- ◆ responded to members' questions
- ◆ undertook to look at areas for expansion in terms of reporting and, where appropriate, to bring those to the Equal Opportunities Forum for its consideration
- ◆ undertook to obtain the most up to date information available from the census process for inclusion in reports

The Committee decided: that the Equalities Mainstreaming Progress Report for the period 2021 to 2023 be approved.

[Reference: Minutes of 26 May 2021 (Paragraph 9)]

In terms of Standing Order No 14, the Chair adjourned the meeting at 11.30am for a 10 minute period. The meeting reconvened at 11.40am

12 Strategic Environmental Assessment Progress 2022/2023

A report dated 26 May 2023 by the Executive Director (Community and Enterprise Resources) was submitted on progress in carrying out Strategic Environmental Assessments (SEA) on the Council's policies, plans, programmes and strategies.

The Council had a statutory duty to consider and carry out an SEA for all its policies, plans, programmes and strategies as they were being developed or refreshed. The Environmental Assessment (Scotland) Act 2005 required the Council to assess whether plans were within the scope of the legislation and whether SEA was required. This could be considered either through Pre-Screening or Screening.

3 assessments of plans had been completed at the Pre-screening stage, as detailed in Table 1 of the report. At that stage, the Council had informed the Scottish Government that those plans were exempt from SEA as their implementation would have no, or minimal, effect on the environment.

4 plans had been finalised at Screening stage, as detailed in Table 2 of the report. A formal determination had been made and agreed by the Consultation Authorities that further SEA work was not required for those plans.

During 2022/2023, the following plans were all subject to full SEA:-

- ◆ Community Plan
- ◆ Council Plan
- ◆ Sustainable Development and Climate Change Strategy
- ◆ Local Housing Strategy

The final Stage of the SEA process was the preparation and submission of a Post Adoption Statement to the SEA Gateway. This Statement set out the key findings from the SEA and how those had been taken into account in the final adopted plan. In 2022/2023, the Community Plan, Council Plan and Sustainable Development and Climate Change Strategy had been adopted and Post Adoption Statements had been submitted, as statutorily required. The Post Adoption Statement for the Local Housing Strategy had been prepared and submitted in May 2023.

The Committee decided: that the statutory requirement for Strategic Environmental Assessments (SEA) to inform the development of Council led policies, plans, programmes and strategies be noted.

13 Resource Plans and Connect Reporting 2023 to 2024

A report dated 22 May 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the 2023/2024 Resource Plans.

The Resource Plans for 2023/2024 had been prepared in line with corporate Resource Planning guidance and a Resource Plan template. The Resource Plans had been reviewed and updated to take account of the new Priorities and Outcomes within Connect 2022 to 2027.

In preparing the 2023/2024 Plans, Resources had undertaken a horizon scanning and situational awareness exercise covering:-

- ◆ social change, legislation and policies
- ◆ areas for improvement, including the Local Government Benchmarking Framework (LGBF)
- ◆ customer views and external inspection results
- ◆ other triggers for action such as top risks

From that exercise, a maximum of 10 areas had been selected for inclusion and development in each Resource Plan and those were detailed in the report. The Resource Plans 2023/2024 were attached as Appendix 1 to the report.

Resources had used the 6 Connect outcomes to generate their own Resource outcomes, supported by a range of actions and measures. Additional actions and measures had also been developed under the heading Delivering the Plan and Achieving Best Value. Details were given on the number of measures from each Resource Plan selected to be reported against Connect.

The suite of Resource Plans for 2023/2024 would be submitted to each individual Resource Committee for monitoring at Quarter 2 and Quarter 4.

The Committee decided:

- (1) that the Resource Plans 2023 to 2024, prepared in line with revised corporate Guidance, be noted; and
- (2) that the reporting intentions in relation to Connect, as detailed in Section 5 of the report, be noted.

[Reference: Minutes of 24 August 2022 (Paragraph 8)]

14 Item of Urgent Business– Summer Holiday Provision 2023

In terms of Standing Order No 4(c) of the Council's Standing Orders on Procedures, the Chair decided that, due to the timescales involved, consideration be given to the following item as a matter of urgency.

Councillor Hamilton referred to the position in relation to Scottish Government funding for summer holiday provision, through Education Resources, for targeted children. She:-

- ◆ expressed concern that funding had initially been withdrawn from this programme
- ◆ indicated that the revised position, of which the Council had only recently become aware, whereby some, considerably reduced, funding would be made available would significantly impact on the provision which could be offered
- ◆ advised that she had written to the relevant Minister urging reconsideration of the decision to reduce the funding
- ◆ asked that officers provide an update on the position in relation to the summer holiday provision which could be offered

The Executive Director (Education Resources) advised that a briefing paper would be issued to all members in early course, once further information had been received from the Scottish Government.

There followed a full discussion during which:-

- ◆ officers responded to members' questions
- ◆ in response to a member's request, officers undertook to provide an update on the position in relation to targeted wraparound care as well as provision offered by the Scottish Government in conjunction with the Scottish Football Association (SFA)
- ◆ members indicated that the matter would be raised at COSLA, with MSPs and at ministerial level

The Committee decided: that the position be noted.

15 Item of Urgent Business– South Lanarkshire Leisure and Culture (SLLC)

In terms of Standing Order No 4(c) of the Council's Standing Orders on Procedures, the Chair decided that consideration be given to the following item, as a matter of urgency.

Councillor Allison referred to press reports relating to a decision of an Employment Tribunal to award a compensatory payment to an ex-employee of South Lanarkshire Leisure and Culture (SLLC).

He:-

- ◆ requested an update on the position and on how this had affected and could affect the Council
- ◆ reiterated his request for a report on the use of the monies for the Warm Welcome Initiative
- ◆ emphasised the requirement for openness and transparency on the part of SLLC

There followed a full discussion and exchange of views during which:-

- ◆ officers responded to members' questions
- ◆ officers provided clarity on matters which could be discussed in an open forum
- ◆ members expressed a wish to explore the implications of the matter for the Council and to establish if there were any lessons to be learned

- ♦ the Chief Executive advised that:-
 - ♦ a report on the Warm Welcome Initiative would be submitted to an early future meeting of the Committee
 - ♦ in respect of actions arising from the SLLC commissioned external legal review of the lessons learned and what could be shared, he would take advice

The Committee decided: that the position be noted.

16 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(s) of business on the grounds that it was likely that there would be disclosure of exempt information in terms of Paragraph 8, 9 and 10 of Part I of Schedule 7A of the Act.

17 Housing and Property Management System

A report dated 28 August 2023 by the Executive Director (Housing and Technical Resources) was submitted providing an update on the replacement housing and property management system.

Details were given on:-

- ♦ the termination of the existing contract for the provision of a new integrated housing and property management system
- ♦ options considered for the purchase of a new system
- ♦ a proposed solution which met the Council's requirements

A detailed project plan would be developed to support the implementation of the new system which would be closely monitored through a dedicated Project Review Board with regular updates provided to the Housing and Technical Resources Committee

The Committee decided:

- (1) that the termination of the existing contract for the provision of a new integrated housing and property management system be noted; and
- (2) that the intention to proceed with the award of a contract to Capita, to provide a new housing and property management system, in accordance with Standing Order 13 (framework agreements – external), subject to conclusive satisfactory negotiations, be noted.

Report

3

Report to:	Executive Committee
Date of Meeting:	16 August 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring for Period 1 April 2023 to 14 July 2023
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1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ advise the Committee of the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2023 to 14 July 2023

2. Recommendation(s)

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

- (1) that the break-even position on the General Fund Revenue Account at 14 July 2023, (section 4 and Appendix 1), be noted; and
- (2) that the breakeven position on the Housing Revenue Account at 14 July 2023 (section 5 and Appendix 2 of the report), be noted.

3. Background

3.1. This overview report will summarise the actual expenditure and income to 14 July 2023 compared with the budget for the same period for both the Council's General Fund (section 4) and for the Housing Revenue Account (section 5).

4. 2023/2024 General Services

4.1. General Services Current Position as at 14 July 2023

As at 14 July 2023, the position on the General Services budget is break-even. The position across Resources is detailed in Appendix 1.

4.2. **Children and Families:** As previously reported, budget pressures within Children and Families are continuing into 2023/2024 in relation to residential placements, fostering and kinship care, some of which is a legacy from the pandemic.

4.3. As previously advised to Social Work Committee (28 June 2023), there is one-off funding identified totalling £9.2 million, and this is available this financial year to contribute towards these residual Children and Families' pressures.

4.4. The Social Work Resources position as at 14 July 2023 assumes funding will be available and will be drawn down later in the financial year, as required. The Resource is working towards managing the overall budget pressure in Children and Families by 2024/2025.

- 4.5. **Adults and Older People:** Within Adults and Older People, the outcome of the Job Evaluation exercise for Home Carers will result in recurring costs of approximately £7 million from 2023/2024. These costs are not included in the IJB budget set for 2023/2024. As at 14 July, costs of £1.9 million have been incurred in relation to the cost of the grade changes. These costs are incurred through the IJB budget. As a consequence of the reporting requirements for these integrated authorities, these costs also appear within the figures included in Appendix 1. This does not show as an overspend in Appendix 1 as there is sufficient budget available at this stage in the financial year to cover the additional costs incurred to date.
- 4.6. Officers within the IJB are looking to identify solutions. These solutions and an overall recovery plan will be reported to the IJB on 19 September 2023 and, subject to their approval, budgets will be realigned.
- 5. Housing Revenue Account Position as at 14 July 2023**
- 5.1. As at 14 July 2023, Appendix 2 shows a break-even position against the phased budget on the Housing Revenue Account.
- 6. Employee Implications**
- 6.1. None.
- 7. Financial Implications**
- 7.1. As detailed in sections 4 to 5 of the report.
- 8. Climate Change, Sustainability and Environmental Implications**
- 8.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this 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.
- 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)

26 July 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial Ledger and budget monitoring results to 14 July 2023.

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 14 July 2023 (No.4)

Resource / Committee**Departments:**

	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 14/07/23	Actual to 14/07/23	Variance to 14/07/23	
	£m	£m	£m	£m	£m	£m	
Community and Enterprise Resources	129.568	129.568	0.000	32.158	32.158	0.000	
Facilities, Waste and Grounds	77.505	77.505	0.000	18.260	18.170	0.090	under
Leisure and Culture	23.227	23.227	0.000	5.340	5.340	0.000	
Planning and Regulatory	4.966	4.966	0.000	1.385	1.228	0.157	under
Environmental and Sustainable Development	4.995	4.995	0.000	0.869	0.846	0.023	under
Roads, Transportation and Fleet	18.875	18.875	0.000	6.304	6.574	(0.270)	over
Education Resources	417.667	417.667	0.000	119.307	119.307	0.000	
Education	417.667	417.667	0.000	119.307	119.307	0.000	
Finance and Corporate Resources	40.774	40.774	0.000	18.057	18.057	0.000	
Finance Services - Strategy	2.118	2.118	0.000	0.949	0.916	0.033	under
Finance Services - Transactions	18.397	18.397	0.000	6.087	5.894	0.193	under
Audit and Compliance Services	0.374	0.374	0.000	0.169	0.187	(0.018)	over
Information Technology Services	5.226	5.226	0.000	5.446	5.404	0.042	under
Communications and Strategy Services	2.754	2.754	0.000	1.065	1.085	(0.020)	over
Administration and Licensing Services	4.239	4.239	0.000	1.400	1.480	(0.080)	over
Personnel Services	7.666	7.666	0.000	2.941	3.091	(0.150)	over
Housing and Technical Resources	14.176	14.176	0.000	13.441	13.441	0.000	
Housing Services	8.464	8.464	0.000	2.721	2.721	0.000	
Property Services	5.712	5.712	0.000	10.720	10.720	0.000	
Social Work Resources	214.719	214.719	0.000	61.098	61.098	0.000	
Performance and Support Services	6.358	6.358	0.000	1.558	1.470	0.088	under
Children and Families	37.215	37.215	0.000	11.982	12.107	(0.125)	over
Adults and Older People	170.058	170.058	0.000	46.996	46.996	0.000	
Justice and Substance Misuse	1.088	1.088	0.000	0.562	0.525	0.037	under
Joint Boards	2.053	2.053	0.000	0.632	0.632	0.000	
	818.957	818.957	0.000	244.693	244.693	0.000	

Summary

	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 14/07/23	Actual to 14/07/23	Variance to 14/07/23	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	818.957	818.957	0.000	244.693	244.693	0.000	
CFCR	0.012	0.012	0.000	0.000	0.000	0.000	
Loan Charges	23.669	23.669	0.000	0.000	0.000	0.000	
Corporate Items	2.073	2.073	0.000	0.041	0.041	0.000	
Corporate Items (Strategy)	15.211	15.211	0.000	0.000	0.000	0.000	
2023/24 Investments – Transfers to Reserves	3.276	3.276	0.000	0.000	0.000	0.000	
			0.000				
Total Expenditure	863.198	863.198	0.000	244.734	244.734	0.000	
Council Tax	178.602	178.602	0.000	54.954	54.954	0.000	
Less: Council Tax Reduction Scheme	(23.278)	(23.278)	0.000	(7.162)	(7.162)	0.000	
Net Council Tax	155.324	155.324	0.000	47.792	47.792	0.000	
General Revenue Grant	319.300	319.300	0.000	98.246	98.246	0.000	
Non-Domestic Rates	341.536	341.536	0.000	105.088	105.088	0.000	
Transfer from Reserves	47.038	47.038	0.000	47.038	47.038	0.000	
Total Income	863.198	863.198	0.000	298.164	298.164	0.000	
Net Expenditure / (Income)	0.000	0.000	0.000	(53.430)	(53.430)	0.000	

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 14 July 2023 (No.2)

Budget Category**Service Departments:****Expenditure**

	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 19/05/23	Actual to 19/05/23	Variance to 19/05/23	
	£m	£m	£m	£m	£m	£m	
Employee Cost	611.305	611.305	0.000	165.272	165.738	(0.466)	over
Property Costs	61.080	61.080	0.000	11.040	11.203	(0.163)	over
Supplies and Services	61.744	61.744	0.000	15.702	16.143	(0.441)	over
Transport Costs	44.896	44.896	0.000	13.556	14.206	(0.650)	over
Administration Costs	15.522	15.522	0.000	3.074	3.105	(0.031)	over
Payments to Other Bodies	73.935	73.935	0.000	24.259	24.197	0.062	under
Payments to Contractors	245.026	245.026	0.000	56.634	54.906	1.728	under
Transfer Payments	6.248	6.248	0.000	3.485	3.509	(0.024)	over
Housing Benefits	65.302	65.302	0.000	15.641	15.641	0.000	
Financing Charges (controllable)	2.346	2.346	0.000	0.273	0.277	(0.004)	over
Total	1,187.404	1,187.404	0.000	308.936	308.925	0.011	under
Service Departments Total	1,187.404	1,187.404	0.000	308.936	308.925	0.011	under
CFCR	0.012	0.012	0.000	0.000	0.000	0.000	
Loan Charges	23.669	23.669	0.000	0.000	0.000	0.000	
Corporate Items	2.073	2.073	0.000	0.041	0.041	0.000	
Corporate Items (Strategy)	15.211	15.211	0.000	0.000	0.000	0.000	
2023/24 Investments – Transfers to Reserves	3.276	3.276	0.000	0.000	0.000	0.000	
Total Expenditure	1,231.645	1,231.645	0.000	308.977	308.966	0.011	under
Income							
Housing Benefit Subsidy	60.258	60.258	0.000	14.010	14.010	0.000	
Other Income	308.189	308.189	0.000	50.233	50.222	(0.011)	under rec.
Council Tax (Net of Council Tax Reduction Scheme)	155.324	155.324	0.000	47.792	47.792	0.000	
General Revenue Grant	319.300	319.300	0.000	98.246	98.246	0.000	
Non-Domestic Rates	341.536	341.536	0.000	105.088	105.088	0.000	
Transfer from Reserves	47.038	47.038	0.000	47.038	47.038	0.000	
Total Income	1,231.645	1,231.645	0.000	362.407	362.396	(0.011)	under rec.
Net Expenditure / (Income)	0.000	0.000	0.000	(53.430)	(53.430)	0.000	

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 14 July 2023 (No.4)
Housing Revenue Account

	Annual Budget £m	Forecast for Year £m	Annual Forecast Variance £m	Budget Proportion to 14/07/23 £m	Actual to 14/07/23 £m	Variance to 14/07/23 £m		%	Note
Employee Costs	14.253	14.253	0.000	3.781	3.816	(0.035)	over	(0.9%)	a
Property Costs	50.929	50.929	0.000	10.910	11.259	(0.349)	over	(3.2%)	1
Supplies & Services	0.433	0.433	0.000	0.159	0.177	(0.018)	over	(11.3%)	
Transport & Plant	0.196	0.196	0.000	0.045	0.049	(0.004)	over	(8.9%)	
Administration Costs	5.570	5.570	0.000	0.152	0.137	0.015	under	9.9%	
Payments to Other Bodies	2.974	2.974	0.000	0.634	0.661	(0.027)	over	(4.3%)	
Payments to Contractors	0.100	0.100	0.000	0.025	0.025	0.000	-	0.0%	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	0.0%	
Financing Charges	27.162	27.162	0.000	5.904	5.904	0.000	-	0.0%	
Total Controllable Expenditure	101.617	101.617	0.000	21.610	22.028	(0.418)	over	(1.9%)	
Total Controllable Income	(115.940)	(115.940)	0.000	(28.015)	(28.113)	0.098	over recovered	0.3%	2, a
Transfer to/(from) Balance Sheet	(4.907)	(4.907)	0.000	(0.377)	(0.697)	0.320	over recovered	84.9%	3
Net Controllable Expenditure	(19.230)	(19.230)	0.000	(6.782)	(6.782)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	19.230	19.230	0.000	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(6.782)	(6.782)	0.000	-	0.0%	

Variance Explanations

1. The net overspend reflects the volume and cost of repairs and maintenance, including additional costs for the internal contractor. There is also an overspend in relation to cleaning charges.
2. The additional income is due to the favourable timing of new build and purchased council housing units being available to rent.
3. The timing impact of the net overspend requires a higher than budgeted transfer from reserves at this time.

Virements

- a. Realignment of Housing Advice and Support Team Establishment Costs. Net £0.000m: (Employee Costs £0.396m); Income £0.396m.

Report

4

Report to:	Executive Committee
Date of Meeting:	16 August 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget 2023/2024 and Monitoring for Period 4 - 1 April 2023 to 14 July 2023
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1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ update the Executive Committee of progress on the General Fund Capital Programme and the Housing Capital Programme for the period 1 April 2023 to 14 July 2023

2. Recommendation(s)

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

- (1) that the period 4 position (ended 14 July 2023) of the General Fund Capital Programme, detailed in Appendices 2 to 3, and the Housing Capital Programme at Appendix 4, be noted;
- (2) that the adjustments to the General Fund programme, listed at Appendix 1, and the Housing programme listed at Sections 5.1 and 5.2, be approved; and
- (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 14 July 2023. Spending has been split into two separate sections:

- ◆ General Fund Capital Programme including Education, Social Work, Roads and Transportation and General Services (Section 4)
- ◆ Housing Capital Programme (Section 5)

4. General Fund Capital Programme

4.1. **2023/2024 Budget:** The budget agreed at Executive Committee on 21 June 2023 was £81.990 million. A revised programme of £83.322 million is now anticipated, which includes adjustments to the programme totalling a net increase of £1.332 million, which are proposed in Appendix 1. This increase mainly reflects additional funding from external bodies which are required to be spent on specific programmes of work.

4.2. **General Fund – Period 4 Position:** As noted in 4.1, the total capital spending programme for the year is £83.322 million. The detailed programme and spend for the General Fund are shown in Appendices 2 and 3.

- 4.3. Appendix 3 also shows budget for the period of £9.998 million and spend to the 14 July 2023 of £9.856 million, slightly behind programme by £0.142 million.
- 4.4. Actual funding received to 14 July 2023 is £41.715 million. Relevant officers will closely monitor the generation of all income, including receipts.
- 5. Housing Capital Programme**
- 5.1. **2023/2024 Budget:** Appendix 4 summarises the position on the Housing programme as at 14 July 2023. The original budget for the year was £63.916 million, as approved by this Committee on 21 June 2023. The Final Outturn report for financial year 2022/2023 noted a carry forward of £8.081 million into future years. Further analysis of this budget confirms that £3.997 million is required in 2023/24, with the remainder being carried forward into future years.
- 5.2. In addition, it is proposed that the 2023/2024 Capital Programme be increased by a further £1.683 million to reflect the expenditure on new build homes at East Whitlawburn, which are being built on behalf of West Whitlawburn Housing Association.
- 5.3. As a result of these adjustments noted at sections 5.1 and 5.2, a revised programme of £69.596 million is presented for approval. Programmed funding for the year also totals £69.596 million. The funding sources are also detailed in Appendix 4.
- 5.4. **Period 4 Position:** Budget for the period is £13.250 million and spend to 14 July 2023 amounts to £12.469 million. This results in the Housing Programme being £0.781 million behind programme. This is a timing issue only at this stage.
- 5.5. As at 14 July 2023, £12.469 million of funding had been received.
- 6. Employee Implications**
- 6.1. There are no employee implications as a result of this report.
- 7. Financial Implications**
- 7.1. The General Services and Housing Programme Programmes and their spend position to 20 May 2022 are detailed in sections 4 and 5 respectively.
- 7.2. Regular monitoring of both the General Fund Programme and the Housing Programme will be carried out in detail by the Financial Resources Scrutiny Forum and reported on a regular basis to this Committee.
- 8. Climate Change, Sustainability and Environmental Implications**
- 8.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.
- 9. Other Implications**
- 9.1. 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.
- 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 existing policy, function or strategy and, therefore, no impact assessment is required.

10.2. 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)

26 July 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 21 June 2023

List of Background Papers

- ◆ Capital Ledger prints to 14 July 2023

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: lorraine.o'hagan@southlanarkshire.gov.uk

Proposed Adjustments

Community and Enterprise Resources

Electric Vehicle Expansion

Funding has been made available to develop a public electric vehicle charging network. Approval is sought to increase the 2023/24 Capital Programme by £0.048 million which will be funded by a contribution from Transport Scotland. This will fund the development of a Public Electric Vehicle Charging Strategy and Infrastructure Expansion Plan. £0.048m

Memorial Headstone Inspection & Remedial Works

In line with previous financial years, £0.200 million is required to ensure compliance with the Scottish Government's 5-year inspection programme guidance and subsequent remedial works for memorial headstones. Approval is sought to transfer £0.200 million from the 2023/2024 Extension of Cemeteries allocation. £0.200m (£0.200m)

Nature Restoration Fund

The Scottish Government have confirmed the next phase of Nature Restoration Fund (NRF) capital funding to be spent in 2023/2024 to support new, or to enhance existing, approaches to restoring biodiversity across Scotland. The national allocation is £5 million and this is augmented this year by an additional £5 million with a specific focus on creating Nature Networks. Of this national total of £10 million, South Lanarkshire have been allocated £0.545 million in 2023/2024, which will be distributed via the General Capital Grant. £0.545m

Approval is sought to increase the 2023/2024 Capital Programme by £0.545 million and officers are currently working to identify projects for delivery in-year.

Road Safety Improvement Fund

A grant funding allocation has been received from the Scottish Government to deliver a safe system measure to support casualty and/or risk reduction and to address key priorities within our road casualty statistics or emerging issues. £0.475m
Approval is sought to increase the 2023/2024 Capital Programme by £0.475 million.

Education Resources

Stonelaw High School – Adaptations

Approval is sought to increase the 2023/24 Capital Programme by £0.222 million, which will allow a project to undertake adaptations at Stonelaw High School, to accommodate increased pupil numbers, to commence this financial year. This project will be funded by developer contributions already received for this area. £0.222m

In order to reflect the anticipated timescales for this project, £0.030 million will be required to undertake design works in financial year 2023/2024. Approval is sought to slip the balance of £0.192 million into financial year 2024/2025, which will allow the physical works to be programmed during the school holidays in summer 2024. (£0.192m)

Inspiring School Age Childcare Spaces Programme

The Scottish Government, through the Inspiring School Age Childcare Spaces Programme, have awarded this Council £0.234 million to improve out of school care provision in a number of schools during 2023/2024:

£0.234m

School Name	Value
Blacklaw Primary School	£0.040m
St Anthony's Primary School	£0.040m
Woodside Primary School	£0.040m
Calderwood Primary School	£0.084m
Murray Primary School	£0.030m
Total	£0.234m

Approval is sought to increase the 2023/24 Capital Programme by £0.234m

Minor Adjustments

-

TOTAL ADJUSTMENTS

£1.332m

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2023/24
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2023 TO 14 JULY 2023

£m

Total Base Budget (including carry forward from 2022/2023) **81.990**

Proposed Adjustments – Period 4 1.332

Total Revised Budget **83.322**

	<u>2023/24</u>	<u>Period 4</u>	<u>Revised</u>
	<u>Budget</u>	<u>Proposed</u>	<u>2023/24</u>
		<u>Adjustments</u>	<u>Budget</u>
<u>Resource</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Community & Enterprise	41.857	1.068	42.925
Education	19.047	0.264	19.311
Finance & Corporate	5.333	-	5.333
Housing & Technical	11.923	-	11.923
Social Work	2.030	-	2.030
Other Match Funding	1.800	-	1.800
TOTAL CAPITAL PROGRAMME	81.990	1.332	83.322

APPENDIX 3

SOUTH LANARKSHIRE COUNCIL CAPITAL EXPENDITURE 2023/24 GENERAL FUND PROGRAMME FOR PERIOD 1 APRIL 2023 TO 14 JULY 2023

	<u>2023/24</u> <u>Original</u> <u>Estimate inc</u> <u>C/F</u>	<u>2023/24</u> <u>Revised</u> <u>Budget</u>	<u>2023/24</u> <u>Budget to</u> <u>14/07/23</u>	<u>2023/24</u> <u>Actual to</u> <u>14/07/23</u>
Expenditure	£m	£m	£m	£m
General Fund Programme	77.849	83.322	9.998	9.856
Income	<u>2023/24</u> <u>Budget</u>	<u>2023/24</u> <u>Revised</u> <u>Budget</u>		<u>2023/24</u> <u>Actual</u> <u>To</u> <u>14/07/23</u>
	£m	£m		£m
Prudential Borrowing	24.959	24.962		24.962
Developers Contributions	7.658	8.058		4.225
Partners (Including SPT, Clyde Windfarm and Transport Scotland)	2.157	4.099		0.500
Scottish Government:				
- Capital Grant	33.985	34.527		7.229
- Cycling, Walking and Safer Routes	1.632	2.284		0.000
- Road Safety Improvement	0.000	0.475		0.000
- Vacant and Derelict Land	2.019	2.019		1.334
- Regeneration Capital Grant	0.737	0.737		0.745
- Place Based Investment	1.510	2.723		1.510
Programme				
-Inspiring School Age Childcare	0.000	0.234		0.000
Spaces Programme				
Glasgow City Region City Deal	0.000	0.000		0.000
Capital Receipts	2.000	2.000		0.006
Specific Reserves	1.192	1.192		1.192
Revenue Contribution	0.000	0.012		0.012
TOTAL FUNDING	77.849	83.322		41.715

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2023/24
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2023 TO 14 JULY 2023

	<u>2023/24</u> <u>Original</u> <u>Budget</u> £m	<u>2023/24</u> <u>Revised</u> <u>Budget</u> £m	<u>2023/24</u> <u>Budget to</u> <u>14/07/23</u> £m	<u>2023/24</u> <u>Actual to</u> <u>14/07/23</u> £m
Expenditure				
2023/24 Budget	63.916	69.596	13.250	12.469
	<u>2023/24</u> <u>Original</u> <u>Budget</u> £m	<u>2023/24</u> <u>Revised</u> <u>Budget</u> £m		<u>2023/24</u> <u>Actual to</u> <u>14/07/23</u> £m
Income				
Capital Receipts	0.000	1.683		1.683
Capital Receipts – Land Sales	0.000	0.000		0.005
Capital Funded from Current Revenue	27.162	27.162		5.902
Prudential Borrowing	17.302	23.331		0.000
Scottish Government Specific Grant:				
- New Build	16.632	12.036		4.748
- Open Market Purchase Scheme	2.700	5.264		0.000
- Mortgage to Rent	<u>0.120</u>	<u>0.120</u>		<u>0.131</u>
	<u>63.916</u>	<u>69.596</u>		<u>12.469</u>

Report

5

Report to:	Executive Committee
Date of Meeting:	17 August 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Additional Funding from Scottish Government and Other External Sources
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1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ advise Members of additional funding that has been made available to the Council by the Scottish Government and other external sources since the last report to this Committee (21 June 2023)

2. Recommendation(s)

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

- (1) that the additional funding totalling £1.478 million, detailed in Appendices 1 and 2, be noted.

3. Background

- 3.1. The Council is periodically advised of additional funding which is made available from the Scottish Government and other sources to enable various initiatives to be undertaken.
- 3.2. Additional funding may either be paid through the General Revenue Grant mechanism or by the completion of appropriate grant claims.
- 3.3. Details of the additional funding are attached in Appendices 1 and 2 of the report, Revenue and Capital respectively. The report details additional funding that has been reported by Resources as part of the additional resources notification process, as well as any additional funding that has increased the Council's budget by more than £0.100 million.

4. Employee Implications

4.1. None.

5. Financial Implications

- 5.1. Additional Revenue funding of £0.458 million has been identified for 2023/2024. This is detailed in Appendix 1.
- 5.2. Additional Capital funding of £1.020 million has been identified for 2023/2024. This is detailed in Appendix 2.

- 5.3. The total additional funding is, therefore, £1.478 million and Resource budgets will be updated to reflect this additional funding as required. Where appropriate, details of spending plans will be presented to Resource Committees for approval.
- 6. Climate Change, Sustainability and Environmental Implications**
- 6.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.
- 7. Other Implications**
- 7.1. There are no other implications in terms of the information contained in this report.
- 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.
- 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)

27 July 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 21 June 2023

List of Background Papers

- ◆ Additional Funding Reports 26 April 2023 to 26 July 2023

Contact for Further Information

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

Lorraine O'Hagan, Finance Manager (Strategy)

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E-mail: lorraine.o'hagan@southlanarkshire.gov.uk

Additional Revenue Funding

Resource	Description	2023/2024 £m	2024/2025 £m	Total £m	Method
Education Resources	Summer Programmes	0.228	-	0.228	Scottish Government
Education Resources	Education Support to Ukrainian Children and Young People	0.230	-	0.230	Scottish Government
	TOTAL REVENUE FUNDING	0.458	-	0.458	

Additional Capital Funding

Resource	Description	2023/2024 £m	2024/2025 £m	Total £m	Method
Community and Enterprise Resources	Nature Restoration Fund	0.545	-	0.545	Scottish Government
Community and Enterprise Resources	Road Safety Improvement Fund	0.475	-	0.475	
	TOTAL CAPITAL FUNDING	1.020	-	1.020	

Report

6

Report to:	Executive Committee
Date of Meeting:	16 August 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Cost of Living – Support
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1. Purpose of Report

1.1. The purpose of the report is to: -

- ♦ provide the Executive Committee with an overview of the support provided to households in South Lanarkshire significantly impacted by the cost of living crisis

2. Recommendation(s)

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

- (1) that the range of support being provided by the council to households in response to the impact of the cost of living crisis is noted;
- (2) that the re-direction of 2023-24 funding for energy support to the Financial Wellbeing Support Fund as outlined in section 4.1 is approved; and
- (3) that the re-direction of any underspend from the provision of energy support to the Financial Wellbeing Support Fund as outlined in 4.2 is approved

3. Background

- 3.1. The UK is experiencing the worst cost of living crisis in 40 years. A combination of continuing high inflation and successive increases in interest rates is putting further pressure on household incomes. While there are some signs energy costs are starting to ease, they remain significantly higher than they were before February 2022.
- 3.2. Both the UK and Scottish governments have formally recognised the cost-of-living crisis and have deployed emergency measures to help mitigate the impacts of rising costs.
- 3.3. On 21 September 2022, the Executive Committee noted a package of cost-of-living supports to a value of £92m with nearly £3m from new measures in 2022-23. New supports included a Financial Wellbeing Support Fund and support for energy costs, both funded by the Local Authority COVID Economic Recovery Fund (Elected Member briefing April 2022) and a proposal to write off school meal debt. Existing supports included the council's Money Matters Advice Service, the Scottish Welfare Fund and support for tenants.
- 3.4. On 30 November 2022, the Executive Committee noted, in terms of Standing Order No 37 (c), the action taken by the Chief Executive, in consultation with the Chair and an ex-officio member, to progress a range of initiatives to further support households and the funding of £4.680m allocated to deliver them. Initiatives included free

community lets to all community groups, free swimming sessions for under-16s, support for foodbanks and a looked-after children payment.

- 3.5. This report provides an update on the position for 2022-23 against the wide range of support activity undertaken and an outlook for 2023-24.

4. Cost-of-Living Support (Executive Committee 21 September 2022)

4.1. Financial Wellbeing Support Fund

- 4.1.1. The Financial Wellbeing Support Fund was launched in June 2022 by the Money Matters Advice Service (MMAS), with the purpose of the fund to help assist with recovery from Covid 19 and help mitigate some of the worst effects of the cost-of-living crisis, by providing cash payments of £250 to the most vulnerable households.
- 4.1.2. It aimed to do more by linking payments and access to the fund with clients receiving welfare benefit, debt and energy advice. The aim was to not just provide service users with cash payments, but also provide advice to build financial resilience.
- 4.1.3. From the launch of the fund until the end of the financial year, it supported 5,137 households, distributing £1.2m in funding to households.
- 4.1.4. A partnership approach was taken to the fund, so applications could be made by MMAS, SLC Housing and the four South Lanarkshire Citizen Advice Bureaux. The fund is expected to finish in June 2023 by which point it is forecast to have supported over 6,000 households with a spend of £1.625m against an allocation of £1.640m.
- 4.1.5. Given the success of the fund in distributing cash to households coupled with advice and support, it is proposed to re-direct funding earmarked for the provision of energy vouchers in 2023-24 to a further round of wellbeing payments. It is estimated that £0.425m will be available for this, available from the original Local Authority COVID Economic Recovery Fund (LACER) fund allocation.
- 4.1.6. The value of the payments will be £50 to ensure the funds are able to support many more families. It is estimated the funding will support 4,250 families per year over the course of the next two years. A new arrangement has been set up the Fuel Bank Foundation to allow referrals to be made for the provision of energy vouchers, therefore ensuring support can continue to be provided. This will be at no cost to the council.
- 4.1.7. Two temporary MMAS advisors were added to the team at a cost of £0.080m, covering 2022-23 and 2023-24. This additional capacity helped to ensure more households benefitted from advice and support on maximising income through claiming benefits and managing debt. Full spend is expected.

4.2. Energy Support

- 4.2.1. The MMAS has also been delivering an energy voucher scheme in conjunction with the Wise Group for households on prepaid meters. By the end of May, over 8,000 vouchers had been issued. This activity will continue to the end of August 2023. Any underspend is proposed to be ringfenced for further support activity through the Financial Wellbeing Support Fund, as referenced in section 4.1.
- 4.2.2. Two dedicated Energy Advisors at a cost of £0.075m supported households in managing their energy costs and consumption. From being employed in September 2022 until the end of the financial year, the Energy Advisers dealt with 561 unique clients and opened 1,035 cases, of which 351 were energy cases. They generated

£226,220 in total calculated financial gains for their clients (average gain per client was £403). Full spend is expected.

- 4.2.3. The Capped Meter Fund supports social rented tenants who are struggling to pay their utility costs and who have had their pre-payment meter capped. This often happens when the annual gas safety check is being carried out and there is no credit in the meter. This means the service cannot be completed and the gas supply is disconnected.
- 4.2.4. The Capped Meter Fund is used to clear the tenant's debt on the meter and allow a limited provision of gas to be supplied, enabling the meter to be uncapped and the gas safety check to be completed. The main aim of the fund is to prevent households being disconnected from the gas supply.
- 4.2.5 The £0.050m which was allocated to the fund allowed Housing Services to purchase energy vouchers that were issued to vulnerable tenant households, allowing them to clear their meter debt, have their gas service completed and prevented their gas supply being disconnected/capped. Spend of £0.045m was achieved against an allocation of £0.050m.

4.3. Education Advice Project

- 4.3.1. Two full time equivalent (FTE) Family Wellbeing Assistants were based in two schools – Calderside Academy and Lanark Grammar. These two schools were selected following consideration of deprivation levels and provided one urban setting and one rural setting.
- 4.3.2. Despite considerable investment by MMAS staff, the project did not receive the volume of referrals hoped for. In December, the staff were, therefore, redeployed into MMAS to assist in meeting the rising demand the service was experiencing. It is believed, as MMAS is a well-established service, parents/carers prefer to contact MMAS through traditional pathways. The low numbers of parents and carers entering the schools because of changing behaviours following COVID-19 was also considered a contributing factor in the low numbers of referrals.
- 4.3.3. Full spend of £0.065m was achieved, acknowledging an element of this cost was attributed to supporting activity in MMAS.

4.4. Other Support

4.4.1. Digital Inclusion

The Digital Inclusion fund was established to help residents, particularly in high Scottish Index of Multiple Deprivation areas, access services digitally. The fund has targeted community centres and libraries in Neighbourhood Planning areas to assist families which are homeless or which may otherwise be unable to afford broadband access from homes. A fund of £0.120m was allocated.

Facilities that have received funding to improve public Wi-Fi are:-

- ♦ Blantyre Library
- ♦ Burnbank Burgh Hall/Library
- ♦ Fairhill Integrated Facility
- ♦ Halfway Library
- ♦ Hillhouse Community Centre/Library
- ♦ John Wright Sport Centre

Funding was also used to improve the accessibility of the council website for visually impaired users, whilst also providing translation capability in 130 languages including Gaelic and to provide support for greater interaction through social media channels.

Improvements to public Wi-Fi at Blantyre Leisure Centre are currently being planned, and applications to install Wi-Fi at Smyllum Resource Centre (Healthy Valleys) and Crawford Village Hall (Crawford and Elvanfoot Community Council) have also been approved. Full spend is expected.

4.4.2. Lived Experience Funding

The Community Planning Partnership Board approved the distribution of the Lived Experience Fund to Cambuslang and Rutherglen and Clydesdale Community Partnerships in September 2022. The Community Partnerships have each met three times since then. As this is a new process for the Community Partnerships, they have both taken time to develop their governance arrangements. No funds have been committed yet, but several projects are at the development stage, and it is expected that the additional funds of £0.006m will be committed in the autumn with full spend expected.

4.4.3. Money Matters – Employability Advisor

As a result of the provision of temporary funding from the Employability Service, the MMAS recruited a designated Employability Advisor. The advisor opened 455 new cases by the end of the 2022-23 financial year, dealing with 281 unique clients. 40% of unique clients were found to be living in poverty. The advisor achieved total annual benefit awards of £0.170m and dealt with £0.024m of debt. Full spend is expected against the funding of £0.060m.

5. **Existing Council Support for Households**

5.1. **Money Matters Advice Service**

5.1.1. Since April 2022, the MMAS has been implementing several measures to improve services for residents and to increase capacity to deal with the impact of the cost-of-living crisis.

5.1.2. One of these changes has been the introduction of a new case management system that allows more detailed and improved reporting, case management and an improved workflow system. Changes have also been made to the categorisation of enquiries to allow more accurate reporting.

5.1.3. In 2022-23, there were 2,825 unique clients who sought debt advice and 3,256 Debt Cases/Enquiries. There were also 12,324 unique clients who sought benefit advice and 30,724 cases. The summary position for the year for welfare support cases is provided below:

Financial Gain Type	Total Calculated Financial Benefit	As a % of the Total
Welfare Benefits	£24,301,008.98	88.00%
Financial Wellbeing Support Fund	£975,616.37	3.53%
Emergency Top Up Vouchers	£624,313.00	2.26%
Debt Write off	£1,713,307.01	6.20%
Total	£27,614,245.36	100.00%

5.1.4. In 2022/2023, MMAS dealt with £7.47m in problem debts. 30% of this was debt owed to South Lanarkshire Council. This, however, should not be seen negatively, but rather

that the positive working relationship MMAS has with Benefit and Revenues and Housing is paying off, with more residents being referred and self-referring for help from MMAS.

5.1.5. Other improvements have been the move to one helpline number for the service and the centralisation of call handlers. A new upgraded telephony system is now also introduced to improve the call management information available.

5.1.6. 98% of all clients now contacting MMAS are receiving advice through non-in-person advice delivery methods, with the main contact route being telephone based. This is significantly different to the pre-covid landscape where most clients received in-person advice. With the change to mainly telephone based appointments, clients have not been required to travel to council offices and, importantly, this more efficient way to deliver the service has allowed more clients to be supported. Face-to-face appointments are still available should a client request one.

5.2. Scottish Welfare Fund

5.2.1. There continues to be significant demand for grants from the Scottish Welfare Fund (SWF) with applications for crisis grants remaining at the record levels experienced during the Covid-19 pandemic due to the cost-of-living crisis. Grants to a value of £3.412 million were awarded in 2022-2023 with the award rate of 62%, 2% lower than in 2021-2022.

5.2.2. Through the Scottish Government allocation in 2023-24, the SWF continues to provide support to individuals and families on benefits or on low incomes.

5.3. Support for Tenants

5.3.1. Housing Services continue to support council tenants with rent arrears by providing financial assistance through their successful Tenancy Sustainment Fund, sustaining tenancies and preventing homelessness. During 2022-23, in addition to the council's Tenancy Sustainment Fund allocation, additional financial support of £0.379m from the Scottish Government through the Tenant Grant Fund (£0.029m) and LACER Fund (£0.350m) was also made available to tenants across the social and private rented sectors, who were financially impacted by the Covid-19 pandemic, in rent arrears and at risk of eviction. Both the Tenancy Sustainment Fund and the additional funding from the Scottish Government were fully utilised by year end.

5.3.2. To ensure tenants are aware of the supports available, the Resource continues to promote the advice and assistance which is available to tenants through the council's social media platforms and in the Housing News, which is issued to all council tenants.

5.3.3. There remains a continued pressure on the council's Homelessness Service to provide permanent accommodation and support households experiencing homelessness, particularly as homeless applications continue to increase, both nationally and locally. Households which are experiencing homelessness continue to be vulnerable to financial insecurity and hardship, particularly during the continuing cost-of-living crisis.

5.4. Provision of Benefits

5.4.1. The council also provided the following additional benefits to support low-income households in 2022-23:

- ◆ Council Tax Reduction (£21.917m) with 30,139 households supported
- ◆ Free School Meals (£1.544m) with 9,544 school pupils provided with Free School Meals – Holiday Support payments
- ◆ School Clothing Grants (£1.751m) with 12,672 clothing grants awarded
- ◆ Discretionary Housing Payments (£0.938m)

◆ Housing Benefit (£59.194m)

6. School Meal Debt

- 6.1. School meal debt of £0.100m was identified for consideration of write-off by Education Resources. A total of £0.077m has now been approved for write-off following consideration by the Finance and Corporate Resources Committee.
- 6.2. On all remaining school meal debt, Education Resources is working with schools to review amounts owed for school meals. This exercise is being done with the utmost sensitivity and will identify further cases where write-off of debt is appropriate.
- 6.3. There continues to be joint working within the council by Community and Enterprise Resources providing the school meal service and Education Resources to support families and signpost all supports available. The council continues to provide a school meal for all children who require one, even if they are unable to pay on the day.

7. Cost of Living Crisis – Additional Supports (Executive Committee 30 November 2022)

7.1. Investments and Initiatives

- 7.1.1 As part of the Warm Welcome Initiative South Lanarkshire Leisure and Culture (SLLC) played a role in providing additional community provision, specifically around free lets to community groups and free swim sessions for Under-16s.
- 7.1.2 As reported to the Executive Committee in November there were, already provision made within the council's budget for 2022-23 to pay £1m to SLLC in respect of lost income from the pandemic that would be met from Covid funding carried forwards. As of November, it was reported that there was likely to be a further shortfall in income within SLLC's activities for which there was no further money budgeted within the council to pay SLLC more in 2022-23. The in-year pressures faced by SLLC, while recovering from the impact of the pandemic, were such that without increased funding from the council, there would be a risk that SLLC would not have been financially stable enough to meet its obligations and continue its business for the remainder of the year.
- 7.1.3 It was agreed that a further payment could be made by the council as part of its Warm Welcome Initiative, and on paying an additional amount of £3m to SLLC (£1m already included in the budget, plus an additional £2m), the council would ask SLLC to make additional community provision. Providing extra funds enabled SLLC to keep all facilities that were operating at that time open through the winter period and available for the community to access. As a result, people across our communities had open access to warm space within SLLC-run facilities, throughout winter 2022-23.
- 7.1.4 A key part of SLLC's response to the Warm Welcome Initiative was to make available space within libraries and this was actively publicised through online and physical media channels. SLLC library staff have highlighted the extensive use made of library spaces by individuals and families during this period. An additional part of the response was to introduce Stay and Play sessions, where families were encouraged to stay for a warm drink and access to books, games and toys after Bookbug sessions, which again would not have been available without the support of the Warm Welcome Initiative. Between November 2022 and March 2023, Bookbug sessions attracted over 13,000 children and almost 12,000 adults. General use of the Stay and Play sessions was monitored, and feedback gathered from library staff reported that uptake was high.
- 7.1.5 Additionally, halls and leisure centres offered free lets to community groups in exchange for opening their doors to members of their communities to join in their

activities. Some existing community groups also promoted the Warm Welcome Initiative and additional members of the public were able to attend as a result of this. Across halls and leisure sites, 1,365 events were delivered under the Warm Welcome Initiative. Appendix 1 provides some case studies illustrating the benefits experienced by community groups as a result of the initiative.

- 7.1.6 Free swims were offered to under-16 residents and families were able to participate together in a healthy activity at a reduced cost with only the adults paying. Children aged 8 to 15 were able to attend our warm, free and safe environments without a supervising adult, giving parents peace of mind. Customers could stay for as long, or for as short, a period as they wanted. Providing warm showers at our nine pools was extremely beneficial at a time with increased energy costs and the rising cost-of-living. 26,931 free swims were recorded between November 2022 and March 2023.

7.2. Support for Foodbanks

A total of 57,709 people have been supported through foodbanks in 2022-23. Compared to the available figures from 2021-22, there has been a 45% increase in people being fed through emergency food parcels. There have been 31,929 households supported, with 35,971 adults and 21,738 children. Compared to the available figures from 2021-22, there has been a 19% increase in households referred to local foodbanks, including a 45% increase in adults and a 33% increase in children.

The £0.100m available was provided to all of the operating foodbanks in South Lanarkshire based on size and activity levels.

7.3. Extend School Meal Payments to Weekends

As part of a package of measures aimed at providing additional financial support to households during the cost-of-living crisis, the council agreed to provide cash payments to households with children in receipt of free school meals to cover weekend days from the beginning of November 2022 up to the end of March 2023.

A total of 9,544 school pupils were provided with Free School Meals – Weekend Support payments in 2022-23 at a value of £0.959m.

7.4. Energy Support Payment

An additional £0.425m was allocated to the provision of support for households with prepaid meters. Including the original contract value, it is estimated this funding will support the provision of up to 12,400 vouchers.

7.5. Looked After Children

Activity covered three distinct areas with a total cost of £0.112m against the funding allocation of £0.135m.

As intended, Who Cares Scotland utilised the £40,000 for A Winter Wishes Programme, the outcomes of which assisted:

- ◆ 207 people supported by the fund, the majority of whom lived in their own tenancy
- ◆ 17 families with care experienced parent directly supported
- ◆ 5 new partnerships agreed with national retailers to support delivery of wishes at pace
- ◆ New food larder in the HUB (Jimmy Swinburne Centre) allowing care experienced young people quick access to food without reliance on foodbanks.
- ◆ 25 staff and volunteers involved in delivering winter wishes

The Winter Wishes offer consisted of 3 tiers of support, allowing 605 young people to be supported totalling £60,500 with direct funding to the carer (foster/ kinship/ family carers) across:

- ◆ Tier 1 - £250 voucher of choice (families)
- ◆ Tier 2 - £150 voucher of choice
- ◆ Tier 3 - £50 voucher of choice or alternative payment (for example, custody payments)

For those children looked after at home with parents who met the criteria for the £100 payment, 109 children across the four localities were supported with £0.011m of funding.

8. Outlook

8.1. The significant pressure on household finances is expected to continue throughout 2023-24 because of food price inflation and rising interest rates. The demand for welfare advice and support services is, therefore, expected to continue to be significant.

8.2. The council will continue to provide support from the range of services and budgets available. However, the financial challenges councils are facing are a limiting factor in the level of support that can be provided to households in South Lanarkshire.

9. Employee Implications

9.1. An additional 2 FTE Money Advisors, 2 FTE Energy Advisors and 1 FTE Employability Advisor were recruited on a 12 month basis to supplement the resources available to the service. An additional 4 FTE were also allocated to the Scottish Welfare Fund, also on a 12 month basis to support the provision of crisis and community care grants. These arrangements will come to an end in 2023.

10. Financial Implications

10.1. The financial implications of providing the range of support described are presented throughout the report and were met from existing budgets and from funding through the council's LACER allocation from the Scottish Government.

11. Climate Change, Sustainability and Environmental Implications

11.1. There are no direct climate change, sustainability and natural environment implications arising from this report.

12. Other Implications

12.1. While the council has provided a broad range of support throughout 2022/2023 with a significant level of financial resources, the actions outlined in the report could not be sufficient to fully mitigate the worst effects of the cost-of-living crisis experienced by many households. This reflects the scale and depth of the crisis and the need for significant input from other sectors such as governments and the energy sector.

12.2. The ability of local government to provide further mitigation remains heavily reliant on the responses from both UK and Scottish governments and the severity of the economic conditions that are experienced.

13. Equality Impact Assessment and Consultation Arrangements

13.1. There is no requirement to equality impact assess the content of this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

4 July 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent

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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Warm Welcome Initiative Case Studies

Case Study 1

Hand Made Arts and Crafts meet each Wednesday in Uddingston Community Centre but faced having to give up their sessions as the impact of the pandemic and cost-of-living crisis continued to affect communities across South Lanarkshire.

The Warm Welcome package agreed by the council helped SLLC keep venues open and widened the number of spaces available.

This allowed the long-standing Hand Made group, which mainly comprises older women, to keep their meetings going and also attract new members.

Margaret Paterson, who has run the group for more than six years, said: “Knowing that we could keep our meetings going, even bringing in new members, during the winter was fantastic for us, especially coming out of years of lockdowns which meant so many had no choice but to be at home.”

Case Study 2

The Men’s Shed Group at Carluke Leisure Centre had a regular weekly booking at Carluke Leisure Centre when they signed up to the Warm Welcome Initiative. During that time on average around 20 members attended each week.

Gerry Howley, the chair of the Men’s Shed, said: “The high cost of energy bills was an increasing problem for all the group’s members. So, taking part in the initiative allowed us to continue to meet and stay warm at no cost to our members. The initiative has helped our group stay together.”

The group continues to use the centre every week.

Case Study 3

A Hamilton-based church group continues to thrive in its home of almost 45 years thanks to the Warm Welcome initiative.

The Ferniegair Christian Spiritualist Church was established in 1978 and creates an open and welcoming environment with a service every Sunday and weekly meetings on a Tuesday in Ferniegair Hall, Hamilton.

Chairman Harry Boyd said: “Following lockdown and then some improvement works to the hall we had been away from our home at Ferniegair for almost three years. We had just started to settle back in in September last year when we heard there might be a need to close again because of tight budgets.

“It was a real worry for us, to potentially lose access again to the place where our group finds peace and calm and togetherness. So, for the Warm Welcome initiative to kick in when it did really took away that worry, and gave us the certainty to keep our doors open to all.”

Case Study 4

Before the Warm Winter Initiative, the ABC Tiny Tots had recently attracted more members to their events in Greenhills Community Hall, East Kilbride. However, they didn’t have the

funds to maintain this for long and for the first time the group was hearing that people could not afford to pay.

Because of the initiative these issues were overcome. Numbers increased by at least 20 and remained at that level. Families were provided with an area to play, stay warm and have lunch. The children had an area to sleep or nap, while adults had access to tea and coffee and, most importantly in most cases, someone to talk to.

Founder Maureen Dynes said: “We were concerned during this difficult financial time about a number of people we had come across through our work, and the Warm Welcome initiative helped us to help them.

“Because of the Warm Welcome, we were able to help more people of our normal sort of participants and many people who we wouldn’t have come across under normal circumstances. It was wonderful to see the difference we could make.”

Case Study 5

Thanks to Warm Welcome, the Machan Trust was able to provide additional food and activities in a warm place – Larkhall Leisure Centre.

Chief Executive Officer Fiona Dryburgh said: “We were able to provide food at every group we run in order to allow children, young people and families to attend, have dinner/lunch etc in a warm place. This saved families from paying food, cooking and heating costs, at a time when they were perhaps struggling in this cost-of-living crisis.

“The Machan Trust used the funding to meet the increasing demand for our activities. We were working with around 800 people a week. Over 52 weekly groups, not including our breakfast clubs.

“These groups provided a warm space, food, and activities and were open to all. This increased to around 900 people a week.”

Report

7

Report to: **Executive Committee**
 Date of Meeting: **16 August 2023**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Job Evaluation – Back Pay**

1. Purpose of Report

1.1. The purpose of the report is to:

- ♦ advise the Committee of the cost of paying the back dated element of the recently agreed Home Carers Job Evaluation and propose a funding package

2. Recommendation(s)

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

- (1) that the estimated costs of back pay for Home Carers of £18 million that will be accounted for in 2022/23, be noted;
- (2) that the funding solution detailed at Table 1 be noted;
- (3) that the one-off payment in 2022/23 to the Health and Social Care Partnership (HSCP) from uncommitted service concessions towards the funding solution (£2.2 million) – Table 1 line 5 be approved; and
- (4) that the one-off payment to the HSCP to reimburse Integration Joint Board (IJB) reserves in 2023/24 totalling £7.2 million, as detailed at section 5 and Table 2 including reserves, unallocated underspends, uncommitted service concession funds and covid funds be approved.

3. Background

3.1. As reported to the Executive Committee (21 June), a basis has been established for backdating the Job Evaluation outcome for Home Carers to October 2020. The Executive Committee was advised that the value of the back pay would take some time to calculate, however, these costs would require to be included in the financial position for 2022/2023. As the costs are in relation to Home Care, which is a delegated service, these costs will fall under the IJB and will require to form part of their financial accounts.

3.2. In that paper, a commitment was made to quantify the full costs of back pay and a funding package and report this back to the Executive Committee.

4. Estimated Costs of Back Pay

4.1. The back pay payable to Home Carers will depend on the length of time an employee has been in post since October 2020, and also whether the employee is in the pension scheme, or has worked overtime. There are also staff that have left, but who will be entitled to claim back pay for the period of time they worked since the start of October 2020.

- 4.2. A detailed estimate of £18 million has been made of the overall costs of back pay for current staff and leavers. The actual back pay will be paid in the September pay (1 September) .
- 4.3. These costs are required to be accounted for in 2022/23. Funding for these costs can be met from the following areas detailed in Table 1 :

Table 1 – Funding Solution – Home Carer Back Pay

		£m
1	<p>IJB Underspend :</p> <p>As covered in the Executive Committee on 21 June, the Executive Committee (1 February 2023) had agreed that it would clawback a non-recurring underspend from the IJB of £5.6 million and use this to help with Children and Families pressures into 2023/2024.</p> <p>As Home Carer back pay now requires to be paid, the IJB will now not underspend and this funding will be used to pay for Job Evaluation back pay</p>	5.6
2	<p>IJB Reserves :</p> <p>The IJB has £7.2m of reserves associated with the SLC partner that it was planning on utilising to balance the IJB budget in 2023/24. As the Job Evaluation back pay will require to be funded in 2022/23, the IJB reserves can be used to meet these costs in 2022/23. This leaves a shortfall for the IJB in 2023/24. This is covered at section 5</p>	7.2
3	<p>Additional IJB Underspend 2022/23 :</p> <p>In addition to the underspend detailed above, a further £0.3m of underspend was reported by the IJB at the end of 2022/23. This was uncommitted, and, therefore, can be used to meet the Job Evaluation back pay</p>	0.3
4	<p>Council Reserves Set Aside for Home Care:</p> <p>At year end 2019/20, funds were set aside in Council Reserves for use in future Budget Strategies including supporting the costs of transitional change in the Care at Home Service. (Executive Committee 29 January 2020 / Executive Committee 24 June 2020). £2.7m of funding has not yet been drawn down, and is currently uncommitted, and can be used to meet the costs of Job Evaluation.</p>	2.7
	Sub Total	15.8
5	<p>Council Service Concession Funds - Uncommitted Balance</p> <p>As covered in the Executive Committee (21 June - 2024/2025 Revenue Budget) there is currently £18.535 million of service concession funding unallocated</p> <p>Papers previously presented to committee had suggested £15.1 million of service concession money would be available as a corporate solution for 2025/26 budget (South Lanarkshire Council meeting – 22 February - Overall Position of Revenue Budget and Level of Local Taxation for 2023/2024 Appendix 2)</p> <p>This currently leaves £3.435m uncommitted and, therefore, £2.2 million can be used to meet the costs of job evaluation in 2022/23</p>	2.2
	Total	18.0

5. One off Contribution to IJB to Reimburse Reserves

- 5.1. As detailed in Table 1, the £7.2 million IJB reserves being used to cover the costs of the back pay were intended to be used to balance the IJB budget in 2023/24. Without these reserves, the IJB will not be able to balance their budget this financial year and an overspend will result. It is, therefore, proposed that the Council provides a one-off contribution to the IJB of £7.2 million.
- 5.2. It is proposed that part of this contribution is made from funds currently held in Council reserves without any definite dates for utilising. Moving forward, if this funding is required, we may have to look to borrow for the funds needed or look to future capital programme to fund. The total contribution proposed from these reserves is £4.7 million This includes funds identified through analysis of the balance sheet which have been there for a period of years, have not spent and there are no firm plans in the short to medium term.
- 5.3. There is also a currently uncommitted balance within Council reserves resulting from the underspend identified as part of the probable outturn in 2022/23. This was referenced in the South Lanarkshire Council Budget paper (22 February 2023) which reported at section 4.12 that, of the £4.696 million transferred to reserves to assist in the 2023/2024 Budget Strategy, **£0.756 million** remained to meet the 2023/24 costs of any savings presented for 2023/24 where the substantive savings are not deliverable until 2024/25, should they be accepted. As these savings were not accepted, the funds remain unallocated.
- 5.4. For the balance required of £1.7m, it is proposed that the remaining uncommitted service concessions funding of **£1.2m** be used (see table 1 (5)) alongside the final balance of residual covid funding held in Council reserves (**£0.5m**)

6. Summary

- 6.1. In summary, as detailed in section 4, the costs of the back pay in relation to Home Carers' Job Evaluation is estimated at £18 million. The sources of funding for these costs, that will require to be accounted for in 2022/23, are detailed in Table 1 above. This includes the Council making a one-off contribution to the HSCP, in 2022/23, of £2.7m from Council Reserves identified for Home Care. In addition, Members are asked to approve the one-off contribution of £2.2 million from the services concession funds.
- 6.2. In addition, the Council is proposing to make a one off payment to the HSCP in year 2023/24 to replace the reserves that they have used to meet the costs of back pay arising from the Job Evaluation outcome . This is detailed in section 5 of this report and this is summarised in Table 2 :

Table 2 – One off payment to HSCP to replace IJB reserves :

Description	£m
Use of reserves with no current date for spend (section 5.2)	4.7
Uncommitted underspend from 22/23 (section 5.3)	0.8
Uncommitted service concessions (section 5.4)	1.2
Unallocated Covid Funds	0.5
Total	7.2

- 6.3. The funding solution noted in this paper does not use any of the funding solution identified to support the 2024/25 and 2025/26 budget strategy. This leaves the solutions previously identified in those years intact.

7. Employee Implications

- 7.1. None.

8. Financial Implications

- 8.1. The financial implications are as detailed in sections 4 to 6 of the report.
- 8.2. At section 5.2, there is reference to a potential requirement to borrow to replace funding being used for the Job Evaluation back pay. As there are no current commitments for these specific reserves moving forwards if this funding is required, it would be unlikely to have any financial implications before 2025/26. If borrowing of £4.7 million was required to be taken, annual costs to the revenue budget will change annually due to the way we have to account for these. The maximum annual cost of repaying this borrowing would be £0.470 million per annum.

9. Climate Change, Sustainability and Environmental Implications

- 9.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

10. Other Implications

- 10.1. The main risk associated with this paper is the value of the back pay that is payable. This has been mitigated through the detailed estimated calculations carried out using details of current staff, and leavers.

11. Equality Impact Assessment and Consultation Arrangements

- 11.1. 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.
- 11.2. 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)

26 June 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial Ledger and budget monitoring results to 19 May 2023.

Contact for Further Information

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

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Ext: 5637 (Tel: 01698 455637)
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Report

8

Report to: **Executive Committee**
 Date of Meeting: **16 August 2023**
 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:-

- ♦ advise the Executive Committee of the actions required in respect of land and property transactions

2. Recommendation(s)

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

- (1) that the land and property as detailed in Appendix A be transferred between Resources; and
- (2) that the land detailed in Appendix B be declared surplus to Council requirements.

3. Background

- 3.1. Details of Council land and property, which is potentially suitable for redevelopment or disposal, are circulated to all Resources and Community Planning Partners to establish if they are suitable for alternative operational use.
- 3.2. The recommendation for the transfer between Council Resources, of the assets detailed on Appendix A, is made following the consideration of planning, title and other legal constraints and Council priorities.
- 3.3. Transactions where there is a requirement to declare land surplus to enable negotiations for minor or adjoining sales to progress are detailed on Appendix B.
- 3.4. These transactions are only included in the report after successful consultation with the Holding Resource(s) and Planning.

4. Property Transactions

- 4.1. The former Ballgreen Hall, Strathaven, was included in Property Bulletin 18/01 and transferred to the Corporate Land Bank for disposal at the Executive Committee on 25 September 2019. The property was then subject to a Community Asset Transfer application which was subsequently withdrawn by the community group. Following this, Housing Services expressed an interest in the land for inclusion in the New Build Programme. Following an appraisal of the site, Housing have now requested that it be transferred from General Services to the Housing Revenue Account (HRA) for this purpose. The details of the proposed transfer are contained in Appendix A.

- 4.2. The schedule shown within Appendix B identifies a proposed transaction where the holding Resource and Planning have agreed to the release of a minor area of land for disposal. The Committee is asked to approve the recommendation that this area of land is declared surplus to the Council requirements in order that the Estates Section can conclude negotiations for its disposal.

5. Employee Implications

- 5.1. There are no employee implications.

6. Financial Implications

- 6.1. In terms of Scottish Government Guidance, a disposal of land from the Housing Revenue Account must be done at the best consideration that the site could reasonably be expected to achieve.

- 6.2 The minor disposals will generate a capital receipt for the General Services account.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no issues in relation to climate change, sustainability and the environment contained within this report.

8. Other Implications

- 8.1. There is a low risk that the capital receipts anticipated, as a result of declaring properties surplus, may not be realised if, for reasons out with 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.

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 Planning, Roads, Legal, and Housing Services.

Stephen Gibson

Executive Director (Housing and Technical Resources)

20 July 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Achieve results through leadership, good governance and organisational effectiveness

Previous References

- ◆ Executive Committee 25 September 2019

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:-

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E-mail: joanne.forbes@southlanarkshire.gov.uk

APPENDIX A

TRANSFERS

Area	Description	Previous Account	New Holding Account	Transfer	Value Band
1,755 sq m	Former Ballgreen Hall, Glasgow Road, Strathaven	General Services	Housing Revenue Account	2023-24	3

Value Bands

1 – over £1 million

2 – £500,000 to £999,999

3 – £100,000 to £499,999

4 – less than £100,000

APPENDIX B

DECLARE SURPLUS

Area	Description	Holding Account	Proposal	Value Banding
42 sq m	42 Pine Court, East Kilbride	Community & Enterprise	Garden Ground	4

Value Bands

1 – over £1 million

2 – £500,000 to £999,999

3 – £100,000 to £499,999

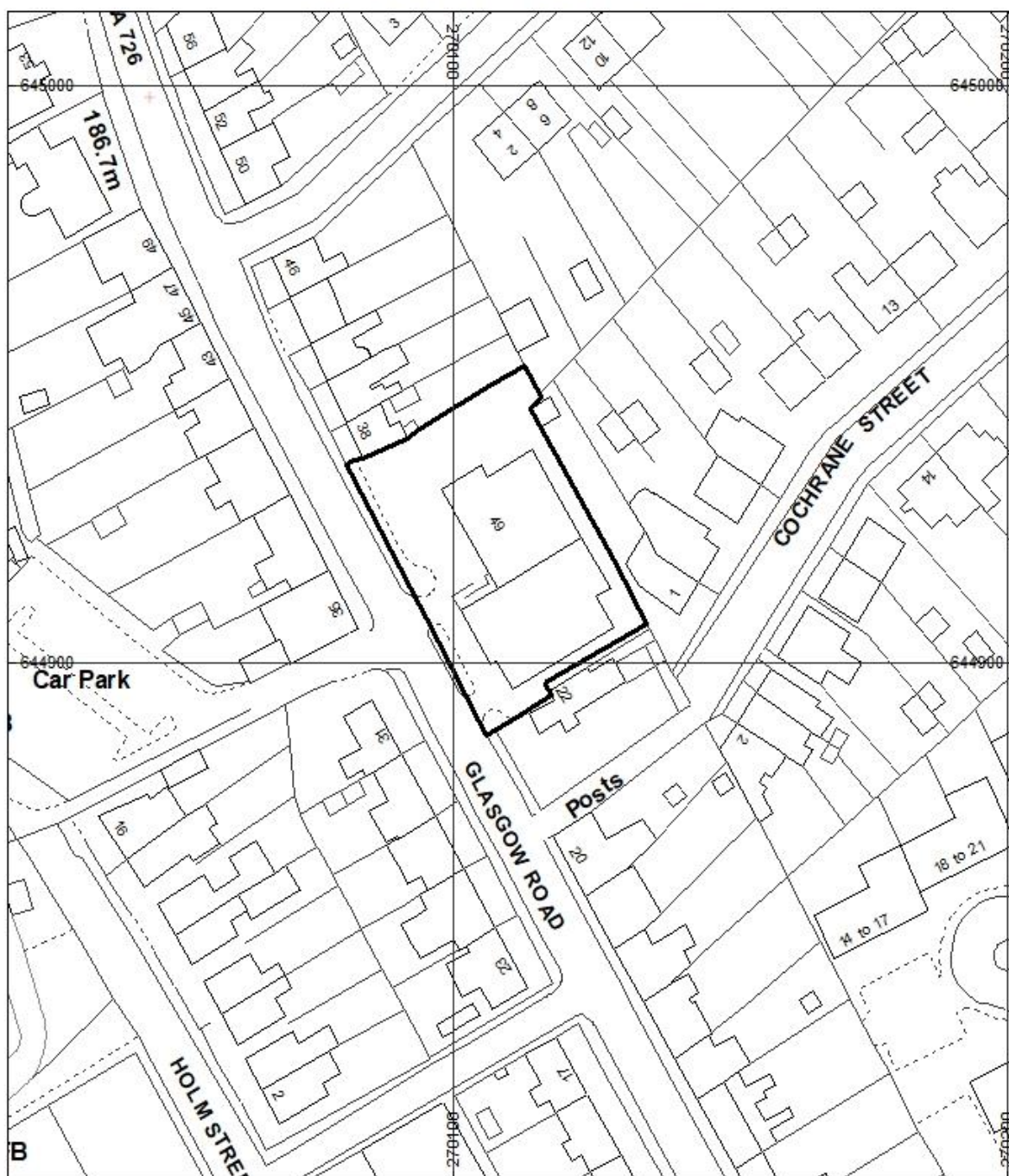
4 – less than £100,000

LOCATION PLAN - For Committee Purposes Only

Former Ballgreen Hall and Library
Glasgow Road, Strathaven



HOUSING AND TECHNICAL



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Ordnance Survey 100020730.

Contents outlined in Black 1755 square metres or thereby.

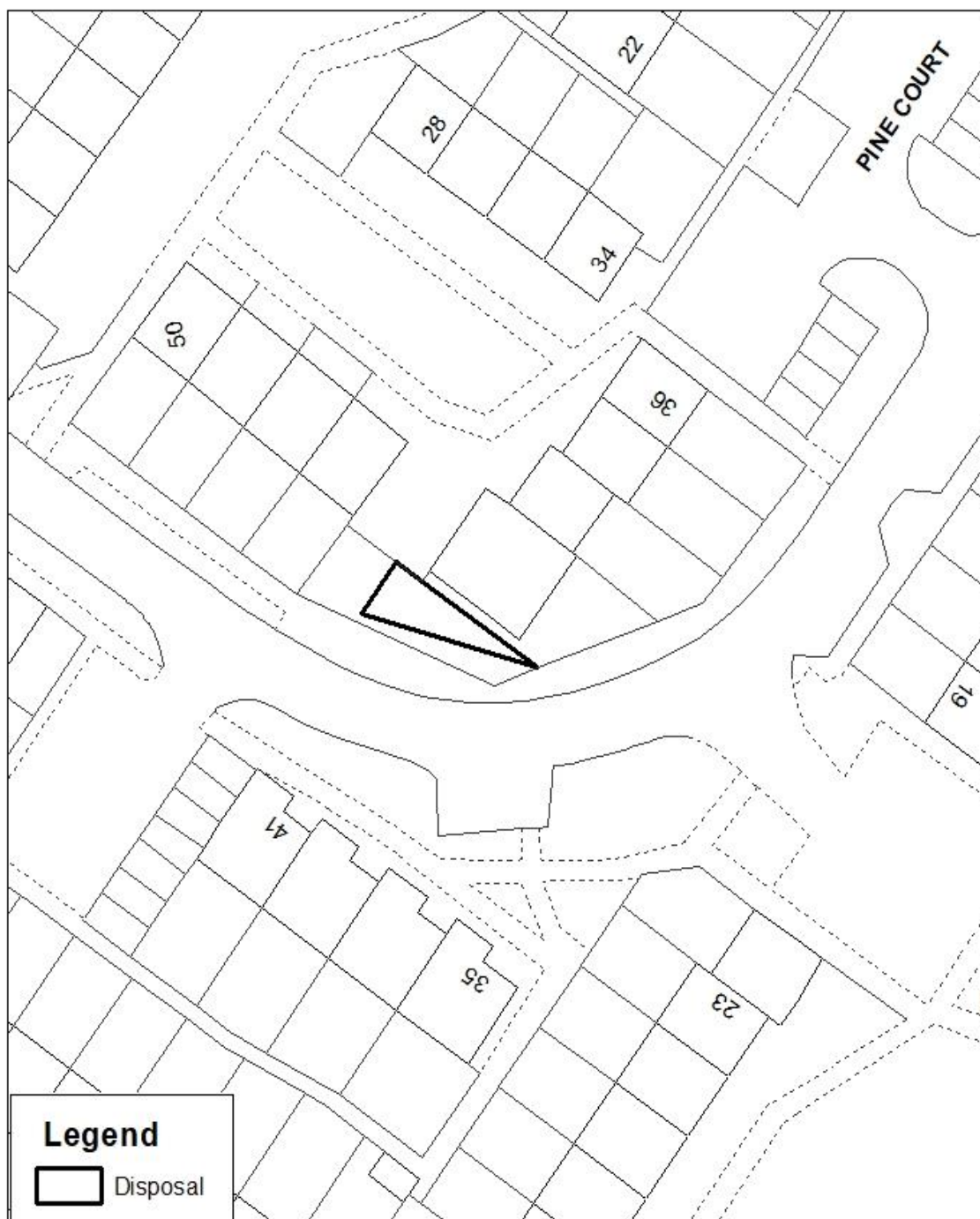
DATE: 24/07/2023

LOCATION PLAN - For Committee Purposes Only

Pine Court
East Kilbride



HOUSING AND TECHNICAL



Ordnance Survey



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Ordnance Survey 100020730.

Area outlined in Black 43 sqm or there by

DATE: 26/07/2023

Report

9

Report to:	Executive Committee
Date of Meeting:	16 August 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	South Lanarkshire Council Response to Pre-budget Scrutiny Call for Evidence on Sustainability of Scotland's Finances
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ present the council's response to the call for evidence issued by the Finance and Public Administration Committee of the Scottish Parliament as part of the pre-budget scrutiny process

2. Recommendation(s)

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

- (1) that the South Lanarkshire response to the call for evidence – attached at Appendix 1 – be approved; and
- (2) that the response be submitted to the Scottish Parliament by the deadline of 16 August 2023.

3. Background

3.1. In recent years, in line with the recommendations of the Budget Process Review Group report, Scottish Parliament subject committees have undertaken pre-budget scrutiny, in advance of the publication of the Scottish budget.

3.2. The intention is that committees will use pre-budget reports to influence the formulation of spending proposals while they are still in development. In order to facilitate this, committees are required to publish pre-budget reports at least six weeks prior to the Scottish budget. The requirement to engage early in the budget process with local government is reflected in the developing Fiscal Framework element of the New Deal for Local Government jointly agreed between the Scottish Government and COSLA.

3.3. As part of its pre-budget scrutiny, the Finance and Public Administration Committee of the Scottish Parliament issued a call for evidence on 28 June to inform its enquiry into the sustainability of Scotland's Finances. This inquiry will form the basis of the committee's pre-budget 2024/25 scrutiny, along with the evidence gathered from its Public Service Reform inquiry.

3.4. This report presents the council's input to this call for evidence for Committee approval.

4. The Pre-budget Scrutiny Call for Evidence

- 4.1. The focus of the Finance and Public Administration Committee's enquiry is the sustainability of Scotland's finances in both the short and longer-term.
- 4.2. The Committee notes the following key points as context to the enquiry:

Short to medium term challenges

- ◆ the Scottish Government's Medium-Term Financial Strategy published in May 2023 states that the Scottish Government expects its public spending to grow at a faster rate than the funding it expects to receive
- ◆ this means the government is forecasting that it will not have sufficient money to fund the spending it currently wishes to make
- ◆ Resource spending requirements could exceed the Scottish Government's central funding projections by 2% (£1 billion) in 2024/2025 rising to 4% (£1.9 billion) in 2027/2028
- ◆ the Scottish Government also states that its plans for capital spending are more than the funding it expects to be available, with a 16% gap forecast in 2025/2026

Longer term challenges

- ◆ the total Scottish population is projected to fall by 8% by 2072/2073
- ◆ based on current tax and spending plans, the Scottish Government expects an average budget gap of 1.7% in each year during that period, the equivalent of £1.5 billion in today's prices
- ◆ the proportion of the population aged 65+ increases from 22% in 2027/2028 to 31% in 2072-73, while the population aged 16 to 64 and under 16 is falling
- ◆ these changes in the age structure have implications for the demand for public services: with more demand for services used more by older people, such as health, and less demand for those used more by younger people, such as education. These changes will also have an effect on the size of the available working age population and resultant income tax base

- 4.3. With this context in mind, the Committee has asked for views on the following questions:-

1. How should the Scottish Government's Budget 2024/2025 and its future budgets respond to these challenges?
2. Does the Scottish Government's 'three pillars' strategic approach to managing the public finances adequately address the scale of financial pressures expected in the Scottish Budget 2024/2025 and in the medium-term? Should the Scottish Government follow a different approach instead, and if so, why would that be more effective?
3. Given the pressures on the capital budget, how should the Scottish Government prioritise its capital spend in the Scottish Budget 2024/2025 and over the medium-term?
4. What are the implications of a declining capital budget, including on the productive capacity of the Scottish economy?
5. The Scottish Government's spending plans for resource (day-to-day spending needed to run public services) and capital (investment in assets and infrastructure) for 2024/2025 until 2026/2027 are to be updated and published alongside the Scottish Budget 2024/2025 later this year. Where should the Scottish Government protect or prioritise spending in these multi-year plans?

Please also indicate how these funds can be found, such as increased taxes or reallocation of money from another portfolio.

6. The Scottish Government plans to address the budgetary implications of the expected long-term fall in population through growing the economy and tax base, public service reform, and an upcoming 'Addressing Depopulation Action Plan'. Are these the right priorities to address the implications of this fall in the population and, if not, how could the Scottish Government be more effective in this area?
 7. How should the Scottish Government start to address the forecast funding gap of 1.7% each year up until 2072/2073?
 8. How should the Scottish Government balance its short and long-term financial planning and where can improvements in this area be made?
 9. How will long-term financial pressures impact on the delivery of national outcomes and climate change targets and what steps can the Scottish Government take to alleviate these impacts?
 10. In follow-up to the Committee's inquiry on effective decision making, how can transparency be improved around how the Scottish Government takes budgetary decisions?
- 4.4. The council's response – attached in full at Appendix 1 – emphasises throughout the unprecedented financial pressures faced by local government and makes the point that any further reductions in budgets will have severe implications for councils' ability to deliver services. This will, in turn, hamper the ability of councils to support Scottish Government priorities and the achievement of national outcomes.
- 4.5. Within the council's response, Committee is asked to note the following key points:
- ◆ Local authorities have a pivotal role in delivering the national outcomes, especially those which are strongly influenced by how people experience their local areas, communities and sense of agency and empowerment. Councils are key to addressing the Covid catch-up and recovery. We provide assistance and support across our areas across diverse services including education, early years support and childcare, money advice, support into employment, housing and homelessness services, and economic development. Medium and long-term strategies for funding the public sector should recognise this key role
 - ◆ reductions in budget and significant increases in costs over a sustained period have significantly reduced the capacity of councils to continue to offer a range of core services and respond to national issues such as the cost of living crisis and carbon reduction. These pressures add significantly to the budget challenges that have been experienced in the period since the financial crisis in 2008 – councils have already had to implement high impact cuts in public services and in 2024-25 will face the most severe cuts to date. Any further squeeze on council funding will impact on councils' ability to support these outcomes
 - ◆ current funding arrangements limit the ability of councils to plan and invest in dealing with long-term systemic challenges around poverty and inequality, wellbeing, climate change, and the economic recovery following the pandemic. Single-year budgets for Local Government restrict longer-term planning and, by design, foster short-term interventions
 - ◆ Local government is now facing critical pressures in funding, due to the unprecedented level of inflation over the last 2 years, on top of many years of

having to make savings/cuts. Decisions that councils will have to take over the next year will include cuts that will impact significantly on communities and households at a time when they need the services provided by councils more than ever.

- ◆ it is essential that government takes these unprecedented pressures into account when making spending decisions, especially where they affect frontline council services. For example - assess the consequence of any new initiative being funded against cuts on money advice services, family supports, closure of halls, leisure centres, libraries and other facilities

- 4.6. As noted above, the Parliamentary Committee has issued its call for views as part of the normal pre-budget scrutiny process. The Committee will hear oral evidence in September/October 2023 and will consider the draft report in early November, with a view to publication shortly thereafter.

5. Next Steps

- 5.1. The deadline for the call for views is 16 August 2023. If approved by Committee, the Council will submit the submission at appendix 1 as its response.

6. Employee Implications

- 6.1. There are significant potential implications for staff across the council as a consequence of decisions made about how to support the Scottish Government's priorities through the budget 2024-25.

7. Financial Implications

- 7.1. There are significant potential financial implications for the council arising from decisions taken in relation to the Scottish Budget 2024-25. The response prepared by the council underlines and scale and significance of the financial challenges facing local government.

8. Climate Change, Sustainability and Environmental Implications

- 8.1. There are no direct climate change, sustainability and natural environment implications arising from this report.

9. Other Implications

- 9.1. Considering the detail of the report and identifying actions as appropriate contribute towards effective risk management. There are very significant risks to local government arising from the decisions taken in the Scottish Budget 2024-25.

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. Consultation was undertaken internally on the contents of this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

1 August 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective and efficient

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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<p>1. How should the Scottish Government's Budget 2024-25 and its future budgets respond to the challenges below?</p> <ul style="list-style-type: none"> • Challenges around Inflation • Post Covid catch up (care / NHS etc) • Sustainability agenda / Green targets 	<p>Local government is now facing critical pressures in funding, due to the unprecedented level of inflation over the last 2 years, on top of many years of having to make savings/cuts. Decisions that councils will have to take over the next year will include cuts that will impact significantly on communities and households at a time when they need the services provided by councils more than ever.</p> <p>It is essential that government takes these unprecedented pressures into account when making spending decisions, especially where they affect frontline council services. For example - assess the consequence of any new initiative being funded against cuts on money advice services, family supports, closure of halls, leisure centres, libraries and other facilities.</p> <p>In addition to the fundamental points above, the Scottish Government should seek an appropriate balance between income generating options and prioritisation of spend. There are difficult choices to be made here. Cost of living pressures on the public may motivate constraints on income generation, however decisions on spending priorities (for example through cutting LG funding or giving LG funding allocations less priority than other sectors such as NHS / police) will have significant consequences on public wellbeing, outcomes and inequalities.</p> <p>We would underline the key role that local government plays in tackling these challenges and mitigating adverse impacts on communities across Scotland. A wide range of services are engaged in aspects of the post-Covid catch up, for example – ranging from education, early learning and childcare through financial inclusion and welfare services to housing and housing support services.</p> <p>Equally, in terms of sustainability and a just transition, local government has wide-ranging influence across multiple domains relevant to the achievement of our shared sustainability objectives – including planning, land use and development management; flood risk management; energy efficiency; waste management; electric vehicle infrastructure; biodiversity and nature-based solutions; regeneration, digital connectivity and inclusion; economic development and business support.</p> <p>Other than Scottish Government, Local Government is the only part of the public sector with a footprint</p>
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	<p>covering so many inter-related aspects of population wellbeing, the economy and the climate change and sustainability agenda.</p> <p>However, funding arrangements limit the ability of Councils to plan and invest in dealing with long-term systemic challenges around poverty and inequality, wellbeing, climate change, and the economic recovery following the pandemic. Single-year budgets for Local Government restrict longer-term planning and, by design, foster short-term interventions. In addition, resourcing on an annual basis inhibits effective service design, makes it more difficult to recruit and retain people with the necessary skills, and hinders procurement activity which leads to stop-start service delivery.</p> <p>This was recognised by the Accounts Commission in their 'Local Government in Scotland Overview 2022':</p> <p><i>"The ongoing absence of a multi-year financial settlement creates uncertainty for councils at a time when effective, robust financial management is crucial. [Funding] on an annual basis... makes it challenging for councils to plan and budget effectively for the medium and longer term, and work with partners to develop long-term plans to deliver better outcomes and address inequalities."</i></p> <p>There is also a strong case for Scottish Government to look at reducing its policy demands and recalibrate those to be better aligned to the funding available. We have discussed above the impact of cuts on local government, however the Scottish Government can reduce the cuts on local authorities by reconsideration of their policy demands, leaving more money for the essential core services that local authorities need to provide.</p> <p>Alongside policy demand, councils have also faced the challenge of requirements around "input" such as minimum teacher numbers (or face financial penalty) – these restrictions are exacerbating the critical financial position in which councils find themselves.</p>
<p>2. Does the Scottish Government's 'three pillars' strategic approach to managing the public finances adequately address the scale of financial pressures expected in the Scottish Budget</p>	<p>The three pillars are:</p> <ul style="list-style-type: none"> ◆ focus spending decisions on achieving our three critical missions (equality, opportunity and community – require us to tackle poverty; to build a fair, green and indeed a growing economy; and to improve our public services.). ◆ support sustainable, inclusive economic growth and the generation of tax revenues.

<p>2024-25 and in the medium-term? Should the Scottish Government follow a different approach instead, and if so, why would that be more effective?</p>	<p>◆ maintain and develop our strategic approach to tax</p> <p>All of these are ambitions that seem fair and reasonable. This strategic approach is difficult to argue with, however as the Medium-Term Financial Strategy (MTFS) is demonstrating a significant gap, it is still unclear on how these pillars will be used to manage this gap. We are now dealing with a critical financial crisis, and whilst these ambitions seem reasonable (if broad) priorities to use as a framework. it is suggested that there is a need to review the expansive National Performance Framework. The three pillars are the focus of this question, but are there other areas then that are considered less important? If so, what are those less important areas and how might the way they are approached assist in the financial situation faced by local authorities?</p> <p>Local Government's role is fundamental to tackling child poverty, covering the broadest range of services including employability, welfare and crisis support, and housing, while services such as education, childcare and transport that are also key to supporting families to develop long term sustainable solutions to the problems they face.</p> <p>Because fair and flexible work can provide a sustainable route out of poverty for parents, employability work led by Local Government, and planned and delivered through Local Employability Partnerships, is a critical contributor to reducing levels of child poverty. The No One Left Behind (NOLB) approach targets those who are unemployed and most disconnected from the labour market, those in low income and precarious jobs.</p> <p>Local Government critically provides welfare and crisis support as well as money advice, rights and advocacy (either directly or through funding providers). Those services all help to mitigate the impacts of poverty on families and support those on lowest income manage increasing cost of living.</p> <p>Social housing is required to tackle child poverty. Increasing the availability of affordable, energy efficient social housing is important.</p> <p>As noted under Q1 above, Local Government has a key role in creating a stronger, fairer and greener economy and is a key driver of the local and national economy. Councils have a rich experience of addressing local needs effectively. That includes long experience of supporting those furthest from the labour market through employability support and</p>
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	<p>track record of successfully driving down youth unemployment through apprenticeships and job creation schemes following the last recession. In the Covid recovery phase, this support needs to be continued and enhanced given the weight of evidence on the pandemic impact on these groups.</p> <p>The economic footprint of Local Government is considerable and should be a key strength for delivering a Just Transition. In 2020/21, Councils spent almost £480m on economic development and tourism (this was made up of over £119m capital spend and over £360m revenue spend).</p> <p>Local Government has a strong track record in local economic development and business support, which can be enhanced through help and guidance on safer working practices to assist businesses to reopen, and start-up support to create employment opportunities. Local Government is in a unique position to help drive demand in the labour market through effectively aligning powers and investment to create new additional jobs, with a specific opportunity to help drive forward the green economy enabling improved outcomes.</p> <p>Notwithstanding the points made above, there needs to be sustainable funding for local government to continue to contribute to and deliver the sustainable growth sought in the pillars above.</p>
<p>3. Given the pressures on the capital budget, how should the Scottish Government prioritise its capital spend in the Scottish Budget 2024-25 and over the medium-term?</p>	<p>From a local government perspective, capital grant allocations have seen significant cuts in recent years with almost 30% cuts in grant. This has meant that the replacement and renewal of assets is simply not happening more often than not. This results in increasing revenue costs to maintain and operate our assets, so these become unaffordable and increase the imperative to withdraw services and close facilities. While councils can borrow, there is a hugely reduced scope to fund borrowing through revenue budgets.</p> <p>This cut in grant significantly reduces the ability for councils to meet their core needs on capital investment, but also limits the ability to consider change programmes, or capital spend for regeneration, or for meeting carbon targets.</p> <p>In our capital planning, priorities are keeping the business running, and looking at any other opportunity to spend to save revenue costs given the outlook in terms of revenue budgets.</p>

	<p>The Scottish Government should consider that the priority is providing funding to allow us to keep essential existing assets operational, and delivering on key, core services.</p>
<p>4. What are the implications of a declining capital budget, including on the productive capacity of the Scottish economy?</p>	<p>As noted in response to Question 3 above, the impact of reducing capital funding for local government is that replacement and renewal of core assets is massively compromised. The ability to maintain assets is reduced, resulting in higher ongoing costs, and service delivery is significantly at risk as our assets age and deteriorate.</p> <p>As also covered in response to Question 5 below, there is limited, if any, opportunity for us to use very limited capital funding to contribute towards impacting productive capacity of the Scottish economy. Investment allows Scottish productivity to improve, and would also benefit councils in terms of allowing spend on service change (and more fundamentally, essential spend on our vital assets).</p>
<p>5. The Scottish Government's spending plans for resource (day-to-day spending needed to run public services) and capital (investment in assets and infrastructure) for 2024-25 until 2026-27 are to be updated and published alongside the Scottish Budget 2024-25 later this year. Where should the Scottish Government protect or prioritise spending in these multi-year plans? Please also indicate how these funds can be found, such as increased taxes or reallocation of money from another portfolio.</p>	<p>After many years of Local Government featuring lower in the priority list than other public sector bodies such as Health there has been a significant shift in the share of funding allocated to public bodies. The impact on local authorities is stark – budget gaps for future years are significant and delivering core essential services is at risk unless further investment is made.</p> <p>Limitations on ring fencing is a start for local government to be able to locally prioritise what is needed on the ground.</p> <p>In terms of where funding can come from, the prioritisation of services will be key here, and the MTFS does acknowledge that the Scottish Government are not shying away from having to make difficult decisions.</p> <p>In terms of “where should the Scottish Government protect or prioritise spending”, there needs to be some reflection on the impact of investing in prevention and early intervention to ensure that there is evidence that outcomes are positive. There is an argument to be made that increased spending on health on its own has not improved health outcomes and that actually the increased demand for health services is exacerbated by the loss of preventative services offered by local authorities. Better outcomes would result from prioritisation of the type of preventative work in which local authorities can lead and excel.</p>

	<p>The impact of a smaller share of Scottish Government funding being provided to local authorities, together with the current inflationary climate, is that our potential to contribute through preventative input is currently much diminished. The scale of the issues facing councils as a consequence of inflation is unprecedented, with levels of cuts for council services at a level that we have never seen before. As things stand, what we expect to see over the next 2 to 3 years goes well beyond the diminishment of our critical role and our potential to deliver on prevention. In fact, we are likely to see enforced widespread withdrawal from whole areas of service which we currently support: leisure services; community facilities; benefits and money advice services; housing support services; community and third sector grant support, etc. Given the focus of these types of services, withdrawal will inevitably disproportionately impact deprived communities.</p> <p>In view of the importance of climate change, we would suggest spending priorities should include action on energy infrastructure such as Air Source Heat Pumps, especially district heating, Low and Zero Carbon Technologies, waste heat. Also Investment in upgrading homes for energy efficiency – insulation, draught proofing, ventilation etc, investing in the right technologies in the right place to maximise co-benefits including health and wellbeing.</p>
<p>6. The Scottish Government plans to address the budgetary implications of the expected long-term fall in population through growing the economy and tax base, public service reform, and an upcoming 'Addressing Depopulation Action Plan'. Are these the right priorities to address the implications of this fall in the population and, if not, how could the Scottish Government be more effective in this area?</p>	<p>As a place-based leader, critical to joined-up service delivery, Local Government is well-placed to be the key partner in the Scottish Government's public service reform programme. To fulfil this role, Councils should be empowered to better support delivery of more services locally, focusing on early intervention and prevention, given their unique local knowledge and local democratic accountability.</p> <p>Having delivered efficiencies for more than a decade in response to real-terms cuts to core funding, increasing policy direction from Scottish Government and limits on Councils' ability to raise revenue, any 'easy' savings have been made – any further reductions will have a major impact on services and jobs. There is also the potential for over-estimating the savings that can be made through, for example, estate rationalisation – cuts to premises may lead to higher costs and other negative impacts elsewhere, for example as a result of reduced access to services.</p> <p>To fulfil its role at the heart of public service reform, to achieve further innovation and to maximise the</p>

	<p>positive impact of public spending, Local Government requires fair and sustainable funding and greater empowerment. This includes radical shifts towards increased flexibility and fiscal autonomy, as well as a whole-system approach and a focus on investing in prevention.</p> <p>Crucially, the Local Government workforce – and that of the public sector as a whole - must be valued if we are to maintain excellent public services, and impacts on staff must be a primary consideration when assessing options for and implementing reform. A decline in real-terms funding will lead to job reductions and a loss of capacity, skills and expertise – with consequential impacts on services within communities.</p> <p>Demographic change is expected to lead to real terms increases in costs in health and social care (because of an aging population) and decreases in costs in ELC, education and ultimately further and higher education (because of falling numbers of children). Work by the Scottish Fiscal Commission has concluded that overall, the projected cost decreases as a result of demographic change over the next 20 years do not fully off-set the cost increases, with overall spending projected to increase.</p> <p>Modelling by the Scottish Fiscal Commission suggests that structural shifts in expenditure (from the Education to the Health and Social Care portfolio) would go some way in containing per head spending growth over the next 20 years and that shifting expenditure has the potential to make a significant contribution to Scotland's long term fiscal sustainability.</p> <p>These implications of these conclusions require investigation and consultation, to understand what structural shifts might look like and the timescales over which they might be achieved.</p>
<p>7. How should the Scottish Government start to address the forecast funding gap of 1.7% each year up until 2072-73?</p>	<p>As covered earlier in the response, it is suggested that the Scottish Government must look at its priorities and determine those that can be managed within the funding envelope available. There is reference in MTFS to health requiring 50% of all devolved spend by 2072/73 due to population expectations illustrates that this would not be a sustainable position for local government (or other public services) without a substantial change in approach of delivery'</p>

	<p>Income generating options are obviously part of the consideration (around tax / borrowing / block grant and other sources such as NDR).</p> <p>We believe there needs to be a renewed focus on shifting balance of care and investing in prevention – an aspiration which Audit Scotland points out is as relevant now as when proposed by Christie. Recent research points to a growing burden of ill-health as demographic changes result in more older people living with chronic health conditions. It is not sustainable to continue pouring money into the existing model and radical change is needed. Local government has a role to play in the shifts required.</p>
<p>8. How should the Scottish Government balance its short and long-term financial planning and where can improvements in this area be made?</p>	<p>This is similar to other questions and our responses to those are relevant here.</p> <p>A core feature here is a fundamental review of all spend commitments - including long standing areas like free prescription charges and other universal provisions. This would allow for improved targeting of scarce resources and a focus on spend related to core priorities.</p>
<p>9. How will long-term financial pressures impact on the delivery of national outcomes and climate change targets and what steps can the Scottish Government take to alleviate these impacts?</p>	<p>Councils have a key role in helping deliver the National Outcomes through action at a local level. In terms of climate change and sustainability, impacts are increasingly evident and are most challenging for those communities already experiencing inequalities and poverty.</p> <p>It is important to raise the question whether the Scottish Government's aspirations on sustainability are achievable without funding to address the issue. Enhancing climate resilience, delivering on sustainability commitments, and managing a just transition to net zero all require significant change – which in turn requires investment both now and in the future. The longer such investment is postponed, the more costly climate adaptation will be in the long run.</p> <p>Specifically on climate change targets, this council notes that an estimated £500million would be required to “decarbonise” the council estate. At current investment levels, it will be impossible to achieve the changes necessary to meet such targets at a local level.</p> <p>Steps which can be taken include: Green upskilling campaigns focusing especially on traditional fossil fuel industries i.e. training gas engineers to install heat pumps etc to address future skills gaps; Awareness and training for local authorities to access net zero investment opportunities; and exploration of multi-year financing models and long-term</p>

	<p>commitment; , funding which isn't sacrificed for short term gains or caught up in bidding processes between local authorities; Removal of competitive bidding process, unlocking an equitable spread of money across local authorities through a more proportionate funding model.</p> <p>As we have noted consistently , councils are facing unprecedented financial pressures that will have significant impacts on the services that we will be able to deliver in the future. This will undoubtedly restrict the ability of councils to deliver the services which improve the National Outcomes. Funding to local government needs to be fair, sustainable and flexible.</p> <p>Single-year budgets for Local Government restrict the ability of Councils to plan and invest in dealing with long-term systemic challenges around climate change, poverty and inequality, wellbeing, and the economic recovery following the pandemic. In addition, resourcing on an annual basis inhibits effective service design, makes it more difficult to recruit and retain people with the necessary skills, and hinders procurement activity which leads to stop-start service delivery.</p> <p>Local authorities have long made the case for multi-year settlements as one means of assisting longer-term financial and service planning. Such multi-year settlements are required more than ever given the financial challenges ahead, so councils can tackle these issues effectively and maximise the positive impact of public spending, together with a focus on broader outcomes rather than narrow inputs and outputs. However, it must be understood that even multi-year settlements will not prevent the significant impact on services that lies ahead; rather they would allow councils to better plan and prepare for the reduction in services – and the consequences of this on our communities and residents – over a longer period.</p>
<p>10.In follow-up to the Committee's inquiry on effective decision making, how can transparency be improved around how the Scottish Government takes budgetary decisions?</p>	<p>The Committee's enquiry report notes that "A consistent theme arising in evidence was the need to shift the focus more away from firefighting to address short-term issues to tackling longer term issues..." (par 118, p.23)</p> <p>We would endorse this view – as referenced elsewhere in this response – that a longer perspective needs to be taken. In relation to funding, there is a need to support longer-term financial planning and decision-making, which is undermined by year-on-year settlements; and also to move away from ring-fenced allocations which constrain</p>

	<p>innovation and flexibility to respond to local conditions and priorities. In relation to the longer-term attainment of outcomes, a longer-term focus is needed to support the long-term, systemic changes required to shift to prevention.</p> <p>The way in which Local Government is funded in the Scottish Budget provides a good example of how there is currently a lack of transparency. The funding provided from the Scottish Budget to Local Government comes from different departmental budgets within the overall Scottish Budget which creates a lack of transparency, with very often no clear lines showing what departments have set aside for providing funding to Local Government. This leads to an argument over what makes up Local Government funding, what is core funding which can be used flexibly, compared with departmental funding lines which are provided with substantial conditionality attached and little or no flexibility. There is not the same strategic approach to Local Government funding as there is in funding for the NHS.</p> <p>Through a consultative approach and a longer-term conversation about fiscal sustainability through the New Deal and Fiscal Framework it is hoped that the outcomes for Local Government will improve. A collaborative approach to budgeting would be welcomed and needs to be extended further and link with both the Programme for Government and the development of manifestos. These should be 'sense checked' against the priorities and outcomes and any funding assumptions should be developed with relevant partners. There are numerous examples of announcements made prior to any engagement with Local Government where it transpires that cost assumptions are significant underestimates – for example the expansion of Free School Meals. Local Government must be engaged as early as possible.</p>
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Report

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Report to:	Executive Committee
Date of Meeting:	16 August 2023
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Glasgow City Region City Deal – A72 Lanark Road / M74 Junction 7 Signalisation – Revised Full Business Case
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1. Purpose of Report

1.1. The purpose of the report is to: -

- ◆ advise on action taken, in terms of Standing Order No 37(c) because of the timescales involved, by the Executive Director (Community and Enterprise Resources), in consultation with the Chair and an ex officio member, to approve the revised Full Business Case (FBC) for the A72 Lanark Road / M74 Junction 7 Signalisation element of the Larkhall Community Growth Area City Deal project
- ◆ advise Committee on the next steps in progressing the project

2. Recommendation(s)

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

- (1) that the following action taken, in terms of Standing Order No 37(c), in view of the timescales involved, by the Executive Director (Community and Enterprise Resources), in consultation with the Chair and an ex officio member, be noted:-
- ◆ approval of the revised A72 Lanark Road / M74 Junction 7 Signalisation Full Business Case
 - ◆ approval to seek grant funding in accordance with the City Deal Grant Distribution Process outlined in the Assurance Framework in relation to the delivery of the project with the precise arrangements to be agreed by the City Deal Chief Executive's Group (CEG) and City Deal Cabinet

3. Background

- 3.1. The Council is one of eight local authorities who, with the UK and Scottish Governments, are signatories to the £1.13 billion Glasgow City Region City Deal.
- 3.2. The City Deal is made up of a list of 20 key infrastructure projects that are intended to collectively drive economic and inclusive growth across the Glasgow City Region area.
- 3.3. Community Growth Areas (CGAs) is one of four South Lanarkshire projects among the list of twenty. Larkhall Community Growth Area is one of four CGAs that have been combined together form the CGA project – the other CGAs being located in Newton, Hamilton and East Kilbride.

- 3.4. The Larkhall CGA comprises several individual education and transport infrastructure projects which will be delivered over a timeframe of up to 10 years which will in turn 'create' capacity to accommodate the increase in population from housebuilding of up to 1750 residential units. The A72 Lanark Road / M74 Junction 7 Signalisation is the second of these projects to be brought forward to Full Business Case stage at Larkhall CGA, the previous project being Glengowan Primary School Extension which was completed in July 2022.
- 3.5. Governance arrangements for the City Deal initiative are defined within the associated Assurance Framework. This sets out requirements for the development of Business Cases for individual projects. The first level of business case was the Strategic Business Case, and this was approved by the Executive Committee on 26 August 2015 and the second level business case, the Larkhall CGA Outline Business Case, was approved by the Executive Committee on the 08 February 2017.
- 3.6. Full Business Cases for each project require to be formally approved via:-
- ◆ the City Region Member Authority Committee process
 - ◆ the City Region Director of Regional Economic Growth has delegated powers to approve this revised FBC. The City Deal Chief Executive's Group will note that this revised FBC has been approved via the delegated authority approval process

4. Current Proposal

- 4.1. A Full Business Case (FBC) was produced for the A72 Lanark Road / M74 Junction 7 Signalisation element of the Larkhall CGA project and approved by Executive Committee on 17 May 2023. The successful contractor subsequently withdrew from the process post award. This revised FBC covers the next best submission tendered for the two road junction improvements where the on / off slip road ramps from Junction 7 M74 meet the A72 Lanark Road.
- 4.2. The physical outputs from the project are:-
- ◆ 2 new traffic light-controlled junctions at the M74/A72 on and off ramp slip roads
 - ◆ 2,300 sq. m of new carriageway created or improved via widening works/ resurfacing works
 - ◆ improved LED Street lighting installed (40 columns)
 - ◆ 10,000 sq.m of existing carriageway improved
 - ◆ 2 new/improved vehicle restraint systems along the length of the M74/A72 overbridge parapets – total 210 lin. metres
- 4.3. This revised FBC continues to make the case for the City Deal funding for Larkhall CGA project in terms of:-
- ◆ Strategic Fit
 - ◆ Commercial Case
 - ◆ Economic Case
 - ◆ Financial Case
 - ◆ Management Case

The Executive Summary of the revised FBC is contained in Appendix 1

- 4.4. The production of the revised Full Business Case is the final City Deal approval milestone for this element of the Larkhall CGA project and provides details of the delivery and construction of the of the road junction woks.

- 4.5 The revised project cost is £2.245 million comprising £1.931 million City Deal funding (86% share) and £0.314 million SLC funding (14% share).
- 4.6. The approval of this revised Full Business Case will release funds to meet all these costs. The construction contract is expected to commence on site in Sept / Oct 2023

5. Employee Implications

- 5.1. There are no direct employee implications from this project as existing resources within Enterprise and Sustainability Services are currently tasked with the management and delivery of this City Deal project.

6. Financial Implications

- 6.1. The project budget for the A72 Lanark Road / M74 Junction 7 Signalisation project was previously approved at £1.98 million. As a result of the selected contractor recently withdrawing from the process, the second placed tenderer is now being selected to implement the works at an increased project cost of £2.245 million. These project costs incorporate all construction related costs and community benefit monitoring.
- 6.2. The City Deal funding element of the total project cost is 86% of the project cost (£1.931 million) with the Council contributing the 14% balance (£0.314million).
- 6.3. The increased cost will be met by the current £0.3 million underspend at Newton where all OBC outcomes have been achieved which involved the housing contractor building the supporting green infrastructure to connect the CGA with the NCN 75 and railway station.
- 6.4. The revenue implications associated with this project have been included in the Council's Revenue Budget Strategy for 2023/2024.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. Sustainability – The statutory processes associated with the approval of the Larkhall CGA have considered the following sustainability agenda items and are subject to monitoring and review as detailed proposals for each phase of the development progress: -

- ◆ consider active travel and sustainable transport links
- ◆ encourage the use of sustainable and recycled materials in construction
- ◆ support habitat connectivity
- ◆ consider the lifecycle of the development
- ◆ support sustainable water resource management
- ◆ support sustainable waste management
- ◆ encourage energy efficiency through the orientation and design of buildings
- ◆ choice of materials and the use of low carbon generating technologie

8. Other Implications

- 8.1. Risk - The City Deal Cabinet has a Risk Management Strategy applied across all City Deal projects. The purpose of this Risk Management Strategy is to provide a systematic and effective method by which risks can be consistently managed. It adopts a best practice approach, describes the specific risk management techniques and standards to be applied and the responsibilities for achieving effective risk management.
- 8.2. The Council is required to apply this City Deal Risk Management Strategy across each of its City Deal projects to ensure consistency across all City Deal projects.

This will be a key tool in mitigating project risks and thereby limiting our financial risk associated with the Council's 14% share of City Deal project costs. A robust monitoring system has also been put in place to ensure that 'early warnings' are provided, and appropriate action taken.

9. Equality Impact Arrangements and Consultation Arrangements

- 9.1. This report does not introduce a new policy function or strategy or recommend a significant change to an existing policy, function or strategy and, therefore, no impact assessment is required. Consultation has taken place with relevant Resources within the Council and the CGA developers. In addition, consultation was undertaken with a wider community through the CGA planning process.

David Booth

Executive Director (Community and Enterprise Resources)

27 July 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Promote economic growth and tackle disadvantage.
- ◆ Improve the availability, quality and access of housing.
- ◆ Improve the road network, influence improvements in public transport and encourage active travel.
- ◆ Work with communities and partners.

Previous References

- ◆ Executive Committee, 26 August 2015 – City Deal – South Lanarkshire Council, Community Growth Areas, Strategic Business Case,
- ◆ Executive Committee, 08 February 2017 – City Deal – South Lanarkshire Council Community Growth Areas, Larkhall Community Growth Area, Outline Business Case
- ◆ Executive Committee, 23 June 2021 – City Deal – Larkhall Community Growth Area, Glengowan Primary School Extension - Full Business Case
- ◆ Executive Committee, 17 May 2023 - A72 Lanark Road / M74 Junction 7 Signalisation – Full Business Case

List of Background Papers

- ◆ City Deal, Larkhall Community Growth Area – A72 Lanark Road / M74 Junction 7 Signalisation, Revised Full Business Case (FBC2)

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

Glasgow City Region City Deal – A72 Lanark Road / M74 Junction Signalisation – Revised Full Business Case

Executive Summary

- i. This Full Business Case 2 (FBC2) is for £2.245m City Deal funding – £1.931m City Deal (86%) and £0.314m SLC (14%) – to enable signalisation of the M74 / A72 Lanark Road junctions at the Larkhall Community Growth Area (CGA), accounting for Element 2 of the Larkhall CGA project proposal. This FBC continues to build the case from the Strategic Business Case (SBC) which secured approval for £60.3m across South Lanarkshire's four CGAs and from the Outline Business Case (OBC) which secured approval for £20.15m City Deal funding to develop the Larkhall CGA project, comprising off-site education, community and transport infrastructure.

The Strategic Case

- ii. As presented in the OBC, there is a need for investment in offsite road infrastructure (and education/ community facilities) to allow the development of up to 1,750 new homes at Larkhall CGA. This project is directly related to the creation of the initial development of 1,000 homes on the current CGA site that has commenced construction with 310 houses built to date.

- iii. The strategic aim of the M74 / A72 Lanark Road Junction Signalisation project element is:

“To deliver the off-site road infrastructure in a manner that enables delivery of the residential development 10 years earlier than planned with associated economic and social benefits.”

- iv. The planned outputs from the M74 / A72 Lanark Road Junction Signalisation project are:

- 2 new traffic light-controlled junctions at the M74/A72 on and off ramp sliproads
- 2,300 sq. m of new carriageway created or improved via widening works / resurfacing works.
- Improved LED street lighting installed (40 columns)
- 10,000 sq,m of existing carriageway improved.
- 2 new / improved vehicle restraint systems along the length of the M74/A72 overbridge parapets – total 210 linear metres.

SLC will have ongoing responsibility for the management and maintenance of the improved junction, as defined in the financial appraisal, the revenue operating costs have been estimated and are acknowledged by SLC.

- v. In advance of the CGA development receiving planning consent it was necessary to carry out a transport assessment to consider the implications of developing up to 1,750 new homes at Larkhall CGA. This included a review of the existing road network capacity, the additional traffic generation created and increased use of public transport by up to 4,829 new residents.
- vi. As reported in the OBC (and evidenced in the development profiles at Appendix 9), the counterfactual arrangement is that the CGA development will be less attractive to purchasers and it will take until 2042 to complete only 1,000 homes as opposed to 1,750 houses by 2032 with preferred intervention.

The Economic Case

- vii. The economic case presents and tests a series of alternative options – including the counterfactual or 'do nothing' options, before a preferred solution that meets the identified needs and delivers Value for Money for the public sector.
- viii. The only viable options at FBC stage for M74 / A72 Lanark Road Junction Signalisation were around the design and timing of the project proposal. Through analysis of need and physical solutions, the delivery of off-site road network enhancements at this key junction on the M74 / A72 Lanark Road Junction was identified as the best option to achieve the project objectives.

The Commercial Case

- ix. Delivery of additional capacity in the road network is identified as a critical requirement in delivering the full CGA over 10 years by meeting the needs of the key partners – new and existing local residents (by releasing capacity), SLC and City Deal partners (by delivering additional economic value) and housebuilders/ house purchasers (by creating a more attractive development proposition).
- x. City Deal funding has been identified as the only viable source for delivery of the critical off-site enabling infrastructure works for Larkhall CGA (schools/ roads/community) needed to bring forward the development earlier than planned. The commercial arrangement for delivery of FBC2 is via appointment of a contractor, through a competitive tender.
- xi. This FBC2 is scheduled to be delivered on site during the autumn / winter of 2023/24 to ensure continued progress by developers in delivering the CGA project to the desired timescales. It follows on from the completion of the extension works contained in FBC1 at Glengowan Primary School.

The Financial Case

- xii. The estimated total City Deal cost of the Larkhall CGA project, submitted at OBC, was £21.50m (split 86% CD / 14% SLC) with potential additional leveraged investment of £12.85m from SLC, £17.5m from Developers' S75 obligations, and £193m housebuilding and associated on-site infrastructure costs (Discounted).
- xiii. Following a competitively tendered procurement exercise, the cost of delivering the M74 / A72 Lanark Road Junction Signalisation project is estimated at £2.245m, accounting for 11% of the total approved Larkhall CGA City Deal allocation. The project works will commence on site in Sept/ Oct 2023 – following approval of £21.5m City Deal funding at OBC stage, SLC has committed to carrying the financial risk of any project cost overrun beyond the City Deal funding request for this project i.e. £2.245 m of City Deal funds.
- xiv. SLC will take on the additional maintenance responsibilities at the new signalised junction, upgraded carriageway etc. in perpetuity, following completion of the works. These costs will be funded from existing Council revenue and capital budgets, as the need arises.
- xv. SLC has ultimate responsibility for cost over-runs beyond the level of financial budget/ approval for the CGAs – an allowance of 25% was made for Optimism Bias within the cost profile for the whole CGA investment programme. The contract for this FBC2 has been awarded on a fixed price basis and Optimism Bias for this element has therefore been reduced to zero. Any VAT applicable has been treated as recoverable.

The Management Case

- xvi. The management and delivery of M74 / A72 Lanark Road Junction Signalisation project will be contained within the remit of SLC's CGA Programme. Larkhall CGA will be managed by SLC in accordance with the standards required by the City Deal governing principles. Project roles have been assigned to Senior Responsible Officer, Project Sponsor, Project Manager and an internal Project Team. SLC Enterprise & Sustainable Development Services will lead the delivery of the project with SLC Roads & Transportation Services providing statutory services back-up as the works will be adopted by SLC and Transport Scotland on completion. This joint approach ensures alignment against other SLC CGA and Roads projects across the transport network.
- xvii. SLC Enterprise & Sustainable Development Services will have responsibility for the long-term monitoring and evaluation of the project benefits, including community benefits, in line with the Monitoring & Evaluation Plan, using in-house resource and supplemented by external specialist consultants as required. The economic impact model developed to appraise the gross and net benefits of the alternative options, allows for the activities to be measured and performance tracked against the forecast profile.
- xviii. The key objectives and critical success factors (as defined in the Strategic Case) have ensured that the development of the Larkhall CGA is embedded in a holistic approach to sustainability – environmental, economic, social and community – and the financial appraisal confirms that the project

is financially sustainable, recognising the need for future (planned) investment by the private sector to deliver the new houses.

- xix. In summary the City Deal Larkhall investment generates the following results as per the OBC with this project (FBC2) contributing 11% of the results:

Criteria	Measurement (Actual or 11% Proportion of CGA)	Timescale
City Deal infrastructure	Completion of transport corridor /M74 junction upgrade works	By 2024
City Deal spend	£2.25m (total nominal) – 86% City Deal / 14% SLC	By 2024
Proportion of Larkhall CGA development	Delivery of 193 houses, accommodating c. 492 residents (total direct for preferred option)	By 2032
Proportion of private developer spend	Investment of £18.1m via construction of on-site infrastructure/ residential units and S75 contribution (total NPV for preferred option)	By 2030
Proportion of construction impacts ¹	253 Person Year Equivalent – net additional annual jobs	By 2031
Proportion of operational impacts	£24.8m net additional GVA at Scotland level Building up to 24 net additional FTEs – permanent jobs Building up over 25 years to generate total £4.8m net additional GVA at Scottish level	By 2041

¹ Note: construction and operational impacts are based on the net additional – difference between the net impact for preferred intervention less the net impact for the counterfactual intervention.

