

SOUTH LANARKSHIRE COUNCIL

Minutes of the special meeting held via Confero and in the Council Chamber, Council Offices, Almada Street, Hamilton on 21 February 2024

Chair:

Provost Margaret Cooper

Councillors Present:

Councillor Alex Allison, Councillor John Anderson, Councillor Ralph Barker, Councillor John Bradley, Councillor Walter Brogan, Councillor Robert Brown, Councillor Archie Buchanan, Councillor Mathew Buchanan, Councillor Janine Calikes, Councillor Andy Carmichael, Councillor Maureen Chalmers, Councillor Ross Clark, Councillor Gerry Convery, Councillor Poppy Corbett, Councillor Andrea Cowan, Councillor Margaret Cowie, Councillor Maureen Devlin, Councillor Colin Dewar, Councillor Mary Donnelly, Councillor Joe Fagan, Councillor Allan Falconer, Councillor Grant Ferguson, Councillor Gladys Ferguson-Miller, Councillor Elise Frame, Councillor Alistair Fulton, Councillor Ross Gowland, Councillor Geri Gray, Councillor Lynsey Hamilton, Councillor Celine Handibode, Councillor Graeme Horne, Councillor Mark Horsham, Councillor Martin Hose, Councillor Cal Johnston-Dempsey, Councillor Gavin Keatt, Councillor Susan Kerr, Councillor Ross Lambie, Councillor Martin Lennon, Councillor Richard Lockhart, Councillor Eileen Logan, Councillor Katy Loudon, Councillor Hugh Macdonald, Councillor Julia Marrs, Councillor Ian McAllan, Councillor Catherine McClymont, Councillor Kenny McCreary, Councillor Lesley McDonald, Councillor Elaine McDougall, Councillor Mark McGeever, Councillor Davie McLachlan, Councillor Richard Nelson, Councillor Carol Nugent, Councillor Norman Rae, Councillor Mo Razzaq, Councillor Kirsten Robb, Councillor John Ross, Councillor Graham Scott, Councillor David Shearer, Councillor Bert Thomson (Depute), Councillor Helen Toner, Councillor Margaret B Walker Councillor David Watson, Councillor Kirsty Williams

Councillor's Apology:

Councillor Monique McAdams

Chief Executive's Service

P Manning, Chief Executive

Community and Enterprise Resources

D Booth, Executive Director

Education Resources

C McKenzie, Executive Director

Finance and Corporate Resources

N Docherty, Administration Assistant; G McCann, Head of Administration and Legal Services; T Slater, Administration Adviser; S Somerville, Administration Manager; J Taylor, Head of Finance (Strategy)

Housing and Technical Resources

S Gibson, Executive Director

Social Work Resources/Health and Social Care

S Sengupta, Director, Health and Social Care

Provost's Opening Remarks

The Provost referred to the recent Burns Supper and wished to record her personal thanks to colleagues and officers for their support.

Councillor Nelson gave his thanks to the Provost for organising the event and for the amount raised for Kilbryde Hospice.

The Provost confirmed that the amount raised for the Hospice was nearing £40,000 and fundraising would continue throughout the year following on from the Council's agreement to it being the selected charity for the Touch a Life, Make a Difference Initiative.

1 Sederunt and Declaration of Interests

Prior to inviting declaration of interests, the Head of Administration and Legal Services, as Monitoring Officer, reminded elected members of restrictions on voting in setting the level of Council Tax in the event that any member present was in arrears with payment of Council Tax which had remained unpaid for at least 2 months or had outstanding bills for Community Charge/Poll Tax. Any person who failed to comply would be guilty of an offence.

The following members made transparency statements, however, having taken account of the recent updated guidance issued by the Standards Commission for Scotland on participating in budget decision-making, did not consider that they met the criteria for declaring an interest :-

- ◆ Councillor McClymont stated that she was the Council's appointed representative to the Clydesdale Citizens' Advice Bureau and attended meetings of the Cargill House Club as a local member. Both groups were listed for potential savings at Item 2, Appendix 1 (d) of the report
- ◆ Councillor Logan stated that, in a personal capacity, she was Secretary of Carluke Gala Day Committee. Savings reference CER16 at Item 2 referred to support for gala days
- ◆ Councillor Brown stated that he was a Director of Clyde Gateway, as appointed by the Council – referenced within the savings at Item 2
- ◆ Councillor Cowie stated that she was a Director of Clyde Gateway, was Chair of Fernhill Playscheme and Vice Chair of Rutherglen Landemer Committee – referenced within the savings at Item 2

The following interest was declared:-

Councillor(s)	Item(s)	Nature of Interest(s)
Robb	◆ Overall Position of Revenue Budget and Level of Local Taxation for 2024/2025 – CER03 and EDR02	◆ Volunteer at Calderglen Country Park ◆ Friend employed as a school technician

At this point in the meeting, the Provost referred to the forthcoming retirement of G McCann as Head of Administration and Legal Services. Ms McCann had delayed her original retirement date to allow time for her successor to be in post. The Provost, on behalf of the Council, thanked her for all her hard work and advice over the years and wished her a long and happy retirement. Councillors Ross, Fagan, Brown and Allison spoke, in turn, to thank Ms McCann for her support and counsel

The Provost then congratulated S Sengupta in his role as Acting Depute Chief Executive

2 Overall Position of Revenue Budget and Level of Local Taxation for 2024/2025

A report dated 9 February 2024 by the Chief Executive was submitted on:-

- ◆ the 2024/2025 budget position, following the Local Government Settlement for 2024/2025
- ◆ updated savings proposals and the proposed Council Tax level for 2024/2025
- ◆ the proposed Revenue Budget for 2024/2025, including the base budget allocations to Resources

At the Executive Committee on 24 January 2024, an update to the Budget Strategy was presented which resulted in a Budget Gap of £20.570 million. This position assumed no increase in Council Tax and was based on the Local Government Settlement received in December 2023.

The 2024/2025 Finance Order had not yet been approved, therefore, further changes might arise and members would be notified of the final settlement value as appropriate. It was also highlighted that the UK Spring Budget was set for 6 March 2024 and there was a risk that this could affect the Scottish Government/Scottish Public Sector Budgets should there be fundamental changes from those agreed in the Scottish Budget.

The Council's proposed Revenue Budget for 2024/2025 included a budget for Social Work Resources. This included budget for the delegated services of the Integration Joint Board (IJB) (Adults and Older People) as well as non-delegated services such as Children and Families.

As previously advised, the recent actuarial valuation of Strathclyde Pension Fund had meant that the level of Employer Pension Contributions would be reduced into 2024/2025. This meant that the IJB would not incur the same level of costs in 2024/2025. The total Social Work Resources Budget for 2024/2025 would remain the same, however, funds released as a result of the reduced pension contributions for the IJB in 2024/2025 could be used to contribute towards continued pressures in Children and Families.

Options to eliminate the Budget Gap of £20.570 million were outlined in Section 5 of the report.

An updated package of savings proposals was attached as Appendix 1 to the report. This included a proposed reduction of £1.000 million in the Management Fee paid by the Council in 2024/2025 to South Lanarkshire Leisure and Culture (SLLC). The package of savings also included 2 proposals that impacted on teacher numbers – EDR10 and EDR12. The Council had received notification that the allocation of funding for teacher numbers of £145.5 million for 2024/2025 would be distributed via Specific Resource Grants and those grants would be conditional on councils agreeing at the outset to maintain teacher numbers.

A national allocation of £144 million had been advised for a Council Tax Freeze, the Council's indicative share being £7.869 million. This was not included in the Local Government Settlement received in December 2023. Any allocation of those monies to the Council would be conditional on the Council approving a Council Tax Freeze. In arriving at the Budget Gap, no account had been taken of any increase in Council Tax nor of any Scottish Government Funding for a Council Tax Freeze.

At the Executive Committee on 24 January 2024, approval was given to transfer £6.000 million to reserves which presented an option to assist with the Council's Budget Strategy. Appendix 2 illustrated the budget gap over the next 4 years. As this funding was one-off, it could not be used to replace the need for permanent savings, however, it might help in phasing in the delivery of agreed savings or delay the need to make savings for a period of time. It was considered that those reserves be used as a contingency should cost pressures, specifically pay, be higher than anticipated in the Budget Strategy.

Councillor Fagan, seconded by Councillor Brown, proposed the following amendment, which had been agreed by those political/independent groups which had participated in the cross-party Budget Working Group:-

"As an amendment to Item 2 'Overall Position of Revenue Budget and Level of Local Taxation for 2024/2025', the Council is asked to approve the following recommendation(s):

- (1) that the Budget Gap of £20.570 million (section 4.1), be noted;
- (2) that the assumptions detailed at paragraph 7.2, used to arrive at the Budget presented in section 7, be noted;
- (3) **that the amount of savings, the level of Council Tax, investments and the Use of Reserves to be used to balance the 2024/2025 Budget as detailed in this amendment be agreed;**
- (4) that the budget figures detailed at section 7 (based on the assumptions in section 7.2 and 7.3) are to be updated following agreement of the Budget, be noted;

- (5) that the potential impact of savings beyond 2024/2025 (section 9), be noted; and
(6) that the Revenue Budget for 2024/2025, including the base budget allocations to Resources, as shown in Appendix 3, be approved, subject to Members' decision on recommendation 3.

Savings agreed:

It is proposed that the savings outlined below totalling £13.190 million be agreed.

Saving Ref.	Description	Value £m
M&O01	Overtime	0.300
M&O02	Charging Increase at 3% - revised to 6%	0.400
M&O03	Alternative Working Patterns	0.075
M&O04	Mechanical Sweeping – Large	0.150
M&O05	Central Administration Support	0.375
M&O06	Early Administration Support	2.150
M&O07	Additional Income from Statutory Additions	0.050
CER01	Waste	0.460
CER02	School Crossing Patrols	0.010
CER03	Countryside and Greenspace	0.120
CER04	Roads Spend –£480k reinvested in loans fund through investments to create £7.2 million capital investment in roads	1.800
CER07	Food Waste Liners	0.100
CER08	Secondary Meals Price Increase	0.177
CER10	Business Support Programmes	0.070
CER11	Leisure and Culture – revised saving	0.750
CER14	Winter Shrub Beds	0.700
CER15	Bedding and Hanging Baskets – revised saving to protect services to war memorials	0.124
EDR01	Librarians	0.240
EDR02	Secondary School Technicians	0.590
EDR03	Period Poverty	0.080
EDR04	ELC Quality Support and Service Delivery	0.300
EDR05	Delivery of the Curriculum, Quality and Improvement Service (CQIS)	0.350
EDR06	Early Learning and Childcare Food Provision	0.150
EDR07	Remove SLC Summer Programme Provision	0.143
EDR08	Mentoring and Learner Journey	0.380
EDR09	Payments to Regen:fx	0.115
FCR01	Community Grants, Civic Events and Gifts – revised saving to protect Civic Hospitality and Community / Playscheme Grants	0.270
FCR02	Council Tax and Benefits Call Centre	0.096
FCR03	Community Engagement – revised saving	0.215
FCR04	Payment to Regen:fx	0.200

Saving Ref.	Description	Value £m
HTR01	Community Safety Budget	0.046
HTR02	Housing Strategy Service	0.113
HTR03	CCTV	0.039
HTR04	Scheme of Assistance (Housing)	1.052
SWR01	Reduce the Subsidy of the In-House Residential Care Home Service	0.790
SWR02	Increase the Taper for Non-Residential Care Services from 60% to 70%	0.147
SWR03	Reduce the subsidy of the In-House Day Service	0.020
SWR04	Introduce a New Charge for the Installation of Key Safes	0.043
Total		13.190

Council Tax Increase: - It is proposed that the Council Tax is frozen.

Investments: It is proposed that the following investments be agreed :

Investment	Description	Value
Roads Investment – Revenue for Capital Borrowing	<p>£0.480 of permanent budget will be used to fund borrowing of £7.2 million of capital roads investment.</p> <p><i>Capital investment funded through revenue spending on a recurring basis.</i></p>	£0.480
Transitional Funding for Regen:fx	<p>Transitional funding for Regen:fx will be provided to maintain current funding levels for the coming year. A review of Regen:fx will be conducted during this period.</p> <p><i>Funded on a one-off basis through use of reserves.</i></p>	£0.315
Community Fightback Fund	<p>£800,000 will be used to enhance existing budget of £200,000 for transitional funding for South Lanarkshire Council's leisure and culture assets. This will create a £1 million Community Fightback Fund.</p> <p>The Community Fightback Fund will be a council-controlled fund that keeps open community facilities considered by SLLC for rationalisation where there has been credible interest in Community Asset Transfer, CAT-lite or a similar agreement.</p> <p><i>Funded on a one-off basis through use of reserves.</i></p>	£0.800

Investment	Description	Value
Transitional Funding for Voluntary Organisations	To assist community groups and causes, £270,000 will be used for transitional funding to delay implementation of the revised FCR01 saving until 2025. <i>Funded on a one-off basis through use of reserves.</i>	£0.270
Future Libraries Fund	Additional revenue support of £150,000 will be made available over more than one financial year to fund alternative library provision models for those areas affected by SLLC library rationalisation. <i>Funded on a one-off basis through use of reserves.</i>	£0.150
Net Zero Innovation Fund	£150,000 will be used to develop 'spend to save' and sustainable income generation options for South Lanarkshire Council over more than one financial year. These options will reflect the Council's ambition to transition to net zero. <i>Funded on a one-off basis through use of reserves.</i>	£0.150
Central Energy Efficiency Fund	£500,000 will be invested in the form of an additional contribution to the Central Energy Efficiency Fund over more than one financial year. <i>Funded on a one-off basis through use of reserves.</i>	£0.500
Total		£2.665

Appendix – Balanced Budget Reconciliation

Budget Gap from Officers' Report <i>(Section 5.1)</i>		£20.570m
Agreed Savings:		
M&O01	0.300	
M&O02	0.400	
M&O03	0.075	
M&O04	0.150	
M&O05	0.375	
M&O06	2.150	
M&O07	0.050	
CER01	0.460	
CER02	0.010	
CER03	0.120	
CER04	1.800	
CER07	0.100	
CER08	0.177	
CER10	0.070	
CER11	0.750	
CER14	0.700	
CER15	0.124	
EDR01	0.240	
EDR02	0.590	
EDR03	0.080	
EDR04	0.300	
EDR05	0.350	
EDR06	0.150	
EDR07	0.143	
EDR08	0.380	
EDR09	0.115	
FCR01	0.270	
FCR02	0.096	
FCR03	0.215	
FCR04	0.200	
HTR01	0.046	
HTR02	0.113	
HTR03	0.039	
HTR04	1.052	
SWR01	0.790	
SWR02	0.147	
SWR03	0.020	
SWR04	0.043	
Total Savings (A)	£13.190m	
Proposed Council Tax Increase - Freeze - if council tax freeze then £7.869m will be received in grant	<u>£7.869m</u>	
= Total Savings and Increase from Council Tax		<u>£21.059m</u>
Balance After Savings and Council Tax (Budget Gap) / Investment Opportunity		<u>£0.489m</u>
Further Investment Proposed:		
Permanent Budget required for Loans fund for Roads investment		£0.480

Transitional Funding for Regen:fx		£0.315
Community Fightback Fund		£0.800
Transitional Funding for Voluntary Organisations		£0.270
Future Libraries Project		£0.150
Net Zero Innovation Fund		£0.150
Central Energy Efficiency Fund		£0.500
Total Further Investment Proposed (B)		(£2.665m)
Add: Use of Reserves Proposed (C) <i>Using some of the £6 million set aside at Probable Outturn. The balance of reserves will be used as a contingency in the event of more funds being required for pay award.</i>		£1.676m
<i>Use £500k EY clothing grants reserves money not needed</i>		£0.500m
Budget Gap – should be zero		£0

Restatement of Net Expenditure Figure (report section 7.4)

Net Expenditure Figure within Revenue Budget Paper (sections 7.4 and associated appendices)	£956.076m
Add Back Assumed Level of Savings in Budget Paper (section 7.2)	£12.701m
Adjusted Net Expenditure Figure (before savings)	£968.777m
<i>Deduct: Actual Savings Taken from Table above (A)</i>	£13.190m
<i>Add: Any Further Investment Proposed (from Table above (B))</i>	£2.665m
Revised Net Expenditure figure for Revenue Budget (D)	£958.252m

Restatement of Net Sum Funded by Council Tax (Table 2, report section 7.5)

Revised Net Expenditure Figure for Revenue Budget for 2024/2025 (from Table above (D))	£958.252m
<i>Deduct: Government Grant</i>	£750.533m
<i>Deduct: Use of Reserves / Underspends in the Budget Strategy (£47.500m plus C from Table above)</i>	£49.676m
= Resultant Net Sum to be Funded Locally from Council Tax	£158.043m

At the invite of the Provost, the Leader of the Council spoke on his proposals. He wished to thank the Budget Working Group and officials who had supported the budget process. He referred to COSLA's counter proposal to the Scottish Government which he considered would have led to the Council not having to face the significant Budget Gap of £20.7 million, meaning no cuts to jobs or services. He advised that the Working Group had chosen to freeze Council Tax, not because it was the best outcome but the best in terms of options available. He confirmed that there was still a requirement to make approximately £13 million in savings and, for the most part, that would mean cuts to balance the budget. He said a number of the options that were being accepted could be mitigated or would have a limited impact, while some would have consequences, but he considered the Council did not have the resources to avoid those consequences. He advised that some options were only accepted partially or the introduction of savings had been deferred, while some had been rejected entirely.

He advised that £0.480 million had been identified to fund £7.2 million of capital investment in roads to offset the impact of revenue budget cuts through borrowing. He referred to the challenges in balancing the budget and the difficulties still faced, such as meeting low carbon ambitions, and wished to recognise the work of the Climate Change and Sustainability Committee. He advised that it was proposed that a £0.150 million Net Zero Innovation Fund be established and a cash injection to the Central Energy Efficiency Fund of £0.5 million. He stated SLLC could not be protected from the challenges facing the Council but the Council would intervene where it could, therefore, the original savings required from SLLC had been halved to £0.750 million. He advised of 2 new funds that would help transition to a new operating model and mitigate the impact on the community. Those were a Future Libraries Fund, totalling £0.150 million, and a Community Fightback Fund, totalling £1 million, which would act as a transition fund to help sustain assets under new community operators.

In seconding the proposals, Councillor Brown considered the motion was set against the worse financial economic background he could recall. Therefore, the core principles in approach were:-

- ◆ to get as much as possible from efficiencies and charging policies to reduce the pressure on services
- ◆ to fund spend to save projects which would reduce core revenue bills and contribute to tackling climate change
- ◆ to sustain education and community care services as well as increase the voluntary capacity of organisations

The Provost advised that she was going to make a statement, not in her role as Provost, but as Leader of the Independent Group. As Chair of the Budget Working Group, she highlighted its aim had always been to find consensus and put party politics aside to identify the best solutions for the residents of South Lanarkshire and expressed her regret that not all political groups had participated. She advised that this was the most difficult budget period to date after years of under-funding. She wanted to thank officers across the Council for bringing forward options, however, emphasised it was for members to decide on how to balance the Council's budget. She considered that the amendment presented by the Leader would protect frontline services across the Council and would:-

- ◆ avoid cuts in schools that would impact on teacher numbers
- ◆ maintain the number of cuts and weedkiller applications that were needed to keep communities tidy
- ◆ avoid introducing parking charges at Chatelherault, the James Hamilton Heritage Park, Calderglen and Tinto
- ◆ maintain and improve roads for future years
- ◆ enable work with communities to find new futures for buildings such as halls and libraries
- ◆ enable continued support to voluntary groups while assisting them to find long-term funding solutions

Councillor Allison concurred that this was the most difficult budget process and, while not part of the Administration, he advised that his Group had always worked with the Administration to try to get the best deal for constituents. He referred to the requirement to save in excess of £90 million over the next 4 years. He considered that while reserves could be used, this would make the situation worse in the future. He advised that his Group's priorities were Education, the roads budget and the Leisure Trust. He said he fully agreed with 92% of those who had responded to the consultation that the roads budget should not be cut, although how that could be funded had presented challenges and his Group had reluctantly accepted that the Council had no alternative but to borrow £7.2 million which would be paid back over a 40 year period at a total cost of £19.2 million.

Councillor Nelson was then heard and wished to thank members of the Budget Working Group and officers, in particular the Chief Executive and the Head of Finance (Strategy), for their assistance to the Working Group. He referred to the difficult financial challenges and recognised the complexities of achieving a balanced budget.

The Provost clarified that Councillor Fagan’s amendment would be considered as the motion as no-one had moved the officer’s recommendations. She then invited Councillor Ross to speak to his amendment.

Councillor Ross, seconded by Councillor Chalmers, moved the following:-

“As an amendment to Item 2 ‘Overall Position of Revenue Budget and Level of Local Taxation for 2024/2025’, the Council is asked to approve the following recommendation(s):

- (1) that the Budget Gap of £20.570 million (section 4.1), be noted;
- (2) that the assumptions detailed at paragraph 7.2, used to arrive at the Budget presented in section 7, be noted;
- (3) that the amount of savings, the level of Council Tax and the Use of Reserves to be used to balance the 2024/2025 Budget (detailed in section 6), are agreed as follows;
- (4) that the budget figures detailed at section 7 (based on the assumptions in section 7.2 and 7.3) are to be updated following agreement of the Budget, be noted;
- (5) that the potential impact of savings beyond 2024/2025 (section 9), be noted; and
- (6) that the Revenue Budget for 2024/2025, including the base budget allocations to Resources, as shown in Appendix 3, be approved, subject to Members’ decision on recommendation 3.

Savings agreed: £7.306m

It is proposed that the savings outlined below totalling £7.306m million be agreed.

In accepting the following savings, the SNP Group has sought to minimise the harmful effects of service reduction, protect communities where possible from the Cost-of-Living Crisis and reflect the views of as many of our residents as possible.

Saving Ref.	Description	Value £m
CER01	Bulky Waste – Remove Free Bulk Uplift	£0.460m
CER05	Christmas Events	£0.045m
CER07	Food Waste Liners	£0.100m
CER12	Grass Cutting	£0.900m
CER13	Weedkilling	£0.550m
CER14	Winter Shrub Cover	£0.700m
CER15	Hanging Baskets	£0.144m
CER16	Gala Day Support	£0.055m
HTR04	Scheme Assisted Housing	£1.052m
M&O 01	Overtime	£0.300m
M&O 02	Charging	£0.200m
M&O 03	Alternative Work Patterns	£0.075m
M&O 04	Mechanical Sweeping	£0.150m
M&O 05	Central Admin Support	£0.375m
M&O 06	Early Learning	£2.150m
M&O 07	Additional Income	£0.050m
TOTAL		£7.306m

Council Tax Increase: CT Freeze - £7.869m

We welcome the Scottish Governments Council Tax Freeze and note that South Lanarkshire's funding allocation exceeds the amount which would have raised if the council had increased Council Tax by 5%. This freeze will be welcomed by many households who feared an even higher increase than the 5.5% imposed by this council last year, adding additional pressures during a cost-of-living crisis.

The Scottish Government has baselined the council tax freeze funding so the Council can include in the budget strategy for 2025/2026 and beyond.

Investments: £605k

Leisure and Culture provides so many benefits to our communities promoting individual and community wellbeing, tackling inequalities, and providing safe inclusive spaces for community led activities, informal learning, community development, sport and cultural activities. The work they do is central to delivery of the Community Plan and the Child Poverty Action Plan.

Residents' responses to surveys provide a clear steer to elected members. SLLC services such as libraries, sports centres, swimming pools and community halls are highly valued. So, instead of reducing our funding to SLLC we propose to protect services with an increase of £0.605m in 2024-25.

Use of £6.000m uncommitted Funds

In order to protect front line jobs and services, we propose using all the funding available to us in setting out our budget. This includes using the £6m probable outturn underspend as set out in the Executive Committee Report on 24th January 2024, [Agenda Item 3 Recommendations 5] in 2024-25 rather than keeping in reserve for future years' budget strategies.

In doing so we note the SG decision to baseline the council tax funding of £7.869m and also the potential Barnett Consequential from additional UKG funding dependent on the outcome of the Spring Statement.

Appendix – Balanced Budget Reconciliation

Budget Gap from Officers' Report <i>(Section 5.1)</i>		£20.570m
Agreed Savings:		
Total Savings (A)	£7.306m	£7.306m
Proposed Council Tax Increase 0%	£7.869m	£7.869m
= Total Savings and Increase from Council Tax		<u>£15.175m</u>
Balance After Savings and Council Tax (Budget Gap) / Investment Opportunity		<u>£5.395m</u>
Further Investment Proposed:		
SLLC	£0.605m	£0.605m
Total Further Investment Proposed (B)		(£0.605m)

Add: Use of Reserves Proposed (C) £6m Probable Outturn Underspend		£ 6.000m
Budget Gap – should be zero		£0.000m

Restatement of Net Expenditure Figure (report section 7.4)

Net Expenditure Figure within Revenue Budget Paper (sections 7.4 and associated appendices)	£956.076m
Add Back Assumed Level of Savings in Budget Paper (section 7.2)	£12.701m
Adjusted Net Expenditure Figure (before savings)	£968.777m
<i>Deduct: Actual Savings Taken from Table above (A)</i>	(£7.306m)
<i>Add: Any Further Investment Proposed (from Table above (B))</i>	£0.605m
Revised Net Expenditure figure for Revenue Budget (D)	£962.076m

Restatement of Net Sum Funded by Council Tax (Table 2, report section 7.5)

Revised Net Expenditure Figure for Revenue Budget for 2024/2025 (from Table above (D))	£962.076m
<i>Deduct: Government Grant</i>	£750.533m
<i>Deduct: Use of Reserves / Underspends in the Budget Strategy (£47.500m plus C from Table above)</i>	£53.500m
= Resultant Net Sum to be Funded Locally from Council Tax	£158.043m

In moving his amendment, Councillor Ross advised that, to protect frontline jobs and services, his Group had used all money available in setting the budget and this included the £6 million probable outturn underspend, as set out in the Executive Committee report of 24 January 2024, rather than keeping it in reserves. He wished to thank the Corporate Management Team in bringing forward saving proposals and to the Finance team for ensuring the proposals were competent. From savings proposals of £18 million, only £7 million had been taken. Those included management efficiencies and the least harmful Resource saving proposals, while protecting all of the areas that raised concerns in the budget survey. He considered his budget amendment was balanced, measured, took cognisance of the views expressed by South Lanarkshire residents and was targeted at those families and communities in most need of the Council's help.

Councillor Chalmers, in seconding the amendment, said her Group had attended many community meetings and had based their amendment on what was heard. She considered that community empowerment needed relationship based engagement, trust and a partnership built on mutual respect between elected members and the communities they represented.

In response to Councillor Loudon's Point of Order, the Provost advised that she was trying to be equitable across the Chamber in allowing political debate. In relation to a further Point of Order by Councillor Clark in terms of people online not being able to raise their hands, the Provost confirmed that those who wished to speak should press their 'request to speak' buttons.

The Chief Executive, in response to a question from Councillor Watson, confirmed that both amendments had been checked by the Head of Finance (Strategy) and were deemed competent.

In response to a Point of Order from Councillor Ross following comments made by Councillor Convery, the Provost ruled that Councillor Convery should go no further in reading from the document.

Following a further Point of Order raised by Councillor Chalmers regarding behaviour and language, the Provost expressed her disappointment in the behaviour of some in the chamber in terms of consistent, sometimes irrelevant, Points of Order being disruptive to the meeting so asked that when making a Point of Order it be about a matter specific to the discussion at that particular time.

Having heard the views of a number of councillors, on a vote being taken by roll call, members voted as follows:-

Motion

Alex Allison, Ralph Barker, Walter Brogan, Robert Brown, Mathew Buchanan, Andy Carmichael, Gerry Convery, Margaret Cooper, Poppy Corbett, Margaret Cowie, Maureen Devlin, Joe Fagan, Allan Falconer, Ross Gowland, Lynsey Hamilton, Celine Handibode, Mark Horsham, Martin Hose, Gavin Keatt, Susan Kerr, Ross Lambie, Martin Lennon, Richard Lockhart, Eileen Logan, Catherine McClymont, Kenny McCreary, Lesley McDonald, Mark McGeever, Davie McLachlan, Richard Nelson, Norman Rae, Mo Razzaq, Graham Scott, Bert Thomson, Margaret B Walker, David Watson, Kirsty Williams

Amendment

John Anderson, John Bradley, Janine Calikes, Maureen Chalmers, Ross Clark, Andrea Cowan, Colin Dewar, Mary Donnelly, Grant Ferguson, Gladys Ferguson-Miller, Elise Frame, Alistair Fulton, Geri Gray, Cal Johnston-Dempsey, Katy Loudon, Hugh Macdonald, Julia Marrs, Ian McAllan, Elaine McDougall, Carol Nugent, John Ross, David Shearer, Helen Toner

37 members voted for the motion and 23 for the amendment. The motion was declared carried.

The Council decided:

- (1) that the Budget Gap of £20.570 million be noted;
- (2) that the assumptions detailed at paragraph 7.2, used to arrive at the Budget presented in section 7, be noted;
- (3) that the amount of savings, the level of Council Tax, investments and the Use of Reserves to be used to balance the 2024/2025 Budget, as detailed in Councillor Fagan's motion, be agreed;
- (4) that it be noted that the budget figures detailed at section 7, based on the assumptions in sections 7.2 and 7.3, would be updated to reflect the agreed Budget;
- (5) that the potential impact of savings beyond 2024/2025 be noted; and
- (6) that the Revenue Budget for 2024/2025, including the base budget allocations to Resources, as shown in Appendix 3, be approved.

[Reference: Minutes of the Executive Committee of 24 January 2024 (Paragraph 8)]

In terms of Standing Order No 14, the Provost adjourned the meeting during this item of business at 12.10pm to allow members time to read both amendments. The meeting reconvened at 12.20pm. A second adjournment, for an eye break, commenced at 12.40pm and the meeting resumed at 12.50pm. Following this item of business, a further adjournment commenced at 2.11pm and the meeting reconvened at 2.52pm

Councillors A Buchanan and Horne left the meeting during this item of business and prior to the vote

Councillor Robb, having declared an interest in the above item, left the meeting during its consideration

3 Recommendation Referred by Executive Committee – Housing Revenue and Capital Account Budget for 2024/2025

A report dated 21 February 2024 by the Chief Executive was tabled on recommendations referred to the Council by the Executive Committee of 21 February 2024. The recommendations were as follows:-

- ◆ **Housing Revenue and Capital Account Budget 2024/2025**
 - ◆ that the rent increase of 6.50% to be applied in 2024/2025 with a further 6.50% increase in 2025/2026 and again in 2026/2027 subject to annual review and customer engagement for all Council houses, Gypsy/Traveller sites, lockups and garage sites and the revenue estimate proposals for the Housing Revenue Account (HRA), as detailed in Appendix 1 to the report to the Housing and Technical Resources Committee, be approved
 - ◆ that the findings of the HRA Loans Fund Review, as detailed in Section 4 of the report to the Housing and Technical Resources Committee, be approved for implementation
 - ◆ that based on the rent increase of 6.50%, the 2024/2025 Housing Capital Programme of £77.303 million, as detailed in Appendix 2 to the report to the Housing and Technical Resources Committee, be approved

The Council decided: that the recommendations of the Executive Committee of 21 February 2024 in relation to the Housing Revenue and Capital Account Budget 2024/2025 be approved.

[Reference: Minutes of the Executive Committee of 21 February 2024 (Paragraph 6) and Minutes of the Housing and Technical Resources Committee of 7 February 2024 (Paragraph 8)]

Councillor McGeever left the meeting during this item of business

4 2024/2025 Capital Programme Update

A report dated 30 January 2024 by the Chief Executive was submitted on the proposed General Services Capital Programme for 2024/2025, reflecting the spend requirements identified by Resources and the availability of funding.

The proposed Capital Programme for 2024/2025 had taken account of ongoing programmes of work and priorities, commitments from the approved Glasgow City Region City Deal Programme, as well as incorporating the programme moves and additions from financial year 2023/2024.

Capital grant for 2024/2025 had seen a significant reduction of £1.9 million on the funding available in financial year 2023/2024. There had also been reductions in funding allocated to partner organisations which impacted on Council projects.

The level of funding available to support the programme was provided at Section 5 of the report, with a detailed breakdown of funding sources included as Appendix 4 to the report.

As part of the 2023/2024 Revenue Budget, an allocation of £1.182 million had been approved to pay for the cost of borrowing £13 million of capital investment for a Leisure and Culture Transformation Fund. A process for identifying projects was being progressed and initial proposals would be brought to the Executive Committee in May 2024 for approval.

Funding of £11.900 million had previously been approved for the replacement of Larkhall Leisure Centre. As this funding would be insufficient to cover the anticipated cost of the project, it was proposed that an additional £12 million be earmarked in future capital programmes to address the estimated budget gap and allow the project to progress.

Details of the proposed 2024/2025 capital programme, totalling £49.512 million, were as follows:-

	£million
Ongoing programmes of work (paragraph 4.2 and Appendix 1)	18.200
New priority projects (paragraph 4.3)	1.500
Specific capital projects (paragraphs 4.4 and 4.5)	1.865
Glasgow City Region City Deal (paragraph 4.6)	4.747
Clyde Gateway (paragraph 4.7)	0.800
Leisure and Culture Transformation Fund (paragraphs 4.8 and 4.9)	-
Larkhall Leisure Centre – additional (paragraphs 4.10 to 4.14)	-
Projects approved in previous financial years (paragraphs 4.15 and 4.16)	6.827
Secondary school estate – capacity issues (paragraphs 4.17 and 4.18)	-
2023/2024 movements (paragraph 4.19)	40.008
2024/2025 movements (paragraph 4.20)	(23.390)
Reduction in match funding requirements (paragraphs 4.21 and 4.22)	(1.045)

The Chief Executive highlighted that Table 1, showing the compilation of the capital programme, did not take account of:-

- ◆ the £13 million for the Leisure and Culture Transformation Fund
- ◆ any additional money for Larkhall Leisure Centre
- ◆ any additional money in respect of secondary estate capacity issue
- ◆ the consequences in the capital programme of decisions that were taken earlier in the meeting when setting the Council's Revenue Budget which would direct more spend through the capital programme. Those would be added in and reported to committee in the new financial year

Bids for additional funding in 2024/2025 had been submitted to Strathclyde Partnership for Transport (SPT) to progress the existing projects at Hairmyres Park and Ride and Lanark Interchange. SPT had advised that funding reductions to their 2024/2025 budget would have an impact on the level of grant funding they could provide to local authorities. As a result, this expenditure had not been included in the 2024/2025 Capital Programme at this time. An update would be provided to members when the outcome of discussions with the Scottish Government were known, however, it was noted that there was a risk to the projects if this funding was not received.

Local members were heard in support of the replacement of Larkhall Leisure Centre.

The Chief Executive and Executive Director (Community and Enterprise Resources) responded to members' comments and questions in respect of Larkhall Leisure Centre, Hairmyres Park and Ride, Lanark Interchange and the bid to the Scottish Government's Learning Estate Improvement Programme (LEIP).

The Council decided:

- (1) that the 2024/2025 Capital Programme totalling £49.512 million, as detailed in paragraph 4.23 and Appendix 3 of the report, be approved and augmented taking account of decisions taken earlier as part of agreement of the Revenue Budget 2024/2025; and
- (2) that the funding for Larkhall Leisure Centre for the period to 2027/2028, as detailed in paragraphs 4.10 to 4.14, be approved.

Councillor Nelson left the meeting following this item of business

5 Prudential Indicators, Treasury Management Strategy and Annual Investment Strategy 2024/2025

A report dated 30 January 2024 by the Chief Executive was submitted on the:-

- ◆ Prudential Code indicators for 2024/2025 to 2026/2027
- ◆ Council's Treasury Management Strategy for 2024/2025
- ◆ Council's Annual Investment Strategy for 2024/2025

The Prudential Code for Capital Finance in Local Authorities was introduced through the Local Government (Scotland) Act 2003 with the aim of supporting strategic planning for capital investment at a local level.

The key objectives of the Prudential Code were to ensure, within a clear framework, that:-

- ◆ local authorities' capital expenditure plans were affordable, prudent and sustainable
- ◆ treasury management decisions were taken in accordance with good professional practice and in full understanding of the risks involved and how those risks would be managed to levels that were acceptable to the organisation

The Prudential Indicators for 2024/2025 to 2026/2027 were shown in Appendix 2, together with explanations for each indicator. An updated position for 2023/2024 was also included.

The Prudential Indicators included estimates of capital expenditure. When considering potential capital investment, the Council ensured that the objectives of capital investment were in line with its strategic plans and informed through the asset management planning process.

The Council's treasury activities were regulated by statute and a professional code of practice. The Treasury Management Strategy for 2024/2025 was detailed at Appendix 3 to the report. The main areas covered by the Strategy were:-

- ◆ debt and investment projections
- ◆ expected movement in interest rates
- ◆ borrowing strategies
- ◆ statutory repayment of loans fund advances

The level of borrowing required to fund the Council's Capital Programme, together with the variable nature of interest rates, increased the risks associated with the treasury management function. The Council would, therefore, take a cautious approach to its Treasury Strategy by setting treasury management indicators to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of adverse movements in interest rates.

The Local Government Investments (Scotland) Regulations 2010 provided a formal investment framework for councils. The Regulations required an Annual Investment Strategy, detailing the permitted investments to be approved by the Council.

The Annual Investment Strategy for 2024/2025 was attached as Appendix 4 to the report.

The Head of Finance (Strategy) highlighted the steps the Council had taken in terms of ensuring its money was invested for positive change and did not fuel the climate and ecological crises, as well as ways in which it could incorporate additional factors covering climate change and sustainability into the creditworthiness assessment service.

The Council decided:

- (1) that the Prudential Code indicators for 2024/2025 to 2026/2027 be approved;

- (2) that the 2024/2025 Treasury Management Strategy be approved; and
- (3) that the Annual Investment Strategy be approved.

Councillor Cowan left the meeting during this item of business

6 Urgent Business

There were no items of urgent business.