

EXECUTIVE COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 28 February 2018

Chair:

Councillor John Ross (ex officio)

Councillors Present:

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

Councillors' Apologies:

Maureen Chalmers (Depute), Colin McGavigan, Davie McLachlan, Richard Nelson

Attending:

Chief Executive's Service

L Freeland, Chief Executive

Community and Enterprise Resources

M McGlynn, Executive Director

Education Resources

T McDaid, Executive Director

Finance and Corporate Resources

P Manning, Executive Director; G Bow, Administration Manager; G McCann, Head of Administration and Legal Services; K McVeigh, Head of Personnel Services; J Taylor, Head of Finance (Strategy); L Wyllie, Administration Assistant

Housing and Technical Resources

D Lowe, Executive Director

Social Work Resources/Health and Social Care

L Purdie, Head of Children and Justice Services

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Executive Committee held on 31 January 2018 were submitted for approval as a correct record.

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

3 Capital Budget Monitoring for Period 11 - 1 April 2017 to 5 January 2018

A report dated 24 January 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the physical and financial progress at 5 January 2018 on the various Capital Programmes.

The General Fund Capital Programme included Education Resources, Social Work Resources, Roads and Transportation and General Services. The General Fund Programme totalled £78.317 million and the Housing Programme £40.581 million. At 5 January 2018, £41.605 million had been spent on the General Fund Capital Programme and £25.142 million on the Housing Capital Programme.

The General Fund Programme had been increased from £78.291 million to £78.317 million to take account of a proposed adjustment detailed in Appendix 2 to the report.

Following a probable outturn exercise, it was forecast that the total spend to 31 March 2018 would be £65.313 million. This was an underspend of £13.004 million, mainly due to the Primary Schools' Modernisation Programme.

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

The Committee decided:

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

[Reference: Minutes of 31 January 2018 (Paragraph 3)]

4 Revenue Budget Monitoring for Period 11 - 1 April 2017 to 5 January 2018 and 2017/2018 Probable Outturn

A report dated 15 January 2018 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period ending 5 January 2018.

The figures included an underspend of £1.125 million on the General Fund Revenue Account and a breakeven position on the Housing Revenue Account.

A number of factors impacting on the Revenue Budget 2017/2018 were detailed in the report.

Following a probable outturn exercise, it was forecast that there would be an underspend of £0.500 million at 31 March 2018. This amount would be transferred to the Uncommitted General Fund.

The Committee decided:

- (1) that the underspend on the General Fund Revenue Account of £1.125 million at 5 January 2018 and forecast underspend to 31 March 2018 of £0.500 million be noted; and
- (2) that the breakeven position on the Housing Revenue Account at 5 January 2018 and the forecast outturn to 31 March 2018 of a breakeven position be noted.

[Reference: Minutes of 31 January 2018 (Paragraph 4)]

5 Trading Services' Financial Performance for Period 11 - 1 April 2017 to 5 January 2018

A report dated 15 January 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the projected financial results for 2017/2018 for the Council's Trading Services.

In the period to 8 December 2017, the target for Trading Services' surpluses was revised to £9.905 million to reflect a decrease to the budgeted trading surplus of £0.138 million. In the period to 5 January 2018, this figure had been further revised to £9.907 million to reflect a transfer of budget from the Fleet Trading Operation to Community and Enterprise Resources of £0.002 million.

At 5 January 2018, surpluses of £7.100 million had been achieved.

Following a probable outturn exercise, it was forecast that the surplus at 31 March 2018 would be £9.753 million.

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

The Committee decided:

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

[Reference: Minutes of 31 January 2018 (Paragraph 5)]

6 Housing Revenue and Capital Account Budget 2018/2019 - Recommendations Referred from Special Housing and Technical Resources Committee

A report dated 22 February 2018 by the Chief Executive was submitted on recommendations referred to this Committee by the special meeting of the Housing and Technical Resources Committee of 21 February 2018.

The recommendations of the special Housing and Technical Resources Committee were as follows:-

- ◆ that the Housing Revenue Account Budget 2018/2019 and the Housing Capital Programme 2018/2019 be endorsed and referred to the Council for approval subject to the removal of the following from the Housing Revenue Account savings proposals for 2018/2019 in relation to the rationalisation of services in tower blocks:-
 - ◆ removal of Greenhill Court, East Kilbride night shift cover £0.087 million
 - ◆ reduction in communal cleaning £0.021 million
 - ◆ rationalisation of the laundry service £0.010 million

The Committee decided: that the recommendations referred by the Housing and Technical Resources Committee (special) of 21 February 2018 be endorsed and referred to the Council for approval.

[Reference: Minutes of special meeting of Housing and Technical Resources Committee of 21 February 2018 (Paragraph 2)]

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

A report dated 21 February 2018 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ the updated level of grant funding allocated to the Council in 2018/2019
- ◆ an updated prioritised package of savings proposals developed in preparation for the 2018/2019 budget

As part of the budget process, the Scottish Government had notified councils of additional grant funding of £2.053 million for 2017/2018 and £7.440 million for 2018/2019. It was proposed to allocate the £2.053 million to Reserves and combine the 2 amounts, giving an overall benefit of £9.493 million to the 2018/2019 Revenue Budget Strategy which, when added to the level of benefit previously identified, showed a revised overall benefit to the original budget strategy of £25.893 million.

It was proposed that the 2018/2019 Budget Strategy include an anticipated £3.800 million based on an increase in Council Tax of 3% which would increase the net benefit to the strategy to £29.693 million.

To reflect this improved position, it was proposed that the savings package be reduced by an additional £1.429 million which, when combined with previous savings package reductions proposed on 31 January 2018 of £6.855 million, gave an overall proposed reduction in the original savings package of £8.284 million. The savings removed or reduced from the original savings package were detailed in the report.

Taking account of the additional grant funding made available to the Council, it was proposed that £8.545 million be used to invest in new initiatives around the following areas:-

◆ Free Breakfast Clubs	(£0.225 million)
◆ Holiday Lunch Clubs	(£0.225 million)
◆ Year of Young People	(£0.050 million)
◆ Free Lets for Parent Council / Parent/Teacher Association	(£0.070 million)
◆ Extending Concessions for Under 16 Clubs	(£0.035 million)
◆ Uplift in Grants Paid to Third Sector Organisations	(£0.080 million)
◆ Teachers plus Classroom Support	(£3.000 million)
◆ Employability – Early Years and Social Care	(£4.000 million)
◆ Free School Meals and Clothing grant	(£0.860 million)

Those reductions in savings would result in the impact on the strategy of an additional £12.864 million after the Grant settlement and Council Tax increase.

It was proposed that £10.500 million of the £12.864 million improvement in the strategy position be used to reinstate Reserves into 2019/2020, leaving a balance of £2.364 million. This would reduce the Reserves required for 2019/2020 to offset the level of savings from the previously agreed £5.300 million to £2.936 million.

A package of savings totalling £15.245 million had been developed and was detailed in the appendices to the report. The package of savings had been amended to reflect the removal/amendments of savings totalling £8.284 million. The savings had been broken down into the following categories:-

◆ savings previously approved	£0.234 million
◆ efficiency and outturn	£8.376 million
◆ charging	£0.274 million
◆ service impact	£6.361 million

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

The allocation of General Capital Grant for 2018/2019 totalling £27.607 million had been confirmed. The approved Capital Budget for 2018/2019 had been based on an estimate of £24.000 million, therefore, there was an additional £3.607 million of General Capital Grant for use in 2018/2019. It was proposed that £3.000 million be allocated to the improvement of footways (£1.000 million) and carriageways (£2.000 million) to mitigate the impact of the Roads Carriageway savings contained in the overall savings package.

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

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

Councillor Ross, seconded by Councillor Craig, moved that the recommendations contained in the report be approved. Councillor Allison, seconded by Councillor Le Blond, moved the following amendment:-

Proposal as per 28 February 2018 paper			Amendment Proposed to Budget Paper			Amendment impact on Budget
Council Tax Increase	3% Increase (section 6)	£3.8m	Amendment	1% Increase	£1.3m	-£2.500m
Savings Removed	As per Executive Committee Report 28 Feb (Section 7)	£8.284m	Amendment	As detailed below (see tables 2a-c)	£9.063m	-£0.779m
New Initiatives	As per Executive Committee Report 28 Feb (Sections 8 & 9)	£8.545m	Amendment	As detailed below (see tables 3a-c below)	£7.225m	+£1.320m
Changes to Temporary Corporate Funding Solutions	As per Executive Committee Report 28 Feb (Section 10)	£12.864m	Amendment		£10.905m	+£1.959m
			Total impact of amendment			£0

- Council Tax:** That the proposed increase to Council Tax be 1%, and not 3% as proposed in the report (page 39 Section 6). **This would represent a cost to the budget strategy of £2.500 million.**

2. **Savings Removed:** That £9.063 million of savings be removed from the savings package, rather than £8.284 million as proposed in the report (section 7). This was made up of:-
- ◆ reduction in the savings removed (Table 2a below) – Reduction in cost of £3.799 million
 - ◆ additional savings to be removed (Table 2b below) – Cost of £1.279 million
 - ◆ full savings to be removed (Table 2c below) – Cost of £3.299 million
 - ◆ **those changes would result in a total cost to the budget of £0.779 million.**
3. **New Initiatives:** That New Initiatives of £7.225 million be proposed, as opposed to £8.545 million of New Initiatives as proposed in the report (sections 8 and 9). This was made up of:-
- ◆ removal of new initiatives (Table 3a below) – Reduction in Cost of £1.270m
 - ◆ Reduction in New Initiatives (Table 3b below) – Reduction in Cost of £3.500m
 - ◆ Additional New Initiatives (Table 3c below) – Cost of £3.450m
 - ◆ **These changes would result in a total reduction in cost to the budget of £1.320m.**
4. **Changes to Temporary Corporate Funding Solutions:** That the use of funds to offset Corporate Funding Solutions be set at £10.905m, as opposed to the Executive Committees proposal of £12.864m (section 10). **This is a reduction in the cost of the budget of £1.959m.**

Table 2a: Reduction in Savings to be removed.

The Report proposes the removal of a number of savings from the originally presented savings package (this is covered in section 7 of report of the 28 February). This amendment proposes that the following savings are not removed from the Savings Package:

Ref.	Description	FTE	Value £m
COR02	Business Support	20.0	0.500
CER02	Staffing Structure - Roads Contracting Restructure	2.0	0.250
CER06	Pitch Maintenance Regime	1.0	0.029
CER10	South Lanarkshire Leisure and Culture Staffing Structure – Saving Reduced	4.8	0.240
CER18	Halls Staffing Structure	2.7	0.058
CER29	Market Surveillance Approach to Trading Standards Inspections	2.0	0.080
CER31	Planning and Economic Development Service – Saving Reduced	3.0	0.150
CER33	Employability Programmes		0.480

Ref.	Description	FTE	Value £m
CER37	Remove Night Shift Council Officer Cover at HQ and Realign Frequency of Duties in all Principle Offices	4.9	0.146
CER40	Town Centre Maintenance	-	0.020
CER42	Payments to Other Bodies	-	0.012
CER44	Rationalisation of Library Attendants – Saving Reduced	2.0	0.038
CER46	Community Managed Halls	1.0	0.025
CER49	Provision of Cleaning in Council Offices and Depots	12.4	0.150
EDR02	Realignment of Property Costs, Supplies and Services and Administration Costs Budgets	-	0.337
EDR07	Behaviour Support in Secondary Schools	3.0	0.085
FCR07	Supported Employment and Management	1.0	0.200
FCR08	IT Services	9.0	0.810
HTR05	Lindsay House	2.0	0.060
SWR04	In House Care Support Services	-	0.100
Charges:			
CER23	Price Increases – Calderglen Zoo	-	0.029
	TOTAL	70.8	3.799

This represents a reduction in the cost to the budget strategy of £3.799m (70.8 FTE)

Table 2b – Additional savings to be removed

The Report proposes the removal of a number of savings from the originally presented savings package (this is covered in section 7 of report of the 28 February). This amendment proposes that, in addition, the following savings are also removed from the Savings Package:

Ref.	Description	FTE	Value £m
CER28	Litter enforcement	2.0	-0.050
CER30	Fleet management – saving reduced	-	-0.286
CER43	Tourism Marketing	-	-0.018

Ref.	Description	FTE	Value £m
EDR09	School Technicians	10.5	-0.350
HTR02	Planned and Reactive Maintenance	-	-0.575
	TOTAL	12.5	-1.279

This represents a cost to the budget strategy of £1.279m (12.5 FTE)

Table 2c – Full savings to be removed

The Report proposes the part removal of a number of savings from the originally presented savings package (this is covered in section 7 of report of the 28 February). This amendment proposes that, in addition, the remainder of the following savings are also removed from the Savings Package:

		Proposed Value Removed £m	FTE Impact	Impact on Budget £m
CER07	Grounds Staffing Structure – full saving removed	0.075	1	-0.038
CER27	Environmental Services – full saving removed	0.180	2	-0.090
CER41	Business Support Grants – Full saving removed	0.160	1	-0.045
CER45	Carriageway Resurfacing Programme – full saving removed	4.366		-3.000
SWR05	Adult and Older People Day Care	0.550		-0.100
CER24	Activage Membership	0.200		-0.013
SWR01	Increase in charge for Community Alert Alarm	0.130		-0.013
Total			-4	-3.299

This represents a cost to the budget strategy of £3.299 (4 FTE)

Table 3a: Removal of New Initiatives

The Report proposes a number of New Initiatives (this is covered in sections 8 & 9 of report of the 28 February). This amendment proposes that the following new initiatives be removed and should not form part of the approved budget.

	Impact on Budget £m
Holiday Lunch Clubs	0.225
Free Lets for Parent Council / PTA fundraising	0.070

	Impact on Budget £m
Extending Concessions for under 16 Clubs	0.035
Uplift in grants to third sector Organisations	0.080
Free school meals and clothing grants	0.860
TOTAL	1.270

This represents a reduction to the cost to the budget strategy of £1.270m

Table 3b – Reduction in New Initiatives

The Report proposes a number of New Initiatives (this is covered in section 8 & 9 of report of the 28 February). This amendment proposes that the following new initiatives should not be approved in full, but should instead be included as part of the approved budget in reduced form.

	Proposed New Initiative £m	Impact on Budget £m
Teachers plus classroom support	3.000	1.500
Employability – Early years and Social Care	4.000	2.000
TOTAL		3.500

This represents a reduction to the cost to the budget strategy of £3.500m

Table 3c – Additional New Initiatives:

The Report proposes a number of New Initiatives (this is covered in sections 8 & 9 of report of the 28 February). This amendment proposes that the following new initiatives should be included in the approved budget.

	£m
Add : Free School Budgets This will be distributed to schools on a per head basis (approx. £22) This will allow the head teacher a fund to use for the benefit of the school in the way that best suits the school.	-1.000
Add : Residential Gritting Pilot In the winter weather residential areas path clearing and gritting is not always possible. This pilot project is to identify ways that council can support local residents to clear their own areas and have access to primary gritting routes.	-0.400

	£m
Add : Additional Investment in Roads and pavements The current maintenance budget for roads and paths is not capable of maintaining the roads and paths in an acceptable standard. This increase is to address this problem	-1.500
Add : Primary School Property The new primary schools are an asset to the education of our pupils it is essential that the buildings and land are kept and adapted in a prime condition	-0.250
Add : Halls Many of our halls are in need of attention and this is to support an increased level of maintenance on these buildings.	-0.300
Total	-3.450

This represents a cost to the budget strategy of £3.450m

Councillor Brogan, seconded by Councillor Devlin, moved as a second amendment the following:-

Proposal as per 28 February 2018 paper			Amendment Proposed to Budget Paper		Amendment impact on Budget	
Council Tax Increase	3% Increase (section 6)	£3.8m	No change		£3.8m	
Savings Removed	As per Executive Committee Report 28 Feb (Section 7)	£8.284m	Amendment	As detailed below (see table 2 below)	£11.384m	-£3.100 m
New Initiatives	As per Executive Committee Report 28 Feb (Sections 8 & 9)	£8.545m	No Change		£8.545m	
Changes to Temporary Corporate Funding Solutions	As per Executive Committee Report 28 Feb (Section 10)	£12.864m	Amendment	See section 1.4.(2) below	£9.764	£3.100 m
			Total impact of amendment		£0	

5. **Savings Removed:** That £11.384m of savings be removed from the savings package, rather than £8.284m as proposed in the Executive Committee paper (section 7). This is made up of :

- ◆ Full Savings to be removed (Table 2 below) – Cost of £3.100 m
- ◆ **Those changes would result in a total cost to the budget of £3.100m**

6. **Changes to Temporary Corporate Funding Solutions:** The Labour Amendment is to offset the additional £3.1m cost to the budget through additional use of Reserves. The change in the budget paper to allow this is through a reduction in the funding used to Change Temporary Corporate Funding Solutions. **This is a reduction in the cost of the budget of £3.1m**

Table 2 – Full savings to be removed

The Report proposes the part removal of a number of savings from the originally presented savings package (this is covered in section 7 of report of the 28 February). This amendment proposes that, in addition, the remainder of the following savings are also removed from the Savings Package:

		Proposed Value Removed £m	Impact on Budget £m
CER45	Carriageway Resurfacing Programme – full saving removed	4.366	-3.000
SWR05	Adult and Older People Day Care – full saving removed	0.550	-0.100
Total			-3.100

This represents a cost to the budget strategy of £3.100 m

On a vote being taken by a show of hands between the second amendment (moved by Councillor Brogan and seconded by Councillor Devlin) and the first amendment (moved by Councillor Allison and seconded by Councillor Le Blond), 8 members voted for the second amendment and 6 voted for the first amendment. The second amendment was declared carried and placed against the motion. On a vote being taken by a show of hands, 8 members voted for the amendment and 14 voted for the motion which was declared carried.

The Committee decided:

- (1) that the updated 2017/2018 grant allocation and the transfer of £2.053 million to Reserves be approved;
- (2) that the updated summary of the 2018/2019 Revenue Budget, including the additional grant allocation, be noted;
- (3) that the inclusion in the budget strategy of an anticipated increase to Council Tax of 3% be endorsed and referred to the Council for approval;
- (4) that the new initiatives detailed in the report be approved;
- (5) that the proposed changes to the corporate solutions of £10.500 million be approved;

- (6) that the package of already approved savings totalling £0.234 million be noted;
- (7) that the remaining package of savings totalling £15.011 million be approved; and
- (8) that the use of £3.000 million of additional General Capital Grant totalling £3.607 million to improve footpaths and roads carriageways, as detailed in the report, be approved.

8 Revenue Budget and Level of Local Taxation 2018/2019

A report dated 21 February 2018 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ the outcome of the budget process and the content of the Council's Revenue Budget for 2018/2019
- ◆ the proposed Revenue Budget for 2018/2019 and base budget allocation to Resources
- ◆ the proposed level of Council Tax for 2018/2019
- ◆ arrangements to monitor and review budgetary performance at Service, Resource and corporate levels

Following approval of the previous agenda item, in relation to the overall position of revenue budget 2018/2019 and savings proposals, the revenue budget for 2018/2019 was now £684.493 million and was made up as follows:-

	£ million
Total Services Gross Expenditure	837.356
Deduct: Total Services Gross Income	203.781
Net Service Spending	633.575
Add: Loan Charges	57.772
Add: Corporate Items	4.605
Deduct: Surplus from Trading Services	11.459
Net Expenditure	£684.493

Proposed base revenue budgets for Resources, taking account of the revised savings for all Resources and savings from cross Resource reviews, were as follows:-

	2018/2019 Proposed Phased Budget
	£ million
Community and Enterprise Resources	116.849
Education Resources	313.699
Finance and Corporate Resources	31.899
Housing and Technical Resource	17.371
Social Work Resources	151.379
Total	£631.197

In addition, it was proposed that the 2018/2019 Revenue Budget for Joint Boards be set at £2.378 million.

The budget was conditional on the approval of the Local Government Finance (Scotland) Order and a Finance Circular confirming this would be issued on 6 March 2018. A report would be submitted to the next meeting of this Committee noting receipt of the Circular to allow this condition to be purified.

An update on the following elements and their impact on the 2018/2019 Revenue Budget was provided:-

- ◆ the Living Wage

- ◆ Government Grant
- ◆ Non-Domestic Rates
- ◆ Council Tax and Other Balances

In terms of Council Tax, it was suggested that a yield of £128,534 for £1 tax at Council Tax Band D be used in the 2018/2019 budget. This represented an increase when compared to 2017/2018 due to an increase in the number of properties. At 97.125%, this represented a continuation of the collection rate performance achieved in recent years.

It was proposed that the governance arrangements, incorporating the work carried out by the Performance and Review Scrutiny Forum, the Risk and Audit Scrutiny Forum and the Financial Resources Scrutiny Forum be continued.

A number of actions which were required to finalise the Council's Revenue Budget for 2018/2019 were detailed.

In relation to 2018/2019 Council Tax annual billing, the Council would replace the printed budget insert currently provided to all households with online information and associated guidance on how to access budget information.

The Committee recommended to the Council:

- (1) that the Revenue Budget for 2018/2019, as detailed above, be approved;
- (2) that the budget allocations for each Resource, as detailed above, be approved;
- (3) that the Band D Council Tax for 2018/2019 be set at a figure of £1134;
- (4) that the actions required to finalise the Council's detailed Revenue Budget for 2018/2019 be approved; and
- (5) that, in line with the Council's governance arrangements, the functions carried out by the Performance and Review Scrutiny Forum, the Risk and Audit Scrutiny Forum and the Financial Resources Scrutiny Forum be continued in 2018/2019.

[Reference: Minutes of 31 January 2018 (Paragraph 7)]

9 Pay Model Structure and Living Wage

A report dated 20 February 2018 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ updated arrangements in respect of the Living Wage
- ◆ proposed changes to the Council's pay model, across all grades, to be implemented on a phased basis over a 2 year period, with initial changes being applied from 1 April 2018

It was proposed that the Council restructure the current pay model. Details of how this would impact on existing pay grades were provided in the report, together with changes to specific pay grades which were detailed in an attached appendix.

The principles of the restructure had been discussed with the Trades Unions and further consultation would continue throughout the implementation of the restructuring process.

Any pay offer for 2018/2019 would be applied, once approved, to the current hourly rates for pay. If the pay award for 2018/2019 was 3%, this would make the Council's entry level on the lowest spinal column to £9.00 per hour.

The changes in the pay model, which would cost an estimated £0.500 million, had been taken into account in the 2018/2019 budget strategy.

The Committee decided:

- (1) that the proposed restructure of the current pay model phased over a 2 year period, as detailed in the report, be approved;
- (2) that the changes to grades and levels, as detailed in the report and attached appendix, be implemented on a phased basis commencing on 1 April 2018; and
- (3) that the Council's living Wage of £9.00 per hour, based on a 3% pay award commencing on 1 April 2018, be noted.

[Reference: Minutes of South Lanarkshire Council of 16 February 2017 (Paragraph 4)]

10 Capital Programme 2017/2018 to 2019/2020 - Update

A report dated 5 February 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the updated General Services Capital Programme for financial years 2017/2018 to 2019/2020.

The General Services Capital Account for the 3 financial years 2017/2018 to 2019/2020 had been approved on 16 February 2017. Since that approval had been given, a number of changes had been approved by this Committee throughout 2017/2018 which had added £26.276 million to the expected spend in 2018/2019. Details of those adjustments were detailed in an appendix to the report.

In addition, work was ongoing on the undernoted elements of the Programme which would have an impact on its profile expenditure:-

- ◆ Clyde Gateway
- ◆ Glasgow Region City Deal
- ◆ Replacement Care Facilities in Social Work

Taking account of all adjustments had resulted in a revised capital budget for 2018/2019 and 2019/2020 totalling £126.478 million. The various elements making up the Programme were summarised in the report, together with a proposed programme and funding package which were detailed in appendices to the report.

Scottish Government General Capital Grant of £27.607 million had been confirmed for 2018/2019 which was £3.607 million above the £24.000 million contained in the Programme. It had been agreed that £3.000 million of this allocation be invested in footways and carriageways to help mitigate the impact of the Roads Carriageway saving for 2018/2019. It was proposed that the remaining £0.607 million be allocated as follows:-

- | | |
|--|----------------|
| ◆ Springhall Regeneration Project | £0.307 million |
| ◆ Bin store areas at various locations | £0.200 million |
| ◆ Enhancement of War Memorials | £0.100 million |

The potential impact on the programme of other emerging capital issues including Education Growth and Capacities and the Expansion of Early Years from 600 hours per year to 1140 were detailed in the report.

The Committee decided:

- (1) that the adjustments to the expenditure profile in relation to Clyde Gateway, Glasgow City Region City Deal and Social Work, Residential Day Care Facilities be approved;
- (2) that confirmation of the level of General Capital Grant from the Scottish Government totalling £27.607 million, £3.607 million above what had been included in the 2018/2019 Capital Budget, be noted;
- (3) that the proposed use of the additional £3.607 million allocated to the Council, as detailed in the report, be approved;
- (4) that the General Fund Capital Programme for 2018/2019, totalling £126.478 million, as summarised in the report and detailed in the attached appendices, be approved; and
- (5) that the other emerging issues which would impact on the Capital Programme be noted.

11 Prudential Indicators 2018/2019 to 2020/2021, Treasury Management Strategy 2018/2019 and Annual Investment Strategy 2018/2019

A report dated 6 February 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the:-

- ◆ Prudential Code Indicators for 2018/2019 to 2020/2021
- ◆ Council's Treasury Management Strategy for 2018/2019
- ◆ Council's Annual Investment Strategy for 2018/2019

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

- ◆ local authorities' capital investment plans were affordable, prudent and sustainable
- ◆ treasury management decisions were made 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

To meet the objectives of the Prudential Code, the Council was required to:-

- ◆ report on a number of indicators
- ◆ use those indicators to demonstrate the affordability and sustainability of its capital plans
- ◆ show good treasury management practice

The Prudential Code and the resulting indicators focused on the following main areas:-

- ◆ capital expenditure plans and asset management
- ◆ treasury management practices

Details were provided on the Prudential Indicators for 2018/2019 to 2020/2021 which had been categorised as follows:-

- ◆ capital expenditure, external debt and treasury management
- ◆ affordability

The Prudential Code indicators for 2018/2019 to 2020/2021 were detailed in Appendix 1 to the report, together with explanations for each indicator. An updated position for 2017/2018 was also included.

In terms of the Council's Financial Regulations and the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in Public Services Code of Practice, a Treasury Management Strategy required to be submitted to Committee each year for approval.

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 Strategy for adoption by the Council was detailed in Appendix 2 to the report.

The Local Government Investments (Scotland) Regulations 2010 had been introduced on 1 April 2010 and provided a formal investment framework for local authorities. While the regulatory framework provided greater freedom for local authorities in their investment activities, there was an onus on local authorities to act prudently in relation to investment and treasury management activities.

The 2 fundamental principles of the Investment Regulations were that councils were:-

- ◆ required to manage their investments and deposits in a way that minimised the risk to the capital sum and optimised the return on the funds consistent with those risks
- ◆ able to determine what investments they made, including both the type and duration of the investment

In terms of the Regulations, the Council was required to prepare an Annual Investment Strategy prior to the start of the financial year. The Annual Investment Strategy for 2018/2019, attached as Appendix 3 to the report, covered the following areas:-

- ◆ investment policy and strategy
- ◆ treasury management risks
- ◆ permitted investments
- ◆ risk management
- ◆ borrowing in advance
- ◆ investment projection 2018/2019 to 2020/2021
- ◆ prudential indicators
- ◆ Common Good investments

The Committee recommended to the Council:

- (1) that the Prudential Code indicators for the period 2018/2019 to 2020/2021, as detailed in Appendix 1 to the report, be approved;
- (2) that the Treasury Management Strategy for 2018/2019, as detailed in Appendix 2 to the report, be approved; and
- (3) that the Council's Annual Investment Strategy for 2018/2019, as detailed in Appendix 3 to the report, be approved.

[Reference: Minutes of special meeting of South Lanarkshire Council of 16 February 2017 (Paragraph 4)]

12 Land and Property Transfers and Disposals

A report dated 30 January 2018 by the Executive Director (Housing and Technical Resources) was submitted on recommendations to declare certain areas of land and property surplus to operational requirements.

The recommendations had been made in terms of agreed procedures for dealing with surplus land and property.

The Committee decided:

- (1) that the land in connection with minor disposals, as detailed in Appendix A to the report, be declared surplus to Council requirements; and
- (2) that the land and property detailed in Appendix B to the report, which would be the subject of negotiated transactions, be declared surplus to Council requirements.

13 Recommendations Referred from Resource Committees

A report dated 13 February 2018 by the Chief Executive was submitted on recommendations which had been referred to this Committee by the:-

- ◆ Education Resources Committee of 6 February 2018
- ◆ Social Work Resources Committee of 7 February 2018
- ◆ Finance and Corporate Resources Committee of 7 February 2018

The recommendations of the Resource Committees were as follows:-

Education Resources Committee

- ◆ that the Education Resources' Resource Plan for 2017/2018 be approved
- ◆ that the revised Admissions Policy for the allocation of places to all Early Years' Establishments be approved and implemented from the start of the new term in August 2018

[Reference: Minutes of the Education Resources Committee 6 February 2018 (Paragraphs 6 and 7)]

Social Work Resources Committee

- ◆ that the Social Work Resources' Resource Plan for 2017/2018 be approved

[Reference: Minutes of the Social Work Resources Committee of 7 February 2018 (Paragraph 6)]

Finance and Corporate Resources Committee

- ◆ that the Finance and Corporate Resources' Resource Plan for 2017/2018 be approved

[Reference: Minutes of the Finance and Corporate Resources Committee of 7 February 2018 (Paragraph 9)]

The Committee decided:

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

14 Single Use Items

A report dated 7 February 2018 by the Executive Director (Community and Enterprise Resources) was submitted on:-

- ◆ work carried out to review the use of single use items across the Council
- ◆ the development of an action plan to coordinate the continued reduction in the use of single use items through the Sustainable Development Member/Officer Working Group

Council Resources had, on an individual basis, been reviewing the use of single use items while looking to reduce or design out their use. A number of actions already implemented by Resources across the Council were detailed in the report.

In order to provide a more coordinated approach to this issue, it was proposed that the Sustainable Development Member/Officer Working Group coordinate the development of an action plan to:-

- ◆ reduce the Council's reliance on, and use of, single use items or evaluate possible alternatives that had a lesser impact on the environment
- ◆ assess the financial implications of any proposed changes
- ◆ report progress against the plan to this Committee on a 6 monthly basis

The Committee decided: that the Sustainable Development Member/Officer Working Group develop an action plan on the use of single use items and report progress to this Committee on a 6 monthly basis.

15 Amendments to Committee Memberships and Representation on Outside Bodies Etc

A report dated 8 February 2018 by the Executive Director (Finance and Corporate Resources) was submitted on action taken, in terms of Standing Order No 36(c), because of the timescales involved, by the Executive Director (Finance and Corporate Resources), in consultation with the Chair and an ex officio member, for amendments to Committees and outside body memberships.

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

- ◆ that Councillor Nugent be replaced by Councillor Lowe as a member of the Social Work Resources Committee
- ◆ that Councillor Lowe be replaced by Councillor Greenshields as a member of the Community and Enterprise Resources Committee
- ◆ that Councillor Brown be replaced by Councillor Cooper as a member of the Finance and Corporate Resources Committee
- ◆ that Councillor Brown be replaced by Councillor Greenshields as a member of the Licensing Committee
- ◆ that Councillor Greenshields be appointed as a substitute member of the Social Work Resources Committee

- ◆ that Councillor Shearer be replaced by Councillor Nugent as a substitute member of the Social Work Resources Committee
- ◆ that Councillor Calikes be replaced by Councillor Marrs as the Chair of the Corporate Connections Board
- ◆ that Councillor Marrs be replaced by Councillor Loudon on COSLA's Children and Young People Policy Board

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

16 Consultation on Electoral Reform

A report dated 14 February 2018 by the Chief Executive was submitted on the consultation being undertaken in terms of Electoral Reform which had been launched on 19 December 2017.

Members had been advised of the consultation and had been provided with a link so that they could respond prior to the closing date of 12 March 2018.

The SOLAR Elections Working Group would respond direct and the Scottish Assessors' Association were progressing a response on behalf of Assessors in Scotland.

The Chief Executive had been invited to respond and had the option of responding as Returning Officer or as an individual.

Due to the diverse nature of the consultation, a corporate response from the Council would not be submitted and, instead, individual elected members and political parties were encouraged to respond direct.

The Committee decided: that the report be noted.

17 Urgent Business

There were no items of urgent business.

18 Exclusion of Press and Public

The Committee decided: that, in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, the press and public be excluded from the meeting for the following item of business on the grounds that it was likely that there would be disclosure of exempt information in terms of Paragraphs 8 and 10 of Part I of Schedule 7A of the Act.

19 Greenhills Road/A726 Strathaven Road Corridor Improvement - Final Business Case

A joint report dated 9 February 2018 by the Executive Directors (Community and Enterprise Resources) and (Finance and Corporate Resources) was submitted on:-

- ◆ the Final Business Case for Greenhills Road/A726 Strathaven Road, East Kilbride Corridor Improvement Project
- ◆ the next steps in delivering the project

The Full Business Case, which had been produced for the Greenhills Road/A726 Strathaven Road, East Kilbride Corridor Improvement Project, continued to make the case for the project in terms of:-

- ◆ strategic fit
- ◆ options appraisal
- ◆ commercial aspects
- ◆ economic case
- ◆ financial case
- ◆ sustainability case
- ◆ project governance and management

Tender returns had been evaluated and it was expected that the decision to award the contract would be made by the City Deal Chief Executive's Group on 29 March 2018. This approval would release the funding necessary to deliver the proposed works.

In order to deliver the works, it was considered necessary to add the following 2 posts to the establishment of Roads and Transportation Services on a fixed terms basis of 23 months:-

- ◆ 1 post of Project Manager at Grade 4, Level 2, SCP 79-94 (£38,030 to £47,593)
- ◆ 1 post of Engineering Officer at Grade 3, Level 8, SCP 75-94 (£35,841 to £38,614)

Those posts would be funded through City Deal.

Discussions were taking place with Public Utility Companies to finalise costs for this project and it was expected that 75% of the finalised costs would be paid upfront in April/May 2018, with the remaining 25% paid on completion of the project.

The principle of upfront payments to Utility Companies was common across all transport projects where diversions were required in order to deliver the projects in a timely and coordinated way.

The Committee decided:

- (1) that the Final Business Case for the Greenhills Road/A726 Strathaven Road, East Kilbride be approved;
- (2) that the next steps in delivering the project be approved;
- (3) that authority be granted to the Executive Director (Community and Enterprise Resources) to make any necessary revisions to the final Business Case following the review by the Glasgow and Clyde Valley City Deal Programme Management Office;
- (4) that full grant funding be requested, in accordance with the City Deal Grant Distribution process outlined in the Assurance Framework, in relation to the delivery of the full project with the precise arrangements to be agreed by the City Deal Chief Executive's Group;
- (5) that the principle of upfront payments to Public Utility Companies in terms of projects of this nature be noted and approval given to any subsequent payments made to those companies on that basis; and

- (6)** that the addition of 2 temporary posts of Project Manager and Engineering Officer within Roads and Transportation Services, as detailed in the report, be approved.

[Reference: Minutes of 6 July 2016 (Paragraph 14)]