



Council Offices, Almada Street
Hamilton, ML3 0AA

Tuesday, 18 June 2019

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, 26 June 2019

Time: 10:00

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

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

Members are reminded to bring their fully charged tablets to the meeting

Yours sincerely

Lindsay Freeland
Chief Executive

Members

John Ross (Chair/ex officio), Maureen Chalmers (Depute Chair), Alex Allison, John Anderson, John Bradley, Walter Brogan, Robert Brown, Jackie Burns, Margaret Cooper, Peter Craig, Fiona Dryburgh, Joe Fagan, Allan Falconer, Alistair Fulton, Lynsey Hamilton, Ann Le Blond, Eileen Logan, Katy Loudon, Joe Lowe, Kenny McCreary, Colin McGavigan, Mark McGeever, Jim McGuigan, Gladys Miller, Richard Nelson, Mo Razzaq, David Shearer, Josh Wilson

Substitutes

Stephanie Callaghan, Andy Carmichael, Poppy Corbett, George Greenshields, Graeme Horne, Martin Grant Hose, Richard Lockhart, Hugh Macdonald, Monique McAdams, Catherine McClymont, Lynne Nailon, Graham Scott, Collette Stevenson

BUSINESS

1 Declaration of Interests

- 2 **Minutes of Previous Meeting** 5 - 12
Minutes of the meeting of the Executive Committee held on 29 May 2019 submitted for approval as a correct record. (Copy attached)

Monitoring Item(s)

- 3 **Capital Budget Monitoring 2019/2020 and Monitoring for Period 2 - 1 April 2019 to 24 May 2019** 13 - 20
Report dated 3 June 2019 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 4 **Revenue Budget Monitoring for Period 2 - 1 April 2019 to 24 May 2019** 21 - 28
Report dated 3 June 2019 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 5 **Additional Funding from the Scottish Government and Other External Sources** 29 - 32
Report dated 3 June 2019 by the Executive Director (Finance and Corporate Resources). (Copy attached)

Item(s) for Decision

- 6 **Revenue Budget Monitoring Final Outturn and Annual Report and Accounts - 2018/2019** 33 - 58
Report dated 3 June 2019 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 7 **2020/2021 Strategy and Savings Requirement** 59 - 76
Report dated 30 May 2019 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 8 **East Kilbride Town Centre/Civic Centre - Masterplan** 77 - 84
Report dated 12 June 2019 by the Executive Directors (Community and Enterprise Resources), (Housing and Technical Resources), (Finance and Corporate Resources) and (Education Resources). (Copy attached)
- 9 **Land and Property Transfers and Disposals** 85 - 88
Report dated 26 June 2019 by the Executive Director (Housing and Technical Resources). (Copy attached)

Item(s) for Noting

- 10 **Sustainable Development and Climate Change Strategy Update – Q4 2018/2019** 89 - 110
Report dated 3 June 2019 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: Gordon Bow

Clerk Telephone: 01698 454719

Clerk Email: gordon.bow@southlanarkshire.gov.uk

EXECUTIVE COMMITTEE

2

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 29 May 2019

Chair:

Councillor John Ross (ex officio)

Councillors Present:

Councillor Alex Allison, Councillor John Anderson, Councillor John Bradley, Councillor Walter Brogan, Councillor Robert Brown, Councillor Jackie Burns, Councillor Stephanie Callaghan (*substitute for Councillor Alistair Fulton*), Councillor Maureen Chalmers (Depute), Councillor Gerry Convery, Councillor Margaret Cooper, Councillor Peter Craig, Councillor Fiona Dryburgh, Councillor Joe Fagan, Councillor Allan Falconer, Councillor George Greenshields (*substitute for Councillor Joe Lowe*), Councillor Lynsey Hamilton, Councillor Eileen Logan, Councillor Katy Loudon, Councillor Kenny McCreary, Councillor Colin McGavigan, Councillor Mark McGeever, Councillor Jim McGuigan, Councillor Gladys Miller, Councillor Lynne Nailon (*substitute for Councillor Ann Le Blond*), Councillor Richard Nelson, Councillor David Shearer, Councillor Josh Wilson

Councillors' Apologies:

Councillor Alistair Fulton, Councillor Ann Le Blond, Councillor Joe Lowe

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; J Burke, Administration Assistant; G McCann, Head of Administration and Legal Services; K McVeigh, Head of Personnel Services

Housing and Technical Resources

D Lowe, Executive Director

Order of Business

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

1 Declaration of Interests

The following interest was declared:-

Councillor(s)	Item(s)	Nature of Interest(s)
Dryburgh	Recommendations Referred from Resource Committees	Volunteer at one of the Breakfast Clubs affected by the rollout

2 Minutes of Previous Meeting

The minutes of the meeting of the Executive Committee held on 1 May 2019 were submitted for approval as a correct record.

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

3 Capital Budget Monitoring 2018/2019 – Final Outturn

A report dated 7 May 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the outturn of the General Services and Housing Capital Programmes for the year ended 31 March 2019.

Expenditure and funding for the General Fund Capital Programme for 2018/2019 were detailed. The difference between the revised programme, totalling £66.819 million, and the actual spend of £61.321 million, was £5.498 million and the main projects which made up this figure were detailed in Appendix 2 to the report, together with their anticipated completion dates.

A number of accounting adjustments were required, however, those adjustments had no physical impact on the projects as it was an accounting entry only.

£53.962 million had been spent on the Housing Capital Programme against a budget of £53.664 million, representing spend of £0.298 million higher than budget due to good progress on projects. Housing and Technical Resources had also received additional funding of £5.018 million, leaving a net budget of £4.720 million of additional budget to carry forward to contribute to future years' Housing Capital Programmes.

The Committee decided:

- (1) that the outturn position on the 2018/2019 General Fund and Housing Capital Programmes be noted; and
- (2) that the carry forward of projects from the 2018/2019 General Services and Housing Capital Programmes, as detailed in the report, be approved.

[Reference: Minutes of 1 May 2019 (Paragraph 3)]

4 Capital Programme 2019/2020 Update

A report dated 1 May 2019 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ♦ the General Fund Capital Programme for 2019/2020, taking account of adjustments approved during the course of 2018/2019
- ♦ an update to the General Fund Programme to reflect expected spend profiles on a number of projects
- ♦ changes to the funding package as a result of the Council's final grant settlement for 2019/2020 and proposals on how this funding could be utilised
- ♦ a summary of the overall General Fund Programme and funding, together with proposed adjustments

A Capital Programme totalling £72.541 million had been approved by this Committee on 21 November 2018. A number of adjustments approved throughout 2018/2019 had added £34.725 million, resulting in a base capital budget of £107.266 million for 2019/2020.

A number of further adjustments required to be made to the 2019/2020 Programme and those were detailed in the report. Taking account of those adjustments, resulted in a revised capital budget of £74.196 million.

On 17 December 2018, the Council had received notification of its Capital Grant for 2018/2019 which was £3.137 million higher than the estimated allocation. It was also confirmed that £5.805 million of Grant not issued in 2016/2017 would be allocated in 2019/2020, resulting in an overall additional Capital Grant of £8.942 million which had been approved for use towards meeting the Council's Early Learning and Childcare (1140 hours) commitments.

Further notification had been received in March 2019 of additional grant totalling £0.087 million, taking the Council's overall grant allocation in 2019/2020 to £33.029 million. To utilise the additional allocation, it was proposed that the £0.087 million be used to fund planned improvement works at Gypsy Traveller sites.

Taking account of the additional Capital Grant of £0.087 million and specific Capital Grant, further revised the General Fund Capital Programme 2019/2020 to £78.429 million.

In the first month of 2019/2020, a number of further amendments to the General Fund Programme had been proposed by Resources and, if approved, the programme would increase to £80.959 million.

The Housing Capital Programme included a negative carry forward of £0.110 million, reducing the Programme for 2019/2020 from £61.945 million to £61.835 million.

The Committee decided:

- (1) that the revised budgets for the General Fund and Housing Capital Programmes for 2019/2020, as detailed in the report, be approved;
- (2) that confirmation of the General Capital Grant funding for 2019/2020 of £33.029 million be noted;
- (3) that the additional General Capital Grant Funding of £0.087 million be allocated for use to improve Gypsy Traveller sites;
- (4) that the monitoring and reporting arrangements for the Council's Capital Programmes be noted;
- (5) that the adjustments to the 2019/2020 General Fund Programme, as detailed in Appendix 4 of the report, be approved; and
- (6) that the revised programmes continue to be monitored by the Financial Resources Scrutiny Forum.

[Reference: Minutes of 21 November 2018 (Paragraph 10)]

5 Local Child Poverty Action Report

A joint report dated 8 May 2019 by the Executive Directors (Community and Enterprise Resources) and (Finance and Corporate Resources) was submitted on the:-

- ◆ draft South Lanarkshire Child Poverty Action Report
- ◆ next steps in the development of the report, including approval arrangements

The Child Poverty (Scotland) Act 2017 introduced a new requirement for local authorities and each local Health Board to prepare Local Child Poverty Action Reports as soon as practicable after the end of each reporting year. The first reports required to be published by 30 June 2019.

Details were provided on the scope of the Report and the actions taken to ensure that the content of the Plan met with the expectations of the Scottish Government.

The draft Report for South Lanarkshire had been developed to reflect 13 themes linked to the following 3 key drivers:-

- ◆ increasing income from benefits
- ◆ reducing living costs
- ◆ increasing income from employment

The draft Report would be submitted to the NHS Lanarkshire Board on 29 May 2019 and the Community Planning Partnership Board for formal approval on 19 June 2019. It was not expected that there would be any significant amendments to the report at this stage.

The Committee decided: that the content of the draft Local Child Poverty Action Report be approved.

[Reference: Minutes of 16 May 2018 (Paragraph 18)]

6 Early Learning and Childcare 1140 Hours' Accommodation Requirements

A joint report dated 8 May 2019 by the Executive Directors (Education Resources), (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted on the final tranche of capital projects required to meet the Council's 1140 hours' accommodation requirements.

A number of projects had previously been approved in August 2018 and February 2019 to meet accommodation requirements for the provision of 1140 hours' places by August 2020. Following work to confirm further accommodation to meet the Council's requirements and to cope with the estimated population growth to 2021, a number of capital projects had been identified as follows:-

Area	Type of Works	Nursery
Cathkin/Rutherglen	New Build	Springhall
Rural/Biggar	Adaptation	Carstairs Junction Primary School
East Kilbride	Adaptation	Mount Cameron Primary School
Hamilton A – Larkhall	Adaptation	Glengowan Primary School
Hamilton A – Stonehouse	Adaptation	Newfield Primary School
Hamilton B – Hamilton	Adaptation	Chatelherault Primary School
Hamilton B – Hamilton	Adaptation	St Paul's Primary School
Hamilton C – Whitehill/Burnbank	Adaptation	Glenlee Primary School

The total cost of those projects had been estimated at £3.700 million and would be contained within the overall indicative spend of £32.300 million for the provision of 1140 hours' accommodation.

The annual revenue costs associated with the Capital Programme would be met from the Revenue Grant for 1140 hours allocated by the Scottish Government.

The Committee decided: that this phase of capital projects, required to meet the Council's accommodation requirements in terms of the provision of 1140 hours of childcare by August 2020, be approved.

[Reference: Minutes of 13 February 2019 (Paragraph 7)]

7 Cross-Party Working Group and Business Plan – South Lanarkshire Leisure and Culture

A report dated 8 May 2019 by the Executive Director (Community and Enterprise Resources) was submitted on:-

- ◆ the terms of reference, programme of work and membership of the Cross Party Working Group set up to review South Lanarkshire Leisure and Culture Limited (SLLC)
- ◆ the SLLC Business Plan 2019/2020

At its meeting on 27 February 2019, the Council had approved the establishment of a Cross Party Working Group to review SLLC. Following that approval, an initial meeting had been held with elected members where EKOS, an independent organisation who were supporting the review, gave a presentation on the findings of their report dated March 2019 entitled “Leisure and Culture in South Lanarkshire”.

A Terms of Reference and Work Plan, together with key work streams, had been developed for the Group and those were detailed in the report.

It was proposed that the membership of the Working Group be finalised to mirror the current arrangements for the Council’s Scrutiny Forums, with 10 members reflecting as far as practicable the political composition of the Council and that the group would meet approximately every 4 weeks over an 8 month period. It was also proposed that the Chief Executive be authorised to finalise the membership of the Group in liaison with political Group Leaders.

EKOS would continue to provide appropriate support to the Working Group throughout the development and production of the Transformation Plan.

The SLLC Business Plan 2019/2020 continued to take cognisance of the Council Plan “Connect”, however, it was recognised that the current review would result in significant changes to future Business Plans. The draft Plan had been made available in Members’ areas prior to this Committee.

Following discussion, the Chair proposed that the number of members on the Working Group be extended to 11 in order that all political groups and the Independent Group could be represented. The Committee agreed this proposal.

The Committee decided:

- (1) that the Terms of Reference, Work Plan and frequency of meetings of the Cross Party Working Group reviewing SLLC be approved subject to the membership of the Working group being increased to 11 members to ensure that all political groups and the Independent Group were represented;
- (2) that the Chief Executive be authorised to finalise the membership of the Working Group, in liaison with political and Independent Group leaders, with a report on the finalised membership being submitted to this Committee for noting;
- (3) that proposals to continue to engage EKOS Research and Consultancy Services to provide support and advice to the Working Group be approved; and
- (4) that the South Lanarkshire Leisure and Culture Business Plan for 2019/2020 be approved.

[Reference: Minutes of 13 March 2019 (Paragraph 8)]

8 Recommendations Referred by Resource Committees

A report dated 24 May 2019 by the Executive Director (Finance and Corporate Resources) was submitted on recommendations referred to this Committee by the:-

- ◆ Education Resources Committee of 7 May 2019
- ◆ Social Work Resources Committee of 8 May 2019

The recommendations of the Education Resources Committee were as follows:-

- ◆ that the expansion of the pilot rollout of Breakfast Clubs within all primary schools from August 2019 be approved
- ◆ that the proposed increases in the staffing establishments of Education Resources and Community and Enterprise Resources, required as part of the expansion programme, as detailed above, be approved
- ◆ that revised Priority 3, to allow free provision of Paid Privilege Transport for pupils with free school meals, be approved, with effect from August 2019

The recommendation of the Social Work Resources Committee was as follows:-

- ◆ that the revised Kinship Care Policy and Guidance be approved

The Committee decided:

- (1) that the recommendations of the Education Resources Committee in relation to the expansion of the pilot rollout of Breakfast Clubs and the amendment to the Paid Privilege Transport Scheme Policy be approved; and
- (2) that the recommendation of the Social Work Resources Committee in relation to the Kinship Care Policy be approved.

[Reference: Minutes of Education Resources Committee of 7 May 2019 (Paragraphs 7 and 8) and Minutes of Social Work Resources Committee of 8 May 2019 (Paragraph 6)]

Councillor Dryburgh, having declared an interest in this item, withdrew from the meeting during its consideration

9 Strategic Environmental Assessment Progress Report

A report dated 1 April 2019 by the Executive Director (Community and Enterprise Resources) was submitted on progress achieved in carrying out Strategic Environmental Assessments (SEAs) on the Council's policies, plans, programmes and strategies.

The Council had a statutory duty to consider and carry out a SEA for all of its policies, plans programmes and strategies as they were being developed or refreshed and an update was provided on Assessments carried out in 2018/2019 as follows:-

- ◆ 12 where pre-screening had been carried out
- ◆ 4 where a full SEA and Environmental Reports were being progressed

The Committee decided: that the progress achieved in conducting Strategic Environmental Assessments within the Council in 2018/2019 be noted.

[Reference: Minutes of 16 May 2018 (Paragraph 17)]

10 Equalities Mainstreaming – Progress Report

A report dated 14 April 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the progress achieved by the Council in meeting its equality outcomes and in terms of mainstreaming equalities into the organisation.

The Council's Mainstreaming Equalities report, which was attached as an appendix, detailed:-

- ◆ the outcomes on which the work on equalities had been focused
- ◆ actions taken to progress each of the outcomes
- ◆ the Council's workforce figures and position on the gender pay gap, together with covering the duty for the Council acting as Education Authority, showing teaching staff figures separately, where appropriate

The draft progress report had been published on the Council's web site by the due date of 30 April 2019 and when it had been through the checking process undertaken by the Equality and Human Rights Commission, it would be finalised and communicated to staff via a core brief and the intranet.

The Committee decided: that the report be noted.

[Reference: Minutes of 28 June 2017 (Paragraph 24)]

11 Amendments to Committee/Forum Memberships

A report dated 14 May 2019 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ proposed changes to Committee memberships proposed by the Labour Group
- ◆ proposed changes to the Chair and Depute Chair positions of the Planning Committee by the SNP Group

The Committee decided:

(1) that Councillor Brogan be replaced by Councillor Logan as one of the 15 members who did not serve on the Education Resources Committee but who could serve on the Education Appeals Committee;

(2) that the following amendments to Committee/Forum memberships be approved:-

- ◆ Councillor Brogan be replaced by Councillor McLachlan as a member of the Planning Committee
- ◆ Councillor Lennon be replaced by Councillor McLachlan as a member of the Community and Enterprise Resources Committee
- ◆ Councillor Dryburgh be replaced by Councillor McLachlan as a member of the Planning Local Review Body
- ◆ Councillor Brogan be replaced by Councillor McLachlan as a member of the Roads Safety Forum
- ◆ Councillor Cowie be replaced by Councillor McLachlan as a substitute member of the Finance and Corporate Resources Committee
- ◆ Councillor Thomson be replaced by Councillor Devlin as a member of the Social Work Resources Committee
- ◆ Councillor Convery be replaced by Councillor Razzaq as a member of the Executive Committee and Councillor McAdams replace Councillor Razzaq as a substitute member

- (3) that Councillor Fulton be replaced by Councillor Dorman as Chair of the Planning Committee and that Councillor Dorman's position as Depute Chair be filled by Councillor Horsham.

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

12 Urgent Business

There were no items of urgent business.

Report

3

Report to:	Executive Committee
Date of Meeting:	26 June 2019
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget 2019/2020 and Monitoring for Period 2 - 1 April 2019 to 24 May 2019
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Consolidate the capital budget monitoring to give a Council-wide summary of the 2019/20 Capital Programme including 2018/19 carry forward. It includes information on two programmes: the General Fund Programme (being Education, Social Work, Roads & Transportation and General Services) and the Housing Investment Programme, which covers all investment in relation to the Councils Housing stock.
- ◆ update the Executive Committee of progress on the Capital Programme for the period 1 April 2019 to 24 May 2019.

2. Recommendation(s)

2.1. The Executive Committee is asked to approve the following recommendations:

- (1) that the Period 2 position (ended 24 May 2019) of the General Fund Capital Programme itemised at Appendices 1 – 3 and the Housing Capital Programme at Appendix 4, be noted;
- (2) that the adjustments to the General Fund programme listed at Appendix 2, be approved;
- (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 24 May 2019. Spending has been split into two separate sections:

- ◆ General Fund Capital Programme including Education, Social Work, Roads and Transportation and General Services (Section 5.1)
- ◆ Housing Capital Programme (Section 5.2)

4. Employee Implications

None

5. Financial Implications

5.1. General Fund

5.1.1. 2019/20 Budget

The budget agreed at Executive Committee on 29 May 2019 was £80.959 million. A revised budget of £78.349 million is presented in Appendix 1. This revised programme consists of the base budget plus carry forward projects, previously approved adjustments and adjustments to the programme totalling a net increase of £0.365 million which are proposed in this report at Appendix 2.

5.1.2. In addition, following a review of this programme of works, it has been identified that some of the expenditure cannot be classed as capital. Therefore, it is proposed that budget of £4.506 million will be transferred to Resources' Revenue budgets and details of these are included below.

- Planned Asset Management (£3.061 million)
- Private Housing Scheme of Assistance project (£1.000 million)
- IT Productivity (£0.236 million)
- Clyde and Avon valley Landscape Partnership (£0.128 million)
- Crawfordjohn Community Projects (£0.081 million)

5.1.3. For all of the projects listed above, the total budget will be transferred to revenue, with the exception of Planned Asset Management. The total overall budget for Planned Asset Management, across capital and revenue, remains at £4.775 million. Current estimates show that only £3.061 million requires to be classified as revenue. The remaining spend to be incurred by the end of the financial year, will be reviewed to ensure that it is classed appropriately (as revenue or capital), and any further movement reported to a future meeting.

5.1.4. Conversely, expenditure in relation to roads carriageways is currently funded through the Roads Services revenue budget. It is proposed that budget totalling £1.531 million be transferred to the 2019/20 Capital Programme. This was detailed in the Council's Future Capital Investment Strategy (Executive Committee, 21 November 2019). As with Planned Maintenance, the total overall budget for carriageways across capital and revenue remains unchanged.

5.1.5. Period 2 Position

The programme spend and funding for the General Fund is summarised in Appendix 2. As noted in 5.1.1., the total capital spending programme for the year is £78.349 million.

5.1.6. Budget for the period is £3.293 million and spend to the 24 May 2019 is £3.295 million. This represents expenditure of £0.002 million ahead of profile.

5.1.7. Actual funding received to 24 May 2019 is £37.494 million.

5.2. Housing Programme

5.2.1. 2018/19 Budget

Appendix 4 summarises the position on the Housing programme as at 24 May 2019. The revised capital programme for the year, including carry forward, is £61.835 million. Programmed funding for the year also totals £61.835 million.

5.2.2. Period 2 Position

Budget for the period is £3.497 million and spend to 24 May 2019 amounts to £3.497 million.

5.2.3. As at 24 May 2019, £3.497 million of funding had been received.

5.2.4. 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 the Executive Committee.

6. Other Implications

6.1. 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.

7. Equality Impact Assessment and Consultation Arrangements

7.1. 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)

3 June 2019

Link(s) to Council Values/Ambitions/Objectives

♦ Accountable, Effective, Efficient and Transparent

Previous References

♦ Executive Committee, 29 May 2019

List of Background Papers

Capital Ledger prints to 24 May 2019

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

£m

Total Revised Budget – Period 1	80.959
Transfers to Revenue – Period 2	(4.506)
Transfers to Capital – Period 2	1.531
Proposed Adjustments – Period 2	0.365
Total Revised Budget – Period 2	78.349

<u>Resource</u>	<u>Revised 2019/20 Budget (Period 1) £m</u>	<u>Period 2 Proposed Adjustments £m</u>	<u>Revised 2019/20 Budget £m</u>
Community & Enterprise	41.628	1.687	43.315
Education	24.934	0.000	24.934
Finance & Corporate	1.229	(0.236)	0.993
Housing & Technical	10.439	(4.061)	6.378
Social Work	2.729	0.000	2.729
Total	80.959	(2.610)	78.349

Proposed Adjustments**Community and Enterprise Resources****Quay Road, Rutherglen**

The purchase of the currently leased Grounds Depot at Quay Road, Rutherglen was approved at the Housing and Technical Resources Committee on 5 June, 2019. Approval is sought to increase the 2019/20 Capital Programme by £0.350m to reflect the purchase. This will be funded from £0.195m from the Zero Waste programme, previously slipped into 2020/2021, along with a contribution from the Council's Reserves (£0.155m) held for Community and Enterprise Resources.

£0.350m

Minor Adjustments

£0.015m

Total Adjustments

£0.365m

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2019/20
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2019 TO 24 MAY 2019

APPENDIX 3

	<u>2019/20</u> <u>Original</u> <u>Estimate</u> <u>inc C/F</u> £m	<u>2019/20</u> <u>Revised</u> <u>Budget</u> £m	<u>2019/20</u> <u>Budget to</u> <u>24/05/19</u> £m	<u>2019/20</u> <u>Actual to</u> <u>24/05/19</u> £m
Expenditure				
General Fund Programme	78.429	78.349	3.293	3.295
Income				
	<u>2019/20</u> <u>Original</u> <u>Budget</u> £m	<u>2019/20</u> <u>Revised</u> <u>Budget</u> £m		<u>2019/20</u> <u>Actual</u> <u>To</u> <u>24/05/19</u> £m
Prudential Borrowing	23.863	21.568		21.568
Developers Contributions	3.124	2.132		0.361
Partners (Including SPT, High Blantyre Construction Ltd, Transport Scotland and Renewable Energy Fund)	1.331	3.325		0.617
Scottish Government:				
- Capital Grant	33.029	33.029		5.505
- Cycling, Walking and Safer Streets	0.520	0.520		0.000
- Vacant and Derelict Land	2.023	2.023		0.903
- Early Years 1,140 Hours	5.344	5.344		5.344
- Regeneration Capital Grant	1.100	1.100		1.107
-Town Centre Regeneration Fund	2.506	2.506		0.000
Glasgow City Region City Deal	1.940	4.430		0.000
Specific Reserves	2.149	2.072		2.072
Capital Receipts	1.500	0.300		0.017
TOTAL FUNDING	78.429	78.349		37.494

	<u>2019/20</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2019/20</u> <u>Estimate</u> <u>to</u> <u>24/05/19</u> <u>£m</u>	<u>2019/20</u> <u>Actual to</u> <u>24/05/19</u> <u>£m</u>
EXPENDITURE			
2019/20 Budget incl carry forward from 2018/19	61.835	3.497	3.497
	<u>2019/20</u> <u>Annual</u> <u>Budget</u> <u>£m</u>		<u>2019/20</u> <u>Actual to</u> <u>24/05/19</u> <u>£m</u>
INCOME			
Capital Funded from Current Revenue	20.589		3.497
Prudential Borrowing	28.715		0.000
Specific Grant			
- Scottish Government – New Build	10.611		0.000
- Scottish Government – Open Market	1.800		0.000
Purchase Scheme			
- Scottish Government – Mortgage to Rent	0.120		0.000
	<u>61.835</u>		<u>3.497</u>

Report

4

Report to:	Executive Committee
Date of Meeting:	26 June 2019
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring for Period 2: 1 April 2019 to 24 May 2019
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2019 to 24 May 2019

2. Recommendation(s)

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

- (1) that the underspend of £7.040 million on the General Fund Revenue Account at 24 May 2019 as detailed in Appendix 1 of the report, and the forecast to 31 March 2020, be noted;
- (2) that the proposal on loan charges repayment (section 4.3), be approved; and
- (3) that the breakeven position on the Housing Revenue Account at 24 August 2019, as detailed in Appendix 3 of the report, and the forecast to 31 March 2020 of breakeven, be noted.

3. Background

3.1. General Services Position

This is an overview report summarising the actual expenditure and income to 24 May 2019 compared with the budget for the same period. This is provided on a Resource basis in Appendix 1 and a subjective basis in Appendix 2, and summarised in Section 4.

3.2. **Change in Status of Trading Operations:** Following a review of the remaining 3 Trading Operations (Fleet, Roads and Property Services) and through reviewing the technical guidance around what constitutes a Trading Operation, a report was presented to the Executive Committee on 1 May 2019 seeking approval that they no longer be regarded as Trading Operations and thus remove the requirement to report them separately.

3.3. This Committee approved this change and it is reflected in the figures provided in Appendix 1. In order to ensure the full cost of all services are appropriately reported, there will still be internal transactions between service departments where spend is incurred in one service and recharged to another.

3.4. **Housing Revenue Account Position**

Appendix 3 to the report shows the expenditure and income position for the Housing Revenue Account (HRA) to 24 May 2019. This is summarised in Section 5.

4. **Financial Position**

4.1. **General Fund Revenue Account Position**

As at 24 May 2019, Appendix 1 of the report details an underspend of £7.040 million (35.16%) against the phased budget.

4.2. The underspend of £7.040 million is made up of an underspend in Loan Charges and in Corporate Items. These are detailed below:

4.3. **Loan Charges:** Since setting the 2019/2020 budget, we have continued to review the Loan Charges Strategy, and in doing so have identified a principal repayment on debt that was due to be repaid in 2019/2020, totalling £5.8 million. It is proposed that we do not repay this in 2019/2020 and instead re-phase the repayment over a longer term. This allows a one-off benefit in loan charges in 2019/2020 of £5.500 million, with additional costs in future years of £0.300 million. This can be accommodated in the Budget Strategy.

4.4. In addition, a further £1.000 million underspend is expected in 2019/2020 reflecting the actual interest rates at which borrowing was taken in 2018/2019. Taking these together result in an underspend of £6.500 million in 2019/2020.

4.5. As part of the refresh of the 2020/2021 Budget Strategy, which is included as a separate report in these papers, it is proposed that this total Loan Charges underspend of £6.500 million is transferred to reserves at the end of the 2019/2020 financial year, and used to support the 2020/2021 Budget Strategy.

4.6. **Corporate Items – 2020/2021 Strategy:** As part of the refresh of the 2020/2021 Budget Strategy, budget lines were identified that would generate an underspend in 2019/2020.

4.7. These relate to underspends in the payment to Strathclyde Passenger Transport (£0.110million) to reflect the agreed level of requisition for 2019/2020 and inflation on the secondary schools modernisation contract due to the actual inflation rate incurred being lower than anticipated in the Strategy (£0.080 million).

4.8. In addition, an amount was added to the Strategy in 2019/2020 that allowed consideration of the re-instatement of payments to Third Sector Organisations, previously removed as savings in 2016/2017 (£0.350 million). This budget is now no longer required which will result in an underspend in 2019/2020.

4.9. These underspends total £0.540 million. The budgets have been transferred from Community and Enterprise and Education Resources as appropriate, and will be held in this Corporate Items – 2020/2021 budget line. As part of the 2020/2021 Budget Strategy, it is proposed that they are transferred to reserves at the end of the financial year and used to support the 2020/2021 Budget Strategy.

4.10. **Education Resources:** For 2019/20 Education Resources have received £7.7 million of Pupil Equity Fund (PEF) which the Resource is fully committed to spend by the end of the academic year (June 2020). As schools operates in academic years (Aug-June) and not financial years, and PEF will spend over the academic year, it is likely that there will be an underspend at 31 March which will require to be carried

forward and used in April to June 2020. An initial estimate of this is an underspend of £1.5 million based on the profile of spend in 2018/2019, but this will depend on the timing of spend throughout the year. The actual expected spend position for the financial year will become more certain after the start of the academic year in August.

4.11. Transfers to / from Capital

Following a review of the 2019/2020 capital programme of works, it has been identified that some of the expenditure is revenue in nature. Therefore, it is proposed that budget of £4.506 million will be transferred from Capital to Resources' Revenue budgets. Details of these projects and their relevant values are included below.

- Planned Asset Management (£3.061 million)
- Private Housing Scheme of Assistance project (£1.000 million)
- IT Productivity (£0.236 million)
- Clyde and Avon Valley Landscape Partnership (£0.128 million)
- Crawfordjohn Community Projects (£0.081 million)

4.12. The transfer for Planned Asset Management is only part of the overall budget of £4.775 million – the remainder will stay in capital at the moment. The total spend across revenue and capital remains the same. The capital spend will continue to be analysed during the year, and any further movement reported to a future meeting.

4.13. Conversely, expenditure in relation to roads carriageways is currently funded through the Roads Services' revenue budget. It is proposed that budget totalling £1.531m be transferred to the 2019/2020 Capital Programme as it is capital in nature. This was noted in the Council's Future Capital Investment Strategy (Executive Committee, 21 November 2018). The total overall budget for carriageways across capital and revenue remains unchanged.

4.14. Additional General Revenue Grant

The Council has been notified of an allocation of £0.050 million for European Union Exit preparation and also an allocation of £0.019 million to assist with the delivery of the See Hear Sensory Impairment Strategy. These amounts have been included in the budget figures in Appendices 1 and 2.

4.15. Other Funding

Education Resources have been notified of £1.964 million from the Attainment Scotland Fund Schools Programme for 2019/2020. In addition, Social Work Resources have been notified of funding from the NHS of £0.376 million for a Rapid Response Service and funding from the Scottish Government of £0.476 million in relation to the Scottish Attainment Funding for Looked After Children. These amounts have been included in the budget figures in Appendices 1 and 2.

5. Housing Revenue Account Position

5.1. As at 24 May 2019, Appendix 3 of the report shows a breakeven position against the phased budget on the Housing Revenue Account.

5.2. The forecast to 31 March 2019 on the Housing Revenue Account is a breakeven position.

6. Employee Implications

6.1. None.

7. Financial Implications

- 7.1. As detailed within this report.

8. Other Implications

- 8.1. 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.
- 8.2. There are no implications for sustainability in terms of the information contained in this report.

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. 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)

3 June 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 24 May 2019

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 24 May 2019 (No.2)

<u>Committee</u>	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 24/05/19	Actual to Period 2 24/05/19	Variance to 24/05/19	
	£m	£m	£m	£m	£m	£m	
Departments:							
Community and Enterprise Resources	106.221	106.221	0.000	12.738	12.738	0.000	-
Facilities Streets and Waste (Inc. Support)	64.573	64.573	0.000	5.655	5.655	0.000	-
Environmental Services (Inc. Projects)	0.470	0.470	0.000	0.099	0.101	(0.002)	over
Leisure and Culture Services	18.863	18.863	0.000	4.781	4.781	0.000	-
Planning and Economic Development	3.158	3.158	0.000	0.374	0.372	0.002	under
Roads	19.157	19.157	0.000	1.829	1.829	0.000	-
Education Resources	322.187	322.187	0.000	42.041	42.041	0.000	-
Finance and Corporate Resources	31.812	31.812	0.000	6.045	6.045	0.000	-
Finance Services - Strategy	2.286	2.286	0.000	0.429	0.453	(0.024)	over
Finance Services - Transactions	12.169	12.169	0.000	2.175	2.057	0.118	under
Audit and Compliance Services	0.360	0.360	0.000	0.081	0.081	0.000	-
Information Technology Services	3.878	3.878	0.000	0.632	0.726	(0.094)	over
Communications and Strategy Services	1.083	1.083	0.000	0.274	0.274	0.000	-
Administration and Licensing Services	4.018	4.018	0.000	1.238	1.238	0.000	-
Personnel Services	8.018	8.018	0.000	1.216	1.216	0.000	-
Housing and Technical Resources	15.665	15.665	0.000	3.367	3.367	0.000	-
Housing Services	7.889	7.889	0.000	1.012	1.012	0.000	-
Property Services	7.776	7.776	0.000	2.355	2.355	0.000	-
Social Work Resources	163.310	163.310	0.000	21.596	21.596	0.000	-
Performance and Support Services	7.769	7.769	0.000	1.041	1.007	0.034	under
Children and Families	32.076	32.076	0.000	4.372	4.409	(0.037)	over
Adults and Older People	122.192	122.192	0.000	15.814	15.834	(0.020)	over
Justice and Substance Misuse	1.273	1.273	0.000	0.369	0.346	0.023	under
Joint Boards	2.151	2.151	0.000	0.540	0.540	0.000	-
	641.346	641.346	0.000	86.327	86.327	0.000	-

<u>Committee</u>	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 24/05/19	Actual to Period 2 24/05/19	Variance to 24/05/19	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	641.346	641.346	0.000	86.327	86.327	0.000	-
CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Loan Charges	54.136	47.636	6.500	54.136	47.636	6.500	under
Corporate Items	6.803	6.803	0.000	0.023	0.023	0.000	-
Corporate Items - 2020/2021 Strategy	0.540	0.000	0.540	0.540	0.000	0.540	under
Transfer to Reserves	0.000	0.000	0.000	0.000	0.000	0.000	-
Total Expenditure	702.825	695.785	7.040	141.026	133.986	7.040	under
Council Tax	152.487	152.487	0.000	21.784	21.784	0.000	-
Less: Council Tax Reduction Scheme	(20.480)	(20.480)	0.000	(2.926)	(2.926)	0.000	-
Net Council Tax	132.007	132.007	0.000	18.858	18.858	0.000	-
General Revenue Grant	205.957	205.957	0.000	31.675	31.675	0.000	-
Non Domestic Rates	341.166	341.166	0.000	52.487	52.487	0.000	-
Other Government Grant	5.709	5.709	0.000	0.000	0.000	0.000	-
Transfer from Reserves	17.986	17.986	0.000	17.986	17.986	0.000	-
Total Income	702.825	702.825	0.000	121.006	121.006	0.000	-
Net Expenditure / (Income)	0.000	(7.040)	7.040	20.020	12.980	7.040	under

	Annual Budget	Annual Forecast	Annual Forecast Variance
	£m	£m	£m
Net Expenditure / (Income)	0.000	(7.040)	7.040
Allocate to 2020/2021 Strategy	0.000	7.040	(7.040)
Total Expenditure	0.000	0.000	0.000

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 24 May 2019 (No.2)

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

	Annual Budget	Annual Forecast	Annual Forecast Variance	Budget Proportion to 24/05/19	Actual to Period 2 24/05/19	Variance to 24/05/19	
	£m	£m	£m	£m	£m	£m	
Employee Cost	486.929	486.929	0.000	63.977	63.876	0.101	under
Property Costs	53.354	53.354	0.000	5.032	5.034	(0.002)	over
Supplies and Services	57.142	57.142	0.000	7.058	7.028	0.030	under
Transport Costs	38.104	38.104	0.000	5.224	5.195	0.029	under
Administration Costs	14.461	14.461	0.000	1.924	1.941	(0.017)	over
Payments to Other Bodies	59.344	59.344	0.000	10.241	10.332	(0.091)	over
Payments to Contractors	191.575	191.575	0.000	19.548	19.670	(0.122)	over
Transfer Payments	3.062	3.062	0.000	0.311	0.322	(0.011)	over
Housing Benefits	80.387	80.387	0.000	11.569	11.516	0.053	under
Financing Charges (controllable)	1.982	1.982	0.000	0.625	0.633	(0.008)	over
Total	986.340	986.340	0.000	125.509	125.547	(0.038)	over
Service Departments Total	986.340	986.340	0.000	125.509	125.547	(0.038)	over
CFCR	0.000	0.000	0.000	0.000	0.000	0.000	-
Loan Charges	54.136	47.636	6.500	54.136	47.636	6.500	under
Corporate Items	6.803	6.803	0.000	0.023	0.023	0.000	-
Corporate Items - 2020/2021 Strategy	0.540	0.000	0.540	0.540	0.000	0.540	under
Transfer to Reserves	0.000	0.000	0.000	0.000	0.000	0.000	-
Total Expenditure	1,047.819	1,040.779	7.040	180.208	173.206	7.002	under
Income							
Housing Benefit Subsidy	75.662	75.662	0.000	10.925	10.925	0.000	-
Other Income	269.332	269.332	0.000	28.257	28.295	0.038	over rec
Council Tax (Net of Council Tax Reduction Scheme)	132.007	132.007	0.000	18.858	18.858	0.000	-
General Revenue Grant	205.957	205.957	0.000	31.675	31.675	0.000	-
Non Domestic Rates	341.166	341.166	0.000	52.487	52.487	0.000	-
Other Government Grant	5.709	5.709	0.000	0.000	0.000	0.000	-
Transfer from Reserves	17.986	17.986	0.000	17.986	17.986	0.000	-
Total Income	1,047.819	1,047.819	0.000	160.188	160.226	0.038	over rec
Net Expenditure / (Income)	0.000	(7.040)	7.040	20.020	12.980	7.040	under

Net Expenditure / (Income)
 Allocate to 2020/2021 Strategy
Total Expenditure

Annual Budget	Annual Forecast	Annual Forecast Variance
£m	£m	£m
0.000	(7.040)	7.040
0.000	7.040	(7.040)
0.000	0.000	0.000

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 24 May 2019 (No.2)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 24/05/19	Actual to Period 2 24/05/19	Variance to 24/05/19		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	13.467	13.467	0.000	1.742	1.691	0.051	under	2.9%	1
Property Costs	44.602	44.602	0.000	1.320	1.368	(0.048)	over	(3.6%)	2
Supplies & Services	0.820	0.820	0.000	0.067	0.067	0.000	-	0.0%	
Transport & Plant	0.195	0.195	0.000	0.015	0.019	(0.004)	over	(26.7%)	
Administration Costs	5.713	5.713	0.000	0.071	0.073	(0.002)	over	(2.8%)	
Payments to Other Bodies	3.174	3.174	0.000	0.000	0.000	0.000	-	0.0%	
Payments to Contractors	0.100	0.100	0.000	0.000	0.000	0.000	-	0.0%	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	20.884	20.884	0.000	0.016	0.013	0.003	under	18.8%	
Total Controllable Expenditure	88.955	88.955	0.000	3.231	3.231	0.000	-	0.0%	
Total Controllable Income	(103.531)	(103.531)	0.000	(8.614)	(8.614)	0.000	-	0.0%	
Transfer to/(from) Balance Sheet	(2.059)	(2.059)	0.000	0.000	0.000	0.000	-	0.0%	
Net Controllable Expenditure	(16.635)	(16.635)	0.000	(5.383)	(5.383)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	16.635	16.635	0.000	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(5.383)	(5.383)	0.000	-	0.0%	

Variance Explanations

- 1. Employee Costs**
This underspend reflects the current turnover levels and vacancies across the service.
- 2. Property Costs**
This overspend reflects expenditure on repairs which are demand led.

Report

5

Report to:	Executive Committee
Date of Meeting:	26 June 2019
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 (1 May 2019).

2. Recommendation(s)

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

- (1) that the additional revenue funding of £2.885m, and additional capital funding of £2.103m as detailed at Appendix 1 of the report, 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 for 2019/2020 are attached at Appendix 1 to the report. 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 £0.100m.

4. Employee Implications

4.1. None.

5. Financial Implications

- 5.1. Additional revenue funding of £2.885m has been identified for 2019/2020.
- 5.2. Additional capital funding of £2.103m has been identified for 2019/2020.
- 5.3. Resource budgets will be updated to reflect this additional funding as required, and where appropriate, details of spending plans will be presented to Resource Committees for approval.

6. Other Implications

- 6.1. There are no implications for sustainability in terms of the information contained in this report.

7. Equality Impact Assessment and Consultation Arrangements

- 7.1. 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)

3 June 2019

Link(s) to Council Objectives/Values

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Executive Committee, 1 May 2019

List of Background Papers

- ◆ Additional Funding Reports:
27 March 2019 to 29 May 2019

Contact for Further Information

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

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Additional Revenue Funding

Resource	Description	2019 /2020 £m	2020/ 2021 £m	Total £m	Method
Education Resources	Attainment Scotland Fund Schools Programme	1.964	0.000	1.964	Scottish Government Grant
Finance and Corporate Resources	EU Exit Preparation Funding	0.050	0.000	0.050	General Revenue Grant
Social Work Resources	Scottish Attainment Challenge – Care Experienced Children and Young People	0.476	0.000	0.476	Scottish Government Grant
Social Work Resources	Rapid Response Service	0.376	0.000	0.376	NHS
Social Work Resources	See Hear Strategy – Implementation Funding	0.019	0.000	0.019	Scottish Government Grant
	TOTAL REVENUE FUNDING	2.885	0.000	2.885	

Additional Capital Funding

Resource	Description	2019/ 2020 £m	2020/ 2021 £m	Total £m	Method
Community & Enterprise Resources	Cambuslang Park and Ride	0.800	0.000	0.800	Strathclyde Partnership for Transport (SPT) Grant
Community & Enterprise Resources	Route Action Plans	0.300	0.000	0.300	Strathclyde Partnership for Transport (SPT) Grant
Community & Enterprise Resources	Carstairs Park and Ride	0.240	0.000	0.240	Strathclyde Partnership for Transport (SPT) Grant
Community & Enterprise Resources	Congestion Reduction Measures	0.410	0.000	0.410	Strathclyde Partnership for Transport (SPT) Grant
Community & Enterprise Resources	National Strategic Cycle Routes*	0.216	0.000	0.216	Strathclyde Partnership for Transport (SPT) Grant
Community & Enterprise Resources	Bus Infrastructure Improvements*	0.039	0.000	0.039	Strathclyde Partnership for Transport (SPT) Grant
Community & Enterprise Resources	Electric Vehicle Charging Infrastructure*	0.098	0.000	0.098	Transport Scotland Grant
	TOTAL CAPITAL FUNDING	2.103	0.000	2.103	

*The 2019/20 funding shown excludes original project funding previously agreed for 2018/19.

Report

6

Report to:	Executive Committee
Date of Meeting:	26 June 2019
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring Final Outturn and Annual Report and Accounts - 2018/2019
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Committee on the year-end position for the General Fund and the revenue budget performance of each Resource,
- ◆ advise on the year-end position of the Housing Revenue Account (HRA),
- ◆ provide a reconciliation of the outturn position in the Annual Accounts (Expenditure and Funding Analysis Statement) to the revenue budget performance for the year 2018/2019,
- ◆ provide details of the full unaudited South Lanarkshire Council Accounts 2018/2019 and Charitable Accounts 2018/2019 for consideration, and
- ◆ provide the publication details for the unaudited Annual Accounts.

2. Recommendation(s)

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

- (1) that the position of the General Fund (Section 5 and summarised in Appendix 1), be noted;
- (2) that the proposed additional transfers to reserves by Resources and Corporate Items totalling £5.739 million (Sections 6.3, 6.7.6 and 6.8.6), be approved;
- (3) that the change to the Treasury Management Strategy to reflect the method of debt repayment be referred to Council for endorsement, be approved (section 6.7.5),
- (4) that the final outturn position of an underspend of £1.298 million, and the transfer of this underspend to the Uncommitted General Fund (Section 7.5), be approved;
- (5) that the position on the Housing Revenue Account, including the transfer from reserves of £2.613 million (Section 9), be noted;
- (6) that the publication details for the unaudited Annual Accounts for 2018/2019 (Section 10), be noted; and
- (7) that South Lanarkshire Council Accounts 2018/2019 and the Charitable Accounts 2018/2019 have been provided to members for their consideration, be noted.

3. Background

3.1. Under existing regulations, the Council's unaudited Annual Accounts for the year ended 31 March 2019 require to be submitted for audit by 30 June 2019. The full

unaudited Annual Accounts were submitted to the Risk and Audit Scrutiny Committee on 19 June 2019 for consideration, prior to submission to the External Auditor.

3.2. This report will provide information on the following areas:

- Executive Summary on 2018/2019 Outturn Position (Section 4)
- General Services Probable Outturn position for 2018/2019 (Section 5)
- General Services year-end monitoring position for 2018/2019 (detailed in Section 6 and summarised in Section 7)
- Summary of Year End Reserves position (Section 8)
- Year-end position on the Housing Revenue Account (Section 9)
- Information on the Annual Accounts including details of publication arrangements for the unaudited Accounts (Section 10)
- Reconciliation of the year-end monitoring position summarised in section 6, to the figures presented in the Annual Accounts (Section 11)
- Details of the Charities Accounts (Section 12)

4. Executive Summary

4.1. Audit recommendations require the Council to present a report to Elected Members detailing the final outturn position on the Council's Revenue Budget, including seeking approval for any transfers to reserves not previously reported or approved throughout the year.

4.2. This report and appendices provides a detailed analysis of the Council's financial position. Whilst the full detail and background is provided for Member's information in the report, in order to summarise the position and provide Members with the key highlights, we have provided an Executive Summary below:

- **Final outturn position:** The position after all transfers to reserves is an underspend of £1.298 million, compared to the position of £0.758 million previously reported. This is an improvement of £0.540 million and is mainly due to an improved Council Tax position (section 5.2).
- **Resource position:** The position after transfers to reserves is an overspend of £2.912 million, compared to the previously reported position of £3.004 million, an improvement of £0.092 million (section 6.4).
- **Loan Charges:** The final position is an underspend of £8.703 million, an improvement of £2.803 million on the position previously reported during the year. This is due to a late change advised by Audit Scotland in relation to the approach to the principal repayment of debt. This allowed the Council to re-profile its principal repayments in 2018/2019 in relation Schools, generating an additional underspend of £2.841 million (section 6.7).
- **Council Tax:** The final position is an over recovery of £3.138 million, mainly as a result of lower demand for the Council Tax Reduction Scheme and a slightly higher in-year collection of Council Tax. This is an improved position of £0.432 million on that previously reported (section 6.11).
- **Transfer to Reserves:** As part of the probable outturn, the Executive committee approved £15.390 million to Reserves and at the year end approval is being sought to transfer a further £5.739 million including the £2.841 million of loan charges underspend, taking the total transfers to reserves to £21.129 million.

- Some of the further transfers to reserves will be used in the 2020/2021 budget to reduce the need for savings. This includes monies transferred to reserves from the Loan Charge underspend, and Interest on Revenue Balances.
- **Uncommitted Reserves:** It is proposed that this underspend of £1.298 million is added to the earmarked reserves to be used to fund future pressures, and be held in the Uncommitted General Fund (section 7.5).
- **Reserves:** The Council's General Fund Reserves at the end of 2018/2019 will be £82.785 million. There are £50 million of reserves set aside for future budget strategies of which £26 million has been allocated to specific years (section 8).
- **Annual Accounts:** The Council's Annual Accounts and Charities Accounts have been considered by the Risk and Audit Scrutiny Committee and a copy of the accounts provided to Members. A reconciliation between the accounts and figures contained in this report is provided.

4.3. Full details of each of these items is included in the remainder of the report.

5. 2018/2019 General Services – Summary of Final Outturn

- 5.1. After taking into account Transfers to Reserves approved at this Committee on 13 February 2019, along with the approved commitment to fund corporate budget pressures (2019/2020 Strategy and 2018/19 additional 0.5% pay award), the Probable Outturn position anticipated was an underspend of £0.758 million. This is illustrated in the Table 1 below:

Table 1 - General Services 2018/19 Probable Outturn

	Probable Outturn £m
Forecast Underspend Before Transfers to Reserves	13.257
Less: Transfer to Reserves	(6.194)
Forecast Underspend After Transfers to Reserves	7.063
Less: Contribution to 2018/2019 Pay Award	(1.305)
Less: 2019/2020 Strategy (approved Executive Committee - 13 February 2019)	(5.000)
= General Fund Underspend (at Probable Outturn)	0.758

- 5.2. **Final Outturn:** The final outturn position after all transfers to Reserves is an underspend of £1.298 million. This is an improvement of £0.540 million, the details of which are summarised in Table 2 below.

Table 2 - Movement from Probable

	£m
Total Resources incl. Trading Operations (section 6.4)	0.092
Centrally Held Budgets (sections 6.6 - 6.9)	0.016
Council Tax / Council Tax Reduction Scheme (section 6.11)	0.432
Total Movement from Probable	0.540

6. 2018/2019 Year-End Position

- 6.1. **Resources (including Trading Operations):** At the Year-End, the net expenditure position for Resources (including Trading Operations) before Transfers to Reserves,

is £625.631 million compared to the budget of £629.328 million. This results in an underspend of £3.697 million. The detail of this is shown in Appendix 1 with the underspend specifically shown in column 6.

- 6.2. As noted in section 4, this Committee (13 February 2019) approved Transfers to Reserves. For Resources, the Transfers were £4.754 million. These are detailed in Appendix 2 for ease of reference. This represents the amount agreed at probable, adjusted to reflect the actual spend position on these items at the year-end.
- 6.3. Based on the year-end position, Resources are proposing additional Transfers to Reserves totalling £1.855 million, for commitments where spend was not incurred in 2018/2019, but would be required in 2019/2020. These transfers are shown in Table 3, with more detail provided in Appendix 3.

Table 3 - Resources - Additional Proposed Transfers

Proposed Transfer	£m	£m
Community and Enterprise		
Waste Contract (Future year costs)	0.488	
Health and Safety Cemeteries (Future year costs)	0.010	
Public Health Legal Case (Future year costs)	0.200	
Local Plan (Future year costs)	0.100	
		0.798
Education		
Sanitary Products in Schools (Specific funding)	0.090	
Teachers Pay (Specific funding)	0.648	
		0.738
Finance and Corporate		
Sanitary Products in Public Places (Specific funding)	0.078	
		0.078
Housing and Technical		
Scheme of Assistance (Multi-year funding)	0.136	
Rapid Rehousing Transitional Planning (Specific funding)	0.105	
		0.241
Total Resource Additional Transfers		1.855

- 6.4. Taking all the Transfers to Reserves into account, the Resources' final outturn position is an overspend of £2.912 million (Appendix 1, col 8). This is an improved position of £0.092 million from the Probable Outturn overspend position.
- 6.5. The detailed position for each Resource is detailed in Appendix 4. Also included in Appendix 4 are explanations for significant variances for each of the Services within the Resources.
- 6.6. **Capital Financed from Current Revenue (CFCR):** The CFCR budget line is showing a breakeven position at the year-end. This is unchanged from the position that was reported as part of the Probable Outturn.
- 6.7. **Loan Charges:** The position at the end of the year is an underspend of £8.703 million. This is an improved position of £2.803 million on the position reported throughout the year.
- 6.7.1. The overall underspend position reflects the timing of borrowing (delayed due to using cash balances) and the interest rates achieved. In addition, the Finance

Minister agreed to review the legislation during 2019/2020 which would allow councils to vary loans fund principal prepayments for debt taken before 1 April 2016. Following a late change advised by Audit Scotland, the ability to vary Loans Fund Repayments for debts pre 2016 can now be applied a year early in 2018/2019.

- 6.7.2. The Council carried out a detailed analysis of records against individual assets including schools and roads. The majority of the Council's debt which could be re-profiled relates to schools. Whilst the re-profiling had been agreed from 2019/2020 as part of the 2019/2020 budget the benefit can now be taken in 2018/2019. By changing loans fund repayments an additional underspend of £2.841 million can be taken in 2018/2019.
- 6.7.3. To do this requires a change the Council's Treasury Management Strategy. This would allow debt repayment to be spread across a longer time period.
- 6.7.4. There is no impact on the overall level of debt that will be repaid. The same amount of debt will be repaid, but the term over which it is repaid is extended. The reduction in principal debt repayments in 2018/2019 will be paid over the remaining life of the debts, and amounts to approximately £0.050 million per annum. This can be accommodated in the Loan Charges budget.
- 6.7.5. The Council are the approvers of the Treasury Management Strategy, and it is that Strategy that agrees the method of how the Council repays its debt. On that basis, there is a requirement to refer this change in approach to the Council for endorsement.
- 6.7.6. Approval is sought to transfer the £2.841 million in respect of the loans fund repayments to the Earmarked General Fund and used in the 2020/2021 Budget Strategy to reduce the savings requirement (subject to the Council's endorsement of the approach to debt repayment).

Table 4 - Loan Charges - Additional Proposed Transfers

Proposed Transfer	£m
Loan Charges Repayments - Future budget strategy (section 6.7.2)	2.841
Total Loan Charges Additional Transfers	2.841

- 6.8. **Corporate Items:** The final outturn position is an underspend of £1.687 million before transfers to reserves. This includes the impact of funding of the additional 0.5% 2018/2019 pay award (£1.305 million).
- 6.8.1. As reported during the year the underspend reflects budgets for Superannuation on Overtime, Rates, Utilities, Carbon Reduction and Pay Grade Restructure, which were not required in 2018/2019.
- 6.8.2. In addition, the actual position includes income from Feed In Tariffs and Renewable Heating Initiatives and also the repayment by Resources for 'spend to save' projects previously funded by the Central Energy Efficiency Fund (CEEF). These items are known at the year-end only, and are included in the list of proposed transfers to Reserves (Appendix 3) to meet future costs of energy projects. They do not affect the Council's position.
- 6.8.3. Also included in the Corporate Items line is the Interest on Revenue Balances (IORB) for both the Council's General Fund and in relation to the Council's Reserves.

- 6.8.4. The forecast over recovery on the General Fund IORB was included in the probable outturn, however, the actual position is an additional over recovery of £0.360 million reflecting the actual profile of spend/income realised to the end of the year. Approval is sought to transfer this additional income to Reserves to assist with the 2020/2021 Budget Strategy. The Reserves' IORB (£0.092 million) is included in Corporate Items and is an accounting entry only, as it must then be transferred to Reserves. This has no impact on the year-end position of the Council.
- 6.8.5. Finally, Corporate Items also includes the requirement to show the commitment on social housing funded by additional income from Council Tax Second Homes. The relevant income is included within the Council Tax income line, and between the two, has no impact on the Council's position.
- 6.8.6. As part of the probable outturn, a transfer to reserves from the Corporate Items budget line of £0.434 million was approved in respect of utilities. Due to the underspends in sections 6.8.2 and 6.8.4 above, approval is sought to transfer further amounts to reserves to meet commitments in future years. These are detailed in Table 5 and in Appendix 3:

Table 5 - Corporate Items - Additional Proposed Transfers

Proposed Transfer	£m
Feed In Tariffs - Future costs (section 6.8.2)	0.048
Renewable Heating Initiative - Future costs (section 6.8.2)	0.298
Central Energy Efficiency Fund - Future costs (section 6.8.2)	0.245
Interest on Revenue Balances (General Fund) - Future budget strategy (section 6.8.4)	0.360
Interest on Revenue Balances (Reserves) - Accounting requirement only (section 6.8.4)	0.092
Total Corporate Items Additional Transfers	1.043

- 6.8.7. The Corporate Items' position after all proposed Transfer to Reserves is an underspend of £0.210 million. This is an improved position of £0.054 million on the probable position shown for Corporate Items.
- 6.9. **Transfer to Reserves Budget Line**
- 6.9.1. **Priorities and Investments:** As reported during the year, the unutilised element of the priorities and investment budgets, which were allocations of funding for New Initiatives, was transferred to this budget line and approval received to transfer the underspend to reserves (Executive Committee, 13 February 2019). Before any transfers to reserves, there is an underspend position of £5.202 million. After the approved transfer to reserves of £5.202 million, the position is breakeven which is in line with the position reported during the year.
- 6.9.2. **Corporate Transfers:** The overspend of £5.000 million reflects the approved transfer to reserves from the Council's underspend position, for utilisation in the 2019/2020 Budget Strategy. This is in line with the position reported during the year.
- 6.10. **Council Tax and Council Tax Reduction Scheme:** The year-end position on the Council Tax line is an over recovery of £3.138 million. The over recovery relates to higher than budgeted arrears collection, additional in-year collection and an over recovery of income in respect of Council Tax Second Homes, which offsets the expenditure contained within Corporate Items (section 6.8.5).

- 6.11. The year-end over-recovery is an improved position of £0.432 million compared to the probable position and mainly relates to lower than anticipated demand for the Council Tax Reduction Scheme payments, and slightly higher in-year collection of Council Tax and additional Council Tax Second Homes' income.
- 6.12. **Accounting Adjustments:** Accounting Regulations mean that adjustments are required to report spend correctly as either capital or revenue for the purposes of publishing our Annual Accounts. This includes where spend from the capital programme is on assets that are not owned by the Council (for example Clyde Gateway spend) or where spend must be classed as revenue. There is no physical impact for projects from this adjustment - it is an accounting entry only.
- 6.13. £5.408 million of capital spend is required to be recorded as revenue spend. Conversely, £1.867 million of revenue spend should be recorded as capital. The Resource positions above, include these required transfers between the revenue and capital account, and reflects the position reported to this Committee on 29 May 2019 (Capital Outturn 2018/2019).
- 7. Summary of the General Services 2018/2019 Final Outturn Position**
- 7.1. Table 6 summarises the year-end position across Resources and Corporate Budget lines, as discussed in section 6.

Table 6 - General Services 2018/2019 Year-End

Budget Line	Under / (Over) Before Transfer to Reserves	Total Approved Transfers to Reserves (App 2) (Exec Cttee – 13 Feb'19)	Total Additional Transfer to Reserves	Under / Over - Final Outturn
	£m	£m	£m	£m
Resources incl. Trading (sections 6.1-6.4)	3.697	(4.754)	(1.855)	(2.912)
Centrally Held Budgets (sections 6.6-6.9)	15.592	(10.636)	(3.884)	1.072
Total Expenditure	19.289	(15.390)	(5.739)	(1.840)
Council Tax Income (section 6.10)	3.138	-	-	3.138
Net Expenditure	22.427	(15.390)	(5.739)	1.298

- 7.2. The Probable Transfer to Reserves of £15.390 million is the revised figure shown in Appendix 2, and takes account of the fact that some transfers have been revised to reflect the final spend achieved in these areas in 2018/2019.
- 7.3. Table 6 shows that before the Transfers to Reserves, there is an underspend of £22.427 million. Taking into account the Transfers agreed at Probable (Appendix 2) as well as the additional Proposed Transfers of £5.739 million (Appendix 3) gives a total Transfer to Reserves of £21.129 million.
- 7.4. After taking account of all known commitments and transfers to reserves, **the position on the Council's budget is an underspend of £1.298 million.**
- 7.5. It is proposed that this underspend of £1.298 million is added to the earmarked reserves to be used to fund future pressures, and be held in the Uncommitted General Fund.

8. Reserves

- 8.1. As a result of the 2018/2019 final outturn exercise, the Council's Usable Reserves at the end of 2018/2019 will be £118 million. Of this total Reserves balance, £50 million was identified for use in the Council's Revenue Budget Strategies, with £26 million currently allocated to specific years. Appendix 6 provides a final Reserves position at 31 March 2019.
- 8.2. Following discussions with external audit, for the purposes of the Annual Accounts, the element of the amounts earmarked for future strategies, but which have not yet been allocated to a specific years' strategy, will be reclassified and held in the Uncommitted General Fund.
- 8.3. It is important to note that this does not change the value of the reserves held by the Council, and does not change the balance of reserves being used for future strategies. It merely changes whether they are held in the Earmarked or Uncommitted General Fund Reserves.
- 8.4. Other amounts within the overall total estimated Reserves at the end of 2018/2019 relate to specific Reserves such as the Housing Revenue Account, the Insurance Fund and Capital Funds, with £13 million held in the Uncommitted General Fund Reserve (excl. Revenue Strategy element) which the Council holds to use in the event of unforeseen circumstances year. Table 7 shows the position.

Table 7 - Reserves Analysis

	General Fund £m	Other Reserves £m	Total £m
Total Reserves (at 31 March 2019)	82.785	35.123	117.908
Less: Committed Reserves			
• Revenue Budget Strategies (amount not yet allocated to specific years - £24.264m)	45.918	4.116	50.034
• Housing Revenue Account	-	9.011	9.011
• Insurance Fund	-	3.278	3.278
• Repairs and Renewals	-	4.299	4.299
• Winter Maintenance	-	2.630	2.630
• Capital Funds (incl IT Development Fund)	-	11.789	11.789
• Government Grant carried forward	23.824	-	23.824
Uncommitted General Fund Reserve	13.043	-	13.043

9. Housing Revenue Account

- 9.1. The Housing Revenue Account is separate to the Council's General Fund. This account shows a deficit for the year of £2.613 million, which is funded from a transfer from the Housing Revenue Account Reserve. Appendix 7 shows the final outturn position to 31 March 2019 on the Housing Revenue Account. The position on the Housing Revenue Account will be breakeven after the Transfer from Reserves of £2.613 million.
- 9.2. The deficit of £2.613 million, when added to the amount brought forward from 2017/2018, gives an accumulated surplus of £9.011 million to be carried forward to 2019/2020 and will be used to meet future years' business plan commitments. This is reflected in the Council's reserves position.

10. Annual Accounts - South Lanarkshire Council

- 10.1. The Local Authority Accounts (Scotland) Regulations 2014 require the unaudited accounts to be formally considered by elected members at a meeting to be held no later than 31 August.
- 10.2. The Risk and Audit Scrutiny Committee were presented with the 2018/2019 Unaudited Accounts for their consideration at the meeting on 19 June 2019.
- 10.3. The Annual Statement of Governance will be included in the Accounts and was presented separately to the Risk and Audit Scrutiny Committee on 19 June 2019, and the Executive Committee on 26 June 2019.
- 10.4. A copy of the unaudited Annual Accounts was e-mailed to Members for information, following the Risk and Audit Scrutiny Committee on 19 June 2019.
- 10.5. The Annual Accounts have been prepared in line with proper accounting practice contained within the Accounting Code of Practice (the Code), but remain subject to audit by Audit Scotland, who will complete their audit by 30 September 2019, having reported their findings to the Council in advance of that date. The year-end position detailed in section 6 is reflected in the Council's unaudited Annual Accounts.
- 10.6. In line with previous years, the full unaudited Annual Accounts will be available for public inspection in the Council Offices between 28 June 2019 and 19 July 2019, as prescribed by the Local Authority Accounts (Scotland) Regulations 2014. The Regulations also require publication of the Annual Accounts on the Council's website. As such, the unaudited Accounts will be available online from 28 June 2019 until the date the audited Accounts are published.

11. Annual Accounts: Restatement of Monitoring Figures Reported

- 11.1. The Code introduced an Expenditure and Funding Analysis which must be prepared as part of the main Annual Accounts. The purpose of the statement is to reconcile the monitoring position reported to the Council's Executive Committee, to the figures reported in the Comprehensive Income and Expenditure Statement, which are presented on an accounting basis.
- 11.2. Appendix 8 reconciles the monitoring figures reported in Appendix 1 of this report to the figures in the Council's Annual Accounts (in the Expenditure and Funding Analysis Statement and the Comprehensive Income and Expenditure Account).
- 11.3. The starting point for the Expenditure and Funding Analysis is the year-end outturn before transfers to reserves shown in Appendix 1 (column 5), the monitoring surplus of £22.427 million. An adjustment is made to move the Trading Operations from Resources to Other Income and Expenditure and to move the Corporate Items from the Other Income and Expenditure to the Resources. This is where they are shown in the Annual Accounts.
- 11.4. Appendix 8 (column 3) then takes this monitoring surplus of £22.427 million, and removes the Transfers from Reserves totalling £18.672 million, as the accounting requirements require us to remove both Transfers To and Transfers From Reserves, from these reported Committee figures.
- 11.5. The table in Appendix 8 then adds the HRA outturn position (col 5) to give the Council's total position: a surplus on provision of services of £1.142 million. This represents the Council's outturn position (General Fund plus HRA) on an accounting

basis before Transfers To / Transfers From Reserves and is the position shown in the Expenditure and Funding Analysis.

- 11.6. Finally, the Expenditure and Funding Analysis position (Appendix 8, Table 1 - col 7) is adjusted for the technical accounting transactions, including depreciation and pension accounting entries, which are outwith the normal Council monitoring process, to arrive at the figures in the Comprehensive Income and Expenditure Statement. These transactions are for accounting purposes and reflect the Council spend in line with accounting guidance. They do not change the final outturn position of the Council and have no impact on the actual position of the Council and the funds available.
- 11.7. As detailed in section 11.5, the Expenditure and Funding Analysis shows the movement on the General Fund Reserve and HRA Reserve before any transfers to/from other reserves. These relate to transfers from Other Reserves including the Repairs and Renewals Fund (including Winter Maintenance), the Insurance Fund and the IT Development Fund (Capital Fund) to offset expenditure and commitments that have been charged to the Revenue Budget but where the funding to pay for these commitments sits in another Reserve.
- 11.8. These transfers need to be taken into account to arrive at the total movement in the General Fund Reserve and HRA Reserve included in the Balance Sheet (Appendix 8, Table 2). Table 2 in Appendix 8 shows that when these transfers totalling £7.990 million (Table 2) are taken into account, the total General Fund and HRA position for the year is an increase of £9.132 million.

12. Charitable Trusts Unaudited Accounts

- 12.1. The Council also submits unaudited accounts to the external auditor in respect of the 3 Charitable Trusts managed by the Council: South Lanarkshire Council Educational Trust, South Lanarkshire Council Charitable Trusts and the East Kilbride Information Technology Trust.
- 12.2. Copies of Council and Charitable Trust accounts were also e-mailed to Members following the Risk and Audit Scrutiny Committee on 19 June 2019.

13. Employee Implications

- 13.1. None.

14. Financial Implications

- 14.1. As detailed within this report.

15. Other Implications

- 15.1. 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.
- 15.2. There are no implications for sustainability in terms of the information contained in this report.

16. Equality Impact Assessment and Consultation Arrangements

- 16.1. 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.
- 16.2. 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)

3 June 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 31 March 2019

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 31 March 2019 (No.14)

Committee

Departments:

Community and Enterprise Resources

Facilities Streets and Waste (Inc. Support)

Environmental Services (Inc. Projects)

Leisure and Culture Services

Planning and Economic Development

Roads

Fleet Trading Operation

Roads Trading Operation

Education Resources**Finance and Corporate Resources**

Finance Services

Audit and Compliance Services

Information Technology Services

Communications and Strategy Services

Administration and Licensing Services

Personnel Services

Housing and Technical Resources

Housing Services

Property Services

Property Services Trading Operation

Social Work Resources

Performance and Support Services

Children and Family

Adults and Older People

Justice and Substance Misuse

Joint Boards**Total Resources**

	Annual Budget £m <i>Col 1</i>	Forecast Before Transfers £m <i>Col 2</i>	Forecast After Transfers £m <i>Col 3</i>	Annual Forecast Variance (After Transfers) £m <i>Col 4</i>
Community and Enterprise Resources	110.587	110.658	110.095	(0.508)
Facilities Streets and Waste (Inc. Support)	64.697	64.592	64.877	(0.180)
Environmental Services (Inc. Projects)	3.995	3.914	3.966	0.029
Leisure and Culture Services	19.402	19.769	19.769	(0.367)
Planning and Economic Development	4.598	4.323	4.383	0.215
Roads	25.361	24.725	24.725	0.636
Fleet Trading Operation	(2.855)	(2.079)	(2.039)	(0.816)
Roads Trading Operation	(4.611)	(4.586)	(4.586)	(0.025)
Education Resources	312.633	308.171	312.595	0.038
Finance and Corporate Resources	34.239	34.239	34.239	0.000
Finance Services	15.083	14.780	14.780	0.303
Audit and Compliance Services	0.340	0.345	0.345	(0.005)
Information Technology Services	4.719	4.785	4.785	(0.066)
Communications and Strategy Services	1.092	1.395	1.395	(0.303)
Administration and Licensing Services	4.552	4.675	4.675	(0.123)
Personnel Services	8.453	8.259	8.259	0.194
Housing and Technical Resources	16.647	17.173	18.072	(1.425)
Housing Services	7.478	6.545	7.444	0.034
Property Services	13.329	13.363	13.363	(0.034)
Property Services Trading Operation	(4.160)	(2.735)	(2.735)	(1.425)
Social Work Resources	152.859	153.968	153.968	(1.109)
Performance and Support Services	7.901	7.176	7.176	0.725
Children and Family	29.816	31.597	31.597	(1.781)
Adults and Older People	114.023	114.218	114.218	(0.195)
Justice and Substance Misuse	1.119	0.977	0.977	0.142
Joint Boards	2.363	2.363	2.363	0.000
Total Resources	629.328	626.572	632.332	(0.738)

Actual to 31/03/19 Before Transfers £m <i>Col 5</i>	Variance Annual Budget To Actual Before Transfers £m <i>Col 6</i>	Actual to 31/03/19 After Transfers £m <i>Col 7</i>	Variance Annual Budget To Actual After Transfers £m <i>Col 8</i>
109.809	0.778	111.014	(0.427)
64.029	0.668	64.812	(0.115)
3.685	0.310	3.937	0.058
19.751	(0.349)	19.751	(0.349)
4.414	0.184	4.544	0.054
23.892	1.469	23.892	1.469
(1.899)	(0.956)	(1.859)	(0.996)
(4.063)	(0.548)	(4.063)	(0.548)
308.444	4.189	312.630	0.003
34.127	0.112	34.205	0.034
14.351	0.732	14.351	0.732
0.363	(0.023)	0.363	(0.023)
4.971	(0.252)	4.971	(0.252)
1.308	(0.216)	1.386	(0.294)
4.914	(0.362)	4.914	(0.362)
8.220	0.233	8.220	0.233
16.898	(0.251)	18.038	(1.391)
6.320	1.158	7.324	0.154
13.326	0.003	13.462	(0.133)
(2.748)	(1.412)	(2.748)	(1.412)
153.990	(1.131)	153.990	(1.131)
7.227	0.674	7.227	0.674
31.702	(1.886)	31.702	(1.886)
114.121	(0.098)	114.121	(0.098)
0.940	0.179	0.940	0.179
2.363	0.000	2.363	0.000
625.631	3.697	632.240	(2.912)

Total Resources

CFCR

Loan Charges

Corporate Items

Transfer to Reserves

Total Expenditure

	Annual Budget £m	Forecast Before Transfers £m	Forecast After Transfers £m	Annual Forecast Variance (After Transfers) £m
Total Resources	629.328	626.572	632.332	(0.738)
CFCR	0.541	0.541	0.541	0.000
Loan Charges	57.505	51.605	51.605	5.900
Corporate Items	1.347	0.757	1.191	1.461
Transfer to Reserves	5.202	0.000	10.202	(5.000)
Total Expenditure	693.923	679.475	695.871	(1.948)
Council Tax	146.058	148.566	148.566	2.508
Less: Council Tax Reduction Scheme	(19.670)	(19.472)	(19.472)	0.198
Net Council Tax	126.388	129.094	129.094	2.706
General Revenue Grant	254.082	254.082	254.082	0.000
Non Domestic Rates	295.500	295.500	295.500	0.000
Transfer from Reserves	17.953	17.953	17.953	0.000
Total Income	693.923	696.629	696.629	2.706
Net Expenditure / (Surplus) Before Transfers to Reserves	0.000	(17.154)	(0.758)	0.758

Actual to 31/03/18 Before Transfers £m	Variance Annual Budget To Actual Before Transfers £m	Actual to 31/03/18 After Transfers £m	Variance Annual Budget To Actual After Transfers £m
625.631	3.697	632.240	(2.912)
0.541	0.000	0.541	0.000
48.802	8.703	51.643	5.862
(0.340)	1.687	1.137	0.210
0.000	5.202	10.202	(5.000)
674.634	19.289	695.763	(1.840)
148.737	2.679	148.737	2.679
(19.211)	0.459	(19.211)	0.459
129.526	3.138	129.526	3.138
254.082	0.000	254.082	0.000
295.500	0.000	295.500	0.000
17.953	0.000	17.953	0.000
697.061	3.138	697.061	3.138
(22.427)	22.427	(1.298)	1.298

**Net Expenditure / (Surplus) Before
Transfers to Reserves**

Transfers to Specific Reserves

**(Surplus) After Transfers to Specific
Reserves**

Transfer to Earmarked General Fund

Surplus for Year Transferred to

Uncommitted General Fund

	Annual Budget £m	Forecast Before Transfers £m	Forecast After Transfers £m	Annual Forecast Variance (After Transfers) £m
Net Expenditure / (Surplus) Before Transfers to Reserves	0.000	(17.154)	(17.154)	17.154
Transfers to Specific Reserves	0.000	0.000	0.192	(0.192)
(Surplus) After Transfers to Specific Reserves	0.000	(17.154)	(16.962)	16.962
Transfer to Earmarked General Fund	0.000	0.000	16.204	(16.204)
Surplus for Year Transferred to Uncommitted General Fund	0.000	(17.154)	(0.758)	0.758

Actual to 31/03/19 Before Transfers £m	Variance Annual Budget To Actual Before Transfers £m	Actual to 31/03/19 After Transfers £m	Variance Annual Budget To Actual After Transfers £m
(22.427)	22.427	(22.427)	22.427
0.000	0.000	1.774	(1.774)
(22.427)	22.427	(20.653)	20.653
0.000	0.000	19.355	(19.355)
(22.427)	22.427	(1.298)	1.298

Transfers to Reserves – Approved at Probable

Purpose / Description	£m
Community and Enterprise Resources	
Crematorium Sinking Fund Contribution to meet future replacement costs at the crematorium	0.050
Crematorium Shelter Funding required to manage the costs of erecting a shelter for visitors at the Crematorium	0.050
Cashless System Transfer to fund associated costs with a new cashless school system	0.175
Comfort Scheme New initiative in Lanark to encourage tourism by reimbursing businesses for allowing the public to use their toilet facilities	0.010
Flare System Transfer in respect of costs to upgrade the Flare IT system within Environmental Services.	0.052
EK Task Force Funding identified to contribute towards costs of EK Task Force	0.060
Fleet Sinking Fund Contribution to manage the cost of equipment replacement in fleet services in future years.	0.040
Total Community and Enterprise Resources Transfers Approved at Probable	0.437
Adjust: Reduction in transfer to reflect final outturn position (EK Task Force – decrease £0.030m)	(0.030)
Revised Community and Enterprise Resources Transfers Approved at Probable	0.407
Education Resources	
ELC 1140 Specific Grant Underspend on the Early Years 1140 specific grant due to timing of staff recruitment which is required to meet costs of the service in future years.	0.927
Support Service Co-Ordinators Grade Funding to manage the future costs of job evaluation claims	0.300
Early Years Workers Non Specific Grant Underspend to be carried forward to manage future costs in relation to Early Years' service	0.497
Pupil Equity Fund (already reported) The funding received from the Government can be used up to the end of the school term (June 2019). The underspend reflects the element of the funding that will be utilised in April to June 2019.	2.300
ICT Funding Contribution to support the funding required for the renewal of the schools ICT contract.	0.400
Total Education Transfers Approved at Probable	4.424
Adjust: Reduction in transfer to reflect final outturn position (ELC 1140 Grant - decrease £0.060m, Support Co-ordinators - decrease £0.150m, PEF - decrease £0.766m)	(0.976)
Revised Education Transfers Approved at Probable	3.448
Housing and Technical Resources	
Homelessness The grant from the Scottish Government included funding for Homelessness. Due to implementation timescales and the level of bad debts being lower than anticipated there is an underspend in the current year to be carried forward to manage the cost of homelessness in future years.	0.899
Total Housing and Technical Resources Transfers Approved at Probable	0.899
Total Resource Transfers to Reserves Approved at Probable	5.760
Adjust: Total Reduction in transfer to reflect final outturn position	(1.006)
Revised Resource Transfers to Reserves Approved at Probable	4.754

Centrally Held Budgets	
Corporate Items - Transfers to Reserves	
Utilities Carry forward of underspend in 2018/2019 to manage any shortfall in 2019/2020 based on current price increase predictions.	0.434
Total Corporate Items Transfers to Reserves	0.434
Transfers to Reserves - Priorities and Investments	
Teachers incl. Classroom Support The 2018/2019 budget contains funding for 2 years. The transfer reflects the element required to be transferred to fund the associated costs in 2019/2020.	1.730
Employability The 2018/2019 budget contains funding for 2 years. The transfer reflects the element required to be transferred to fund the associated costs in 2019/2020.	3.211
School Breakfast Clubs Underspends were anticipated in the current year due to the rollout of the pilots. This is being carried forward to meet the costs in 2019/2020.	0.100
Holiday Lunch Clubs Underspends were anticipated in the current year due to the rollout of the pilots. This is being carried forward to meet the costs in 2019/2020.	0.150
Total Priorities and Investments Budget Transfers (Transfer to Reserves Line)	5.191
Adjust: Increase in transfer to reflect final outturn position (Employability - Increase £0.063m, Breakfast Clubs - decrease £0.052m)	0.011
Revised Priorities and Investments Budget Transfers (Transfer to Reserves Line)	5.202
Corporate Transfers	
2019/2020 Strategy Underspend in 2018/2019 due to loan charges and council tax to be carried forward and used to manage the 2019/2020 budget strategy.	4.000
Total Corporate Transfers	4.000
Adjust: Additional transfer agreed as part of Probable	1.000
Revised Corporate Transfers	5.000
Total Centrally Held Budgets – Transfers to Reserves	10.636
Total Transfers to Reserves – Approved at Executive Committee (13 February 2019)	15.385
Adjust: Total Reduction in transfer to reflect final outturn position (Resources and Corporate Items above)	0.005
Revised Transfers to Reserves – Approved at Probable	15.390

Transfers to Reserves – Additional Proposed Transfers

Purpose / Description	£m
Community and Enterprise Resources	
Waste Contract Transfer of credit from contractor in respect of waste contract to be used to assist in managing future cost pressures.	0.488
Health and Safety Cemeteries Transfer of funding from 2018/2019 to fund 2019/2020 costs of health and safety requirements in cemeteries.	0.010
Public Health Legal Case Transfer to fund costs following completion of the public safety legal case.	0.200
Local Plan Transfer to fund additional costs associated with the multi-year production of the Local Plan which will be completed in 2019/2020.	0.100
Total Community and Enterprise Resources	0.798
Education Resources	
Sanitary Products in Schools The underspend in the specific grant funding will be used in the remainder of the academic year (April-June 2019).	0.090
Teachers Pay Funding The grant not utilised in the current year to be carried forward to manage cost of teachers pay award in 2019/2020.	0.648
Total Education Resources	0.738
Finance and Corporate Resources	
Sanitary Products in Public Places The transfer of specific grant funding to meet costs of goods ordered but which will not be received until 2019/2020.	0.078
Total Finance and Corporate Resources	0.078
Housing and Technical Resources	
Scheme of Assistance This is a multi-year demand led budget which can fluctuate annually. The carry forward will assist in managing demand across future years.	0.136
Rapid Rehousing Transition Plan Underspend due to timing of funding. Transfer of funding to meet cost of Strategy Co-Ordinator in future years (approved at Housing and Technical Committee, 23 January 2019).	0.105
Total Housing and Technical Resources	0.241
Total Resource Transfers to Reserves	1.855
Loan Charges	
Loan Charges Due to the review of loans fund repayments following the Stage 1 Budget Bill and the late change by Audit Scotland to allow the application of this review to apply in 2018/2019, the underspend will be carried forward and used in the 2020/2021 Budget Strategy to reduce the savings requirement (section 6.7.6).	2.841
Total Loan Charges Transfer to Reserves	2.841
Corporate Budget	
Central Energy Efficiency Fund (CEEF) Resources are allocated funding from the CEEF reserve to pay for 'spend to save' projects, which they repay over future years from the revenue savings generated by the project. This transfer represents the payback of savings from Resources and allows the reserve to be regenerated for use on future projects.	0.245

Feed In Tariff Income Carry forward income received from energy transferred back to the grid for use in future years on energy efficiency related projects.	0.048
Renewable Heat Initiative Income Carry forward subsidy income received from the Government for use on future energy efficiency related projects.	0.298
Interest on Revenue Balances – General Fund The income received on General Fund revenue balances during the year was higher than anticipated. The proposal is to transfer this additional income to use in the 2020/2021 Budget Strategy.	0.360
Interest on Revenue Balances – Reserves The Council generates Revenue on its Reserves balances during the year. However, accounting treatment prohibits the direct credit of this to Reserves. Instead the income is credited to the General Fund and then transferred to the appropriate Reserve as part of the year end closing entries.	0.092
Total Corporate Budget Lines Transfers to Reserves	1.043
Total Centrally Held Budget Lines Transfers to Reserves	3.884
Total Additional Proposed Transfers to Reserves	5.739
Summary of Transfers to Reserves	£m
Transfers Approved at Probable	15.385
Adjust: Total Reduction in transfer to reflect final outturn position (shown in Appendix 3)	0.005
Revised Transfers Approved at Probable	15.390
Proposed Additional Transfers (Tables 2 and 3 in Report)	5.739
Total Transfers to Reserves	21.129

Resource 2018/2019 Final Outturn Position

The final outturn position for the year ended 31 March 2019, has been now been confirmed. There are examples of where commitments have not fully spent in 2018/2019, but which will spend in 2019/2020. As is normal practice, these committed monies are carried forward through Reserves at the end of the financial year.

To reflect this, the Resources' position shown in the table below details the outturn before Transfers to Reserves (col 2), the Transfers to Reserves by Resources approved as part of the Probable Outturn Exercise (col 3), the additional Transfers to Reserves being proposed by Resources (col 4) at the year end and the resultant final outturn position (col 5). Approval for these transfers is sought via Section 5 of the report.

The table shows an underspend of £3.697 million on the Resources' (including Trading Operations) current year budgets before any Transfers to Reserves for commitments.

After Transfers to Reserves of £6.609 million (col 3 and 4), the Resource position is an overspend for the year of £2.912 million (col 5). This is an improved position of £0.092 million compared to the Probable Outturn overspend of £3.004 million.

Budget Line				
	Under / (Over) Before Transfer to Reserves col 2	Approved Probable Outturn Transfers to Reserves col 3	Additional Proposed Transfer to Reserves col 4	Under / Over – Final Outturn col 5
col 1	£m	£m	£m	£m
Resources				
Community and Enterprise incl Trading	0.778	(0.407)	(0.798)	(0.427)
Education	4.189	(3.448)	(0.738)	0.003
Finance and Corporate	0.112	-	(0.078)	0.034
Housing and Technical	(0.251)	(0.899)	(0.241)	(1.391)
Social Work Resources	(1.131)	-	-	(1.131)
Joint Boards	-	-	-	-
Total Resources incl Trading Operations	3.697	(4.754)	(1.855)	(2.912)

Each Resource is taken in turn in the table below, including an explanation of the reasons for the variances and any changes to the reserve transfer figures.

Resource	2018/19 Final Outturn
Community and Enterprise incl Trading Operations	<p>The Resource including Trading Operations is showing an underspend position of £0.778 million before Transfers to Reserves. This is a decreased position of £0.849 million from the Probable position reported during the year, due to the Trading Operations' under recovery against surplus being higher than that anticipated at probable.</p> <p>Client Services - £2.282m underspend before transfers to reserves: The net underspend position reflects underspends resulting from the turnover of staff as well as additional planning and building standards income. In addition, a refund was received from the contractor in respect of the waste contract. These are partially offset by the approved additional payment made to South Lanarkshire Leisure to assist with their budget pressures. This is offset by the under recovery of surplus in the Trading Operations detailed below.</p>

	<p>Trading Operations - :</p> <p>Within Fleet, the under recovery against surplus of £0.956 million before transfers to reserves, is due to the timing of efficiencies and also higher expenditure on materials and external repairs costs than anticipated.</p> <p>For Roads, the under recovery against surplus of £0.548 million is due to the use of external contractors as a result of turnover of staff and also the timing of work on capital projects.</p> <p>This is in line with the position reported during the year.</p> <p>Transfers to Reserves totalling £0.407 million were approved as part of the Council's Probable Outturn, detailed in Appendix 2. As part of the final outturn, additional Transfers to Reserves are proposed totalling £0.798 million as detailed in Appendix 3. These relate to the Waste Contract refund to meet commitments in future years, funding to manage the cost of planning inquiries and funding for future commitments in respect of the public safety legal case.</p> <p>The final position for the Resource, after all Transfers to Reserves is a net overspend of £0.437 million, compared to a probable overspend position of £0.508 million.</p>
Education Resources	<p>The Resource outturn position is an underspend of £4.189 million before Transfers to Reserves. This is a reduced position of £0.273 million from the Probable position reported during the year.</p> <p>The underspend relates to the Pupil Equity Fund for which funding is received for the academic year, which straddles two financial years and also an underspend within the Early Years' Service including the 1,140 expansion, due to the timing of recruitment.</p> <p>There are also underspends in utilities and rates due to consumption efficiencies and the timing of opening of new establishments. These are partially offset by overspends in transport and demand led external placements. This is in line with the position reported during the year.</p> <p>Transfers to reserves totalling £4.424 million were approved as part of the Council's Probable Outturn (Appendix 2) in relation to the Pupil Equity Fund, Early Years and Information Technology funding. The level of transfer in respect of some these items at year end has decreased by £0.976 million in relation to PEF and Early Years, reflecting additional expenditure incurred during 2018/2019.</p> <p>As part of the final outturn, additional Transfers to Reserves are proposed totalling £0.738 million in relation to funding for Teachers Pay and Sanitary Products in Schools which has not been fully utilised in 2018/2019 but which is required to meet commitments in 2019/2020.</p> <p>The final position after all Transfers to Reserves is an underspend of £0.003 million, compared to a probable underspend position of £0.038 million.</p>
Finance and Corporate Resources	<p>The Resource is showing a net underspend of £0.112 million before Transfers to Reserves. This is an improved position of £0.112 million from the Probable breakeven position.</p> <p>The underspend is due to the level of staff turnover being experienced across the Services during the year, a reduction in the cost of overpayments as part of the administration of Housing Benefits, the reduced cost of Employability programmes during the year and an underspend in the funding received for the provision of sanitary products in public places. This underspend is partially offset by expenditure on the rollout of multi-functional devices to schools, expenditure in IT related projects and a reduction in income from print-room work and the renewal of licences.</p>

	<p>The Resource did not previously request any transfers to reserves, however, as noted above, part of the underspend relates to funding for Sanitary Products in Public Places which has not been utilised in 2018/2019. The Resource is seeking approval to transfer this funding of £0.078 million to reserves to meet commitments in 2019/2020. This proposal is included in Appendix 3.</p> <p>The final position after all Transfers to Reserves is an underspend of £0.034 million, compared to a probable position of breakeven.</p>
Housing and Technical Resources incl Trading Operations	<p>The final outturn position for the Resource including Trading Operations, is an overspend of £0.251 million before Transfers to Reserves. This is an improved position of £0.275 million on the probable outturn position reported during the year.</p> <p>Client Services: As reported during the year, within Housing Services there is an underspend in respect of the Scottish Government funding for Temporary Accommodation within the Homelessness Service. Due to implementation timing and the level of bad debts being lower than anticipated, the funding was not fully utilised in 2018/2019. In addition, the Service experienced underspends in respect of the Rapid Rehousing Programme funding which was not fully utilised due to the timing of the recruitment of staff.</p> <p>In addition Property Services experienced overspends in repairs and an under recovery of rental income, offset by an underspend in respect of the scheme of assistance payments to homeowners in relation to capital projects, which is demand led and is linked to the timing of capital projects.</p> <p>Trading Operation: The under recovery of surplus in the Property Trading Operation is due to the timing of works in relation to Early Years, Central Heating Programmes and Growth and Capacities in Schools.</p> <p>In relation to reserves transfers, a transfer to reserves of £0.899 million in respect of the Temporary Accommodation funding was approved as part of the Council's Probable Outturn at the Executive Committee on 13 February 2019, detailed in Appendix 2. As part of the final outturn, additional Transfers to Reserves totalling £0.241 million in respect of the Rapid Rehousing Programme and Scheme of Assistance are proposed as detailed in Appendix 3.</p> <p>The final position after all transfers to reserves is an overspend of £1.391 million compared to a probable overspend of £1.425 million, an improved position of £0.034 million.</p>
Social Work Resources	<p>The outturn position is a net overspend of £1.131 million before Transfers to Reserves. This is a worse position of £0.022 million on the figure of £1.109 million reported during the year.</p> <p>The net overspend as reported during the year is due to an overspend in Children and Families (external residential places, foster places as well as the level of kinship care payments) and Adults and Older People (employee costs). In addition, Adults and Older People have experienced additional expenditure on equipment, adaptations and technology to assist users to remain at home, as well as demand for respite and direct payments.</p> <p>These overspends are partially offset by underspends in Performance and Support and Justice due to turnover of staff.</p> <p>The Resource are not proposing any transfers to reserves and therefore the final outturn position after transfers remains at an overspend of £1.131 million, compared to the forecast overspend of £1.109 million.</p>

2018/2019 Revenue Outturn

Service Variance Explanations BEFORE Transfers to Reserves

Resource / Service	Under / (Over) £m
Community and Enterprise Resources (including Trading Operations)	
Facilities, Streets and Waste The underspend is mainly due to the level of staff turnover experienced during the year and also a refund from the contractor in respect of the Waste Contract.	0.668
Environmental Services (including Projects) The underspend is mainly due to the level of staff turnover experienced during the year, partially offset by expenditure on legal costs in of respect a public health case.	0.310
Leisure The overspend relates to the additional payment made to South Lanarkshire Leisure to assist with their budget pressures.	(0.349)
Planning and Economic Development The underspend is due to additional income from planning applications and building warrants, partially offset by expenditure on legal fees for planning inquiries and security at Christmas switch on events.	0.184
Roads Services The underspend reflects the level of staff turnover experienced by the Service during the year and also less than anticipated expenditure on reactive repairs.	1.469
Fleet Trading Operation The under recovery against surplus is due to the timing of efficiencies and also higher than anticipated expenditure on materials and external repairs.	(0.956)
Roads Trading Operation The under recovery of surplus is due to the use of external contractors as a result of turnover of staff and also the timing of work on capital projects.	(0.548)
Education Resources	
The underspend relates to Pupil Equity Funding which is received for academic school years rather than financial years. This underspend will be used in April-June 2019 (2019/2020). In addition, specific grant funding was received for the delivery of 1,140 hours within Early Years and due to the timing of recruitment which has been progressing since August 2018 to meet implementation requirements, and a lower than anticipated uptake in the lunches provided in Early Years establishments, there is an underspend in 2018/2019. There is also an underspend in utilities due to consumption efficiencies and an underspend in rates due to the timing of the opening of new establishments.	4.189
Finance and Corporate Resources	
Finance Services The underspend is due to vacancies being considered in line with Service requirements and the reduced cost of overpayments as part of the administration of Housing Benefit.	0.732
Audit and Compliance Services The overspend relates to an under recovery of income, reflecting the level of service provided to other bodies.	(0.023)

Information Technology Services The overspend reflects lower than anticipated staff turnover, additional electricity costs at the Caird Data Centre and expenditure on a number of IT projects.	(0.252)
Communications and Strategy The majority of the overspend relates to an under recovery of income from external works carried out.	(0.216)
Administration, Legal & Licensing The overspend reflects a lower than anticipated level of staff turnover and an under recovery of income from private hire and taxi operator licences.	(0.362)
Personnel Services The underspend is due to the reduced cost of Employability programmes during the year.	0.233
Housing and Technical Resources (including Trading Operations)	
Housing Services Funding received from the Scottish Government for Temporary Accommodation was not fully spent due to implementation timescales resulting in an underspend. In addition, funding was also received to assist with Rapid Rehousing Transitional Planning which due to timing was not utilised during the year. The Resource has requested that this funding be transferred to reserves to meet commitments in future years.	1.158
Property Services The service has experienced an underspend in the scheme of assistance to homeowners for capital projects, which is a demand led budget. This was partially offset by additional expenditure on repairs and an under recovery of rental income.	0.003
Property Trading Operation The level of income from both contract and design work can be affected by the timing of works. The under recovery of surplus is due to the timing of works in relation to Early Years, Central Heating Programmes and Growth and Capacities in Schools.	(1.412)
Social Work Resources	
Performance and Support The underspend is due to the turnover of staff experienced during the year and expenditure on the implementation of the Carers Act was lower than anticipated.	0.674
Children and Families The overspend is due to expenditure on residential schools and external placements, fostering and adoption, kinship care and also turnover being lower than anticipated. This overspend is partially offset by non-recurring income and also an over recovery of income in relation to asylum seeking young people.	(1.886)
Adults and Older People The overspend relates to expenditure on staffing and equipment, adaptations and assistive technology to support service users to remain at home and also demand for respite services and direct payments. This is partially offset by underspends in demand for Care Homes and Home Care as well as an over recovery of income.	(0.098)
Justice and Substance Misuse The underspend mainly relates to staff turnover being higher than anticipated, partially offset by additional costs to support service users in the community.	0.179

Analysis of Council's Usable Reserves

Reserves / Funds	Balance at 31 March 2018 £m	Re- classify Future strategy sums not yet allocated to a year £m	Transfers to Reserves 2018/19 £m	Transfers from Reserves 2018/19 £m	Balance as at 31 March 2019 £m	Total Set Aside for Future Revenue Budget Strategies £m	Balance £m	Analysis of Balance on Reserves / Funds
Earmarked General Fund	57.997	(22.966)	19.355	(8.908)	45.478	(21.654)	23.824	
Repairs and Maintenance	7.232	-	1.004	(1.307)	6.929	-	6.929	Winter Maintenance Fund (£2.630m)
								Repairs and Renewals (£4.299m)
Capital Funds	18.229	-	8.182	(10.506)	15.905	(4.116)	11.789	IT Development Fund (£2.946m)
								Education Capital Items Replacement Fund (£1.415m)
								Central Energy Efficiency Fund (£0.861m)
								Adoptions (£0.489m)
								Capital Receipts (£6.078m)
Insurance Fund	4.516	-	0.018	(1.256)	3.278	-	3.278	
Housing Revenue Account	11.624	-	-	(2.613)	9.011	-	9.011	
Uncommitted General Fund	13.043	22.966	1.298	-	37.307	(24.264)	13.043	
	112.641	-	29.857	(24.590)	117.908	(50.034)	67.874	

General Fund								
Earmarked General Fund	57.997	(22.966)	19.355	(8.908)	45.478	(21.654)	23.824	
Uncommitted General Fund	13.043	22.966	1.298	-	37.307	(24.264)	13.043	
Total General Fund	71.040	-	20.653	(8.908)	82.785	(45.918)	36.867	

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 31 March 2019 (No.14)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 31/03/19	Actual to Period 14 31/03/19	Variance to 31/03/19		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	13.171	12.997	0.174	13.171	14.297	(1.126)	over	(8.5%)	
Property Costs	41.871	41.829	0.042	41.871	39.478	2.393	under	(5.7%)	
Supplies & Services	0.768	0.712	0.056	0.768	0.708	0.060	under	7.8%	
Transport & Plant	0.195	0.175	0.020	0.195	0.202	(0.007)	over	(3.6%)	
Administration Costs	5.713	5.677	0.036	5.713	5.614	0.099	under	1.7%	
Payments to Other Bodies	3.221	3.221	0.000	3.221	3.308	(0.087)	over	(2.7%)	
Payments to Contractors	0.100	0.129	(0.029)	0.100	0.141	(0.041)	over	(41.0%)	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	23.751	23.782	(0.031)	23.751	32.253	(8.502)	over	(35.8%)	
Total Controllable Expenditure	88.790	88.522	0.268	88.790	96.001	(7.211)	over	(8.1%)	
Total Controllable Income	(98.273)	(97.714)	(0.559)	(98.273)	(108.019)	9.746	over recovered	9.9%	
Transfer to/(from) Balance Sheet	(5.318)	(5.319)	0.001	(5.318)	(2.613)	(2.705)	over	(50.9%)	
Net Controllable Expenditure	(14.801)	(14.511)	(0.290)	(14.801)	(14.631)	(0.170)	over	(1.1%)	
Add: Non Controllable Budgets									
Financing Charges	14.801	14.511	0.290	14.801	14.631	0.170	under	1.1%	
Total Budget	0.000	0.000	0.000	0.000	0.000	-	-	0.0%	

Appendix 8

Table 1 - Reconciliation of Monitoring Position to Annual Accounts	Actual to Period 14 31/03/18 (App 2 Col 5 £m)	Move Trading Operations and Corporate Items £m	Remove Transfers from Reserves £m	Revised General Fund Position per EFA £m	Add: HRA Position £m	Total EFA per Annual Accounts £m	Statutory Accounting Adjustment £m	CIES Figure per Annual Accounts £m
	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8
Community and Enterprise Resources	109.809	5.962	-	115.771	-	115.771	22.438	138.209
Education Resources	308.444	-	-	308.444	-	308.444	4.089	312.533
Finance and Corporate Resources	34.127	-	-	34.127	-	34.127	5.418	39.545
Housing Revenue Account	-	-	-	-	2.613	2.613	(8.754)	(6.141)
Housing and Technical Resources	16.898	2.748	-	19.646	-	19.646	4.528	24.174
Social Work Resources	153.990	-	-	153.990	-	153.990	12.145	166.135
Joint Boards	2.363	-	-	2.363	-	2.363	-	2.363
Corporate Items	-	(0.340)	-	(0.340)	-	(0.340)	2.202	1.862
Non Distributed Costs – HRA	-	-	-	-	-	-	0.327	0.327
Total Resources	625.631	8.370	-	634.001	2.613	636.614	42.393	679.007
Trading Operations	-	(8.710)	-	(8.710)	-	(8.710)	(20.561)	(658.317)
CFCR	0.541	-	0.719	1.260	-	1.260		
Loan Charges	48.802	-	-	48.802	-	48.802		
Corporate Items	(0.340)	0.340	-	-	-	-		
Council Tax	(129.526)	-	-	(129.526)	-	(129.526)		
General Revenue Grant	(254.082)	-	-	(254.082)	-	(254.082)		
Non Domestic Rates	(295.500)	-	-	(295.500)	-	(295.500)		
Transfer from Reserves	(17.953)	-	17.953	-	-	-		
Other Income and Expenditure	(648.058)	(8.370)	18.672	(637.756)	-	(637.756)	(20.561)	(658.317)
(Surplus)/Deficit on Provision of Services	(22.427)	-	18.672	(3.755)	2.613	(1.142)	21.832	20.690

Table 2 - Total Movement in General Fund Reserve and HRA Reserve	General Fund £m	HRA £m	Total £m
Closing General Fund and HRA Balance	(71.040)	(11.624)	(82.664)
(Surplus) /Deficit on General Fund per EFA	(3.755)	2.613	(1.142)
Transfer to/from Other Reserves (see Table 3)	(7.990)	-	(7.990)
Total Movement in Year	(11.745)	2.613	(9.132)
Closing General Fund and HRA Balance	(82.785)	(9.011)	(91.796)

Table 3 - Transfers to/from Other Reserves	General Fund £m
Repairs and Renewals (including Winter Maintenance)	(0.303)
Insurance Fund	(1.238)
Capital Fund (including IT Development Fund, Central Energy Efficiency Fund, Education Capital Items Replacement)	(0.949)
Capital Receipts Reserve	(5.500)
	(7.990)

Report

7

Report to:	Executive Committee
Date of Meeting:	26 June 2019
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	2020/2021 Strategy and Savings Requirement
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1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ Advise on the Budget Strategy and Savings Requirement for 2020/2021.

2. Recommendation(s)

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

- (1) that the Revenue Budget Strategy for 2020/2021, as detailed in the report, be approved;
- (2) that officers be authorised to seek savings to the value of £11.651 million and bring these back to members (section 7.4), be approved;
- (3) that the summary and next steps (section 8), be noted; and
- (4) that the impact of the reinstatement of Temporary Solutions / Future Year Saving Requirement (section 9), be noted.

3. Background

3.1. This paper will look at the Revenue Budget Strategy for 2020/2021, and will include estimates of Government Grant levels, requirements for additional expenditure budget, corporate solutions for consideration and ultimately, the level of savings required in that year.

3.2. This paper will focus on 2020/2021, and will cover the following:

- Government Grant Estimates (section 4)
- Other Budget Movements (section 5),
- Corporate Solutions for Consideration (section 6),
- Savings Requirement (section 7),
- Summary and Next Steps (section 8).
- Re-instatement of Temporary Solutions (section 9).

4. Government Grant

4.1. Local Government budgets are affected by both changes in the UK Government Budget and the subsequent Scottish Government Budget. The uncertainty around budget changes is heightened by the use of taxation powers and the medium to long term impacts of that, which are currently unknown.

4.2. A number of Government Grant scenarios were considered as part of the Council's approved Medium Term Financial Strategy (Executive Committee, August 2018). The scenarios looked at the potential level of funding for the Scottish Government and how that could be passed onwards to the Council. Based on these

scenarios/estimations, it was anticipated that we could see our grant move within a range of a £5.000 million cut (Scenario 1) to an increase of £13.000 million (Scenario 2) in each of the next 3 years. On the basis that the economic advisers deem an increase in the settlement is unlikely, the Strategy assumes a reduction of £5.000 million in 2020/2021.

- 4.3. In addition to planning for reductions to the level of the local government grant covered above, there may also be changes as a result of how grant is distributed to councils using population numbers.
- 4.4. In previous years, the Council has experienced reductions in grant as a result of how the funding is distributed. It is anticipated that the Council will experience similar reductions in grant in future years. The Strategy assumes a reduction of £2.500 million in grant for 2020/2021 relating to population based distribution.
- 4.5. **Floor Assumption:** As part of the grant allocation process, the Scottish Government applies the Floor Mechanism which limits the range of annual changes in individual local authority allocations of grant. The Scottish Government sets the level of the Floor. If the Floor is set at the overall level of the national cut in grant, then the Council should receive funding from the Floor. This has been the case in recent years. For 2020/21, it is assumed that this will be around the same level as received in 2018/19.
- 4.6. **Consequence of Council Tax Increases (Properties):** As noted in previous Budget Strategies, increases in Council Tax due to increased property numbers, does not give a permanent benefit to the Council as there will be a reduction in grant in future years – an estimated 80% Grant Reduction for every additional £1 of Council Tax.
- 4.7. The impact on grant of additional properties is incurred 2 years after the new properties arise. In relation to 2020/2021, the consequent reduction in Government Grant (80% reduction after 2 years) reflects the new properties added in 2018/19, and totals an estimated reduction in Grant Income of £0.800 million for 2020/2021.
- 4.8. **Summary of Grant Assumptions**
Table 1 summarises the reduction in grant including a general reduction in funding, the impact of population changes and the consequences of previous Council Tax property increases.

Table 1 – Grant Assumptions

	2020/21 £m
Assumed Reduction (Section 4.2)	(5.000)
Distribution – Population changes (Section 4.4)	(2.500)
Consequence of Council Tax Increase (Properties) (Section 4.7)	(0.800)
Total Grant Reduction	(8.300)

5. Other Budget Movements for 2020/2021

- 5.1. There are a number of other budget movements, in addition to Government Grant, that affect the budget for 2020/2021. These include Council Tax Income from additional properties and additional expenditure items. Each of these is taken in turn below.

- 5.2. **Council Tax Properties:** Based on Band D properties and net of Council Tax Reduction Scheme (CTRS), the increase in Council Tax Income for 2020/2021 has been assumed at £1.130 million (Council Tax of £1.300 million less CTRS of £0.170 million). This is detailed further in Appendix 1, section 1.
- 5.3. **Additional Expenditure Items:** There are a number of financial pressures that will require additional funding in 2020/2021. This will increase the level of savings required. The details of this are included in Appendix 1 to the report, and are summarised across the main headings in Table 2.

Table 2 – Summary of Additional Expenditure Items

	2020/2021 £m
Reinstate 2018/2019 and 2019/2020 Temporary Solutions Including the need to add in budget to cover one-off savings from 2018/2019 as well as the temporary use of Reserves which are no longer available. (Appendix 1, para 2.5)	4.025
Impact of 2019/2020 Budget Decisions Including the need to add in budget to cover one-off savings from 2019/2020 as well as the temporary use of Reserves which are no longer available. (Appendix 1, para 2.9)	1.412
Pay Items Including pay award for teachers and non-teachers and the anticipated cost of job evaluation. (Appendix 1, Section 2.16)	15.702
Price Increases Including inflationary increases on utilities, non-domestic rates, the secondary schools' modernisation contract and social care. (Appendix 1, para 2.22)	3.923
Funding for Priorities Including the increased cost of kinship care, waste management and community participation as well as making permanent the funding for New Initiatives (inc. Breakfast Clubs, Holiday Lunch Clubs, Employability and Teachers. (Appendix 1, Section 2.33)	6.660
Related Parties and Joint Boards Including increased costs for the Leisure and Culture Trust and the Valuation Board. (Appendix 1, Section 2.36)	0.736
Revenue Consequences of Capital Including the revenue impact of the new primary schools and the City Deal programme. (Appendix 1, Section 2.39)	0.863
Other Adjustments Including the roll out of Free at 3 and additional IT costs. (Appendix 1, Section 2.43)	1.060
Total Expenditure	34.381

- 5.4. Taking into account the assumed reduction in Government Grant (Table 1) along with the impact of Council Tax properties (section 5.2) and Additional Expenditure Items summarised in Table 2, gives a 2020/2021 budget gap of £41.551 million, shown in Table 3.

Table 3 – Budget Gap

	2020/21 £m
Grant Reduction (Table 1)	8.300
Council Tax properties (Section 5.2)	(1.130)
Additional Expenditure Items (Table 2)	34.381
Total Budget Gap	41.551

- 5.5. The Medium Term Financial Strategy for 2019/2020 to 2021/2022 approved by Executive Committee in August 2018, included Budget Assumptions for 2020/2021. The result was a budget gap of £33.010 million. When comparing this to the Budget Gap in section 5.4, the movement is £8.541 million. The main elements of this movement reflect decisions made as part of the 2019/2020 budget (£1.412 million), the increased cost of the approved pay award for both Teachers (£2.721 million) and Non-Teachers (£3.024 million).

6. Corporate Solutions for Consideration

- 6.1. In order to reduce the budget gap and in turn reduce the need for savings, a number of Corporate Solutions have been identified. These are detailed in Appendix 2. The corporate solutions include the use of 2019/2020 underspends and 2020/2021 Budgets that are no longer required (totalling £1.700 million). In addition, Capital Receipts, Loan Charges and the use of Reserves have been considered. These are taken in turn below.
- 6.2. **Capital Receipts:** Capital receipts from asset sales have been used to support the Council's Revenue Budget in the recent past. £4.000 million per annum has been used across financial years 2017/2018 to 2019/2020. Taking into account the potential Capital Receipts for the coming 3 years, the commitment of £4.000 million to fund the 2019/2020 Revenue Budget and the level of commitment for the Council's Capital Strategy, leaves between £10 million to £16 million which could contribute to savings in future years – the range provided reflects the dependency on market conditions and the ability to sell these sites.
- 6.3. Based on this projected position, it is proposed that £5 million of the balance held be used in each of the next 2 years, to support the Revenue Budget. If a higher level of receipts is achievable, then this support could continue for a further year.
- 6.4. The Budget Strategy includes an assumption in relation to the level of receipts generated. Work continues to review assets and the level of income that can be achieved from sales. The outcome of this review will be the subject of a separate report to members.
- 6.5. **Loan Charges:** There are a number of factors influencing the Loan Charges budget requirement into 2020/2021. This includes savings through reduced borrowing and interest rates and the timing of repayment of debt. In addition, it also includes the impact of applying a late change in guidance issued by Audit Scotland, whereby they have now agreed that councils can apply the Scottish Government Regulation regarding re-profiling debt, in 2018/2019. By re-profiling debt, the Council can make repayments over a longer period of time.
- 6.6. The 2020/2021 Budget Strategy takes account of the Loan Charges proposals totalling £14.300 million, detailed in Appendix 2.

- 6.7. **Retrospective Adjustment:** While Section 6.5 looks at the benefits of adjusting the timing of debt repayments going forward, there is also the ability to consider retrospective application of the new guidance, and previous loan charge payments could be reversed. This would allow the Council to take the benefit of a credit for the amount of advances they have paid to date, compared to what should have been paid, based on the new profile. A report showing the potential impact for the Council will be developed and reported to a future meeting of the Executive Committee.
- 6.8. **Use of Reserves:** At the end of financial year 2018/2019, the Council held £50 million of Reserves for future budget strategies. Of this £50 million, £24 million has not yet been allocated to a specific budget year. In order to minimise the requirement for savings in 2020/2021, it is proposed that £5 million of these Reserves are used to support the budget in 2020/2021 for one year only. It is also proposed that if the level of Government Grant notified for 2020/2021 is higher than the current Strategy assumes, then this use of Reserves for 2020/2021 should be reduced.
- 6.9. In total, the Corporate Solutions assumed in the Strategy amount to £26 million, and reduce the Budget Gap of £41.551 million (from Section 5.4) to £15.551 million, shown in Table 4.

Table 4 – Budget Gap after Corporate Solutions

	2020/2021 £m
Total Budget Gap (Table 3)	41.551
Less Corporate Solutions:	
- Underspends / Budgets no Longer Required (Section 6.1)	(1.700)
- Capital Receipts (Section 6.3)	(5.000)
- Loan Charges (Section 6.5 / 6.6)	(14.300)
- Use of Reserves Earmarked for Budget Strategies (Section 6.8)	(5.000)
Total Corporate Solutions	(26.000)
Total Budget Gap after Corporate Solutions	15.551

7. Savings Requirement

- 7.1. As detailed in Section 6.9, the Budget Gap after Corporate Solutions is £15.551 million.
- 7.2. The Budget Strategy to date for 2020/2021 does not include any assumption for an increase in Council Tax.
- 7.3. In 2019/2020, the Scottish Government allowed council to increase their Council Tax by up to 4.79% (3% in real terms). Table 5 shows the potential income generated by increasing Council Tax across a range of percentages.

Table 5 – Income from Council Tax Percentage Increases

	1%	2%	3%	4.79%
Net Council Tax	£1.300m	£2.600m	£3.900m	£6.227m

- 7.4. At this stage, it is proposed that savings totalling £11.651 million are identified by officers for members' consideration. This is £3.900 million less than the Budget Gap detailed in Section 6.9.
- 7.5. Following receipt of the Government Grant for 2020/2021, expected later in the calendar year, a decision on Council Tax can be taken.
- 8. Summary and Next Steps**
- 8.1. **As noted in Section 7.4, officers will seek savings to the value of £11.651 million, and bring these back to members for consideration.**
- 8.2. The Budget Gap for 2020/2021, as noted in 6.9, includes the use of Capital receipts (£5.000 million) and Reserves (£5.000 million) as well as a number of other temporary solutions which must be reinstated in the following year. This adds to the savings requirement in that next year. This is detailed in Section 9. Given the impact on 2021/2022, it is proposed that the level of temporary solutions used in 2020/2021, be considered again, once the Government Grant level is known later in 2019.
- 8.3. It is proposed that decisions in relation to the New Initiatives and Council Tax will be taken when the Government Grant allocation for 2020/2021 is known.
- 9. Temporary Solutions and Impact for Future Year Savings Requirements**
- 9.1. A number of the Corporate Solutions noted in Section 6 are one-off benefits. These one-off solutions have to be added to the savings requirement in the following years. In addition, an adjustment is also required for any savings or previous budget solutions that are not permanent.
- 9.2. Details of these temporary solutions across years are shown in Table 6.

Table 6 – Temporary Solutions

	Year of Adjustment	
	2021/ 2022 £m	2022/ 2023 £m
2019/2020 Savings which were temporary		
Early Years Realignment of Early Learning and Childcare Income (EDR04)	0.045	-
Temporary Budget Solutions from Previous Year Budgets		
Use of reserves (£6.1m 2018/19 to 2020/21)	6.100	-
Additional Council Tax from extra properties in 2019/20 – expected future reduction in Government Grant	1.382	-
Use of 2018/2019 Underspend (Used £2m in 2019/20 and 2020/21)	2.000	-
2020/2021 Corporate Solutions (section 6) (2020/2021)		
2018/19 Underspends	0.620	-
2019/20 Underspends	0.540	-
Loan Charges (use of underspends)	12.300	-
Capital Receipts (use in 2020/2021 and 2021/2022)	-	5.000
Use of Reserves (one-off use in 2020/2021)	5.000	-
Total Temporary Solutions	27.987	5.000

- 9.3. The medium term financial strategy estimated that the level of savings required for 2021/2022 was in excess of £20 million. This will be increased by temporary solutions detailed in Table 6 above (£27.987 million) taking the total savings required for 2021/2022 to over £47 million. For 2022/2023, the savings are estimated at a level of around £30 million with the years beyond estimated at £25 million.
- 9.4. Should Government Grant settlements in 2020/2021 be more favourable, then the level of temporary measures employed, including the use of Reserves (Section 6.8), should be reduced in order to minimise the resultant savings required in 2021/2022.
- 9.5. As reported as part of the 2018/19 year end report, there is currently £50 million of Reserves identified for future budget strategies, of which £19 million have not yet been allocated to a specific budget year. It is suggested that the remaining £19.000 million of Reserves would be used as a temporary measure, to contribute to reducing the level of savings from 2021/2022 onward.

10. Employee Implications

- 10.1. There are no direct employee implications from this paper.

11. Financial Implications

- 11.1. The financial implications are summarised within the report.

12. Other Implications

- 12.1. The financial strategy is a way of managing a number of key risks which directly impact on the money available to deliver Council objectives. As detailed in the report there is no certainty on the level of funding that will be received over the life of this Strategy. This Strategy is based on economic information and advice we have, however it is accepted that these are assumptions.
- 12.2. Due to the steps that will be taken over the coming months by UK and Scottish Governments (including a Budget announcement and Spending Reviews) our assumptions may have to change, and a revision of the Strategy will be required. This will be considered on receipt of the three year government grant settlement, expected in late 2019.
- 12.3. The main risk area, where the council has made assumptions which have a significant impact on the budget estimates going forwards are on the level of grant which we will receive (as detailed in Appendix 1). In addition, any general pay, demand or prices increases currently unknown, have been estimated as far as possible. Any movement in these would be a risk to the Strategy.
- 12.4. The Budget for 2020/2021 includes contributions made in relation to employees' pensions. Recent court rulings in relation to pensions suggest there may be an impact on the local government pension scheme in the future. However, given the uncertainty surrounding the level of any potential impact, there has been no cost increase factored into the 2020/2021 Budget Strategy. This will be kept under review.

13. Equality Impact Assessment and Consultation Arrangements

- 13.1. 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.
- 13.2. There is no requirement to undertake any consultation in terms of the information

contained in this report.

- 13.3. However, as the process to identify savings continues, and with proposals to be presented to members later in the year, stakeholder consultation and equality impact assessments will be carried out. The results will be provided to members to inform the decision making process.

Paul Manning

Executive Director (Finance and Corporate Resources)

30 May 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Executive Committee, 15 August 2018
- ◆ Executive Committee, 28 February 2018
- ◆ Executive Committee, 13 February 2019
- ◆ Council, 27 February 2019

Contact for Further Information

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

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2020/21 Budget Strategy

This Appendix details the original Budget Strategy approved by the Council's Executive Committee on 15 August 2018.

1. Budget Strategy Income Assumptions

- 1.1. **Council Tax Income:** As part of the 2018/2019 Revenue Budget Strategy, the Council Tax budget was increased by £8.300 million in respect of additional properties, an estimate of arrears collection and estimated additional income for the 3% increase to Council Tax Band D approved by Council on 28 February 2018.
- 1.2. Moving forward, the South Lanarkshire Housing Land Audit (2017) details new houses for the 3 years 2019/2020 to 2021/2022, based on housing developments where there are 4 units or more that are under construction, have planning consent, are included in the adopted Local Plans and in some cases, where land with potential for housing development is agreed with developers, land owners, or Homes for Scotland.
- 1.3. While there is a risk attached to using these figures on the basis that the actual outcome can be dependent on factors such as the financial market, House Builder estimates have proven to be approximately 80% accurate, therefore 80% has been assumed in the Strategy calculations.
- 1.4. Based on these property numbers, an estimate of additional Council Tax Income can be made. In addition, Council Tax Reduction Scheme Payments may increase due to the additional property numbers. We cannot assume that the Government will fund any increases in Council Tax Reduction Scheme expenditure, therefore to be prudent the Strategy also assumes additional Council Tax Reduction for the new properties.
- 1.5. Based on Band D properties and net of Council Tax Reduction Scheme, the potential new potential Council Tax Income generated for **2020/2021 has been assumed at £1.130 million** (Council Tax of £1.300 million less CTRS of £0.170 million).
- 1.6. The impact of the new houses assumed in 2020/2021 on the Government Grant will be seen in the 2022/2023 Budget Strategy.
- 1.7. The continuation of a collection yield of 97.125% is proposed for 2020/2021. This reflects the current budgeted Council Tax Income levels.

2. Budget Strategy Expenditure Assumptions

- 2.1. In arriving at the expenditure assumptions, a number of factors are taken into account including the reinstatement of previous year solutions, the impact of decisions taken during the 2019/2020 Budget process, demographics, economic conditions and ongoing commitments of the capital programme. These are each taken in turn.

Re-Instatement of 2018/2019 and 2019/2020 Temporary Solutions

- 2.2. A number of budget strategy solutions approved for the 2018/2019 Revenue Budget must be re-instated in 2020/2021. These are detailed below.
- 2.3. **2018/2019 Approved Savings:** A 2018/19 **approved saving** for Staffing Secondment (CER17) was on a one-off basis. This requires to be re-instated and this added **£0.025 million** to the budget strategy in **2020/2021**.
- 2.4. **Use of Capital Receipts:** Similar to the use of Reserves, the use of Capital Receipts (£4.000 million per annum) has been used to support the Council's Revenue Budget over the 3 years from 2017/2018 to 2019/2020. As this is no longer available in 2020/2021, this will **add £4.000 million** to the savings requirement in **2020/2021**.
- 2.5. The total impact of the **Reinstatement Items** on the 2020/2021 Strategy is **£4.025 million**.

Decisions taken as part of the 2019/2020 Budget Strategy

- 2.6. **Reinstatement of 2019/2020 Corporate Solutions:** The budget for a number of Budget Strategy solutions approved for the 2019/2020 Revenue Budget which were approved after the original 2020/2021 Budget Strategy was set must be re-instated in 2020/2021. These are detailed below.
- 2.7. **Use of Reserves:** As part of the 2019/2020 Budget, Reserves were approved to support the budget on a one-off basis. These included the use of the 2018/2019 Underspend (£1.000 million approved by Executive Committee on 13 February 2019) and the additional £0.215 million approved by Council on 27 February 2019. These require to be re-instated and this adds **£1.215 million** to the budget strategy in **2020/2021**.
- 2.8. **2019/2020 One-Off Approved Savings:** 2019/20 **approved savings** of £0.197 million were on a one-off basis, and relate to the realignment of Early Years and Childcare Income (£0.105m), Personal Liquor Licences (£0.032m) and the Homelessness Services (£0.060m). These require to be re-instated and this adds **£0.197 million** to the budget strategy in **2020/2021**.
- 2.9. The total impact of the **2019/2020 Budget Decision** on the 2020/2021 Strategy is **£1.412 million**.

Pay Items

- 2.10. **Pay Award:** Multi-year pay awards have been agreed for both Teachers and Non Teachers. The agreement for 2020/2021 for both employee groups has had an impact on the budget Strategy for 2020/2021. This amounts to **£12.844 million**.
- 2.11. In addition, of the 7% pay award for Teachers for 2019/2020, the Council is required to pay the first 3%, however, only 2% was included in the Strategy for that year. Due to timing, this 1% shortfall cannot be permanently addressed in the 2019/2020 Budget, as such, it will require to be added to the 2020/2021 Budget Strategy (and managed in 2019/2020). The cost of this is **£1.358 million** into 2020/2021.
- 2.12. **Local Government Pension Scheme:** An actuarial review was carried out on Strathclyde Pension Fund in 2017. The outcome of the review (issued 13 December 2017) shows that the employer contribution rate will remain at 19.3% for 2018/2019

to 2020/2021 as the Fund is currently 105% funded. Therefore, there is no requirement to add anything to the Strategy for 2020/2021.

- 2.13. **Teachers Pension:** A recent actuarial review resulted in changes to the assumptions for Teachers' Pensions from 2019/20 onwards. There is no increase assumed for 2020/2021.
- 2.14. **Job Evaluation:** An exercise is ongoing in relation to job evaluations for a number of employee groups across the Council. It is anticipated that it will cost an additional £1.500 million to implement the outcome of these evaluations.
- 2.15. Other areas of business are planned for evaluation but are not yet concluded. Any further requirements for costs will be updated in future strategies.
- 2.16. The total impact of the **Pay Items** on the 2020/2021 Strategy is **£15.702 million**.

Price Increases

- 2.17. **Secondary Schools' Modernisation Contract:** The Strategy includes the requirement to fund inflationary increases for the Secondary Schools' Modernisation Contract. The Retail Price Index rates (as per Office of Budget Responsibility at March 2019) were applied to the 2019/2020 contract payment. The Strategy includes **£0.958 million for 2020/2021**.
- 2.18. **Utilities:** Based on information from the Department of Business, Energy and Industrial Strategy and the National Grid for Future Energy Scenarios, amounts have been included for anticipated price increases in utility costs. Information will continue to be monitored to ensure identification of further increases. An amounts of **£1.352 million has been included for 2020/2021**.
- 2.19. In terms of Vehicle Fuel costs, price increases have been experienced at the start of 2018/2019. If this price is maintained, then an **estimated £0.400 million would be required in 2020/2021**. This will be refined/monitored as information becomes clearer moving forward.
- 2.20. **Non Domestic Rates:** Estimates for the Council's increased NDR costs, as a result of potential increases in rates poundage, have been made based on 2018/2019 information. Trends in increases over the last few years have been applied to arrive at the estimated budget requirements of **£0.513 million for 2020/2021**.
- 2.21. **Social Care:** As in previous years, the Strategy assumes increases in prices reflecting the ongoing commitments for Social Care contracts held by the Council. Increases similar to that experienced in 2018/19, have been assumed for Social Care price increases for Care Home contracts into 2020/2021 (**£0.700 million**). This excludes additional costs for living wage funded by the Government.
- 2.22. The total impact of the **Price Increases** on the Strategy is **£3.923 million**.

Funding for Priorities

- 2.23. **Social Care Demand:** Social Care is facing continuing demands. Along with the Integration Joint Board, Social Work Resources are looking at transformational change initiatives to manage the increasing demand including making efficiencies, scheduling techniques and care models supporting independent living and re-

ablement. Based on this work, no increase has been made to the Strategy for increased demand in years 2020/2021.

- 2.24. **Kinship Care Allowances:** A report is being presented to the Social Work Resources Committee which will update the Council's policies and procedures around Kinship Care and the payments and allowances that are made in respect of these. It is expected that this will cost an **additional £0.600 million in 2020/2021**.
- 2.25. **Children and Families:** There has been an increase in demand in Children and Family services in recent years. There may be a continued requirement for additional funding for growth in children and families reflecting the increase in demand for service in relation to adoption and fostering and Continuing Care. Work continues to estimate any requirement in this area. No impact has been included in the Strategy.
- 2.26. **Waste Management:** The Council let a number of new contracts for waste in 2017/2018. An amount of **£0.300 million** has been included in the Strategy for contract inflation for **2020/2021**. This is based on the budget strategy for Waste Services which also utilises funding held in Reserves in its early years.
- 2.27. The 2020/2021 Strategy also includes **£0.150 million** for the additional cost of new waste routes.
- 2.28. **Education Growth:** Population growth across the Council areas has meant an increase in pupil population and therefore capacity issues in Schools, both Primary and Secondary. While the Capital Programme is working to manage the capital investment in schools to allow them to manage the increased number of children, there is also a requirement for additional Teaching staff. Based on the anticipated growth in pupils, a projected requirement of **£1.000 million** for additional Teachers, budget has been added to the Council's Revenue Budget Strategy for **2020/2021**. This will be monitored over years and any necessary variations on demand reflected in future strategies.
- 2.29. **Community Participation:** The Council's Executive Committee has recently approved a new approach to improve levels of community participation and meet the requirements of the Community Empowerment (Scotland) Act 2015. As part of this, a team was created and the staffing structure was approved at a cost of £0.330 million per annum. For 2018/2019 and 2019/2020, the costs will be met from an underspend in the 2017/2018 outturn, however, thereafter there will be a requirement to add **£0.330 million to the 2020/2021** Strategy.
- 2.30. **New Initiatives:** A number of New Initiatives were approved as part of the 2018/19 Budget setting process (Executive Committee, February 2018). These included areas where 2 years' worth of funding was provided (ending in 2019/2020) or where the project was being carried out on a pilot basis.
- 2.31. The level of core/pilot budget carried into 2020/2021 is £0.900 million, and includes monies for Breakfast Clubs and Holiday Lunch Clubs. There is no core budget included for the additional Teachers plus classroom support (£1.800 million) or for the Employability programmes in Social Care or Early Years (£2.000 million), as these were only funded for two years (2018/2019 and 2019/2020).
- 2.32. In order to ensure core funding is available for the New Initiatives in 2020/2021, an additional allocation of £4.280 million is required.

- 2.33. The total impact of the **Funding for Priorities** on the Strategy is **£6.660 million for 2020/2021**.

Related Parties and Joint Boards

- 2.34. Assumptions for cost increases of **£0.736 million** for South Lanarkshire Leisure and Culture Trust and the Lanarkshire Valuation Joint Board are included in the Strategy for **2020/2021**. It is expected that savings identified by the Trust will form part of the Council's overall savings package.
- 2.35. Strathclyde Passenger Transport had advised that as part of their long term strategy, there would be no changes to 2018/2019 assumptions. The Strategy for 2020/2021 assumed the same 'no change' in the requisition payment going forward and will be updated as more information becomes available.
- 2.36. The total impact on the Strategy of the **Related Parties and Joint Boards** is **£0.736 million for 2020/2021**.

Revenue Consequences of Capital

- 2.37. The assumptions in this Strategy continue to include provision for the revenue consequences of the opening of new primary schools and capital bids: **£0.036 million for 2020/2021**. These additional costs are primarily for rates and energy costs.
- 2.38. **City Deal – Interest on Borrowing:** Due to the timing of the grant in respect of City Deal, the Council will require to borrow on a temporary basis to fund the projects. The Scottish Government have changed the accounting regulations to allow the Council to delay principal repayments until the grant is received. However, the Council will still have to account for the interest payments temporarily on the borrowing on an annual basis. An amount of **£0.827 million** has been included in the Strategy for **2020/2021**.
- 2.39. The total impact of the **Revenue Consequences of Capital** on the Strategy is **£0.863 million for 2020/2021**.

Other Budget Items

- 2.40. **Free at 3:** Free at 3 is being rolled out during 2019/2020. The full year effect of this will be experienced in **2020/2021 and will cost an additional £0.260 million**.
- 2.41. **Caird Centre:** As part of the anticipated Caird Data Centre exit date of 30 June 2021, the preferred model for Council corporate IT server and storage services is a hybrid model of traditional racked servers and storage, virtualised servers and cloud services. This gives the Council the greatest flexibility to deliver computer services. This will **cost £0.500 million in 2020/2021**.
- 2.42. **Microsoft Licenses:** The Council's operating systems and applications must be fit for purpose in the face of the increased risk of cyber-attacks. Targets for compliance have been set by both the Scottish and UK governments. There is a requirement to upgrade the Windows, Exchange and Office applications due to the end of manufacturer support. The Council is required to have in place subscription

licensing for Microsoft's email, Windows and Office suite products moving forward.
The increased cost of this is £0.300 million into 2020/2021.

- 2.43. The total impact of the **Other Budget Items** on the 2020/2021 Strategy is **£1.060 million.**

Corporate Solutions for Consideration

This Appendix details a number of corporate solutions for consideration, to assist in supporting the Revenue Budget Strategy for 2020/2021. These are summarised in the Table below and then detailed in the paragraphs beyond.

The Corporate Solutions generate £21.000 million to support the 2020/2021 Budget Strategy.

Corporate Funding Solutions	2020/21 £m
<i>2018/2019 Underspend:</i>	
Interest on Revenue Balances (para 3) – proposed Transfer to Reserves as part of year-end Outturn Report	0.360
Community Planning and Engagement Team (para 4) – unused Reserves balance available to use in 2020/2021	0.260
<i>2019/2020 Underspend / 2020/2021 Budget:</i>	
Reduction in Strathclyde Passenger Transport Budget Required (para 6)	0.220
Removal of Payment to Third Sector Organisations (para 8)	0.700
Reduction in Budget Required for PPP Inflation (para 9)	0.160
Total Underspend/Budget	1.700
<i>Loan Charges:</i>	
2018/019 Underspend (one-off) (para 10)	2.800
2019/2020 Underspend (one-off) (para 12)	6.500
2020/2021 Underspend (one-off) (para 13)	3.000
Loan Charges (para 13)	2.000
Total Loan Charges	14.300
<i>Reserves:</i>	
Use of Reserves (one-off) (para 14)	5.000
Total Use of Reserves	5.000
Corporate Funding Solutions (before Property Based Funding Solutions)	21.000
<i>Property Based Funding Solutions:</i>	
Use of Capital Receipts (in years 2020/2021 and 2021/2022) (para 16)	5.000
Total Corporate Funding Solutions (after Property Based Funding Solutions)	26.000

1. **Delay in Teachers' Pension Increase:** The Budget Strategy for 2019/2020 was updated to include an amount of £7.2 million to fund the increase in Teachers Pension costs effective from 1 April 2019. Of this, £5.7 million was funded by the Scottish Government leaving a balance of core Council funding of £1.5 million for the full year. As the increase is now not due to take place until 1 September 2019, the

budget requirement in 2019/2020 is reduced to a net £0.5 million. The reduction in 2019/2020 will be set aside to manage the shortfall as a result of the increased contribution in future years (2020/2021 to 2022/2023). This has no impact on the Budget Strategy for 2020/2021.

2. **2018/2019 Underspends:** Following declaration of the Probable Outturn exercise, additional underspends have been identified. These are detailed below.
3. **Interest on Revenue Balances:** The position on IORB for 2019/18 has been calculated at the end of 2018/2019 and has identified an additional benefit of £0.360 million. It is proposed that this underspend would be transferred to Reserves at the end of 2018/2019, and be used on a one-off basis in 2020/2021. This will be part of the 2018/19 Outturn report presented to the Executive Committee (26 June 2019).

Decrease in savings requirement: £0.360 million (one-off basis)

4. **Community Planning and Engagement Team:** Due to the timescales for the rollout of the team, an underspend is envisaged in the 2018/2019 budget. Transferring these monies to Reserves at the end of the year, and using them to fund the Team in 2020/2021, would mean a benefit of £0.260 million could be taken on a one-off basis.

Decrease in savings requirement: £0.260 million (one-off basis)

5. **2019/2020 Underspends:** Following the 2019/2020 Budget being set, an underspend is anticipated on a number of lines. These are show below.
6. **Strathclyde Passenger Transport:** A reduced contribution is required to SPT for 2019/2020. This amounts to £0.110 million of an underspend which could be used to assist in the Budget Strategy on a one-off basis. In addition, the reduction of £0.110 million in budget into 2019/2020, could be used as a permanent solution. The one-off underspend will require to be re-instated in 2021/2022.

**Decrease in savings requirement: £0.220 million
(£0.110 million one-off and £0.110 million permanent)**

7. **Payment to Third Sector Organisations:** As part of the 2016/2017 savings, a reduction in the payment to VASLAN and other third sector organisations was approved. An amount of £0.350 million had been added to the Strategy in 2019/2020 that allows us to consider re-instatement of the payments to Third Sector Organisations including VASLAN.
8. Since the Strategy was set, a review of VASLAN, Healthy 'n' Happy, Healthy Valleys and Community Links (funding reduction only, not removal) has failed to identify a strong enough case to support these organisations going forward. On a one-off basis, an amount of £0.350 million is available from the underspend not now required in 2019/2020, as well as being able to benefit from the removal of budget in 2020/2021. The one-off underspend will require to be re-instated in 2021/2022.

**Decrease in savings requirement: £0.700 million
(£0.350 million one-off and £0.350 million permanent)**

9. **PPP Inflation:** In 2019/2020, the actual inflation rate incurred was lower than that anticipated in the Strategy, resulting in an underspend of £0.080 million. On a one-off

basis, an amount of £0.080 million is available from the underspend not now required in 2019/2020, as well as being able to benefit from the removal of budget in 2020/2021. The one-off underspend will require to be re-instated in 2021/2022.

**Decrease in savings requirement: £0.160 million
(£0.080 million one-off and £0.080 million permanent)**

10. **Loan Charges:** Included in the 2019/20 budget is a saving in relation to loan charge principal repayments reflecting an expected change in regulation that is being taken forward by the Government. Following the late agreement by Audit Scotland that this regulation could be applied in 2018/2019, the result is an additional underspend of £2.800 million in 2018/2019. This will be used to support the 2020/2021 Budget on a one-off basis.

**Decrease in savings requirement: £2.800 million
(one-off basis)**

11. Through continuing to review the Loan Charge strategy we have identified a principal repayment on debt was due to be repaid in 2019/2020, totalling £5.800 million for which a decision could be taken to repay this principal over a longer term, and therefore take a one-off benefit in loan charges in 2019/2020 of £5.500 million. In addition, a further £1m underspend is expected in 2019/20 reflecting the actual interest rates at which borrowing was taken in 2018/19.

12. It is estimated that these underspends totalling £6.500 million will be realised in 2019/2020, to be used in 2020/2021 on a one-off basis. This would be required to be re-instated from 2021/2022.

**Decrease in savings requirement: £6.500 million
(one-off basis)**

13. In addition, the profile of spend in the capital programme has meant a reduction in borrowing for 2018/2019 and 2019/20. In addition, underspends in Loan Charges will continue into 2020/21 reflecting the actual interest rates at which borrowing was taken in 2018/19. This means a consequent reduction in loan charges. It is proposed that the loan charges budget be reduced by £3.000 million on a one-off basis in 2020/2021 and by a further £2.000 million for the years 2020/2021 to 2022/2023, with a review into 2023/2024. The £3.000 million will require to be re-instated in 2021/2022.

**Decrease in savings requirement: £5.000 million
(£3.000 million one-off and £2.000 million permanent)**

14. **Use of Reserves:** At the end of financial year 2018/2019, the Council holds £50 million of Reserves for future budget strategies. Of this £50 million, £24 million has not yet been allocated to a specific budget year. In order to minimise the requirement for savings, and to keep them at a manageable level, it is proposed that £5 million of these Reserves are used to support the budget in 2020/2021 (one year only). It is also proposed that if the level of Government Grant is higher than the current Strategy assumes, then this use of Reserves for 2020/2021 should be reduced.

**Decrease in savings requirement: £5.000 million
(one-off basis)**

15. **Capital Receipts** have been used to support the Council's Revenue Budget in the recent past, with the utilisation of £4.000 million per annum across financial years

2017/2018 to 2019/2020. Taking into account the potential Capital Receipts for the coming 3 years, the commitment of £4.000 million to fund the 2019/2020 Revenue Budget and the level of commitment for the Council's Capital Strategy, leaves between £10 million to £16 million which could contribute to savings in future years – the range provide reflects the dependency on market conditions and the ability to sell these sites.

16. Based on this projected position, it is proposed that £5 million of the balance held be used in each of the next 2 years, to support the Revenue Budget. If a higher level of receipts is achievable, then this support could continue for a further year.

**Decrease in savings requirement: £5.000 million
(temporary basis in 2020/2021 and 2021/2022)**

Report

8

Report to: **Executive Committee**
 Date of Meeting: **26 June 2019**
 Report by: **Executive Director (Community and Enterprise Resources)**
Executive Director (Housing and Technical Resources)
Executive Director (Finance and Corporate Resources)
Executive Director (Education Resources)

Subject: **East Kilbride Town Centre/Civic Centre - Masterplan**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ seek approval to prepare a masterplan for the Civic Centre site in East Kilbride
- ◆ seek approval to the lease of accommodation within East Kilbride Town Centre for a new nursery.

2. Recommendation(s)

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

- (1) that the Executive Directors (Community and Enterprise) and (Housing and Technical) Resources be authorised to prepare a masterplan for the Civic Centre site in East Kilbride and in doing so assess the options within the Town Centre that may be suitable to accommodate public sector uses, in conjunction with the town centre owner.
- (2) that the Executive Director (Housing and Technical Resources), in consultation with the Executive Director (Education) and Executive Director (Finance and Corporate) be authorised to negotiate the provision of a nursery within East Kilbride Town Centre provided that the proposal:-
 - ◆ is deliverable within the existing capital budget associated with adapting the Civic Centre for that use
 - ◆ is deliverable by August 2020
- (3) that the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services, if appropriate, be authorised to conclude all matters in respect of the grant of lease and to enter into the necessary legal agreements on terms which are in the best interests of the Council.

3. Background

- 3.1. The nature of town centres across the UK is in a transitional stage. The range of issues involved in the challenges town centres are facing are broad and complex. Factors such as the economic downturn, internet shopping, the growth of out of town shopping malls, changes in retailer's business models and consumer expectations have resulted in a decline in town centre footfall.
- 3.2. Some of the issues are local and specific to individual towns, however, many are issues seen across the country influenced by wider economic patterns, consumer behaviour and corporate decisions. Supporting town centres remains a Council priority and officers continue to work closely with groups and organisations in each town through a partnership approach to achieve our common goals.
- 3.3. One of the key areas the Council works on with all partners in our town centres is how to bring a variety of other uses to the town centre thereby creating a greater diversity of use and less reliance on a solely retail focused offer for users.
- 3.4. This objective closely follows guidance from the Scottish Government that public bodies should follow the principles of the Town Centre Action Plan - published by Scottish Government in 2013 in response to the National Town Centre Review and the Town Centre First Principle. This encourages collaboration and expects local government to work with the wider public sector, businesses and communities to deliver positive local outcomes in towns. A vital part of that approach is developing a place-based plan following consultation and engagement with these wider groups and the public as a whole.
- 3.5. Following on from the above, and as noted in the Community and Enterprise Committee Report of 4 June 2019 regarding the allocation of Town Centre Funding, officers have been in discussion with the East Kilbride Town Centre owner for a period of time on how the Council may develop initiatives based on the town centre first principle and the scope for public sector to contribute to these initiatives. In exploring these options consideration should be given to uses in and around the Civic Centre and scope for masterplanning and redevelopment.

4. Previous Development Proposals

- 4.1. The Council has worked closely with the various owners of East Kilbride Town Centre over some 15 years bringing forward development proposals in support of the town centre. In 2004 the two principal owners, British Land and Land Securities, formed a joint vehicle to bring their ownerships together and work under a single approach rather than the competitive approach prior to that. The partnership created a more stable relationship for the Council to work with the owners for the benefit of the whole town centre.
- 4.2. Around the same time it was recognised that the public sector uses in the Civic Centre complex, South Lanarkshire Council, Strathclyde Police, Strathclyde Fire and NHS Lanarkshire, were operating from premises that were ageing and in need of significant investment or replacement.
- 4.3. The Council, along with our public sector partners, and the town centre owners entered into a period of project development and negotiation over a period of some 3 years during which time proposals to relocate the facilities listed below to a new purpose built joint public service facility in the town centre was discussed and presented to the appropriate Committees and Boards:-

- ◆ Civic Centre
- ◆ Ballerup Hall
- ◆ Village Theatre
- ◆ Hunter Health Centre
- ◆ Police Station
- ◆ Fire Station
- ◆ Sheriff Court

4.4 In relation to the Council's elements of the proposals, in general terms, they were to be financed through a combination of the sale of assets, including the Civic Centre site, along with a long lease over the new facility from the town centre owners who would in return provide capital investment.

4.5. Ultimately these proposals were not delivered for a number of reasons including:

- ◆ the financial crash in 2007 changed the ability of both the public and private sector to fund these types of projects
- ◆ the sale of assets did not occur as the demand for sites from retail/foodstore operators declined
- ◆ pressures over service delivery required public sector partners to progress with other options

4.6. Notwithstanding the above, the Council has continued to work with town centre owners to explore opportunities and deliver projects, this activity has included:

- ◆ Delivery of the new Hub facility with the refurbished ice rink at its core representing a £1.2m investment by the Council as part of the £14m refurbishment project
- ◆ Investing in the creation of the Training and Skills Hub at South Mall
- ◆ Supporting NHS Lanarkshire develop the new Hunter Health Centre
- ◆ Undertaking environmental improvement works at Righead Gate and Brouster Gate

4.7. Throughout this time strong working relationships have been established and maintained with the current town centre owner. This provides a solid basis to consider the potential to deliver projects in the interest of the Council and the town centre owner.

5. Masterplanning – Town Centre/Civic Centre

5.1. There are a number of drivers, that when taken together, means that the time is now right to consider the scope for the Council and town centre owner to work together to re-assess wider plans for both the town centre and the Civic Centre:

- ◆ there is extensive vacant floorspace within the town centre that could be reconfigured/ redeveloped to accommodate public sector uses and thereby increase footfall
- ◆ to consider the impact of re-location of HMRC offices and how this may be mitigated by alternative uses being located in the town centre
- ◆ at a strategic level by considering public and private assets in partnership this would support the Government's Town Centre First Principle,
- ◆ the condition of the Civic Centre is such that it will require ongoing investment to maintain the building fabric and therefore an assessment is required to determine whether this represents best value going forward.

- ◆ aligned to the above, is an assessment of the uses in the Civic Centre, the utilisation of the space and whether these could be located in the town centre or elsewhere
- ◆ assessment of the development potential of the Civic Centre site and the economic development contribution its redevelopment would deliver
- ◆ there is a short term need to develop an early years nursery by August 2020
- ◆ through the review of South Lanarkshire Leisure consideration can be given to the location of cultural assets

5.2. In order to address and assess these issues, it is proposed that a masterplanning exercise be undertaken for the Civic Centre site as shown on the plan at Appendix 1. This master planning exercise would explore the following matters:-

- ◆ An assessment of the uses in and around the Civic Centre, the utilisation of the space and whether these and other public sector uses, could be located in the town centre or elsewhere
- ◆ Building fabric and economic life of the Civic Centre
- ◆ Financial viability/ model for relocation of uses
- ◆ Redevelopment potential of the Civic Centre site, economic benefits and financial return
- ◆ Timescales
- ◆ Phasing

5.3. It is important to highlight that at this stage that authority is being sought for the preparation of a masterplan and the assessment of the suitability, feasibility and acceptability of options that would be developed through the preparation of a masterplan. Once this work is complete it would then be reported to Committee for members' consideration.

5.4. There is, however, a project currently programmed for the provision of an early years nursery within the Civic Centre upon which a view would be required in the short term. Consideration to the implications is given in section 6 below.

6. Early Years Nursery

6.1. To meet the additional accommodation requirements of the Scottish Government's programme for the provision of 1140 hours Early Learning and Childcare places by August 2020, a new nursery provision in the Civic Centre was approved by the Executive Committee on 15 August 2018. Designs for this new facility are at an advanced stage.

6.2. In light of the potential masterplanning exercise, a high level feasibility study has been undertaken to consider the implications of relocating the nursery project instead in to East Kilbride Town Centre, taking into account the restricted timescales for delivery of the nursery as well as the capital and revenue costs.

6.3. The outcome of this feasibility exercise is that the nursery requirements can be accommodated within the Town Centre, see plan at appendix 1, and that the project can be delivered:-

- ◆ by August 2020
- ◆ within the approved capital budget of £2.6 million

6.4. The relocation of the nursery to the town centre site is consistent with the town centre first principle referred to previously, in that it will bring public sector investment to the town centre, increase footfall and vitality to this area of the centre which would

otherwise remain vacant. In terms of users of the nursery, it is considered that there is improved access to car parking and public transport, and access to the town centre that would support joint trips in support of the centre.

7. Summary and Next Steps

7.1. In summary, by taking a holistic approach to addressing the challenges and opportunities facing both East Kilbride Town Centre and the Council through a masterplanning exercise for the Civic Centre, this should ensure that potential options for change are supportive and complementary rather than decisions being taken in isolation. By taking such a collaborative approach this is consistent with the Scottish Government's town centre first principle that expects local government to work with the wider public sector, businesses and communities to deliver positive local outcomes in towns. To progress this, two matters require to be taken forward:

- ◆ In the short term, the Committee agrees to the principle of re-locating the early years nursery from the Civic Centre to the Town Centre subject to the proposal being delivered within existing timescales and budgets
- ◆ The Committee agrees to the preparation of a masterplan for the Civic Centre site in East Kilbride and in doing so assess options within the town centre that may be suitable to accommodate public sector uses, in conjunction with the town centre owner

8. Employee Implications

8.1. An officer corporate working group would be established involving officers from all Resources to take forward the preparation of the masterplan plan.

9. Financial Implications

9.1. It is expected that the capital costs associated with establishing the nursery within the Town Centre would be in line with the budgeted costs associated with adapting the Civic Centre. Capital funds are in place for this work.

9.2. Ongoing revenue costs of running the nursery within the Town Centre are generally expected to be in line with the costs that would have been incurred at the Civic Centre site with the exception of an annual service fee of around £0.025 million. These additional costs will be accommodated within the education budget for ELC provision.

9.3. The financial implications of the wider masterplan will be considered and reported to Committee with outcome of the master planning exercise.

10. Other Implications

10.1. The risk of not proceeding with the recommendations is that the Council will not delivery on early years' nursery in the short term and not take a long term assessment of the Council's assets.

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. Consultations on the masterplan would be undertaken after the options have been presented to members.

Michael McGlynn
Executive Director (Community and Enterprise Resources)

12 June 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Improve the quality of the physical environment
- ◆ Support the local economy by providing the right conditions for growth, improving skills and employability
- ◆ Improve health and increase physical activity
- ◆ Partnership working, community leadership and engagement

Previous References

- ◆ Community and Enterprise Resources Committee, 4 June 2019 – Town Centre Capital Grant Fund
- ◆ Executive Committee 15 August 2018 , Early Learning and Childcare 1140 Hours Update

List of Background Papers

- ◆ None

Contact for Further Information

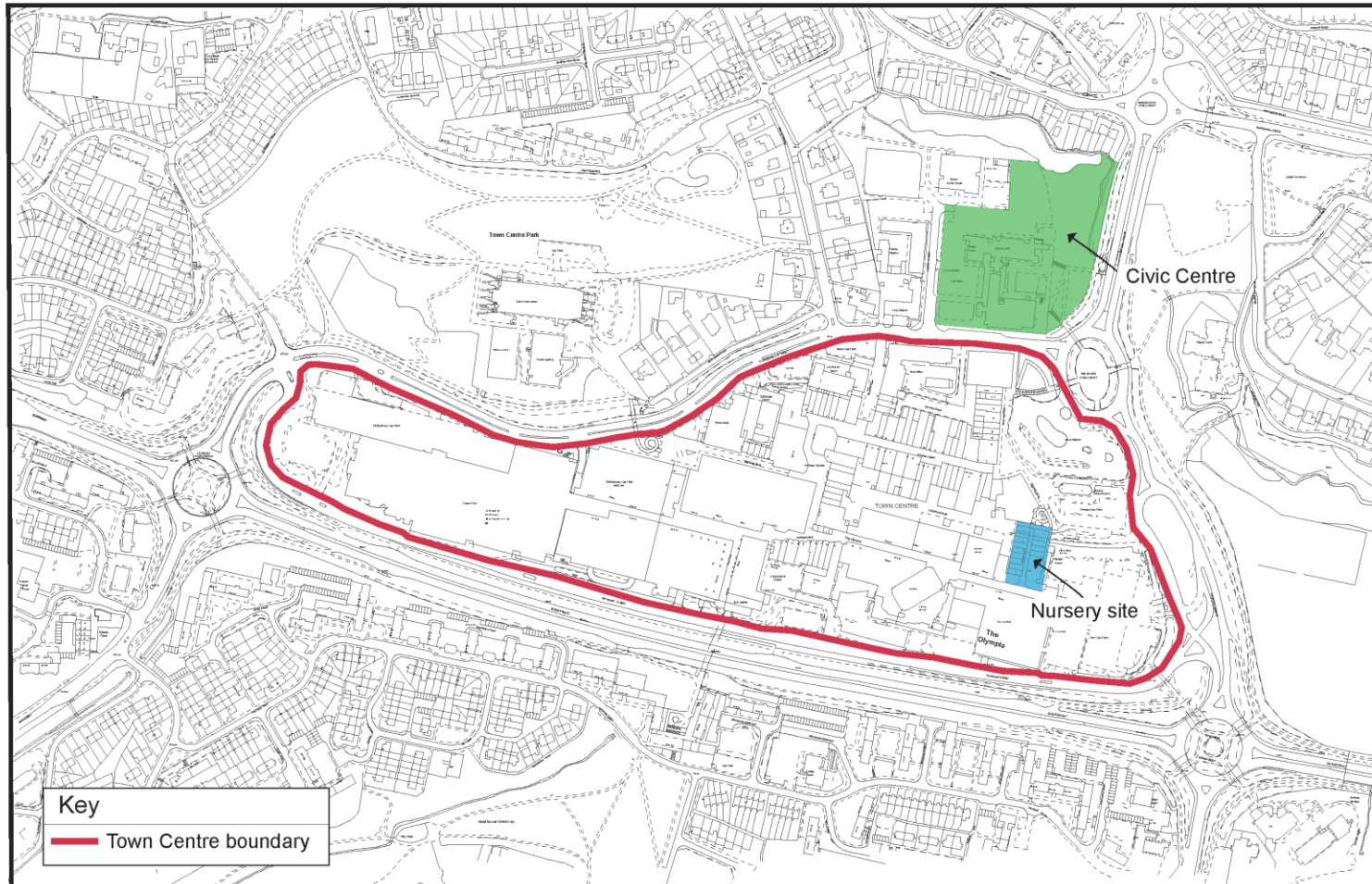
If you would like to inspect the background papers or want further information, please contact: - Iain Ross, Project Manager, Planning and Economic Development

Ext: 4227 (Tel: 01698 454227)

E-mail: lain.ross@southlanarkshire.gov.uk

Appendix 1

East Kilbride Town Centre



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Report

9

Report to: **Executive Committee**
 Date of Meeting: **26 June 2019**
 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 Committee of the actions required in respect of land and property transactions

2. Recommendation(s)

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

- (1) that the land and property as detailed in Appendix A be transferred between Resources.

3. Background

3.1. Details of 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 asset detailed in Appendix A, is made following the consideration of planning, title and other legal constraints and Council priorities.

3.3. Such transactions are only included in the report after successful consultation with the Holding Resource(s) and Planning.

4. Transfers

4.1. Former Leisuredome Site, Thornton Road, Kirkmuirhill

This facility was closed in December 2012 and demolished in June 2013. No alternative operational use for the site was established at that time. Education Resources now have a use for the site in connection with the Council's requirements for nursery provision and therefore it is recommended that this is transferred to the Education Resources account for future operational use.

5. Employee Implications

5.1. There are no employee implications.

6. Financial Implications

6.1. There are no disposals identified in this report as this is a transfer within General Services.

7. Other Implications

7.1. There are no other implications.

7.2. There are no significant issues in terms of sustainability arising from 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 an existing policy, function or strategy and therefore no impact assessment is required.

8.2. Consultation was undertaken with all Resources through the Property Bulletin. In addition, Planning, Roads, Legal, and Housing Services were consulted through the Area Property Groups.

Daniel Lowe

Executive Director (Housing and Technical Resources)

26 June 2019

Link(s) to Council Values/Ambitions/Objectives

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

Previous References

- ◆ Executive Committee, 27 June 2018
- ◆ Executive Committee, 13 February 2019
- ◆ Executive Committee, 13 March 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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APPENDIX A

TRANSFERS

Area	Description	Previous Account	New Holding Account	Transfer	Value Band
2,520sqm	Former Leisuredome Site, Thornton Road, Kirkmuirhill	Community	Education	Immediate	3

Value Bands

1 – over £1 million

2 – £500,000 to £999,999

3 – £100,000 to £499,999

4 – less than £100,000

Report

Report to:	Executive Committee
Date of Meeting:	26 June 2019
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Sustainable Development and Climate Change Strategy Update – Q4 2018/2019
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Update the Committee of the status of Sustainable Development Strategy actions and measures at Quarter 4 of 2018/2019.

2. Recommendation(s)

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

- 1) Note the 2018/2019 Q4 position in respect of actions and measures within the Sustainable Development Strategy

3. Background

3.1 The Council's Sustainable Development and Climate Change Strategy (SDCCS) was approved on 6 December 2017 and covers a five year period from 2017 to 2022. The strategy sets out outcomes and actions organised around three sustainable development themes:

- ◆ Sustainable Council
- ◆ Sustainable Environment
- ◆ Sustainable Communities

3.2 Delivery of actions within the strategy provides the main focus for our sustainable development activity and also enables the Council to fulfil its duties under the Local Government (Scotland) Act 2003, the Climate Change (Scotland) Act 2009 and the Council's contribution to the UN's Sustainable Development Goals.

3.3 The strategy action plan sets out specific actions to be undertaken to deliver objectives under each theme. The action plan is monitored using IMPROVe and the current arrangement is to report progress on the action plan to the Executive Committee following Q2 and Q4.

4. Sustainable Development Strategy 2018/2019 Q4 Update

4.1 The action plan for 2018/2019 contains 31 actions across the three strategic themes. Each action has one or more defined measures providing the current status for each action. In total there are 50 measures in the 2018/2019 action plan.

4.2 The overall summary of progress at the end of quarter two is as follows:-

Total number of measures		50
Status – Green	The timescale or target has been met as per expectations	44 (88%)
Status – Amber	There has been minor slippage against timescale or minor shortfall against target	1 (2%)
Status - Red	There has been major slippage against timescale or major shortfall against target	0
Reportable at a later stage / contextual	For some measures, the statistics are not yet available to allow us to report whether the target has been reached or not. These will be reported when available	5 (10%)

Progress on all objectives, actions and measures is noted at appendix 1.

4.3 The table below provides details on the amber measure and the management action taken:-

Action	Measure	Management action
Encourage active travel and recreational access to the outdoors by implementing Outdoor Access Strategy and extending Clyde Walkway	Continued investigation into partnership and external funding opportunities for extension of Clyde Walkway to line with neighbouring long distance routes	Plans are in place to re-engage with Biggar, Duneaton, Crawford and Leadhills Community Councils during 2019 to develop a strategic partnership to take forward this work.

4.4 Highlights during quarter 4 of 2018/2019 include:

- ◆ Launch of Glasgow City Region's climate Risk and Opportunity Assessment in October 2018. The Risk and Opportunity Assessment will be the foundation for the development of the City Region's Regional Climate Adaptation Strategy and action plan, due in early 2020

- ◆ South Lanarkshire's air quality story map was launched, which is an interactive online guide to air quality and its impacts with suggestions on steps that can be taken to help protect the air we breathe. The story map is available via the Council's website. [Air Quality Story Map](#)
- ◆ Nineteen volunteer-led healthy walking groups run across South Lanarkshire, under the framework of the Lanarkshire wide "Get Walking Lanarkshire" programme. 500 health walks were run across South Lanarkshire during 2018/2019
- ◆ The information in South Lanarkshire's State of the Environment Report has been used as the basis to develop 'Learning for Sustainability' tiles on GLOW for use by our young people in schools and class teacher planning class lessons
- ◆ The number of Council dwellings that are meeting Energy Efficiency Standard for Social Housing (EESH) is 91.1% for 2018/2019, which exceeds the Council's target of 90.7% for 2018/2019

5. Employee Implications

- 5.1 All Resources are required to contribute to the implementation of the Sustainable Development Climate Change strategy and Carbon Management Plan to ensure that actions and targets are met. The sustainable development officer and carbon management officer monitor and report the Council's progress.

6. Financial Implications

- 6.1 Actions within the sustainable development and climate change strategy and associated action plan are funded from existing Resource budgets.

7. Other Implications

- 7.1 The new sustainable development and climate change strategy has undergone public consultation and through the Strategic Environmental Assessment process.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1 An equality impact assessment was carried out on the Sustainable Development Strategy.
- 8.2 Public and stakeholder consultation on the Sustainable Development and Climate Change Strategy were undertaken.

Michael McGlynn

Executive Director (Community and Enterprise Resources)

3 June 2019

Link(s) to Council Objectives and Values

Work with communities and partners to promote high quality, thriving and sustainable communities

Previous References

- ◆ Executive Committee report on 6th December 2017 entitled 'Sustainable Development and Climate Change Strategy'

List of Background Papers

- ◆ The Climate Change (Scotland) Act 2009
- ◆ Sustainable Development and Climate Change Strategy 2017-2022
- ◆ UN's Sustainable Development Goals

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

Sustainable Development and Climate Change Strategy

improve

**Performance Report
Quarter 4 : 2018/19 - April to March**

How to use this performance report

This performance report is intended to be both informative and easy to use. The guide below is designed to help you get the most out of the report and to answer the most common questions you might have.

Council Plan objective or theme

Resource Plan objective

Resource Plan action & associated measures.

Progress update against measure.

Measure Status – how are we doing? The “traffic light” codes are:

Green Achieved, or due to achieve with no issues

Amber There may be problems or minor slippage

Red Not on course, major slippage anticipated

Measures which are to be reported later or which are “for information only” are not colour coded

Vision and Strategic Direction									
Improve effective use of our buildings and transport in order to reduce greenhouse gas emissions									
Action	Measures (non statistical measures shaded grey)	Comments / Progress	Status	This Year Target	To date	Previous Years	2008/09	2009/10	Trend
Further implement the carbon management plan to reduce greenhouse gas emissions	Reduce the Council's greenhouse gas emissions by March 2010 compared to 2005/06 baseline	Carbon management plan actions covering all key areas of emissions refreshed in March 2011	Unknown	0.0%	0.0%	5.6%	Not avail		
	Switch Off energy campaigns held in October 2010	Current carbon reduction projects cover all resources. These projects will be reviewed and refreshed in March 2011 by members of the carbon management group.	Green	---	---	---	---	---	---
Implement the public sector duty under the Climate Change (Scotland) Act 2009.	Review the carbon management plan by January 2011 once guidance on new public sector duties in the Climate Change (Scotland) Act 2009 are clarified	The carbon management group are currently planning the 2010 energy reduction campaign to align to the national event, 'Energy Saving Week'.	Green	---	---	---	---	---	---
	Review of SDS to be started by July 2010, and published for consultation Jan 2011	Review of existing Carbon Management Plan on going. Public sector duties within the Climate Change (Scotland) Act 2009 will be taken into account in the revised version of the carbon management plan.	Amber	---	---	---	---	---	---
Ensure efficient use of material resources and to increase recycling of waste and develop more sustainable waste management									
Action	Measures (non statistical measures shaded grey)	Comments / Progress	Status	This Year Target	To date	Previous Years	2008/09	2009/10	Trend
Continue to develop mechanisms for the recycling and of municipal waste in order to achieve Scottish Government waste targets. Review our new contracts for schools and of buildings in order to increase recycling. We will provide effective and household waste collection service	The amount of biodegradable waste sent to landfill	To be reported in the second quarter	Unknown	73,730	Not avail	77,342	73,730		↑
		Second quarter	Unknown	40.0%	Not avail	37.0%	40.2%		↑
		Second quarter	Unknown	1.3 tonnes	Not avail	1.4 tonnes	1.3 tonnes		↑
			Unknown	208	152	144	152		↑
			Green	Not avail	£13.45	£64.07	£69.17		↓
			Green	Not avail	£19.21	£75.47	£80.80		↓
		consistent with the same period last	Green	95.0%	99.4%	99.0%	98.9%		↓

Statistics for the current year. The **Target** shows what we want to achieve by the end of the year. The **To Date** column shows how much we have achieved so far.

Statistics for last 2 years, showing how we are doing over time.

The trend column shows how performance changed between these 2 years



Performance getting better



Performance staying the same



Performance getting worse



Information not yet available



Summary (level 1) - number of measures green, amber and red under each Sustainable Development objective

Sustainable Development Theme	Green	Amber	Red	To be reported later / Contextual	Total
Sustainable Council	16			2	18
Sustainable Environment	10	1			11
Sustainable Communities	18			3	21
Total	44	1	0	5	50

Sustainable Council

The council's carbon emissions are managed and reduced

Action	Measures (non statistical measures shaded grey)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
Further implement the Carbon Management Plan to reduce greenhouse gas emissions from council services (buildings, waste, transport etc)	10% reduction in the Council's greenhouse gas emissions achieved by March 2021, compared to 2015-16 (equivalent to 2% each year)	Carbon emissions for 2018-19 will be reported around July 2019.	Report Later	6.0%	-----	-----	7.8%	5.1%
	Compliance with Carbon Reduction Commitment (CRC) scheme achieved within deadlines	The 2018-19 compliance year is the final year of the CRC Scheme, thereafter the Climate Change Levy (CCL) which is currently added to gas and electricity bills will be increased. Preparations for the 2018-19 compliance year are underway and on schedule. Allowances were purchased in the pre sale in 2017 and will be surrendered by the deadline of October 2019. The final annual report will be submitted by the July 2019 deadline.	Green	---	---	---	---	---
Continue to implement energy efficiency measures across council facilities including investment in renewable and low carbon energy solutions	% reduction in energy consumption across the energy portfolio	Year End to be reported end July 2019.	Report Later	---	---	---	---	---
	Agree 2018-19 Central Energy Efficiency Fund (CEEF) Programme with CMT	2018/19 CEEF programme agreed by CMT in May 2018.	Green	---	---	---	---	---
	Identify Council buildings with excess heat and carry out property audits to improve energy efficiency during 2018-19	Programme of audits are ongoing and reported at each Energy Framework meeting. Actions for audits are circulated to the relevant Maintenance section for actions where applicable.	Green	---	---	---	---	---
Deliver at least 10% reduction in vehicle emissions by March 2021 in accordance with the corporate carbon reduction target	Continue to reduce vehicle emissions in 2018-19 against the baseline of 2014-15 (Council wide figure)	A vehicle emissions reduction of 14% compares favourably against the 6% Council wide target for year 2018-19.	Green	6.0%	14.0%	-----	6.0%	10.5%
	Engage with Community and Enterprise Resource's Fleet Services to agree service specific vehicle emissions reduction strategies for the period 2019-2021 in line with service delivery requirements (Council wide)	Fleet Services continue to engage with Resources to advance agreed strategies to deliver further emission reductions. The current roll out of a new telematics solution will provide further opportunities to meet Resources' targets.	Green	---	---	---	---	---

Sustainable Council

The council's carbon emissions are managed and reduced

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
Continue to improve the efficiency of our business travel and promote more sustainable travel options for employees	Promote sustainable travel by employees through the efficient use of fleet vehicles, greater use of public transport, car sharing, walking and cycling	Cycle to work scheme was launched in June 2018 - 73 applications. Sustrans Walking Challenge also advertised to all staff to promote sustainable travel.	Green	---	---	---	---	---

The council is environmentally responsible in the procurement, use and disposal of resources

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
Continue to develop procurement processes to improve environmental outcomes and ensure compliance with the council's sustainable procurement duty	Implement the Procurement Strategy Action Plan and complete actions within agreed timescales	Progress is being made in achieving the Procurement Strategy action plan.	Green	---	---	---	---	---
Create a culture of resource efficiency in the workplace	Waste audits undertaken in Council buildings to identify opportunities to reduce residual waste and increase recycling	Met with members of Sustainable Development team to assist in the preparation of a global email to staff reminding them of the importance of recycling the correct items at work.	Green	---	---	---	---	---
Lead on reducing the council's reliance on avoidable single-use plastic items	Report progress on the list of applicable single-use plastic items and appropriate action to the Sustainable Development Member Officer Working Group at the first meeting in June 2018 (council wide)	<p>The meeting of the Sustainable Development member officer working group scheduled for June 2018 was cancelled. A progress report was presented to the group on 22nd October 2018.</p> <p>Progress in this area to date: various communication methods have been used to raise the profile and encourage people to reduce single use plastic items, an action plan of items in use by the Council has been collated and prioritised, and procurement reports are being created to establish baselines and progress so far.</p>	Green	---	---	---	---	---

Sustainable Council

The council is environmentally responsible in the procurement, use and disposal of resources

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
Maximise the use of environmentally responsible materials and reduce, reuse and recycle construction waste in new and refurbished council facilities	At least 10% of the total value of materials used during 2018-19 should derive from recycled and reused content in the products and materials selected	Measured through SLC Green Profile for schools and New Build Housing. Recycled content varies on different projects between 10 - 20%.	Green	----	----	0.0%	0.0%	0.0%
	% of construction waste recycled on-site during 2018-19	All on-site construction waste is effectively collected, contained, transported and managed off-site by a Specialist Waste Management Contractor located within Lanarkshire, where all waste is segregated at their waste management centre for recycling, reuse and thus eliminating the use of landfill.	Green	100.0%	100.0%	0.0%	0.0%	0.0%

The public sector climate change duties are further embedded in service delivery and partnership working

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
Ensure council's compliance with public sector climate change duties	Council's performance in complying with public sector climate change duties evaluated and annual statutory Climate Change Duties Report published by 30th November 2018	The Climate Change Duties report 2018 was approved by the Council's Executive on 21st November 2018 and submitted to the Scottish Government prior to the 30 November 2018 deadline. A copy of the annual report can be found on the Council's website.	Green	---	---	---	---	---
Ensure Strategic Environmental Assessment of all appropriate policies, plans, programmes and strategies is undertaken	Strategic Environmental Assessments undertaken on all appropriate council led policies plans and strategies, as statutorily required	Eighteen policies, plans, programmes and strategies have been subject to Strategic Environmental Assessment (SEA) since April 2018. All SEAs are overseen by the Planning Officer (SEA) and are regularly monitored by the Corporate SEA Working Group which met four times between April 2018 and March 2019.	Green	---	---	---	---	---
	Annual report for Executive Committee and other governance groups on number and outcomes of Strategic Environmental Assessments carried out within the Council prepared by March 2019	The report covering 2018-19 will be presented to the Executive Committee in May 2019. The report will also be presented to the Sustainable Development Member Officer Group, the Sustainable Development Co-ordination Group and the Corporate SEA Working Group.	Green	---	---	---	---	---

Sustainable Council

The public sector climate change duties are further embedded in service delivery and partnership working

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
Ensure effective contribution to meeting the council's Sustainable Development and Climate Change objectives outlined in the Sustainable Development and Climate Change Strategy 2017-2022	Ensure sustainable development principles and climate change duties are incorporated in new or revised policies, plans, strategies and projects and initiatives, where appropriate (council wide)	<p>The Sustainable Development and Climate Change Strategy's Action Plan identifies relevant policies, plans and strategies that are being developed and revised, Council-wide, in 2018-19 that should include sustainable development and climate change principles. These include the Outdoor Access Strategy, Air Quality Strategy, Contaminated Land Strategy and Sustainable Procurement Policy.</p> <p>The Sustainable Development Officer has worked with the relevant services to ensure that sustainable development principles and climate change duties have been considered within these policies, plans and strategies. Progress on this action and the rest of the actions in the sustainable development and climate change strategy action plan was reported to the Corporate Management Team on 21st February 2019 and Executive Committee on 13th March 2019 as part of the Sustainable Development update reporting schedule.</p>	Green	---	---	---	---	---
Continue to raise awareness of sustainable development and the business impacts of climate change with our employees and develop the skills required across the council to influence and adapt to change	Participate in 'Climate Ready Clyde' partnership during 2018-19	The main focus for the Climate Ready Clyde partnership for 2018-19 so far has been the development of the Risk and Opportunity Assessment which was launched in October 2018. The Risk and Opportunity Assessment will be the foundation for the development of the City Region's Regional Climate Adaptation Strategy and action plan, due in early 2020.	Green	---	---	---	---	---

Sustainable Environment

South Lanarkshire's natural environment is protected, enhanced and respected

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18

Sustainable Environment

South Lanarkshire's natural environment is protected, enhanced and respected

Action	Measures (non statistical measures shaded grey)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
Review and assess air quality throughout South Lanarkshire in the line with our Air Quality Strategy	Implementation of Air Quality Action Plan by March 2019	<p>A committee report has been prepared for presentation to the Community and Enterprise Resources Committee for final adoption of the air quality action plan.</p> <p>South Lanarkshire continues to progress a number of projects which are funded via the air quality action plan grant fund. The Beat the Street project ran between 15th February and 29th March and was very well received within Lanark and Rutherglen. This initiative encouraged walking, cycling and scooting around local communities whilst leaving the car behind. An electric bike project has been launched in Rutherglen which will allow active school coordinators to travel around their communities by electric bike. In addition, this project also includes an option for the use of an electric bike by those members of the community who have been prescribed a physical activity prescription by their GP.</p> <p>Application has also been made to Scottish Government to support further action planning initiatives within 2019-20.</p>	Green	---	---	---	---	---
	Submit progress report on air quality across South Lanarkshire to Scottish Government by March 2019	<p>Work has commenced on gathering data to inform the 2019 annual progress report which is due for submission later this year.</p> <p>The 2018 report is accessible via the Scottish Air Quality website, with links provided from South Lanarkshire Council's air quality web pages. Links are also available via the air quality story map which is available via South Lanarkshire Council's web pages on air quality.</p>	Green	---	---	---	---	---

Sustainable Environment

South Lanarkshire's natural environment is protected, enhanced and respected

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
Monitor Local Development Plan policies for supply of housing, industry and business land and green space	Local Development Plan policies monitored during 2018-19 to ensure: at least five year supply of housing land is maintained; an adequate supply of land is available for work and business activity; and an adequate supply of land is available for green space in the main urban communities of South Lanarkshire	Monitoring of the Local Development Plan policies has been completed for the period 2013-2018. Monitoring shows that an adequate supply of land for housing and work and business activity is available, and an appropriate provision of green space is available in the main urban communities.	Green	---	---	---	---	---
Identify and manage contaminated land within the statutory regulatory framework	Implement the Contaminated Land Strategy for South Lanarkshire	Implementation of the Contaminated Land Strategy is ongoing. We are still awaiting responses from SEPA regarding the waste management licence surrender applications that have been submitted for two historical landfill sites at Newlandsmuir and Markethill (both in East Kilbride). In the interim, SEPA have agreed to suspend waste management licence fees for this year, pending completion of their review of the licence surrender applications. Environmental Services continues to work in partnership with Housing and Economic Development colleagues on various projects. This work is being funded by Vacant and Derelict Land Fund monies.	Green	---	---	---	---	---
Monitor local environmental conditions through preparation and monitoring of the biennial update of the State of the Environment report	Production of updated biennial State of the Environment Report commenced by March 2019	A workplan for the production of the 2019 edition of the State of the Environment Report was prepared in March 2019. The advanced draft of the Report is planned for August 2019.	Green	---	---	---	---	---

South Lanarkshire's enhanced environment provides health and wellbeing benefits to local communities

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18

Sustainable Environment

South Lanarkshire's enhanced environment provides health and wellbeing benefits to local communities

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
In partnership with local communities, continue programme of restructuring council owned woodland and improving recreational access	Identify funding sources and specification for phase 2 regeneration work at Greenhall and Millheugh, Blantyre including costed proposals for replacement river crossing	Specifications for new river crossing and associated path improvements are in place. Forestry Commission funding is in place and work is underway to identify and secure match funds.	Green	---	---	---	---	---
	Funding applications completed for Management Plans for Bothwell and Blantyre Woods by March 2019, through liaison with community interests, David Livingstone Centre and other stakeholders	Funding secured for production of Management Plans, which are now being prepared.	Green	---	---	---	---	---
Contribute to community health and wellbeing through active lifestyles and well managed and accessible greenspace	Continued delivery of healthy walking opportunities throughout South Lanarkshire via the Get Walking Lanarkshire initiative	19 volunteer-led healthy walking groups run across South Lanarkshire, under the framework of the Lanarkshire wide "Get Walking Lanarkshire programme. 500 health walks were run across South Lanarkshire in 2018-19.	Green	---	---	---	---	---
Encourage active travel and recreational access to the outdoors by implementing Outdoor Access Strategy and extending Clyde Walkway	Continue to deliver repairs programme to footbridges across the core path network by March 2019 in line with available external and internal capital funding	There are 261 footbridges for which SLC has responsibility. 4 bridges were repaired during 2018-19 at a total cost of £20,000. As of April 2019: - 233 (89%) are now rated as satisfactory (green) - 18 (7%) remain of concern (amber) - of the 8 bridges still rated as of high concern (red), 4 have been closed, 3 are remote and little used, 1 is within Chatelherault and remains heavily used, with no option for closure, but repair is estimated at £110,000. The White Bridge at Chatelherault has been closed and made safe until funding can be secured for its replacement (£300,000).	Green	---	---	---	---	---
	Continued investigation into partnership and external funding opportunities for extension of Clyde Walkway to line with neighbouring long distance routes	This work remains a priority but little progress has been made over 2018-19. We plan to re-engage with Biggar, Duneaton, Crawford and Leadhills Community Councils over the coming year to see if a strategic partnership can be developed to take this work forward.	Amber	---	---	---	---	---

Sustainable Environment

South Lanarkshire's enhanced environment provides health and wellbeing benefits to local communities

Action	Measures (non statistical measures shaded grey)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
Continue to educate our young people about the local environment in which they live and encourage them to reduce the negative impacts they have upon it	Continue to increase climate change awareness and sustainability in education establishments	Awareness strategy and practices are in place. Work is carried out through the Sustainability Group to engage schools and the Glow site is updated with information for schools to access.	Green	---	---	---	---	---

Sustainable Communities

Homes and communities are energy efficient, environmentally sustainable, and fuel poverty is minimised

Action	Measures (non statistical measures shaded grey)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
Explore options for innovative and affordable low carbon energy and heating solutions in local areas that will contribute towards national climate change ambitions	An initial exploration of potential activities and assessing resource requirements during 2018-19 for the development of a Local Heat Energy Efficiency Strategy (LHEES) for South Lanarkshire	Successful bid to Energy Efficient Scotland LHEES Transition Fund. Appointed a consultant to undertake a LHEES research project, to complete in 2019.	Green	---	---	---	---	---
Continue to improve energy efficiency of housing stock to help address fuel poverty	The Housing Investment Programme continues to incorporate sustainable changes to our estate	Continued investment in new heating and energy systems, including Air Source Heat Pumps and solar PV, to improve the sustainability of council homes and meet the Energy Efficiency Standards for Social Housing 2020 milestone targets.	Green	---	---	---	---	---
	% of Council dwellings that are meeting the Energy Efficiency Standard for Social Housing (EESH)	Quarter four figure for 2018-19 is 91.1% when compared to the target of 90.7%	Green	90.70%	91.10%	82.38%	86.10%	89.40%
	Maintain % of Council stock meeting the Scottish Housing Quality Standard (SHQS) Local Government Benchmarking Framework (LGBF)		Report Later	-----	-----	90.9%	92.0%	92.1%
	Assist/support households to access schemes available to help address fuel poverty issues	HEEPS Funding and South Lanarkshire Statement of Intent provided to cover this measure.	Green	---	---	---	---	---

Sustainable Communities

Homes and communities are energy efficient, environmentally sustainable, and fuel poverty is minimised

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	----- This Year -----			----- Last 3 Years -----		
			Status	Target	To Date	2015/16	2016/17	2017/18

That council's strategies, plans and policies support communities to live more sustainably, reduce carbon emissions and adapt to a changing climate

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	----- This Year -----			----- Last 3 Years -----		
			Status	Target	To Date	2015/16	2016/17	2017/18
Introduce new waste management initiatives to reduce waste and increase recycling	Develop Waste Services policies to promote waste minimisation, reuse and recycling within local communities	The red tag initiative for contamination in blue bins has been fully implemented. An increased number of enquiries has been received by Waste Education to conduct householder advisory visits. There has been a significant improvement in the quality of the material received by the processor. Currently looking into extending the tagging process to other recycling bins.	Green	---	---	---	---	---
	Performance of waste and recycling contracts monitored and end of year procedures delivered for all relevant contracts	Contracts monitored in accordance with agreed procedures. Year end procedures agreed. Year end meetings to take place at end of April 2019 for all relevant contracts.	Green	---	---	---	---	---
	Develop and implement a Waste Communication Strategy for householders to understand waste/recycling services delivered by the Council	Successfully implemented a communication project to raise awareness about the impacts of contamination in household recycling bins amongst council staff and residents. The project saw a significant reduction in contamination in blue bins.	Green	---	---	---	---	---

Sustainable Communities

That council's strategies, plans and policies support communities to live more sustainably, reduce carbon emissions and adapt to a changing climate

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
	Ongoing waste education and awareness undertaken at schools and community groups	<p>To date, Waste Education Officers have undertaken 35 interactive sessions with nursery and primary school children to raise awareness about effective recycling. A newsletter article has been developed and forwarded to Education Resources for inclusion in their internal Education newsletter - the article aims to promote take up of the sessions in schools.</p> <p>Currently undertaking joint working with Housing Services to promote waste management within blocks of flats.</p> <p>To date, attended approximately ten community engagement forums to give advice on waste services, encourage recycling and answer questions.</p>	Green	---	---	---	---	---
	The percentage of total household waste that is recycled in line with the Government's 50% target	<p>Between October and December 2018, 36.6% of total household waste was recycled.</p> <p>Year end data will be reported next quarter. It is anticipated that the Council will fall short of its 50% target recycling rate in 2018-19 due to a change in the contract for waste disposal, but it is anticipated that the figure will be similar to the previous year.</p>	Report Later	50.0%	-----	49.0%	53.0%	47.3%
	A reduction in the amount of municipal waste that is sent to landfill in 2018-19 compared with 2017-18	Figure not available at this time, will be reported next quarter.	Report Later	40,000	-----	-----	-----	-----

Sustainable Communities

That council's strategies, plans and policies support communities to live more sustainably, reduce carbon emissions and adapt to a changing climate

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	----- This Year -----			----- Last 3 Years -----		
			Status	Target	To Date	2015/16	2016/17	2017/18
Manage flooding priorities and deliver prioritised flood protection schemes	Prioritised flood protection projects / studies progressed / delivered by March 2019 in line with available capital / revenue funding	<p>Station Gate, Netherburn - Flood relief channel through adjacent forest and two flood embankments. Outstanding works carried out in May-June 2018 and project now complete.</p> <p>Coulter - The progression of a traditional flood protection scheme at this location does not appear to be feasible. Funding for this scheme has therefore been reprogrammed for 2019-20 and priorities are being considered.</p> <p>Jerviswood Drive, Cleghorn - Investigatory works were progressed through autumn/winter 2018 to survey and trace the extent of an unknown historical drainage . This resulted in repairs being completed to reduce flood risk. Options to further reduce flood risk will be assessed in 2019-20.</p>	Green	---	---	---	---	---

Sustainable Communities

That council's strategies, plans and policies support communities to live more sustainably, reduce carbon emissions and adapt to a changing climate

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	----- This Year -----			----- Last 3 Years -----		
			Status	Target	To Date	2015/16	2016/17	2017/18
Encourage greater use of public transport by working with partners to improve public transport infrastructure	Prioritised improvements to bus and rail infrastructure (e.g. Park and ride) progressed / delivered by March 2019 in line with agreed Park and Ride Strategy and available external funding	<p>Land was purchased at Carstairs Junction Park and Ride to allow future expansion. A detailed design has been concluded and planning consent has been granted.</p> <p>Part 1 of Cambuslang Park and Ride Study concluded, identifying scale of parking required and list of possible solutions. A consultant has concluded Part 2 of this Study and a number of options are proposed, including the purchase of third party land to construct a new Park and Ride.</p> <p>A consultant has been appointed to undertake a feasibility study for an outline design for a possible deck at Hamilton West rail station. A final report has been submitted.</p> <p>Six advertising bus shelters have been replaced along the Main Street, Rutherglen corridor.</p> <p>Park and Ride Strategy consultation exercise was completed in June 2018. 321 responses have been assessed and considered. The final document was presented to the Community and Enterprise Resources Committee in October 2018 and agreed. The document will be published spring 2019.</p>	Green	---	---	---	---	---

Sustainable Communities

That council's strategies, plans and policies support communities to live more sustainably, reduce carbon emissions and adapt to a changing climate

Action	Measures (<i>non statistical measures shaded grey</i>)	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
Encourage active travel by extending our network of cycle routes	Walking and cycling projects / schemes progressed / delivered in line with agreed 2018-19 capital programme	<p>Funding was granted from Sustrans to undertake an Active Travel Study in East Kilbride and a consultant was appointed. The study has concluded, following consultation on a proposed cycle network for the town, as well as identification of measures and initiatives to promote sustainable travel.</p> <p>Meanwhile, pre-programmed work to the expansion of the cycle network in East Kilbride continues. The design of the section between Whitemoss Roundabout and the town centre is complete. Works are complete on a section adjacent to Whitemoss Avenue and Churchill Avenue. Due to some technical / legal issues with Transport Scotland a section of route on the trunk road network has been deferred until a later date.</p> <p>Cycle monitoring equipment as well as cycle shelters have been installed at various locations.</p>	Green	---	---	---	---	---
Ensure that opportunities for environmental benefits are realised through our procurement practices and externally funded programmes such as renewable energy fund and developers' contributions	Proportion of Council external funding that relates to the targets of the Sustainable Development Strategy, including energy, carbon reduction, waste minimisation, biodiversity, environment and recycling maintained at 10% by March 2019	Funding secured for sustainable travel and for environmental improvement and park improvement projects (from Smarter Choices, Smarter Places Programme).	Green	10.0%	10.4%	12.0%	13.5%	28.9%
	Community Benefit funds generated by windfarms promoted and disbursed	Promotion of funds and support to community organisations continues; annual report to be submitted to June 2019 Community and Enterprise Resources Committee.	Green	---	---	---	---	---
Encourage sustainable production and consumption in the business community and support the growth of a low carbon industry in South Lanarkshire	East Kilbride Task Force supported in the delivery of their Action Plan priorities	Recruitment of project manager to be complete by end of April 2019. The appointed person will be responsible for developing actions and pursuing funding in order to set the direction of the work programme going forward.	Green	---	---	---	---	---

Sustainable Communities

That council's strategies, plans and policies support communities to live more sustainably, reduce carbon emissions and adapt to a changing climate

Action	Measures (non statistical measures shaded grey)	Comments/ Progress	----- This Year -----			----- Last 3 Years -----		
			Status	Target	To Date	2015/16	2016/17	2017/18

Local communities are supported in taking action to be more environmentally responsible

Action	Measures (non statistical measures shaded grey)	Comments/ Progress	----- This Year -----			----- Last 3 Years -----		
			Status	Target	To Date	2015/16	2016/17	2017/18
Provide environmental volunteering opportunities and support community groups to manage local environmental projects	2,000 volunteer days achieved as part of Environmental Volunteer programme by March 2019	This figure represents volunteer days directly run or supported by the Countryside and Greenspace Service: - 679 days (therapeutic volunteering-mental health) - 250 days (healthy walk programme leaders) - 533 days (conservation volunteering with wider public) - 230 days (Community greenspace groups) - 51 days (South Lanarkshire Outdoor Access Forum)	Green	2,000	1,743	2,020	4,369	3,090
Embed sustainability and climate change in the school curriculum and continue to engage young people in environmental education through Eco Schools and similar programmes	Further embed climate change awareness and sustainability in Curriculum for Excellence	Sustainability action programme in place. A 'Learning for Sustainability' tile is now available in Glow for staff to access information. This has been updated with information from the latest state of the environment report and with information on the UN sustainable development goals. We are working with others in our Regional Improvement Collaborative on a new initiative called Upstream Battle.	Green	---	---	---	---	---
	Continue to support involvement in programmes and initiatives that help reduce climate change including Eco-schools programme; Earth Hour and Globally Aware Schools	Eco Schools programme in place. Schools sign up for the The Eco-Schools Scotland Programme which is made up of a set of Seven Elements that are used to plan action on environmental issues and that form the criteria for the Green Flag Award. To earn a Green Flag Awards, schools follow the Seven Elements, ensuring that Eco-Schools is pupil-led, linked to the curriculum and involves the whole school and wider community. Schools are being encouraged to take part in a variety of campaigns and competitions throughout the session.	Green	---	---	---	---	---

Sustainable Communities

Local communities are supported in taking action to be more environmentally responsible

Action	Measures <i>(non statistical measures shaded grey)</i>	Comments/ Progress	Status	----- This Year -----		----- Last 3 Years -----		
				Target	To Date	2015/16	2016/17	2017/18
Devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products	Tourism Strategy delivered via Lanarkshire Area Tourism Partnership	<p>Lanarkshire Area Tourism Partnership and Association meetings have taken place as scheduled and attendance and discussions have been positive.</p> <p>Delivered first Lanarkshire Tourism Conference in partnership with VisitScotland, held at Hamilton Park Racecourse on 19th March 2019 and over 100 businesses attended to hear about how to increase their sales from digital channels. Feedback on the event has been positive.</p> <p>South Lanarkshire Council, along with seven other local authorities in the City Region, participate in the events and marketing sub group of the City Region Tourism Strategy and Action Plan.</p> <p>The potential to introduce a Transient Visitor Tax and its implications for the sector is the subject of discussions with the tourism sector and subject of a recent CMT paper.</p>	Green	---	---	---	---	---