



Council Offices, Almada Street
Hamilton, ML3 0AA

Friday, 21 September 2018

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, 15 August 2018

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, Graeme Campbell, Gerry Convery, Margaret Cooper, Peter Craig, Fiona Dryburgh, Joe Fagan, Allan Falconer, Alistair Fulton, Lynsey Hamilton, Ann Le Blond, Eileen Logan, Katy Loudon, Joe Lowe, Colin McGavigan, Mark McGeever, Jim McGuigan, Davie McLachlan, Gladys Miller, Richard Nelson, David Shearer, Josh Wilson

Substitutes

Jackie Burns, Stephanie Callaghan, Andy Carmichael, Poppy Corbett, Graeme Horne, Martin Grant Hose, Richard Lockhart, Hugh Macdonald, Catherine McClymont, Kenny McCreary, Mo Razzaq, Graham Scott, Collette Stevenson, Sheena Wardhaugh

BUSINESS

1 Declaration of Interests

- 2 **Minutes of Previous Meeting** 5 - 18
Minutes of the meeting of the Executive Committee held on 27 June 2018, submitted for approval as a correct record. (Copy attached)

Monitoring Item(s)

- 3 **Capital Budget 2018-2019 and Monitoring for Period 4 - 1 April to 22 June 2018** 19 - 26
Report dated 2 July 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 4 **Revenue Budget Monitoring for Period 14 - 1 April to 22 June 2018** 27 - 34
Report dated 2 July 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 5 **Trading Services Financial Performance for Period 4 - 1 April to 22 June 2018** 35 - 38
Report dated 2 July 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 6 **Employee Workforce Monitoring Information - April 2017 to March 2018 - Yearly Summary** 39 - 64
Report dated 26 June 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)

Item(s) for Decision

- 7 **Financial Strategy 2019-2020 and Longer Term Outlook to 2028-2029** 65 - 100
Report dated 2 August 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 8 **Modernisation of Charitable Trust Funds - Appointment of Trustees** 101 - 102
Report dated 19 July 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 9 **Construction Charter** 103 - 108
Joint report dated 19 July 2018 by the Executive Directors (Finance and Corporate Resources), (Housing and Technical Resources) and (Community and Enterprise Resources). (Copy attached)
- 10 **Menopause Policy** 109 - 120
Report dated 14 July 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 11 **Balloon and Sky Lantern Release Policy** 121 - 126
Report dated 19 July 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 12 **Early Learning and Childcare 1140 Hours Update - Accommodation Requirements** 127 - 134
Report dated 25 July 2018 by the Executive Director (Education Resources). (Copy attached)

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|-----------|---|-----------|
| 13 | Glasgow City Region City Deal – East Kilbride Community Growth Area, Outline Business Case | 135 - 142 |
| | Report dated 31 July 2018 by the Executive Director (Community and Enterprise Resources). (Copy attached) | |
| 14 | Glasgow City Region City Deal – Hamilton Community Growth Area, Full Business Case | 143 - 148 |
| | Report dated 23 July 2018 by the Executive Director (Community and Enterprise Resources). (Copy attached) | |
| 15 | City Region Tourism Strategy and Action Plan (2018 to 2023) | 149 - 152 |
| | Report dated 31 July 2018 by the Executive Director (Community and Enterprise Resources). (Copy attached) | |
| 16 | Representation on Petitions Committee and Changes to the Membership of Committees, Forums and Outside Bodies | 153 - 156 |
| | Report dated 6 August 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached) | |

Item(s) for Noting

- | | | |
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| 17 | Local Governance Review | 157 - 160 |
| | Report dated 24 July 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached) | |
| 18 | Risk and Audit Scrutiny Forum Activity 2017-2018 | 161 - 164 |
| | Report dated 12 July 2018 by the Executive Director (Finance and Corporate Resources). (Copy attached) | |

Urgent Business

- | | |
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| 19 | 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

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 27 June 2018

Chair:

Councillor John Ross (ex officio)

Councillors Present:

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

Councillors' Apologies:

Jim McGuigan, Davie McLachlan, Richard Nelson

Attending:

Chief Executive's Service

L Freeland, Chief Executive

Community and Enterprise Resources

M McGlynn, Executive Director

Education Resources

T McDaid, Executive Director

Finance and Corporate Resources

P Manning, Executive Director; G Bow, Administration Manager; J Burke, Administration Assistant; Y Douglas, Audit and Compliance Manager; G McCann, Head of Administration and Legal Services

Housing and Technical Resources

D Lowe, Executive Director

Social Work Resources/Health and Social Care

V de Souza, Director

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Executive Committee held on 16 May 2018 were submitted for approval as a correct record.

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

3 Capital Budget Monitoring Final Outturn - 2017/2018

A report dated 4 June 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the:-

- ♦ outturn position of the Capital Programmes for the year ended 31 March 2018
- ♦ proportion of the programmes from 2017/2018 which had been carried forward as a financial commitment for year 2018/2019

Expenditure and funding for the Capital Programme for 2017/2018 were detailed. The difference between the revised programme, totalling £78.242 million, and the actual spend of £57.864 million was £20.378 million and the main reasons for this underspend were detailed in Appendix 2 to the report.

Funding totalling £20.593 million, comprising the underspend from 2017/2018 adjusted to reflect the actual position of income received, would be carried forward into 2018/2019 to ensure that there were sufficient resources available to conclude ongoing projects.

£36.925 million had been spent on the Housing Capital Programme against a budget of £40.581 million. This represented an underspend of £3.656 million and the main reasons for this underspend were detailed. In terms of funding, the Programme had benefited from one-off income of £2.204 million which would help augment the overall Programme. This funding included additional income from council house sales, Scottish Government Grant, additional developer contributions and the Renewable Heat Initiative funding.

The Committee decided:

- (1) that the outturn position on the 2017/2018 General Fund and Housing Capital Programmes be noted; and
- (2) that the carry forward of projects from the 2017/2018 General Services and Housing Capital Programmes, as detailed in the report, be approved.

[Reference: Minutes of 16 May 2018 (Paragraph 3)]

4 Revenue Budget Monitoring – Final Outturn and Annual Report and Accounts 2017/2018

A report dated 22 May 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the:-

- ◆ year end position on the General Fund and Housing Revenue Accounts
- ◆ revenue budget performance of each Resource in 2017/2018
- ◆ Council's unaudited Annual Accounts 2017/2018, including a reconciliation to the revenue budget performance for 2017/2018

The General Fund Revenue Account showed an underspend of £3.122 million and taking account of the £0.500 million transfer to the Uncommitted General Fund, left an underspend of £2.622 million. It was proposed that this underspend be allocated to the IT Development Fund (£0.500 million) and the Earmarked General Fund (£2.122 million). Those allocations would result in a final outturn position of a £0.500 million underspend and it was proposed that this amount be transferred to the Uncommitted General Fund.

Following the probable outturn exercise, transfers to Reserves had been approved totalling £11.018 million. Following confirmation of the year end position, it was proposed to transfer an additional £3.016 million to Reserves resulting in an overall transfer to reserves of £14.034 million.

The Integration Joint Board (IJB) had underspent by £0.701 million in 2017/2018 and it was proposed that the Council allow the IJB to retain this non-recurring underspend within their Reserves earmarked for future care costs.

The Housing Revenue Account showed a surplus for the year of £1.373 million. The surplus, when added to the amount of surplus brought forward from 2016/2017, gave an accumulated surplus of £11.624 million to be carried forward to meet future years' Business Plan commitments. Taking account of this transfer to Reserves, would result in a breakeven position.

The Local Authority Accounts (Scotland) Regulations 2014 required the unaudited accounts to be formally considered by elected members at a meeting to be held no later than 31 August each year and, consequently, a full copy of the unaudited accounts had been provided to all members of the Council.

In line with previous years, the full unaudited accounts would be available for public inspection in the Council Offices between 29 June and 20 July 2018 and would also be made available on the Council's website from 29 June 2018 until the date the audited accounts were published.

As part of the Annual Accounts, a restatement of monitoring figures had to be prepared to reconcile the monitoring figures reported to Committee with the figures which appeared in the Annual Accounts. The detail of the restatement of those monitoring figures was provided in the report.

Councillor Ross, seconded by Councillor Chalmers, moved that the recommendations in the report be approved. Councillor Allison, seconded by Councillor Le Blond, moved as an amendment that the allocation of additional Corporate Transfers totalling £2.122 million be allocated to the budget for the Roads Improvement Programme and not to the Earmarked General Fund.

On a vote being taken by a show of hands, 13 members voted for the amendment and 14 for the motion which was declared carried.

The Committee decided:

- (1) that the outturn position of the General Fund Revenue Account for 2017/2018 be noted;
- (2) that the additional transfer to reserves by Resources and Corporate Items totalling £3.016 million be approved;
- (3) that the Integration Joint Board be allowed to retain the £0.701 million underspend in 2017/2018 on the basis that the resources were earmarked for future care costs;
- (4) that the additional Corporate Transfers to Reserves totalling £2.622 million, as detailed in the report, be approved;
- (5) that the final outturn position of an underspend of £0.500 million be transferred to the Uncommitted General Fund;
- (6) that the position of the Housing Revenue Account, including the transfer to reserves of £1.373 million, be noted;
- (7) that the arrangements for publishing the unaudited Annual Accounts, which had previously been circulated to elected members, be noted.

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

5 Capital Budget 2018/2019 Monitoring for Period 3 - 1 April to 25 May 2018

A report dated 4 June 2018 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ proposals to finalise the General Fund Capital Programme for 2018/2019 to take account of projects carried forward
- ◆ the progress at 25 May 2018 on the various Capital Programmes

On 28 February 2018, the Council had approved a General Fund Capital Programme for 2018/2019 of £73.194 million and a Housing Capital Programme of £44.935 million. Since that approval, further amendments had been made to the General Fund Programme, increasing it by £1.175 million to £74.369 million.

A number of updates to the General Fund Capital Budget had taken place and those were detailed in the report. Taking those movements into account, had resulted in a General Fund base Capital Programme for 2018/2019 of £70.625 million.

In the first 2 months of 2018/2019, a number of further amendments to the General Fund Programme had been proposed by Resources and, if approved, the Programme would increase to £73.316 million. At 25 May 2018, £5.443 million had been spent on the General Fund Capital Programme.

A number of updates had also been made to the Housing Capital Programme which had increased the Programme from £44.935 million to £53.664 million. At 25 May 2018, £4.028 million had been spent on the Housing Capital Programme.

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

The Committee decided:

- (1) that the revised budget for the General Fund and Housing Capital Programmes 2018/2019 be approved;
- (2) that the monitoring and reporting arrangements which were underway for the various Capital Programmes for 2018/2019 be noted;
- (3) that the proposed adjustments to the General Fund and Housing Capital Programmes, as detailed in the report, be approved; and
- (4) that the revised Capital Programmes continue to be monitored by the Financial Resources Scrutiny Forum.

[Reference: Minutes of 16 May 2018 (Paragraph 3)]

6 Revenue Budget Monitoring for Period 3 - 1 April to 25 May 2018

A report dated 4 June 2018 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period ending 25 May 2018.

The figures included a breakeven position on the General Fund Revenue Account and a breakeven position on the Housing Revenue Account.

The Council had been notified of additional General Fund Grant of £0.125 million to fund the provision of free sanitary products within secondary schools. This allocation had been added to Education Resources' revenue budget.

A number of other factors impacting on the Revenue Budget 2018/2019 were detailed in the report.

The Committee decided:

- (1) that the breakeven position on the General Fund Revenue Account at 25 May 2018 and forecast to 31 March 2019 of a breakeven position be noted; and
- (2) that the breakeven position on the Housing Revenue Account at 25 May 2018 and forecast to 31 March 2019 of a breakeven position be noted.

[Reference: Minutes of 16 May 2018 (Paragraph 4)]

7 Trading Services' Financial Performance for Period 3 - 1 April to 25 May 2018

A report dated 4 June 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the projected financial results for 2018/2019 for the Council's Trading Services.

The target for Trading Services' surpluses had been set at £11.466 million. In the period to 25 May 2018, this figure had been revised to £11.511 million to reflect a transfer of budget from the Property Trading Operation to Finance and Corporate Resources and Housing and Technical Resources in respect of the realignment of internal support charges.

At 25 May 2018, surpluses of £1.852 million had been achieved.

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

The Committee decided: that the surpluses achieved to 25 May 2018 of £1.852 million be noted.

[Reference: Minutes of 16 May 2018 (Paragraph 5)]

8 Additional Funding from the Scottish Government and Other External Sources

A report dated 31 May 2018 by the Executive Director (Finance and Corporate Resources) was submitted on additional revenue funding, totalling £82.567 million, and capital funding, totalling £18.415 million, made available to the Council from the Scottish Government and other external sources to undertake various initiatives. The funding was summarised as follows:-

Revenue Funding

Resource	2018/2019 (£)	2019/2020 (£)	2020/2021 (£)	2021/2022 (£)
Education	3.419	17.460	28.891	32.227
Community and Enterprise	0.398			
Finance and Corporate	0.172			
Total	3.989	17.460	28.891	32.227

Capital Funding

Resource

Education	5.900	6.900	4.700
Community and Enterprise	0.915		
Total	6.815	6.900	4.700

The Committee decided: that the report be noted.

[Reference: Minutes of 16 May 2018 (Paragraph 6)]

9 2019/2020 Revenue Budget Strategy and Savings Requirement

A report dated 5 June 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the:-

- ♦ principles and assumptions which had been adopted to construct the Revenue Budget Strategy for 2019/2020
- ♦ savings requirement for 2019/2020

Details were provided on:-

- ♦ grant estimations
- ♦ other budget movements, including specific budget pressures
- ♦ the level of savings requirement
- ♦ next steps in considering the 2019/2020 revenue budget

Taking account of the grant estimations and other budget movements, the estimated level of savings required for 2019/2020 was forecast to be £18.300 million.

The Council Tax freeze had been lifted in 2017/2018 and an increase of 3% in Council Tax could reduce the amount of savings required by £3.800 million to £14.500 million.

As part of the financial strategy, it was proposed that, in line with previous years, a members' awareness session be arranged for autumn 2018, in order that saving options for the General Fund and Housing Revenue Accounts could be considered.

The Committee decided:

- (1) that the Revenue Budget Strategy for 2019/2020, as detailed in the report, be approved;
- (2) that the estimations and assumptions adopted to forecast the potential savings requirement for 2019/2020 be approved;
- (3) that the estimated level of savings before the application of any corporate solutions of £18.300 million be noted; and
- (4) that a package of savings be presented at a members' awareness session in autumn 2018.

[Reference: Minutes of 28 June 2017 (Paragraph 9)]

10 Internal Audit Annual Assurance Report 2017/2018

A report dated 5 June 2018 by the Executive Director (Finance and Corporate Resources) was submitted:-

- ♦ on progress made by Internal Audit in achieving the targets set out in the Audit Plan 2017/2018
- ♦ providing an independent audit opinion on the adequacy and effectiveness of the Council's governance, risk management and Internal Audit control systems based on audit work undertaken in 2017/2018

Details were also provided on audit performance and related activity, which included:-

- | | |
|---|--|
| ♦ links to the Council's objectives and top risks | ♦ operational controls and findings |
| ♦ Internal Audit workload | ♦ management of fraud risks |
| ♦ Internal Audit delivery 2017/2018 | ♦ delivery of audit actions during 2017/2018 |
| ♦ financial controls and findings | ♦ areas of external reliance |

In general, it was considered that there was a good level of assurance over financial controls in operation across the Council and an adequate level of assurance over operational controls. The Internal Audit findings had been used to inform the Council's 2017/2018 Annual Governance Statement.

As required by the Internal Audit Code of Practice for Local Authorities, a signed Annual Audit Statement of Assurance, based on the view of the Council's Internal Audit function, was attached as an appendix to the report.

The Committee decided:

- (1) that the positive level of performance achieved by Internal Audit be noted;
- (2) that the good level of financial governance and the adequate level of operational governance be noted; and
- (3) that the use of the Internal Audit opinion to inform the Council's 2017/2018 Governance Statement be noted.

[Reference: Minutes of 27 September 2017 (Paragraph 7)]

11 Annual Governance Statement for 2017/2018 and Good Governance Action Plan Quarter 4 Progress Report

A report dated 23 May 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the Annual Governance Statement for 2017/2018 which would be included in the Council's 2017/2018 Annual Accounts and the Quarter 4 End of Year Report on progress made against the Good Governance Action Plan.

The Council's Annual Governance Statement 2017/2018, which was attached as an appendix to the report, provided a progress report on improvement actions agreed for 2017/2018.

Internal Audit's opinion was that reasonable assurance could be placed on the adequacy and effectiveness of the Council's framework of governance, risk management and control arrangements for the year ending 31 March 2018.

At the Quarter 4 stage of 2017/2018, the Good Governance Improvement Action Plan showed 142 measures, of which 139 were green (had been met as per expectations) and 3 which would be reported at a later date. There were no measures which were either amber or red.

The Committee decided:

- (1) that the Annual Governance Statement, attached as Appendix 2 to the report, be approved for inclusion in the Council's 2017/2018 Annual Report and Statement of Accounts; and
- (2) that the Good Governance Improvement Action Plan progress at Quarter 4 2017/2018, as detailed in Appendix 3 to the report, be noted.

[Reference: Minutes of 16 May 2018 (Paragraph 7)]

12 Proposals to Develop a New Approach to Community Participation

A report dated 5 June 2018 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ♦ establishing a new approach to community participation and empowerment
- ♦ proposals to add 7 FTE posts to the staffing establishment of Finance and Corporate Resources to create a new Community Participation and Empowerment Team within the Council

The implementation of the Community Empowerment (Scotland) Act 2015 was accompanied by a refresh of the "National Standards for Community Engagement" which set out a clear and challenging set of criteria against which community participation could be judged.

A wide range of activities were currently underway within South Lanarkshire to progress the provisions of the Community Empowerment (Scotland) Act 2015 and details of the scope of this work were provided in the report.

Currently, responsibility for community participation was spread across different Resources, with no individual team having responsibility for the co-ordination of corporate and partner activities. To address this issue, it was proposed to establish a dedicated team with responsibility for working with local people to build their capacity and harness the resources within their communities.

One of the key elements to the new approach would be the development of Community Led Plans which had been identified as a progressive approach to secure effective community participation. The work to develop this new approach would progress in 3 phases and details of the work to be undertaken during each phase was detailed in the report.

To take this work forward, it was proposed to establish a new Community Participation and Empowerment Team, which would include the following posts:-

- ♦ 1 post of Community Development Manager at Grade 5, Level 1 to 8, SCP 96-108 (£48,980 to £58,597)
- ♦ 4 posts of Community Development Officer at Grade 3, Level 2 to 4, SCP 61-74 (£29,161 to £35,311)
- ♦ 2 posts of Community Development Assistant at Grade 2, Level 1 to 4, SCP 33-57 (£19,307 to £27,446)

The main roles and responsibilities of the new Community Participation and Empowerment Team were detailed in the report and the cost of the posts, estimated at £0.330 million per year, would be funded for a 2 year period from the improved revenue budget outturn position at the end of 2017/2018. At the end of the 2 year period, future funding would require to be considered as part of the Council's Financial Strategy.

Councillor Ross, seconded by Councillor Chalmers, moved that the recommendations in the report be approved. Councillor Fagan, seconded by Councillor Brogan, moved as an amendment that consideration of the report be continued until after the summer recess to allow a members' awareness session on this matter to take place prior to consideration by this committee.

On a vote being taken by a show of hands, 9 members voted for the amendment and 19 for the motion which was declared carried.

The Committee decided:

- (1) that the proposals to develop a new approach to community participation and empowerment be approved;
- (2) that the addition of 7 posts to the staffing establishment, as detailed in the report, to create a new Community Participation and Empowerment Team be approved; and
- (3) that the cost of establishing the new team be met from the improved outturn position in 2017/2018 for a period of 2 years, with future costs from 2020/2021 onwards incorporated into the Council's Financial Strategy.

13 School Clothing Grants

A joint report dated 8 June 2018 by the Executive Directors (Education Resources) and (Finance and Corporate Resources) was submitted on proposals to increase the levels of school clothing grant from August 2018.

At its meeting on 28 February 2018, the Council had increased the level of clothing grant from £50 to £75 per child.

To meet the requirements of the recently published Scottish Government Report entitled "Every Child, Every Chance: The Tackling Child Poverty Delivery Plan", councils had been provided with funding in order that it could be used to deliver the minimum entitlement of £100 per eligible child.

This funding had not been ringfenced, therefore, local authorities could choose how to use those funds as long as the minimum entitlement of £100 was paid. Councils paying more than the minimum level would be expected to maintain this higher level in the future.

Councillor Ross, seconded by Councillor Chalmers, moved that the recommendation in the report be approved. Councillor Dryburgh, seconded by Councillor Hamilton, moved as an amendment that the total Scottish Government allocation be utilised to provide school clothing grants.

On a vote being taken by a show of hands, 8 members voted for the amendment and 16 for the motion which was declared carried.

The Committee decided: that an increased school clothing grant level of £100, to be implemented from August 2018, be approved.

[Reference: Minutes of 28 February 2018 (Paragraph 8)]

14 Land and Property Transfers and Disposals

A report dated 24 May 2018 by the Executive Director (Housing and Technical Resources) was submitted on recommendations to declare certain areas of land and property surplus to operational requirements.

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

The Committee decided:

- (1) that the land and property identified in Property Bulletins 15/02 and 17/02 be reallocated as detailed in Appendix A to the report; and
- (2) that the land in connection with minor disposals, as detailed in Appendix B to the report, be declared surplus to the Council's requirements.

15 King Street, Larkhall - Extension to Concessionary Lease to Larkhall Christians Together

A report dated 25 May 2018 by the Executive Director (Housing and Technical Resources) was submitted on a request received from Larkhall Christians Together for the Council to extend their concessionary lease of premises at King Street, Larkhall for a further 2 years.

Larkhall Christians Together had been in occupation of the former toilets at King Street, Larkhall since 3 August 2017 and their current lease was due to expire on 2 August 2018.

Since taking over the facility, the group had been developing a range of activities to the benefit of the wider Larkhall community, however, they currently did not consider that they had a sufficient number of community activities in place to justify progressing a formal Community Asset Transfer purchase request.

The group had requested that they be granted a further concessionary lease for 2 years to expand the operation before making any longer term commitments.

The Committee decided:

- (1) that the concessionary lease of the toilets at King Street, Larkhall to Larkhall Christians Together be extended for a further 2 years at a rental of £1 per annum and on other terms and conditions detailed in the report; and
- (2) that the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services, be authorised to conclude all matters in respect of the extension of the existing concessionary lease.

16 Recommendations Referred from the Finance and Corporate Resources Committee

A report dated 20 June 2018 by the Chief Executive was submitted on recommendations which had been referred to this Committee by the Finance and Corporate Resources Committee of 20 June 2018.

The recommendations of the Committee were as follows:-

Finance and Corporate Resources Committee

- ◆ that the Treasury Management Activity Report for 2017/2018 and the 2017/2018 Treasury Management and Prudential Code Indicators be noted
- ◆ that the Council's Annual Investment Report for 2017/2018 be endorsed and referred to the Council for formal approval.

[Reference: Minutes of the Finance and Corporate Resources Committee of 20 June 2018 (Paragraph 7)]

The Committee decided:

- (1) that the recommendation referred by the Finance and Corporate Resources Committee in relation to Treasury Management Activity and Prudential Code Indicators for 2017/2018 be noted; and
- (2) that the recommendation referred by the Finance and Corporate Resources Committee in relation to the Council's Annual Investment Report 2017/2018 be endorsed.

The Committee recommended to the Council:

that the Annual Investment Report 2017/2018 be approved.

17 Amendments to Committee/Forum Memberships

A report dated 5 June 2018 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ action taken, in terms of Standing Order No 36(c), because of the timescales involved, by the Executive Director (Finance and Corporate Resources), in consultation with the Chair and an ex officio member, to replace Councillor Devlin with Councillor Dryburgh as a member of the Executive Committee
- ◆ proposals to replace Councillor Dryburgh with Councillor Devlin as a substitute member of the Financial Resources Scrutiny Forum
- ◆ a number of proposed changes to memberships requested by the SNP Group

The Committee decided:

- (1) that the action taken, in terms of Standing Order No 36(c), by the Executive Director (Finance and Corporate Resources), in consultation with the Chair and an ex officio member, to replace Councillor Devlin with Councillor Dryburgh on the Executive Committee be noted;
- (2) that Councillor Dryburgh be replaced by Councillor Devlin as a substitute member of the Financial Resources Scrutiny Forum;
- (3) that Councillor Horne be replaced as a member of the Housing and Technical Resources Committee by Councillor Callaghan, with Councillor Horne taking Councillor Callaghan's place as a substitute member;

- (4) that Councillor Buchanan be replaced by Councillor Callaghan as Depute Chair of the Housing and Technical Resources Committee; and
- (5) that Councillor Shearer be replaced by Councillor Dorman as a member of the Rural Task Force, with Councillor Shearer taking Councillor Dorman's place as a substitute member.

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

18 Sustainable Development Strategy Update

A report dated 6 June 2018 by the Executive Director (Community and Enterprise Resources) was submitted on the status of the Sustainable Development Strategy actions and measures at the Quarter 4 stage of 2017/2018.

The Council's Sustainable Development Strategy (SDS) covered a 5 year period from 2017 to 2022. Delivery of actions within the SDS provided the main focus for sustainable development activity over the period and enabled the Council to fulfil its duties under the Local Government (Scotland) Act 2009 and other associated environmental legislation.

The SDS action plan contained 27 actions which were sub-divided into 45 defined measures that provided the current status for each action. Those measures were rated using a traffic light system of green, amber or red. Of the 45 measures within the SDS:-

- ◆ 39 had been achieved or were on course to be achieved (green)
- ◆ 2 had seen some minor slippage against targets (amber)
- ◆ 0 had seen major slippage against timescale or major shortfall against target (red)
- ◆ 4 would be reported later when data was available

A number of highlights from 2017/2018 were detailed in the report.

The Committee decided: that the position in respect of the actions and measures contained in the Council's Sustainable Development Strategy for the period 2017 to 2022, at the Quarter 4 stage of 2017/2018, be noted.

[Reference: Minutes of 8 February 2017 (Paragraph 15)]

19 Council Plan Connect 2017 to 2022: Quarter 4 Progress Report 2017/2018

A report dated 25 May 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the progress of 'Connect', the Council Plan 2017 to 2022, at the Quarter 4 stage of 2017/2018.

'Connect' detailed the Council's vision, ambitions and objectives to be delivered in the 5 year period of the Plan. Progress made on key priorities and objectives was summarised in the report. Of the 219 measures contained in the Plan:-

- ◆ 200 had been achieved or were on course to achieve with no issues anticipated
- ◆ 10 were on course to achieve but might be the subject of some minor slippage
- ◆ 0 measures were not on course to achieve or were subject to considerable slippage
- ◆ 9 measures would be reported at a later stage

The 'Connect' Performance Report for Quarter 4 2017/2018, covering the period to the end of March 2018, was attached as an appendix to the report.

The Committee decided: that the report be noted.

[Reference: Minutes of 27 September 2017 (Paragraph 7)]

20 Urgent Business

There were no items of urgent business.



Report

Report to:	Executive Committee
Date of Meeting:	15 August 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget 2018/2019 and Monitoring for Period 4 - 1 April to 22 June 2018
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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 2018/2019 Capital Programme including 2017/2018 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 2018 to 22 June 2018

2. Recommendation(s)

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

- (1) that the Period 4 position (ended 22 June 2018) 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 Capital Programme listed at Appendix 2, be approved; and
- (3) that the revised programmes be monitored by the Financial Resources Scrutiny Forum.

3. Background

3.1. The attached statements to this report provide a summarised monitoring position as at 22 June 2018. 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

4.1. None

5. Financial Implications

5.1. General Fund

5.1.1. 2018/19 Budget

The budget agreed at Executive Committee on 27 June 2018 was £73.316 million. A revised budget of £72.720 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 which are proposed in this report at Appendix 2.

5.1.2. The programme spend and funding for the General Fund is summarised in Appendices 1 and 2. Total funding of £72.720 million is available in year.

5.1.3. 2018/19 Monitoring

Budget for the period is £9.037 million and spend to the 22 June 2018 is £9.195 million (12.64%).

5.1.4. Actual funding received to 22 June 2018 is £46.397 million (63.80%).

5.2. Housing Programme

5.2.1. 2018/19 Monitoring

5.2.2. Appendix 4 also shows the position on the Housing programme as at 22 June 2018. Budget for the period is £7.533 million with spend of £7.533 million (14.04%).

5.2.2. Programmed funding for the year totals £53.664 million. As at 22 June 2018, actual funding of £7.533 million has been received.

5.2.4. Regular monitoring of both the General Fund Programme and the Housing Programme is carried out in detail by the Financial Resources Scrutiny Forum and reported on a regular basis to this 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)

2 July 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Housing Capital Programme (Section 5.2)

Previous References

- ♦ Executive Committee, 27 June 2018

List of Background Papers

- ♦ Capital Ledger Prints to 22 June 2018

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)

Ext: 2601 (Tel: 01698 452601)

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

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2018/2019
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2018 TO 22 JUNE 2018

APPENDIX 1

	£m	£m
Original 2018/19 Base Budget including Carry Forward		73.316
Proposed Adjustments – Period 4		(0.596)
Total Revised Budget including Carry Forward		72.720

<u>Resource</u>	<u>Base 2018/19 Budget</u> <u>£m</u>	<u>Period 4 Proposed Adjustments</u> <u>£m</u>	<u>Revised 2018/19 Budget</u> <u>£m</u>
Community & Enterprise	38.468	(0.334)	38.134
Education	24.657	0.000	24.657
Finance & Corporate	1.522	0.000	1.522
Housing & Technical	8.349	(0.262)	8.087
Social Work	0.320	0.000	0.320
Total	73.316	(0.596)	72.720

Proposed Adjustments

Community and Enterprise Resources

Grass & Synthetic Pitch Replacement

Approval is sought to slip £0.300m into the 2019/20 Capital programme to fund further pitch upgrades next financial year outwith playing season. (£0.300m)

Springhall Community Hall

Planning in relation to the redevelopment of the Springhall Community Hall facility is ongoing. Initial draft designs have now been developed and in order to enable the refurbished facility to meet the aspirations of Council services, elected members and the local community, who have been consulted as part of this process, an estimated budget of £0.900m is required. Approval is sought to transfer further match funding of £0.450m from the Prioritised Urgent Investment Fund. This will result in a total project budget for the Community Hall of £0.900m. £0.450m (£0.450m)

The main contract works are expected to commence on site in 2019, following further consultation on the final design and thereafter the procurement process. In order to reflect the timescales for this project to commence on site, approval is sought to carry forward the £0.450m additional funding into 2019/20. (£0.450m)

Vacant and Derelict Land

Following the results of the initial monitoring regime at the former landfill site at Glen Esk, East Kilbride, there is a requirement for further tests to be carried out. This will enable the contract to be awarded in February 2019 and allow Scottish Government funding for this project to be secured. As such, approval is sought to allow slippage of £0.750m into the 2019/20 Capital Programme to align with the commencement of works. (£0.750m)

Carstairs Junction Play Area Redevelopment

Approval is sought to increase the 2018/19 Capital programme by £0.087m in order to redevelop Carstairs Junction Play Area. This will be funded by awards from Viridor Credits £0.050m, Renewable Energy Fund £0.035m and a contribution from Carstairs Junction Community Group £0.002m. £0.087m

Hamilton International Technology Park

Approval is sought to increase the 2018/19 Capital Programme by £0.629m in order to complete road network improvements at Hamilton International Technology Park. This will be funded by a contribution from the developer. £0.629m

Housing and Technical Resources

Central Energy Efficiency Fund (CEEF)

Approval is sought to add energy efficiency projects into the 2018/19 capital programme. Projects to be carried out are LED lighting at four Council offices including East Kilbride Central Library, David Dale House, Brandon Gate and South Vennel as well as the installation of photovoltaic panels at five primary schools. £0.188m

Minor Adjustments	£0.000m
Total Adjustments	(£0.596m)

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2018/2019
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2018 TO 22 JUNE 2018

APPENDIX 3

	<u>2018/19</u> <u>Original</u> <u>Estimate inc</u> <u>C/F</u> £m	<u>2018/19</u> <u>Revised</u> <u>Budget</u> £m	<u>2018/19</u> <u>Budget to</u> <u>22/06/18</u> £m	<u>2018/19</u> <u>Actual to</u> <u>22/06/18</u> £m
Expenditure				
General Fund Programme	70.625	72.720	9.037	9.195
Income				
	<u>2018/19</u> <u>Budget</u> £m	<u>2018/19</u> <u>Revised</u> <u>Budget</u> £m		<u>2018/19</u> <u>Actual</u> <u>To</u> <u>22/06/18</u> £m
Prudential Borrowing	32.772	33.080		33.080
Heritage Lottery / Sportscotland Grant	0.124	0.288		0.168
Developers Contributions	1.550	1.550		0.505
Partners (Including SPT, Forestry Commission, Transport Scotland, Timber Income, and Renewable Energy Fund)	0.619	2.332		0.841
Scottish Government:				
- Capital Grant	27.607	27.607		6.902
- Cycling, Walking and Safer Streets	0.432	0.432		0.000
- Vacant and Derelict Land	2.316	1.566		1.415
- Early Years 1,140 Hours	0.970	2.500		0.971
- Regeneration Capital Grant	0.850	0.850		0.000
Specific Reserves	1.244	1.493		1.493
Capital Receipts	0.500	0.500		0.500
Capital Financed from Current Revenue	1.641	0.522		0.522
TOTAL FUNDING	70.625	72.720		46.397

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2018/19
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2018 TO 22 JUNE 2018

APPENDIX 4

	<u>2017/18</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2018/19</u> <u>Estimate</u> <u>to</u> <u>22/06/18</u> <u>£m</u>	<u>2018/19</u> <u>Actual to</u> <u>22/06/18</u> <u>£m</u>
EXPENDITURE			
2018/19 Budget incl carry forward from 2017/18	53.664	7.533	7.533
	<u>2018/19</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2018/19</u> <u>Actual to</u> <u>22/06/18</u> <u>£m</u>	
INCOME			
Capital Receipts – House Sales	0.000	0.064	
Capital Receipts – Land Sales	2.000	0.023	
Capital Funded from Current Revenue	23.730	7.446	
Prudential Borrowing	21.602	0.000	
Specific Grant			
- Scottish Government – New Council Houses	4.963	0.000	
- Scottish Government – Buy Backs	0.900	0.000	
- Scottish Government – Mortgage to Rent	0.120	0.000	
- Scottish Natural Heritage	0.349	0.000	
	53.664	7.533	

Report

4

Report to: **Executive Committee**
 Date of Meeting: **15 August 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Revenue Budget Monitoring for Period 4: 1 April to 22 June 2018**

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 2018 to 22 June 2018, and provide a projection for the year

2. Recommendation(s)

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

- (1) that the underspend of £1.940 million on the General Fund Revenue Account at 22 June 2018 as detailed in Appendix 1 of the report and the forecast to 31 March 2019, be noted; and
- (2) that the breakeven position on the Housing Revenue Account at 22 June 2018 and the forecast to 31 March 2019 of breakeven (Appendix 3), be noted.

3. Background

3.1. This is an overview report summarising the General Services Monitoring Position regarding actual expenditure and income to 22 June 2018, compared with the budget for the same period (section 4). This is provided on a Resource basis in Appendix 1 to the report and a subjective basis in Appendix 2.

2017/2018 General Services Monitoring Position

4. Financial Position as at 22 June 2018

- 4.1. As at 22 June 2018, Appendix 1 of the report details an underspend of £1.940 million (1.6%) against the phased budget.
- 4.2. Of the underspend, £0.5 million is in relation to the budget for Superannuation on Overtime which is not required and has been removed from the budget as part of the 2019/2020 Financial Strategy reported to the Executive Committee on 27 June 2018.
- 4.3. **Loan Charges:** In addition, the Loan Charges budget is showing an underspend. The 2018/2019 Strategy assumed that we would borrow during 2018/2019, however, there has been no requirement to borrow in the first 4 months of the current year and this will result in an underspend in interest payments at the end of the year. Instead, cash balances have been used to fund capital spend. Borrowing to replace these balances will be required. As at 22 June 2018, there is an underspend of £1.4 million. Depending on the timing of borrowing, this figure may increase as the year

progresses. If this is the case, updates will be provided to future Executive Committee meetings as required.

- 4.4. **Education / Pupil Equity Funding:** In addition, there are potential underspends within Education Resources. In 2017/2018, the Education budget was underspent due to Pupil Equity Funding (PEF) and Early Years which was carried forward in reserves. In 2018/2019, Education Resources have received another £7.9 million of PEF funding which the Resource is fully committed to spending by the end of the academic year (June 2019).
- 4.5. As PEF funding operates in academic (Aug-June) years and not financial years, then 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 2019. An initial estimate of the underspend this financial year, based on equal spend over the school year is £2.3 million, 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.
- 4.6. There are also 8 posts which have still to be recruited for Early Years. These posts will be recruited from August 2018 so it is expected that there will be an underspend of approximately £0.100 million depending on the timing of recruitment. This will be committed when recruitment takes place.
- 4.7. Within Social Work Resources (Children and Families Services) there has been an increase in the number of residential school/external placements and external fostering placements in the first 4 months of the current year, which has put pressure on the Resource budget. An initial estimate of the potential overspend resulting from this increased demand is £0.800 million. The Resource is currently looking at these pressures in conjunction with the other services to identify ways to minimise and manage these costs. This will continue to be monitored.
- 4.8. **Funding for Investment and Priorities:** As part of the 2018/19 Revenue Budget, additional funding allowed monies to be added for Teachers plus Classroom Support and Employability for Early Years and Social Care. As the permanency of the funding could not be confirmed beyond 2019/20, budget was also included in 2018/19 to cover the costs expected in 2019/20.
- 4.9. As the budget for 2019/20 will not be required this year, the budget is shown as a Transfer to Reserves and will be carried forward for use in 2019/20. Appendix 1 shows the position after the budget is moved from the Resources (Education and Finance and Corporate) to the Transfer to Reserves line, with the required budget for 2018/19 held in the relevant Resource. The commitment has also been shown to reflect the transfer that will take place at the end of the financial year.
- 4.10. At this early stage in the financial year, the forecast for the Council's Revenue Budget to 31 March 2019 has been maintained at a breakeven position.
- 4.11. **Trading Operations:** Included within the breakeven position for the General Fund Revenue Account in 4.1 above are the Trading Operations. As at 22 June 2018, the actual surpluses achieved by the Trading Operations total £3.237 million, representing a breakeven position against the phased budget.

4.12. Additional General Revenue Grant

The Council has been notified of additional General Revenue Grant of £0.358 million in relation to Education Footwear and Clothing Grants. This has been added to the Education Resources budget shown in Appendix 1.

4.13. Other Funding

No other funding has been notified since the last report on 27 June 2018.

5. Housing Revenue Account Position

- 5.1. As at 22 June 2018, Appendix 3 of the report shows a breakeven position against the phased budget on the Housing Revenue Account. 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 in the 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)

2 July 2018

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 22 June 2018

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)

Ext: 2601 (Tel: 01698 452601)

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

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Period Ended 22 June 2018 (No.4)

<u>Committee</u>	Annual Budget	Forecast	Annual Forecast Variance	Budget Proportion to 22/06/18	Actual to Period 4 22/06/18	Variance to 22/06/18	
	£m	£m	£m	£m	£m	£m	
Departments:							
Community and Enterprise Resources	114.957	114.957	0.000	20.245	20.245	0.000	-
Facilities Streets and Waste (Inc. Support)	62.661	62.661	0.000	10.738	10.738	0.000	-
Environmental Services (Inc. Projects)	4.183	4.183	0.000	0.790	0.790	0.000	-
Leisure and Culture Services	18.905	18.905	0.000	4.583	4.583	0.000	-
Planning and Economic Development	2.895	2.895	0.000	0.520	0.520	0.000	-
Roads	26.313	26.313	0.000	3.614	3.614	0.000	-
Education Resources	307.824	307.824	0.000	59.268	59.268	0.000	-
Finance and Corporate Resources	32.883	32.883	0.000	10.323	10.323	0.000	-
Finance Services	14.990	14.990	0.000	4.428	4.347	0.081	under
Audit and Compliance Services	0.347	0.347	0.000	0.124	0.131	(0.007)	over
Information Technology Services	4.198	4.198	0.000	2.114	2.114	0.000	-
Communications and Strategy Services	0.953	0.953	0.000	0.332	0.377	(0.045)	over
Administration and Licensing Services	4.393	4.393	0.000	1.619	1.648	(0.029)	over
Personnel Services	8.002	8.002	0.000	1.706	1.706	0.000	-
Housing and Technical Resources	18.398	18.398	0.000	4.223	4.223	0.000	-
Housing Services	7.458	7.458	0.000	0.794	0.794	0.000	-
Property Services	10.940	10.940	0.000	3.429	3.429	0.000	-
Social Work Resources	151.369	151.369	0.000	33.040	33.040	0.000	-
Performance and Support Services	8.273	8.273	0.000	1.548	1.548	0.000	-
Children and Families	29.677	29.677	0.000	7.457	7.514	(0.057)	over
Adults and Older People	112.350	112.350	0.000	24.004	23.973	0.031	under
Justice and Substance Misuse	1.069	1.069	0.000	0.031	0.005	0.026	under
Joint Boards	2.378	2.378	0.000	0.453	0.453	0.000	-
	627.809	627.809	0.000	127.552	127.552	0.000	-

<u>Committee</u>	Annual Budget	Forecast	Annual Forecast Variance	Budget Proportion to 22/06/18	Actual to Period 4 22/06/18	Variance to 22/06/18	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	627.809	627.809	0.000	127.552	127.552	0.000	-
Trading Accounts Surplus	(11.937)	(11.937)	0.000	(3.237)	(3.237)	0.000	-
CFCR	0.522	0.522	0.000	0.522	0.522	0.000	-
Loan Charges	57.780	57.780	0.000	16.509	15.069	1.440	under
Corporate Items	4.875	4.875	0.000	0.535	0.035	0.500	under
Transfer to Reserves	4.898	4.898	0.000	4.898	4.898	0.000	-
Total Expenditure	683.947	683.947	0.000	146.779	144.839	1.940	under
Council Tax	145.758	145.758	0.000	41.645	41.645	0.000	-
Less: Council Tax Reduction Scheme	(19.370)	(19.370)	0.000	(5.534)	(5.534)	0.000	-
Net Council Tax	126.388	126.388	0.000	36.111	36.111	0.000	-
General Revenue Grant	251.264	251.264	0.000	57.399	57.399	0.000	-
Non Domestic Rates	295.500	295.500	0.000	68.192	68.192	0.000	-
Transfer from Reserves	10.795	10.795	0.000	10.795	10.795	0.000	-
Total Income	683.947	683.947	0.000	172.497	172.497	0.000	-
Net Expenditure / (Surplus)	0.000	0.000	0.000	(25.718)	(27.658)	1.940	under

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Period Ended 22 June 2018 (No.4)

<u>Budget Category</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 22/06/18	Actual to Period 4 22/06/18	Variance to 22/06/18	
	£m	£m	£m	£m	£m	£m	
Service Departments:							
Expenditure							
Employee Cost	411.051	411.051	0.000	84.166	84.068	0.098	under
Property Costs	49.450	49.450	0.000	6.885	6.879	0.006	under
Supplies and Services	36.810	36.810	0.000	6.750	6.742	0.008	under
Transport Costs	21.533	21.533	0.000	4.200	4.197	0.003	under
Administration Costs	11.186	11.186	0.000	2.235	2.213	0.022	under
Payments to Other Bodies	50.958	50.958	0.000	12.560	12.658	(0.098)	over
Payments to Contractors	182.720	182.720	0.000	35.206	35.252	(0.046)	over
Transfer Payments	2.896	2.896	0.000	0.616	0.624	(0.008)	over
Housing Benefits	89.417	89.417	0.000	20.066	19.832	0.234	under
Financing Charges (controllable)	1.931	1.931	0.000	0.502	0.477	0.025	under
Total	857.952	857.952	0.000	173.186	172.942	0.244	under
Service Departments Total	857.952	857.952	0.000	173.186	172.942	0.244	under
Trading Accounts Surplus	(11.937)	(11.937)	0.000	(3.237)	(3.237)	0.000	-
CFCR	0.522	0.522	0.000	0.522	0.522	0.000	-
Loan Charges	57.780	57.780	0.000	16.509	15.069	1.440	under
Corporate Items	4.875	4.875	0.000	0.535	0.035	0.500	under
Transfer to Reserves	4.898	4.898	0.000	4.898	4.898	0.000	-
Total Expenditure	914.090	914.090	0.000	192.413	190.229	2.184	under
Income							
Housing Benefit Subsidy	84.182	84.182	0.000	18.623	18.387	(0.236)	under rec
Other Income	145.961	145.961	0.000	27.011	27.003	(0.008)	under rec
Council Tax (Net of Council Tax Reduction Scheme)	126.388	126.388	0.000	36.111	36.111	0.000	-
General Revenue Grant	251.264	251.264	0.000	57.399	57.399	0.000	-
Non Domestic Rates	295.500	295.500	0.000	68.192	68.192	0.000	-
Transfer from Reserves	10.795	10.795	0.000	10.795	10.795	0.000	-
Total Income	914.090	914.090	0.000	218.131	217.887	(0.244)	under rec
Net Expenditure	0.000	0.000	0.000	(25.718)	(27.658)	1.940	under

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 22 June 2018 (No.4)
Housing Revenue Account

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion to 22/06/18	Actual to Period 4 22/06/18	Variance to 22/06/18		%	Note
	£m	£m	£m	£m	£m	£m			
Employee Costs	12.718	12.718	0.000	2.639	2.600	0.039	under	1.5%	1
Property Costs	42.130	42.130	0.000	5.384	5.426	(0.042)	over	(0.8%)	2
Supplies & Services	0.610	0.610	0.000	0.272	0.274	(0.002)	over	(0.7%)	
Transport & Plant	0.194	0.194	0.000	0.036	0.035	0.001	under	2.8%	
Administration Costs	5.713	5.713	0.000	0.160	0.158	0.002	under	1.3%	
Payments to Other Bodies	3.555	3.555	0.000	0.012	0.012	0.000	-	0.0%	
Payments to Contractors	0.100	0.100	0.000	0.021	0.021	0.000	-	0.0%	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	n/a	
Financing Charges	23.730	23.730	0.000	0.000	0.000	0.000	-	0.0%	
Total Controllable Expenditure	88.750	88.750	0.000	8.524	8.526	(0.002)	over	0.0%	
Total Controllable Income	(98.948)	(98.948)	0.000	(19.746)	(19.748)	0.002	over rec	0.0%	
Transfer to/(from) Balance Sheet	(4.603)	(4.603)	0.000	(1.062)	(1.062)	0.000	-	0.0%	
Net Controllable Expenditure	(14.801)	(14.801)	0.000	(12.284)	(12.284)	0.00	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	14.801	14.801	0.000	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(12.284)	(12.284)	0.000	-	0.0%	

Variance Explanations

1. Employee Costs

This underspend reflects the current turnover levels 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: **15 August 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Trading Services Financial Performance for Period
1 April to 22 June 2018**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide information on the estimated surplus for each of the Council's Trading Operations
- ◆ provide information on the actual surplus as at 22 June 2018
- ◆ provide an update on the projected results for the financial year 2018/2019

2. Recommendation(s)

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

- (1) that the surplus achieved to 22 June 2018 of £3.237 million, as detailed in Appendix A of the report, be noted.

3. Background

Trading Operations Position

- 3.1. As part of the budget for 2018/2019, an estimated target for Trading Operations' surpluses was set at £11.466 million. In the period to 25 May 2018, this was revised to £11.511 million.
- 3.2. Since then, in the period to 22 June 2018, a transfer of budget has taken place between the Fleet, Roads and Property Trading Operations and the Community and Enterprise and Corporate Items budgets in respect of the reallocation of approved 2018/2019 savings and the realignment of internal support budgets.
- 3.3. The effect of the above adjustments is to increase the Budgeted Trading Surplus by £0.426 million, resulting in a revised budget of £11.937 million.
- 3.4. Details of the financial performance of each of the individual Trading Operations is provided in Appendix A to this report.
- 3.5. This budgeted surplus sum will continue to be taken as a minimum target for achievement by the Trading Operations. Effort will be maintained to maximise results during the remainder of this financial year.

4. Employee Implications

4.1. None

5. Financial Implications

- 5.1. As at 22 June 2018, the actual surpluses achieved by the Trading Operations total £3.237 million.

6. Other Implications

- 6.1. The main risk associated with the Trading Operations' Budgets is that there is a reduction in the surplus achieved. The risk has been assessed as low given the detailed budget management applied across the Trading Operations. 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.
- 6.2. 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 an existing policy, function or strategy and therefore no impact assessment is required.
- 7.2. 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)

2 July 2018

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 22 June 2018

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)

Ext: 2601 (Tel: 01698 452601)

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

SOUTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report
Period Ended 22 June 2018 (No.4)
Trading Operations

	2018/2019 Revenue Budget Surplus	2018/2019 Forecast Revenue Budget Surplus	Phased Budget (Surplus) at 22/06/18	Actual (Surplus) / Deficit at 22/06/18	Variance at 22/06/18	
Trading Service	£m	£m	£m	£m	£m	
Fleet	(3.020)	(3.020)	(0.700)	(0.700)	0.000	-
Roads	(4.512)	(4.512)	(1.024)	(1.024)	0.000	-
Property Services	(4.405)	(4.405)	(1.513)	(1.513)	0.000	-
Total	(11.937)	(11.937)	(3.237)	(3.237)	0.000	-



Report

Report to:	Executive Committee
Date of Meeting:	15 August 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Employee Workforce Monitoring Information April 2017 to March 2018 Yearly Summary
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1 Purpose of Report

1.1 The purpose of the report is to:-

- ◆ provide employment information relating to the Council for the period April 2017 to March 2018

2 Recommendation(s)

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

- (1) that the following employment information for April 2017 to March 2018 relating to the Council be noted:-

- ◆ attendance statistics;
- ◆ occupational health;
- ◆ accidents/incidents;
- ◆ discipline, grievance and dignity at work;
- ◆ employee development;
- ◆ labour turnover/analysis of leavers and exit interviews;
- ◆ recruitment monitoring;
- ◆ staffing watch as at 10 March 2018.

3 Background

3.1 As part of the Council's performance management arrangements, the following monitoring information is submitted to the Executive Committee. This report for the Council provides information on the position for Employee Workforce Monitoring for the period April 2017 to March 2018.

4 Attendance Statistics

4.1 Information on absence statistics for April 2017 to March 2018 for the Council and each Resource is provided in Appendices 1 to 8. Points to note are:-

- ◆ The Council's average absence rate for April 2017 to March 2018 is 4.2%, a decrease of 0.2% when compared to the same period last year
- ◆ The APT&C average absence rate for April 2017 to March 2018 is 4.4%, this figure remains unchanged when compared to the same period last year
- ◆ The teaching staff average absence rate for April 2017 to March 2018 is 2.5%, a decrease of 0.2% when compared with the same period last year

- ◆ The manual workers' average absence rate for April 2017 to March 2018 is 5.6%, a decrease of 0.1% when compared with the same period last year

In comparison to March 2017 (Appendix 8):-

- ◆ Musculoskeletal and psychological conditions remain the main reasons for absence
- ◆ Total days lost due to musculoskeletal conditions have decreased by 1429 days
- ◆ Total days lost due to psychological conditions have decreased by 3473 days
- ◆ Total days lost due to stomach, bowel, blood and metabolic disorders have increased by 636 days
- ◆ Total days lost due to respiratory conditions have increased by 1760 days

5 Occupational Health

5.1 Information on Occupational Health for the period April 2017 to March 2018 is provided in Appendix 9:-

- ◆ Over the year musculoskeletal and psychological conditions were the main reasons for medical referrals; this remains unchanged from the previous year
- ◆ During the year there were a total of 1570 employees referred for a medical examination and when compared to the previous year this represents a decrease of 39 employees being referred
- ◆ During the period, a total of 2144 employees attended physiotherapy treatment, which is a decrease of 23 when compared to the previous year
- ◆ Of the 2144 employees referred, 70% remained at work whilst undertaking treatment
- ◆ Over the year 1023 employees were referred to the Employee Support Officer, a decrease of 175 when compared to the previous year. Of those referrals made during the period, 88% related to personal issues
- ◆ During the year there were 516 referrals for counselling, 471 were from management and 45 from employees. This represents an overall decrease of 107 referrals when compared with the same period last year
- ◆ Over the year a total of 220 employees were referred for Cognitive Behavioural Therapy, an increase of 1 when compared to the same period last year

6 Accidents/Incidents

6.1 The accident/incident report for the period April 2017 to March 2018 is contained in Appendix 10:-

- ◆ The number of accidents/incidents recorded for the year was 981, an increase of 92 from April 2016 to March 2017
- ◆ During the year specified injuries/incidents have increased by 6 when compared to April 2016 to March 2017.
- ◆ Overall minor accidents/incidents have increased by 76 when compared with April 2016 to March 2017
- ◆ During the year the number of over 3 day injuries have increased by 3 when compared with April 2016 to March 2017
- ◆ During the year the number of accidents resulting in an absence lasting over 7 days has increased by 7 when compared with April 2016 to March 2017

7 Discipline, Grievance, Dignity at Work

7.1 Information on Disciplinary, Grievance Hearings and Dignity at Work for the period April 2017 to March 2018 is contained in Appendices 11 and 12:-

- ◆ During the period, a total of 222 disciplinary hearings were held across Resources within the Council which represents a decrease of 45 when compared to April 2016 to March 2017. Action was taken in 196 of these cases and there were 13 Resource appeals raised against the outcomes
- ◆ Our target is to convene disciplinary hearings within 6 weeks. During the period 73% of hearings met this target which is an increase of 9% when compared to the same period last year
- ◆ During the year 12 appeals were submitted to the Appeals Panel, of which 3 were upheld, 3 were upheld in part, 2 were not upheld, 3 were withdrawn and 1 appeal is currently pending
- ◆ Overall 22 grievances were raised during the year, a decrease of 6 when compared with the previous year
- ◆ There were 24 dignity at work incidents raised this year, an increase of 13 when compared with the previous year
- ◆ During the period 7 referrals for mediation were submitted, a decrease of 6 when compared with the previous year

8 Employee Development

8.1 Information on Employee Development for the period April 2017 to March 2018 is contained in Appendices 13 and 13a:-

- ◆ The Council is committed to ensuring that every employee has the opportunity to undertake learning and development which relates to their job
- ◆ During this period there were 26,675 attendances at training events
- ◆ As our Learn on Line continues to develop, employees have successfully completed 47,098 e-learning packages covering a wide variety of subjects

9 Labour Turnover/Analysis of Leavers and Exit Interviews

9.1 Labour Turnover

Information on the number of leavers and exit interviews for the period April 2017 to March 2018 is contained in Appendix 14. Exit interviews are conducted with leavers who leave voluntarily.

The Council's labour turnover figure for April 2017 to March 2018 is 4.9% and this figure has increased by 1.9% when compared to the same period last year.

9.2 Analysis of Leavers and Exit Interviews:-

- ◆ During April 2017 to March 2018 there were 693 leavers eligible for an exit interview, an increase of 364 when compared with April 2016 to March 2017
- ◆ Exit interviews for April 2017 to March 2018 were held with 12% of leavers, compared with 13% in the period April 2016 to March 2017

10 Recruitment Monitoring

10.1 Information on Recruitment Monitoring for the period April 2017 to March 2018 is contained within Appendix 15. From an analysis of Equal Opportunities Monitoring Forms, the main points to note are:-

- ◆ 95% of applicants completed an Equal Opportunities Monitoring Form, compared with 94% in the period April 2016 to March 2017
- ◆ Of the 369 applicants who declared themselves as disabled, 176 were shortlisted for interview and 41 were appointed. This compares to 322 applicants the previous year, of which 152 applicants were shortlisted for interview and 30 were appointed
- ◆ Of the 277 applicants from a black/ethnic background, 92 were shortlisted for interview and 32 were appointed. This compares to 224 applicants the previous year, of which 66 were shortlisted for interview and 26 were appointed

11 Staffing Watch

- 11.1 Details of the number of employees in post at 10 March 2018 are contained in Appendix 16. There were 14,279 employees in post as at 10 March 2018 compared to 14,461 as at 11 March 2017, a decrease of 182 employees.

12 Employee Implications

- 12.1 There are no implications for employees arising from the information presented in this report.

13 Financial Implications

- 13.1 All financial implications are accommodated within existing budgets.

14 Other Implications

- 14.1 There are no implications for sustainability or risk in terms of the information contained within this report.

15 Equality Impact Assessment and Consultation Arrangements

- 15.1 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

There was no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

26 June 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, effective, efficient and transparent
- ◆ Fair, open and sustainable
- ◆ Ambitious, self aware and improving
- ◆ Excellent employer
- ◆ Focused on people and their needs
- ◆ Working with and respecting others

Previous References

- ◆ 28 June 2017

List of Background Papers

- ◆ monitoring information provided by Resources

Contact for Further Information

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

Janet McLuckie, Personnel Officer

Ext: 4239 (Tel: 01698 454239)

E-mail: Janet.McLuckie@southlanarkshire.gcsx.gov.uk

ABSENCE TRENDS - 2015/2016, 2016/2017 & 2017/2018
Council Wide

APT&C				Teachers				Manual Workers				Council Wide				
	2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018	
	%	%	%		%	%	%		%	%	%		%	%	%	
April	4.2	4.0	4.1	April	2.6	2.9	2.1	April	4.3	6.1	5.2	April	3.8	4.3	3.9	
May	4.0	4.2	4.4	May	2.9	3.1	2.7	May	4.4	5.8	5.1	May	3.9	4.4	4.2	
June	3.6	4.1	4.1	June	2.2	2.4	2.2	June	4.5	5.6	4.9	June	3.5	4.1	3.9	
July	3.2	3.5	3.3	July	1.2	1.2	0.8	July	3.9	4.7	4.5	July	2.9	3.3	3.0	
August	3.5	3.7	3.7	August	1.5	1.4	1.0	August	4.3	5.2	4.5	August	3.3	3.6	3.2	
September	3.6	4.1	4.4	September	2.6	2.4	2.2	September	5.1	5.4	5.0	September	3.8	4.1	4.0	
October	4.1	4.5	4.3	October	2.8	2.9	2.4	October	5.0	5.6	5.4	October	4.1	4.4	4.1	
November	4.5	5.0	4.7	November	3.8	3.1	3.5	November	5.9	6.4	6.1	November	4.7	4.9	4.8	
December	4.2	5.1	4.9	December	4.2	3.2	3.8	December	6.1	6.3	6.7	December	4.7	4.9	5.1	
January	4.1	4.7	5.0	January	4.0	2.8	3.0	January	6.0	5.5	6.6	January	4.6	4.5	5.0	
February	4.5	5.1	5.2	February	4.2	3.7	3.0	February	6.5	5.8	6.5	February	5.0	5.0	5.0	
March	4.7	5.0	4.8	March	4.3	3.4	2.9	March	6.8	5.4	6.2	March	5.2	4.7	4.7	
Annual Average	4.0	4.4	4.4	Annual Average	3.0	2.7	2.5	Annual Average	5.2	5.7	5.6	Annual Average	4.1	4.4	4.2	
Average Apr-Mar	4.0	4.4	4.4	Average Apr-Mar	3.0	2.7	2.5	Average Apr-Mar	5.2	5.7	5.6	Average Apr-Mar	4.1	4.4	4.2	
No of Employees at 31 March 2018			6931	No of Employees at 31 March 2018			3718	No of Employees at 31 March 2018			4363	No of Employees at 31 March 2018			15012	

For the financial year 2017/18, the average days lost per employee equates to 10.1 days.

ABSENCE TRENDS - 2015/2016, 2016/2017 & 2017/2018
Community and Enterprise Resources

APT&C				Manual Workers				Resource Total				Council Wide			
	2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018
April	1.7	4.0	3.9	April	4.2	5.8	5.2	April	3.8	5.3	4.8	April	3.8	4.3	3.9
May	2.6	4.2	4.4	May	4.4	5.6	5.7	May	4.1	5.2	5.4	May	3.9	4.4	4.2
June	2.3	3.4	4.2	June	4.5	5.5	5.1	June	4.1	4.9	4.9	June	3.5	4.1	3.9
July	2.4	2.5	3.4	July	3.9	4.4	4.2	July	3.6	3.9	4.0	July	2.9	3.3	3.0
August	3.3	2.9	3.6	August	4.5	5.0	4.5	August	4.2	4.4	4.3	August	3.3	3.6	3.2
September	2.3	4.4	3.4	September	5.2	5.6	5.0	September	4.7	5.3	4.8	September	3.8	4.1	4.0
October	5.4	4.8	3.8	October	5.3	5.8	5.6	October	5.3	5.5	5.3	October	4.1	4.4	4.1
November	3.5	5.5	4.5	November	6.1	6.7	6.2	November	5.6	6.4	5.9	November	4.7	4.9	4.8
December	2.5	5.3	3.6	December	6.5	6.2	6.4	December	5.7	6.0	5.9	December	4.7	4.9	5.1
January	3.2	4.4	3.0	January	6.3	5.7	6.3	January	5.7	5.4	5.7	January	4.6	4.5	5.0
February	3.0	4.5	3.0	February	6.5	6.4	6.8	February	6.0	5.9	6.1	February	5.0	5.0	5.0
March	4.1	4.2	3.4	March	6.5	5.9	6.1	March	5.9	5.4	5.6	March	5.2	4.7	4.7
Annual Average	3.0	4.2	3.7	Annual Average	5.3	5.7	5.6	Annual Average	4.9	5.3	5.2	Annual Average	4.1	4.4	4.2
Average Apr-Mar	3.0	4.2	3.7	Average Apr-Mar	5.3	5.7	5.6	Average Apr-Mar	4.9	5.3	5.2	Average Apr-Mar	4.1	4.4	4.2

No of Employees at 31 March 2018			561	No of Employees at 31 March 2018			2739	No of Employees at 31 March 2018			3300	No of Employees at 31 March 2018			15012
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For the financial year 2017/18, the average days lost per employee equates to 13.2 days.

ABSENCE TRENDS - 2015/2016, 2016/2017 & 2017/2018
Education Resources

APT&C				Teachers				Resource Total				Council Wide							
	2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018				
April	4.2	3.4	4.0	April	2.6	2.9	2.1	April	3.2	3.1	2.9	April	3.8	4.3	3.9				
May	4.3	3.8	4.7	May	2.9	3.1	2.7	May	3.5	3.4	3.5	May	3.9	4.4	4.2				
June	3.6	3.8	3.6	June	2.2	2.4	2.2	June	2.8	3.0	2.8	June	3.5	4.1	3.9				
July	2.6	2.9	2.1	July	1.2	1.2	0.8	July	1.8	1.9	1.3	July	2.9	3.3	3.0				
August	3.1	3.0	2.7	August	1.5	1.4	1.0	August	2.2	2.0	1.7	August	3.3	3.6	3.2				
September	4.6	3.7	4.3	September	2.6	2.4	2.2	September	3.4	2.9	3.0	September	3.8	4.1	4.0				
October	4.5	4.2	4.6	October	2.8	2.9	2.4	October	3.5	3.4	3.3	October	4.1	4.4	4.1				
November	5.4	5.4	5.0	November	3.8	3.1	3.5	November	4.5	4.0	4.1	November	4.7	4.9	4.8				
December	5.0	5.4	5.3	December	4.2	3.2	3.8	December	4.5	4.1	4.4	December	4.7	4.9	5.1				
January	4.6	4.7	5.2	January	4.0	2.8	3.0	January	4.3	3.6	3.9	January	4.6	4.5	5.0				
February	4.7	5.5	5.5	February	4.2	3.7	3.0	February	4.4	4.4	4.0	February	5.0	5.0	5.0				
March	4.9	5.6	4.7	March	4.3	3.4	2.9	March	4.5	4.3	3.7	March	5.2	4.7	4.7				
Annual Average	4.3	4.3	4.3	Annual Average	3.0	2.7	2.5	Annual Average	3.6	3.3	3.2	Annual Average	4.1	4.4	4.2				
Average Apr-Mar	4.3	4.3	4.3	Average Apr-Mar	3.0	2.7	2.5	Average Apr-Mar	3.6	3.3	3.2	Average Apr-Mar	4.1	4.4	4.2				
No of Employees at 31 March 2018				2604	No of Employees at 31 March 2018				3718	No of Employees at 31 March 2018				6322	No of Employees at 31 March 2018				15012

For the financial year 2017/18, the average days lost per employee equates to 7.7 days.

ABSENCE TRENDS - 2015/2016, 2016/2017 & 2017/2018
Finance and Corporate Resources

APT&C				Manual Workers				Resource Total				Council Wide							
	2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018				
April	3.1	2.6	2.8	April				April	3.1	2.6	2.8	April	3.8	4.3	3.9				
May	2.9	2.2	3.2	May		0.0	May	2.9	2.2	3.2	May	3.9	4.4	4.2					
June	3.7	2.2	3.3	June		0.0	June	3.7	2.2	3.3	June	3.5	4.1	3.9					
July	3.5	2.0	3.1	July		0.0	July	3.5	2.0	3.0	July	2.9	3.3	3.0					
August	3.0	2.2	3.5	August		0.0	August	3.0	2.2	3.4	August	3.3	3.6	3.2					
September	1.7	2.4	4.1	September		0.0	September	1.7	2.4	4.1	September	3.8	4.1	4.0					
October	2.3	2.6	4.4	October		0.0	October	2.3	2.6	4.3	October	4.1	4.4	4.1					
November	2.3	3.1	4.2	November		0.0	November	2.3	3.1	4.1	November	4.7	4.9	4.8					
December	2.5	2.6	3.5	December		0.0	December	2.5	2.6	3.4	December	4.7	4.9	5.1					
January	2.7	2.6	4.1	January		7.0	January	2.7	2.6	4.2	January	4.6	4.5	5.0					
February	3.9	3.8	4.2	February		2.5	February	3.9	3.8	4.2	February	5.0	5.0	5.0					
March	2.7	3.7	3.8	March		16.9	March	2.7	3.7	4.0	March	5.2	4.7	4.7					
Annual Average	2.9	2.7	3.7	Annual Average	2.4	Annual Average	2.9	2.7	3.7	Annual Average	4.1	4.4	4.2						
Average Apr-Mar	2.9	2.7	3.7	Average Apr-Mar	2.4	Average Apr-Mar	2.9	2.7	3.7	Average Apr-Mar	4.1	4.4	4.2						
No of Employees at 31 March 2018				1025	No of Employees at 31 March 2018				12	No of Employees at 31 March 2018				1037	No of Employees at 31 March 2018				15012

For the financial year 2017/18, the average days lost per employee equates to 8.6 days.
 Figures for manual workers only applicable from May 2017/2018

ABSENCE TRENDS - 2015/2016, 2016/2017 & 2017/2018
Housing & Technical Resources

APT&C				Manual Workers				Resource Total				Council Wide			
	2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018
April	4.5	4.6	4.3	April	5.0	6.3	4.5	April	4.7	5.1	4.4	April	3.8	4.3	3.9
May	3.6	4.3	4.2	May	4.7	5.0	3.9	May	3.9	4.5	4.1	May	3.9	4.4	4.2
June	3.8	4.3	3.9	June	4.6	5.5	4.4	June	4.0	4.7	4.1	June	3.5	4.1	3.9
July	3.5	4.1	4.3	July	4.1	4.5	4.9	July	3.7	4.2	4.5	July	2.9	3.3	3.0
August	3.7	4.9	4.7	August	4.3	5.7	4.0	August	3.9	5.1	4.4	August	3.3	3.6	3.2
September	3.5	5.1	4.3	September	3.8	4.6	4.5	September	3.6	5.0	4.4	September	3.8	4.1	4.0
October	4.2	5.5	3.8	October	4.1	5.0	4.4	October	4.2	5.3	4.0	October	4.1	4.4	4.1
November	4.4	4.9	4.9	November	4.5	6.7	6.4	November	4.5	5.5	5.5	November	4.7	4.9	4.8
December	4.0	5.0	5.0	December	4.9	6.7	9.0	December	4.3	5.6	6.6	December	4.7	4.9	5.1
January	3.9	5.0	5.4	January	4.9	4.3	7.3	January	4.2	4.8	6.2	January	4.6	4.5	5.0
February	4.2	4.9	5.2	February	6.5	4.7	6.1	February	4.9	4.8	5.6	February	5.0	5.0	5.0
March	4.9	4.7	5.1	March	7.3	4.6	6.0	March	5.7	4.6	5.4	March	5.2	4.7	4.7
Annual Average	4.0	4.8	4.6	Annual Average	4.9	5.3	5.5	Annual Average	4.3	4.9	4.9	Annual Average	4.1	4.4	4.2
Average Apr-Mar	4.0	4.8	4.6	Average Apr-Mar	4.9	5.3	5.5	Average Apr-Mar	4.3	4.9	4.9	Average Apr-Mar	4.1	4.4	4.2
No of Employees at 31 March 2018			897	No of Employees at 31 March 2018			558	No of Employees at 31 March 2018			1455	No of Employees at 31 March 2018			15012

For the financial year 2017/18, the average days lost per employee equates to 12.1 days.

ABSENCE TRENDS - 2015/2016, 2016/2017 & 2017/2018
Social Work Resources

APT&C				Manual Workers				Resource Total				Council Wide				
	2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018		2015 / 2016	2016 / 2017	2017 / 2018	
April	5.0	4.8	5.0	April	4.2	6.6	5.6	April	4.8	5.4	5.2	April	3.8	4.3	3.9	
May	4.8	5.3	4.9	May	4.5	6.9	4.1	May	4.7	5.8	4.6	May	3.9	4.4	4.2	
June	3.9	5.2	5.3	June	4.3	6.2	4.6	June	4.0	5.5	5.1	June	3.5	4.1	3.9	
July	3.9	5.0	4.8	July	4.0	5.7	4.9	July	4.0	5.3	4.8	July	2.9	3.3	3.0	
August	4.0	4.8	4.9	August	4.0	5.4	4.7	August	4.0	5.0	4.8	August	3.3	3.6	3.2	
September	3.5	4.3	5.0	September	5.3	5.3	5.2	September	4.0	4.7	5.1	September	3.8	4.1	4.0	
October	3.9	4.7	4.2	October	4.8	5.6	5.8	October	4.2	5.0	4.8	October	4.1	4.4	4.1	
November	4.4	5.1	4.4	November	6.0	5.4	5.9	November	4.9	5.2	4.9	November	4.7	4.9	4.8	
December	4.3	5.6	5.6	December	5.5	6.1	6.1	December	4.7	5.8	5.7	December	4.7	4.9	5.1	
January	4.4	5.5	5.5	January	5.7	5.5	7.3	January	4.8	5.5	6.1	January	4.6	4.5	5.0	
February	5.2	5.8	6.1	February	6.2	4.8	5.8	February	5.5	5.4	6.0	February	5.0	5.0	5.0	
March	5.3	5.6	5.7	March	7.2	4.8	6.5	March	5.9	5.3	5.9	March	5.2	4.7	4.7	
Annual Average	4.4	5.1	5.1	Annual Average	5.1	5.7	5.5	Annual Average	4.6	5.3	5.3	Annual Average	4.1	4.4	4.2	
Average Apr-Mar	4.4	5.1	5.1	Average Apr-Mar	5.1	5.7	5.5	Average Apr-Mar	4.6	5.3	5.3	Average Apr-Mar	4.1	4.4	4.2	
No of Employees at 31 March 2018			1844	No of Employees at 31 March 2018			1054	No of Employees at 31 March 2018			2898	No of Employees at 31 March 2018			15012	

For the financial year 2017/18, the average days lost per employee equates to 11.5 days.

ABSENCE BY LONG AND SHORT TERM

From: 1 April 2017 - 31 March 2018

Resource	April 2017 - March 2018		
	Total Short Term %	Total Long Term %	Resource Total Absence %
Community and Enterprise	1.9	3.3	5.2
Education	1.1	2.1	3.2
Finance and Corporate	1.3	2.4	3.7
Housing & Technical	1.9	3.0	4.9
Social Work	1.8	2.5	4.3
Council Overall for Apr 17 - Mar 18	1.5	2.7	4.2

APPENDIX 8

Absence Monitoring

Absence Classifications

From 1 April 2017 to 31 March 2018

Reason	% of Work Days Lost
Musculoskeletal	27
Psychological	26
Stomach	12
Respiratory	10
Others	25
Total Days Lost	100

From 1 April 2016 to 31 March 2017

Reason	% of Work Days Lost
Musculoskeletal	27
Psychological	27
Stomach	11
Respiratory	9
Others	26
Total Days Lost	100

OCCUPATIONAL HEALTH REPORTS

FROM: 1 April 2017 - 31 March 2018 comparison with 1 April 2016 - 31 March 2017

Medical Referrals							
	Community and Enterprise	Education		Finance and Corporate	Housing & Technical	Social Work	Totals
		Teachers	Others				
TOTAL (Apr-Mar 2017/18)	460	135	175	97	245	458	1570
TOTAL (Apr-Mar 2016/17)	424	144	185	71	195	590	1609

No of Employees Referred For Physiotherapy		
RESOURCE	Apr-Mar 2016/17	Apr-Mar 2017/18
Community and Enterprise	559	551
Education (Teachers)	244	249
Education (Others)	286	319
Finance and Corporate	89	134
Housing and Technical	354	283
Social Work	635	608
TOTAL	2167	2144

No of Employees Referred To Employee Support Officer		
RESOURCE	Apr-Mar 2016/17	Apr-Mar 2017/18
Community and Enterprise	285	244
Education	383	355
Finance and Corporate	33	70
Housing and Technical	163	100
Social Work	334	254
TOTAL	1198	1023

No of Employees Referred For Cognitive Behavioural Therapy		
RESOURCE	Apr-Mar 2016/17	Apr-Mar 2017/18
Community and Enterprise	41	32
Education	72	76
Finance and Corporate	21	30
Housing and Technical	24	30
Social Work	61	52
TOTAL	219	220

Analysis of Counselling Referrals by Cause												
	Reason											
	Work Stress		Addiction		Personal		Anxiety/ Depression		Bereavement		Total	
	M	S	M	S	M	S	M	S	M	S	M	S
TOTAL (Apr-Mar 2017/18)	127	20	0	0	295	21	2	1	47	3	471	45
TOTAL (Apr-Mar 2016/17)	151	24	1	0	366	26	7	0	46	2	571	52
TOTAL									Total Referrals (Apr-Mar 2017/18)		516	
									Total Referrals (Apr-Mar 2016/17)		623	

M = MANAGEMENT REFERRAL S = SELF REFERRAL

ANALYSIS OF ACCIDENTS/INCIDENTS
Comparison
CAUSE OF ACCIDENTS/INCIDENTS TO EMPLOYEES

FROM: 1 April 2017 - 31 March 2018 comparison with 1 April 2016 - 31 March 2017

	Community and Enterprise		Education		Finance and Corporate		Housing & Tech		Social Work		TOTAL	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
Fatal	1	0	0	0	0	0	0	0	0	0	1	0
Specified Injury	4	0	3	3	0	0	2	1	1	0	10	4
Violent Incident: Physical	0	0	0	0	0	0	0	0	0	1	0	1
Total Specified Injury*	5	0	3	3	0	0	2	1	1	1	11	5
Over 7-day	21	20	4	3	1	0	10	4	4	5	40	32
Violent Incident: Physical	0	1	0	0	0	0	0	0	0	0	0	1
Violent Incident: Verbal	0	0	0	0	0	0	0	0	0	0	0	0
Total Over 7-day**	21	21	4	3	1	0	10	4	4	5	40	33
Over 3-day	10	3	0	2	0	0	1	3	1	1	12	9
Violent Incident: Physical	0	0	0	0	0	0	0	0	0	0	0	0
Violent Incident: Verbal	0	0	0	0	0	0	0	0	0	0	0	0
Total Over 3-day**	10	3	0	2	0	0	1	3	1	1	12	9
Minor	66	69	19	32	2	2	29	17	36	22	152	142
Near Miss	7	12	2	2	0	0	2	3	7	5	18	22
Violent Incident: Physical	16	7	557	524	1	1	4	8	72	34	650	574
Violent Incident: Verbal	16	6	37	47	11	6	8	15	26	30	98	104
Total Minor***	105	94	615	605	14	9	43	43	141	91	918	842
Total Accidents/Incidents	141	118	622	613	15	9	56	51	147	98	981	889

*A Specified Injury is any fracture (other than to the fingers, thumbs or toes), amputation, loss of sight, serious burns, crushing injury, scalping, loss of consciousness caused by asphyxiation/ head injury, a chemical or hot metal burn to the eye or penetrating injury as defined by the HSE.

**Over 3 day / over 7day absence is an injury sustained outwith major injury category that results in a period of absence of absence as defined by the HSE.

*** A minor injury is an injury not covered by " Over 7-day", "Over 3-day" or "Specified".

RECORD OF DISCIPLINARY HEARINGS

FROM: 1 April 2017 - 31 March 2018 comparison with 1 April 2016 - 31 March 2017

RESOURCE	No of Disciplinary Hearings				Outcome of Disciplinary Hearings								No of weeks to convene Disciplinary Hearing			% Held within 6 Weeks
	APT&C	Manual/ Craft	Teachers	Total	No Action				Action Taken				3	4-6	6+	
					APT&C	Manual / Craft	Teachers	Total	APT&C	Manual / Craft	Teachers	Total				
COMMUNITY AND ENTERPRISE	14	97	N/A	111	2	15	N/A	17	12	82	N/A	94	58	21	32	71%
EDUCATION	16	0	11	27	5	0	1	6	11	0	10	21	12	6	9	67%
FINANCE AND CORPORATE	5	0	N/A	5	1	0	N/A	1	4	0	N/A	4	2	1	2	60%
HOUSING & TECHNICAL	7	8	N/A	15	0	0	N/A	0	7	8	N/A	15	8	3	4	73%
SOCIAL WORK RESOURCES	40	24	N/A	64	0	2	N/A	2	40	22	N/A	62	33	17	14	78%
TOTAL (Apr-Mar 2017/18)	82	129	11	222	8	17	1	26	74	112	10	196	113	48	61	73%
TOTAL (Apr-Mar 2016/17)	96	161	10	267	20	19	2	41	76	142	8	226	114	57	96	64%

RESOURCE	No of Appeals				Outcome of Appeals												Appeals Pending
	APT&C	Manual/ Craft	Teachers	Total	Upheld				Upheld in Part				Not Upheld				
					APT&C	Manual/ Craft	Teachers	Total	APT&C	Manual/ Craft	Teachers	Total	APT&C	Manual/ Craft	Teachers	Total	
COMMUNITY AND ENTERPRISE	3	5	N/A	8	0	0	N/A	0	0	2	N/A	2	3	3	0	6	0
EDUCATION	2	0	0	2	1	0	0	1	0	0	0	0	1	0	0	1	0
HOUSING & TECHNICAL	1	0	N/A	1	1	0	N/A	1	0	0	N/A	0	0	0	0	0	0
SOCIAL WORK RESOURCES	2	0	N/A	2	1	0	N/A	1	1	0	N/A	1	0	0	0	0	0
TOTAL (Apr-Mar 2017/18)	8	5	0	13	3	0	0	3	1	2	0	3	4	3	0	7	0
TOTAL (Apr-Mar 2016/17)	16	3	0	19	3	0	0	3	2	1	0	3	9	1	0	10	0

*Resources nil responses are not included in figures

N.B. Non-White employees refers to those employees who have indicated that they are:- Any other mixed background, Indian, Pakistani, Bangladeshi, Chinese, Any other Asian background, Caribbean, African and any other black background.

APPEAL'S PANEL

FROM: 1 April 2017 - 31 March 2018

APPEAL'S PANEL	UPHELD	UPHELD IN PART	NOT UPHELD	WITHDRAWN	TOTAL	APPEALS PENDING TO DATE
	3	3	2	3	11	1

RECORD OF GRIEVANCES**FROM: 1 April 2017 - 31 March 2018 comparison with 1 April 2016 - 31 March 2017**

GRIEVANCES	No of Grievances	No Resolved at Stage 1	No Resolved at Stage 2	No Resolved at Stage 3	Still in Process
COMMUNITY AND ENTERPRISE	2	0	1	0	1
EDUCATION	7	3	1	2	1
FINANCE AND CORPORATE	1	1	0	0	0
HOUSING & TECHNICAL	6	2	1	2	1
SOCIAL WORK RESOURCES	6	4	2	0	0
TOTAL (Apr-Mar 2017/18)	22	10	5	4	3
TOTAL (Apr-Mar 2016/17)	28	9	16	3	0

DIGNITY AT WORK**FROM: 1 April 2017 - 31 March 2018 comparison with 1 April 2016 - 31 March 2017**

DIGNITY AT WORK	No of Incidents	No Resolved at Informal Stage	No Resolved at Formal Stage	No of Appeals	Appeals in Process	Still in Process
COMMUNITY AND ENTERPRISE	3	0	2	0	0	1
EDUCATION	5	0	5	0	0	0
HOUSING & TECHNICAL	6	0	5	0	0	1
SOCIAL WORK RESOURCES	10	0	9	0	0	1
TOTAL (Apr-Mar 2017/18)	24	0	21	0	0	3
TOTAL (Apr-Mar 2016/17)	11	0	11	0	0	0

*Resources nil responses are not included in figures

REFERRALS FOR WORKPLACE MEDIATION

As at March 2018

WORKPLACE MEDIATION	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
No of Referrals	0	1	1	0	2	0	0	1	0	0	2	0
*No of Successful Cases	0	0	0	0	0	0	1	1	0	0	0	1
*No of Unsuccessful Cases	0	0	0	0	0	0	0	0	0	0	0	0
No of cases unsuitable for mediation	0	1	1	0	0	0	1	0	0	0	0	0

WORKPLACE MEDIATION	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
No of Referrals	0	0	2	2	0	3	2	2	1	0	0	1
*No of Successful Cases	0	0	0	2	0	0	1	0	0	0	0	0
*No of Unsuccessful Cases	0	0	0	0	0	0	0	0	0	2	0	0
No of cases unsuitable for mediation	0	0	0	2	0	1	2	1	0	0	0	1

*successful/unsuccessful case outcomes may be shown outwith the month they were referred.

Employee Development
1 April 2017 - 31 March 2018

	Attended classroom based training
Community and Enterprise	5058
Education	9847
Finance and Corporate	1056
Housing and Technical	3627
Social Work	7087
Total	26,675

	Courses Completed / Passed
Community and Enterprise	3071
Education	16945
Finance and Corporate	8318
Housing and Technical	7833
Social Work	10931
Total	47,098

EMPLOYEE DEVELOPMENT

Monitoring Stats for all Training - 1 April 2017 - 31 March 2018

	Percentage (%)	Count
Male	34.6%	11270
Female	65.4%	21277
Disabled	1.8%	583
Not Disabled	88.6%	28901
Not Disclosed	3.8%	1237
Not Entered	5.9%	1916
White - Scottish	90.6%	29497
White - Other British	2.6%	842
White - Irish	0.5%	167
White - Any other Background	0.9%	280
Asian - Pakistani	0.2%	48
All Others	5.3%	1713
21 Years	2.4%	764
21-29 Years	17.0%	5534
30-39 Years	20.2%	6571
40-49 Years	25.4%	8274
50-59 Years	26.6%	8659
60-65 Years	7.0%	2273
Over 65 Years	1.5%	472

ANALYSIS OF LEAVERS AND EXIT INTERVIEWS

EXIT INTERVIEWS (Apr-Mar 2017/2018)

REASONS FOR LEAVING	Community and Enterprise	Education	Finance and Corporate	Housing & Technical	Social Work	Total	%
CAREER ADVANCEMENT	2	7	1	0	3	13	16
CHILD CARING / CARING RESPONSIBILITIES	0	2	2	2	2	8	10
DISSATISFACTION WITH TERMS AND CONDITIONS	0	5	0	0	1	6	7
POOR RELATIONSHIPS WITH MANAGERS /	1	3	0	0	2	6	7
MOVING OUTWITH AREA	0	0	0	1	4	5	6
TRAVELLING DIFFICULTIES	0	3	0	1	0	4	5
FURTHER EDUCATION	0	1	1	0	0	2	2
PERSONAL REASONS	1	0	0	0	0	1	1
OTHER	4	21	2	1	9	37	45
NUMBER OF EXIT INTERVIEWS CONDUCTED	9	42	6	5	21	83	
TOTAL NO OF LEAVERS PER RESOURCE ELIGIBLE FOR AN EXIT INTERVIEW	199	246	43	45	160	693	
% OF LEAVERS INTERVIEWED	5	17	14	11	13	12	

EXIT INTERVIEWS (Apr-Mar 2016/2017)

NUMBER OF EXIT INTERVIEWS CONDUCTED	2	45	2	1	7	57	
TOTAL NO OF LEAVERS PER RESOURCE ELIGIBLE FOR AN EXIT INTERVIEW	134	124	20	30	121	429	
% OF LEAVERS INTERVIEWED	1	36	10	3	6	13	

* Note these totals include temporary employees

RECRUITMENT MONITORING **Analysis of Gender, Disability, Ethnicity and Age**

FROM : 1 April 2017 - 31 March 2018

Total Number of applications received:	10433
Total Number of Equal Opportunities Monitoring forms received:	9939
Total Number of posts recruited for:	822
Total Number of appointments:	1730

Gender / Disability / Age	Applied	Interviewed	Appointed
Total EO Forms Received	9965	3948	1591
Total No of Male Applicants	2580	821	274
Total No of Female Applicants	7316	2727	1143
Total No of Disabled Applicants	369	176	41
Total No of applicants aged under 50	8442	2987	1213
Total No of applicants aged over 50	1437	623	200
Total No of White applicants	9553	3435	1385
Total No of Black/Ethnic minority applicants*	277	92	32

FROM : 1 April 2016 - 31 March 2017

Total Number of applications received:	11471
Total Number of Equal Opportunities Monitoring forms received:	10810
Total Number of posts recruited for:	934
Total Number of appointments:	2077

Gender / Disability / Age	Applied	Interviewed	Appointed
Total EO Forms Received	10806	4241	1723
Total No of Male Applicants	3252	1101	363
Total No of Female Applicants	7524	3119	1298
Total No of Disabled Applicants	322	152	30
Total No of applicants aged under 50	9262	3575	1437
Total No of applicants aged over 50	1464	628	218
Total No of White applicants	10459	4119	1627
Total No of Black/Ethnic minority applicants*	224	66	26

*Black/Ethnic Minority applicants includes Mixed, Asian, Black and other backgrounds.

QUARTERLYJOINT STAFFING WATCH RETURN : NUMBER EMPLOYED ON 10 March 2018**Analysis by Resource**

Resource
Community & Enterprise Resources
Education - Others
Education - Teachers
Finance & Corporate Resources
Housing & Technical
Social Work Resources

Total Number of Employees				
Total	Male		Female	
	F/T	P/T	F/T	P/T
3093	1335	211	214	1333
2466	128	75	375	1888
3604	675	63	2210	656
962	216	16	411	319
1354	884	14	311	145
2800	222	189	901	1488

Total All Staff

14279	3460	568	4422	5829
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Full-Time Equivalent									
Salary Band									
Total	Director	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Fixed SCP	Teacher
2263.69	1.00	1518.89	417.67	245.89	49.44	18.80	4.00	8.00	0.00
1735.52	1.00	1071.62	469.08	87.58	20.00	15.00	4.00	58.04	9.20
3309.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.60	3304.70
853.22	2.00	154.48	361.84	236.99	65.21	25.70	6.00	1.00	0.00
1300.77	1.00	191.41	695.52	361.84	37.00	12.00	2.00	0.00	0.00
2406.23	1.00	1344.61	470.83	542.79	19.00	26.00	2.00	0.00	0.00

8559.43	(excluding Teachers)								
11868.73	6.00	4281.01	2414.94	1475.09	190.65	97.50	18.00	71.64	3313.90

** Change to report this is now run electronically which allows us to report on grade.

QUARTERLYJOINT STAFFING WATCH RETURN : NUMBER EMPLOYED ON 11 March 2017**Analysis by Resource**

Resource
Community & Enterprise Resources
Education - Others
Education - Teachers
Finance & Corporate Resources
Housing & Technical
Social Work Resources

Total Number of Employees				
Total	Male		Female	
	F/T	P/T	F/T	P/T
3209	1383	229	228	1369
2401	134	73	368	1826
3520	659	62	2154	645
735	212	7	311	205
1711	951	18	479	263
2885	231	199	924	1531

Total All Staff

14461	3570	588	4464	5839
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Full-Time Equivalent									
Salary Band									
Total	Director	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Fixed SCP	Teacher
2367.31	1.00	1555.02	463.08	263.79	51.62	20.80	4.00	8.00	0.00
1679.31	1.00	1021.38	462.06	86.02	20.91	15.00	4.00	54.24	14.70
3228.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.60	3223.20
663.63	2.00	123.02	209.43	220.97	74.01	27.20	6.00	1.00	0.00
1614.87	1.00	250.35	898.19	406.70	42.60	13.00	2.00	1.03	0.00
2485.92	1.00	1404.96	506.60	529.36	20.00	22.00	2.00	0.00	0.00

8811.04	(excluding Teachers)								
12039.84	6.00	4354.73	2539.36	1506.84	209.14	98.00	18.00	69.87	3237.90

** Change to report this is now run electronically which allows us to report on grade.

Report

7

Report to: **Executive Committee**
 Date of Meeting: **15 August 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Financial Strategy 2019/2020 to 2021/2022 and Longer Term Outlook to 2028/2029.**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Provide a Financial Strategy for the Council over the medium term for years 2019/2020 to 2021/2022.
- ◆ Provide a longer term financial outlook for the full 10 year period to 2028/2029.

2. Recommendation(s)

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

- (1) That the Financial Strategy in Appendix 1 and its adoption for the future management of the Council's finances, be approved;
- (2) That the uncertainties around the grant and funding assumptions used within the Strategy, are noted (Section 4); and

3. Background

- 3.1. Best practice suggests that councils prepare a financial strategy to show the anticipated direction of travel. The purpose of a financial strategy is to provide clear direction on the structure and management of the Council's financial future and to detail the framework which underpins it. It should explain how this will facilitate the achievement of the corporate objectives by detailing the financial implications of supporting corporate priorities.
- 3.2. The proposed Financial Strategy for the medium term to 2021/2022 and the longer term outlook until 2028/2029 is included as Appendix 1 to this report.
- 3.3. The Executive Committee approved a report on the 2019/20 Budget on 27 June 2018. That report allowed the preparations and planning for the first year of this medium term strategy to progress.
- 3.4. This report will contextualise the areas which impact on the financial outlook over the medium to long term for the Council, and provide the key highlights from the Strategy. Specifically these are:
 - Funding available including Government Grant (Section 4)
 - Expenditure Pressures (Section 5)
 - Summary of Financial Outlook, scenarios and strategy to address budget gap (Section 6)
 - Longer Term Outlook - 2022/2023 to 2028/2029 (Section 7)

- Borrowing and Debt Projections (Section 8)
- Reserves – Future Strategy (Section 9)
- Capital Strategy (Section 10) and
- Financial Summary and Next Steps (Section 11)

4. Funding available including Government Grant

- 4.1. The core of a financial strategy is the level of funds that are available to spend. One of the most significant areas of uncertainty is the level of funding for Council services in the future. A number of factors make it difficult to predict the short term financial position, the most significant being that we do not have financial settlements for Government Grant beyond the current year. In terms of timescales, it is unlikely that we will receive any Government Grant information before December 2018.
- 4.2. Impacts on future funding include the impact of new tax raising powers for the Scottish Parliament and the implications of the vote to leave the European Union. These uncertainties contribute to the difficulty in being able to predict with any certainty the level of grant that the council may receive.
- 4.3. Despite the uncertainties, it is important to plan for the Council's financial outlook. The financial strategy requires to be a live document that can be updated as information becomes available. In an effort to plan further ahead, scenarios are a key feature of the Financial Strategy including scenarios of what Government Grant could look like for the Council across the 3 years of this strategy - 2019/20 to 2021/22 (Appendix 1 (Section 5)).
- 4.4. The scenarios are based on advice provided by economic advisors on what could be the range of movement in Government Grant. This is based on the level of financial settlements over recent years. The scenarios suggest a possibility of grant increases going forwards, however, a prudent assumption in relation to grant cuts allows us to prepare for a less favourable outcome. Despite these scenarios there is still no certainty around what the actual level of grant may be.
- 4.5. **Scottish Government Financial Strategy:** At the end of May 2018, the Scottish Government published a Fiscal Outlook report which included its medium term financial strategy. This document does not give details of planned local government settlements – instead it sets out broad financial plans for the Government 5 years ahead to 2022/2023 including the spending priority areas (which include Health, Police, Early Learning and Childcare (ELC), Attainment, Higher Education and Social Security).
- 4.6. In a similar way to the Council's financial strategies, the Scottish Government has Scenarios around the level of funds it will have available, and what that may mean going forwards.
- 4.7. Commentary on the Government Strategy by economists suggests that due to the Scottish Government's six expenditure commitments taking up a greater share of budget over time, there are potential scenarios which can be extracted to suggest how local government funding could be affected. This suggests that the impact for local government could vary from an upper range where additional grant could be provided to a lower range where we could see cash cuts in grant. As this is only another scenario at this stage, it is not proposed to change the Council's working estimates of grant movement for the years covered by this strategy.
- 4.8. The strategy does make assumptions that there will be a continuation of grant that was awarded as part of the 2018/19 grant settlement, and that funding pressures in

relation to teachers pensions will be funded. There is a risk that the Government will not continue the Stage 1 Budget Bill funding and fund the increases in respect of the Teachers pensions. If this happens Reserves could be used on a one-off basis to cover funding shortfalls, but a permanent solution would be required going forward.

5. **Expenditure Assumptions**

- 5.1. In arriving at the expenditure assumptions, a number of factors are taken into account including pay pressures, inflation, demographics, economic conditions and ongoing commitments of the capital programme. The details of the areas of pressure are included in the Strategy in Appendix 1 (Section 8).
- 5.2. As is the case with income assumptions, there are the same difficulties in estimating how costs will change in the medium to long term. Annual pay awards are not known at this stage, and levels of inflation and demographic movements can only be estimates at this point to allow financial planning. Information will be updated prior to setting budgets every year to ensure we have the most up to date information available when setting budgets.

6. **Summary of Budget Gap**

- 6.1. One of the outcomes of Financial Planning is that we can make an estimate of the budget gap going forwards. This allows planning for how the gap can be managed, including planning around savings. Table 1 below shows the estimated level of savings required for the 3 years of the Financial Strategy.

Table 1 – Estimated Savings Requirement 2019/2020 to 2021/2022

	2019/20 £m	2020/21 £m	2021/22 £m
Total Increase / (Reduction) in Income	0.443	(7.170)	(7.410)
Total Expenditure Assumptions	(18.726)	(25.840)	(20.602)
Total Budget Gap	(18.283)	(33.010)	(28.012)

- 6.2. **Risk Areas / Scenarios:** Whilst table 1 suggests a budget gap over the medium term, there are a number of uncertainties which will change this position as information becomes available.
- 6.3. Section 10 of Appendix 1 details the main risks to the Council's medium term Financial Strategy. It is accepted that the outcome will certainly be different to the scenarios shown in the Financial Strategy, however it does give an illustration of the overall financial variation that could be experienced as the result of changing income levels or expenditure assumptions. It is possible that the budget gap could decrease or increase depending on funding allocations and expenditure requirements.
- 6.4. **Strategy to Address the Budget Gap:** Over recent years, the Council has had to make efficiencies in order to support and manage the shifting environment it operates in – economic and demographic changes being the most significant. As we move forward, the financial strategy shows that there will still be a requirement to make savings to close the budget gap.
- 6.5. To address the budget gap, Section 11 of the Financial Strategy (Appendix 1) sets out the Council's financial planning principles which underpin the delivery of the strategy and support its long term financial sustainability:

- Commitment to efficiency and modernisation of service delivery, and prioritisation of resources to achieve the key strategic outcomes;
- Examine potential for income generation;
- Consider the use of Reserves to support the Council's budgets; and
- Maintain an acceptable level of Un-Committed General Fund Reserve as a hedge against future uncertainties.

6.6. These principles have been arrived at by reviewing the approach taken by other local authorities, taking cognisance of what has worked for the Council in the past, and by looking at the options that are available to councils regarding their budget planning process. With these in mind, Section 11 of the Strategy details a number of work streams which will be considered including the use of corporate solutions, reserves as well as potential savings opportunities across Resources.

7. Longer Term Outlook - 2022/2023 to 2028/2029

7.1. In addition to looking at a medium term Financial Strategy to 2021/2022, it is considered best practice to consider the longer term outlook, and present a picture of what the Council could be facing over the next 10 years. This is shown in Section 12 of the Financial Strategy (Appendix 1).

7.2. It is important to remember that the difficulties in estimating the financial outlook for a medium term strategy become even more difficult when we are looking out to 10 years in the future. The level of funding that we will receive, and the pressures on the Council's budget, will inevitably change. However, for planning purposes, we can see that the Council is likely to continue to experience budget gaps into the future. We will continue to update our longer term assumptions as information becomes available.

7.3. Section 13 of the Financial Strategy (Appendix 1) details a number of risk areas which could impact on the level of savings required by the Council and presents scenarios of how the budget gap position could move in the longer term.

8. Borrowing and Debt Projections

8.1. The amount of borrowing within the approved capital programme will increase the level of the Council's debt. Increases in the Council's total debt caused by borrowing to fund capital spend will also be offset by the repayment of maturing debt. The Financial Strategy details the level of external debt held by the Council at the end of 2017/2018 as £904 million.

8.2. To pay for the approved schools, roads and city deal programmes, and to fund maturing debt, there will be a requirement to borrow £336 million over the 4 year period to 2021/2022, and current estimations of levels of debt by the end of this Strategy period will be £1,123 million (Appendix 1 – Section 14.3). The requirement to fund revenue implications of this borrowing are affordable within the Financial Strategy detailed in Appendix 1.

9. Reserves – Future Strategy

9.1. It is the responsibility of the Executive Director of Finance and Corporate Resources to advise the Council on the level of reserves it should hold and to ensure that there are clear protocols for their establishment and use.

9.2. Section 15 of the Financial Strategy details the Reserves Strategy. The balance on each Reserve at the end of financial year 2017/2018 is noted as well as an estimate of its year of use across the period of the medium term Strategy.

- 9.3. All reserves are held for specific purposes, and moving through the years of this Strategy the total balance of reserves currently held is considered an appropriate level in relation to the Council's financial position.

10. Capital Strategy

- 10.1. Section 16 of the Financial Strategy (Appendix 1) notes that during 2018/2019, a Capital Strategy will be formed which will detail the main capital requirements of the Council moving forward.
- 10.2. This Capital Strategy will assist in forming the medium term General Services Capital Programme for the years 2020/2021 to 2022/2023 which will be presented to members early 2020.
- 10.3. Alongside the General Services Programme sits the Housing Capital Programme. This will also feature in the Capital Strategy and shows the longer term aspirations for the Council's Housing Stock, setting out the priorities for the physical care and improvement of the housing stock and related assets over the years, and which will initially focus on improving energy efficiency in addition to increasing the supply of new council housing.

11. Financial Strategy Summary and Next Steps

- 11.1. The assumptions and expectations around income and expenditure which affect the Financial Strategy have been summarised in the preceding Sections of this report and are detailed in the Financial Strategy (Appendix 1).
- 11.2. Based on these assumptions, the strategy highlights a budget gap for the medium term. These savings requirements exclude any increase in Council Tax Band D levels.
- 11.3. Work continues on planning for 2019/20 in detail, including the identification of savings and proposals to be brought back to members later this year.

12. Employee Implications

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

13. Financial Implications

- 13.1. As summarised in the report and included in detail in the Financial Strategy in Appendix 1.

14. Other Implications

- 14.1. The paper clearly identifies a number of key risks affecting the finances of the Council and clearly states the assumptions made in relation to each risk. Reference has also been made to the implications of these assumptions not holding true.

15. Equality Impact Assessment and Consultation Arrangements

- 15.1. 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.
- 15.2. 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)

2 August 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ None

Contact for Further Information

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

Jackie Taylor, Head of Finance (Strategy)

Ext: 5637 (Tel: 01698 455637)

E-mail: jackie.taylor@southlanarkshire.gov.uk

South Lanarkshire Council
Financial Strategy 2019/2020 to 2028/2029

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1. Background

- 1.1. Best practice suggests that councils prepare a financial strategy to show the anticipated direction of travel.
- 1.2. The Council's Medium Term Financial Strategy for years 2016/2017 to 2018/2019 (along with a Longer Term Outlook) was presented to the Executive Committee on 24 June 2015. As the 2018/2019 budget has now been set, it is appropriate to prepare a proposed Strategy for 2019/2020 to 2021/2022, as well as prepare a refresh of the Longer Term Outlook to 2028/2029.
- 1.3. The approach taken to arrive at the Council's Budget Strategy is detailed in this document and is in line with CIPFA's Long Term Financial Strategy Checklist which gives a step by step guide to the areas to be covered in compiling a fully formed Financial Strategy.
- 1.4. Section 3 of the Strategy sets the scene for the Revenue Budget by detailing the current service expenditure and funding levels budgeted for 2018/2019.
- 1.5. One of the key components of the overall Financial Strategy is the level of Government Grant and Income that the Council will receive. The Scottish Government grant accounts for 80.8% of the Council's funding, while the collection of Council Tax, net of Council Tax Reduction Scheme, makes up 18.2%. For 2018/2019, the remaining 1% is funded from the in-year use of Council Reserves. The future levels of these income streams play a significant part in the formulation of future year budget strategies.
- 1.6. The Scottish Government has not provided any grant information beyond 2018/2019. Sections 4 and 5 of the report will therefore provide a detailed account of the information considered in establishing grant funding projections across the years of the Revenue Budget Strategy, while section 6 will look at Reserves adjustments as we move into 2019/2020. Section 7 will look at Council Tax income.
- 1.7. Section 8 provides details of the assumed expenditure pressures for 2019/2020 to 2021/2022.
- 1.8. A summary of the savings requirements, taking into account these assumptions is included in Section 9 and Section 10 details risk areas and scenarios affecting the budget.
- 1.9. Section 11 looks at the strategy to address the budget gap, while Section 12 goes on to look at the longer term outlook covering the period to 2028/2029 with related risks/scenarios covered in Section 13.
- 1.10. Section 14 of the report provides an update on the Council's Treasury and Borrowing requirements and Section 15 provides information on the level of Reserves held by the Council, and a strategy for those Reserves over the medium term.
- 1.11. The Council's Capital programme for years 2018/2019 and 2019/2020 was the subject of a separate report approved by the Executive Committee on 28 February 2018, and will therefore not be included in this report in detail. However, Section 16 gives a short summary of the Council's Capital Strategy moving forward, noting that a further paper will be produced on this in the coming months.
- 1.12. Finally, a full summary of the General Services Financial Strategy is provided at

Section 17.

- 1.13. This is the Strategy for the Council's General Services and does not include the Housing Revenue Account (HRA). The HRA is a separate ring-fenced account managed by the Council, and funded from Council house rents, and which is subject to its own governance and Committee approval process.

2. Why do we prepare a Financial Strategy?

- 2.1. The purpose of a financial strategy is to provide clear direction on the structure and management of the Council's financial future and to detail the framework which underpins it. It should explain how this will facilitate the achievement of the corporate objectives.
- 2.2. The Council has recently approved the Council Plan for the period 2017-2022. The actions and measures associated with achieving the Objectives of the Council Plan are linked to the budget planning process, our workforce planning and also to the arrangements for performance management and public performance reporting. Taken as a whole, these arrangements ensure that we resource the Council Plan, manage its delivery and report our progress transparently and effectively.
- 2.3. The Vision detailed in the Council Plan, *'Improve the quality of life for everyone in South Lanarkshire'*, is the driver behind the Council Plan and everything the Council does, through the services of the Council and in the work we do with communities and partners, such as through the South Lanarkshire Community Planning Partnership and the Health and Social Care Partnership. The strengthening of community planning and the development of the Local Outcome Improvement Plans and the Neighbourhood Plans, working with our partners, is an opportunity to improve local situations.
- 2.4. Through the financial strategy, the Council can ensure that it sets a budget that aligns to the ambitions of its Council Plan. The Financial Strategy is a corporate plan which involves communication with senior officers of all Resources of the Council, uses horizon scanning, and ensures financial implications are considered.
- 2.5. The local environment in which the Council operates is likely to change in future years due to new legislation and policy, economic uncertainty, societal changes and developing customer expectations. The Council's Financial Strategy takes known changes into account and provides a clear plan as to how these will be managed financially. Services feed into the financial planning process by highlighting changes to legislative requirements, changing demographics and policy changes which have a financial consequence.
- 2.6. The Financial Strategy is informed by the changing environment in which we operate, and the changing needs that we are serving. The Strategy helps us manage the resources of the Council in the most effective way to ensure that we continue to deliver the services that the residents of South Lanarkshire want, and that we do so while making the best use of resources.
- 2.7. The Council Plan clearly states how the Council will continue to serve local communities and residents over the next 5 years. At the very heart of this is our vision, which is to improve the quality of life of everyone in South Lanarkshire.

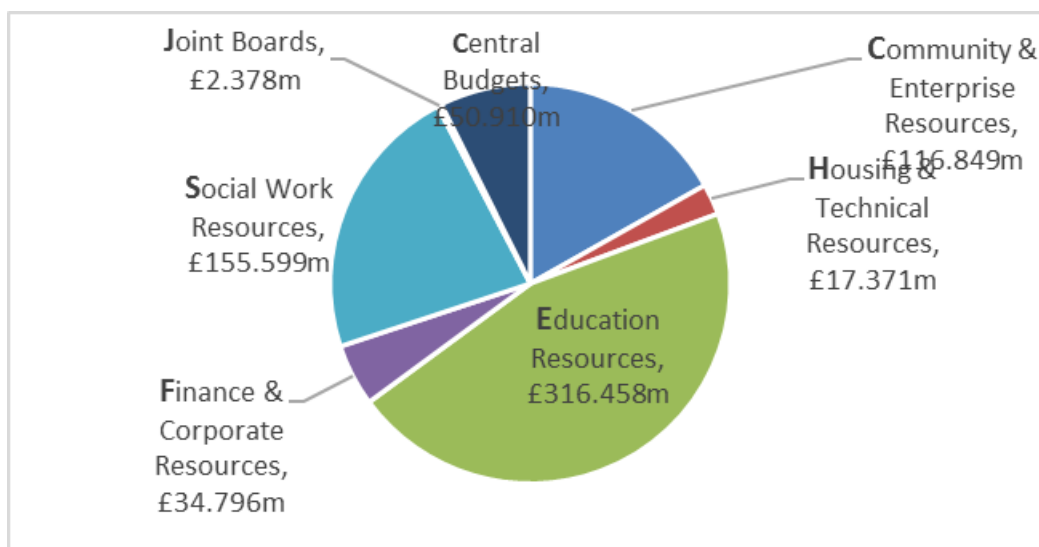
3. Council's Revenue Budget

- 3.1. For the purposes of this medium term strategy, the 2018/2019 budget set is the

baseline for the exercise. The budget for 2018/2019 is £694.361m and the focus of this paper is on the movement from this balanced position.

- 3.2. The budget is split across the Council's 5 Resources, Payments to the Joint Boards, Loan Charges, Corporate Items (including rates, utilities, and apprenticeship levy) and the Trading Operations' Surplus. In order to give context to the level of expenditure across each of the budget areas, a pie chart has been compiled.
- 3.3. The pie chart shows the budget across the Council's Resources and central budgets (Loan Charges, Corporate Items and Trading Operations' surplus).

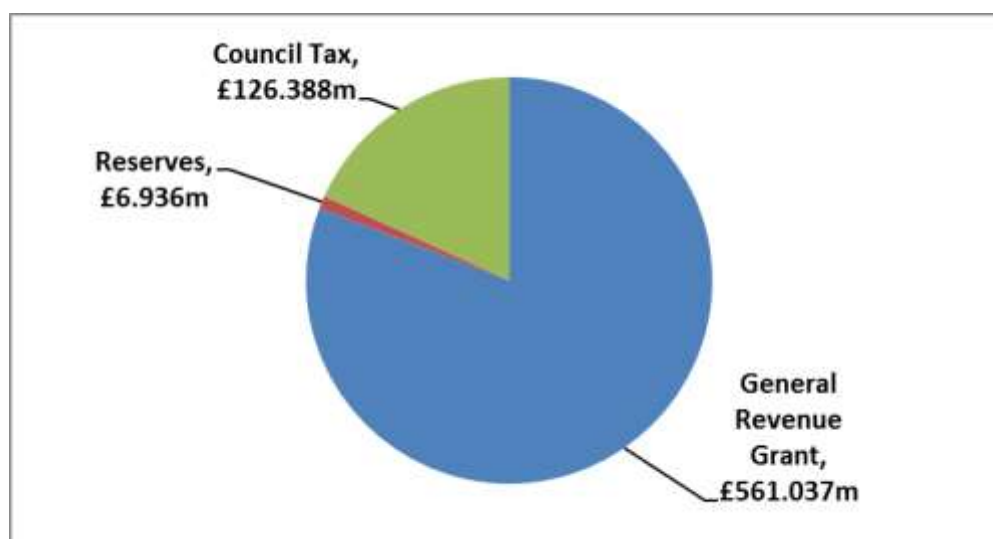
Figure 1 – Council Expenditure 2018/2019



- 3.4. The pie chart shows that the main element of the budget relates to Education Resources who provide learning services for pre-fives, primary and secondary age children and young people as well as community learning and development opportunities for all.
- 3.5. Next by size is Social Work Resources who, in partnership with the South Lanarkshire Health and Social Care Partnership, provide help and support to vulnerable adults and older people. In addition, they support the needs of vulnerable children and provide criminal justice services.
- 3.6. The third Resource by size, Community and Enterprise Resources, provides a wide range of front-line services. The services range from Waste Services, Roads Services, Planning and Economic Development to Grounds and Street Cleansing, Environmental and Fleet Services.
- 3.7. **Other Council Plans :** The Budget Strategy and the budget setting process itself are integral to the planning arrangements of the Council, taking into account the Council Plan's aims and objectives. Section 8.6 provides details of the priorities that have been considered which are included in the Budget Strategy moving forward. The Budget Strategy sits alongside other Council plans such as the Workforce Plan and the Asset Management Plan and the development of Local Outcome Improvement Plans. Financial Implications of these plans, and the Council's approved Capital and Treasury Management plans are considered within this strategy. Future updates to these plans will feed into future iterations of this Strategy.

- 3.8. In terms of Funding, the proportion of the budget that is funded by Government Grant and by Council Tax, to show the Income budget in context, is shown in Figure 2.

Figure 2 – Council Funding 2018/2019



4. Government Grant

- 4.1. One of the most significant areas of uncertainty is the level of funding for Council services in the future. A number of factors make it difficult to predict the short term financial position. These include the impact of new tax raising powers for the Scottish Parliament and the implications of the vote to leave the European Union.
- 4.2. The unknowns and variables around levels of grant the Council will receive make it difficult to form a Budget Strategy with any degree of certainty. The UK Budget and Scottish Budget announcements were made in November 2017, followed by the Council's 2018/2019 Grant figures in December 2017. The same administrative pattern/process is likely as we move towards 2019/2020, and we do not have any information at this moment as to whether the settlement will cover a single year or multiple years.
- 4.3. In an effort to plan further ahead, scenarios of what Government Grant could look like for the Council across the 3 years will be presented (Section 5).
- 4.4. **Predicting Grant Levels:** The Council receives regular economic briefings via monthly economic updates.
- 4.5. 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. They are also affected by ring-fencing of budgets. The two largest spending departments in the Local Government budget are Education and Social Work.
- 4.6. If there are ring-fenced budget allocations to these areas specifically, which we have seen in recent years through Pupil Equity Funding and Social Care funding, then this may affect the allocation of the General Revenue Grant to councils making the potential prediction of grant allocations more difficult as well as changing the level of local decision making over these budgets.
- 4.7. Local Government funding relies on General Revenue Grant (GRG) and Non

Domestic Rates Income (NDRI). The analysis in the economist's advice provided, takes the view that these are set by Scottish Government within a range that could be considered acceptable to those agreeing budgets within the Scottish Government. That range may be for GRG alone, or including NDRI. Forecasts for NDRI are estimated to grow quickly (but this may just offset or allow larger GRG movement).

- 4.8. This means that in a favourable budget year for the whole Scottish Budget, higher priority areas may see more funding but in a less favourable year, the settlement may not be very much worse for local government. The economic briefings suggest that this may be because a harsh settlement may be seen as politically unacceptable. In recent years, Local Government have not fallen into the higher priority category.
- 4.9. In summary, due to the potential impact of both UK and Scottish Government decisions, it continues to be difficult to predict the short to medium term outlook for Local Government. Any variations in any aspect of these can have an impact on the Local Government Settlement. It is important to note that the assumptions made in this Strategy could materially change.

5. Grant Scenarios

- 5.1. Recent information received in December 2017 looked at possible scenarios for future settlements in two parts – General Revenue Grant and Non-Domestic Rates Income (NDRI). Together, these make up the Local Government Settlement received by the Council.
- 5.2. Table 1 shows the potential movement in General Revenue Grant as a percentage cash movements with the figures in brackets representing a reduction.

Table 1 – General Revenue Grant – Predictions

	2019/20	2020/21	2021/22
Low	(3.5%)	(3.5%)	(3.5%)
Mid-range	(1.0%)	(1.0%)	(1.0%)
High	0.0%	0.0%	0.0%

- 5.3. Each of these General Revenue Grant Scenarios is detailed below:
- **Low:** this is the worst case scenario and assumes that a rapid rise in NDRI is taken into account to offset the estimation of General Revenue Grant available – more NDRI income means less General Revenue Grant required. Smoothed across the 3 years, this would give a reduction in General Revenue Grant of 3.5% per annum.
 - **Mid:** this scenario makes the assumption that the Government may not be willing to let Grant fall by more than 1%.
 - **High:** Based on recent settlements and the reductions experienced, the best case scenario is a Flat Cash settlement. Given the Government's other priorities, economic advisers feel that a Flat Cash settlement is deemed the best case on the basis that it is unlikely that grant will increase in the foreseeable future.
- 5.4. Table 2 shows the potential movement in NDRI as a percentage cash movement with the figure in brackets representing a reduction.

Table 2 – NDRI Predictions

	2019/20	2020/21	2021/22
Low	0.0%	0.0%	0.0%
Mid-range	3.0%	8.3%	6.1%
High	8.8%	2.5%	6.1%

5.5. Across the 3 years of the Strategy, each of these NDRI Scenarios is detailed below:

- **Low:** this is the worst case scenario and assumes that the recent flat cash profile continues.
- **Mid:** this assumes that the Government use the NDRI collected to eradicate the NDRI Account out of its current deficit position by 2019/2020, and thereafter Local Government gets the benefit.
- **High:** this is the best case scenario and reflects the draft Scottish budget estimates for NDRI to 2021/2022.

5.6. **What could this mean for SLC?**

To arrive at what this could mean for the Council, these percentages have been converted into pounds lost or gained in the national settlement, with the Council's share estimated. The cash impact for GRG and NDRI is detailed in Tables 3 and 4.

Table 3 – GRG - Cash Terms £ Movement (GRG 18/19 - £6,731m)

	2019/20	2020/21	2021/22
Low (Total / SLC / Percentage)	(£235m) / (£14m) -3.5%	(£227m) / (£13m) -3.5%	(£219m)/ (£13m) -3.5%
Mid-range	(£67m) / (£4m) -1.0%	(£67m) / (£4m) -1.0%	(£66m) / (£4m) -1.0%
High	£0 0.0%	£0 0.0%	£0 0.0%

Table 4 – NDRI - Cash Terms £ Movement (NDRI 18/19 - £2,636m)

	2019/20	2020/21	2021/22
Low	£0 0.0%	£0 0.0%	£0 0.0%
Mid-range	£79m / +£5m +3%	£225m / +£13m +8.3%	£179m / +£10m +6.1%
High	£232m / +£13m +8.8%	£72m / +£4m +2.5%	£179m / +£10m +6.1%

5.7. In an effort to summarise the impact of both funding streams (GRG and NDRI), the economic adviser's paper proposed 2 scenarios:

Scenario 1

This scenario assumes that the Low GRG is married with the High NDRI. Smoothing this across the 3 years means a cut of 1% overall per annum. For the Council, this could mean a **cut of £5.000 million each year**.

Scenario 2

This scenario looks at the Mid-Range and High GRG, and that this could be combined with either Low, Mid-Range or High NDRI. The impact for the Council across the 3 years could be:

2019/2020 – this will range between a **cut in grant of £4 million** to an **increase in grant of £13 million**.

2020/2021 – this will range between a **cut in grant of £4 million** to an **increase in grant of £13 million**.

2021/2022 – this will range between a **cut in grant of £4 million** to an **increase in grant of £10 million**.

- 5.8. Based on these scenarios/estimations, 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 will assume a reduction of £5.000 million per annum for 2019/2020 to 2021/2022**.

5.9. **Distribution of Grant**

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.

- 5.10. In the 2018/2019 settlement, the Council experienced a reduction of £2.500 million in grant as a result of how the funding is distributed, from the 2017/2018 position. Moving forward, it is anticipated that the Council will experience similar reductions in grant. The **Strategy assumes a reduction of £2.500 million in grant each year for 2019/2020 to 2021/2022**.

- 5.11. **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. It has been assumed that this would be around the same level as we currently receive.

- 5.12. **2018/19 Additional Grant – Stage 1 Budget Bill:** In 2018/2019, the Council received an additional **£9.493 million** of grant as part of the Stage 1 Budget Bill. The Cabinet Secretary stated that no Scottish Government budget baseline had been confirmed for next year and that decisions on 2019/2020 will be discussed as part of next year's spending review. For the purposes of the Strategy it has been assumed that this grant funding will continue.

- 5.13. **Teachers Pensions and Changes to Discount Rate on Pensions:** Section 8.4.5 to 8.4.7 of this Strategy details anticipated changes in respect of the teachers' pension scheme totalling £5.729 million. For the purpose of the Strategy it has been assumed that these will be funded by the Scottish Government and the additional grant of

£5.729 million has been added to the grant funding assumptions in **2019/2020**.

- 5.14. **Consequence of Council Tax Increases (Properties):** As noted during the 2018/2019 Revenue Budget Strategy process, 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.
- 5.15. The impact on grant of additional properties is incurred 2 years after the new properties arise. Table 5 details the year of properties being added, and the consequent reduction in Grant anticipated 2 years hence.

Table 5 – Impact of Increased Council Tax Income (Properties) on Government Grant Assumptions

	2019/20 £m	2020/21 £m	2021/22 £m
Consequent Reduction in Government Grant (80% reduction after 2 years)	(1.200)	(0.800)	(0.960)
	relates to 2017/18 new properties	relates to 2018/19 new properties	relates to 2019/20 new properties

- 5.16. **Summary of Grant Assumptions and Proposed Budget Strategy**
Table 6 summarises the reduction in grant based on the assumed funding in respect of teachers pensions and the impact of previous Council Tax property increases.

Table 6 – Grant Assumptions included in Strategy

	2019/20 £m	2020/21 £m	2021/22 £m
Assumed Reduction (Section 5.8)	(5.000)	(5.000)	(5.000)
Distribution – Population changes (Section 5.10)	(2.500)	(2.500)	(2.500)
Teachers Pensions and Changes to Discount Rate (Section 5.13)	5.729	-	-
Consequence of Council Tax Increase (Properties) (Section 5.14)	(1.200)	(0.800)	(0.960)
Total Grant Reduction	(2.971)	(8.300)	(8.460)

- 5.17. It is stressed that these are simply planning scenarios for the year 2019/2020 and beyond, and the actual reduction in Government Grant will not be known until the settlement is announced by the Scottish Government late 2018. There is a risk that the Government will not continue the Stage 1 Budget Bill funding and fund the increases in respect of the Teachers pensions. If this happens Reserves could be used on a one-off basis to cover funding shortfalls, but a permanent solution would be required going forward.
- 5.18. **Scottish Government Financial Strategy:** At the end of May 2018 the Scottish Government published a Fiscal Outlook report which included a medium term financial strategy. This document does not give details of planned local government settlements – instead it sets out broad financial plans for the Government 5 years ahead to 2022/2023 including the spending priority areas (which include Health, Police, Early Learning and Childcare (ELC), Attainment, Higher Education and Social Security).
- 5.19. The priority areas affecting Local Government funding would be ELC and Attainment.

Additional costs are associated with both of these initiatives and therefore this does not suggest that the additional funding would be of benefit to the Council's budget gap.

- 5.20. Comments have been received from economists on the Government's medium term financial strategy, which provides scenarios on the potential financial outlook for their budget. This commentary explains that due to the Government's preferred commitments making up the greatest share of the overall budget, the "upper" and "central" scenarios suggests an increase or static position in funding (in cash terms). The "lower scenario" could see cash cuts of over 2% per year. If the lower scenario comes to light, the 2% cash cuts would be equivalent to £11 million per year grant cut for the Council.
- 5.21. The Government's Strategy does however note that even under the "most optimistic scenario", if no reprioritisation or reform were agreed and no additional revenues generated, then savings of 5% could be required. It is unclear whether all spending areas are covered by this statement, or only a few.
- 5.22. While the commentary gives new information on the Scottish Government's financial strategy for the medium term, this is at a high level only and gives no further detail on how this would actually impact on the Council's Financial Strategy. As this is only another scenario at this stage, it is not proposed to change the Council's working estimates of grant movement. When further information becomes available, the strategy will be updated. The impact on the Council's longer term financial strategy will also require to be considered.

6. Use of Reserves

- 6.1. The Strategy for 2018/2019 includes the use of the Debt Flexibility funding transferred to Reserves at the end of 2016/2017. In 2018/2019, as a result of the benefit of additional grant funding, the amount requiring to be used in 2018/19 was reduced by £2.364 million. The funding package for 2019/2020 includes the use of £5.300 million of this funding, therefore, there is a benefit to the Strategy of **£2.364 million in 2019/2020**.
- 6.2. Table 7 summarises the total reserves movement on the Strategy.

Table 7 – Reserves Adjustments

	2019/20 £m	2020/21 £m	2021/22 £m
Reserves – Debt Flexibility Adjustment (Section 6.1)	2.364	-	-
Total Reserves Benefit	2.364	-	-

7. Council Tax Income

- 7.1. 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.
- 7.2. Moving into 2019/2020 to 2021/2022, 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.

- 7.3. 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.
- 7.4. 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 from the new properties.
- 7.5. Table 8 shows the new potential Council Tax Income generated each year, based on Band D properties and net of Council Tax Reduction Scheme. This additional income has been assumed in the Revenue Budget Strategy.

Table 8 – Council Tax Income – Increased Property Numbers

	2019/20 £m	2020/21 £m	2021/22 £m
Council Tax Income – In Year	1.200	1.300	1.200
Council Tax Reduction Scheme (CTRS)	(0.150)	(0.170)	(0.150)
Council Tax Income net of CTRS	1.050	1.130	1.050

- 7.6. The impact of the new houses assumed in 2020/2021 and 2021/2022 on the Government Grant will be seen in the next 3 year strategy (2022/2023 and 2023/2024).
- 7.7. A collection yield of 97.125% is proposed as we move into years 2019/2020, 2020/2021 and 2021/2022. This reflects the current budgeted Council Tax Income levels.
- 7.8. **Total Movement in Income**
Table 9 provides a summary of the total movement in Income included in the Strategy for each of the 3 years.

Table 9 – Total Increase / (Reduction) in Income

	2019/20 £m	2020/21 £m	2021/22 £m
Government Grant – Reduction (Table 6)	(2.971)	(8.300)	(8.460)
Reserves Benefit (Table 7)	2.364	-	-
Council Tax – Property Numbers (Table 8)	1.050	1.130	1.050
Total Increase / (Reduction) in Income	0.443	(7.170)	(7.410)

8. Budget Strategy Expenditure Assumptions

- 8.1. In arriving at the assumptions, a number of factors are taken into account including demographics, economic conditions and ongoing commitments of the capital programme. Overarching all of these is the Council Plan, and Community Planning and Local Outcomes Improvement Plan where the focus of the Community Planning Partnership, and the Council as a partner, is on improving outcomes and tackling inequalities in outcomes in the community. This is evident in the detailed expenditure assumptions below.

8.2. **Re-Instatement of 2018/2019 Temporary Solutions:** The budget for a number of budget strategy solutions approved for the 2018/2019 Revenue Budget must be re-instated in 2019/2020. These are detailed below.

8.2.1. **2018/2019 Approved Savings:** There were a number of **approved savings** for 2018/2019 which were on a one-off basis. These require to be re-instated. This will add **£0.877 million** and **£0.025 million** to the budget strategy in **2019/2020** and **2020/2021** respectively. These are detailed in Table 10.

Table 10 – Reinstatement of One-Off Savings (from 2018/2019)

2018/2019 One-off Savings	2019/20 £m	2020/21 £m	2021/22 £m
Carbon Reduction Commitment (COR01)	(0.500)	-	-
Staffing Secondment (CER17)	(0.035)	(0.025)	-
Contribution to Community Planning (FCR05)	(0.022)	-	-
Homelessness Temporary Accommodation (HTR03)	(0.300)	-	-
Community Safety (HTR07)	(0.020)	-	-
Total 2018/2019 One-off Savings	(0.877)	(0.025)	-

8.2.2. **Use of Capital Receipts:** Similar to the use of Reserves, the use of Capital Receipts (£4.000 million per annum) has also 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**.

8.2.3. **Earmarked Reserves Debt Flexibility:** At the end of 2016/2017, £18.300 million was transferred to the Earmarked General Fund instead of being used to repay debt. The use of these monies (£6.100 million per annum) has been used to support the Council's Revenue Budget over the period 2018/2019 to 2020/2021. As this is not available beyond 2020/2021, this will **add £6.100 million** to the savings requirement in **2021/2022**.

8.2.4. **Re-instatement of Permanent funding for Investment and Priorities:** The 2018/2019 budget contains a 2 year funding package in respect of Teachers plus Classroom Support and Employability (Early Years and Social Care) totalling £7.000 million. There is therefore no budget requirement in 2019/2020. This allows **£7.000 million to be removed from the Strategy in 2019/2020**. However, in 2020/2021, there is a budget requirement of £3.800 million to cover the full year cost going forward.

8.2.5. For both Breakfast Clubs and Holiday Lunch Clubs, a pilot is in operation in 2018/2019 with further information in respect of detailed rollout proposals and budget requirements to be brought back to Committee after the pilot is concluded. However, in order to ensure budget is available to support the pilots moving forward, it is proposed that some monies be earmarked in the 2019/2020 Strategy.

8.2.6. For Breakfast Clubs, if these were rolled out to every primary school, then they could cost in the region of £0.500 million per annum. There is already £0.225 million in the core budget into 2019/2020 and an anticipated underspend of £0.100 million in 2018/2019, therefore there is an estimated requirement of **£0.175 million into 2019/2020** (and £0.100 million into 2020/2021).

8.2.7. In relation to Holiday Lunch Clubs, if these were rolled out to 1 in every ward, with

some additional clubs in the Neighbourhood Planning Areas, then they could cost in the region of £0.600 million in total per annum. There is already £0.225 million in the core budget into 2019/2020 and an anticipated underspend of £0.150 million in 2018/2019, therefore there is an estimated requirement of **£0.225 million into 2019/2020** (and £0.150 million into 2020/2021).

- 8.2.8. These estimates will be updated after the pilots are concluded and better information is available in terms of potential transport requirements and the level of demand.
- 8.3. Table 11 summarises the impact of the reinstatement of temporary solutions, savings and also the Investment and Priorities which were funded from the one-off grant funding in 2018/2019.

Table 11 – Reinstatement of Temporary Solutions and Investment and Priorities Funding (from 2018/2019)

Expenditure Assumptions	Year of Reinstatement		
	2019/20	2020/21	2021/22
	£m	£m	£m
2018/2019 One-off Savings (Table 10)	(0.877)	(0.025)	-
Capital Receipts (section 8.2.2)	-	(4.000)	-
Earmarked Reserves Debt Flexibility (section 8.2.3)	-	-	(6.100)
Investment and Priorities (section 8.2.4 – 8.2.8.)	6.600	(4.050)	-
Total Reinstatement Benefit / (Costs)	5.723	(8.075)	(6.100)

- 8.4. **Pay Increases and Superannuation**
- 8.4.1. **Pay Award (incl. Apprenticeship Levy):** The current pay deal ended on 31 March 2018. The 2018/2019 Strategy currently provides for an estimated pay award. The removal of the public sector pay cap and ongoing discussions at a national negotiating level indicate that the actual pay award agreed may be higher than in previous years.
- 8.4.2. The following amounts have been included in the Strategy as an estimate of the potential costs of pay award: **2019/2020 £8.265 million, 2020/2021 £8.457 million and 2021/2022 £8.627 million.** This includes the impact of the estimated pay award on the cost of the Apprenticeship Levy (0.5% of total paybill).
- 8.4.3. **Pay Model Structure and Living Wage:** The Council recently approved a revision to the Council's pay model (Executive Committee, 28 February 2018). This covered changes to be implemented in financial years 2018/2019 and 2019/2020. The cost of the revised pay model structure in **2019/2020 is £0.350 million.** In addition, **£0.250 million** has been added to the Strategy to continue to ensure that the living wage is paid to the lowest spinal column point. **Total addition 2019/2020: £0.600 million.** For years **2020/2021 and 2021/2022**, an amount of **£0.500 million** has been included in the Strategy to cover increases in the living wage for the lowest spinal column points.
- 8.4.4. **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 these years. There is no information for 2021/2022 at present, therefore no increase has been assumed at this point.
- 8.4.5. **Teachers' Pension Scheme:** COSLA have indicated that based on material provided

by the Government Actuary Department to the Scottish Teachers Pension Advisory Board, it is likely that there will be an increase in the contribution rate paid by employers for Teachers pension schemes, however, the level of increase has not been confirmed. The Pensions Authority has advised that any changes to employer contributions, if applicable, would occur in 2019/2020. The Strategy assumes an increase similar to that experienced in 2015/2016 and an amount of **£3.125 million has been included in the 2019/2020 Strategy**. This will be updated as more information becomes available.

- 8.4.6. **Teachers' Pension Assumption re Discount Rate:** Following the UK Budget in 2016, the Council's actuarial advisers, Hymans Robertson, produced a briefing for councils notifying them of the increase to pension costs as a result of the change to the discount rate applied to unfunded pension schemes. This would apply as of 1 April 2019. The actuary has confirmed that this would have no impact on the Local Government Pension Scheme which is a funded scheme and sets its own discount rates. However, there will be an impact on the Teachers' pension scheme, as this is an unfunded scheme, with an estimated cost of 0.2% of total teacher paybill. **An amount of £2.604 million has therefore been included in the 2019/2020 Strategy.**
- 8.4.7. COSLA continues to pursue the Scottish Government on these additional costs of both the contribution rate and discount rate on Teachers' Pensions. **The Grant assumptions section of this Strategy** (see section 5.13) **assumes that both the Teachers' Pension Scheme Contributions and the Discount Rate will be funded by the Government, and includes an increase in grant of £5.729 million.** There is a risk that the Government will not fund these items. If this occurs, the shortfall could be managed from Reserves on a one-off basis but a permanent solution would require to be found moving forward.
- 8.4.8. **Superannuation on Overtime:** In 2016/2017, an amount of £0.500 million was added to the Strategy to manage the anticipated costs of pension contributions on some overtime payments for part time employees following changes to the Local Government Pension Scheme. Following completion of the 2017/2018 final outturn position, it can be confirmed that this funding is not required moving forward, therefore, the budget has been removed from the Strategy in **2019/2020**, resulting in a **benefit to the Strategy of £0.500 million.**
- 8.4.9. **Auto Enrolment:** The Council is obliged to undertake its 3 year Auto Enrolment exercise at 1 April 2019, which entails automatically enrolling all eligible employees into the pension scheme, unless they opt out. Based on the current number of eligible employees, the full year cost would be £3.000 million should they all enrol. Based on the experience of other councils who have gone through a similar exercise a 50% uptake has been assumed which would cost the Council £1.500 million.
- 8.4.10. The 2018/2019 Budget Strategy was able to benefit from monies set aside for auto enrolment (£1.500 million). This money was originally earmarked for use in 2017/2018 but following guidance received in late 2017, these monies will not be required until 2019/2020. It was therefore used on a one-off basis in 2018/2019, but requires to be added back into the budget in 2019/2020. This will add **£1.500 million** to the Budget Strategy in **2019/2020**.
- 8.4.11. **Pay Negotiations (2018/2019):** In relation to employees' Pay Award for 2018/2019, discussions are ongoing for all bargaining groups. A 1% increase would mean an additional budget requirement of circa £4.126 million. Teachers' Pay negotiations are active, with other groups awaiting the result before taking further action. As the

Scottish Government are part of the tripartite negotiating arrangements for teachers, there may be some form of contribution from the Scottish Government in relation to pay, as there has in previous years. Due to the level of uncertainty around this, no 2019/2020 impact has been included in the 2019/2020 Strategy.

8.4.12. The total impact of the **Pay Items** on the Strategy is **2019/2020 £15.594 million, 2020/2021 £8.957 million and 2021/2022 £9.127 million.**

8.5. **Price Increases**

8.5.1. **Schools PPP:** The Strategy includes the requirement to fund inflationary increases for the Secondary School PPP. The Retail Price Index rates (as per Office of Budget Responsibility at March 2017) of 3.3%, 3.1% and 3.1% have been applied to the 2018/2019 PPP contract payment. The Strategy now includes **2019/2020 £1.142 million, 2020/2021 £1.108 million and 2021/2022 £1.142 million.**

8.5.2. **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. **Amounts of £0.252 million, £1.352 million and £0.367 million have been included for 2019/2020, 2020/2021 and 2021/2022.** 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 has been added to the Strategy for 2020/2021 and will be refined/monitored as information becomes clearer moving forward.

8.5.3. **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 for **2019/2020 £0.310 million, 2020/2021 £0.413 million and 2021/2022 £0.548 million.**

8.5.4. **Social Care:** As in previous years, the Strategy assumes increases in prices reflecting the ongoing commitments for Social Care contracts held by the Council. The Council will experience inflationary increases of 1.66% in 2018/2019 and similar increases have been assumed going forward. The Strategy includes **£0.700 million per annum for 2019/2020 to 2021/2022** for Social Care price increases for Care Home contracts. This excludes additional costs for living wage funded by the Government.

8.5.5. The total impact of the **Price Increases** on the Strategy is **2019/2020 £2.404 million, 2020/2021 £3.973 million and 2021/2022 £2.757 million.**

8.6. **Funding for Priorities**

8.6.1. **Social Care Demand:** An amount of **£2.600 million** has been added to the Strategy in **2019/2020** to meet the cost of the full year effect of the 2018/2019 budget pressures. Moving into 2019/2020 and beyond, 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 2019/2020 to 2021/2022.

8.6.2. **Waste Management:** The Council has let a number of new contracts for waste in

2017/2018. Moving forward, an amount of **£0.300 million** has been included in the Strategy for contract inflation **each year for 2019/2020, 2020/2021 and 2021/2022**. This is based on the budget strategy for Waste Services which also utilises funding held in Reserves in its early years.

- 8.6.3. Currently the Waste Contract has a shortfall in funding of £1.000 million per annum which is being managed from the use of the Strategic Waste Fund Reserve. Based on the current projections, the reserves being used to fund the Waste contract will run out in 2021/2022, leaving a deficit of £0.500 million in that year. A sum of **£0.500 million** has been added to the Strategy in **2021/2022** to manage this shortfall. As the waste contracts are embedded, the longer term budget requirement for waste will be established and reflected in future strategies.
- 8.6.4. The Strategy also includes provision for the revenue consequences for the additional costs of new Waste routes: **2019/2020 £0.150 million, 2020/2021 £0.150 million and 2021/2022 £0.150 million**.
- 8.6.5. **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 for additional Teachers budget has been added to the Council's Revenue Budget Strategy: **2019/2020 £0.810 million, 2020/2021 £1.000 million and 2021/2022 £1.000 million**. This will be monitored over years and any necessary variations on demand reflected in future strategies.
- 8.6.6. **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**.
- 8.6.7. The total impact of the **Funding for Priorities** on the Strategy is **2019/2020 £3.860 million, 2020/2021 £1.780 million and 2021/2022 £1.950 million**.
- 8.7. **Related Parties and Joint Boards**
- 8.7.1. Assumptions for cost increases for South Lanarkshire Leisure and Culture Trust and the Lanarkshire Valuation Joint Board are included in the Strategy (**2019/2020 £0.523 million, 2020/2021 £0.492 million and 2021/2022 £0.478 million**). It is expected that savings identified by the Trust will form part of the Council's overall savings package.
- 8.7.2. Strathclyde Passenger Transport have notified us that at the moment, as part of their long term strategy, their assumptions remain that there will be no changes to 2018/2019 assumptions. The Strategy currently therefore assumes no change in the requisition payment going forward and will be updated as more information becomes available.
- 8.7.3. The total impact of the **Related Parties and Joint Boards** on the Strategy is **2019/2020 £0.523 million, 2020/2021 £0.492 million and 2021/2022 £0.478 million**.

8.8. Revenue Consequences of Capital

- 8.8.1. The assumptions in this Strategy continue to include provision for the revenue consequences of the opening of new primary schools and capital bids (**2019/2020 £0.189 million and 2020/2021 £0.036 million**). These additional costs are primarily for rates and energy costs.
- 8.8.2. **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. Amounts have been included in the Strategy for these items: **2019/2020 £1.529 million, 2020/2021 £0.827 million, 2021/2022 £0.190 million.**
- 8.8.3. The total impact of the **Revenue Consequences of Capital** on the Strategy is **2019/2020 £1.718 million, 2020/2021 £0.863 million and 2021/2022 £0.190 million.**
- ## 8.9. Other Budget Adjustments
- 8.9.1. **Re-instatement of 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 has been added to the Strategy in 2019/2020** that allows us to consider re-instatement of the payments to Third Sector Organisations including VASLAN.
- 8.9.2. **Insurance Fund:** Following the 2017 actuarial review of the Insurance Fund, it was identified that as a result of the current level of claims and premiums due, the Insurance Fund could potentially be in a deficit position of £1.700 million by the end of 2019/2020. Further deficits of £1.700 million in both 2020/2021 and 2021/2022 were also forecast. As part of the 2017/2018 probable outturn, a transfer to the Insurance Fund of £1.700 million was approved by the Executive Committee. A sum of **£1.700 million has been added to the Strategy in 2020/2021** to manage the annual anticipated deficit on a permanent basis.
- 8.9.3. **Welfare Reform: Housing Benefit Administration Subsidy:** The Department of Works and Pensions have made a commitment to fully fund any extra administrative costs. However, there is still a plan to apply an efficiency saving to the Housing Benefits Administration Subsidy. The figures for 2018/2019 have not yet been agreed and COSLA are arguing that no further efficiencies should be applied as local authorities have exhausted their capacity to make any further savings and are subsidising the service they provide on behalf of DWP. Further information will be brought back when it is available.
- 8.9.4. The total impact of the **Other Adjustments** on the Strategy is **2019/2020 £0.350 million and 2020/2021 £1.700 million.**
- 8.10. Table 12 summarises the budget strategy impact as a result of the expenditure assumptions in section 8.

Table 12 – Expenditure Assumptions 2019/2020 to 2021/2022

Expenditure Assumptions – Additional costs	2019/20 £m	2020/21 £m	2021/22 £m
Pay Items (Section 8.4)	(15.594)	(8.957)	(9.127)
Price Increases (Section 8.5)	(2.404)	(3.973)	(2.757)
Funding for Priorities (Section 8.6)	(3.860)	(1.780)	(1.950)
Related Parties and Joint Boards (Section 8.7)	(0.523)	(0.492)	(0.478)
Revenue Consequences of Capital (Section 8.8)	(1.718)	(0.863)	(0.190)
Other Adjustments (Section 8.9)	(0.350)	(1.700)	-
Total Expenditure Assumptions	(24.449)	(17.765)	(14.502)

9. **Summary of Budget Gap 2019/2020 to 2021/2022:** Taking account of the funding available, the current base budget and the commitments identified in Section 8, Table 13 details the level of savings required across the years of this Strategy.

Table 13 – Budget Gap 2019/2020 to 2021/2022

Revenue Budget Strategy	2019/20 £m	2020/21 £m	2021/22 £m
Total Net Increase / (Reduction) in Income (Table 9)	0.443	(7.170)	(7.410)
Total Net Re-instatement Benefits / (Costs) (Table 11)	5.723	(8.075)	(6.100)
Less : Total Expenditure Assumptions (Table 12)	(24.449)	(17.765)	(14.502)
Budget Gap	(18.283)	(33.010)	(28.012)

10. Risk Areas / Scenarios

- 10.1. The savings requirements summarised in Table 13 are based on the Council's best estimates and information available in terms of forward planning. However, it is acknowledged that if the context in which the Council operates changes, then there could be an impact on the level of savings required. The outcome will certainly be different to the scenarios shown here, however, it does give an illustration of the overall financial variation that could be experienced as the result of changing income levels or expenditure assumptions. Each of these is taken in turn.
- 10.2. **Scottish Government Grant:** Looking at the main Income assumption, Section 5 of this report provides details of the Government Grant scenarios which have been considered. It is noted that the scenarios show that our grant could move within a range of a £5.000 million cut to an increase of £13 million in each of the next 3 years. While the worst case scenario has been assumed, being a £5.000 million cut in grant, the requirement for savings could be completely eradicated in 2019/2020, and substantially reduced in 2020/2020 and 2021/2022, if the best case scenario (an increase of £13.000 million) were to be experienced.
- 10.3. **Scottish Government Financial Strategy:** As noted in Section 5.18, the Scottish Government Financial Strategy has recently been released. Financial commentary provides scenarios on their financial outlook with the "lower scenario" presented which suggesting there could be cash cuts of over 2% per year. If this were translated to local government, then a 2% reduction would be equivalent to £11.000 million per year grant cut for the Council. As the current grant reduction assumed is a £5.000 million cut, then this would mean an additional £6.000 million grant cut.
- 10.4. **Pay Awards:** On the Expenditure side, the main items included in the budget strategy are pay, pensions and price increases. Section 8.4.2 details the pay award assumed with an increase to the strategy of £8.265 million, £8.457 million and £8.627 million

across the 3 years from 2019/2020 to 2021/2022. An increase of 1% on this assumed pay award would mean an increase of over £4.000 million in the savings requirement per year.

- 10.5. **Pensions:** In relation to Pensions, the main element of the Strategy is the funding requirement for a change to the Teachers' Pension Scheme Contribution Rate and the Assumed Discount Rate. This amounts to £5.729 million and has been assumed as being funded by the Scottish Government. While COSLA continue to pursue this on councils' behalf, there is a risk that the Government will not fund these items. If they are not funded, it is acknowledged that this could be managed from Reserves on a one-off basis in 2019/2020, but a permanent solution would be required in 2020/2021. This would increase the savings requirement in that year.
- 10.6. **Price Increases:** The remaining expenditure item of any significance and which could be influenced by external factors is Price Increases. Section 8.5 details the Price Increases assumed as £2.404 million, £3.973 million and £2.757 million across the 3 years of the Strategy. An increase of 1% on this assumed price increase would mean an increase of £0.700 million in the savings requirement.
- 10.7. **2018/19 Additional Grant – Stage 1 Budget Bill:** As noted in Section 5.12, the Council received an additional £9.493 million of grant as part of the Stage 1 Budget Bill for 2018/2019. There is no certainty regarding the continuation of this money and any decision on this will be discussed as part of next year's spending review. For the purposes of the Strategy it has been assumed that this grant funding will continue. However, if it does not, then there will be an impact of £9.493 million on the 2019/2020 savings requirement.
- 10.8. **Social Care Demand:** As noted in 8.6.1, an amount of £2.600 million has been added to the Strategy in 2019/2020 to meet the cost of the full year effect of the 2018/2019 budget pressures. Beyond that, an assumption has been made that any increase in demand in 2019/2020 to 2021/2022 could be offset by efficiencies and changes to working practices, made by Social Work Resources and the Integration Joint Board. However, if there are no changes to service delivery to mitigate the impact of demand increases, then the annual increase in costs of service delivery due to demographic changes would be £5.200 million. For 2019/20, there would be a part year impact of £2.6 million, reflecting the timing of new service users receiving social care.
- 10.9. **Summary:** Table 14 summarises the potential impact of the risks detailed in Sections 10.1. to 10.8. It shows that on a worst case basis, the savings requirement could increase to £46.927 million in 2019/2020, £49.263 million in 2020/2021 and £44.504 million.

Table 14 – Savings Requirement – Worst Case Scenario 2019/2020 to 2021/2022

	2019/20 £m	2020/21 £m	2021/22 £m
Savings Requirement	(18.283)	(33.010)	(28.012)
Scottish Government Financial Strategy (Section 10.3)	(6.000)	(6.000)	(6.000)
Pay Awards (Section 10.4)	(4.126)	(4.332)	(4.544)
Teachers Pensions Rates (Section 10.5)	(5.729)	-	-
Price Increases (Section 10.6)	(0.696)	(0.721)	(0.748)
Additional Grant (Stage 1 Budget Bill) (Section 10.7)	(9.493)	-	-
Social Care Demand (Section 10.8)	(2.600)	(5.200)	(5.200)
Savings Requirement – Worst Case Scenario	(46.927)	(49.263)	(44.504)

11. Strategy to Address the Budget Gap

- 11.1. Over recent years, the Council has had to make efficiencies in order to support and manage the shifting environment it operates in – economic and demographic changes being the most significant. As we move forward, the financial strategy shows that there will still be a requirement to make savings to close the budget gap.
- 11.2. To address the budget gap, a number of work streams will be considered including Channel Shift to further increase the use of self-service in line with the Council's Digital Strategy, Service Reviews where a focused root and branch analysis will be carried out to ensure Services are efficient and delivering value for money and service redesign where changing demands might mean a restructure of the service and its functions.
- 11.3. The Council also holds reserves specifically to assist with budget strategies going forward. As reserves are not a long term sustainable solution to budget gaps, a cautious approach to using reserves is advisable.
- 11.4. The list below sets out the Council's financial planning principles which underpin the delivery of the strategy and support its long term financial sustainability:
 - Commitment to efficiency and modernisation of service delivery and prioritisation of resources to achieve the key strategic outcomes;
 - Examine potential for income generation;
 - Consider the use of Reserves to support the Council's budgets; and
 - Maintain an acceptable level of Uncommitted General Fund Reserve as a hedge against future uncertainties.
- 11.5. These principles have been arrived at by reviewing the approach taken by other local authorities, taking cognisance of what has worked for the Council in the past, and by looking at the options that are available to councils regarding their budget planning process. Based on these principles, the following will be considered:
- 11.6. **Corporate Solutions:** Work will commence to identify whether there are any corporate funding solutions available, including Council Tax and the use of Reserves, which could be proposed to meet the savings requirement. These will be brought back in a future report.
- 11.7. **Savings:** The Executive Committee paper (27 June) agreed the budget strategy for 2019/20 and agreed a proposal to prepare and present a package of savings to members by Autumn 2018.
- 11.8. In recent years, there has been a drive to generate efficiencies to meet the savings requirements, however as time goes on, it becomes more difficult to deliver the level of savings required from efficiencies alone. In forming savings proposals, all avenues will be considered and options reviewed to ensure the most effective and efficient way of service delivery is being pursued, as noted in Section 11.2., while continuing to deliver our priorities. This approach to savings generation supports the Council's commitment to best value and value for money.
- 11.9. The Council demonstrates its commitment to Best Value through an ongoing programme of service reviews and the publication of a wide range of performance management information including the Annual Performance Report and its

contribution to the Local Government Benchmarking Framework.

12. Long Term Strategy – 2022/2023 to 2028/2029

- 12.1. In addition to looking at a medium term Financial Strategy to 2021/2022, it is considered best practice to consider the longer term outlook, and present a picture of what the Council could be facing over the next 10 years.
- 12.2. Looking beyond 2022 and into the longer term, it becomes more difficult to predict the financial outlook. However, it is important for the Council to continue to adopt a long term outlook, not just in planning the delivery of strategic outcomes, but also from a financial perspective to ensure that medium to long term risks to the Council's financial sustainability are identified at the earliest opportunity, even though there may be uncertainty over timing, scale and impact.
- 12.3. The Council Plan Connect states that the Council's population is expected to rise by 1.5% over the 2016 to 2026 period, and by a further 0.1% per annum over the 2026 to 2037 period. This shows a continuation of the ageing of the population, with significantly greater increases in the over 65s. While these increases are lower than Scotland as a whole, they are high level projections and locally within South Lanarkshire, we can expect significant increases associated with the Community Growth Areas. This will likely impact on the number of school-age children and have a consequence for education and children's services as well as other Council services such as Waste Collection/Disposal.
- 12.4. In terms of forecasting, Section 4 discussed the uncertainties around the levels of grant income. In December 2017, the Council were provided with a one year grant settlement for 2018/2019 only.
- 12.5. This uncertainty makes planning for future years difficult, and any estimation of funding over this time period will require to be updated regularly. Longer term planning can only give a general indication of the financial position going forward.
- 12.6. **Income** In longer term planning, there is even more uncertainty regarding the level of income the Council could receive, both grant and to a lesser extent, Council Tax.
- 12.7. **Scottish Government Grant:** Projecting to the longer term gives even more uncertainty around the level of grant we could expect from the Scottish Government. We have seen reductions in grant in recent years and any further grant reductions would put further pressure on the revenue budget and increase the savings requirement. On the basis that there are only further potential scenarios available, it is proposed that the original assumption (Scenario 1) used in the Council's 3 Year Strategy (Section 5.8) be used moving forward: a reduction of £5.000 million in grant per annum. This equates to approximately a 1% reduction in grant.
- 12.8. Any 1% movement in the level of Grant reduction, means that additional savings of £5.000 million must be found to bridge the gap.
- 12.9. **Council Tax (including Property Numbers):** As a result of the Community Growth Areas and general house building, there is the potential for additional Council Tax Income. Assuming growth of 1,000 houses per annum at the current Band D level would mean an estimated increase of £1.100 million per annum.
- 12.10. Section 5.15 details that the increases in Council Tax Property Numbers does not

give the Council a permanent benefit – there is an 80% Reduction in Grant for every £1 of additional Council Tax, 2 years hence.

- 12.11. In relation to the actual level of Council Tax Bands, an increase to the Council Tax Band D of 3% per annum would generate around £4.000 million in Income. This has not been assumed in the Long Term Strategy.
- 12.12. **Pay and Prices:** In future years there will continue to be pressure on the Council's budget as pay awards, and contract inflation will require to be met over the longer term. If it continues at the current rate, this would mean a further pressure of £12.900 million in 2021/2022 rising to £14.070 million by 2028/2029. Estimates for utility and rates increases could add further pressures but there is currently no information of what these increases could be.
- 12.13. **Growth in Pupil Numbers:** As noted in Section 8.6.5, pupil numbers are expected to increase over the longer term. For each of the years of the Financial Strategy, an estimate of £1.000 million has been included. The actual need will be refined as we progress through the years.
- 12.14. **Waste Strategy / Waste Routes:** Section 8.6.4 also notes that the Community Growth Areas and new housing developments in general will bring a requirement for additional waste collection routes. These bring with them a financial consequence which is estimated at £0.150 million per annum. In addition, an estimate has been made in respect of contract inflation and the longer term Waste Strategy. This is currently estimated as £0.300 million per annum and again, will be confirmed as we progress through the years of the contracts.
- 12.15. **Social Care Demand:** As noted in Section 8.6.1, the demand for Social Care is anticipated to continue. For the Council's medium term Strategy, it is expected that this increase in demand will be mitigated by ongoing transformational change work between the Integration Joint Board and Social Work Resources. However, in terms of the Council's longer term Strategy, the level of benefit derived from transformational change has still to be realised. As such, an amount of £5.200 million has been added to the Strategy in each year.
- 12.16. Table 15 summarises the Long Term Strategy Assumptions. It shows that the Council will continue to face a budget gap in excess of £24 million per annum over the longer term in the Council's base budget. Any further reduction in grant would increase this budget gap, whereas an increase in the Band D rate of 3% per annum would reduce the budget gap.

Table 15 – Longer Term Strategy – Budget Gap

	2022/ 23 £m	2023/ 24 £m	2024/ 25 £m	2025/ 26 £m	2026/ 27 £m	2027/ 28 £m	2028/ 29 £m
Grant Reductions (12.7)	(5.000)	(5.000)	(5.000)	(5.000)	(5.000)	(5.000)	(5.000)
Council Tax – Numbers (12.9)	1.100	1.100	1.100	1.100	1.100	1.100	1.100
Council Tax – Grant (12.10)	(1.040)	(0.960)	(0.910)	(0.910)	(0.910)	(0.910)	(0.910)
Pay Award / Prices (12.12)	(12.900)	(13.080)	(13.270)	(13.470)	(13.660)	(13.860)	(14.070)
Pupil Growth (12.13)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)
Waste (12.14)	(0.450)	(0.450)	(0.450)	(0.450)	(0.450)	(0.450)	(0.450)
Social Care Demand (12.15)	(5.200)	(5.200)	(5.200)	(5.200)	(5.200)	(5.200)	(5.200)
Total Budget Gap	(24.490)	(24.590)	(24.730)	(24.930)	(25.120)	(25.320)	(25.530)

12.17. How to Address the Budget Gap: In order to address the budget gap, the Council's default position would be to identify savings to cover the budget shortfall. The approach to this would be to follow the Council's financial planning principles and continue to modernise where possible, maximise income generation and minimise the use of reserves to support the Council's budget. As we move through the medium term, the longer term position will continue to be considered and adjusted to reflect emerging information.

13. Long Term Strategy – 2022/2023 to 2028/2029 – Risk Areas / Scenarios

- 13.1. The longer term budget gap noted in Table 15 is based on best information in terms of forward planning. However, it is acknowledged that if the context the Council operates in changes over the medium term, then there will likely be an impact on the longer term outlook. An illustration of how the longer term position could be affected by changes to some of the key strategy assumptions is detailed below:
- 13.2. **Government Grant:** As the Council is only notified of the current year Grant allocation, and the Scottish Government have only published their own medium term budget strategy recently covering 5 years, there is little information available to inform the Council's longer term projections for one of its key components, Government Grant. That said, as noted in Section 5.20, further scenarios have been received from economists on the Scottish Government's medium term financial strategy. Their "lower scenario" suggests cash cuts of 2% which would equate to a reduction of approx. £11.000 million for the Council. As a cut of £5.000 million has already been included in the Long Term Strategy (Section 12.7), then this would mean a further reduction of £6.000 million if the position was to continue over the longer term. It should be remembered that there are other scenarios where a reduction in government grant may not be seen.
- 13.3. **Pay Awards:** There is again no certainty on the medium term pay award requirements, and as such, the longer term becomes even more difficult to predict. For every 1% pay award, there is a budget requirement in excess of £4.000 million. This would be an addition to the savings requirement each year.
- 13.4. **Social Care:** The long term strategy (Section 12.15) assumes that the increase in Social Care demand is anticipated to continue and that the benefit of earlier work on transformational change by the Integration Joint Board and Social Work Resources would not continue. Therefore, an amount of £5.200 million has been added to the Strategy in each year. However, in terms of a scenario, it could be assumed that the work does generate further benefit, and that the increased demand is mitigated by efficiencies and re-ablement. As such, it is could be assumed that these monies would not be required by the Strategy.
- 13.5. Table 16 shows a potential scenario including further costs, as well as the impact of the mitigation of Social Care Costs.

Table 16 – Long Term Strategy – Scenarios

	2022/ 23 £m	2023/ 24 £m	2024/ 25 £m	2025/ 26 £m	2026/ 27 £m	2027/ 28 £m	2028/ 29 £m
Total Budget Gap (Table 15)	(24.490)	(24.590)	(24.730)	(24.930)	(25.120)	(25.320)	(25.530)
Further 1% Grant Reduction	(6.000)	(6.000)	(6.000)	(6.000)	(6.000)	(6.000)	(6.000)
Higher Pay Awards	(4.000)	(4.000)	(4.000)	(4.000)	(4.000)	(4.000)	(4.000)
Savings Requirement – Scenario	(34.490)	(34.590)	(34.730)	(34.930)	(35.120)	(35.320)	(35.530)
Social Care Demand – Mitigation	5.200	5.200	5.200	5.200	5.200	5.200	5.200
Savings Requirement – Improved Scenario	(29.290)	(29.390)	(29.530)	(29.730)	(29.920)	(30.120)	(30.330)

13.6. Table 16 shows that in the Worst Case Scenario, the budget gap sits at approximately £35 million in any given year. Taking account of the benefit of mitigation for Social Care demand, this could improve to a position of requiring approximately £30 million of savings per annum.

14. Borrowing and Debt Projections

14.1. The amount of borrowing approved within the approved capital programme will increase the level of the Council's debt. Increases in the Council's total debt caused by borrowing to fund capital spend will also be offset by the repayment of maturing debt.

14.2. At the end of 2017/2018, the level of external debt held by the Council was £904 million. This includes debt associated with the HRA, but excludes the liability held in the balance sheet for PPP. To pay for the approved schools, roads and City Deal programmes, and to fund maturing debt, there will be a requirement to borrow £336 million over the 4 year period to 2021/2022, and current estimations of levels of debt by the end of this Strategy period will be £1,123 million as illustrated in Table 17.

14.3. The table also shows the amount of debt that falls due to be repaid in each of the years. The amounts falling due to be repaid represent old debt which reaches maturity in these years.

Table 17: Debt Projections

Debt projections	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Opening External Debt position	904	1,096	1,114	1,128
New Debt	214	48	44	30
Debt Repaid	(22)	(30)	(30)	(35)
Estimated Closing Debt	1,096	1,114	1,128	1,123

14.4. As part of our Treasury Management function, projections in relation to interest and borrowing rates are monitored, and have been considered when producing this Financial Strategy. It is expected that borrowing rates may slowly increase over the coming year, however, this has been factored into estimates. Any unexpected movement in rates may require reconsideration of the assumptions within this Strategy.

14.5. Based on the projections of the cost of borrowing, additional revenue budget is required in relation to interest on City Deal borrowing for the 3 year period of this strategy. This is covered in the Strategy at section 8.8.2. The borrowing for City Deal is temporary until grant for City Deal is received. All other predicted costs can be managed within the revenue budget currently available for loan charges.

15. Reserves – Future Strategy

- 15.1. It is the responsibility of the Executive Director of Finance and Corporate Resources to advise the Council on the level of reserves it should hold and to ensure that there are clear protocols for their establishment and use.
- 15.2. The Local Authority Accounting Panel (LAAP) provide guidance to the Council's Section 95 Officer (the Executive Director of Finance and Corporate Resources), on the establishment and maintenance of local authority reserves and balances. The LAAP Bulletin does not prescribe a minimum level of reserves which should be held by a council.
- 15.3. It is for the Council to consider an appropriate level of reserves taking cognisance of strategic, operational and financial risks facing the authority at a local level. It does however say that Reserves should not be held without a clear purpose. Audit Scotland have noted that the level of reserves that a council holds is a local decision, but should be clearly informed by an annually reviewed reserves policy.
- 15.4. In terms of the principle applied to the Council's Reserves, the Council has one 'uncommitted reserve' (the Uncommitted General Fund) as well as a number of committed reserves.
- 15.5. The level of Uncommitted General Fund (£13.043m) currently reflects a suitable cushion to contribute towards unanticipated pressures that the Council may face in year. Against an expenditure budget of £694.361m for 2018/2019 this represents a 1.9% reserve. To reflect pressures, and the indicative level of savings required in this Strategy period, it is suggested that it is appropriate to consider allocating any surplus funds to augment the Uncommitted General Fund levels marginally.
- 15.6. Decisions on contributions to Uncommitted General Fund will be made in line with the allocation of any in year underspends achieved through prudent budgeting. It is proposed that a marginal increase of £0.500 million per annum is made to the Uncommitted General Fund, when possible, with a view to increasing the reserve to approximately £13.500 million over time. As part of the year end for 2017/2018 a further £0.500 million has been added to this reserve from the year end underspend, taking the balance to £13.043 million at the 31 March 2018. A balance of £13.500 million would represent 1.9% of the revenue expenditure budget for 2018/2019.
- 15.7. As noted above, the Uncommitted General Fund is held for a specific purpose as a hedge against uncertainty.
- 15.8. All reserves are held for specific purposes, and moving through the years of this Strategy the total balance of reserves currently held is considered an appropriate level in relation to the Council's financial position.
- 15.9. Taking each specific major reserve in turn, the Strategy with regard to reserves is as follows:

- 15.10. **Uncommitted General Fund:** As at 31 March 2018, the Council's uncommitted General Fund is £13.043 million. As detailed at Section 15.6, if possible, marginal increases of £0.500m will be made to the Uncommitted General Fund in future years however, this is dependent on the financial outturn for each year.
- 15.11. **Earmarked General Fund:** As at 31 March 2018, the balance on this fund is £57.997 million. Of this amount, £36.958 million has been earmarked for use in the Council's medium term budget strategy. The remaining £21.039 million is earmarked for specific purposes including Early Years Expansion, Children and Young People Act, multi-year employment contracts, teachers, Health and Social Care, and future severance costs.
- 15.12. The Council has also established a number of reserve funds for various purposes. Details relating to the most significant of these are as follows:
- 15.13. **Repairs and Renewals Fund:** This fund has been established mainly through contributions from the revenue budget, to be used to deal with any repairs such as the ongoing upkeep and maintenance of the Crematorium. At 31 March 2018 the balance on this fund is £7.232 million. Contained within the overall heading of Repairs and Renewals is the Winter Maintenance Fund (£3.500 million at March 2018). All these funds were set aside and earmarked for specific purposes.
- 15.14. **Insurance Fund:** The Insurance Fund is held as a provision against unpaid claims. Council Resources contribute to the fund which meets the cost of fire damage, public liability, vehicle fleet and various other claims. The Council holds insurance cover to meet the costs of any large claims, the premium for which is charged to the fund. Actuarial reviews of the fund are undertaken every four years, with an interim valuation completed every 2 years in the intervening period.
- 15.15. At the 31 March 2018 the balance on this fund is £4.516m. The latest valuation up to 31 March 2017 showed that the fund is fully financed for the next 2 years but projections show that the fund, depending on the profiling of claims, will be in a negative position by 2019/2020, and there will be a requirement to top the fund up in this year and in future years. Section 8.9.2 details the proposed addition to the Fund as part of the 3 year Strategy. The position will continue to be monitored, and requirements for further top up may be considered from any future years surpluses.
- 15.16. **Capital Fund:** Statute allows councils to establish a Capital Fund. At 31 March 2018 the balance on this fund is £18.229 million. The money held within this fund may be used to fund expenditure of a capital nature or to repay loan fund principal which allows flexibility in the revenue budget for pressures such as to pay for severance costs. Contained within the overall heading of the capital fund are specific funds: IT Development Fund; monies for Private Housing Maintenance/Adoptions; Education Capital Replacement Fund ; Public Sector Energy Fund and the Clyde Gateway fund . Capital receipts earmarked to fund the capital programme are held in this Fund.
- 15.17. There is also the Housing Revenue Account Reserve which is ring fenced for the activities associated with the Council House stock. Appendix A to the Strategy shows the detail across Reserves at the end of financial year 2017/2018, as well as the known anticipated movement across the coming years. As capital plans, and revenue budgets are set, further consideration of reserves will be made.

16. Capital Strategy

- 16.1. The Council currently has an approved General Services' Capital Programme for

financial years 2018/2019 and 2019/2020. Alongside this, the Council's commitment to the Glasgow City Region City Deal gives a programme until 2025/2026.

- 16.2. During 2018/2019, a Capital Strategy will be formed which will detail the main capital requirements of the Council moving forward. This will focus on the requirements of the formal Capital Budget Strategy which will be complete in Autumn 2018.
- 16.3. This Capital Strategy will assist in forming the medium term Capital Programme for the years 2020/2021 to 2022/2023 which will be presented to members early 2020.
- 16.4. On the funding side, an assumption will be made regarding the level of General Capital Grant the Council could receive as well as detailing the potential income that could be generated from capital receipts.
- 16.5. Alongside the General Services Programme sits the Housing Capital Programme. This will form part of the Capital Strategy and will show the longer term aspirations for the Council's Housing Stock, setting out the priorities for the physical care and improvement of the housing stock and related assets over the years, and which will initially focus on improving energy efficiency in addition to increasing the supply of new council housing.

17. Financial Strategy Summary and Conclusion

- 17.1. The assumptions and expectations around income and expenditure which affect the Financial Strategy have been detailed in the preceding Sections of this report. The Section below provides a summary and conclusion of this Financial Strategy.
- 17.2. **Grant:** There is uncertainty around how much grant the Council will receive over the life of this Strategy. Economic information has helped estimate the level of cuts the Scottish Budget, and thus councils might face. However this is just one part of a process which will take place over the coming months, and Budget Announcements, and Spending Reviews will all impact on the level of grant we receive.
- 17.3. **Cost Pressures and Savings:** The Council's need to spend will increase over the life of this strategy mainly from pay awards and pension changes, price inflation and funding for the Council's priorities. Inflation may vary from current levels due to economic uncertainty, and therefore we will require to consider the impacts of this in this and future strategies.
- 17.4. Over the longer term, the level of grant we will receive is unknown. Alongside this, pressure on expenditure from pay awards, inflation and continued funding for Council priorities mean that savings will continue to be required, unless we return to sufficient increases in grant.
- 17.5. **Borrowing:** Despite the need to borrow for the continuing capital programme for general services, schools, roads, City Deal and HRA, the level of debt will remain at around £1,123 million. The costs of debt is considered as part of the Strategy, and the detail of our borrowing activity is reported to members regularly.
- 17.6. **Reserves:** The Council's Uncommitted General Fund balance remains at what is considered an appropriate suitable level, however, where possible, we will try to make marginal increases. Other earmarked reserves are identified for specific purposes.

Projected Movement in Council's Useable Reserves (inc. Housing Revenue Account)

Reserves / Funds	Balance as at 31 March 2018 £m	Expected Movements in 2018/2019		Balance as at 31 March 2019 £m	Expected Movements in 2019/2020		Balance as at 31 March 2020 £m
		Use £m	Restore £m		Use £m	Restore £m	
Earmarked General Fund	57.997	(14.936)	-	43.061	(11.151)	-	31.910
Repairs and Maintenance	7.232	(3.321)	-	3.911	(2.516)	-	1.395
Capital Funds	18.229	(4.755)	4.511	17.985	(4.585)	2.890	16.290
Insurance Fund	4.516	(1.700)	-	2.816	(1.700)	-	1.116
Housing Revenue Account	11.624	(5.946)	-	5.678	(1.363)	-	4.315
Uncommitted General Fund	13.043	-	-	13.043	-	-	13.043
TOTAL	112.641	(30.658)	4.511	86.494	(21.315)	2.890	68.069

Reserves / Funds	Balance as at 31 March 2020 (from above) £m	Expected Movements in 2020/2021		Balance as at 31 March 2021 £m	Expected Movements in 2021/2022		Balance as at 31 March 2022 £m
		Use £m	Restore £m		Use £m	Restore £m	
Earmarked General Fund	31.910	(9.149)	-	22.761	(1.118)	-	21.643
Repairs and Maintenance	1.395	(0.234)	-	1.161	-	-	1.161
Capital Funds	16.290	(1.895)	3.272	17.667	(1.032)	0.421	17.056
Insurance Fund	1.116	(1.116)	1.700	1.700	(1.700)	1.700	1.700
Housing Revenue Account	4.315	-	0.196	4.511	-	0.160	4.671
Uncommitted General Fund	13.043	-	-	13.043	-	-	13.043
TOTAL	68.069	(12.394)	5.168	60.843	(3.850)	2.281	59.274

Report

8

Report to:	Executive Committee
Date of Meeting:	15 August 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Modernisation of Charitable Trust Funds - Appointment of Trustees
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ allow members of the Executive Committee to consider the appointment of Trustees to administer the Charitable Trust and Educational Trust Funds which the Council is responsible for

2. Recommendation(s)

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

- (1) that the named individuals (detailed in section 4.2) together with the Chair of the Finance and Corporate Resources Committee and Executive Director (Finance and Corporate Resources) be appointed as Trustees of the Council's Charitable Trust Fund; and
- (2) that the same appointments noted in Recommendation 1 above be made to the Council's Educational Trust Fund, with the addition of the Executive Director (Education Resources).

3. Background

3.1. On 25 April 2018, the Finance and Corporate Resources Committee approved a range of proposals to modernise the Charitable Trust Funds administered by the Council. It was agreed at that time that the formal appointment of trustees for these funds be referred to this Committee for its consideration.

4. Current Proposals

4.1. It is proposed that the representatives detailed at 4.2, together with the Chair of the Finance and Corporate Resources Committee and the Executive Director (Finance and Corporate Resources), be formally appointed as Trustees of the Council's Charitable Trust Fund.

4.2. It is therefore proposed that as well as the Chair of the Finance and Corporate Resources Committee and the Executive Director (Finance and Corporate Resources), the following named individuals are appointed as Trustees:

- Councillor Eric Holford
- Councillor Mark Horsham
- Councillor Catherine McClymont
- Councillor George Greenshields

- 4.2 It is also proposed that the same appointments be made (as detailed in section 4.2), with the addition of the Executive Director (Education Resources), as Trustees of the Council's Educational Trust Fund.
- 4.3 A training plan for Trustees will be established that will further set out Trustees' roles and responsibilities.
- 4.4 Officers from Finance and Corporate Resources will establish a timetable of meetings for the Trustees, It is anticipated that this will be on a quarterly basis
- 5. Employee Implications**
- 5.1. There are no employee implications arising from this report.
- 6. Financial Implications**
- 6.1. There are no financial implications arising from this report
- 7. Other Implications**
- 7.1. If the trustees are not appointed then there is a risk that Charitable Trust Funds are not modernised, the governance of the Trust Funds is not improved and the potential benefit that can be derived from the funds continues to be limited.
- 7.2 There are no issues in terms of sustainability arising from this report.
- 8. Equality Impact Assessment and Consultation Arrangements**
- 8.1. There is no requirement to carry out an impact assessment in terms of the information contained in this report.
- 8.2. 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 Resources)

24 July 2018

Link(s) to Council Values/Objectives
Accountable, effective and efficient

Previous References
Finance and Corporate Resources Committee held on 25 April 2018

List of Background Papers
Report submitted to the Finance and Corporate Resources Committee held on 25 April 2018

Contact for Further Information
If you would like to inspect the background papers or want further information, please contact:-
Gordon Bow
Administration Manager
Ext: 4719 (Tel: 01698 454719)
E-mail: gordon.bow@southlanarkshire.gov.uk

Report

9

Report to: **Executive Committee**
 Date of Meeting: **15 August 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**
Executive Director (Housing and Technical Resources)
Executive Director (Community and Enterprise Resources)

Subject: **Construction Charter**

1. Purpose of Report

1.1. The purpose of the report is to:-

- Propose the adoption of a South Lanarkshire Council Construction Charter

2. Recommendation(s)

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

- (1) that the content of the report is noted
- (2) that the Council adopts the Construction Charter as detailed in Appendix 1

3. Background

- 3.1. The development and introduction of construction charters is a trade union campaign taking place across local authorities in the UK. The charters set out a minimum set of standards, conditions and expectations from construction companies tendering for construction contracts with local authorities. Local authorities including South Lanarkshire Council have been requested by Unite to agree to implement a Construction Charter.
- 3.2. A number of Councils across Scotland have already put in place Construction Charters including North Ayrshire, West Dunbartonshire, Inverclyde, North Lanarkshire, Aberdeen City and Fife. Most have developed bespoke charters based on their own circumstances.
- 3.3. At the meeting of South Lanarkshire Council on 27 June 2018 it was agreed that officers would develop a South Lanarkshire Council Construction Charter which would then be submitted to a future meeting of the Executive Committee for consideration and agreement.
- 3.4. The Council currently procures a range of construction projects for housing, general services and roads infrastructure.
- 3.5. Within current tenders there is a section entitled Fair Working Practices. This section seeks to encourage bidders to ensure fair working practices are adopted as part of a fair and equitable employment and reward package. The purpose of this approach is to:
 - support the living wage

- support learning and development
- support stable employment
- provide flexible working
- promoting equality of opportunity
- support progressive workforce engagement (for example Trade Union recognition where possible)

In tender evaluations this section is given a weighting with the bids scored based on an evaluation of their submission and is designed to incentivise bidders to offer good employment conditions for employees.

4. Construction Charter

4.1. The proposed Charter (provided at Appendix 1) is broken down into 6 main headings covering:

- Health and Safety
- Employment Standards
- Pay and Benefits
- Employment Rights
- Responsible Sourcing

4.2. Health and Safety

4.2.1. This section highlights the importance of health and safety for all workers by expecting all contractors to ensure regulations and standards are rigorously implemented and adhered to.

4.2.2. Within South Lanarkshire Council tenders, health and safety requirements are clearly set out for bidders with the Health and Safety Executive having a legislative role in ensuring legal requirements are adhered to.

4.3. Employment Standards

4.3.1. South Lanarkshire Council expects contractors to be able to demonstrate the skill level of their employees, comply with the employment and skills requirements set out in tender documents, promote apprenticeships and to prioritise employment, training and skills initiatives in hard to reach and under-represented groups. In addition, the Council expects contractors to work together to support the promotion of opportunities in education and training.

4.4. Pay and Benefits

4.4.1. The Charter highlights that the Council is a living wage employer and will encourage contractors to adhere to that policy. It should be noted that the Council cannot insist on the payment of the living wage in any tender.

4.4.2. The Charter also expects employees to have access to a range of employment benefits including paid holidays, sickness benefit scheme, a pension scheme, accident compensation and death in service benefits.

4.5. Employment Rights

4.5.1. This section highlights the role Trade Unions play in creating a safe and productive worksite and in developing good industrial relations.

4.5.2. The Charter also recognises a range of priorities that contractors can deliver including promotion of the benefits of belonging to a trade union, recognising the role of on-site shop stewards, providing equality and opportunity for all and certifying that they have not engaged in the practice of blacklisting workers.

4.6. Responsible Sourcing

- 4.6.1. The Council supports the Get Britain Building campaign and looks to maximise the building materials that are covered by BES6001 Responsible Sourcing of Construction Products Certificate.

4.7. Community Benefits

- 4.7.1. This section of the Charter seeks to encourage the generation of local community benefits, in particular local jobs and apprenticeships.
- 4.7.2. The Charter refers to the NPD (non-profit distributing) model and HUBCOS. South Lanarkshire Council has not used the NPD model for infrastructure projects but does intend to use HUBCOS for the delivery of new housing. For information, the Scotland-wide hub programme is based on a partnership between the public and private sectors to deliver new community facilities that are built by five hub companies in Scotland.
- 4.7.3. South Lanarkshire Council already monitors the receipt of community benefits from construction projects with many required to be provided through the requirements of the Construction Industry Training Board where the level of community benefits is determined by the contract value.
- 4.8. The existing Fair Working Practices section included in tenders would be updated to include appropriate content from and reference to the South Lanarkshire Construction Charter. This would allow bidders the opportunity to demonstrate in their bid how their employment practices support the aims of the Charter.
- 4.9. It should be noted that the principles of the charter will only be enforceable to the extent permitted by law.

5. Employee Implications

- 5.1. None.

6. Financial Implications

- 6.1. There are currently no financial implications identified. The adoption of the charter will be managed through the proactive management of construction contracts.

7. Other Implications

- 7.1. The risks associated with the adoption of the Charter are considered low. The Council's current approach to encouraging Fair Working Practices compliments many aspects of the Charter.

8. Equalities Impact Assessment and Consultation Arrangements

- 8.1. There is no requirement to carry out an impact assessment in terms of the proposals within this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

Daniel Lowe

Executive Director (Housing and Technical Resources)

Michael McGlynn

Executive Director, (Community & Enterprise Resources)

19 July 2018

Link(s) to Council Values/Objectives

- ◆ Accountable, effective, efficient and transparent
- ◆ Ambitious, self aware and improving
- ◆ Focused on people and their needs

Previous References

- ◆ None

List of Background Papers

- ◆ None

Contact for Further Information

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

Craig Fergusson, Head of Finance (Transactions)

Ext: 4951 (Tel: 01698 454951)

E-mail: craig.fergusson@southlanarkshire.gov.uk

South Lanarkshire Council Construction Charter

As a Local Authority we either directly procure, or are the planning authority, for a multitude of construction projects. It is our intention to promote and support positive workforce practices involving “**Direct Employment**” on all construction projects which we procure. We expect all construction companies who secure contracts on these projects within our boundaries to comply fully with this charter.

Health and Safety

The health and safety of all workers is paramount. We expect all contractors to ensure that:

- Health and safety regulations and standards are rigorously implemented and adhered to;
- Welfare facilities for construction workers are appropriate for the 21st century, including reasonable standards for toilets, amenities and drying facilities in accordance with the Construction, Design and Management Regulations 2015.

Employment Standards

We require the highest standards of project delivery in order to ensure that South Lanarkshire people’s aspirations are met and the projects serve our communities well in the years to come. We are also mindful of the projected skills shortage across the sector and wish the industry to train the next generation of skilled workers for the future. We therefore encourage, and will require where appropriate, all contractors to:

- Be able to demonstrate the skill level of their employees on the project by ensuring appropriate checks are carried out by contractors;
- Comply with the employment and skills requirements set out in our tender documents, promoting and encouraging full apprenticeships;
- Prioritise hard to reach and under-represented groups in employment, training and skills initiatives;
- Work with us to support initiatives aimed at promoting and improving opportunities in education and training of employers and employees engaged on all construction projects within our authority.

Pay and Benefits

This Council is a Living Wage employer and will encourage all construction companies working on its contracts to adhere to that policy.

Where workers are not directly connected to industry collective agreements then the living wage is a minimum standard and we will promote and encourage that those companies are registered with the Scottish Living Wage Accreditation Initiative.

We also expect that all employees, and encourage that all workers, should have access to:

- Paid holiday,
- A sickness benefit scheme,
- A pension scheme,
- Accident compensation,
- Death in service benefits.

Employment Rights

This Council expects direct employment by contractors and sub-contractors on a PAYE Class 1 National Insurance basis.

We believe that Trade Unions play an important role in creating a safe and productive worksite and developing good industrial relations. We therefore expect our contractors, within the context of the contract let, to:

- Employ workers under recognised industry collective agreements as set out in SJIB, SNIJB, BESA, CIJC.NAECI and TICA or other EU equivalent;
- Promote the benefits of belonging to a recognised Trade Union;
- Recognise on-site Shop Stewards as having an important role to play in achieving and promoting good industrial relations;
- Ensure that the Trade Union has input into the development of Health and Safety policy (to ensure members' priorities are reflected);
- Actively promote the election of Health and Safety representatives and support their role in helping to ensure a safe site;
- Provide equality and opportunity for all
- Be able to certify that they have not engaged in the practice of blacklisting workers for any reason.

Responsible Sourcing

This Council also supports the Get Britain Building campaign which is aimed at supporting and sustaining the construction industry in Great Britain. Consequently, we seek to maximise the building materials used on Council construction projects that are covered by BES6001 Responsible Sourcing of Construction Products Certificate or equivalent.

Community Benefits

The Non Profit Distributing (NPD) programme, alternatively known as HUBCOs, must include local community benefits, in particular local jobs and apprenticeships, and help local SME's develop the capacity to take on those infrastructural projects. The Scottish Government should work with relevant bodies to produce strong and clear guidelines on Community Benefit Clauses for externally awarded contracts through HUBCOs and that those contracts uphold the working practices contained herein.

South Lanarkshire Council looks forward to working with contractors to help support the aims set out in this Charter.

Report to:	Executive Committee
Date:	15 August 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Menopause Policy
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1. Purpose of Report

1.1. The purpose of the report is to:-

- Update the Committee on the development of a Menopause Policy and seek its approval.

2. Recommendation(s)

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

(1) that the Menopause Policy is agreed and launched to Council employees on World Menopause Day, 18 October 2018.

3. Support for change

3.1. A wide range of organisations have been reporting the need for greater guidance on personal and professional issues faced by women relating to the menopause. These include the Government, NHS employers, health professional organisations such as the Royal College of Nursing, the Chartered Institute of Personnel and Development and many trade union organisations. It is a health issue which will affect all women.

3.2. The Trades Union Congress report, 'Age Immaterial, Women over 50 in the Workplace', has recommended that employers do more to ensure that specific health and safety concerns relating to older women are well managed in the workplace. With this in mind they have also issued a guidance note: 'Supporting Women through the Menopause' which they believe will help union representatives to support members with issues around the menopause.

Through the Council's partnership working arrangements the trade unions have supported the need for the development of a Menopause Policy.

3.3. A report produced for the Department of Work and Pensions, 'A New Vision for Older Workers: Retain, Retrain, Recruit', specifically recommends that employers make provision and ensure support for older women who are going through the menopause. The report also recommends that the Government consider funding for research into menopause symptom alleviation and management, as too many older women are left to cope on their own, without support or understanding from colleagues and managers. This should not be a 'taboo' issue any longer, it is a health issue like any other, but it only affects women.

4. Background to Policy

- 4.1. South Lanarkshire Council is committed to ensuring that all individuals are treated fairly and with dignity and respect in their working environment. The Council is committed to improving the well-being of its employees and as an employer has a duty to manage related issues effectively.
- 4.2. The menopause is a natural part of ageing that usually occurs between 45 and 55 years of age, as a woman's oestrogen levels decline. In the UK, the average age for a woman to reach the menopause is 51. However, around 1 in 100 women experience the menopause before 40 years of age.
- 4.3. Many organisations have introduced a Menopause Policy in order to ensure employees know their employer has a positive attitude to the issue and that it is not something women should feel embarrassed about discussing. In addition requests to consider establishing a policy to support employees have been made by both local and national trade unions and elected members. The NHS and STUC both have guidance available around policy content.
- 4.4. It is important that the Council understands the difficulties and anxieties which are faced by women going through this change and that it manages these issues by raising awareness, and providing training and development for all line managers.

5. Menopause Policy (Appendix 1)

- 5.1. The policy is consistent with available guidance and aims to:-
 - Ensure all line managers have been trained to understand how the menopause can affect their employees at work, enabling them to provide guidance and support to those affected and ensure adjustments that may be necessary to support those women who are experiencing the menopause, are provided.
 - All women in the workplace are given information on how they can get support for any issues that arise as a result of the menopause, creating a confidence in the employee to raise issues about their symptoms and ask for the adjustments they require.
 - Promote guidance for those affected indirectly, for example colleagues and partners.

6. Employee Implications

- 6.1. The Council's workforce is made up of 11035 women, 68% of those are over 40 years of age. The Policy will provide support to these employees and guidance for line managers, in supporting individuals who may be experiencing the symptoms of the menopause.

7. Next Steps

- 7.1. If approved, the Menopause Policy will be launched and communicated to all employees by Personnel Circular, Management Bulletin and featured on the Council's intranet page.
- 7.2. Additionally, a joint launch event will be arranged for employees and line managers, in conjunction with our trade union partners, to coincide with World Menopause Day on 18 October 2018.

8. Financial Implications

- 8.1. There are no financial implications in terms of this report.

9. Other Implications

- 9.1. The introduction of a Menopause Policy will support line managers in considering reasonable adjustments were necessary and allow employees to remain at work where previously they may have reported absent.
- 9.2. There are no risks or implications for sustainability in terms of the information contained within this report.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. The Menopause Policy will positively impact on the female workforce with supports being introduced. Male employees may be affected as a result of their partner and the impact assessment recognises the supports contained in the policy for such instances.
- 10.2. The Menopause Policy has been developed in partnership and agreed with the Joint Trade Union Executive.

Paul Manning

Executive Director (Finance and Corporate Resources)

14 July 2018

Link(s) to Council Objectives/Improvement Themes/Values

- ◆ Excellent Employer
- ◆ People Focused

Previous References

none

Contact for Further Information

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

Kay McVeigh, Head of Personnel

Ext: 4330 (Tel: 01698 454330)

E-mail: kay.mcveigh@southlanarkshire.gov.uk

Finance and Corporate Resources

Personnel Services

Menopause Policy

Prepared by: Finance and Corporate Resources, Personnel Services
Date Prepared: 24 January 2017

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1. Introduction

South Lanarkshire Council is committed to ensuring that all individuals are treated fairly and with dignity and respect in their working environment.

South Lanarkshire Council is also committed to improving the well-being of its people. As an employer the Council has a duty to manage related issues effectively.

In this regard, the Council will provide appropriate support to women who are experiencing symptoms associated with the menopause, whilst supporting line managers by providing guidance.

It is important that the Council understands the difficulties and anxieties of women currently going through this change and that we manage this issue by raising awareness, and providing training and development for all line management and colleagues.

2. Aims

- 2.1. The aim of the policy and supporting guidance is to make managers aware of menopause related issues and how they can affect their employees by;
 - 2.1.1. Creating an environment where women feel confident enough to raise issues about their symptoms and ask for adjustments at work.
 - 2.1.2. Promoting the guidance which will provide direction and clarity on how to support women who raise menopause related issues, either for individuals experiencing this or those who are affected indirectly, for example, line managers, partners and colleagues.
 - 2.1.3. Informing managers about the potential symptoms of menopause, what the consequences can be and what they can do to support women at work.
 - 2.1.4. Reduce absenteeism due to menopausal symptoms.

3. Scope

- 3.1. This policy applies to all employees of the Council.

4. Definitions

- 4.1. **Menopause** is defined as a biological stage in a woman's life that occurs when she stops menstruating, and reaches the end of her natural reproductive life. The menopause is sometimes known as the 'change of life' and it is defined as having occurred when a woman has not had a period for twelve consecutive months (for women reaching menopause naturally). The average age for a woman to reach menopause is 51, however, it can be earlier or later than this due to surgery, illness or other reasons. As a result of these hormonal changes, many women experience both physical and emotional symptoms.
- 4.2. **Peri-menopause** is the time leading up to menopause when a woman may experience changes, such as irregular periods or other menopausal symptoms. This can be years before menopause.
- 4.3. **Post-menopause** is the time after menopause has occurred, starting when a woman has not had a period for twelve consecutive months.

5. Symptoms of Menopause

- 5.1. Whilst 75% of women do experience some symptoms, and 25% could be classed as severe, it is important to note that not every woman will notice every symptom, or even need help or support.
- 5.2. Symptoms can manifest both physically and psychologically including, hot flushes, sweats, poor concentration, insomnia, headaches, panic attacks, heavy/light periods, anxiety, and loss of confidence. Some women also experience difficulty sleeping.

6. Roles and Responsibilities

6.1 Employees:

- 6.1.1. All employees are responsible for:
- Taking personal responsibility to look after their health;
 - Being open and honest in conversations with line managers
 - If a member of staff feels unable to speak to their line manager they can speak to Employee Support, Personnel Services, or their Union
 - Being willing to help and support their colleagues

6.2. Line Managers (see Appendix 1 for Managers' Guidance)

- 6.2.1. All line managers should:
- Familiarise themselves with the Menopause Policy and Guidance;
 - Be ready and willing to have open discussions about menopause, appreciating the personal nature of the conversation, and treating the discussion sensitively and professionally;
 - Use the guidance in Appendices 1a and 1b, signposting and reviewing together, before agreeing with the individual how best they can be supported, and any adjustments required;
 - Record adjustments agreed, and actions to be implemented;
 - Ensure ongoing conversations take place and set review dates;
 - Ensure that all agreed adjustments are adhered to.

Where adjustments are unsuccessful, or if symptoms are proving more problematic, the Line Manager may:

- Discuss a referral to Occupational Health for further advice;
- Refer the employee to the Occupational Health Adviser;
- Review Occupational Health advice, and implement any recommendations, where reasonably practical;
- Update the Confidential Discussion Template (Appendix 1b), and continue to review.

6.3. Personnel Services

- 6.3.1. Personnel Services will:
- Offer guidance to managers on the interpretation of this Policy and Guidance
 - Monitor and evaluate the effectiveness of this policy in respect of related absence levels and performance
 - Process referrals to Occupational Health Services

7. Links to other policies/documents

This policy is linked to:

- Dignity at Work;
- Maximising Attendance Policy
- Flexible Working Policy

8. Appendices

- Appendix 1 – Managers' Guidance for Discussions with Employees;
- Appendix 1a – Confidential Discussion Template;

9. Further Sources of Information/Support and External Links

- All employees can access counselling in the following ways;

Through the Employee Counselling Service 'Time for Talking' by simply phoning 0800 970 3980. All calls are free and available 24 hours, 7 days a week throughout the year or by emailing admin@timefortalking.co.uk with the following information;

- Your name
- That you are an employee of South Lanarkshire Council
- A contact telephone number
- Confirming if it is ok, or not, to leave a message on that number if you are unable to answer the phone.

Alternatively you can ask your line manager, who will request an appointment to be arranged for you through the Council's Employee Support Team on your behalf.

By contacting the Employee Support Team confidentially yourself on 01698 455017

- <https://www.nhs.uk/conditions/menopause>
- <http://menopausematters.co.uk>
- <https://www.womens-health-concern.org/help-and-advice/factsheets/menopause>

Appendix 1

Managers' Guidance for colleague discussions

We recognise that every woman is different, and it is, therefore, not feasible to set out a structured set of specific guidelines.

If an employee wishes to speak about their symptoms, or just to talk about how they are feeling (they may not recognise themselves that they are symptomatic), or if a male employee wishes to speak about a family member, please ensure that you:

- Allow adequate time to have the conversation;
- Find an appropriate room to preserve confidentiality;
- Encourage them to speak openly and honestly;
- Suggest ways in which they can be supported (see symptoms below) – hand out the Menopause Advice Sheet (Appendix 2);
- Agree actions, and how to implement them (you should use the template at Appendix 1a to record the meeting), so that all parties agree what has been discussed, and the next steps, before the meeting ends. Ensure that this record is treated as confidential, and is stored securely.
- Agree if other members of the team should be informed, and by whom;
- Ensure that designated time is allowed for a follow up meeting.

Symptoms Support

Symptoms can manifest both physically and psychologically, including, but not exhaustively or exclusively; support for women should be considered as detailed below:

Hot Flashes

- Request temperature control for their work area, such as a fan on their desk (where possible a USB connected desk fan to ensure environmentally friendly) or moving near a window, or away from a heat source;
- Easy access to drinking water;
- Be allowed to adapt prescribed uniform, such as by removing a jacket;
- Have access to a rest room for breaks if their work involves long periods of standing or sitting, or a quiet area if they need to manage a severe flush.

Heavy / Light Periods

- Have access to toilet facilities;
- Request an extra uniform.

Headaches

- Have ease of access to fresh drinking water;
- Offer a quiet space to work;
- Have time out to take medication if needed.

Difficulty Sleeping

- Ask to be considered for flexible working, particularly when suffering from a lack of sleep.

Low Mood

- Agree time out from others, when required, without needing to ask for permission;

- Identify a 'time out space' to be able to go to 'clear their head';
- Refer to the Employee Assistance Programme for further support and guidance via http://intranet.southlanarkshire.gov.uk/info/20061/employee_assistance_programme
http://intranet.southlanarkshire.gov.uk/download/downloads/id/4255/employee_assistance_programme_leaflet.pdf

Loss of Confidence

- Ensure there are regular Personal Development Discussions;
- Have time with their manager to discuss any issues;
- Have agreed protected time to catch up with work following discussions.

Poor Concentration

- Discuss if there are times of the day when concentration is better or worse, and adjust working pattern/practice accordingly;
- Review task allocation and workload;
- Offer quiet space to work;
- Have agreements in place in an open office that an individual is having 'protected time', so that they are not disturbed;
- Have agreed protected time to catch up with work.

Anxiety

- Promote counselling services provided by Employee Counselling Service;
- Be able to have time away from their work to undertake relaxation techniques;
- Undertake mindfulness activities such as breathing exercises, or going for a walk.

Panic Attacks

- Agree time out from others, when required, without needing to ask for permission;
- Be able to have time away from their work to undertake relaxation techniques;
- Undertake mindfulness activities such as breathing exercises, or going for a walk.

Discuss whether the member of staff has visited their GP. Depending on the discussion, this may be the next step suggested, particularly if the areas of difficulty are sleeping, panic attacks or anxiety.

If they have visited their GP, and are being supported by them, it may be helpful at this point to make an Occupational Health referral to give specific advice regarding the workplace.

Appendix 1a

Confidential Colleague Discussion – Template

Employee's Name		Job Title	
Resource/Service Area		Location of Work	

Line Managers Name and Position:	
Date of discussion:	

Summary of Discussion:

--

Agreed Actions/Adjustments:

--

Date of next review meeting

Signed (Member of staff)

Signed (Manager)

Report

11

Report to: **Executive Committee**
 Date of Meeting: **15 August 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Balloon and Sky Lantern Release Policy**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ Seek approval for a Policy prohibiting the intentional release of helium filled balloons and /or sky lanterns on South Lanarkshire Council owned land and property and at events endorsed or supported by the Council or licensed by the Council as Licensing Authority, including those on non-Council land.

2. Recommendation(s)

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

- (1) that the policy prohibiting the intentional release of helium filled balloons and/or sky lanterns from all South Lanarkshire Council owned land and property attached as Appendix 1 to the report be approved;
- (2) that steps be taken to raise awareness of the environmental consequences of balloon and sky lantern release and alternatives be promoted via the Council website and in guidance notes accompanying public entertainment licence applications; and
- (3) that the Licensing Committee be asked to consider adding a condition prohibiting the release of helium filled balloons and/or sky lanterns to all public entertainment and temporary public entertainment licences granted by South Lanarkshire Council as Licensing Authority.

3. Background

- 3.1. The mass release of helium latex balloons and sky lanterns have increased in recent years. These balloons and sky lanterns pose hazards to wildlife and livestock causing injury and death. Lanterns can also cause injury to humans, and damage to buildings.
- 3.2. Under section 87 of the Environmental Protection Act 1990, it is an offence to throw down, drop or otherwise deposit, and then leave, litter in a public open place. Local Authorities have the ability to enforce this Act with fixed penalty notices and have a responsibility to keep public open spaces free from litter.
- 3.3. More than seventy local authorities in the United Kingdom now have balloon and/or sky lantern release policies including, in Scotland, Angus, Aberdeen City, Aberdeenshire, Dundee City, East Lothian, Falkirk, Fife, Highland, Orkney Islands, Perth and Kinross, and Shetland Islands. Regional Authorities in Canada, USA and Australia have banned balloon releases and sky lantern releases are banned in Australia, Malta, Vietnam, Spain and most parts of Germany.

- 3.4 Keep Scotland Tidy, the National Farmers Union Scotland, the Royal National Lifeboat Institution, the Royal Society for the Protection of Birds, and the Royal Society for the Prevention of Cruelty to Animals and the Marine Conservation Authority all support and call for bans.

4. Policy

- 4.1. A Policy Statement has been prepared and attached at Appendix 1 for approval detailing the issues, alternatives, support from other local authorities and organisations and how South Lanarkshire Council can comply with the Policy.
- 4.2 The policy is designed to prohibit the intentional release of helium balloons and sky lanterns into the general environment; air, land and water. It covers all intentional balloon and lantern releases on South Lanarkshire Council owned land and property and at events supported financially or otherwise by South Lanarkshire Council including those events not on Council owned land.
- 4.3 Public awareness of the environmental consequences of balloon and sky lantern release and alternatives will be promoted on the Council website, social media, and in guidance notes produced to accompany applications for public entertainment licences and temporary public entertainment licences.
- 4.4. In addition, it is intended that the Licensing Committee is asked to consider attaching the following condition to all public entertainment and temporary public entertainment licences granted by South Lanarkshire Council as Licensing Authority, with the exception of the Strathaven Balloon festival and similar, namely that:-
- ◆ It is a condition of the grant of this licence that use of helium filled balloons and sky lanterns at such an event covered by this licence is prohibited.

5. Employee Implications

- 5.1. None.

6. Financial Implications

- 6.1. None.

7. Other Implications

- 7.1. The Policy would demonstrate the Council's commitment to its duties under the Environmental Protection Act 1990, the Climate Change (Scotland) Act 2009 and other environmental legislation.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. There is no requirement to carry out an impact assessment in terms of the proposals contained within this report.
- 8.2. Since it is not proposed that the condition be attached to applications for large scale events such as the Strathaven Balloon Festival and similar events, no consultation is required.

Paul Manning
Executive Director (Finance and Corporate Resources)

19 July 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Make communities safer, stronger and sustainable

Previous References

- ◆ None

List of Background Papers

- ◆ None

Contact for Further Information

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

Geraldine McCann, Head of Administration and Legal Services

Ext: 4658 (Tel: 01698 454658)

E-mail: geraldine.mccann@southlanarkshire.gov.uk

POLICY ON BALLOON AND SKY LANTERN RELEASES

1. Introduction

- 1.1 The release of helium filled balloons and sky lanterns has increased in recent years. These balloons and lanterns pose hazards to wildlife and livestock and can cause injury and death. Lanterns can also cause injury to humans, damage to buildings and cause callouts to the fire service and hazards to Civil Aviation.
- 1.2 Under Section 87 of the Environmental Protection Act 1990 (“the EPA”) it is an offence to throw down, drop or otherwise deposit, and then leave, litter in an area which is open to the air and to which the public has access. Local authorities have a statutory duty to enforce the EPA with fixed penalty notices and have a responsibility to keep public open spaces free from litter.
- 1.3 This policy sets out the main hazards posed by these releases. Within this policy the term “release” refers to the intentional act of releasing a lantern or the release of balloons into the general environment.
- 1.4 This policy covers all intentional balloon and lantern releases on South Lanarkshire Council owned land and property and at events supported, financially or otherwise, by South Lanarkshire Council including those not on Council owned land. For events licensed by South Lanarkshire Council licensees will be required to comply fully with the EPA or such other legislation as may then apply.
- 1.5 Within this policy the term “balloon” refers to any inflatable flexible bag filled with gas, such as helium, hydrogen, nitrous oxide, oxygen or hot air made from materials such as rubber, latex, natural latex, paper, polychloroprene, foil, mylar or a nylon fabric. This includes all biodegradable balloons.
- 1.6 The policy is designed to prohibit the intentional release of helium balloons and sky lanterns into the general environment; air, land and water.
- 1.7 As sky lanterns include a naked flame there is an increased risk of damage resulting from their release and, consequently, the policy prohibits the release of even single lanterns.

2. Balloons

- 2.1 Once a balloon has been released it can rise to a height of 5 miles where the pressure and the temperature cause the balloon to undergo brittle fracture. The balloon pieces then float back down but 5-10% do not burst, and float back down whole and partially deflated. Latex balloons are often cited to “degrade as fast as an oak leaf”, which is reported as 6 months. However they can cause significant harm to wildlife and livestock in these six months by entanglement and choking, and take considerably longer to degrade in the marine environment.
- 2.2 Balloons can also cause a choking hazard for livestock as the pieces of balloon, ribbon, string and plastic holder cups fall into grazing fields or fields of hay or straw which are subsequently made into silage.

3. Lanterns

- 3.1. "Sky" lanterns are made of thin paper held by a wire or bamboo frame and lifted by heat from a naked flame. The definition includes degradable and biodegradable forms. Lanterns pose similar choking threats to wildlife and livestock as balloons.
- 3.2 Lanterns pose a fire hazard to dry standing crops, stacks of hay or straw, forestry and farm buildings, thatched cottages and other buildings.

4. Policy Actions

- 4.1. All balloon and lantern releases on Council owned land and property; and at events endorsed or supported by the Council, including those on non-Council land, are prohibited.
- 4.2. South Lanarkshire Council will raise awareness of the economic and environmental consequences of balloon and Chinese/sky lantern releases and promote alternatives. It is hoped that publicising this policy will also lead to a reduction in smaller scale private releases, as the public become more aware of the dangers they pose.
- 4.3. It is the responsibility of all Council Services, including its arm's length external organisation, to comply with, implement and enforce this policy as appropriate to their Service or Organisation.
- 4.5 The ban of the release of sky lanterns and mass release of helium balloons will be incorporated into appropriate license agreements, letting conditions and local park and building management rules.
- 4.6 It should be noted that this policy is intended to prohibit the intentional release of sky lanterns and helium balloons such as the mass release of balloons at events. The council recognises that there may be instances where single helium balloons will be accidentally released into the environment such as may happen at children's parties.
- 4.7 This policy will be regularly reviewed to ensure that it remains fit for purpose.

5. Alternatives

- 5.1 Balloon, lantern and similar releases are popular means of fundraising, commemoration and celebration. However there are a number of viable alternatives that do not present the same negative outcomes.
- 5.2. These include but are not limited to:
 - 5.2.1 Planting in remembrance- planting a tree or garden benefits the environment as well as providing a memorial which can be visited for many years.
 - 5.2.2 Flower water release- release of flowers or petals encapsulates a similar sense of farewell without the negative consequences, assuming the flowers are native and an appropriate quantity released.
 - 5.2.3 Balloon Sculptures
- 5.3 More alternatives are provided by the Balloons Blow, RSPB and the Marine Conservation Society

6. Communication

- 6.1 The environmental consequences of balloon and sky lantern release will be highlighted and alternatives promoted on the Council website, in social media and in guidance notes

included in application packs for public entertainment licences including temporary licences and events.

Report

12

Report to:	Executive Committee
Date of Meeting:	15 August 2018
Report by:	Executive Director (Education Resources)

Subject:	Early Learning and Childcare 1140 Hours Update - Accommodation Requirements
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide an update on the preparation for 1140 hours of early learning and childcare in respect of accommodation requirements; and
- ♦ outline the next steps in preparing for the implementation of 1140 hours by August 2020.

2. Recommendation(s)

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

- (1) that the work undertaken to review the Council position be noted;
- (2) that the projects to be progressed under phase 1 of a capital programme of works, as detailed in the report, be approved; and
- (3) that a further update be provided to the Committee prior to future phased implementation.

3. Background

3.1. In June 2015 the Scottish Government announced its commitment to increase the number of hours of free early learning and childcare. This was followed by the publication of planning guidance for Local Authorities in March 2017. This guidance sets out the Scottish Government's vision for an expansion that will almost double entitlement to free early learning and childcare from 600 to 1140 hours per year by 2020 for all 3 and 4 year olds and eligible 2 year olds. That vision is underpinned by clear guiding principles of quality, flexibility, accessibility and affordability.

3.2. The Council worked with the Scottish Government to refine its planning assumptions and methodology used to determine the number of additional nursery places required to meet the 1140 hours nursery provision. This included reviewing the utilisation level of nurseries, the partner uptake rates and potential impact of the introduction of the national Space to Grow Strategy. In addition, the Council undertook its own early year's population estimates using more current information which differed from that of the

Scottish Government's calculation which was based on the National Records of Scotland (2014) population estimates.

- 3.3. This led to an assessment of the extra accommodation requirements and associated estimated costs. On the 6 March 2018 information was submitted to the Scottish Government which identified the need for 7 new builds, 6 refurbishments/extensions and 17 space to grow projects, plus planning for the provision of hot food, at a total estimated cost of £32.24 million.
- 3.4. On 1 May 2018, the Council were advised of a capital funding allocation of £19.24 million being made available from 2017/2018 – 2020/2021, inclusive of the £1.74 million already confirmed in 2017/2018 to allow preparatory planning to begin. This has resulted in an overall shortfall in funding of £13 million from the £32.24 million requested.
- 3.5. Consequently, there has been a focus on how to ensure the delivery of adequate and appropriate early years accommodation to support the 1140 hours implementation while trying to close the funding gap of £13 million.

4. Options to close the capital funding gap

- 4.1. Since the announcement on the lower than requested level of capital funding, the Council has been reviewing options. Below is information on the updated position.
- 4.2. **Current Capacity of the school estate**
The Council's school modernisation programme already efficiently revised the accommodation requirements across the whole estate. In addition, some existing capacity that remained for future growth has since been reduced due to e.g. the expansion of nursery provision to 600 hours in 2014, provision for 2-3 year olds in families seeking work in 2015 and to support the growth in the additional support needs sector (ASN).
- 4.3. A further review was undertaken and while there may be some schools where there is currently spare accommodation, it does not sit in the area of need or may produce capacity issues for the primary pupil intake in later years if used for 1140 hours in August 2020. The requirement to use this space for 1140 hours in order to save on capital spend between now and August 2020 will become clearer once the physical requirements to support the space to grow strategy are known (see section 4.6 later in the report).
- 4.4. **Other properties in Council ownership**
Previous enquiries as to any surplus land or buildings identified no suitable accommodation in the areas required.
- 4.5. Over the last few months Education Resources has been reviewing any further land or properties which have since or are soon to become available. Consideration has also given to property in private ownership which could potentially be bought, leased or rented. Most of these reviews concluded that the site was unsuitable due to size or location, however some options e.g. in

the East Kilbride area are currently still under consideration which may reduce the requirement for new builds.

4.6 Space to Grow Strategy

This national initiative allows for extra nursery capacity as a result of making more regular and better use of outside space as places of learning. This potentially could be a relatively less expensive option and reduce the need for extensions or the size of new builds while still providing high quality outdoor play opportunities for children.

4.7. The Care Inspectorate guidance 'Space to Grow' allows for the consideration of up to a maximum additional 20% to be added to the capacity of the nursery if it meets the registration requirements. Audits are on-going across all local authority nurseries and some accommodation modifications will be required. Our original plan identified those nurseries where outside space is of an appropriate size, the environment enables children to explore and benefit from a range of learning experiences and the additional places generated was large enough to still make it staff efficient in terms of revenue costs.

4.8. We are currently engaged with the Care Inspectorate in taking this development forward, however we are still in the process of confirming and agreeing the exact requirements for our nurseries in terms of available outdoor space, the external learning environment, the ease of access to and from the nursery building, the provision of a shelter and toilet access. Depending on the outcome we need to be flexible in being able to adjust our existing plans accordingly.

4.9. New Build Nurseries

The Council's commitment to the school modernisation programme has produced a high quality, modernised school and nursery estate. It enhances learning and teaching, with our children and young people also experiencing a better physical environment, taking pride in their school and nurturing a positive sense of community.

4.10. The shortfall in funding relates to the estimated costs of new build nurseries and is due to two main factors shown below. A review has been undertaken to understand the main differences between the two models.

Model	Space per child	Estimate Cost per m²
Scottish Government 'exemplar' model	5.8m ²	£3,000 per m ²
SLC space standard & building specification	7.0m ²	£4,520 per m ²

4.11. The findings from the review have concluded that, in our opinion, in terms of space the proposed national model would produce a lower quality nursery provision. Some examples of differing space specifications include consideration of ASN requirements, adequate space for eating, storage and

space for loose play equipment to allow for a modern nursery providing the breadth of curriculum required. However, we will seek to reduce space requirements where possible in our designs/specification for any new builds, e.g. productions kitchens, as long as this does not compromise on the quality of nursery provision currently provided in all other establishments.

- 4.12. In terms of the estimated rate for construction costs, the difference is due to our quality of specification. The exemplar model for early years developed by the Scottish Government excludes items such as e.g. abnormal ground conditions and fire suppression systems as well as other safety aspects such as controlled entry and CCTV, all of which we would consider essential in a building being used for this purpose. Given the experience that the Council has in constructing early years facilities, it is considered a challenge that the reference design costs of £3,000 per m² can be achieved, however, there will be some savings that can be made through a change to the specification of certain building elements e.g. roof design . Although these changes will reduce capital costs now, they may place additional, or earlier, burdens onto repair budgets in the future.
- 4.13. After the announcement of the multi-year funding allocations to 2021/2022 and the concerns expressed by some councils, COSLA agreed to gather information on the current position in relation to threats/risks to 1140 expansion delivery, particularly in the context of funding. This process is designed to help pinpoint specific issues with a view to working in partnership with the Scottish Government to better understand the issues. Senior council officers continue to participate in this process.
- 4.14. **Review of parental expectations**
Our plans are firmly based on the needs of our youngest children and their families built on the outcomes of a full and wide ranging consultation strategy implemented from 2016 and still on-going named 'Together we can, and we will'. Parents confirmed that 59% wish the 1140 hours to be delivered over 38 weeks locally with 41% requesting 52 weeks with extended hours. Parents want the highest quality accessible, flexible provision for their child including the ability to purchase additional hours beyond the 1140 hours.
- 4.15. During the rollout of the 1140 hours a monitoring and evaluation process is used to assess outcomes and establish learning on what works best when considering the future full delivery models of 1140 hours. Currently, developments are in line with the consultation outcomes reflecting 59% of parents wishing term time 9-3 delivery and 41% for extended day/year provision.
- 4.16. All future planning will continue to reflect the 4 main principles of quality, flexibility, accessibility and affordability.

5. Next Steps

- 5.1. In planning for August 2020, all of the deliberations described in section 4 have led to a proposed phase 1 of a capital programme of works that would allow some projects to progress while other options are being finalised.
- 5.2. These phase 1 projects have been selected as no other suitable accommodation has been found, and even with the possibility of 'space to grow' there will still be a requirement for such works in order to meet the nursery demand in that area. Phase 1 will secure around half of the total number of nursery spaces required.

Phase 1 Capital Programme Works

Type of Work	Area	Nursery
Refurbishment	Larkhall	Larkhall Children's Centre
Refurbishment	Hamilton	St Cuthbert's Primary School
Refurbishment	Hamilton	Woodlands Nursery
New Build	Clydesdale	Carlisle area (site adjacent to Crawforddyke Primary School)
New Build	Clydesdale	Kirkmuirhill area (site of old Leisure Dome)
New Build	R/glen, C/lang and Cathkin	Newton area (site of old St Charles Primary School)

- 5.3. Some of the potential other options to be concluded in order to secure sufficient accommodation for all the nursery places required by August 2020 involve:
- ♦ continuing to work with the Care Inspectorate in order to secure additional nursery spaces under the Space to Grow strategy. The result of this will have knock on implications for other projects and the overall position will be monitored.
 - ♦ continuing to work to identify options for suitable locations within the Bothwell/Uddingston area.
 - ♦ exploring other potential options within East Kilbride which may reduce the need for new build.
- 5.4. The number of 'space to grow' nursery places approved by the Care Inspectorate will determine the number still required and lead to conclusion of the other options still being considered. A further report can then be provided to Executive Committee for consideration on a phase 2 programme of capital works.

6. Financial Implications

- 6.1. The total of these initial Phase 1 projects is in the region of £12 million and would secure around half of the number of additional places required. After deliberations on alternative options are concluded and clarity received on the Space to Grow Strategy, a further update will be provided to Executive Committee.
- 6.2. As the capital funding allocated is £19.24 million, wherever possible the Council will work to keep costs down in an effort to close the funding shortfall while continuing discussions with the Scottish Government.
- 6.3. The phase 1 capital works as listed in 5.2. makes no difference to the estimated annual revenue costs. However, other options still under consideration may have an impact on annual revenue costs e.g. if we were to lease a building, and this would have to be accounted for.

7. Employee Implications

- 7.1. In terms of the programme of works, there are no employee implications except the commitment of staff to work together to deliver the programme by August 2020.

8. Other Implications

- 8.1. There are no significant issues in terms of risk of sustainability associated with this report.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. An initial equality impact assessment has been carried out; however this will be updated when more specific information becomes available. As per the Scottish Government expansion guidance, the expansion plan will ensure consideration of the accessibility requirements of early learning and childcare.
- 9.2. Cross resources discussion, meetings and planning has taken place given the wide ranging nature of the early learning and childcare expansion requirements.
- 9.3. Consultation and engagement has taken place with a range of stakeholders and this approach will be ongoing, as required, until the 1140 hours is implemented.

Tony McDaid

Executive Director (Education Resources)

25 July 2018

Link(s) to Council Values/Objectives

- ◆ Improve achievement, raise educational attainment and support lifelong learning
- ◆ Ensure schools and other places of learning are inspirational

Previous References

- ◆ Executive Committee 16 May 2018

List of Background Papers

- ◆ None

Contact for Further Information

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

Lynn Sherry, Head of Education (Corporate Planning and Support Services)

Ext: 4475 (Tel: 01698 454475)

E-mail: lynn.sherry@southlanarkshire.gov.uk

Report

13

Report to:	Executive Committee
Date of Meeting:	15 August 2018
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Glasgow City Region City Deal – East Kilbride Community Growth Area, Outline Business Case
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ set out the Outline Business Case for the East Kilbride Community Growth Area
- ◆ advise the Committee on the next steps in developing the project

2. Recommendation(s)

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

- (1) that the Outline Business Case for the East Kilbride Community Growth Area be approved;
- (2) that the proposed next steps in developing the project be approved;
- (3) that grant funding be sought in accordance with the City Deal Grant Distribution Process outlined in the Assurance Framework in relation to preliminary costs; and
- (4) that the relevant business cases be developed with the precise arrangements

3. Background

- 3.1. The Council is 1 of 8 local authorities who, with the UK Government and the Scottish Government, are signatories to the £1.13 billion Glasgow City Region City Deal signed on 20 August 2014.
- 3.2. The City Deal initiative comprises an initial list of 20 key projects which are intended to collectively drive economic growth across the City Region.
- 3.3. The proposed East Kilbride Community Growth Area (CGA) forms part of a larger South Lanarkshire Council City Deal project which covers 4 Community Growth Areas at Newton, Larkhall, Hamilton and East Kilbride. It is one of four South Lanarkshire Council City Deal funded projects, the others being Cathkin Relief Road (complete), Greenhills Road and Stewartfield Way.
- 3.4. Governance arrangements for the City Deal initiative are defined within the associated Assurance Framework. This sets out requirements for the development of Business Cases for individual projects. The first level of business case, the Strategic Business Case, was approved for the four Community Growth Areas as a whole by the Executive Committee on 26 August 2015.
- 3.5. Each Outline Business Case for each project requires to be formally approved via the:-

- Member Authority Council
- City Deal Chief Executives' Group
- City Deal Cabinet

3.6. On 18 August 2015, the City Deal Cabinet approved Strategic Business Cases for all 4 South Lanarkshire Council City Deal Projects.

4. Current Position

4.1. Each of the four CGAs are progressing at a different rate, influenced by market conditions and developer engagement. East Kilbride CGA has been progressed to the stage that an Outline Business Case can now be produced building on the Strategic Business Case in terms of:-

- Strategic Case
- Economic Case
- Commercial Case
- Financial Case
- Management Case

The Executive Summary of the East Kilbride CGA Outline Business Case is set out in Appendix 1.

4.2. The production of the Outline Business Case is another key milestone and provides the basis for further development of the project. The approval of this Outline Business Case by the City Deal Cabinet on 14 August 2018 will be conditional on SLC Executive Committee approval being given on 15 August 2018.

4.3. It is intended that this culminates in the development and completion of a series of Full Business Cases from 2019/20, following completion of statutory processes and project tendering arrangements.

5. Employee Implications

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

6. Financial Implications

6.1. The total cost of the City Deal CGA's is expected to be £62.3million spent over a 15 year period. Project expenditure will be focussed on education, transport and community infrastructure. Over the lifetime of the CGA projects, grant totalling £53.6million (86%) is expected from City Deal with the balance of funding (14%) being met by the Council. However, consideration has also been given to how developers' contributions will fund works. This will be considered at the full business case stage for each project element contained within each of the CGA's. The projects that will form the key elements of the East Kilbride CGA are being developed in partnership with other Council Resources and will be brought forward for Committee consideration as part of the Full Business Case(s) approval process referred to in paragraph 4.3 above.

6.2. A full and robust monitoring process will be put in place following approval of projects by the City Deal Cabinet.

6.3. The City Deal Assurance Framework allows grant to be awarded at each Business Case stage (Strategic, Outline and Full) to meet the costs incurred by the Council leading up to the approval of the Full Business Case(s) and the formal award of

contracts associated with capital expenditure. Approval to incur expenditure of up to £1.3 million on the East Kilbride CGA is included in the Outline Business Case.

7. Other Implications

7.1. The City Deal Cabinet has a Risk and Issues Management Strategy to be applied across all City Deal projects. The purpose of this strategy is to provide a systematic and effective method by which risks can be consistently managed. It adopts a best practice approach, describes the specific risk management techniques and standards to be applied and the responsibilities for achieving effective risk management. The Council is required to apply this strategy across each of its City Deal projects to ensure consistency across all City Deal projects. This will be a key tool in mitigating project risks and thereby limiting our financial risk associated with our share of City Deal project costs.

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

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

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. This report does not introduce a new policy, function or strategy or recommend a significant change to an existing policy, function or strategy, and, therefore, no impact assessment is required.
- 8.2. Consultation has taken place with relevant Resources within the Council and the proposed developers.

Michael McGlynn

Executive Director (Community and Enterprise Resources)

31 July 2017

Link(s) to Council Values/Objectives

- Support the local economy by providing the right conditions for growth, improving skills and employability
- Develop a sustainable Council and communities
- Improve the quality, access and availability of housing
- Improve the road network and influence improvements in public transport
- Strengthen partnership working, community leadership and engagement

Previous References

- Executive Committee, 26 August 2015

List of Background Papers

East Kilbride Community Growth Area Outline Business Case

Contact for Further Information

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

Ken Meek, Project Manager

Ext: 5928 (Tel: 01698 455928)

E-mail: ken.meek@southlanarkshire.gov.uk

APPENDIX 1 – Executive Summary - East Kilbride Community Growth Area

- i. The East Kilbride Community Growth Area (CGA) Outline Business Case (OBC), was prepared in March 2018 reflecting guidance from the City Deal Programme Management Office on the preparation of Business Cases.
- ii. The East Kilbride CGA site is made up of 2,056 private and 294 affordable homes. In addition, a further 294 affordable homes will be delivered at another off-site location. The total scale of CGA enabled development is therefore 2,644 new homes – the total rounded value of 2,600 is taken forward consistently in this OBC document.

The Strategic Case

- iii. The OBC is for £11.6m funding – £10.0m City Deal (86%) and £1.6m SLC (14%) – to enable development of East Kilbride CGA through provision of off-site road infrastructure, investment in the local education infrastructure, and sustainable transport interventions. The project enables development of 2600 homes at East Kilbride, meeting an identified shortfall of housing across the city region. The private housebuilder will deliver follow-on investment of £200m in on-site infrastructure and housing construction, plus Section 75 contributions of £19m and additional £3.3m investment in the off-site trunk roads network.
- iv. City Deal intervention addresses market failure and delivers additionality in terms of time, scale and quality. The rationale for City Deal investment is made on the basis of the additional economic value that will be generated i.e. the difference between the intervention option (2600 homes over 12 years) and the counterfactual option (1400 homes over 19 years).
- v. The project proposal fits with, and contributes toward, a wide range of policy aspirations at the local, regional and national levels – particularly against economic, housing, planning, community and transport thematic areas. It also contributes to the priorities of the City Deal fund, creating new jobs, supporting unemployed people into work, securing Government capital funding, leveraging private sector investment, delivering additional GVA and spreading the benefits of economic growth.
- vi. The strategic aim for East Kilbride CGA is *“to secure the delivery of 2,600 new homes at an advanced market-driven development rate that will accommodate 8,500 residents and increase the sustainability of the local community. In the longer term this will support improvement in GVA in South Lanarkshire by working with housing developers to build new, high quality, affordable homes (including social housing) to meet the current South Lanarkshire needs and the demand arising from our growing and ageing population.”*
- vii. The project scope is defined in Table ES1.

CGA	Developer	City Deal/ SLC/ S75 Outputs	Follow-On Outputs
East Kilbride	CALA Homes Abbey Lynch BMJ	<ul style="list-style-type: none"> • New Jackton Primary School • Our Lady of Lourdes Primary School Extension • Calderglen Secondary School works • St Andrews & St Brides Secondary School works • Local road network upgrade • Trunk Road Network • Park & Ride at Hairmyres Rail Station • Cycle Networks 	2,600 new houses over 12 years plus trunk road network upgrades – preferred option OR 1,400 new houses over 19 years – counterfactual option

viii. The objectives of the project are to:

- Deliver the maximum 2,600 houses to meet identified shortage and need;
- Deliver education infrastructure for current and future residents;
- Deliver off-site transport improvements; and
- Generate additional economic value (jobs and GVA).

ix. SLC has adopted a robust approach to risk management – a working Risk Register has been developed (Appendix 5) and will be managed by SLC in line with City Deal Assurance Framework requirements. A range of internal/ external/ and emerging risks have been identified, but there are no significant risks for the City Deal programme.

The Economic Case

x. The economic case presents and tests a series of alternative options – including the counterfactual or ‘do nothing’ options, before a preferred solution that meets the identified needs and delivers Value for Money for the public sector.

xi. Based on a thorough review by experienced and skilled stakeholders and analysis against categories for scope, service solution, service delivery, implementation and funding, a series of five alternatives were selected/ appraised and considered against the counterfactual:

- Counterfactual – East Kilbride CGA is forecast to be completed over 19 years but with infrastructure funding limited to the £75, less efficient solutions will be delivered and the maximum site capacity is constrained at 1,400 houses, the additional voluntary developer contribution in the offsite trunk roads network will not be secured;
- Option 1 – fund the road infrastructure only / no schools – this will enable delivery of 1,400 houses and will not bring forward site completion as the capacity constraints within the school system remain and cannot be resolved in the short term as no additional funding is available;
- Option 2 – fund the school investment only / no roads – this unlocks new school capacity and brings development forward slightly for completion over 17 years, but with less off-site infrastructure, development capacity is constrained at 1,400 houses; and
- Option 3 – fund the proposed road and school infrastructure – addressing both constraints and allowing the 2500 houses to be built over 12 years and securing the additional voluntary developer contribution of £3.3m in the off-site trunk roads network.

xii. Each of the alternative options are tested using a SWOT analysis that outlines strengths, weaknesses, opportunities, threats, risks, costs, benefits (gross and net), dis-benefits, value for money, and consideration against scoring and value metrics. The approach follows HM Treasury Green Book requirements – to allow comparison between options all costs are discounted (at 3.5%) to today's values, all benefits are presented at the net level with GVA benefits discounted (at 3.5%) today's values.

xiii. The comparison between options adopts a net direct approach with the impacts of the counterfactual option deducted from the preferred solution (Option 3) to arrive at net additional. Option 3 is further tested for risk and sensitivity before it is confirmed as the preferred solution for City Deal investment at East Kilbride CGA.

- xiv. Option 3 was defined and refined to meet the needs of key partners and stakeholders, including local residents, SLC, City deal partners, housebuilders and transport bodies. Following analysis of potential funding options from public and private sector, the funding required to deliver the East Kilbride CGA project is defined as:
- City Deal £11.6m – split 86% City Deal (£10.0m) and 14% SLC (£1.6m) for off-site transport and education infrastructure;
 - Developer S75 £19.0m – as per their legal commitment in the S75 Agreement;
 - Developer – Additional Voluntary Contributions – £3.3m, dependent on CD funding; and
 - Leveraged private £200m – house building and on-site infrastructure.
- xv. Achieving success at East Kilbride (and the scale of identified benefits) is dependent on securing follow-on investment from CALA Homes (as lead developer) and their selected housebuilding partners. This is identified in, and will be monitored via, the Risk Register. CALA Homes has a long-standing commitment to development at East Kilbride and embedded self-interest in completing the CGA. In the absence of interest from the identified housebuilding partners, SLC will work with CALA to secure alternative developer(s) and achieve the target 2,600 houses built over 12 years.
- xvi. SLC will be responsible for delivering the City Deal funded off-site infrastructure – and the S75 works – with CALA Homes having responsibility for delivery of the follow-on housing investment and the additional trunk roads works. Procurement and delivery by SLC will be in line with the City Deal Assurance Framework – the Sourcing Methodology is attached at Appendix 13, with construction scheduled between 2018 and 2029.

The Financial Case

- xvii. East Kilbride is one of four sites that make up the South Lanarkshire CGA project, submitted at SBC and approved for £62.3m City Deal funding – this is the overall scheme budget, with £11.6m allocated to East Kilbride. The discounted cost of this (at 3.5%) equates to £9.8m in today's prices.
- xviii. As per the principle of the City Deal Infrastructure Fund, SLC will contribute 14% of the overall capital cost. Additional funding will be leveraged via the S75 Agreement and additional voluntary contributions (developer) and private sector funding from the housebuilders.
- xix. SLC will take on the resultant revenue responsibilities arising from operation and maintenance of the new infrastructure, equating to £3.3m per annum, nominal (largely staffing costs at the school), totalling £39m discounted cost over a 25 year period.
- xx. SLC has ultimate responsibility for cost over-runs beyond the level of financial budget/ approval for the CGAs – an allowance of 25% has been made for Optimism Bias within the costs. VAT has been treated as recoverable.
- xxi. There are no major financial risks for the City Deal Infrastructure Fund – East Kilbride CGA equates to less than 1% of the total fund budget, but financial risks have been identified in the Risk Register and will be monitored/ managed by SLC on a proactive basis.

The Management Case

- xxii. East Kilbride CGA will be managed by SLC in accordance with the standards required by the City Deal governing principles. Project roles have been assigned to Senior Responsible Officer, Project Sponsor, Project Manager and an internal Project Team.

Community and Enterprise Resources within SLC will lead the delivery of the project, ensuring alignment against other SLC CGA and Roads projects.

- xxiii. Individual project elements will be transferred to the appropriate SLC team for operational management as they complete – there has been early and ongoing liaison to ensure an effective route map is in place.
- xxiv. SLC Economic Development Services will have responsibility for the long-term monitoring and evaluation of the project benefits, including community benefits, in line with the M&E Plan, using in-house resource and supplemented by external specialist consultants as required. The economic impact model developed to appraise the gross and net benefits of the alternative options, allows for the activities to be measured and performance tracked against the forecast profile.
- xxv. The key objectives and critical success factors (as defined in the Strategic Case) have ensured that the development of the East Kilbride CGA is embedded in a holistic approach to sustainability – environmental, economic, social and community – and the financial appraisal confirms that the project is financially sustainable, albeit with a need for future (planned) investment by the private sector to deliver the new houses.

Report

14

Report to:	Executive Committee
Date of Meeting:	15 August 2018
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Glasgow City Region City Deal – Hamilton Community Growth Area - Full Business Case
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ set out the Full Business Case (FBC) for the Hamilton Community Growth Area City Deal project.
- ◆ advise Committee on the next steps in progressing the project.

2. Recommendation(s)

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

- (1) that the Hamilton Community Growth Area Full Business Case be approved; and
- (2) that grant funding be sought in accordance with the City Deal Grant Distribution Process outlined in the Assurance Framework in relation to the delivery of the project with the precise arrangements to be agreed by the City Deal Chief Executive's Group and City Deal Cabinet.

3. Background

- 3.1. The Council is 1 of 8 local authorities who, with the UK and Scottish Governments, are signatories to the £1.13 billion Glasgow City Region City Deal.
- 3.2. The City Deal is made up of a list of 20 key infrastructure projects that are intended to collectively drive economic growth across the Glasgow City Region area.
- 3.3. Community Growth Areas (CGAs) is one of four South Lanarkshire projects among the list of twenty. Hamilton Community Growth Area is one of 4 CGAs that have been combined together to form the CGA project – the other CGAs being located in Newton, Larkhall and East Kilbride.
- 3.4. The Hamilton CGA comprises a number of individual education, transport and community infrastructure sub-projects which will be delivered over a timeframe of up to 10 years which will in turn 'create' capacity to accommodate the increase in population from housebuilding of up to 1800 residential units. The Hamilton CGA is the first of these sub-projects to be brought forward to the Full Business Case stage.
- 3.5. Governance arrangements for the City Deal initiative are defined within the associated Assurance Framework. This sets out requirements for the development of Business Cases for individual projects. The first level of business case was the Strategic Business Case and this was approved by the Executive Committee on 26

August 2015 and the second level business case, the Outline Business Case, was approved by the Executive Committee on 5 October 2016.

3.6. Full Business Cases for each project requires to be formally approved via:-

- ◆ The Member Authority Committee process
- ◆ The City Deal Chief Executive's Group

The approval of this Full Business Case by the City Deal Chief Executives Group held on 02 August 2018 was conditional on SLC Executive Committee approval being given on 15 August 2018.

3.7. On 18 August 2015 the City Deal Cabinet approved Strategic Business Cases for all four of the Council's City Deal Projects and on the 18 October 2016 the Outline Business Case for Hamilton CGA was approved.

4. Current Proposal

4.1. The first Full Business Case (FBC) has now been produced for Hamilton CGA and involves the extension of Woodhead Primary School which lies adjacent to the CGA site.

4.2. The key output from this Hamilton CGA sub-project are seven new classrooms with a capacity for up to 210 pupils. The total cost of the project is £4.1 million

4.3. This FBC continues to make the case for the City Deal funding for Hamilton CGA project in terms of:-

- ◆ Strategic Fit
- ◆ Commercial Case
- ◆ Economic Case
- ◆ Financial Case
- ◆ Management Case

The Executive Summary of the FBC is contained in appendix 1

4.4. The production of the Full Business Case is the final City Deal approval milestone for this element of the Hamilton CGA project and provides details of the delivery and construction of the of the school extension.

4.5. The contractor to deliver this project has been identified via a competitive tender process. The approval of this Full Business Case will release funds to meet the costs of the construction work which will complete in August 2019.

5. Employee Implications

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

6. Financial Implications

6.1. The project budget for this Hamilton CGA sub- project is £4.1million. Project costs include professional fees, construction works, contingency and community benefit monitoring.

6.2. The City Deal funding element of the total project cost is 86% of the project cost (£3.526 million) with the Council contributing the 14% balance (0.574million).

7. Other Implications

- 7.1. Risk - The City Deal Cabinet has a Risk Management Strategy which is applied across all City Deal projects. The purpose of this Risk Management Strategy is to provide a systematic and effective method by which risks can be consistently managed. It adopts a best practice approach, describes the specific risk management techniques and standards to be applied and the responsibilities for achieving effective risk management.
- 7.2. The Council is required to apply this City Deal Risk Management Strategy across each of its City Deal projects to ensure consistency across all City Deal projects. This will be a key tool in mitigating project risks and thereby limiting our financial risk associated with the Council's 14% share of City Deal project costs. A robust monitoring system has also been put in place to ensure that 'early warnings' are provided and appropriate action taken.
- 7.3. Sustainability – The statutory processes associated with the approval of the Hamilton CGA have considered the following sustainability agenda items and are subject to monitoring and review as detailed proposals for each phase of the development progress:-
- ◆ encourage energy efficiency through the orientation and design of buildings
 - ◆ choice of materials and the use of low and zero carbon generating technologies
 - ◆ support sustainable water resource management
 - ◆ support sustainable waste management
 - ◆ consider the lifecycle of the development
 - ◆ encourage the use of sustainable and recycled materials in construction
 - ◆ support habitat connectivity
 - ◆ consider active travel and sustainable transport links

8. Equality Impact Arrangements and Consultation Arrangements

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

Michael McGlynn
Executive Director (Community and Enterprise Resources)

23 July 2018

Link(s) to Council Ambitions/Vision/Values/Objectives

- ◆ Get it right for children and young people
- ◆ Promote economic growth and tackle disadvantage
- ◆ Improve the availability, quality and access of housing
- ◆ Improve the road network, influence improvements in public transport and encourage active travel
- ◆ Work with communities and partners
- ◆ Improve achievement and attainment

Previous References

- ♦ Executive Committee, 26 August 2015 – City Deal – South Lanarkshire Council, Community Growth Areas, Strategic Business Case
- ♦ Executive Committee, 05 October 2016 – City Deal – South Lanarkshire Council Community Growth Areas, Hamilton Community Growth Area, Outline Business Case

List of Background Papers

- ♦ City Deal, Hamilton Community Growth Area – Full Business Case (FBC1)

Contact for Further Information

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

Ken Meek, Project Manager

Ext: 5928 (Tel: 01698 455928)

E-mail: ken.meek@southlanarkshire.gov.uk

Appendix 1

Glasgow City Region City Deal – Full Business Case – Hamilton Community Growth Area (FBC1)

Executive Summary

- i. This is the first Final Business Case 1 (FBC1) for Hamilton Community Growth Area. It requests funding for £4.1m City Deal funding – £3.53m City Deal (86%) and £0.58m SLC (14%) – to fund an extension to Woodhead Primary School (PS) at the Hamilton Community Growth Area (CGA). This is Element 1 of the whole CGA project proposal. This FBC continues to build the case from the Strategic Business Case (SBC) which secured approval for £62m across South Lanarkshire's four CGAs and from the Outline Business Case (OBC) which secured approval for £21m City Deal funding to develop the Hamilton CGA project, comprising off-site education, community and transport infrastructure.

The Strategic Case

- ii. As presented in the OBC, there is a critical need for investment in education infrastructure to allow the development of 1,800 new homes at Hamilton CGA.
- iii. The strategic aim of this project element is:

“To deliver the school extension and nursery in a manner than enables delivery of the residential development 11 years earlier than planned with associated economic and social benefits.”
- iv. Based on capacity planning (i.e. individual class make-up at the start of the school year) the actual working capacity at this primary school in 2017/18 is 380 pupils, with space for an additional 15 pupils only. Delivery of the project, starting in 2018, is a necessary pre-requisite project for delivery of the full CGA development and enable its completion 11 years earlier than planned. The CGA is focused on development of family-style houses, for which provision of accessible education (in particular primary school) is a key selling point. The total estimated population at the new Hamilton CGA is 6,345 people, of which 480 are expected to be of primary school age.
- v. As reported in the OBC, the counterfactual arrangement is that the CGA development will be less attractive to purchasers and it will take until 2027/28 before there have been sufficient S75 payments to fund delivery of education infrastructure (i.e. from 500 market homes).

The Economic Case

- vi. The economic case presents and test a series of alternative options – including the counterfactual or ‘do nothing’ options, before a preferred solution that meets the identified needs and delivers Value for Money for the public sector.
- vii. The only viable options were identified as being around the activity of the project proposal i.e. either extend an existing or build a new stand-alone primary school. Through analysis of the local school portfolio and potential to accommodate an extension, this location was identified as the best option for a school extension project. The estimated cost of delivering a new seven classroom primary school did not offer value for money and was therefore discounted.

The Commercial Case

- viii. Delivery of additional capacity in the non-denominational primary school system is identified as a critical requirement in delivering the full CGA over 11 years by meeting the needs of the key partners – new and existing local residents (by releasing capacity), SLC and City Deal partners (by delivering additional economic value) and housebuilders/ house purchasers (by creating a more attractive development proposition).
- ix. City Deal funding has been identified to meet delivery of the critical off-site infrastructure works (schools/ roads) needed to bring forward the development earlier than planned.

The Financial Case

- x. The estimated total City Deal cost of the Hamilton CGA project, submitted at OBC, was £21m (split 86% CD / 14% SL) with additional leveraged investment of £3.1m from SLC, £17.5m from Developers' S75 obligations, and £242m housebuilding and associated on-site infrastructure costs. Phasing of the full CGA project expenditure is presented in Appendix 6 of the OBC.
- xi. Following a competitively tendered procurement exercise, the cost of delivering this project is estimated at £4.1m, accounting for 20% of the total approved Hamilton CGA City Deal allocation.
- xii. SLC will take on the additional maintenance responsibilities for the project in perpetuity, following completion of the extended I building. These costs will be funded from existing Council revenue and capital budgets, as the need arises.
- xiii. SLC has ultimate responsibility for cost over-runs beyond the level of financial budget/ approval for the CGAs. VAT has been treated as recoverable.

The Management Case

- xiv. The management and delivery mechanism will be within the remit of SLCs CGA Programme. Hamilton CGA will be managed by SLC in accordance with the standards required by the City Deal governing principles. Project roles have been assigned to Senior Responsible Officer, Project Sponsor, Project Manager and an internal Project Team. Community and Enterprise Services within SLC will lead the delivery of the project, ensuring alignment against other SLC CGA and Roads projects.
- xv. SLC Economic Development will have responsibility for the long-term monitoring and evaluation of the project benefits, including community benefits, in line with the M&E Plan, using in-house resource and supplemented by external specialist consultants as required. The economic impact model developed to appraise the gross and net benefits of the alternative options, allows for the activities to be measured and performance tracked against the forecast profile.
- xvi. The key objectives and critical success factors (as defined in the Strategic Case) have ensured that the development of the Hamilton CGA is embedded in a holistic approach to sustainability – environmental, economic, social and community – and the financial appraisal confirms that the project is financially sustainable, albeit with a need for future (planned) investment by the private sector to deliver the new houses.

Report

15

Report to:	Executive Committee
Date of Meeting:	15 August 2018
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	City Region Tourism Strategy and Action Plan (2018-2023)
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ request endorsement of the City Region Tourism Strategy and Action Plan for the period 2018-2023.

2. Recommendation(s)

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

- (1) that the contents of the City Region Tourism Strategy and Action Plan be noted.
- (2) that the City Region Tourism Strategy and Action Plan and the progress of the Tourism and Destination Marketing Portfolio group be endorsed.

3. Background

3.1 The tourism sector is identified nationally and locally as a key growth sector. The Lanarkshire Tourism Action Plan to 2020 is based on the national tourism strategy and aims to deliver growth and increase collaboration amongst tourism businesses in Lanarkshire. The Council has worked closely with the tourism sector over the last 13 years to maximise the visitor expenditure in the area. We work in conjunction with partners including North Lanarkshire Council, Visit Scotland and the Lanarkshire Area Tourism Partnership which comprises private sector accommodation, attraction and events businesses.

3.2 Tourism activity in 2017/18 focussed on delivering marketing campaigns in Spring and Autumn targeting visitors within a drive time of 2-3 hours, publications such as the Great Days Out booklets which are distributed throughout the central belt and beyond, maximising the outcomes from the PR contract with BIG Partnership to promote Lanarkshire through trade, press and online activity. The marketing activity to increase the overall profile and attractiveness of Lanarkshire as a visitor destination is driven through www.visitlanarkshire.com. Product development has centred on developing and funding access statements for all tourism businesses on their website to encourage additional business from this market. In excess of 300 access statements have been completed covering 90% of Lanarkshire's tourism assets including transport hubs, and over 190 of these are in South Lanarkshire.

3.3 The Glasgow City Region Economic Strategy (RES) was published in February 2017 and sets out an ambitious vision for the City Region by 2035:

“A strong, inclusive, competitive and outward looking economy, sustaining growth and prosperity with every person and business reaching their full potential.”

- 3.4 Within the RES a number of the high level objectives influence the tourism agenda, and these are supported by a number of actions, which are in turn to be taken forward by the tourism portfolio group:
- We will attract an additional 1 million tourists to the City Region by 2023
 - We will develop a shared tourism offer throughout the City Region. This will be founded upon a joint Tourism and Destination Marketing Strategy developed in conjunction with VisitScotland and VisitBritain.
 - We will establish a Regional Events and Festivals Forum to maximise the economic benefits they can bring across the City Region. This would co-ordinate a regional approach to securing events and festivals and consider the regional expansion of existing festivals.
- 3.5 The group is led by Inverclyde Council and includes representation from the City Region local authorities, Scottish Enterprise, Visit Scotland and the Scottish Tourism Alliance, the industry leadership body for tourism.
- 3.6 The Tourism and Destination Marketing Portfolio Group is one of the eight portfolio groups within the City Region thematic structure of People, Place and Business.
- 3.7 The Portfolio Group is asking each of the City Region Local Authorities to seek endorsement of the City Region Tourism Strategy and Action Plan at a local level. An overview of this strategy and action plan is provided in the following section.

4. City Region Tourism Strategy and Action Plan

- 4.1 In order to deliver upon the actions of the RES, the tourism portfolio group has now finalised a City Region Tourism Strategy and Action Plan and copies have been made available in Member Services. In summary, the strategy sets a target to attract an additional one million tourists to the City Region by 2023 and this will be achieved by the following:
- focussing on the area's strengths such as cultural tourism, events, outdoor activities and food and drink.
 - improving the customer journey through improving the customer experience, transport and digital connectivity.
 - enabling tourism to grow through leadership and partnerships, jobs and skills, data and insights.
- 4.2 To deliver the tourism strategy a 3 year Action Plan has been produced and this provides detail on required activity, lead partners and timescales for each identified action. Actions have been allocated to tourism portfolio group members to take forward and some of these are already being progressed in line with agreed timescales. A flavour of the key actions is outlined below:
- more research into visitor and market profiles to identify new opportunities
 - create a regional events and festivals forum to maximise the economic benefits of events across the wider city region.
 - create smaller sub groups to collaborate and create new opportunities from the region's strengths e.g. culture and outdoor activities.
 - identify ways to work more effectively and maximise returns from business events coming to the region
 - support the food and drink sector through encouraging the roll out of food and drink initiatives

- work closely with SPT, Abellio and Transport operators to improve connectivity and ticketing.

4.3 The anticipated benefits of a Regional Tourism Strategy and action plan are considered to be:

- Further growth, employment and income for tourism businesses;
- Wide range of tourism offerings across the City Region which are stronger through closer collaboration and shared working;
- Help build a strong network of business, sector and interest groups sharing a common purpose to grow the tourism economy;
- Increase the value of tourism; length of stay and extend the season by 'packaging' a wider City Region offering and a more memorable experience;
- More cross-referencing and cross-selling of local and regional products and event

4.4 The regional tourism strategy is closely aligned to the themes and objectives in the Lanarkshire Tourism Action Plan to 2020. The actions within the regional action plan also support our key themes of turning Lanarkshire assets into quality experiences, improving the customer journey and building our digital capabilities. The regional strategy and action plan represent a positive opportunity to connect our Lanarkshire tourism activity more effectively with wider partner activity across the city region, which will in turn increase visitor expenditure in Lanarkshire.

4.5 The tourism portfolio group lead, presented the City Region Tourism Strategy and Action plan to City Region's Chief Executive's Group on 2 August, with the recommendation that it be approved and remitted to the City Region Cabinet for approval on 14 August.

5. Employee Implications

5.1 Whilst there are no employee implications with respect to new staff resource required, in order to make a meaningful contribution to the delivery of the actions, we will need to identify personnel within Community and Enterprise Services and South Lanarkshire Leisure and Culture with the most relevant knowledge, to ensure the Council is represented at each sub group meeting by the right person who can best capitalise on opportunities.

6. Financial Implications

6.1 Although there are currently no direct financial implications, regional opportunities will become available through the action plan that will require a level of budget to participate. This has not yet been quantified but the City Region Tourism Portfolio group has no existing budget in place and the group understands that individual local authority budgets will likely require to be found.

7. Other Implications

7.1 There is no risk to the Council in aligning with the City Region Tourism Strategy and Action Plan.

8. Equality Impact Assessment and Consultation Arrangements

8.1 This report does not introduce a new policy, function for the Council but does commit the Council to aligning its tourism sector support with that of the City Region, however, no impact assessment is required.

- 8.2 Consultation has taken place with relevant partner agencies as part of the Portfolio meetings during the development of the strategy and action plan.

Michael McGlynn
Executive Director (Community and Enterprise Resources)

31 July 2018

Link(s) to Council Objectives/Ambitions

- Promote economic growth and tackle disadvantage
- Support the local economy by providing the right conditions for inclusive growth

Previous References

- Community and Enterprise Resources Committee Business Support Annual Report, 22 May 2018
- Community and Enterprise Resources Committee Business Support Annual Report, 8 August 2017
- Executive Committee Glasgow City Region City Deal – Progress Update, 16 November 2016

List of Background Papers

None

Contact for Further Information

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

Stephen Keating, Property Development Manager

Ext: 5191 (Tel: 01698 455191)

E-mail: Stephen.keating@southlanarkshire.gov.uk

Report

16

Report to:	Executive Committee
Date of Meeting:	15 August 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Representation on Petitions Committee and Changes to the Membership of Committees, Forums and Outside Bodies
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise the Committee of the membership on the newly established Petitions Committee and other changes to the membership of Committees, Forums and Outside Bodies proposed by the Labour and Independent Groups

2. Recommendation(s)

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

- (1) that the membership of the Petitions Committee, as outlined in Section 4 of the report, be noted;
- (2) that Councillor Fagan be replaced by Councillor Brogan as a member of the Roads Safety Forum and that Councillor Lennon be replaced by Councillor Cowie as a substitute member of the Roads Safety Forum;
- (3) that Councillor Scott be replaced by Councillor Razzaq as a member of the Finance and Corporate Resources Committee;
- (4) that Councillor Razzaq be replaced by Councillor Dryburgh as one of the 15 members not serving on the Finance and Corporate Resources Committee who are eligible to sit on the Appeals and the Grievance and Disputes Panels;
- (5) that Councillors Fagan and Scott be replaced by Councillors Razzaq and Walker respectively, as substitute members of the Equal Opportunities Forum;
- (6) that Councillor Razzaq be replaced by Councillor Walker as a substitute member of the Joint Consultative Forum;
- (7) that Councillor Dryburgh be replaced by Councillor Brogan as a substitute member of the Housing and Technical Resources Committee;
- (8) that Councillor Brogan be replaced by Councillor Razzaq as a substitute member of the Licensing Committee;
- (9) that Councillor Fagan be replaced by Councillor Lennon as a member of the Financial Resources Scrutiny Forum and that Councillor Fagan be replaced as the Chair of the Forum by Councillor McAdams;
- (10) that Councillor Devlin be replaced by Councillor Dryburgh as a member of the Performance and Review Scrutiny Forum and that Councillor McClymont be replaced by Councillor Fagan as a substitute member;
- (11) that Councillor McAdams be replaced by Councillor Devlin as a member of the Risk and Audit Scrutiny Committee;

- (12) that Councillors Convery and Devlin be replaced by Councillors Fagan and Dryburgh respectively, on the Standards and Procedures Advisory Forum;
- (13) that Councillor Scott be replaced by Councillor McClymont on the Sustainable Development Member/Officer Working Group;
- (14) that Councillor Logan be replaced by Councillor Fagan as a substitute member of the Recruitment Committee;
- (15) that Councillor McLachlan be replaced as a representative on COSLA by Councillor Fagan with the vacant substitute place on COSLA being taken up by Councillor Hamilton;
- (16) that Councillor Dryburgh be replaced by Councillor Convery as a representative on the Lanarkshire Valuation Joint Board;
- (17) that Councillor Dryburgh be replaced by Councillor Scott as a member of the Economic Growth Board;
- (18) that Councillor Brogan be replaced by Councillor Carmichael on the Adult Protection Committee;
- (19) that Councillor Burns be replaced by Councillor Greenshields as a substitute member of the Rural Task Force; and
- (20) that Councillor Burns be removed as a substitute member of the Employee Issues and Equal Opportunities Forums.

3. Background

- 3.1. The Executive Committee at its meeting on 28 June 2017 established a Task and Finish Group to look at the merits of establishing a Petitions Committee as part of the Councils decision making framework.
- 3.2 The Group met on a number of occasions from October 2017 through to March 2018 and reported to South Lanarkshire Council on 27 June 2018 when the establishment of a Petitions Committee was formally approved.
- 3.3 Following the Council meeting each political group was requested to provide their nomination(s) to serve on the Committee and the Chief Executive was authorised to finalise the membership in consultation with the political group leaders.

4. Committee Membership

- 4.1. The Terms of Reference approved for the Committee include provision for 8 members with a political balance of 3 SNP, 2 Labour, 1 Conservative, 1 Independent Group and 1 Liberal Democrat.
- 4.2 Each political group has provision to nominate up to 2 substitute members.
- 4.3 Nominations have been received from the political groups as follows and it is requested that these nominations be noted:-
 - ◆ Councillors Callaghan, Horsham and Donnelly
 - ◆ Councillors Logan and Scott
 - ◆ Cllr McGeever
 - ◆ Cllr Burns
 - ◆ Cllr Brown
- 4.4 Nominations for Substitute Members have been received as follows are as follows:-
 - ◆ Councillors Anderson and Chalmers
 - ◆ Councillors Convery and McAdams
 - ◆ Councillor Nailon

5 Other Proposed Changes to Committee, Forum and Outside Body Memberships

- 5.1 An approach has been made by the Business Manager of the Labour Group proposing a number of changes to the membership of Committees and Forums and representation on Outside Bodies and it is recommended the proposals are approved as detailed in paragraph 2.1 of the report.
- 5.2 An approach has also been made by the Business Manager of the Independent Group proposing that Councillor Burns be replaced by Councillor Greenshields as a substitute member of the Rural Task Force and that Councillor Burns be removed as a substitute member of the Equal Opportunities and Employee Issues Forums it is recommended that these proposals be approved.

6 Employee Implications

- 6.1 There are no employee implications arising from this report

7 Financial Implications

- 7.1 There are no financial implications arising from this report.

8 Other Implications

- 8.1 There are no significant risks or sustainability issues arising from this report.

9 Equality Impact Assessment and Consultation Arrangements

- 9.1 There was no requirement to carry out an Equality Impact Assessment in terms of this report.
- 9.2 There was no requirement to carry out a consultation process in terms of this report.

Paul Manning

Executive Director (Finance and Corporate Resources)

6 August 2018

Link(s) to Council Values/Objectives

Accountable Effective and Efficient
Fair and Open

Previous References

Meeting of South Lanarkshire Council held on 27 June 2018

List of Background Papers

Report to Executive committee 28 June 2017
Report to South Lanarkshire Council 27 June 2018

Contact for Further Information

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

Gordon Bow
Administration Manager
Ext: 4719 (Tel:01698 454719)
E-mail: gordon.bow@southlanarkshire.gov.uk

Report

17

Report to: **Executive Committee**
 Date of Meeting: **15 August 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Local Governance Review**

1. Purpose of Report

1.1. The purpose of the report is to

- ◆ to advise the Committee of the current position in relation to the Review of Local Governance

2. Recommendation(s)

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

- (1) that the content of the report be noted.

3. Background

3.1. In December 2017, COSLA and the Scottish Government launched the Review of Local Governance aimed at making sure local communities have more say about how public services in their area are run. This is also a commitment under the Scottish Open Government Partnership. It will consider how powers, responsibilities and resources are shared across national and local spheres of government, and with communities. It is being progressed through two strands which will feed into discussions on a possible Local Democracy Bill which may be introduced later in this Parliament.

3.2. It has two strands

- Strand 1 relates to capturing the view of local communities on the governance of public services in their area; and
- Strand 2 relates to seeking proposals from the public sector – both individual bodies and from city regions, community planning partnerships, etc. – to possible reform of local governance arrangements related to place.

3.3. Strand 1 aims to capture the views of local communities through a community engagement process lasting to November 2018 with individuals and groups encouraged to organise local events.

3.4. The events will be encouraged to consider five questions

Q1. Tell us about your experiences of getting involved in decision-making processes that affect your local community or community of interest.

Q2. Would you like your local community or community of interest to have more control over some decisions? If yes, what sorts of issues would those decisions cover?

Q3. When thinking about decision-making, 'local' could mean a large town, a village, or a neighbourhood. What does 'local' mean to you and your community?

Q4. Are there existing forms of local level decision-making which could play a part in exercising new local powers? Are there new forms of local decision-making that could work well? What kinds of changes might be needed for this to work in practice?

Q5. Do you have any other comments, ideas or questions? Is there more you want to know?

- 3.5. The results from this activity will be used to help inform the Local Governance Review.
- 3.6. Elected members may obtain further information on the Local Governance Review from the Scottish Government website, a link is provided below. The webpage contains a short animation explaining the review, provides access to the consultation materials, an easy read guide as well as explaining how to get involved. Cosla and the Scottish Government have stated that responses may be made in whichever way makes the most sense to those engaging in the process accompanied by a completed respondent information form to democracymatters@gov.scot or 'freepost DEMOCRACY MATTERS'.

<https://beta.gov.scot/policies/improving-public-services/local-governance-review/>

- 3.7. Community Responses are also encouraged and a guide has been produced on facilitating a good community conversation. Funding of up to £300 is available to small voluntary organisations and community groups to help to cover the cost of organising a community conversation. Applications may be made to and further information obtained from the Voluntary Action Fund's Democracy Matters: Community Engagement Fund, accessible through the link below.

<https://www.voluntaryactionfund.org.uk/funding-and-support/democracy-matters-community-engagement-fund>

4. Local Governance Review - Strand 2

- 4.1. Strand 2 of the Local Governance Review aims to encourage a dialogue across the public sector - involving the Scottish Government, city regions, regional groupings, local authorities, CPPs and other public-sector organisations - around possible place-specific alternative approaches to governance, powers, accountabilities and ways of working with the aim of changes to how Scotland is governed that can make the lives of Scotland's people better and no ideas are off the table.
- 4.2. The final date for sharing written proposals and evidence is 14 December 2018 but the desire is that from now to then there will be a process of exchanging ideas and proposals so they can be developed and informed by insight from across the public sector over this period, rather than just being simply accepted and rejected after the formal closing date.

- 4.3. On the 22 June 2018 a joint letter from the Scottish Government and the President of COSLA was issued to public sector leaders across Scotland to formally invite them to submit their views on possible place-specific alternative approaches to governance, powers, accountabilities and ways of working that would make the lives of people in Scotland better.
 - 4.4. It is anticipated that all public services will wish to offer proposals for improved governance arrangements at their level of place. This is based on an acceptance of increased variation in decision-making arrangements across the country: what is right for one place will not necessarily be right for another.
 - 4.5. The desire is to hear views as early in the process as possible in order – by at least the beginning of September 2018 - to understand the proposals, help them take shape and identify where other evidence or assurances might be required to deliver change, and consider how they might link with other ideas.
 - 4.6. COSLA has also established a separate a Special Interest Group to drive its strategic approach to the Review with the intention is to bring together key themes emanating from individual authorities' local 'asks', as well as national aspects of reform such as fiscal empowerment, powers and other issues in order to deliver a collective view of reform.
- 5. Employee Implications**
- 5.1. Employee implications will become clear once further information is available.
- 6. Financial Implications**
- 6.1. Financial implications will become clear once further information is available.
- 7. Other implications**
- 7.1. There are no issues in terms of sustainability associated with 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 equality impact assessment is required.
 - 8.2. In terms of consultation, there is no requirement at this stage to carry out any consultation on the contents of this report.

Executive Director (Finance and Corporate Resources)

15 August 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Focused on people and their needs
- ◆ Promote economic growth and tackle disadvantage

Previous References

- ◆ None

List of Background Papers

- ◆ None

Contact for Further Information

If you want further information, please contact:-

Alex Morton, Central Research Unit Manager 01698 453829

Alex.Morton@southlanarkshire.gcsx.gov.uk

Report

18

Report to: **Executive Committee**
 Date of Meeting: **15 August 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Risk and Audit Scrutiny Forum Activity 2017/2018**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide the Committee with a summary of reports considered by the Risk and Audit Scrutiny Forum in 2017/2018

2. Recommendation(s)

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

- (1) that the summary of reports considered by the Risk and Audit Scrutiny Forum during 2017/2018, as detailed in Appendix 1 of this report, be noted.

3. Background

3.1. In May 2017, the Council agreed details relating to the review of Member Scrutiny Forums. This included consideration of the Terms of Reference and Powers and Responsibilities for the Forums.

3.2. In August 2017, the Executive Committee approved a further review be undertaken of the current arrangements in place for the Risk and Audit Scrutiny Forum against the Chartered Institute of Public Finance and Accountancy's (CIPFA) best practice guidance in relation to the operation of an audit committee. On 27 June 2018, the outcome of this review was reported to Council. At this meeting, Council approved the recommendations made within the report that the Risk and Audit Scrutiny Forum be re-named the Risk and Audit Scrutiny Committee, that it be given full decision-making powers and that an enhanced Terms of Reference for this new Committee be established.

4. Risk and Audit Scrutiny Forum activity during 2017/2018

4.1. The Risk and Audit Scrutiny Forum met five times during 2017/2018 in June, September and November 2017 and in January and March 2018. The following main subject activities were undertaken by the Forum;

- ♦ Reviews of Internal and External Audit findings and opinions
- ♦ Reviews of progress in managing strategic risks
- ♦ Consideration of external risk related reports
- ♦ Examination of governance arrangements
- ♦ Overview of progress and activity of other scrutiny forums

- 4.2. A full list of activity is attached at Appendix 1. A full list of reports to the Forum are accessible on the South Lanarkshire Council web site.

5. Employee Implications

- 5.1. Service managers may be invited to the Forum to provide further information on selected topics as required. During 2017/2018, officers responded satisfactorily to member scrutiny and no follow-up officer attendances were required.

6. Financial Implications

- 6.1. There are no financial implications.

7. Other Implications

- 7.1. In previous years, reports to Executive Committee on the Risk and Audit Scrutiny Forum's activity have highlighted the risk that the Risk and Audit Scrutiny Forum does not fully comply with best practice guidance on the operation of audit committees in Local Authorities. The review, concluded and reported to Council in 2017/2018, mitigates this risk.

- 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 existing policy, function or strategy and therefore no impact assessment is required.
- 8.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

Paul Manning

Executive Director (Finance and Corporate Resources)

12 July 2018

Link(s) to Council Objectives/Improvement Themes/Values

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

Previous References

- ◆ Review of Risk and Audit Scrutiny Forum – Executive Committee 30 August 2017
- ◆ Risk and Audit Scrutiny Forum Activity 2016/2017 - Executive Committee 27 September 2017

List of Background Papers

- ◆ 2017/2018 reports to the Risk and Audit Scrutiny Forum

Contact for Further Information

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

Yvonne Douglas, Audit and Compliance Manager

Ext: 2618 (Tel: 01698 452618)

E-mail: yvonne.douglas@southlanarkshire.gov.uk

Internal Audit Plan

Endorsement of Internal Audit plans

Internal and External Reports

Review of progress in delivery of Internal Audit Plan (Activity reports)

Review of progress in delivery of External Audit Plan (Interim report)

Scrutiny of annual assurances from internal and external audit

Review of fraud statistics and update on the 2016/17 National Fraud Initiative

Shared Risk Assessment – Local Scrutiny Plan 2017/2018

Audit Scotland – ‘Performance and Challenges 2017’

Audit Scotland – ‘Equal Pay in Scottish Councils’

External Audit Plan

Endorsement of External Audit plans

Good Governance and Risk Management

Management and review of Council’s Top Risks

Risk Management annual report for 2016/2017

2016/2017 Year End Insured Risks

Efficiency Savings 2016/2017

Annual Governance Statements, Governance Action Plan and progress reports

Performance and Review Scrutiny Forum annual update

Financial Resources Scrutiny Forum activity

Corporate Governance - Review of the adequacy of Internal Audit

External Quality Assessment of Internal Audit Service

