

FINANCE AND CORPORATE RESOURCES COMMITTEE

Minutes of meeting held via Confero and in the Council Chamber, Council Offices, Almada Street, Hamilton on 15 February 2023

Chair:

Councillor Lesley McDonald

Councillors Present:

Councillor Alex Allison, Councillor Walter Brogan (Depute), Councillor Mathew Buchanan, Councillor Andy Carmichael, Councillor Maureen Chalmers, Councillor Margaret Cooper, Councillor Andrea Cowan, Councillor Maureen Devlin, Councillor Colin Dewar, Councillor Grant Ferguson, Councillor Gladys Ferguson-Miller, Councillor Celine Handibode (Depute), Councillor Graeme Horne, Councillor Richard Lockhart (*substitute for Councillor Martin Hose*), Councillor Katy Loudon, Councillor Hugh Macdonald, Councillor Catherine McClymont, Councillor Elaine McDougall, Councillor Mark McGeever, Councillor Richard Nelson, Councillor Mo Razzaq, Councillor Dr Ali Salamati (*substitute for Councillor John Ross*), Councillor Graham Scott

Councillors' Apologies:

Councillor Mary Donnelly, Councillor Joe Fagan (ex officio), Councillor Martin Hose, Councillor John Ross

Attending:

Finance and Corporate Resources

P Manning, Executive Director; M Carrigan, Administration Assistant; C Fergusson, Head of Finance (Transactions); T Little, Head of Communications and Strategy; C Lyon, Administration Officer; G McCann, Head of Administration and Legal Services; K McVeigh, Head of Personnel Services; A Norris, Administration Assistant; J Taylor, Head of Finance (Strategy)

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Finance and Corporate Resources Committee held on 16 November 2022 were submitted for approval as a correct record.

A member referred to minute item 8 and the report that was to be brought to a future meeting of this Committee specifically in respect of BAME groups and veterans and noted that there was no item on this agenda on that matter. The Head of Personnel Services advised that this had still to be discussed at the Equal Opportunities Forum and would be brought to this Committee after that discussion had taken place.

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

3 Minutes of Appeals Panel

The minutes of the meetings of the Appeals Panel held on 23 November and 21 December 2022 were submitted for approval as a correct record.

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

4 Revenue Budget Monitoring 2022/2023 – Finance and Corporate Resources

A report dated 10 January 2023 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure for the period 1 April to 29 December 2022 against budgeted expenditure for 2022/2023 for Finance and Corporate Resources.

As at 29 December 2022, there was a breakeven position against the phased budget, detailed in Appendix A to the report.

The forecast to 31 March 2023 was a breakeven position.

The budget included in Transactions, as detailed in Appendix C to the report, included funding for Child Bridging Payments of £1.890 million as part of Finance Circular 11/2022.

Virements were proposed to realign budgets and those movements were detailed in the appendices to the report.

Officers responded to a member's question on various aspects of the report.

The Committee decided:

- (1) that the breakeven position, as detailed in Appendix A to the report, be noted;
- (2) that the forecast to 31 March 2023 of a breakeven position be noted; and
- (3) that the budget virements, as detailed in the appendices to the report, be approved.

[Reference: Minutes of 16 November 2022 (Paragraph 5)]

5 Capital Budget Monitoring 2022/2023 – Finance and Corporate Resources

A report dated 17 January 2023 by the Executive Director (Finance and Corporate Resources) was submitted advising of progress on Finance and Corporate Resources' capital programme for 2022/2023 and summarising the expenditure position at 29 December 2022.

The Finance and Corporate Resources' capital programme for 2022/2023 was £3.695 million. Anticipated spend to date was £2.247 million and spend to 29 December 2022 totalled £2.832 million. This represented an overspend of £0.585 million.

Work had been ongoing to monitor the predicted spend position for this financial year and current estimates from Finance and Corporate Resources suggested an outturn of £4.4 million. This represented an overspend of £0.705 million and was mainly due to the timing of spend of the Oracle Fusion project, with funding for the overall spend already identified into the next financial year.

Officers responded to a member's question on various aspects of the report.

The Committee decided:

- (1) that the Finance and Corporate Resources' capital programme of £3.695 million and expenditure to date of £2.832 million be noted; and
- (2) that the projected outturn of £4.4 million be noted.

[Reference: Minutes of 16 November 2022 (Paragraph 6)]

6 Finance and Corporate Resources – Workforce Monitoring – September to November 2022

A report dated 11 January 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the following employee information for Finance and Corporate Resources for the period September to November 2022:-

- ♦ attendance statistics
- ♦ occupational health statistics
- ♦ accident/incident statistics
- ♦ disciplinary hearings, grievances and Dignity at Work cases
- ♦ analysis of leavers and exit interviews
- ♦ staffing watch as at 10 September 2022

Officers responded to a member's question on various aspects of the report.

The Committee decided: that the report be noted.

[Reference: Minutes of 16 November 2022 (Paragraph 7)]

Councillor Razzaq left the meeting after this item of business

7 Council-wide Workforce Monitoring – September to November 2022

A report dated 11 January 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the following Council-wide employee information for the period September to November 2022:-

- ♦ attendance statistics
- ♦ occupational health statistics
- ♦ accident/incident statistics
- ♦ disciplinary hearings, grievances and Dignity at Work cases
- ♦ analysis of leavers and exit interviews
- ♦ recruitment monitoring
- ♦ staffing watch as at 10 September 2022

In response to a member's question regarding the high number of veterans being unsuccessful in being appointed, the Head of Personnel Services provided an explanation and advised that she would carry out further analysis, with a report being brought to a future meeting of either the Equal Opportunities Forum or this Committee. The Head of Administration and Legal Services advised that this issue was also being discussed at Firm Base, with a view to assisting veterans in being successful at interviews.

The Committee decided: that the report be noted.

[Reference: Minutes of 16 November 2022 (Paragraph 8)]

8 Treasury Management Activity 2022/2023 – Third Quarter Review

A report dated 6 February 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the third quarter review of Treasury Management activity for 2022/2023.

Details were given on:-

- ◆ market performance
- ◆ debt management and borrowing strategy
- ◆ investment activity
- ◆ management of risk
- ◆ next quarter investment plans
- ◆ treasury management indicators

The Committee decided: that the report be noted.

[Reference: Minutes of 16 November 2022 (Paragraph 9)]

9 Revenue Collection and Approval for Write-Offs 2022/2023

A report dated 25 January 2023 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ collection performance for the financial year 2022/2023 to 31 December 2022 on revenue income which comprised Council Tax, non-domestic rates, sundry debts and arrears
- ◆ performance in the Business Rates Incentivisation Scheme (BRIS)
- ◆ the write-off of irrecoverable Council Tax, non-domestic rates, BID levy, sundry debt and Housing Rent and associated charges

Details were provided on current collection targets and, at this stage, the Council was ahead of target and of comparable performance from 2021/2022 in respect of Council Tax and non-domestic rates. In respect of sundry debt, the Council was behind target but ahead of comparable performance from 2021/2022.

In terms of arrears collection targets, at this stage, the Council was ahead of target but behind comparable performance from 2021/2022 in respect of Council Tax and non-domestic rates. In respect of sundry debt, the Council was behind target but ahead of comparable performance in 2021/2022.

As previously advised to Committee, the BRIS scheme had been suspended for 2020/2021 and 2021/2022 due to the impact of COVID-19. Further guidance was awaited from the Scottish Government in this regard, however, performance against the BRIS target continued to be closely monitored.

It was proposed that the following debts be written off:-

- ◆ irrecoverable Council Tax accounts from 1993/1994 to 2022/2023 to the value of £292,163.74 relating primarily to prescribed debt, sequestrations and estates of the deceased
- ◆ irrecoverable non-domestic rates from 2020/2021 to 2022/2023 to the value of £706,171.79 relating primarily to debtors in liquidation, those who had ceased trading or had been sequestrated
- ◆ Business Improvement District (BID) levies totalling £3,155.56 administered by the Council on behalf of Hamilton, Carlisle and Lanark BID companies
- ◆ sundry debts to a value of £233,270.78
- ◆ former tenant rent arrears totalling £316,627.93, factoring arrears of £407.98 and Housing Benefit overpayments totalling £63,315.77

The Committee decided:

- (1) that the Council's performance in the collection of revenues be noted;

- (2) that the Council's performance against the Business Rates Incentivisation Scheme target be noted; and
- (3) that the write-off of the following irrecoverable debts be approved:-
- ◆ Council Tax debt from 1993/1994 to 2022/2023 to the value of £292,163.74
 - ◆ Non Domestic Rates from 2020/2021 to 2022/2023 totalling £706,171.79
 - ◆ BID levies totalling £3,155.56
 - ◆ sundry debts to a value of £233,270.78
 - ◆ house rent and associated charges totalling £380,351.68

[Reference: Minutes of 16 November 2022 (Paragraph 10)]

10 Non-Domestic Rates – Empty Property Relief Policy

A report dated 25 January 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the devolution of Non-Domestic Rates Empty Property Relief (EPR) from the Scottish Government to local authorities.

The existing EPR scheme operated at a national level, was mandatory and fully funded by the Scottish Government through the Local Government Finance Settlement. EPR provided certain rates relief on unoccupied non-domestic properties.

The Programme for Government 2021/2022 confirmed that the devolution of EPR would be delivered in April 2023 for the purpose of enabling councils to tailor support to meet local needs. This meant that EPR reliefs and exemptions would no longer be covered by legislation. All Scottish councils required to have an EPR Policy in place from 1 April 2023 as the current legislation governing this would lapse on 31 March 2023.

£105 million was to be devolved across councils by the Scottish Government, reflecting the Scottish Fiscal Commission (SFC) Medium Term Finance Strategy (MTFS) forecasts published on 31 May 2022. The annual allocation of £105 million was fixed until the next revaluation in 2026. This considered the impact of the rates revaluation effective from 1 April 2023 and any inflationary pressures. The Council's allocation for 2023/2024 was £2.183 million.

It would be for local authorities to decide how they used this funding and the reliefs and exemptions that might apply under a local scheme. The funding provided was based on the operation of the current EPR scheme. Any changes to the reliefs and exemptions provided which cost more than the funding would have to be met by the Council.

The current legislative criteria for awarding EPR and the relief categories awarded in 2021/2022 were detailed in the report.

Devolution of EPR would come into effect at a time of significant change, with a major revaluation of non-domestic rateable values effective from 1 April 2023 and at a time of major volatility in the economy and financial uncertainty facing businesses.

Maintaining the current provisions would provide some stability and certainty for businesses as well as the Council, during these challenging times. It also provided a period to assess the benefits of any future amendments to the policy. Indications from other councils were that this was also the approach they were adopting. Clarification was also awaited from the Scottish Government on some specific aspects of the new arrangements. A revised funding allocation had been confirmed to the Council on 24 January 2023.

It was recommended that the EDR Policy, to be adopted from 1 April 2023, reflect the change in legislation covering EPR and that the current policy be amended to reflect this. The proposed policy was attached as Appendix 1 to the report.

A review of the Council's EPR Policy would be undertaken and the outcome reported to this Committee by March 2024.

The Committee decided:

- (1) that the devolution of EPR to councils and the funding arrangements be noted; and
- (2) that the EPR Policy be reviewed and presented to this Committee by March 2024 to allow for a period of stability for rate payers and the Council.

The Committee recommended to the Executive Committee: that the EPR Policy to be adopted by the Council from 1 April 2023, as detailed in Appendix 1 to the report, be approved.

[Reference: Minutes of the Executive Committee of 4 November 2015 (Paragraph 14)]

11 Procurement Strategy Action Plan – Mid Year Update (2022/2023)

A report dated 13 January 2023 by the Executive Director (Finance and Corporate Resources) was submitted providing an update on progress in the Procurement Strategy Action Plan for the period 1 April to 30 September 2022.

The Council's Procurement Strategy 2020 to 2023 was approved by the Executive Committee on 13 May 2020 and the reviewed strategy objectives for 2022/2023 had been noted by this Committee at its meeting on 8 September 2022.

The Procurement Strategy updated for 2022/2023 included 7 key strategic objectives, which linked to key outcomes for the Procurement Service. An update on each of those objectives and evidence of progress in working towards those outcomes was detailed in Appendix 1 to the report.

The Procurement Strategy Action Plan included specific projects for 2022/2023 in support of those strategic objectives which included 9 actions. Progress made to the end of September 2022 was detailed in Appendix 2 to the report.

A new Procurement Strategy for the period 2023 to 2028 was currently under development.

The Committee decided: that the report be noted.

[Reference: Minutes of 7 September 2022 (Paragraph 20)]

12 Finance and Corporate Resource Plan - Quarter 2 Progress Report 2022/2023

A report dated 20 December 2022 by the Executive Director (Finance and Corporate Resources) was submitted on the Finance and Corporate Resource Plan Quarter 2 Progress Report for 2022/2023 for the period 1 April 2022 to 31 March 2023.

The Resource Plan measures were rated using a traffic light system of red, amber or green as well as blue (BRAG) which indicated that an action had been completed.

Details were provided on:-

- ♦ progress made against all Resource Plan measures, as detailed in the Quarter 2 progress report, attached as Appendix 2 to the report
- ♦ key achievements made by the Resource to date, as detailed in Section 5.3 of the report
- ♦ areas for improvement and associated management actions, as detailed in Section 5.4 of the report
- ♦ the additional scrutiny of reporting the updated status of those measures identified as 'report later' at Quarter 4 2020/2021, as detailed in Section 5.5 to the report

The Committee decided:

- (1) that the Finance and Corporate Resource Plan Quarter 2 Progress Report 2022/2023, as summarised in paragraph 5.2 and attached as Appendix 2 to this report, be noted;
- (2) that the key achievements made by the Resource to date, as detailed in paragraph 5.3 of the report, be noted;
- (3) that the areas for improvement and associated management actions, as detailed in paragraph 5.4 of the report, be noted; and
- (4) that the additional scrutiny of reporting the updated status of those measures identified as 'report later' at Quarter 4 2020/2021, as summarised in paragraph 5.5 of the report, be noted.

[Reference: Minutes of 7 September 2022 (Paragraph 18)]

13 Urgent Business

There were no items of urgent business.