

FINANCE AND CORPORATE RESOURCES COMMITTEE

Minutes of meeting held via Confero and in Committee Room 1, Council Offices, Almada Street, Hamilton on 27 September 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 (*substitute for Councillor Mary Donnelly*), Councillor Grant Ferguson, Councillor Ross Gowland (*substitute for Councillor Catherine McClymont*), Councillor Celine Handibode (Depute), Councillor Graeme Horne, Councillor Martin Hose, Councillor Susan Kerr (*substitute for Councillor Mo Razzaq*), Councillor Katy Loudon, Councillor Hugh Macdonald, Councillor Elaine McDougall, Councillor Mark McGeever, Councillor Richard Nelson, Councillor John Ross, Councillor Graham Scott, Councillor Kirsty Williams

Councillors' Apologies:

Councillor Mary Donnelly, Councillor Joe Fagan (ex officio), Councillor Gladys Ferguson-Miller, Councillor Catherine McClymont, Councillor Mo Razzaq

Finance and Corporate Resources

P Manning, Executive Director; C Fergusson, Head of Finance (Transactions); M Husband, Head of IT Services; S Jessup, Administration Assistant; T Little, Head of Communications and Strategy; C Lyon, Administration Officer; G McCann, Head of Administration and Legal Services; M Milne, Head of Personnel Services; J Taylor, Head of Finance (Strategy)

Chair's Opening Remarks

The Chair welcomed Councillor Williams and M Husband to their first meeting of the Finance and Corporate Resources Committee.

1 Declaration of Interests

No interests were declared.

Councillor Cowan joined the meeting during consideration of the above item of business

2 Minutes of Previous Meeting

The minutes of the meeting of the Finance and Corporate Resources Committee held on 28 June 2023 were submitted for approval as a correct record.

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

3 Minutes of Recruitment Committee

The minutes of the meeting of the Recruitment Committee held on 8 September 2023 were submitted for approval as a correct record.

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

4 Revenue Budget Monitoring 2023/2024 – Finance and Corporate Resources

A report dated 23 August 2023 by the Executive Director (Finance and Corporate Resources) was submitted comparing the actual expenditure for the period 1 April to 11 August 2023 for Finance and Corporate Resources.

As at 11 August 2023, there was a breakeven position against the phased budget, detailed in Appendix A to the report.

The forecast to 31 March 2024 was a breakeven position.

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

The Committee decided:

- (1) that the breakeven position, as detailed in Appendix A of the report, be noted;
- (2) that the forecast to 31 March 2024 of breakeven be noted; and
- (3) that the proposed budget virements, as detailed in the appendices to the report, be approved.

[Reference: Minutes of 28 June 2023 (Paragraph 6)]

5 Capital Budget Monitoring 2023/2024 - Finance and Corporate Resources

A report dated 7 September 2023 by the Executive Director (Finance and Corporate Resources) was submitted advising of progress on Finance and Corporate Resources' capital programme for 2023/2024 and summarising the expenditure position at 11 August 2023.

The Finance and Corporate Resources' capital programme for 2023/2024 was £5.333 million. Anticipated spend to date was £0.887 million and spend to 11 August 2023 totalled £0.884 million. This represented a minor underspend of £0.003 million.

The Committee decided: that the Finance and Corporate Resources' capital programme of £5.333 million, and expenditure to date of £0.884 million, be noted.

6 Finance and Corporate Resources – Workforce Monitoring – May to July 2023

A report dated 24 August 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the following employee information for Finance and Corporate Resources for the period May to July 2023:-

- ◆ 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 June 2023

The Committee decided: that the report be noted

[Reference: Minutes of 28 June 2023 (Paragraph 9)]

Councillor Nelson joined the meeting during consideration of the above item of business

7 Council-wide Workforce Monitoring – May to July 2023

A report dated 24 August 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the following Council-wide employee information for the period May to July 2023:-

- ◆ 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 June 2023

The Head of Personnel Services referred to the commitment given to members at the meeting of this Committee in June 2023 in relation to equal opportunities and advised members that those discussions had now begun with the Chair of the Equal Opportunities Forum and the Equalities Team. The Terms of Reference for the Equal Opportunities Forum were also being reviewed. The aim was to refresh the current action plan and then provide an update to this Committee. She advised that, in addition to this, several meetings had been held between Council members of the Lanarkshire Firm Base, the Head of Administration and Legal Services and Councillor Horsham, as the Council's Veterans' Champion and joint Chair of the Group. The Firm Base Group had been created in partnership with North Lanarkshire Council following a request by the Royal Regiment of Scotland for an Armed Forces Covenant to be established. Councillor Horsham and the Head of Administration and Legal Services had been working with Corporate Personnel on an action plan and would report to the Corporate Management Team once this had been developed, following which a report would be presented to this Committee.

A member referred to the general rise in absence figures in the economy, which were reported as days lost and asked how that compared to the Council as the figure here was reported as a percentage. The Head of Personnel Services advised that she did not have that information to hand. She advised that she was aware of different reporting methods in different organisations and the Council report was a combination of percentages and days lost information. This was currently being reviewed as it was important to get the overall picture and trends around the number of employees in a variety of ways.

The Committee decided: that the report be noted.

[Reference: Minutes of 28 June 2023 (Paragraph 10)]

8 Treasury Management Activity – 2023/2024 First Quarter Review

A report dated 23 August 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the first quarter review of Treasury Management activity for 2023/2024.

Details were given on:-

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

The Committee decided: that the report be noted.

[Reference: Minutes of South Lanarkshire Council of 22 February 2023 (Paragraph 5)]

Councillor Loudon joined the meeting during consideration of the above item of business

9 Prudential Indicators, Treasury Management Activity and Annual Investment Report 2022/2023

A report dated 29 August 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the:-

- ◆ Treasury Management Activity and Prudential Code indicators for 2022/2023
- ◆ proposed Annual Investment Report for 2022/2023

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management required the Council to prepare an annual report on its Treasury Management activities. The CIPFA Prudential Code required councils to prepare a series of financial indicators that demonstrated affordability, prudence and sustainability with regard to capital financing decisions.

The Council's Capital Programme included, within its funding package, planned borrowing. The Prudential Code provided a framework to assist the management of the financial implications and helped to demonstrate that borrowing was both affordable and prudent.

The Council's Treasury Management Activity Report for 2022/2023 and the Treasury Management and Prudential Code Indicators for 2022/2023 were attached as appendices 1 and 2, respectively, to the report.

In terms of the Local Government Investments (Scotland) Regulations 2010, the Council was required to prepare an Annual Investment Strategy prior to the start of each financial year and an Annual Investment Report after the financial year end. Both documents required to be approved by the Council.

The Annual Investment Strategy for 2022/2023 had covered the following areas:-

- ◆ permitted investments
- ◆ risk management
- ◆ borrowing in advance

The Annual Investment Report, attached as Appendix 3 to the report, detailed the Council's activity in each of those 3 areas for 2022/2023 and Appendix 4 detailed the permitted investments that the Council had approved for the financial year 2022/2023.

No borrowing in advance was taken during 2022/2023.

The Committee decided:

- (1) that the Treasury Management Activity Report for 2022/2023 and the 2022/2023 Treasury Management and Prudential Code Indicators be noted and referred to the Executive Committee for noting; and
- (2) that the 2022/2023 Annual Investment Report be endorsed and referred to the Executive Committee for endorsement prior to submission to the Council for formal approval in line with The Local Government Investments (Scotland) Regulations 2010.

10 Revenue Collection and Approval of Write-Offs

A report dated 8 September 2023 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ collection performance for the financial year 2023/2024 to 31 August 2023 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. The Council was ahead of target but behind comparable performance from 2022/2023 in respect of Council Tax, non-domestic rates and sundry debt.

In terms of arrears collection targets, the Council was ahead of target but behind comparable performance from 2022/2023 in respect of Council Tax and non-domestic rates. In respect of sundry debt, the Council was equal to target but behind comparable performance in 2022/2023.

As previously advised to Committee, the BRIS scheme had been suspended for 2020/2021, 2021/2022 and 2022/2023 due to the impact of COVID-19. Further guidance and information was awaited from the Scottish Government with regards to reinstatement in 2023/2024, 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 2023/2024 (including bulk write-off for 1996/1997) to the value of £1,956,152.04 relating primarily to prescribed debt, sequestrations and estates of the deceased
- ◆ irrecoverable non-domestic rates from 2021/2022 to 2023/2024 to the value of £435,848.83 relating primarily to debtors in liquidation, those who had ceased trading or had been sequestrated
- ◆ Business Improvement District (BID) levies totalling £347.17 administered by the Council on behalf of Hamilton, Carluke and Lanark BID companies
- ◆ sundry debts to a value of £203,392.20
- ◆ former tenant rent arrears totalling £184,711.61 and Housing Benefit overpayments totalling £31,901.73

The Committee decided:

- (1) that the Council's performance in the collection of revenues be noted;
- (2) that the current position in respect of the Business Rates Incentivisation Scheme be noted; and
- (3) that the write-off of the following irrecoverable debts be approved:-
 - ◆ Council Tax debt from 1993/1994 to 2023/2024 to the value of £1,956,152.04
 - ◆ Non Domestic Rates from 2021/2022 to 2023/2024 totalling £435,848.83
 - ◆ BID levies totalling £347.17
 - ◆ sundry debts to a value of £203,392.20
 - ◆ house rent and associated charges totalling £216,613.34

[Reference: Minutes of 28 June 2023 (Paragraph 11)]

11 Annual Procurement Report – 2022/2023

A report dated 8 September 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the Annual Procurement Report for 2022/2023.

The Procurement (Scotland) Reform Act 2014 required contracting authorities to prepare and publish an Annual Procurement Report on their regulated procurement activities. The Act stated that the Report must include information under the following headings:-

- ◆ regulated procurement activity
- ◆ procurement strategy
- ◆ community wealth building and community benefits
- ◆ sustainable procurement and supported businesses
- ◆ future planning
- ◆ other information

A summary of procurement activity was provided in the report and the Council's Annual Procurement Report for 2022/2023 was attached as Appendix 1 to the report.

Following a question from a member in relation to the sum of £50,000 for bridge maintenance, the Executive Director (Finance and Corporate Resources) advised that the £50,000 related to the level of provision under one contract and not the overall funding for bridge maintenance. The member also asked about the level of provision for flooding. The Head of Finance (Transactions) advised that he would contact the Roads Service to obtain the information and would feed back to the member.

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

The Committee decided: that the Annual Procurement Report for 2022/2023 be noted.

[Reference: Minutes of 7 September 2022 (Paragraph 19)]

12 Governance of Charitable Trust Funds – 2022/2023 Position

A report dated 28 August 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the status of the Trust Fund modernisation along with the financial status of the Charitable Trusts Funds administered by the Council.

On 25 April 2018, this Committee approved a proposal to modernise the charitable trust funds. This included establishing governance arrangements as well as a formal constitution. 2 new charities, with modern and appropriate constitutions, had been established in December 2019, with the transfer of funds to those from the old trust funds subject to approval by the Office of the Scottish Charity Regulator (OSCR). The process of modernisation was ongoing and until that exercise was complete, reports on this matter would continue to be reported to this Committee.

For the purposes of reporting to OSCR, the Council had grouped the individual trust funds into 3 as follows:-

- ◆ South Lanarkshire Council Charitable Trust
- ◆ South Lanarkshire Council Educational Trust
- ◆ East Kilbride Information Technology Centre Trust

As previously reported to this Committee, OSCR had approved the re-organisation of 6 funds relating to the Leadhills area, 11 Hamilton area funds, 17 Clydesdale area funds and 18 Educational funds.

It was also noted that an application for the re-organisation of 1 Cambuslang and Rutherglen area fund had been submitted to OSCR on 5 August 2022 and work was ongoing on drafting the applications to OSCR for the re-organisation of the Rutherglen Mortified Money fund and 7 East Kilbride Area funds.

As at the end of August 2023, OSCR had approved the following applications:-

- ◆ Cambuslang and Rutherglen Area Funds (30 August 2023)
- ◆ East Kilbride Area Funds (8 December 2022)
- ◆ Rutherglen Mortified Money (17 January 2023)
- ◆ John Adams Memorial Fund (12 June 2023)

The John Adams Memorial Fund had been used historically to make payments to Hamilton Grammar School, therefore, the application had been to re-organise it by transferring the funds to The South Lanarkshire Council Educational Trust rather than The South Lanarkshire Council Charitable Trust.

At its meeting on 3 October 2022, the Trustees of the East Kilbride Information Technology Centre Trust agreed that the remaining balance of the funds totalling £0.027 million be used to fund a new Digital Support Service for digitally excluded young people in the former East Kilbride District Council area. This was provided with the support of South Lanarkshire College and the fund had been used to purchase 38 laptops.

The only funds which remained in the old trust funds were those of the Loudon Bequest, which would be transferred to The South Lanarkshire Council Charitable Trust as soon as approval was received from OSCR.

During 2022/2023, no payments had been made from the South Lanarkshire Council Charitable Trust Fund or the South Lanarkshire Council Educational Trust as the process of reorganising the funds was underway.

The opening balance of the 3 reported Charitable Trust Funds, as at 1 April 2022, totalled £1.161 million. Following the transfer of funds to the 2 new Trusts and the expenditure from The East Kilbride Information Technology Centre Trust, the balance as at 31 March 2023 was £0.935 million, being the remaining balance on The South Lanarkshire Council Charitable Trust.

The accounts for the 3 funds, including those with no remaining funds as at 31 March 2023, were approved for Audit by the Risk and Audit Scrutiny Committee on 27 June 2023. The Audit was ongoing.

The Committee decided: that the report be noted.

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

13 Finance and Corporate Resources Resource Plan: Quarter 4 Progress Report 2022/2023

A report dated 21 August 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the Finance and Corporate Resource Plan Quarter 4 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 in implementing the priority projects identified in the Resource Plan 2022/2023, as detailed in the Quarter 4 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
- ♦ measures which had changed from Quarter 2 to Quarter 4, as detailed in Appendix 3 to the report

The Committee decided:-

- (1) that the Finance and Corporate Resource Plan Quarter 4 Progress Report 2022/2023, as summarised in paragraph 5.2. and attached as Appendix 2 of this report, be noted;
- (2) that the key achievements made by the Resource for the year, as detailed in paragraph 5.3. of this report, be noted;
- (3) that the areas for improvement and associated management actions, as detailed in paragraph 5.4. of this report, be noted; and
- (4) that the additional scrutiny of changes in measure status between Quarter 2 and Quarter 4, as summarised at paragraph 5.5. and detailed at Appendix 3 of this report, be noted

[Reference: Minutes of 7 September 2022 (Paragraph 17)]

14 Safety at Sports Grounds – Re-issue of General Safety Certificate for the ZLX Stadium

A report dated 6 September 2023 by the Executive Director (Finance and Corporate Resources) was submitted on action taken, in terms of Standing Order No 37(c) in view of the timescales involved, by the Executive Director (Finance and Corporate Resources), in consultation with the Chair and an ex officio member, to re-issue the reviewed General Safety Certificate for the North and West Stands, Hamilton Academical Football Club, ZLX Stadium, Cadzow Avenue, Hamilton.

The revised format of the General Safety Certificate for the Grandstand at Hamilton Park had been approved by this Committee on 11 December 2013. A single certificate, in the same format, which covered both stands had been approved by this Committee on 10 November 2021. The certificate was required to be reviewed and re-issued annually.

The Committee decided: that the action taken, in terms of Standing Order No 37(c), by the Executive Director (Finance and Corporate Resources), in consultation with the Chair and an ex officio member, to re-issue the reviewed General Safety Certificate for the North and West Stands, Hamilton Academical Football Club, ZLX Stadium, Cadzow Avenue, Hamilton, be noted.

[Reference: Minutes of 7 September 2022 (Paragraph 23)]

15 Urgent Business

There were no items of urgent business.