

SOUTH LANARKSHIRE COUNCIL

Minutes of special meeting held in the Council Chamber, Council Offices, Almada Street, Hamilton on 27 February 2019

Chair:

Provost Ian McAllan

Councillors Present:

Councillor Alex Allison, Councillor John Anderson, Councillor John Bradley, Councillor Walter Brogan, Councillor Robert Brown, Councillor Archie Buchanan, Councillor Jackie Burns, Councillor Janine Calikes, Councillor Stephanie Callaghan, Councillor Graeme Campbell, Councillor Andy Carmichael, Councillor Maureen Chalmers, Councillor Gerry Convery, Councillor Poppy Corbett, Councillor Margaret Cowie, Councillor Peter Craig, Councillor Maureen Devlin, Councillor Mary Donnelly, Councillor Isobel Dorman, Councillor Fiona Dryburgh, Councillor Joe Fagan, Councillor Allan Falconer, Councillor Alistair Fulton, Councillor Geri Gray, Councillor George Greenshields, Councillor Lynsey Hamilton, Councillor Ian Harrow, Councillor Eric Holford, Councillor Graeme Horne, Councillor Mark Horsham, Councillor Martin Grant Hose, Councillor Martin Lennon, Councillor Richard Lockhart, Councillor Eileen Logan, Councillor Katy Loudon, Councillor Joe Lowe, Councillor Hugh Macdonald, Councillor Julia Marrs, Councillor Catherine McClymont, Councillor Colin McGavigan, Councillor Mark McGeever, Councillor Jim McGuigan, Councillor Davie McLachlan, Councillor Gladys Miller, Councillor Lynne Nailon, Councillor Richard Nelson, Councillor Carol Nugent, Councillor Mo Razzaq, Councillor John Ross, Councillor Graham Scott, Councillor David Shearer, Councillor Collette Stevenson (Depute), Councillor Bert Thomson, Councillor Margaret B Walker, Councillor Jim Wardhaugh, Councillor Sheena Wardhaugh, Councillor Jared Wark, Councillor David Watson, Councillor Josh Wilson

Councillors' Apologies:

Councillor Margaret Cooper, Councillor Ann Le Blond, Councillor Monique McAdams, Councillor Kenny McCreary

Attending:

Chief Executive's Service

L Freeland, Chief Executive

Community and Enterprise Resources

M McGlynn, Executive Director

Education Resources

T McDaid, Executive Director

Finance and Corporate Resources

P Manning, Executive Director; G Bow, Administration Manager; G McCann, Head of Administration and Legal Services; S Somerville, Administration Manager

Housing and Technical Resources

D Lowe, Executive Director

Social Work Resources/Health and Social Care

L Purdie, Head of Children and Justice Services

1 Declaration of Interests

No interests were declared.

2 Overall Position of Budget 2019/2020, Savings Proposals and Council Tax

Prior to consideration of this item, the Executive Director (Finance and Corporate Resources) responded to a Point of Order raised by Councillor Allison in respect of the order of business and, in particular, at which point the level of Council Tax was being considered. The Executive Director (Finance and Corporate Resources) clarified that Item 2 was for the Council to consider the level of Council Tax for 2019/2020, while Item 3 noted the position in respect of Council Tax and set the overall budget for individual Resources.

A report dated 19 February 2019 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ the updated level of grant funding allocated to the Council for 2019/2020
- ◆ an updated package of savings proposals developed in preparation for the 2019/2020 budget
- ◆ the proposed level of Council Tax for 2019/2020

On 18 December 2018, the Scottish Government had notified the Council, via Finance Circular 8/2018, that its level of grant funding for 2019/2020 would be £564.744 million. Details were provided on the movement of grant in comparison to 2018/2019 and its impact on the Council's Revenue Budget Strategy.

At the Executive Committee on 21 November 2018, it was noted that a savings package of £13.181 million was required and it was advised that if Council Tax was increased by 3%, a balance of funds of £3.969 million would be available.

The Finance Minister had confirmed that councils would be given the flexibility to increase Council Tax by up to 4.79%. It was proposed, however, that the increase remain at 3% which would set the Council Tax for Band D properties at £1,168.

Stage 1 of the Scottish Budget Bill had been presented to the Scottish Parliament on 31 January 2019 for approval and laid out a number of proposals as follows:-

- ◆ an additional £90 million added to the Local Government Core Budget
- ◆ changes to assumption around the funding of the increase in teachers' pension employer contribution rate
- ◆ review of legislation on treatment of loans fund advance payments
- ◆ flexibility for councils to increase Council Tax by up to 4.79% rather than 3%
- ◆ the introduction of a Transient Visitors' Tax
- ◆ permission for a level of efficiency savings that could be taken from councils' contributions to Health and Social Care Integrated Joint Boards
- ◆ Workplace Parking Levy

The total benefit to the Council's Budget Strategy from the Stage 1 Bill was £9.270 million.

Since the last report on the Budget Strategy to the Executive Committee in November 2018, the 2018/2019 probable outturn was now complete and an improved position was forecast. It was, therefore, proposed that a further £1.000 million be used to support the 2019/2020 Budget.

A summary of the Council's revised Strategy position was provided at Table 3 within the report which showed a revised balance of funds of £5.462 million. It was proposed that this balance of funds be used as follows:-

- ◆ to reduce the level of savings by £1.836 million
- ◆ to implement the remaining savings package of £11.345 million

- ◆ to allocate £1.500 million to fund the Children and Families pressures
- ◆ to allocate £1.766 million to extend the current Free School Meals Policy to include those primary school pupils in Primary 4 and 5
- ◆ to allocate £0.360 million to increase the value of school clothing grants by £30 to £130
- ◆ to implement 'Free at 3' in 2020/2021, with provision made in the 2020/2021 Revenue Budget Strategy

The allocation of General Capital Grant for 2019/2020, totalling £27.137 million, had been confirmed. The approved Capital Budget for 2019/2020 had been based on an estimate of £24.000 million, therefore, there was an additional £3.137 million of General Capital Grant for use in 2019/2020. In addition to the core 2019/2020 allocation, funding totalling £5.805 million was also confirmed for the postponed 2016/2017 General Capital Grant. This meant that, in total, there was an additional £8.942 million of General Capital Grant for use in 2019/2020 and it was proposed that this be used to contribute towards Early Learning and Childcare requirements. Furthermore, specific capital grant, totalling £8.2 million, had been allocated to the Council for Early Years, vacant and derelict land and Cycling, Walking and Safer Streets.

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

The Provost, seconded by the Depute Provost, moved the recommendations in the report.

Councillor Allison advised that his Group did not concur with some of the proposals but recognised that a level of compromise had to be reached. He referred to reductions in the Roads budget, issues in relation to South Lanarkshire Leisure and Culture Limited and the Free at 3 initiative. He considered that, despite additional tax revenue, the Scottish Government had imposed cuts on councils and the proposed introduction of a car parking tax could affect up to 20,000 residents in South Lanarkshire who travelled for work to Edinburgh and Glasgow. He, therefore, indicated his Group's intention to support alternative proposals.

Councillor Fagan, seconded by Councillor S Wardhaugh, moved the following amendment:-

"1. Proposed Amendment

This amendment is proposed to the Overall Position of Budget 2019/2020, Savings, Proposals and Council Tax presented to South Lanarkshire Council in the paper of 27 February 2019.

The net impact of this amendment on the budget strategy would be a cost of **£0.215 million**. It is proposed that the amendment detailed in sections 2 to 4 (and summarised in section 5), is adopted by the Council.

2. Savings Removed

The proposal is that £2.417 million of savings be removed from the savings package, rather than £1.836 million as proposed in the Council paper (section 11.3).

This is made up of:

- ◆ Additional Savings to be removed (Table 1a below) – Cost of £0.430 million
- ◆ Full Savings to be removed (Table 1b below) – Cost of £0.151 million

These changes would result in a total cost to the budget of £0.581 million (10.46 FTE).

Table 1a – Additional savings to be removed

Ref.	Description	FTE	Value £m
CER22	Council officer provision within principal offices including access to council HQ	-6.9	-0.210
EDR09	Teachers in Early Learning and Childcare	0	-0.112
SLL05	James Hamilton Heritage Park Water Sport Centre Opening Hours	-	-0.008
SLL11	Rationalisation of Staffing Structures	-3.32	-0.080
SLL13	Stewartfield Community Centre Open in term time only	-0.24	-0.020
	TOTAL	-10.46	-0.430

Table 1b – Full savings to be removed

Ref.	Description	Proposed Value Removed £m	FTE Impact	Impact on Budget £m
EDR02	Realignment of Property Costs, Supplies and Services, and Administration Costs Budgets – full saving removed	£0.337	0	-0.151
Total			0	-0.151

3. Removal of Investments

The proposal is that £1.766 million of investments proposed in the Council report (sections 12 to 15) are removed as detailed in Table 2 below. **These changes would result in a total reduction in cost to the budget of £1.766 million.**

Table 2 – Removal of investments

	Impact on Budget £m
Extension of Free School Meals to P4 and P5 who do not currently qualify	1.766
TOTAL	1.766

4. Additional Investments

The proposal is that £1.4 million of additional investments are proposed as detailed in Table 3 below. **These changes would result in a total additional cost to the budget of £1.4 million.**

Table 3 – Additional Investments:

	£m
Add : Free at 3	-1.300
Eligibility for funded childcare from the age of 3 – not enrolment date. Introduce policy from August onwards.	
Add : Environmental Initiatives	-0.100
Up to £100,000 should be made available to support anti-littering, anti-fly-tipping and anti-dog fouling initiatives to help clean up South Lanarkshire.	
Total	-1.400

5. Transfer to Roads Capital Programme

As a supplement to planned investment in roads in 2019/2020, this amendment includes a proposed one-off transfer from reserves of **£0.720 million** to the capital budget for roads.

6. Budget Responsibility and Flexibility

In addition to the revenue budget, this amendment requires the Council to take forward the following measures:-

- ♦ **Cross Party Working Group on Tackling Poverty** – to improve scrutiny of existing anti-poverty initiatives and make evidence-based recommendations on Council policy relating to poverty prevention and poverty reduction, a Cross Party Working Group on Tackling Poverty should be established
- ♦ **Payment of School Clothing Grant** – to improve support to families in receipt of the School Clothing Grant and help 'poverty proof' the school day, the Council should seek to bring forward the date on which the grant is paid
- ♦ **Enhanced Monitoring of Workforce and Vacancies** – to improve workforce monitoring, reports on vacancies should be included in relevant Workforce Monitoring items to committees
- ♦ **Management Restructuring** – to help protect frontline jobs and services from future savings, suitable proposals for management restructuring should be considered as part of future savings exercise
- ♦ **Cross Party Working Group on Leisure and Culture** – to consider the relationship between the Council and South Lanarkshire Leisure and Culture Trust, the financial position and governance of the Trust, the findings of recent independent reports into the Trust and the way forward for leisure and cultural services in South Lanarkshire, a Cross Party Working Group on Leisure and Culture should be established

7. Summary of Amendment

The impact of the proposed amendment on revenue budgets, as detailed in sections 2 to 4, is summarised in Table 4, and results in **an additional revenue cost to the Council of £0.215 million**.

This is as a consequence of adding £1.981 million of expenditure (being £0.581 million of further savings to be removed (Section 2) and additional investments of £1.400 million (Section 4)), offset by removing the proposal to introduce Free School Meals to Primaries 4 and 5 (£1.766 million from Section 3).

This amendment proposes that **the balance of £0.215m is funded from Reserves**. The amendment also proposes a **transfer from Reserves of £0.720 million** to the Capital Programme for Roads Investment.

Table 4 – Summary of Amendment

Proposal as per 27 February 2019 paper			Amendment Proposed to Budget Paper			Amendment impact on Budget
Savings Removed	As per Council paper Report 27 Feb (Section 11.3)	£1.836m	Amendment	As detailed in Section 2	£2.417m	-£0.581m
Children and Families	As per Council paper Report 27 Feb (Section 11.3)	£1.500m	No Change		£1.500m	-
Free School Meals for P4 and P5	As per Council paper Report 27 Feb (Section 11.3)	£1.766m	Amendment	As detailed in Section 3	£0	£1.766m
Footwear and clothing grant	As per Council paper Report 27 Feb (Section 11.3)	£0.360m	No Change		£0.360m	-
Free @ Three		£0	Amendment	As detailed in Section 4	£1.300m	-£1.300m
Environmentals		£0	Amendment	As detailed in Section 4	£0.100m	-£0.100m
			Total impact of amendment			-£0.215m

Councillor Brown referred to cuts to non ring-fenced funding for councils. He considered that councillors were at the hard edge of politics and witnessed families who were struggling. He intimated that a balance had to be struck and there was an onus on councillors to reach agreement across the board. In his opinion, the ruling Administration had attempted to do that. He further referred to areas of concern he had in relation to grounds maintenance, gritting near schools, renewable energy and the remit of Area Committees.

Councillor Loudon, seconded by Councillor Wilson, moved the following as a further amendment:-

“This is a counter amendment to the previous amendment presented by Councillor Joe Fagan, to the Overall Position of Budget 2019/2020, Savings, Proposals and Council Tax presented to South Lanarkshire Council in the paper of 27 February 2019.

It is proposed that section 2 (Savings Removed) of Councillor Fagan’s amendment be agreed and incorporated into the motion.

In agreeing section 2, I am aware that there would be a net cost to the budget position of £0.581 million (being those savings detailed at section 2 of Councillor Fagan’s amendment).

I am not accepting the removal of investment in Free School Meals for primary 4 and 5 (as per section 3 of Councillor Fagan's amendment). I would propose that this investment is retained within the Council's budget for 2019/2020.

Also, I do not accept the additional investments included at Section 4 of Councillor Fagan's amendment of Free at Three and Environmentals. We will commit to introduce Free at Three at the earliest opportunity in 2020.

In summary, as Councillor Fagan has already proposed using reserves of £0.215 million, after discussions with the Executive Director (Finance and Corporate Resources), it is proposed that a further £0.366 million of reserves are used to balance the budget (being £0.581 million of additional costs, less the £0.215 million reserves already proposed). The total reserves used would be £0.581 million."

The Provost and Depute Provost agreed to amend their motion to incorporate the amendment by Councillor Loudon and Councillor Wilson.

A full and frank discussion then took place.

In response to a question from Councillor Brown on whether the motion, as amended, accepted or rejected parts 5 and 6 of Councillor Fagan's amendment, it was confirmed that parts 5 and 6 would not form part of the motion (as amended).

On a vote being taken by roll call, members voted as follows:-

Motion – as per recommendations in report, incorporating tabled amendment by Councillor Loudon and Councillor Wilson and including the rejection of parts 5 and 6 of Councillor Fagan's amendment (as detailed above)

John Anderson, John Bradley, Archie Buchanan, Janine Calikes, Stephanie Callaghan, Maureen Chalmers, Peter Craig, Mary Donnelly, Isobel Dorman, Alistair Fulton, Geri Gray, Graeme Horne, Mark Horsham, Katy Loudon, Ian McAllan, Hugh Macdonald, Jim McGuigan, Julia Marrs, Gladys Miller, Carol Nugent, John Ross, David Shearer, Collette Stevenson, Josh Wilson

Amendment – as per tabled copy and detailed above

Alex Allison, Walter Brogan, Jackie Burns, Graeme Campbell, Andy Carmichael, Gerry Convery, Poppy Corbett, Margaret Cowie, Maureen Devlin, Fiona Dryburgh, Joe Fagan, Allan Falconer, George Greenshields, Lynsey Hamilton, Ian Harrow, Eric Holford, Martin Grant Hose, Martin Lennon, Richard Lockhart, Eileen Logan, Joe Lowe, Catherine McClymont, Colin McGavigan, Mark McGeever, Davie McLachlan, Lynne Nailon, Richard Nelson, Mo Razzaq, Graham Scott, Bert Thomson, Margaret B Walker, Jim Wardhaugh, Sheena Wardhaugh, Jared Wark, David Watson

Abstained

Robert Brown

35 members voted for the amendment and 24 for the motion. The amendment was declared carried.

The Council decided:

- (1) that the original grant settlement for 2019/2020, the additional costs facing the Council, and impact on the Council's Revenue Budget Strategy be noted;
- (2) that the increase to Council Tax of 3%, which would set the Council Tax for Band D properties at £1,168, be approved;

- (3) that the additional funding allocated as part of the Stage 1 Budget Bill be noted;
- (4) that additional budget identified as part of the 2018/2019 probable outturn be included as part of the budget solutions for 2019/2020;
- (5) that the reduction in savings of £2.417 million, as detailed above, be approved;
- (6) that the remaining savings, totalling £10.764 million, be approved;
- (7) that the £1.500 million allocation to Children and Families be approved;
- (8) that the £0.360 million allocation to increase School Clothing Grants by £30 to £130 be approved;
- (9) that additional investment of £1.3 million to support the Free at 3 initiative from August 2019 be approved;
- (10) that additional investment of £0.1 million to support environmental initiatives be approved;
- (11) that, as a supplement to planned investment in roads in 2019/2020, a one-off transfer from reserves of £0.720 million to the Roads capital budget be approved;
- (12) that a cross party working group on tackling poverty be established;
- (13) that, to improve support to families in receipt of the School Clothing Grant, the date on which the grant was paid be brought forward;
- (14) that, to improve workforce monitoring, reports on vacancies be included in future Workforce Monitoring items to committees;
- (15) that, to help protect frontline jobs and services from future savings, suitable proposals for management restructuring be considered as part of future savings exercises;
- (16) that a cross party working group on leisure and culture be established; and
- (17) that the additional General Capital Grant of £8.942 million be noted and that this Grant be used to contribute towards projects identified in the Council's Capital Strategy, namely Early Learning and Childcare: 1140 hours' requirements.

[Reference: Minutes of the Executive Committee of 21 November 2018 (Paragraph 8)]

3 Revenue Budget and Level of Local Taxation 2019/2020

A report dated 19 February 2019 by the Executive Director (Finance and Corporate Resources) was submitted on:-

- ◆ the outcome of the budget process and the content of the Revenue Budget for 2019/2020
- ◆ the revenue budget for 2019/2020 and the base budget allocation to Resources
- ◆ the level of Council Tax for 2019/2020

The Executive Director (Finance and Corporate Resources) advised that a further report would be submitted to a future meeting to reflect any changes as a result of the decisions taken at the previous item.

Councillor Holford referred to the fact that the agreed increase in Council Tax of 3% was above the rate of inflation and, he considered, unfair to South Lanarkshire residents. He suggested that, in future years, deciding on the level of Council Tax should be a discrete item prior to the setting of the overall revenue budget. The Head of Administration and Legal Services advised of the correct process for taking this proposal forward.

The Leader of the Council made a statement:-

- ◆ providing an update on the previous year's initiatives, including Free Breakfast Clubs and Holiday Clubs
- ◆ highlighting the importance of forward planning and the provision of 2 years' funding for all the initiatives undertaken in the last financial year
- ◆ highlighting the importance of free schools meals and footwear and clothing grants as more than 1 in 5 children were living in poverty
- ◆ referring to the reasons for the Administration's proposal to roll out "Free at 3" in 2020/2021 rather than 2019/2020
- ◆ advising of the successful recruitment of 33 teachers and 33 classroom assistants as well as Modern Apprentices in the social care and Early Years' sectors
- ◆ thanking staff for the preparation of the 2019/2020 budget
- ◆ thanking the JTUC for its input to the budget process
- ◆ advising that some councils had raised the level of Council Tax by 4.79% and, therefore, he considered a rise of 3% was fair
- ◆ referring to the Council's relationship with third sector partners
- ◆ intimating that the Council had a theme of long-term planning, such as capital investment in schools, roads and care homes
- ◆ advising that, as a minority Administration, he recognised the need for compromise and had tried to reach consensus with other groups and would continue to do so

The Council decided:

- (1) that the revenue budget 2019/2020 be approved and that a further report, identifying any impact to the base budget allocated to each Resource as a result of the decisions taken in the previous item, be submitted to a future meeting for noting;
- (2) that, on the basis that the budget was conditional on the receipt of the Local Government Finance (Scotland) Order 2019, a report be submitted to a future meeting confirming such receipt to allow the condition to be purified;
- (3) to note that the Band D Council Tax for 2019/2020 be set as £1,168;
- (4) that governance arrangements, incorporating the Performance and Review Scrutiny Forum, the Risk and Audit Scrutiny Committee and the Financial Resources Scrutiny Forum, be continued; and
- (5) that the continued work required to finalise the detailed revenue budget of the Council for 2019/2020, as outlined in Section 12 of the report, be approved.

Councillor Burns left the meeting following this item of business

4 Recommendation Referred by Executive Committee - Prudential Code Indicators, Treasury Management Strategy and Annual Investment Strategy 2019/2020

A report dated 27 February 2019 by the Chief Executive was submitted on a recommendation referred to the Council by the Executive Committee of 27 February 2019. The recommendation was that the Prudential Code Indicators for 2019/2020 to 2020/2021, Treasury Management Strategy for 2019/2020 and the Annual Investment Strategy for 2019/2020 be approved.

The Council decided: that the recommendation of the Executive Committee of 27 February 2019 in relation to Prudential Code Indicators for 2019/2020 to 2020/2021, Treasury Management Strategy for 2019/2020 and Annual Investment Strategy for 2019/2020 be approved.

[Reference: Minutes of the Executive Committee of 27 February 2019 (Paragraph 2)]

5 Urgent Business

There were no items of urgent business.