

**Motherwell, 29 May 2019 at 10 am.**

**A Meeting of the FINANCE AND RESOURCES COMMITTEE**

**PRESENT**

Councillor Burrows, Convener; Councillor McNeil, Vice-Convener; Councillors D. Ashraf, Barclay, Beveridge, Cameron, Campbell, Castles, Curran, Di Mascio, Docherty, Fotheringham, Gourlay, Graham, Hume, C. Johnston, T. Johnston, Jones, Lennon, Linden, Logue, MacGregor, Reddin, Shields, Stevenson, Annette Valentine and Watson.

**ALSO PRESENT**

In accordance with Standing Order 64(A), Councillors Kerr and Quigley attended as substitutes for Councillors McManus and Fisher respectively.

**CHAIR**

Councillor Burrows (Convener) presided.

**IN ATTENDANCE**

The Head of Financial Solutions, Head of Legal and Democratic Solutions, Head of People and Organisational Development, Group Manager (Estates) and Committee Officer.

**APOLOGIES**

Councillors Cochrane, M. Coyle, Cullen, Currie, Fisher, Larson, McManus and Shevlin.

**DECLARATIONS OF INTEREST IN TERMS OF THE ETHICAL STANDARDS IN PUBLIC LIFE ETC. (SCOTLAND) ACT 2000**

1. Councillors Burrows, Castles, Hume, McNeil and Watson each declared an interest in paragraph 8, by virtue of their appointment as Members of the North Lanarkshire Municipal Bank Limited, but further declared in accordance with paragraph 5.18 of the Councillor's Code of Conduct that an exclusion permitted their participation in consideration of this matter.

Councillor Linden declared an interest in paragraph 9, by virtue of his appointment as a Member of the Health and Social Care Integration Joint Board, but considered the interest so remote and insignificant that it did not preclude his participation in this item.

Councillor Fotheringham declared an interest in paragraph 16, by virtue of her attendance, in a work capacity, at Scotland's Welfare Rights Conference 2019, but considered the interest so remote and insignificant that it did not preclude her participation in this item.

**MINUTE OF THE MEETING OF THE JOINT CONSULTATIVE COMMITTEE OF 2 APRIL 2019**

2. There was submitted the Minute of the Meeting of the Joint Consultative Committee for Local Government Employees held on 2 April 2019.

**Decided:** that the Minute be approved.

**TRADE UNION/STAKEHOLDER CONSULTATIVE FRAMEWORK**

3. There was submitted a report by the Head of People and Organisational Development (1) advising that a review had been undertaken of the consultation arrangements currently in place with Trade Unions and other stakeholders; (2) detailing, in the Appendix to the report, the Council's statutory consultation responsibilities; (3) setting out (a) the current arrangements and structure of the Council's Collective Bargaining Framework, and (b) the Council's overall commitment to its Trade Union partners; (4) describing (a) the Local Bargaining Framework, and (b) areas where there were opportunities for improvement or enhancement; (5) highlighting (a) that the Council approved the Time Off for Trade Union Duties and Activities Policy in August 2008; (b) that a number of questions had subsequently been raised by Trade Union representatives around the issue of time-off, and (c) that it was proposed to undertake a review of the Time Off for Trade Union Duties and Activities Policy during the course of 2019, and (6) seeking approval for the current and planned improvements, as detailed in the report, in relation to the consultation and engagement with Trade Unions and other stakeholders.

Following discussion, Members requested that a further report be submitted to a future meeting of the Committee, in relation to the service level Joint Consultative Committee (JCC) meetings referenced in paragraph 2.8.2 of the report. The Head of People and Organisational Development confirmed that the format for a consultation report would be discussed with the Trade Unions at the next meeting of the Council's JCC.

**Decided:**

- (1) that the details of the Council's current Consultative Framework be noted;
- (2) that the intention to further build upon the Council's engagement with Trade Unions and other stakeholders be approved;
- (3) that the enhancements in relation to consultation and engagement with Trade Unions and other stakeholders, as detailed in the report, be approved;
- (4) that the intention to review facility time in the Trade Union Duties and Activities Policy be approved;
- (5) that it be agreed that the Head of People and Organisational Development discuss the format of a consultation report with the Trade Unions at the next meeting of the Council's JCC and that a further report in relation to this matter be submitted to a future meeting of this Committee, and
- (6) that the content of the report be otherwise noted.

**LEARN NL - PHASE TWO PLANNED PROGRAMME OF WORK 2019/20**

4. There was submitted a report by the Head of People and Organisational Development (1) providing an overview of the second phase programme of work designed to further enhance and build upon the Council's successful Learn NL provision; (2) highlighting that the Learn NL provision was critical to supporting employee learning, development ambitions, and leadership capacity; (3) summarising (a) the work undertaken to date, and (b) plans for the coming year, including development of a digital skills programme to support the delivery of DigitalNL, and (4) outlining the learning and development work underway to support additional programmes of work in The Plan for North Lanarkshire, with specific reference to Disability Confident Leader and Employee Engagement and Wellbeing programmes.

**Decided:** that the planned direction and programme of work, in order to deliver the next phase of the Learn NL Programme, encompassed in the Workforce for the Future Strategy, be endorsed.

#### **CONSOLIDATION OF THE LIVING WAGE INTO NLC SALARY SCALE**

5. There was submitted a report by the Head of People and Organisational Development (1) intimating that, following achievement of the status of Scottish Living Wage Employer in 2017, the Council had made a commitment to work towards the consolidation of the living wage into its salary scales; (2) highlighting that, whilst the Council had paid the Scottish Local Government Living Wage (SLGLW) for many years, this was currently paid as a "top-up" payment for those on an hourly rate which fell below the SLGLW and impacted the status of those employees in grades NLC1 and NLC2; (3) setting out the proposed option for full consolidation of the SLGLW into the Council's pay and grading model, including restoration of the pay differential structure for grades NLC1 to 3; (4) advising that the proposal took cognisance of both the recommendations made by the North Lanarkshire Fairness Commission and commitments set out in The Plan for North Lanarkshire, and (5) seeking approval for the proposed changes to the Council's pay and grading model, with effect from 1 July 2019.

**Decided:**

- (1) that the recommended change to the Council's pay and grading model, as set out within the report, and in order to achieve full consolidation of the Living Wage, be approved;
- (2) that it be agreed that the change to the Council's pay and grading model be applied from 1 July 2019, and
- (3) that the content of the report be otherwise noted.

#### **2019 REVIEW OF FINANCIAL REGULATIONS AND SCHEME OF FINANCIAL DELEGATION**

6. With reference to paragraph 9 of the Minute of the meeting of the former Finance and Organisational Sub-Committee, when it was agreed that the Head of Financial Solutions would consider the Financial Regulations on an annual basis, there was submitted a report by the Head of Financial Solutions (1) advising of the outcome of the 2019 annual review, and (2) summarising the main amendments to the Council's Financial Regulations and Scheme of Financial Delegation.

**Decided:** that the revisions made to the Council's Financial Regulations and the Scheme of Financial Delegation be noted.

#### **PAYMENT OF LOCAL TAXATION AND BENEFIT UPDATE**

7. There was submitted a report by the Head of Financial Solutions (1) providing an update on the payment performance for Council Tax and Non-Domestic Rates, the administration of welfare benefits, and the Council Tax Reduction Scheme as at 31 March 2019; (2) advising (a) that the current year's collection of Council Tax at the end of March 2019 was 94.1%, which was down 0.1% as at the same point in the previous year; (b) that the Service was actively exploring opportunities to further improve on the Council Tax position, and (c) that the Non-Domestic Rates collection for 2018/19 was 0.2% higher in comparison with the previous year; (3) intimating (a) that the end of March performance for 2018/19 in relation to the speed of processing benefit applications and changes had taken longer than at the same point in 2017/18; (b) that the main cause had been attributed to the move to Universal Credit full service by Job Centres, which had contributed to a higher level of changes being notified to the Council and resulted in an increase in the length of time to verify and complete the processing of changes, and (c) that performance had now returned to

envisaged levels; (4) detailing that whilst the level of expenditure in respect of the Council Tax Reduction Scheme was higher than envisaged, it could be contained within the overall Council Tax product for 2018/19, and (5) providing an update on the Scottish Welfare Fund, which was within budget for 2018/19.

**Decided:** that the report be noted.

**Councillors Burrows, Castles, Hume, McNeil and Watson, prior to consideration of the following item of business, had each declared an interest by virtue of their appointment as Members of the North Lanarkshire Municipal Bank Limited but had further declared that, in accordance with Paragraph 5.18 of the Councillor's Code of Conduct, an exclusion permitted their participation in the consideration of the matter.**

**NORTH LANARKSHIRE MUNICIPAL BANK LIMITED - ANNUAL OVERSIGHT REPORT 2017/18**

8. There was submitted a report by the Head of Business Solutions (1) outlining the performance of North Lanarkshire Municipal Bank Limited against its business objectives, Council priorities and financial expectations for the financial year ending March 2018; (2) providing, in the Appendix to the report, an overview of the 2017/18 performance of North Lanarkshire Municipal Bank Limited; (3) advising that the office rationalisation proposals agreed at the meeting of the Policy and Strategy Committee on 28 February 2019 may potentially impact on four of the ten locations that the Bank currently operated in; (4) highlighting that the Bank was currently undergoing a service review, conducted by the Council's Business Solutions section, as part of the former ALEOs and External Bodies Monitoring Sub-Committee's three year ALEO review programme, and (5) detailing (a) the actions already taken within the service review; (b) the future planned actions, including an assessment workshop, a board workshop and an options appraisal assessment, and (c) that the review was anticipated to be concluded in Autumn 2019, following which recommendations in relation to future bank activities would be made to the Corporate Management Team and Council.

**Decided:**

- (1) that the governance and scrutiny arrangements currently in place within North Lanarkshire Municipal Bank Limited be noted;
- (2) that the 2017/18 performance of North Lanarkshire Municipal Bank Limited be noted;
- (3) that the current status of the service review be noted, and
- (4) that the report be otherwise noted.

**Councillor Linden, prior to consideration of the following item of business, declared an interest by virtue of his appointment as a Member of the Health and Social Care Integration Joint Board but considered the interest so remote and insignificant that it did not preclude his participation in this item.**

**REVENUE MONITORING REPORTS**

**(1) REVENUE BUDGET MONITORING REPORTS - CHIEF EXECUTIVE'S AND OTHER CORPORATE SERVICES 1 APRIL 2018 TO 31 MARCH 2019**

9. There was submitted a report by the Head of Financial Solutions (1) summarising the Chief Executive's and other corporate services' financial performance for the period 1 April 2018 to 31 March 2019; (2) illustrating the provisional outturn as at 31 March 2019; (3) highlighting and explaining the major outturn variances, as per the Council's approved Financial Regulations; (4) intimating (a) that the Council had approved its General Fund Revenue Budget on 23 February 2018, of which £30.292m represented the Gross Revenue Budget for the Chief Executive's and other corporate services, and (b) that as a result of additional funding of £1.540m received from the Scottish Government in relation to Customer First (Joint Board), the revised approved budget was £31.832m; (5) advising that the Service was currently projecting a surplus of £1.673m for the financial year, and (6) detailing (a) that the 2018/19 budget incorporated £0.413m of savings previously approved by the Council, and (b) that it was anticipated that £0.349m of savings would be delivered by the financial year-end.

**Decided:** that the provisional outturn position of the 2018/19 Chief Executive's and the other corporate services Revenue Budget be noted.

**(2) REVENUE BUDGET MONITORING REPORTS - COUNCIL SUMMARY 1 APRIL 2018 TO 31 MARCH 2019**

10. There was submitted a report by the Head of Financial Solutions (1) providing the overall provisional outturn position for the General Fund Account and the Housing Revenue Account for the financial year to 31 March 2019; (2) advising that the report consolidated the budget monitoring position of all Services; (3) highlighting and explaining major variances, as per the Council's approved Financial Regulations; (4) setting out (a) in Appendix 1 to the report, a financial summary by Service; (b) in Appendix 2 to the report, the anticipated commitments against earmarked funds, and (c) in Appendix 3 of the report, the availability of one-off funds from the Change Management Fund; (5) intimating (a) that the Council had approved its General Fund Revenue Budget of £756.720m on 23 February 2018; (b) that, included within this position, were assumptions on a number of items of undistributed funding, and (c) that revised assumptions, along with additional funding following the issue of Local Government Financial Circulars 4/2018 in March 2018, 8/2018 in December 2018, and 2/2019 in March 2019, brought the reported budget to £740.781m, against which the Council was currently reporting a surplus of £10.349m; (6) detailing that the 2018/19 budget incorporated £20.017m worth of savings, of which it was anticipated that £15.568m would be delivered by the financial year-end, with a further £3.236m in place for 2019/20, and (7) outlining, in paragraph 2.5.2 of the report, the alternative measures in place to deliver the full remaining balance of savings.

**Decided:**

- (1) that the financial position of the 2018/19 Revenue Budget be noted, and  
(2) that the content of the report be noted.

**TREASURY MANAGEMENT MONITORING REPORT FOR QUARTER ENDED 31 MARCH 2019**

11. There was submitted a report by the Head of Financial Solutions (1) advising on the quarterly Treasury Management activity for the period from 1 January to 31 March 2019; (2) informing of debt restructuring, borrowing, investments and the interest rate movements during that period, and (3) providing, in the Appendices to the report (a) the details of the loans, long-term liabilities and investments as at 31 March 2019, and (b) a summary of Treasury and Prudential Indicators as at quarter ended 31 March 2019.

**Decided:** that the Treasury Management Activity for the quarter ended 31 March 2019, including the positive performance against the key treasury and prudential indicators, be noted.

**COMPOSITE CAPITAL PROGRAMME 2018/19 MONITORING REPORT - 1 APRIL 2018 TO 31 MARCH 2019**

12. There was submitted a report by the Head of Financial Solutions (1) providing an update on the 2018/19 budgeted resources and expenditure for the Composite Capital Programme; (2) advising on the provisional outturn position and the outturn variances, and (3) detailing, in the Appendices to the report (a) the revised Composite Capital Programme 2018/19 by Service, and (b) the provisional outturn position for the Capital Programme Summary 2018/19 Investment Programme.

**Decided:** that the provisional outturn position of the Composite Capital Programme, as at 31 March 2019, be noted.

**SMITHSTONE PROJECT: RING-FENCING OF FUNDS FROM FINAL CAPITAL RECEIPT**

13. With reference to paragraph 51 of the meeting of the former Infrastructure Committee on 8 November 2017, when the sale of the land at the Smithstone 1, Cumbernauld was agreed, there was submitted a report by the Head of Asset and Procurement Solutions (1) intimating that the principle of the Smithstone project was that it be self-financing, whilst at the same time generating substantial capital receipts; (2) advising (a) that Smithstone 1 was the final land release for this project, and (b) that there were a number of known outstanding issues and works related to the master planning of the area, which required to be finalised; (3) detailing that the cost associated with the outstanding works had now been estimated, and (4) proposing that £150,000 be ring-fenced from the final Smithstone capital receipt of £2,253,500, which would be received during August 2019 in order to enable final outstanding project costs to be settled.

**Decided:**

- (1) that it be noted that a sum of £150,000 would be ring-fenced from the second tranche capital receipt from the sale of land at Smithstone 1, Cumbernauld, and
- (2) that it be noted that the second tranche payment of £2,253,500, for the sale of Smithstone 1, was due to be received during August 2019.

**EDINBURGH UNIVERSITY BOATHOUSE, STRATHCLYDE PARK - PROPOSED EXTENSION TO LEASE TERM**

14. With reference to paragraph 6 of the meeting of the former Infrastructure Committee held on 2 May 2018, when a 30 year extension of the lease for the Boathouse at Strathclyde Park was granted to Edinburgh University, there was submitted a report by the Head of Asset and Procurement Solutions (1) advising that following a review of the proposed construction of the building, Edinburgh University had requested a lease term of 30 years, with an option to extend for a further 30 years, as it was expected that the life cycle of the building would far exceed the original 30 year term, and (2) seeking approval to increase the lease to an unexpired term of 30 years from the date of commencement, with an option to extend for a further 30 years.

**Decided:**

- (1) that it be agreed to increase the lease to an unexpired term of 30 years from the date of commencement, with an option to extend for a further 30 years, and

- (2) that the Head of Asset and Procurement Solutions be authorised to adjust all other terms and conditions.

**CONTRACTS AWARDED BELOW COMMITTEE APPROVAL THRESHOLD**

15. There was submitted a report by the Head of Asset and Procurement Solutions providing, in the Appendix to the report, details of contracts which had been awarded by him, under delegated authority, during the period from 1 January to 31 March 2019.

**Decided:** that the content of the report and appendix be noted.

**Councillor Fotheringham, prior to consideration of the following item of business, declared an interest by virtue of her attendance, in a work capacity, at Scotland's Welfare Rights Conference 2019 but considered the interest so remote and insignificant that it did not preclude her participation in this item.**

**SCOTLAND'S WELFARE RIGHTS CONFERENCE 2019**

16. There was submitted a report by the Head of Legal and Democratic Solutions advising that an invitation had been received in respect of attendance at a Conference entitled Scotland's Welfare Rights 2019, which was due to take place at the University of Strathclyde, Glasgow on 7 June 2019.

The Convener advised that one Elected Member had intimated that they wished to attend Scotland's Welfare Rights Conference 2019. Following no further intimations from Members, it was agreed that one Elected Member attend Scotland's Welfare Rights Conference 2019.

**Decided:** that it be agreed that one Elected Member attend Scotland's Welfare Rights Conference 2019.