

MINUTE
of
CABINET

Minute of Meeting held at 10.00am in the Council Chamber, Council Headquarters, Giffnock on 29 August 2019.

Present:

Councillor Tony Buchanan (Leader)	Councillor Alan Lafferty
Councillor Caroline Bamforth	Councillor Colm Merrick
Councillor Danny Devlin	Councillor Paul O’Kane

Councillor Buchanan, Leader, in the Chair

Attending:

Lorraine McMillan, Chief Executive; Andy Cahill, Director of Environment; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Mark Ratter, Head Of Education Services (Quality Improvement and Performance); Andy Corry, Head of Environment (Operations); Stuart Free, Principal Officer (Asset Management); Mark Waugh, Principal Accountant (Capital); and Paul O’Neil, Committee Services Officer.

DECLARATIONS OF INTEREST

985. Councillor Buchanan (Leader) declared a non-financial interest in relation to Item 992 – Business Loans Scotland: Amendment to Articles of Association by virtue of the fact he was the Chair and Director of Business Loans Scotland. Councillor Merrick declared a non-financial interest in relation to Item 986 - East Renfrewshire Culture and Leisure – End-Year Performance Report 2018/19 on the grounds that he was a member of the Board of the East Renfrewshire Culture and Leisure Trust.

Sederunt

Councillor Merrick left the meeting at this stage.

EAST RENFREWSHIRE CULTURE AND LEISURE – END-YEAR PERFORMANCE REPORT 2018/19

986. The Cabinet considered a report by the Director of Education in relation to the East Renfrewshire Culture and Leisure - End-Year Performance Report 2018/19, details of which were outlined in the appendix to the report.

The Cabinet approved the report as a summary of the East Renfrewshire Culture and Leisure – End-Year Performance Report 2018/19.

Sederunt

Councillors Merrick and O’Kane entered the meeting at this stage.

GENERAL FUND CAPITAL PROGRAMME 2019/20

987. The Cabinet considered a report by the Chief Financial Officer, monitoring expenditure as at 30 June 2019 against the approved the General Fund Capital Programme 2019/20 and recommending adjustments where necessary in light of issues that had arisen since the programme had been approved.

Whilst noting the latest developments relating to the programme, including the latest income and expenditure movements and cash flow management issues, the report indicated that the projected shortfall of £425,000 which represented 0.9% of the resources available was within manageable limits.

The report anticipated the reduction during the year in capital receipts of £3.1 million due to the timing of a final settlement of a sale. This had been offset by expenditure movements within the programme which had resulted in a net decrease in borrowing required of £486,000.

The Cabinet agreed to:-

- (a) **recommend to the Council** that the movements within the General Fund Capital Programme 2019/20 be approved; and
- (b) note the shortfall of £425,000 would be managed and reported on a regular basis.

HOUSING CAPITAL PROGRAMME 2019/20

988. The Cabinet considered a joint report by the Chief Financial Officer and Director of Environment, monitoring expenditure as at 30 June 2019 against the approved Housing Capital Programme 2019/20 and recommending adjustments where necessary in light of the issues that had arisen since the programme had been approved.

Whilst noting the latest developments relating to the programme, including the latest income and expenditure movements and cash flow management issues, the report indicated that at this time there was no projected shortfall forecast.

The Cabinet agreed to:-

- (a) **recommend to the Council** that the movements within the Housing Capital Programme 2019/20 be approved; and
- (b) note that income and expenditure on the programme would be managed and reported on a regular basis.

ESTIMATED REVENUE BUDGET OUT-TURN 2019/20

989. The Cabinet considered a report by the Chief Financial Officer, detailing the projected revenue budget out-turn for 2019/20 and providing details of the expected year-end variances for each department, together with summary cost information for each of the undernoted services as at 30 June 2019:-

- (i) Objective and Subjective Summaries;
- (ii) Education Department;
- (iii) Contribution to Integration Joint Board;
- (iv) Environment Department;
- (v) Environment Department – Support;
- (vi) Chief Executive's Office;
- (vii) Chief Executive's Office – Support;
- (viii) Corporate and Community – Community Resources;
- (ix) Corporate and Community – Support;
- (x) Other Expenditure and Income;
- (xi) Joint Boards;
- (xii) Contingency – Welfare;
- (xiii) Health and Social Care Partnership; and
- (xiv) Housing Revenue Account.

Whilst noting that for accounting purposes the budget agreed at the meeting of the Council on 28 February 2019 had been adjusted to reflect additional funding and the replacement of loan charges with a depreciation charge for each department, the report highlighted that on the basis of the information available as at 30 June 2019, the estimated year-end position showed a net favourable variance on net expenditure of £1,343,000 or 0.6% of the annual budget.

The report highlighted a number of operational variances within services that required management action to ensure that expenditure would be in line with budget at the end of the financial year. However, at this time it was expected that management action would lead to all overspends being recovered, that all underspends would be consolidated wherever possible and that spending up to budget levels would not take place.

The Cabinet, having noted the reported probable out-turn position, agreed:-

- (a) to approve the service virements and operational adjustments as set out in the notes in the report; and
- (b) that all departments continued to closely monitor their probable out-turn position.

PROPOSED LICENCE TO OCCUPY OFFICE ACCOMMODATION - 14 LOWNDES STREET, BARRHEAD

990. The Cabinet considered a report by the Director of Environment, seeking approval of the terms and conditions for a proposed licence to occupy office accommodation at 14 Lowndes Street, Barrhead, for East Renfrewshire Foodbank.

The report explained that East Renfrewshire Foodbank currently ran its operation from the former St Andrew's Parish Church although as a result of the proposed redevelopment of the property, the Foodbank was seeking an alternative location from which to operate. Following a request from the Foodbank to the Council potential space had been identified within the

offices at 14 Lowndes Street, Barrhead using the ground floor of the property. It was proposed to grant a licence to the Foodbank to occupy the ground floor of the aforementioned premises for 3 years on a rent free basis with the Council continuing to cover the cost of the maintenance of the property.

The Cabinet:-

- (a) approved the Environment Department's proposal to grant a licence to occupy the ground floor of 14 Lowndes Street, Barrhead, to East Renfrewshire Foodbank; and
- (b) agreed that delegated powers be granted to the Director of Environment, in consultation with the Chief Officer – Legal and Procurement, to finalise negotiations and conclude the licence to occupy.

ROADS RESURFACING WORKS PROGRAMME 2019/20

991. The Cabinet considered a report by the Director of Environment, advising on the major additional Roads Works Programme in relation to carriageway and footway resurfacing for 2019/20, together with details of the Roads Condition Indicator (RCI). A copy of the programme was appended to the report.

The report explained that each year the Roads and Transportation Service provided information on the RCI figures for the previous year and proposed a list of carriageways and footpaths that required resurfacing. The RCI figures were based on annual surveys undertaken on A, B and C Class Roads and for the four year average for Unclassified Roads.

Whilst noting that the Council was now ranked in first place nationally for the condition of A Class roads which strategically and economically were the most important carriers of road traffic in the area, the report highlighted that the Council had also performed better than the Scottish average for B and C Class roads. However, the data for Unclassified Roads which made up around 80% of East Renfrewshire's network indicated that 44.2% of this network should be considered for maintenance treatment.

The report explained that at the Council's Budget meeting on 28 February 2019, £15 million of Capital investment that had been approved for roads infrastructure over the next 5 years starting from and including 2019/20 (i.e. £3 million per year). Given that the Council's A and B Class road network was in a relatively good condition it was noted that the majority of the additional £3 million allocation had been directed towards C Class and unclassified roads.

Details of how the programme would be delivered together with some of the challenges that would be faced were outlined in the report. It was noted that at this time it was anticipated that around £2.8 million of the proposed additional investment of £3 million would be spent in 2019/20 and that any slippage would be carried forward into 2020/21.

The Cabinet approved the roads resurfacing works programme as detailed in the report.

Sederunt

Councillor Buchanan left the meeting at this stage.

CHAIR

At this stage, Councillor O’Kane, Deputy Leader, assumed the Chair.

BUSINESS LOANS SCOTLAND: AMENDMENT TO ARTICLES OF ASSOCIATION

992. The Cabinet considered a report by the Director of Environment, seeking approval for a change to the Articles of Association of Business Loans Scotland of which the Council was a member.

The report explained that Business Loans Scotland was formed in March 2017 and was set up to manage loan funds providing funding to new and growing small and medium sized businesses across Scotland. 27 Scottish local authorities were full members of the company with 5 local authorities being associate members.

Whilst noting that as part of Phase 1 of the development of the company, full members made a match funding contribution to the initial finances of the company that was then expected to be matched with a corresponding amount of European Regional Development Fund (ERDF) grant, the report explained that unfortunately Business Loans Scotland did not meet its target to retain any of the ERDF grant and the amount received in relation to ERDF grant during the Phase 1 period had to be returned to the Scottish Government in December 2018.

Furthermore, as part of Phase 2, Business Loans Scotland was awarded the contract to deliver a new Debt Fund from January 2019. However, it was noted that a significant difference existed between the two phases, and that Phase 2 was fully funded by the Scottish Growth Scheme and the European Regional Development Fund and therefore did not require any match funding contribution from the member authorities.

The report highlighted that as the match funding previously contributed by the member authorities under Phase 1 was not required to be used for Phase 2, the Council now had surplus funds (held by Business Loans Scotland) which at 1 April 2019 amounted to £89,435. However, the release of these funds was dependent upon changes to the Articles of Association.

To resolve this issue, the Business Loans Scotland Board of Directors had agreed to make a special resolution to its members to amend the Articles of Association to allow member authorities to withdraw their surplus funds currently held by the company. It was noted that once the Council received the surplus funds it would then be available to use for economic development activities.

The Cabinet agreed:-

- (a) to approve the draft resolution as proposed in paragraph 17 of the report;
- (b) that delegated powers be granted to the Director of Environment in consultation with the Chief Officer – Legal and Procurement to make all necessary arrangements to accept the resolution and have the surplus funds returned; and
- (c) to note that all surplus funds returned to the Council would be used solely for the purposes of economic development activity.

CHAIR

