

**MINUTE**  
**of**  
**CABINET**

**Minute of Meeting held at 10.00am in the Council Chamber, Council Headquarters, Giffnock on 15 March 2018.**

**Present:**

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

Councillor Buchanan, Leader, in the Chair

**Attending:**

Lorraine McMillan, Chief Executive; Caroline Innes; Deputy Chief Executive; Andy Cahill, Director of Environment; Margaret McCrossan, Head of Accountancy (Chief Financial Officer); Louise Pringle, Head of Business Change and Revenues; Phil Daws, Head of Environment (Strategic Services); Sharon Beattie, Head of HR, Customer and Communications; Murray Husband, Head of ICT and Digital Enablement; Steven Skelly, Revenues and Business Support Manager; Michael McKernan, Business Development Team Leader; Sarah Jane Hayes, Operations Manager; and Paul O’Neil, Committee Services Officer.

**DECLARATIONS OF INTEREST**

**345.** Councillor Buchanan declared a non-financial interest on the item in relation to the West of Scotland Loan Fund Limited on the grounds that he was a member of the Board of the West of Scotland Loan Fund Limited; and Councillors Devlin, Merrick and O’Kane declared a non-financial interest on the item on the East Renfrewshire Culture and Leisure Trust – Financial Support on the grounds that they were members of the Board of the East Renfrewshire Culture and Leisure Trust.

**CORE CORPORATE SYSTEMS**

**346.** The Cabinet considered a report by the Chief Executive, providing details of a significant change programme aimed at modernising the Council’s core corporate systems to drive process efficiencies, enable savings and facilitate improved performance and financial management and reporting. The report also sought approval to proceed to a further stage which would test the external market on scope to deliver better solutions for the Council’s core corporate systems.

The report explained that the primary goals of the programme was to improve or renew the Council’s Finance, Procurement, HR and Payroll solutions to support and drive cost savings and efficiencies by a range of means. Details of some of the key issues that the Council would face with its core corporate processes and systems were outlined in the report.

Whilst noting that to progress the matter further, a 'Corporate Systems Options Assessment and Business Case' had been prepared which provided details of three options for consideration, the report indicated that the options were as Option 1 - Continuous Improvement; Option 2 - Best of Breed with Integration and Option 3 - Enterprise Resource Planning (ERP). A summary of each of the options was outlined in the report.

The report explained the implications of the proposal highlighting that the decision on how to move forward with such a complex programme of work was not a straightforward one and there were a number of risks attached. Of the three options considered, Option 1 - Continuous Improvement was considered not feasible. Furthermore, there was no clear winner at this stage between Options 2 and 3 – Best of Breed with Integration and Enterprise Resource Planning (ERP).

In view of the foregoing, the report proposed that the Council should go out to the market with the Council's system requirements and a robust evaluation framework and test the responses to assess which option might be the best for the Council at the current time. It was noted that given the timings of the current contract expiry, the initial focus of the programme would be to tender for a new Finance/Procurement system. However, the tender would include scope for the award of a contract for HR/Payroll modules for later deployment, either as part of an ERP system or as a separate system which could be integrated with the Finance system.

The Cabinet agreed:-

- (a) to support the progression of the Core Corporate Systems of work;
- (b) to note the Core Corporate System Board's conclusion that Option 1, Continuous Improvement, was not feasible and there was no clear winner at this stage between Options 2 and 3 – Best of Breed with Integration and Enterprise Resource Planning (ERP);
- (c) that the Council goes to market with a clear set of requirements with new Finance and Procurement systems as the initial focus and HR/Payroll following within a year, and assesses the resulting responses (ERP or Best of Breed included);
- (d) that services should begin putting in place the right conditions for change and implementation; adopting standard best practice processes and avoiding customisation;
- (e) that the programme should be suitably resourced, using internal resource where applicable but recognising the need to recruit externally for certain roles to build skills and capacity it being noted that funding would be through a mix of capital and the Modernisation Fund; and
- (f) to support the mitigation of the risks associated with the programme.

## **EAST RENFREWSHIRE CULTURE AND LEISURE TRUST – FINANCIAL SUPPORT**

**347.** The Cabinet considered a report by the Chief Financial Officer, seeking homologation of the action taken in issuing a letter of comfort to the East Renfrewshire Culture and Leisure Trust in view of the Trust's forecast overspend position at 31 March 2018.

The Cabinet homologated the action taken in issuing a letter of comfort to ERCLT in view of the Trust's forecast overspend position as at 31 March 2018.

## **SUPPORT FOR EAST RENFREWSHIRE CITIZENS ADVICE BUREAU**

**348.** Under reference to the Minute of the meeting of the Council of 15 June 2016 (Page 1963, Item 2094 refers), when it was agreed amongst other things to continue provision of additional grant funding of £40,000 in 2017/18 to support East Renfrewshire Citizens Advice Bureau (CAB) in its work towards mitigating the impact of Welfare Reform, the Cabinet considered a report by the Deputy Chief Executive, seeking approval to continue additional grant funding in 2018/19 and 2019/20 to support East Renfrewshire Citizens Advice Bureau (CAB) in its work towards mitigating the impacts of Welfare Reform.

The report explained that the funding that had been awarded to the CAB annually since 2014 had been used to fund one full time member of staff who undertook all aspects of benefit support work. Details of the successful outcomes the post made in terms of the total Client Financial Gains in Welfare Benefits achieved by CAB during this financial year were outlined in the report.

Whilst noting that the demand for benefits advice was expected to increase further over the next few years with the introduction of Universal Credit and that the CAB would be impacted in similar ways to the Money Advice and Rights Team (MART) with increasing caseload and demands for services, the report sought approval of £40,000 of additional funding to CAB to continue to support this work, from the Welfare Contingency Fund, for a further two years.

The Cabinet agreed to:-

- (a) note the update in relation to Welfare Reform and the planned roll out of Universal Credit in East Renfrewshire in September 2018;
- (b) note the continued progress which had been made by East Renfrewshire Citizens Advice Bureau (CAB) supporting residents through the financial complexities of Welfare Reform changes; and
- (c) provide additional grant funding of £40,000 to support East Renfrewshire Citizens Advice Bureau (CAB) in its work towards mitigating the impacts of Welfare Reform for a further two years in 2018/19 and 2019/20.

## **ESTIMATED REVENUE BUDGET OUT-TURN 2017/18**

**349.** The Cabinet considered a report by the Chief Financial Officer, detailing the estimated projected revenue out-turn for 2017/18 and providing details of the expected year-end variances, together with summary cost information for each of the undernoted services as at 5 January 2018:-

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

- (xii) Joint Boards;
- (xiii) Contingency – Welfare; and
- (xiv) Housing Revenue Account.

Whilst noting that as at 5 January 2018, the estimated year-end position showed a net favourable variance on net expenditure of £4,589,000 based on current information, the report highlighted that Council Tax collection had been higher than budgeted, with additional income of £700,000 now anticipated, bringing the total forecast underspend on General Fund services to £5,289,000.

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

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

- (a) the service virements and operational adjustments be approved;
- (b) management action be taken to remedy the forecast overspend in Environment – Support; and
- (c) all departments continued to closely monitor their probable out-turn position.

### **GENERAL FUND CAPITAL PROGRAMME 2017/18**

**350.** The Cabinet considered a report by the Chief Financial Officer, monitoring expenditure as at 20 February 2018 against the approved General Fund Capital Programme 2017/18 and recommending adjustments where necessary in light of issues that had arisen since the programme had been approved.

The report highlighted the latest developments relating to the programme, including the latest income and expenditure movements and cash flow management issues and indicated that the projected shortfall of £93,000 represented 0.4% of the resources available and was within manageable limits.

The Cabinet agreed to:-

- (a) **recommend to the Council** that the proposed adjustments to the General Fund Capital Programme 2017/18 be approved; and
- (b) note that the shortfall of £93,000 would be managed and reported within the final accounts for the year.

### **HOUSING CAPITAL PROGRAMME 2017/18**

**351.** The Cabinet considered a joint report by the Chief Financial Officer and Director of Environment, monitoring expenditure as at 20 February 2018 against the approved Housing Capital Programme 2017/18 and recommending adjustments where necessary in light of the issues that had arisen since the programme had been approved.

The report highlighted the latest developments relating to the programme, including the latest income and expenditure movements and cash flow management issues and indicated that the projected shortfall of £36,000 represented 0.6% of the resources available and was within manageable limits.

The Cabinet agreed to:-

- (a) **recommend to the Council** that the movements within the Housing Capital Programme 2017/18 be approved; and
- (b) note that the shortfall of £36,000 would be managed and reported within the final accounts for the year.

### **TRADING UNDER BEST VALUE**

**352.** The Cabinet considered a report by the Chief Financial Officer, requesting that consideration be given to the classification of Council activities in terms of trading operations as defined by the Local Government in Scotland Act 2003 and as modified in June 2013 by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). Details of the review of services that had been undertaken; a summary of trading operations and the criteria used to determine if they were significant were appended to the report.

The report explained that in terms of the Local Government in Scotland Act 2003, the Council was required to consider its trading operations on an annual basis and determine those which should be regarded as significant. Having noted the criteria that required to be met for a trading operation to be considered as “significant” and a further test of significance that required to be taken into account, the report explained that having taken these conditions into account, the result of the review for 2017/18 was that the Council had no significant trading operations.

The Cabinet approved that in terms of the Local Government in Scotland Act 2003 that there were no trading services operated by the Council that should be classified as “significant”.

### **ROAD CONDITION INDICATOR FOR 2016/17 AND CURRENT MAINTENANCE BACKLOG FIGURE AND STEADY STATE BUDGET FIGURE**

**353.** The Cabinet considered a report by the Director of Environment, providing an update on the condition of the Council’s roads, the Road Condition Indicator (RCI), the Maintenance Backlog figure and Steady State budget figure.

Whilst noting that in terms of the resources available the Road Service had performed well on the RCI and achieved substantial improvements to the network over recent years, the report highlighted that the additional £1.6million allocated to the 2017/18 Roads Revenue Works Programme would considerably benefit residential and unclassified roads which currently were the areas showing the greatest deterioration.

The report highlighted that the major issue facing the Council was the backlog figure of £22.2million which was for carriageways alone. It was noted that to maintain just a steady state in road condition that is to maintain roads in their current condition would require a minimum spend of £2.5million per annum, compared to the 2018/19 structural maintenance revenue and capital budget allocation of £2,396,200.

The Cabinet noted the:-

- (a) details of the 2017 Road Condition Indicator and the considerable improvements achieved by the Road service in recent years;
- (b) current maintenance backlog figure; and
- (c) current Steady State budget figure.

### **ROADS REVENUE WORKS PROGRAMME 2018/19**

**354.** The Cabinet considered a report by the Director of Environment, seeking approval for the Roads Revenue Works Programme 2018/19. A copy of the programme was appended to the report.

Whilst noting that the Roads Revenue Works Programme covered routine maintenance, winter maintenance and carriageway and footway resurfacing and patching, the report advised that the total allocation for 2018/19 was £3,955,300 and that in terms of the prioritisation of the proposed resurfacing schemes a number of factors had been taken into consideration. These included amongst other things the structural condition of the road or footway, the usage of the road or footway, cost of maintenance for the previous 3-years, number of complaints received regarding the road/footway and geographical spread.

Furthermore, the report indicated that the winter maintenance budget for 2018/19 had been maintained at £900,000 and that the policy and practice for winter maintenance was currently being reviewed and would be the subject of a separate report to a future meeting of the Cabinet.

The Cabinet approved the Roads Revenue Works Programme of £3,955,300 for 2018/19.

### **WEST OF SCOTLAND LOAN FUND LIMITED – AMENDMENT TO ARTICLES OF ASSOCIATION**

**355.** The Cabinet considered a report by the Director of Environment, providing details on the current status of the West of Scotland Loan Fund Limited (WSLF) and seeking approval to amend the Articles of Association.

Whilst noting that the West of Scotland Loan Fund Ltd (WSLF) was a consortium of the 12 West of Scotland local authorities and was incorporated as a company limited by guarantee in June 1996, the report explained that the fund had provided loan finance in individual amounts of up to £100k and had successfully operated across the West of Scotland as a fund for more than 18 years filling the funding gap to new and growing, small and medium sized enterprises. The arrangements for supporting the foregoing activity were outlined in the report.

The report explained that whilst a number of the larger member authorities had considerable resources within the Fund and the full value of their resources was no longer required for lending purposes, the existing WSLF Company constitution, which consisted of a Members' Agreement and Articles of Association, prevented members from withdrawing funds which they did not want to be used for lending via WSLF. In addition to the constitutional restrictions, WSLF received European Regional Development Fund (ERDF) funding through the 2007-13 European funding programme. The rules attached to this required the funds received being reinvested in SME's and not reutilised for purposes other than loans.

Having noted the actions that were required to enable member authorities to access their funds one of which involved the current Articles of Association being amended by unanimous approval of all 12 member authorities, the report explained that in addition, confirmation was required from the Scottish Government over the treatment and value of ERDF funding that was received through the 2007-13 ERDF programme which must be utilised for future loans.

The report proposed that Article 4.2 be deleted by Special Resolution to enable the Funds to be accessed and applied solely towards the promotion of the objects of the company as set out in Article 4.1. Whilst noting that some authorities had limited or indeed no surplus funds remaining in WSLF, the report indicated that it was anticipated that support for this change allowing others to withdraw their ring-fenced resource would be unanimous.

The Cabinet:-

- (a) noted the position regarding the current status of the West of Scotland Loan Fund Limited; and
- (b) approved the proposal to amend the WSLF Articles of Association to enable member authorities to access surplus funds from the Fund, in line with the requirement to ensure that they continued to be earmarked and utilised for the purposes outlined in the objects of the company.

#### **WRITE-OFF OF IRRECOVERABLE COMMUNITY CHARGE**

**356.** The Cabinet considered a report by the Deputy Chief Executive, seeking approval to write-off historical Community Charge balances from 1989/90 to 1992/93 totalling £3,363,049.

The report highlighted that all the arrears in question were now in excess of 20 years old and were prescribed from legal action meaning that they could no longer be pursued.

The Cabinet approved the write-off of £3,363,049 of historical Community Charge debt, which could be met from existing bad debt provision, without impact to the Council's General Fund balances.

#### **WRITE-OFF OF IRRECOVERABLE COUNCIL TAX; NON-DOMESTIC RATES; SUNDRY DEBT INCOME AND HOUSING BENEFIT OVERPAYMENTS**

**357.** The Cabinet considered a report by the Deputy Chief Executive, seeking approval to write-off as irrecoverable sums associated with Council Tax and Water Charges; Non-Domestic Rates; Sundry Debt Income and Housing Benefit Overpayments.

Whilst noting that the Council's debt recovery policy listed situations where write-off of debts would be considered when all viable means of collection had been exhausted, the report highlighted that this was an annual process with sums being met from existing bad debt provision.

The Cabinet:-

- (a) approved the write-off of the following sums, totalling up to £739,016.03 without prejudice to subsequent recovery procedure:-

- (i) Council Tax arrears totalling up to £198,040.53;
  - (ii) Non-Domestic Rates totalling up to £233,567.63;
  - (iii) Sundry Debt income totalling up to £185,230.23; and
  - (iv) Housing Benefit Overpayments totalling up to £122,177.64; and
- (b) noted that water and sewerage charges totalling up to £79,716.18 were also being written off in discussion with Scottish Water.

### **WRITE-OFF OF IRRECOVERABLE FORMER TENANT RENT AND COURT EXPENSES**

**358.** Under reference to the Minute of the meeting of the Cabinet of 26 January 2017 (Page 2197, Item 2361 refers), when the new rent arrears policy had been approved, the Cabinet considered a report by the Director of Environment, seeking approval to write-off former Tenant Rent and Court Expenses which could not be recovered through the debt collection process.

The Cabinet agreed:-

- (a) the write-off sum up to the value of £49,056.76 of former tenant irrecoverable Rent and Court expenses, whilst acknowledging that the sums could be pursued and recovered in future should additional information and opportunities arise; and
- (b) that £43,484.29 of this amount be written-off against the Housing Revenue Account (HRA) and the remaining £5,572,047 be written off against the Non-HRA as this account was accrued by homeless households placed on temporary accommodation.

### **Resolution to Exclude Press and Public**

At this point in the meeting, on the motion of the Leader, the Cabinet unanimously resolved that in accordance with the provisions of Section 50A(4) of the Local Government (Scotland) Act 1973, as amended, the press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 6 and 9 of Part I of Schedule 7A to the Act.

### **DISPOSAL OF A 3.5 ACRE DEVELOPMENT SITE AT DRUMBY CRESCENT, CLARKSTON**

**359.** The Cabinet considered a report by the Director of Environment, seeking approval to progress the disposal of a 3.5 acre site at Drumby Crescent, Clarkston to the company detailed in the report.

The Cabinet agreed that delegated powers be granted to the Director of Environment in consultation with the Chief Officer – Legal and Procurement, to progress and complete the disposal of 3.5 acres of land at Drumby Crescent, Clarkston to the successful bidder for a residential development for the sum detailed in the report.