

MINUTE of MEETING of the WEST LOTHIAN COUNCIL held within Council Chambers, Civic Centre, Livingston, on 29 January 2015.

Present – Provost Tom Kerr (Chair), Depute Provost Dave King, Council Leader John McGinty, Councillors Frank Anderson, Stuart Borrowman, Tony Boyle, William Boyle, Diane Calder, Janet Campbell, Harry Cartmill, Tom Conn, Alexander Davidson, Martyn Day, Robert De Bold, Jim Dickson, Mary Dickson, Jim Dixon, David Dodds, Lawrence Fitzpatrick, Carl John, Peter Johnston, Danny Logue, Greg McCarra, Anne McMillan, Angela Moohan, John Muir, Cathy Muldoon, George Paul, Barry Robertson, Frank Toner, Jim Walker.

Apologies – Councillor Andrew Miller.

## 1. DECLARATIONS OF INTEREST

The Provost referred to the budget setting meeting held in December 2013, recalling that an advice note had been circulated by the Chief Legal Officer concerning declarations of interest and membership of outside bodies and voluntary organisations. The Provost summarised the advice given by the Chief Legal Officer in December 2013 and informed members that the advice still applied.

The Provost ruled, under Standing Order 14 (3), that he would limit the time available for putting questions to officers to 30 minutes for each item of business. He further advised that, in relation to motions, a mover would be allowed 5 minutes to speak, and all other speakers would be allowed 3 minutes, in accordance with Standing Orders.

Members declared interests as undernoted:-

### Councillor Johnston

Councillor Johnston declared an interest arising from his position as (i) Non Executive Director, NHS Lothian, (ii) Non Executive Director, Healthcare Improvement Scotland, and (iii) COSLA Spokesperson (Health and Wellbeing).

### Councillor Logue

Councillor Logue declared an interest as an employee, NHS Lothian.

### Councillor Toner

Councillor Toner declared an interest arising from his position as (i) Non Executive Director, NHS Lothian, and (ii) Chair of West Lothian CHCP.

## 2. REVENUE BUDGET 2015/16 TO 2017/18

The Council was required to approve its revenue budget for 2015/16 before 11 March to comply with statutory obligations. In terms of the

Prudential Code for Capital Finance in Local Authorities, the Council was also required to approve prudential indicators annually, through the same process established for setting the Council's revenue budget. The level of Council Tax to be levied for 2015/16 required to be set one month before the statutory deadline.

The Council considered a report (copies of which had been circulated) by the Head of Finance and Estates recalling that the Council had agreed in June 2014 that officers would develop draft budget measures for the three years 2015/16 to 2017/18 to secure a balanced budget position over the period, as funding provided by the Scottish Government would not meet the council's budget pressures. The measures were based on the detailed responses received from the initial DBO consultation in 2012, which had resulted in agreement of key Corporate Plan priorities and various workstreams, aimed at prioritising the council's resources on the areas that had the most positive impact on outcomes.

A second DBO consultation had been launched in October 2014, providing stakeholders with a range of proposed budget reduction measures aimed at meeting the budget gap. Feedback from the consultation had been reported to a series of PDSPs in the week commencing 15 December 2014.

The Council was informed that, following conclusion of the DBO consultation, a financial strategy update report had been presented to Council Executive on 7 January 2015. Council Executive had agreed that the consultation responses would be used to inform measures to balance the revenue budget for the period up to 2017/18, and agreed to incorporate budget proposals to meet a revised budget gap of £29.544 million, in a report to full Council in early 2015.

The Head of Finance and Estates was now seeking formal Council approval for a 2015/16 revenue budget, a council tax level for 2015/16, and associated issues.

The report covered the following areas:-

- Governance
- Delivering Better Outcomes Consultation 2014
- Revenue Budget Measures 2015/16 to 2017/18
- Income and Concessions 2015/16 to 2017/18
- Annual Revenue Budget 2015/16
- Council Tax Bands 2015/16
- Services Budget Expenditure 2015/16
- General Fund Balances and Other Reserves
- Equality Impact Assessment
- Risks and Uncertainties
- Prudential Code

The report provided a table showing the updated budget position for 2015/16 to 2017/18, and outlined the key funding assumptions over the three years as undernoted:-

- Revenue grant funding of £309.393 million would be received in 2015/16, including funding to implement Scottish Government policy changes, a council tax freeze, and estimated additional funding as a result of allocation of Barnett consequential to local government.
- An estimated increase in revenue grant of £1.62 million in 2016/17 for demographic growth and funding for employers' contributions to teachers' pensions and £1 million in 2017/18 due to the council's share of funding for demographic growth.
- Continuation of the council tax freeze in 2016/17 and 2017/18.
- Increased council tax from additional house completions, of £2.065 million during 2015/16 to 2017/18.

The report went on to outline the key expenditure assumptions for 2015/16 to 2017/18.

Table 2 within the report summarised the proposed budget reduction measures by service for 2015/16 to 2017/18.

In relation to Income and Concessions 2015/16 to 2017/18, the DBO consultation had proposed that the council could deliver additional income of £2.95 million over the years 2015/16 to 2017/18. Detailed proposals for setting fees, charges and concessions were set out in Appendix 2(a) to the report, and a full list of proposed charges was included within Appendix 2 (b) to the report. The report also contained a recommendation that officers develop proposals for the introduction of a contributions policy for non-residential care services and report to the Social Policy PDSP and Council Executive in 2015 with details of recommendations for implementation from April 2016.

The Head of Finance and Estates reported that the reduction in core funding from the Scottish Government meant that the council did not have sufficient funding to meet recurring cost pressures. The commitments attached to the local government funding package for 2015/16 had been set out in a letter from the Cabinet Secretary to Council Leaders on 9 October 2014. In order to access the full amount of the package, each local authority was required to maintain the council tax freeze for 2015/16 and secure places for all probationers who required one under the Teacher Induction Scheme.

The report went on to provide details of an additional one-off payment of £300,000 as a result of expenditure on national probationer numbers being less than the total Teachers' Induction Scheme funding available. Indications were that this non recurring position would also be replicated in 2015/16 meaning that the council would have additional one-off non-core resources to allocate in 2015/16 of £600,000. Proposals for utilisation of this funding to improve school attainment were included in the report.

The Council was informed that the remainder of the council's recurring funding was raised through council tax. Council tax assumptions had been made for 2015/16, and the overall movements in recurring revenue funding was shown in Table 4 within the report.

The report provided the following appendices:-

- Appendix 1 Proposed Budget Reduction Measures 2015/16 to 2017/18.
- Appendix 2 Income and Concessions 2015/16 to 2017/18
- Appendix 3 Revenue Budget 2015/16 Detailed Analysis of Budget Change
- Appendix 4 Statement on General Fund Balance and Other Reserves 2015/16
- Appendix 5 Revenue Budget Equality Impact Assessment
- Appendix 6 Prudential Indicators 2015/16

In relation to the General Fund Balance and Other Reserves, it was noted that a statement, including a strategy for managing reserves, was set out in Appendix 4 to the report. The Head of Finance and Estates recommended that the minimum uncommitted General Fund Balance was maintained at £2 million in 2015/16. This represented 0.53% of the core revenue budget for 2015/16, which was amongst the lowest uncommitted general balances held amongst Scottish local authorities.

The Head of Finance and Estates concluded that the proposals within the report would enabled the Council to address the budget gap of £29.544 million over 2015/16 to 2017/18. Agreement of the financial strategy would enable the council to build on the established strategic approach to financial planning and to meet the challenges of funding restrictions and spending pressures. If agreed, the proposals would enable the council to deliver its Corporate Plan priorities over the coming three years and to balance the budget from 2015/16 to 2017/18.

Finally, the Head of Finance and Estates reported that the council had a robust process for conducting equality impact assessment on changes to policy and resources related to the budget setting process. Officers had given due regard to the findings of the equality impact assessment in the development of individual service level budget proposals and the analysis had been considered as part of the process for finalising the proposed revenue budget for 2015/16 to 2017/18.

It was recommended that the Council:-

1. Notes that the council faced a revenue budget gap of £29.544 million over the years 2015/16 to 2017/18.
2. Agrees the implementation of the proposed revenue budget measures for 2015/16 to 2017/18, as set out in Appendix 1 of the

report.

3. Agrees the recommendations for setting fees, charges and concessions for 2015/16 to 2017/18, as set out in Appendix 2 of the report.
4. Agrees the annual revenue budget for 2015/16, as set out in Appendix 3 of the report.
5. Sets a council tax level for 2015/16
6. Approves a strategy of maintaining a minimum uncommitted general fund balance of £2 million.
7. Notes the position in relation to the General Fund Balance and other Reserves, as set out in Appendix 4 of the report.
8. Notes the Equality Impact Assessment, as set out in Appendix 5 of the report.
9. Approves prudential indicators, as set out in Appendix 6 of the report.

### Motion

“West Lothian Council notes with concern the continuing failure of the Scottish Government to provide sufficient funding to meet the increasing costs and demand for local government services.

Council also notes that this will result in a shortfall in Scottish Government funding to West Lothian Council of £29.544 million over 2015/16 to 2017/18.

Council further notes that since the SNP were first elected to Government in the Scottish Parliament in 2007, West Lothian Council has seen cumulative budget reductions of £87.963m. This equates to an SNP Cut in Council services worth £1,143 for every household in West Lothian.

Council condemns the failure of the SNP Scottish Government to fully utilize the budget it has for 2014/15 and the resultant £444m underspend at a time that Scottish Councils are being forced to make service and job cuts.

Council notes the conclusion of the Delivering Better Outcomes consultation, the most successful public consultation ever undertaken by West Lothian Council, generating a total of 3,467 responses and over 40,000 comments from stakeholders. Council notes the strong support that feedback from the consultation gave to the budget measures which will enable the council to balance its finances over the next three years.

Council welcomes the strategic approach to financial and corporate planning that has been adopted by the council and notes that a three year budget strategy has been highlighted by Audit Scotland as best practice in light of the financial position facing the council. Council notes the benefits

that a three year budget strategy will provide, and that this will allow the necessary lead-in time to deliver modernisation of services and effective workforce plans that will ensure that the council is able to maintain its commitment of a no compulsory redundancy position.

In the face of the Scottish Government underfunding of local government, Council welcomes the continued commitment of the Council Administration to investing in the education of West Lothian's young people, services for the elderly, measures to support jobs and economic growth, the modernisation of council services, energy efficiency, increasing the living wage for council staff, and to support local people with the impact of Welfare Reforms.

Council commits to delivering a programme of modernisation and efficiency over the coming three years and:

1. Notes that the council faces a revenue budget gap of £29.544 million over the years 2015/16 to 2017/18.
2. Agrees the implementation of the proposed revenue budget measures for 2015/16 to 2017/18, as set out in Appendix 1 of the report, amended as follows:
  - Instruct officers to undertake a comprehensive review of the saving proposals contained in the budget relating to a contributions policy for community care services (£750,000), and changing levels of access to care services to substantial/critical care needs only (£885,000). The review should include further options appraisals, with consideration of the detailed impact of the proposals under different scenarios for the levels at which access to care are provided and for client contributions towards the cost of care. The review should also consider alternative ways of making the saving. The review should involve further consultation with stakeholders and take account of the need to protect the most vulnerable care clients and ensure that clients are not required to contribute towards their care costs unless they are financially able to do so. The review should also consider the position in other local authorities in Scotland regarding these issues.
  - Resolves that closure of the Vennel Toilets in Linlithgow will not take place until after the opening of the new facilities at Linlithgow Partnership Centre.
  - Agrees to restrict the proposed increase to Secondary School meals of ten pence in 2015/16, to an increase of five pence, at a cost of £30,000.
  - Agrees to retain an Armed Forces Veterans wage subsidy budget of £25,000 in 2015/16 to 2017/18, in addition to the time limited investment.

- Instructs the Head of Finance and Estates to deliver additional procurement savings of £55,000 in 2015/16, taking account of recent energy price announcements.
3. Agrees the recommendations for setting fees, charges and concessions for 2015/16 to 2017/18, as set out in Appendix 2 of the report, with the secondary school meal price for 2015/16 amended as set out in this Motion.
  4. Approves the annual revenue budget for 2015/16, as set out in Appendix 3 of the report, amended for changes to secondary school meal income, the Armed Forces Veterans wage subsidy, and additional procurement savings, as set out in this Motion.
  5. Agrees a Council Tax freeze for 2015/16.
  6. Approves a strategy of maintaining a minimum uncommitted general fund balance of £2 million.
  7. Notes the position in relation to the General Fund Balance and other Reserves, as set out in Appendix 4 of the report.
  8. Notes the Equality Impact Assessment, as set out in Appendix 5 of the report.
  9. Approves prudential indicators, as set out in Appendix 6 of the report.
  10. Recalls that the West Lothian Council SNP Group has consistently refused to support calls to write to the Scottish Government to ask for more resources to mitigate cuts in Council services for West Lothian people, including each of the last two Council Budget setting meetings and agrees to write to the Scottish Government Cabinet Secretary for Finance, Constitution and Economy and West Lothian Constituency MSP's objecting to the failure of the Scottish Government to properly fund West Lothian Council resulting in the need to cut services by £29.544m in 2015/16 to 2017/18 and calling upon him to allocate West Lothian Council its share of the £444m Scottish Budget underspend to mitigate against cuts in Council services and job losses in 2015/16.

The Head of Finance and Estates has verified the financial implications of the motion.”

Moved by Council Leader John McGinty, seconded by Councillor Muldoon.

Amendment

Council applauds the SNP Government's actions to mitigate against the Better Together parties sustained attacks upon the poor, weak and vulnerable in our society and notes:

- The SNP Government allocates £37.9m a year to the Scottish Welfare Fund, which was set up to fill the gap left by Westminster's decision to halt Crisis Loans and Community Care Grants.
- West Lothian benefits by £1.242m from this fund to directly assist those in need in our community.
- The SNP Government's Council Tax freeze with West Lothian Council benefitting in 2015/16 by £2.084m.
- The SNP Government's Council Tax Reduction scheme is helping to support 530,000 low income households that are paying the price of Westminster's welfare cuts.
- The SNP Government's Bedroom Tax mitigation with West Lothian Council benefitting by an estimated £1.7m in 2014/15.
- The SNP Government's introduction of free school meals for infants (opposed by Labour).
- The SNP Government's additional funding for childcare.
- That West Lothian Council benefits from £3.623m of additional funding for the above 2 items in 2015/16.
- The SNP Government's further £100m of investment to provide additional social care with West Lothian benefitting by £2.85m from 2015/16 to 2017/18 and by £855,000 in 2015/16.
- The Scottish Local Government has secured a higher share of the Scottish Budget under the SNP than that provided by the Labour/Liberal Executive.
- That at no time since 2007 has the Labour Party sought to provide additional funding for Scottish Local Government from the Scottish Budget.

Council notes the recommendation within the officer's paper to:

"Agree the implementation of the proposed revenue budget measures for 2015/16 to 2017/18".

Council further notes however;

1. That throughout the PDSP process no details of budget reduction proposals were made available to allow elected members and PDSP members to scrutinise any of the proposed budget reduction



proposals.

2. That Appendix 1 to this motion details budget reduction proposals, which we are requested to agree to today, but for which insufficient detail is available to support informed decision making totalling;

2015/16 - £8.478m  
 2016/17 - £10.014m  
 2017/18 - £7.321m

3. That a total of 383 council jobs are to be lost as a direct result of these budget reduction proposals.

West Lothian Council therefore agrees to:

- Note that the council faces a revenue budget gap of £29.544 million over the years 2015/16 to 2017/18.
- Agree that decisions on the setting of the revenue budget for 2015/16 to 2017/18 are deferred until further consultation with PDSPs on the detail of the budget measures has been carried out;
- Agree that PDSP meetings to discuss, for the first time, the detail of the proposed budget measures for 2015/16 are held in early February 2015;
- Agree that following the PDSP meetings in February, that the Head of Finance and Estates present a revenue budget for 2015/16 to full Council at the scheduled meeting on Tuesday 24<sup>th</sup> February before the statutory deadline for approving a balanced budget and setting council tax of 11 March 2015;
- Agrees that further PDSP meetings to review all of the budget measures for 2016/17 and 2017/18 are held during March/April 2015;
- Agrees that following the PDSP meetings in March the Head of Finance and Estates reports back to full council on the outcome of these further PDSP meetings.”

#### Appendix 1

#### Revenue Budget 2015/16 to 2017/18 Budget Reduction Measures with Insufficient Detail Provided

Measure	15/16 £'000	16/17 £'000	17/18 £'000	Total £'000	Staffing Reduction
Workforce management in HR and IT	78	57	88	223	5
Integration of Community Safety Unit, Noise Team and Environmental Health		227		227	5
Realignment of hostels grant funding		32	31	63	
Managing IT infrastructure	38	60	66	164	4
Efficiencies arising from preventative interventions in homelessness	66			66	2

New administration model for Operational Services	57	57		114	5
Revised Cleaning specifications – Non Educational Buildings	238	119		357	15
Revised cleaning specifications for schools	272	110		382	21
Restructure of Waste Services	160	52		212	2
Change focus of enforcement officers	27			27	1
Revised waste community recycling centre provision	280			280	8
Workforce management across Waste, Roads and Nets	24	39	218	281	9
Restructure of Environmental wardens and street cleaning teams	140	132		272	8
Revised Bulky Uplift Service		139		139	4
Revised waste collection routes	115	228		353	6
Beechraigs Fishery	30			30	1
Review of Council supported public transport		1490		1490	
Review Additional Support needs transport		450		450	
Revised concessionary rail scheme	272			272	
Reduction in internal vehicle costs	531	305	205	1041	
Relocation of public toilets at the Vennel			66	66	2
Administration model Strathbrock	40			40	2
Modernisation of Social Care	290	290	300	880	30
Review Health Improvement Team			50	50	1
Reshaping Care for Children	206	149	232	587	
Review of learning disability housing support			40	40	5
Review of Physical Disability Units			40	40	1
Review Health and Care services	100	300	800	1200	25
Modernisation of partnership with Vol Orgs	235	185	20	440	
Redesign of early years services	35		50	85	2
Reductions to Early Intervention budget	106			106	
Changes to Education care support		95		95	3
Redesign of Criminal Justice service	130			130	
Care services for over 65's			100	100	
Reshaping Care for older people including £180k cut in Challenge Fund	180	71	71	322	
Changing access to care services		580	305	885	
Charges for community care services		585	165	750	
CIS offices changes	20	40	40	100	3
Community Youth services			60	60	
Community Regeneration	50	100	428	578	15
Area Services workforce		77	77	154	5
Trust model for sports, outdoor education, culture and leisure and museum services	130	452	300	882	22
Vol orgs modernisation		73	25	98	
Armed Forces Veterans Subsidy	75			75	
Reduction in arts, sports and culture grants	50			50	
Reduction in small grants funds	50			50	
Review of Lowport Centres			200	200	8
Customer Service Centre	38			38	2
Modernising front line services	186	103	103	392	24
Modernised Library services	260	46		306	4
Review of economic development activities	100			100	3

Planning and Economic development workforce	15	23	23	61	2
Restructure EnvH and Trading standards		60		60	1
Review of support to Visit WL, Town centre management and the Chamber of Commerce	125	60		185	
Management – climate change and energy	40			40	1
Customer enquiries	40			40	2
Nursery places			200	200	
New model of pre school provision			540	540	
Redesign of instrumental music tuition		183	92	275	7
Review support for out of school care	130			130	
Area business Support			100	100	3
Central education officer support	280	70		350	5
Central education workforce planning	67	33		100	1
Redesign Hearing Impairment service	150			150	4
Revision of primary school budget formula and CPD provision	184	907	453	1544	39
Revision of secondary school budget formula CPD and pupil support	1204	217		1421	43
Review of outreach services		15	75	90	2
Review of payment methods	82	90	25	197	5
Property Management workforce	10	39	44	93	3
Trust Model for culture and Leisure			532	532	
Property Modernisation	249	591	280	1120	
Council maintenance	250	70	50	370	
Energy efficiency	277	277	278	832	
Self Insurance	525			525	
Procurement savings	241	487	487	1215	
Customer enquiries		249	62	311	12
<b>Totals</b>	<b>8478</b>	<b>10014</b>	<b>7321</b>	<b>25823</b>	<b>383</b>

Moved by Councillor Johnston, seconded by Councillor Day.

It was agreed that a roll call vote be taken which resulted as follows:-

Motion

Amendment

Abstain

Tony Boyle  
Harry Cartmill  
Tom Conn  
Alex Davidson  
Jim Dixon  
David Dodds  
Lawrence Fitzpatrick  
Tom Kerr  
Dave King  
Danny Logue  
John McGinty  
Anne McMillan  
Angela Moohan  
Cathy Muldoon  
George Paul  
Barry Robertson

Frank Anderson  
Willie Boyle  
Diane Calder  
Janet Campbell  
Martyn Day  
Robert De Bold  
Jim Dickson  
Mary Dickson  
Carl John  
Peter Johnston  
Greg McCarra  
John Muir  
Jim Walker

Stuart Borrowman

Frank Toner

Decision

The motion was successful by 17 votes to 13 votes, with 1 abstention and 1 member absent.

ADJOURNMENT

At this point in the meeting, the Provost adjourned the meeting for 30 minutes.

The meeting reconvened after the allotted 30 minutes.

3. GENERAL SERVICES CAPITAL PROGRAMME 2015/16 TO 2017/18

The Council considered a report (copies of which had been circulated) by the Head of Finance and Estates seeking approval of an updated General Services capital programme for 2015/16 to 2017/18.

The Head of Finance and Estates recalled that, in December 2013, the Council had approved the General Services capital programme for 2014/15 to 2017/18. This had been updated in June 2014 to take account of the 2013/14 capital outturn. A number of Council Executive decisions had been taken to approve additional capital projects since the capital programme had been agreed in June 2014. The report now provided a consolidation of these movements and an update on the progress on delivering the programme.

The Council was informed that good progress was being made on the 2014/15 programme. Total proposed investment for 2015/16 to 2017/18 was £194.119 million.

In relation to new investment, the report advised that the expansion of Wester Inch Village in Bathgate had resulted in the requirement for increased capacity at Simpson Primary School and £1.850 million had been incorporated into the capital programme to provide additional capacity.

A number of new projects would be funded via identified savings and no projects had been removed from the overall programme. The new projects were identified in Table 1 to the report. Table 2 showed updated investment by asset category over 2015/16 to 2017/18. A detailed breakdown of the proposed capital programme was provided in Appendix 1 to the report.

The Council was informed that, in common with the revenue budget, resources were constrained. This was due to various factors, including the Scottish Government's decision to cease funding for new supported borrowing, together with restrictions in value of grants available for capital investment. The economic situation also meant that there were reduced resources from capital receipts. Some additional resources had been

identified, including additional prudential borrowing, and the updated resources position was outlined in Table 3 within the report.

The Head of Finance and Estates considered that the level of borrowing at £45.937 million was assessed as prudent, affordable and sustainable within the parameters of the council's treasury management plans and the Prudential Code for Capital Finance. The balance between application of the capital fund and borrowing was regularly monitored to ensure that the programme remained affordable.

The Head of Finance and Estates advised that the proposed resource assumptions were achievable, although there were various risks that would require careful management. In light of these risks, it would not be prudent to increase estimated resource assumptions for the period 2015/16 to 2017/18.

The report went on to provide commentary on (i) Corporate Asset Management and Future Investment and (ii) Other Factors to be taken into account.

The Head of Finance and Estates concluded that approval of the revised programme would allow the ongoing implementation of the capital plan, resulting in significant improvements to services and to the overall asset infrastructure throughout West Lothian.

It was recommended that the Council:

1. approve the update capital programme for 2015/16 to 2017/18, as set out in Appendix 1;
2. approve updated capital funding for 2015/16 to 2017/18, as set out in the report.

### Motion

"West Lothian Council welcomes the update on the General Services Capital Programme for 2015/16 to 2017/18.

Council also welcomes the progress made on the delivery of the 5 year General Services Capital Programme and commends the officer teams for the delivery of the programme to date.

Council further welcomes the investment in the future of West Lothian and its people, particularly with regard to the continuing improvement of our school estate to deliver the goal that all of our young people are taught in modern, attractive facilities appropriate for education in the 21<sup>st</sup> Century, and to continue the work of the Council in raising educational attainment in every school.

Council therefore agrees to the recommendations contained in the report."

Moved by Council Leader John McGinty, seconded by Councillor Muldoon.

### Amendment

“West Lothian Council welcomes the unprecedented financial support from the SNP Scottish Government for West Lothian capital investment.

Council notes that the SNP Scottish Government has provided;

- Capital Grants funding of £68.591m including;
  1. The Schools for the Future Programme
  2. Cycling, Walking and Safer Streets grant
  3. Capital funding for the delivery of the Children and Young People (Scotland) Act 2014,
  4. Capital funding for the delivery of free school meals.

Council notes that the SNP Government capital funding is providing;

- Funding of £4.350m to provide halls at Peel Primary, Carmondean Primary and Broxburn Primary and for 6 production kitchens to provide for the Free School Meals initiative – an initiative opposed by the Labour Party.
- Funding of £20.246m to provide the new West Calder High School.
- Funding of £1m to provide improvements at Toronto Primary School
- Funding of £1.296m to provide for the care of two year olds.

Council welcomes the approved capital programme budgets of £9.561m for partnership centres in Armadale, East Calder, Whitburn and Winchburgh and assets that as such provision will be essential to reducing health inequalities and promoting healthy living that an urgent report detailing progress with each of these proposals is required and instructs officers to report to the Council Executive before the end of March.

Council notes the positive role fulfilled by the Local Infrastructure Fund, established by the SNP led Administration in 2009, in forward funding key educational provision within new housing developments and in particular the expansion of work at the new Armadale primary to allow for the first phase to deliver on 8 classroom structure, nursery and 2 year old provision, gym hall and dining area and other learning resources.

Council accepts that the remaining uncommitted LIF balance of £1.456m is not required at this time and that it is therefore appropriate for this sum to be utilised to fund general services capital projects.

Council therefore agrees to:

1. Approves the updated capital programme for 2015/16 to 2017/18, as set out in Appendix 1 of the officer report.
2. Approves updated capital funding for 2015/16 to 2017/18, as set out in Section D.4 of the officer report.

The Head of Finance and Estates has verified the financial implications of this motion.”

Moved by Councillor Johnston, seconded by Councillor Anderson.

It was agreed that a roll call vote be taken which resulted as follows:-

Motion

Stuart Borrowman  
 Tony Boyle  
 Harry Cartmill  
 Tom Conn  
 Alex Davidson  
 Jim Dixon  
 David Dodds  
 Lawrence Fitzpatrick  
 Tom Kerr  
 Dave King  
 Danny Logue  
 John McGinty  
 Anne McMillan  
 Angela Moohan  
 Cathy Muldoon  
 George Paul  
 Barry Robertson  
 Frank Toner

Amendment

Frank Anderson  
 Willie Boyle  
 Diane Calder  
 Janet Campbell  
 Martyn Day  
 Robert De Bold  
 Jim Dickson  
 Mary Dickson  
 Carl John  
 Peter Johnston  
 Greg McCarra  
 John Muir  
 Jim Walker

Decision

The motion was successful by 18 votes to 13 votes, with 1 member absent, and it was agreed accordingly.

4. 2015/16 HOUSING REVENUE ACCOUNT BUDGET AND RENT LEVEL

The Council considered a report (copies of which had been circulated) by the Depute Chief Executive seeking formal approval for the proposed Housing Revenue Account (HRA) budget, rent and services charges to be applied in 2015/16.

The report recalled that the Council had approved a five year rent strategy, covering the period 2013/14 to 2017/18 on 29 January 2013, including indicative rent levels for 2015/16. A 3% rent rise in 2015/16 and 3% increase in garage and garage site rent in 2015/16 was now proposed in accordance with the previously agreed strategy.

It was expected that 123 new homes would be delivered in 2015/16 and houses would be demolished that they were no longer fit for 21<sup>st</sup> century living. If the rent proposal was approved then the average weekly rent in West Lothian would increase by 3% for individual tenants. The average weekly rental in for homes for 2015/16 would be £66.04 and for garages £5.70 as illustrated in a table within the report.

Service charges for Sheltered Housing properties would be increased by 3% in 2015/16, consistent with the policy agreed by Council in January 2013. A 3% increase for support charges in relation to Homeless Properties for 2015/16 was also proposed.

The report provided a table showing the estimated resources and the proposed allocation of resources within the HRA revenue budget for 2015/16. The proposed budget took account of a number of cost pressures and assumptions including:-

- 3% rental increase for council houses and garages.
- 1% pay award for staff, living wage and allowance for incremental pay progression.
- Indexation pressures, such as energy costs.
- Updated capital financing charges relating to the Housing Capital Programme.
- Ongoing impact of welfare reform and potential introduction of Universal Credit.
- Latest assumptions with regard to Right to Buy legislation and council house sales.

The Head of Finance and Estates reported that there were a number of risks and uncertainties that could impact on the assumptions made in the 2015/16 HRA Revenue Budget and level of required financial resource, such as potential variances to pay and price indexation. Other uncertainties were examined in the report.

In relation to housing reserves, a breakeven position was forecast for the HRA revenue budget. It was therefore projected that the HRA reserve at 31 March 2015 would remain at £926,000 and there was no provision to augment this during 2015/16.

Finally, the Head of Finance and Estates advised that tenant consultation had taken place prior to the rent strategy being agreed by West Lothian Council in January 2013. Tenants had been consulted on the 2015/16 increase through a range of activities including Tenants and Residents Fun Day, Housing Network meetings and display boards in local offices.

The Head of Finance and Estates concluded that the HRA revenue budget provided a balanced financial plan, incorporating a 3% rent increase, which would allow the council to continue to provide excellent value for money services to its tenants and to be responsive to its customer's needs. The balanced budget also provided for continued investment and funding of housing infrastructure, include the 1,000 houses new build programme to improve the amenity of communities to



meet the needs of existing and future tenants.

It was recommended that the Council:

- Approve the 2015/16 HRA Budget as set out in the report;
- Approve a rent rise of 3% in 2015/16 in accordance with the previously agreed strategy;
- Approve a 3% increase in garage rents in 2015/16 in accordance with the previously agreed strategy;
- Approve an increase of 3% in service and support charges for Sheltered Housing properties for 2015/16 in accordance with the previously agreed strategy;
- Approve a 3% increase in rents and service and support charges for Homeless properties for 2015/16 in accordance with the previously agreed strategy.

#### Motion

“West Lothian Council notes that over the five years of the previous SNP led administration rents in West Lothian rose by 23% at an average of 4.6%.

Council recognises that the previous rent strategy agreed after consultation with the tenants, of 3% increases over the period 2012/13 to 2017/18, which after further tenant consultation included a one year rent freeze in 2013/14, provides the basis for fully funding the Councils commitment to build 1000 new council houses and ensures that the Councils housing stock achieve the Scottish Quality Housing Standard by 2015.

Council further notes that the proposed HRA budget will mean the average weekly rent will increase to £66.04 and garage rents will increase to £5.70.

Council continues to work with tenants to manage arrears and that given the uncertainties of the risks associated with welfare reform, and other risks the Council considers it prudent to maintain the HRA reserve which will remain at £926,000.

Council therefore agrees to:

- Approve the 2015/16 HRA Budget as set out in the report
- Approve the rent rise of 3% in 2015/16 in accordance with the previously agreed strategy
- Approve a 3% increase in garage rents in 2015/16 in accordance with the previously agreed strategy
- Approve an increase of 3% in service and support charges for Sheltered Housing properties for 2015/16 in accordance with the previously agreed strategy

- Approve a 3% increase in rents and service and support charges for Homeless properties for 2015/16 in accordance with the previously agreed strategy

The Head of Finance and Estates has verified the financial implications of the motion.”

Moved by Councillor Paul, seconded by Councillor Cartmill.

#### Amendment

“The SNP Council Group are disappointed to note that Cllr. George Paul, in particular, and the Labour Group in general have presided over an almost doubling of the number of tenants with rent arrears. (tenants in arrears mid December 2014, 5813 and at March 2012, 3271). Also, the amount of financial arrears has almost tripled in the same period, from £737,000 at March 2012 to over £1.8 million Dec 14.

The SNP Group note that two of the biggest items to be budgeted for within most of our tenants’ income are the Council Tax and their Rents. These are both items over which this Council has responsibility. The SNP group believe that increasing these burdens further, would only increase the cost of living crisis for many of our tenants. The SNP Group applaud the Scottish Government for their funding to enable the continuation of the Council Tax Freeze and also their commitment of funding to allow Council house building to continue, which so far has resulted in almost £17.5 million being allocated to this Council.

The SNP Group proposes a rent freeze in 2015/16, on all services:

- a freeze on council rents
- a freeze on garage rents
- a freeze on service and support charges for Sheltered Housing properties
- a freeze on rents, service and support charges for Homeless properties.
- any appropriate consultation is carried out with our tenants.

This will give some much needed respite to our tenants in these difficult economic times and will prevent an increase in the number of tenants who incur rent arrears. Based on the average West Lothian rent, tenants will be better off by approx. £100 during this coming financial year.

The reduction in rental income of £1.3million in 2015/16 will be offset by a £1.4million adjustment to the level of Capital financed from Revenue (CFCR), recognising that there is an inter-relationship between CFR and capital financing charges.”

Moved by Councillor Anderson, seconded by Councillor McCarra.

It was agreed that a roll call vote be taken which resulted as follows:-

#### Motion

#### Amendment

Stuart Borrowman  
Tony Boyle  
Harry Cartmill  
Tom Conn  
Alex Davidson  
Jim Dixon  
David Dodds  
Lawrence Fitzpatrick  
Tom Kerr  
Dave King  
Danny Logue  
John McGinty  
Anne McMillan  
Angela Moohan  
Cathy Muldoon  
George Paul  
Barry Robertson  
Frank Toner

Frank Anderson  
Willie Boyle  
Diane Calder  
Janet Campbell  
Martyn Day  
Robert De Bold  
Jim Dickson  
Mary Dickson  
Carl John  
Greg McCarra  
John Muir  
Jim Walker

#### Decision

The motion was successful by 18 votes to 12 votes, with 2 members absent, and it was agreed accordingly.

#### 5. HOUSING CAPITAL PROGRAMME 2015/16 TO 2017/18

The Council considered a report by the Depute Chief Executive seeking approval for an updated 2015/16 – 2017/18 Housing Capital Programme.

The report recalled that, in January 2013, the council had approved a five year housing capital programme, encompassing the period 2013/14 to 2017/18. The budgets were revised in September and December 2013 respectively, with a further update in June 2014 to take account of latest circumstances and phasing of project expenditure. In December 2013, it had been stated that a three year investment programme would be developed once initial tender prices had been received for the new build project and greater certainty could be placed on price, housing mix and associated development costs. The report now presented provided a detailed investment programme for the period 2015/16 to 2017/18.

The Council was informed that, as reported to Council Executive on 11 November 2014, progress was being made across all investment areas and SHQS would be met by 31 March 2015. Slippage of £7.6 million had been noted in the report to Council Executive. Subsequent to the report, further phasing issues had been identified, and £9.2 million of resources would be brought forward into 2015/16 to enable delivery of associated works on appropriate projects.

The report proposed a housing capital budget of £60.581 million in 2015/16 and Council was asked to approve this updated investment

programme.

The Deputy Chief Executive advised that the emphasis of the housing capital programme over recent years had been on new build housing, as well as achievement of SHQS and maintenance of housing stock. As noted in the 2014/15 budget report, the focus of investment moving forward would be on the maintenance of quality standards and ensuring all council houses were suitable for 21<sup>st</sup> century living as well as the creation of new housing.

The proposed programme for 2015/16 was summarised in a table within the report and individual projects were listed in Appendix 1 to the report. Further detail was contained in Appendix 2 to the report.

Capital resources available to fund the housing capital programme in 2015/16 was as undernoted:-

<b>Funding Source</b>	<b>2015/16 Proposed Budget £'000</b>
CFCR	6,349
House Sales	2,750
Borrowing	47,116
Government Grants	3,740
Other Contributions	245
Developer Contributions	381
<b>Total Income</b>	<b><u>60,581</u></b>

In relation to the Housing Capital Programme 2016/17 to 2017/18, planned expenditure was summarised in a table within the report. Individual projects were listed in Appendix 1 and further detail was contained in Appendix 2 to the report.

The report went on to examine the capital resources position for 2016/17 to 2017/18.

Finally, the Deputy Chief Executive provided advice in relation to relevant statutory, regulatory and governance requirements.

The Deputy Chief Executive concluded that the 2015/16 capital programme consolidated movements reported to Council Executive on 11 November 2014, recognising the requirement to phase projects and expenditure during the programme period. Alongside investment in new housing stock, there would be continued investment in existing council housing and the environment, to improve homes, amenity and address energy efficiency.

As the council moved forward beyond 2014/15 it would maintain quality standards and further invest in the suitability and sufficiency of its housing stock to improve the environment within communities and meet the needs of existing and future tenants across West Lothian.

It was recommended that the Council approve the updated 2015/16 to

2017/18 Housing Capital Programme and related funding as detailed in the report.

### Motion

“West Lothian Council welcomes the proposed 2015/16 to 2017/18 housing capital programme of £144.034m which will allow the Council to progress the new build programme of a 1000 new houses, which has seen 510 new council houses completed since May 2012.

In addition the Council notes that the Housing Service is well on the way to achieving the Scottish Housing Quality Standard for all of the Council Housing stock by 31 March 2015.

As well as investing a further £94.253m in our new build programme Council welcomes the proposal to invest £49.781m in our existing housing stock. This will include:

- Over 2250 homes benefiting from central heating upgrades and a programme of window replacements, insulation, and photovoltaic panels as we respond to our tenants priority of addressing fuel poverty.
- Over 50% of the planned programmes budget of £19.5m will be invested in measures that contribute to energy efficiency.
- Over 600 homes benefiting from our highly regarded roof and roughcast replacement programme which has made a significant difference to many of our local communities.
- The refurbishment of 56 flats at Bathville, Armadale

Council further notes that the capital programme will also secure the employment of the workforce in Building Services and assist in their commitment to local employability through their apprenticeship scheme.

Council therefore agrees with the recommendation to approve the 2015/16 to 2017/18 Housing Capital Programme

The Head of Finance and Estates has verified the financial implications of the motion.”

Moved by Councillor Paul, seconded by Councillor Cartmill.

### Amendment

“West Lothian SNP Group notes with concern that there has been, this year alone, a slippage of over £9m in the Capital programme. The West Lothian SNP Group also notes the total overall resources in the Housing Capital Programme for 2015/16-2017/18. It is recommended that the council approves the Housing Capital programme, as outlined in the report and as amended below.

- We propose a rescheduling and a corresponding £1.029million reduction in the Capital funded from the Revenue (CFCR) transfer, phased £328,000 in 2015/16, £343,000 in 2016/17 and £358,000 in 2017/18. This CFR reduction is distinct from the reduction in the

HRA amendment. Officers would be requested to reappraise the Miscellaneous allocation to accommodate this realignment.

- We propose to utilise the £1 million reduction in the CFCR to borrow an additional £13 million for a three year investment programme in solar PV panels on our council houses. We would be able to install panels on a minimum of 4,000 houses.
- Notes that the installation of solar PV panels on council houses would generate approximately £300,000 Feed in Tariff (FiT)
- Notes that the solar PV programme will create continuous employment opportunities, over the initial 3 year period, for at least 30 people and the ability to increase apprenticeships.
- Notes that the solar PV panel programme will directly benefit our tenants with their fuel bills being reduced by £120 per year. This financial saving will increase year on year for our tenants, as utility bills inevitably rise.
- Instructs officers to revise the Housing capital programme for 2015/16 to 2017/18 to take account of the CFCR reduction required to finance the PV panel investment and phasing of FiT income over the investment period.
- Notes that this budget should be seen as the initial stage in creating “a virtuous green circle” to enable all council houses to be fitted with PV panels. The impact on the environment, could initially be a saving of 2500 tonnes of CO2 per annum.
- Any appropriate consultation with our tenants is carried out.”

Moved by Councillor Anderson, seconded by Councillor Muir.

It was agreed that a roll call vote be taken which resulted as follows:-

#### Motion

Stuart Borrowman  
 Tony Boyle  
 Harry Cartmill  
 Tom Conn  
 Alex Davidson  
 Jim Dixon  
 David Dodds  
 Lawrence Fitzpatrick  
 Tom Kerr  
 Dave King  
 Danny Logue  
 John McGinty  
 Anne McMillan  
 Angela Moohan  
 Cathy Muldoon

#### Amendment

Frank Anderson  
 Willie Boyle  
 Diane Calder  
 Janet Campbell  
 Martyn Day  
 Robert De Bold  
 Jim Dickson  
 Mary Dickson  
 Carl John  
 Greg McCarra  
 John Muir  
 Jim Walker

George Paul  
Barry Robertson  
Frank Toner

Decision

The motion was successful by 18 votes to 12 votes, with 2 members absent, and it was agreed accordingly.