

MINUTE of SPECIAL MEETING of the WEST LOTHIAN COUNCIL held within Council Chambers, Civic Centre, Livingston, on 20 February 2017.

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

1. DECLARATIONS OF INTEREST

Councillor Danny Logue declared an interest arising from (i) his position as Chair of West Lothian Integration Joint Board and (ii) as an employee of NHS Lothian.

2. REVENUE BUDGET 2017/18

The Council was required to approve its revenue budget for 2017 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 agree prudential indicators annually, through the same process established for setting the council's revenue budget.

The Council considered a report (copies of which had been circulated) by the Head of Finance and Property Services seeking approval of the annual Revenue Budget and council tax levels for 2017/18. In addition the Head of Finance and Property Services outlined additional issues for consideration.

The Council was informed of the council's duty arising from the Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. The Act required the council to have due regard to equality when exercising functions in relation to persons covered by the protected characteristics of the Act. The Head of Finance and Property Services reported that the equality impact assessment process of considering the impact of current and future savings was well established in West Lothian Council. This was the seventh consecutive financial year where an equality impact assessment had been conducted on the draft budget measures prior to approval by the Council. A detailed equality impact assessment of the 2017/18 revenue budget was contained in Appendix 3 to the report.

The report recalled that, in February 2016, budget savings of £20.955 had been agreed for 2016/17 and 2017/18 to deliver balanced revenue budgets in these years. Following the outcome of the Draft Scottish Budget 2017 and the Local Government Finance Settlement 2017/18, officers had revised budget model assumptions for 2017/18 to incorporate the updated funding position, Scottish Government commitments and latest expenditure estimates.

The Local Government Finance Settlement 2017/18 provided detailed grant funding figures for local authorities and showed that the council's general revenue grant would decrease by £5.851 million from the equivalent 2016/17 position. Attainment Scotland ring fenced funding of £5.052 million was provided for direct use by schools as part of a new Pupil Equity Fund.

The Head of Finance reported that officers had undertaken an exercise to review all income and expenditure assumptions within the revenue budget model for 2017/18. Proposed expenditure increases of £15.671 million in 2017/18 included a number of key assumptions, and these were listed in the report. In addition, the Council was informed that the key funding assumptions in the budget model for 2017/18 were:-

- Scottish Government revenue grant funding of £308.137 million would be received in 2017/18, including the Council's estimated share of funding for the Teachers Induction Scheme, Council Tax Reduction Scheme and Discretionary Housing Payments for which the Scottish Government was still to confirm the exact distribution to individual authorities.
- Health and Social Care funding of £3.060 million, which would support delivery of the living wage to social care providers, and cover the cost of disregarding war pensions from financial assessments and pre implementation work for the new carers' legislation.
- Council tax income from house completions would increase by £728,000 during 2017/18.

Taking account of the council's updated expenditure and funding assumptions for 2017/18, the council would be required to address a budget gap of £12.682 million in 2017/18. The position was set out in a table within the report.

The report went on to advise that total budget reduction measures of £9.058 million were proposed for 2017/18. This was consistent with the strategic approach to financial and corporate planning agreed as part of the five year budget strategy in January 2013, which ensured that the council could respond proactively to the magnitude of the challenge in delivering essential services whilst financial resources were constrained. Following a review of the budget measures approved in February 2016, it had been assessed that the youth services saving of £60,000 and the saving from exchanging a public holiday for annual leave of £36,000 were no longer deliverable, and these had not been included in the proposed budget.

Savings of £850,000 were incorporated in the proposed reduction measures for health and social care integration in 2017/18. These savings were based on a review of the staffing and operation of various business and care support functions across Social Policy, taking into account integration and changes to operational processes and staffing teams. The review would incorporate vacancies currently available and would be subject to council organisational changes processes, delivering savings of £750,000. In addition, a saving of £100,000 was proposed through removing the Alcohol Diversionary Fund, with the focus of resources being through the West Lothian Alcohol and Drugs

Partnership.

In relation to income and concessions, the council had agreed a schedule of fees, charges and concessions for 2015/16 to 2017/18 on 29 January 2015. The income in the current report was in line with the increases approved in January 2015 and it was proposed to retain all concessions.

The report went on to examine the position in relation to Council Tax Income. It was reported that additional council tax income of £2.880 million would be received in 2017/18 from the Scottish Government revision of council tax banding weightings for properties in bands E to H, which would take effect from 1 April 2017. In addition, there was flexibility for councils to raise council tax by up to a maximum of 3% in 2017/18. Taking account of the budget gap facing the council, the report had been prepared on the basis that council tax was increased by 1% in 2017/18, which would raise additional recurring income of £744,000. The report provided a table showing a balanced revenue budget position for 2017/18.

If agreed, the updated revenue budget for 2017/18 would enable the council to plan effectively to deliver the council's Corporate Plan outcomes. The Corporate Plan was directly influenced by the priorities that had been agreed following the DBO Consultation in 2012.

A breakdown of the proposed increase in the Council Tax bands for 2017/18 was shown in a table within the report. The Head of Finance and Property Services also provided commentary in relation to the Council Tax Reduction Scheme. It was noted that a budget allowance of £417,000 had been included in the proposed council budget to fund the increase cost of the Council Tax Reduction Scheme.

The report provided the following appendices:-

Appendix 1	Revenue Budget 2017/18 – Detailed Analysis of Budget Change
Appendix 2	Statement on General Fund Balance and Other Reserves
Appendix 3	2017/18 Revenue Budget Equality Impact Assessment
Appendix 4	2017/18 Prudential Indicators

The Head of Finance and Property Services concluded that the revenue budget for 2017/18 took into account previous decisions by the council and Council Executive, including budget reduction measures and time limited investment, known cost pressures and the results of the Local Government Finance Settlement.

Taking account of increased council tax income from Scottish Government changes to Band E to Band H weightings and 1% increase to all council tax bands, the council would be required to deliver budget reduction measures of £9.058 million in 2017/18.

Agreement of the revenue budget for 2017/18 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 balance the budget and continue to deliver Corporate Plan priorities.

The report also recommended maintaining the uncommitted general fund balance at a minimum of £2 million and asked the Council to approve the mandatory prudential indicators contained in the Prudential Code.

Finally, it was 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 2017/18.

It was recommended that the Council:-

1. Note the budget pressures for 2017/18 as a result of Scottish Government grant funding not being sufficient to meet the increased costs faced by the Council;
2. Agree the annual revenue budget for 2017/18, including the budget reduction measures, as set out in Appendix 1 of the report;
3. Agree the 2017/18 level of resources associated with the functions delegated to the West Lothian Integration Joint Board (IJB) of £69.274 million, taking account of West Lothian IJB's share of Scottish Government funding for social care, as set out in section D.2.4 of the report;
4. Set a council tax level for 2017/18;
5. Approve a strategy of maintaining a minimum uncommitted general fund balance of £2 million;
6. Note the position in relation to the General Fund Balance and other reserves as set out in Appendix 2 of the report;
7. Note the equality impact assessment, as set out in Appendix 3 of the report;
8. Approve prudential indicators, as set out in Appendix 4 of the report;
9. Agree that the council would continue to adopt the approach of integrating corporate planning and financial planning over the next five year period 2018/19 to 2022/23, with a Corporate Plan, revenue plan, capital plan and treasury management plan to be considered at the same Council meeting, to ensure a joined up approach was taken.
10. Agree that, in accordance with Audit Scotland and CIPFA Best Practice, the Council would prepare a priority based revenue financial plan for 2018/19 to 2022/23, to set out how the Corporate Plan priorities would be delivered over the period.

Motion

“West Lothian Council agrees that the 2017/18 revenue budget settlement from the SNP Scottish Government continues to undermine the purpose and performance of Scottish Local Government.

Council notes that the block grant settlement from the UK Parliament to the Scottish Parliament in respect of the 2017/18 financial year represents an increase of £924m coming to the Scottish Government from the UK Government.

However, the revenue budget settlement to Scotland's Local Councils represents a further revenue grant decrease for West Lothian Council of £5.851m from the equivalent 2016/17 position and SNP Scottish Government cuts have taken £92.1891m from Council services in West Lothian since 2007, the equivalent of £1,176 for every household.

In spite of the effects of SNP budget cuts, West Lothian Council continues to perform well and deliver a wide range of high quality services, whilst maximising the protection of services valued most by West Lothian's communities.

Council commends the record of the Administration over the last five years and highlights the outstanding improvement in educational attainment for West Lothian pupils, investment in our schools and nurseries, the New Council House building programme which will deliver a new home for 1000 West Lothian families, West Lothian Council achieving Living Wage employer status, and protecting services at St John's Hospital for West Lothian people, the record of an administration that keeps its promises to the voters and delivers on their priorities.

Council again places on record its thanks to all Council staff for all that they do in sustaining high quality services for West Lothian's communities and citizens, and restates its commitment to no use of compulsory redundancies.

Council therefore:

1. Notes that West Lothian Council again faces additional budget pressures for 2017/18 as a result of SNP Scottish Government cuts;
2. Agrees the annual revenue budget for 2017/18 as set out in Appendix 1 of the report and as amended by the changes set out in the annex to this motion;
3. Agrees the 2017/18 level of resources associated with functions delegated to the West Lothian Integration Joint Board (IJB) of £69.396 million, taking account of West Lothian IJB's share of funding for Social Care as set out in D2.4 of the report, and calls upon NHS Lothian to fully fund its share of the IJB budget for 2017/18;
4. Agrees to utilise £744,000 of the insurance fund surplus to deliver a Council Tax freeze for 2017/18, delivering the manifesto promise of the Council administration and instructs officers to prepare a consultation

with West Lothian citizens, to include Council Tax levels to be set over the next five years;

5. Notes that SNP Scottish Government increases in Council Tax will increase Council Tax bills for West Lothian residents by 7.5% for Band E home owners, 12.5% for Band F home owners, 17.5% for Band G home owners and by 22.5% for Band H homeowners in 2017/18;
6. Approves a strategy of retaining a minimum uncommitted general fund balance of £2m; and a Modernization Fund of £3.764m as a key plank of the Council's commitment to no compulsory redundancies;
7. Notes the position in relation to the General Fund Balance and other reserves as set out in Appendix 2 of the revenue budget report, subject to the changes set out in the annex to this motion;
8. Notes the Equality Impact Assessment as set out in Appendix 3 of the report;
9. Approves the prudential indicators, as set out in Appendix 4 of the report;
10. Agrees to continue the existing commitment to no compulsory redundancies in 2018/19 and beyond;
11. Agrees that the council will continue to adopt the approach of integrating corporate planning and financial planning over the next five year period 2018/19 – 2022/23, with a Corporate Plan, revenue plan, capital plan and treasury management plan to be considered at the same Council meeting, to ensure a joined up approach is taken;
12. Agrees that, in accordance with Audit Scotland and CIPFA best Practice, the council will prepare a priority based revenue financial plan for 2018/19 to 2022/23, to set out how the Corporate Plan priorities will be delivered over this period.
13. Agrees to write to the First Minister, the Cabinet Secretary for Finance, West Lothian Constituency MSP's and Lothian list MSP's prior to the Scottish Government final budget setting meeting to call upon them to support a budget that will remove all cuts for Scotland's Councils in 2017/18.

I can confirm that the Head of Finance and Property Services has verified the financial implications of this budget motion. “

Labour Group Revenue Budget Motion 2017/18 – Annex

Additional Investment	Total 2017/18 £'000
1% Council Tax Balance	744
Rent freeze for Homeless properties	72
Rent freeze for Sheltered Housing properties	20
Freeze school meal prices	61

Reinstate alcohol diversionary fund	100
Freeze lunch club fees	2
Reinstate/extend DHP top up	100
Reinstate payment to WLSN	35
Reinstate payment to WLYAP	20
Additional time limited funding for anti-poverty work	250
Additional time limited funding for early years numeracy and literacy	500
Expansion of school holiday club scheme	200
Time limited 3 rd sector ambition fund	200
Time limited Gala Day and festivals support fund	150
Additional support for foodbanks/credit union	100
Extend council graduate apprenticeship scheme	150
Time limited social care/health initiatives	296
Total Expenditure for 2017/18	3000
Funded by:	
Application of Insurance Fund surplus	(2000)
Application of Winter Maintenance Fund	(1000)
Net Budget Movement	0

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

Amendment

West Lothian Council SNP Group – Revenue Budget 2017/18

Delivering Equality, Fairness and Social Justice for West Lothian

“West Lothian Council SNP Group assert that the greatest challenge facing public services in this difficult financial climate is to effectively combat the negative outcomes for individuals and communities arising from the deep-rooted inequalities and accepts that the most effective response to this challenge is to prioritise preventative actions and early interventions to most effectively tackle the root causes of inequality and negative outcomes and so deliver equality, fairness and social justice.

West Lothian Council SNP Group believes that our communities must be at the very heart of our local democracy, with power built upwards from our communities and not imposed from above.

West Lothian Council SNP Group wants our communities to have a new experience of local government as active participants and problem solvers and assert that;

- **Our public services must be built around people and communities, their needs, aspirations, capacities and skills.**
- **Public service organisations must work together more effectively to achieve better outcomes.**
- **Our public services must constantly seek to improve performance and reduce costs and must be open, transparent and accountable.**
- **Everything we do must be focussed on delivering equality, fairness and social justice.**

West Lothian Council SNP Group further assert that these principles must be applied to a comprehensive review of this councils services and decision making process to ensure the views of our communities are fully respected and to empower our communities to help shape council services and deliver local solutions to local issues and a brighter future for all and instructs officers to report to the Partnership and Resources PDSP on how this can be best achieved.

West Lothian Council SNP Group welcomes the Scottish Government's budget proposals for 2017/18 and its protection of our vital public services. The SNP Scottish budget delivers;

- **Record additional investment of £321m in NHS Board budgets in 2017/18**
- **£72m invested in improvements to Primary Care and GP services.**
- **Progress towards the £200m commitment to create five elective care centres – one in Livingston.**
- **A 39.2% increase in mental health spending in 2017/18**
- **£60m of new investment in 2017/18 to support the expansion of early learning and childcare and the commitment to meeting the additional costs to deliver 1140 hours of nursery provision and the recruitment of up to 20,000 additional qualified staff.**
- **Maintaining the existing £50m Attainment Scotland funding**
- **£120m of new investment for schools to use to close the attainment gap.**
- **£21m of additional funding for colleges**
- **£82m to increase the number of Modern Apprenticeships to progress to 30,000 new starts by 2020.**
- **£22.6m of additional resource for the Police Scotland Operational Budget.**
- **A further £36m to equip police services for the challenges for the future.**
- **£25m additional funding for the Police Reform and Change fund.**
- **£22m of additional resource for the Scottish Fire Service Operational Budget.**
- **£47m to continue to fully mitigate the effects of the Bedroom Tax.**
- **£38m to sustain funding of the Scottish Welfare Fund.**
- **£114m for fuel poverty and energy efficiency issues.**

West Lothian Council SNP Group welcomes the Scottish Governments strong settlement for local government and notes:

- **£111m of additional income raised by councils as a result of Council Tax banding changes.**
- **£357m of support for social care through the Integration Fund.**
- **£100m to support delivery of improved health and social care outcomes through the Integrated Care Fund.**
- **£120m of additional funding for schools to support measures to close the attainment gap**

West Lothian Council SNP Group welcomes the additional funding streams

being provided for West Lothian Council for 2017/18 and notes:

- **£5.052m additional funding for West Lothian schools through the Pupil Equity Fund**
- **£3.060m additional funding for West Lothian integrated social care**
- **£2.880m additional income for West Lothian through Council Tax reform**
- **£2.232m additional income for West Lothian through a 3% Council Tax Increase.**

West Lothian Council SNP Group notes that these additional funding streams for West Lothian Council totals **£13.224m for 2017/18.**

West Lothian Council SNP Group further notes that **overall** revenue funding for West Lothian Council in 2017/18, including Scottish Government grant funding and Council Tax income, will result in an increase of **£8.101 million** for West Lothian Council.

West Lothian Council SNP Group welcomes this additional funding and notes that for 2017/18 the total recurring funding for West Lothian Council Services is **£395.569m** and that the total increase, in recurring resources, to support West Lothian Council services in 2017/18, assuming a 3% Council Tax increase, is **£8.101m – a 2.1% increase from 2016/17.**

West Lothian Council SNP Group therefore propose additional funding of **£2m** be made available in 2017/8 for a “**Transforming Telecare Services**” fund to maintain independent living for the elderly and vulnerable through the use of enhanced technology, including smart phones and smart televisions, to provide the very best quality of care to support people to live in their own homes and to better manage their health conditions.

West Lothian Council SNP Group further propose additional funding of **£1.104m** be made available in 2017/18 for an “**Integrated Early Learning and Childcare**” fund to deliver a pilot, working with parents and partners, to provide local, co-ordinated, affordable, universal pre-school, after school and holiday childcare from nursery to P7 , 8am to 6pm all year round.

West Lothian Council SNP Group further proposes a **£20.00** increase in **School Clothing Grants** for both primary and secondary sectors.

West Lothian Council SNP Group further proposes additional provision of **£162,000** to fund an increase in the **Street Cleaning** through the provision of 6 additional operatives and two additional vehicles.

West Lothian Council SNP Group further proposes a **freeze** to general fund rents for sheltered housing and homeless properties in 2017/18.

It is therefore recommended that the Council:

1. Notes the budget position for 2017/18 as set out in the report;
2. Agrees the annual revenue budget for 2017/18, including the budget reduction measures, and as amended in Appendix 1 of this budget amendment;

3. Instructs officers to report back to Education Executive with options for a pilot programme which aims to provide affordable and flexible integrated early learning and childcare between 8am to 6pm all year round, which will be funded in 2017/18 through establishment of an Integrated Early Learning and Childcare Fund of £1.104 million
4. Agrees the 2017/18 level of resources associated with the functions delegated to the West Lothian Integration Joint Board (IJB) of £71.294 million, taking account of West Lothian IJB's share of Scottish Government funding for social care, as set out in section D.2.4 of the report, a rent freeze for Sheltered Housing properties, and which is increased by £2 million by this budget amendment through establishment of a Transforming Telecare Services fund in 2017/18
5. Agrees a 3% increase across all council tax bands
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 2 of the report;
8. Agrees to utilise the £2 million Insurance Fund surplus, as set out in Appendix 1 of this budget amendment
9. Notes the equality impact assessment, as set out in Appendix 3 of the report;
10. Approves prudential indicators, as set out in Appendix 4 of the report;
11. Agrees that the council will continue to adopt the approach of integrating corporate planning and financial planning over the next five year period 2018/19 to 2022/23, with a Corporate Plan, revenue plan, capital plan and treasury management plan to be considered at the same Council meeting, to ensure a joined up approach is taken;
12. Agrees that, in accordance with Audit Scotland and CIPFA Best Practice, the council will prepare a priority based revenue financial plan for 2018/19 to 2022/23, to set out how the Corporate Plan priorities will be delivered over this period.
13. Agrees that officers will report back to Partnership and Resources PDSP on options for how communities can become more active participants in shaping council services and delivering local solutions to local issues.

Appendix 1

SNP Revenue Budget 2017/18

	£'000	£'000
Total Revenue Budget as per Budget Report 2017/18		395,867

SNP Budget Amendments

Housing – Maintain a rent freeze for Homeless properties 2017/18

72

IJB – Maintain a rent freeze for Sheltered Housing properties 2017/18	20
Education – Increase School Clothing grants by £20 in 2017/18	130
Operational – Street Cleaning – 6 additional operatives and two vehicles	162
Education – Establishment of an integrated early learning and childcare fund	1,104
IJB – Telecare time limited investment to maintain independent living for the elderly and the vulnerable	2,000
Total SNP Budget Amendments	<u>3,488</u>

Total SNP Revenue Budget Expenditure 2017/18	<u>399,355</u>
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Funded as Follows:

Total Recurring Funding as per Budget Report 2017/18	394,081
Time Limited funding from earmarked reserves as per Budget Report 2017/18	1,786
Total Funding as per Revenue Budget Report 2017/18	<u>395,867</u>

Amend the proposed Council Tax increase from 1% to 3%	1,488
Use of the Insurance Fund surplus in the General Fund Balance	<u>2,000</u>
	3,488

Total SNP Budget Revenue Budget Funding 2017/18	<u>399,355</u>
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Based on the above SNP budget position, the Council Tax Bands for 2017/18 will be as follows:

Council Tax Band	2016/17 Council Tax Level £	2017/18 Council Tax Level £
A	752.00	774.56
B	877.33	903.65
C	1,002.67	1,032.75
D	1,128.00	1,161.84
E	1,378.67	1,526.53
F	1,629.33	1,887.99
G	1,880.00	2,275.27
H	2,256.00	2,846.51

Moved by Councillor Johnston, 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

Amendment

Frank Anderson
 Willie Boyle
 Diane Calder
 Janet Campbell
 Robert De Bold
 Jim Dickson
 Mary Dickson
 Carl John
 Peter Johnston
 Sarah King

Danny Logue
 John McGinty
 Anne McMillan
 Angela Moohan
 Cathy Muldoon
 George Paul
 Barry Robertson
 Frank Toner

Greg McCarra
 Andrew Miller
 John Muir
 David Tait
 Jim Walker

Decision

The motion was successful by 18 votes to 15 votes and it was agreed accordingly.

3. GENERAL SERVICES CAPITAL PROGRAMME 2017/18

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

The Head of Finance and Property Services recalled that, on 29 January 2013, the Council had approved a five year General Services capital programme for 2013/14 to 2017/18. The report provided details of the capital programme that had been delivered from 2013/14 to 2016/17, outlined a proposed capital programme for 2017/18 and sought approval for future work to be undertaken to begin to prepare a new ten year capital programme and a corporate asset management strategy.

The Head of Finance and Property Services reported that investment in the property asset category over the four year period was £124 million and included a number of education projects. The roads and related assets category included capital expenditure of £41 million. and in the open space asset category, £18.9 million had been spent over the four years. There had been capital investment of £22.9 million over the four years relating to Information and Communication Technology.

The capital programme had been updated each year to take account of latest circumstances, including available funding. Taking the various changes into account, as well as the latest estimated phasing for approved projects, the proposed updated investment by asset category for 2017/18 was as follows:-

Asset Category	2017/18 Proposed Programme £'000
Property Assets	25,429
Roads and Related Assets	14,796
Open Space Assets	3,267
ICT Assets	6,335
Total	49,827

A detailed breakdown of the proposed capital programme for 2017/18 was provided in Appendix 1. This included committed investment for 2018/19.

The Head of Finance and Property Services considered that the capital programme for 2017/18 would upgrade and maintain existing assets while investing in new assets which would benefit the communities of West Lothian. A summary of key investment for each asset category over the period was set out in the report.

The Council noted that, as with the revenue budget, capital funding resources were constrained. This was due to various factors, including the Scottish Government's decision to cease funding for new supported borrowing. There were also reduced resources from capital receipts. The updated resources position was outlined in a table within the report, and took account of £890,000 of grant funding announced on 2 February 2017. The updated resources position was as follows:-

Revised Funding Source	2017/18 £'000
Resources from Capital Fund/Modernisation Fund	8,632
Resources from Developer Contributions	2,547
General Capital Grant Funding	15,633
Specific Grant Funding	1,648
Borrowing	12,555
Capital Receipts	8,812
Total Resources	49,827

The Head of Finance and Property Services provided details of other factors to be taken into account. It was noted that the delivery of the capital programme would be undertaken in compliance with the agreed Best Value framework.

The Prudential Code required the council to take account of a number of factors when agreeing capital spending. The Head of Finance and Property Services assessed that the capital budget for 2017/18 was affordable. The proposals within the capital programme had been considered for their impact on equality in conjunction with the Council's Equality Officer. No specific issues had been identified from an equality perspective. The equality relevance assessment was provided in Appendix 2 to the report.

Finally, the report provided an update on the Corporate Asset Management Strategy which was agreed in January 2013.

The Head of Finance and Property Services concluded that the ongoing investment would help the council deliver enhanced performance and better outcomes, and would improve the quality of life for communities throughout West Lothian.

It was recommended that the Council:

1. Note the main achievements from the capital programme that had been delivered from 2013/14 to 2016/17.
2. Approve the updated capital programme for 2017/18, as set out in Appendix 1 to the report.
3. Approve updated capital funding for 2017/18, as set out in section D.4 of the report; and
4. Agree that officers should undertake work on a future capital investment programme and pipeline, asset management strategies and asset management plans, as outlined in section D.6 of the report.

Motion

West Lothian Council welcomes the updated General Services capital programme for 2017/18 and in particular the further planned investment in West Lothian's school.

Council agrees recommendations 1, 2, 3 and 4 as detailed in section B of the report and adds a further recommendation:

5. Notes the requirement for capital investment will be kept under review to take account of any evolving issues.

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

Amendment

"West Lothian Council SNP Group propose that the council agrees recommendations 1 to 4, as set out in the report by the Head of Finance and Property Services, and also agrees the following as recommendation 5:

Agrees that officers should undertake work to determine options for additional homeless accommodation, to be located within the Livingston area, that would help mitigate the need to use Bed and Breakfast accommodation."

Moved by Councillor Johnston.

Prior to consideration of the amendment, the Provost asked the Council Leader and Councillor Johnston to consider adopting a position which would incorporate both the motion and the amendment. The suggestion was accepted by the Council Leader and consideration was given to the wording of a composite motion. A position was agreed without the need for a vote.

Decision

The Council unanimously agreed a position as undernoted:-

“West Lothian Council welcomes the updated General Services capital programme for 2017/18 and in particular the further planned investment in West Lothian’s school and nursery estate.

Council agrees recommendations 1,2, 3 and 4 as detailed in section B of the report and adds two further recommendations:

5. Notes the requirement for capital investment will be kept under review to take account of any evolving issues.
6. Agrees that officers should undertake work to determine options for additional homeless accommodation within the Livingston and wider West Lothian area that would help mitigate the need to use Bed and Breakfast accommodation.”

4. 2017/18 HOUSING REVENUE ACCOUNT BUDGET AND RENT LEVEL

The Council considered a report (copies of which had been circulated) by the Depute Chief Executive seeking approval of the proposed Housing Revenue Account (HRA) budget, rent and service charges to be applied in 2017/18.

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 2017/18. In line with statutory and regulatory requirements, the report sought formal Council approval for the 2017/18 HRA budget and an associated rent rise of 3%. Approval was also sought for a 3% increase in garage and garage site rents in financial year 2017/18.

The 3% increase would enable delivery of a balanced HRA revenue budget, and would allow high quality and responsive housing services to be maintained for tenants and ensured continued investment in housing infrastructure, improving existing homes and creating 1,000 new affordable homes. If the rent increase was approved, and based on the latest stock report at 31 December 2016, the average weekly rental for homes would be £70.23, and £6.05 for garages in 2017/18.

In relation to service and support charges, it was proposed that service charges for Sheltered Housing properties be increased by 3% in 2017/18, consistent with the policy agreed by Council in January 2014. A 3% increase for support charges in relation to Homeless Properties for 2017/18 was also proposed.

The report provided a table showing a summary HRA Budget for 2017/18, and the proposed allocation of resources.

The proposed budget took account of a number of cost pressures and assumptions including:

- 3% rental increase for council houses and garages.

- A minimum of 1% pay award for staff 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 Universal Credit.

The Deputy Chief Executive reported that there were a number of risks and uncertainties that could impact on the level of financial resource required. This would include potential variances to pay and price indexation as well as interest rates on capital borrowing requirements. Resources for reactive repairs remained subject to demand for services vagaries of winter weather. Other uncertainties were examined in the report.

In relation to housing reserves, it was noted that a breakeven position was forecast for the HRA revenue budget for 2016/17. It was therefore projected that the HRA reserve at 31 March 2017 would remain at £926,000 and there was no proposal to augment this during 2017/18. It was recommended that the balance be maintained and the level was considered adequate to meet with unforeseen demands on resources. The proposed budget did not assume any use of the reserve.

Finally, the Deputy Chief Executive advised that tenant consultation took place prior to the rent strategy being agreed by West Lothian Council in January 2013. Tenants had been consulted on the 2017/18 increase through a range of activities including: Housing Network meetings, Tenant News, through local offices and via the Council website and social media.

The Deputy Chief Executive concluded that the HRA revenue budget for 2017/18 would enable the delivery of key priorities and allow the people of West Lothian Council to continue to be supported to find a suitable place to live and have quality housing options available to them.

It was recommended that the Council:

1. Approve the 2017/18 HRA Budget as set out in the report;
2. Approve a rent increase of 3% in 2017/18 in accordance with the previously agreed strategy;
3. Approve a 3% increase in garage rents in 2017/18 in accordance with the previously agreed strategy;
4. Approve an increase of 3% in service and support charges for Sheltered Housing properties for 2017/18 in accordance with the previously agreed strategy;
5. Approve a 3% increase in rents and service and support charges for Homeless properties for 2017/18 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 rate of 4.6% per annum.

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, provided the basis for fully funding the Councils commitment to build 1000 new council houses and ensuring that the Council's housing stock is suitable for 21st Century living.

However, this Labour Administration understands the financial difficulties being experienced by many of our tenants and with the continuing uncertainties over the economy combined with the increased costs of daily living, the Council needs to ensure that it continues to support our tenants through these challenging financial times.

Rent Arrears have also been a challenge for all social landlords over the last few years as a result of the difficulties arising from challenging economic time plus the impact of Welfare Reform.

However this Labour Administration has worked extremely hard to support tenants through these difficult times. It is therefore pleasing to note that the level of rent arrears reported to the Council Executive on 14 February 2017 is less than the level of arrears at the same time last financial year.

This Labour Administration therefore proposes a rent freeze in 2017/18 which in addition to the measures proposed on the Council Tax, will provide financial respite to our tenants in these difficult economic times.

Council therefore agrees to:

- Approve a rent freeze on all council house rents and garage rents for 2017/18.
- Approve a freeze in the service and support charges for Sheltered Housing properties for 2017/18.
- Approve a freeze on the rents and service support charges for Homeless properties for 2017/18.
- Instruct officers to prepare a consultation with tenants to include sustainable rent levels to be set over the next 5 years.

Accordingly the average weekly rent for homes will remain at £68.19 per week, and the average weekly rent for garages at £5.87 per week. Council rents will therefore continue to offer the lowest rent levels for affordable social housing across West Lothian.

The proposed rent freeze will therefore be accommodated through a reduction of £1.388 million in the CFCR contribution, resulting in revised CFCR expenditure of £6.318 million and a revised HRA budget of

£46.712 million.

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.

As a result of this proposed rent freeze, over the course of this Labour Administration rents levels within West Lothian will have increased at an average of only 1.7% per annum, whilst at the same time the Council will have invested significant resources in maintaining high quality, affordable social housing across West Lothian, and at the same time delivering on the provision of 1,000 new Council Houses.

I can confirm that the Head of Finance and Property Services has verified the financial implications of this budget motion.”

Moved by Councillor Paul, seconded by Councillor Cartmill.

Decision

To unanimously approve the terms of the motion submitted by Councillor Paul.

5. HOUSING CAPITAL PROGRAMME 2017/18

The Council considered a report (copies of which had been circulated) by the Depute Chief Executive seeking approval of the updated 2017/18 Housing Capital Programme.

The report recalled that the Council had approved a five year housing capital programme, encompassing the period 2013/14 to 2017/18, in January 2013. The 2013/14 and 2014/15 were updated in September and December 2013 respectively, with a revised three year programme covering the period 2015/16 to 2017/18 approved by West Lothian Council in January 2015. The most recent update to Council Executive, in June 2016, detailed revised spending plans of £55.653 million for 2017/18.

Expenditure totalling £50.337 million was forecast to be incurred within 2016/17 Housing Capital Programme.

The report went on to advise that the 2017/18 capital budget had been updated for phasing assumptions, and these were outlined in the report.

A housing capital budget of £77.152 million was proposed in 2017/18 and Council was asked to approve this updated investment programme. The proposed investment programme for 2017/18, totalling £77.152 million, was summarised as follows:-

Project	Planned Expenditure 2017/18 £'000
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New Build 1,000 Houses	60,659
Major Refurbishments	2,508
Major Elemental Repairs	2,768
Planned Programmes	6,714
Environmental/External Upgrading	812
Miscellaneous	3,691
Sub-Total Housing Investment	16,493
Total	77,152

Individual project, comprised within each project heading, were listed in Appendix 1 to the report and further detail on work to be encompassed within the programme was contained in Appendix 2 to the report. Appendix 3 to the report was an Equality Impact Assessment for the Housing Capital Programme 2017/18.

The report provided a table showing the capital resources available fund the housing capital programme 2017/18 and Council executive would be updated on latest assumptions in future monitoring reports.

The report went on to examine the Corporate Asset Management and Future Capital Investment.

The Depute Chief Executive concluded that there was a strong focus within the programme on the 1,000 new build council house project to deliver affordable homes, which alongside open market acquisitions, would increase the availability of social housing within communities for both existing residents and future generations. Alongside investment in new and additional housing stock, there would be continued investment in existing council housing stock and the environment, to improve homes and local amenity. Energy efficiency was recognised as a continuing priority, with an emphasis on meeting the requirements of the Energy Efficiency Standards for Social Housing legislation.

The 2017/18 Housing Capital programme consolidated and updated on movements reported to Council Executive in June 2016 and February 2017, recognising the requirement to refine and phase projects and expenditure during the programme period. It ensured that resources were prioritised effectively, and where appropriate reassessed resource requirement to reflect sustained levels of the demand.

Through the Housing Capital programme, the council continued to maintain quality standards and 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 2017/18 Housing Capital Programme and related funding as detailed in the report.

Motion

“West Lothian Council welcomes the proposed 2017/18 housing capital

programme of £77.152 million. This significant level of investment will allow the Council to complete the new build programme of a 1000 new houses, which when combined with the 542 houses delivered by this Labour Administration from the previous new build programme, will provide in excess of 1,500 additional affordable homes for social renting across West Lothian.

As well as investing £60.569 million in our new build programme, Council notes that significant resources of £16.493 million will be invested in maintaining the quality standard across the existing housing stock with an increasing emphasis on the Energy Efficiency Standard for Social Housing.

This will include:

- Over 650 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 £6.714m will be invested in measures that contribute to energy efficiency.
- Over 190 homes benefiting from our highly regarded roof and roughcast replacement programme which has made a significant difference to many of our local communities.

At the end of the 2017/18, this Labour Administration will have delivered over £264.504 million of capital investment in existing and new build council houses, compared to the £143.020 million incurred by the previous SNP Administration.

The last 5 years has seen this Labour Administration achieve significant investment for our tenants. Out-with the delivery new build council houses in every ward, other notable developments include all council houses meeting and maintaining the SHQS standard, delivery on the redevelopment of the Deans South Estate in Livingston, and implementation of energy efficiency programmes across a wide range of both private and council properties which will have significant benefits for tenants.

This significant level of investment has been delivered based on an affordable rent strategy which has ensured that new and existing tenants live in high quality homes whilst at the same time benefitting from the lowest rent levels for social housing across West Lothian.

Importantly this Labour Administration has always sought to progress levels of capital investment that are affordable and deliverable, and will seek to bring forward future programmes of new build social housing and investments in energy efficiency measures that are progressive but importantly at the same time realistic and deliverable.

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 2017/18 Housing Capital Programme.

In accordance with the motion on the Housing Revenue Account and Rent Level a reduction in the CFCR of £1.388 million will be offset by an equivalent increase in the level of borrowing. Consequently the CFCR for 2017/18 will be revised at £6.318 million and borrowing at £54.906million.

I can confirm that the Head of Finance and Property Services has verified the financial implications of this budget motion.”

Moved by Councillor Paul, seconded by Councillor Cartmill.

Amendment

“West Lothian SNP Group notes that the New Build Phase 2 Programme failed to ensure that PV panels were installed on all these homes. This would have been a considerably cheaper option, to incorporate within the construction phase, which would have save our tenants money (around £150 per year and rising) and reduced our carbon emissions substantially. This would also have “future proofed” our homes.

The West Lothian SNP Group notes that the total overall resources in the Housing Capital Programme for 2017/18. It is recommended that the council approves the Housing Capital programme, as outlined in the report and as amended below:

It is recommended that the Council:

- Agrees to borrow an additional £8.25 million for a three year investment programme in solar PV panels on our Council houses. We would be able to install panels on approx. 3000 houses.
- Agrees to fund this borrowing by making a recurring adjustment of £675,000 to the CFCR budget. This adjustment is distinct from the CFCR reduction proposed in the HRA revenue amendment.
- Agrees to rephrase £675,000 from the open market acquisitions budget to 2018/19, to offset the reduction in CFCR resources of £675,000 in 2017/18.
- Notes that the installation of solar PV panels on council houses would generate approximately £114,000 Feed in Tariff (FiT) income to the council for each 1,000 houses fitted with PV panels.
- Notes that the solar PV programme will create continuous employment opportunities for up to 50 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 approx. £150 per year. This financial saving will increase year on year for our tenants, as utility bills inevitably rise.

- 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 and cumulatively, over the 20 year ‘life’ period, bring an additional £18 million into the West Lothian economy.

I can confirm that the Head of Finance and Property Services has verified the financial implications of this budget amendment.”

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	Frank Anderson
Tony Boyle	Willie Boyle
Harry Cartmill	Diane Calder
Tom Conn	Janet Campbell
Alex Davidson	Robert De Bold
Jim Dixon	Jim Dickson
David Dodds	Mary Dickson
Lawrence Fitzpatrick	Carl John
Tom Kerr	Peter Johnston
Dave King	Sarah King
Danny Logue	Greg McCarra
John McGinty	Andrew Miller
Anne McMillan	John Muir
Angela Moohan	David Tait
Cathy Muldoon	Jim Walker
George Paul	
Barry Robertson	
Frank Toner	

Decision

The motion was successful by 18 votes to 15 votes and it was agreed accordingly.