

**Draft**

**FALKIRK COUNCIL**

**Minute of meeting of Falkirk Council held remotely on Thursday 23 February 2023 at 10.00 a.m.**

<b><u>Councillors:</u></b>	David Aitchison	Bryan Deakin	Laura Murtagh
	Margaret Anslow	Stacey Devine	Alan Nimmo
	Depute Provost David Balfour	Jim Flynn	Siobhan Paterson
	Lorna Binnie	Gordon Forrest	Sarah Patrick
	Provost Robert Bissett	Paul Garner	Ann Ritchie
	Gary Bouse	Anne Hannah	Jack Redmond
	Claire Brown	Alf Kelly	Iain Sinclair
	William Buchanan	James Kerr	Robert Spears
	James Bundy	Brian McCabe	Euan Stainbank
	Fiona Collie	Cecil Meiklejohn	

**Officers:** Karen Algie, Director of Transformation, Communities and Corporate Services  
Malcolm Bennie, Director of Place Services  
Paul Ferguson, Revenue & Benefits Manager  
Jack Frawley, Team Leader - Committee Services  
Sara Lacey, Head of Social Work Children's Services  
Kenneth Lawrie, Chief Executive  
Colin Moodie, Chief Governance Officer  
Natalie Moore-Young, Strategy and Performance Manager  
Robert Naylor, Director of Children's Services  
Brian Pirie, Democratic Services Manager  
Amanda Templeman, Chief Finance Officer  
Martin Thom, Head of Integration

In accordance with section 43 of the Local Government in Scotland Act 2003 the Provost had directed that the meeting would be conducted by video to allow remote attendance by elected members.

**FC57. Sederunt**

The sederunt was taken by way of a roll call. An apology was intimated on behalf of Councillor Robertson.

**FC58. Declarations of Interest**

There were no declarations of interest.

Councillor Brown joined the meeting during consideration of the following item.

#### **FC59. Housing Revenue Account & Council House Rents 2023/24 – 2027/28**

Council considered a report from the Director of Transformation, Communities & Corporate Services which provided options in relation to council house rent and other rental charges for 2023/24. The report provided information on indicative rent levels for the years 2024/25 to 2027/28.

Falkirk Council's average rent for 2022/23 stood at £73.35 per week. The Scottish Government published comparative data for 2021/22 setting out the rent levels and expenditure for all Local Authorities. Falkirk Council as a landlord had:-

- The 5th lowest rent;
- The 15th highest level of repairs and improvement expenditure per house;
- The 7th lowest supervision and management costs.

The Housing Asset Management Plan set out a strategic and planned approach to maintaining and improving housing stock. The Plan ensured that the Council could deliver the planned investment programme and be agile and responsive to meet new legislative measures and standards that may be introduced nationally over the lifetime of the plan.

Capital and revenue funding was aligned with future investment requirements as specified in the Housing Asset Management Plan, to ensure that the Council's housing stock continued to be maintained in accordance with the SHQS. This approach was an integral part of the development of both the Housing Investment Programme (HIP).

The main movements in the proposed Budget were:-

- Employee Expenses (+£263,000)
- Property Costs (+£537,000)
- Capital Charges (+£853,000)

The affordability of rent, balanced with the need for investment in new and existing homes, was critically important. The Scottish Housing Regulator also required registered social landlords to consider affordability when setting rents. Housing Services had applied the Rent Affordability Tool provided by Housemark Scotland to assess affordability for tenants. Findings from the Affordability Tool showed that the 2% increase for rent charges during 2023/24 and the projected 4% increase for 2024/25 were affordable for tenants.

As the Housing Revenue Account must be self-financing from rents, the financial implications of each different rent option must either be met from changes in expenditure and/or utilisation of reserves. In considering

utilisation of reserves, Council had to consider how and when these were used, as they could only be used once. Use of reserves must also comply with the Council's reserves policy.

A rental increase was required not only to fund finance costs associated with the HIP but also to cover the impacts of inflation and other cost pressures such as irrecoverable rent arrears and increasing housing maintenance obligations.

## **Decision**

### **Council:-**

- (1) agreed a 2% increase in rent charges;**
- (2) approved the Housing Revenue Account budget for 2023/24 as set out in appendix 2 to the report, subject to any necessary adjustments;**
- (3) approved the discontinuation of the Statutory Trading Account for Building Maintenance, and**
- (4) noted the indicative budgets and rent levels for 2024/25 to 2027/28 as representing the best available information at this time and that these would be subject to future reports to, and approval by Members.**

## **FC60. Housing Investment Programme 2023/24 to 2027/28**

Council considered a report from the Director of Transformation, Communities & Corporate Services which provided details of housing investment requirements for the period 2023/24 to 2027/28. The Programme covered 5 years in order to fully align with the Council's Medium Term Financial Plan (MTFP).

A total of £184m was required over the next 5 years for priority housing improvement work, to maintain properties to specified standards (ESSH) and (EICR). The main areas of investment for the HIP were detailed in the report. The total proposed spend on housing improvement works for 2023/24 was £39.9m. The areas for investment included:-

- Elemental Improvements (£28.5m)
- Energy Efficiency Works (£8.0m)
- Estate Improvements (£3m)
- Health & Safety (£0.35m)

A total of £143m had been assessed as being required over the next 5 years for non SHQS investment. The key areas of investment for non SHQS expenditure in 2023/24, were:-

- New Build Council Housing (£27m)
- Buy-Backs Scheme (£8.5m)
- Other Works – LHS Initiatives (£1m)

## **Decision**

**Council agreed the Housing Investment Programme for 2023/24 to 2027/28 as set out in the appendix to the report.**

Council adjourned at 11.55am and reconvened at 12.15pm with all members present as per the sederunt.

### **FC61. Service Concession Arrangements**

Council considered a report from the Director of Transformation, Communities & Corporate Services which provided information on the changes permitted to how councils account for the repayment of debt on Services Concession Arrangements (SCA).

The revised SCA guidance allowed councils to account for the long-term liability of the school assets over their expected useful life, rather than over the contract term. In effect, the benefit from the SCA was achieved by better matching the debt costs of the secondary schools to the expected useful lives of the schools and, therefore, repaying the debt across a longer period of time. For Falkirk Council it was considered appropriate to estimate a useful life for these assets of 40 years.

The revised guidance also allowed councils to decide on their preferred approach to making debt repayments – the equal instalments of principle (EIP) method or an annuity method. This did not change what the Council paid the contractors in cash every year or the timing of those payments. This was simply about the accounting transactions to pay for the assets.

Councils could only apply the change in 2022/23 or 2023/24. However, councils were allowed to apply the change in accounting treatment retrospectively. This meant the Council could compare the payments made to date under the current arrangements and the payments that would have been made using the new guidance. This created a technical overpayment in the accounts with too much having been charged to the revenue account in previous years to pay for the assets. This was referred to as the Retrospective Adjustment. In addition to the retrospective gain, there would be benefits through adjustments to the repayments in the coming years. These benefits were added to the Retrospective Adjustment, to give a total overall potential benefit.

A number of principles were proposed for the future use of SCAs:-

- The use of SCAs should be considered a 'last resort' as they did not address the underlying budget deficit of the Council but instead allowed some reprofiling of the budget gap, in effect buying some time to address the underlying issues. Focus must therefore be on the identification and approval of recurring savings.
- As far as possible, the use of SCAs must be matched with the equivalent quantum of savings having been identified over the period of the Financial Strategy.
- Should recurring savings be identified and approved as early as possible, there was an opportunity to better use SCAs to facilitate future investment or targeting support to address need. This depended on identification and approval of savings, and the Council must continue to work towards this.

A final proposal for the use of SCAs would be presented as part of the Budget Report on 1 March 2023. That report would recommend the use of SCAs to allow the Council to set a balanced budget for 2023/24. Based on current estimates, Council may be asked to approve the use of £15.2m of SCAs in 2023/24.

## **Decision**

**Council noted that the Budget Report to be considered by Council at its meeting of 1 March 2023 would include proposals for the implementation and use of Service Concession Arrangements.**

Council adjourned at 1pm and reconvened at 1.50pm with all members present as per the sederunt with the exception of Councillor Brown.

Councillor Brown re-joined the meeting during consideration of the following item.

### **FC62. Falkirk Town Hall – Statutory Consultation under The Community Empowerment (Scotland) Act 2015 for disposal of Common Good Land**

Council considered a report from the Director of Place Services which provided information on the outcome of the consultation on the proposed acceleration of demolition for Falkirk Town Hall (FTH) under the Community Empowerment (Scotland) Act 2015.

The legislation governing the Consultation Process on whether the Council could accelerate the demolition of FTH required an 8 week consultation process. This commenced on 3 November 2022 and ran until 29 December 2022. Details of the Consultation Notice were included as an appendix to the report.

The Consultation sought views on one specific question and allowed respondents to also leave a comment if they desired. The question was - Do you agree that Falkirk Council should accelerate the demolition of Falkirk

Town Hall and the remainder of the Municipal Buildings and shared plant facilities, to commence on closure of the Town Hall?

369 (366 online and 3 paper) responses were received from individuals and organisations, with 248 providing additional comments. Of the 369 responses received:-

- 173 (47%) agreed to the acceleration of the demolition
- 192 (52%) disagreed to the acceleration of the demolition.
- There were also 4 (1%) unanswered responses.

Of the 192 replies which disagreed with the acceleration of the demolition, 41 specifically responded on the basis that the Town Hall should not close at all, and 40 mentioned that it should remain open until a new facility was developed. These represented approximately 42% of those who disagreed with the accelerated demolition. Whilst these views had been recorded it should be recognised that the actual closure of the Town Hall did not form part of the consultation question. If these responses were excluded then the percentage disagreeing to the proposed acceleration of demolition would be 30% (111 of 369 returns).

An analysis of the additional comments relating to those “Agreeing” had also been summarised, and comments related to the followings issues:-

- Agree that Town Hall is old and in poor condition.
- Save time and money by accelerating the demolition.
- Do not want an additional derelict building.
- Inefficient and unattractive building.
- Quick decision required for a replacement.
- Want a definitive plan for a replacement facility.
- Existing FTH is not comfortable or user friendly.
- An alternative location for a new facility may attract more users.
- The building should not have been allowed to deteriorate in the first place.

Of those “Disagreeing”, an analysis of comments was also undertaken, and could be summarised around the following issues:-

- Not to demolish the Town hall until a suitable replacement is provided.
- Negative impact on local business and tourism.
- Local arts groups will suffer as a result of no alternative large venues for performing shows.
- Lack of confidence that a replacement will actually happen once FTH was demolished.
- The Council doesn’t care about affected groups.
- There will be a loss of a vital and valued community resource.
- Town Hall to remain and for the Council to undertake repairs.
- Frustration around political indecision on demolition and new FTH

Council was asked to approve responses to the comments. Thereafter, the full anonymised consultation and the detailed Council replies to each respondent would be published on the Council Website.

## **Decision**

### **Council:-**

- (1) noted the consultation responses received and the responses to the consultation comments as outlined at appendix 2 to the report, and**
- (2) agreed in relation to Question 1 of the Consultation document, to proceed with the demolition of the Falkirk Town Hall as soon as practicable after its closure.**

## **FC63. Review of Committee Structure and Appointments**

Council considered a report from the Director of Transformation, Communities & Corporate Services which advised of the intention to review the current committee structure and to make proposals on any changes. The report invited appointment of members to a working group to contribute to the review. The report also invited appointment of a Scrutiny Committee convener and members to the Falkirk Temperance Trust.

The current committee structure based on an Executive/Scrutiny model was introduced in 2013 although it had been modified since then, principally to introduce politically balanced committees. Much had changed in the Council since the introduction of the current structure. There were fewer members, fewer chief officers, minority administrations had become the norm and since 2013 there had been two sets of local government elections.

The proposed review would consider:-

- the current committee structure including the role of Council and the Executives;
- the frequency of meetings;
- the business going to committees and Council and the related issue of the Scheme of Delegation to Officers;
- the structure and content of reports;
- any changes to Standing Orders in relation to meetings, for example, advance circulation of motions and amendments.

The proposed review group would consist of 4 members with one from each of the main Groups and an independent member and would be chaired by the Leader or her nominee. The aim would be to report to the September meeting of Council and if this was not achievable to the December meeting at the latest.

The position of convener of the Scrutiny Committee was vacant following Councillor McCabe's resignation from the post in December 2022. Council was invited to appoint a convener from the membership of the committee.

There were two vacancies on the Board of the Falkirk Temperance Trust. The places were reserved for elected members who represent the former burghal area – Falkirk South and North wards.

### **Decision**

#### **Council:-**

- (1) agreed to establish a working group, comprising a representative of each of the main Groups and an independent member;**
- (2) appointed Provost Bissett as Convener of the Scrutiny Committee, and**
- (3) appointed Councillors Patrick and Stainbank to the Falkirk Temperance Trust.**