

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held in Committee Room 2, Council Offices, Almada Street, Hamilton on 1 July 2010

Chair:

Councillor Tommy Gilligan

Councillors Present:

John Anderson, Pam Clearie, George Sutherland, Jim Wardhaugh

Councillors' Apologies:

Brian McCaig, Mary McNeill, Graham Scott, Graham Simpson

Attending:

Corporate Resources

S McLeod, Administration Officer

Enterprise Resources

A Colthart, Head of Support Services; J Turner, Operations Manager, Roads and Transportation Services

Finance and Information Technology Resources

P Manning, Head of Finance; A Murray, Finance Adviser

Housing and Technical Resources

I Douglas, Project Services Manager; B McElhinney, Property Investment Manager

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Financial Resources Scrutiny Forum held on 13 May 2010 were submitted for approval as a correct record.

The Forum decided: that the minutes be approved as a correct record.

3 Information Requested from Community Resources

A report dated 14 June 2010 by the Executive Director (Finance and Information Technology Resources) was submitted on information received from Community Resources in response to an issue raised at the previous meeting of the Forum relating to an overspend on the Property Costs budget line, Repairs and Maintenance (Internal) and Repairs and Maintenance (External), in connection with expenditure on the Carlisle Civic Amenity Site.

It was confirmed that £24,000 of the total overspend of £33,000 on Repairs and Maintenance (External) related mainly to work carried out at Carlisle Waste Transfer Station. The work included laying down a concrete slab floor and re-inforcing the walls. Of the £50,000 overspend on Repairs and Maintenance (Internal), £24,000 related to delivery and installation of equipment for the weighbridge, including indicator and overdrive software. The budget provision for Repairs and Maintenance (Internal) at the Civic Amenity Site was £3,000. Due to the estimated spend on legislative compliance being unnecessary in 2009/2010, the overspend had been reduced at year end to £6,000.

The Forum decided: that the information provided by Community Resources on the issue raised at the previous meeting of the Forum on the overspend on Property Costs in relation to the expenditure on the Carlisle Civic Amenity site be noted.

[Reference: Minutes of 13 May 2010 (Paragraph 4)]

4 Revenue Budget Monitoring 2009/2010 Outturn

A report dated 14 June 2010 by the Executive Director (Finance and Information Technology Resources) was submitted on the:-

- ◆ level of accumulated funds of the Council at 31 March 2010
- ◆ year end position on the General Fund and Housing Revenue Account
- ◆ revenue budget performance of each Resource

The General Fund showed a surplus of £2 million which, when added to the surplus brought forward from 2008/2009, resulted in an accumulated surplus of £6.223 million to be carried over to 2010/2011.

The Housing Revenue Account showed a surplus for the year of £0.742 million which, when added to the surplus brought forward from 2008/2009, resulted in an accumulated surplus of £0.930 million to be carried over to 2010/2011.

A summary of the General Fund Account was given together with an explanation on the key elements. £4.506 million had been the anticipated contribution to Reserves toward the funding of specific projects. As a result of the final outturn position, a further transfer of £3.656 million was proposed including £2.005 million to the Repairs and Renewals Fund to give the Council greater flexibility in meeting its commitments such as the refurbishment project at the Dollan Aqua Centre in East Kilbride and £1.651 million to the Capital Fund, which would, in part, be used to meet the cost of works at Hamilton International Technology Park. This would result in a total contribution to Reserves of £8.162 million to meet the following commitments:-

| Reserves | £m Amount |
|------------------------------------|----------------------|
| Repairs and Renewals | 2.005 |
| Capital Fund | 1.651 |
| Winter Maintenance Fund | 1.600 |
| Insurance Fund | 2.500 |
| Waste Management (Zero Waste) Fund | 0.406 |
| Total | 8.162 |

Each of the Trading Services had met its statutory financial target and the financial position for each was given.

Details were also provided on the key budget issues arising through 2009/2010 together with the outlook for 2010/2011 in relation to those issues.

Regular monitoring information was also provided on the position of the Council's revenue budget at 26 April 2010 (Period 14) including:-

- ◆ the financial position of the revenue budget for the General Services, Housing Revenue and Trading Services accounts
- ◆ the financial and operational position of the Roads Contracting Services

Continued financial control would be exercised to ensure the proper monitoring of revenue budgets.

The Forum decided:

- (1) that the proposed allocations to Reserve Funds be noted;
- (2) that the Revenue Budget Final Outturn 2009/2010 be noted;
- (3) that the key budget issues which had arisen throughout 2009/2010 and the outlook for 2010/2011 in relation to those issues be noted; and
- (4) that the position of the Council's revenue budget at 26 April 2010 (Period 14) be noted.

5 Revenue Budget Monitoring 2010/2011

A report dated 14 June 2010 by the Executive Director (Finance and Information Technology Resources) was submitted on the position of the Council's revenue budget at 14 May 2010 including:-

- ◆ the financial position of the revenue budget for the General Services, Housing Revenue and Trading Services accounts
- ◆ the financial and operational position of Enterprise Resources' Trading Operations, Financial and Operational Performance Review, as at year end 31 March 2009 and at 14 May 2010 (Period 2)

The Forum decided:

- (1) that Community Resources be requested to advise if the revised charging structure for hall lets has had any effect on the usage of halls;
- (2) that Education Resources be requested to provide a breakdown of the management savings under Other Property Costs; and
- (3) that Enterprise Resources be requested to provide a breakdown of parking income.

6 Capital Budget Monitoring 2009/2010 - Outturn

A report dated 16 June 2010 by the Executive Director (Finance and Information Technology Resources) was submitted on the progress of the Council's various capital programmes at 31 March 2010 including information on:-

- ◆ the financial and physical progress of the Housing Capital Programme
- ◆ the financial and physical progress of the various General Fund Capital Programmes

Current estimates from Resources had indicated that there would be an underspend of approximately £15.364 million on the General Fund Capital Programme at the year end. The key factors contributing to this underspend were detailed.

Officers would continue to work to maximise spend on the General Fund Capital Programme.

The Forum decided: that the report be noted.

7 Capital Budget Monitoring 2010/2011

A report dated 10 June 2010 by the Executive Director (Finance and Information Technology Resources) was submitted on the progress of the Council's various capital programmes at 14 May 2010 including information on:-

- ◆ the financial and physical progress of the various General Fund Capital Programmes
- ◆ the financial and physical progress of the Housing Capital Programme

The General Fund Capital Programme included Education Resources, Social Work Resources, Roads and Transportation Services and General Services. The General Fund Capital totalled £187.296 million and the Housing Capital Programme £40.508 million. At 14 May 2010, £2.141 million had been spent on the General Fund Capital Programme and £1.292 million on the Housing Capital Programme.

Proposed amendments by Resources, which would result in a net decrease of £24.216 million to the overall Programme, were detailed in an appendix to the report. This would give a revised total of £163.080 million for the 2010/2011 General Fund Capital Programme and would include slippage of £26.078 million from the Primary Schools' Modernisation Project.

Officers would continue to work to maximise spend on the General Fund Capital Programme.

The Forum decided:

- (1) that the progress of the Housing Capital Programme be noted; and
- (2) that the progress of the General Fund Capital Programme be noted.

8 Urgent Business

There were no items of urgent business.