

# FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held in Committee Room 5, Council Offices, Almada Street, Hamilton on 8 August 2019

**Chair:**

Councillor Monique McAdams

**Councillors Present:**

Councillor Eric Holford, Councillor Martin Lennon, Councillor Jim Wardhaugh, Councillor Jared Wark

**Councillors' Apologies:**

Councillor Archie Buchanan, Councillor Janine Calikes, Councillor Mary Donnelly, Councillor Mark Horsham, Councillor Margaret B Walker

**Attending:**

**Finance and Corporate Resources**

G Bow, Administration Manager; G Cochran, Administration Assistant; L O'Hagan, Finance Manager (Strategy); J Taylor, Head of Finance (Strategy)

**Housing and Technical Resources**

D Craig, Property Manager (Commercial)

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## 1 Declaration of Interests

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No interests were declared.

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## 2 Minutes of Previous Meeting

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The minutes of the meeting of the Financial Resources Scrutiny Forum held on 9 May 2019 were submitted for approval as a correct record.

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

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## 3 Revenue Budget Monitoring 2018/2019 Final Outturn and Annual Report and Accounts 2018/2019

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A report dated 17 July 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the:-

- ◆ year end position of the General Fund and Housing Revenue Accounts 2018/2019
- ◆ revenue budget performance of each Resource in 2018/2019
- ◆ Council's Annual Accounts for 2018/2019, including a reconciliation to the revenue budget performance for 2018/2019

The General Revenue Fund showed an underspend of £0.758 million when taking into account a transfer to the Uncommitted General Fund of £1.298 million.

Following the probable outturn exercise, transfers to Reserves had been approved totalling £15.390 million. Following confirmation of the year end position, it was proposed to transfer a further £5.739 million to Reserves, resulting in an overall transfer to Reserves of £21.129 million.

The Housing Revenue Account showed a deficit for the year of £2.613 million, which was funded from a transfer from the Housing Revenue Account Reserve, resulting in a breakeven position on the Housing Revenue Account.

The Local Authority Accounts (Scotland) Regulations 2014 required the unaudited accounts to be formally considered by elected members at a meeting to be held no later than 31 August each year and, consequently, a full copy of the unaudited accounts had been provided to all members of the Council.

In line with previous years, the full unaudited accounts had been made available for public inspection in Council Offices between 28 June and 19 July 2019 and on the Council's website from 28 June 2019 until the date the audited accounts were published.

As part of the Annual Accounts, a restatement of monitoring figures had to be prepared to reconcile the monitoring figures reported to Committee with the figures which appeared in the Annual Accounts. The detail of this reinstatement of those monitoring figures was provided in the report.

**The Forum decided:**

- (1) that the outturn position on the General Fund Revenue Account for 2018/2019 be noted;
- (2) that the additional transfer to Reserves from Resources, Loan Charges, and Council Tax of £5.739 million be noted;
- (3) that the position on the Housing Revenue Account, including the transfer from Reserves of £2.613 million, be noted;
- (4) that the final outturn position of an underspend of £1.298 million transferred to the Uncommitted General Fund be noted; and
- (5) that the arrangements for publishing the unaudited Annual Accounts, which had previously been circulated to elected members, be noted.

*[Reference: Minutes of the Executive Committee of 26 June 2019 (Paragraph 6)]*

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#### **4 Revenue Budget Monitoring 2018/2019 – Detailed Resource Analysis**

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A report dated 17 July 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the detailed financial analysis as at 31 March 2019 (Period 14) for each of the Council's Resources.

The following information was provided for each Resource and the Housing Revenue Account:-

- ◆ an Executive Summary showing the top level position for each of the Services within the Resource and the Housing Revenue Account as at 31 March 2019 (Period 14)
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 31 March 2019 (Period 14)
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 31 March 2019 (Period 14)

Officers responded to members' questions on various aspects of the report.

**The Forum decided:** that the financial position for each of the individual Resources' revenue budgets for 2018/2019 at 31 March 2019 (Period 14) be noted.

*[Reference: Minutes of 9 May 2019 (Paragraph 4)]*

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## **5 2018/2019 Recurring Variances and 2019/2020 Outlook**

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A report dated 1 May 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the recurring variances experienced in 2018/2019 and the outlook for each of those variances in 2019/2020.

Officers responded to members' questions on various aspects of the report.

**The Forum decided:** that the outlook for 2019/2020, in terms of recurring budget variances experienced in 2018/2019 and the outlook for each of those variances for 2019/2020, as detailed in Appendix A to the report, be noted.

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## **6 Revenue Budget Monitoring 2019/2020**

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A report dated 17 July 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the detailed financial analysis as at 24 May 2019 (Period 2) for each of the Council's Resources.

The figures included an underspend of £7.040 million on the General Fund Revenue Account and a breakeven position on the Housing Revenue Account. Following a transfer to Reserves at the end of 2019/2020, the underspend would be used to support the 2020/2021 Budget Strategy.

**The Forum decided:**

- (1) that the underspend of £7.040 million on the General Fund Revenue Account before transfers to Reserves at 24 May 2019, as detailed in the report, and forecast to 31 March 2020, be noted; and
- (2) that the breakeven position on the Housing Revenue Account at 24 May 2019 and the forecast to 31 March 2020 of a breakeven position be noted.

*[Reference: Minutes of 9 May 2019 (Paragraph 4)]*

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## **7 Revenue Budget Monitoring 2019/2020 – Detailed Resource Analysis**

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A report dated 17 July 2019 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period ending 24 May 2019 (Period 2).

The following information was provided for each Resource and the Housing Revenue Account:-

- ◆ an Executive Summary showing the top level position for each of the Services within the Resource and the Housing Revenue Account as at 24 May 2019 (Period 2)
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 24 May 2019 (Period 2)
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 24 May 2019 (Period 2)

**The Forum decided:** that the position as at 24 May 2019 (Period 2) be noted.

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### **8a Capital Budget Monitoring 2018/2019 – General Fund Capital Programme**

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A report dated 16 July 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the General Fund Capital Programme 2018/2019 at 31 March 2019 (Period 14).

Expenditure and funding for the Capital Programme for 2018/2019 were detailed. The difference between the revised programme, totalling £66.819 million, and the actual spend of £61.321 million was £5.498 million and the main reasons for this underspend were detailed in Appendix B to the report.

Funding totalling £5.498 million, comprising of an underspend from 2018/2019 adjusted to reflect the actual position of income received, would be carried forward into 2019/2020 to ensure that there were sufficient resources available to conclude ongoing projects.

**The Forum decided:** that the report be noted.

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### **8b Capital Budget Monitoring 2018/2019 – Housing Capital Programme**

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A report dated 16 July 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2018/2019 at 31 March 2019 (Period 14).

£53.962 million had been spent on the Housing Capital Programme against a budget of £53.664 million. This represented a spend of £0.298 million ahead of profile. In terms of funding, the Programme had benefited from one-off income of £5.018 million which would help augment the overall Programme.

**The Forum decided:** that the position as at 31 March 2019 (Period 14) be noted.

*[Reference: Minutes of the Executive Committee of 27 June 2019 (Paragraph 5)]*

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### **9a Capital Budget Monitoring 2018/2019 – General Fund Capital Programme**

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A report dated 18 July 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2019/2020 at 24 May 2019 (Period 2).

An update on the 2019/2020 Capital Programme, including confirmation of a revised base capital budget of £78.429 million, was provided in the report.

£3.293 million had been spent on the General Fund Programme against a budget of £3.295 million. This represented a spend of £0.002 million ahead of profile.

The physical progress achieved on the General Fund Capital Programme 2019/2020 at 24 May 2019 was detailed in Appendices D to F to the report.

**The Forum decided:** that the report be noted.

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### **9b Capital Budget Monitoring 2019/2020 – Housing Capital Programme**

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A report dated 16 July 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2019/2020 at 24 May 2019 (Period 2).

The Housing Capital Programme for 2019/2020 totalled £61.835 million. At 24 May 2019, £3.497 million had been spent against a phased budget of £3.497 million, representing a breakeven position.

The physical progress achieved on the Housing Capital Programme 2018/2019 at 24 May 2019 was detailed in Appendix B to the report.

**The Forum decided:** that the report be noted.

*[Reference: Minutes of the Executive Committee of 26 June 2019 (Paragraph 3)]*

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## **10 Urgent Business**

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There were no items of urgent business.