

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held via Confero and in the Council Chamber, Council Offices, Almada Street, Hamilton on 8 December 2022

Chair:

Councillor Grant Ferguson

Councillors Present:

Councillor Colin Dewar, Councillor Ross Gowland, Councillor Celine Handibode (*substitute for Councillor Mathew Buchanan*), Councillor Gavin Keatt, Councillor Richard Lockhart, Councillor Julia Marrs, Councillor Carol Nugent

Councillors' Apologies:

Councillor Mathew Buchanan, Councillor Monique McAdams

Attending:

Finance and Corporate Resources

C Lyon, Administration Officer; K McLeod, Administration Assistant; L O'Hagan, Finance Manager (Strategy); J Taylor, Head of Finance (Strategy)

Housing and Technical Resources

D Craig, Property Manager (Commercial)

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 10 November 2022 were submitted for approval as a correct record.

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

3a Capital Budget Monitoring 2022/2023 – General Fund Capital Programme

A report dated 22 November 2022 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the General Fund Capital Programme 2022/2023 for the period 1 April to 4 November 2022.

The revised General Fund Capital Programme for 2022/2023 totalled £78.272 million, as detailed in Appendix B to the report. This included adjustments to the programme agreed by the Executive Committee on 30 November 2022, totalling a net decrease of £17.608 million. £1.408 million of the £17.608 million was profiling adjustments, as detailed in Appendix A to the report. The main reason for those adjustments was the anticipated timing of spend on the Clyde Terrace Nursery project in Bothwell and operation delays on site, due to utility issues, had meant financial slippage into 2023/2024.

In addition, the distribution of the new Free School Meals Expansion funding for 2022/2023 had only recently been announced by the Scottish Government, with the Council awarded £1.877 million. Education Resources estimated that they would spend £0.300 million of the allocation by the end of the financial year, given the design requirements and lead in times for equipment, but aimed to maximise spend wherever possible. This would result in slippage into 2023/2024 of £1.577 million.

The remainder of the reduction of the £17.608 million related to the 2022/2023 allocations for 3 significant projects where the level of spend in year had still to be confirmed. Those projects and their budgets were Clyde Bridge (£6.5 million), Larkhall Leisure Centre (£9.550 million) and Levelling Up Fund Match Funding (£1.8 million).

The tender for Clyde Bridge had now been awarded and the financial profile adjusted to remove £5.4 million from the 2022/2023 budget. In relation to the other 2 projects, given the uncertainty around the level and timing of spend on those projects, budget totalling £10.8 million had been removed from the 2022/2023 programme. The movement for each of the projects was detailed in the report.

The programme spend and funding for the General Fund was summarised in Appendix D of the report.

As part of the funding for the Pay Award for 2022/2023, the Scottish Government had agreed to allocate £120 million nationally per annum for both 2022/2023 and 2023/2024 to cover part of the additional costs. The Council's allocation was £7.077 million and would be paid as part of the General Capital Grant allocation. COSLA and the Scottish Government had been in discussion with councils as to how they could convert this General Capital Grant to pay for Revenue expenditure.

A review of the Council's Capital funding package had identified funding that could be transferred to the Council's Revenue Account and used to fund the pay award. Those funds would be replaced by General Capital Grant. The funding package included in Appendix D had been updated to reflect the revised funding package.

Budget for the period was £28.936 million and spend to 4 November 2022 was £29.530 million, an overspend of £0.594 million. Actual funding received to 4 November 2022 was £59.741 million.

The physical progress achieved with the General Fund Capital Programme 2022/2023 at 4 November 2022 was detailed in appendices E to G to the report.

The Forum decided: that the position on the General Fund Capital Programme as at 4 November 2022 be noted.

[Reference: Minutes of 10 November 2022 (Paragraph 3a) and Minutes of the Executive Committee of 30 November 2022 (Paragraph 4)]

In terms of Standing Order No 14, the Chair adjourned the meeting at 2.10pm and reconvened at 2.15pm

3b Capital Budget Monitoring 2022/2023 – Housing Capital Programme

A report dated 22 November 2022 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2022/2023 for the period 1 April to 4 November 2022 (Period 8).

The revised Housing Capital Programme for 2022/2023 totalled £66.361 million. Budget for the period was £30.739 million and spend to 4 November 2022 was £30.783 million, which represented an overspend of £0.044 million, as detailed in Appendix A to the report. Actual funding received at 4 November was £30.783 million.

The physical progress achieved with the Housing Capital Programme 2022/2023 at 4 November 2022 was detailed in Appendix B to the report.

The Council continued to experience material shortages, longer lead times and extraordinary inflationary price increases and it was anticipated that this would continue to impact the supply chain for the foreseeable future. The impact of this would continue to be monitored and updates provided to this Forum.

Any significant increases in contract values for the Housing Capital Programme would be brought to members' attention.

The Forum decided: that the position on the Housing Capital Programme as at 4 November be noted.

[Reference: Minutes of 10 November 2022 (Paragraph 3b)]

4 Revenue Budget Monitoring – 2022/2023

A report dated 30 November 2022 by the Executive Director (Finance and Corporate Resources) was submitted on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April to 4 November 2022.

As at 4 November 2022, the position on the General Fund Revenue Account was a net overspend of £0.039 million. This overspend was mainly within Community and Enterprise Resources relating to the cost pressures associated with Electric Vehicle (EV) charging and within Social Work Resources (Children and Families).

The overspend position within Social Work Resources (Children and Families) was partially offset by an underspend in the Adults and Older People Service delegated to the Health and Social Care Partnership. The core Council position, without the HSCP underspend, was an overspend of £0.807 million.

As noted at Agenda Item 3a, as part of the funding for the Scottish Government Pay Award 2022/2023, the Scottish Government had agreed to allocate £120 million nationally per annum for 2022/2023 and 2023/2024 to cover part of the additional costs. The Council's allocation was £7.077 million and would be paid as part of the General Capital Grant allocation. COSLA and the Scottish Government had been in discussion with councils as to how they could convert this General Capital Grant to pay for Revenue expenditure.

A review of the Council's Capital funding package had identified funding that could be transferred to the Council's Revenue Account and used to fund the pay award. Those funds would be replaced by the additional General Capital Grant.

The Housing Revenue Account showed a breakeven position at 4 November 2022, as detailed in Appendix 2 to the report.

The Forum decided:

- (1) that the overspend of £0.039 million on the General Fund Revenue Account at 4 November 2022, within Community and Enterprise Resources and Social Work Resources (Children and Families), and partially offset by the underspend on the Adults and Older People budget delegated to the Health and Social Care Partnership, as detailed in section 4 and Appendix 1 of the report, be noted; and
- (2) that the breakeven position on the Housing Revenue Account at 4 November 2022, as detailed in section 5 and Appendix 2 of the report, be noted.

[Reference: Minutes of 10 November 2022 (Paragraph 4)]

5 Revenue Budget Monitoring 2022/2023 – Detailed Resource Analysis

A report dated 30 November 2022 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period 1 April to 4 November 2022 (Period 8).

Appendices A to F to the report provided the following information 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 4 November 2022
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 4 November 2022
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 4 November 2022

The Forum decided: that the position as at 4 November 2022 (Period 8) be noted.

[Reference: Minutes of 10 November 2022 (Paragraph 5)]

6 Urgent Business

There were no items of urgent business.