

## FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held in Committee Room 5, Council Offices, Almada Street, Hamilton on 8 February 2018

**Chair:**

Councillor Joe Fagan

**Councillors Present:**

Isobel Dorman, Eric Holford, Monique McAdams, Jim Wardhaugh, Jared Wark

**Councillors' Apologies:**

Archie Buchanan, Janine Calikes, Mark Horsham, Margaret B Walker

**Attending:**

**Community and Enterprise Resources**

G MacKay, Head of Roads and Transportation Services

**Finance and Corporate Resources**

G Cochran, Administration Assistant; T Donnachie, Finance Adviser; L O'Hagan, Finance Manager (Strategy); J Muirhead, Administration Adviser; 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 14 December 2017 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 2017/2018

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A report dated 31 January 2018 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period ending 8 December 2017 (Period 10).

The figures included an underspend of £0.563 million on the General Fund Revenue Account and a breakeven position on the Housing Revenue Account.

The forecast outturn for the General Fund Revenue Account was an overspend of £1.120 million and the Housing Revenue Account to 31 March 2018 was a breakeven position.

The Scottish Government had notified the Council of additional funding, totalling £3.864 million, for specific areas including:-

◆ Teachers' Induction Scheme	£0.391 million
◆ Council Tax Reduction Scheme (CTR) - Administration Grant	£0.040 million
◆ Council Tax Reduction Scheme (CTR) – 10% holdback	£1.988 million
◆ Sensory Impairment Strategy	£0.019 million
◆ Temporary Homelessness	£1.408 million
◆ Building Warrant Fees	£0.057 million (reduction)
◆ Discretionary Housing Payment Administration Grant	£0.075 million

A number of transfers from Reserves, totalling £1.829 million, had been actioned and added to the Resource budgets to meet specific Resource commitments in 2017/2018. Those funds had been placed into Reserves in previous years.

Social Work Resources had also been advised of additional funding, totalling £0.108 million, from the Scottish Government Employability, Innovation and Integration Fund for the Deferred Sentence Project.

A probable outturn exercise had been carried out and, taking account of all known commitments across Resources, the figures confirmed an overspend of £0.966 million on Resources' current year budgets and an overspend in Trading Operations of £0.154 million.

In completing the outturn exercise, a number of other factors had been taken into account including:-

- ◆ an underspend of £0.436 million in Capital funded from Current Revenue
- ◆ an underspend of £5.250 million in Loan Charges
- ◆ an underspend on Corporate items, eg utilities, of £3.598 million
- ◆ a proposed transfer of £0.352 million to the Central Energy Efficiency Fund

Taking all factors into account, a potential underspend of £11.352 million had been identified and the undernoted transfers to reserves totalling £10.852 million, had been proposed:-

◆ Insurance Fund	£1.700 million
◆ Winter Maintenance Fund	£2.000 million
◆ IT Development Fund	£1.000 million
◆ Earmarked General Fund	£6.152 million

This left a remaining balance of £0.500 million and it was proposed to transfer this to the Uncommitted General Fund.

An analysis of the Council's current reserves position was detailed in the report.

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

#### **The Forum decided:**

- (1) that the underspend on the General Fund Revenue Account of £0.563 million at 8 December 2018 be noted;
- (2) that the additional funding received from the General Revenue Grant of £3.864 million be noted;
- (3) that the proposed transfer from Reserves of £1.829 million for specific purposes, as detailed in the report, be noted;
- (4) that the proposed transfer to Reserves, totalling £10.852 million, as detailed in the report, be noted;

- (5) that the proposed transfer of the £0.500 million remaining as the final outturn position to the Uncommitted General Fund be noted; and
- (6) that the breakeven position on the Housing Revenue Account at 8 December 2017 and forecast to 31 March 2018 of a breakeven position, following the transfer to Reserves of £0.029 million, be noted.

*[Reference: Minutes of the Executive Committee of 31 January 2018 (Paragraph 3)]*

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#### **4 Revenue Budget Monitoring 2017/2018 - Detailed Resource Analysis**

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A report dated 31 January 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the detailed financial analysis as at 8 December 2017 (Period 10) 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 8 December 2017 (Period 10)
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 8 December 2017 (Period 10)
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 8 December 2017 (Period 10)

**The Forum decided:** that the financial position for each of the individual Resources' revenue budgets for 2017/2018 at 8 December 2017 (Period 10) be noted.

*[Reference: Minutes of 14 December 2017 (Paragraph 4)]*

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#### **5 Revenue Budget Monitoring 2017/2018 - Trading Operations' Performance Review - Roads**

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A report dated 12 January 2018 by the Executive Director (Community and Enterprise Resources) was submitted on the financial and operational performance of the Roads Trading Operation for the period ending 8 December 2017 (Period 10).

The Roads Trading Operation was showing a surplus of £2.586 million against a budgeted surplus of £2.696 million for the period ending 8 December 2017.

Details were also provided on a number of key operational and personnel issues including:-

- ◆ absence statistics for the period 1 April to 30 November 2017 by Service and type, including details of Management Interventions, during the reporting period
- ◆ operational activity undertaken within the Roads Trading Operation performance reporting period

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

**The Forum decided:** that the position at 8 December 2017 (Period 10) be noted.

*[Reference: Minutes of 5 October 2017 (Paragraph 5)]*

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## **6a Capital Budget Monitoring 2017/2018 - General Fund Capital Programme**

A report dated 16 January 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the General Fund Capital Programme 2017/2018 at 8 December 2017 (Period 10).

The General Fund Capital Programme for 2017/2018, including a number of revisions approved by the Executive Committee on 31 January 2018, as detailed in Appendix A to the report, totalled £78.291 million. At 8 December 2017, £38.509 million had been spent against a phased budget of £40.400 million, representing expenditure of £1.891 million behind profile.

The physical progress achieved on the General Fund Capital Programme 2017/2018 at 8 December 2017 was detailed in Appendices C to E to the report.

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

*[Reference: Minutes of the Executive Committee of 31 December 2017 (Paragraph 3)]*

*Councillor Dorman left the meeting during this item of business*

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## **6b Capital Budget Monitoring 2017/2018 - Housing Capital Programme**

A report dated 16 January 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2017/2018 at 8 December 2017 (Period 10).

The Housing Capital Programme for 2017/2018 totalled £40.581 million. At 8 December 2017, £22.687 million had been spent against a phased budget of £22.478 million, representing expenditure of £0.209 million ahead of profile.

The physical progress achieved on the Housing Capital Programme 2017/2018 at 8 December 2017 was detailed in Appendix B to the report.

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

*[Reference: Minutes of 14 December 2017 (Paragraph 6b)]*

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## **7 Urgent Business**

There were no items of urgent business.

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