

# FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held via Microsoft Teams and in Committee Room 1, Council Offices, Almada Street, Hamilton on 10 November 2022

**Chair:**

Councillor Grant Ferguson

**Councillors Present:**

Councillor Colin Dewar, Councillor Ross Gowland, Councillor Gavin Keatt, Councillor Susan Kerr (*substitute for Councillor Mathew Buchanan*), Councillor Julia Marrs (Depute), Councillor Carol Nugent

**Councillors' Apologies:**

Councillor Mathew Buchanan, Councillor Richard Lockhart, Councillor Monique McAdams

**Attending:**

**Finance and Corporate Resources**

G Cochran, Administration Assistant; 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)

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## 1 Declaration of Interests

No interests were declared.

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## 2 Minutes of Previous Meeting

The minutes of the meeting of the Financial Resources Scrutiny Forum held on 29 September 2022 were submitted for approval as a correct record.

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

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

A report dated 25 October 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 7 October 2022.

The revised General Fund Capital Programme for 2022/2023 totalled £95.880 million, as detailed in Appendix B to the report. This included adjustments to the programme agreed by the Executive Committee on 2 November 2022, totalling a net decrease of £1.177 million, as detailed in Appendix A to the report.

The main reason for the reduction was profiling adjustments proposed by Community and Enterprise Resources following a review of the anticipated timing of spend on both the Rural Business Centre, Lanark and the Vacant and Derelict and funded allotment project at Cuningar Loop.

As previously reported, the programme also included 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). It was unlikely that those funds would be spent within this financial year. An update would be provided to the Executive Committee on 30 November 2022, when the outcome of the tender exercise for Clyde Bridge would be known.

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

Budget for the period was £25.402 million and spend to 7 October 2022 was £24.901million, an underspend of £0.501 million. This underspend mainly related to timing of spend within the Schools Information Communication Technology project within Education Resources. Actual funding received at 7 October was £60.924 million.

The physical progress achieved with the General Fund Capital Programme 2022/2023 at 7 October 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 7 October 2022 be noted.

*[Reference: Minutes of 29 September 2022 (Paragraph 3a) and Minutes of the Executive Committee of 2 November 2022 (Paragraph 4)]*

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

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A report dated 25 October 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 7 October 2022 (Period 7).

The revised Housing Capital Programme for 2022/2023 totalled £66.361 million. Budget for the period was £25.539 million and spend to 7 October 2022 was £25.496 million, which represented an underspend of £0.043 million, as detailed in Appendix A to the report. Actual funding received at 7 October was £25.496 million.

The physical progress achieved with the Housing Capital Programme 2022/2023 at 7 October 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 7 October be noted.

*[Reference: Minutes of 29 September 2022 (Paragraph 3b)]*

*Councillor Gowland joined the meeting after this item of business*

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#### **4 Revenue Budget Monitoring – 2022/2023**

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A report dated 2 November 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 7 October 2022.

As at 7 October 2022, the position on the General Fund Revenue Account was a net overspend of £0.027 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 offset by an underspend in Performance and Support and an underspend in the Adults and Older People Service as a result of vacancies across Social Workers, day care and residential homes. This formed part of the delegated Health and Social Care Partnership (HSCP). The core Council position, without the HSCP underspend, was an overspend of £0.675 million.

Included with the overall position at this point in the year, was an underspend in employee costs of £2.890 million which reflected the impact of difficulties in recruiting staff across a number of areas, including Community and Enterprise Resources (facilities drivers, mechanics, Environmental Health Officers, Planning Officers, parking and roads operatives) and Social Work/Care roles. This was an increase of £0.853 million from Period 5.

As noted previously, the Council had put in place new recruitment and development routes to address the recruitment challenge, however, until all posts were recruited, the level of underspend was likely to increase. It was anticipated that, by the end of the financial year, the net available underspend in Employee Costs would be £0.500 million to £0.600 million.

The position across Resource employee costs, including the potential additional cost of the Wellbeing Day as part of the New Deal for Employees agreed by the Executive Committee on 21 September 2022, would continue to be monitored.

The Housing Revenue Account showed a breakeven position at 7 October 2022, as detailed in Appendix 2 to the report.

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

- (1) that the overspend of £0.027 million on the General Fund Revenue Account at 7 October 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 7 October 2022, as detailed in section 5 and Appendix 2 of the report, be noted.

*[Reference: Minutes of 29 September 2022 (Paragraph 4) and Minutes of the Executive Committee of 21 September 2022 (Paragraph 10)]*

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#### **5 Revenue Budget Monitoring 2022/2023 – Detailed Resource Analysis**

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A report dated 2 November 2022 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period 1 April to 7 October 2022 (Period 7).

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 7 October 2022
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 7 October 2022
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 7 October 2022

**The Forum decided:** that the position as at 12 August 2022 (Period 5) be noted.

*[Reference: Minutes of 29 September 2022 (Paragraph 5)]*

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## **6 Urgent Business**

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There were no items of urgent business.