

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held via Confero and in Committee Room 1, Council Offices, Almada Street, Hamilton on 28 March 2024

Chair:

Councillor Grant Ferguson

Councillors Present:

Councillor Colin Dewar, Councillor Ross Gowland, Councillor Gavin Keatt, Councillor Richard Lockhart, Councillor Julia Marrs (Depute), Councillor Carol Nugent

Councillors' Apologies:

Councillor Mathew Buchanan, Councillor Monique McAdams

Attending:

Finance and Corporate Resources

J Taylor, Executive Director; E-A McGonigle, Administration Officer; A Norris, Administration Assistant; L O'Hagan, Finance Manager (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 29 February 2024 were submitted for approval as a correct record.

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

3a Capital Budget Monitoring 2023/2024 – General Fund Capital Programme

A report dated 11 March 2024 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the General Fund Capital Programme 2023/2024 for the period 1 April 2023 to 26 January 2024.

Following approval at the Executive Committee on 21 February 2024, there was a revised General Fund Capital Programme for 2023/2024 totalling £78.296 million. There were no changes submitted to the Executive Committee on 20 March 2024, therefore, the revised budget remained at £78.296 million.

The revised programme was detailed in Appendix A to the report, with Resource budgets detailed in Appendix B to the report. Programmed funding for the year also totalled £78.296 million and the funding available to support the overall 2023/2024 Capital Programme was detailed in Appendix C to the report.

Current estimates from Resources suggested an outturn of around £72 million. Against the revised budget of £78.296 million, the outturn position meant a net underspend of £6.3 million. This comprised project underspends totalling £8.5 million offset by projects with greater than anticipated spend of £2.2 million. The majority of the variance was due to the timing of spend,

resulting in budget required in 2024/2025 rather than 2023/2024. Funding for projects remaining underspent at the financial year-end would be carried forward to allow the projects to be completed in 2024/2025. Details of the underspent projects, which were scheduled for completion in 2024/2025, were listed in Appendix D of the report.

Budget for the period was £37.171 million and spend to 26 January 2024 was £36.695 million, an underspend of £0.476 million, which mainly reflected the timing of spend on a number of projects. Actual funding received to 26 January 2024 was £66.450 million, as detailed in Appendix C to the report.

The physical progress achieved with the General Fund Capital Programme 2023/2024 at 26 January 2024 was detailed in appendices E to G to the report.

The Forum decided: that the position on the General Fund Capital Programme as at 26 January 2024 be noted.

[Reference: Minutes of 29 February 2024 (Paragraph 3a) and Minutes of the Executive Committee of 21 February 2024 (Paragraph 4) and 20 March 2024 (Paragraph 4)]

3b Capital Budget Monitoring 2023/2024 – Housing Capital Programme

A report dated 11 March 2024 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2023/2024 for the period 1 April 2023 to 26 January 2024 (Period 11).

The revised Housing Capital Programme for 2023/2024 totalled £67.443 million, as approved by the Executive Committee on 21 February 2024. Programmed funding for the year was £67.443 million.

Budget for the period was £43.225 million and spend to 26 January 2024 was £45.478 million, which represented an overspend of £2.253 million, as detailed in Appendix A to the report. The overspend reflected the number of buy backs, through the open market purchase scheme, which had been progressed earlier than anticipated. Actual funding received at 26 January 2024 was £45.478 million.

Current estimates from Housing and Technical Resources suggested an outturn of £67.443 million. Progress on the Housing Capital Programme would continue to be monitored and updates provided to future meetings of the Forum.

The physical progress achieved with the Housing Capital Programme 2023/2024 at 26 January 2024 was detailed in Appendix B to the report.

The Forum decided: that the position on the Housing Capital Programme as at 26 January 2024 be noted.

[Reference: Minutes of 29 February 2024 (Paragraph 3b) and Minutes of the Executive Committee of 21 February 2024 (Paragraph 4) and 20 March 2024 (Paragraph 4)]

4 Revenue Budget Monitoring 2023/2024

A report dated 1 March 2024 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 2023 to 26 January 2024 (Period 11), along with a projection for the year to 31 March 2024.

The report and associated appendices:-

- ◆ summarised the previously reported probable outturn position for the Council's General Fund Revenue Account to 31 March 2024
- ◆ provided details on the probable outturn position for the Housing Revenue Account to 31 March 2024
- ◆ provided details of the position of the General Fund Revenue Account and the Housing Revenue Account respectively to 26 January 2024

The outturn position for the General Fund, after transfers to reserves totalling £14.985 million, resulted in an underspend of £9.000 million. It was proposed that the £9.000 million probable outturn underspend be transferred to Reserves with £3.000 million being set aside to support budget pressures in 2024/2025 and the remaining £6.000 million being considered to support the Council's Budget Strategy.

Full details of the Transfers to Reserves had been reported to the meeting of the Executive Committee held on 24 January 2024. The forecast position before and after Transfers to Reserves was detailed in appendices 1 and 2 to the report. Appendix 2 included the probable outturn underspend of £9.000 million as a Transfer to Reserves, resulting in a breakeven position for the Council's 2023/2024 probable outturn.

As previously reported to the Forum, the Cabinet Secretary had held back funding nationally for the maintenance of teacher numbers until after the 2023 Census details had been received, and until councils could provide assurance that they had maintained teacher numbers and pupil support numbers at the 2022 level. For the Council, this amounted to £2.934 million of funding and those funds had now been released as part of the Local Government Finance Order that was issued on 29 February 2024.

At 26 January 2024, the position on the General Fund Revenue Account, after transfers to reserves, was an underspend of £2.617 million. The underspend of £2.617 million to date differed from the breakeven Probable Outturn position because the net underspend on council tax of £3.6262 million and the 2023/2024 Probable Outturn underspend to be Transferred to Reserves of £9.000 million, had not been included in the position to date. Those variances would materialise at the financial year-end.

At 26 January 2024, the Housing Revenue Account showed a breakeven position, as detailed in Appendix 3 to the report, and the forecast to 31 March 2024 on the Housing Revenue Account was also a breakeven position. This breakeven position included a lower than budgeted Transfer for Reserves being required in the financial year. It was assumed that the increased level of costs experienced would be offset by an underspend in Loan Charges this financial year.

The reduction in Loan Charges was anticipated in 2023/2024 as a result of using an in-year benefit from the Housing Revenue Account Loans Fund Review. The Loans Fund Review was detailed in the 2024/2025 budget setting report for the Housing Revenue Account which was approved by members at the Council meeting held on 21 February 2024.

The Executive Director (Finance and Corporate Resources) responded to members' questions in relation to:-

- ◆ the position in terms of the release of funding from the Scottish Government for the maintenance of teacher numbers in 2024/2025
- ◆ the figures detailed in the annual forecast before transfers to reserves for Leisure and Culture Services and for Loan Charges

The Forum decided:

- (1) that the Council's breakeven probable outturn position after Transfers to Reserves, as detailed in section 4.1 of the report, be noted;
- (2) that the underspend of £2.617 million on the General Fund Revenue Account at 26 January 2024, as detailed in section 5.1 of the report, be noted; and
- (3) that the breakeven position on the Housing Revenue Account at 26 January 2024, and the forecast to 31 March 2024 of breakeven, as detailed in sections 6.1 and 6.2 of the report, be noted.

[Reference: Minutes of 29 February 2024 (Paragraph 4), Minutes of the Executive Committee of 24 January 2024 (Paragraph 3) and 20 March 2024 (Paragraph 3) and Minutes of South Lanarkshire Council of 21 February 2024 (Paragraph 3)]

5 Revenue Budget Monitoring 2023/2024 – Detailed Resource Analysis

A report dated 1 March 2024 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period 1 April 2023 to 26 January 2024 (Period 11).

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 26 January 2024
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 26 January 2024
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 26 January 2024

Officers responded to a member's questions in relation to:-

- ◆ the overspend on pupil transport reported in the Education Resources' Variance Analysis in Appendix B to the report
- ◆ the overspend reported under Property Costs for bed and breakfast in the Housing and Technical Resources' Variance Analysis in Appendix D to the report

Where information was not immediately available, the Executive Director (Finance and Corporate Resources) undertook to provide this to the relevant member.

The Forum decided: that the position as at 26 January 2024 (Period 11) be noted.

[Reference: Minutes of 29 February 2024 (Paragraph 5)]

6 Urgent Business

There were no items of urgent business.