

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held via Microsoft Teams on 6 May 2021

Chair:

Councillor Walter Brogan

Councillors Present:

Councillor Janine Calikes, Councillor Margaret Cowie (*substitute for Councillor Monique McAdams*), Councillor Mary Donnelly, Councillor Grant Ferguson, Councillor Jared Wark

Councillors' Apologies:

Councillor Archie Buchanan, Councillor Eric Holford, Councillor Martin Lennon, Councillor Monique McAdams (Chair)

Attending:

Finance and Corporate Resources

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

Housing and Technical Resources

D Craig, Property Manager (Commercial)

Appointment of Chair

In terms of Standing Order No 32(b), Councillor Brogan was appointed Chair for this meeting.

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 18 March 2021 were submitted for approval as a correct record.

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

3a Capital Budget Monitoring 2020/2021– General Fund Capital Programme

A report dated 20 April 2021 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the General Fund Capital Programme 2020/2021 at 26 February 2021 (Period 12).

On 10 March 2021, the Executive Committee agreed a revised programme for the General Fund Capital Programme for 2020/2021 which totalled £80.648 million. This included budget for COVID-19 costs of £7.891 million. No new adjustments had been proposed to this budget, however, Resources had presented proposals for projects they wished to progress early in financial year 2021/2022. Those adjustments would increase the 2021/2022 Capital Programme by £0.122 million, as detailed in Appendix A to the report.

Work had been ongoing to clarify the predicted spend position for the General Services Capital Programme for the remainder of this financial year which had been broken down into the following 2 specific elements:-

- ◆ costs associated with COVID-19
- ◆ Resource position, excluding the costs of COVID-19

In summary, excluding the costs of COVID-19, there was an expected underspend of £9.7 million, which was linked to the anticipated timing of project spend. A list of the main projects responsible for this underspend was detailed in Appendix E to the report, along with their anticipated completion dates.

It had previously been reported that consideration might be given to use Revenue funding instead of Capital to cover those additional capital costs in order to reduce the burden on the Capital Programme. As reported to the Executive Committee on 28 April 2021, additional funding had been received by the Council and it was proposed that those monies be used to pay for the additional costs currently anticipated to be met by the Capital Programme. This would free up the overall Capital budget set aside for COVID-19 of £7.891 million which could then be allocated to other projects, as outlined in paragraph 6.7 of the report. This funding would be considered as part of the update to the Capital Programme for 2021/2022 to be presented to the Executive Committee on 23 June 2021.

Removing the budget and costs associated with COVID-19, the current estimates from Housing and Technical Resources suggested an outturn of £63.1 million, against a budget of £72.757 million, excluding COVID-19 costs, across Resources, leaving an underspend of £9.7 million. This underspend related mainly to timing of spend and resulted in budget required in 2021/2022 rather than 2020/2021, as detailed in Appendix E of the report. Those underspends had been partially offset by a few project overspends predicted this financial year. This, again, was a timing issue only with funding for the overall spend on those projects already identified. This included an additional £0.8 million spend projected for the Education ICT Programme.

At 26 February 2021, £49.278 million had been spent, as detailed in Appendix C to the report.

Capital Funding for the financial year 2020/2021 totalled £80.648 million and actual funding received to 26 February 2021 was £52.836 million, as detailed in Appendix D to the report.

The Scottish Government had been able to advance Glasgow Region City Deal grant funding of £65 million. This would be deducted equally for the grant allocations expected in 2023/2024 and 2024/2025. This resulted in an additional £12.925 million for the Council in 2020/2021, bringing the total City Deal grant for the year to £18.110 million.

The physical progress achieved with the General Fund Capital Programme 2020/2021 at 26 February 2021 was detailed in Appendices F to H of the report.

The Local Government Finance Settlement and 2021/2022 Scottish Budgets had been announced and there was an agreed Capital Programme for 2021/2022. A number of announcements meant that additional grant funding was available to the Council, although this had still to be confirmed. Once confirmed, any additional monies would have an impact on the Council's funding for 2021/2022.

The Forum decided: that the position as at 26 February 2021 be noted.

[Reference: Minutes of 18 March 2021 (Paragraph 3) and Minutes of the Executive Committee of 28 April 2021 (Paragraph 3)]

3b Capital Budget Monitoring 2020/2021 – Housing Capital Programme

A report dated 20 April 2021 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2020/2021 at 26 February 2021 (Period 12).

The revised Housing Capital Programme for 2020/2021 totalled £48.172 million and spend to 26 February 2021 totalled £36.015 million. This was an underspend of £0.584 million and reflected the timing of spend. Actual funding received was £36.015 million, as detailed in Appendix A to the report.

Current estimates suggested an outturn of £48.172 million on the Housing Capital Programme.

The physical progress achieved with the Housing Capital Programme 2020/2021 at 26 February 2021 was detailed in Appendix B to the report.

Councillor Donnelly requested details of the project at Comely Bank, Hamilton. Officers agreed to obtain this information and feed back to Councillor Donnelly.

The Forum decided: that the position as at 26 February 2021 (Period 12) be noted.

[Reference: Minutes of 18 March 2021 (Paragraph 4) and Minutes of the Executive Committee of 28 April 2021 (Paragraph 3)]

4 Revenue Budget Monitoring – 2020/2021 and Probable Outturn

A report dated 28 April 2021 by the Executive Director (Finance and Corporate Resources) was submitted on the overall financial position of the Council's General Fund Revenue Account and the Housing Revenue Account as at 26 February 2021, along with a projection for the year to 31 March 2021.

The original outturn position for financial year 2020/2021 was an underspend of £0.261 million. This was a General Fund underspend of £2.163 million, partially offset by a COVID-19 shortfall of £1.902 million. The Council had received additional COVID-19 funding totalling £27.861 million, taking the total COVID-19 funding to £63.172 million.

The Capital Programme included an element of budget for capital costs associated with COVID-19, estimated at £27.861 million. It had previously been advised that a change to the approach might be considered which would use Revenue funding instead of Capital to cover those additional Capital costs to reduce the burden of the Council's Capital Programme. Additional funding had been received by the Council and it was proposed that those monies be used to pay for the additional costs currently anticipated to be met by the Capital Programme. This would free up the capital budget set aside for COVID-19 of £7.891 million.

The additional funding received in 2020/2021 was £27.861 million and by using this to both manage the previously estimated COVID-19 shortfall of £1.902 million in 2020/2021 and to manage the £7.891 million of potential costs relating to the Capital Programme in that year, left funding of £18.068 million to manage any further COVID-19 costs in 2021/2022. This was based on the probable outturn cost of COVID-19 at December 2020. If this funding was not utilised by 31 March 2021, it would be carried forward into Reserves to manage COVID-19 costs in 2021/2022.

Some of the allocation of funding was tied to a specific purpose and would have specific spend that required to be made. Of the £18.068 million of funding to carry forward into 2021/2022, an estimated £9 million was tied to funding specific anticipated spend.

As at 26 February 2021, the position on the General Fund (including COVID-19 spend and income) before transfers to Reserves was an underspend of £10.080 million, as detailed in Appendix 2a to the report. The position after the approved transfers to Reserves was an underspend of £1.394 million, as detailed in Appendix 3a to the report. This was in line with the probable outturn position and related mainly to the over recovery of Council Tax and an underspend in the Council Tax Reduction Scheme.

Taking the revised COVID-19 position for the year into account, alongside the General Fund position, this gave a revised outturn underspend of £2.163 million for 2020/2021. The forecast underspend of £2.613 million was based on the probable outturn exercise. It was proposed that at the end of the financial year, those monies be considered for transferring to Reserves and set aside to manage future budget strategies. The final value of the transfer would be confirmed at the end of the financial year.

The figures showed a breakeven position on the Housing Revenue Account at 26 February 2021, as detailed in Appendix 6 to the report. The forecast to 31 March 2021 on the Housing Revenue Account was a breakeven position.

The Forum decided:

- (1) that the additional COVID-19 funding of £27.861 million be noted;
- (2) that the utilisation of £7.891 million of the additional COVID-19 funding to manage capital costs be noted;
- (3) to note that any unspent element of the additional funding, currently £18.068 million, would be carried forward into Reserves to manage COVID-19 pressures in 2021/2022;
- (4) that the underspend of £1.394 million on the General Fund Revenue Account, after transfers, as at 26 February 2021, be noted;
- (5) that including Resources, Corporate Items, Council Tax and the updated COVID-19 breakeven position, the Council's revised outturn underspend of £2.163 million be noted; and
- (6) that the breakeven position on the Housing Revenue Account at 26 February 2021 and the forecast to 31 March 2021 of a breakeven position be noted.

[Reference: Minutes of 18 March 2021 (Paragraph 5)]

5 Revenue Budget Monitoring 2020/2021 – Detailed Resource Analysis

A report dated 28 April 2021 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period ending 26 February 2021 (Period 12).

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 February 2021 (Period 12)
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 26 February 2021 (Period 12)
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 26 February 2021 (Period 12)

The Forum decided: that the position as at 26 February 2021 (Period 12) be noted.

[Reference: Minutes of 18 March 2021 (Paragraph 6)]

6 Urgent Business

There were no items of urgent business.