

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held in Committee Room 2, Council Offices, Almada Street, Hamilton on 2 September 2010

Chair:

Councillor Tommy Gilligan

Councillors Present:

John Anderson, Mary McNeill, Graham Scott, Graham Simpson, George Sutherland, Jim Wardhaugh

Councillors' Apologies:

Pam Clearie, Brian McCaig

Attending:

Corporate Resources

G Bow, Administration Adviser

Finance and Information Technology Resources

P Manning, Head of Finance

Housing and Technical Resources

I Douglas, Project Services Manager; H Goodwin, Finance Manager (Technical); J Stobie, Head of Property Services

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 1 July 2010 were submitted for approval as a correct record.

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

3 Information Requested Overview Report

A report dated 12 August 2010 by the Executive Director (Finance and Information Technology Resources) was submitted on information received from the following Resources in response to issues raised at the previous meeting of the Forum:-

- ♦ Community Resources (Halls and Concierge Income)
- ♦ Education Resources (Other Property Costs)
- ♦ Enterprise Resources (Parking Income)

Community Resources had confirmed that the income within the Halls Service was under recovered at the time when the Forum had requested the information. However, at Period 4, income was on target. The under recovery was due to a reduction in lets as a consequence of the increased charges applied from April 2010 but, as there had been an increase in letting and income levels, the Resource was in line to achieve its forecast outturn.

There had been a significant change in the service provision within Concierge Services. The reduction in service had resulted in an under recovery of income with a corresponding effect on employee costs. Employee costs were also underspent due to vacancies in the Service as a whole which were currently being covered by overtime. Staff levels were being reviewed to minimise the use of overtime to cover vacancies.

Education Resources clarified that the full amount of budget accumulated as part of PPP affordability would not be required in 2010/2011 to pay for the unitary charge. Therefore, for 1 year only, this budget would be used to assist with budget pressures elsewhere in the Resource, namely employee costs.

In Enterprise Resources, the over recovery of £60,000 on the budget line Fees and Charges General mainly related to parking income which was £47,000 over recovered. The balance was an over recovery of penalty fees under the Transport Scotland Act.

The over recovery on season ticket income was partly due to changes in the pattern of payment as tickets could be paid for monthly, quarterly or annually. This could not be predicted as some of the holders of season tickets changed from year to year. For the year, the total number of season tickets issued remained relatively constant and, therefore, no over recovery was anticipated at the end of the financial year.

Other parking income was slightly over recovered. However, in the last 2 financial years total income received had been lower than the annual estimate due to the impact of the economic slowdown and, therefore, no over recovery was expected by the end of the year.

The Forum decided: that the information provided by Resources on issues raised at the last meeting of the Forum be noted.

[Reference: Minutes of 1 July 2010 (Paragraph 5)]

4 Revenue Budget Monitoring 2010/2011

A report dated 12 August 2010 by the Executive Director (Finance and Information Technology Resources) was submitted on the position of the Council's revenue budget at 9 July 2010 including:-

- ♦ the financial position of the revenue budget for the General Services, Housing Revenue and Trading Services accounts
- ♦ the financial and operational position of Housing and Technical Resources' Trading Operations, Financial and Operational Performance Review, as at 9 July 2010 (Period 4)

The figures included an underspend on the General Fund Revenue Account of £0.145 million and a breakeven position on the Housing Revenue Account.

The forecast outturn for the General Fund Revenue Account and the Housing Revenue Account at 31 March 2011 was a breakeven position.

As the result of a move to the National Category A contract for the provision of Gas and Electricity, substantial price decreases were being achieved in the tariffs for 2010/2011. The decrease in charges would add £2.668 million to the overall revenue budget and a summary of the impact this would have on individual Resource budgets was detailed. It was noted that a transfer of £2.668 million would be made from the Utilities budget to Financing Charges.

The Council had received a recent Local Government Finance Settlement confirming Additional General Revenue Grant totalling £1.607 million. Details of how the additional resources would be distributed across Resources/budget lines was provided.

The Forum decided:

- (1) that a further request be made for the provision of an estimate on the level of unitary charge the Council would pay in 2010/2011 in relation to the PPP/Schools' Modernisation Programme;
- (2) that clarification be requested on the reasons behind an overspend of £55,000 on overtime payments to carry out refuse collection services;
- (3) that a list of the "outside bodies" throughout the Council who received significant payments from the Council be provided;
- (4) that information be provided on the timescales for the budget for the International Children's Games to be formally allocated to Community Resources; and
- (5) that further background information on the allocation of funding to the Strathclyde Partnership for Transport Ferry Operators be provided.

5 Capital Budget Monitoring 2010/2011

A report dated 17 August 2010 by the Executive Director (Finance and Information Technology Resources) was submitted on the progress of the Council's various capital programmes at 9 July 2010 including information on:-

- ♦ the financial and physical progress of the various General Fund Capital Programmes
- ♦ the financial and physical progress of the Housing Capital Programme

The General Fund Capital Programme covered Education Resources, Social Work Resources, Roads and Transportation Services and General Services. Following approval of the amendments proposed at the Executive Committee, the General Funding Capital Programme totalled £157.789 million and the Housing Capital Programme £40.508 million. At 9 July 2010, £25.906 million had been spent on the General Fund Capital Programme and £8.451 million on the Housing Capital Programme.

A review was currently being undertaken of the Primary Schools' Modernisation Programme and potential outcome from the review would be further slippage in the 2010/2011 Capital Programme. However, the level of slippage could not be finalised until the review had been completed.

The Forum decided:

- (1) that the progress of the Housing Capital Programme be noted; and
- (2) that the progress of the General Fund Capital Programme be noted.

6 Urgent Business

There were no items of urgent business.