

# FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held via Confero and in the Council Chamber, Council Offices, Almada Street, Hamilton on 29 September 2022

## **Chair:**

Councillor Grant Ferguson

## **Councillors Present:**

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

## **Councillors' Apologies:**

Councillor Mathew Buchanan, Councillor Ross Gowland, 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); S Somerville, Administration Manager; 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 1 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 13 September 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 12 August 2022.

The revised General Fund Capital Programme for 2022/2023 totalled £97.057 million, as detailed in Appendix B to the report. This included adjustments to the programme agreed by the Executive Committee on 21 September 2022, totalling a net decrease of £1.036 million, as detailed in Appendix A to the report.

The main reason for this reduction was the profiling adjustment, proposed by Education Resources, reflecting a review of the anticipated timing of spend on the Clyde Terrace Nursery project. The site start had been delayed from mid-May to early August to allow the completion of utilities work. The project was still scheduled to complete in July 2023.

The programme also included allocations for 3 significant projects where the level of spend in year had still to be confirmed. Those projects were Clyde Bridge (£6.5 million), Larkhall Leisure Centre (£9 million) and Levelling Up fund match funding (£1.8 million).

The Larkhall Leisure Centre project had received £0.550 million of funding from the Place Based Investment Fund, which was approved by the Community and Enterprise Resources Committee on 9 August 2022. This increased the project's allocation to £9.550 million.

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

Budget for the period was £14.274 million and spend to 12 August 2022 was £14.420 million, an overspend of £0.146 million. A full breakdown was detailed in Appendix C to the report. Actual funding received at 12 August was £72.796 million.

The physical progress achieved with the General Fund Capital Programme 2022/2023 at 12 August 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 12 August 2022 be noted.

*[Reference: Minutes of 1 September 2022 (Paragraph 6), Minutes of Community and Enterprise Resources Committee of 9 August 2022 (Paragraph 17) and Minutes of the Executive Committee of 21 September 2022 (Paragraph 4)]*

*Councillor Keatt left the meeting after this item of business*

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

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A report dated 9 September 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 12 August 2022 (Period 5).

The revised Housing Capital Programme for 2022/2023 totalled £66.361 million. Budget for the period was £16.139 million and spend to 12 August 2022 was £16.150 million, which represented an overspend of £0.011 million, as detailed in Appendix A to the report. Actual funding received at 12 August was £16.150 million.

The physical progress achieved with the Housing Capital Programme 2022/2023 at 12 August 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 12 August 2022 be noted.

*[Reference: Minutes of 1 September 2022 (Paragraph 7)]*

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

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A report dated 21 September 2022 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 12 August 2022.

As at 12 August 2022, the position on the General Fund Revenue Account was a net underspend of £0.259 million. The underspend was mainly within Social Work Resources (Adult and Older People) as a result of vacancies relating to Social Workers, day care and residential homes. This formed part of the delegated Integration Joint Board (IJB) budget. The core Council position, without the IJB underspend, was a small overspend of £0.050 million.

The Council was facing exceptional cost increases across a number of areas. Non-recurring funding from reserves was being used in the current year to help manage those pressures. This would continue to be monitored and any updates would be provided to this Forum.

There was an underspend in employee costs of £1.9 million, an increase of £0.4 million from Period 4. This 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.

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 Housing Revenue Account showed a breakeven position at 12 August 2022, as detailed in Appendix 2 to the report.

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

- (1) that the underspend of £0.259 million on the General Fund Revenue Account at 12 August 2022, relating to the delegated Integration Joint Board (IJB) budget, 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 12 August 2022, as detailed in section 5 and Appendix 2 of the report, be noted.

*[Reference: Minutes of 1 September 2022 (Paragraph 10) and Minutes of the Executive Committee of 21 September 2022 (Paragraph 3)]*

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

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A report dated 21 September 2022 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period 1 April to 12 August 2022 (Period 5).

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 12 August 2022
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 12 August 2022
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 12 August 2022

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

*[Reference: Minutes of 1 September 2022 (Paragraph 11)]*

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## **6 Urgent Business**

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There were no items of urgent business.