

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held in Committee Room 5, Council Offices, Almada Street, Hamilton on 9 May 2019

Chair:

Councillor Monique McAdams

Councillors Present:

Councillor Isobel Dorman, Councillor Eric Holford, Councillor Mark Horsham, Councillor Martin Lennon, Councillor Margaret B Walker, Councillor Jared Wark,

Councillors' Apologies:

Councillor Archie Buchanan, Councillor Janine Calikes, Councillor Jim Wardhaugh

Attending:

Finance and Corporate Resources

G Cochran, Administration Assistant; H Goodwin, Finance Manager (Resources); L O'Hagan, Finance Manager (Strategy); S McLeod, Administration Officer; J Taylor, Head of Finance (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 21 March 2019 were submitted for approval as a correct record.

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

3 Revenue Budget Monitoring 2018/2019

A report dated 1 May 2019 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period ending 1 March 2019 (Period 13).

The figures included an underspend of £12.530 million on the General Fund Revenue Account and a breakeven position on the Housing Revenue Account. Following a transfer to Reserves, there was an underspend of £7.030 million.

The main factors contributing to the underspend on the General Fund Revenue Account were detailed in the report.

Following a probable outturn exercise, it was forecast that there would be an underspend of £13.257 million at the year end, before any transfer to Reserves. Taking into account all transfers to Reserves agreed at the meeting of the Executive Committee on 13 February 2019, the outturn position was an underspend of £7.063 million.

A detailed analysis of each Resource's outturn position was provided in the report.

To meet a number of corporate pressures, it was proposed to allocate £4.000 million to reducing savings requirements and a further £1.305 million to meet the terms of the 2018/2019 pay award. Taking those adjustments into account, a revised underspend of £1.758 million for the General Fund Revenue Account was forecast. A further £1.000 million would be transferred to reduce savings requirements for 2019/2020, reducing the underspend figure to £0.758 million.

At 1 March 2019, Trading Services' actual surplus totalled £7.481 million, representing an under recovery of £2.612 million against the phased budget.

The Forum decided:

- (1) that the underspend of £12.530 million on the General Fund Revenue Account before transfers to reserves at 1 March 2019, as detailed in Appendix 1 to the report, and forecast to 31 March 2019, be noted;
- (2) that the underspend of £7.030 million on the General Fund Revenue Account after transfers to Reserves, as detailed in Appendix 2 to the report, and forecast to 31 March 2019 be noted;
- (3) that the breakeven position on the Housing Revenue Account at 1 March 2019 and the forecast to 31 March 2019 of a breakeven position be noted; and
- (4) that the actual surplus achieved by the Trading Operations of £7.481 million at 1 March 2019, representing an under recovery of £2.612 million against the phased budget, be noted.

[Reference: Minutes of the Executive Committee of 13 March 2019 (Paragraph 4)]

4 Revenue Budget Monitoring 2018/2019 – Detailed Resource Analysis

A report dated 1 May 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the detailed financial analysis as at 1 March 2019 (Period 13) for each of the Council's Resources.

The following information was provided 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 1 March 2019 (Period 13)
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 1 March 2019 (Period 13)
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 1 March 2019 (Period 13)

Officers responded to members' questions on various aspects of the report.

The Forum decided: that the financial position for each of the individual Resources' revenue budgets for 2018/2019 at 1 March 2019 (Period 13) be noted.

[Reference: Minutes of 21 March 2019 (Paragraph 4)]

5 Revenue Budget Monitoring 2018/2019 – Trading Operations’ Performance Review – Property Services

A report dated 24 April 2019 by the Executive Director (Housing and Technical Resources) was submitted on the financial and operational performance of Property Trading Operation for the period ending 1 March 2019 (Period 13).

Details were also provided on a number of key operational and personnel issues including:-

- ◆ absence statistics for the period 1 April 2018 to 1 March 2019 by Service and type, including details of Management Interventions during the reporting period
- ◆ operational activity undertaken within Property Services during the performance reporting period

Officers responded to members’ questions on various aspects of the report.

The Forum decided: that the position as at 1 March 2019 (Period 13) be noted.

[Reference: Minutes of 24 January 2019 (Paragraph 5)]

6 Review of Trading Services – 2019/2020 Update

A report dated 16 April 2019 by the Executive Director (Finance and Corporate Resources) was submitted advising of an exercise carried out to fulfil the Council’s annual requirement to review existing and potential Trading Services.

Details of how the review had been carried out, including the criteria each Service had been assessed against and the outcome, were provided. The review exercise had shown that, under current guidelines, the existing trading activities should transfer the budget for the Property Trading Service to Housing and Technical Resources, and for Roads and Fleet Trading Services to Community and Enterprise Resources.

An analysis of other potential trading activities, identified by CIPFA, had been assessed against the same criteria and had resulted in no additional services being proposed.

At its meeting on 1 May 2019, the Executive Committee had approved the transfer of those Trading Services.

The Forum decided: that the transfer of Fleet and Roads to the Community and Enterprise Resources’ budget and the transfer of Property Trading Services to the Housing and Technical Resources’ budget be noted.

[Reference: Minutes of the Executive Committee of 1 May 2019 (Paragraph 5)]

7a Capital Programme Monitoring 2018/2019 – General Fund Capital Programme

A report dated 1 May 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the General Fund Capital Programme 2018/2019 at 1 March 2019 (Period 13)

The General Fund Capital Programme for 2018/2019 totalled £66.819 million. At 1 May 2019, £51.707 million had been spent against a phased budget of £56.307 million, representing expenditure of £4.600 million behind profile.

The physical progress achieved on the General Fund Capital Programme 2018/2019 at 1 March 2019 was detailed in Appendices D to F to the report.

The Forum decided: that the report be noted.

[Reference: Minutes of the Executive Committee of 1 May 2019 (Paragraph 3)]

7b Capital Budget Monitoring 2018/2019 – Housing Capital Programme

A report dated 1 May 2019 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2018/2019 at 1 March 2019 (Period 13).

The Housing Capital Programme for 2018/2019 totalled £53.664 million. At 1 March 2019, £45.462 million had been spent against a phased budget of £45.527 million, representing expenditure of £0.065 million behind profile.

The physical progress achieved on the Housing Capital Programme 2018/2019 at 1 March 2019 was detailed in Appendix B to the report.

The Forum decided: that the report be noted.

[Reference: Minutes of the Executive Committee of 1 May 2019 (Paragraph 3)]

8 Urgent Business

There were no items of urgent business.