

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held via Confero and in Committee Room 1, Council Offices, Almada Street, Hamilton on 27 April 2023

Chair:

Councillor Grant Ferguson

Councillors Present:

Councillor Mathew Buchanan, Councillor Colin Dewar, Councillor Ross Gowland, Councillor Julia Marrs (Depute), Councillor Carol Nugent

Councillors' Apologies:

Councillor Gavin Keatt, Councillor Richard Lockhart, Councillor Monique McAdams

Attending:

Finance and Corporate Resources

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 9 March 2023 were submitted for approval as a correct record.

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

3a Capital Budget Monitoring 2022/2023 – General Fund Capital Programme

A report dated 11 April 2023 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 2022 to 24 February 2023.

The revised General Fund Capital Programme for 2022/2023 totalled £78.396 million, as detailed in Appendix B to the report. This included new adjustments to the programme agreed by the Executive Committee on 29 March 2023, totalling £0.180 million, as detailed in Appendix A to the report. This adjustment mainly reflected additional funding for an existing project, however, due to the timing of project spend, it was anticipated that this funding would slip into 2023/2024. Therefore, the net impact on the 2022/2023 Capital Programme would be nil.

As reported in Period 11, the predicted spend position for the General Services Capital Programme for 2022/2023 and current estimates from Resources suggested an outturn of £73 million. This would leave an underspend across Resources of £5.3 million against the revised budget of £78.396 million.

The majority of variance was due to the timing of spend, resulting in budget being required in 2023/2024 rather than 2022/2023. Funding for projects that remained as underspend at the financial year-end would be carried forward to allow the projects to be completed in 2023/2024.

Again, this was a timing issue and funding for the overall spend on those projects had already been identified into next year.

A list of the main projects which were responsible for the overall underspend of £5.3 million, and would now complete in 2023/2024, were detailed in Appendix E to the report.

The programme spend and funding for the General Fund were summarised in Appendix D of the report.

Budget for the period was £46.008 million and spend to 24 February 2023 was £45.607 million, an underspend of £0.401 million. Actual funding received to 24 February 2023 was £70.470 million.

The physical progress achieved with the General Fund Capital Programme 2022/2023 at 24 February 2023 was detailed in appendices F to H to the report.

The Forum decided: that the position on the General Fund Capital Programme as at 24 February 2023 be noted.

[Reference: Minutes of 9 March 2023 (Paragraph 3a) and Minutes of the Executive Committee of 29 March 2023 (Paragraph 4)]

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

A report dated 11 April 2023 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 2022 to 24 February 2023 (Period 12).

The revised Housing Capital Programme for 2022/2023 totalled £66.361 million. Budget for the period was £50.039 million and spend to 24 February 2023 was £46.245 million, which represented an underspend of £3.794 million, as detailed in Appendix A to the report. Actual funding received at 24 February 2023 was £46.245 million.

Current estimates from Housing and Technical Resources suggested an outturn of an underspend of £8.039 million, which was an increase of £3.9 million on the underspend reported in Period 11. The underspend could be attributed to a number of factors which included:-

- ◆ operatives diverted away from capital investment to tackle urgent repairs
- ◆ delays in external fabric projects due to the suspected presence of bats
- ◆ reduced owner uptake for external works
- ◆ higher than normal volumes of no access for legislative works

The projected underspend also included the impact of a delay to the completion of the new build development in Kirk Street, Strathaven. The development was expected to be handed to the Council in March 2023, but this would now happen a month later than expected due to circumstances outwith the Council's control. Spend of £2.9 million on that project would fall into the new financial year.

The physical progress achieved with the Housing Capital Programme 2022/2023 at 24 February 2023 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 24 February 2023 be noted.

[Reference: Minutes of 9 March 2023 (Paragraph 3b)]

Councillor Gowland joined the meeting during this item of business

4 Revenue Budget Monitoring 2022/2023 and Probable Outturn

A report dated 29 March 2023 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 for the period 1 April to 24 February 2023 (Period 12), along with a projection for the year to 31 March 2023.

The report:-

- ◆ summarised the previously reported probable outturn position for the Council's General Fund Revenue Account to 31 March 2023
- ◆ provided details on the probable outturn position for the Housing Revenue Account to 31 March 2023
- ◆ provided details of the position of the General Fund Revenue Account and the Housing Revenue Account respectively to 24 February 2023

As reported previously, the 2022/2023 probable outturn position for the General Services presented an underspend of £4.696 million. At its meeting on 1 February 2023, the Executive Committee agreed the proposed transfers to reserves and the use of the £4.696 million underspend to assist in the 2023/2024 Budget Strategy. The forecast position before and after transfer to reserves was detailed in appendices 1 and 2 of the report. The position presented in Appendix 2 included the underspend of £4.696 million as a transfer to reserves. This resulted in a break-even position for the 2022/2023 probable outturn.

At 24 February 2023, the position on the General Fund Revenue Account, after transfers to reserves, was an underspend of £1.875 million. This included an underspend of £0.165 million on the delegated budget for the Integration Joint Board (IJB).

The figures showed a breakeven position on the Housing Revenue Account at 24 February 2023. The forecast to 31 March 2023 on the Housing Revenue Account was a breakeven position.

The Forum decided:

- (1) that it be noted that the Council's outturn position was breakeven after transfers to reserves, as detailed in section 4.2 of the report;
- (2) that the underspend position of £1.875 million on the General Fund Revenue Account as at 24 February 2023 after transfers to reserves, as detailed in section 5.1 of the report, and including an underspend of £0.165 million on the delegated budget to the IJB, as detailed in section 5.2 of the report, be noted; and

- (3) that the breakeven position on the Housing Revenue Account as at 24 February 2023 and the forecast to 31 March 2023 of breakeven, as detailed in sections 6.1 and 6.2 of the report, be noted.

[Reference: Minutes of 9 March 2023 (Paragraph 4) and Minutes of the Executive Committee of 29 March 2023 (Paragraph 3)]

5 Revenue Budget Monitoring 2022/2023 – Detailed Resource Analysis

A report dated 29 March 2023 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period 1 April to 24 February 2023 (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 24 February 2023
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 24 February 2023
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 24 February 2023

The Forum decided: that the position as at 24 February 2023 (Period 12) be noted.

[Reference: Minutes of 9 March 2023 (Paragraph 5)]

6 Urgent Business

There were no items of urgent business.