

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held in Committee Room 5, Council Offices, Almada Street, Hamilton on 23 August 2018

Chair:

Councillor Monique McAdams

Councillors Present:

Margaret Cowie (*substitute for Councillor Walker*), Maureen Devlin (*substitute for Councillor Lennon*), Isobel Dorman, Eric Holford, Mark Horsham, Jim Wardhaugh, Jared Wark

Councillors' Apologies:

Archie Buchanan, Janine Calikes, Martin Lennon, Margaret B Walker

Attending:

Finance and Corporate Resources

H Goodwin, Finance Manager (Resources); L O'Hagan, Finance Manager (Strategy); G McCann, Head of Administration and Legal Services; S McLeod, Administration Officer; J Taylor, Head of Finance (Strategy)

Housing and Technical Resources

D Craig, Property Manager (Commercial); P Rainey, Contract Manager (Maintenance)

1 Declaration of Interests

No interests were declared.

2 Appointment of Chair

The Executive Committee, at its meeting on 15 August 2018, had appointed Councillor McAdams as the Chair of the Forum.

The Forum decided: that it be noted that Councillor McAdams had been appointed as the Chair of the Forum.

[Reference: Minutes of the Executive Committee of 15 August 2018 (Paragraph 16)]

3 Minutes of Previous Meeting

The minutes of the meeting of the Financial Resources Scrutiny Forum held on 24 May 2018 were submitted for approval as a correct record.

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

4 Revenue Budget Monitoring Final Outturn and Annual Report and Accounts - 2017/2018

A report dated 22 May 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the:-

- ◆ year end position of the General Fund and Housing Revenue Accounts 2017/2018
- ◆ revenue budget performance of each Resource in 2017/2018

- ◆ Council's Annual Accounts for 2017/2018, including a reconciliation to the revenue budget performance for 2017/2018

The General Fund Revenue Account showed an underspend of £3.122 million and, taking account of the £0.500 million transfer to the Uncommitted General Fund, left an underspend of £2.622 million. It was proposed that this underspend be allocated to the IT Development Fund (£0.500 million) and the Earmarked General Fund (£2.122 million). Those allocations would result in a final outturn position of a £0.500 million underspend and it was proposed that this amount be transferred to the Uncommitted General Fund.

Following the probable outturn exercise, transfers to Reserves had been approved totalling £11.018 million. Following confirmation of the year end position, it was proposed to transfer an additional £3.016 million to Reserves, resulting in an overall transfer to reserves of £14.034 million.

The Integration Joint Board (IJB) had underspent by £0.701 million in 2017/2018 and it was proposed that the Council allowed the IJB to retain this non-recurring underspend within their Reserves earmarked for future care costs.

The Housing Revenue Account showed a surplus for the year of £1.373 million. The surplus, when added to the amount of surplus brought forward from 2016/2017, gave an accumulated surplus of £11.624 million to be carried forward to meet future years' Business Plan commitments. Taking account of this transfer to Reserves, would result in a breakeven position.

The Local Authority Accounts (Scotland) Regulations 2014 required the unaudited accounts to be formally considered by elected members at a meeting to be held no later than 31 August each year and, consequently, a full copy of the unaudited accounts had been provided to all members of the Council.

In line with previous years, the full unaudited accounts would be available for public inspection in the Council Offices between 29 June and 20 July 2018 and would also be made available on the Council's website from 29 June 2018 until the date the audited accounts were published.

As part of the Annual Accounts, a restatement of monitoring figures had to be prepared to reconcile the monitoring figures reported to Committee with the figures which appeared in the Annual Accounts. The detail of the restatement of those monitoring figures was provided in the report.

The Forum decided:

- (1) that the outturn position of the General Fund Revenue Account for 2017/2018 be noted;
- (2) that the additional transfer to reserves by Resources and Corporate Items totalling £3.016 million be noted;
- (3) that it be noted that the Integration Joint Board be allowed to retain the £0.701 million underspend in 2017/2018 on the basis that the resources were earmarked for future care costs;
- (4) that the additional Corporate Transfers to Reserves totalling £2.622 million, as detailed in the report, be noted;
- (5) that the final outturn position of an underspend of £0.500 million transferred to the Uncommitted General Fund be noted;
- (6) that the position of the Housing Revenue Account, including the transfer to reserves of £1.373 million, be noted; and

- (7) that the arrangements for publishing the unaudited Annual Accounts, which had previously been circulated to elected members, be noted.

[Reference: Minutes of 24 May 2018 (Paragraph 3) and Minutes of Executive Committee of 27 June 2017 (Paragraph 4)]

5 Revenue Budget Monitoring 2017/2018 - Detailed Resource Analysis

A report dated 15 August 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the detailed financial analysis as at 31 March 2018 (Period 14) 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 31 March 2018 (Period 14)
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 31 March 2018 (Period 14)
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 31 March 2018 (Period 14)

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 2017/2018 at 31 March 2018 (Period 14) be noted.

[Reference: Minutes of 24 May 2018 (Paragraph 4)]

6 2017/2018 Recurring Variances and 2018/2019 Outlook

A report dated 15 August 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the recurring budget variances experienced in 2017/2018 and the outlook for each of those variances for 2018/2019.

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

The Forum decided: that the outlook for 2018/2019, in terms of recurring budget variances experienced in 2017/2018 and the outlook for each of those variations for 2018/2019, as detailed in Appendix A to the report, be noted.

7 Revenue Budget Monitoring 2018/2019

A report dated 15 August 2018 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period ending 22 June 2018 (Period 4).

The figures included an underspend of £1.940 million on the General Fund Revenue Account and a breakeven position on the Housing Revenue Account.

At 22 June 2018, Trading Services' actual surplus totalled £3.237 million, representing a breakeven position against the phased budget.

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

The Forum decided:

- (1) that the underspend on the General Fund Revenue Account of £1.940 million at 22 June 2018 be noted;
- (2) that the breakeven position on the Housing Revenue Account at 22 June 2018 and the forecast outturn to 31 March 2019 of a breakeven position be noted; and
- (3) that the actual surpluses achieved by the Trading Operations of £3.237 million at 22 June 2018, representing a breakeven position against the phased budget, be noted.

8 Revenue Budget Monitoring 2018/2019 - Detailed Resource Analysis

A report dated 15 August 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the detailed financial analysis as at 22 June 2018 (Period 4) 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 22 June 2018 (Period 4)
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 22 June 2018 (Period 4)
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 22 June 2018 (Period 4)

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 22 June 2018 (Period 4) be noted.

9 Revenue Budget Monitoring 2018/2019 - Trading Operations' Performance Review - Property Services

A report dated 31 July 2018 by the Executive Director (Housing and Technical Resources) was submitted on the financial and operational performance of the Property Services' Trading Operation for the period 1 April to 22 June 2018 (Period 4).

The Property Services' Trading Operation was showing a surplus of £1.513 million against a budgeted surplus of £1.513 million for the period ended 22 June 2018.

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

- ◆ absence statistics for the period 1 April to 30 June 2018 by Service and type
- ◆ contract/statutory performance indicators
- ◆ Capital Works Programme
- ◆ General Services' Works Programme
- ◆ customer complaints and enquiries

The Forum decided: that the position at 22 June 2018 (Period 4) be noted.

10a Capital Budget Monitoring 2017/2018 - General Fund Capital Programme

A report dated 31 July 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the General Fund Capital Programme 2017/2018 at 31 March 2018 (Period 14).

Expenditure and funding for the Capital Programme for 2017/2018 were detailed. The difference between the revised programme, totalling £78.242 million, and the actual spend of £57.864 million was £20.378 million and the main reasons for this underspend were detailed in Appendix B to the report.

Funding totalling £20.593 million, comprising the underspend from 2017/2018 adjusted to reflect the actual position of income received, would be carried forward into 2018/2019 to ensure that there were sufficient resources available to conclude ongoing projects.

Details of the main projects which accounted for the overall underspend of £20.378 million, including their anticipated completion dates, were detailed in Appendix B to the report.

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

The Forum decided: that the report be noted.

[Reference: Minutes of 24 May 2018 (Paragraph 7a) and Minutes of the Executive Committee of 27 June 2018 (Paragraph 3)]

10b Capital Budget Monitoring 2017/2018 - Housing Capital Programme

A report dated 31 July 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2017/2018 at 31 March 2018 (Period 14).

£36.925 million had been spent on the Housing Capital Programme against a budget of £40.581 million. This represented an underspend of £3.656 million and the main reasons for this underspend were detailed. In terms of funding, the Programme had benefited from one-off income of £2.204 million which would help augment the overall Programme. This funding included additional income from council house sales, Scottish Government Grant, additional developer contributions and the Renewable Heat Initiative funding.

The Forum decided: that the report be noted.

[Reference: Minutes of 24 May 2018 (Paragraph 7b) and Minutes of the Executive Committee of 27 June 2018 (Paragraph 3)]

11a Capital Budget Monitoring 2018/2019 - General Fund Capital Programme

A report dated 31 July 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the General Fund Capital Programme 2018/2019 at 22 June 2018 (Period 4).

The General Fund Capital Programme for 2018/2019, including a number of revisions approved by the Executive Committee, as detailed in Appendices A and B to the report, totalled £72.720 million. At 22 June 2018, £9.195 million had been spent against a phased budget of £9.037 million, representing expenditure of £0.158 million ahead of profile.

The physical progress achieved on the General Fund Capital Programme 2018/2019 at 22 June 2018 was detailed in Appendices C to E to the report.

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

The Forum decided: that the report be noted.

[Reference: Minutes of the Executive Committee of 15 August 2018 (Paragraph 4)]

11b Capital Budget Monitoring 2018/2019 - Housing Capital Programme

A report dated 31 July 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2017/2018 at 22 June 2018 (Period 4).

The Housing Capital Programme for 2018/2019 totalled £53.664 million. At 22 June 2018, £7.533 million had been spent against a phased budget of £7.533 million, representing a breakeven position.

The physical progress achieved on the Housing Capital Programme 2018/2019, at 22 June 2018, was detailed in Appendix B to the report.

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

The Forum decided: that the report be noted.

[Reference: Minutes of the Executive Committee of 15 August 2018 (Paragraph 3)]

12 Urgent Business

There were no items of urgent business.