

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held in Committee Room 2, Council Offices, Almada Street, Hamilton on 9 December 2010

Chair:

Councillor Tommy Gilligan

Councillors Present:

John Anderson, George Sutherland, Jim Wardhaugh

Councillors' Apologies:

Pam Clearie, Brian McCaig, Mary McNeill, Graham Scott, Graham Simpson

Attending:

Corporate Resources

G Bow, Administration Adviser; G Cochran, Administration Assistant

Finance and Information Technology Resources

P Manning, Head of Finance; L O'Hagan, Finance Manager (Accounting and Budgeting)

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 11 November 2010 were submitted for approval as a correct record.

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

3 Information Requested from Resources

A report dated 23 November 2010 by the Chief Executive was submitted on information received from Resources in response to issues raised at the previous meeting of the Forum.

Details were provided as follows:-

◆ **Education Resources – School Transport**

Information had been requested on the reduction of transport costs from Strathclyde Partnership for Transport. The reduction was due to:-

- ◆ the alignment of contract renewals geographically to achieve better value through contracts
- ◆ ensuring improved market pricing was achieved as a result of greater competition and by utilising service buses, where appropriate, in more urban areas. This reduced costs compared to school transport vehicles

Education Officers had been working to ensure that a more accurate and up to date measurement system was in place which would allow measurements to be continually reviewed. This allowed entitlement to be closely monitored which ensured that only those children who qualified received transport provision.

The underspend was being used to assist with other financial pressures elsewhere within the Resource.

◆ **Housing and Technical Resources (Non HRA) – Travel and Subsistence**

Clarification had been requested on the overspend on the Housing and Technical Resources' Travel and Subsistence budget line.

Previously, car user payments were processed by Payroll through basic pay, and the budget for this was contained within Basic Pay. However, there had been a change in the way that those were processed with payments now being made through Travel and Subsistence. A budget virement was required to transfer the budget between 'Basic Pay' and 'Travel and Subsistence', and this had been actioned.

◆ **Housing and Technical Resources (Non HRA) – Other Property Costs**

Clarification had been requested on an overspend on Housing and Technical Resources' 'Other Property' budget line.

The overspend was in relation to waste and water charges for all the main corporate buildings. At the close of Period 7, investigations had identified that payments had been wrongly processed through the Procurement System and, as a result, had been coded to 'Other Property Costs'. These were the routine payments for waste and water charges, which were budgeted under unmetered and metered water charges budgets within 'Property Costs'. The payments had now been correctly coded to those budget lines, and these payments were within the budget set aside, with no relevant overspends.

◆ **Social Work Resources – Vacancies**

Information had been requested on the level of vacancies in Basic Grade Social Worker and Hospital Social Worker posts and the actions being taken to fill those vacancies.

There had been 3 vacancies from the start of the current financial year at the State Hospital and, more recently, 1 further vacancy had arisen taking the total number of posts vacant to 4. The cost of the service at the State Hospital was recovered in full. There was, therefore, a corresponding under recovery of income. A review of future staffing requirements at the State Hospital was currently being undertaken in line with the redesign of the State Hospital as a whole. It was anticipated that 2 vacancies would be filled within the next 3 months.

Within the main Social Work Service, at present there was only a 17.5 hour vacancy.

In terms of Hospital Social Workers (Older People), there was a £44,000 underspend which related to the service at Hairmyres Hospital. The underspend had arisen from the restructuring of the hospital and Occupational Therapy Service which had resulted in a non-recurring underspend. All posts had now been filled and the costs incurred to date in 2010/2011 had been reclassified to reflect the new structure.

◆ **Payments to Other Bodies**

Information was provided on the detail of non-statutory payments made by Community, Corporate, Finance and Information Technology and Housing and Technical Resources.

The Forum decided:

- (1) that the further detail provided in relation to non-statutory payments to other bodies made by Community, Corporate, Finance and Information Technology and Housing and Technical Resources be noted;
- (2) that further clarification be requested from Corporate Resources on the 2 payments made to separate contractors to provide physiotherapy services to employees; and

- (3) that further details be provided on the Council's participation in the Excel Scotland Buying Consortium.

[Reference: Minutes of 11 November 2010 (Paragraph 3)]

4 Revenue Budget Monitoring 2010/2011

A report dated 23 November 2010 by the Chief Executive was submitted on the position of the Council's revenue budget at 29 October 2010 including:-

- ◆ the financial position of the revenue budget for the General Services, Housing Revenue and Trading Operations accounts
- ◆ the financial and operational position of Housing and Technical Resources' Trading Operations, as at 29 October 2010

The figures included an underspend on the General Fund Revenue Account of £0.389 million.

The forecast for the General Fund, Housing Revenue and Trading Operations accounts at 31 March 2011 was a breakeven position.

Initial work on the probable outturn within Social Work Resources had identified areas of budget pressure. It was anticipated that an accurate account of the financial position would be available when the probable outturn exercise had been concluded.

As a result of work to determine the impact of Landfill Tax on Community Resources' Waste Disposal budget, a budget pressure of £0.533 million had been identified. This reflected the additional costs of waste disposal being incurred by the Council in 2010/2011. Resources had been added to Community Resources' revenue budget from the Council's Financing Charges budget line to offset this budget pressure.

As a consequence of the pay award being settled at an increase of 0.65%, there had been an adjustment to Resources' budgets

Additional monies had been received from the Scottish Government for Curriculum for Excellence (£0.188 million) and Adult Support and Protection (£0.927 million) and those had been added to Education and Social Work Resources' budgets respectively. The budget changes were reflected in the figures provided in Appendix A to the report.

The Forum decided:

- (1) that the position be noted; and
- (2) that Community Resources be requested to provide details on the under recovery on the Environmental budget line in relation to the level of fixed penalties issued being less than anticipated.

[Reference: Minutes of 11 November 2010 (Paragraph 4)]

5 Capital Budget Monitoring 2010/2011

A report dated 19 November 2010 by the Chief Executive was submitted on the position of the Council's various capital programmes at 29 October 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 on 1 December 2010, the General Fund Capital Programme totalled £128.517 million and the Housing Capital Programme £42.033 million. At 29 October 2010, £64.499 million had been spent on the General Fund Capital Programme and £19.717 million on the Housing Capital Programme.

The Forum decided:

- (1) that the progress of the Housing Capital Programme be noted;
- (2) that the progress of the General Fund Capital Programme be noted; and
- (3) that Community Resources be requested to provide clarification on the reduction of £0.155 million on the Halls Improvement Programme for 2010/2011.

[Reference: Minutes of 11 November 2010 (Paragraph 5)]

6 Urgent Business

There were no items of urgent business.