

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held via Confero and in Committee Room 1, Council Offices, Almada Street, Hamilton on 1 February 2024

Chair:

Councillor Grant Ferguson

Councillors Present:

Councillor Mathew Buchanan, Councillor Colin Dewar, Councillor Ross Gowland, Councillor Gavin Keatt, Councillor Richard Lockhart, Councillor Julia Marrs, Councillor Carol Nugent

Councillor's Apology:

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 30 November 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 2023/2024 – General Fund Capital Programme

A report dated 15 January 2024 by the Chief Executive was submitted on the position of the General Capital Programme 2023/2024 for the period 1 April to 1 December 2023.

At its meeting on 22 November 2023, the Executive Committee had approved a General Fund Capital Programme for 2023/2024 totalling £78.901 million. A revised programme of £71.696 million was now anticipated which represented a reduction of £7.205 million. The revised programme of £71.696 million included proposed adjustments to the programme totalling a net decrease of £1.140 million which had been approved by the Executive Committee on 24 January 2024. Those were detailed in Appendix A of the report.

A further proposed exception on the Glasgow City Region City Deal, Greenhills Road project had been approved by the Executive Committee on 24 January 2024 and would be included in the next capital budgeting monitoring update to the Forum.

In addition to the adjustments detailed in the report, the revised programme of £71.696 million reflected a transfer to revenue of £1.000 million for the Private Housing Scheme of Assistance project. It had been identified that this project, originally in the capital budget, could not be classed as capital and it was proposed that it be transferred to Housing and Technical Resources' revenue budget. The revised Capital Programme was detailed in Appendix B of the report.

In December 2023, the Scottish Government had revised the 2023/2024 General Capital Grant allocation to £29.947 million, which was a decrease of £4.883 million, as detailed in Appendix D to the report. The decrease reflected the removal of the previously expected 2023/2024 Free School Meals allocation of £5.065 million based on information that had been received from the Scottish Government. However, no capital funds had been distributed to the Council this year for free school meals, therefore, this had been removed from the Programme.

The grant reduction had been offset by an increase of £0.182 million in the overall Capital Grant allocation. Due to the late notification of the additional funding, the £0.182 million allocation would be used to fund the existing Capital Programme and reduce the Council's level of borrowing in 2023/2024. The overall benefit of the additional funding would be considered as part of the 2024/2025 Capital Programme report.

The revised General Fund Capital Programme, including the movement from the last report, and Resource budgets were detailed in appendices B and C to the report. The programme spend and funding for the General Fund was summarised in Appendix D of the report.

Current estimates from Resources suggested an outturn of around £65.4 million. Against the revised budget of £71.696 million, this outturn meant a net underspend across Resources of £6.3 million. This comprised project underspend totalling £8.5 million, offset by projects with greater than anticipated spend of £2.2 million. A list of the main projects, which were responsible for the overall underspend of £6.3 million and would now complete in 2024/2025, were detailed in Appendix E to the report.

Budget for the period was £31.992 million and spend to 1 December 2023 was £31.999 million, an overspend of £0.007 million. Actual funding received to 1 December 2023 was £53.928 million.

The physical progress achieved with the General Fund Capital Programme 2023/2024 at 1 December 2023 was detailed in appendices F to H to the report.

The Property Manager (Commercial) responded to a member's questions on the New Cross Shopping Centre Roof project and, where information was not immediately available, undertook to provide this to the relevant member. The Finance Manager (Strategy) responded to a member's question on the Community Bus Fund grant.

The Forum decided: that the position on the General Fund Capital Programme as at 1 December 2023 be noted.

[Reference: Minutes of 30 November 2023 (Paragraph 3a) and Minutes of the Executive Committee of 22 November 2023 (Paragraph 4) and 24 January 2024 (Paragraph 4)]

3b Capital Budget Monitoring 2023/2024 – Housing Capital Programme

A report dated 15 January 2024 by the Chief Executive was submitted on the position of the Housing Capital Programme 2023/2024 for the period 1 April to 1 December 2023 (Period 9).

The revised Housing Capital Programme for 2023/2024 totalled £67.443 million which reflected a decrease of £2.153 million, as approved by the Executive Committee on 22 November 2023.

Budget for the period was £33.315 million and spend to 1 December 2023 was £33.973 million, which represented an overspend of £0.658 million, as detailed in Appendix A to the report. Actual funding received at 1 December 2023 was £33.973 million.

Current estimates from Housing and Technical Resources suggested an outturn of £67.443 million. Progress on the Housing Capital Programme would continue to be monitored and updates provided to future meetings of the Forum.

The physical progress achieved with the Housing Capital Programme 2023/2024 at 1 December 2023 was detailed in Appendix B to the report.

The Forum decided: that the position on the Housing Capital Programme as at 1 December 2023 be noted.

[Reference: Minutes of 30 November 2023 (Paragraph 3b) and Minutes of the Executive Committee of 24 January 2024 (Paragraph 4)]

4 Revenue Budget Monitoring 2023/2024

A report dated 15 January 2024 by the Chief Executive 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 1 December 2023 (Period 9), along with a projection for the year to 31 March 2024.

The report and the associated appendices:-

- ◆ summarised the 2023/2024 probable outturn position for the Council's General Fund Revenue Account to 31 March 2024, including proposed transfers to reserves
- ◆ detailed the various 2023/2024 revenue grant redeterminations included in the Local Government Finance Settlement 2024/2025
- ◆ provided details of the position on the General Fund Account and the Housing Revenue Account for the period 1 April to 1 December 2023 respectively
- ◆ detailed anticipated spend for the current year
- ◆ proposed funds to be transferred to reserves for future commitments
- ◆ detailed the position after all transfers to reserves for known commitments required in the next financial year
- ◆ provided the Housing Revenue Account position

The outturn position, after transfers to reserves, resulted in an underspend of £9.000 million. This included proposed transfers to reserves totalling £14.985 million.

The position for Adults and Older People within Social Work Resources included a £1.272 million commitment in respect of the element of the budget delegated to the Integration Joint Board (IJB). It was proposed that the IJB retain this non-recurring underspend within its reserves earmarked for future costs. If approved, those monies would be retained in the Council's Balance Sheet and would be available for use by the IJB.

It was also proposed that, in respect of the £9.000 million underspend, £3.000 million be transferred to reserves to fund budget pressures in 2024/2025. It was further proposed that £6.000 million be transferred to reserves for potential use in the Council's Budget Strategy in light of the previously identified savings requirement of £95.8 million across the 4 years from 2024/2025.

The Local Government Finance Circular 8/2003, published on 21 December 2023, confirmed previously advised monies for 2023/2024 as well as additional earmarked funding for a number of Council services. Details of the new redetermination monies were provided in the report. Although not included in the circular, on the basis that the Council had maintained its teacher numbers, funding amounting to £2.934 million for the maintenance of teacher numbers had been assumed as being received.

At 1 December 2023, the position on the General Fund Revenue Account, after transfers to reserves, was an underspend of £0.593 million, as detailed in Appendix 3 to the report.

At 1 December 2023, the Housing Revenue Account showed a breakeven position and the forecast to 31 March 2024 on the Housing Revenue Account was also a breakeven position, as detailed in Appendix 4 to the report.

The breakeven position for the Housing Revenue Account included a lower than budgeted Transfer to Reserves being required in the financial year. It was assumed that the increased level of costs experienced would be offset by an underspend in loan charges in 2023/2024. The reduction in loan charges anticipated in 2023/2024 was a result of using an in-year benefit from the Housing Revenue Account Loans Fund Review. This work had been carried out and formed part of the 2024/2025 budget setting report that would be considered by the Housing and Technical Resources Committee prior to being referred to the Executive Committee.

The Forum decided:

- (1) that, including Resources, Corporate Items and Council Tax, and the proposed Transfer; and Reserves, the Council's outturn underspend of £9.000 million, as detailed in section 4.2, be noted;
- (2) that the proposed transfer to reserves totalling £14.985 million, as detailed in section 4.2, be noted;
- (3) that it be noted that the non-recurring underspend of £1.272 million in the delegated budget to the IJB be held in reserves for its use in future years, as detailed in section 4.9;
- (4) that the proposed use of £3.000 million of the Council's outturn underspend be transferred to reserves to support budget pressures in 2024/2025, as detailed in section 4.17, be noted;
- (5) that the proposed use of the remaining £6.000 million of the Council's outturn underspend be transferred to reserves, as detailed in section 4.18, be noted;
- (6) that the redeterminations of 2023/2024 revenue grant funding, as included in the Local Government Finance Circular 8/2023, as detailed in section 6, be noted;
- (7) that the underspend of £0.593 million on the General Fund Revenue Account at 1 December 2023, as detailed in section 7.1, be noted; and
- (8) that the breakeven position on the Housing Revenue Account at 1 December 2023 and the forecast to 31 March 2024 of breakeven, as detailed in section 8 and Appendix 4, be noted.

[Reference: Minutes of 30 November 2023 (Paragraph 4) and Minutes of the Executive Committee of 24 January 2024 (Paragraph 3)]

5 Revenue Budget Monitoring 2023/2024 – Detailed Resource Analysis

A report dated 15 January 2024 by the Chief Executive was submitted comparing actual expenditure against budgeted expenditure for the period 1 April to 1 December 2023 (Period 9).

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 1 December 2023
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 1 December 2023
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 1 December 2023

The Forum decided: that the position as at 1 December 2023 (Period 9) be noted.

[Reference: Minutes of 30 November 2023 (Paragraph 5)]

6 Urgent Business

There were no items of urgent business.