

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held via Confero and in Committee Room 1, Council Offices, Almada Street, Hamilton on 29 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 (Depute), 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); 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 1 February 2024 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 12 February 2024 by the Head of Finance (Strategy) was submitted on the position of the General Fund Capital Programme 2023/2024 for the period 1 April to 28 December 2023.

Following approval at the Executive Committee on 24 January 2024, there was a revised General Fund Capital Programme for 2023/2024 totalling £78.296 million which included proposed adjustments to the programme totalling a net increase of £6.600 million, as detailed in Appendix A to the report, in relation to the Glasgow City Region City Deal project at Greenhills Road, East Kilbride.

The revised programme was detailed in Appendix B to the report, with Resource budgets detailed in Appendix C to the report. Programmed funding for the year also totalled £78.296 million and the funding available to support the overall 2023/2024 Capital Programme was detailed in Appendix D to the report.

Current estimates from Resources suggested an outturn of around £72 million. Against the revised budget of £78.296 million, the outturn position meant a net underspend of £6.3 million. This comprised project underspends totalling £8.5 million offset by projects with greater than anticipated spend of £2.2 million. The majority of the variance was due to the timing of spend, resulting in budget required in 2024/2025 rather than 2023/2024. Funding for projects remaining underspent at the financial year-end would be carried forward to allow the projects to be completed in 2024/2025. Details of the underspent projects, which were scheduled for completion in 2024/2025, were listed in Appendix E of the report.

Budget for the period was £34.777 million and spend to 28 December 2023 was £34.088 million, an underspend of £0.689 million, which mainly reflected the timing of spend on a number of projects. Actual funding received to 28 December 2023 was £63.166 million.

The physical progress achieved with the General Fund Capital Programme 2023/2024 at 28 December 2023 was detailed in appendices F to H to the report.

The Head of Finance (Strategy) responded to a member's questions in relation to:-

- ◆ the way that the Council borrowed money for capital expenditure
- ◆ the Strathclyde Partnership for Transport (SPT) Strategic Cycle Infrastructure – Carluke to Carstairs Cycle Route project

She gave an undertaking to gather further information in relation to the Carluke to Carstairs Cycle Route project from colleagues in Roads, Transportation and Fleet Services and would share this with the Forum.

The Forum decided: that the position on the General Fund Capital Programme as at 28 December 2023 be noted.

[Reference: Minutes of 1 February 2024 (Paragraph 3a) and Minutes of the Executive Committee of 21 February 2024 (Paragraph 4)]

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

A report dated 12 February 2024 by the Head of Finance (Strategy) was submitted on the position of the Housing Capital Programme 2023/2024 for the period 1 April to 28 December 2023 (Period 10).

The revised Housing Capital Programme for 2023/2024 totalled £67.443 million, as approved by the Executive Committee on 24 January 2024. Programmed funding for the year was £67.443 million.

Budget for the period was £40.985 million and spend to 28 December 2023 was £41.276 million, which represented an overspend of £0.291 million, as detailed in Appendix A to the report. The overspend reflected the number of buy backs, through the open market purchase scheme, which had been progressed earlier than anticipated. Actual funding received at 28 December 2023 was £41.276 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 28 December 2023 was detailed in Appendix B to the report.

The Head of Finance (Strategy) responded to a member's question in relation to the Scottish Government's funding cut to the Affordable Housing Programme for 2024/2025 and whether that would impact on the funding the Council would receive in the next financial year.

The Forum decided: that the position on the Housing Capital Programme as at 28 December 2023 be noted.

[Reference: Minutes of 1 February 2024 (Paragraph 3b) and Minutes of the Executive Committee of 21 February 2024 (Paragraph 4)]

4 Revenue Budget Monitoring 2023/2024

A report dated 24 January 2024 by the Head of Finance (Strategy) 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 28 December 2023 (Period 10), along with a projection for the year to 31 March 2024.

The report and associated appendices:-

- ◆ summarised the previously reported probable outturn position for the Council's General Fund Revenue Account to 31 March 2024
- ◆ provided details on the probable outturn position for the Housing Revenue Account to 31 March 2024
- ◆ provided details of the position of the General Fund Revenue Account and the Housing Revenue Account respectively to 28 December 2023

The outturn position for the General Fund, after transfers to reserves totalling £14.985 million, resulted in an underspend of £9.000 million. It was proposed that the £9.000 million probable outturn underspend be transferred to Reserves with £3.000 million being set aside to support budget pressures in 2024/2025 and the remaining £6.000 million being considered to support the Council's Budget Strategy.

Full details of the Transfers to Reserves had been reported to the meeting of the Executive Committee held on 24 January 2024. The forecast position before and after Transfers to Reserves was detailed in appendices 1 and 2 to the report. Appendix 2 included the probable outturn underspend of £9.000 million as a Transfer to Reserves, resulting in a breakeven position for the Council's 2023/2024 probable outturn.

No update had been received on the position in respect of funding for the maintenance of teacher numbers, previously reported to the meeting of the Forum held on 1 February 2024.

At 28 December 2023, the position on the General Fund Revenue Account, after transfers to reserves, was an underspend of £1.509 million.

At 28 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.

The Head of Finance (Strategy) responded to a member's questions in relation to:-

- ◆ whether the funding, held back by the Scottish Government for the maintenance of teacher numbers in 2023/2024, had been built into this year's budget
- ◆ the position in terms of funding from the Scottish Government for the maintenance of teacher numbers in 2024/2025

The Forum decided:

- (1) that the Council's breakeven probable outturn position after Transfers to Reserves, as detailed in section 4.1, be noted;
- (2) that the underspend of £1.509 million on the General Fund Revenue Account at 28 December 2023, as detailed in section 5.1, be noted; and
- (3) that the breakeven position on the Housing Revenue Account at 28 December 2023, and the forecast to 31 March 2024 of breakeven, as detailed in sections 6.1 and 6.2, be noted.

[Reference: Minutes of 1 February 2023 (Paragraph 4) and Minutes of the Executive Committee of 24 January 2024 (Paragraph 3) and 21 February 2024 (Paragraph 3)]

5 Revenue Budget Monitoring 2023/2024 – Detailed Resource Analysis

A report dated 24 January 2024 by the Head of Finance (Strategy) was submitted comparing actual expenditure against budgeted expenditure for the period 1 April to 28 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 28 December 2023
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 28 December 2023
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 28 December 2023

The Head of Finance (Strategy) responded to members' questions in relation to:-

- ◆ Education Resources' expenditure, specifically around payments to a private contractor for the PPP contract for secondary schools. The Head of Finance (Strategy) undertook to provide further information on the term of the contract to the relevant member
- ◆ variances within Housing and Technical Resources which related to vacancies that were being recruited in line with Service requirements

The Forum decided: that the position as at 28 December 2023 (Period 10) be noted.

[Reference: Minutes of 1 February 2024 (Paragraph 5)]

6 Urgent Business

There were no items of urgent business.