

## FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held in Committee Room 5, Council Offices, Almada Street, Hamilton on 24 May 2018

**Chair:**

Councillor J Wardhaugh

**Councillors Present:**

Isobel Dorman, Eric Holford, Mark Horsham, Margaret B Walker, Jared Wark

**Councillors' Apologies:**

Archie Buchanan, Janine Calikes, Joe Fagan (Chair), Monique McAdams

**Attending:**

**Community and Enterprise Resources**

C Park, Engineering Manager

**Finance and Corporate Resources**

G Cochran, Administration Assistant; T Donnachie, Finance Adviser; L O'Hagan, Finance Manager (Strategy); J Muirhead, Administration Adviser; J Taylor, Head of Finance (Strategy)

**Housing and Technical Resources**

D Craig, Property Manager (Commercial)

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### Appointment of Chair

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In terms of Standing Order No 32(b), Councillor J Wardhaugh was appointed Chair for this meeting.

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### 1 Declaration of Interests

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No interests were declared.

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### 2 Minutes of Previous Meeting

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The minutes of the meeting of the Financial Resources Scrutiny Forum held on 26 April 2018 were submitted for approval as a correct record.

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

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### 3 Revenue Budget Monitoring 2017/2018

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A report dated 16 May 2018 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period ending 2 March 2018 (Period 13).

The figures included an underspend of £1.177 million on the General Fund Revenue Account and a breakeven position on the Housing Revenue Account. The figures also showed a higher than anticipated spend on Winter Maintenance and detailed the funding of the additional £1.5 million which included a draw from the Winter Maintenance Reserve with a contribution from the Scottish Government.

A probable outturn exercise had been carried out and, taking account of all known commitments across Resources, the figures confirmed an underspend of £0.500 million on the current year budget, which would be transferred to the Uncommitted General Fund at the end of the financial year.

At 2 March 2018, Trading Services' actual surplus totalled £8.680 million, representing an under recovery of £0.145 million 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 £1.177 million at 2 March 2018 and the forecast outturn to 31 March 2018 of a breakeven position, following the transfer to Reserves of £0.500 million, be noted;
- (2) that the breakeven position on the Housing Revenue Account at 2 March 2018 and the forecast outturn to 31 March 2018 of a breakeven position, following the transfer to Reserves of £0.029 million, be noted; and
- (3) that the Trading Operations' position at 2 March 2018 of £0.145 million under recovery against the phased budget be noted.

*[Reference: Minutes of the Executive Committee of 16 May 2018 (Paragraph 4)]*

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#### **4 Revenue Budget Monitoring 2017/2018 - Detailed Resource Analysis**

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A report dated 16 May 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the detailed financial analysis as at 2 March 2018 (Period 13) 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 2 March 2018 (Period 13)
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 2 March 2018 (Period 13)
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 2 March 2018 (Period 13)

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 2 March 2018 (Period 13) be noted.

*[Reference: Minutes of 26 April 2018 (Paragraph 4)]*

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#### **5 Review of Trading Services - 2018/2019 Update**

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A report dated 30 April 2018 by the Executive Director (Finance and Corporate Resources) was submitted advising of an exercise carried out to fulfil the Council's annual requirement to review existing and potential Trading Services.

Details of how the review had been carried out, including the criteria each Service had been assessed against and the outcome, were provided. The review exercise had shown that, under current guidelines, the existing trading activities should continue to be regarded as Trading Services.

An analysis of other potential trading activities, identified by CIPFA, had been assessed against the same criteria and had resulted in no additional services being proposed as Trading Services in 2018/2019.

The future status of Trading Services would be considered as part of the ongoing Finance Review.

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

**The Forum decided:**

- (1) that, based on the financial analysis carried out and the information supplied by Executive Directors, the proposal to retain the existing trading activities, with no further activities being added as Trading Services, be noted; and
- (2) that the work to review the current Trading Services, as part of the ongoing Finance Review, be noted.

*[Reference: Minutes of 7 September 2017 (Paragraph 6)]*

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## **6 Revenue Budget Monitoring - Trading Operations Performance Review - Roads**

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A report dated 24 April 2018 by the Executive Director (Community and Enterprise Resources) was submitted on the financial and operational performance of the Roads Trading Operation for the period ending 2 March 2018 (Period 13).

The Roads Trading Operation was showing a surplus of £3.449 million against a budgeted surplus of £3.527 million for the period ending 2 March 2018.

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

- ◆ absence statistics for the period 1 April 2017 to 28 February 2018 by Service and type, including details of Management Interventions, during the reporting period
- ◆ operational activity undertaken within the Roads Trading Operation during the performance reporting period

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

**The Forum decided:** that the position at 2 March 2018 (Period 13) be noted.

*[Reference: Minutes of 8 February 2018 (Paragraph 5)]*

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## **7a Capital Budget Monitoring 2017/2018 - General Fund Capital Programme**

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A report dated 16 May 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the General Fund Capital Programme 2017/2018 at 2 March 2018 (Period 13).

At 2 March 2018, £48.599 million had been spent against a phased budget of £58.301 million, representing expenditure of £9.702 million behind profile.

The physical progress achieved on the General Fund Capital Programme 2017/2018 at 2 March 2018 was detailed in Appendices D to F to the report.

**The Forum decided:** that the report be noted.

*[Reference: Minutes of 26 April 2018 (Paragraph 6a)]*

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## **7b Capital Budget Monitoring 2017/2018 - Housing Capital Programme**

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A report dated 16 May 2018 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2017/2018 at 2 March 2018 (Period 13).

The Housing Capital Programme for 2017/2018 totalled £40.581 million. At 2 March 2018, £29.247 million had been spent against a phased budget of £30.333 million, representing expenditure of £1.086 million behind profile.

The physical progress achieved on the Housing Capital Programme 2017/2018 at 2 March 2018 was detailed in Appendix B to the report.

**The Forum decided:** that the report be noted.

*[Reference: Minutes of 26 April 2018 (Paragraph 6b)]*

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## **8 Urgent Business**

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There were no items of urgent business.