

## FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held in Committee Room 2, Council Offices, Almada Street, Hamilton on 3 February 2011

**Chair:**

Councillor Tommy Gilligan

**Councillors Present:**

John Anderson, Pam Clearie, Brian McCaig, Mary McNeill, Graham Scott, Graham Simpson, George Sutherland, Jim Wardhaugh

**Attending:**

**Community Resources**

S Kelly, Head of Facilities, Fleet and Grounds Services; M Zahir, Assistant Finance Manager

**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)

**Housing and Technical Resources**

I Douglas, Property Services Manager

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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 9 December 2010 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 Information Requested from Resources and Payments to Other Bodies

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A report dated 17 January 2011 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:-

◆ **Community Resources – Fees and Charges**

Information had been requested on the under recovery of income on the budget line “Fees and Charges General” within Environmental and Strategic Services. The under recovery of income was due to the level of fixed penalties issued being less than anticipated which was attributed to the success of an ongoing campaign to raise public awareness and encourage people to not drop litter, to clean up after their dog, etc.

◆ **Community Resources – Capital – Halls Improvement**

Information had been requested on the reason for the £0.155 million reduction to the Halls Improvement budget following a revised programme of work. This was due to changes in Health and Safety legislation which meant that the Council was required to implement a programme of surveys, testing and remediation on all properties. It was confirmed that the

current "Capital Halls Improvement" budget would be used to undertake fixed electrical, asbestos, water quality and boiler maintenance works.

◆ **Corporate Resources – Physiotherapy**

Clarification had been requested in respect of payments to 2 different providers for employee physiotherapy services. This was due to the previous provider's contract ending on 31 March 2009 and the new provider's contract commencing on 1 April 2009 with a number of payments to the former provider being allocated against the 2009/2010 budget.

◆ **Finance and Information Technology Resources – Payment to Other Bodies Scotland Excel**

Information had been requested on the level of procurement activity carried out by the Council through the Scotland Excel Buying Consortium.

Procurement contracts showed an actual spend of £10,937,811 for 2009/2010 and an estimated spend of £10,843,190 for 2010/2011.

◆ **Payments to Other Bodies**

As part of the rolling programme of reporting on "Payments to Other Bodies", a separate report dated 14 January 2011 by the Chief Executive was submitted with an appendix that provided details of non-statutory payments made by Education Resources in 2009/2010.

**The Forum decided:**

- (1) that the information provided in relation to the queries raised at the previous meeting of the Forum be noted;
- (2) 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; and
- (3) that the report detailing non-statutory "Payments to Other Bodies" made by Education Resources in 2009/2010 be noted.

*[Reference: Minutes of 9 December 2010 (Paragraphs 3 and 4)]*

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#### **4 Revenue Budget Monitoring 2010/2011**

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A report dated 17 January 2011 by the Chief Executive was submitted on the position of the Council's revenue budget at 23 December 2010 including:-

- ◆ the financial position of the revenue budget for the General Services, Housing Revenue and Trading Operations accounts
- ◆ the position of the Community Resources' Trading Operations, Financial and Operational Performance Review as at 23 December 2010

The figures included an underspend on the General Fund Revenue Account of £0.483 million.

The forecast for the General Fund, Housing Revenue and Trading Operations accounts at 31 March 2011 was an underspend of £2 million.

Work had been completed on the transfer of Cultural Services, Halls and Libraries to the Cultural Trust from Community Resources and Education Resources. As a result of the transfer, a saving of £0.330 million had been made in respect of non domestic rate payments. This would result in resources being transferred to Community Resources and to Financing Charges.

An update had been provided in December 2010 on the Local Government Finance Settlement. Additional Revenue Grant totalling £0.103 million had been confirmed for Flood Prevention and Fire Injury Payments.

There was an underspend in Financing Charges totalling £10.229 million due to a number of factors which were detailed.

The level of Council Tax collection had exceeded estimates of £1.312 million.

The various underspends and over recoveries would be offset by a contribution to reserves of £9.378 million to fund budget pressures in the following areas:-

◆ Insurance Fund	£1.000 million
◆ Winter Maintenance Fund	£2.000 million
◆ Repairs and Maintenance	£2.000 million
◆ Capital Fund	£4.378 million

**The Forum decided:**

- (1) that the position be noted;
- (2) that Community Resources be requested to provide details on the underspend on materials in relation to segregated waste and glass collection;
- (3) that Education Resources be requested to provide details on the previous increase in average salaries within "School Support" and "Early Years Employees" underspend; and
- (4) that Housing and Technical Resources be requested to provide details on the under recovery of uncashed cheques by the Department of Works and Pensions.

*[Reference: Minutes of 9 December 2010 (Paragraph 4)]*

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## **5 Capital Budget Monitoring 2010/2011**

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A report dated 18 January 2011 by the Chief Executive was submitted on the position of the Council's various capital programmes at 23 December 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. The General Fund Capital Programme totalled £128.517 million and the Housing Capital Programme £42.033 million.

It was anticipated that there would be an underspend of £1.329 million on the Housing Capital Programme due to the recent severe weather which had impacted on the Kitchen and Bathroom, External Fabric and New Council House Build Programme.

At 23 December 2010, £81.722 million had been spent on the General Fund Capital Programme and £25.628 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 an update on the following Capital Non-Housing Projects be provided to the next meeting of the Forum:-

- ◆ Dunedin Recreation Area
- ◆ St Andrew's and St Bride's High School

*[Reference: Minutes of 9 December 2010 (Paragraph 5)]*

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## **6 Urgent Business**

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There were no items of urgent business.