

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held in Committee Room 2, Council Offices, Almada Street, Hamilton on 7 April 2011

Chair:

Councillor Tommy Gilligan

Councillors Present:

John Anderson, Pam Clearie, Mary McNeill

Councillors' Apologies:

Brian McCaig, Graham Scott, Graham Simpson, Jim Wardhaugh

Attending:

Corporate Resources

G Bow, Administration Adviser; G Cochran, Administration Assistant

Finance and Information Technology Resources

P Manning, Head of Finance; A Murray, Finance Adviser (Accounting and Budgeting)

Housing and Technical Resources

I Douglas, Property Services Manager; H Goodwin, Finance Manager (Technical); D Lowe, Head of Property Services

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 3 March 2011 were submitted for approval as a correct record.

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

3 Information Requested from Previous Meeting

A report dated 23 March 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 – International Children's Games**

Information had been requested on the accounting and budgeting arrangements for the expenditure/income in relation to the International Children's Games.

The total estimated cost of the Games was £1.834 million which South and North Lanarkshire Councils had agreed to share on an equal basis. A year end equalisation exercise would be carried out to ensure that this was the case.

A detailed budget would be allocated when exact numbers of participants had been finalised and the outcome of the procurement process was known. It was expected that the overall cost of the Games would come within the approved budget. Monitoring of the budget was carried out by officers and included in the revenue budget monitoring reports presented to the Community Resources Committee.

◆ **Corporate Resources – Fees and Charges - Departments of the Authority**

Clarification had been requested on what constituted “outsourced” Print Room work.

It was highlighted that the narrative in relation to the under recovery of £0.173 million on the budget line “Fees and Charges – Departments of Authority” had referred to an under recovery in Print Room recharges being partially offset by increased income from outsourced Print Room work. In fact, the narrative should have referred to “external customers” as opposed to outsourced print work.

The reduction in printing generally across Resources was partly due to internal work which had transferred to South Lanarkshire Leisure and Culture which was classed as an external customer. Outsourced print work covered work that, due to the technical or specialised requirements, could not be undertaken in-house.

◆ **Education Resources – Other Income**

Information had been requested on charges for privilege transport and music tuition in schools. The level of budget and anticipated income for 2010/2011 was as follows:-

	Income Target 2010/2011	Projected Income 2010/2011
Music Tuition	£375,000	£120,000
Privilege Transport	£60,000	£12,000

Education Resources was continuing to actively manage budget pressures and the under recovery within these areas would be supported by areas of underspend elsewhere within the Resource.

◆ **Social Work Resources – Payment to Contractor**

Confirmation had been requested that adequate budget provision was made for young people reaching 18 years old who had transferred to Social Work Resources from Education Resources.

Details were provided on the current arrangements which included a process whereby prior to becoming 18 years old, young adults with a disability who were in long term residential care, usually in an educational setting, were joint funded by Child and Family Services, within Social Work Resources and Education Resources. In the majority of cases, the funding was split equally between Education and Child and Family Services. When the young person reached 18 years old, responsibility for paying for their care transferred to Adult Services within Social Work Resources.

The element of funding from Child and Family Services transferred within the Social Work Resources’ budget with the young person to Adult Services. Education Resources retained its element of funding to fund educational aspects of placements of other children joining the system. Adult Services had 50% of the funding previously available with which to fund the care package. Children would remain in their existing placement for a period of time until the care package was re-provisioned to the appropriate adult setting. In the majority of cases, the new care package was less than the cost of the pre 18 service but was more than the 50% internal transfer from Child and Family Services.

When setting the budget, a projected cost was prepared for each young person. The internal budget transfer from Child and Family Services was used to offset the cost of the required service. The overall Social Work Resources' budget was reviewed and budgets were realigned where possible. Any overspend was managed within the overall Social Work Resources' budget.

As part of the rolling programme of reporting on "Payments to Other Bodies", a separate report dated 21 March 2011 by the Chief Executive was submitted with an appendix that provided details of non-statutory Payments to Other Bodies made by Enterprise 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; and
- (2) that the details provided in relation to non-statutory "Payments to Other Bodies" made by Enterprise Resources be noted.

[Reference: Minutes of 3 March 2011 (Paragraph 4)]

4 Revenue Budget Monitoring 2010/2011

A report dated 23 March 2011 by the Chief Executive was submitted on the position of the Council's revenue budget at 18 February 2011 including:-

- ◆ the financial position of the revenue budget for the General Services, Housing Revenue and Trading Operations accounts
- ◆ the position of the Property Services' Trading Operation, Financial and Operational Performance Review as at 18 February 2011

The figures included an underspend on the General Fund Revenue Account of £0.614 million.

In February 2011, the Local Government Finance (Scotland) Order 2011 had been issued confirming funding totalling £2.469 million in relation to the Teachers' Induction Scheme. The additional General Revenue Grant had been reflected in the annual budget and outturn position.

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

The current forecast for Winter Maintenance expenditure was £6.5 million. This level of expenditure exceeded the 2010/2011 budget, however, a funding package was in place to cover the majority of the expenditure. Any balance required would be met from the planned contribution of £2 million to the Winter Maintenance Fund, reported to the Executive Committee on 26 January 2011. The final outturn position for the year would be reported when it became available.

Due to the period of severe weather from 4 December 2010 onwards, higher demand than normal had been placed on the Housing Repairs Service which had resulted in the repairs workload being re-prioritised. It was anticipated that the expenditure on Housing Repairs would not be achieved with a resultant underspend of approximately £1.35 million. This underspend would be required to fund the completion of the outstanding jobs in the new financial year and would be added to the HRA surplus at the end of the current financial year.

The Forum decided: that the position be noted.

[Reference: Minutes of 3 March 2011 (Paragraph 4) and Executive Committee of 26 January 2011 (Paragraph 5)]

5 Capital Budget Monitoring 2010/2011

A report dated 16 March 2011 by the Chief Executive was submitted on the position of the Council's various capital programmes at 18 February 2011 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 Programmes.

At 18 February 2011, £95.597 million had been spent on the General Fund Capital Programme and £31.755 million on the Housing Capital Programme.

The Forum decided:

- (1) that the progress of the Housing Capital Programme be noted; and
- (2) that the progress of the General Fund Capital Programme be noted.

[Reference: Minutes of 3 March 2011 (Paragraph 5)]

6 Urgent Business

There were no items of urgent business.