

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held via Microsoft Teams on 10 February 2022

Chair:

Councillor Monique McAdams

Councillors Present:

Councillor Walter Brogan, Councillor Margaret Cowie (*substitute for Councillor Martin Lennon*), Councillor Grant Ferguson, Councillor Eric Holford

Councillors' Apologies:

Councillor Archie Buchanan, Councillor Janine Calikes, Councillor Mary Donnelly, Councillor Martin Lennon, Councillor Jared Wark

Attending:

Finance and Corporate Resources

G Cochran, Administration Assistant; C Lyon, Administration Officer; 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 9 December 2021 were submitted for approval as a correct record.

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

3a Capital Budget Monitoring 2021/2022– General Fund Capital Programme

A report dated 25 January 2022 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the General Fund Capital Programme 2021/2022 for the period 1 April to 31 December 2021 (Period 10).

The revised programme for the General Fund Capital Programme for 2021/2022 totalled £72.433 million, as detailed in Appendix B to the report. The revised programme, agreed by the Executive Committee on 2 February 2022, included adjustments totalling a net decrease of £5.877 million, as outlined in Appendix A to the report.

In December 2021, the Scottish Government revised the Council's 2021/2022 General Capital Grant allocation to £24.174 million, an increase of £0.096 million. Due to the late notification of this additional funding, any new projects were unlikely to be designed and completed prior to the end of this financial year. As a result, the additional allocation of £0.096 million would be used to fund the existing General Fund Capital Programme and reduce the Council's borrowing in 2021/2022.

Budget for the period was £37.532 million and spend to 31 December 2021 was £37.252 million, £0.280 million behind programme. A full breakdown was detailed in Appendix C to the report. Actual funding received at 31 December 2021 was £54.546 million.

The programme spend and funding for the General Fund was summarised in appendices B to D to the report.

The physical progress achieved with the General Fund Capital Programme 2021/2022 at 31 December 2021 was detailed in appendices E to G to the report.

Following discussion regarding the monies from the Scottish Government for renewal of play parks, members requested information on the progress of the appointment of officers to carry out the surveys of the parks and whether there were details of the programme of renewal for the next year. The Head of Finance (Strategy) advised that she would request this information from Community and Enterprise Resources and feed back to the Forum.

The Forum decided: that the position on the General Fund Capital Programme as at 31 December 2021 be noted.

[Reference: Minutes of 9 December 2021 (Paragraph 3a) and Minutes of the Executive Committee of 2 February 2022 (Paragraph 4)]

3b Capital Budget Monitoring 2021/2022 – Housing Capital Programme

A report dated 25 January 2022 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2021/2022 for the period 1 April to 31 December 2021 (Period 10).

The revised Housing Capital Programme for 2021/2022 totalled £79.640 million and spend to 31 December 2021 totalled £51.845 million which represented an underspend of £0.329 million, as detailed in Appendix A to the report.

The physical progress achieved with the Housing Capital Programme 2021/2022 at 31 December 2021 was detailed in Appendix B to the report.

As previously reported, the timescales for some projects within the Housing Investment Programme (HIP) had changed and the financial programme had been amended to reflect those changes. The impact of material shortages and price increases would continue to be monitored.

Any significant increases in contract values for the Housing Capital Programme would be brought to members' attention

The Forum decided: that the position on the Housing Capital Programme as at 31 December 2021 be noted.

[Reference: Minutes of 9 December of 2021 (Paragraph 3b) and Minutes of the Executive Committee of 22 September 2021 (Paragraph 4)]

In terms of Standing Order No 13, the Chair adjourned the meeting at 3.04pm and reconvened at 3.10pm

4 Revenue Budget Monitoring – 2021/2022

A report dated 2 February 2022 by the Executive Director (Finance and Corporate Resources) was submitted on the overall financial position of the Council's General Fund Revenue Account and the Housing Revenue Account for the period 1 April to 31 December 2021 (Period 10), along with a projection for the year to 31 March 2022.

The final outturn position, after proposed transfers to reserves, including the previously approved £13.550 million of loan charges underspend in relation to the Loans Fund Review for the Budget Strategy and including COVID-19 expenditure and funding, was an underspend of £4.794 million.

The proposed non COVID-19 Resource and Corporate Items transfers totalled £17.405 million. In addition, there were proposed transfers totalling £18.681 million in relation to COVID-19. This took the total transfers which required approval to £36.086 million, as detailed in Appendix 3 to the report. When added to the previously approved £13.550 million, as detailed in Appendix 1 to the report, the total transfers would be £49.636 million.

The position before the proposed transfers to reserves was an underspend of £54.430 million. After the total proposed transfers to reserves of £49.636 million, there would be a final outturn underspend of £4.794 million. It was proposed that the £4.794 million be transferred to reserves and carried forward to meet the cost of COVID-19 recovery moving forward. No additional funding was anticipated from the Scottish Government in relation to COVID-19 expenditure in 2022/2023, however, the Council would still have costs that continued into that year. Those monies would assist in managing the continuing costs.

Resources were reporting a combined overspend of £0.585 million, as detailed in Appendix 1 to the report. The overspend primarily related to Social Work Resources. The overspend of £0.585 million included a commitment of £4.895 million within the Social Work Resources' Adult and Older People Service in relation to the Integration Joint Board (IJB). It was proposed that this underspend be retained by the IJB within its reserves for future care costs.

As at 31 December 2021, the position on the General Fund Revenue Account (including COVID-19 spend and income) before transfers to reserves was an underspend of £28.308 million, as detailed in Appendix 2 to the report. Assuming approval of the proposed transfers to reserves, there would be an underspend of £2.210 million, which was mainly due to over recovery of Council Tax.

The Housing Revenue Account showed a breakeven position at 31 December 2021, as detailed in Appendix 7 to the report.

The Forum decided:

- (1) that, including Resources, Corporate Items and Council Tax, the Council's outturn underspend of £4.794 million be noted;
- (2) that the total transfers to reserves included in the revised outturn position, totalling £36.086 million, be noted;
- (3) that it be noted that the outturn underspend of £4.794 million would be transferred to reserves to manage the cost of COVID-19 recovery;
- (4) that it be noted that the underspend in the budget delegated to the IJB would be held in the Council balance sheet for the IJB's use in 2022/2023;
- (5) that the underspend on the General Fund Revenue Account as at 31 December 2021 be noted; and
- (6) that the breakeven position on the Housing Revenue Account at 31 December 2021 and the forecast to 31 March 2022 of a breakeven position be noted.

[Reference: Minutes of 9 December 2021 (Paragraph 5) and Minutes of the Executive Committee of 2 February 2021 (Paragraph 3)]

5 Revenue Budget Monitoring 2021/2022 – Detailed Resource Analysis

A report dated 2 February 2022 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period 1 April to 31 December 2021 (Period 10).

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 31 December 2021
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 31 December 2021
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 31 December 2021

Councillor McAdams requested details on the use of Pupil Equity Funding at St Kenneth's Primary School, East Kilbride and the amounts of funding used by the school. The Head of Finance (Strategy) advised that she would ask Education Resources to provide this information to Councillor McAdams.

The Forum decided: that the position as at 31 December 2021 (Period 10) be noted.

[Reference: Minutes of 9 December 2021 (Paragraph 5)]

6 Urgent Business

There were no items of urgent business.

Chair's Closing Remarks

As this was the last meeting of the Forum prior to the Local Government Elections in May 2022, the Chair thanked members and officers for their hard work over the course of this Administration.