

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held via Microsoft Teams on 30 September 2021

Chair:

Councillor Monique McAdams

Councillors Present:

Councillor Walter Brogan, Councillor Grant Ferguson, Councillor Eric Holford, Councillor Jared Wark, Councillor Geri Gray (*substitute for Councillor Mary Donnelly*)

Councillors' Apologies:

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

Attending:

Finance and Corporate Resources

C Lyon, Administration Officer; K McLeod, 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 2 September 2021 were submitted for approval as a correct record.

In response to the question raised by Councillor Gray regarding the underspend in relation to Basic Grade Social Workers as a result of vacancies, the Head of Finance (Strategy) advised that she had contacted Personnel Services who informed her that recruitment for Social Workers and Social Work generally was an ongoing activity. Requests to recruit were processed as a priority within the Personnel Team and guidance provided to hiring managers on how to recruit in an effective manner. Whilst underspends would continue to be seen in relation to vacancies within Social Work Resources, they were being progressed as a priority.

The Forum decided:

- (1) that the minutes be approved as a correct record; and
- (2) that the update in relation to underspends in terms of Social Work vacancies be noted.

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

A report dated 14 September 2021 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the General Fund Capital Programme 2021/2022 at 13 August 2021 (Period 5).

The revised programme for the General Fund Capital Programme for 2021/2022 totalled £83.304 million, as detailed in Appendix B to the report. The revised programme included adjustments to the programme which totalled a net decrease of £2.111 million, as detailed in Appendix A to the report, which had been agreed by the Executive Committee on 22 September 2021.

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

Budget for the period was £16.300 million and spend to 13 August 2021 was £16.003 million. Actual funding received at 13 August 2021 was £56.600 million, as detailed in Appendix D to the report.

The physical progress achieved with the General Fund Capital Programme 2021/2022 at 13 August 2021 was detailed in appendices E to G to the report.

As reported previously, the construction materials supply chain had been subject to unprecedented disruption by the COVID-19 pandemic. Various options were being employed by Property Services and the Procurement Service, where appropriate, to mitigate risks. Options included reducing the price validity period from the standard 180 days to 120 or 90 days in order to stimulate the market and secure more bids, as well as including material fluctuations in contract clauses to avoid contractors building in potential price increases. This would also ensure that tenderers submitted prices which could be evaluated on a like for like basis.

Further updates would be provided, with any significant increases in contract values brought to members' attention.

The Forum decided: that the position on the General Fund Capital Programme as at 13 August 2021 be noted.

[Reference: Minutes of 2 September 2021 (Paragraph 3a) and Minutes of the Executive Committee of 22 September 2021 (Paragraph 4)]

Councillor Brogan entered the meeting during this item of business

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

A report dated 14 September 2021 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2021/2022 at 13 August 2021 (Period 5).

The revised Housing Capital Programme for 2021/2022 totalled £94.360 million and spend to 13 August 2021 totalled £26.065 million. Actual funding received was £26.065 million, as detailed in Appendix A to the report.

The New Build Housing Programme had now been reviewed and it was proposed that projects totalling £14.720 million move into financial year 2022/2023. This reflected revised timescales and estimated completion dates across a number of sites. Funding totalling £14.720 million for those projects would be carried forward to 2022/2023. As a result, a revised programme of £79.640 million was approved by the Executive Committee on 22 September 2021. Programmed funding for the year also totalled £79.640 million. Funding sources were detailed in Appendix A to the report.

The physical progress achieved with the Housing Capital Programme 2021/2022 at 13 August 2021 was detailed in Appendix B to the report.

As previously reported, tenders had been submitted significantly above expectations, particularly in relation to the Housing Fabric Programme. Given the ongoing issues around material shortages and steep price increases, consideration was being given to the timescales for the Housing Investment Programme (HIP) and a revised position would be presented to a future meeting of the Executive Committee for approval, if required.

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 13 August 2021 be noted.

[Reference: Minutes of 2 September 2021 (Paragraph 3b)] and Minutes of the Executive Committee of 22 September 2021 (Paragraph 4)]

4 Revenue Budget Monitoring – 2021/2022

A report dated 22 September 2021 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 at 13 August 2021.

As reported to the Executive Committee on 25 August 2021, the total COVID-19 funding available in 2021/2022, amounted to £57.075 million, consisting of reserves carried forward and new funding received in 2021/2022. £15.846 million was to be spent on specific areas, mainly Education, which left £31.889 million to meet other COVID-19 costs. The cost update exercise identified £18.199 million of spend to be met from this funding, as detailed in Appendix 1 to the report.

The Council had been allocated further funding for Business Support Grants Administration totalling £0.150 million for 2021/2022 and Self Isolation Grant Administration funding totalling £0.051 million, taking the total funding, excluding specific funding to meet other COVID-19 cost pressures, to £32.090 million. The Cost of Recovery funding, detailed at Appendix 1 to the report, had been updated to include these.

The total COVID-19 net expenditure, before funding, at 13 August 2021 was £7.976 million. This was an increase of £1.217 million on the period 4 figure. Those costs were partially offset by specific funding of £4.943 million, leaving costs of £3.033 million to be met from the non-specific funding. A full breakdown of the position to 13 August 2021 was provided in Appendix 3 to the report.

As at 13 August 2021, the position on the General Fund Revenue Account was an overspend of £0.454 million, as detailed in Appendix 2 to the report. This included a breakeven position on COVID-19 spend and income received.

The Council had been notified of a number of funding allocations from the Scottish Government for 2021/2022, as detailed in the report. The funding was included in the budgets detailed at Appendix 2 to the report

The figures showed a breakeven position on the Housing Revenue Account at 13 August 2021, as detailed in Appendix 4 to the report.

The Forum decided:

(1) that the updated COVID-19 position for 2021/2022 be noted;

- (2) that the total net expenditure of £3.033 million, after specific funding in relation to COVID-19, offset by Government Grant included in the Council's position as at 13 August 2021, be noted;
- (3) that the net overspend of £0.454 million on the General Fund Revenue Account at 13 August 2021, after COVID-19 spend and funding, be noted; and
- (4) that the breakeven position on the Housing Revenue Account at 13 August 2021 be noted.

[Reference: Minutes of 2 September 2021 (Paragraph 4)]

5 Revenue Budget Monitoring 2021/2022 – Detailed Resource Analysis

A report dated 22 September 2021 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period 13 August 2021 (Period 5).

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 13 August 2021 (period 5)
- ♦ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 13 August 2021 (Period 5)
- ♦ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 13 August 2021 (Period 5)

The Forum decided: that the position as at 13 August 2021 (Period 5) be noted.

[Reference: Minutes of 2 September 2021 (Paragraph 5)]

6 Urgent Business

There were no items of urgent business.