

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held via Microsoft Teams on 2 September 2021

Chair:

Councillor Monique McAdams

Councillors Present:

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

Councillors' Apologies:

Councillor Walter Brogan, Councillor Archie Buchanan, Councillor Janine Calikes, Councillor Mary Donnelly, Councillor Grant Ferguson, Councillor Martin Lennon

Attending:

Finance and Corporate Resources

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 1 July 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 17 August 2021 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the General Fund Capital Programme 2021/2022 at 16 July 2021 (Period 4).

The revised programme for the General Fund Capital Programme for 2021/2022 totalled £85.415 million, as detailed in Appendix B to the report. The revised programme consisted of adjustments which totalled a net increase of £0.349 million, as detailed in Appendix A to the report which had been agreed at the Executive Committee on 25 August 2021.

The programme spend and funding for the General Fund was summarised in Appendices B and D to the report which highlighted that the budget for the period was £10.409 million and spend to 16 July 2021 was £10.547 million. Actual funding received at 16 July 2021 was £56.289 million.

The physical progress achieved with the General Fund Capital Programme 2021/2022 at 16 July 2021 was detailed in Appendices E to G.

The Construction Leadership Council (CLC) continued to report shortages of construction materials and anticipated that disruption would continue for the foreseeable future. The Council's suppliers confirmed that this, along with longer lead in times and significant price increases would continue to impact the supply chain. There was the risk that this would have a significant impact on the Council's Capital and Maintenance/Repair Programmes due to required redesign or cost increases for projects.

Any significant increases in contract values would be brought to members' attention.

Councillor Holford referred to the rise in cost of building materials and asked if there was any provision for the increase in costs. The Head of Finance (Strategy) advised that there was no provision across the board for increased costs, however, the situation would be closely monitored. Councillor Holford also asked that, if grant funded adaptations work increased in price, would the grant award increase? The Head of Finance (Strategy) advised that grants were paid based on the actual costs of the works undertaken.

The Forum decided: that the position on the General Fund Capital Programme as at 16 July 2021 be noted.

[Reference: Minutes of 1 July 2021 (Paragraph 4a) and Minutes of the Executive Committee of 25 August 2021 (Paragraph 6)]

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

A report dated 17 August 2021 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2021/2022 at 16 July 2021 (Period 4).

The revised Housing Capital Programme for 2021/2022 totalled £94.360 million and spend to 16 July 2021 totalled £20.360 million. Actual funding received was £20.360 million, as detailed in Appendix A to the report.

Consideration was being given to the timescales for the New Build Housing Programme and a revised position would be presented to a future meeting of the Executive Committee for approval.

The physical progress achieved with the Housing Capital Programme 2021/2022 at 16 July 2021 was detailed in Appendix B to the report.

The construction materials supply chain for the Housing Programme had been subject to unprecedented disruption due to the COVID-19 pandemic with a risk of impact on the delivery of the Housing Capital and Maintenance/Repair Programmes. Recent tenders submitted were significantly above expectations, particularly, in relation to the Housing Fabric Programme. Housing and Technical Resources were reviewing whether this work should continue in the short term, as prices would be inflated and materials difficult to source.

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 16 July 2021 be noted.

[Reference: Minutes of 1 July 2021 (Paragraph 4b) and Minutes of the Executive Committee of 25 August 2021 (Paragraph 6)]

4 Revenue Budget Monitoring – 2020/2021

A report dated 25 August 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 16 July 2021.

The total COVID-19 funding available in 2021/2022, including £31.490 million carried forward from reserves in 2020/2021, amounted to £57.075 million, details of which were provided in Table 1 of the report. £25.186 million of that sum constituted specific funding for the purposes detailed in the report and it was anticipated that this funding would be spent in the year. The remaining funding of £31.889 million would be used to meet potential costs detailed in Section 5 of the Executive Director's report as well as ongoing costs into 2022/2023. The estimated costs of COVID-19 in 2021/2022, totalling £18.199 million, were detailed in Appendix 1 to the report.

The total COVID-19 net expenditure as at 16 July 2021 was £6.759 million, an increase of £5.465 million on the period 2 figure. Those costs were partially offset by specific funding of £4.512 million, leaving costs of £2.247 million to be met from non-specific funding. A full breakdown was detailed in Appendix 3 to the report.

As at 16 July 2021, the position on the General Fund Revenue Account was an overspend of £0.364 million, as detailed in Appendix 2 to the report. This included a breakeven position of COVID-19 spend and income received.

The figures showed a breakeven position on the Housing Revenue Account at 16 July 2021, as detailed in Appendix 4 to the report.

The Forum decided:

- (1) that the 2021/2022 COVID-19 position be noted;
- (2) that the total net expenditure of £2.247 million in relation to COVID-19, offset by Government Grant included in the Council's position as at 16 July 2021, be noted;
- (3) that the net overspend of £0.364 million on the General Fund Capital Programme at 16 July 2021, after COVID-19 spend and funding, be noted;
- (4) that the breakeven position of the Housing Revenue Account be noted.

[Reference: Minutes of 1 July 2021 (Paragraph 8)]

5 Revenue Budget Monitoring 2021/2022 – Detailed Resource Analysis

A report dated 25 August 2021 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period 16 July 2021 (Period 4).

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 16 July 2021 (Period 4)
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 16 July 2021 (Period 4)
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 16 July 2021 (Period 4)

Councillor Gray referred to the underspend in relation to Basic Grade Social Workers as a result of vacancies and asked for further information regarding those. Officers agreed to take this back to the Resource and feed back to Councillor Gray.

The Forum decided: that the position as at 16 July 2021 (Period 4) be noted.

[Reference: Minutes of 1 July 2021 (Paragraph 9)]

6 Urgent Business

There were no items of urgent business.