

FINANCIAL RESOURCES SCRUTINY FORUM

Minutes of meeting held via Microsoft Teams on 26 November 2020

Chair:

Councillor Monique McAdams

Councillors Present:

Councillor Walter Brogan, Councillor Mary Donnelly, Councillor Grant Ferguson, Councillor Eric Holford, Councillor Jared Wark

Councillors' Apologies:

Councillor Archie Buchanan, Councillor Janine Calikes, Councillor Martin Lennon

Attending:

Finance and Corporate Resources

C Lyon, Administration Officer; 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 29 October 2020 were submitted for approval as a correct record.

In response to questions at the previous meeting from Councillor Holford, officers confirmed that:-

- ♦ the bridges projects had been recalibrated when the 2020/2021 Capital programme was agreed
- ♦ the General Services and Housing Programmes were recording ahead/behind programme in a consistent way. There would be different reasons why projects might be delayed, for example COVID-19 or other reasons

The Forum decided:

- (1) that the minutes be approved as a correct record; and
- (2) that the update from officers, as detailed above, be noted.

3a Capital Budget Monitoring 2020/2021– General Fund Capital Programme

A report dated 10 November 2020 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the General Fund Capital Programme 2020/2021 at 11 September 2020 (Period 6).

The revised programme for the General Fund Capital Programme for 2020/2021 totalled £85.090 million, as detailed in Appendix B to the report. The revised programme consisted of the base budget plus carry forward projects, previously approved adjustments and adjustments to the programme, totalling an increase of £1.974 million, as detailed in Appendix A to the report, which had been agreed at Executive Committee on 4 November 2020.

At 11 September 2020, £16.827 million had been spent and actual funding received to 11 September 2020 was £51.515 million, as detailed in Appendix D to the report.

The physical progress achieved with the General Fund Capital Programme 2020/2021 at 11 September 2020 was detailed in Appendices E to G of the report.

Councillor Holford asked what the programme status was in relation to Ponfeigh Bridge and if the tender process had now been completed. Officers agreed to raise this with the Roads Service and provide an update.

Councillor Brogan requested clarification on the COVID-19 additional monies for school transport as he had raised some issues with Education Resources. Officers provided an explanation on the funding and undertook to advise Education Resources of his comments.

The Forum decided: that the position as at 11 September 2020 be noted.

[Reference: Minutes of 29 October 2020 (Paragraph 3a) and Minutes of the Executive Committee of 4 November 2020 (Paragraph 3)]

Councillor Donnelly joined the meeting during this item of business

3b Capital Budget Monitoring 2020/2021 – Housing Capital Programme

A report dated 10 November 2020 by the Executive Director (Finance and Corporate Resources) was submitted on the position of the Housing Capital Programme 2020/2021 at 11 September 2020 (Period 6).

The revised Housing Capital Programme for 2020/2021 totalled £48.172 million, spend to 11 September 2020 totalled £11.959 million and actual funding received was £11.961 million, as detailed in Appendix 1 to the report.

The physical progress achieved with the Housing Capital Programme 2020/2021 at 11 September 2020 was detailed in Appendix B to the report.

Councillor Ferguson requested details in relation to the delay with the tender for Kirkton Place, East Mains, East Kilbride. Officers agreed to obtain this information and feedback to Councillor Ferguson.

The Forum decided: that the position as at 11 September 2020 (Period 6) be noted.

[Reference: Minutes of 29 October 2020 (Paragraph 3b) and Minutes of the Executive Committee of 4 November 2020 (Paragraph 3)]

4 Revenue Budget Monitoring – 2020/2021

A report dated 4 November 2020 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 as at 11 September 2020.

The figures included an overspend, before COVID-19 funding, on the General Fund Revenue Account of £11.454 million. Once COVID-19 funding was included, the position was an overspend of £0.182 million.

Information on the COVID-19 pressures across the Resources was included in Appendices 1, 2 and 3 to the report. Details were also provided on the Council's predicted COVID-19 spend of £4.667 million for 2020/2021.

The total Food Fund, Hardship Fund and Consequentials funding used to 11 September 2020 was £11.272 million, which equated to 50.7% of the total funding confirmed to date and included £0.751 million of funding used in 2019/2020. The reduction in percentage of funding utilised since period 5 reflected the inclusion of the Education specific funding.

At its meeting on 12 August 2020, the Executive Committee had approved an additional payment of £1.269 million to South Lanarkshire Leisure and Culture (SLLC) to manage the lost income pressure which was included in the Community and Enterprise Resources' COVID-19 costs. The loss of income was significant and consideration on the sustainability of services by the Trust would be required. The estimate for the full year included in the Cost of Recovery was £3.200 million.

Despite investment in the Children and Families Service, there continued to be financial pressures which were mainly due to additional external residential placements made in the early part of the year. The overspend at 11 September 2020 (Period 6) was £0.243 million and work was ongoing with the Service to reduce the overspend further.

Financial pressures were also evident within the Adults and Older People's Service in relation to increasing costs within the Home Care Service. Work was ongoing to identify actions to manage and reduce this financial pressure, which at present was estimated at £1.3 million. Work continued to establish any costs that were related to COVID-19 to ensure those were reported to the Scottish Government as part of the Mobilisation plan. Actions were in place to manage the level of overspend for the year and included discussion with the Integrated Joint Board (IJB) Chief Financial Officer on recovery plan solutions. An update would be provided to the next meeting of the Executive Committee.

The Housing Revenue Account at 11 September 2020 showed a breakeven position, as detailed in Appendix 4 to the report. The forecast to 31 March 2020 was a breakeven position.

Within the breakeven position, there was an anticipated year end transfer to reserves related to the net underspend on repairs and maintenance due to the COVID-19 lockdown. This funding would be required in future years to complete the repairs and maintenance work which could not yet be carried out.

The Forum decided:

- (1) that the net overspend of £0.182 million on the General Fund Revenue Account at 11 September 2020 be noted;
- (2) that the breakeven position on the Housing Revenue Account at 11 September 2020 and the forecast to 31 March 2021 of a breakeven position be noted;
- (3) that the total net expenditure and lost income of £11.272 million in relation to COVID-19, offset by Government Grant included in the Council's position as at 11 September 2020, be noted;
- (4) that the pressures experienced in Children and Families' and Adult and Older People's Services be noted; and

- (5) that the Council's predicted spend in relation to COVID-19 of £4.657 million for 2020/2021 be noted.

[Reference: Minutes of 29 October 2020 (Paragraph 4) and Minutes of the Executive Committee of 4 November 2020 (Paragraph 4)]

5 Revenue Budget Monitoring 2020/2021 – Detailed Resource Analysis

A report dated 4 November 2020 by the Executive Director (Finance and Corporate Resources) was submitted comparing actual expenditure against budgeted expenditure for the period ending 11 September 2020 (Period 6).

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 11 September 2020 (Period 6)
- ◆ details of the most significant variances within Resources and the Housing Revenue Account across subjective headings and across Services as at 11 September 2020 (Period 6)
- ◆ a line by line trend analysis of the total Resources' expenditure and income across subjective headings as at 11 September 2020 (Period 6)

The Forum decided: that the position as at 11 September 2020 (Period 6) be noted.

[Reference: Minutes of 29 October 2020 (Paragraph 5)]

6 Urgent Business

There were no items of urgent business.