

MINUTE
of
CABINET

Minute of meeting held at 10.00am in the Council Chamber, Council Headquarters, Giffnock on 2 March 2023.

Present:

Councillor Owen O'Donnell (Leader)	Councillor Danny Devlin
Councillor Andrew Anderson	Councillor Katie Pragnell

Councillor Owen O'Donnell, Leader, in the Chair

Attending:

Lorraine McMillan, Chief Executive; Caitriona McAuley, Director of Environment; Barbara Clark, Chief Accountant; Suzanne Conlin, Senior Housing Manager; Paul Parsons, Principal Accountant; John Burke, Committee Services Officer; and Liona Allison, Assistant Committee Services Officer.

DECLARATIONS OF INTEREST

366. There were no declarations of interest intimated.

ESTIMATED REVENUE BUDGET OUT-TURN 2022/23

367. The Cabinet considered a report by the Head of Accountancy (Chief Financial Officer) detailing the estimated projected revenue budget out-turn for 2022/23 and providing details of the expected year-end variances together with summary cost information for each of the undernoted services as at 31 December 2022 and subsequent assessment of pressures arising from COVID-19.

- (i) Education Department;
- (ii) Contribution to Integration Joint Board;
- (iii) Environment Department;
- (iv) Environment Department – Support;
- (v) Chief Executive's Office;
- (vi) Chief Executive's Office – Support;
- (vii) Business Operations and Partnerships Department;
- (viii) Business Operations and Partnerships Department – Support;
- (ix) Other Expenditure and Income;
- (x) Joint Boards;
- (xi) Contingency – Welfare;
- (xii) Health and Social Care Partnership; and
- (xiii) Housing Revenue Account.

The Chief Accountant advised that on the basis of the information, and taking account of forecast Council Tax collection, a year end operational underspend of £1.440m was forecast on General Fund services. The reasons for departmental variances were set out in the report.

She outlined that any such operational underspend at this year-end would assist the Council in meeting future years' budget challenges.

It was noted that the above figures reflected that £5.528m of forecast COVID-related pressures would be covered by drawing on the Council's COVID grant resources and as a result did not impact on the operational budget position.

It was noted that the forecast outturn position could still be subject to significant change, for example if COVID pressures increased again or if the current year teachers' pay award was settled at a higher level than anticipated. Conversely, it was hoped that management action to avoid any non-essential expenditure could increase the underspend at year end.

In addition, the report sought approval for a number of service virements and operational budget adjustments, details of which were outlined. In view of the very challenging financial outlook for 2023-24 and beyond, the report sought approval for directors to take action to avoid all non-essential expenditure for the remainder of the year.

Following a brief discussion, where it was confirmed that funding for free school meals was a statutory requirement but was not ring-fenced in the Council's budget, the Cabinet agreed:

- (a) to note the continued financial pressures on operational services arising from the COVID-19 pandemic and that it was expected to cover those from the COVID grant reserve;
- (b) to note the forecast underlying General Fund operational underspend of 1.440m together with the HRA operational overspend of £123k;
- (c) to approve service virements and operational adjustments as set out in the notes to the tables on pages 14 to 31 and note the reported probable out-turn position; and
- (d) that all departments continue to closely monitor and manage their budgets, ensuring that spending up to operational budget levels did not take place.

GENERAL FUND CAPITAL PROGRAMME

368. The Cabinet considered a report by the Head of Accountancy (Chief Financial Officer), monitoring expenditure against the approved General Fund Capital Programme as at 31 December 2022, and recommending adjustments where necessary, in light of issues that had arisen since the Programme had been approved.

The Chief Accountant advised that the report indicated a shortfall in resource of £0.272m, which was within manageable limits.

The report reflected the updated project positions as reported to Cabinet on 1 December 2022 and advised of a number of movements in the current year's Capital Programme, which the Cabinet was invited to approve. These related mainly to the timing of projects, and reflected shortages of materials and labour as well as backlogs in tendering and site starts. This had resulted in significant slippage of £7.810m in capital expenditure from that last reported on 1 December 2022.

Officers would continue to monitor the position and submit reports to future Cabinet meetings should costs exceed budgeted levels for projects. Detailed explanations of reasons for major movements within the programme were set out in the report.

Following a discussion where it was agreed that the Environment Department work with Finance to ensure robust financial planning of projects took place, the Cabinet **recommended that the Council:-**

- (a) note and approve the movements within the Programme; and
- (b) note the shortfall of £0.272m and that this would be managed and reported within the final accounts for the year.

HOUSING CAPITAL PROGRAMME

369. The Cabinet considered a joint report by the Head of Accountancy (Chief Financial Officer) and Director of Environment, monitoring expenditure as at 31 December 2022 against the approved Housing Capital Programme 2022/23.

The Chief Accountant advised that there was a shortfall in the programme of £0.103m, which was within manageable limits. The report revised total project costs approved by Council on 3 March 2022.

There had been a number of movements in the Programme. These related mainly to timing delays due to the impact of COVID-19 on both existing and new housing projects. The report outlined slippage of £2.054m in capital expenditure from the figure reported on 1 December 2022 due to projects taking longer to complete, with full details provided in the report.

Increased construction cost pressures were also impacting on the Housing Capital Programme. It was advised that officers would continue to monitor this position and provide updates in future reports to Cabinet if costs cannot be contained.

Following a brief discussion on specific projects, the Cabinet **recommended that the Council:-**

- (a) note and approve the current movements within the programme; and
- (b) note the shortfall of £0.103m and that this would be managed and reported within the final accounts for the year.

CHAIR

