

Minutes

Finance and Resources Committee

10.00am, Thursday 23 January 2020

Present

Councillors Rankin (Convener), Griffiths (Vice-Convener), Booth, Bruce, Corbett, Hutchison, Johnston, Munn, Neil Ross, Watt and Work (substituting for Councillor Gordon).

1. Minutes

Decision

To approve the minute of the Finance and Resources Committee of 6 December 2019 as a correct record.

2. Work Programme

The Finance and Resources Committee Work Programme as at 23 January 2020 was submitted.

Decision

To note the Work Programme.

(Reference – Work Programme 23 January 2020, submitted.)

3. Rolling Actions Log

The Finance and Resources Committee Rolling Actions Log as at 23 January 2020 was submitted.

Decision

1) To agree to close the following actions:

Action 7 (decision 2) – Corstorphine Youth and Community Centre

Action 14 (decision 6) – Corstorphine Community Centre

2) To otherwise note the remaining outstanding actions.

(Reference – Rolling Actions Log 23 January 2020, submitted.)

4. Business Bulletin

The Finance and Resources Committee Business Bulletin for January 2020 was submitted.

Decision

To note the Business Bulletin.

(Reference – Business Bulletin 23 January 2020, submitted.)

5. Revenue Monitoring 2019/20 – Month Eight Position

Committee considered a report that detailed the projected Council-wide revenue budget position for the year at month eight, based on analysis of period eight data, building on the earlier in-year forecasts reported to the Committee.

An overall balanced position was projected however the need for Directorate expenditure to be contained within approved levels remained critical to the sustainability and integrity of the budget framework.

Decision

- 1) To note that a balanced overall position continued to be projected for the year.
- 2) To note, nonetheless, that Executive Directors and the Chief Officer of the Edinburgh Integration Joint Board would continue to monitor robustly and control proactively expenditure pressures for the remainder of the year.
- 3) To note the balanced projected position on the Housing Revenue Account after making planned contributions towards housing investment.
- 4) To refer the report to the Governance, Risk and Best Value Committee as part of its work programme.
- 5) To agree that Committee Services would circulate the presentation given to the Elected Members ICT and Digital Sounding Board to Committee members.

(Reference – report by the Executive Director of Resources, submitted.)

6. Capital Monitoring 2019/20 – Month Eight Position

Details were provided of the capital expenditure and income forecasts for the General Fund and Housing Revenue Account for 2019/20 with explanations for significant variances.

Decision

- 1) To note the projected capital outturn position for the General Fund and Housing Revenue Account at month eight.
- 2) To note the Council's prudential indicators at month eight.
- 3) To refer the report to the Governance, Risk and Best Value Committee for consideration as part of its work programme.
- 4) To clarify the percentage of homes expected to meet Energy Efficiency Standard for Social Housing by the end of the year.
- 5) To agree that officers would investigate whether a different accounting approach could be used other than the current approach of showing slippage on house building projects as a reduction in capital.

(Reference – report by the Executive Director of Resources, submitted.)

7. Accounts Commission: Local Government in Scotland – Financial Overview 2018/19

The Accounts Commission had published its annual 'Local Government in Scotland Financial Overview 2018/19' report in December 2019. Information was provided on the key issues and themes identified in the report and how these related to the local context within Edinburgh.

The full report was attached to the report at Appendix 1.

Decision

- 1) To note the report.
- 2) To refer the report to the Governance, Risk and Best Value Committee for scrutiny.
- 3) To agree that officers would liaise with Audit Scotland regarding the information contained in Exhibit 4 of the Audit Scotland report to request that sources of income for local authorities was presented in different format that indicated the extent to which the City of Edinburgh Council was underfunded in relation to other local authorities.

(Reference – report by the Chief Executive and Executive Director of Resources, submitted.)

8. Resources Directorate – Revenue Budget Monitoring 2019/20 – Month Eight position

Details were provided of the projected eight-month revenue budget monitoring position for the Resources Directorate, based on actual expenditure and income to the end of November 2019 and expenditure and income projections for the remainder of the financial year.

The Resources Directorate was projecting a budget pressure of £0.631m for the 2019/20 financial year and would continue to progress identification and implementation of savings to offset the pressure and achieve an outturn expenditure within approved levels.

Decision

- 1) To note that the Resources Directorate was currently forecasting a budget pressure of £0.631m for the end of the 2019/20 financial year.
- 2) To note that the Executive Director and Heads of Service were continuing to progress the identification of additional savings measures to offset this budget pressure to achieve outturn expenditure in line with the approved revenue budget for 2019/20.
- 3) To note the ongoing risks to the achievement of a balanced revenue budget projection for the Directorate.

(Reference – report by the Executive Director of Resources, submitted.)

9. Chief Executive – Revenue Budget Monitoring 2019/20 – Month Eight Position

Committee considered a report that provided details of the projected eight-month revenue budget monitoring position for the Chief Executive's Service, based on actual expenditure and income to the end of November 2019 and expenditure and income projections for the remainder of the financial year.

The Chief Executive's Service was projecting expenditure and income within the approved budget for 2019/20 and would continue to progress delivery of approved savings to achieve outturn expenditure in line with the 2019/20 revenue budget.

Decision

To note that the forecast outturn was in line with the approved revenue budget for the Chief Executive's Service for the 2019/20 financial year as at month 8.

(Reference – report by the Chief Executive, submitted.)

10. Annual Report – Debt Write-off

An annual report provided a summary of income streams deemed uncollectable and written off during 2018/19, in line with the Council's Corporate Debt Policy. The policy required an annual summary of in-year write-offs to be reported to the Finance and Resources Committee.

Decision

- 1) To note the sums due to the Council that were written off during 2018/19 and the low value (0.60%) this represented compared to the overall level of income collected.
- 2) To note write off values for 2018/19 (0.60%) were lower than the 2017/18 (0.73%) levels.
- 3) To note that while a debt was written off for accounting purposes, cases would be reviewed, and payment appropriately pursued, if there was a material change in the debtor's circumstances.
- 4) To agree to liaise with policy officers about their engagement with Scottish Government regarding amending policy to allow the Council to more effectively recover parking charge debt.

(Reference – report by the Executive Director of Resources, submitted.)

11. Mixed Tenure Improvement Service Pilot

Details were provided of proposals to pilot a Mixed Tenure Improvement Service (MTIS) to support essential repair and maintenance work in mixed tenure blocks as part of the Housing Revenue Account (HRA) Capital Programme.

The pilot would include increased support being made available for home-owners in HRA-led projects to meet the cost of the work. The financial implications on the HRA and General Fund were set out in the report.

Decision

- 1) To note proposals to pilot a Mixed Tenure Improvement Service (MTIS) to help support common repairs and maintenance in blocks where there was a mix of Council and privately-owned homes.
- 2) To note that MTIS was self-financing based on the current financial modelling assumptions across the Housing Revenue Account, General Fund and owners' share of essential repair costs.
- 3) To agree to extended debt repayment terms to the Council's Scheme of Assistance to increase the support available for home-owners in HRA-led projects.
- 4) To agree that the Convener of the Finance and Resources Committee would write to the Scottish Government to request that consideration was given to the provision of low interest finance to private sector landlords to make energy efficiency improvements in mixed tenure blocks from the Scottish Investment Bank that otherwise would not be able to fund these improvements.

(Reference – report by the Executive Director of Place, submitted.)

12. Award of Private Sector Leasing

Approval was sought to award a contract for Private Sector Leasing to assist the Council to fulfil its statutory duty to provide temporary accommodation for homeless households and households at risk of homelessness.

Details of the procurement exercise and proposed contract were provided.

Decision

To approve the award of a contract for Private Sector Leasing to Link Group Ltd to commence on 1 April 2020 for a period of five years with the option to extend for up to a further five years with an estimated total value of £225.9m over the ten years. This comprised lease costs of £173.0m and management fees of £52.9m.

(Reference – report by the Executive Director for Communities and Families, submitted.)