

## **EAST AYRSHIRE COUNCIL**

### **DEVELOPMENT SERVICES COMMITTEE – 12 OCTOBER 2005**

#### **DEPARTMENTAL GENERAL FUND BALANCES**

##### **Report by Executive Director of Development and Property Services**

### **1. PURPOSE OF REPORT**

1.1 To seek committee approval to allocate the departmental general fund balances to fund projects identified and appraised by the departmental Senior Management Team.

### **2 BACKGROUND**

2.1 Following committee approval in October 2002, departments were allowed to carry forward year-end balances at the end of each financial year to be held as earmarked reserves in the General Fund.

2.2 Whilst it is prudent for departments to hold such balances for unforeseen contingencies, it was considered appropriate that a maximum level of balances to be held was determined. A paper was presented to the Policy & Resources Committee on 31 May 2005, where it was agreed that departments should plan to hold no more than 4% of their gross expenditure by the end of the three-year period. Accordingly, where balances significantly in excess of this are held and not identified for future anticipated liabilities or projects, members may consider transfer of the excess to the uncommitted General Fund balances for use in other areas.

### **3. ALLOCATION OF DEPARTMENTAL GENERAL FUND BALANCES**

3.1 It is suggested that 2.5% of the Department of Development and Property Services net expenditure budget be held as a contingency against unexpected events, this equates to approximately £443,000.

3.2 Assuming that the Development Services Committee agree to retain a contingency fund as described above, it is therefore proposed that the Department of Development & Property Services allocate up to a maximum of £880,000 of its accumulated balances to fund projects identified and appraised by the departmental Senior Management Team.

3.3 An assessment of suitable projects was undertaken utilising the following criteria

- Community Plan/Corporate Objectives;
- Departmental Service Plan; and
- Financial and economic appraisal including impact on Asset Base, Revenue impact and potential external funding leverage.

3.4 The top ranked 13 projects proposed to be funded from the Departmental General Fund Balances are listed below in order of rank with details of the funding allocation for each project:-

<b>Rank</b>	<b>Project</b>	<b>Proposed Allocation</b>
<b>1</b>	Auchinleck One Stop Shop	£200,000
<b>2</b>	Environmental Works Greenbraes/ Greenholm Road	£80,000
<b>3</b>	Roads related works at Greenholm Road/ Greenbraes	£200,000
<b>4</b>	Bellfield Bowling Club/ Changing Pavillion, Bellfield, Kilmarnock.	£15,000
<b>5</b>	Lugar Bridge, Cumnock	£130,000
<b>6</b>	CARS & THI Consultancy Study	£40,000
<b>7</b>	Auchinleck Community Gardening Initiative	£30,000
<b>8</b>	Daldorch Footbridge, Catrine	£60,000
<b>9</b>	A71/200 Riccarton Bridge, Kilmarnock	£70,000
<b>10</b>	Cumnock Bus Station Frontage Enhancement	£15,000
<b>11</b>	Green Street/ Sturrock Street	£6,500
<b>12</b>	Removal of Detritis from existing Rural Footpaths	£10,000
<b>13</b>	Glaisnock Water Riverside Footpath, Stablisation	£5,000
	<b>Total Proposed Allocation</b>	<b>£861,500</b>

#### **4. POLICY IMPLICATIONS**

4.1 Those projects proposed to be allocated funding from the departmental general fund balances are consistent with the East Ayrshire Community Plan and Departmental Service Plan.

#### **5. FINANCIAL IMPLICATIONS**

5.1 A protocol for the proper financial management and administration of the departmental general fund balances has been established by the Financial Services Manager for Development & Property Services.

#### **6. LEGAL AND PERSONNEL IMPLICATIONS**

6.1 Nil.

## **7. RECOMMENDATIONS**

**7.1 It is recommended that the equivalent of 2.5% of the Department of Development and Property Services net expenditure budget be held as a contingency in the Departmental General Fund Balances against unexpected events, this equates to approximately £443,000, and that the remaining £880,000 be allocated to fund the projects identified in paragraph 3.4 above, in 2005/06 and 2006/07.**

**James Lavery**

**Executive Director of Development and Property Services**

29 September 2005 (CMcK/SA)

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### **LIST OF BACKGROUND PAPERS**

Nil.

Anyone wishing to inspect the above papers please contact Colin McKee on (01563) 576759.

***Implementation Officer: James Lavery***