

BUDGET SCRUTINY GROUP

REPORT OF MEETING HELD ON THURSDAY 25 MARCH 2004 AT 1000 HRS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillors Drew McIntyre, John Knapp, Stuart Finlayson, Neil McGhee, Elaine Dinwoodie; Fiona Lees, Depute Chief Executive/Director of Corporate Resources; and Alex McPhee, Director of Finance.

ATTENDING: Ian Arnott, Corporate Accounting Manager; Julie Jamieson, Financial Services Manager (Corporate Accounting); and Sharon McHarg, Administrative Officer.

APOLOGIES: Councillors Willie Coffey and Douglas Reid.

CHAIR: Councillor Drew McIntyre, Chair.

BUDGET SCRUTINY GROUP MEETING HELD ON 5 FEBRUARY 2004

1. There was submitted and noted a report of the meeting held on 5 February 2004 (circulated).

BUDGETARY CONTROL STATEMENT - FINANCIAL MONITORING REPORT TO 8 FEBRUARY 2004 (PERIOD 11)

2. There was submitted a report dated 10 March 2004 (circulated) by the Director of Finance which advised Members of the current budgetary control position of the General Services Revenue Account, Trading Services Account, General Services Capital Programme, Housing Revenue Account and Housing Capital Programme for the period ended 8 February 2004 (Period 11).

It was noted that a copy of the Trading Services Operating Statement had been made available to Members for one hour before and also at the meeting.

GENERAL SERVICES REVENUE ACCOUNT

3. The Group noted the report by the Director of Finance that the current projected out-turn for the year end to 31 March 2004 was a surplus of £0.718m.

3.1 EDUCATION

The Group noted that the Nursery Nurses pay dispute is still ongoing and may impact on the projected out-turn for the year end.

3.2 SOCIAL WORK

The Group noted that the Social Services Department would out-turn £0.271m under budget at 31 March 2004 and that this was as a result of stringent monitoring of expenditure and income.

3.3 DEVELOPMENT SERVICES

It was noted that the Head of Economic Development anticipated to out-turn £0,128m under budget.

3.4 COMMUNITY SERVICES

It was noted that the Director of Community Services anticipate a surplus of £0.002453m.

3.5 COMMUNITY BUDGETING

The Group noted that funding initially allocated to a number of Councils for community budgeting for 2003/04 had been withdrawn by the Scottish Executive.

3.6 DEBT CHARGES

The Group noted that it was anticipated that savings arising from a combination of the ability to postpone external borrowing to fund capital works, management of the resulting cash balances and debt rescheduling would result in a reduction in anticipated debt charges.

TRADING SERVICES ACCOUNT

4. The Group noted that there were no material variances to report in respect of individual Trading Services with the exception of Building and Works which was anticipated to out-turn £0.371m better than budget.

GENERAL SERVICES CAPITAL PROGRAMME

5. The Group noted that the projected under-commitment of £0.236m was the result of three main changes to the projected expenditure and funding of the programme during the current year and that as a result it had been necessary to revise the funding assumptions to take account of the changes within the projected expenditure.

HOUSING REVENUE ACCOUNT

6. The Group noted that the Housing Revenue Account was currently projected to out-turn £0.100m under budget.

CENTRAL SERVICES

7. The Group noted that the projected underspend of £0.368m arose principally from an underspend in Finance employee costs and higher than budgeted recovery of Housing Benefit Subsidy offset by a potential VAT payment which was being negotiated with Customs and Excise.

CORPORATE RESOURCES

8. The Group noted that the current variances were mainly due to the timing of expenditure with the exception of Legal and Administration where it was anticipated that an underspend of £0.1m on employee costs would rise.

HOMES AND TECHNICAL SERVICES

9. The Group noted:
- (i) a projected underspend of £0.131m, the main variance being a projected underspend in salaries in Contracting and Technical Services;
 - (ii) that the income projected out-turn for the year end was a deficit of £0.057m.

The meeting terminated at 1025 hrs.