

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE – 1 APRIL 2004

BUDGETARY CONTROL STATEMENT GENERAL FUND SERVICES

Report by Director of Finance

1 PURPOSE OF REPORT

- 1.1** To advise Members of the current budgetary control position of the General Services Revenue Account.

2 OVERALL POSITION

REVENUE

- 2.1** The budgetary position summarised at Period 11 is shown in Appendix 1. The budgeted outturn position at 31 March 2004 is a break-even position. The currently projected outturn for the year to 31 March 2004 is an uncommitted surplus of £0.718m.
- 2.2** As previously reported, the uncommitted balance brought forward from 2002/03 is £1.524m.
- 2.3** The Policy and Resources Committee of 3 October 2002 agreed that in order to promote better long term planning departmental balances generated by managed savings should be carried forward for future use by the department concerned. Conversely departments overspending their allocation would carry this forward as a first charge against next year's budget.
- 2.4** At period 11, £0.821m of departmental underspends would be eligible for carry forward.
- 2.5** As previously reported, it is 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 will result in a reduction in anticipated debt charges of £0.200m in respect of HRA and £0.400m for General Services.

3 SPECIFIC DEPARTMENTAL ISSUES

3.1 Education

Negotiations are taking place in respect of the Nursery Nurses pay dispute but the final costs are unknown. The figures include the cost of implementing the proposed national guidance which would amount to £0.189m. The Director of Educational and Social Services has confirmed that he is taking action designed to bring total expenditure into line with the departmental resource allocation.

3.2 Social Services

The Director of Educational and Social Services has indicated that the Social Services Department will outturn £0.271m under budget at 31 March 2004. This arises from various issues throughout the Department resulting from stringent monitoring of expenditure and income.

3.3 Development Services

Members should note that the Head of Economic Development is currently pursuing a view from the Scottish Executive with regard to the carry forward of unutilised balances in respect of the Top of the Town Development.

In respect of the Roads DLO it should be noted that the outturn position is heavily dependant on the accuracy of interim valuations carried out in respect of work-in-progress, as provided by the Head of Roads which represent a high proportion of the income figure shown. It has been assumed that all work currently available will be completed by 31 March 2004 in line with advice from the Director of Development Services.

3.4 Central Services

The projected underspend to 31 March 2004 of £0.368m is due to a favourable variance of £0.228m within Finance, £0.395m within Housing Benefit Subsidy and £0.025m within Corporate Office Accommodation, offset by an adverse variance of £0.280m in Miscellaneous Services.

3.5 Corporate Resources

The projected underspend to 31 March 2004 of £0.100m is due to reduced Employee Costs as a result of the timing of filling of vacancies.

3.6 Homes and Technical Services

The projected favourable variance of £0.132m is mainly due to the timing of filling vacancies within Contracting and Technical Services.

3.7 Quality of Life

There are a number of underspends within Quality of Life schemes throughout the Departments arising from slippage. These will be ring-fenced and carried forward as part of the General Fund balance.

3.8 Community Budgeting

Members should note that funding initially allocated to a number of councils for Community Budgeting for 2003/2004 has been withdrawn by the Scottish Executive. This is due to their perception that the programme would not realise the benefits to communities which they hoped for at the outset of the programme. No costs have been incurred and the effect is neutral.

3.9 Building and Works

Building and Works is anticipated to outturn £0.371m better than budget.

4 CAPITAL

4.1 The projected under commitment of £0.236m is the result of 3 main changes to the projected expenditure and funding of the programme during the current period;

- Additional borrowing consent of £2.300m was granted by the Scottish Executive during the period in respect of the proposed North West Neighbourhood Services Centre, although the revised payment profile projects that a maximum of £0.400m will be incurred in the current year phasing.
- The preliminary site works associated with the Galston flood prevention works are expected to be £0.065m in the current year with the balance of £0.235m being phased in 2004/05.
- The initial works associated with the CCTV Centre at London Road will only incur costs of £0.040m in the current year, with a commitment carried forward to 2004/05 of the remaining £0.043m.

It has therefore been necessary to revise the funding assumptions to take account of the changes within the projected expenditure. It is not expected that capital receipts achieved in the current year will be applied to fund expenditure. In addition the anticipated draw on the capital fund of £0.203m will not take place. The anticipation of 10% above the consent will not be applied. All of these are timing adjustments resulting from a delay in incurring capital expenditure until 2004/05 and do not result in additional resources being available.

SERVICE	Revised Budget 2003/04	Actual Expenditure to Date	Projected Expenditure 2003/04	Variance Actual / Revised Budget
	£	£	£	£
Education	3,843,000	1,911,860	3,843,000	0
Social Services	1,580,000	21,667	330,000	-1,250,000
Community Services	1,151,000	620,094	1,151,000	0
Development Services	8,422,000	4,415,060	8,187,000	-235,000
Corporate Property Issues	190,000	156	190,000	0
Policy & Resources	4,513,000	909,120	2,520,000	-1,993,000
Homes & Technical Services	550,000	429,774	550,000	0
Total Capital Expenditure	20,249,000	8,307,731	16,771,000	-3,478,000
Funded By				
Section 94 Borrowing Consents	11,482,000	7,863,643	11,482,000	0
Section 94 Borrowing Consent- Grants	5,455,000	431,772	5,455,000	0
Useable Capital Receipts	920,000	12,316	20,000	900,000
DLO Profit Element	50,000	0	50,000	0
Transfer from Capital Fund	203,000	0	0	203,000
Anticipation	1,654,000	0	0	1,654,000
Total Funding	19,764,000	8,307,731	17,007,000	2,757,000
Over/ (Under) Section 94 Limit	485,000	0	-236,000	-721,000

5 RECOMMENDATIONS

5.1 It is recommended that Members note the contents of this report.

Alex McPhee
Director of Finance

JJ/JP
15 March 2004
ENC (1)

LIST OF BACKGROUND PAPERS

NIL

Members wishing further information should contact Ian Arnott, Corporate Accounting Manager, Tel: (01563) 576307.