

BUDGET SCRUTINY GROUP

REPORT OF MEETING HELD ON THURSDAY 27 JANUARY 2005 AT 1135 HRS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillors Drew McIntyre, Douglas Reid, Stuart Finlayson, Neil McGhee and Elaine Dinwoodie; and Fiona Lees, Chief Executive; and Alex McPhee, Executive Head of Finance.

ATTENDING: Elizabeth Morton, Depute Chief Executive/Executive Director of Corporate Support; Julie Jamieson, Strategic and Operational Accountant; and Sharon McHarg, Administrative Officer.

APOLOGIES: Councillors Willie Coffey and Knapp.

CHAIR: Councillor Drew McIntyre, Chair.

BUDGET SCRUTINY GROUP MEETING HELD ON 22 DECEMBER 2004

1. There was submitted a report of the meeting held on 22 December 2004 (circulated). It was agreed to note the report as a correct record of the meeting subject to the following amendments:-
 - (i) replace £0.613m with £1.213m at item 3.5, paragraph (ii) of the report; and
 - (ii) replace "CORPORATE SUPPORT" and "Central Support" with "CENTRAL SERVICES" and "Central Services" respectively, at item 3.9 of the report.

The Executive Director of Development and Property Services joined the meeting for discussion regarding the following item.

EAST AYRSHIRE WOODLANDS FINANCE REPORT 2004/05

2. There was submitted a report dated 20 January 2005 (circulated) by the Executive Director of Development and Property Services which requested the Group to consider the 2004/05 Finance Report in relation to East Ayrshire Woodlands.

Concern was expressed in respect of the £0.184m partially confirmed income which was dependant on the completion of various work before being secured. In addition to this it was noted that of the £0.135m deficit brought forward from 2003/04 none of the other partners had agreed to contribute so far.

The Executive Director of Development and Property Services updated the Group further on the budget position of East Ayrshire Woodlands. He gave the Group assurance that the work required to secure the current £0.184m partially secured income would be completed this financial year. It was thereafter agreed:

 - (i) that a report be submitted to the next meeting of the Budget Scrutiny Group updating members on the position regarding East Ayrshire Woodlands; and
 - (ii) otherwise, to note the contents of the report.

The Executive Director of Development and Property Services left the meeting.

BUDGETARY CONTROL STATEMENT - FINANCIAL MONITORING REPORT TO 12 DECEMBER 2004 (PERIOD 9)

3. There was submitted report dated 19 January 2005 (circulated) by the Executive Head of Finance which advised of the projected financial position for Revenue Services and Capital Programmes based on expenditure to 12 December 2004 (Period 9) and information provided by Executive Directors.

3.1 GENERAL SERVICES REVENUE ACCOUNT

The Group noted that:

- (i) the current projected out-turn for the year to 31 March 2005 was an uncommitted surplus of £0.749m; and
- (ii) at Period 9, £1.132m of Departmental underspends would be eligible for carry forward.

3.2 EDUCATION

The Group noted an adverse variance of £0.206m projected at 31 March 2005 and the Executive Director's assurances that he was confident this could be overcome by the year-end.

3.3 SOCIAL SERVICES

The Group noted:

- (i) that the Executive Director of Educational and Social Services had indicated that the Social Services Department would out-turn £0.387m under budget as at 31 March 2005;
- (ii) that the savings in staff costs which had been achieved due to the current national shortage of qualified Social Work staff and the savings on secure accommodation costs in the current year were unlikely to recur in future years.

3.4 NEIGHBOURHOOD SERVICES

The Group noted that the Executive Director of Neighbourhood Services had indicated that the Department would out-turn £0.195m under budget at 31 March 2005.

3.5 DEVELOPMENT AND PROPERTY SERVICES

The Group noted that the Executive Director of Development and Property Services anticipated:

- (i) that there would be a favourable variance of £0.106m at 31 March 2005;
- (ii) that there may be a requirement to request a draw against the £0.100m Contingency Fund for Winter Maintenance in order to fund emergency repair works carried out as a result of the recent adverse weather;
- (iii) the Development and Property Services budget included £0.600m in respect of the Working for Families Fund and £0.927m for Top of the Town development and, as noted at previous meetings of the Group, any unspent balances in respect of these monies would be carried forward subject to Scottish Executive approval.

3.6 CORPORATE SUPPORT

The Group noted that it was anticipated that Corporate Support would out-turn £0.490m under budget in Employee Costs as at 31 March 2005 arising mainly from delays in filling posts during the service review currently under way by the Finance Service.

3.7 CENTRAL SERVICES

The Group noted:

- (i) that it was anticipated that Central Services would out-turn £0.237m under budget at 31 March 2005 arising from Strathclyde Pension Fund payments being lower than anticipated and the successful conclusion of negotiations between Finance Service and Land Securities to recover previous years' VAT;
- (ii) there was a projected favourable variance of £0.350m in respect of Debt Charges which arose from a favourable cash flow profile resulting in additional investment income and savings from a debt rescheduling exercise undertaken by the Finance Service.

3.8 TRADING SERVICES

The Group noted that Building and Works budget was anticipated to out-turn £0.613m better than budget and that this projection included a provision for reduced income which may arise in the event of severe weather as indicated by the Executive Director of Neighbourhood Services.

3.9 GENERAL SERVICES CAPITAL

The Group noted that to date slippage of £4.045m was anticipated and that this would be reprofiled into future years in line with the Prudential Code.

3.10 HOUSING REVENUE ACCOUNT

The Group noted that the Housing Revenue Account was anticipated to out-turn £0.199m under budget which arose principally from savings in Employee Costs and Debt Charges, offset by additional Premises Costs.

The meeting terminated at 1155 hrs.