

## **EAST AYRSHIRE COUNCIL**

### **BUDGET SCRUTINY GROUP**

#### **REPORT OF MEETING HELD ON 22 DECEMBER 2004 AT 1000 HRS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK**

**PRESENT:** Councillors Drew McIntyre, Willie Coffey, John Knapp, Stuart Finlayson, Neil McGhee and Elaine Dinwoodie; and Fiona Lees, Chief Executive; and Alex McPhee, Executive Head of Finance.

**ATTENDING:** Joseph McLachlan, Finance Manager (Strategic and Operational Accounting); and Sharon McHarg, Administrative Officer.

**CHAIR:** Councillor Drew McIntyre, Chair.

#### **BUDGET SCRUTINY GROUP MEETING HELD ON 2 NOVEMBER 2004**

1. There was submitted and noted a report of the meeting held on 2 November 2004 (circulated).

#### **SOCIAL WORK BUDGETARY ISSUES 2004/05 AND 2005/06**

2. There was submitted and noted a report dated 14 December 2004 (circulated) by the Executive Director of Educational and Social Services which advised Members of the budgetary issues within the Social Work Service.

#### **BUDGETARY CONTROL STATEMENT - FINANCIAL MONITORING REPORT TO 14 NOVEMBER 2004 (PERIOD 8)**

3. There was submitted a report dated 14 December 2004 (circulated) by the Executive Head of Finance which advised Members of the projected financial position for Revenue Services and Capital Programmes based on expenditure to 14 November 2004 (Period 8) and information provided by the Executive Directors.

#### **3.1 GENERAL SERVICES REVENUE ACCOUNT**

The Group noted that:

- (i) the budgeted outturn position for the year to 31 March 2005 was an uncommitted surplus of £0.644m;
- (ii) there was 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;
- (iii) at Period 8, £0.939m of Departmental specific underspends would be available for carry forward by departments; and
- (iv) Building and Works was anticipated to outturn £0.613m better than budget.

### **3.2 GENERAL SERVICES CAPITAL PROGRAMME**

The Group noted that the programmed expenditure of £20.753m included an anticipated reduction of £3.653m which arose principally due to unavoidable delays on Galston Primary School Scheme (£1.730m), Adult Care Homes (£0.200m), Dalsalloch Replacement (£0.625m) and the A70 Welltrees Bridge Project (£0.300m).

### **3.3 EDUCATIONAL SERVICES**

The Executive Director of Educational and Social Services anticipated that there would be an adverse variance of £0.258m at 31 March 2005 in respect of Education, however, he had confirmed that he would continue to take opportunities as they arose to bring total expenditure into line with the Departmental resource allocation and that he was confident of doing so.

### **3.4 SOCIAL SERVICES**

The Group noted:

- (i) the projected outturn for the year for Social Services was a favourable variance of £0.356m;
- (ii) a £1.581m projected underspend in third party payments (Community Care) is largely due to expenditure commitments in respect of planned hospital discharges for people with learning disabilities and complex mental health needs not yet being realised by the Health Board; and
- (iii) that in addition, an overall projected overspend of £0.343m on secure residential school placements is anticipated due to requirement to make three additional placements.

### **3.5 NEIGHBOURHOOD SERVICES**

The Group noted:

- (i) that the Refuse Collection, Leisure Management and Outdoor Amenities were all projected to outturn on budget at 31 March 2005; and
- (ii) Building and Works was projecting a surplus of £1.213m at year end.

### **3.6 HOUSING REVENUE ACCOUNT**

The Group noted that the Housing Revenue Account was anticipated to outturn £0.199m under budget mainly arising from savings in Employee Costs and Debt Charges. This will be used to offset overspends in repair costs.

### **3.7 HOUSING CAPITAL PROGRAMME**

The Group noted that:

- (i) the Executive Director of Neighbourhood Services had indicated that at this point in the financial year there was slippage anticipated of £0.248m on the Housing Capital Programme; and
- (ii) the programme would continue to be reviewed on a regular basis and appropriate management action would be taken to outturn in line with the budget set.

### **3.8 DEVELOPMENT AND PROPERTY SERVICES**

The Group noted that:

- (i) as at Period 6 the Department of Development and Property Services was projected to outturn £0.070m below the budgeted position for the year to 31 March 2005. The net underspend position related primarily to additional income secured by the Department in relation to Planning and Building Control fees as a result of significant increase in the number of applications received, higher than anticipated recharge recovery for work undertaken by Technical Services and settlement of West of Scotland Loans Fund administration recharge for 2003/04;
- (ii) the annual budget for Economic Development now included an additional £0.600m in respect of the Working for Families Fund and as at Period 8 £0.052m had been incurred in relation to the Project. The Head of Economic Development had approached the Scottish Executive to obtain authority to roll forward any underspend as at 31 March 2005; and
- (iii) The cumulative deficit of £0.135 for East Ayrshire Woodlands for 2003/04 was reported at last meeting and the Executive Director explained that he was working with partners to secure funding.

It was agreed that the Executive Director of Development and Property Services submit a report to the next meeting of the Budget Scrutiny Group updating on the position regarding East Ayrshire Woodlands.

### **3.9 CENTRAL SERVICES**

The Group noted that an underspend of £0.237m was anticipated on Central Services - Miscellaneous Services as a result of an underspend in employee costs and the successful conclusion of negotiations between the Finance Service and Land Securities in respect of previous years VAT liabilities.

The meeting terminated at 1025 hrs.