

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 was still ongoing and the cost of the national proposal was anticipated to result in an adverse variance of £0.189m.

The Group noted that the projected out-turn for Education included £0.096m in respect of additional School Exam fees resulting from the success of the Education Maintenance Allowance Scheme. Discussions were continuing with the Scottish Executive regarding this matter but to date there had been no indication that this would be funded.

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 mainly due to a favourable variance on Secure Accommodation as well as management efficiencies throughout the Department.

3.3 DEVELOPMENT SERVICES

It was noted that the Director of Development Services anticipated to out-turn £0.128m under budget. This position was anticipated to improve as the £0.050m which was previously projected as a draw on the Contingency Fund for Roads Winter Maintenance may not now be required.

Members noted that the Director of Development Services was continuing to pursue the Scottish Executive with regard to carrying forward unutilised balances in respect of the Top of the Town Development.

3.4 COMMUNITY SERVICES

It was noted that the Director of Community Services anticipate a surplus of £0.002m at year end and that he was hopeful that the position would improve before the year end.

3.5 CENTRAL SERVICES

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. It was noted that the favourable variance would be reduced at year end mainly due to further recently approved redundancy payments agreed in respect of the Council restructure.

3.6 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.

3.7 CORPORATE RESOURCES

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 £0.100m on employee costs would arise.

3.8 HOMES AND TECHNICAL SERVICES

The Group noted:

- (i) a projected underspend of £0.131m, mainly arising from vacancies within Contracting and Technical Services;
- (ii) that the income projected out-turn for the year end was a deficit of £0.057m but that the position in respect of fees was anticipated to improve by 31 March 2004; and
- (ii) Central Repairs was projected to out-turn on budget at 31 March 2004.

3.9 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 mainly due to adverse variances in rent income and repairs offset by debt charges and Departmental efficiencies.

The meeting terminated at 1025 hrs.