

EAST AYRSHIRE COUNCIL

BUDGET SCRUTINY GROUP

REPORT OF MEETING HELD ON WEDNESDAY 1 SEPTEMBER 2004 AT 1000 HRS IN THE MEETING ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillors McIntyre, W Coffey, Knapp, Finlayson, and Dinwoodie; Fiona Lees, Chief Executive; and Alex McPhee, Executive Head of Finance.

ATTENDING: Joseph McLachlan, Finance Manager (Strategic & Operational Accounting); Julie Jamieson, Financial Services Manager; Bill Walkinshaw, Administration Manager; and Sharon McHarg, Administrative Officer.

APOLOGY: Councillors Reid and N McGhee.

CHAIR: Councillor Drew McIntyre, Chair.

BUDGET SCRUTINY GROUP MEETING HELD ON 17 JUNE 2004

1. The Group noted (i) the report of meeting held on 17 June 2004 (circulated); and (ii) the Chair's advice that a Member's enquiry in respect of the existing administrative arrangements for the dissemination of Trading Operations information had been referred to the Chief Executive for attention and was the subject of a report submitted under Item 2 for the Group's consideration.

TRADING OPERATIONS: NEW REPORT FORMAT

2. There was submitted a report dated 25 August 2004 (circulated) by the Acting Executive Director of Corporate Support which sought the Group's approval of a new format of report which provided relevant accounting information in respect of the Council's Trading Operations, to assist the Group in the scrutiny of expenditure and income.

The Chief Executive confirmed that the proposed new format took into account the level of information that the Group required to carry out its role. The previous Trading Operation information format was not user friendly and did not assist the Group to focus on key issues.

The Chief Executive advised that the new Trading Operations format had been included in the Budgetary Control Statement for Period 4 as at 25 July 2004 issued to the Group under Item 3.

The Group confirmed approval of the new report format for the Council's Trading Operations.

BUDGETARY CONTROL STATEMENT - FINANCIAL MONITORING REPORT TO 25 JULY 2004 (PERIOD 4)

3. There was submitted a report dated 20 August 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 25 July 2004 (Period 4) and information provided by Executive Directors.

3.1 GENERAL SERVICES REVENUE ACCOUNT

The Group noted that;

- (i) the budgeted out-turn position at 31 March 2005 was a break-even position; and
- (ii) it was anticipated that the deficit for 2004/05 of £0.399m would be reduced when the Executive Director of Educational and Social Services took action designed to bring total expenditure into line with the Departmental resource allocation.

3.2 NEIGHBOURHOOD SERVICES

The Group noted that it was anticipated that the projected overspend of £0.032m would be managed by the Executive Director of Neighbourhood Services to bring total expenditure into line with the Departmental resource allocation.

3.3 DEVELOPMENT SERVICES

The Group noted that the projected overspends of £0.056m was in respect of Corporate Office Accommodation which would be partly offset by other areas within the Service and that the expectation was that these variances would be contained within the overall budget allocations for the year.

3.4 CORPORATE SUPPORT

The Group noted that a favourable variance of £0.07m was anticipated to 31 March 29005 mainly due to their timing of filling of vacancies.

3.5 TRADING SERVICES

The Group noted that Building and Works was anticipated to out-turn £0.09m better than budget and there were no other material variances to report in respect of individual Trading Services.

3.6 DEBT CHARGES

The Group noted that a projected favourable variance of £0.100m in respect of Debt Charges was anticipated principally from a favourable cash flow profile resulting in additional investment.

3.7 SOCIAL SERVICES

The Group noted that:

- (i) whilst the projected out-turn for Social Services was break even, this took account of a significant level of non-recurring savings;
- (ii) there was some concern over the sustainability of this in future financial years; and
- (iii) that a future report would be submitted to the Group by the Executive Director of Educational and Social Services in relation to the above.

The meeting adjourned at 1022 hrs and reconvened at 1030 hrs with the same Members and Officers present and attending.

3.8 EDUCATION SERVICES

The Group noted an adverse variance of £0.456m in respect of Education Services and that management action will be taken by the Executive Director to offset this overspend.

The Group agreed that the Executive Director of Educational and Social Services be asked to attend the next meeting to discuss his plans to bring total expenditure into line with the Departmental resource allocation.

3.9 HRA CAPITAL PROGRAMME

The Executive Director of Neighbourhood Services joined the meeting for discussion regarding the HRA Capital Programme budget position.

The Group noted that the expenditure in respect of Retentions and Carried Forward Schemes was presented as a total figure for all services rather than being listed individually within each service.

Following discussion it was agreed that the format of the report would change.

The meeting terminated at 1030 hrs.