

EAST AYRSHIRE COUNCIL

BUDGET SCRUTINY GROUP

NOTE OF MEETING HELD ON TUESDAY 22 AUGUST 2006 AT 1145 HRS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

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

ATTENDING: Elizabeth Morton, Depute Chief Executive/Executive Director of Corporate Support; Joseph McLachlan, Corporate Accounting Manager; Julie Jamieson, Chief Accountant; and Jennifer Morrison, Administrative Officer.

APOLOGY: Councillor Elaine Dinwoodie.

CHAIR: Councillor Drew McIntyre.

BUDGET SCRUTINY GROUP HELD ON 14 JUNE 2006

1. There was submitted and noted a report of the meeting held on 14 June 2006 (circulated).

MATTERS ARISING

2.1 Social Services - Update on Capital Programme

It was noted that the decision at the previous meeting to receive a full update on the Capital Programme had been superseded by the decision of the Emergency Powers Committee of 19 July 2006 to re-profile £17.704m capital expenditure to 2007/08.

2.2 Development and Property Services - Energy Efficiency Savings

It was noted that the Executive Director of Development and Property Services would provide a verbal update later at the meeting.

2.3 Top of the Town Development

It was noted that the Executive Director of Development and Property Services would provide a verbal update later at the meeting.

EXECUTIVE SUMMARY

3.1 GENERAL SERVICES REVENUE ACCOUNT

The Group noted that:

- (i) the currently projected out-turn for the year to 31 March 2007 was an uncommitted surplus in excess of budget of £1.966m and that this assumed the deficit balances projected currently for Educational and Social Services would be carried forward with Departmental variances as follows:
- (ii) Educational Services was currently projected to out-turn £1.488m in excess of budget mainly due to additional Transport and Energy Costs and the withdrawal of Scottish Executive funding for Quality Improvement Officers,

Educational Psychologists, additional support staff and exam fees. In addition, unachieved savings within Services to the Community have been brought forward from 2005/06;

- (iii) Social Services forecast an adverse variance of £0.957m which included a number of longstanding budget pressures within Children and Families including Residential Schools and Secure Accommodation placements, Foster Care and Transport Costs and changes in the charging regime for personal care;
- (iv) Neighbourhood Services anticipated a favourable variance of £0.118m which arose mainly from higher than expected levels of recycling. The Housing Revenue Account was also anticipated to out-turn on budget;
- (v) the Department of Development and Property Services was projected to out-turn £0.518m below the budgeted position;
- (vi) a favourable variance of £0.230m existed within Corporate Support mainly as a result of underspends on employee costs and general efficiencies on Supplies and Services and additional income;
- (vii) there was a favourable variance of £0.765m in respect of Central Services which was partly due to the pay award being settled at 2.5% rather than the 3% budgeted;
- (viii) it was anticipated that there would be a favourable variance of £0.800m on Council Tax which was partly due to higher than anticipated income being recovered on previous years' accounts and income received from penalties imposed for late payments. There was also a favourable variance of £0.337m in respect of Housing Benefit Subsidy.

The Chief Executive advised the Group that:

- (i) Transport was currently an issue for a number of Services and that she had commissioned a cross-cutting review of transport issues, eg taxi contracts and school contracts as well as plant and equipment;
- (ii) a deadline of the end of September had been set for the production of the Social Work sustainability plan;
- (iii) in relation to Children and Families, that the Executive Head of Social Work had undertaken a review of every case and arrangements had been put in place to monitor closely further expenditure; and
- (iv) in relation to fostering there was a need for a concerted promotional campaign across the Local Authority area and assurance was also given this remained a Shared Services Agenda item.

Noted.

3.2 TRADING SERVICES

The Group noted that the review of Trading Services had been completed with Refuse Collection, Street Cleansing, Outdoor Amenities, Leisure Management and Onsite Services no longer trading operations having been integrated into their respective Departmental budgets. Trading Services within Development and Property Services were under review and the remaining Trading Services were anticipated to out-turn on budget.

3.3 GENERAL SERVICES CAPITAL

It was noted that during the first quarter of 2006/07 a number of schemes within the General Services Capital Programme had been identified which, although already approved by Committee, had not progressed within the original timescale identified due to a variety of operational reasons. As stated above, at the Emergency Powers Committee of 19 July 2006, Members had approved the re-profiling of £17.704m capital expenditure to 2007/08.

3.4 HOUSING CAPITAL

It was noted that there were no material variances to report.

The Depute Chief Executive/Executive Director of Corporate Support left the meeting at this point.

SERVICE SUMMARIES - OVERVIEW POSITION

4.1 EDUCATIONAL AND SOCIAL SERVICES

The Executive Director of Educational and Social Services and the Executive Head of Social Work joined the meeting.

The Executive Director of Educational and Social Services confirmed that:

4.1.1 Educational Services

- (i) in relation to the projected overspend of £1.487m he had individual meetings with all Managers over the last week and had discussed budgets and any areas for reduction and was also reviewing vacancies. In respect of Community Learning and Development savings of £0.330m had already been made out of an allocation of £0.500m and other savings were being targeted;
- (ii) in relation to the withdrawal of the temporary Scottish Executive funding amounting to some £0.200m some areas had been fully funded while others had their funding withdrawn and this was being pursued by the Executive Director.

The Executive Director stated that the problems were resolvable but would require focused management action.

Assurance was sought that energy efficiency targets would be met. The Executive Director explained that the Department would do all it could to achieve the target.

4.1.2 Social Services

In relation to the production of a Sustainability Plan it was noted that two Working Groups had been formed - one to deal with Education, and one Social Work with a three year plan for short term measures and a ten year strategic plan being prepared by the Groups, noting services that have to be provided and financed. The Executive Director stated the Department cannot develop the sustainability plan in isolation and must consider overall Council position.

He then gave an assurance that by the next meeting, work towards the Sustainability Plan would actively be in progress and he would provide the Group with an update.

The Executive Head of Social Work outlined the additional budgetary control measures which she was putting in place including (a) actively supporting Team

Managers to put in place extra scrutiny and controls around the budget 'hotspots'; (b) in respect of Transport arrangements individual Care Plans had been examined and managers were striving to reduce the number of clients receiving transport.

The Executive Head of Social Work then reported that new guidance from the Scottish Executive meant that the Council would no longer be able to charge for assistance with food preparation. This would result in a loss of income of approximately £0.450m a year. The Executive Head of Social Work was working with colleagues in Finance and Legal Services to review the existing policy.

Councillor Knapp, the Executive Director of Educational and Social Services and the Executive Head of Social Services left the meeting at this point.

4.2 NEIGHBOURHOOD SERVICES

The Executive Head of Finance reported that the projected out-turn to 31 March 2007 was a favourable variance of £0.117m mainly due to Waste Management savings in land fill tax.

The Housing Revenue Account was expected to out-turn on budget at 31 March 2007 although it was anticipated that any savings would be offset by additional repairs.

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

4.3 DEVELOPMENT AND PROPERTY SERVICES

In respect of energy efficiency management, the Executive Director reported that he would, with the Chief Executive and the Corporate Management Team's approval, be bringing forward two reports for submission to the Policy and Resources Committee.

With regard to the Energy Efficiency Programme he had prepared a detailed report with the outcome showing anticipated annual savings of £0.272m and indicated that the original savings target of £0.845m would not be achieved.

The Executive Director then gave his assurance that subject to approval at the forthcoming Corporate Management Team, the Executive Directors would all be signed up to the new Energy Efficiency proposals.

The Executive Director reported that in respect of the Top of the Town development, discussions were at the final stages and he anticipated bringing this matter to a conclusion in the near future.

Councillor W Coffey and the Executive Director of Development and Property Services left the meeting at this point.

4.4 CORPORATE SUPPORT

The Executive Head of Finance reported a favourable variance of £0.230m.

4.5 CENTRAL SERVICES

The Group noted a projected favourable variance of £0.764m.

The meeting terminated at 1310 hrs.