

EAST AYRSHIRE COUNCIL

COUNCIL MEETING – 26 JUNE 2003

ABSTRACT OF ACCOUNTS AND COMPETITIVE SERVICES ANNUAL REPORT 2002/2003

Report by Director of Finance

1 PURPOSE OF REPORT

- 1.1 To submit the Annual Accounts for 2002/2003 to the Council and to seek approval to forward them to the Controller of Audit.

2 BACKGROUND

- 2.1 The Local Authority Accounts (Scotland) 1985 Regulations require the Director of Finance to prepare Accounts as soon as practicable after the end of each financial year and to submit these to the Authority and to the Controller of Audit by 30 June of the next financial year. In addition to the Abstract of Accounts the Council is also required to prepare Accounts in respect of Competitive Services no later than 30 September of the next financial year. Both documents are enclosed with this Report.

3 INTRODUCTION

- 3.1 The Abstract of Accounts show the actual figures for 2002/2003 and the equivalent amounts for 2001/2002. The Competitive Services Annual Report shows the Revenue Accounts for each DLO and DSO together with a Report by the appropriate Director on the performance for the year.

4 2002/2003 OUT-TURN

4.1 Overall Position

The cumulative surplus on the General Services Revenue Account at 31 March 2003 is £3.304m. However, there are commitments of £1.780m to be set against this balance in 2003/2004 arising from the carry forward of projects against which there is earmarked funding and the Council's budget carry forward scheme. After allowing for such items an uncommitted balance of £1.524m can be identified.

The Housing Revenue Account shows a closing balance for the year of £0.441m. As in previous years Members are asked to approve the transfer of this surplus to the Renewals and Repairs Fund. In addition, Members should note that the Housing Committee approved the transfer of £0.200m from the Fund to the Housing Revenue Account during 2002/2003. The net effect of these transactions would be a closing balance of £0.907m available for the HRA within the Fund.

4.2 DLO/DSO Performance

All DLOs and DSOs achieved surpluses for the year and in accordance with previously approved Council policy on year-end flexibility it is proposed to transfer the approved element of those surpluses to the Renewals and Repairs Fund, with the individual amounts earmarked for the relevant DLO/DSO.

	Budgeted Surplus	Actual Surplus	Variance	Surplus to Renewals and Repairs Fund (50% of Variance or £0.100m)	Balance to General Fund
	£000	£000	£000	£000	£000
Onsite	133	280	147	74	206
Roads DLO	30	27	(3)	-	27
Vehicle Maintenance	10	60	50	25	35
Refuse Collection	21	51	30	15	36
Street Cleaning	15	63	48	24	39
Leisure Management	8	20	12	6	14
Outdoor Amenities	27	175	148	74	101
Building and Works	405	815	410	100	715
	649	1,491	842	318	1,173

5 APPROPRIATIONS

5.1 The Insurance Fund is an accounting mechanism which facilitates a unified approach to insurance charges to the General Fund, Trading Services and the Housing Revenue Account and maintains an element of reserve for excess payments which may arise in the future. In line with the practice established in previous years a transfer of £1.670m for 2002/03 is proposed. This is in line with the budgeted position.

5.2 The Council previously approved the establishment of a Capital Fund and it is proposed to transfer capital receipts totalling £0.759m to the Fund. This would result in a closing balance of £1.380m which is committed for spend to save projects.

One of the spend-to save projects which was approved by the Special Policy and Resources Committee of 31 January 2003 is the upgrade of the Newmilns Ski Slope to meet Health and Safety requirements. The initially approved estimates of £0.095m for this highly specialised work were necessarily based on preliminary plans, and further dialogue between the Department of Educational and Social Services and the Health and Safety Executive resulted in the need for further enhancements to specification, for example in relation to safety barriers. Tender prices have now produced firm costs of £0.122m. Accordingly, in order to allow the lowest tender after checking to be accepted, further approval is now sought for the additional balance of £0.027m to be drawn from the fund to carry out these works which are essential to the operation of the facility and to its handover to

community management. This can be accommodated within the Fund and the resulting total annual debt charges of £0.020m remain less than the annual savings to the Education Department which will be £0.023m. Members are asked to approve the revised draw on the fund and the consequential budget amendments.

6 PUBLIC INSPECTION

- 6.1** The Abstract of Accounts once submitted to the Controller of Audit will, at his request, be made available for public inspection and will be the subject of audit for a period of up to three months.

7 RECOMMENDATIONS

It is recommended that members:

- 7.1** approve the transfer of £0.441m from the Housing Revenue Account to the Renewals and Repairs Fund;
- 7.2** approve the transfer of £0.318m from DLO/DSOs to the Renewals and Repair Fund;
- 7.3** approve the transfer of £1.670m to the Insurance Fund;
- 7.4** approve the transfer of £0.759m to the Capital Fund together with the additional £0.027m draw in respect of Newmilns Ski Slope works;
- 7.5** approve the Annual Accounts for 2002/2003 accordingly and instruct that they be forwarded to the Controller of Audit; and
- 7.6** otherwise note the contents of this report.

Alex McPhee
Director of Finance

AMcP/JP
18 June 2003
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LIST OF BACKGROUND PAPERS

NIL

Members wishing further information should contact Alex McPhee, Director of Finance, Telephone (01563) 576300.