

EAST AYRSHIRE COUNCIL

BUDGET SCRUTINY GROUP

REPORT OF MEETING HELD ON TUESDAY 23 DECEMBER 2003 AT 1000 HOURS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillors Drew McIntyre, Willie Coffey, Douglas Reid, 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; and Sharon McHarg, Administrative Officer.

APOLOGIES: Councillor John Knapp and David Montgomery, Chief Executive.

CHAIR: Councillor Drew McIntyre, Chair.

BUDGET SCRUTINY GROUP MEETING HELD ON 29 OCTOBER 2003

1. There was submitted and noted a report of the meeting held on 29 October 2003 (circulated).

BUDGETARY CONTROL STATEMENT - FINANCIAL MONITORING REPORT TO 16 NOVEMBER 2003 (PERIOD 7)

2. There was submitted a report dated 12 December 2003 (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 16 November 2003 (Period 8).

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.

2.1 GENERAL SERVICES REVENUE ACCOUNT

The Group noted the report by the Director of Finance:

- (i) that the current projected out-turn for the year to 31 March 2003 was a surplus of £0.289m;
- (ii) that the projected additional costs for the Education Service was £0.469m being a reduction of £0.164m on the Period 6 projected variance;
- (iii) that discussions were ongoing with the Scottish Executive to obtain increased funding to cover an additional cost of £0.096m for school exam fees which had arisen from the success of the Education Maintenance Allowance Scheme;
- (iv) that the Performing Rights Society had reviewed its charges to the Council and as a result, the Education Service had to meet an additional backdated charge of £0.052m;
- (v) that there were no significant budgetary issues to report on the Social Work Department and it had been anticipated that the Department would out-turn on budget at 31 March 2004;

- (vi) that due to the current recruitment and retention problems and in common with the neighbouring authorities, the Director of Educational and Social Services was undertaking a review and a report would be submitted to the Social Work Committee in January 2004;
- (vii) that there were no significant budgetary issues to report in Community Services;
- (viii) that the variance of the Central Services budget had been due to the timing of filling vacancies within the Finance Department and that the Department was anticipated to out-turn £0.128m under budget at the year end;
- (ix) that Homes and Technical Services currently projected an underspend at year end arising principally from salaries in Contracting and Technical Services; and
- (x) that savings in respect of debt charges of £0.100m in respect of HRA and £0.200m for General Services had been anticipated.

2.2 HOUSING REVENUE ACCOUNT

The Group noted that HRA was currently projected to out-turn on budget.

2.3 GENERAL SERVICES CAPITAL PROGRAMME

The Group noted that the Programme remains in line with the assumed funding which had incorporated a programme overspend of £0.644m beyond the Section 94 limit which was within the 10% permissible anticipation.

2.4 TRADING SERVICES

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 had anticipated to out-turn £0.360m better than budget.

2.5 HOUSING CAPITAL PROGRAMME

The Group noted that the programme was expected to out-turn in line with estimated expenditure.

2.6 EDUCATIONAL AND SOCIAL SERVICES

The Director of Educational and Social Services joined the meeting for discussion of the Education budget position and the Group noted:

- (i) that the projected additional costs for the Education Service amounted to £0.469m which was a reduction of £0.164m on the Period 6 projected variance; and
- (ii) the Director of Educational and Social Services gave an assurance that active steps would continue to be taken to contain overall expenditure within the total Education budget without affecting current levels of frontline services.

The meeting terminated at 1040 hours.