

EAST AYRSHIRE COUNCIL

BUDGET SCRUTINY GROUP

REPORT OF MEETING HELD ON WEDNESDAY 18 DECEMBER 2002 AT 1130 HRS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillors Drew McIntyre, Douglas Reid, John Knapp, Eric Jackson and Elaine Dinwoodie; David Montgomery, Chief Executive; and Alex McPhee, Director of Finance.

ATTENDING: Tom McHugh, Head of Accounting Services; Ian Arnott, Corporate Accounting Manager; and Jennifer Morrison, Administrative Officer.

APOLOGIES: Councillors Harry Wilson and Finlay MacLean.

CHAIR: Councillor Drew McIntyre, Chair.

BUDGET SCRUTINY GROUP MEETING HELD ON 30 OCTOBER 2002

1. There was submitted and noted report of meeting held on 30 October 2002 (circulated).

BUDGETARY CONTROL STATEMENT - FINANCIAL MONITORING REPORT TO 17 NOVEMBER 2002 (PERIOD 8)

2. There was submitted a report dated 10 December 2002 (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 17 November 2002 (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 budgeted out-turn position at 31 March 2003 was forecast a cumulative surplus of £0.391m, a marginal improvement on that reported at Period 6;
- (ii) that the Director of Educational and Social Services considered that, given remaining timescales, it would be more appropriate for the realignment of the Education budget to be carried out for 2003/04 and on his undertaking to ensure that this was completed by March 2003.
- (iii) that a major budget movement in respect of Probationer Teachers had arisen, this being largely offset by additional Scottish Executive funding. The Group noted that the underspend previously reported in respect of teachers' absence cover was projected to continue until the year end.

EDUCATIONAL AND SOCIAL SERVICES

The Director of Educational and Social Services and the Educational and Social Services Departmental Financial Manager joined the meeting for discussion of the Educational and Social Services budget.

The Director of Educational and Social Services confirmed that the Scottish Executive funding in respect of Probationer Teachers did not fully match the costs being incurred and that the underspend in respect of teachers sick absence would out-turn as projected, unless quite exceptional circumstances were to arise. The Group noted the Director's assurance that the Education budget would break even at year end.

The Director of Educational and Social Services assured the Group of his awareness that the realignment of the Education budget would have to be completed before the end of this financial year and be in place right from the start of 2003/04. The Group noted that in the realignment of the budget full assistance would be provided to the Director of Educational and Social Services by the Director of Finance.

The Group noted that it would receive a further report on progress on this matter at the next meeting.

SOCIAL SERVICES

The Group noted the Director of Finance's report:

- (i) on Children/Families costs which had increased substantially and the reasons for this thereon;
- (ii) on an overspend projected for Resource Support which would be corrected for 2003/04; and
- (iii) that a Team had been put in place to work on the recovery of Transitional Housing Benefit and the difficulties in projecting the level to be recovered in total.

The Director of Educational and Social Services and the Educational and Social Services Departmental Manager left the meeting.

COMMUNITY SERVICES

The Group noted that the Director of Community Services had reported that the additional grant funding received from the Scottish Executive in relation to the removal and disposal of fridges/freezers was much less than anticipated in relation to actual requirements. Consequently, the Director of Community Services had revised the Department's projected out-turn from a surplus to a breakeven position as at 31 March 2003.

DEVELOPMENT SERVICES

There were two main issues of note:

- (i) additional costs which related to the Local Plan Inquiry; and
- (ii) two unlet properties at The Foregate, Kilmarnock.

2.2 GENERAL SERVICES CAPITAL PROGRAMME DEVELOPMENT SERVICES

The Group noted the Director of Development Services' awareness of the need to obtain the full quota of capital receipts this year.

2.3 GENERAL SERVICES REVENUE ACCOUNT CENTRAL SERVICES

There were no significant variances of note.

CORPORATE RESOURCES

There was an underspend projected within Legal Services due to recruitment issues. Otherwise, no adverse variances were noted.

2.4 HOUSING REVENUE ACCOUNT

The main issues were:

- (i) premises costs;
- (ii) void property security costs.

It was noted that income on rents was down due to increased house sales and demolitions.

2.5 HOUSING CAPITAL PROGRAMME

Some slippage in the Capital Programme was noted.

2.6 TRADING SERVICES

There were no variances of note in respect of the Trading Services Account.

The meeting terminated at 1200 hrs.