

## **EAST AYRSHIRE COUNCIL**

### **BUDGET SCRUTINY GROUP**

#### **REPORT OF MEETING HELD ON WEDNESDAY 5 FEBRUARY 2003 AT 1145 HRS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK**

**PRESENT:** Councillors Drew McIntyre, John Knapp, Finlay MacLean, 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; Julie Jamieson, Financial Services Manager (Corporate Accounting); and Jennifer Morrison, Administrative Officer.

**APOLOGIES:** Councillors Douglas Reid and Harry Wilson.

**CHAIR:** Councillor Drew McIntyre, Chair.

#### **BUDGET SCRUTINY GROUP MEETING HELD ON 18 DECEMBER 2002**

1. There was submitted and noted report of meeting held on 18 December 2002 (circulated).

#### **BUDGETARY CONTROL STATEMENT- FINANCIAL MONITORING REPORT TO 15 DECEMBER 2002 (PERIOD 9)**

2. There was submitted a report dated 20 January 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 15 December 2002 (Period 9).

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 forecast was a surplus of £0.475m, a further improvement on that reported at Period 8;
- (ii) on the prudent view being taken that debt charges would out-turn on budget, although depending on interest rates a favourable variance might arise at year end;
- (iii) that the current Council Tax yield was projected to be on budget, albeit changes arising from discounts and reliefs together with demolitions and new builds remained to be finally quantified; and
- (iv) that it was intended to seek recovery of the additional costs incurred in respect of the Firefighters' pay dispute currently standing at £0.047m.

### **Education**

The Director of Finance reported:

- (i) on the Director of Educational and Social Services' confidence that the Education budget would break-even at year end;
- (ii) that the realignment of the Education budget was being progressed; and
- (iii) that work was being carried out presently in respect of the integration of the SEEMIS system with the Council's main financial system with good progress being made.

### **Social Services**

The Group noted that the Director of Educational and Social Services had indicated that the Social Services would out-turn on budget.

### **Community Services**

The Group noted that the Director of Community Services had indicated that the Community Services Department would out-turn on budget.

### **Development Services**

The Group noted that the Development Services Department was projecting currently an overspend at year end of £0.032m.

The Director of Development Services would continue to attempt to pull back the position to that of breakeven.

It was noted that the winter maintenance expenditure was slightly in excess of the level expected at this point in the year and a draw on the Contingency Fund money set aside against this possibility might be required, dependent upon weather conditions up to 31 March 2003.

### **Central Services**

The Group noted a saving of £0.014m currently projected in the Central Services budget.

The Director of Finance referred to the problem of the higher than expected bills arising from a water leak in the area of the Lugar offices which had now been located and that discussions were taking place with Scottish Water regarding relative responsibilities.

### **Corporate Resources**

An underspend of £0.020m was projected within the Corporate Resources Department.

### **Homes and Technical Services**

The Homes and Technical Services Department was projected to out-turn £0.067m over budget, although it was noted that Technical Services fees were being projected on a prudent basis.

### **Trading Services**

No new variances of note other than a further improvement in Building and Works which was projected to out-turn £0.234m better than budget.

#### **2.2 GENERAL SERVICES CAPITAL PROGRAMME**

The Group noted the projected over-commitment of £0.258m which would require to be managed to within the permitted Section 94 cash limits by year end.

#### **2.3 HOUSING REVENUE ACCOUNT**

The Housing Revenue Account was projected to out-turn on budget.

The Group noted that as a result of the impact upon the Housing Capital Programme of increased house sales, a reduction in CFCR expenditure within the Housing Revenue Account was projected.

#### **2.4 TRADING SERVICES**

The Group noted the Roads DLO surplus was currently projected at £17,000 against the budgeted level of £30,000, with the final figure likely to be influenced by weather conditions until the year end.

The meeting terminated at 1155 hrs.