

## **EAST AYRSHIRE COUNCIL**

### **BUDGET SCRUTINY GROUP**

#### **REPORT OF MEETING HELD ON THURSDAY 20 DECEMBER 2001 AT 1005 HOURS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK**

**PRESENT:** Councillors Drew McIntyre, Douglas Reid, Harry Wilson, John Knapp, Finlay MacLean, Eric Jackson and Jimmy Carmichael; David Montgomery, Chief Executive; and Alex McPhee, Director of Finance.

**ATTENDING:** Ian Arnott, Corporate Accounting Manager; Julie Jamieson, Financial Services Manager (Corporate Accounting); and Jennifer Morrison, Administrative Officer.

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

#### **REPORT OF BUDGET SCRUTINY GROUP MEETING HELD ON 6 NOVEMBER 2001**

1. There was submitted and noted report of meeting held on 6 November 2001 (circulated).

#### **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 18 NOVEMBER 2001 (PERIOD 8)**

2. There was submitted a report dated 12 December 2001 (circulated) by the Director of Finance which advised of the current budgetary control position of the General Services Revenue Account for the period ended 18 November 2001 (Period 8).

The Director of Finance reported on the projected surplus for the year of £750,000 which position was more favourable than reported in previous months, and highlighted the main issues affecting the overall financial position of the Council, details of which were contained within the report.

#### **2.1 EDUCATIONAL AND SOCIAL SERVICES**

##### **EDUCATIONAL SERVICES**

The Director of Finance indicated that it was expected that Education would out-turn on budget. It was noted that as yet the projections relied heavily on SEEMIS system information. Undistributed centrally held funds resulted in difficulties in interpreting the position from the financial ledger.

##### **SOCIAL SERVICES**

The Director of Finance reported the completion of the realignment of the budget for 2001/02, and the figures contained in the report were in alignment with those being used by Managers.

It was noted that whilst balance had been achieved over the current year as a whole the Director of Educational and Social Services continued to examine specific areas of the budget with a view to realigning spending priorities on a longer term basis.

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

The Group was assured by the Director of Educational and Social Services that expenditure in Education would come in on target. The Director also confirmed that the issue of the allocation of centrally held funds for individual cost centres would be resolved before the next meeting.

The Director expected the Social Services budget to out-turn on target. He was confident also of achieving the expected savings in relation to support services through the merger of Education and Social Work Departments.

The Group acknowledged the difficulties faced by Councils in relation to budgeting for secure accommodation placements for young people and it was noted that steps continued to be taken at national level on highlighting the issue together with other special needs and pressures to the Scottish Executive.

### **TRADING SERVICES TO 18 NOVEMBER 2001 (PERIOD 8)**

3. There was submitted a report dated 10 December 2001 (circulated) by the Director of Finance which advised of the current budgetary control position of the Trading Services of the Council for the period ending 18 November 2001 (Period 8).

A copy of the Trading Services operating statements was also made available to Members for one hour before, and also at the meeting.

#### **3.1 ON-SITE SERVICES**

The Director of Finance reported that this was on target with no adverse variances reported.

### **GENERAL SERVICES CAPITAL PROGRAMME TO PERIOD 8**

4. There was submitted a report dated 10 December 2001 (circulated) by the Director of Finance which updated on the projected out-turn of the General Services Capital Programme for the current financial year.

The Group noted issues in relation to Galston (New Build) and Silverwood Primary Schools, with necessary realignments being proposed to subsequent years' budgets in due course.

There were no adverse variances reported in relation to Social Services budget.

It was agreed otherwise to note the contents of the report.

The Director of Educational and Social Services and the Head of Social Work left the meeting at this point.

### **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 18 NOVEMBER 2001 (PERIOD 8)**

5. The Group resumed consideration of this report.

#### **5.1 HOMES AND TECHNICAL SERVICES/HOUSING REVENUE ACCOUNT**

It was reported by the Director of Finance that an overspend on repairs in relation to the Housing Revenue Account had been pulled back by an appropriate transfer to Capital.

The Director of Homes and Technical Services joined the meeting at this point.

The Director confirmed that he was confident of out-turning on budget in respect of the Housing Revenue Account. The Central Repairs were more difficult to keep on budget, but he was confident that he could out-turn on budget across the Department.

### **HOUSING CAPITAL PROGRAMME TO PERIOD 8**

6. There was submitted a report dated 10 December 2001 (circulated) by the Director of Finance which updated on the current projected out-turn position for the Housing Capital Programme 2001/02.

The Director of Finance reported that security expenditure in relation to void properties awaiting demolition had been moved to Capital, however, these costs had been off-set by natural slippage within the Capital Programme, there being no direct consequential effect therefore on existing projects.

### **TRADING SERVICES TO 18 NOVEMBER 2001 (PERIOD 8)**

7. The Group resumed consideration of this report.

#### **7.1 BUILDING AND WORKS DLO**

The Director of Finance reported that the DLO's surplus for the year was higher than previously projected, gains having been made for efficiency savings and better methods of working.

The Director of HATS confirmed that he expected the projected out-turn for the year end to be sustainable in the longer term.

The Director of HATS left the meeting.

### **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 18 NOVEMBER 2001 (PERIOD 8)**

8. The Group resumed consideration of this item.

#### **8.1 COMMUNITY SERVICES**

The Director of Community Services joined the meeting and confirmed his expectation that the Community Services account would out-turn on budget.

One issue of concern was the overspend in relation to Local Offices staffing costs, an ongoing issue which may require to be considered within future budgeting arrangements.

### **TRADING SERVICES TO 18 NOVEMBER 2001 (PERIOD 8)**

9. The Group resumed consideration of this report.

#### **9.1 REFUSE COLLECTION, STREET CLEANSING, LEISURE MANAGEMENT AND OUTDOOR AMENITIES DSOs**

It was confirmed that all of these DSOs were performing better than budgeted for in the Business Plans.

The Director of Community Services left the meeting at this point.

**BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE  
ACCOUNT TO 18 NOVEMBER 2001 (PERIOD 8)**

10. The Group resumed consideration of this report.

**10.1 DEVELOPMENT SERVICES**

The Director of Finance reported on a projected possible overspend of £68,000 as a result of a concessionary fares projected deficit from SPT (East Ayrshire's allocation being £68,000); discussions were continuing in this regard between member Councils and SPT.

The Director of Finance also highlighted projected overspends under Corporate Office accommodation and acknowledged that this may have to be addressed for next year's budget and to this end he had arranged a meeting with the Director of Development Services.

The Director of Development Services joined the meeting at this point.

Reference was made to the £68,000 projected deficit and the Director was asked to examine possible measures to offset this, should efforts to find other ways of addressing the issue with SPT prove unsuccessful.

**TRADING SERVICES TO 18 NOVEMBER 2001 (PERIOD 8)**

11. The Group resumed consideration of this report.

**11.1 ROADS AND VEHICLE MAINTENANCE DSOs**

It was noted the projection was to out-turn on budget although the figures remained very tight. However, the Group acknowledged the good work put in by the Director of Development Services to achieve break even position following the loss of the Trunk Roads contract.

The Director of Development Services left the meeting.

**BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE  
ACCOUNT TO 18 NOVEMBER 2001 (PERIOD 8)**

12. The Group resumed consideration of this report.

**12.1 CORPORATE RESOURCES**

The Depute Chief Executive/Director of Corporate Resources joined the meeting at this point.

The Group noted the projected underspend.

The Depute Chief Executive/Director of Corporate Resources reported that the only anticipated change to this position was the identified urgent need to purchase IT equipment at approximately £70,000. The spend would be this financial year and it was expected to result in savings in future years.

The Depute Chief Executive/Director of Corporate Resources left the meeting.

**12.2 CENTRAL SERVICES**

No adverse variances noted.

The meeting terminated at 1110 hrs.

**TO RETURN TO PREVIOUS PAGE  
PLEASE PRESS THE BACK BUTTON  
AT THE TOP LEFT OF THE PAGE**