

EAST AYRSHIRE COUNCIL

SPECIAL POLICY AND RESOURCES COMMITTEE – 6 FEBRUARY 2001

DRAFT ESTIMATES 2001/02 - GENERAL SERVICES

Report by the Director of Finance

1 PURPOSE OF REPORT

- 1.1** To advise Members of the position with regard to the General Services Revenue Budget for 2001/02 and recommend that the Committee determine final allocations for each of the Service Committees and request those Committees to note and confirm acceptance of the financial allocations for 2001/02 and where appropriate to align service plans with these taking into account the views and comments made during the Council's public consultation exercise.

2 BACKGROUND

- 2.1** Members, at the Special Policy and Resources Committee Meeting on 23 January 2001, approved the Draft Estimates for 2001/02 as a basis to embark on a public consultation exercise prior to the declaration of the Council Tax for 2001/02 on 15 February 2001.
- 2.2** The results of the public consultation are detailed separately in an appendix to this report.
- 2.3** New and updated financial information has become available since 23 January, and in the light of this, adjustments to the estimates previously submitted are proposed and explanations of these are included in this report.

3 ESTIMATES 2001/02

3.1 Current Position

- 3.1.1** The Special Policy and Resources Committee at its meeting on 23 January 2001 approved as a basis for consultation, total expenditure of £171.940m and a Council Tax increase of 4.9%

3.2 Proposed Amendments

As indicated above, new and updated information which affects the overall budget has become available since the draft budget was approved by this committee on 23 January. These changes are detailed below.

Business Units Projected Surpluses

The trading services are now completing business plans for 2001/02 which include budgeted surpluses. The original assumptions can now be replaced with the current projections.

Trading Service	Surplus 2000/01 (£)	Original Assumption for 2001/02 (£)	Budgeted Surplus 2001/02 (£)	Difference (£)
Catering	0.075	0.075	0.098	0.023
Cleaning	0.061	0.125	0.146	0.021
School Crossing	(0.001)	0.000	0.002	0.002
Leisure	0.000	0.000	0.005	0.005
Roads	0.024	0.025	0.030	0.005
Refuse Collection	0.008	0.007	0.017	0.010
Street Cleaning	0.003	0.003	0.010	0.007
Grounds Maintenance	0.018	0.018	0.023	0.005
Vehicle Maintenance	0.005	0.005	0.010	0.005
Building and Works	0.105	0.105	0.161	0.056
Total	0.298	0.363	0.502	0.139

Vehicle Maintenance

Original assumptions on charges to clients have been revised downwards by £0.015m. This has been taken account of in the projected surplus indicated above.

Joint Board Precepts

The Joint Boards have now finalised their budgets for 2001/02. These have been approved at slightly different levels to the indicative amounts included in the original estimates. The net effect is a variance as detailed in the following table:

Joint Board	Variation of Final Budget to Draft Indication £m
Police	(0.020)
Fire	0.015
Valuation	0.017
SPTA	0.030
Total	0.042

The main reason for the increase in the SPTA precept is additional debt charges following the transfer of debt to the SPTA on the advice of Audit Scotland. SPTA are writing down the debt over a shorter period and consequently annual payments are increased.

Excellence Fund

The Scottish Executive have notified the Council of a further allocation for Excellence Fund for 2001/02 of £0.209m, this being funded by additional Specific Grant.

Property and Roads Repairs

The Special Policy and Resources Committee of 23 January 2000, approved that £1.5m of expenditure budgeted as revenue be met from Capital on a recurrent basis. Accordingly, £0.761m has been identified in respect of Property Repairs and £0.739m in respect of Roads, these budgets lying within Homes & Technical Services and Development Services respectively.

Housing Benefit Subsidy

The Council is required to fund 5% of all Housing and Council Tax Benefit paid out. The CCLS budget included only an inflation related increase. The proposed increases in Council Tax and Rent for 2001/02 will result in additional costs of which the Councils share is estimated to be £0.035m.

Aggregate External Finance

The Scottish Executive has notified minor amendments to the Aggregate External Finance for 2001/2002 which result in a revised amount of £137.606m, a reduction of £0.014m. This excludes the adjustment to the Excellence Fund mentioned above.

4 REVISED DRAFT BUDGET

4.1 Taking the issues above into account the draft budget can now be determined as follows:-

	£m	£m
Expenditure		
Draft Budget Approved 23 January 2001		171.940
Business Units Increased Projected Surplus	(0.139)	
Reduced Vehicle Maintenance Charges	(0.015)	
Joint Board Precepts	0.042	
Excellence Fund	0.209	
Housing and Council Tax Benefit Subsidy	0.035	0.132
Revised Draft Budget - Expenditure		172.072
Funding		
Draft Budget Approved 23 January 2001		171.940
Aggregate External Finance	(0.014)	
Excellence Fund	0.209	0.195
Revised Draft Budget - Funding		172.135
Excess of Funds Over Expenditure		0.063

Additional flexibility amounting to £0.063m is therefore available for allocation.

6 ALLOCATION OF ADDITIONAL FLEXIBILITY

Taking account of comments and reaction received during the consultation process, it is proposed that the additional allocation to departments might be as follows;

DEPARTMENT	REVISED DRAFT BUDGETS	PROPOSED ADDITIONAL FLEXIBILITY	PROPOSED DEPARTMENTAL RESOURCE ALLOCATIONS
	£M	£M	£M
Education	67.553		67.553
Social Work	26.039	0.050	26.089
Community Services	38.025	0.013	38.038
Development Services	9.251		9.251
Homes & Technical Services	1.406		1.406
Policy and Resources	13.933		13.933
Housing / Council Tax Benefit	2.068		2.068
Trading Services Surplus	(0.502)		(0.502)
Other Specific Budget Items	0.612		0.612
Council Funded Social Inclusion	0.065		0.065
Debt Charges	13.622		13.622
TOTAL EXPENDITURE	172.072	0.063	172.135

In accepting these allocations, Service Departments should be required to review detailed budgets to ensure alignment to service plans and present these as base budgets to their Service Committees for approval prior to 1 April 2001.

7 RECOMMENDATIONS

It is recommended that Members:

- 7.1 remit the block allocation of financial resources to each Service Committee in the light of the overall resources now available as shown in paragraph 6 above, and request those Committees now to note and confirm acceptance of the financial allocations for 2001/02 and where appropriate to align service plans with these taking into account the views and comments made during the Council's public consultation exercise.
- 7.2 otherwise note the contents of the report.

Alex McPhee
Director of Finance

**LIST OF BACKGROUND PAPERS
 NIL**

AMcP/JB
 31 January 2001

EAST AYRSHIRE COUNCIL

REPORT ON THE COUNCIL'S CONSULTATION EXERCISE ON THE BUDGET 2001/2002

Report by Depute Chief Executive/Director of Corporate Resources

1. PURPOSE OF REPORT

- 1.1 To advise of the views and comments expressed during the Council's Consultation Exercise on the Budget for 2001/02 and to evaluate the new consultation arrangements.

2. BACKGROUND

- 2.1 The Policy and Resources Committee at a Special Meeting on 23 January 2001, approved as a basis for consultation, the draft estimates for 2001/02 for the General Services Revenue Budget and Housing Revenue Account and agreed arrangements for public consultation on the Budget.

3. CONSULTATION ARRANGEMENTS

- 3.1 The Special Policy and Resources Committee at its meeting on 23 January 2001 agreed consultation arrangements based on last year's arrangements.
- 3.2 The arrangements are summarised below:
- That consultation on the Council's proposals be from 23 to 31 January 2001 for the Housing Revenue Account and 23 January to 6 February 2001 for the General Services Budget;
 - Meeting with Local Committee Community Representatives;
 - Two public meetings, one in Kilmarnock and one in Cumnock;
 - Trades Union Consultation meeting;
 - Residents and Employee Budget Lines;
 - Special Budget Edition of Eastwords, the Employees' Magazine, Internet information on the Council's website and budget consultation E-mail address; and
 - Comment cards.
- 3.3 Altogether 48 people attended the public meetings and 25 people attended the Community Representatives briefing. In addition, Trades Union representatives attended a Budget Consultation meeting. A special addition of the Eastwords publication was produced and distributed to Council employees.

There was generally a low level of response within the consultation process.

- 3.4 The next section details issues which have been raised by people when invited to comment on the Council's budget proposals. At each of the meetings a contributor commented unfavourably on the level of increase in relation to Council Tax. Responses to the consultation on the budget included a number of operational issues as follows:
- Interest was expressed in the Council developing further recycling initiatives.
 - It was suggested that changes in Social Work services budget should focus on front line services to vulnerable people;

- Three year budgeting was thought to give the Council more opportunity to enter into long-term financial arrangements with Voluntary Organisations;
- The possibility of an additional Rehabilitation Officer being employed within the Sensory Impairment Team was raised.

All responses to operational issues were dealt with at the point of contact with the respondent or are being actioned by individual Directors.

- 3.5** Some respondents commented that the budget proposals were satisfactory with no cuts in services or job losses. Respondents also welcomed the idea of giving projected Council Tax increases for a three year period. The Trades Unions welcomed the opportunity to be consulted and the additional growth in Education, Social Work and Community Services, and that there would be no job losses.

Respondents sought further consultation with service users in relation to detailed proposals for the deployment of additional funds in the area of Educational and Social Services.

4. CONCLUSION

- 4.1** The current consultation arrangements provided the opportunity for more people to comment on the budget proposals. It is considered that the lower attendance figures than at previous budget meetings are perhaps a reflection that the budget proposals included growth for front-line services and no job losses arise from the budget.

Implementation Officer - Fiona Lees, Depute Chief Executive/Director of Corporate Resources

5 February 2001

RB/JW

LIST OF BACKGROUND PAPERS

1. Returned Community Response Forms on the Budget.

Any person wishing further information on this report should contact Fiona Lees, Depute Chief Executive/Director of Corporate Resources on (01563) 576019.

AGENDA