

EAST AYRSHIRE COUNCIL

BUDGET SCRUTINY GROUP

REPORT OF MEETING HELD ON WEDNESDAY 19 MARCH 2003 AT 1000 HOURS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillors Drew McIntyre, Douglas Reid, Harry Wilson, John Knapp, Eric Jackson, Elaine Dinwoodie; Fiona Lees, Depute Chief Executive/Director of Corporate Resources; and Alex McPhee, Director of Finance.

ATTENDING: Tom McHugh, Head of Accounting Services; Julie Jamieson, Financial Services Manager (Corporate Accounting); and Robert Beaton, Administrative Officer.

APOLOGY: Councillor Findlay MacLean.

CHAIR: Councillor Drew McIntyre, Chair.

BUDGET SCRUTINY GROUP MEETING HELD ON 5 FEBRUARY 2003

1. There was submitted and noted a report of meeting held on 5 February 2003 (circulated).

BUDGETARY CONTROL STATEMENT - FINANCIAL MONITORING REPORT TO 9 FEBRUARY 2003 (PERIOD 11)

2. There was submitted a report dated 12 March 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 9 February 2003 (Period 11).

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 £1.437m of which £0.267m was specific to individual Departments and might be carried forward by them to 2003/2004;
- (ii) that transfer of £0.050m from the Contingency Fund for Roads Winter Maintenance had been actioned in Period 11;
- (iii) that a favourable variance of £0.250m was projected in respect of Debt Charges due to debt restructuring which had allowed the Council to take advantage of lower than anticipated interest rates as well as from a favourable cash flow profile;
- (iv) that it was intended to seek recovery of the additional costs incurred in respect of the Fire-fighters' pay dispute currently standing at £0.072m;

- (v) that the General Services Capital Programme was over committed by £0.334m which was an increase of £0.076m from Period 9. Reductions in expenditure due to timing variances within Community Services, Development Services and Policy and Resources totalling £0.273m would be offset by a reduction in the estimated capital receipts of £0.350m, as a number of disposals were not anticipated to conclude until 2003/2004;
- (vi) that the 2003/2004 receipts target would require to be increased accordingly; and
- (vii) that the Housing Revenue Account was anticipated to out-turn £0.080m under budget.

Education

The Director of Finance reported:

- (i) that the year to date variance shown in the report of £1.6m had been the subject of further investigation and that the revised variance was £0.350m;
- (ii) that the Director of Education and Social Services continues to confirm that he will outturn on budget at 31 March 2003;
- (iii) that the alignment of the Education budget was being progressed; and
- (iv) that the integration of the SEEMIS system had been subject of an Internal Audit report which indicated that urgent action by the Director of Education and Social Services was required.

Social Services

The Group noted that the Social Services budget had been re-aligned for the current financial year. A favourable variance of £0.087m is anticipated at 31 March 2003. This is mainly due to expenditure on Secure Accommodation, which is outwith the control of the department, being less than anticipated. The Director of Education and Social Services intends using these funds in 2003/2004 for Social Work priorities, principally Youth Crime.

Community Services

The Group noted that the Director of Community Services had indicated that the Community Services Department would have an underspend of £0.032m mainly due to additional trade refuse income projections.

Development Services

The Group noted that the Development Services Department was projecting currently an underspend at the year end of £0.018m.

It was noted that the higher than expected winter maintenance expenditure required a draw on contingency fund of £0.050m.

Central Services

The Group noted a saving of £0.182m was currently projected in the Central Services budget.

Corporate Resources

An underspend of £0.050m was projected within the Corporate Resources Department.

Homes and Technical Services

The Group noted that the Director of Homes and Technical Services anticipated a favourable variance of £0.029m at 31 March 2003.

2.2 HOUSING REVENUE ACCOUNT

The Housing Revenue Account was projected to out-turn a £0.080m surplus.

The meeting terminated at 1016 hours.