

## **EAST AYRSHIRE COUNCIL**

### **BUDGET MONITORING GROUP**

#### **REPORT OF MEETING HELD ON TUESDAY 15 FEBRUARY 2000 AT 1230 HRS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK**

**PRESENT:** Councillors Drew McIntyre, Katie Hall, Douglas Reid, Henry Wilson, Eric Jackson, James Carmichael; 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 for Corporate Services; and Gillian Hamilton, Administrative Officer.

**APOLOGIES:** Councillor John Knapp.

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

#### **REPORT OF BUDGET MONITORING GROUP MEETING HELD ON 27 JANUARY 2000**

1. There was submitted and noted a report of the meeting held on 27 January 2000 (circulated).

#### **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 14 JANUARY 2000 (PERIOD 10)**

2. There was submitted a report dated 9 February 2000 (circulated) by the Director of Finance which advised of the current budgetary control position of the General Services Revenue Account for the period ended 14 January 2000 (Period 10).

It was reported that all services were currently showing an underspend with the exception of Education which was projected to out-turn on budget.

It was reported that the Social Inclusion Partnership budget may not be spent up and as a result East Ayrshire Council's 25% contribution may be reduced.

It was noted that the Trading Services position was similar to the previous month.

It was noted that negotiations with Land Securities in respect of £2m Burns Mall income had not yet been concluded as expected and were continuing.

#### **2.1 HOMES AND TECHNICAL SERVICES**

The Director of Homes and Technical Services joined the meeting.

The Group noted that a higher level of fee income within Contracting and Technical Services than previously reported was anticipated.

The Director of Homes and Technical Services reported that every effort was being made to process charges agreed for Central Repairs and to minimise the time delay between work completed, and charges passed and posted to the ledger.

#### **2.2 HOUSING GENERAL**

Minor variances were noted in respect of Housing General.

### **HOUSING REVENUE ACCOUNT TO 14 JANUARY 2000 (PERIOD 10)**

3. There was submitted a joint report dated 10 February 2000 (circulated) by the Directors of Finance and of Homes and Technical Services which advised of the current budgetary control position of the Housing Revenue Account for the period ended 14 January 2000 (Period 10).

It was noted that the position in respect of voids was being closely monitored with a view to reducing unnecessary time lags in turnaround time.

It was noted that discussions were ongoing regarding repairs inspection procedures for void properties in order to minimise any time delays.

### **HOUSING CAPITAL PROGRAMME TO PERIOD 10**

4. There was submitted report dated 9 February 2000 (circulated) by the Director of Finance which provided an update on the current position regarding the Housing Capital Programme 1999/2000.

It was noted that the projected out-turn position at the financial year end was within the tolerance for carry forward.

### **TRADING SERVICES TO 14 JANUARY 2000 (PERIOD 10)**

5. There was submitted a report dated 10 February 2000 (circulated) by the Director of Finance which advised of the current budgetary control position of the Trading Services of the Council for the period ended 14 January 2000 (Period 10).

#### **5.1 BUILDING AND WORKS DLO**

In relation to the new Management Information System that had gone live in January 2000 the Director of Finance raised issues in relation to stores recording, bonus calculations and charging. It was noted that the figures to Period 10 were based on charges prior to the implementation of the new system. The Director of Homes and Technical Services acknowledged that initially stores issues had not been picked up correctly but that additional software had been installed to rectify this; work was ongoing to clear any outstanding issues. It was noted that this work would allow outstanding charges to be brought up-to-date. The Director of Homes and Technical Services advised the Group that he reviewed the progress on this issue regularly and could assure the Group that he had no cause for concern.

The Director of Finance highlighted to the Group his concerns as to the lack of management information provided via the new system that would allow him to come to a view as to the profitability of the capital work being undertaken and that he was relying on the assurances given by the Director of Homes and Technical Services in this regard. The Director of Homes and Technical Services assured the Group that whilst no management information was currently available from the IT systems in operation, that manual costing records were in existence to demonstrate that capital works undertaken were being done profitably. The Group agreed to receive a report back to its next meeting on the Building and Works Management Information System and the Director of Finance's review of the manual data held.

In respect of the calculation of bonus payments the Director of Finance highlighted to the Group that an average bonus was being used. The Director of Homes and

Technical Services responded that average bonus was being used for a short introductory period for the new system until staff had been fully trained in the use of the system.

It was noted that the Director of Homes and Technical Services had initiated an exercise in order to identify the longer term options in regard to the overall IT requirements for Building and Works with a view to securing a more comprehensive system than the current interim arrangements.

The Director of Homes and Technical Services left the meeting.

**BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE  
ACCOUNT TO 14 JANUARY 2000 (PERIOD 10)**

6. The Group continued consideration of this report.

**6.1 EDUCATION**

The Director of Education joined the meeting.

The Director of Finance noted that the projected out-turn assumed school budgets would be fully spent but not over-committed at the year end, this being within the control of delegated school budgets.

The Group was assured by the Director of Education that every effort was being made to ensure the Education Department out-turned on budget. Otherwise there were no significant variances from the previous report.

**GENERAL SERVICES CAPITAL PROGRAMME TO PERIOD 10**

7. There was submitted a report dated 7 February 2000 (circulated) by the Director of Finance which provided an update on the current position regarding the General Services Capital Programme 1999/2000.

**7.1 EDUCATION**

The Group noted a projected over-commitment in respect of Auchinleck Primary School.

It was confirmed that the issue of post handover retention funds being built into next year's budget would be covered in the recommendations to the Education Committee for the 2000/01 Capital Programme.

**TRADING SERVICES TO 14 JANUARY 2000 (PERIOD 10)**

8. The Group continued consideration of this report.

**8.1 SITE SERVICES**

It was noted that there were no new issues of concern arising in respect of Site Services.

The Director of Education left the meeting.

**BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE  
ACCOUNT TO 14 JANUARY 2000 (PERIOD 10)**

9. The Group continued consideration of this report.

## 9.1 SOCIAL WORK

The Director of Social Work joined the meeting.

It was noted that there were no new areas of concern. Tight controls were required in respect of employee costs. The Director was confident that the budget would out-turn as forecast.

### GENERAL SERVICES CAPITAL PROGRAMME TO PERIOD 10

10. The Group continued consideration of this report.

It was noted that projections were in line with estimates in respect of Social Work.

The Group noted the possibility of slippage in respect of funds allocated for the Criminal Justice IT system and of a consequent change in the emphasis of spending within the relevant line of the Social Work programme. It was noted that a redirection of funds for purposes outwith its original budget line would be inappropriate.

The Director of Social Work left the meeting.

Councillor Reid left the meeting.

### BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 14 JANUARY 2000 (PERIOD 10)

11. The Group continued consideration of this report.

## 11.1 DEVELOPMENT SERVICES

The Director of Development Services joined the meeting.

It was noted that there were no new areas of concern in respect of Development Services.

### GENERAL SERVICES CAPITAL PROGRAMME TO PERIOD 10

12. The Group continued consideration of this report.

It was noted that projections were in line with estimate.

### TRADING SERVICES TO 14 JANUARY 2000 (PERIOD 10)

13. The Group continued consideration of this report.

## 13.1 ROADS DLO

It was noted that there were no new issues of concern arising in respect of Roads.

The Group noted that the Director of Development Services received regular analysis of the income accrual and that the figure was based on sound information.

It was noted that overtime and bonus expenditure related to out-of-hours trunk road work undertaken during the Autumn and Christmas period and road gritting.

## 13.2 VEHICLE MAINTENANCE DLO

It was noted that break-even was projected in respect of Vehicle Maintenance.

It was noted that the issues of decline in income and reducing vehicle fleet would be addressed in future Business Plans.

The Director of Development Services left the meeting.

Councillor Reid rejoined the meeting.

**BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE  
ACCOUNT TO 14 JANUARY 2000 (PERIOD 10)**

14. The Group continued consideration of this report.

**14.1 CORPORATE SERVICES**

The Director of Corporate Services joined the meeting.

It was noted that there were no new issues of concern in respect of Corporate Services.

The Director of Corporate Services left the meeting.

Councillor Wilson left the meeting.

**BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE  
ACCOUNT TO 14 JANUARY 2000 (PERIOD 10)**

15. The Group continued consideration of this report.

**15.1 COMMUNITY SERVICES**

The Director of Community Services joined the meeting.

It was noted that there were no major issues of concern in respect of Community Services and an underspend of £158,000 was anticipated which included payments totalling £23,000 for implementation of the Working Time Directive.

Councillor Wilson rejoined the meeting.

**GENERAL SERVICES CAPITAL PROGRAMME TO PERIOD 10**

16. The Group noted that savings incurred by delaying the purchase of the Palace Theatre sound system had been utilised for expenditure on the Western Road security fence for which the work had been carried out on a spend to save basis. The concerns raised by the Director of Finance at paragraph 10 above were repeated.

It was noted that the Library Management System would be operational for next financial year.

**TRADING SERVICES TO 14 JANUARY 2000 (PERIOD 10)**

17. The Group continued consideration of this report.

**17.1 REFUSE COLLECTION DSO**

The Group noted an improvement in the projected surplus since the previous report.

### **17.2 STREET CLEANSING DSO**

The Group noted an improvement in the projected surplus since the previous report.

### **17.3 LEISURE MANAGEMENT DSO**

It was noted that a small surplus was anticipated in respect of Leisure.

### **17.4 GROUNDS MAINTENANCE**

It was noted that there were no new significant variances in respect of Grounds Maintenance.

The Director of Community Services left the meeting.

## **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 14 JANUARY 2000 (PERIOD 10)**

18. The Group continued consideration of this report.

### **18.1 CENTRAL SERVICES**

It was noted that there were no new areas of concern in respect of Central Services.

The meeting terminated at 1340 hrs.

**AGENDA**