

## **EAST AYRSHIRE COUNCIL**

### **BUDGET MONITORING GROUP**

#### **REPORT ON MEETING HELD ON TUESDAY 21 MARCH 2000 AT 1140 HRS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK**

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

**ATTENDING:** Tom McHugh, Head of Accounting Services; Ian Arnott, Corporate Accounting Manager; and Gillian Hamilton, Administrative Officer.

**APOLOGIES:** Councillors Kathleen Hall and Douglas Reid.

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

#### **REPORT OF BUDGET MONITORING GROUP MEETING HELD ON 15 FEBRUARY 2000**

1. There was submitted and noted report of the meeting held on 15 February 2000 (circulated).

#### **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 11 FEBRUARY 2000 (PERIOD 11)**

- 2.1 There was submitted a report dated 14 March 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 11 February 2000 (Period 11).

The Director of Finance summarised the overall position in respect of the General Services Revenue Account.

In respect of the underspend within the Department of Education, the Group agreed to seek the Director of Education's assurance, when he was in attendance, that no adverse variance was expected at the year end.

Regarding Community Services, the Group noted the additional deficit in the Galleon Centre, which would be offset by underspends within other sections of Community Services. The Group was assured that, taking into account the low level of subsidy made by the Council and the current debt charges, the Centre was more cost effective than centres operated by other local authorities.

In relation to Development Services, the Group noted an anticipated overspend arising from roads winter maintenance expenditure which would be offset by additional income from the Burns Mall.

Councillor Carmichael joined the meeting at this point.

#### **2.2 EDUCATION**

The Director of Education joined the meeting.

The Director of Education assured the Group that he expected to out-turn on budget at year end.

The Group sought assurance in relation to the DMR Scheme of Delegation, that there were no outstanding recharges to schools that the schools were not aware of.

The Director of Education was confident that this was not the case but would double check the position for the Group's reassurance.

The Director of Education left the meeting.

## **2.3 COMMUNITY SERVICES**

The Director of Community Services joined the meeting.

The Group noted that urgent expenditure had been incurred by the Galleon Centre, arising from a Health and Safety issue relating to the swimming pool environs, this additional commitment will be offset by underspends within other sections of Community Services.

### **TRADING SERVICES TO 11 FEBRUARY 2000 (PERIOD 11)**

3. There was submitted a report dated 16 March 2000 (circulated) by the Director of Finance which advised Members of the current budgetary control position of the Trading Services of the Council for the period ended 11 February 2000 (Period 11).

It was noted that there were no new issues.

### **GENERAL SERVICES CAPITAL PROGRAMME TO PERIOD 11**

4. There was submitted a report dated 3 March 2000 (circulated) by the Director of Finance which provided an update on the current position regarding the General Services Capital Programme 1999/2000.

## **4.1 COMMUNITY SERVICES**

It was noted that air quality monitoring equipment had now been received and the invoice would be processed before 31 March 2000. An invoice for Stair Cemetery extension, which was currently showing nil expenditure, had recently been processed.

The Director of Community Services left the meeting.

### **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 11 FEBRUARY 2000 (PERIOD 11)**

5. The Group continued consideration of this report.

## **5.1 SOCIAL WORK**

The Depute Director of Social Work (Finance and Resources) joined the meeting.

It was noted in relation to the favourable variance arising from an unavoidable delay in filling vacancies, that a small number of posts were being progressed but that this would not affect the overall year end figure. The vacancies had, however, affected the travel budget, but the overall projection was safe.

Issues which had been discussed with the Director of Finance concerning rates were accounted for in the projection to 31 March 2000.

### **GENERAL SERVICES CAPITAL PROGRAMME TO PERIOD 11**

6. The Group continued consideration of this report.

#### **6.1 SOCIAL WORK**

The Director of Social Work joined the meeting.

The Group referred to earlier concerns that capital expenditure be not vired across budget lines and were assured that expenditure was indeed being incurred in respect of approved budgets.

It was noted that expenditure on Community Alarms was being undertaken in the current financial year on a spend to save basis.

The Director of Social Work and the Depute Director of Social Work (Finance and Resources) left the meeting.

### **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 11 FEBRUARY 2000 (PERIOD 11)**

7. The Group continued consideration of this report.

#### **7.1 DEVELOPMENT SERVICES**

The Director of Development Services joined the meeting.

The Group noted that an overspend on roads winter maintenance had occurred which was offset by additional income from the Burns Mall. The overspend was a result of operational matters experienced during the winter and when the impact of this had been fully assessed, it would be a matter for consideration by the Development Services Committee.

### **TRADING SERVICES TO 11 FEBRUARY 2000 (PERIOD 11)**

8. The Group continued consideration of this report.

#### **8.1 ROADS DLO**

The Group noted the slightly improved position in respect of Roads DLO income.

#### **8.2 VEHICLE MAINTENANCE DSO**

It was noted that break-even was anticipated in respect of the Vehicle Maintenance DSO.

### **GENERAL SERVICES CAPITAL PROGRAMME TO PERIOD 11**

9. The Group continued consideration of this report.

#### **9.1 DEVELOPMENT SERVICES**

It was noted that a capital receipt was anticipated by 31 March 2000 in respect of Dundonald Road and that there were no outstanding issues in this transaction.

The Director of Development Services left the meeting.

### **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 11 FEBRUARY 2000 (PERIOD 11)**

10. The Group continued consideration of this report.

#### **10.1 CENTRAL SERVICES**

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

#### **10.2 CORPORATE SERVICES**

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

### **HOUSING REVENUE ACCOUNT TO 11 FEBRUARY 2000 (PERIOD 11)**

11. There was submitted a joint report dated 16 March 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 11 February 2000 (Period 11).

The Director of Homes and Technical Services joined the meeting.

The Director of Finance reported that the bottom line projection for Housing Revenue Account was in line with that reported previously.

The Group noted, in relation to property costs, the ongoing problem in respect of the lack of management information provided via the new URS management information system has resulted in the projection for Repairs being based on the Housing Orchard Commitment figures.

The Director of Homes and Technical Services assured the Group that the management information system was now capable of generating the required reports; however, the problem lay with interrogating the system. An early meeting with City of Glasgow was scheduled to attempt to resolve the outstanding issues.

In the meantime the Director of Homes and Technical Services was confident that the figures provided by the Housing Orchard Repairs Commitment System reflected the level of work being carried out. It was recognised that it would be helpful in future to be able to confirm the figures out of both the manual and URS management information systems.

### **BUILDING AND WORKS JOB COSTING SYSTEM**

12. The Director of Finance circulated a report dated 20 March 2000 which advised Members of the interim measures in place within Building and Works for job costing.

The Director of Finance noted that it had been hoped that the new URS management information system would provide an accurate job costing reporting system in respect of capital works. This facility was not yet available and a manual system was being used as a stop gap solution.

The Director of Finance advised that whilst the arrangements set out in the report for labour costs, materials and income were a stop gap and it was essential that a capital job costing facility was secured as soon as possible.

The Director of Homes and Technical Services advised the Group that the management of Building and Works were aware of the position and were currently looking at an IT solution to solve the issues of concern highlighted by the Director of Finance. It was noted that a budget had been allocated in the 2000/2001 Capital Programme and that a functional specification for a new system would be produced and a progress report submitted to a future Budget Monitoring Group. It was anticipated that the specification and identification of the type of system required would be completed within three to four months.

The Director of Homes and Technical Services noted that in the interim he would undertake to review existing processes in order to advance areas for improvement.

### **TRADING SERVICES TO 11 FEBRUARY 2000 (PERIOD 11)**

13. The Group continued consideration of this report.

#### **13.1 BUILDING AND WORKS DLO**

The Director of Finance noted his concerns in respect of the robustness of the projected income and material out-turn figures due to the lack of collaborative data from the URS system. It was noted that the Director of Homes and Technical Services was appreciative of the level of assistance and co-operation from Finance, both in respect of highlighting issues and clearing backlogs. The Director of Homes and Technical Services assured the Group that he was comfortable and confident in achieving the estimated out-turn surplus of £45,000 and advised that he was optimistic that figure would be improved upon.

### **HOUSING CAPITAL PROGRAMME TO PERIOD 11**

14. There was submitted a report dated 3 March 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 underspend was on target in respect of the Housing Capital Programme to Period 11.

The Director of Homes and Technical Services left the meeting.

### **INTROMISSIONS ISSUES**

15. The Group noted that discussions were continuing with the former Strathclyde Authorities regarding intromissions issues.

The meeting terminated at 1235 hrs.

<b>AGENDA</b>
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