

## **EAST AYRSHIRE COUNCIL**

### **BUDGET SCRUTINY GROUP**

#### **REPORT OF MEETING HELD ON TUESDAY 6 NOVEMBER 2001 AT 1033 HRS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK**

**PRESENT:** Councillors Drew McIntyre, 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.

**APOLOGIES:** Councillor Douglas Reid.

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

#### **REPORT OF BUDGET SCRUTINY GROUP MEETING HELD ON 30 AUGUST 2001**

1. There was submitted and noted report of meeting held on 30 August 2001 (circulated).

#### **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 23 SEPTEMBER 2001 (PERIOD 6)**

2. There was submitted a report dated 23 October 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 23 September 2001 (Period 6).

The Director of Finance summarised the position in respect of the General Services Revenue Account, highlighting 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 reported an exercise was currently being undertaken to verify the estimated cost of the implementation of the McCrone Report as now calculated by the Director of Educational and Social Services. A further report would be submitted to the Group in due course.

It was further reported by the Director of Finance a projected overall cumulative surplus of £491,000 with all Directors implementing good housekeeping measures to reduce overall expenditure and ensure the meeting of budget targets.

The Group received clarification from the Director of Finance with regard to the factor of time delay in the actioning of budget amendments between the SEEMIS system and the Council's Financial Ledger. The Director of Finance assured the Group that new procedures were progressively being put in place to reduce any such delay to the minimum.

## **SOCIAL SERVICES**

The Director of Finance reported that the areas of potential concern previously reported in respect of Social Services budget reporting had been addressed through the recent realignment of the budget for 2001/02 and steps taken to ensure expenditure remained within budget. The figures presented to the Group would be updated in realigned form for the next meeting. The Director of Finance was confident that managers now had appropriately detailed information on their budgets in respect of 2001/02. It was noted that further work was in hand to place the overall base budget on a firm footing for 2002/03 and beyond.

### **2.2 COMMUNITY SERVICES**

The Director of Finance reported that any financial consequences of the Member/ Officer Working Group deliberations on play parks would be reported to a future meeting.

It was anticipated that the overall current budget for Community Services would out-turn on target.

### **2.3 DEVELOPMENT SERVICES**

The Director of Finance reported this budget should come in on target at year end.

### **2.4 POLICY AND RESOURCES - CORPORATE OFFICE ACCOMMODATION**

It was reported by the Director of Finance that a projected overspend of £50,000 was showing partly attributed to the cost of ISDN lines and security. It was noted that officers were examining on a corporate basis the issue of security for Council offices to determine whether more cost effective options across the board could be found.

### **2.5 MISCELLANEOUS SERVICES**

The Director of Finance reported a potential deficit in relation to the Skills Training Unit. However, the Head of Personnel was discussing the contract between the Unit and Enterprise Ayrshire and was confident that agreement over Enterprise Ayrshire's payment could be reached.

### **2.6 FINANCE**

It was reported by the Director of Finance that additional income had been offset by additional employee sickness cost. However, an underspend by the year end was anticipated.

### **2.7 HOMES AND TECHNICAL SERVICES**

It was reported by the Director of Finance that central repairs were anticipated to overspend by £220,000 at year end. The Director of Homes and Technical Services was looking at ways to reduce this without prejudicing the Council's responsibilities with regard to Health and Safety legislation.

## **HOUSING REVENUE ACCOUNT TO 23 SEPTEMBER 2001 (PERIOD 6)**

3. There was submitted a joint report dated 23 October 2001 (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 23 September 2001 (Period 6).

In relation to property costs there was projected an adverse variance of £500,000 at year end, mainly in relation to void property costs.

It was noted that the Housing Committee had already agreed a programme of demolitions in certain areas, but currently some additional costs were showing due to properties now being emptied prior to demolition taking place following which savings would accrue. It was further confirmed that the Director of Homes and Technical Services had been asked to look at ways in which demolitions were packaged to ensure best value for money.

It was noted that the Director of Homes and Technical Services was currently taking action to reduce the current year-end overspend projected.

#### **TRADING SERVICES TO 23 SEPTEMBER 2001 (PERIOD 6)**

4. There was submitted a report dated 23 October 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 23 September 2001 (Period 6).

The Director of Finance reported that all Trading Services were on target with no adverse variances reported.

It was agreed that an initial response to Councillor Wilson's query about the wide variation in budget spend for materials purchases across various DSOs would be confirmed to him following consultation with the Director of Community Services.

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

#### **GENERAL SERVICES CAPITAL PROGRAMME TO PERIOD 6**

5. There was submitted a report dated 18 October 2001 (circulated) by the Director of Finance which gave an update on the projected out-turn of the General Services Capital Programme for the current financial year.

The Group agreed that whilst there was no requirement for the Service Committees to reschedule at this stage, that the Director of Finance write immediately to all Directors instructing that no further slippage be redirected without specific approval by the Policy and Resources Committee, since some projects involved would require additional funding to be carried over accordingly into the next financial year.

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

#### **HOUSING CAPITAL PROGRAMME TO PERIOD 6**

6. There was submitted and noted a report dated 18 October 2001 (circulated) by the Director of Finance which indicated a current satisfactory projected out-turn position for the Housing Capital Programme 2001/02.

The meeting terminated at 1117 hrs.

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