

## **EAST AYRSHIRE COUNCIL**

### **SPECIAL POLICY AND RESOURCES COMMITTEE – 11 JANUARY 2001**

#### **DRAFT ESTIMATES 2001/02 – GENERAL SERVICES**

##### **Report by Director of Finance**

## **1 PURPOSE OF REPORT**

- 1.1** To seek approval of the Draft Revenue Estimates 2001/02 in respect of the General Services in terms of the Cost of the Current Level of Service (CCLS).

## **2 BACKGROUND**

- 2.1** The Local Government Finance Act 1992 requires that each authority sets its Council Tax level before 11 March in the financial year preceding that for which it is set.

The Policy and Resources Committee at its meeting on 30 November 2000 agreed a timetable for the preparation of the Estimates 2001/02 leading up to setting the level of Council Tax for the forthcoming year on 15 February 2001 which is the date recommended by CoSLA to all Scottish Councils.

- 2.2** This report simply sets out the base budgets required by departments to allow them to continue to operate at current service levels and takes no account at this stage of funds available.

## **3. REVENUE ESTIMATES 2000/2001 (CCLS)**

### **3.1 Format**

- (a)** The Draft Revenue Estimates 2001/02 (CCLS) are summarised by Service Department in the attached Appendix. Details are presented for each department in respect of the current and forthcoming financial year.
- (b)** The estimates under consideration at this stage relate only to expenditure within the direct control of Service Departments.
- (c)** Further details in relation to non-departmental expenditure, projected balances brought forward from 2000/01, and Aggregate External Finance (AEF) will be incorporated within a future report in terms of the Estimates 2001/02 timetable.

### **3.2 Estimates (CCLS) 2001/02 – Departmental Expenditure**

The Draft Estimates (CCLS) 2001/02 for departmental expenditure amounts to £158.4m This represents an increase over the estimates set for the 2000/01 of £6.3m.

**3.3** The Draft Estimates (CCLS) 2001/02 for departmental expenditure is summarised in the Appendix and additional notes are incorporated below to highlight the assumptions made in the compilation of the estimates.

### **3.4 Inflation**

- (a)** Employee costs take account of the nationally negotiated settlement for all staff groups other than teachers. Provision for a 3% increase has been included for teaching staff.
- (b)** A 3% general inflation factor has been taken into account in respect of income from fees and charges. Service Directors will require to submit a range of charges to Service Committees in due course to generate this additional income.
- (c)** No further general inflation provision has been applied, but specific allowances have been made in some cases, for example in respect of rates, licence fees and contract re-pricing.

### **3.5 Employee Costs**

The Salaries budget takes account of relevant increment progression for those employees whose conditions of service involve this.

### **3.7 Joint Boards**

A provisional increase of 5.3% and 8% has been applied to the Joint Boards for Police and Fire, respectively and included in the Community Services CCLS Budget. This is based on indicative advice from the Scottish Executive and the respective board finance officers. An increase of 3% has been included for Strathclyde Passenger Transport Authority (SPTA) and included in the Development Services CCLS Budget. These may require to be adjusted once the final budgets of these Boards are agreed.

### **3.8 Trading Services**

Work is currently being undertaken on the business plans and detailed budgets for all Trading Services. Basic assumptions have been made in order to complete the CCLS budget for departmental expenditure. These are:

- (a)** Trading Services contracts have been updated for inflation in line with contract conditions. The resulting increased level of charges has been reflected in the expenditure budgets of client departments.

- (b) All Trading Services are budgeted at this stage in line with 2000/01 projected surpluses.

Detailed estimates in respect of each Trading Service will be the subject of a separate report to the Policy and Resources Committee at a later date.

#### **4 RECOMMENDATIONS**

It is recommended that Members:

- 4.1** approve the Draft Estimates 2001/02 (CCLS) amounting to £158.4m as indicated in paragraph 3.2, and summarised in the Appendix ; and
- 4.2** otherwise note the contents of this report.

Alex McPhee  
**Director of Finance**

IAA/AMCP/JP  
6 January 2000  
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#### **LIST OF BACKGROUND PAPERS NIL**

**AGENDA**