

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE – 14 JUNE 2001

VIREMENT 2001/02 REVENUE BUDGET

Report by Director of Development Services

1 PURPOSE OF REPORT

- 1.1** To seek Committee approval for the virement of budgets which is necessary following the unsuccessful bid by Clyde Solway Consortium, of which East Ayrshire Council was a partner, to renew the contract for maintaining the Trunk Roads in South West Scotland, the successful contractor being Amey Limited.
- 1.2** Members should note that the adjustments noted in section 3.1 below were submitted to and approved by the Development Services Committee of 5 June 2001.

2 BACKGROUND

- 2.1** The sum of £460,827 was the annual estimate of Trunk Roads fees income, which has been lost.
- 2.2** Virement has to take place within the Revenue Budget to offset this lost revenue.
- 2.3** The Capital Programme for 2001/02, approved at the Development Services Committee on 6 March 2001, allowed for capital recharges of £60,000 for Road Safety and the Public Transport Fund. The Footways and Carriageways Capital Allocation allowed for the capitalisation of former revenue work amounting to £350,000.
- 2.4** The balance of lost revenue amounting to £50,827 will be offset by a number of staff measures including the relinquishment of vacancies and early retirement. The reorganisation of workload relating to the staff measures was previously agreed, in principle, at the Development Services Committee on 24 April 2001., and has been approved by the Personnel & Property Sub-Committee.

3 VIREMENT

- 3.1** The proposed movement in budgets is as follows:

Employee costs – (expenditure) reduction	£50,827
Payments to Other Bodies – (expenditure reduction)	£350,000
Fees recharged to capital (income increase)	<u>£60,000</u>
Reduction in Trunk Road Fees	<u>£460,827</u>

4 FINANCIAL IMPLICATIONS

- 4.1 The financial implications for the Revenue Budget are detailed above.
- 4.2 Under Section 5.3 of the Council's Financial Regulations, virement in excess of £50,000 should be approved by the Policy and Resources Committee.

5 LEGAL IMPLICATIONS

- 5.1 Nil

6 RECOMMENDATIONS

- 6.1 It is recommended that the Committee:
- (a) agrees the virement proposals as noted in Section 3.1 and instructs the Director of Finance to make the necessary adjustments to the corporate ledger; and
 - (b) notes the contents of the report.

Stephen Chorley
Director of Development Services
5 June 2001
SC/CJ/JR

BACKGROUND PAPERS

Nil

For further information on the content of this report contact Chris Johnston, Financial Services Manager, on 01563 555731

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AGENDA