

## **EAST AYRSHIRE COUNCIL**

### **BUDGET MONITORING GROUP**

#### **REPORT OF MEETING HELD ON WEDNESDAY 27 SEPTEMBER 2000 AT 1400 HRS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK**

**PRESENT:** Councillors Drew McIntyre, Douglas Reid, Harry Wilson, John Knapp, Finlay MacLean and Jimmy Carmichael; Fiona Lees, Depute Chief Executive/Director of Corporate Resources; 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 Resources; and Stuart Nelson, Administrative Officer.

**APOLOGIES:** Councillors Eric Jackson and David Montgomery, Chief Executive.

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

#### **REPORT OF BUDGET MONITORING GROUP MEETING HELD ON 31 AUGUST 2000**

1. There was submitted and noted report of meeting held on 31 August 2000 (circulated).

#### **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 25 AUGUST 2000 (PERIOD 5)**

- 2.1 There was submitted a report dated 19 September 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 25 August 2000 (Period 5).
  - 2.1.1 The Director of Finance summarised the position in respect of the General Services Revenue Account, highlighting the current surplus of £162,211 which was slightly reduced from the Period 4 figure but was still broadly in line with projection. However, as a result of recent discussions with External Audit in connection with the accelerated rental for King Street units being credited to the account for the 1999/2000 financial year, the Director indicated that it has been decided to transfer this receipt from 1999-2000 financial year into 2000/2001 financial year.

#### **2.2 EDUCATIONAL SERVICES**

The Director of Educational and Social Services and the Head of Resource Support joined the meeting.

##### **2.2.1 Employee Costs**

Arising from discussion, the Director of Educational and Social Services confirmed that the effect of the recent industrial action by members of Unison would have minimal effect on employee costs for Educational Services since very few staff were members of the Trade Union concerned.

## **2.3 SOCIAL SERVICES**

**2.3.1** The Director of Finance made reference to the major variances identified in the Social Services budget and confirmed that an action plan had been developed with the Director of Educational and Social Services in order to address key issues which included Aids and Adaptations, the Council's Helpline services and recruitment arrangements.

**2.3.2** The Director of Educational and Social Services confirmed that progress was being made in accordance with the action plan. With specific reference to the Helpline services, it was intended to submit a report on this matter to the next meeting of the Group.

### **2.3.3 Transport Costs**

The Group noted further comments by the Director of Educational and Social Services confirming that an examination of the position in relation to variances resulting from additional expenditure on car mileage allowances and transport costs was being undertaken within Social Services.

### **2.3.4 Community Care**

The Group noted, as reported by the Head of Resource Support, that under community care, additional income of £64,334 arising from higher than budgeted income related to residential units.

## **TRADING SERVICES TO 25 AUGUST 2000 (PERIOD 5)**

3. There was submitted a report dated 19 September 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 25 August 2000 (Period 5).

## **3.1 SITE SERVICES**

The Group noted that there were no issues of concern in respect of Site Services.

## **GENERAL SERVICES CAPITAL PROGRAMME TO 25 AUGUST 2000 (PERIOD 5)**

4. There was submitted a report dated 22 September 2000 (circulated) by the Director of Finance which provided an update on the projected performance of the General Services Capital Programme 2000/01.

The Group noted that there were no issues of concern arising in respect of the General Services Capital Programme for Educational and Social Services.

The Director of Educational and Social Services and the Head of Resource Support left the meeting.

## **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 25 AUGUST 2000 (PERIOD 5)**

5. The Group continued consideration of this report.

## **5.1 COMMUNITY SERVICES**

The Director of Community Services joined the meeting.

It was noted that there was a projected favourable variance as at year end of £15,717 on the Community Services budget for 2000/01.

### **5.1.1 Cleansing and Waste Management**

The Director of Community Services reported that the level of Non-Domestic Rate charges for Cleansing Depots, was currently under examination and any ongoing issues of concern relating to this matter would be highlighted to the Group.

## **TRADING SERVICES TO 25 AUGUST 2000 (PERIOD 5)**

6. The Group continued consideration of this report.

### **6.1 Vehicle Maintenance**

The Group noted (a) that it was anticipated that discussions between the Departments of Community Services and of Development Services regarding finalisation of the Service Level Agreement and charging arrangements pertaining to vehicle maintenance would be resolved prior to the next meeting; and (b) that, otherwise, there were no issues of concern arising in respect of Community Services' Trading Services.

## **GENERAL SERVICES CAPITAL PROGRAMME TO 25 AUGUST 2000 (PERIOD 5)**

7. The Group continued consideration of this report.

It was noted that there were no issues of concern arising in respect of the General Services Capital Programme for Community Services, other than the requirement to submit a report to the Policy and Resources Committee regarding a rephrasing of the Capital Programme involving 2001/2 in respect of the proposed Cumnock Pool.

The Director of Community Services left the meeting.

## **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 25 AUGUST 2000 (PERIOD 5)**

8. The Group continued consideration of this report.

The Director of Development Services joined the meeting.

### **8.1 Roads and Transportation**

**8.1.1** The Director of Finance highlighted his concerns at considerable projected adverse variances under Roads and Transportation relating to (i) roads winter maintenance in respect of which an adverse variance of £300,000-£400,000 was projected at this stage; (ii) a shortfall in trunk road income where an adverse variance of £100,000 was anticipated at this stage; and (iii) delays regarding the receipt of bus shelter income of £185,000.

**8.1.2** The Director of Development Services, in response, explained (a) that in relation to the roads winter maintenance programme, it was intended to undertake a process of prioritising the work involved which, he anticipated, would account for approximately half of the anticipated adverse variance and that in respect of the balance, consideration was being given to the possibility of the transfer of certain categories of expenditure from revenue to capital budgets and Committee reports were in preparation accordingly; (b) in relation to trunk roads income, that the adverse variance had resulted mainly from a reduction in fee income from the Scottish Executive in respect of bridge assessments compared to last financial year and that

consideration was being given to how fee income for the current financial year could be augmented; and (c) with regard to bus shelters, that it was anticipated that, at best, income under this heading would be obtained only in respect of the month of March 2001, due to unforeseen difficulties which have been encountered with the contract. The financial position was being examined within the overall Development Services revenue budget for the current year.

**8.1.3** With regard to parking charges, the Group noted the comments of the Director of Development Services who explained that the adverse variance on this item had been declining in recent years and that it was anticipated that projected income would be achieved during the year 2001/02 due, amongst other things, to the introduction of charges at certain parking areas within Kilmarnock and the anticipated increase in the use of the multi-storey car park in Kilmarnock.

## **8.2 Corporate Office Accommodation**

With regard to the projected overspend of £13,000 due to an increase in the security costs for the Lugar Offices, the Director of Development Services intimated that this item would be the subject of a general review in consultation with other tenants at this location.

### **TRADING SERVICES TO 25 AUGUST 2000 (PERIOD 5)**

9. The Group continued consideration of this report.

#### **9.1 Vehicle Maintenance**

With regard to Vehicle Maintenance, the Director of Development Services confirmed that the nature of the contract for the maintenance of street cleansing vehicles has recently been amended to extend the basic maintenance specification to include a greater element of non-routine items thereby reducing the level of unforeseen costs to the Council and enhancing budgetary planning.

### **GENERAL SERVICES CAPITAL PROGRAMME TO 25 AUGUST 2000 (PERIOD 5)**

10. The Group continued consideration of this report.

The Group noted that there were no issues of concern in respect of the General Services Capital Programme for Development Services other than the potential capitalisation of Roads Maintenance work as commented above.

The Director of Development Services noted that overall capital receipts were looking favourable at this point in time.

The Director of Development Services left the meeting.

### **BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 25 AUGUST 2000 (PERIOD 5)**

11. The Group continued consideration of this report.

#### **11.1 Corporate Resources Department**

The Depute Chief Executive/Director of Corporate Resources indicated (i) that the projected adverse variance of £11,967 for Supplies and Services within Corporate Development and Communication would be accounted for by recharges to other Council Departments.

**BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE  
ACCOUNT TO 25 AUGUST 2000 (PERIOD 5)**

12. The Group continued consideration of this report.

**12.1 HOMES AND TECHNICAL SERVICES/HOUSING GENERAL FUND SERVICES**

The Director of Homes and Technical Services joined the meeting.

The Group noted that there were no material variances in respect of Homes and Technical Services or Housing General Fund Services.

**HOUSING REVENUE ACCOUNT TO 25 AUGUST 2000 (PERIOD 5)**

13. There was submitted a joint report dated 19 September 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 25 August 2000 (Period 5).

The Director of Finance noted his ongoing concern in respect of the possible need to use higher average cost data in the calculation of committed expenditure levels and this will be the subject of further monitoring.

The Group agreed:

- (i) to note, meantime, the position with regard to void houses which would be the subject of a separate report later in the meeting;
- (ii) that the Director of Homes and Technical Services would confirm to Councillor Reid the figure for void houses and the expenditure relating thereto; and
- (iii) otherwise, to note the terms of the report.

**TRADING SERVICES TO 25 AUGUST 2000 (PERIOD 5)**

14. The Group continued consideration of this report.

**14.1 BUILDING AND WORKS DLO**

The Director of Homes and Technical Services reported that the Housing Committee at its last meeting had given approval for the acceptance of a contract for the installation of the new Building and Works Costing System and that it was anticipated that arrangements would be made for the new system to be put in place in the near future, subject to finalisation of the contractual arrangements.

The Director of Finance noted his concerns over the availability and accuracy of data from the present system and welcomed the urgency shown.

The Group also noted that the Director of Homes and Technical Services had no issues of concern in respect of the financial position of Building and Works.

**HOUSING CAPITAL PROGRAMME TO 25 AUGUST 2000 (PERIOD 5)**

15. There was submitted and noted a report dated 19 September 2000 (circulated) by the Director of Finance which provided an update on the current position regarding the Housing Capital Programme 2000/2001.

## VOIDS MANAGEMENT

16. There was submitted a report dated 22 September 2000 (circulated) by the Director of Homes and Technical Services on expenditure on void properties and the action to be taken in relation to voids.

It was agreed:

- (i) to note that those measures referred to within Section 4 of the Director's report for improving voids administration performance would be introduced immediately and would be the subject of monitoring and examination by Senior Officers and, where appropriate, by this Group;
- (ii) to note that further reports would be submitted to the Housing Committee, being the appropriate Service Committee, on the action plan to address the adverse situation with regard to void houses, such reports to deal with the range of issues set out in the Director's report and discussed at the meeting; and
- (iii) that the Director of Homes and Technical Services would consult with the appropriate Elected Members in respect of the perceived increasing difficulty in letting houses in areas which were previously regarded as areas of demand.

The Director of Homes and Technical Services left the meeting.

## GENERAL SERVICES CAPITAL PROGRAMME TO 25 AUGUST 2000 (PERIOD 5)

17. The Group continued consideration of this report.

### 17.1 Council Priorities

The Director of Finance reported that in respect of Council Priorities, the Dalmellington Area Centre Project would be closely monitored and any slippage (estimated at £100,000 at the present time) would be used to offset the over-commitment in the Capital Programme which was currently projected at £199,000 as at the year end but likely to reduce in view of experience in previous years.

The meeting terminated at 1552 hrs.

**AGENDA**