

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE – 27 NOVEMBER 2003

BUDGETARY CONTROL STATEMENT GENERAL FUND SERVICES

Report by Director of Finance

1 PURPOSE OF REPORT

- 1.1** To advise Members of the current budgetary control position of the General Services Revenue Account.

2 OVERALL POSITION

REVENUE

- 2.1** The budgetary position summarised at Period 6 is shown in [Appendix 1](#). The budgeted outturn position at 31 March 2004 is a break-even position. The currently projected outturn is a deficit of £0.343m.
- 2.2** Members should note that the 2002/03 uncommitted balance brought forward figure of £1.524m has now been confirmed following the conclusion of the audit process.
- 2.3** The Policy and Resources Committee of 3 October 2002 agreed that in order to promote better long term planning departmental balances generated by managed savings could be carried forward for future use by the department concerned. This effectively gave departments an eighteen month timeframe in which to operate. The audit process is now complete and the balances confirmed. Departmental balances are earmarked within the General Fund balance for allocation to departments on demand. Directors should be reminded that these funds must not be used in a way that creates additional overall budget liability and should not be used to support annually recurring expenditure.
- 2.4** Members will recall that the Council's insurers decided to reconsider the terms they would offer in the light of the recent fire at Grange Academy. Following detailed discussions the terms offered are manageable within the original budget. This reflects the high regard the insurers have for our risk management arrangements as well as the flexibility shown in the Grange re-instatement.

3 SPECIFIC DEPARTMENTAL ISSUES

3.1 Education

As previously agreed, the Policy and Resources Committee agreed to release £0.100m ringfenced Contingency budget for Special Educational Out-placement costs and this is reflected in the figures. These costs have continued to increase however and are currently projected to be £0.473m in excess of budget by the year-end. In addition, negotiations are taking place in respect of the Nursery Nurses' pay dispute but the final costs are unknown; for reference the cost of implementing the proposed national guidance rejected by the union would have been £0.160m. The Director of Educational and Social Services has confirmed that he will be taking action designed to bring total expenditure more into line with the departmental resource allocation.

3.2 Development Services

The adverse variance of £0.036m anticipated to 31 March 2004 arises principally from additional costs relating to mid-year adjustments to the distribution of the SPT levy.

3.3 Central Services

The projected underspend to 31 March 2004 of £0.070m is due to a favourable variance of £0.058m within Finance and £0.012m within Corporate Office Accommodation.

3.4 Corporate Resources

The projected underspend to 31 March 2004 of £0.025m is due to reduced Employee Costs as a result of the timing of filling of vacancies.

3.5 Homes and Technical Services

The projected favourable variance of £0.099m is mainly due to the timing of filling vacancies within Contracting and Technical Services.

3.6 Building and Works

Building and Works is anticipated to outturn £0.222m better than budget.

4 CAPITAL

4.1 The level of 2003/04 expenditure is currently projected to outturn £0.400m less than the revised funding assumptions; this is a consequence of the expected re-phasing of the Dalsalloch replacement by Social Services to facilitate decanting of residential homes whilst refurbishment takes place, together with the latest forecast for capital receipts by the Director of Development Services of £1.115m. Two new issues have arisen to which this slippage could be allocated.

- (a) Initial work on the Galston area flood prevention scheme at an estimated cost in 2003/2004 of £0.300m requires to be initially funded by the Council, these costs will however be fully recovered through capital grant if the Scottish Executive approve the scheme. The Director of Development Services is confident that approval will be forthcoming in due course and it is proposed to allocate funding to this scheme to allow it to be progressed.
- (b) The initial audit work carried out for the Disability Discrimination Act has revealed a number of low cost high impact alterations at various Council premises. The total value is estimated at £0.100m and it is proposed to allocate funding to allow these to be completed in the current year.

SERVICE	Revised Budget 2003/04	Actual Expenditure to Date	Projected Expenditure 2003/04	Variance Actual / Revised Budget
	£	£	£	£
Education	3,843,000	801,162	3,843,000	0
Social Services	1,580,000	8,155	330,000	-1,250,000
Community Services	1,151,000	25,284	1,151,000	0
Development Services	8,005,000	181,852	8,005,000	0
Corporate Property Issues	90,000	50	90,000	0
Policy & Resources	2,213,000	272,352	2,213,000	0
Homes & Technical Services	550,000	128,264	550,000	0
Total Capital Expenditure	17,432,000	1,417,119	16,182,000	-1,250,000
Funded By				
Section 94 Capital Consents	9,334,000	925,937	9,334,000	0
2002/03 Overspend	398,000	398,000	398,000	0
Specific Capital Grants	4,788,000	424,966	4,788,000	0
Useable Capital Receipts	1,300,000	56,980	1,115,000	-185,000
Anticipation/Accruals	1,146,000	94,879	947,000	-199,000
Total Funding	16,966,000	1,900,762	16,582,000	-384,000
Over/ (Under) Section 94 Limit	466,000	-483,643	-400,000	-866,000

5 RECOMMENDATIONS

- 5.1 It is recommended that Members allocate capital funding as proposed in paragraph 4.1 above and otherwise note the contents of this report.

Alex McPhee
Director of Finance

JJ/DMW
22 October 2003
ENC (1)

LIST OF BACKGROUND PAPERS NIL

Members wishing further information should contact Ian Arnott, Corporate Accounting Manager, Tel: (01563) 576307.