

EAST AYRSHIRE COUNCIL

BUDGET MONITORING GROUP

**REPORT OF MEETING HELD ON THURSDAY 21 JUNE 2001 AT 1000 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: Tom McHugh, Head of Accounting Services; Ian Arnott, Corporate Accounting Manager; Julie Jamieson, Financial Services Manager (Corporate Accounting); and Gillian Hamilton, Administrative Officer.

APOLOGY: Councillor Douglas Reid.

CHAIR: Councillor Drew McIntyre, Chair.

**REPORT OF BUDGET MONITORING GROUP MEETING
HELD ON 20 MARCH 2001**

1. There was submitted and noted report of meeting held on 20 March 2001 (circulated).

**BUDGETARY CONTROL STATEMENT -
GENERAL SERVICES REVENUE ACCOUNT 2000/01 DRAFT OUT-TURN**

2. There was submitted a report dated 7 June 2001 (circulated) by the Director of Finance which advised of the current budgetary control position of the General Services Revenue Account for the financial year ended 31 March 2001.

The Director of Finance summarised the position in respect of the General Services Revenue Account, highlighting a surplus for the year of £2.529m resulting in a cumulative surplus of £1.004m as at 31 March 2001.

The following issues were highlighted by the Director of Finance.

The draft out-turn for Development Services was better than forecast due to additional income from loans and reduced expenditure on winter maintenance.

The draft out-turn for Corporate Resources, Homes and Technical Services and Roads was better than forecast, resulting in a better all round budgetary performance for the year 2000/01.

It was felt that in some degree this demonstrated the value of the Budget Monitoring Group in promoting a keener sense of financial awareness within the Council.

It was confirmed that carrying a surplus balance forward did not affect the level of Central Government funding in future years.

It was noted that the Abstract of Accounts for 2000/01 were completed and would be submitted to the Council meeting of 28 June 2001

It was agreed to note the report.

**HOUSING REVENUE ACCOUNT -
DRAFT OUT-TURN TO 31 MARCH 2001**

3. There was submitted a joint report dated 14 June 2001 (circulated) by the Directors of Finance and of Homes and Technical Services which advised of the draft out-turn position of the Housing Revenue Account for the period ended 31 March 2001.

It was agreed:

- (i) to note the decision of the Housing Committee in respect of the cumulative surplus within the Housing Revenue Account; and
- (ii) otherwise to note the report.

TRADING SERVICES - DRAFT OUT-TURN TO 31 MARCH 2001

4. There was submitted a report dated 14 June 2001 (circulated) by the Director of Finance which advised of the draft out-turn position of the Trading Services of the Council for the period ended 31 March 2001.

It was agreed:

- (i) to note that the Roads DLO out-turn, although lower than forecast due to reduced income from trunk roads, still represented an improvement on the previous year; and
- (ii) otherwise to note the report.

GENERAL SERVICE CAPITAL PROGRAMME TO PERIOD 16

5. There was submitted report dated 30 May 2001 (circulated) by the Director of Finance which updated Members on the final out-turn of the General Services Capital Programme for the financial year to 31 March 2001.

It was agreed:

- (i) to note that the General Services Capital Programme had been managed in line with Scottish Executive expenditure guidelines;
- (ii) to note that any agreed slippage within Departments would carry forward into next year since this related to ongoing projects; and
- (iii) otherwise to note the report.

HOUSING CAPITAL PROGRAMME TO PERIOD 16

6. There was submitted a report dated 30 May 2001 (circulated) by the Director of Finance which updated Members on the out-turn position for the Housing Capital Programme 2000/01.

It was agreed:

- (i) to note that the Housing Capital Programme had been managed in line with the Scottish Executive guidelines; and
- (ii) otherwise to note the report.

2001/02 BUDGETARY CONTROL POSITION STATEMENT

7. There was submitted a report dated 7 June 2001 (circulated) by the Director of Finance which advised Members of the material issues arising since the 2001/02 revenue estimates in respect of the General Services Revenue Account and Housing Revenue Account were approved and highlighted those issues influencing the overall financial position which had been raised with the Director of Finance by Service Directors.

It was agreed to note that Departmental expenditure required to be contained within the resource allocations set for 2001/02. Where material variances were forecast, action would be required by the Service Director.

7.1 EDUCATIONAL AND SOCIAL SERVICES

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

7.1.1 Education

The Director of Educational and Social Services highlighted the national funding difficulty arising from implementation of the McCrone Report in respect of which he was currently undertaking an exercise to identify and detail the actual cost of implementation locally. This exercise would be concluded for the next Budget Monitoring Group.

It was noted that there would be added impact on the Education budget from a currently unresolved issue relating to musical instructor salaries which had been referred to CoSLA with a view to seeking Central Government support.

In respect of both of these issues the Director of Educational and Social Services would present the overall position to the next meeting.

It was agreed that careful monitoring of the budget by the Education Department would be required for 2001/02 with specific reference to the changes which occur from the commencement of the new academic session in August 2001, particularly in respect of teachers' average salaries and actual pupil numbers.

BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT 2000/01 DRAFT OUT-TURN

8. The Group resumed consideration of this report.

2001/02 BUDGETARY CONTROL POSITION STATEMENT

9. The Group resumed consideration of this report.

9.1 SOCIAL SERVICES

The Group noted that the Scottish Care Group were presently lobbying local authorities and the Scottish Executive for an increase in the weekly placement rate of £50. This level of uplift would result locally in additional costs of approximately £1m per year, based on current placement numbers, for which there was no provision within the budget for Social Services. National negotiations were underway in respect of this issue.

It was noted that work was continuing within the Department to realign the overall budget and that this would be completed soon.

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

It was agreed otherwise to note the report.

The meeting terminated at 1057 hrs.