

EAST AYRSHIRE COUNCIL

BUDGET SCRUTINY GROUP

REPORT OF MEETING HELD ON TUESDAY 24 JUNE 2003 AT 1400 HRS IN THE MAIN MEETING ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillors Drew McIntyre, Stuart Finlayson, Neil McGhee and Elaine Dinwoodie; 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 Jennifer Morrison, Administrative Officer.

APOLOGY: Councillor John Knapp.

CHAIR: Councillor Drew McIntyre, Chair.

BUDGET SCRUTINY GROUP MEETING HELD ON 19 MARCH 2003

1. There was submitted and noted a report of meeting held on 19 March 2003 (circulated).

BUDGETARY CONTROL STATEMENT - DRAFT OUT-TURN REPORT TO 31 MARCH 2003

2. There was submitted a report dated 12 June 2003 (circulated) by the Director of Finance which advised Members of the draft out-turn position of the General Services Revenue Account, Trading Services Account, General Services Capital Programme, Housing Revenue Account and Housing Capital Programme for the year ended 31 March 2003, and which commented on specific issues for 2003/04 which had arisen since the budget was set on 13 February 2003.

It was noted that a copy of the Trading Services Operating Statement had been made available to Members for one hour before and also at the meeting.

2.1 2002/03 OVERALL POSITION

The Group received a report by the Director of Finance in respect of the undernoted accounts:

General Services Revenue Account

The Group noted a cumulative uncommitted surplus of £1.524m.

Trading Services Account

Noted that all Trading Services Accounts were in surplus.

General Services Capital Programme

The draft out-turn expenditure was within the Section 94 Consent limits.

Housing Revenue Account

The out-turn position was £0.441m surplus and it was noted that the Council would be asked to make an appropriation to the Renewals and Repairs Fund in line with previous practice.

Housing Capital Programme

The draft out-turn expenditure was within the prescribed limits.

2.2 2003/04 COMMENTARY**Education**

The Group noted the Director of Finance's report:

- (i) that the realignment of the budget for 2003/04 was still being progressed and, as indicated by the Director of Educational and Social Services, was nearing completion; and
- (ii) that work was progressing positively with the SEEMIS organisation itself in relation to the integration of SEEMIS System data with the Council's main financial system.

Social Work

It was noted that the works in respect of some further realignment required for 2003/04 within the Social Work budget were nearing completion.

The Group noted that the Director of Educational and Social Services had indicated that there were no significant budgetary issues to report in either Education or Social Services at this stage in the financial year.

Housing Revenue Account

It was noted that due to a continuing high number of house sales there would now be some under-recovery of rent income in 2003/04. However, the Group noted the Director of Homes and Technical Services' assurance that the HRA would outturn within budget at year end.

Community Services

There were no significant variances of note.

Development Services

There were no significant variances to date. The Group noted the £50,000 draw last year on the Contingency Fund in respect of winter maintenance expenditure, and it was agreed the actual expenditure for this purpose should continue to be monitored to ascertain whether the budget would require realignment in future years.

Central Services

There were no significant variances of note.

Homes and Technical Services

There were no significant variances of note.

Other Issues

The Group noted that figures in respect of Supporting People had been provisionally agreed with the Scottish Executive but that final agreement would not be reached until November 2003.

2.3 EDUCATIONAL AND SOCIAL SERVICES

The Director of Educational and Social Services then joined the meeting for discussion of the Educational and Social Services budget.

The Director of Educational and Social Services was advised of the three main issues identified by the Group: (i) since the realignment of the Education budget had not been able to be completed and put in place for the new financial year, and the Group was looking now for a definite date in this respect; (ii) a progress report was sought on the integration of the SEEMIS system, and (iii) an update on the progress with the further Social Work realignments for 2003/04.

The Director of Educational and Social Services reported on the above matters to the Group as follows:

- (i) The realignment exercise would be completed within the next two/three weeks producing a robust and fully realigned budget. In the interim the Director of Educational and Social Services indicated that he had put measures in place to ensure that budget managers did not overcommit whilst the budget realignment exercise was being carried out. The Director of Educational and Social Services also assured the Group that he would ensure that the Department would outturn on budget for the year.
- (ii) Discussions were now being held with SEEMIS regarding the development of an electronic interface to SAP and the Director of Educational and Social Services assured the Group that he would be progressing this matter urgently.
- (iii) It was expected that the Social Work realignment exercise would be completed during July.

Education Realignment

The Group agreed:-

- (a) that following meetings between the Directors of Educational and Social Services and of Finance, the Director of Educational and Social Services should write to the Chair of the Budget Scrutiny Group advising him when Officers work on the realignment of the Education budget had been completed and a possible way ahead identified. The Director of Educational and Social Services estimated the timescale for such Officer resolution to be the middle of July. It was expected that an appropriate report would be put for consideration and decision to the next Education Committee, in September. Meanwhile the measures put in place by the Director of Educational and Social Services to ensure that Managers did not overcommit whilst the budget was being realigned should be monitored closely by him;
- (b) should any problems develop in relation to the agreed timescales meanwhile the Director of Educational and Social Services should advise the Chair of the Education Committee and the Budget Scrutiny Group Chair.

- (c) to note the Director of Educational and Social Services assurance that the realigned budget would be contained with the overall 2003/04 education budget approved on 13 February 2003; and
- (d) to require a further progress report to be submitted to the next meeting of the Budget Scrutiny Group.

Integration of SEEMIS System

The Group noted the Director of Educational and Social Services' projection that the dovetailing of the SEEMIS and SAP systems would be finalised in time for the new school session in August, with SEEMIS concurring with this timescale.

The Group asked that the Director of Educational and Social Services provide the Chair of the Education Committee and the Budget Scrutiny Group Chair with a progress report by the beginning of August.

Social Work Realignment

The Group noted that work was in hand and issues would be progressed to the same timescales as the realignment of the Education budget.

The meeting terminated at 1435 hrs.