

EAST AYRSHIRE COUNCIL

BUDGET MONITORING GROUP

REPORT OF MEETING HELD ON THURSDAY 31 AUGUST 2000 AT 1000 HRS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillors Drew McIntyre, Douglas Reid, John Knapp and Finlay MacLean; 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 for Corporate Resources; and Gillian Hamilton, Administrative Officer.

APOLOGIES: Councillors Harry Wilson and Eric Jackson.

CHAIR: Councillor Drew McIntyre, Chair.

REPORT OF BUDGET MONITORING GROUP MEETING HELD ON 19 JUNE 2000

1. There was submitted report of the meeting held on 19 June 2000. It was noted that accounts for financial year ended 31 March 2000 had been finalised and submitted to the Controller of Audit by the due date.

BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 28 JULY 2000 (PERIOD 4)

- 2.1 There was submitted a report dated 22 August 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 28 July 2000 (Period 4).

The Director of Finance summarised the position in respect of the General Services Revenue Account, highlighting the current surplus of £176,249 which was broadly in line with projection.

2.2 EDUCATIONAL SERVICES

It was noted that there were no significant variances in respect of Educational Services. Budgets had been largely delegated to schools and were accordingly now within the close control of individual head teachers.

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

Pre-Fives

Arising from discussion on the actual variance for Pre-Fives, it was agreed to clarify the difference between significant and overall variance figures in future reports.

Primary Schools

The Director of Educational and Social Services highlighted the likely overspend for SEN Auxiliaries thus reflecting a national trend; it was noted that the issue has been raised by CoSLA with the Scottish Executive. It was noted that the figure was an improvement from previous years but remained a cause for concern; action was

being taken within the Department to offset the projected overspend. It was noted that a Best Value Service review of SEN provision was in train within the Council.

Secondary Schools

Regarding transport, a refund from SPTE for 1999/2000 charges, resulting in a current underspend, was noted. However, an increase in the cost of SEN transport provision was anticipated, offsetting the refund received.

It was noted that the level of increase would be reported to the next Budget Monitoring Group

Psychological Services

With regard to the vacant psychologist post, the Group noted the ongoing difficulty with attracting candidates. A research assistant had been appointed which was currently enabling the more effective deployment of existing psychological staff and it was hoped that the national position regarding the availability of psychologists would improve in the longer term.

Community Education

It was noted that the Community Education budget was being closely monitored. Income from lets was lower than projected but did not relate to any particular centre.

2.3 SOCIAL SERVICES

The Director of Finance highlighted to Group that major variances had been identified in this budget and that he had been working closely with the Director of Educational and Social Services over a period of time in order to identify an action plan to address these issues. It was further noted that these matters would require careful monitoring throughout the year.

The Director of Educational and Social Services assured the Group that work was ongoing to ensure the development of delegated budgets and that budget responsibility was clearly identified.

2.3.1 The Group noted the assurance of the Head of Resources Support that the reduction of £82,000 in expenditure in respect of Aids and Adaptations did not reflect a drop in the level of service provided but arose from a longer than anticipated lead in time for charges. The Group noted that the budgetary position for 2001/02 was not affected by this variance, and that no adverse affect on the operation of Building and Works was anticipated.

2.3.2 Children and Families/Criminal Justice

In relation to transport costs, the Group noted that no reduction in service provision was planned; the need to ensure that best value was being achieved was highlighted.

2.3.3 Payments to Other Bodies

The Group noted that a future report to the Social Work Committee in relation to Community Resource Workers would address the projected adverse variances highlighted in respect of the Community Alternative Placements Scheme.

2.3.4 Community Care

The Group noted that an additional £20,000 had been provided for in the 2000/01 budget in respect of new sessional staff employment costs and that no further variance was anticipated. It was noted that this variance would not recur in 2001/02. In relation to Supplies and Services it was noted that a review of the operation of the meals club at the Buchanan Centre was required in order to determine an agreed level of service.

TRADING SERVICES TO 28 JULY 2000 (PERIOD 4)

3. There was submitted a report dated 22 August 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 28 July 2000 (Period 4).

3.1 SITE SERVICES

The Group noted that there were no issues of concern in respect of Site 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 28 JULY 2000 (PERIOD 4)

4. The Group continued consideration of this report.

4.1 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 28 JULY 2000 (PERIOD 4)

- 5.1 There was submitted a joint report dated 22 August 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 28 July 2000 (Period 4).

- 5.2 The Director of Finance highlighted his concern as to the adverse variance in respect of voids and to the accuracy of data, particularly in reference to repairs.

The Group noted the Director of Homes and Technical Services' assurance that whilst at present the use of an average repair cost did not accurately reflect commitments, a review was currently being made to update this figure and that a protocol would be identified whereby a regular view of the commitment figure in light of experience would be made; otherwise the Director expressed no concerns in respect of the Repairs budget.

It was noted that this protocol would be an element of the Best Value Review of Repairs which would be presented to Committee in due course.

- 5.3 The director of Homes and Technical Services expressed his concern about the current trend in voids, particularly in relation to a perceptible slump in applications.

The Group noted that careful monitoring throughout the year was required and agreed that an Action Plan would be submitted to the next Budget Monitoring Group

addressing the financial implications and that a policy document would be submitted to a future Housing Committee.

Councillor Reid left the meeting.

TRADING SERVICES TO 28 JULY 2000 (PERIOD 4)

6. The Group continued consideration of this report.

6.1 BUILDING AND WORKS DLO

It was noted that there was no concern in respect of Building and Works and that the budget was being closely monitored.

The Group noted that agreement would be sought at the next Housing Committee for the installation of a new Building and Works costing system, for which there was provision within the budget, in order to address the areas of concern in respect of the management information provided from the current costing system.

Materials

It was noted that an increase in expenditure on materials from September was anticipated which would offset the current favourable variance.

Sub-Contractors

It was agreed that the Director of Homes and Technical Services would examine in detail before the next meeting expenditure on sub-contractors to ensure that the revenue sub-contracting budget was not expended too early in the year and to report to the next Budget Monitoring Group.

The Director of Homes and Technical Services left the meeting.

BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 28 JULY 2000 (PERIOD 4)

7. The Group continued consideration of this report.

7.1 COMMUNITY SERVICES

The Director of Community Services joined the meeting.

It was noted that Community Services was expected to out-turn on budget.

Leisure Services

It was noted that a trend had become apparent in recent years for the income target not to be met. The position would be reviewed for the next financial year and remedial action would be taken to off-set the deficit during the current year.

TRADING SERVICES TO 28 JULY 2000 (PERIOD 4)

8. The Group continued consideration of this report.

8.1 STREET CLEANSING DSO

The Group noted that the Street Cleansing DSO was expected to out-turn on budget.

8.2 GROUNDS MAINTENANCE DSO

In relation to Grounds Maintenance, it was noted that the new arrangements were bedding in and that increased productivity had resulted in increased fuel costs. This matter would be reviewed for next year's Business Plan.

The Director of Community Services left the meeting.

**BUDGETARY CONTROL STATEMENT -
GENERAL SERVICES REVENUE ACCOUNT TO 28 JULY 2000 (PERIOD 4)**

9. The Group continued consideration of this report.

9.1 DEVELOPMENT SERVICES

The Director of Development Services joined the meeting.

Roads and Transportation

The Group noted an underachievement of income from parking charges. It was anticipated that this situation, the result of an optimistic initial projection, would improve in future years.

Payments to Other Bodies

It was noted:

- (i) that the year end underspend on passenger transport costs related to a general levy charged by SPT which was not under the Department's control;
- (ii) the Development Services Committee would receive a report in respect of proposed options for winter maintenance; and
- (iii) in relation to the new contract for the installation of bus shelters, work had not yet commenced. This situation was being closely monitored together with Legal Services.

TRADING SERVICES TO 28 JULY 2000 (PERIOD 4)

10. The Group continued consideration of this report.

10.1 ROADS DLO

The Group noted that the difference between profiled income and actual income was attributable to the holiday period.

10.2 VEHICLE MAINTENANCE DSO

It was noted that there was currently a minor overspend in labour costs and an under-recovery of income. Restructuring had taken place to reflect the expected fleet reduction at Building and Works arising from efficiency savings in the Business Plan. These issues were covered in the Business Plan for Vehicle Maintenance.

BUDGETARY CONTROL STATEMENT -

GENERAL SERVICES REVENUE ACCOUNT TO 28 JULY 2000 (PERIOD 4)

11. The Group continued consideration of this report.

11.1 CORPORATE OFFICE ACCOMMODATION

The Group noted the adverse variance in respect of corporate office accommodation and that ways of reducing the overspend were being explored including reduced telephone tariffs.

Regarding the projected overspend due to an increase in the security costs for the Lugar offices, the Director of Development Services would discuss the issue of security with the other companies with property interests within the site.

GENERAL SERVICES CAPITAL PROGRAMME TO PERIOD 4

12. There was submitted a report dated 20 August 2000 (circulated) by the Director of Finance which updated on the projected performance of the General Services Capital Programme 2000/2001.

The Group noted the position in respect of General Services Capital receipts for Glaisnock House and Mount House. Other receipts which were not listed were possibly achievable during the current year and would offset any slippage. An update on anticipated receipts would be made available for the next meeting of the Budget Monitoring Group and Capital Monitoring Working Group.

The Director of Development Services left the meeting.

BUDGETARY CONTROL STATEMENT -

GENERAL SERVICES REVENUE ACCOUNT TO 28 JULY 2000 (PERIOD 4)

13. The Group continued consideration of this report.

The Depute Chief Executive/Director of Corporate Resources joined the meeting.

13.1 CENTRAL SERVICES

Chief Executive

The Group noted a current underspend in employee costs resulting from a part-time vacancy within Internal Audit. The structure was being looked at and proposals would be brought forward in due course.

13.2 CORPORATE RESOURCES

It was noted that the new Departmental structure would be reflected in the figures for Period 5.

Corporate Development and Communication

In relation to the overspend within Supplies and Services this resulted temporarily from a MORI survey, the costs of which were due to be recharged across Council Departments gaining information from the project.

It was noted that income to date was higher than anticipated due to the timing of the recharge of graphics work and advertising.

Personnel

It was anticipated that Personnel would out-turn on budget.

Legal and Administration

It was noted that employee costs was underspent due to a delay in filling three vacancies. In relation to income, the favourable variance was noted.

Information Technology

Regarding supplies and services, it was noted that the budget was being carefully reviewed and that a further report would be available for Period 5.

No year end variance was anticipated in respect of administration costs.

Other

Regarding Children's Panel, payments to other bodies, the Group noted that a reduced need for training this year would offset the overspend on Panel members' expenses and Children's Panel family expenses.

Social Inclusion Partnership

No underspend was anticipated in respect of the Social Inclusion Partnership budget at year end. New arrangements for the supervision of Social Inclusion projects and tighter procedures for grant claims would ensure that projects were on budget. Any projected underspend would be re-allocated by the Strategic Partnership Group at its December 2000 meeting.

13.3 MISCELLANEOUS SERVICES

Employee costs/Supplies and Services/Administration Costs

Regarding the necessary overspend following the recent By-Election, it was noted that offsetting savings may arise throughout the remainder of the year.

13.4 HOUSING BENEFIT SUBSIDY

Housing Benefit Subsidy was expected to out-turn on budget.

The Depute Chief Executive/Director of Corporate Resources left the meeting.

GENERAL SERVICES CAPITAL PROGRAMME TO PERIOD 4

14. The Group continued consideration of this report.

It was noted that there was no current cause for concern within the General Services Capital Programme to Period 4, the likely change to the pattern of capital receipts, having been discussed above (paragraph 12).

HOUSING CAPITAL PROGRAMME TO PERIOD 4

15. There was submitted and noted a report dated 20 August 2000 (circulated) by the Director of Finance which updated on the current position regarding the Housing Capital Programme 2000/2001.

AGENDA

The meeting terminated at 1200 hrs.