

Corporate Strategy Committee
6 January 1998

Irvine, 6 January 1998 - At a Special Meeting of the Corporate Strategy Committee of North Ayrshire Council at 2.00 p.m.

Present

James Clements, Patrick Browne, Jack Carson, Ian Clarkson, Stewart Dewar, John Donn, David Gallagher, Samuel Gooding, James Jennings, Joseph McKinney, Thomas Morris, Robert Rae, Robert Reilly, John Sillars, George Steven and Samuel Taylor.

In Attendance

The Chief Executive; The Directors of Financial Services, Education, Social Work, Commercial Services and Community and Recreational Services; The Head of Corporate Business; M. Peffer, Principal Officer Marketing and Publicity; G. Lawson, Principal Officer Policy/Administration and S. Bale, Administration Officer (Chief Executive).

Chair

Mr. Clements in the Chair.

1. Draft Revenue Estimates 1998/99

Submitted report by the Director of Financial Services on the Local Government Finance Settlement 1998/99, the budget prospects for the Council and the Revenue targets for each service.

The Council's share of Grant Aid Expenditure (GAE) has increased by 5.51% for 1998/99 i.e. £7.662m. The main areas of increase are the transfer back to the Council of £2.898m under the mismatch scheme and the additional resources allocated to Education. The Council's maximum expenditure limit is £146.190m, but as the GAE figure is now £146.640m, the capping limit is set at the higher of the two figures. Overall, the increase in the spending limit from 1997/98 of 4.12% i.e. £5.805m against a Scottish average of 3.44%.

The draft revenue budget total for 1998/99 is £152.524m against an expenditure limit of £144.886m which excludes the additional resources made available to Education of £1.683m and Environmental Health of £0.071m which are not incorporated into the draft budget. The budget has been prepared on the basis of no allowance for inflation on expenditure, apart from payroll, where an allowance of 2.5% has been made. Allowances have also been made for (i) increased costs of superannuation in 1998; (ii) the shortfall in payroll budget provision and superannuation in 1997/98; and (iii) additional expenditure arising from the Cost of the Current Level of Services.

Taking into account the above factors, the initial net funding gap is £7.638m. It is considered, however, that central savings of £2.250m can be achieved by improved collection of Council Tax/Poll Tax arrears, together with savings in the Loans Fund, thus reducing the Net Funding gap to £5.388m. This will therefore require savings of 4.1% to be made i.e. £5.388m in order to keep within the Government Maximum Expenditure Limit.

It is proposed that the savings be distributed throughout the various Directorates and Services, on the basis of (i) each Directorate funding its own payroll increase; and (ii) the net balance of £3.449m being apportioned according to those furthest from the Sector average and

Scottish average, Net Expenditure based on the 1997/98 CIPFA figures. The report indicated the proposed savings targets for each Directorate.

As the budget requires to be set by 5 March 1998 detailed consideration of the savings proposals will require to be undertaken as a matter of urgency.

After a full discussion, the Committee agreed (a) to approve the draft Revenue Budget and the savings targets for each Service/Directorate as detailed in the report; (b) that each Director should report on detailed proposals for meeting the savings targets; (c) to remit to the Chief Executive in consultation with the Leader to set up appropriate procedures for involving every Member of the Council in the consideration of the budget process; and (d) that further reports be submitted to a Special Meeting of the Corporate Strategy Committee.

The Meeting ended at 2.40 p.m.