

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 22 AUGUST 2006

BUDGETARY CONTROL SUMMARY STATEMENT DEVELOPMENT SERVICES TO 23 JULY 2006 (PERIOD 4)

Joint Report by Executive Head of Finance and Executive Director of Development and Property Services

1. PURPOSE OF REPORT

- 1.1 To advise Members of the current budgetary control position and the projected out-turn for the year for Development and Property Services for the period ended 23 July 2006 (Period 4).

2. OVERALL POSITION

- 2.1 The following report relates to service costs and income directly controlled by the department, and excludes rechargeable costs for central services charges and debt charges.

2.2 Projected Out-turn

Based on available information, it is currently projected that the Department of Development and Property Services will out-turn at £15,431,240, which is £518,000 less than the annual estimate for the year.

The favourable variance primarily relates to additional income secured by the department as a result of increased activity with regard to Planning & Building Control applications, fee recoveries from rechargeable work undertaken by Technical Services, and the property management fee due to higher than anticipated capital receipts.

This variance is further augmented by anticipated savings on employee costs as a result of vacant posts and staff turnover, and supplies and services expenditure within the Corporate Office.

2.3 Summary of Objective Costs

Actual Exp. To 23/07/06	Actual Exp. To P4 as % of Annual Estimate	Service Division	Annual Estimate 2006/07	Projected Actual to 31/3/07	Variance (Favourable) / Adverse
811,309	34.0%	ECONOMIC DEVELOPMENT	2,384,821	2,384,821	0
165,505	21.4%	PLANNING & BUILDING CONTROL	773,207	693,207	(80,000)
(133,991)	18.4%	COMMERCIAL & INDUSTRIAL PROPERTY	(729,721)	(707,721)	22,000
(175,093)	-	ASSET MANAGEMENT	0	(56,000)	(56,000)
2,637,207	27.0%	ROADS & TRANSPORTATION	9,781,134	9,781,134	0
(452,506)	64.6%	TECHNICAL SERVICES	(700,033)	(865,033)	(165,000)
111,908	29.2%	PROPERTY ACCOUNT	382,613	382,613	0
830,548	28.4%	CENTRAL REPAIRS	2,926,011	2,926,011	0
609,638	39.8%	CORPORATE OFFICE ACCOMMODATION	1,533,308	1,294,308	(239,000)
(124,148)	30.9%	INCOME RECOVERED FROM OUTWITH GENERAL FUND	(402,100)	(402,100)	0
4,280,377	26.8%	TOTAL	15,949,240	15,431,240	(518,000)

2.4 Summary of Subjective Costs

Actual Exp. To 23/07/06	Actual Exp. To P4 as % of Annual Estimate	Detail	Annual Estimate 2006/07	Projected Actual to 31/3/07	Variance (Favourable) / Adverse
2,434,564	29.1%	EMPLOYEE COSTS	8,371,965	8,301,965	(70,000)
1,624,642	37.1%	PREMISES COSTS	4,374,827	4,438,427	63,600
131,564	30.3%	TRANSPORT COSTS	434,565	434,565	0
741,112	31.0%	SUPPLIES & SERVICES	2,391,845	2,129,045	(262,800)
2,008,034	25.3%	THIRD PARTY PAYMENTS	7,942,695	7,942,695	0
6,939,916	29.5%	TOTAL EXPENDITURE	23,515,897	23,246,697	(269,200)
(2,535,391)	35.4%	INCOME	(7,164,557)	(7,413,357)	(248,800)
4,404,525	26.9%	TOTAL	16,351,340	15,833,340	(518,000)
(124,148)	30.9%	INCOME RECOVERED FROM OUTWITH GENERAL FUND	(402,100)	(402,100)	0
4,280,377	26.8%	NET EXPENDITURE	15,949,240	15,431,240	(518,000)

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

Current projections indicate that expenditure on employee costs will out-turn £70,000 less than budget for the year as a result of vacant posts and staff turnover within the Planning & Building Control, Roads & Transportation, and Technical Services Division's.

3.2 Premises Costs

Premises costs are projected to out-turn £63,600 higher than the budgeted position as a direct result of the price increases in energy costs, allied to an increase in non-domestic rates, and water charges for vacant rental properties. Every effort will be made to manage these costs within budget.

3.3 Supplies & Services

The projected out-turn for the year is an underspend of £262,800, which primarily relates to unallocated resources of £300,000 added to the Corporate Office budget in 2006/07 to fund the implementation of the Corporate Office Strategy.

This is partially offset by additional costs anticipated for street lighting electricity as a result of energy price increases.

3.4 Income

The projected favourable variance of £248,800 relates primarily to additional income in respect of Building Warrant and Planning Fees (£40,000) as a result of increased application numbers, and higher than anticipated recharge recoveries for work undertaken by the Technical Services Division (£150,000).

Additional income is also anticipated to be recovered from the property management fee due to higher than expected capital receipts from the sale of land and buildings.

4 RECOMMENDATIONS

4.1 It is recommended that Members note the contents of this report.

Alex McPhee
Executive Head of Finance

14 August 2006

James Lavery
**Executive Director of Development
and Property Services**

LIST OF BACKGROUND PAPERS NIL

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