

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 14 DECEMBER 2004

BUDGETARY CONTROL SUMMARY STATEMENT DEVELOPMENT SERVICES TO 19th SEPTEMBER 2004 (PERIOD 6)

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 19th September 2004 (Period 6).

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 £17,146,620, which is £54,000 more than the annual estimate for the year.

The Executive Director of Development & Property Services will identify opportunities to make savings during the year as the pattern of expenditure develops.

2.3 Budget Performance to Period 6

Actual expenditure to date amounts to £7,727,741, which represents 45.2% of the estimated expenditure for the year. Year-to-date variances have been noted, and are mainly attributable to timing of expenditure and receipt of income in advance of expectation. It is anticipated that these variances should level out during the year, however, where this is not the case this has been highlighted in section 3 of this report.

2.4 Summary of Objective Costs

Actual Expend to 19-Sept-04 Period 6	Actual As % of Annual Estimate		Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£			£	£	£
881,789	36.9%	Economic Development	2,389,458	2,401,458	12,000
344,083	40.7%	Planning & Building Control	845,185	829,185	(16,000)
(555,877)	75.3%	Property	(738,289)	(734,289)	4,000
4,799,189	43.8%	Roads & Transportation	10,945,450	10,945,450	0
(99,432)	27.0%	Technical Services	(368,277)	(368,277)	0
156,808	-	Property Account	(46,607)	(46,607)	0
1,278,772	51.8%	Central Repairs	2,466,670	2,466,670	0
922,409	50.7%	Corporate Office Accommodation	1,820,140	1,874,140	54,000
-	0.0%	Income recovered from Council budgets outwith the General Fund	(221,110)	(221,110)	0
7,727,741	45.2%	TOTAL	17,092,620	17,146,620	54,000

2.5 Summary of Subjective Costs

Actual Expend to 19-Sept-04 Period 6	Actual As % of Annual Estimate		Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£	£		£	£	£
3,169,591	43.2%	Employee Costs	7,336,952	7,329,862	(7,090)
2,390,721	54.8%	Premises Costs	4,362,518	4,363,518	1,000
180,133	40.7%	Transport Related Costs	442,094	450,094	8,000
529,203	26.7%	Supplies & Services	1,985,185	2,066,275	81,090
4,056,678	43.7%	Third Party Payments	9,288,034	9,332,034	44,000
-	-	Transfer Payments	0	0	0
10,326,326	44.1%	TOTAL EXPENDITURE	23,414,783	23,541,783	127,000
(2,598,585)	42.6%	Income	(6,101,053)	(6,174,053)	(73,000)
7,727,741	44.6%	NET EXPENDITURE	17,313,730	17,367,730	54,000
-	-	Income recovered from Council budgets outwith the General Fund	(221,110)	(221,110)	
7,727,741	45.2%	NET EXPENDITURE	17,092,620	17,146,620	54,000

3. ANALYSIS OF VARIANCES

3.1 Employee Costs

Current projections indicate that expenditure on employee costs will be £7,090 less than budget for the year. This underspend relates entirely to the Technical Services Division as a result of anticipated savings on vacant posts.

3.2 Premises Costs

The projected out-turn for the year is an overspend of £1,000. This relates primarily to projected overspends on unanticipated non-domestic rates and water charges for vacant rental properties. However, this overspend is offset to some extent by projected underspends within the Corporate Office in relation to caretaker charges.

3.3 Transport Related Costs

It is anticipated that expenditure on transport related costs will out-turn £8,000 greater than budgeted for the year. This is due to higher than expected costs being incurred in relation to additional leased vehicles.

3.4 Supplies & Services

The projected out-turn for the year is an overspend of £81,090, which primarily relates to efficiency savings attributed to the Corporate Office which are unlikely to be achieved. It should be noted that the unallocated savings are offset to some extent by underspends elsewhere within the Corporate Office, resulting in an anticipated net overspend position of £54,000. The Executive Director of Development & Property Services intends to identify further opportunities to address the projected overspend during the year.

3.5 Third Party Payments

Current projections indicate that third party payment costs will out-turn £44,000 above budget for the year. This overspend relates to additional payments to partnerships and projects which are in excess of the agreed budget within the Economic Development Division. However, it should be noted that these additional payments are offset by anticipated additional income of £40,000 (see Paragraph 3.6 for details).

3.6 Income

The projected favourable variance relates to additional income of £17,000 above that anticipated in respect of Corporate Office rental properties. Additional income of £40,000 is also anticipated within the Economic Development Division as a result of the settlement of the 2003/04 West of Scotland Loan Fund administration charge, and start-up funding for the Working for Families Fund.

Building Warrant and Planning Fees have also exceeded expectations to date due to an increase in the number of applications received during the year. The pattern of large fee income is variable, however, income is currently anticipated to out-turn above budget by approximately £16,000 for the year.

4. RECOMMENDATIONS

4.1 It is recommended that the Committee:

- i) note the contents of this report.

Alex McPhee
Executive Head of Finance
7 December 2004

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

LIST OF BACKGROUND PAPERS

NIL

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