

## EAST AYRSHIRE COUNCIL

### DEVELOPMENT SERVICES COMMITTEE – 9th MARCH 2005

#### BUDGETARY CONTROL SUMMARY STATEMENT DEVELOPMENT SERVICES TO 6th FEBRUARY 2005 (PERIOD 11)

##### 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 6th February 2005 (Period 11).

### 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 £16,782,290, which is £499,000 less than the annual estimate for the year.

The projected favourable position relates principally to significant additional income secured by the department, allied to anticipated savings on employee costs as a result of vacant posts and staff turnover. However, it should be noted that the over-recovery of income is offset to some extent by higher than anticipated expenditure on premises costs, supplies and services and third party payments.

#### 2.3 Budget Performance to Period 11

Actual expenditure to date amounts to £14,023,484, which represents 81.1% 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 6-Feb-05 Period 11	Actual As % of Annual Estimate		Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£			£	£	£
1,552,299	65.6%	Economic Development	2,364,618	2,324,618	(40,000)
642,644	76.0%	Planning & Building Control	845,185	675,185	(170,000)
(857,419)	133.6%	Property	(641,923)	(630,923)	11,000
9,394,966	84.9%	Roads & Transportation	11,062,594	11,022,594	(40,000)
(368,170)	100%	Technical Services	(368,277)	(668,277)	(300,000)
295,095	0%	Property Account	(46,607)	(46,607)	0
1,924,009	78.0%	Central Repairs	2,466,670	2,466,670	0
1,440,060	79.1%	Corporate Office Accommodation	1,820,140	1,860,140	40,000
-		Income recovered from Council budgets outwith the General Fund	(221,110)	(221,110)	0
<b>14,023,484</b>	<b>81.1%</b>	<b>TOTAL</b>	<b>17,281,290</b>	<b>16,782,290</b>	<b>(499,000)</b>

## 2.5 Summary of Subjective Costs

Actual Expend to 6-Feb-05 Period 11	Actual As % of Annual Estimate		Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£	£		£	£	£
5,948,719	81.4%	Employee Costs	7,312,107	7,171,107	(141,000)
3,444,903	77.7%	Premises Costs	4,431,004	4,439,004	8,000
313,933	71.1%	Transport Related Costs	442,094	455,094	13,000
1,144,144	57.6%	Supplies & Services	1,985,190	2,128,690	143,500
8,232,115	87.1%	Third Party Payments	9,448,058	9,770,058	322,000
-		Transfer Payments	0	0	0
<b>19,083,814</b>	<b>81.4%</b>	<b>TOTAL EXPENDITURE</b>	<b>23,618,453</b>	<b>23,963,953</b>	<b>345,500</b>
(5,060,330)	82.7%	Income	(6,116,053)	(6,960,553)	(844,500)
<b>14,023,484</b>	<b>80.1%</b>	<b>NET EXPENDITURE</b>	<b>17,502,400</b>	<b>17,003,400</b>	<b>(499,000)</b>
-		Income recovered from Council budgets outwith the General Fund	(221,110)	(221,110)	
<b>14,023,484</b>	<b>81.1%</b>	<b>NET EXPENDITURE</b>	<b>17,281,290</b>	<b>16,782,290</b>	<b>(499,000)</b>

### **3 ANALYSIS OF VARIANCES**

#### **3.1 Employee Costs**

Current projections indicate that expenditure on employee costs will out-turn £141,000 less than budget for the year as a result of vacant posts and staff turnover within the Economic Development, Planning & Building Control, Roads & Transportation and Technical Services Divisions.

#### **3.2 Premises Costs**

The projected out-turn for the year is an overspend of £8,000. This relates primarily to higher than expected electricity charges at the Glaisnock Shopping Centre and projected overspends on unanticipated non-domestic rates and water charges for vacant rental properties and other general amenity areas. However, these overspends are offset to some extent by projected underspends within the Corporate Office in relation to caretaker charges and rents payable for council premises.

#### **3.3 Transport Related Costs**

It is anticipated that expenditure on transport related costs will out-turn £13,000 greater than budgeted for the year. This is due to higher than expected costs being incurred in relation to unanticipated additional leased vehicles and excess mileage payments.

#### **3.4 Supplies & Services**

The projected out-turn for the year is an overspend of £143,500, which primarily relates to efficiency savings attributed to the Corporate Office. Some opportunities have been identified elsewhere within the Corporate Office budget to offset these savings, however, it is anticipated that the net overspend position will be £40,000 for financial year.

Additional costs of £50,000 are anticipated within Planning & Building Control, which primarily relates to the purchase of the new Uniform Planning Database system; although it should be noted that this will be fully funded from the increased fee recoveries. Further overspends are also anticipated within Roads & Transportation, and Technical Services Divisions as a result of increased activity.

### **3.5 Third Party Payments**

Current projections indicate that third party payment costs will out-turn £322,000 above budget for the year. This overspend position primarily relates to additional payments to Roads Contracts (£200,000) as a result of work won in competition, and is offset by a corresponding and equal increase in income (see Paragraph 3.6 for details). Higher than expected costs are also anticipated within Roads & Transportation in relation to School Crossing Patrols (£10,000) as a result of the proposed savings being less than anticipated, and additional emergency works required due to recent adverse weather conditions (£60,000).

Additional payments of approximately £52,000 are also anticipated in relation to partnerships and projects. 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 of £844,500 relates primarily to additional income in respect of Building Warrant and Planning Fees (£200,000) as a result of increased applications received during the year, higher than anticipated recharge recoveries for work undertaken by the Technical Services Division (£300,000), and additional income within the Roads & Transportation (£285,000) in relation to rechargeable work, construction consents and car parking fees. However, it should be noted that approximately £200,000 of the additional fees recovered within the Roads & Transportation Division relates to income directly payable to Roads Contracts.

Additional income is also anticipated within the Property and Corporate Office Divisions in respect of property rentals (£20,000), and the Economic Development Division as a result of the settlement of the 2003/04 West of Scotland Loan Fund administration charge (£30,000), and start-up funding for the Working for Families Fund (£10,000).

## **4 RECOMMENDATIONS**

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

Alex McPhee  
**Executive Head of Finance**

23 February 2005

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

**LIST OF BACKGROUND PAPERS**  
**NIL**

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