

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 8 MARCH 2006

BUDGETARY CONTROL SUMMARY STATEMENT DEVELOPMENT SERVICES TO 5 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 5 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 £17,363,600, which reflects an underspend of £1,049,000.

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, additional income received from Better Neighbourhood Services Fund (BNSF) and Community Regeneration Fund (CRF) sources, and fee recoveries from rechargeable work undertaken by Technical Services.

This variance is further augmented by anticipated savings on employee costs as a result of vacant posts and staff turnover. However, this is partially offset by anticipated overspends on third party payments, and supplies and services costs primarily in relation to the payments of the works funded from BNSF and CRF sources noted above.

2.3 Summary of Objective Costs

Actual Exp. To 05/02/06	Actual Exp. To P11 as % of Annual Estimate	Service Division	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
2,006,280	71.5%	ECONOMIC DEVELOPMENT	2,804,087	2,782,587	(21,500)
438,403	55.8%	PLANNING & BUILDING CONTROL	786,240	584,240	(202,000)
(759,586)	165.8%	COMMERCIAL AND INDUSTRIAL PROPERTY	(559,940)	(375,750)	82,000
9,753,680	85.2%	ROADS & TRANSPORTATION	11,448,083	11,448,083	0
(525,262)	106.1%	TECHNICAL SERVICES	(495,070)	(1,270,070)	(775,000)
321,972	85.2%	PROPERTY ACCOUNT	378,100	378,100	0
2,219,238	83.0%	CENTRAL REPAIRS	2,672,560	2,672,560	0
1,468,151	75.3%	CORPORATE OFFICE ACCOMMODATION	1,949,920	1,816,920	(133,000)
(51,000)	7.6%	INCOME RECOVERED FROM OUTWITH GENERAL FUND	(673,070)	(673,070)	0
14,871,876	80.8%	TOTAL	18,412,600	17,363,600	(1,049,000)

2.4 Summary of Subjective Costs

Actual Exp. To 05/02/06	Actual Exp. To P11 as % of Annual Estimate	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
6,420,320	82.0%	EMPLOYEE COSTS	7,828,014	7,670,014	(158,000)
3,867,593	79.9%	PREMISES COSTS	4,837,912	4,881,742	43,830
383,392	91.2%	TRANSPORT COSTS	420,380	428,380	8,000
1,775,529	66.3%	SUPPLIES & SERVICES	2,678,507	2,891,507	213,000
8,348,541	85.0%	THIRD PARTY PAYMENTS	9,826,146	10,652,616	826,470
20,795,375	81.3%	TOTAL EXPENDITURE	25,590,959	26,524,259	933,300
(5,872,499)	90.3%	INCOME	(6,505,289)	(8,487,589)	(1,982,300)
14,922,876	78.2%	TOTAL	19,085,670	18,036,670	(1,049,000)
(51,000)	7.6%	INCOME RECOVERED FROM OUTWITH GENERAL FUND	(673,070)	(673,070)	0
14,871,876	80.8%	NET EXPENDITURE	18,412,600	17,363,600	(1,049,000)

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

Current projections indicate that expenditure on employee costs will out-turn £158,000 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 Division's.

3.2 Premises Costs

Premises costs are anticipated to out-turn £43,830 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. Additional payments are also anticipated in relation to works carried out at the Bellfield Bowling Club to sub-divided utilities.

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 car mileage payments within the Planning & Building Control, and Roads and Transportation Division's due to the geographical spread of current work locations.

3.4 Supplies & Services

Supplies & Services are projected to out-turn £213,000 higher than budget for the year. This primarily relates to the acquisition and demolition of derelict properties at Amlaird Road, Kilmarnock which will be fully funded from a Better Neighbourhood Service Fund (BNSF) allocation (see income below). This overspend position is compounded by further overspends within Economic Development in relation to computer expenditure (£40,000), and miscellaneous costs within the Planning and Building Control, and Roads and Transportation Division's, offset by unallocated resources of £139,000 on the Corporate Office budget.

3.5 Third Party Payments

The projected unfavourable variance of £826,470 on Third Party Payments primarily relates to projects totalling £865,000 which will be fully funded BNSF and Community Regeneration Fund (CRF) allocations (see income below), offset by anticipated savings on the Partnerships and Projects budget due to the winding up of East Ayrshire Employment Initiative.

3.6 Income

The projected favourable variance of £1,982,300 relates to additional income in respect of Building Warrant and Planning Fees (£130,000), additional BNSF and CRF funding in respect of a number of projects being taken forward by the department (£1,115,000), and higher than anticipated recharge recoveries for work undertaken by the Technical Services Division (£750,000). However, it should be noted that these underspends are partly offset by an anticipated under-recovery on rental income and income recovered from loan repayments.

4 RECOMMENDATIONS

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

Alex McPhee
Executive Head of Finance

1 March 2006

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

LIST OF BACKGROUND PAPERS NIL

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