

## EAST AYRSHIRE COUNCIL

### DEVELOPMENT SERVICES COMMITTEE – 12 OCTOBER 2005

#### BUDGETARY CONTROL SUMMARY STATEMENT DEVELOPMENT SERVICES TO 24 JULY 2005 (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 24 July 2005 (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 £17,272,240, which is £444,000 less than the annual estimate for the year.

The net underspend position primarily relates to additional income secured by the department (£295,000), savings on supplies and services costs within the Corporate Office (£134,000) and anticipated savings on employee costs as a result of vacant posts and staff turnover (£17,000).

#### 2.3 Budget Performance to Period 4

Actual expenditure to date amounts to £5,277,453, which represents 29.8% 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 Exp. To 24/07/05	Actual Exp. To P4 as % of Annual Estimate	Service Division	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
758,256	31.5%	ECONOMIC DEVELOPMENT	2,406,370	2,406,370	0
175,110	22.3%	PLANNING & BUILDING CONTROL	786,240	741,240	(45,000)
(436,787)	58.8%	PROPERTY	(743,390)	(708,390)	35,000
3,405,928	29.8%	ROADS & TRANSPORTATION	11,434,580	11,434,580	0
(201,917)	40.8%	TECHNICAL SERVICES	(495,070)	(795,070)	(300,000)
117,268	31.0%	PROPERTY ACCOUNT	378,100	378,100	0
722,463	27.0%	CENTRAL REPAIRS	2,672,560	2,672,560	0
737,132	37.8%	CORPORATE OFFICE ACCOMMODATION	1,949,920	1,815,920	(134,000)
-	-	INCOME RECOVERED FROM OUTWITH GENERAL FUND	(673,070)	(673,070)	0
<b>5,277,453</b>	<b>29.8%</b>	<b>TOTAL</b>	<b>17,716,240</b>	<b>17,272,240</b>	<b>(444,000)</b>

## 2.5 Summary of Subjective Costs

Actual Exp. To 24/07/05	Actual Exp. To P4 as % of Annual Estimate	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
2,311,214	29.6%	EMPLOYEE COSTS	7,810,058	7,793,058	(17,000)
1,613,384	34.3%	PREMISES COSTS	4,697,336	4,697,336	0
124,615	29.1%	TRANSPORT COSTS	428,776	430,776	2,000
453,015	20.4%	SUPPLIES & SERVICES	2,218,950	2,084,950	(134,000)
3,101,055	31.7%	THIRD PARTY PAYMENTS	9,774,979	9,774,979	0
<b>7,603,283</b>	<b>30.5%</b>	<b>TOTAL EXPENDITURE</b>	<b>24,930,099</b>	<b>24,781,099</b>	<b>(149,000)</b>
(2,325,830)	35.6%	INCOME	(6,540,789)	(6,835,789)	(295,000)
<b>5,277,453</b>	<b>28.7%</b>	<b>TOTAL</b>	<b>18,389,310</b>	<b>17,945,310</b>	<b>(444,000)</b>
-	-	INCOME RECOVERED FROM OUTWITH GENERAL FUND	(673,070)	(673,070)	0
<b>5,277,453</b>	<b>29.8%</b>	<b>NET EXPENDITURE</b>	<b>17,716,240</b>	<b>17,272,240</b>	<b>(444,000)</b>

## 3 ANALYSIS OF VARIANCES

### 3.1 Employee Costs

Current projections indicate that expenditure on employee costs will out-turn £17,000 less than budget for the year as a result of vacant posts and staff turnover within the Planning & Building Control Division.

### 3.2 Transport Related Costs

It is anticipated that expenditure on transport related costs will out-turn £2,000 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 and Building Control Division as a result of the additional staff appointed to meet the requirements of the Building (Scotland) Act 2003.

### **3.3 Supplies & Services**

The projected out-turn for the year is an underspend of £134,000, which primarily relates to unallocated resources of £200,000 added to the Corporate Office budget in 2005/06 to fund the implementation of the Corporate Office Strategy, partially offset by efficiency savings of £66,000 which have not yet been met.

### **3.4 Income**

The projected favourable variance of £295,000 relates primarily to additional income in respect of Building Warrant and Planning Fees (£30,000) as a result of increased applications received during the year and higher than anticipated recharge recoveries for work undertaken by the Technical Services Division (£300,000). However, it should be noted that these underspends are offset by an anticipated under-recovery on rental income as a result of the anticipated disposal of a number of council rental properties

## **4 RECOMMENDATIONS**

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

Alex McPhee  
**Executive Head of Finance**

9 September 2005

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

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

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