

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 5 OCTOBER 2004

BUDGETARY CONTROL SUMMARY STATEMENT DEVELOPMENT SERVICES TO 25th JULY 2004 (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 25th July 2004 (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 It should be noted that the budgetary control statement for Development and Property Services now includes Technical Services, Property Account and Central Repairs budgets, which were previously reported to the Housing Committee. Furthermore, the budgets for Corporate Office, previously reported under Central Services, have also been consolidated within the departmental statement as this is within the remit of the Executive Director of Development and Property Services.

2.3 Projected Out-turn

Based on available information, it is currently projected that the Department of Development and Property Services will out-turn at £17,148,620, which is £56,000 more than the annual estimate for the year.

The projected overspend position arises due to efficiency savings attributed to the Corporate Office Budget in 2004/05. It is unlikely that these savings can be achieved in Corporate Office, which is primarily made up of fixed costs. However, the Executive Director of Development & Property Services intends to identify opportunities to absorb these savings during the year as the pattern of expenditure develops.

2.4 Budget Performance to Period 4

Actual expenditure to date amounts to £5,948,954, which represents 34.8% 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.

2.5 Summary of Objective Costs

Actual Expend to 25-Jul-04 Period 4	Actual As % of Annual Estimate		Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£			£	£	£
603,094	25.2%	Economic Development	2,389,458	2,389,458	0)
240,687	28.5%	Planning & Building Control	845,185	835,185	(10,000)
(413,698)	56.0%	Property	(738,289)	(728,289)	10,000
4,031,999	36.8%	Roads & Transportation	10,945,450	10,945,450	0
(367,674)	99.8%	Technical Services	(368,277)	(368,277)	0
104,403	-	Property Account	(46,607)	(46,607)	0
1,021,350	41.4%	Central Repairs	2,466,670	2,466,670	0
728,793	40.0%	Corporate Office Accommodation	1,820,140	1,876,140	56,000
-	0.0%	Income recovered from Council budgets outwith the General Fund	(221,110)	(221,110)	0
5,948,954	34.8%	TOTAL	17,092,620	17,148,620	56,000

2.6 Summary of Subjective Costs

Actual Expend to 25-Jul-04 Period 4	Actual As % of Annual Estimate		Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£	£		£	£	£
2,109,136	29.7%	Employee Costs	7,111,829	7,111,829	0
1,947,808	44.6%	Premises Costs	4,362,518	4,369,518	7,000
138,146	31.4%	Transport Related Costs	440,594	440,594	0
404,594	18.3%	Supplies & Services	2,211,808	2,287,808	76,000
3,396,601	36.6%	Third Party Payments	9,288,034	9,288,034	0
0	0.0%	Transfer Payments	0	0	0
7,996,285	34.2%	TOTAL EXPENDITURE	23,414,783	23,497,783	83,000
(2,047,331)	33.6%	Income	(6,101,053)	(6,128,053)	(27,000))
5,948,954	34.4%	NET EXPENDITURE	17,313,730	17,369,730	56,000
-	-	Income recovered from Council budgets outwith the General Fund	(221,110)	(221,110)	
5,948,954	34.8%	NET EXPENDITURE	17,092,620	17,148,620	56,000

3. ANALYSIS OF VARIANCES

3.1 Employee Costs

Based on current information, it is anticipated that employee costs will out-turn on-line with the resource allocation for the year.

3.2 Premises Costs

The projected out-turn for the year is an overspend of £7,000. This relates primarily to projected overspends on non-domestic rates and water charges for rental properties which are currently vacant. 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

Based on current information, it is anticipated that expenditure on transport will out-turn on-line with the resource allocation for the year.

3.4 Supplies & Services

The projected out-turn for the year is an overspend of £76,000, which relates to efficiency savings attributed to the Corporate Office which could not be allocated to specific budgetary headings. 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 £56,000. 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

Based on current information, it is anticipated that expenditure on third party payments will out-turn on-line with the resource allocation for the year.

3.6 Income

The projected favourable variance relates to additional income of £17,000 above that anticipated in respect of Corporate Office rental properties.

In addition, Building Warrant and Planning Fees have 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 £10,000 for the year.

4. RECOMMENDATIONS

4.1 It is recommended that Members:

- i) note the contents of this report.

Alex McPhee
Executive Head of Finance

27 Sept 2004

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

LIST OF BACKGROUND PAPERS

NIL

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