

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 11 OCTOBER 2006

BUDGETARY CONTROL SUMMARY STATEMENT DEVELOPMENT SERVICES TO 17 SEPTEMBER 2006 (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 17 September 2006 (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 £15,296,338, which is £652,902 less than the annual estimate for the year.

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, fee recoveries from rechargeable work undertaken by Technical Services, and the property management fee due to higher than anticipated capital receipts.

This variance is further augmented by anticipated savings on employee costs as a result of vacant posts and staff turnover, and supplies and services expenditure within the Corporate Office.

2.3 Summary of Objective Costs

Actual Exp. To 17/9/06	Actual Exp. To P6 as % of Annual Estimate	Service Division	Annual Estimate 2006/07	Projected Actual to 31/3/07	Variance (Favourable) / Adverse
1,282,788	53.8%	ECONOMIC DEVELOPMENT	2,384,821	2,384,821	0
245,213	24.7%	PLANNING & BUILDING CONTROL	993,207	908,207	(85,000)
(203,882)	27.9%	COMMERCIAL & INDUSTRIAL PROPERTY	(729,721)	(694,221)	35,500
(292,817)	-	ASSET MANAGEMENT	0	(195,512)	(195,512)
3,309,053	34.6%	ROADS & TRANSPORTATION	9,561,134	9,561,134	0
(353,669)	50.5%	TECHNICAL SERVICES	(700,033)	(868,923)	(168,890)
165,625	43.3%	PROPERTY ACCOUNT	382,613	382,613	0
1,268,325	43.3%	CENTRAL REPAIRS	2,926,011	2,926,011	0
733,451	47.8%	CORPORATE OFFICE ACCOMMODATION	1,533,308	1,294,308	(239,000)
(160,721)	40.0%	INCOME RECOVERED FROM OUTWITH GENERAL FUND	(402,100)	(402,100)	0
5,993,366	37.6%	TOTAL	15,949,240	15,296,338	(652,902)

2.4 Summary of Subjective Costs

Actual Exp. To 17/9/06	Actual Exp. To P6 as % of Annual Estimate	Detail	Annual Estimate 2006/07	Projected Actual to 31/3/07	Variance (Favourable) / Adverse
3,670,014	43.8%	EMPLOYEE COSTS	8,371,965	8,276,965	(95,000)
2,191,446	50.1%	PREMISES COSTS	4,374,827	4,439,427	64,600
182,039	41.9%	TRANSPORT COSTS	434,565	435,675	1,110
1,143,261	43.8%	SUPPLIES & SERVICES	2,611,845	2,364,045	(247,800)
2,609,753	33.8%	THIRD PARTY PAYMENTS	7,722,695	7,725,195	2,500
9,796,513	41.7%	TOTAL EXPENDITURE	23,515,897	23,241,307	(274,590)
(3,642,426)	50.8%	INCOME	(7,164,557)	(7,542,869)	(378,312)
6,154,087	37.6%	TOTAL	16,351,340	15,698,438	(652,902)
(160,721)	40.0%	INCOME RECOVERED FROM OUTWITH GENERAL FUND	(402,100)	(402,100)	0
5,993,366	37.6%	NET EXPENDITURE	15,949,240	15,296,338	(652,902)

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

Current projections indicate that expenditure on employee costs will out-turn £95,000 less than budget for the year as a result of vacant posts and staff turnover within the Planning & Building Control, Roads & Transportation, and Technical Services Division's.

3.2 Premises Costs

Premises costs are projected to out-turn £64,600 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. Every effort will be made to manage these costs within budget.

3.3 Transport Related Costs

Transport Related Costs are anticipated to out-turn approximately £1,110 above budget as a result of an overspend on hire vehicles.

3.3 Supplies & Services

The projected out-turn for the year is an underspend of £247,800, which primarily relates to unallocated resources of £300,000 included in the Corporate Office budget to fund the implementation of the Corporate Office Strategy.

This is partially offset by additional costs anticipated for street lighting electricity as a result of energy price increases, and consultancy costs in relation to a public inquiry and professional advice in respect of the Dumfries House.

3.4 Third Party Payments

Third Party Payments are projected to out-turn higher than the budgeted position due to overspends on cleaning and maintenance costs at Kilmarnock and Cumnock bus stations.

3.5 Income

The projected favourable variance of £378,312 relates primarily to additional income in respect of Building Warrant and Planning Fees (£40,000) as a result of increased application numbers, and higher than anticipated recharge recoveries for work undertaken by the Technical Services Division (£150,000).

Additional income is also anticipated to be recovered from the property management fee (£195,512) due to higher than expected capital receipts from the sale of land and buildings. This additional income will not be added to Development & Property Services departmental reserves, but will be earmarked specifically for surplus property activities.

4 RECOMMENDATIONS

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

Alex McPhee
Executive Head of Finance

5 October 2006

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

LIST OF BACKGROUND PAPERS NIL

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