

## EAST AYRSHIRE COUNCIL

### POLICY AND RESOURCES COMMITTEE – 28 MARCH 2006

#### BUDGETARY CONTROL SUMMARY STATEMENT POLICY AND RESOURCES (CORPORATE SUPPORT)

##### Joint Report by Executive Head of Finance and Executive Director of Corporate Support

## 1 PURPOSE OF REPORT

- 1.1 To advise Members of the current budgetary control position and the projected out-turn for the year for the services within the remit of Policy and Resources (Corporate Support).

## 2 OVERALL POSITION

- 2.1 The following report relates to services and income directly controlled by the department and excludes rechargeable costs for central services charges and debt charges.

### 2.2 Projected Out-turn

There is a favourable variance of £538,000 anticipated to 31 March 2006 for the Department of Corporate Support. The projected out-turn figures represent the views of the service director and are based on all currently available information.

### 2.3 Summary of Objective Costs

Actual Exp. To 5/2/06	Actual Exp. To P11 as % of Annual Estimate	Service Division	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
393,883	84.5%	CHIEF EXECUTIVE OFFICE	466,220	466,220	0
193,781	98.7%	CENTRAL MANAGEMENT SUPPORT	196,260	346,260	150,000
494,682	77.6%	CORPORATE DEVELOPMENT & COMMUNICATION	637,820	587,820	(50,000)
1,016,082	79.6%	PERSONNEL	1,275,830	1,275,830	0
1,701,609	92.3%	LEGAL & ADMINISTRATION	1,843,810	1,843,810	0
2,204,394	79.8%	INFORMATION TECHNOLOGY	2,761,130	2,846,130	85,000
2,734,981	67.6%	FINANCE	4,044,250	3,321,250	(723,000)
69,872	226.6%	OTHER	30,830	30,830	0
-	-	INCOME RECOVERED FROM OUTWITH GENERAL FUND	(2,180,600)	(2,180,600)	0
<b>8,809,284</b>	<b>97.1%</b>	<b>TOTAL</b>	<b>9,075,550</b>	<b>8,537,550</b>	<b>(538,000)</b>

## 2.4 Summary of Subjective Codes

Actual Exp. To 5/2/06	Actual Exp. To P11 as % of Annual Estimate	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
8,794,703	79.1%	EMPLOYEE COSTS	11,125,424	10,578,424	(547,000)
7,632	37.4%	PREMISES COSTS	20,410	184,410	164,000
48,978	54.5%	TRANSPORT COSTS	89,790	77,790	(12,000)
1,658,413	63.7%	SUPPLIES & SERVICES	2,601,981	2,567,981	(34,000)
69,414	69.0%	THIRD PARTY PAYMENTS	100,610	100,610	0
10,579,140	75.9%	<b>TOTAL EXPENDITURE</b>	13,938,215	13,509,215	(429,000)
(1,769,856)	66.0%	INCOME	(2,682,065)	(2,791,065)	(109,000)
8,809,284	78.3%	<b>TOTAL</b>	11,256,150	10,718,150	(538,000)
-	-	INCOME RECOVERED FROM OUTWITH GENERAL FUND	(2,180,600)	(2,180,600)	0
8,809,284	97.1%	<b>NET EXPENDITURE</b>	9,075,550	8,537,550	(538,000)

## 3 ANALYSIS OF VARIANCES

### 3.1 Chief Executive's Office

There are no material variances to report at this time.

### 3.2 Central Management Support

There is an adverse variance of £150,000 anticipated to 31 March 2006 due to the redeployment of staff resources and the non capital element of refurbishment work at London Road headquarters. Both elements will be met by underspends elsewhere in the department.

### 3.3 Corporate Development and Communication

Employee Costs are anticipated to be £50,000 underspent at 31 March 2006 due to a delay in the utilisation of additional resources advised in the Local Government Finance settlement.

### 3.4 Personnel

Having previously reported a favourable variance of £20,000 against Employee Costs, it is now assumed that this underspend added to a surplus anticipated for the Skills Training Unit of £20,000 will enable the extension of the Job Evaluation Team contracts into the new financial year – approximately £40,000.

### 3.5 Legal and Administration Services

It is anticipated that there will be favourable variances on Employee Costs, Transport Costs, Supplies and Services and Income as at 31 March 2006. Due to the timing of filling of vacancies, general management efficiencies and additional income from Legal Fees and Permits/Licences, these savings are

offset by a projected adverse variance of £70,000 on Property Enquiry income as a result of competition from the private sector following on from the Freedom of Information requests.

### **3.6 Information Technology**

There is an anticipated adverse variance of £85,000 at 31 March 2006 arising from essential health and safety expenditure surrounding the housing of the IT telephony unit and also equipment for Emergency Planning.

### **3.7 Finance**

There is an anticipated favourable variance of £723,000 at 31 March 2006 arising from the timing of filling of vacancies pending the Best Value Review of the service and also additional income in respect of agency fees received from Scottish Water for improved collection rates and incentive income from the Department of Work and Pensions for housing benefit fraud prosecutions. General efficiencies on Supplies and Services have also resulted in recognition of pressures elsewhere in the department and assume significant spending will be incurred prior to the year end on financial systems costs.

### **3.8 Other**

There are no anticipated material variances to report.

### **3.9 Community Regeneration Fund (CRF)**

The budget for 2005-06 is £4,033,000, funded by Communities Scotland. A total underspend of £534,750 has been declared for carry forward into 2006-07.

## **4 FINANCIAL/LEGAL/POLICY IMPLICATIONS**

Nil

## **5 RECOMMENDATIONS**

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

Alex McPhee  
**Executive Head of Finance**

Elizabeth Morton  
**Executive Director of Corporate Support**

JJ/JP  
6 March 2006

## **LIST OF BACKGROUND PAPERS NIL**

Members wishing further information should contact Kirstin Muir, Financial Services Manager – Corporate Support, Tel: (01563) 576433.