

## EAST AYRSHIRE COUNCIL

### POLICY AND RESOURCES COMMITTEE – 15 NOVEMBER 2005

#### 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 £375,000 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 18/09/05 | Actual Exp. To P6 as % of Annual Estimate | Service Division                           | Annual Estimate 2005/06 | Projected Actual to 31/3/06 | Variance (Favourable) / Adverse |
|-------------------------|---|--|-------------------------|-----------------------------|---------------------------------|
| 211,060                 | 45.3%                                     | CHIEF EXECUTIVE OFFICE                     | 466,220                 | 466,220                     | 0                               |
| 89,123                  | 45.4%                                     | CENTRAL MANAGEMENT SUPPORT                 | 196,260                 | 216,260                     | 20,000                          |
| 275,580                 | 43.2%                                     | CORPORATE DEVELOPMENT & COMMUNICATION      | 637,820                 | 597,820                     | (40,000)                        |
| 528,678                 | 43.4%                                     | PERSONNEL                                  | 1,217,830               | 1,217,830                   | 0                               |
| 906,112                 | 49.5%                                     | LEGAL & ADMINISTRATION                     | 1,828,810               | 1,828,810                   | 0                               |
| 1,397,856               | 50.6%                                     | INFORMATION TECHNOLOGY                     | 2,761,130               | 2,846,130                   | 85,000                          |
| 824,314                 | 20.9%                                     | FINANCE                                    | 3,948,250               | 3,508,250                   | (440,000)                       |
| 33,671                  | 109.2%                                    | OTHER                                      | 30,830                  | 30,830                      | 0                               |
| -                       | -   | INCOME RECOVERED FROM OUTWITH GENERAL FUND | (2,180,600)             | (2,180,600)                 | 0                               |
| 4,266,394               | 47.9%                                     | TOTAL                                      | 8,906,550               | 8,531,550                   | (375,000)                       |

## 2.4 Summary of Subjective Codes

| Actual Exp. To 18/09/05 | Actual Exp. To P6 as % of Annual Estimate | Detail                                     | Annual Estimate 2005/06 | Projected Actual to 31/3/06 | Variance (Favourable) / Adverse |
|-------------------------|---|--|-------------------------|-----------------------------|---------------------------------|
| 4,754,322               | 42.9%                                     | EMPLOYEE COSTS                             | 11,092,424              | 10,682,424                  | (410,000)                       |
| 4,851                   | 23.8%                                     | PREMISES COSTS                             | 20,410                  | 55,410                      | 35,000                          |
| 23,627                  | 26.9%                                     | TRANSPORT COSTS                            | 87,790                  | 87,790                      | 0                               |
| 1,052,666               | 42.7%                                     | SUPPLIES & SERVICES                        | 2,467,981               | 2,497,981                   | 30,000                          |
| 23,621                  | 23.5%                                     | THIRD PARTY PAYMENTS                       | 100,610                 | 100,610                     | 0                               |
| 5,859,087               | 42.6%                                     | TOTAL EXPENDITURE                          | 13,769,215              | 13,424,215                  | (345,000)                       |
| (1,592,693)             | 59.4%                                     | INCOME                                     | (2,682,065)             | (2,712,065)                 | (30,000)                        |
| 4,266,394               | 38.5%                                     | TOTAL                                      | 11,087,150              | 10,712,150                  | (375,000)                       |
| -                       | -   | INCOME RECOVERED FROM OUTWITH GENERAL FUND | (2,180,600)             | (2,180,600)                 | 0                               |
| 4,266,394               | 47.9%                                     | NET EXPENDITURE                            | 8,906,550               | 8,531,550                   | (375,000)                       |

## 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 £20,000 anticipated to 31 March 2006 due to the redeployment of staff resources which will be offset by underspends elsewhere in the Department.

### 3.3 Corporate Development and Communication

Employee Costs are anticipated to be £40,000 underspent at 31 March 2006 due to a delay in implementation and utilisation of resources set aside in the Local Government Finance settlement identified for Best Value implications, although progress has been made towards recruitment.

### 3.4 Personnel

There are no anticipated material variances to report at this time.

### 3.5 Legal and Administration Services

It is anticipated there will be a favourable variance of £40,000 on Employee Costs at 31 March 2006 which is principally due to the timing of filling of vacancies. There is a £20,000 favourable variance anticipated on Supplies and Services arising from general management efficiencies. These savings are offset by a projected adverse variance of £60,000 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 £440,000 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.

### **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. As part of the conditions of grant, the Community Planning Partnership required to submit to Communities Scotland, by 1<sup>st</sup> September 2005, details of planned spend in 2005-06. A total underspend of £534,750 has been declared for carry forward into 2006-07.

Following approval at the last Committee, the £65,000, previously set aside for North Social Inclusion Initiative is added to the Community Regeneration Fund for allocation.

## **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  
26 October 2005

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

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