

## EAST AYRSHIRE COUNCIL

### CORPORATE SUB-COMMITTEE OF THE POLICY AND RESOURCES COMMITTEE -9 APRIL 2002

#### BUDGETARY CONTROL SUMMARY STATEMENT POLICY AND RESOURCES (CENTRAL SERVICES)

#### Report by Director of Finance

### 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 (Central Services).

### 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

A projected variance of £53,201 under budget is anticipated at 31 March 2002. The projected out-turn figures reflect the views of service directors and are based on all currently available information.

#### 2.4 Summary of Objective Codes

	Budget Expend to 10-Feb-02 Period 11	Actual Expend to 10-Feb-02 Period 11	Variance Expend to 10-Feb-02 Period 11	Annual Estimate 2001/02	Projected Actual 2001/02	Variance
	£	£	£	£	£	£
Finance	3,401,885	3,332,236	(69,649)	4,126,980	4,126,980	0
Democratic Process	550,525	499,421	(51,104)	709,020	694,020	(15,000)
Miscellaneous Services	2,660,978	2,649,566	(11,412)	3,475,285	3,444,884	(30,401)
Housing Benefits Subsidy	2,112,000	2,056,292	(55,708)	2,068,100	2,018,100	(50,000)
Corporate Office Accomodation	1,248,828	1,268,791	19,963	1,535,270	1,577,470	42,200
Income outwith General Fund	(57,134)	(69,740)	(12,606)	(1,999,250)	(1,999,250)	0
<b>NET EXPENDITURE</b>	<b>9,917,082</b>	<b>9,736,566</b>	<b>(180,516)</b>	<b>9,915,405</b>	<b>9,862,204</b>	<b>(53,201)</b>

## 2.5 Summary of Subjective Codes

	Budget Expend to 10-Feb-02 Period 11	Actual Expend to 10-Feb-02 Period 11	Variance Expend to 10-Feb-02 Period 11	Annual Estimate 2001/02	Projected Actual 2001/02	Variance
	£	£	£	£	£	£
Employee Costs	3,653,354	3,610,936	(42,418)	4,254,970	4,259,319	4,349
Property Costs	1,120,670	1,132,450	11,780	1,334,130	1,359,510	25,380
Transport Costs	52,409	37,448	(14,961)	60,810	60,810	0
Supplies & Services	2,378,565	2,391,306	12,741	3,000,730	3,047,070	46,340
Administration Costs	736,274	667,815	(68,459)	1,038,070	1,015,550	(22,520)
Payments to Other Bodies	537,854	530,136	(7,718)	918,485	918,485	0
Housing Benefit Subsidy	2,112,000	2,056,292	(55,708)	2,068,100	2,018,100	(50,000)
<b>TOTAL EXPENDITURE</b>	<b>10,591,126</b>	<b>10,426,383</b>	<b>(164,743)</b>	<b>12,675,295</b>	<b>12,678,844</b>	<b>3,549</b>
Total Income	(616,910)	(620,077)	(3,167)	(760,640)	(817,390)	(56,750)
<b>NET EXPENDITURE</b>	<b>9,974,216</b>	<b>9,806,306</b>	<b>(167,910)</b>	<b>11,914,655</b>	<b>11,861,454</b>	<b>(53,201)</b>
Income outwith General Fund	(57,134)	(69,740)	(12,606)	(1,999,250)	(1,999,250)	0
<b>TOTAL</b>	<b>9,917,082</b>	<b>9,736,566</b>	<b>(180,516)</b>	<b>9,915,405</b>	<b>9,862,204</b>	<b>(53,201)</b>

## 3 ANALYSIS OF VARIANCES

### 3.1 Finance

As previously reported, it is anticipated that there will be an adverse variance on Employee Costs at 31 March 2002 mainly due to higher levels of sickness absence in Exchequer Services resulting in additional overtime as well as difficulty in achieving turnover savings. This will be offset by additional income due to one-off grants in respect of Housing Benefit legislation to offset implementation costs.

### 3.2 Democratic Process

It is anticipated that a favourable variance on Administration Costs of £15,000 will occur at 31 March 2002.

### 3.3 Miscellaneous Services

It is anticipated that there will be a favourable variance at 31 March 2002 of £30,401 mainly due to savings in respect of excess travel costs, electricity rebates, Unfunded Superannuation and additional income in respect of East Ayrshire Coalfield Social Inclusion Partnership. This is offset by a provision which has been set aside for bad debts prior to 1 April 2001.

It should be noted that the potential deficit which was previously noted in respect of Skills Training Unit due to a change in the contract arrangements with Scottish Enterprise Ayrshire has been satisfactorily resolved and a break-even situation is expected at year-end.

### **3.4 Housing and Council Tax Benefit Subsidy**

The amount of subsidy income received is dependant not only on the value of benefits paid but also on other factors including overpayments. The information currently available suggests that the net cost to the Council will be a favourable variance of £50,000 at 31 March 2002.

### **3.5 Corporate Office Accommodation**

The Director of Development Services anticipates an adverse variance of £42,200 at 31 March 2002. As previously reported, additional security and servicing costs for the Lugar Offices are anticipated to be £24,340 over budget and current rent reviews of the Corporate Offices at Greenholm Street and 2 The Cross, Kilmarnock will result in potential increased rental charges of £30,770. In addition to this £43,810 additional costs are anticipated in respect of Electricity Costs and Rates. These variances are partially offset by a favourable variance of £49,200 in respect of office cleaning and caretaking and £7,520 reduced charges in respect of telephone and ISDN line costs for the main switchboard.

## **4 RECOMMENDATIONS**

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

Alex McPhee  
**Director of Finance**

JJ/DMW  
21 March 2002

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

Members wishing further information should contact Julie Jamieson, Financial Services Manager, Tel: (01563) 576336.

**AGENDA**