

EAST AYRSHIRE COUNCIL

CORPORATE SUB-COMMITTEE OF THE POLICY AND RESOURCES COMMITTEE – 12 FEBRUARY 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 £118,941 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 16-Dec-01 Period 9	Actual Expend to 16-Dec-01 Period 9	Variance Expend to 16-Dec-01 Period 9	Annual Estimate 2001/02	Projected Actual 2001/02	Variance
	£	£	£	£	£	£
Finance	2,751,526	2,703,750	(47,776)	4,126,980	4,126,980	0
Democratic Process	468,332	424,818	(43,514)	709,020	694,020	(15,000)
Miscellaneous Services	2,192,794	2,243,300	50,506	3,506,160	3,405,759	(100,401)
Housing Benefits Subsidy	1,862,000	1,825,320	(36,680)	2,068,100	2,018,100	(50,000)
Corporate Office Accomodation	1,168,602	1,170,176	1,574	1,535,270	1,581,730	46,460
Income outwith General Fund	(51,940)	(63,526)	(11,586)	(1,999,250)	(1,999,250)	0
NET EXPENDITURE	8,391,314	8,303,838	(87,476)	9,946,280	9,827,339	(118,941)

2.5 Summary of Subjective Codes

	Budget Expend to 16-Dec-01 Period 9	Actual Expend to 16-Dec-01 Period 9	Variance Expend to 16-Dec-01 Period 9	Annual Estimate 2001/02	Projected Actual 2001/02	Variance
	£	£	£	£	£	£
Employee Costs	3,016,883	2,981,453	(35,430)	4,254,970	4,260,154	5,184
Property Costs	1,028,445	1,016,206	(12,239)	1,334,130	1,352,180	18,050
Transport Costs	36,076	31,868	(4,208)	60,810	60,810	0
Supplies & Services	1,941,969	2,015,345	73,376	3,000,730	2,939,390	(61,340)
Administration Costs	601,010	561,719	(39,291)	1,038,070	1,034,820	(3,250)
Payments to Other Bodies	437,791	437,797	6	949,360	949,360	0
Housing Benefit Subsidy	1,862,000	1,825,320	(36,680)	2,068,100	2,018,100	(50,000)
TOTAL EXPENDITURE	8,924,174	8,869,708	(54,466)	12,706,170	12,614,814	(91,356)
Total Income	(480,920)	(502,344)	(21,424)	(760,640)	(788,225)	(27,585)
NET EXPENDITURE	8,443,254	8,367,364	(75,890)	11,945,530	11,826,589	(118,941)
Income outwith General Fund	(51,940)	(63,526)	(11,586)	(1,999,250)	(1,999,250)	0
TOTAL	8,391,314	8,303,838	(87,476)	9,946,280	9,827,339	(118,941)

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 £100,401 mainly due to savings in respect of excess travel costs, electricity rebates and Unfunded Superannuation.

Although not included as part of the year-end projection at this time, the Head of Personnel has highlighted a potential deficit in relation to the Skills Training Unit of £9,052. This is due to a change in the contract between the Council and Enterprise Ayrshire, the main funding body. The Head of Personnel is confident that following ongoing discussions between both parties that the situation will be resolved. In the unlikely event that a deficit situation arises, then this will be met from management efficiencies within the Corporate Resources Department.

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 £46,460 at 31 March 2002. This arises from three main issues. Firstly additional security and servicing costs for the Lugar Offices account for £16,660. Telephone and ISDN line costs for all offices are anticipated to be £11,750 in excess of budget. Thirdly 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. These variances are partially offset by net favourable variances in other headings totaling £12,720.

The Director of Development Services anticipates that the costs of the Dalmellington Area Centre will be recharged to user departments on an agreed methodology throughout the financial year and these costs are therefore excluded from the projected out-turn figures.

4 RECOMMENDATIONS

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

Alex McPhee
Director of Finance

JJ/DMW
23 January 2002

LIST OF BACKGROUND PAPERS NIL

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

AGENDA