

EAST AYRSHIRE COUNCIL

CORPORATE GOVERNANCE COMMITTEE – 10 FEBRUARY 2004

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 £171,000 under budget is anticipated at 31 March 2004. The projected out-turn figures reflect the views of service directors and are based on all currently available information.

2.3 Summary of Objective Codes

	Budget Expend to 14-Dec-03 Period 9	Actual Expend to 14-Dec-03 Period 9	Variance Expend to 14-Dec-03 Period 9	Annual Estimate 2003/04	Projected Actual 2003/04	Variance
	£	£	£	£	£	£
Finance	2,373,927	2,172,168	(201,759)	4,129,210	3,951,210	(178,000)
Democratic Process	521,669	507,490	(14,179)	763,880	763,880	0
Miscellaneous Services	2,198,399	2,058,131	(140,268)	3,320,680	3,600,680	280,000
Housing Benefits Subsidy	1,908,940	1,891,093	(17,847)	2,579,160	2,329,160	(250,000)
Corporate Office Accomodation	1,282,016	1,251,668	(30,348)	1,756,920	1,733,920	(23,000)
Better Neighbourhood Svs Fund	0	0	0	0	0	0
Community Budgeting	0	0	0	202,000	202,000	0
Income outwith General Fund	(51,000)	(51,000)	0	(2,031,530)	(2,031,530)	0
NET EXPENDITURE	8,233,951	7,829,550	(404,401)	10,720,320	10,549,320	(171,000)

2.4 Summary of Subjective Codes

	Budget Expend to 14-Dec-03 Period 9	Actual Expend to 14-Dec-03 Period 9	Variance Expend to 14-Dec-03 Period 9	Annual Estimate 2003/04	Projected Actual 2003/04	Variance
	£	£	£	£	£	£
Employee Costs	4,555,819	4,258,220	(297,599)	6,564,342	6,394,342	(170,000)
Premises Costs	1,112,095	1,115,694	3,599	1,456,730	1,465,933	9,203
Transport Related Costs	26,238	28,561	2,323	59,650	59,650	0
Supplies & Services	1,948,401	1,903,546	(44,855)	3,189,760	3,463,762	274,002
Third Party Payments	404,120	404,120	0	3,731,720	3,731,720	0
Transfer Payments	0	0	0	0	0	0
Housing Benefit Subsidy	1,908,940	1,891,093	(17,847)	2,579,160	2,329,160	(250,000)
TOTAL EXPENDITURE	9,955,613	9,601,234	(354,379)	17,581,362	17,444,567	(136,795)
Total Income	(1,670,662)	(1,720,684)	(50,022)	(4,829,512)	(4,863,717)	(34,205)
NET EXPENDITURE	8,284,951	7,880,550	(404,401)	12,751,850	12,580,850	(171,000)
Income outwith General Fund	(51,000)	(51,000)	0	(2,031,530)	(2,031,530)	0
TOTAL	8,233,951	7,829,550	(404,401)	10,720,320	10,549,320	(171,000)

3 ANALYSIS OF VARIANCES

3.1 Finance

It is anticipated there will be a favourable variance of £178,000 at 31 March 2004. This is due to a £250,000 favourable variance on Employee Costs due to the timing of filling of vacancies offset by a £72,000 adverse variance on Supplies and Services due to a potential requirement for urgent health and safety expenditure.

3.2 Democratic Process

There are no material variances to report at this time.

3.3 Miscellaneous Services

It is anticipated that there will be an adverse variance of £80,000 at 31 March 2004. This is principally due to currently anticipated Employee Costs in respect of the Council restructure as agreed at the Corporate Governance Committee of 3 October 2003. There may be additional costs resulting from further departmental restructuring following on from this.

In respect of Supplies and Services a VAT issue is currently being pursued by Customs and Excise and as a result an adverse variance of £200,000 has been projected to 31 March 2004. This matter is being dealt with in consultation with the Council's VAT advisors but the outcome is uncertain at this stage.

3.4 Housing and Council Tax Benefit Subsidy

The net annual cost to the Council of £2.5m masks the fact that this relates to expenditure of approximately £36.5m and income of £34m. The level of payments is extremely volatile and a small percentage move in the caseload can result in significant variances.

The final 2002/2003 subsidy claim form submitted indicates a favourable variance of £250,000 at 31 March 2004. This represents efficiency gains from the introduction of the new system and other changes in the section over the past few years.

3.5 Better Neighbourhoods Services Fund

Gross Expenditure of £3.665m will be matched by an equivalent level of grant income. There are no material variances anticipated at this time.

3.6 Community Budgeting

East Ayrshire has been allocated £0.202m resources in 2003/04. It is anticipated that this will be spent in full at 31 March 2004.

3.7 Corporate Office Accommodation

The Director of Development Services anticipates a favourable variance of £23,000 at 31 March 2004. This is mainly due to additional income partly offset by increased premises costs and supplies and services costs.

4 FINANCIAL/LEGAL/POLICY IMPLICATIONS

Nil

5 RECOMMENDATIONS

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

Alex McPhee
Director of Finance

JJ/DMW
20 January 2004

LIST OF BACKGROUND PAPERS NIL

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