

## EAST AYRSHIRE COUNCIL

### DEVELOPMENT SERVICES COMMITTEE – 12 MARCH 2003

#### BUDGETARY CONTROL SUMMARY STATEMENT DEVELOPMENT SERVICES TO 15 DECEMBER 2002 (PERIOD 9)

##### Joint Report by Director of Finance and Director of Development Services

## 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 Development Services Department, for the period ended 15 December 2002 (Period 9).

## 2 OVERALL POSITION

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

### 2.2 Budget Performance to Period 9

The total expenditure to date amounts to £9,465,165 compared to a budget of £9,572,993, resulting in the actual expenditure being less than the budget by £107,828. The budget to 15 December 2002 is based on standard phasing for each period of expenditure and income, except where the Service Department has indicated otherwise. Period variances are highlighted at Item 3.

### 2.3 Projected Out-turn

The out-turn for the year is projected to be £11,567,620, being an increase of £31,730 over the annual estimate.

## 2.4 Summary of Objective Costs

	Budget Expend to 15-Dec-02 Period 9	Actual Expend to 15-Dec-02 Period 9	Variance Expend to 15-Dec-02 Period 9	Annual Estimate 2002-03	Projected Actual 2002-03	Variance	
	£	£	£	£	£	£	%
Economic Development	1,204,369	1,160,278	(44,091)	1,845,612	1,794,612	(51,000)	(3)
Planning & Building Control	523,070	535,734	12,664	815,235	856,065	40,830	5
Property	(853,029)	(841,331)	11,698	(910,870)	(892,870)	18,000	(2)
Roads & Transportation	8,698,583	8,610,484	(88,099)	9,785,913	9,809,813	23,900	0
<b>TOTAL EXPENDITURE</b>	<b>9,572,993</b>	<b>9,465,165</b>	<b>(107,828)</b>	<b>11,535,890</b>	<b>11,567,620</b>	<b>31,730</b>	<b>0</b>

## 2.5 Development Services - Summary of Subjective Costs

	Budget Expend to 15-Dec-02 Period 9	Actual Expend to 15-Dec-02 Period 9	Variance Expend to 15-Dec-02 Period 9	Annual Estimate 2002-03	Projected Actual 2002-03	Variance	
	£	£	£	£	£	£	%
Employee Costs	3,102,447	3,090,320	(12,127)	4,389,452	4,389,452	0	0
Premises Costs	256,416	268,732	12,316	264,557	298,687	34,130	13
Transport Related Costs	298,257	288,546	(9,711)	376,353	370,353	(6,000)	(2)
Supplies & Services	649,176	657,443	8,267	1,170,702	1,217,502	46,800	4
Third Party Payments	7,400,772	7,379,928	(20,844)	9,146,233	9,167,033	20,800	0
Transfer Payments	0	0	0	0	0	0	
<b>TOTAL EXPENDITURE</b>	<b>11,707,068</b>	<b>11,684,969</b>	<b>(22,099)</b>	<b>15,347,297</b>	<b>15,443,027</b>	<b>95,730</b>	<b>1</b>
Income	(2,134,075)	(2,219,804)	(85,729)	(3,811,407)	(3,875,407)	(64,000)	2
<b>NET EXPENDITURE</b>	<b>9,572,993</b>	<b>9,465,165</b>	<b>(107,828)</b>	<b>11,535,890</b>	<b>11,567,620</b>	<b>31,730</b>	<b>0</b>

## **3. ANALYSIS OF VARIANCES**

### **3.1 Employee Costs**

The current favourable variance of £12,127 results from current vacancies within the Department, however it is anticipated that employee costs will out-turn in line with estimate.

### **3.2 Premises Related Expenditure**

An unfavourable variance of £34,130 is projected for the year for Property Costs. This relates to Dangerous Buildings costs of £13,130 re Catrine Weir, and £11,000 for Netherton Business Centre rent payable prior to disposal. It should be noted that East Ayrshire Council will also receive rent of £22,000 from the occupiers of the Centre prior to the anticipated disposal date. Additional rates costs have been incurred for void shop properties.

### **3.3 Supplies and Services**

An unfavourable variance of £46,800 is projected for the year for Supplies and Services. This is mainly due to the unbudgeted cost of Local Plan Inquiry Reporters' Fees of £20,000 and legal and professional indemnity fees of £7,800. There is also an additional provision of £10,000 for bad debts resulting from the number of tenants who have either terminated their leases without final settlement or are experiencing financial problems. There are additional Planning and Building Control costs for statutory advertising, postage and technical indices amounting to £9,000.

### **3.4 Third Party Payments**

The current underspend of £20,844 is projected to out-turn at an overspend of £20,800. This is due to unbudgeted costs for School Crossing Patrols. An additional patrol has been employed at a cost of £7,000 and there is also an unbudgeted recharge from Onsite for single status amounting to £13,800.

### **3.5 Income**

There is currently additional income of £85,729 attributable mainly to a number of large Building Warrant and Planning Application fees received early in the year. Additional income of £64,000 has been projected for the year. Additional business loan repayments and income from Land Securities on the assignation of their lease to Eagle Star, will offset the reduction in Property Rent income arising from void properties.

## **4 RECOMMENDATION**

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

Alex McPhee  
**Director of Finance**  
cj/21.02.03

Stephen Chorley  
**Director of Development Services**

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