

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 14 DECEMBER 2004

BUDGETARY CONTROL SUMMARY STATEMENT ROADS CONTRACTS, VEHICLE MAINTENANCE AND STREET LIGHTING TO 19th SEPTEMBER 2004 (PERIOD 6)

Joint Report by Executive Head of Finance and Executive Director of Development and Property 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 Roads Contracts, Vehicle Maintenance and Street Lighting for the period ended 19th September 2004 (Period 6).

2. OVERALL POSITION

- 2.1 The following report relates to service costs and income controlled by the department and includes rechargeable costs for central service charges and capital charges. The performance to date and projected out-turn for each service is detailed separately within this report.

2.2 Projected Out-turn

The projected out-turn for Roads Contracts is a surplus of £30,000, Vehicle Maintenance a surplus of £10,000, and a breakeven position for the Street Lighting Unit for the period to the 31st March 2005.

2.3 Roads Contracts Budget Performance to Period 6

As at Period 6, Roads Contracts is reporting a deficit position of £45,952 as against a budgeted deficit position at this stage of £141,873. The current favourable position as against the budget to Period 6 is representative of the level of work completed by Roads Contracts to date. A deficit position is expected at this stage of the year, and will continue to be reported until overhead costs are recovered from income anticipated from the remainder of the routine maintenance and winter programmes. No significant variances are projected at this stage of the year, and the Executive Director of Development & Property Services expects that Roads Contracts will meet its targeted surplus of £30,000.

2.4 Vehicle Maintenance Budget Performance to Period 6

As at Period 6, the Vehicle Maintenance Unit is reporting a surplus of £11,811 as against a budgeted deficit of £14,345. Income recovery in relation to the SLA agreements is less than expected due to a reduction in the vehicle numbers as per the business plan. However, this under-recovery of income is offset by underspends on labour, material and overhead costs as a result of the lower than expected vehicles being serviced. No significant variances are projected at this stage of the year, and the Executive Director of Development & Property Services expects that the Vehicle Maintenance Unit will meet its targeted surplus of £10,000.

2.5 Street Lighting Unit Budget Performance to Period 6

As at Period 6, the Street Lighting Unit is currently reporting a deficit of £21,955 against a budgeted surplus position of £4,587. This is primarily due to an under-recovery of income to date, which the Executive Director of Development & Property Services fully expects to recover during the year. A deficit position is expected at Period 6, and it is anticipated that this will be reversed during the year as the planned programme of work is completed and overhead contributions are realised. The projected out-turn for the year remains a breakeven budgetary position.

2.6 Summary of Subjective Costs – Roads Contracts

Actual Expend to 19-Sept-04 Period 6	Budget Expend to 19-sept-04 Period 6		Annual Estimate 2004-05	Projected Actual 2004-05	Variance
£	£		£	£	£
(2,582,263)	(2,104,314)	INCOME	(5,339,873)	(5,339,873)	0
		EXPENDITURE			
893,485	868,366	Labour Costs	2,044,561	2,044,561	0
493,853	388,730	Sub Contractors	858,563	858,563	0
1,131,459	889,238	Other Direct Costs	2,187,584	2,187,584	0
109,418	99,853	Overheads	219,165	219,165	0
2,628,215	2,246,187	TOTAL EXPENDITURE	5,309,873	5,309,873	0
45,952	141,873	(SURPLUS)/DEFICIT	(30,000)	(30,000)	0

2.7 Summary of Subjective Costs – Vehicle Maintenance

Actual Expend to 19-Sept-04 Period 6	Budget Expend to 19-Sept-04 Period 6		Annual Estimate 2004-05	Projected Actual 2004-05	Variance
£	£		£	£	£
(584,922)	(600,900)	INCOME	(1,308,731)	(1,308,731)	0
		EXPENDITURE			
251,139	272,233	Labour Costs	595,509	595,509	0
46,156	46,156	Sub Contractors	100,000	100,000	0
184,745	193,846	Other Direct Costs	399,235	399,235	0
91,071	103,010	Overheads	203,987	203,987	0
573,111	615,245	TOTAL EXPENDITURE	1,298,731	1,298,731	0
(11,811)	14,345	(SURPLUS)/DEFICIT	(10,000)	(10,000)	0

2.8 Summary of Subjective Costs – Street Lighting

Actual Expend to 19-Sept-04 Period 6	Budget Expend to 19-Sept-04 Period 6		Annual Estimate 2004-05	Projected Actual 2004-05	Variance
£	£		£	£	£
(222,719)	(291,461)	INCOME	(583,707)	(583,707)	0
		EXPENDITURE			
87,729	95,909	Labour Costs	205,257	205,257	0
32,725	39,234	Sub Contractors	85,000	85,000	0
102,435	122,186	Other Direct Costs	224,856	224,856	0
21,785	29,545	Overheads	68,594	68,594	0
244,674	286,874	TOTAL EXPENDITURE	583,707	583,707	0
21,955	(4,587)	(SURPLUS)/DEFICIT	0	0	0

3. RECOMMENDATIONS

3.1 It is recommended that the Committee:

- i) note the contents of this report.

Alex McPhee
Executive Head of Finance
 26 November 2004

James Lavery
**Executive Director of Development
 and Property Services**

LIST OF BACKGROUND PAPERS

NIL

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