

## EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 11 JANUARY 2006

### BUDGETARY CONTROL SUMMARY STATEMENT ROADS CONTRACTS, VEHICLE MAINTENANCE AND STREET LIGHTING TO 13 NOVEMBER 2005 (PERIOD 8)

#### 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 13 November 2005 (Period 8).

#### 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, FRS17 pension adjustments, and capital charges. The performance to date and projected out-turn for each service is detailed separately within this report.

#### 2.3 Projected Out-turn

The projected out-turn for Trading Units, after taking into account the FRS17 Pensions Adjustment are; Roads Contracts a surplus of £33,560, Vehicle Maintenance a surplus of £22,230, and Street Lighting a surplus of £26,915 for the year to the 31st March 2006.

#### 2.4 Roads Contracts Budget Performance to Period 8

As at Period 8, Roads Contracts is reporting a surplus position of £7,881 as against a budgeted surplus position at this stage of £71,322. It is anticipated that Roads Contracts will out-turn £20,000 above its targeted surplus for the year as a result of the work secured by Roads Contracts to date financed from funding packages such as Quality of Life and Passenger Transport Funding, and additional work won in competition relating to Kier Mining (contract value circa. £500,000), Crosshouse Roundabout (contract value £170,000), and Land Improvements Holdings for Mount House (contract value £100,000).

The projected surplus at 31 March 2006 is £33,560.

## **2.5 Vehicle Maintenance Budget Performance to Period 8**

As at Period 8, the Vehicle Maintenance Unit is reporting a surplus of £144,910 as against a budgeted surplus of £102,520. The current favourable variance primarily relates to income recovery in relation to non-routine repairs which is higher than expected.

As a result, the Vehicle Maintenance Unit is anticipated to achieve a surplus of £22,230 for the year, which represents an increase of £12,230 on its targeted surplus of £10,000.

## **2.6 Street Lighting Unit Budget Performance to Period 8**

As at Period 8, the Street Lighting Unit is reporting a surplus of £27,977 against a budgeted deficit position of £24,667. The current favourable position reflects the additional work won by the Street Lighting Unit in relation to Christmas Light installations and other external works, and of the level of routine maintenance work completed to date.

Consequently, the Street Lighting Unit is projected to achieve a surplus of £26,915 for the year, which represents an increase of £16,915 on the budgeted surplus of £10,000.

## **2.7 Summary of Subjective Costs – Roads Contracts**

Phased Budget to 18/09/05	Actual Exp. To 18/09/05	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
(3,314,616)	(3,744,777)	INCOME	(5,386,250)	(7,003,250)	(1,617,000)
1,307,478	1,350,822	LABOUR COSTS	2,174,682	2,499,894	325,212
473,330	457,944	SUB CONTRACTORS	769,160	1,286,821	517,661
1,324,206	1,782,307	OTHER DIRECT COSTS	2,188,753	2,935,784	747,031
138,280	145,823	OVERHEADS	213,655	220,751	7,096
<b>(71,322)</b>	<b>(7,881)</b>	<b>TOTAL</b>	<b>(40,000)</b>	<b>(60,000)</b>	<b>(20,000)</b>
0	0	PENSION ACCOUNTING ADJUSTMENT	0	26,440	26,440
<b>(71,322)</b>	<b>(7,881)</b>	<b>SURPLUS INCLUDING PENSION ACCOUNTING ADJUSTMENT</b>	<b>(40,000)</b>	<b>(33,560)</b>	<b>6,440</b>

## 2.8 Summary of Subjective Costs – Vehicle Maintenance

Phased Budget to 18/09/05	Actual Exp. To 18/09/05	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
(869,441)	(918,354)	INCOME	(1,290,097)	(1,347,350)	(57,253)
366,550	361,431	LABOUR COSTS	596,808	607,169	10,361
61,540	67,186	SUB CONTRACTORS	100,000	115,000	15,000
224,233	225,906	OTHER DIRECT COSTS	380,811	384,410	3,599
114,598	118,921	OVERHEADS	202,478	210,771	8,293
<b>(102,520)</b>	<b>(144,910)</b>	<b>TOTAL</b>	<b>(10,000)</b>	<b>(30,000)</b>	<b>(20,000)</b>
0	0	PENSION ACCOUNTING ADJUSTMENT	0	7,770	7,770
<b>(102,520)</b>	<b>(144,910)</b>	<b>SURPLUS INCLUDING PENSION ACCOUNTING ADJUSTMENT</b>	<b>(10,000)</b>	<b>(22,230)</b>	<b>(12,230)</b>

## 2.9 Summary of Subjective Costs – Street Lighting

Phased Budget to 18/09/05	Actual Exp. To 18/09/05	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
(355,616)	(405,066)	INCOME	(617,000)	(806,655)	(189,655)
133,685	123,069	LABOUR COSTS	220,703	240,703	20,000
58,465	48,869	SUB CONTRACTORS	95,000	95,000	0
153,861	169,561	OTHER DIRECT COSTS	229,546	376,106	146,560
34,272	35,590	OVERHEADS	61,751	64,846	3,095
<b>24,667</b>	<b>(27,977)</b>	<b>TOTAL</b>	<b>(10,000)</b>	<b>(30,000)</b>	<b>(20,000)</b>
0	0	PENSION ACCOUNTING ADJUSTMENT	0	3,085	3,085
<b>24,667</b>	<b>(27,977)</b>	<b>SURPLUS INCLUDING PENSION ACCOUNTING ADJUSTMENT</b>	<b>(10,000)</b>	<b>(26,915)</b>	<b>(16,915)</b>

## 3. RECOMMENDATIONS

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

Alex McPhee  
Executive Head of Finance

4 December 2005

James Lavery  
Executive Director of Development  
and Property Services

### LIST OF BACKGROUND PAPERS NIL

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