

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 9th MARCH 2005

BUDGETARY CONTROL SUMMARY STATEMENT ROADS CONTRACTS, VEHICLE MAINTENANCE AND STREET LIGHTING TO 6th FEBRUARY 2005 (PERIOD 11)

**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 6th February 2005 (Period 11).

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 £40,000, Vehicle Maintenance a surplus of £30,000, and Street Lighting a surplus of £20,000 for the year to the 31st March 2005.

2.3 Roads Contracts Budget Performance to Period 11

As at Period 11, Roads Contracts is reporting a deficit position of £136,097 as against a budgeted deficit position at this stage of £136,445. Although only a small favourable variance is reported at Period 11, it is anticipated that Roads Contracts will out-turn 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. £138,000) and Connect Roads for Winter Maintenance on the A77 (contract value £100,000). Consequently, Roads Contracts is projected to achieve a surplus of £40,000 for the year, which represents an increase of £10,000 on the targeted surplus of £30,000.

The possibility exists that the surplus achieved may exceed the current projection of £40,000. However, this is dependent on the completion of significant levels of work which are reliant on favourable weather conditions between now and the 31 March.

2.4 Vehicle Maintenance Budget Performance to Period 11

As at Period 11, the Vehicle Maintenance Unit is reporting a surplus of £49,716 as against a budgeted surplus of £19,608. 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 and material costs as a result of the lower than expected numbers of vehicles being serviced. Despite the reduction in vehicle numbers, the Vehicle Maintenance Unit is anticipated to achieve a surplus of £30,000 for the year, which represents an increase of £20,000 on its targeted surplus of £10,000.

2.5 Street Lighting Unit Budget Performance to Period 11

As at Period 11, the Street Lighting Unit is reporting a surplus of £49,756 against a budgeted surplus position of £26,194. The current favourable position reflects the additional work awarded to the Street Lighting Unit in relation to Christmas Light installations, and of the level of routine maintenance work completed to date. Consequently, the Street Lighting Unit is projected to achieve a surplus of £20,000 for the year, which represents an increase of £20,000 on the projected breakeven budgetary position.

2.6 Summary of Subjective Costs – Roads Contracts

Actual Expend to 6-Feb-05 Period 11	Budget Expend to 6-Feb-05 Period 11		Annual Estimate 2004-05	Projected Actual 2004-05	Variance
£	£		£	£	£
(4,921,801)	(4,311,609)	INCOME	(5,339,873)	(5,922,873)	(583,000)
		EXPENDITURE			
1,823,931	1,669,763	Labour Costs	2,044,561	2,252,561	208,000
940,373	761,702	Sub Contractors	858,563	1,058,563	200,000
2,102,329	1,829,627	Other Direct Costs	2,187,584	2,347,584	160,000
191,265	186,962	Overheads	219,165	224,165	5,000
5,057,898	4,448,054	TOTAL EXPENDITURE	5,309,873	5,882,873	573,000
136,097	136,445	(SURPLUS)/DEFICIT	(30,000)	(40,000)	(10,000)

2.7 Summary of Subjective Costs – Vehicle Maintenance

Actual Expend to 6-Feb-05 Period 11	Budget Expend to 6-Feb-05 Period 11		Annual Estimate 2004-05	Projected Actual 2004-05	Variance
£	£		£	£	£
(1,109,912)	(1,122,949)	INCOME	(1,308,731)	(1,305,194)	3,537
		EXPENDITURE			
480,262	504,726	Labour Costs	595,509	576,344	(19,165)
90,270	84,616	Sub Contractors	100,000	100,000	0
329,513	342,774	Other Direct Costs	399,235	391,600	(7,635)
160,151	171,225	Overheads	203,987	207,250	3,263
1,060,196	1,103,341	TOTAL EXPENDITURE	1,298,731	1,275,194	(23,537)
(49,716)	(19,608)	(SURPLUS)/DEFICIT	(10,000)	(30,000)	(20,000)

2.8 Summary of Subjective Costs – Street Lighting

Actual Expend to 6-Feb-05 Period 11	Budget Expend to 6-Feb-05 Period 11		Annual Estimate 2004-05	Projected Actual 2004-05	Variance
£	£		£	£	£
(517,110)	(493,907)	INCOME	(583,707)	(630,438)	(46,731)
		EXPENDITURE			
170,412	168,632	Labour Costs	205,257	212,757	7,500
71,925	71,925	Sub Contractors	85,000	85,000	0
190,710	190,545	Other Direct Costs	224,856	241,863	17,007
34,307	36,611	Overheads	68,594	70,818	2,224
467,354	467,713	TOTAL EXPENDITURE	583,707	610,438	(26,731)
(49,756)	(26,194)	(SURPLUS)/DEFICIT	0	(20,000)	(20,000)

3. RECOMMENDATIONS

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

Alex McPhee
Executive Head of Finance
23 February 2005

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

LIST OF BACKGROUND PAPERS

NIL

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