

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 12 OCTOBER 2005

BUDGETARY CONTROL SUMMARY STATEMENT ROADS CONTRACTS, VEHICLE MAINTENANCE AND STREET LIGHTING TO 24 JULY 2005 (PERIOD 4)

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 24 July 2005 (Period 4).

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 £20,000, and Street Lighting a surplus of £10,000 for the year to the 31st March 2006.

2.3 Roads Contracts Budget Performance to Period 4

As at Period 4, Roads Contracts is reporting a surplus position of £27,171 as against a budgeted surplus position at this stage of £38,723. Although an unfavourable variance as against budget is reported at Period 4, it is anticipated that this will be reversed as overheads costs are recovered from the income 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 £40,000.

2.4 Vehicle Maintenance Budget Performance to Period 4

As at Period 4, the Vehicle Maintenance Unit is reporting a surplus of £53,154 as against a budgeted surplus of £37,539. 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 £20,000 for the year, which represents an increase of £10,000 on its targeted surplus of £10,000.

2.5 Street Lighting Unit Budget Performance to Period 4

As at Period 4, the Street Lighting Unit is reporting a deficit of £41,081 against a budgeted deficit position of £12,076. 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 4, 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. No significant variances are projected at this stage of the year, and the Executive Director of Development & Property Services expects that the Street Lighting Unit will meet its targeted surplus of £10,000.

2.6 Summary of Subjective Costs – Roads Contracts

Phased Budget to 24/07/05	Actual Exp. To 24/07/05	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
(1,657,308)	(1,609,591)	INCOME	(5,386,250)	(5,386,250)	0
640,917	630,626	LABOUR COSTS	2,174,682	2,174,682	0
236,666	190,305	SUB CONTRACTORS	769,160	769,160	0
661,373	678,983	OTHER DIRECT COSTS	2,188,753	2,188,753	0
79,629	82,506	OVERHEADS	213,655	213,655	0
(38,723)	(27,171)	TOTAL	(40,000)	(40,000)	0

2.7 Summary of Subjective Costs – Vehicle Maintenance

Phased Budget to 24/07/05	Actual Exp. To 24/07/05	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
(454,611)	(467,135)	INCOME	(1,290,097)	(1,300,097)	(10,000)
184,418	179,570	LABOUR COSTS	596,808	596,808	0
30,772	31,977	SUB CONTRACTORS	100,000	100,000	0
126,753	127,939	OTHER DIRECT COSTS	380,811	380,811	0
75,129	74,495	OVERHEADS	202,478	202,478	0
(37,539)	(53,154)	TOTAL	(10,000)	(20,000)	(10,000)

2.8 Summary of Subjective Costs – Street Lighting

Phased Budget to 24/07/05	Actual Exp. To 24/07/05	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
(174,156)	(129,045)	INCOME	(617,000)	(617,000)	0
67,259	55,446	LABOUR COSTS	220,703	220,703	0
29,234	26,625	SUB CONTRACTORS	95,000	95,000	0
66,189	64,597	OTHER DIRECT COSTS	229,546	229,546	0
23,550	23,458	OVERHEADS	61,751	61,751	0
12,076	41,081	TOTAL	(10,000)	(10,000)	0

3. RECOMMENDATIONS

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

Alex McPhee
Executive Head of Finance

9 September 2005

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

LIST OF BACKGROUND PAPERS NIL

For further information please contact: Alistair Kidd on 01563-576308

Implementation Officer: Alistair Kidd