

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 5 OCTOBER 2004

BUDGETARY CONTROL SUMMARY STATEMENT ROADS CONTRACTS, VEHICLE MAINTENANCE AND STREET LIGHTING TO 25th JULY 2004 (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 25th July 2004 (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 £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 4

As at Period 4, Roads Contracts is reporting a deficit position of £17,348 as against a budgeted deficit position at this stage of £65,470. The current favourable position as against the budget to Period 4 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 the 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 4

As at Period 4, the Vehicle Maintenance Unit is reporting a deficit of £16,572 as against a budgeted deficit of £29,251. There is an under-recovery of income to date 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 4

As at Period 4, the Street Lighting Unit is currently reporting a deficit of £31,065 against a budgeted deficit position of £7,006. 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. The projected out-turn for the year remains a breakeven budgetary position.

2.6 Summary of Subjective Costs – Roads Contracts

Actual Expend to 25-Jul-04 Period 4 £	Budget Expend to 25-Jul-04 Period 4 £		Annual Estimate 2004-05 £	Projected Actual 2004-05 £	Variance £
(1,754,211)	(1,537,776)	INCOME	(5,339,873)	(5,339,873)	0
		EXPENDITURE			
566,016	568,561	Labour Costs	2,044,561	2,044,561	0
296,394	307,833	Sub Contractors	858,563	858,563	0
827,001	648,946	Other Direct Costs	2,187,584	2,187,584	0
82,148	77,906	Overheads	219,165	219,165	0
1,771,559	1,603,246	TOTAL EXPENDITURE	5,309,873	5,309,873	0
17,348	65,470	(SURPLUS)/DEFICIT	(30,000)	(30,000)	0

2.7 Summary of Subjective Costs – Vehicle Maintenance

Actual Expend to 25-Jul-04 Period 4 £	Budget Expend to 25-Jul-04 Period 4 £		Annual Estimate 2004-05 £	Projected Actual 2004-05 £	Variance £
(386,309)	(398,106)	INCOME	(1,308,731)	(1,308,731)	0
		EXPENDITURE			
165,953	187,057	Labour Costs	595,509	595,509	0
30,772	30,772	Sub Contractors	100,000	100,000	0
134,788	130,418	Other Direct Costs	399,235	399,235	0
71,368	79,110	Overheads	203,987	203,987	0
402,881	427,357	TOTAL EXPENDITURE	1,298,731	1,298,731	0
16,572	29,251	(SURPLUS)/DEFICIT	(10,000)	(10,000)	0

2.8 Summary of Subjective Costs – Street Lighting

Actual Expend to 25-Jul-04 Period 4	Budget Expend to 25-Jul-04 Period 4		Annual Estimate 2004-05	Projected Actual 2004-05	Variance
£	£		£	£	£
(123,974)	(179,604)	INCOME	(583,707)	(583,707)	0
		EXPENDITURE			
58,585	64,442	Labour Costs	205,257	205,257	0
21,185	26,156	Sub Contractors	85,000	85,000	0
62,142	75,614	Other Direct Costs	224,856	224,856	0
13,127	20,398	Overheads	68,594	68,594	0
155,039	186,610	TOTAL EXPENDITURE	583,707	583,707	0
31,065	7,006	(SURPLUS)/DEFICIT	0	0	0

3. RECOMMENDATIONS

3.1 It is recommended that Members:

- i) note the contents of this report.

Alex McPhee
Executive Head of Finance

AK/13.09.04

James Lavery
Executive Director of Development
and Property Services

LIST OF BACKGROUND PAPERS

NIL

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