

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 24 JANUARY 2007

**BUDGETARY CONTROL SUMMARY STATEMENT
BUILDING AND WORKS
TO 10 DECEMBER 2006 (PERIOD 9)**

**Joint Report by Executive Head of Finance and
Executive Director of Neighbourhood 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 Building and Works for the period ended 10th December 2006 (Period 9).

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 accounting adjustments and capital charges. The performance to date and projected out-turn is detailed separately within this report.

2.2 Projected Out-turn

Based on all available information, it is currently projected that Building and Works will outturn with a surplus of £2.457m which is £0.692m above the annual budget. It is anticipated that income will outturn £1.395m above budget due to additional income from Housing and Technical Services. Outturn projections cannot be based on previous years patterns of work and outturns as the mix of work changes from year to year. The position is being closely monitored. Employee costs are anticipated to outturn £0.275m under budget. Bonus payments are projected to outturn £0.100m under budget due to a later implementation of the single status agreement in respect of Craft Operatives. Overtime levels are also less than budget which reflects improved performance and productivity. The projected outturn of £0.394m over budget for Sub Contractors is due to the additional work as above. Other Direct Costs are anticipated to outturn £0.497m above budget due to the additional work noted above and a different mix in the type of work from what was estimated in the budget.

The projected outturn for Overheads of £0.047 over budget is due to an increase in the level of Departmental support for Building and Works.

2.3 Budget Performance to Period 9

The position to date at period 9 is a year to date surplus of £1.718m compared to a budgeted position of a year to date surplus of £1.028m.

2.4 Summary of Subjective Costs

Phased Budget to 10/12/06	Actual Exp. To 10/12/06	Detail	Annual Estimate 2006/07	Projected Actual to 31/3/07	Variance (Favourable) / Adverse
(13,237,670)	(14,350,740)	INCOME	(19,595,280)	(20,990,920)	(1,395,640)
5,947,680	5,791,270	LABOUR COSTS	8,591,100	8,357,500	(275,470)
1,983,040	2,277,230	SUB CONTRACTORS	2,935,420	3,328,970	393,550
3,432,010	3,739,720	OTHER DIRECT COSTS	5,080,170	5,577,660	497,490
700,220	677,350	OVERHEADS	1,011,590	1,057,920	46,330
(1,174,720)	(1,865,170)	TOTAL	(1,977,000)	(2,668,870)	(691,870)
146,760	146,760	PENSION ACCOUNTING ADJUSTMENT	212,000	212,000	0
(1,027,960)	(1,718,410)	SURPLUS INCLUDING PENSION ACCOUNTING ADJUSTMENT	(1,765,000)	(2,456,870)	(691,870)

3 RECOMMENDATIONS

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

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Executive Head of Finance

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Executive Director of Neighbourhood Services

9 January 2007

LIST OF BACKGROUND PAPERS NIL

For further information please contact William Stafford, Executive Director of Neighbourhood Services on 01563 556023