

**EAST AYRSHIRE COUNCIL**

**HOUSING COMMITTEE – 21 MARCH 2007**

**BUDGETARY CONTROL SUMMARY STATEMENT  
BUILDING AND WORKS  
TO 4th FEBRUARY 2007 (PERIOD 11)**

**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 4th February 2007 (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, 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 £2.883m which is £1.118m above the annual budget. It is anticipated that income will outturn £2.378m 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 £0.177m under budget. Bonus payments are projected to outturn £0.109m under budget due to a later implementation of the single status agreement in respect of Craft Operatives. The projected outturn of £0.772m over budget for Sub Contractors is due to the additional work as above. Other Direct Costs are anticipated to outturn £0.617m 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 11**

The position to date at period 11 is a year to date surplus of £1.641m compared to a budgeted position of a year to date surplus of £1.216m.

## 2.4 Summary of Subjective Costs

Phased Budget to 4/02/07	Actual Exp. To 4/02/07	Detail	Annual Estimate 2006/07	Projected Actual to 31/3/07	Variance (Favourable) / Adverse
(16,111,660)	(16,899,460)	INCOME	(19,595,280)	(21,973,270)	(2,377,990)
7,269,390	7,126,650	LABOUR COSTS	8,591,100	8,414,500	(176,600)
2,413,570	2,663,180	SUB CONTRACTORS	2,935,420	3,707,120	771,700
4,177,130	4,400,540	OTHER DIRECT COSTS	5,080,170	5,697,190	617,020
855,800	888,330	OVERHEADS	1,011,590	1,059,140	47,550
<b>(1,395,770)</b>	<b>(1,820,760)</b>	<b>TOTAL</b>	<b>(1,977,000)</b>	<b>(3,095,320)</b>	<b>(1,118,320)</b>
179,380	179,390	PENSION ACCOUNTING ADJUSTMENT	212,000	212,000	0
<b>(1,216,390)</b>	<b>(1,641,370)</b>	<b>SURPLUS INCLUDING PENSION ACCOUNTING ADJUSTMENT</b>	<b>(1,765,000)</b>	<b>(2,883,320)</b>	<b>(1,118,320)</b>

## 3 RECOMMENDATIONS

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

Alex McPhee  
**Executive Head of Finance**

William Stafford  
**Executive Director of Neighbourhood Services**

26 February 2007

### **LIST OF BACKGROUND PAPERS NIL**

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