

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 1 NOVEMBER 2006

**BUDGETARY CONTROL SUMMARY STATEMENT
BUILDING AND WORKS
TO 17 SEPTEMBER 2006 (PERIOD 6)**

**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 17 September 2006 (Period 6).

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 £2.066m which is £0.301m above the annual budget. It is anticipated that income will outturn £0.562m 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 £0.334m under budget. Bonus payments are projected to outturn £0.137m under budget due to a later implementation of the single status agreement in respect of Craft Operatives. There is also an underspend in Basic Wages due to vacancies and Overtime levels are less than budget which reflects improved performance and productivity. The projected outturn of £0.042m over budget for Sub Contractors is due to the additional work as above. Other Direct Costs are anticipated to outturn £0.542m 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 £0.011m over budget is due to Interest on Revenue Balances.

2.3 Budget Performance to Period 6

The position to date at period 6 is a year to date surplus of £1.027m compared to a budgeted position of a year to date surplus of £0.925m.

2.4 Summary of Subjective Costs

| Phased Budget to 17/09/06 | Actual Exp. To 17/09/06 | Detail | Annual Estimate 2006/07 | Projected Actual to 31/3/07 | Variance (Favourable) / Adverse |
|---------------------------|-------------------------|--|-------------------------|-----------------------------|---------------------------------|
| (9,231,520) | (9,349,310) | INCOME | (19,595,280) | (20,157,740) | (562,460) |
| 3,965,120 | 3,794,520 | LABOUR COSTS | 8,591,100 | 8,257,300 | (333,800) |
| 1,382,910 | 1,334,130 | SUB CONTRACTORS | 2,935,420 | 2,977,650 | 42,230 |
| 2,393,290 | 2,634,240 | OTHER DIRECT COSTS | 5,080,170 | 5,622,000 | 541,830 |
| 466,950 | 461,330 | OVERHEADS | 1,011,590 | 1,022,860 | 11,270 |
| (1,023,250) | (1,125,090) | TOTAL | (1,977,000) | (2,277,930) | (300,930) |
| 97,850 | 97,850 | PENSION ACCOUNTING ADJUSTMENT | 212,000 | 212,000 | 0 |
| (925,400) | (1,027,240) | SURPLUS INCLUDING PENSION ACCOUNTING ADJUSTMENT | (1,765,000) | (2,065,930) | (300,930) |

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

CMCA/LA
9 October 2006

LIST OF BACKGROUND PAPERS NIL

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