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## **Introduction by the Director of Finance**

Under the terms of the Local Government, Planning and Land Act 1980 and the Local Government Act 1988, a local authority operating Direct Labour Organisations (DLOs) and Direct Service Organisations (DSOs) to undertake certain categories of work must expose such activities to competition and is required to prepare a separate revenue account for each category.

The Secretary of State specifies the financial objectives to be achieved by the defined activities, which are that each individual DLO and DSO must at least break even after taking account of Capital Charges.

This report shows revenue accounts for ten activities, all of which achieved the performance target set.

Authorities are free to decide how surpluses or deficits on DLO and DSO Revenue Accounts should be treated. The balances have been credited to the Consolidated Revenue Account.

**Alexander McPhee, ACMA**  
**Director of Finance**  
28 June 2001

# Statement of Accounting Principles

## **OPERATING INCOME AND EXPENDITURE**

The Revenue Accounts have been prepared on the historic cost basis of accounting. Revenue transactions have been recorded on an income and expenditure basis. Provision has been made on an actual or estimated basis for all known debtors and creditors at 31st March 2001. Provision has been made for possible bad or doubtful debts.

## **CAPITAL EXPENDITURE**

Capital transactions have been recorded on an accruals basis. The proceeds of disposal of fixed assets are used to reduce outstanding loan debt and finance capital expenditure for the year.

## **REDEMPTION OF DEBT**

Provision is made in the Revenue Accounts for redemption over the recommended useful life of the assets. The apportionment over Revenue of the debt redemption and interest charges is on the basis of the outstanding capital advances made to each service from the Loans Fund.

## **CAPITAL ACCOUNTING**

The requirements of the Code of Practice on Local Authority Accounting in Great Britain as they relate to Capital Charges have been complied with.

## **STOCKS**

Consumable Stocks and Work in Progress are valued on a cost price basis, except in the case of Building and Works where average cost is used. Although the use of average cost is not in accordance with the Accounting Code of Practice it is recognised as an acceptable methodology.

## **DEBTORS AND CREDITORS**

Revenue income and expenditure includes debtors and creditors outstanding at 31 March 2001. Where actual figures are not available, estimated provisions are made.

## **CENTRAL SERVICES EXPENSES**

Central and Departmental Support costs have been fully allocated to user services. Corporate and Democratic Management has been treated in accordance with CIPFA guidance regarding Management of Overheads in Local Authorities.

## **CODE OF PRACTICE**

Section 15.01 of the Code of Practice for Compulsory Competition 1996 requires each DLO to keep separate revenue accounts for the following categories of work; although this information is not currently available the implementation of new IT systems will allow this information to be recorded.

- ◆ Works of new construction estimated to be more than £50,000.
- ◆ Works of new construction estimated to be less than £50,000.

Maintenance work within the meaning of the Local Authority (Goods & Services Act 1970), including minor improvements and minor extensions.

# Catering DSO

## ANNUAL REPORT BY THE DIRECTOR OF EDUCATIONAL AND SOCIAL SERVICES

### **Mission**

To provide the best catering service possible for every customer at the most economic cost.

### **Objectives**

To demonstrate high standards of food safety, food service and value for money measured through performance indicators and benchmarking.

### **Workload**

The Council's catering operations cover schools, residential homes, public and staff restaurants. This involves 77 locations.

The services provided include:

- ◆ Catering in schools
- ◆ Social work residential catering and the provision of community meals
- ◆ Special functions; public and staff restaurant catering
- ◆ Catering equipment repairs and maintenance

The majority of work is provided under the terms of the Local Government (Scotland) Act 1988. Services are delivered to the requirements of the CCT contracts that are being developed through the Service Level Agreements to provide services most appropriate to East Ayrshire.

The service maintains its own quality assurance and food safety systems to ensure performance to a high standard.

### **Personnel**

At 31 March 2001, the catering service employed 323 staff.

### **Financial Matters**

As detailed on page 5, the Onsite Catering Direct Service Organisation has achieved a surplus of £0.169m after taking account of the charge for the use of capital assets.

### **Summary**

The service operated profitably exceeding its statutory obligations. Onsite catering will develop and progress through its business plan and meet the challenge of Best Value.

The staff in the service are to be congratulated in maintaining a consistent and high standard of performance during this year.

The statutory financial requirement is to break even. The Service has met and exceeded that target.

## Catering DSO

Revenue Account				
1999-00		2000-01	2000-01	2000-01
Actual £000s		Actual £000s	Statutory Actual £000s	Non- Statutory Actual £000s
	Income			
3,763	Contract Income	3,852	3,084	768
3,763	<b>Total Income</b>	3,852	3,084	768
	Less Direct Costs			
1,593	Labour	1,712	1,300	412
1,370	Materials	1,408	1,135	273
2,963	<b>Direct Costs</b>	3,120	2,435	685
(800)	Gross Margin	(732)	(649)	(83)
467	Less Indirect Costs	563	495	68
(333)	(Surplus) / Deficit for Year	(169)	(154)	(15)
0	Accumulated Reserves Brought Forward	0	0	0
(333)		(169)	(154)	(15)
333	Surplus / (Deficit) Transferred to General Fund	169	154	15
0	Reserves Carried Forward	0	0	0

# Cleaning of Buildings DSO

## ANNUAL REPORT BY THE DIRECTOR OF EDUCATIONAL AND SOCIAL SERVICES

### **Mission**

To provide the best cleaning service possible to every customer at the most economic cost.

### **Objectives**

To demonstrate high standards and value for money through key performance indicators and benchmarking

### **Workload**

The Council's cleaning operations cover 227 premises of which 70 are schools and 8 are residential homes; offices and public halls form the remainder of the contract.

The services provided within these premises include:

- ◆ Cleaning and janitorial service in schools
- ◆ Cleaning and domestic services in social work residences
- ◆ Council office cleaning and caretaking
- ◆ Police station cleaning and janitation

Building cleaning covers a range of statutory work under the Local Government (Scotland) Act 1988 and also non-statutory services. Much of the work is carried out under the terms of CCT contracts that are being developed through Service Level Agreements to provide a better focus on service delivery for the needs of East Ayrshire.

The service was subjected to an external audit review. It retained ISO 9000 Quality Registration throughout the year.

### **Personnel**

At 31 March 2001, the Onsite Building Cleaning DSO employed 601 staff. During the course of the year 150 of its employees were trained to an equivalent British Institute of Cleaning Science standard.

### **Financial Matters**

As detailed on page 7, the Onsite Building Cleaning Direct Service Organisation has achieved a surplus of £0.087m after taking account of the charge for the use of capital assets.

### **Summary**

The service has operated profitably exceeding its statutory obligations. The DSO will continue to progress through its business plan and meet the challenge of Best Value.

The staff in the Service are to be congratulated in maintaining a consistent and high standard of performance during this year.

The statutory financial requirement is to break even. The Service has met and exceeded that target.

## Cleaning of Buildings DSO

Revenue Account				
1999-00		2000-01	2000-01	2000-01
Actual £000s		Actual £000s	Statutory Actual £000s	Non- Statutory Actual £000s
	Income			
4,477	Contract Income	4,648	2,059	2,589
4,477	<b>Total Income</b>	4,648	2,059	2,589
	Less Direct Costs			
3,842	Labour	3,996	1,783	2,213
108	Materials	82	55	27
3,950	<b>Direct Costs</b>	4,078	1,838	2,240
(527)	Gross Margin	(570)	(221)	(349)
454	Less Indirect Costs	483	211	272
(73)	(Surplus) / Deficit for Year	(87)	(10)	(77)
0	Accumulated Reserves Brought Forward	0	0	0
(73)		(87)	(10)	(77)
73	Surplus / (Deficit) Transferred to General Fund	87	10	77
0	Reserves Carried Forward	0	0	0

# School Crossing Patrols

## ANNUAL REPORT BY THE DIRECTOR OF EDUCATIONAL AND SOCIAL SERVICES

### **Mission**

To provide the best school crossing patrol service possible for every customer at the most economic cost.

### **Objectives**

To provide a consistent and well trained school crossing patrol service that controls key areas of cost and ensuring value for money.

### **Workload**

The school crossing patrol service is delivered by East Ayrshire Council on behalf on Strathclyde Police. The client for this work is the Department of Development Services. The work is delivered through a detailed service level agreement by Onsite services.

During 1999/2000, the Council took the decision to reorganise its commercial services. School crossing patrols forms a key part of the work of Onsite services.

### **Personnel**

At 31st March 2001, the School Crossing Patrol Service employed a supervisor and 87 employees. A bank of trained relief patrollers is maintained to ensure consistency of service delivery.

### **Financial Matters**

As detailed on page 9, the School Crossing service achieved a surplus of £0.007m after taking account of the charge for the use of capital assets.

### **Summary**

The school crossing service is a key part in the portfolio of work undertaken by the Onsite business unit. The service will continue to develop through its business plan and to meet the challenge of Best Value.

The staff in the Service are to be congratulated in maintaining a consistent service valued by the communities in which they work.

The statutory financial requirement is to break even. The Service has met and exceeded that target.

## School Crossing Patrols

Revenue Account		
1999-00		2000-01
Actual £000s		Actual £000s
	Income	
	<u>Charges to Other Services</u>	
276	Contract Income	283
276	<b>Total Income</b>	<b>283</b>
	Less Direct Costs	
216	Labour	226
6	Materials	7
222	<b>Direct Costs</b>	<b>233</b>
(54)	Gross Margin	(50)
38	<b>Less Indirect Costs</b>	<b>43</b>
(16)	(Surplus) / Deficit for Year	(7)
0	Accumulated Reserves Brought Forward	0
(16)		(7)
16	Surplus / (Deficit) Transferred to General Fund	7
0	Reserves Carried Forward	0

# Roads DLO

## ANNUAL REPORT BY THE DIRECTOR OF DEVELOPMENT SERVICES

### Introduction

Roads Contracts operates as a business unit within the Roads and Transportation division of the Development Services Department. The DLO carries out highway maintenance work including carriageway and footway resurfacing, patching, gully emptying, winter maintenance and other emergency work and is responsible for the operational service of the Council owned car parks.

### Objectives

- ◆ To provide a best value service for highway maintenance.
- ◆ To deliver a cost-effective service for winter maintenance and emergencies.
- ◆ To carry out local improvements including car parks and traffic control installations.
- ◆ To operate the Council owned car parks.

### Work Load

Under the Local Government Planning and Land Act 1980 Part III, Roads Contracts carries out the following categories of work:

- ◆ Maintenance work on roads funded from the revenue budget of the Council.
- ◆ Minor improvements on roads funded from the capital budget of the Council.
- ◆ Minor work carried out for other departments of the Council, and other Local Authorities, and other agencies.

In addition Roads Contracts carries out work outwith the scope of the Local Government Planning and Land Act 1980. During the year Roads Contracts carried out work on behalf of the Scottish Office on the Clyde Premium Unit trunk road network and the South West All Purpose trunk road network as a partner in two consortia of Local Authorities.

### Personnel

At 31 March 2001, Roads Contracts employed 54 road workers and 5 car park operatives. Roads Contracts have introduced major initiatives in training (SVQ level 2 and 3) and improved job control and target setting through a new Contract Target Payment Scheme.

### Operations

Roads Contracts seek to continuously improve its productivity and service quality by developing best practices, and will invest in systems to provide high quality, accurate and easily understood performance information on financial and operational matters. A full service review has recently been conducted.

### Financial

As detailed on page 11, Roads Contracts operated at a surplus of £0.008m for the financial year after taking account of the charge for the use of capital assets.

### Summary

The Roads Contracts unit provided a best value service and met its financial objective for the year. New initiatives to improve quality control and financial monitoring are being implemented.

The statutory financial requirement is to break even. The Service has met and exceeded that target.

## Roads DLO

Revenue Account				
1999-00		2000-01	2000-01	2000-01
Actual £000s		Actual £000s	Trunk Roads Actual £000s	Other Roads Actual £000s
	Income			
	<u>Charges to Other Services</u>			
4,835	Contract Income	4,407	683	3,724
4,835	Total Income	4,407	683	3,724
	Less Direct Costs			
1,460	Labour	1,408	131	1,277
742	Materials	747	115	632
1,150	Expenses	772	255	517
3,352	Direct Costs	2,927	501	2,426
(1,483)	Gross Margin	(1,480)	(182)	(1,298)
1,478	Less Indirect Costs	1,472	177	1,295
(5)	(Surplus) / Deficit for Year	(8)	(5)	(3)
0	Accumulated Reserves Brought Forward	0	0	0
(5)		(8)	(5)	(3)

5	Surplus / (Deficit) Transferred to General Fund	8	5	3
0	Reserves Carried Forward	0	0	0

### Analysis of Maintenance Work on Roads Within The Area For The Year Ended 31st March 2001.

	Maintenance	
	£'000	%
<b>1. Analysis of work carried out by the Council:-</b>		
a, Total value of work undertaken by Roads Contracts	3,635	82
b, Total value of work undertaken by contractors	772	18
	4,407	100
<b>2. Analysis of work carried out by Roads Contracts:-</b>		
a, For which tenders were not invited	3,562	98
b, For which tenders were invited	73	2
c, Total value	3,635	100
<b>3. Details of all jobs undertaken by Roads Contracts for which its tender was not the lowest.</b>	Nil	Nil

# Vehicle Maintenance DSO

## ANNUAL REPORT BY THE DIRECTOR OF DEVELOPMENT SERVICES

### Objective

- ◆ To provide a vehicle repairs and maintenance service for Council vehicles
- ◆ To manage vehicle administration and maintenance for all Council vehicles
- ◆ To carry out MOT and taxi tests
- ◆ To provide fuel for vehicles at designated facilities

### Workload

Under the Local Government 1988, Vehicle Maintenance carries out the following:

- ◆ Repair and maintain vehicles

In addition, Vehicle Maintenance carries out work out-with the scope of the Local Government Act. Vehicle Maintenance assists in the procurement, specification and disposal of vehicles. It also administers vehicle licensing and service scheduling, ensuring all council vehicles comply with current legislation

### Personnel

At 31 March 2001, Vehicle Maintenance employed 18 workers.

Employee levels are continuously monitored due to variations in workload, as a result of fleet reductions throughout council departments.

### Operations

During the year Vehicle Maintenance continued to implement various operational changes in order to develop the service and adhere to the Service's business plan including:

- ◆ Harmonisation of employees' conditions of service
- ◆ Introduction of a shift-working pattern
- ◆ Preparation of Service Level Agreements
- ◆ The installation of a computerised fleet management system

### Financial Matters

As detailed on page 13, Vehicle Maintenance made a surplus of £0.051m after taking account of the charge for the use of capital assets.

### Summary

New procedures and work practices were implemented throughout the year, creating an environment for continuous improvement to ensure a competitive, cost efficient, quality service.

The statutory financial requirement is to break even. The Service has met and exceeded that target.

## Vehicle Maintenance DSO

Revenue Account		
1999-00		2000-01
Actual £000s		Actual £000s
	Income	
1,218	Contract Income	1,183
1,218	<b>Total Income</b>	<b>1,183</b>
	Less Direct Costs	
359	Labour	358
135	Materials	319
112	Expenses	95
606	<b>Direct Costs</b>	<b>772</b>
(612)	Gross Margin	(411)
611	<b>Less Indirect Costs</b>	<b>360</b>
(1)	(Surplus) / Deficit for Year	(51)
0	Accumulated Reserves Brought Forward	0
<b>(1)</b>		<b>(51)</b>
1	Surplus / (Deficit) Transferred to General Fund	51
0	Reserves Carried Forward	0

# Refuse Collection DSO

## ANNUAL REPORT BY THE DIRECTOR OF COMMUNITY SERVICES

### Objectives

- ◆ To provide the highest quality, most cost effective refuse collection service within the budgetary resources available.
- ◆ To encourage the principles of a quality culture throughout all the DSO's activities and promote continuous improvement.

### Workload

The Refuse Collection Service is primarily for the uplift of domestic waste from approximately 52,000 households within East Ayrshire together with such commercial premises as may request a collection service. Recycling includes the collection of glass, cans, white goods and cardboard. Skip hire is provided internally and externally on a commercial basis.

The contract is overseen by the Waste Management section acting as client. There is a distinct client/contractor split below the Head of Protective Services.

No default notices were issued in the year. Complaints of which there were very few were dealt with within the required time limit.

The pre-existing Refuse Collection contracts for the former authorities have harmonised into a single Service Level Agreement.

The Southern part of East Ayrshire Cleansing has been registered to ISO 9002 since 1995. It is hoped to include the North in the future.

### Personnel

At 31 March 2001, the DSO employed 59 manual workers and shares 7 staff with Street Cleansing.

A high priority is given to customer care and health and safety issues.

### Financial Matters

As detailed on page 15, the Refuse Collection DSO achieved a surplus of £0.035m after taking account of the charge for the use of capital assets.

### Summary

The co-operation of the workforce particularly in the achievement of higher productivity levels is recognised.

The statutory financial requirement is to break even. The Service has met and exceeded that target.

## Refuse Collection DSO

Revenue Account		
1999-00		2000-01
Actual £000s		Actual £000s
	Income	
2,304	Contract Income	2,344
2,304	<b>Total Income</b>	<b>2,344</b>
	Less Direct Costs	
1,093	Labour	1,102
40	Materials	44
1,133	<b>Direct Costs</b>	<b>1,146</b>
(1,171)	Gross Margin	(1,198)
1,161	<b>Less Indirect Costs</b>	<b>1,163</b>
(10)	(Surplus) / Deficit for Year	(35)
0	Accumulated Reserves Brought Forward	0
(10)		(35)
10	Surplus / (Deficit) Transferred to General Fund	35
0	Reserves Carried Forward	0

# Street Cleansing DSO

## ANNUAL REPORT BY THE DIRECTOR OF COMMUNITY SERVICES

### Objectives

- ◆ To provide the highest quality, most cost effective street cleansing service within the budgetary resources available.
- ◆ To encourage the principles of a quality culture throughout all the DSO's activities and promote continuous improvement.

### Workload

The Street Cleansing Service is primarily for the removal of litter, grit, broken glass and dog fouling within East Ayrshire which covers an area of 125,199 hectares with a population of 123,820.

The contract is overseen by the Waste Management section acting as client. There is a distinct Client/Contractor split below the Head of Protective Services.

No default notices were issued in the year. Complaints of which there were very few were dealt with within the required time limit.

The pre-existing Street Cleansing contracts for the former authorities are currently being harmonised into a single Service Level Agreement.

The Southern part of East Ayrshire Cleansing has been registered to ISO 9002 since 1995. It is hoped to include the North in the future.

### Staffing

At 31 March 2001, the DSO employed 49 manual workers and shares 7 staff with Refuse Collection.

A high priority is given to customer care and health and safety issues.

### Financial Matters

As detailed on page 17, the Street Cleansing DSO achieved a surplus of £0.032m after taking account of the charge for the use of capital assets.

### Summary

The introduction of improved vehicles and equipment together with the extension of the quality system into the North is achieving an improved service.

The statutory financial requirement is to break even. The Service has met and exceeded that target.

## Street Cleansing DSO

Revenue Account		
1999-00		2000-01
Actual £000s		Actual £000s
	Income	
1,340	Contract Income	1,359
1,340	<b>Total Income</b>	<b>1,359</b>
	Less Direct Costs	
844	Labour	869
30	Materials	28
874	<b>Direct Costs</b>	<b>897</b>
(466)	Gross Margin	(462)
436	<b>Less Indirect Costs</b>	<b>430</b>
(30)	(Surplus) / Deficit for Year	(32)
0	Accumulated Reserves Brought Forward	0
<b>(30)</b>		<b>(32)</b>
30	Surplus / (Deficit) Transferred to General Fund	32
0	Reserves Carried Forward	0

# Leisure Management DSO

## ANNUAL REPORT BY THE DIRECTOR OF COMMUNITY SERVICES

### **Objectives**

To provide a wide range of Leisure opportunities through the effective management of sports and leisure facilities throughout East Ayrshire and meeting the requirements of the Council's Leisure Management Contract.

### **Workload**

The Leisure Management Contract was won in-house in 1997 and covers 8 games halls, 3 golf courses, 38 outdoor team sports facilities, 2 bowling greens, 2 outdoor swimming pools, 2 tennis facilities and a pitch & putt course.

The contract provides for both indoor and outdoor Leisure needs and encompasses several seasonal facilities which open in the summer only.

Activity programmes are developed and promoted to meet community needs and respond to new trends and market demands.

### **Personnel**

At 31 March 2001 the Leisure Management DSO employed 20 full time staff, 48 part time, 23 seasonal, 18 casual and a variable number of instructors and coaches who attend as and when required.

### **Financial Matters**

As detailed on page 19, the Leisure Management DSO has achieved a surplus of £0.016m.

### **Summary**

Despite a difficult trading year during which poor summer weather affected income levels at Golf Courses, outdoor pools and seasonal facilities the DSO has continued to meet its contractual requirements.

The statutory financial requirement is to break even. The Service has met and exceeded that target.

## Leisure Management DSO

Revenue Account		
1999-00		2000-01
Actual £000s		Actual £000s
	Income	
1,025	Contract Income	1,060
1,025	<b>Total Income</b>	<b>1,060</b>
	Less Direct Costs	
350	Labour	291
51	Materials	82
401	<b>Direct Costs</b>	<b>373</b>
(624)	Gross Margin	(687)
615	<b>Less Indirect Costs</b>	<b>671</b>
(9)	(Surplus) / Deficit for Year	(16)
0	Accumulated Reserves Brought Forward	0
(9)		(16)
9	Surplus / (Deficit) Transferred to General Fund	16
0	Reserves Carried Forward	0

# Grounds Maintenance DSO

## ANNUAL REPORT BY THE DIRECTOR OF COMMUNITY SERVICES

### Objectives

- ◆ To provide the best service achievable at the most economic cost.
- ◆ To demonstrate high standards of operational and financial performance through a regime of detailed contract specifications service level agreements.

### Workload

The Council Grounds Maintenance service covers, the maintenance of grounds in schools. Also premises administrated by the department of Housing and a variety of Council offices and other premises. The majority of work is provided under the terms of the Local Government (Scotland) Act 1988. Services are delivered to the requirement of winter / summer service level agreements and a recently tendered ground maintenance contract prepared by the Department of Community Services.

The services provided include maintenance of:

- ◆ Parks
- ◆ Public areas and open spaces
- ◆ Cemeteries and burials
- ◆ Sports areas/ golf courses and bowling greens
- ◆ Arboreal work
- ◆ Landscaping
- ◆ Ornamental flower bedding and floral displays
- ◆ Gully cleaning
- ◆ Litter collection
- ◆ Maintenance of road verges and related works
- ◆ Equipment repair and maintenance
- ◆ Garden care (sub-contractor)

### Personnel

At 31 March 2001 the Grounds Maintenance DSO employed 90 staff which can be supplemented by seasonal staff in the summer months depending on workload. During 2000/01 the DSO were able , through negotiations with the Trade Unions, to adjust the number of hours worked, this was to account for winter working arrangements. The DSO was also able to harmonise holidays throughout the section, again this was done through negotiations with the Trade Unions.

The service maintains its own quality assurance system, giving a high priority to health and safety and quality of performance.

### Financial Matters

As detailed on page 21, the Grounds Maintenance DSO has achieved a surplus of £0.032m after taking account of the charge for the use of capital assets.

### Summary

The Grounds Maintenance Service was involved in a significant restructuring during this financial year. The DSO was able to deliver the service as specified in the contract and Service Level Agreement, therefore permitting the achievement of both financial and non-financial objectives.

The statutory financial requirement is to break even. The Service has met and exceeded that target.

## Grounds Maintenance DSO

Revenue Account		
1999-00		2000-01
Actual £000s		Actual £000s
	Income	
2,685	Contract Income	2,898
2,685	<b>Total Income</b>	<b>2,898</b>
	Less Direct Costs	
1,609	Labour	1,611
242	Materials	280
0	Expenses	0
1,851	<b>Direct Costs</b>	<b>1,891</b>
(834)	Gross Margin	(1,007)
756	<b>Less Indirect Costs</b>	<b>975</b>
(78)	(Surplus) / Deficit for Year	(32)
0	Accumulated Reserves Brought Forward	0
(78)		(32)
78	Surplus / (Deficit) Transferred to General Fund	32
0	Reserves Carried Forward	0

# Building and Works DLO

## ANNUAL REPORT BY THE DIRECTOR OF HOMES AND TECHNICAL SERVICES

### Objective

- ◆ To carry out routine building and works maintenance of council owned housing and public buildings
- ◆ To deal with emergencies

### Workload

Under the Local Government, Planning and Land Act 1980 Part III, Building and Works carries out the following categories of work:

- ◆ Maintenance work on buildings funded from the revenue budget of the Council.
- ◆ Minor improvements on buildings funded from the capital budget of the Council.
- ◆ Minor work carried out for other departments of the Council, other Local Authorities, and other agencies.

### Personnel

At 31 March 2001, Building and Works employed 213 craft workers. Initiatives on training and absence monitoring continued during the year.

### Financial Matters

As detailed on page 23, Building and Works made a surplus of £0.234m in 2000/2001. The surplus was higher than budget and was arrived at after taking account of the charge for the use of capital assets.

### Summary

Building and Works financial situation has markedly improved since the last financial year and the unit is continuing to operate profitably.

The statutory financial requirement is to break even. The Service has met and exceeded that target.

## Building and Works DLO

Revenue Account		
1999-00		2000-01
Actual £000s		Actual £000s
11,331	Income	
	Contract Income	11,302
11,331	<b>Total Income</b>	<b>11,302</b>
	Less Direct Costs	
4,749	Labour	4,314
2,712	Materials	2,716
932	Expenses	1,179
8,393	<b>Direct Costs</b>	<b>8,209</b>
(2,938)	Gross Margin	(3,093)
	Less Indirect Costs	
1,283	Labour	1,357
265	Property	223
666	Transport	697
562	Administration	512
84	Capital Charges	70
2,860		2,859
(78)	(Surplus) / Deficit for Year	(234)
0	Accumulated Reserves Brought Forward	0
(78)		(234)

### Analysis of Capital and Maintenance Work on Council Property For The Year Ended 31 March 2001.

	Capital		Maintenance	
	£'000	%	£'000	%
<b>1. Analysis of work carried out by the Council:-</b>				
a, Total value of work undertaken by Building & Works	2,402	73	7,731	97
b, Total value of work undertaken by contractors	892	27	277	3
	3,294	100	8,008	100
<b>2. Analysis of work carried out by Building &amp; Works:-</b>				
a, For which tenders were not invited				
b, For which tenders were invited	3,294	100	8,008	100
c, Total value	3,294	100	8,008	100
<b>3. Details of all jobs undertaken by Building &amp; Works for which its tender was not the lowest</b>				
	Nil		Nil	

## **Audit Certificate**

The audit of East Ayrshire Council's Accounts for 2000/2001 will be carried out by Audit Scotland between July and September 2001 and the figures contained therein are subject to audit. The Auditors' certificate relative to the accounts is expected in October 2001 and the audited accounts will be presented to the Council for approval thereafter.

### **AGENDA**