

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE -18 APRIL 2000

HATS-CENTRAL REPAIRS ACCOUNT - TO 11 FEBRUARY 2000 (PERIOD 11)

Joint Report by Director of Finance and Director of Homes and Technical Services

1. PURPOSE OF REPORT

- 1.1 To advise Members of the current budgetary control position and the projected outturn for the year for HATS - Central Repairs Account for the period ended 11 February 2000 (Period 11)

2. OVERALL POSITION

- 2.1 The following report relates to service costs and income directly controlled by the department and excludes rechargeable costs for central services charges and debt charges.
- 2.2 The net expenditure to date amounts to £1 .755m compared to a budget of £1 .888m resulting in the actual expenditure being lower than the budget by £0.1 33m. The budget to 11 February 2000 is based on standard phasing for each period of expenditure and income, except where the service department has indicated otherwise. Period variances are mainly attributable to phasing which should level out over the year, but if this is not the case reasons for the anticipated variance are highlighted below.

2.3 Summary of Subjective Costs

	Budgeted Expenditure to 11/01/00 Period 11 £	Actual Expenditure to 11/01/00 Period 11 Revised £	Variance to Date (Favourable) Adverse to 11/01/00 £	Revised Annual Estimate 1999/00 £	Projected Outturn 1999/00 £	Outturn Variance (Favourable) Adverse 1999/00 £
Property Costs	1,888,315	1,698,757	(189,558)	2,210,992	2,120,992	(90,000)
Supplies & Services	0	50,464	50,464	0	0	0
Administration Costs	0	5,983	5,983	0	0	0
Supplies and Services	1,888,315	1,755,204	(133,111)	2,210,992	2,120,992	(90,000)
Income	0	0	0	0	0	0
Income recovered from Council Budgets outwith General Fund	0	0	0	(37,711)	(37,711)	0
NET EXPENDITURE	1,888,315	1,755,204	(133,111)	2,173,281	2,083,281	(90,000)
Expenditure Reduction Measures				(18,217)	(18,217)	0
NET EXPENDITURE AFTER ERM	1,888,315	1,755,204	(133,111)	2,155,064	2,065,064	(90,000)

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3. ANALYSIS OF VARIANCES

3.1 Expenditure

The majority of charges have been agreed to week 37 between client and contractor and have been processed by Building & Works during period 12. From the commitment system it is anticipated that expenditure will outturn at approximately £90,000 underspent. This is a result of the transfer of expenditure incurred in the security of Glaisnock House, Cumnock against the capital receipt along with the policy decision of not spending up to the budget for the remainder of the year. However, due to the delay in recharges from Building and Works following the introduction of the new Building and Works (URS) system, certain assumptions have had to be made with regard to actual expenditure to date and outturn expenditure using the best information available within Homes and Technical Services. Until transaction input is brought up to date and appropriate system support is provided to enable relevant information to be extracted, it is not possible for the figures to be substantiated by the Director of Finance. The Director of Homes and Technical Services is aware of the issues and is taking urgent action to resolve these matters.

As charges are reviewed, they will continue to be validated and agreed as quickly as possible.

The Supplies and Services expenditure relates to security costs for surplus property at Mount House, Kilmarnock and shall be offset against Capital Receipt when the property is sold.

Security costs are currently costing £900 per week.

4. RECOMMENDATIONS

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

Alex McPhee Director of Finance

James Lavery
Director of Homes and Technical Services

LIST OF BACKGROUND PAPERS

NIL

AGENDA