
Report To: Regeneration Committee **Date:** 29th October 2009

Report By: Chief Financial Officer and
Corporate Director Regeneration
and Resources **Report No:** FIN/57/10/AP/CB

Contact Officer: Hugh MacMaster **Contact No:** 01475 712163

Subject: Building Services Trading Account 2009/10 Revenue Budget –
Period 5 to 31 August 2009

1.0 PURPOSE

- 1.1 To advise Committee of the 2009/10 Building Services Trading Account position as at Period 5, to 31 August 2009.

2.0 SUMMARY

- 2.1 When the budget was set in February 2009 a cash target of £104,000 was agreed for the Building Services Trading Operation. The statutory target after taking into account FRS17 pension costs and capital charges was £29,000.
- 2.2 The latest projected cash surplus is £106,000 which is £2,000 more than the cash target and results in a statutory out-turn of £31,000.
- 2.3 The Committee should note that over the statutory three year rolling period Building Services are projected to return a net surplus of £87,000.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the latest projected position in respect of the Building Services Trading Operation.

Alan Puckrin
Chief Financial Officer

Aubrey Fawcett
Corporate Director
Regeneration & Resources

4.0 BACKGROUND

4.1 The purpose of the report is to advise Committee of the current position of the 2009/10 budget.

5.0 2009/10 - CURRENT POSITION

5.1 It can be seen from Appendix 1 that a cash surplus of £106,000 is projected as at Period 5. This is £2,000 over the 2009/10 budget target.

5.2 The key statutory requirement for the Trading Operation is to break even over a rolling three year period. Building Services returned surpluses in 2007/08 and 2008/09 and will achieve the statutory target in 2009/10.

5.3 The main movement since last period is a lower than anticipated level of income of £14,000. This is due to a reduction in the proposed level of council building repair work which is partially offset by Riverclyde Homes kitchen and bathroom work.

5.4 The projection for transport costs is based upon the 2008/09 out-turn. The Council has conducted a transport review and as a result of this all transport budgets will require to be re-aligned, therefore any changes to the current position will be reviewed once this is complete.

6.0 VIREMENTS

6.1 There are no virement requests as at Period 5.

7.0 IMPLICATIONS

7.1 The current projected cash surplus out-turn is:-

2008/09	Service	Approved Budget 2009/10	Projected Out-turn 2009/10	Projected Over/(under) Spend
(59)	Building Services	(104)	(106)	(2)

8.0 EQUALITIES

8.1 There are no equality issues arising from this report.

9.0 CONSULTATIONS

9.1 This report has been jointly prepared by the Chief Financial Officer and Corporate Director, Regeneration and Resources.

BUILDING SERVICES TRADING ACCOUNT

REVENUE BUDGET MONITORING REPORT

PERIOD 5: 1st April 2009 - 31st August 2009

2007/08 Actual £000	2008/09 Actual £000	Subjective Heading	Approved Budget 2009/10 £000	Revised Budget 2009/10 £000	Projected Out- turn 2009/10 £000	Projected Over/(Under) Spend £000
YR 1	YR 2		YR 3	YR 3		
2,927	1,363	EMPLOYEE COSTS	1,371	1,413	1,413	0
71	37	PROPERTY COSTS	43	40	42	2
1,227	1,229	SUPPLIES AND SERVICES	829	1,287	1,287	0
332	149	TRANSPORT AND PLANT	116	153	150	(3)
281	108	ADMINISTRATION COSTS	124	112	111	(1)
68	48	OTHER EXPENDITURE	10	35	35	0
(5,059)	(2,993)	INCOME	(2,597)	(3,144)	(3,144)	0
(153)	(59)	BUILDING SERVICES NET EXPENDITURE - CASH TARGET	(104)	(104)	(106)	(2)
64	56	CAPITAL CHARGES	50	50	50	0
55	(19)	FRS17 PENSION COSTS	25	25	25	0
(34)	(22)	BUILDING SERVICES STATUTORY POSITION	(29)	(29)	(31)	(2)