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**Report To:** Regeneration Committee      **Date:** 14<sup>th</sup> January 2009

**Report By:** Chief Financial Officer and  
Corporate Director Regeneration  
and Resources      **Report No:** FIN/74/10/AP/CB

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

**Subject:** Building Services Trading Account 2009/10 Revenue Budget –  
Period 7 to 31 October 2009

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## **1.0 PURPOSE**

- 1.1 To advise Committee of the 2009/10 Building Services Trading Account position as at Period 7, to 31 October 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. The Vehicle Management budget has been increased by £10,000 and this has reduced the cash target to £94,000 and the statutory target to £19,000.
- 2.2 The latest projected cash surplus is £105,000 which is £11,000 more than the cash target and results in a statutory out-turn of £30,000.
- 2.3 The Committee should note that over the statutory three year rolling period Building Services are projected to return a net surplus of £86,000.

## **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 £105,000 is projected as at Period 7. This is £11,000 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 It can be seen from Appendix 2 that the main movement since last period are a higher than anticipated level of income of £136,000 offset by an increase in the use of specialist sub-contractors.

5.4 The Vehicle Management budget has been amended to reflect the revised charging policy approved by Policy and Resources Committee in June 2009 and is now currently projected to be on budget.

#### **6.0 VIREMENTS**

6.1 Appendix 3 shows there has been a budget virement transferring £10,000 into the Building Services Unit hires budget, this was part of the overall Vehicle Management budget change. The virement is included in Appendix 1 and has been reflected throughout this report.

#### **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	(94)	(105)	(11)

#### **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 7: 1st April 2009 - 31st October 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	40	0
1,227	1,229	SUPPLIES AND SERVICES	829	1,287	1,402	115
332	149	TRANSPORT AND PLANT	116	163	172	9
281	108	ADMINISTRATION COSTS	124	112	112	0
68	48	OTHER EXPENDITURE	10	35	35	0
(5,059)	(2,993)	INCOME	(2,597)	(3,144)	(3,279)	(135)
(153)	(59)	BUILDING SERVICES NET EXPENDITURE - CASH TARGET	(104)	(94)	(105)	(11)
64	56	CAPITAL CHARGES	50	50	50	0
55	(19)	FRS17 PENSION COSTS	25	25	25	0
(34)	(22)	BUILDING SERVICES STATUTORY POSITION	(29)	(19)	(30)	(11)

**BUILDING SERVICES TRADING ACCOUNT****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 7: 1st April 2009 - 31 October 2009**

<u>Out Turn</u> <u>2007/08</u> <u>£000</u>	<u>Out Turn</u> <u>2008/09</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2009/10</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>30-Oct-09</u> <u>£000</u>	<u>Projection</u> <u>2009/10</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>
534	706	Sub - Contractors	835	487	748	950	115
(503)	(418)	Work Won in Tender	(430)	(251)	(373)	(490)	(60)
(333)	(217)	Internal Recharges	(209)	(122)	(123)	(299)	(90)
(147)	(1,319)	External Income ( RCH MTC )	(1,695)	(989)	(1,133)	(1,731)	(36)
(513)	(771)	Public Buildings Repair Work	(760)	(443)	(389)	(710)	50
<b>Total Material Variances</b>							<b>(21)</b>

**REGENERATION & RESOURCES COMMITTEE****VIREMENT REQUESTS**

<b>Budget Heading</b>	<b>Increase Budget</b>	<b>(Decrease) Budget</b>
	£000	£000
Corporate Transport		(10)
Building Services Unit transport costs	10	
<b>Total</b>	<b>10</b>	<b>(10)</b>

Reasons for virement :  
Vehicle Management budget change.