

Report To: Regeneration Committee **Date:** 20 January 2011

Report By: Chief Financial Officer and
Corporate Director Regeneration
and Environment **Report No:** FIN/85/10/AP/CM

Contact Officer: Mary McCabe **Contact No:** 01475 712222

Subject: 2010/11 Revenue Budget – Period 7 to 31 October 2010
Building Services Trading Account

1.0 PURPOSE

- 1.1 To advise Committee of the 2010/11 Revenue Budget position of the Building Services Trading Account at Period 7 to 31 October 2010.

2.0 SUMMARY

- 2.1 The Building Services cash target for 2010/11 is £247,000 and its statutory target is £210,000. The current projection is a cash surplus of £277,000 achieving both targets.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the current position of the Building Services Trading Account for 2010/11 as at 31 October 2010.

Alan Puckrin
Chief Financial Officer

Aubrey Fawcett
Corporate Director
Regeneration & Environment

4.0 BACKGROUND

4.1 The purpose of the report is to advise Committee of the current position of the 2010/11 budget as at 31 October 2010.

5.0 2010/11 – CURRENT POSITION

5.1 As can be seen from Appendix 1 a cash surplus of £277,000 is projected, achieving both the cash target and the statutory target.

5.2 The current projection is £30,000 higher than the budgeted cash surplus. This is a decrease in surplus of £4,000 since last Committee. This is mainly due to the following:

(a) Employee Costs

There is a £57,000 projected underspend in employee costs mainly due to agency staff not being used in 2010/11, as previously reported. This is a decrease in costs of £3,000 since last committee due to less overtime being worked than previously anticipated.

(b) Supplies & Services

There is a £172,000 projected overspend in Supplies and Services. This is an increase of £10,000 since the previous committee due to an increase of £21,000 in sub-contractor costs partly offset by a decrease in bulk stock purchases of £11,000. The projected increase in sub-contractors costs is partly offset by an increase in projected income from River Clyde Homes.

(c) Transport and Plant

There is a £19,000 decrease in External Hires not previously reported, as the Service does not anticipate any external hires this financial year.

(d) Income

There is a projected overrecovery of income of £101,000, a reduction of £16,000 since last reported mainly due to:

- £32,000 projected increase in income from Riverclyde Homes, partly offset by an increase in subcontractor costs as outlined in 5.2 (b).
- £12,000 projected increase in PAT Testing Income.
- £60,000 projected decrease in income from Public Building Repairs given available labour resources, operational commitments and other current work streams.

5.3 Finance Services and the Building Services Unit will continue to review the budget to ensure that targets are met.

6.0 VIREMENTS

6.1 There are no virement requests as at Period 7.

7.0 IMPLICATIONS

7.1 Financial

The current projected cash surplus out-turn is:-

2009/10	Service	Revised Budget 2010/11	Projected Out-turn 2010/11	Projected Over/(under) Spend
(156)	Building Services	(247)	(277)	(30)

7.2 Equalities

There are no equality issues arising from this report.

8.0 CONSULTATIONS

8.1 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 2010 - 31st October 2010**

2008/09 Actual £000	2009/10 Actual £000	Subjective Heading	Approved Budget 2010/11 £000	Revised Budget 2010/11 £000	Projected Out- turn 2010/11 £000	Projected Over/(Under) Spend £000
YR 1	YR 2		YR 3	YR 3		
1,363	1,438	EMPLOYEE COSTS	1,420	1,420	1,363	(57)
37	27	PROPERTY COSTS	44	44	44	0
1,229	1,502	SUPPLIES AND SERVICES	1,287	1,274	1,446	172
149	149	TRANSPORT AND PLANT	93	93	74	(19)
108	122	ADMINISTRATION COSTS	109	108	108	0
48	9	OTHER EXPENDITURE	35	35	10	(25)
(2,993)	(3,403)	INCOME	(3,221)	(3,221)	(3,322)	(101)
(59)	(156)	BUILDING SERVICES NET EXPENDITURE - CASH TARGET	(233)	(247)	(277)	(30)
56	46	CAPITAL CHARGES	46	46	46	0
(19)	(9)	FRS17 PENSION COSTS	(9)	(9)	(9)	0
(22)	(119)	BUILDING SERVICES STATUTORY POSITION	(196)	(210)	(240)	(30)

BUILDING SERVICES TRADING ACCOUNTREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 7: 1st April 2010 - 31st October 2010

<u>Out Turn</u> <u>2008/09</u> <u>£000</u>	<u>Out Turn</u> <u>2009/10</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2010/11</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>31-Oct-10</u> <u>£000</u>	<u>Projection</u> <u>2010/11</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
1,034	1,100	Basic Wages	1,083	626	565	1,024	(59)	(5)
481	391	Direct Purchases	415	243	198	368	(47)	(11)
(5)	0	Bulk Stock Purchases	12	7	0	0	(12)	(100)
706	1,089	Sub - Contractors	827	484	783	1,057	230	28
55	13	External Hires	19	15	0	0	(19)	(100)
48	8	Other Expenditure	35	20	0	10	(25)	(71)
(217)	(481)	Internal Recharges	(223)	(130)	(84)	(299)	(76)	34
(771)	(802)	Recharges Public Building Repairs	(783)	(456)	(280)	(723)	60	(8)
(1,319)	(1,606)	External Income (RCH MTC)	(1,727)	(1,007)	(431)	(1,800)	(73)	4
(54)	(51)	Income - PAT Testing	(50)	(29)	(12)	(62)	(12)	24
Total Material Variances							(33)	