

Report To: Regeneration Committee **Date:** 10 March 2011

Report By: Chief Financial Officer and
Corporate Director Regeneration
and Environment **Report No:** FIN/17/11/AP/CM

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

Subject: 2010/11 Revenue Budget – Period 9 to 31 December 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 9 to 31 December 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 £268,000 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 December 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 at Period 9 to 31 December 2010.

5.0 2010/11 – CURRENT POSITION

5.1 As can be seen from Appendix 1 a cash surplus of £268,000 is projected, achieving both the cash target and the statutory target.

5.2 The current projection is £21,000 higher than the budgeted cash surplus. This is a decrease in surplus of £9,000 since last Committee. This is mainly due to the following:

(a) Employee Costs

There is a £46,000 projected underspend in employee costs mainly due to agency staff not being used in 2010/11, as previously reported. This is an increase in costs of £11,000 since last committee mainly due to additional overtime being required as a result of available labour resources and operational commitments.

(b) Property Costs

There is a £12,000 projected underspend in Property Costs due to underspends being identified within Rates, Electricity and Water charges.

(c) Supplies & Services

There is a £238,000 projected overspend in Supplies and Services. This is an increase of £66,000 since the previous committee mainly due to increases of £43,000 in sub-contractor costs and £22,000 in direct purchase costs. The projected increase in sub-contractors costs is offset by an increase in projected income from River Clyde Homes.

(d) Income

There is a projected overrecovery in income of £162,000, an increase of £61,000 since last reported mainly due to:

- £11,000 projected increase in Work Won in Tender
- £50,000 projected increase in income from Riverclyde Homes, partly offset by an increase in subcontractor costs as outlined in 5.2 (c).

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 9.

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)	(268)	(21)

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 Environment.

BUILDING SERVICES TRADING ACCOUNT**REVENUE BUDGET MONITORING REPORT****PERIOD 9: 1st April 2010 - 31st December 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	1,421	1,375	(46)
37	27	PROPERTY COSTS	44	44	32	(12)
1,229	1,502	SUPPLIES AND SERVICES	1,287	1,274	1,512	238
149	149	TRANSPORT AND PLANT	93	92	78	(14)
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)	(3,383)	(162)
(59)	(156)	BUILDING SERVICES NET EXPENDITURE - CASH TARGET	(233)	(247)	(268)	(21)
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)	(231)	(21)

BUILDING SERVICES TRADING ACCOUNT**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 9: 1st April 2010 - 31st December 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>31/11/2011</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	792	763	1,039	(44)	(4)
481	391	Direct Purchases	415	312	291	390	(25)	(6)
(5)	0	Bulk Stock Purchases	12	9	1	1	(11)	(92)
706	1,089	Sub - Contractors	827	622	950	1,100	273	33
55	59	External Hires	19	15	9	9	(10)	(53)
48	8	Other Expenditure	35	26	0	10	(25)	(71)
(217)	(481)	Internal Recharges	(223)	(167)	(118)	(299)	(76)	34
(771)	(802)	Recharges Public Building Repairs	(783)	(587)	(411)	(723)	60	(8)
(1,319)	(1,606)	External Income (RCH MTC)	(1,727)	(1,295)	(843)	(1,850)	(123)	7
418	462	Income - Work Won in Tender	(438)	(328)	(173)	(449)	(11)	3
(54)	(51)	Income - PAT Testing	(50)	(37)	(29)	(62)	(12)	24
Total Material Variances							(4)	