

South Ayrshire Council

**Report by Chief Financial Officer
to Cabinet
of 27 August 2024**

**Subject: Budget Management – Revenue Budgetary Control
2024/25 – Position at 30 June 2024**

1. Purpose

1.1 The purpose of this report is to present Members with a financial overview of the General Services revenue account, Housing Revenue Account and Common Good Accounts for 2024/25 as at 30 June 2024.

2. Recommendation

2.1 It is recommended that the Cabinet:

2.1.1 notes the revised Directorate budgets following the budget movements outlined in 3.3 below;

2.1.2 approves the budget transfers as outlined in the Directorate financial performance reports at Appendix 1 and summarised in 4.1.6 below;

2.1.3 approves the requested earmarking of resources to be carried forward to 2025/26 as summarised in 4.1.7;

2.1.4 notes the projected in year over-spend of £2.319m after earmarking; and

2.1.5 requires Directors/ Assistant Directors and Heads of Service to take steps to ensure that Directorate/ Services are not overspent against budget by 31 March 2025 as per section 5.3 of the Financial Regulations.

3. Background

3.1 The budget management report contains overview information including the impact of Covid-19 for the following:

3.1.1 General Services Revenue - Appendix 1a to f (*pages 1 to 17*);

3.1.2 Housing Revenue Account - Appendix 1g (*page 18*); and

3.1.3 Common Good Funds - Appendix 1h (*page 20*).

- 3.2 Members approved the Council's revenue budget for 2024/25 on 29 February 2024, with total planned expenditure of £353.221m. The approved 2024/25 budget included Aggregate External Finance (AEF) due from Scottish Government of £281.842m net Council tax income of £67.379m and £4.000m use of reserves resulting in total planned income of £353.221m.
- 3.3 Directorate planned spending has been adjusted to incorporate several adjustments which required to be actioned following budget approval in March 2024:
- 3.3.1 allocation of a £5.339m payroll management target held within the Miscellaneous Services Account approved as part of the 2024/25 budget in March 2024;
 - 3.3.2 the impact of the Council restructure approved by Council on 6 March 2024;
 - 3.3.3 earmarking of £2.626m (brought forward from 2023/24 approved by Cabinet on 18 June 2024);
 - 3.3.4 additional notifications of funding from the Scottish Government (not included in the March 2024 budget) for:
 - (i) £0.019m for Discretionary Housing Payments;
 - (ii) £0.339m for the impact of the increased 2024/25 Children's Social Care pay uplift on commissioned services;
 - (iii) £0.940m for Criminal Justice Social Work Specific grant top up;
 - (iv) £0.068m for No One Left Behind - approach to employability; and
 - (v) £0.448m for the reimbursement of council reserves utilised in 2023/24 to meet the increased cost of the final agreed 2023/24 pay offer.
 - 3.3.5 Specific grant income of £5.300m has been re-allocated to offset directorate expenditure (inclusive of the additional £0.940m for Criminal Justice Specific grant top up); and
 - 3.3.6 other budget transfers between Directorates actioned in line with Financial Regulations rules on budget transfers.
- 3.4 Table 1 below summarises the revised 2024/25 General Services budget at 30 June 2024 inclusive of the budget adjustments outlined in 3.3 above.

Table 1 – Budget movement

<i>Directorate/ Account</i>	<i>Original Budget</i>	<i>Budget adjustment (per 3.3)</i>	<i>Revised</i>
	£m	£m	£m
CEX	21.755	(4.572)	17.183
Education	145.305	(2.008)	143.217
Housing, Operations and Development	46.228	(0.779)	45.499
Communities and Transformation	18.695	3.345	22.040
HSC	100.454	(1.408)	99.046
Misc Services Account	20.734	5.510	26.244
Total Expenditure	353.221	0.008	353.299
General Revenue Grant	(231.407)	(0.904)	(232.311)
NDRI	(46.075)	-	(46.074)
Specific Grant	(4.360)	4.360	-
Council Tax	(67.379)	(0.209)	(67.558)
Use of reserves b/fwd	(4.000)	(3.255)	(7.255)
Total Income	(353.221)	(0.008)	(353.229)
Net Expenditure	-	-	-

- 3.5 In relation to the Health and Social Care Partnership (HSCP). Table 1 above shows the adjusted 2024/25 budget delegated from the Council to be overseen by the Integration Joint Board (IJB). In addition to this £99.046m a further £8.300m has been allocated via the NHS to the South Ayrshire HSCP from the Scottish Government for Council specific services and is included within Resource Transfer income in Appendix 1b. Appendix 1b provides an overview statement of the current financial budget and projected out-turn position for the Council element for 2024/25.
- 3.6 As outlined in the draft Annual Accounts 2023/24, the unaudited General Services surplus at 31 March 2024 was £28.591m and of this, £24.147m was set aside or earmarked for specific purposes, leaving an uncommitted balance of £4.444m. Excluding HSCP, which now holds its own reserves. This equates to 1.76% of future planned expenditure.
- 3.7 Members approved the Housing Revenue Account budget for 2024/25 on 17 January 2024, with total planned expenditure of £33.635m being met from rents and other income. Since the approval of the 2024/25 budget various budget transfers have been actioned in accordance with Financial Regulations resulting a revised total planned spend of £33.761m. The unaudited Housing Revenue Account surplus at 31 March 2024 was £2.520m.
- 3.8 Members approved the Common Good revenue and capital budgets for 2024/25 on 29 February 2024. The combined unaudited Common Good revenue surplus as at 31 March 2024 for all Common Good Funds was £0.553m.

3.9 At this stage it is assumed that payroll budgets will be on-line at the year end with any increased cost resulting from any improved pay offer being met by additional funding provided by the Scottish Government.

4. Proposals

4.1 **Overview of Directorate/ Accounts' position as at 30 June 2024**

4.1.1 Appendix 1a to e to this report provides financial performance information in the form of a report for each Directorate/ account for the period to 30 June 2024. The Council's overall General Services revenue position at Period 4, excluding HSCP, is projected to be an in year over-spend of £2.228m prior to earmarking (£2.319m over-spend after earmarking).

4.1.2 Table 2 below provides a summarised position on a Directorate/ account basis and provides the overall projected position before and after requested earmarking.

Table 2 – Projected under/(over) spend

<i>Directorate/ Account</i>	<i>Projected under/ (over) spend £m (i)</i>	<i>Earmarking approved/ requested £m</i>	<i>Revised under/ (over) spend £m (iv)</i>
Chief Executive	-	-	-
Education	(0.100)	-	(0.100)
Housing, Operations and /Development	(1.899)	-	(1.899)
Communities and Transformation	0.482	(0.091)	0.391
Miscellaneous Services Account	(0.711)	-	(0.711)
Total Net expenditure	(2.228)	-	(2.319)
Council Tax income (see 4.1.4 below)	-	-	-
Net in year projected surplus	(2.228)	(0.091)	(2.319)

4.1.3 Table 2, above, indicates an overall over-spend for the year (excluding HSCP) of £2.228m prior to requested earmarking of £0.091m. All Directors, Assistant Directors and Heads of Service have been contacted to confirm their duty in terms of Section 5.3 of the Councils Financial Regulations which states, per the extract below:

'It is the responsibility of the Chief Executive, Directors, Heads of Service and Assistant Directors concerned to ensure that items of expenditure in the revenue estimates of his/ her 4/ services are not overspent, and that the income and expenditure of his/ her Directorate/ services conform to the requirements of these regulations.'

It is expected that Service managers will now limit spend wherever possible in order to bring the projections back on-line with budget. Service proposals to address the overspend position in each directorate will be brought forward as part of the next Budget Management report due to be considered at Cabinet in November 2024.

- 4.1.4 **Council Tax Income** – A review of the current collection rates indicates they are on target to meet income expectations at this stage.
- 4.1.5 **Health and Social Care Partnership** – details of the projected out-turn information can be found within the Financial Monitoring report that will be presented to the Integration Joint Board (IJB) meeting in September. Appendix 1b indicates a projected in year overspend of £0.937m for 2024/25.
- 4.1.6 **Budget Transfers** - Members are asked to consider and approve the budget transfer requests for each Directorate as outlined in Appendix 1a to 1f summarised in total in table 3 below (by Directorate).

Table 3 – Budget Transfers

<i>Directorate/ Account</i>	<i>Dr £m</i>	<i>Cr £m</i>	<i>Appendix ref:</i>
Education	0.311	-	1d –page11
HOD	4.639	4.639	1d –page11
Communities & Transformation	0.154	0.465	1e –page14
Total	5.104	5.104	

- 4.1.7 **Earmarking** – Members are asked to consider and approve the new earmarking request to be carried forward to 2025/26 for each Directorate as outlined in Appendix 1a to 1e summarised in total in the table below (by Directorate).

Table 4 – New Period 4 Earmarking

<i>Directorate/ Account</i>	<i>£m</i>	<i>Appendix ref:</i>
Communities and Transformation	0.091	1e – page 14
Total	0.091	

4.2 **General Services – Summary of Current Financial Revenue Position**

- 4.2.1 The unaudited 2023/24 Annual Accounts showed an accumulated surplus at 31 March 2024 of £258.591m and of this, £24.147m was set aside or earmarked for specific purposes leaving an uncommitted balance of £4.444m for General Services. Appendix 2 provides detail of the amounts set aside from the accumulated sum together with the impact of the current year directorate net year-end over-spend projections of £2.319m (after earmarking) outlined in Table 2 at 4.1.2 above
- 4.2.2 Table 5 below indicates that a year-end £2.125m uncommitted general services surplus is currently projected at 31 March 2025. This equates to 0.84 per cent of estimated planned spend (excluding HSCP). This is

below the lower end of the 2 to 4 per cent required by Council policy for uncommitted general reserves.

Table 5 – General Services accumulated surplus

	£m
Unaudited opening surplus	28.591
Commitments (per Appendix 2)	(24.147)
Uncommitted surplus brought forward	4.444
Directorate 2024/25 projections (per table 2 above)	(2.319)
Projected accumulated surplus	2.125

4.2.3 In addition to Service managers now limiting spend wherever possible, as per the required action outlined in 4.1.3, a review of the Councils committed reserves has been undertaken to identify what committed reserves could be released to increase the level of uncommitted reserves. The outcome of this review is reported elsewhere on this Cabinets agenda and if approved will go some way to addressing the fall in uncommitted reserves.

4.3 ***Housing Revenue Account Balance***

4.3.1 **Summary of Current Financial Position** – as outlined in Appendix 1e the current projected ‘in year’ underspend as at 31 March 2025 is £2.599m. When the in-year overspend is added to the current uncommitted surplus, identified in Table 4 of Appendix 1g, this results in an overall revised projected uncommitted surplus of £2.906m for the HRA.

4.4 ***Common Good Funds***

4.4.1 **Summary of Current Financial Position** – the current projected accumulated revenue surplus for each individual fund is outlined in Appendix 1h. Overall, at 31 March 2025, a combined projected accumulated revenue surplus of £0.451m is anticipated together with a projected combined capital reserve of £0.298m.

5. **Legal and Procurement Implications**

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. **Financial Implications**

6.1 An accumulated uncommitted surplus of £2.125m is currently projected for General Services, excluding HSCP.

6.2 A £2.906m accumulated uncommitted surplus is projected for the Housing Revenue Account and a combined £0.451m accumulated surplus is currently projected for the Common Good Funds.

7. Human Resources Implications

- 7.1 There are no specific human resource implications arising directly from this report. Any indirect implications are being managed on an operational basis by the Service Directorates.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

- 8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

- 8.2.1 There are no risks associated with rejecting the recommendations.

9. Equalities

- 9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as Appendix 3.

10. Sustainable Development Implications

- 10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to Priority1 of the Council Plan: Efficient and effective enabling services.

13. Results of Consultation

- 13.1 There has been no public consultation on the contents of this report.
- 13.2 Consultation has taken place with Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking

- 14.1 If the recommendations above are approved by Members, the Chief Financial Officer will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported

to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

Implementation	Due date	Managed by
Action the budget transfers in the financial ledger as outlined in the Directorate financial performance reports at Appendix 1 and summarised in 4.1.6	14 October 2024	Chief Financial Officer

Background Papers **Report to South Ayrshire Council (Special) of 17 January 2024– [Setting of Council House Rents and Other Rents and Charges \(2024/25 – 2026/27\) and Proposed Housing Revenue Account \(HRA\) Revenue Budget 2024/25 and Capital Budget \(2024/25 – 2028/29\)](#)**

Report to South Ayrshire Council of 29 February 2024 - [Revenue Estimates 2024/25, Capital Estimates 2024/25 to 2035/36 and Carbon Budget 2024/25](#)

[Scottish Government Finance Circular 2/2024](#)

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Date: 20 August 2024

Budget Management Report to 30 June 2024 (Period 3)

Appendix 1

Ref.	Directorate/ Account	Pages
1a	Chief Executive's Strategic Office	1 to 3
1b	Health & Social Care	4
1c	Education	5 to 7
1d	Housing, Operations and Development	8 to 12
1e	Communities and Transformation	13 to 15
1f	Miscellaneous Services Account	16 to 17
1g	Housing Revenue Account	18 to 19
1h	Common Good Funds	20 to 21

This appendix outlines the **key financial issues** for each directorate or account (Tables 1 to 3), together with **other financial information** (Tables 4 to 8).

Chief Executive's Office

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
118	Chief Executive & Support	415	415	0
	Finance and Procurement Services:			
26	Head of Finance & ICT Services	(93)	(93)	0
410	Corporate Finance and Accounting	2,208	2,208	0
2,058	Revenues and Benefits	5,633	5,633	0
142	Strategic Procurement	746	746	0
2,638	Total Finance and Procurement Services	8,494	8,494	0
	Regulatory Services:			
26	Head of Regulatory Services	(6)	(6)	0
33	Civil Contingencies & Business Continuity	59	59	0
130	Democratic Governance Services	2,424	2,424	0
98	Insurance, Risk & Safety Management	597	597	0
205	Legal & Licensing Services	900	900	0
404	Trading Standards & Environmental Health	1,743	1,743	0
895	Total Regulatory Services	5,717	5,717	0
454	Human Resources	2,231	2,231	0
65	Performance Appraisal & Audit	326	326	0
4,170	Total Chief Executive's Office	17,183	17,183	0

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
2,893	Employee costs	14,924	14,884	40
20	Property costs	179	179	0
406	Supplies and services costs	580	620	(40)
17	Transport costs	89	89	0
150	Administrative costs	440	440	0
83	Third party payments	1,224	1,224	0
7,001	Transfer payments	25,906	25,906	0
11	Financing costs	12	12	0
10,581	Gross expenditure	43,353	43,353	0
(6,412)	Gross income	(26,170)	(26,170)	0
4,170	Net expenditure	17,183	17,183	0

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Chief Executive & Support
0	Chief Executive & Support: A full-year projected overspend of £0.040m for legal fees is expected to be fully offset by an over-achievement of the Directorate's payroll turnover target.
0	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Finance, ICT and Procurement Services
0	Corporate Finance: No material full-year variances identified at present.
0	Revenue & Benefits: No material full-year variances identified at present.
0	Strategic Procurement: No material full-year variances identified at present.
0	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Regulatory Services
0	Civil Contingencies: No material full-year variances identified at present.
0	Democratic Governance Services: Based on prior year trend analysis and current year-to-date income received, the budgeted income target for Registration marriage fees is unlikely to be met. This position will be continue to be monitored over the coming weeks and if required, compensatory underspends or income over-recoveries will be identified.
0	Risk & Safety Management: No material full-year variances identified at present.
0	Legal Services: No material full-year variances identified at present.
0	Trading Standards & Environmental Health Services: No material full-year variances identified at present.
0	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Human Resources
0	Human Resources: No material full-year variances identified at present.
0	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Performance Appraisal & Audit
0	Performance Appraisal & Audit: No material projected variances identified at present.
0	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:		DR £'000	CR £'000
N/A			
Total		0	0

Table 5 - Earmarking Requests

Earmarking requests:	Objective/ Subjective	Amount £'000
<u>New requests:</u>		
N/A		
Total		0

Table 6 - Efficiency Savings

	Target	Anticipated
Council Tax premium on second homes	209	0
Revised NDR empty property relief scheme	950	0
Expand employee benefits framework scheme	80	0
Remove Registration & Archives security/ grounds budgets	2	0
Reduce Internal Audit hire car costs	1	0
Reduce various Legal & Licensing supplies/ admin budgets	2	0
Additional Scottish Government DHP admin grant income	53	0
Total	1,297	0
Comments:		

Table 7 - Payroll Management

Payroll Management:	Target £'000	Achieved at period 3 £'000
Payroll Management - Corporate Target	(406)	(84)
Total	(406)	(84)
Comments:		
<p>The payroll management target is currently projected to be over-achieved by £0.040m at the end of the financial year. This is despite a small shortfall in the employers superannuation contributions budget, which was calculated based on the advised full year rate of 6.5%. In practice, the contribution rate did not reduce from 19.3% until the start of May. The maximum shortfall in budget would be £0.067m if all services were fully staffed, however the true shortfall is likely to be approximately £0.050m, which is projected to be covered by a compensating over-recovery in payroll turnover. The Council will benefit from this two week lag in the change of rate when it increases to 17% at the start of financial year 2026/27.</p>		

Table 8 - Grant Income

New Grants Received:		
Amount £'000		
0		
Comments:		
No new grant income identified at present.		

Social Care

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
	Community Care Services :			
15,244	Older People	56,091	58,314	(2,222)
975	Physical Disabilities	4,338	3,936	401
16,219	Total Community Care Services	60,429	62,250	(1,821)
4,407	Children's Services	22,660	21,820	840
67	Justice Services	(4)	(4)	0
4,474	Total Children and Justice Services	22,656	21,816	840
4,541	Learning Disabilities	26,538	26,581	(43)
1,022	Mental Health	4,408	4,805	(397)
156	Addiction	1,858	1,859	(1)
5,719	Total Mental Health Services	32,803	33,244	(440)
1,096	Directorate Services	7,366	6,883	484
0	Other Services	3	3	0
0	Vacancy management	(1,081)	(1,081)	0
1,097	Total Support Services	6,289	5,805	484
148	Integrated Care Fund/Delayed Discharges	469	469	0
(3,773)	Interagency payments with Health	(19,082)	(19,082)	0
23,883	HSCP Sub-total	103,565	104,502	(937)
179	Aids and Adaptations etc	809	809	0
24,062	Final HSCP total	104,374	105,311	(937)
Earmarking requests				0

Health & Social Care Partnership - the above table provides an overview statement of the financial budget and projected out-turn position for the Council element of the Integration Joint Board (IJB) for 2024/25 as at 30 June (Period 3).

The table above includes £4.490m transferred from reserves, leaving a balance of £11.974m, of which £5.139m is committed and yet to be transferred. The balance of £2.598m Improvement and Innovation Fund still to be allocated and £4.237 General Reserves that remains uncommitted. The purpose being to set aside a specific sum from current uncommitted reserves to be used to improve services and ensure future financial stability.

Education Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
58	Directorate	(2,962)	(2,962)	0
170	Corporate Policy, Strategy & Performance	3,002	3,002	0
4,398	Education - Early Years	19,453	19,453	0
21,822	Education - Learning and Teaching Schools	85,334	85,334	0
3,557	Education - Learning and Teaching Additional Support	17,227	17,327	(100)
7,407	Education Support Services	21,163	21,163	0
37,412	Total Education Directorate	143,217	143,317	(100)

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
26,807	Employee costs	111,725	111,525	200
6,819	Property costs	26,598	26,598	0
612	Supplies and services costs	2,187	2,187	0
1,230	Transport costs	4,787	5,087	(300)
878	Administrative costs	1,070	1,070	0
2,628	Third party payments	8,447	8,447	0
5	Transfer payments	405	405	0
38,979	Gross expenditure	155,219	155,319	(100)
(1,567)	Gross income	(12,002)	(12,002)	0
37,412	Net expenditure	143,217	143,317	(100)

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
0	Payroll Management Target - currently projected to be online, however this will be dependant on September census/teacher numbers, long-term teachers cover and 2024/25 final pay awards. Current projections also take into account two weeks of employers superannuation at 19.3%, rather than the budgeted reduced rate of 6.5%. This is estimated at approximately £0.133m and is due to the the new reduced rate being applied from the first full pay period in each new tax year (May payrun), as the April payrun includes 16th March - 15th April 2024.
0	Total projected variance
Projected FY Variance favourable /(adverse) £'000	Corporate Policy, Strategy & Performance
0	Currently projected to be online.
0	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Education
(100)	<p>Pupil Equity Funding - currently projected to be online. PEF is provided on a financial year basis but used across an academic year by schools (August 2024 - August 2025) and has permissible carry forward. SG reviewed 2023/24 funding in order to utilise £0.900m of the carry forward funding to manage pay pressures in 2023/24 and have committed that there will be an additional payment in 26/27 when the programme ends (in theory). This should ensure that funding continues to be available at currently planned levels going forward with no detriment to schools.</p> <p>Teaching Costs - currently projected to be online. However this will be dependant on maintaining teacher numbers as at September 2023 census data, less mitigating exceptions and the number of probationers allocated from SG (particularly fully funded SG probationers).</p> <p>Pupil Transport - projected overspend of £0.300m, primarily within ASN framework contracts.</p> <p>Whole Family Wellbeing Fund (WFWF) - projected underspend of £0.200m in relation to WFWF to support the development of holistic whole family support services. This is primarily due to a delay in filling posts.</p> <p>PPP - currently projected to be online, depending on the utilities reconciliation for 23/24 still to be received.</p>
0	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:	DR £'000	CR £'000
N/A		
Total	0	0

Table 5 - Earmarking Requests

	Amount
N/A	
Total	0
Comments: Detail included above.	

Table 6 - Efficiency Savings

Efficiency savings:	Target £'000	Anticipated shortfall £'000
Review Early Learning Team	125	0
Review all current Education external contract arrangements	50	0
Introduce Teacher Turnover Target	500	0
Increase income and fees targets by 20% for Short Term Let Licences	2	0
Realign PSL Bulk Leasing Scheme income budget based on current recovery rates	20	0
Reduced Private Sector Housing Grant budget based on low uptake	15	0
Total	712	0
Comments: No anticipated shortfalls.		

Table 7 - Payroll Management

Payroll Management:	Target £'000	Achieved at period 3 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	3,748	1,035	2,713
Total	3,748	1,035	2,713
Comments: Currently projected to be online, however will be updated throughout the financial year to take into consideration the September school census, SG probationer allocations received from SG, long-term sick cover and the implications of 2024 pay award offers.			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
142	Scottish Government	Mental Health & Wellbeing
9	Scottish Government	Gaelic
587	Scottish Government	HEEPS 23-24
4	Erra Foundation	Clarke Prize
41	Ayrshire Chamber of Commerce	Developing Young Workforce
130	CORRA Foundation	Staff Wellbeing Project
913		
Comments: Additional amounts notified during the financial year, not included in original budget.		

Housing Operations & Development

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
	Directorate	8,762	10,021	(1,259)
83	Directorate	564	718	(154)
1,108	Ayrshire Roads Alliance/SPT	8,198	9,303	(1,105)
	Planning & Development	5,912	6,206	(294)
1,310	Asset Management and Community Asset Transfer	5,395	5,535	(140)
1,429	Planning and Building Standards	1,062	1,216	(154)
186	Professional Design Services	(545)	(545)	0
648	Special Property Projects	0	0	0
	Housing & Operations	30,825	31,171	(346)
2,543	Facilities Management	11,310	11,602	(292)
649	Housing Services	1,009	865	144
5,286	Neighbourhood Services	18,467	18,665	(198)
2,354	Property Maintenance	39	39	0
15,596	Total Housing Operations & Development	45,499	47,398	(1,899)

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
7,460	Employee costs	36,082	35,561	521
1,667	Property costs	5,981	6,491	(510)
6,210	Supplies and services costs	11,354	15,194	(3,840)
2,052	Transport costs	5,201	5,951	(750)
119	Administrative costs	393	433	(40)
3,592	Third party payments	16,488	17,726	(1,238)
0	Transfer payments	0	0	0
0	Financing costs	90	0	90
21,100	Gross expenditure	75,589	81,356	(5,767)
(5,504)	Gross income	(30,090)	(33,958)	3,868
15,596	Net expenditure	45,499	47,398	(1,899)

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Directorate
(154)	Directorate - projected overspend of £0.154m as a result of the 2 weeks timing difference of the employers superannuation rate reduction from 19.3% to 6.5% to the Strathclyde Pension Fund.
(154)	Total projected variance

Projected Variance favourable /(adverse) £'000	Ayrshire Roads Alliance/SPT
(1,105)	Ayrshire Roads Alliance/SPT - overspend of £1.105m mainly as a result of increased electricity costs for street lighting and electric vehicles (£0.346m), increased sub-contractors costs (£0.273m) and under-recovery of car parking income (£0.700m) as a result of the extension of 2 hour free parking partially offset by an underspend in employee costs (0.214m) as a result of current vacancies.
(1,105)	Total projected variance

Projected Variance favourable /(adverse) £'000	Asset Management & Community Asset Transfer
(140)	<p>Asset Management - projected overspend of £0.140m ;</p> <p>Employee Costs - projected underspend of £0.050m due to current vacancies.</p> <p>Property costs - projected overspend of £0.114m mainly as a result of the delay in delivering the proposed office rationalisation. Members approved a saving of £0.200m for 2024/25 and if the proposals are approved and delivered in September there will be a shortfall of £0.130m. There is also an overspend of £0.014m on general repair costs. These overspends are offset with an underspend of £0.030m in Health & Social Care occupied buildings repair and maintenance costs.</p> <p>Income - projected under-recovery in rental income of £0.076m based on current income received.</p>
(140)	Total projected variance

Projected Variance favourable /(adverse) £'000	Planning & Building Standards
(154)	<p>Planning & Building Standards - projected overspend of £0.154m ;</p> <p>Employee costs - projected underspend of £0.029m as a result of current vacancies</p> <p>Supplies & Services costs - projected overspend of £0.100m in consultancy costs. This relates to legal and specialist experts costs to act on the Council's behalf at a Planning Public Enquiry regarding three wind farms in a co-joined process received in 2022</p> <p>Income - projected under-recovery of £0.083m due the decrease in the current number of applications compounded by lower value applications. It is anticipated however that this position will improve slightly as the economy recovers later in the year</p>
(154)	

Projected Variance favourable /(adverse) £'000	Professional Design Services
0	No material variance to report
0	Total projected variance

Projected Variance favourable /(adverse) £'000	Special Property Projects
0	No material variance to report.
0	Total projected variance

Projected Variance favourable /(adverse) £'000	Facilities Management
(292)	<p>Facilities Management - projected overspend of £0.292m as a result of;</p> <p>Employee costs - projected overspend of £0.262m as a result of current high levels of absence which due to the nature of the service requires to be covered by additional staffing</p> <p>Transport costs - projected overspend of £0.030m as a result of the increased cost of lease vehicles and fuel</p> <p>Management are currently reviewing overspends with a view to considering how service delivery can be amended to deliver cost reductions in the current year. Further updates will be submitted to Members as part of the BMR at Period 6.</p>
(292)	Total projected variance

Projected Variance favourable /(adverse) £'000	Housing Services
144	<p>Housing Services - projected underspend of £0.144m as a result of;</p> <p>Employee Costs - projected underspend of £0.080m due to current vacancies.</p> <p>Property Costs - projected overspend of £0.302m. This relates to increased responsive repairs costs (£0.270m), cleaning and domestic supplies (£0.022m) and unlets (£0.010m), all as a result of the increased demand for temporary homeless accommodation.</p> <p>Supplies & Services Costs - projected overspend of £0.350m. This relates to increased furniture costs (£0.210m) and removal and storage costs (£0.140m) as a result of the increased demand for temporary homeless accommodation.</p> <p>Administrative Costs - projected overspend of £0.040m which relates to the expected level of bad debts as a result of the increased demand for temporary homeless accommodation.</p> <p>Third Party Payments - projected overspend of £0.006m, which relates to increased charges from other council services.</p> <p>Income - projected over recovery of £0.762m. This relates to an increased number of temporary accommodation units being utilised from the HRA stock which has been necessary to meet increased demand for homeless accommodation.</p> <p>Members are requested to approve a Budget Transfer Request (see Table 4 below) to transfer the income over-recovery to property costs, supplies & services costs, administrative costs and third party payments to meet the related costs for the provision of temporary homeless accommodation</p>
144	Total projected variance

Projected Variance favourable /(adverse) £'000	Neighbourhood Services
(198)	<p>Neighbourhood Services - projected overspend of £0.198m as a result of;</p> <p>Employee costs - projected underspend of £0.102m as a result of current vacancies</p> <p>Property costs - projected overspend of £0.090m in relation to gas usage and repair costs.</p> <p>Transport costs - projected overspend of £0.500m as a result of increased lease costs, repairs and maintenance costs and fuel price increases</p> <p>Financing costs - projected underspend of £0.090m as a result of the cremators being fully depreciated.</p> <p>Income - projected over-recovery of £0.200m as a result of the higher than anticipated brown bin permit uptake (0.300m) partly offset by bereavement income under-recovery (£0.100m) which is at similar levels to previous financial years</p> <p>Management are currently reviewing overspends with a view to considering how service delivery can be amended to deliver cost reductions in the current year. Further updates will be submitted to Members as part of the BMR at Period 6.</p> <p>Members are requested to approve a budget transfer request (Table 4 below) to use the over-recovery in income to address the increased transport repair and maintenance costs</p>
(198)	Total projected variance

Projected Variance favourable /(adverse) £'000	Property Maintenance
0	<p>Property Maintenance Service - projected online as a result of;</p> <p>Employee Costs - projected underspend of £0.676m. This is due to a high level of current vacancies within the service.</p> <p>Property Costs - projected overspend of £0.004m due to work required at McCalls Avenue.</p> <p>Supplies & Services - projected overspend of £3.390m. This is due to increased cost of materials and use of sub contractors, which is mainly related to the high level of current vacancies and the current level of jobs</p> <p>Transport Costs - projected overspend of £0.220m, due the increased cost of replacing the fleet of vehicles.</p> <p>Third Party Payments - projected overspend of £0.127m due to increased spend on Agency payments, which is related to the high level of current vacancies.</p> <p>Income - projected over-recovery of £3.065m based on the current level of jobs being carried out mainly for Housing tenants</p> <p>Members are requested to approve a Budget Transfer Request (Table 4 below) to use the underspend in employee costs and the over-recovery of income to fund the related increased property costs, supplies and services, transport costs and third party payments noted above.</p>
0	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:		DR £'000	CR £'000
1	Neighbourhood Services - Transport costs	200	
	Neighbourhood Services - Income		200
	<i>Being the utilisation of the over-recovery of income from the brown bin</i>		
2	Housing Services - Property Costs	302	
	Housing Services - Supplies & Services	350	
	Housing Services - Administrative Costs	40	
	Housing Services - Third Party Payments	6	
	Housing Services - Income		698
	<i>Being realignment of base budget to reflect increased homeless</i>		
3	Property Maintenance Service - Employee Costs		676
	Property Maintenance Service - Property Costs	4	
	Property Maintenance Service - Supplies & Services	3,390	
	Property Maintenance Service - Transport Costs	220	
	Property Maintenance Service - Third Party Payments	127	
	Property Maintenance Service - Income		3,065
	<i>Being realignment of base budget to reflect current repair activity</i>		
Total		4,639	4,639

Table 6 - Efficiency Savings

Efficiency savings:		Targeted £'000	Anticipated shortfall £'000
ARA	Introduction of EV charging tariff for public use.	52	0
	Remove 5.5fte vacant strategic posts (Split EAC/SAC – 50/50%)	104	0
	Increase fees and permit charges to developers, utilities and public by 5%	30	0
	Increase harbour dues by 5%	6	0
	Introduce £50 charge for Garden Waste Collections (based on servicing 1	559	0
	Increase Bereavement prices by 10%	180	0
	Introduce £30 charge to householders for lost, stolen, damaged	30	0
	Increasing commercialisation (Heathfield Waste recycling centre)	100	0
	Reduction in Neighbourhood Services overtime	10	0
Facilities Management	Increase cost of public toilets from £0.30 to £0.50 per use	21	0
Asset Management	Transforming the Estate Review - rationalise council assets and remove various property costs	200	130
Property Maintenance	Review internal charging approach to reduce and remove administration costs	50	0
Planning	Realign Planning fees income budget based on current recovery rates	30	0
Total		1,372	130
Comments:			

Table 7 - Payroll Management

Payroll Management:	Targeted £'000	Achieved at period 3 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	1,020	211	809
Payroll Management - Directorate target	63	15	48
Total	1,083	226	857
It is anticipated that payroll turnover will be under-recovered by £0.125m mainly as a result of the employers superannuation cost noted under Directorate (Table 3 above)			

Table 8 - Grant Income

New Grants Received:	
£'000	
0	
Comments:	
The above grants which have been received during the financial year were not part of the approved Directorate budget.	

Communities & Transformation Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
75	Directorate	(187)	(287)	100
	Communities			
(2,124)	Thriving Communities	4,965	4,965	0
(872)	Economy and Regeneration	1,491	1,180	311
590	Destination South Ayrshire	7,734	7,554	180
(2,406)	Total Communities	14,190	13,699	491
	Transformation			
1,216	ICT Strategy & Delivery	4,951	4,951	0
488	Organisational Development, Customer Services &	3,065	2,974	91
66	Transformation	21	221	(200)
1,770	Total Transformation	8,037	8,146	(109)
(561)	Total Strategic Change & Communities Directorate	22,040	21,558	482

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
4,623	Employee costs	21,746	21,555	191
431	Property costs	2,733	2,733	0
1,845	Supplies and services costs	2,450	2,450	0
107	Transport costs	618	618	0
122	Administrative costs	465	465	0
495	Third party payments	2,664	2,553	111
0	Transfer payments	10	10	0
0	Financing costs	0	0	0
7,623	Gross expenditure	30,686	30,384	302
(8,184)	Gross income	(8,646)	(8,826)	180
(561)	Net expenditure	22,040	21,558	482

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
100	Service - projected over-recovery in payroll management target of £0.100m, primarily due delays in filling vacancies. Current projections also take into account two weeks of employers superannuation at 19.3%, rather than the budgeted reduced rate of 6.5%. This is estimated at approximately £0.093m and is due to the the new reduced rate being applied from the first full pay period in each new tax year (May payrun), as the April payrun includes 16th March - 15th April 2024.
100	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Communities
491	<p>Thriving Communities - currently projected to be online.</p> <p>Economy & Regeneration - currently projected to be underspent by £0.311m within LACER - Training and Skills Fund. Directorate are seeking Members approval to transfer this underspend to Education Directorate / Corporate Policy establishing public service reform through development of The Liberated Method and working with Mutual Ventures Trust to develop a pilot programme within North Ayr (refer to Table 4 below).</p> <p>Destination South Ayrshire (Golf) - projected £0.180m over-recovery in income, primarily within golf memberships and single rounds.</p> <p>Destination South Ayrshire (Sport & Leisure) - currently projected to be online.</p> <p>International Ayr Show - Festival of Flight 2024 - sponsorship income confirmed to date of £0.154m. Members are asked to approve the temporary budget transfer to create income & corresponding expenditure budgets to reflect sponsorship (refer to Table 4 below).</p>
491	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Transformation
(109)	<p>ICT Strategy & Delivery - currently projected to be online. A review of ICT contracts will be undertaken and updated projections provided at Period 6 budget monitoring report.</p> <p>Organisational Development, Customer Services & Public Affairs - IAAH (COVID Recovery Project) - projected underspend of £0.091m. ELT have previously approved to utilise this underspend to extend 1fte temp level 8 Senior Advisor Post for 23 months from March 2024 and 1fte 23 month level 5 advisor post with immediate effect. Therefore, Members are requested to earmark this underspend to extend contracts until 2025/26 (refer to Table 5 below).</p> <p>Transformation - projected overspend of £0.200m due to short term unachievable savings target from 2023/24.</p>
(109)	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:		DR £'000	CR £'000
1	International Ayr Show/Sponsorship Income		154
	International Ayr Show/Payments to Agencies	154	
	<i>Sponsorship income confirmed to date for the International Ayr</i>		
2	LACER - Training & Skills Fund / Agencies		311
	Corporate Policy (Education Directorate) / Agencies	311	
	<i>Utilise underspend to work with Mutual Ventures Trust to develop a</i>		
Total		465	465

Table 5 - Earmarking Requests

Earmarking requests:	Objective/ Subjective	Amount £'000
Organisational Development Posts per Cabinet 28/11/23	OD/Employee Costs	91
Total		91
Comments: Details included above.		

Table 6 - Efficiency Savings

Efficiency savings:	Target £'000	Anticipated shortfall £'000
Maybole Golf - delete vacant post	34	0
Increase monthly Learn2 membership from £23 to £25 per month	50	0
Increase various golf green and membership fees by £5 per annum	40	0
Realign Riverside Sports Arena income budget based on current recovery rates	15	0
Total	139	0
Comments: Anticipated shortfalls in approved efficiencies have been included in the projections above.		

Table 7 - Payroll Management

Payroll Management:	Target £'000	Achieved at period 3 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	633	179	454
Total	633	179	454
Comments: Currently projected to be £0.100m over-recovered.			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
103	Scottish Government	Homes for Ukraine
507	Scottish Government	NOLB
337	National Heritage Lottery Fund	Maybole Town Centre Regeneration
4	ADP Contribution	Targeted Activities for Young People
9	Paths for All	Walking Devt
4	Macmillan Cancer Support	Cancer Support
21	Scottish Enterprise	Modern Apprentice Grant
985		
Comments: Additional amounts notified during the financial year, not included in original budget.		

Miscellaneous Services

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March 2025 £'000	Projected FY Variance Favourable /(Adverse) £'000
3,804	Miscellaneous Services	26,244	26,955	(711)
3,804	Total Miscellaneous Services	26,244	26,955	(711)

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March 2025 £'000	Projected FY Variance Favourable /(Adverse) £'000
0	Debt management charges	17,610	18,819	(1,209)
0	Investment income	(2,130)	(2,184)	54
0	Recharges to other services	(1,793)	(1,793)	0
215	Requisitions and other initiatives	859	859	0
0	Contributions to/ from Funds	0	0	0
390	Employee provision	710	461	249
(121)	Fees and subscriptions	479	482	(3)
3,301	Other payments	8,054	7,817	237
23	Covid-19 Costs	0	35	(35)
0	PPP flexibility adjustment	(2,026)	(2,026)	0
0	Contribution to Reserves	4,501	4,501	0
3,809	Gross expenditure	26,265	26,971	(706)
(4)	Gross income	(21)	(17)	(4)
3,804	Net expenditure	26,244	26,955	(711)

Table 3 - Analysis of Significant Variances

Projected	Miscellaneous Services
(1,209)	Debt management charges - this budget comprises £6.457m for loan principal, £10.979m for interest costs and £0.174m for loans fund expenses, all based on the level of planned capital expenditure during the financial year. A full year overspend of £1.209m is currently projected due to interest rates remaining higher than anticipated, along with a subsequent reprofiling of external borrowing. This projected overspend will be monitored as the year progresses and borrowing will only be taken if required.
54	Investment income - an over-recovery of £0.054m is currently projected, again due to a higher than anticipated level of interest rates. The budget was based on an assumed interest rate return of 5.50%.
249	Employee provision - a full year projection of £0.249m, mainly comprising favourable budget variances for the employee benefit (salary sacrifice) schemes of £0.175m for car leasing and £0.105m for home and electronics; partly offset by a projected £0.036m overspend on apprenticeship levy.
237	Other payments: the net underspend comprised the following significant elements: - £0.266m for General Services energy costs across all Council services but reported corporately within Miscellaneous Services, based on estimated forecasts in what remains a fluctuating energy price market; and - £0.220m in relation to insurance costs net of third party claims. These underspends were partly reduced by the following overspends: - £0.215m in relation to unachievable efficiency targets reported in Miscellaneous but allocated to service budgets where appropriate - refer to Table 6 (Efficiency Savings) below; and - £0.034m across a number of smaller budget lines.
(35)	Covid-19 costs: the projected overspend relates to ongoing costs associated with the lease of a hangar at Prestwick Airport.

0	Contribution to reserves - The 2024/25 budget includes a £4.053m contribution to the newly established Transformation Fund. In addition the Scottish Government has provided an additional grant of £0.448m to compensate Councils for using reserves to meet the 2023/24 pay uplift. This additional funding received is being allocated back to uncommitted reserves.
(703)	Total Full Year Variance

Table 4 - Budget Transfer Requests

Description	DR £'000	CR £'000
N/a		
Total	0	0

Table 5 - Earmarking Requests

Description	Objective/ Subjective	Amount £'000
N/a		
Total		0
Comments: No earmarking requests identified for Miscellaneous Services.		

Table 6 - Efficiency Savings

Description	Targeted £'000	Shortfall £'000
Procurement (prior year saving)	177	100
Purchase of additional leave: target to be allocated across services	200	0
Additional AVCs: on-cost savings	48	0
Future Operating Model: target to be allocated across services	175	115
Total	600	215
Comments: Work remains ongoing to identify relevant permanent procurement efficiencies. Fewer employees now purchase additional leave due to greater flexibility regarding home-working arrangements. Continuing pressures on service budgets has made it challenging to allocate Future Operating Model savings across directorates, as underspends arising from new ways of working have been utilised to offset overspends due to inflationary pressures and contractual increases. Existing savings targets will be considered as part of the wider Transformation work across the Council, in order to identify opportunities to permanently allocate these targets.		

Table 7 - Payroll Management

	£'000	£'000
	0	0
Total	0	0
Comments: No payroll management target allocated to Miscellaneous Services.		

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant Name/ Body	Grant Purpose
0		
Comments: No new grant income received within Miscellaneous Services.		
New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
0		
Comments: Additional amounts notified during the financial year, not included in original budget.		

Housing Revenue Account

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
(6,836)	Housing Revenue Account	0	(2,599)	2,599
(6,836)		0	(2,599)	2,599

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
927	Employee costs	5,595	5,295	300
1,956	Property costs	15,418	15,984	(566)
146	Supplies and services costs	334	334	0
8	Transport costs	72	72	0
75	Administrative costs	1,523	1,450	73
48	Support services costs	1,837	1,837	0
3	Third party payments	30	30	0
28	Transfer payments	117	117	0
0	Financing costs	7,038	6,936	102
1,798	CFCR	1,797	1,797	0
4,989	Gross expenditure	33,761	33,852	(91)
(11,825)	Income	(33,761)	(36,451)	2,690
(6,836)	Net expenditure	0	(2,599)	2,599

Table 3 - Financial Variance Analysis

Projected Variance favourable /(adverse) £'000	Housing Revenue Account
300	Employee costs - projected underspend of £0.300m due to current vacancies.
(566)	Property Costs - projected overspend of £0.566m. This is mainly due to: An increase in Unlets projected to overspend by £0.400m. There is a projected overspend in Gas Contracts of £0.041m due to price increases. Other overspends include costs for electricity, security screens and property condition surveys totalling £0.125m. Joint management action by Housing & Property Maintenance is taking place to prioritise empty properties for relet and to minimise the impact of void rent loss.
0	Supplies & Services - projected online.
0	Transport Costs - projected online.
73	Administrative costs - projected underspend of £0.073m. There are less Feasibility & Design Costs for capital projects being charged to revenue (£0.093m). There is also a projected underspend of £0.150m in bad debts based on the current level of arrears of council house rental income. These underspends are partly offset by overspends in Insurance costs (£0.150m) and contract printing costs (£0.020m).
0	Support service costs - projected online.
0	Third Party Payments and Transfer Payments - projected online.
102	Financing costs - projected net underspend of £0.102m comprising: - Principal, Interest payments and expenses - projected overspend of £0.008m on principal, interest and expenses, which relates to the timing of loan payments and interest rates of temporary loan debt. - Interest income on revenue balances - £0.110m over recovery as a result of the Loans Fund exceeding the originally estimated rate of interest on investments.
0	CFCR - projected online

2,690	Income - over recovery of £2.690m in rental income. A review of the HRA Business Plan rental units and capital programme new build profiling has been carried out and the average weekly rent calculation has been refreshed. This has highlighted that the budget requires to be realigned and a corresponding increase made to CFCR. This will in turn reduce borrowings which will lead to a reduction in financing costs in the current and future financial years.
2,599	Total projected variance
Comments:	

Table 4 - Accumulated Surplus

Accumulated Surplus	Amount £'000	Amount £'000
HRA accumulated surplus as at 1 April 2024	2,520	
Current year projected surplus	2,599	
Minimum working balance	(2,000)	
Projected surplus for the year ended 31 March 2025		3,119
Current commitments:		
Revenue:		
Transformation within Housing - support costs		(44)
Costs associated with Home Loss Payments at Riverside High Flats and provision for Disturbance Allowance approved by Leadership Panel 26 November 2019		(169)
Projected uncommitted surplus as at 31 March 2025		2,906
Comments:		

Table 5 - Rent Arrears

Rent Arrears	As at 30 June 2023	As at 30 June 2024	Movement
Current Tenants – Mainstream	1,203	1,280	6%
Former Tenants – Mainstream	677	674	0%
Total	1,880	1,954	4%
Comments:			
Historically, the Council has performed well in the areas of rent arrears management and the collection of rental income. From the 2022/23 benchmarking information, the Council was the best performing local authority in terms of overall arrears at 4.32% of the rent due for the 2022/23 reporting year. Rent arrears is an area of focused activity with a dedicated team managing rent accounts and progressing necessary recovery actions, while supporting tenants in arrears. Officers are continuing to make contact and engage with tenants to provide ongoing advice and support to those households who are experiencing hardship. As an alternative to using legal action for recovery, every effort is being made to secure repayment arrangements and actively apply for Alternative Payment Arrangements (APA's) for housing costs to be paid direct to the Council from the Department of Works and Pensions for households in receipt of Universal Credit. The current increase in rent arrears has been factored into the Bad Debt Provision out-turn figure noted above in Table 3.			

Table 6 - Budget Transfer Requests

		DR £'000	CR £'000
1	Description		
	HRA - Financing Costs	2,600	
	HRA - Income		2,600
	Use over recovery of income to fund increased CFCR		
Total		2,600	2,600

Common Good Funds

Table 1 - Objective Analysis

Actual Net Expenditure/ (Income) to 30 June £'000	Common Good Fund	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
57	Ayr Common Good Fund	0	106	(106)
(4)	Prestwick Common Good Fund	0	(3)	3
0	Troon Common Good Fund	0	0	0
0	Maybole Common Good Fund	0	0	0
1	Girvan Common Good Fund	0	0	0
54		0	103	(103)

Table 3 - Financial Variance Analysis

Projected FY Variance Favourable /(Adverse) £'000	Common Good Fund
(106)	<p><u>Ayr Common Good Fund:</u> The full year budget for repairs and maintenance is almost fully exhausted at period 3, meaning that difficult decisions require to be taken in order to control expenditure in this area between now and the year-end. Accordingly, a full-year overspend of £0.115m is currently projected, comprising overspends on property repairs and maintenance and utility costs, partly offset by a £0.009m projected over-recovery of interest income. All budgets will continue to be closely monitored during the remainder of the financial year.</p>
3	<p><u>Prestwick Common Good Fund:</u> A favourable variance of £0.003m at the year-end is currently projected, due to a combination of additional interest income as a result of interest rate increases.</p>
(103)	Total projected variance

Table 4 - Accumulated Revenue Reserves

Common Good Fund	Reserves as at 31 March 2024 £'000	Reserves as at 30 June 2024 £'000	Projected Reserves as at 31 March 2025 £'000
Ayr Common Good Fund	260	203	154
Prestwick Common Good Fund	245	249	248
Troon Common Good Fund	38	38	38
Maybole Common Good Fund	2	2	2
Girvan Common Good Fund	9	9	9
Total	554	501	451
Comments: Recent significant increases in the cost of property repairs and maintenance, coupled with relatively static rental and other income continues to put pressure on Ayr Common Good Fund budgets and reserves. A review of Common Good properties and an assessment of income generation opportunities is underway and a report will be brought before Members in due course outlining options.			

Table 5 - Accumulated Capital Reserves

Common Good Fund	Reserves as at 31 March 2024 £'000	Reserves as at 30 June 2024 £'000	Projected Reserves as at 31 March 2025 £'000
Ayr Common Good Fund	711	753	263
Prestwick Common Good Fund	35	35	35
Total	746	788	298
Comments: The increase in Ayr's capital reserves is due to a capital receipt in respect of the sale of Belleisle Lodge House. A contribution of approximately £0.500m towards the restoration cost of fire-damaged properties at Ayr High Street is anticipated during 2024/25.			

**Summary of Current General Services Financial Position
as at 30 June 2024**

	<i>£m</i>	<i>£m</i>
1) Accumulated surplus brought forward from 2023/24		28.591
Funds set aside for specific purposes		
2024/25 budget contribution	4.000	
Affordable homes	1.854	
Workforce change fund	5.515	
Transformation Fund	1.163	
Invest in South Ayrshire	0.200	
Community Halls Fund	0.573	
Ayrshire Growth Deal	0.121	
Civil Contingency (3 Ayrshire reserve commitment)	0.124	
Employability	0.100	
Corporate Support Capacity issues	0.226	
Levelling Up - additional capacity funding to be drawn only if required	0.125	
Golf Strategy - to address initial priority and health and safety issues	0.157	
Station Hotel – encapsulation costs	0.306	
Ash Tree Die back	0.312	
PPP Reserve commitment to 2025/26 to 2026/27 budgets	5.000	
Inflation reserve	0.041	
Council Covid-19 earmarking	1.714	
General Service earmarking	2.616	24.147
Uncommitted Council surplus brought forward as at 31 March 2024		4.444

	<i>£m</i>	<i>£m</i>
2) Movement in 2024/25		
i) Directorate budget projections:		
Service projections (per Appendix 1)	(2.228)	
Period 3 earmarking requests (subject to LP approval)	(0.091)	(2.319)
Projected uncommitted reserves at 31 March 2025		2.215

**South Ayrshire Council
Equality Impact Assessment
Scoping Template**

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. [FSD Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

1. Policy details

Policy Title	Budget Management – Revenue Budgetary Control 2024/25 – Position at 30 June 2024
Lead Officer (Name/Position/Email)	Tim Baulk, Chief Financial Officer – tim.baulk@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	-	-
Disability	-	-
Gender Reassignment (Trans/Transgender Identity)	-	-
Marriage or Civil Partnership	-	-
Pregnancy and Maternity	-	-
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	-	-
Religion or Belief (including lack of belief)	-	-
Sex – (issues specific to women & men or girls & boys)	-	-

Community or Groups of People	Negative Impacts	Positive impacts
Sexual Orientation – person’s sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-
Thematic Groups: Health, Human Rights & Children’s Rights	-	-

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	-	-
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	-	-
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent’s education, employment and income	-	-

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the ‘Three Key Needs’ of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low

5. Summary Assessment

Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)	YES NO
Rationale for decision: This report presents Members with a financial overview of the General Services revenue account, Housing Revenue Account and Common Good Accounts for 2024/25 as at 30 June 2024. Their decision on this has no specific equality implications	
Signed: Tim Baulk Date: 20 August 2024	Chief Financial Officer