

**South Ayrshire Council**

**Report by Chief Financial Officer  
to Cabinet  
of 26 November 2024**

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

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**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 September 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 and requested earmarking of resources to be carried forward to 2025/26 summarised in 4.1.6 and 4.1.7 below;
- 2.1.3 notes the likely financial impact of the transition to IFRS16 in relation to PFI/PPP arrangements from 2024/25 as outlined at 4.1.8:
- 2.1.4 notes the projected in year over-spend of £1.411m after earmarking and inclusion of the impact of the transition to IFRS16; 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 18*);
- 3.1.2 Housing Revenue Account - Appendix 1g (*page 19*); and
- 3.1.3 Common Good Funds - Appendix 1h (*page 21*).

- 3.2 As detailed in the Budget Management – Revenue Budgetary Control 2024/25 – Position Statement at 31 July 2024, presented to the Cabinet of 27 August 2024, revisions to the 2024/25 revenue budget were made in terms of corporate allocations, and other transfers actioned in line with Financial Regulations rules on budget transfers, resulting in revised planned net expenditure of £353.229m at period 3.
- 3.3 Directorate planned spending has further been adjusted to incorporate several adjustments, which are:
- 3.3.1 additional notifications of funding from the Scottish Government for:
- (i) £2.445m for the Scottish Governments additional contribution to meet the increased 2024/25 pay uplift for Teachers and increased Teachers pension costs;
  - (ii) £1.653m for the Scottish Governments additional contribution to meet the increased 2024/25 pay uplift for non-teaching staff; and
  - (iii) £0.020m for Scottish School Milk Subsidy scheme
- 3.3.2 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 September 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	17.183	0.835	<b>18.018</b>
Education	143.217	3.093	<b>146.310</b>
Housing, Operations and Development	45.499	1.480	<b>46.979</b>
Communities and Transformation	22.040	(0.417)	<b>21.623</b>
HSC	99.046	0.302	<b>99.348</b>
Misc. Services Account	26.244	(0.727)	<b>25.517</b>
<b>Total Expenditure</b>	<b>353.229</b>	<b>4.566</b>	<b>357.795</b>
General Revenue Grant	(232.311)	(4.118)	(236.429)
NDRI	(46.075)	-	(46.075)
Council Tax	(67.588)	-	(67.588)
Use of reserves b/fwd	(7.255)	(0.448)	7.703
<b>Total Income</b>	<b>(353.229)</b>	<b>(4.566)</b>	<b>(357.795)</b>
<b>Net Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 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 £99.348m 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 equated 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 £36.666m. 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 As a result of changes to the Cipfa Code of Practice, the Council requires to adopt a new accounting standard IFRS16 on a mandatory basis for leases and PFI/PPP arrangements with effect from the 2024/25 financial year. Council staff have been working alongside Link Asset Services, the Councils Treasury Management consultants in recent months, to establish the implications for the Council. This work will conclude prior to the year-end but draft estimates indicate a positive impact on revenue budgets in 2024/25 and beyond when adopting the standard in relation to PFI/PPP arrangements.

## **4. Proposals**

### **4.1 *Overview of Directorate/ Accounts' position as at 30 September 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 September 2024. The Council's overall General Services revenue position at Period 6, excluding HSCP, is projected to be an in year over-spend of £2.958m prior to earmarking (£3.199m 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	0.755	-	0.755
Education	(0.469)	-	(0.469)
Housing, Operations and /Development	(1.527)	-	(1.527)
Communities and Transformation	0.241	(0.241)	-
Miscellaneous Services Account	(1.858)	-	(1.858)
<b>Total Net expenditure</b>	<b>(2.858)</b>	<b>(0.241)</b>	<b>(3.099)</b>
Council Tax income (see 4.1.4 below)	(0.100)	-	(0.100)
<b>Net in year projected surplus</b>	<b>(2.958)</b>	<b>(0.241)</b>	<b>(3.199)</b>

4.1.3 Table 2, above, indicates an overall over-spend for the year (excluding HSCP) of £2.958m prior to approved/requested earmarking of £0.241m. 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 directorate/ services are not overspent, and that the income and expenditure of his/ her Directorate/ services conform to the requirements of these regulations.'*

4.1.4 **Council Tax Income** – A review of the current collection rates indicates they are slightly behind current year targets. It is anticipated that if trends continue, then Council Tax income will be £0.100m below budget expectations.

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 £0.831m 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	0.299	0.299	1c –page 7
HOD	1.130	1.130	1d –page 12
<b>Total</b>	<b>1.429</b>	<b>1.429</b>	

- 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 6 Earmarking**

<b>Directorate/ Account</b>	<b>Previously approved £m</b>	<b>New £m</b>	<b>Appendix Ref:</b>
Communities & Transformation	0.091	0.150	1e – page 15
	<b>0.091</b>	<b>0.150</b>	

- 4.1.8 **IFRS 16 transition** - As outlined in 3.9 above the Council requires to adopt IFRS 16 on a mandatory basis for leases and PFI/PPP arrangements from 2024/25. Work is ongoing on this matter and a report will be presented to the Audit and Governance Panel in the new year to provide detail on the transition to the new standard and the required accounting changes. Early work, alongside the Councils Treasury Management consultants (Link Asset Services), has determined a revenue benefit in the short to medium term linked to the councils three PPP arrangements. For 2024/25 this benefit is estimated to be a reduced revenue cost of £1.788m, and whilst this figure will be finalised at the year end, it is considered prudent to include the impact of this change on the overall financial status of the council at this stage.

## 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 £3.199m (after earmarking) outlined in Table 2 at 4.1.2 above. Once the impact of the transition to IFRS16 is included this overspend reduces to £1,411m.

- 4.2.2 Table 5 below indicates that a year-end £3.920m uncommitted general services surplus is currently projected at 31 March 2025. This equates to 1.52 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**

	<b>£m</b>
Unaudited opening surplus	28.591
Commitments (per Appendix 2)	(24.147)
<b>Uncommitted surplus brought forward</b>	<b>4.444</b>
Directorate 2024/25 projections (per table 2 above)	(3.199)
IFRS – PPP transition revenue impact 2024/25 (per 4.1.8 above)	1.788
Release of committed reserves (August 2024 Cabinet)	0.887
<b>Projected accumulated surplus</b>	<b>3.920</b>

- 4.2.3 Service managers require to limit spend wherever possible, as per the required action outlined in 4.1.3 in order to improve the in-year position and address the level of projected uncommitted reserves held.

#### 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 £2.264m. 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 £1.071m 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 £0.438m 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 £3.920m is currently projected for General Services, excluding HSCP.
- 6.2 A £1.071m accumulated uncommitted surplus is projected for the Housing Revenue Account and a combined £0.298m 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:

<b>Implementation</b>	<b>Due date</b>	<b>Managed by</b>
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 December 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: 18 November 2024**



# Budget Management Report to 30 September 2024 (Period 6)

## Appendix 1

Ref.	Directorate/ Account	Pages
1a	Chief Executive's Strategic Office	1 to 4
1b	Health & Social Care	5
1c	Education	6 to 8
1d	Housing, Operations and Development	9 to 13
1e	Communities and Transformation	14 to 16
1f	Miscellaneous Services Account	17 to 18
1g	Housing Revenue Account	19 to 20
1h	Common Good Funds	21 to 22

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 September £'000	Service	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
<b>225</b>	<b>Chief Executive &amp; Support</b>	<b>553</b>	<b>546</b>	<b>7</b>
	<b>Finance and Procurement Services:</b>			
57	Chief Financial Officer	129	129	0
839	Corporate Finance and Accounting	2,232	2,092	140
2,925	Revenues and Benefits	5,510	5,377	133
315	Strategic Procurement	717	670	47
<b>4,136</b>	<b>Total Finance and Procurement Services</b>	<b>8,588</b>	<b>8,268</b>	<b>320</b>
	<b>Regulatory Services:</b>			
57	Head of Regulatory Services	(6)	(6)	0
75	Civil Contingencies & Business Continuity	59	59	0
1,278	Democratic Governance Services	2,423	2,433	(10)
208	Insurance, Risk & Safety Management	597	524	73
331	Legal & Licensing Services	900	888	12
795	Trading Standards & Environmental Health	1,744	1,720	24
<b>2,744</b>	<b>Total Regulatory Services</b>	<b>5,717</b>	<b>5,618</b>	<b>99</b>
<b>1,079</b>	<b>Human Resources &amp; Payroll</b>	<b>2,834</b>	<b>2,516</b>	<b>318</b>
<b>140</b>	<b>Performance Appraisal &amp; Audit</b>	<b>326</b>	<b>315</b>	<b>11</b>
<b>8,324</b>	<b>Total Chief Executive's Office</b>	<b>18,018</b>	<b>17,263</b>	<b>755</b>

Table 2 - Subjective Analysis

Actual Expenditure to 30 September £'000	Account	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
6,331	Employee costs	15,531	14,928	603
115	Property costs	186	178	8
551	Supplies and services costs	610	648	(38)
34	Transport costs	94	78	16
700	Administrative costs	625	563	62
342	Third party payments	1,224	1,166	58
12,849	Transfer payments	25,906	25,906	0
14	Financing costs	12	12	0
<b>20,936</b>	<b>Gross expenditure</b>	<b>44,188</b>	<b>43,479</b>	<b>709</b>
(12,612)	Gross income	(26,170)	(26,216)	46
<b>8,324</b>	<b>Net expenditure</b>	<b>18,018</b>	<b>17,263</b>	<b>755</b>

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Chief Executive & Support
7	<b>Chief Executive &amp; Support:</b> A projected underspend of £0.007m; <b>Employee Costs</b> - projected underspend of £0.050m due to the current level of vacancies.
<b>7</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Finance, ICT and Procurement Services
0	<b>Chief Financial Officer:</b> projected online.
140	<b>Corporate Finance:</b> A projected underspend of £0.140m; <b>Employee Costs</b> - projected underspend of £0.123m due to the current level of vacancies. <b>Administrative Costs</b> - projected underspend of £0.005m on training costs. <b>Income</b> - projected over recovery of income of £0.012m from charges to other services.
133	<b>Revenues &amp; Benefits:</b> projected underspend of £0.133m; <b>Employee Costs</b> - projected underspend of £0.063m due to the current level of vacancies. <b>Income</b> - projected over recovery of income of £0.070m due to increased income from Scottish Water, and charges to other services.
47	<b>Strategic Procurement:</b> A projected underspend of £0.047m; <b>Administrative Costs</b> - projected underspend of £0.010m on printing costs. <b>Income</b> - projected over recovery of income of £0.037m, due to contract rebates (£0.020m) and charges for work done for other Council services (£0.017m).
<b>320</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Regulatory Services
0	<b>Civil Contingencies:</b> projected online.
(10)	<b>Democratic &amp; Governance Services:</b> A projected overspend of £0.010m; <b>Employee Costs</b> - projected underspend of £0.008m due to the current level of vacancies. <b>Property Costs</b> - projected underspend of £0.007m due to various small underspends. <b>Supplies &amp; Services Costs</b> - projected underspend of £0.005m on equipment and other fees. <b>Transport Costs</b> - projected underspend of £0.012m due to less vehicle hire, fuel and mileage. <b>Administrative Costs</b> - projected underspend of £0.023m on stationery/printing, telecomms, training and other admin costs. <b>Income</b> - projected under recovery of income of £0.065m, mainly due to marriage fee income levels being lower than anticipated.
73	<b>Risk &amp; Safety Management:</b> projected underspend of £0.073m; <b>Employee Costs</b> - projected underspend of £0.075m due to the current level of vacancies. <b>Income</b> - projected under recovery of income of £0.002m due to reduced commission for home contents insurance provided to Council tenants.
12	<b>Legal Services:</b> A projected underspend of £0.012m; <b>Employee Costs</b> - projected underspend of £0.031m due to the current level of vacancies. <b>Administrative Costs</b> - projected underspend of £0.002m on stationery and telecomms. <b>Income</b> - projected under recovery of income of £0.021m, due to Licencing fee income levels being lower than anticipated.
24	<b>Trading Standards &amp; Environmental Health:</b> A projected underspend of £0.024m; <b>Transport Costs</b> - projected underspend of £0.004m due to less private vehicle hire, fuel and mileage. <b>Income</b> - projected over recovery of £0.020m, due to additional income from Food Standards Scotland.
<b>99</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Human Resources & Payroll
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318	<b>Human Resources &amp; Payroll:</b> A projected underspend of £0.318m; <b>Employee Costs</b> - projected underspend of £0.245m due to the current level of vacancies. <b>Administrative Costs</b> - projected underspend of £0.020m, due to printing and postage (£0.008m) training (£0.005m) and various other small underspends totalling £0.007m. <b>Third Party Payments</b> - projected underspend of £0.058m due to savings on the new Occupational Health contract. <b>Income</b> - projected under recovery of income of £0.005m, due to reduced level of commission on trade union fees.
318	<b>Total projected variance</b>

<b>Projected FY Variance favourable / (adverse) £'000</b>	<b>Performance Appraisal &amp; Audit</b>
11	<b>Performance, Appraisal &amp; Audit:</b> A projected underspend of £0.011m; <b>Employee Costs</b> - projected underspend of £0.009m due to the current level of vacancies. <b>Administrative Costs</b> - projected underspend of £0.002m on training costs.
11	<b>Total projected variance</b>

**Table 4 - Budget Transfer Requests**

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

**Table 5 - Earmarking Requests**

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

**Table 6 - Efficiency Savings**

Efficiency savings:	Target £'000	Anticipated shortfall £'000
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
<b>Total</b>	<b>1,297</b>	<b>0</b>
<b>Comments:</b>		

**Table 7 - Payroll Management**

Payroll Management:	Target £'000	Achieved at period 6 £'000
Payroll Management - Corporate Target	406	186
<b>Total</b>	<b>406</b>	<b>186</b>
<b>Comments:</b>		

The payroll management target is currently projected to be over-achieved by £0.603m 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 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 17.5% at the start of financial year 2026/27. In addition the services require to meet the cost of the shortfall in funding as a result of the increased pay award for 2024/25 which is £0.031m. The impact of this is included in the services budgets noted above.

**Table 8 - Grant Income**

<b>New Grants Received:</b>		
<b>Amount £'000</b>	<b>Grant name/ body</b>	<b>Grant purpose</b>
<b>0</b>		
<b>Comments:</b> No new grant income identified at present.		

## Social Care

Table 1 - Objective Analysis

Actual Expenditure to 30 September £'000	Service	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
	<b>Community Care Services :</b>			
30,084	Older People	56,533	57,450	(917)
2,322	Physical Disabilities	4,939	4,732	208
<b>32,407</b>	<b>Total Community Care Services</b>	<b>61,472</b>	<b>62,182</b>	<b>(710)</b>
10,301	Children's Services	23,274	22,646	628
(290)	Justice Services	(4)	(4)	0
<b>10,011</b>	<b>Total Children and Justice Services</b>	<b>23,270</b>	<b>22,642</b>	<b>628</b>
12,053	Learning Disabilities	26,554	26,589	(35)
2,143	Mental Health	4,417	5,100	(683)
545	Addiction	1,857	1,858	(0)
<b>14,740</b>	<b>Total Mental Health Services</b>	<b>32,828</b>	<b>33,546</b>	<b>(719)</b>
2,435	Directorate Services	6,669	6,196	473
5	Other Services	3	0	3
0	Vacancy management	(506)	0	(506)
<b>2,440</b>	<b>Total Support Services</b>	<b>6,166</b>	<b>6,196</b>	<b>(30)</b>
297	<b>Integrated Care Fund/Delayed Discharges</b>	469	469	0
(8,455)	<b>Interagency payments with Health</b>	(19,303)	(19,303)	0
<b>51,441</b>	<b>HSCP Sub-total</b>	<b>104,903</b>	<b>105,734</b>	<b>(831)</b>
179	Aids and Adaptations etc	809	809	0
<b>51,620</b>	<b>Final HSCP total</b>	<b>105,712</b>	<b>106,543</b>	<b>(831)</b>

<b>Earmarking requests</b>	<b>0</b>
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**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 September (Period 6).

The table above includes £4.281m transferred from reserves, leaving a balance of £12.190m, of which £5.355m is committed and yet to be transferred. The committed balance of £2.598m Improvement and Innovation Fund is also still to be allocated and therefore £4.237m General Reserves that remains uncommitted.

The Period 6 position includes £0.377m of pay award funding allocated and projections are based on

## Education Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 September £'000	Service	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
126	Directorate	449	748	(299)
499	Corporate Policy, Strategy & Performance	3,226	3,226	0
8,494	Education - Early Years	18,787	18,787	0
47,049	Education - Learning and Teaching Schools	86,925	87,009	(84)
7,676	Education - Learning and Teaching Additional Support	17,065	17,151	(86)
9,737	Education Support Services	19,858	19,858	0
<b>73,581</b>	<b>Total Education Directorate</b>	<b>146,310</b>	<b>146,779</b>	<b>(469)</b>

Table 2 - Subjective Analysis

Actual Expenditure to 30 September £'000	Account	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
54,028	Employee costs	114,360	114,160	200
16,281	Property costs	27,147	27,147	0
1,069	Supplies and services costs	2,340	2,340	0
2,218	Transport costs	4,816	5,286	(470)
1,098	Administrative costs	1,194	1,194	0
4,367	Third party payments	9,001	9,300	(299)
372	Transfer payments	405	405	0
8	Financing costs	8	8	0
<b>79,441</b>	<b>Gross expenditure</b>	<b>159,271</b>	<b>159,840</b>	<b>(569)</b>
(5,860)	Gross income	(12,961)	(13,061)	100
<b>73,581</b>	<b>Net expenditure</b>	<b>146,310</b>	<b>146,779</b>	<b>(469)</b>

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
(299)	<b>Payroll Management Target</b> - currently projected to be under-recovered by £0.299m (based on approval of budget transfer request within Early Years). The requested transfer is due to additional SG funding to support delivery of the £12 per hour pay commitment, which was not allocated to EY as part of the budget process due to information not being received from SG until after budget was approved. 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.
<b>(299)</b>	<b>Total projected variance</b>
Projected FY Variance favourable /(adverse) £'000	Corporate Policy, Strategy & Performance
0	Currently projected to be online.
<b>0</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Education
(170)	<p><b>Pupil Equity Funding</b> - 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 2026/27 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><b>Early Years</b> - payments to partners is projected to be overspent by £0.299m. This relates to additional funding to support delivery of the £12 per hour pay commitment received by SG as part of the 2024/25 GRG. However, details of this were not received by SG until after the budget was set and funding was not allocated to Early Years. This has now been included as a 2025/26 resource pressure. Members are requested to approve a temporary budget transfer of £0.299m from EY employee costs to offset this overspend.</p> <p><b>Teaching Costs</b> - 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><b>Pupil Transport</b> - projected overspend of £0.470m, primarily within ASN framework contracts.</p> <p><b>Other local authority income (ASN)</b> - projected to be over-recovered by £0.100m inter-authority recharges, due to an increase in the number of pupils accessing ASN in South Ayrshire from other authorities.</p> <p><b>Whole Family Wellbeing Fund (WFWF)</b> - 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><b>PPP</b> - currently projected to be online, depending on the utilities reconciliation for 23/24 still to be received.</p>
<b>0</b>	<b>Total projected variance</b>

**Table 4 - Budget Transfer Requests**

Budget Transfer Requests:		DR £'000	CR £'000
1	Early years - Employee Costs		299
	Early years - Payments to partners	299	
	<i>Utilise EY employee costs underspends to offset the additional</i>		
<b>Total</b>		<b>299</b>	<b>299</b>

**Table 5 - Earmarking Requests**

Earmarking requests:	Objective/ Subjective	Amount £'000
N/A		
<b>Total</b>		<b>0</b>
<b>Comments:</b> Detail included above.		



**Table 6 - Efficiency Savings**

<b>Efficiency savings:</b>	<b>Target £'000</b>	<b>Anticipated shortfall £'000</b>
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
<b>Total</b>	<b>712</b>	<b>0</b>
<b>Comments:</b> No anticipated shortfalls.		

**Table 7 - Payroll Management**

<b>Payroll Management:</b>	<b>Target £'000</b>	<b>Achieved at period 6 £'000</b>	<b>Remaining to be achieved £'000</b>
Payroll Management - Corporate target	3,748	1,875	1,873
<b>Total</b>	<b>3,748</b>	<b>1,875</b>	<b>1,873</b>
<b>Comments:</b> Currently projected to be £0.299m under-recovered, however this will be updated throughout the financial year to take into consideration SG probationer allocations received from SG and long-term sick cover.			

**Table 8 - Grant Income**

<b>New Grants Received:</b>		
<b>Amount £'000</b>	<b>Grant name/ body</b>	<b>Grant purpose</b>
272	Scottish Government	Scottish Milk and Healthy Snack Scheme
25	Scottish Government	EMA - admin
2,938	Scottish Government	New Schools - unitary charge
6	Scottish Government	Food for Thought
68	Scottish Government	Care Experienced Children and Young People
25	Dumfries & Galloway Council	SWEIC
1	Tesco	Groundwork Funding
113	Creative Scotland	Youth Music Initiative
41	Ayrshire Chamber of Commerce	Developing Young Workforce
341	Scottish Government	HEEPS
<b>3,830</b>		
<b>Comments:</b> Additional amounts notified during the financial year, not included in original budget.		

## Housing Operations &amp; 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
	<b>Directorate</b>	<b>9,448</b>	<b>10,535</b>	<b>(1,087)</b>
180	Directorate	1,195	1,499	(304)
4,652	Ayrshire Roads Alliance/SPT	8,253	9,036	(783)
	<b>Planning &amp; Development</b>	<b>6,335</b>	<b>6,527</b>	<b>(192)</b>
3,299	Asset Management and Community Asset Transfer	5,486	5,686	(200)
1,785	Planning and Building Standards	1,364	1,359	5
(344)	Professional Design Services	(513)	(516)	3
21	Special Property Projects	(2)	(2)	0
	<b>Housing &amp; Operations</b>	<b>31,196</b>	<b>31,444</b>	<b>(248)</b>
5,240	Facilities Management	11,340	11,696	(356)
1,378	Housing Services	1,009	1,009	0
11,324	Neighbourhood Services	18,746	18,638	108
749	Property Maintenance	101	101	0
<b>28,284</b>	<b>Total Housing Operations &amp; Development</b>	<b>46,979</b>	<b>48,506</b>	<b>(1,527)</b>

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
15,869	Employee costs	36,144	36,685	(541)
4,482	Property costs	6,475	6,599	(124)
11,052	Supplies and services costs	15,723	16,573	(850)
4,198	Transport costs	6,011	6,479	(468)
139	Administrative costs	433	433	0
10,117	Third party payments	16,621	16,122	499
0	Transfer payments	0	0	0
44	Financing costs	92	25	67
<b>45,901</b>	<b>Gross expenditure</b>	<b>81,499</b>	<b>82,916</b>	<b>(1,417)</b>
(17,617)	Gross income	(34,520)	(34,410)	(110)
<b>28,284</b>	<b>Net expenditure</b>	<b>46,979</b>	<b>48,506</b>	<b>(1,527)</b>

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Directorate
(304)	Directorate - projected overspend of £0.304m 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 (£0.154m) and the increased 2024/25 pay award unfunded element (£0.150m)
<b>(304)</b>	<b>Total projected variance</b>
Projected Variance favourable /(adverse) £'000	Ayrshire Roads Alliance/SPT

(783)	<b>Ayrshire Roads Alliance/SPT</b> - overspend of £0.783m mainly as a result of overspends in electricity costs for street lighting and electric vehicles (£0.350m), increased sub-contractors costs (£0.300m), increased consultancy costs (£0.200m), committed costs for Christmas Lights (£0.090m) which is unbudgeted and under-recovery of car parking income (£0.600m) is predominantly as a result of the extension of 2 hour free parking along with a general downturn in parking income overall across the area. This is partially offset by an underspends in employee costs (£0.516m) as a result of current vacancies and increase in parking fines (£0.100m) and other income (£0.041m).
(783)	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	Asset Management & Community Asset Transfer
(200)	<p><b>Asset Management</b> - projected overspend of £0.200m ;</p> <p><b>Employee Costs</b> - projected underspend of £0.080m due to current vacancies.</p> <p><b>Property costs</b> - projected overspend of £0.074m mainly as a result of the delay in delivering the proposed office rationalisation (£0.200m) and general repair costs to County Buildings (£0.014m). These overspends are partly offset with an underspend in Central Repairs Account (£0.100m) as a result of management action to prioritise work and reduced repair and maintenance costs in Health &amp; Social Care occupied buildings (£0.040m).</p> <p><b>Supplies &amp; Services</b> - projected overspend of £0.100m, due to consultancy costs in relation to 5 year periodic Council property asset valuations.</p> <p><b>Transport Costs</b> - projected overspend of £0.025m due to additional private contract hire costs.</p> <p><b>Income</b> - projected under-recovery in rental income of £0.081m based on current income levels.</p>
(200)	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	Planning & Building Standards
5	<p><b>Planning &amp; Building Standards</b> - projected underspend of £0.005m ;</p> <p><b>Employee costs</b> - projected underspend of £0.029m as a result of current vacancies</p> <p><b>Supplies &amp; Services costs</b> - projected overspend of £0.104m 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><b>Income</b> - projected over-recovery of £0.080m due to an increase in the number of applications during the quarter linked to some economic recovery in the second half of the year.</p>
5	

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

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

Projected Variance favourable /(adverse) £'000	Facilities Management
(356)	<p><b>Facilities Management</b> - projected overspend of £0.356m as a result of;</p> <p><b>Employee costs</b> - projected overspend of £0.206m 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><b>Property costs</b> - projected underspend of £0.050m within cleaning &amp; domestic supplies due to the essential spend only directive</p> <p><b>Supplies &amp; Services costs</b> - projected overspend of £0.112m mainly due to the increased price of food products required to produce school meals</p> <p><b>Transport costs</b> - projected overspend of £0.030m as a result of the increased cost of lease vehicles</p> <p><b>Income</b> - projected under -recovery of £0.058m as a result of reduced Public Convenience income following closures due to acts of vandalism (£0.028m) and reduced school meals income (£0.030m) based on current uptake</p>
<b>(356)</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	Housing Services
0	<p><b>Housing Services</b> - projected online as a result of;</p> <p><b>Employee Costs</b> - projected underspend of £0.086m due to current vacancies.</p> <p><b>Supplies &amp; Services Costs</b> - projected underspend of £0.050m. This relates to budget for removal and storage costs (£0.050m) which were increased as part of the Period 3 BMR as a result of the increased demand for temporary homeless accommodation.</p> <p><b>Third Party Payments</b> - projected underspend of £0.040m, which relates surplus benefits subsidy grant.</p> <p><b>Income</b> - projected under recovery of £0.176m. As part of the Period 3 BMR the income target was increased based on the projections at that time with the additional income being used to fund increased costs. Income is now projected to be lower than expected, with costs also expected to be lower (see Supplies &amp; Services costs above). 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>
<b>0</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	Neighbourhood Services
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108	<p><b>Neighbourhood Services</b> - projected underspend of £0.108m as a result of;</p> <p><b>Employee costs</b> - projected overspend of £0.236m 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><b>Supplies and Services</b> - projected overspend of £0.717m due to the use of subcontractors (£0.270m) for hedgecutting, sweeper and RCV hires, (£0.200m) for equipment and security costs at HWRC, (£0.120m) for unbudgeted software costs (Kronos, Triscan, Pentagull, Albion Environmental, Bartec), (£0.077m) for increased cost of plant and tools and (£0.050m) for the increased costs of PPE</p> <p><b>Transport costs</b> - projected overspend of £0.413m as a result of increased lease costs, repairs and maintenance costs and fuel price increases</p> <p><b>Third Party payments</b> - projected underspend of £1.282m due to reduced tonnages for recycling along with the negotiation of new favourable contracts within a fluctuating marketplace</p> <p><b>Financing costs</b> - projected underspend of £0.067m as a result of the cremators now being fully depreciated less ongoing annual maintenance costs</p> <p><b>Income</b> - projected over-recovery of £0.125m as a result of the higher than anticipated brown bin permit uptake (£0.200m), and increased bereavement income (£0.130m) offset by an under-recovery in commercial waste customers and recycling income (£0.205m)</p> <p>Members are requested to approve a Budget Transfer Request (BTR) (<b>Table 4</b> below) to use the underspend in recycling costs to realign budgets in relation to increased transport costs and supplies and services costs</p>
<b>108</b>	<b>Total projected variance</b>
<b>Projected Variance favourable / (adverse) £'000</b>	<b>Property Maintenance</b>
0	<b>Property Maintenance Service</b> - projected online
<b>0</b>	<b>Total projected variance</b>

**Table 4 - Budget Transfer Requests**

Budget Transfer Requests:		DR £'000	CR £'000
1	Neighbourhood Services - Supplies & Services	717	
	Neighbourhood Services - Transport costs	413	
	Neighbourhood Services - Third Party Payments		1,130
	<i>Being the utilisation of the underspend in recycling costs to fund the increased transport costs and the increase in supplies &amp; services costs</i>		
<b>Total</b>		<b>1,130</b>	<b>1,130</b>

**Table 5 - Earmarking Requests**

	Objective/ Subjective	Amount £'000
N/A		
<b>Total</b>		<b>0</b>

**Table 6 - Efficiency Savings**

Efficiency savings:		Targeted £'000	Anticipated shortfall £'000
ARA	Introduction of EV charging tariff for public use.	52	52
	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	21
Asset Management	Transforming the Estate Review - rationalise council assets and remove various property costs	200	200
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
<b>Total</b>		<b>1,372</b>	<b>273</b>
<b>Comments:</b>			

**Table 7 - Payroll Management**

<b>Payroll Management:</b>	<b>Targeted £'000</b>	<b>Achieved at period 6 £'000</b>	<b>Remaining to be achieved £'000</b>
Payroll Management - Corporate target	1,020	255	765
Payroll Management - Directorate target	63	16	47
<b>Total</b>	<b>1,083</b>	<b>271</b>	<b>812</b>
It is anticipated that payroll turnover will be under-recovered by £0.541m mainly as a result of the employers superannuation cost and additional pay award noted under Directorate (Table 3 above) and level of sickness within front line staff which requires to be back-filled			

**Table 8 - Grant Income**

<b>New Grants Received:</b>		
<b>Amount £'000</b>	<b>Grant name/ body</b>	<b>Grant purpose</b>
9	Zero Waste Scotland	Support recycling initiatives
<b>9</b>		
<b>Comments:</b>		
The above grants which have been received during the financial year were not part of the approved Directorate budget.		

## Communities &amp; Transformation Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 September £'000	Service	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
251	<b>Directorate</b>	536	(64)	600
	<b>Communities</b>			
1,337	Thriving Communities	4,690	4,690	0
(648)	Economy and Regeneration	1,180	1,030	150
4,452	Destination South Ayrshire	8,050	8,450	(400)
<b>5,141</b>	<b>Total Communities</b>	<b>13,920</b>	<b>14,170</b>	<b>(250)</b>
	<b>Transformation</b>			
2,422	ICT Strategy & Delivery	4,846	4,846	0
914	Customer Services & Public Affairs	2,300	2,209	91
108	Transformation	21	221	(200)
<b>3,444</b>	<b>Total Strategic Change</b>	<b>7,167</b>	<b>7,276</b>	<b>(109)</b>
<b>8,836</b>	<b>Total Strategic Change &amp; Communities Directorate</b>	<b>21,623</b>	<b>21,382</b>	<b>241</b>

Table 2 - Subjective Analysis

Actual Expenditure to 30 September £'000	Account	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
9,827	Employee costs	22,197	21,750	447
2,498	Property costs	3,163	3,213	(50)
3,794	Supplies and services costs	2,475	2,615	(140)
491	Transport costs	671	671	0
379	Administrative costs	243	243	0
1,329	Third party payments	2,481	2,931	(450)
4	Transfer payments	10	10	0
0	Financing costs	0	0	0
<b>18,322</b>	<b>Gross expenditure</b>	<b>31,240</b>	<b>31,433</b>	<b>(193)</b>
(9,486)	Gross income	(9,617)	(10,051)	434
<b>8,836</b>	<b>Net expenditure</b>	<b>21,623</b>	<b>21,382</b>	<b>241</b>

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
600	<b>Service</b> - projected over-recovery in payroll management target of £0.600m, 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.
<b>600</b>	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Communities
(250)	<p><b>Thriving Communities</b> - currently projected to be online.</p> <p><b>Economy &amp; Regeneration</b> - currently projected to be underspent by £0.150m within LACER - Training and Skills Fund. Members to note that ELT approval has already been sought to earmark this underspend to fund 5 temporary positions within Community Wealth Building until September 2025 (refer to <b>Table 5</b> below).</p> <p><b>Destination South Ayrshire (Golf)</b> - Golf income, including R&amp;A income from the Open, is currently projected to be over-recovered by £0.434m. However, this is offset by projected overspends in both employee costs and supplies &amp; services. Budget transfer requests are currently being identified and will be presented in the next budget management report.</p> <p><b>Destination South Ayrshire (Sport &amp; Leisure)</b> - currently projected to be online.</p> <p><b>International Ayr Show - Festival of Flight 2024</b> - current projections indicate a potential overspend of approximately £0.400m. Members will be updated once all invoices/income are reconciled.</p>
(250)	<b>Total projected variance</b>

Projected FY Variance favourable /(adverse) £'000	Transformation
(109)	<p><b>ICT Strategy &amp; Delivery</b> - currently projected to be online.</p> <p><b>Customer Services &amp; Public Affairs - IAAH (COVID Recovery Project)</b> - 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 <b>Table 5</b> below).</p> <p><b>Transformation</b> - projected overspend of £0.200m due to short term unachievable savings target from 2023/24.</p>
(109)	<b>Total projected variance</b>

**Table 4 - Budget Transfer Requests**

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

**Table 5 - Earmarking Requests**

Earmarking requests:	Objective/ Subjective	Amount £'000
<b>Previously approved:</b>		
Organisational Development Posts per Cabinet 28/11/23	OD/Employee Costs	91
<b>New:</b>		
ELT - LACER funded posts - Community Wealth Building	E&R/Employee Costs	150
<b>Total</b>		<b>241</b>
<b>Comments:</b> Details included above.		



**Table 6 - Efficiency Savings**

<b>Efficiency savings:</b>	<b>Target £'000</b>	<b>Anticipated shortfall £'000</b>
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
<b>Total</b>	<b>139</b>	<b>0</b>
<b>Comments:</b> Anticipated shortfalls in approved efficiencies have been included in the projections above.		

**Table 7 - Payroll Management**

<b>Payroll Management:</b>	<b>Target £'000</b>	<b>Achieved at period 6 £'000</b>	<b>Remaining to be achieved £'000</b>
Payroll Management - Corporate target	633	461	172
<b>Total</b>	<b>633</b>	<b>461</b>	<b>172</b>
<b>Comments:</b> Currently projected to be £0.600m over-recovered.			

**Table 8 - Grant Income**

<b>New Grants Received:</b>		
<b>Amount £'000</b>	<b>Grant name/ body</b>	<b>Grant purpose</b>
318	Scottish Government	CCLD
191	Scottish Government	No-one Left Behind
213	Scottish Government	UKSPF
32	Ayr College	ESOL
5	Scottish Government	ESOL
1	Scottish Book Trust	Library Week
2	Duke of Edinburgh	Duke of Edinburgh
189	Sport Scotland	Active Schools
9	Lottery Sports Scotland	Comm Cycling Fund
41	Sport Scotland	Active Communities
51	Sport Scotland	Closing the Gap
178	Scottish Government	RSGF Pinwherry PS Redevelopment
<b>1,230</b>		
<b>Comments:</b> Additional amounts notified during the financial year, not included in original budget.		

## Miscellaneous Services

Table 1 - Objective Analysis

Actual Expenditure to 30 September £'000	Service	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March 2025 £'000	Projected FY Variance Favourable /(Adverse) £'000
5,240	Miscellaneous Services	25,517	27,375	(1,858)
<b>5,240</b>	<b>Total Miscellaneous Services</b>	<b>25,517</b>	<b>27,375</b>	<b>(1,858)</b>

Table 2 - Subjective Analysis

Actual Expenditure to 30 September £'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	18,945	(1,335)
0	Investment income	(2,130)	(2,205)	75
0	Recharges to other services	(1,793)	(1,793)	0
430	Requisitions and other initiatives	859	859	0
451	Employee provision	710	732	(22)
72	Fees and subscriptions	479	482	(3)
3,964	Other payments	6,711	7,465	(754)
55	Covid-19 costs	0	38	(38)
183	Salary sacrifice schemes	617	419	198
117	Equal pay	0	0	0
0	PPP flexibility adjustment	(2,026)	(2,026)	0
0	Contribution to Reserves	4,501	4,501	0
<b>5,272</b>	<b>Gross expenditure</b>	<b>25,538</b>	<b>27,417</b>	<b>(1,879)</b>
(32)	Gross income	(21)	(42)	21
<b>5,240</b>	<b>Net expenditure</b>	<b>25,517</b>	<b>27,375</b>	<b>(1,858)</b>

Table 3 - Analysis of Significant Variances

Projected	Miscellaneous Services
(1,335)	<b>Debt management charges</b> - The budget for loan charges in 2024/25 is £17.610m, comprising £6.457m for loan principal, £10.978m for interest costs and £0.174m for loans fund expenses. The current projection for loans charges to the General Fund is an overspend of £1.334m in interest and expenses. When offset by the projected £0.075m over-recovery of interest income (refer below), a net overspend of £1.259m is currently projected. This will continue to be reviewed in conjunction with progress against the capital programme and monitored closely for the remainder of the financial year.
75	<b>Investment income</b> - The Council budgeted for investment income of £2.130m based on an estimate of the average revenue balances held during the year at an assumed interest rate return of 5.50% on these balances. At period 6, full year budgeted income of £2.205m is currently projected (an over-recovery of £0.075m against budget) due to a higher than anticipated interest rate levels.
(22)	<b>Employee provision</b> - a small overspend £0.022m, mainly due to apprenticeship levy costs.
(754)	<b>Other payments:</b> the net overspend comprised the following significant elements: - £0.701m overspend on Non-Domestic Rates due to a combination in reductions in available reliefs and increases in poundage rates; -£0.126m overspend on insurance costs net of third party claims, due to a considerable increase in renewal costs from 2023/24; - £0.215m overspend due to unachievable corporate 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. These overspends are partly offset by a £0.355m projected underspend on energy costs across all Council services but reported corporately within Miscellaneous Services, based on estimated forecasts in what continues to be a fluctuating energy price market.

(38)	<b>Covid-19 costs:</b> the projected overspend relates to ongoing costs associated with the lease of a hangar at Prestwick Airport.
198	<b>Salary sacrifice schemes:</b> the projected underspend comprises both Car Leasing Scheme (£0.123m saving) and Viv-up Scheme (£0.033m saving), based on projected orders until the end of the financial year end, less the cost of administering the schemes.
0	<b>Equal Pay:</b> Second wave equal pay payments during the financial year are expected to be fully met from an existing Balance Sheet provision of £0.282m.
0	<b>Contribution to reserves:</b> 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 will be allocated back to uncommitted reserves.
<b>(1,876)</b>	<b>Total Full Year Variance</b>

**Table 4 - Budget Transfer Requests**

Description	DR £'000	CR £'000
N/a		
<b>Total</b>	<b>0</b>	<b>0</b>

**Table 5 - Earmarking Requests**

Description	Objective/ Subjective	Amount £'000
N/a		
<b>Total</b>		<b>0</b>
<b>Comments:</b> 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
<b>Total</b>	<b>600</b>	<b>215</b>
<b>Comments:</b> 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
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Comments:</b> No payroll management target allocated to Miscellaneous Services.		

**Table 8 - Grant Income**

New Grants Received:		
Amount £'000	Grant Name/ Body	Grant Purpose
0		
<b>Comments:</b>		

## Housing Revenue Account

Table 1 - Objective Analysis

Actual Expenditure to 30 September £'000	Service	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
(12,952)	Housing Revenue Account	0	(2,264)	2,264
<b>(12,952)</b>		<b>0</b>	<b>(2,264)</b>	<b>2,264</b>

Table 2 - Subjective Analysis

Actual Expenditure to 30 September £'000	Service	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
2,502	Employee costs	5,792	5,442	350
7,146	Property costs	15,418	14,131	1,287
236	Supplies and services costs	363	328	35
19	Transport costs	74	74	0
196	Administrative costs	1,523	1,410	113
112	Support services costs	1,837	1,837	0
96	Third party payments	107	95	12
59	Transfer payments	117	117	0
0	Financing costs	7,038	6,658	380
1,798	CFCR	4,397	4,397	0
<b>12,164</b>	<b>Gross expenditure</b>	<b>36,666</b>	<b>34,489</b>	<b>2,177</b>
(25,116)	Income	(36,666)	(36,753)	87
<b>(12,952)</b>	<b>Net expenditure</b>	<b>0</b>	<b>(2,264)</b>	<b>2,264</b>

Table 3 - Financial Variance Analysis

Projected Variance favourable /(adverse) £'000	Housing Revenue Account
350	<b>Employee costs</b> - projected underspend of £0.350m due to current vacancies.
1,287	<b>Property Costs</b> - projected underspend of £1.287m. This is mainly due to a projected underspend of £1.869m in the cost of repairs to council houses, where management action undertaken has reduced the use of sub contractors by increasing efficiency to keep an increased level of work in house. This underspend is partially offset with an increase in Unlets costs projected to overspend by £0.385m, as well as projected overspends in Gas Contracts (£0.127m) and electricity (£0.070m) due to price increases. 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.
35	<b>Supplies &amp; Services</b> - projected underspend of £0.035m, due to lower than expected legal fees.
0	<b>Transport Costs</b> - projected online.
113	<b>Administrative costs</b> - projected underspend of £0.113m. 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. Additionally there are other underspends in telecomms and stationery costs totalling £0.040m. These underspends are partly offset by overspends in Insurance costs (£0.150m) due to price increases and contract printing costs (£0.020m).
0	<b>Support service costs</b> - projected online.
12	<b>Third Party Payments and Transfer Payments</b> - projected underspend of £0.012m on charges from other Council services.

380	<b>Financing costs</b> - projected net underspend of £0.380m comprising: - Principal, Interest payments and expenses - projected overspend of £0.278m 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 - £0.102m over recovery as a result of the Loans Fund exceeding the originally estimated rate of interest on investments.
0	<b>CFCR - projected online</b>
2,177	<b>Income</b> - over recovery of £0.087m in rental income. Members are requested to approve a budget transfer (see <b>Table 6</b> ) from the current year underspend to transfer £1m towards CFCR which will in turn reduce debt charges through reduced borrowings, as well as earmarking of £0.500m from the projected surplus (see Table 4 below) to fund the impact of the 24/25 increased pay award on 25/26 and 26/27 budgets and the national insurance changes from April 2025.
<b>4,354</b>	<b>Total projected variance</b>
<b>Comments:</b>	

**Table 4 - Accumulated Surplus**

Accumulated Surplus	Amount £'000	Amount £'000
HRA accumulated surplus as at 1 April 2024	2,520	
Current year projected surplus	2,264	
Proposed budget transfer to CFCR	(1,000)	
Minimum working balance	(2,000)	
<b>Projected surplus for the year ended 31 March 2025</b>		<b>1,784</b>
<b>Current commitments:</b>		
<b>Revenue:</b>		
Transformation within Housing - support costs		(44)
Costs associated with Home Loss Payments at Riverside High Flats and provision for Disturbance		(169)
To fund the impact of the increased pay award in 2024/25 on 2025/26 and 2026/27 budgets and employers national insurance rate changes from April 2025		(500)
<b>Projected uncommitted surplus as at 31 March 2025</b>		<b>1,071</b>
<b>Comments:</b>		

**Table 5 - Rent Arrears**

Rent Arrears	As at 30 Sept 2023	As at 30 Sept 2024	Movement
Current Tenants – Mainstream	1,393	1,450	4%
Former Tenants – Mainstream	674	727	8%
<b>Total</b>	<b>2,067</b>	<b>2,177</b>	<b>5%</b>
<b>Comments:</b>			
Historically, the Council has performed well in the areas of rent arrears management and the collection of rental income. From the 2023/24 benchmarking information, the Council was the best performing local authority in terms of overall arrears at 4.63% of the rent due for the 2023/24 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
<b>1</b> Financing costs - CFCR	1,000	
Property Costs - Repairs		1,000
To utilise underspend in repairs costs to fund increased CFCR which will in turn reduce debt charges through reduced borrowings		
<b>Total</b>	<b>1,000</b>	<b>1,000</b>

## Common Good Funds

Table 1 - Objective Analysis

Actual Net Expenditure/ (Income) to 30 September £'000	Common Good Fund	Full Year Budget 2023/24 £'000	Projected Full Year Actual to 31 March 2024 £'000	Projected Full Year Variance favourable /(adverse) £'000
237	Ayr Common Good Fund	0	119	(119)
(10)	Prestwick Common Good Fund	0	(3)	3
0	Troon Common Good Fund	0	(1)	1
0	Maybole Common Good Fund	0	0	0
0	Girvan Common Good Fund	0	0	0
<b>227</b>		<b>0</b>	<b>115</b>	<b>(115)</b>

Table 3 - Financial Variance Analysis

Projected Full Year Variance favourable /(adverse) £'000	Common Good Fund
(119)	<b><u>Ayr Common Good Fund:</u></b> The full year budget for repairs and maintenance was fully exhausted at period 6, meaning that only expenditure of an absolutely essential nature should now be incurred on the Fund's properties, in order to control expenditure between now and the year-end. Accordingly, a full-year overspend of £0.129m is currently projected, comprising overspends of £0.096m on property repairs and maintenance and £0.033m on utility costs including non-domestic rates and council tax. These projected overspends are partly offset by a small projected underspend of £0.001m on administrative costs and £0.009m projected over-recovery of interest income. All budgets will continue to be closely monitored during the remainder of the financial year.
3	<b><u>Prestwick Common Good Fund:</u></b> A favourable variance of £0.003m at the year-end is currently projected, due to additional interest income as a result of interest rate increases.
1	<b><u>Troon Common Good Fund:</u></b> A favourable variance of £0.001m at the year-end is currently projected, due to additional interest income as a result of interest rate increases.
<b>(115)</b>	<b>Total projected variance</b>

**Table 4 - Accumulated Revenue Reserves**

<b>Common Good Fund</b>	<b>Reserves as at 31 March 2024 £'000</b>	<b>Reserves as at 30 September 2024 £'000</b>	<b>Projected Reserves as at 31 March 2025 £'000</b>
Ayr Common Good Fund	260	23	141
Prestwick Common Good Fund	245	254	248
Troon Common Good Fund	38	38	38
Maybole Common Good Fund	2	2	2
Girvan Common Good Fund	9	9	9
<b>Total</b>	<b>554</b>	<b>326</b>	<b>438</b>
<b>Comments:</b> Work is ongoing to assess the impact of repairs and maintenance costs on Ayr Common Good Fund			

**Table 5 - Accumulated Capital Reserves**

<b>Common Good Fund</b>	<b>Reserves as at 31 March 2024 £'000</b>	<b>Reserves as at 30 September 2024 £'000</b>	<b>Projected Reserves as at 31 March 2025 £'000</b>
Ayr Common Good Fund	711	753	263
Prestwick Common Good Fund	35	35	35
<b>Total</b>	<b>746</b>	<b>788</b>	<b>298</b>
<b>Comments:</b> 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 September 2024**

	<i>£m</i>	<i>£m</i>
<b>1) Accumulated surplus brought forward from 2023/24</b>		<b>28.591</b>
<b>Funds set aside for specific purposes</b>		
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	<b>24.147</b>
<b>Uncommitted Council surplus brought forward as at 31 March 2024</b>		<b>4.444</b>



	<i>£m</i>	<i>£m</i>
<b>2) Movement in 2024/25</b>		
<b>i) Directorate budget projections:</b>		
Service projections (per Appendix 1)	(2.958)	
Period 3 approved earmarking requests	(0.091)	
Period 6 earmarking requests (subject to Cabinet approval)	(0.150)	<b>(3.199)</b>
<b>ii) Other:</b>		
Assessed revenue impact of IFRS16 transition – PPP arrangements	1.788	<b>1.788</b>
<b>iii) Review of committed reserves</b>		
Release fund to uncommitted (August 2024 Cabinet)	0.887	<b>0.887</b>
<b>Projected uncommitted reserves at 31 March 2025</b>		<b>3.920</b>

**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 September 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)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	Low
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	Low
<b>Foster good relations</b> 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

<b>Is a full Equality Impact Assessment required?</b> (A full Equality Impact Assessment must be carried out if impacts identified as <b>Medium and/or High</b> )	<del>YES</del>  <b>NO</b>
<b>Rationale for decision:</b>  <b>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 September 2024. Their decision on this has no specific equality implications</b>	
<b>Signed:</b> Tim Baulk  <b>Date:</b> 18 November 2024	<b>Chief Financial Officer</b>