

South Ayrshire Council

**Report by Chief Financial Officer
to Cabinet
of 21 January 2025**

**Subject: Budget Management – Revenue Budgetary Control
2024/25 – Position at 30 November 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 November 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; and**
- 2.1.3 notes the projected in year under-spend of £0.832m as detailed in 4.2.1.**

3. Background

- 3.1 The budget management report contains overview information for the following:

- 3.1.1 General Services Revenue - Appendix 1a to f (*pages 1 to 19*);
- 3.1.2 Housing Revenue Account - Appendix 1g (*page 20*); and
- 3.1.3 Common Good Funds - Appendix 1h (*page 23*).

- 3.2 As detailed in the Budget Management – Revenue Budgetary Control 2024/25 – Position Statement at 30 September 2024, presented to the Cabinet of 26 November 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 £357.795m at period 6.

- 3.3 Directorate planned spending has further been adjusted to incorporate several budget transfers between Directorates and contingency funds 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 November 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	18.018	0.008	18.026
Education	146.310	(0.026)	146.284
Housing, Operations and Development	46.979	0.080	47.059
Communities and Transformation	21.623	0.014	21.637
HSC	99.348	0.038	99.386
Misc. Services Account	25.517	(0.016)	25.501
Total Expenditure	357.795	0.098	357.893
General Revenue Grant	(236.429)	-	(236.429)
NDRI	(46.075)	-	(46.075)
Council Tax	(67.588)	-	(67.588)
Use of reserves b/fwd	(7.703)	(0.098)	(7.801)
Total Income	(357.795)	(0.098)	(357.893)
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 £99.386m. 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 Annual Accounts 2023/24, the audited 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 £36.667m. The audited 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. 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 November 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 November 2024. The Council's overall General Services revenue position at Period 8, excluding HSCP, is projected to be an in year over-spend of £0.415m prior to earmarking (£0.956m 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>Earmarking approved/ requested £m</i>	<i>Revised under/ (over) spend £m</i>
Chief Executive	0.859	-	0.859
Education	(0.081)	(0.300)	(0.381)
Housing, Operations and /Development	(0.257)	-	(0.257)
Communities and Transformation	0.403	(0.241)	0.162
Miscellaneous Services Account	(1.339)	-	(1.339)
Total Net expenditure	(0.415)	(0.541)	(0.956)
Council Tax income (see 4.1.4 below)	-	-	-
Net in year projected surplus	(0.415)	(0.541)	(0.956)

- 4.1.3 Table 2, above, indicates an overall over-spend for the year (excluding HSCP) of £0.415m prior to approved/requested earmarking of £0.541m. This is a significant improvement since the Period 6 position of an overall over-spend for the year of £2.958m (prior to earmarking). The improvement is due to a combination of management actions limiting spend to essential only, plus updated information allowing more refined expenditure and income projections.

- 4.1.4 **Council Tax Income** – A review of the current actual collection rates indicates they are in line current year targets. It is anticipated that if trends continue, then Council Tax income will meet budget expectations.
- 4.1.5 **Health and Social Care Partnership** – details of the draft out-turn information can be found in Appendix 1b which indicates a projected in year overspend of £0.952m for 2024/25. It should be noted that this is a draft position statement pending a formal financial monitoring report being presented to the next Integration Joint Board (IJB) meeting on 12th of February 2025, therefore the figures contained in Appendix 1b may well be updated prior to the formal reporting in February.
- 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>
HOD	1.280	1.280	1d – page 12
Communities & Transformation	0.261	0.261	1e – page 16
Total	1.541	1.541	

- 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 8 Earmarking

Directorate/ Account	Previously approved £m	New £m	Appendix Ref:
Education	-	0.300	1c – page 7
Communities & Transformation	0.241	-	1e – page 17
	0.241	0.300	

- 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 February 2025 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 **Summary of Current Financial Position** – as outlined in 4.1.2 above, the current projected ‘in-year’ directorate overspend as at 31 March 2025 is £0.956m. When this is combined with the expected reduced cost impact of the transition to IFRS16 for PPP contracts of £1.788m, this results in a projected under-spend for the year of £0.832m
- 4.2.2 The audited 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 any in - year movements.
- 4.2.3 Table 5 below summarises Appendix 2 and indicates that a year-end £6.163m uncommitted general services surplus is currently projected at 31 March 2025 which takes account of the in-year projected overspend (after earmarking) outlined in Table 2 at 4.1.2, the impact of the of the transition to IFRS16 noted in 4.1.8 and the release of committed reserves agreed by Cabinet in August 2024. This equates to 2.38 per cent of estimated planned spend (excluding HSCP). This is at 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)	(0.956)
IFRS – PPP transition revenue impact 2024/25 (per 4.1.8 above)	1.788
Release of committed reserves (August 2024 Cabinet)	0.887
Projected accumulated surplus	6.163

- 4.2.4 Directorates require to limit spend wherever possible in order to continue to improve the in-year position and further 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 £1.423m. 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 £1.230m 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 £0.428m 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 £6.163m is currently projected for General Services, excluding HSCP.

6.2 A £1.230m accumulated uncommitted surplus is projected for the Housing Revenue Account and a combined £0.428m accumulated revenue 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	31 January 2025	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: 14 January 2025

Budget Management Report to 30 November 2024 (Period 8)

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 21
1h	Common Good Funds	22 to 23

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 November £'000	Service	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
313	Chief Executive & Support	415	436	(21)
	Finance and Procurement Services:			
84	Chief Financial Officer	129	129	0
1,155	Corporate Finance and Accounting	2,255	2,038	217
5,630	Revenues and Benefits	5,545	5,378	167
532	Strategic Procurement	717	706	11
7,401	Total Finance and Procurement Services	8,646	8,251	395
	Regulatory Services:			
80	Head of Regulatory Services	131	131	0
91	Civil Contingencies & Business Continuity	59	39	20
1,766	Democratic Governance Services	2,394	2,381	13
296	Insurance, Risk & Safety Management	583	489	94
462	Legal & Licensing Services	883	867	16
1,116	Trading Standards & Environmental Health	1,727	1,682	45
3,811	Total Regulatory Services	5,777	5,589	188
1,702	Human Resources & Payroll	2,862	2,574	288
199	Performance Appraisal & Audit	326	317	9
13,426	Total Chief Executive's Office	18,026	17,167	859

Table 2 - Subjective Analysis

Actual Expenditure to 30 November £'000	Account	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
8,982	Employee costs	15,536	14,799	737
125	Property costs	186	177	9
642	Supplies and services costs	610	656	(46)
49	Transport costs	98	77	21
877	Administrative costs	625	564	61
751	Third party payments	1,224	1,181	43
17,706	Transfer payments	25,905	25,905	0
18	Financing costs	12	12	0
29,150	Gross expenditure	44,196	43,371	825
(15,724)	Gross income	(26,170)	(26,204)	34
13,426	Net expenditure	18,026	17,167	859

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Chief Executive & Support
(21)	Chief Executive & Support - projected overspend of £0.021m; Employee Costs - projected underspend of £0.029m due to the current level of vacancies. Supplies & Services Costs - projected overspend of £0.050m on legal fees.
(21)	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Finance, ICT and Procurement Services
0	Chief Financial Officer: projected online.
217	Corporate Finance - projected underspend of £0.217m; Employee Costs - projected underspend of £0.200m due to the current level of vacancies. Administrative Costs - projected underspend of £0.005m on training costs. Income - projected over recovery of income of £0.012m from charges to other services.
167	Revenues & Benefits - projected underspend of £0.167m; Employee Costs - projected underspend of £0.097m due to the current level of vacancies. Income - projected over recovery of income of £0.070m due to increased income from Scottish Water, and charges to other services.
11	Strategic Procurement - projected underspend of £0.011m; Employee Costs - projected overspend of £0.041m due to overtime costs and unachieved payroll turnover savings target. Administrative Costs - projected underspend of £0.015m across various small budget lines. Income - projected over recovery of income of £0.037m, in contract rebates (£0.020m) and charges for work done for other Council services (£0.017m).
395	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Regulatory Services
20	Civil Contingencies - projected underspend of £0.020m; Employee Costs - projected underspend of £0.020m due to the current level of vacancies.
13	Democratic & Governance Services - projected underspend of £0.013m; Employee Costs - projected underspend of £0.034m due to the current level of vacancies. Property Costs - projected underspend of £0.009m due to various small underspends. Supplies & Services Costs - projected underspend of £0.004m on equipment and other fees. Transport Costs - projected underspend of £0.017m due to less vehicle hire, fuel and mileage. Administrative Costs - projected underspend of £0.021m across various small budget lines. Income - projected under recovery of income of £0.072m, mainly due to marriage fee income levels being lower than anticipated.
94	Risk & Safety Management - projected underspend of £0.094m; Employee Costs - projected underspend of £0.096m due to the current level of vacancies. Income - projected under recovery of income of £0.002m due to reduced commission for home contents insurance provided to Council tenants.
16	Legal Services - projected underspend of £0.016m; Employee Costs - projected underspend of £0.044m due to the current level of vacancies. Administrative Costs - projected underspend of £0.002m on stationery and telecoms. Income - projected under recovery of income of £0.030m, due to Licencing fee income levels being lower than anticipated.
45	Trading Standards & Environmental Health - projected underspend of £0.045m; Employee Costs - projected underspend of £0.017m due to current vacancies. Transport Costs - projected underspend of £0.004m due to less private vehicle hire, fuel and mileage. Income - projected over recovery of £0.024m, mainly due to additional income from Food Standards Scotland.
188	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Human Resources & Payroll
288	Human Resources & Payroll - projected underspend of £0.288m; Employee Costs - projected underspend of £0.232m due to the current level of vacancies. Administrative Costs - projected underspend of £0.018m, across various small budget lines. Third Party Payments - projected underspend of £0.043m due to savings on the new Occupational Health contract. Income - projected under recovery of income of £0.005m, due to reduced level of commission on trade union fees.
288	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Performance Appraisal & Audit
9	Performance, Appraisal & Audit - projected underspend of £0.009m; Employee Costs - projected underspend of £0.009m due to the current level of vacancies.
9	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
N/A		
Total		0

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
Total	1,297	0
Comments:		

Table 7 - Payroll Management

Payroll Management:	Target £'000	Achieved at period 8 £'000
Payroll Management - Corporate Target	406	406
Total	406	406
Comments:		
It is projected that payroll turnover will be over-recovered by £0.737m as a result of effective vacancy management		

Table 8 - Grant Income

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

Social Care

Table 1 - Objective Analysis

Actual Expenditure to 30 November £'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 :			
38,798	Older People	56,118	57,338	(1,220)
3,125	Physical Disabilities	4,940	4,804	136
41,924	Total Community Care Services	61,058	62,142	(1,084)
14,362	Children's Services	23,344	22,525	819
90	Justice Services	(4)	(4)	(0)
14,452	Total Children and Justice Services	23,340	22,521	818
16,341	Learning Disabilities	26,558	26,614	(57)
2,959	Mental Health	4,417	4,946	(530)
1,270	Addiction	1,903	1,906	(2)
20,570	Total Mental Health Services	32,878	33,466	(589)
3,627	Directorate Services	7,275	6,683	592
1	Other Services	3	0	3
0	Vacancy management	(629)	0	(629)
3,628	Total Support Services	6,649	6,683	(34)
312	Integrated Care Fund/Delayed Discharges	466	531	(64)
(8,455)	Interagency payments with Health	(19,353)	(19,353)	0
72,431	HSCP Sub-total	105,038	105,990	(952)
430	Aids and Adaptations etc	809	809	0
72,861	Final HSCP total	105,847	106,799	(952)
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 November (Period 8).

The table above includes £5.623m transferred from reserves, leaving a balance of £10.511m, of which £4.014m is committed and yet to be transferred. The committed balance of £2.500m Improvement and Innovation Fund still to be allocated and £3.999m General Reserves that remains uncommitted.

The Period 8 projections are based on estimates and judgements on spend to date, review of contracts and review of care packages / residential placements, along with discussion with service

Education Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 Nov £'000	Service	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
177	Directorate	488	787	(299)
1,200	Corporate Policy, Strategy & Performance	3,231	3,231	0
11,569	Education - Early Years	18,792	18,792	0
63,269	Education - Learning and Teaching Schools	86,888	86,972	(84)
11,239	Education - Learning and Teaching Additional Support	17,028	16,726	302
18,797	Education Support Services	19,857	19,857	0
106,251	Total Education Directorate	146,284	146,365	(81)

Table 2 - Subjective Analysis

Actual Expenditure to 30 Nov £'000	Account	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
74,290	Employee costs	114,342	114,041	301
25,291	Property costs	27,112	27,112	0
1,802	Supplies and services costs	2,340	2,340	0
3,763	Transport costs	4,817	5,299	(482)
1,297	Administrative costs	1,211	1,211	0
5,569	Third party payments	9,005	9,005	0
381	Transfer payments	405	405	0
8	Financing costs	8	8	0
112,401	Gross expenditure	159,240	159,421	(181)
6,150	Gross income	(12,956)	(13,056)	100
118,551	Net expenditure	146,284	146,365	(81)

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
(299)	Payroll Management Target - currently projected to be under-recovered by £0.299m (based on approval of budget transfer request within Early Years). This 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 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.
(299)	Total projected variance
	Corporate Policy, Strategy & Performance
0	Currently projected to be online.
0	Total projected variance

Projected	Education
221	<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.</p> <p>Pupil Transport - projected overspend of £0.482m, primarily within ASN framework contracts.</p> <p>Other local authority income (ASN) - 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>Whole Family Wellbeing Fund (WFWF) - projected underspend of £0.600m in relation to WFWF to support the development of holistic whole family support services. This is primarily due to a delay in filling posts. Members are requested to earmark £0.300m of this underspend to both internal and external contracts during 2025/26.</p> <p>PPP - currently projected to be online, depending on the utilities reconciliation for 23/24 still to be received.</p>
221	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:		DR £'000	CR £'000
	n/a		0
Total		0	0

Table 5 - Earmarking Requests

Earmarking requests:	Objective/ Subjective	Amount £'000
Whole Family Wellbeing Funding (WFWF)	Employee Costs	300
Total		300
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 8 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	3,748	1,875	1,873
Total	3,748	1,875	1,873
Comments: Currently projected to be £0.299m, however will be updated throughout the financial year to take into consideration long-term sick cover.			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
14	Cycling Scotland	Play on Pedals
44	Creative Scotland	Youth Music Initiative
11	Scottish Library Information Centre	Empathy in Action
69		
Comments: Additional amounts notified during the financial year, not included in original budget.		

Housing Operations & Development

Table 1 - Objective Analysis

Actual Expenditure to 30 November £'000	Service	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
5,729	Directorate	8,763	9,592	(829)
253	Directorate	510	510	0
5,476	Ayrshire Roads Alliance/SPT	8,253	9,082	(829)
5,950	Planning & Development	6,489	6,250	239
4,172	Asset Management and Community Asset Transfer	5,557	5,338	219
1,975	Planning and Building Standards	1,424	1,417	7
(197)	Professional Design Services	(492)	(505)	13
0	Special Property Projects	0	0	0
25,964	Housing & Operations	31,807	31,474	333
7,508	Facilities Management	11,601	11,651	(50)
2,004	Housing Services	1,154	1,040	114
13,828	Neighbourhood Services	18,878	18,609	269
2,624	Property Maintenance	174	174	0
37,643	Total Housing Operations & Development	47,059	47,316	(257)

Table 2 - Subjective Analysis

Actual Expenditure to 30 November £'000	Account	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
22,375	Employee costs	36,137	35,875	262
5,913	Property costs	6,491	6,417	74
13,556	Supplies and services costs	16,440	16,924	(484)
5,355	Transport costs	6,379	6,099	280
191	Administrative costs	433	423	10
10,914	Third party payments	15,535	17,205	(1,670)
51	Financing costs	90	0	90
58,355	Gross expenditure	81,505	82,943	(1,438)
(20,712)	Gross income	(34,446)	(35,627)	1,181
37,643	Net expenditure	47,059	47,316	(257)

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Directorate
0	Directorate - projected online however it should be noted that current staff cost projections across the various service areas take into account two weeks of employers superannuation costs at 19.3%, rather than the budgeted reduced rate of 6.5%. This is estimated to cost approximately £0.154m and is due to 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 Variance favourable /(adverse) £'000	Ayrshire Roads Alliance/SPT
(829)	Ayrshire Roads Alliance/SPT - overspend of £0.829m mainly as a result of overspends in electricity costs for street lighting and electric vehicles (£0.350m), increased sub-contractors costs (£0.330m), increased consultancy costs (£0.300m), committed costs for Christmas Lights (£0.090m) which is unbudgeted and under-recovery of car parking income (£0.500m) as a result of the extension of 2 hour free parking. This is partially offset by an underspends in employee costs (£0.400m) as a result of current vacancies and increase in parking fines (£0.100m), other income (£0.041m), and insurance premium costs (£0.100m).
(829)	Total projected variance

Projected Variance favourable /(adverse) £'000	Asset Management & Community Asset Transfer
219	<p>Asset Management - projected underspend of £0.219m ;</p> <p>Employee Costs - projected underspend of £0.080m due to current vacancies.</p> <p>Property costs - projected underspend of £0.126m mainly as a result of Central Repairs Account (CRA) management action to prioritise works (£0.300m), and reduced repair and maintenance costs in Health & Social Care occupied buildings (£0.040m). These are offset by an overspend due to the delay in delivering the proposed office rationalisation saving (£0.200m) and general repair costs to County Buildings (£0.014m).</p> <p>Supplies & Services - projected overspend of £0.111m, due to equipment costs/legal fees (£0.011m) and consultancy costs in relation to the 5 year periodic Council property asset valuations (£0.100m) which require to be carried out externally due to current vacancies within the service noted above. Members are requested to approve a temporary Budget Transfer (Table 4 below) to use the employee cost underspend to partly fund the resulting short term cost of carrying out property valuations externally</p> <p>Transport Costs - projected overspend of £0.020m due to increased private contract hire costs.</p> <p>Administrative Costs - projected underspend of £0.010m across various small budget lines.</p> <p>Income - projected over recovery of £0.134m. After a review of property costs it has been identified that the costs for McCalls Avenue (£0.200m) which relates to the Property Maintenance service should be recharged to HRA. This is offset with an under-recovery in rental income for Industrial units and General Properties (£0.066m) based on current income levels.</p>
219	Total projected variance

Projected Variance favourable /(adverse) £'000	Planning & Building Standards
7	<p>Planning & Building Standards - projected underspend of £0.007m ;</p> <p>Employee costs - projected underspend of £0.110m as a result of current vacancies</p> <p>Supplies & Services costs - projected overspend of £0.134m 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 over-recovery of £0.031m 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>
7	

Projected Variance favourable /(adverse) £'000	Professional Design Services
13	No material variance to report
13	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
(50)	<p>Facilities Management - projected overspend of £0.050m as a result of;</p> <p>Employee costs - projected overspend of £0.172m 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>Property costs - projected underspend of £0.040m within cleaning & domestic supplies due to the essential spend only directive</p> <p>Supplies & Services costs - projected overspend of £0.199m mainly due to the both the increased price of food products required to produce school meals and increased uptake of meals. This is offset by the increased income generated and noted below</p> <p>Transport costs - projected overspend of £0.060m as a result of the increased cost of lease vehicles</p> <p>Income - projected over-recovery of £0.341m as a result of increased uptake in school meals</p> <p>Members are requested to approve a temporary Budget Transfer (Table 4 below) to increase food cost budget as a result of the increased uptake in paid for school meals</p>
(50)	Total projected variance

Projected Variance favourable /(adverse) £'000	Housing Services
114	<p>Housing Services - projected underspend of £0.114m as a result of;</p> <p>Employee Costs - projected underspend of £0.158m due to current vacancies.</p> <p>Supplies & Services Costs - projected underspend of £0.050m in removal and storage costs as a result of the current demand for temporary homeless accommodation.</p> <p>Third Party Payments - projected underspend of £0.070m, which relates to the DWP benefits subsidy grant received for homelessness.</p> <p>Income - projected under recovery of £0.164m as a result of the current demand for temporary accommodation units being utilised from the HRA stock. This is partly offset by the corresponding underspend in supplies and services costs notes above.</p>
114	Total projected variance

Projected Variance favourable /(adverse) £'000	Neighbourhood Services
269	<p>Neighbourhood Services - projected underspend of £0.269m as a result of;</p> <p>Employee costs - projected underspend of £0.073m as a result of effective vacancy management</p> <p>Property Costs - projected overspend of £0.092m as a result of security and utilities costs at Heathfield Waste Recycling Centre</p> <p>Supplies & Services Costs - projected overspend of £0.090m as a result of repairs and maintenance to cremators</p> <p>Transport Costs - projected underspend of £0.360m as a result of invoices incorrectly coded to transport costs and various duplicate purchase orders now corrected. Members approved a BTR at Period 6 prior to these issues being identified</p> <p>Third Party Payments - projected overspend of £0.911m as a result of income streams being coded to expenditure in error and purchase order corrections. It should be noted that Members approved a BTR request at Period 6 prior to these issues being identified</p> <p>Financing Costs - projected underspend of £0.090m as a result of cremators being fully depreciated</p> <p>Income - projected over-recovery of £0.839m as a result of the higher than anticipated brown bin permit uptake (£0.200m), increased bereavement income (£0.501m) and increased waste recycling income (£0.211m) offset by an under-recovery in commercial waste customers (£0.073m). It should be noted that bereavement income includes £0.200m which has been identified as prior year income which has been accounted for in 2024/25</p> <p>Members are requested to approve a Budget Transfer Request (BTR) (Table 4 below) to adjust the approved BTR at Period 6 to deal with the points noted in Transport Costs, Third Party Payments and Income (see above) and approve a BTR to transfer the financing cost budget to fund the current cremators repair costs</p>
269	Total projected variance
Projected Variance favourable /(adverse) £'000	Property Maintenance
0	Property Maintenance Service - projected online
0	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:		DR £'000	CR £'000
1	Asset Management - Employee costs		80
	Asset Management - Supplies and services	80	
	<i>Being temporary transfer of employee cost underspends as a result of vacancies to fund the cost of carrying out property valuations externally</i>		
2	Facilities Management - Supplies and services	199	
	Facilities Management - Income		199
	<i>Being temporary transfer of budgets to reflect increased level of uptake of school meals and corresponding increased cost to produce those meals</i>		
3	Neighbourhood Services - Income		551
	Neighbourhood Services - Transport costs		360
	Neighbourhood Services - Third party payments	911	
	<i>Being correction to the P6 BTR to reflect waste income streams incorrectly included in third party payments and vehicle costs incorrectly coded to transport costs</i>		
4	Neighbourhood Services - Supplies and services	90	
	Neighbourhood Services - Financing costs		90
	<i>Being temporary transfer of budget as cremators now fully depreciated but now require repair and maintenance</i>		
Total		1,280	1,280

Table 5 - Earmarking Requests

	Objective/ Subjective	Amount £'000
N/A		
Total		0

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
Total		1,372	273
Comments:			

Table 7 - Payroll Management

Payroll Management:	Targeted £'000	Achieved at period 8 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	1,020	680	340
Payroll Management - Directorate target	63	42	21
Total	1,083	722	361
Payroll turnover is projected to be over-recovered by £0.262m as a result of effective vacancy management in particular filling only essential posts			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
16	Zero Waste Scotland	Support recycling initiatives
20	Scottish Government	School milk subsidy
36		
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 Nov £'000	Service	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
325	Directorate	535	(65)	600
	Communities			
2,654	Thriving Communities	4,694	4,694	0
(699)	Economy and Regeneration	1,180	1,030	150
5,541	Destination South Ayrshire	8,058	8,296	(238)
7,496	Total Communities	13,932	14,020	(88)
	Transformation			
3,253	ICT Strategy & Delivery	4,848	4,848	0
1,330	Customer Services & Public Affairs	2,301	2,210	91
130	Transformation	21	221	(200)
4,713	Total Strategic Change	7,170	7,279	(109)
12,534	Total Strategic Change & Communities Directorate	21,637	21,234	403

Table 2 - Subjective Analysis

Actual Expenditure to 30 Nov £'000	Account	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
13,951	Employee costs	22,201	21,797	404
2,878	Property costs	3,166	3,166	0
4,422	Supplies and services costs	2,675	2,815	(140)
549	Transport costs	676	676	0
582	Administrative costs	242	242	0
1,879	Third party payments	2,481	2,769	(288)
6	Transfer payments	10	10	0
0	Financing costs	0	0	0
24,267	Gross expenditure	31,451	31,475	(24)
(11,733)	Gross income	(9,814)	(10,241)	427
12,534	Net expenditure	21,637	21,234	403

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
600	Service - 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 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.
600	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Communities
(88)	<p>Thriving Communities - currently projected to be online.</p> <p>Economy & Regeneration - 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 Table 5 below).</p> <p>Destination South Ayrshire (Golf) - currently projected to be online, due to the net impact of a projected over-recovery in income (including R&A income from the Open) of £0.427m. being offset by projected overspends in both employee costs and supplies & services. Budget transfers to tidy up these under/overspends will be requested in Period 10 report.</p> <p>Destination South Ayrshire (Sport & Leisure) - currently projected to be online.</p> <p>Destination South Ayrshire (Events) - currently projected to be online, subject to Member's approval of the budget transfer of £0.070m from Events - Burns Festival to International Air Show (refer to Table 4 below).</p> <p>International Ayr Show - Festival of Flight 2024 - current projections indicate a potential overspend of approximately £0.308m. However, this will reduce to £0.238m after the budget transfer from Events (Burns Festival) is approved (refer to Table 4 below). Members are also requested to approve the budget transfer requests in relation to additional sponsorship income and income from sale of merchandise/programmes etc (refer to Table 4 below).</p>
(88)	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Transformation
(109)	<p>ICT Strategy & Delivery - currently projected to be online.</p> <p>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	Events - Burns Festival		70
	International Air Show	70	
	<i>Utilise underspend within other events to International Air Show.</i>		
2	International Air Show - sponsorship income		175
	International Air Show - sales income		16
	International Air Show - payments to agencies	191	
	<i>Increase income budgets in relation to sponsorship income and income from sale of merchandise/programmes etc, to offset expenditure.</i>		
Total		261	261

Table 5 - Earmarking Requests

Earmarking requests:	Objective/ Subjective	Amount £'000
Previously approved:		
Organisational Development Posts per Cabinet 28/11/23	OD/Employee Costs	91
ELT - LACER funded posts - Community Wealth Building	E&R/Employee Costs	150
New:		
n/a		
Total		241
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 8 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	633	461	172
Total	633	461	172
Comments: Currently projected to be £0.600m over-recovered.			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
362	Scottish Government	No-one Left Behind
1,607	Scottish Government	UKSPF
11	Scottish Enterprise	Modern Apprentices
1,980		
Comments: Additional amounts notified during the financial year, not included in original budget.		

Miscellaneous Services

Table 1 - Objective Analysis

Actual Expenditure to 30 November £'000	Service	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March 2025 £'000	Projected FY Variance Favourable /(Adverse) £'000
4,995	Miscellaneous Services	25,501	26,840	(1,339)
4,995	Total Miscellaneous Services	25,501	26,840	(1,339)

Table 2 - Subjective Analysis

Actual Expenditure to 30 November £'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
573	Requisitions and other initiatives	859	859	0
416	Employee provision	710	765	(55)
73	Fees and subscriptions	479	468	11
3,562	Other payments	6,737	6,922	(184)
61	Covid-19 costs	0	38	(38)
183	Salary sacrifice schemes	574	405	169
160	Equal pay	0	0	0
0	PPP flexibility adjustment	(2,026)	(2,026)	0
0	Contribution to Reserves	4,501	4,501	0
5,028	Gross expenditure	25,522	26,880	(1,358)
(33)	Gross income	(21)	(40)	18
4,995	Net expenditure	25,501	26,840	(1,339)

Table 3 - Analysis of Significant Variances

Projected	Miscellaneous Services
(1,335)	Debt management charges - 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	Investment income - 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 8, 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.
(55)	Employee provision - an overspend £0.055m, mainly due to apprenticeship levy costs.
(184)	Other payments : the net overspend comprised the following significant elements: - £0.674m overspend on Non-Domestic Rates due to a combination in reductions in available reliefs and increases in poundage rates; - £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 - £0.026m overspend across a number of smaller budget lines. These overspends are partly offset by the following underspends: - £0.661m underspend in 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; and - £0.070m underspend on insurance costs (net of third party claims).

(38)	Covid-19 costs: the projected overspend relates to ongoing costs associated with the lease of a hangar at Prestwick Airport.
169	Salary sacrifice schemes: the projected underspend comprises both Car Leasing (£0.139m saving) and Viv-up schemes (£0.030m saving), based on projected orders until the end of the financial year end less the cost of administering the schemes.
0	Equal Pay: 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	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 will be allocated back to uncommitted reserves.
(1,369)	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

Payroll Management:	Targeted £'000	Achieved £'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:		

Housing Revenue Account

Table 1 - Objective Analysis

Actual Expenditure to 30 November £'000	Service	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
(19,771)	Housing Revenue Account	0	(1,423)	1,423
(19,771)		0	(1,423)	1,423

Table 2 - Subjective Analysis

Actual Expenditure to 30 November £'000	Service	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
3,556	Employee costs	5,792	5,392	400
7,366	Property costs	14,418	14,121	297
274	Supplies and services costs	363	328	35
30	Transport costs	74	74	0
167	Administrative costs	1,524	1,401	123
147	Support services costs	1,837	1,837	0
142	Third party payments	107	95	12
77	Transfer payments	117	117	0
0	Financing costs	7,038	6,658	380
1,798	CFCR	5,397	5,397	0
13,557	Gross expenditure	36,667	35,420	1,247
(33,328)	Income	(36,667)	(36,843)	176
(19,771)	Net expenditure	0	(1,423)	1,423

Table 3 - Financial Variance Analysis

Projected Variance favourable /(adverse) £'000	Housing Revenue Account
400	Employee costs - projected underspend of £0.400m due to current vacancies.
297	Property Costs - projected underspend of £0.297m. This is mainly due to a projected underspend of £0.849m 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. There is also a projected underspend of £0.040m in the costs for Decants. 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 (£0.137m) 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	Supplies & Services - projected underspend of £0.035m, due to lower than expected legal fees.
0	Transport Costs - projected online.
123	Administrative costs - projected underspend of £0.123m. 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 telecoms and stationery costs totalling £0.050m. These underspends are partly offset by overspends in Insurance costs (£0.150m) due to price increases and contract printing costs (£0.020m).
0	Support service costs - projected online.
12	Third Party Payments and Transfer Payments - projected underspend of £0.012m on charges from other Council services.
380	Financing costs - 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	CFCR - projected online.
176	Income - over recovery of £0.176m in rental income.
1,423	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	1,423	
Minimum working balance	(2,000)	
Projected surplus for the year ended 31 March 2025		1,943
Current commitments:		
Revenue:		
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)
Projected uncommitted surplus as at 31 March 2025		1,230
Comments:		

Table 5 - Rent Arrears

	As at 30 Nov 2023	As at 30 Nov 2024	Movement
Rent Arrears			
Current Tenants – Mainstream	1,672	1,788	7%
Former Tenants – Mainstream	591	712	20%
Total	2,263	2,500	10%
Comments:			
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
1	n/a		
Total		0	0

Common Good Funds

Table 1 - Objective Analysis

Actual Net Expenditure/ (Income) to 30 November £'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
264	Ayr Common Good Fund	0	129	(129)
12	Prestwick Common Good Fund	0	(4)	4
0	Troon Common Good Fund	0	(1)	1
0	Maybole Common Good Fund	0	0	0
1	Girvan Common Good Fund	0	0	0
277		0	124	(124)

Table 3 - Financial Variance Analysis

Projected Full Year Variance favourable /(adverse) £'000	Common Good Fund
(129)	<p>Ayr Common Good Fund: The full year budget for repairs and maintenance was fully exhausted at period 6, since when only essential expenditure is being incurred on the Fund's properties, in order to control expenditure between now and the year-end. Accordingly, a full-year overspend of £0.138m is currently projected, comprising overspends of £0.086m on property repairs and maintenance, £0.036m on utility costs including non-domestic rates and council tax and £0.016m on insurance costs. These projected overspends are 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>
4	<p>Prestwick Common Good Fund: 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.</p>
1	<p>Troon Common Good Fund: 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.</p>
(124)	Total projected variance

Table 4 - Accumulated Revenue Reserves

Common Good Fund	Reserves as at 31 March 2024 £'000	Reserves as at 30 November 2024 £'000	Projected Reserves as at 31 March 2025 £'000
Ayr Common Good Fund	260	(4)	131
Prestwick Common Good Fund	245	257	248
Troon Common Good Fund	38	38	38
Maybole Common Good Fund	2	2	2
Girvan Common Good Fund	9	9	9
Total	554	302	428
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 November 2024 £'000	Projected Reserves as at 31 March 2025 £'000
Ayr Common Good Fund	711	343	263
Prestwick Common Good Fund	35	35	35
Total	746	378	298
Comments: The movement in Ayr's capital reserves is due to a capital receipt of £0.041m in respect of the sale of Belleisle Lodge House offset by just over £0.400m of a total contribution of approximately £0.500m has been incurred towards the restoration cost of fire-damaged properties at Ayr High Street.			

**Summary of Current General Services Financial Position
as at 30 November 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)	(0.415)	
Previously approved earmarking requests	(0.241)	
Period 8 earmarking requests (subject to Cabinet approval)	(0.300)	(0.956)
ii) Other:		
Assessed revenue impact of IFRS16 transition – PPP arrangements	1.788	1.788
iii) Review of committed reserves		
Release fund to uncommitted (August 2024 Cabinet)	0.887	0.887
Projected uncommitted reserves at 31 March 2025		6.163

**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 November 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 November 2024. Their decision on this has no specific equality implications	
Signed: Tim Baulk Date: 6 January 2025	Chief Financial Officer