

South Ayrshire Council

**Report by Chief Financial Officer
to Cabinet
of 18 March 2025**

**Subject: Budget Management – Revenue Budgetary Control
2024/25 – Position at 31 January 2025**

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 31 January 2025.

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 projected in year under-spend of £1.089m as detailed in 4.2.1;**
- 2.1.4 approves the two required draws from uncommitted reserves as detailed in 4.2.4 to 4.2.6 below; and**
- 2.1.5 approves the two requested changes to the Housing Revenue Account committed/uncommitted reserves at detailed in 4.3.2 below.**

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 22*).**

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 £357.893m at period 8.

3.3 Directorate planned spending has further been adjusted to incorporate several adjustments:

3.3.1 additional notifications of funding from the Scottish Government for:

- (i) £0.421m for Scottish Welfare Fund payments;
- (ii) £1.108m for the Teachers induction scheme;
- (iii) £0.008m for Education Psychology refund;
- (iv) £0.101m for Ukraine support payments; and
- (v) £0.015m for temporary accommodation funding.

3.3.2 Other 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 31 January 2025 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	18.026	0.490	18.516
Education	146.284	1.797	148.081
Housing, Operations and Development	47.059	0.493	47.552
Communities and Transformation	21.637	0.401	22.038
HSC	99.386	0.180	99.566
Misc. Services Account	25.501	(1.504)	23.997
Total Expenditure	357.893	1.857	359.750
General Revenue Grant	(236.429)	(1.678)	(238.107)
NDRI	(46.075)	-	(46.075)
Council Tax	(67.588)	-	(67.588)
Use of reserves b/fwd	(7.801)	(0.179)	(7.980)
Total Income	(357.893)	(1.857)	(359.750)
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). 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.
- 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 £36.361m. 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 31 January 2025**

- 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 31 January 2025. The Council's overall General Services revenue position at Period 10, excluding HSCP, is projected to be an in year under-spend of £1.188m prior to earmarking (£0.699m 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	1.881	(0.902)	0.979
Education	0.499	(0.530)	(0.031)
Housing, Operations and Development	(0.201)	(0.214)	(0.415)

<i>Directorate/ Account</i>	<i>Projected under/ (over) spend £m</i>	<i>Earmarking approved/ requested £m</i>	<i>Revised under/ (over) spend £m</i>
Communities and Transformation	0.353	(0.241)	0.112
Miscellaneous Services Account	(1.644)	-	(1.644)
Total Net expenditure	0.888	(1.887)	(0.999)
Council Tax income (see 4.1.4 below)	0.300	-	0.300
Net in year projected surplus	1.188	(1.887)	(0.699)

4.1.3 Table 2, above, indicates an overall under-spend for the year (excluding HSCP) of £1.188m prior to approved/requested earmarking of £1.887m. This is again an improvement from the Period 8 position of an overall overspend for the year of £0.415m (prior to earmarking). The improvement continues to be 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 and number of chargeable properties indicates they are slightly ahead of budget. It is anticipated that if trends continue, then Council Tax income will exceed budget expectations by £0.300m.

4.1.5 **Health and Social Care Partnership** – details of the projected out-turn information can be found within the Financial Monitoring report that was presented to the Integration Joint Board (IJB) meeting on 12 March. Appendix 1b indicates a projected in year overspend of £0.280m 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	0.035	0.035	1c – page 7
HOD	0.120	0.120	1d – page 12
Communities & Transformation	0.814	0.814	1e – page 15
Total	0.969	0.969	

- 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 – Period 10 Earmarking

Directorate/ Account	Previously approved £m	New £m	Appendix Ref:
CEX	-	0.902	1a – page 4
Education	0.300	0.230	1c – page 7
HOD	0.094	0.120	1d – page 12
Communities & Transformation	0.241	-	1e – page 17
	0.635	1.252	

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 £0.699m after earmarking. 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 £1.089m
- 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 **Storm Damage costs** – As a result of the recent Storm Eowyn, the Council incurred a variety of costs in relation to the emergency activity undertaken during the storm and recovery works in the days following the storm. Immediately following the storm, contact was initiated with the Scottish Government to activate the Belwin Scheme whereby, if a certain monetary threshold is exceeded in dealing with the emergency incident, then the Council has the ability to recover some of the costs incurred through claims to the Scottish Government. The Belwin scheme threshold for South Ayrshire is set at £648,578.
- 4.2.4 Costs are currently being collated but early indications show that it is unlikely that the Belwin threshold will be met and therefore no claim can be made to recover any costs incurred. The costs incurred therefore require to be met from uncommitted reserves. At present expenditure is currently being collated and examined to determine a final cost. It is considered prudent to include some level of estimated cost at this stage therefore a figure of £0.500m is requested to be approved as a draw from uncommitted reserves. Updates will be provided in future reports as information crystallises.

- 4.2.5 **Station Hotel** – A Members briefing note was recently issued that outlined the final Station Hotel fire project closure position which stated that the total cost of the safety works since the date of the fire (25th September 2023) was £6,606,342. The Bellwin Scheme claim was for £5,971,449 of which the Council was required to pay the first £635,534. However the extent of the safety works was greater than initially anticipated and therefore the Belwin Scheme claim does not cover the full amount. Hence the Council will require to fund the remaining £634,839. A further request was made to the Scottish Government for this additional cost however, this request was denied. Overall a total cost of £1,270,373 falls to the Council to meet.
- 4.2.6 At the time of the fire, the council held £941,564 in reserves to meet the ongoing safety and security cost commitments at the Station Hotel. Following the fire incident this reserve has been used to mitigate the costs that the Council is required to meet in relation to the fire. After drawing the £941,564 held in reserve there remains an outstanding amount of £328,863 of costs still to be funded, therefore a further draw from uncommitted reserves is requested to be drawn down to fully mitigate the costs.
- 4.2.7 Table 5 below summarises Appendix 2 and indicates that a year-end £5.389m 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 and the impact of the matters identified in 4.2.3 to 4.2.6 above. This equates to 2.07 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

	<i>£m</i>
Unaudited opening surplus	28.591
Commitments (per Appendix 2)	(24.147)
Uncommitted surplus brought forward	4.444
Release of committed reserves (August 2024 Cabinet)	0.887
IFRS – PPP transition revenue impact 2024/25 (per 3.9 above)	1.788
Directorate 2024/25 projections (per table 2 above)	(0.699)
Ash tree Dieback (February 2025 Cabinet)	(0.202)
Storm Damage (estimated draw per 4.2.3 to 4.2.4 above)	(0.500)
Station Hotel final drawdown (per 4.2.5 to 4.2.6 above)	(0.329)
Projected accumulated surplus	5.389

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 £0.938m. 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 £0.745m for the HRA.

4.3.2 Members are requested to approve the following changes to the HRA committed reserves, as detailed in Appendix 1e (within Table 4 – Accumulated Surplus):

- (i) return £0.500m of previously committed funds, relating to the impact of employers eNIC rates, to uncommitted funds, as this is no longer required to be set aside; and
- (ii) set aside £0.250m of uncommitted funds to be committed to support required work on empty properties to reduce the number of unlet properties.

The net impact of the above two request increases the uncommitted surplus to £0.995m.

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 £5.389m is currently projected for General Services, excluding HSCP.

6.2 A £0.995m accumulated uncommitted surplus is projected for the Housing Revenue Account and a combined £0.446m 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 do not require to be assessed through an Integrated Impact Assessment.

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 March 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: 11 March 2025

Budget Management Report to 31 January 2025 (Period 10)

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 19
1g	Housing Revenue Account	20 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 31 January £'000	Service	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
384	Chief Executive & Support	417	468	(51)
	Finance and Procurement Services:			
138	Chief Financial Officer	161	161	0
1,476	Corporate Finance and Accounting	2,245	1,947	298
5,784	Revenues and Benefits	5,950	5,266	684
576	Strategic Procurement	743	680	63
7,974	Total Finance and Procurement Services	9,099	8,054	1,045
	Regulatory Services:			
127	Head of Regulatory Services	159	159	0
122	Civil Contingencies & Business Continuity	59	37	22
2,129	Democratic Governance Services	2,393	2,301	92
381	Insurance, Risk & Safety Management	582	491	91
606	Legal & Licensing Services	885	762	123
1,364	Trading Standards & Environmental Health	1,726	1,653	73
4,729	Total Regulatory Services	5,804	5,403	401
2,129	Human Resources & Payroll	2,869	2,393	476
250	Performance Appraisal & Audit	327	317	10
15,466	Total Chief Executive's Office	18,516	16,635	1,881

Table 2 - Subjective Analysis

Actual Expenditure to 31 January £'000	Account	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
11,331	Employee costs	15,536	14,457	1,079
128	Property costs	186	124	62
749	Supplies and services costs	615	646	(31)
63	Transport costs	98	73	25
1,021	Administrative costs	691	454	237
936	Third party payments	1,643	1,179	464
20,748	Transfer payments	25,906	25,906	0
18	Financing costs	12	12	0
34,994	Gross expenditure	44,687	42,851	1,836
(19,528)	Gross income	(26,171)	(26,216)	45
15,466	Net expenditure	18,516	16,635	1,881

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Chief Executive & Support
(51)	Chief Executive & Support - projected overspend of £0.051m as a result of ; Employee Costs - projected underspend of £0.04m due to the current level of vacancies. Supplies & Services Costs - projected overspend of £0.050m on legal fees.
(51)	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Finance, ICT and Procurement Services
0	Chief Financial Officer - projected online.
298	Corporate Finance - projected underspend of £0.298m as a result of; Employee Costs - projected underspend of £0.286m due to the current level of vacancies. Income - projected over recovery of income of £0.012m from charges to other services.
684	Revenues & Benefits - projected underspend of £0.684m as a result of; Employee Costs - projected underspend of £0.184m due to the current level of vacancies. Cabinet of 18th March approved a service restructure which has removed 4.5 fte posts therefore this level of underspend will reduce significantly in 2025/26. In 2023/24 earmarking of £0.129m was approved for use in 2024/25 to fund Corporate Finance Social Care Support Team support. Members are requested to approve earmarking of the underspend of £0.070m (Table 5 below) to deliver ongoing essential support in 2025/26. Administrative Costs - projected underspend of £0.009m on printing and postage costs. Third Party Payments - projected underspend of £0.421m. The Scottish Government announced additional Scottish Welfare Fund budget in December 2024, due to the timing of this payment, Members are requested to approve earmarking of the funding for use in 2025/26 (Table 5 below). Income - projected over recovery of income of £0.070m mainly due to increased income from Scottish Water, and charges to other services.
63	Strategic Procurement - projected underspend of £0.063m as a result of; Employee Costs - projected overspend of £0.021m in relation to overtime costs and maternity leave cover. Administrative Costs - projected underspend of £0.017m mainly related to reduced printing costs. Income - projected over recovery of income of £0.067m, in contract rebates (£0.030m) and charges for work done for other Council services (£0.037m).
1,045	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Regulatory Services
22	Civil Contingencies - projected underspend of £0.022m as a result of; Employee Costs - projected underspend of £0.022m due to the current level of vacancies.
92	Democratic & Governance Services - projected underspend of £0.092m as a result of; Employee Costs - projected underspend of £0.070m due to the current level of vacancies. Property Costs - projected underspend of £0.062m. Members approved earmarking of £0.055m from 2023/24 to fund dilapidation costs for the Watson Peat Building at Auchincruive. As discussions are still ongoing around this, Members are requested to approve this funding to be earmarked for use in 2025/26 (Table 5 below). Supplies & Services Costs - projected underspend of £0.009m from small underspends across various budgets. Transport Costs - projected underspend of £0.016m due to less vehicle hire, fuel and mileage. Administrative Costs - projected underspend of £0.024m across various small budget lines Income - projected under recovery of income of £0.089m, mainly due to marriage fee income levels being lower than anticipated.
91	Risk & Safety Management - projected underspend of £0.091m as a result of; Employee Costs - projected underspend of £0.095m due to the current level of vacancies. Income - projected under recovery of income of £0.004m due to reduced commission for home contents insurance provided to Council tenants.
123	Legal Services - projected underspend of £0.123m as a result of; Employee Costs - projected underspend of £0.158m due to the current level of vacancies. Members approved earmarking of £0.049m from 2023/24 to fund legal costs in relation to historic child abuse cases. As these are still ongoing, Members are requested to approve earmarking of the £0.049m underspend to use in 2025/26 (Table 5 below).

73	<p>Trading Standards & Environmental Health - projected underspend of £0.073m as a result of;</p> <p>Employee Costs - projected underspend of £0.030m due to current vacancies.</p> <p>Transport Costs - projected underspend of £0.009m due to less private vehicle hire, fuel and mileage.</p> <p>Administrative Costs - projected underspend of £0.002m due to small underspends across various budget lines.</p>
401	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Human Resources & Payroll
476	<p>Human Resources & Payroll - projected underspend of £0.476m as a result of;</p> <p>Employee Costs - projected underspend of £0.241m due to the current level of vacancies. Members are requested to approve earmarking of £0.049m to fund the remaining cost of the approved temporary post in relation to the development of Oracle Fusion HR in 2025/26. Members approved earmarking of £0.086m from 2023/24 to employ graduate interns in 2024/25, and currently there is an underspend of £0.025m which relates to the remaining part of their contractual costs in 2025/26. Members are requested to approve earmarking of this underspend for 2025/26 to meet this cost (Table 5 below)</p> <p>Supplies & Services Costs - projected underspend of £0.010m on software maintenance contracts.</p> <p>Administrative Costs - projected underspend of £0.189m mainly due to an underspend of £0.170m in the corporate workforce and succession planning fund. Members are requested to earmark this underspend (Table 5 below) for use in 2025/26 where Services would be able to 'bid' for money from this fund to pay for essential training courses to support the development of a future talent pipeline of employees across the Council.</p> <p>Third Party Payments - projected underspend of £0.043m due to savings as a result of the new Occupational Health contract.</p> <p>Income - projected under recovery of income of £0.007m, due to reduced level of commission on trade union fees.</p>
476	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Performance Appraisal & Audit
10	<p>Performance, Appraisal & Audit - projected underspend of £0.010m as a result of;</p> <p>Employee Costs - projected underspend of £0.010m due to the current level of vacancies.</p>
10	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
New requests:		
Corporate Finance SCS Team support	Revenues & Benefits/Employee Costs	70
Scottish Welfare Fund grant	Revenues & Benefits/Third party Payments	421
Temporary staffing to cover maternity leave	Procurement/Employee Costs	63
Temporary HR Oracle Fusion post	Human Resources/Employee Costs	49
Graduate Intern contract costs	Human Resources/Employee Costs	25
Corporate workforce and succession planning fund	Human Resources/Administrative Costs	170
Dilapidation Costs - Watson Peat Building Auchincruive	Democratic & Governance/Property Costs	55
Legal costs - historic child abuse cases	Legal Services/Employee Costs	49
Total		902

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 10 £'000
Payroll Management - Corporate Target	406	406
Total	406	406
Comments:		
It is projected that payroll turnover will be over-recovered by £1.079m as a result of effective vacancy management		

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
421	Scottish Government	Scottish Welfare Fund
421		
Comments:		

Social Care

Table 1 - Objective Analysis

Actual Expenditure to 31 Jan 2025 £'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 :			
48,682	Older People	56,235	57,360	(1,125)
3,959	Physical Disabilities	4,940	4,859	80
52,641	Total Community Care Services	61,175	62,220	(1,045)
17,495	Children's Services	23,398	22,285	1,113
(103)	Justice Services	(4)	(4)	(0)
17,392	Total Children and Justice Services	23,394	22,281	1,113
21,539	Learning Disabilities	26,595	26,601	(6)
3,758	Mental Health	4,417	4,893	(477)
1,644	Addiction	2,353	2,351	1
26,941	Total Mental Health Services	33,364	33,845	(481)
4,473	Directorate Services	7,032	6,565	467
0	Other Services	3	0	3
0	Vacancy management	(254)	0	(254)
4,473	Total Support Services	6,781	6,565	216
394	Integrated Care Fund/Delayed Discharges	466	550	(83)
(13,137)	Interagency payments with Health	(19,957)	(19,957)	0
88,705	HSCP Sub-total	105,224	105,504	(280)
495	Aids and Adaptations etc	807	807	0
89,200	Final HSCP total	106,031	106,311	(280)
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 31st January (Period 10).

The table above includes £5.628m transferred from reserves, leaving a balance of £11.520m, of which £5.021m 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 10 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 managers. Period 10 will

Education Directorate

Table 1 - Objective Analysis

Actual Expenditure to 31 Jan £'000	Service	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
538	Directorate	913	913	0
1,801	Corporate Policy, Strategy & Performance	3,150	2,920	230
14,846	Education - Early Years	18,797	18,797	0
79,582	Education - Learning and Teaching Schools	88,407	88,487	(80)
14,229	Education - Learning and Teaching Additional Support	17,120	16,771	349
23,267	Education Support Services	19,694	19,694	0
134,263	Total Education Directorate	148,081	147,582	499

Table 2 - Subjective Analysis

Actual Expenditure to 31 Jan £'000	Account	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
93,585	Employee costs	115,262	114,627	635
30,026	Property costs	27,114	27,114	0
1,980	Supplies and services costs	2,380	2,380	0
5,547	Transport costs	4,811	5,242	(431)
2,083	Administrative costs	1,951	1,951	0
7,473	Third party payments	9,312	9,082	230
384	Transfer payments	405	405	0
8	Financing costs	8	43	(35)
141,086	Gross expenditure	161,243	160,844	399
(6,823)	Gross income	(13,162)	(13,262)	100
134,263	Net expenditure	148,081	147,582	499

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
0	<p>Payroll Management Target - currently projected to be online. This is due the net impact of the following:</p> <ul style="list-style-type: none"> - 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 taking into account two weeks of employers superannuation at 19.3%, rather than the budgeted reduced rate of 6.5%, 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. - teacher roll adjustment. due to falling school rolls
0	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Corporate Policy, Strategy & Performance
230	Public Sector Reform (LACER) - this pilot within North Ayr, working with Mutual Ventures Trust is currently projected to be £0.230m underspent. Members are requested to earmark these funds to continue with this pilot in 2025/26 (refer Table 5 below).
230	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Education
269	<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>Early Years - projected underspend of £0.035m, which relates to specific Scottish Government funding for Early Years Expansion and is primarily due to posts not being filled as planned, as a result of delays within capital works. This is offset by a projected overspend of £0.035m in Early Years Expansion capital related expenditure (Braehead Playground). Members are therefore requested to approve a temporary budget transfer from the projected underspend within employee costs to fund the capital related expenditure (refer Table 4 below).</p> <p>Pupil Transport - projected overspend of £0.431m, 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 have already approved earmarking of £0.300m of this underspend to fund both internal and external contracts during 2025/26.</p> <p>PPP - currently projected to be online. The utilities reconciliation for 23/24 has been received and budgets have been transferred from miscellaneous to offset increases.</p>
269	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:		DR £'000	CR £'000
1	Early Years - Employee Costs		35
	Early Years - Payments to Agencies	35	
	<i>Underspend in employee costs utilised to fund capital related expenditure - Braehead Outdoor Playground</i>		
Total		35	35

Table 5 - Earmarking Requests

Earmarking requests:	Objective/ Subjective	Amount £'000
Whole Family Wellbeing Funding (WFWF)	Employee Costs	300
Public Sector Reform - North Ayr	Payments to Agencies	230
Total		530
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 10 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	3,748	3,489	259
Total	3,748	3,489	259
Comments: Currently projected to be online.			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
14	Scottish Government	Mental Health and Wellbeing
6	Cycling Scotland	Play on Pedals
41	Ayrshire Chamber of Commerce	Developing Young Workforce
35	Paths for All	Beat the Streets
36	Education Scotland	Cyber First Teachers
107	Education Scotland	HT Secondment
239		
Comments: Additional amounts notified during the financial year, not included in original budget.		

Housing Operations & Development

Table 1 - Objective Analysis

Actual Expenditure to 31 January £'000	Service	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
322	Directorate	414	407	7
7,050	Ayrshire Roads Alliance/SPT	8,253	9,366	(1,113)
4,665	Asset Management and Community Asset Transfer	5,700	5,350	350
2,100	Planning and Building Standards	1,435	1,302	133
(39)	Professional Design Services	(456)	(496)	40
289	Special Property Projects	0	0	0
7,015	Planning & Development	6,679	6,156	523
9,450	Facilities Management	11,850	11,850	0
(1,077)	Housing Services	1,276	1,098	178
16,349	Neighbourhood Services	18,885	18,681	204
5,344	Property Maintenance	195	195	0
30,066	Housing & Operations	32,206	31,824	382
44,453	Total Housing Operations & Development	47,552	47,753	(201)

Table 2 - Subjective Analysis

Actual Expenditure to 31 January £'000	Account	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
28,704	Employee costs	36,372	35,861	511
6,715	Property costs	6,580	6,295	285
15,983	Supplies and services costs	16,763	16,769	(6)
6,370	Transport costs	6,021	6,078	(57)
613	Administrative costs	809	795	14
14,102	Third party payments	16,523	17,516	(993)
7	Transfer payments	0	7	(7)
0	Financing costs	0	0	0
72,494	Gross expenditure	83,068	83,321	(253)
(28,041)	Gross income	(35,516)	(35,568)	52
44,453	Net expenditure	47,552	47,753	(201)

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Directorate
7	Directorate - projected underspend of £0.007m across various small budgets
7	Total projected variance

Projected Variance favourable /(adverse) £'000	Ayrshire Roads Alliance/SPT
(1,113)	Ayrshire Roads Alliance/SPT - projected overspend of £1.113m mainly as a result of overspends in electricity costs for street lighting and electric vehicles (£0.368m), increased sub-contractors costs (£0.218m), increased consultancy costs (£0.373m), 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 underspends in employee costs (£0.355m) as a result of current vacancies and insurance premium costs (£0.081m).
(1,113)	Total projected variance

Projected Variance favourable /(adverse) £'000	Asset Management & Community Asset Transfer
350	<p>Asset Management - projected underspend of £0.350m ;</p> <p>Property costs - projected underspend of £0.422m mainly as a result of Central Repairs Account (CRA) management action to prioritise works which has resulted in planned maintenance being stopped temporarily (£0.500m), and reduced repair and maintenance costs in Health & Social Care occupied buildings (£0.040m). There is also a projected underspend of £0.082m in rent and insurance costs for McCalls Avenue, as these costs are now shared with other Council services. These underspends are offset by an overspend due to the delay in delivering the proposed office rationalisation saving (£0.200m).</p> <p>Supplies & Services - projected overspend of £0.052m, mainly due to legal fees (£0.020m), equipment and materials (£0.012m), and consultancy costs in relation to the 5 year periodic Council property asset valuations (£0.020m).</p> <p>Transport Costs - projected overspend of £0.020m due to increased private contract hire costs.</p>
350	Total projected variance

Projected Variance favourable /(adverse) £'000	Planning & Building Standards
133	<p>Planning & Building Standards - projected underspend of £0.133m ;</p> <p>Employee costs - projected underspend of £0.161m as a result of current vacancies</p> <p>Supplies & Services costs - projected overspend of £0.145m in consultancy costs. This relates to legal and specialist experts costs in relation to judicial reviews and other advice</p> <p>Income - projected over-recovery of £0.117m due to an increase in the number of applications linked to some economic recovery in the second half of the year.</p>
133	

Projected Variance favourable /(adverse) £'000	Professional Design Services
40	<p>Professional Design Services - projected underspend of £0.040m as a result of;</p> <p>Employee Costs - projected underspend of £0.040m due to current vacancies.</p>
40	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
0	<p>Facilities Management - the following variances result in an online projection;</p> <p>Property costs - projected underspend of £0.027m within cleaning & domestic supplies due to the essential spend only directive</p> <p>Supplies & Services costs - projected underspend of £0.040m as a result of an underspend of £0.170m in kitchen equipment as most purchases throughout this year have been funded from capital budgets. This is partly offset by an overspend of £0.130m due to the increased price of food products required to produce school meals</p> <p>Transport costs - projected overspend of £0.037m as a result of the increased cost of lease vehicles required to delivery an effective service</p> <p>Income - projected under-recovery of £0.030m as a result of a decreased uptake in staff school meals as a result of the approved price increase</p>
0	Total projected variance

Projected Variance favourable /(adverse) £'000	Housing Services
178	<p>Housing Services - projected underspend of £0.178m as a result of;</p> <p>Employee Costs - projected underspend of £0.186m due to current vacancies.</p> <p>Property Costs - projected overspend of £0.044m due to increased in repair and maintenance costs in homelessness properties.</p> <p>Supplies & Services Costs - projected underspend of £0.073m, due to removal and storage costs (£0.060m), furniture costs (£0.009m) and equipment (£0.003m).</p> <p>Administrative Costs - projected underspend of £0.007m, due to various small underspend in postage, stationery and telecomms.</p> <p>Third Party Payments - projected underspend of £0.120m in relation to the DWP benefits subsidy grant received for homelessness (£0.060m) and the financial inclusion funding approved at Cabinet 12th March 2024 to provide a tenant hardship fund over 2 financial years (£0.060m). The DWP funding is expected to be used to fund homelessness initiatives and will fund additional staffing to deliver these initiatives. Members are requested to approve earmarking of these underspends to delivery on both initiatives in 2025/26 (see Table 5 below).</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>
178	Total projected variance

Projected Variance favourable /(adverse) £'000	Neighbourhood Services
204	<p>Neighbourhood Services - projected underspend of £0.204m as a result of;</p> <p>Employee costs - projected underspend of £0.115m as a result of effective vacancy management</p> <p>Property Costs - projected overspend of £0.120m as a result of the necessity to introduce security measures at Heathfield Waste Recycling Centre. Members are requested to approve a Budget Transfer (BTR) (Table 4 below) from income over-recovery below to fund this cost</p> <p>Supplies & Services Costs - projected underspend of £0.080m mainly as a result of underspend of £0.094m for Ash Dieback works which was approved by Cabinet 18 February 2024 to be earmarked for carry forward to be used in 2025/26 (Table 5 below)</p> <p>Income - projected over-recovery of £0.129m as a result of increased bereavement income (£0.265m) offset by an under-recovery in both commercial waste customers (£0.084m) and waste recycling income (£0.052m). It should be noted that bereavement income includes £0.166m which has been identified as prior year income which has been accounted for in 2024/25</p>
204	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	Neighbourhood Services - Property Costs	120	
	Neighbourhood Services - Income		120
Total		120	120

Table 5 - Earmarking Requests		
	Objective/ Subjective	Amount £'000
Previously approved:		
Ash Dieback	Neighbourhood Services/Supplies and Services costs	94
Total		94
New requests :		
DWP funding for homeless initiatives	Housing Services/Third Party	60
Financial Inclusion Funding - Tenant Hardship Fund	Housing Services/Third Party	60
Total		120
Overall Total		214

Table 6 - Efficiency Savings			
Efficiency savings:		Targeted £'000	Anticipated shortfall £'000
ARA	Introduction of EV charging tariff for public use.	52	52
ARA	Remove 5.5fte vacant strategic posts (Split EAC/SAC – 50/50%)	104	0
ARA	Increase fees and permit charges to developers, utilities and public by 5%	30	0
ARA	Increase harbour dues by 5%	6	0
Neighbourhood Services	Introduce £50 charge for Garden Waste Collections (based on servicing 1 bin per household)	559	0
Neighbourhood Services	Increase Bereavement prices by 10%	180	0
Neighbourhood Services	Introduce £30 charge to householders for lost, stolen, damaged replacement bins	30	0
Neighbourhood Services	Increasing commercialisation (Heathfield Waste recycling centre)	100	0
Neighbourhood Services	Reduction in Neighbourhood Services overtime	10	0
Facilities Management	Increase cost of public toilets from £0.30 to £0.50 per use	21	11
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	50	0
Planning	Realign Planning fees income budget based on current recovery rates	30	0
Total		1,372	263
Comments:			

Table 7 - Payroll Management			
Payroll Management:	Targeted £'000	Achieved at period 10 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	1,020	850	170
Payroll Management - Directorate target	63	53	10
Total	1,083	903	180

Payroll turnover is projected to be over-recovered by £0.511m 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 31 Jan £'000	Service	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
300	Directorate	790	240	550
	Communities			
3,298	Thriving Communities	4,628	4,628	0
171	Economy and Regeneration	1,221	1,071	150
6,903	Destination South Ayrshire	8,145	8,383	(238)
10,372	Total Communities	13,994	14,082	(88)
	Transformation			
3,380	ICT Strategy & Delivery	4,067	4,067	0
1,652	Customer Services & Public Affairs	2,168	2,077	91
712	Transformation	1,019	1,219	(200)
5,744	Total Strategic Change	7,254	7,363	(109)
16,416	Total Strategic Change & Communities Directorate	22,038	21,685	353

Table 2 - Subjective Analysis

Actual Expenditure to 31 Jan £'000	Account	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
17,718	Employee costs	23,027	22,568	459
3,266	Property costs	3,178	3,278	(100)
5,263	Supplies and services costs	3,367	3,448	(81)
888	Transport costs	686	786	(100)
806	Administrative costs	522	722	(200)
2,054	Third party payments	2,710	2,798	(88)
7	Transfer payments	10	10	0
0	Financing costs	0	0	0
30,002	Gross expenditure	33,500	33,610	(110)
(13,586)	Gross income	(11,462)	(11,925)	463
16,416	Net expenditure	22,038	21,685	353

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
550	Service - projected over-recovery in payroll management target of £0.550m, 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.
550	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 £0.463m, being offset by projected overspends in both employee costs and supplies & services.</p> <p>Destination South Ayrshire (Sport & Leisure) - currently projected to be online.</p> <p>Destination South Ayrshire (Events) - currently projected to be online.</p> <p>International Ayr Show - Festival of Flight 2024 - currently projected to be overspent by £0.238m.</p>
(88)	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Transformation
(109)	<p>ICT Strategy & Delivery - currently projected to be online. However, Members are requested to approve the permanent budget transfer request (refer to Table 4 below), in order to align Oracle budget with actual expenditure.</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 have already approved the earmarking of 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. This target relates to the Councils previous Strategic Change Programme Programme and not specifically the Transformation team itself. The target will be allocated in future years as part of the overall Council transformation programme as projects are approved and savings identified.</p>
(109)	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:		DR £'000	CR £'000
1	Oracle E-business / Payments to Agencies		814
	Oracle Fusion / Supplies and Services	814	
	<i>Transfer budget E-business budget to Oracle Fusion, to match expenditure.</i>		
Total		814	814

Table 5 - Earmarking Requests

Previously approved:	Objective/ Subjective	Amount £'000
Organisational Development Posts per Cabinet 28/11/23	OD/Employee Costs	91
ELT - LACER funded posts - Community Wealth Building	E&R/Employee Costs	150
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:		

Table 7 - Payroll Management

Payroll Management:	Target £'000	Achieved at period 10 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	633	989	0
Total	633	989	0
Comments: Currently projected to be £0.550m over-recovered.			

Table 8 - Grant Income

New Grants Received:		
£'000		
188	Scottish Government	CCLD
14	Cycling Scotland	Cycling Grant
2	Scottish Library Information Centre	SLIC Stay Connected
10	MOD	Armed Forces Day
14	NHS Ayrshire & Arran	Weight Management Programme
189	Sport Scotland	Active Schools/Community Sports Hub
73	Sport Scotland	Active Communities
55	Sport Scotland	Closing the Gap
12	Lawn Tennis Association	Refurbishment of Girvan Tennis Courts
44	H&SCP	Invigor8
2	Macmillan Cancer Support	Cancer Support
11	Scottish Enterprise	Modern Apprentice Grant
614		
Comments: Additional amounts notified during the financial year, not included in original budget.		

Miscellaneous Services

Table 1 - Objective Analysis

Actual Expenditure to 31 January £'000	Service	Full Year Budget 2024/25 £'000	Projected FY Actual to 31 March 2025 £'000	Projected FY Variance Favourable /(Adverse) £'000
3,555	Miscellaneous Services	23,997	25,641	(1,644)
3,555	Total Miscellaneous Services	23,997	25,641	(1,644)

Table 2 - Subjective Analysis

Actual Expenditure to 31 January £'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	19,168	(1,558)
0	Investment income	(2,130)	(2,205)	75
0	Recharges to other services	(1,793)	(1,793)	0
716	Requisitions and other initiatives	859	859	0
652	Employee provision	710	782	(72)
73	Fees and subscriptions	479	521	(42)
1,622	Other payments	5,208	5,439	(231)
80	Covid-19 costs	0	32	(32)
256	Salary sacrifice schemes	574	402	172
193	Equal pay	0	0	0
0	PPP flexibility adjustment	(2,026)	(2,026)	0
0	Contribution to Reserves	4,501	4,501	0
3,592	Gross expenditure	23,992	25,680	(1,688)
(37)	Gross income	5	(39)	44
3,555	Net expenditure	23,997	25,641	(1,644)

Table 3 - Analysis of Significant Variances

Projected	Miscellaneous Services
(1,558)	Debt management charges - the overall budget for loan charges is £17.610m, comprising £6.457m for loan principal, £10.979m for interest costs and £0.174m for loans fund expenses. The current projection for loans charges to the General Fund is an overspend of £1.558m in interest and expenses. This is partly offset by a projected over-recovery of income of £0.075m (refer below), resulting in a net overspend of £1.483m. This has arisen due to higher than forecast interest rates and a subsequent reprofiling of external borrowing. This will continue to be closely monitored between now and the year-end.
75	Investment income - the budget for investment income was set at £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 those balances. At period 10, full year budgeted income of £2.205m is currently projected (an over-recovery of £0.075m against budget - refer above), due to higher than forecast interest rate levels.
(72)	Employee provision - a projected overspend £0.072m, mainly due to apprenticeship levy costs.

(231)	<p>Other payments - the projected full year net overspend of £0.231m comprised the following significant elements:</p> <ul style="list-style-type: none"> - £0.675m 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 - £0.032m overspend relating to premature pension contributions. <p>These projected overspends are partly offset by the following projected underspends:</p> <ul style="list-style-type: none"> - £0.498m 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 - £0.216m underspend on insurance costs (net of third party claims).
(32)	<p>Covid-19 costs: the projected overspend relates to ongoing costs associated with the lease of a hangar at Prestwick Airport.</p>
172	<p>Salary sacrifice schemes: the projected underspend comprises both car leasing (£0.138m saving) and Viv-up schemes (£0.035m saving), based on projected orders until the end of the financial year end less the cost of administering the schemes.</p>
0	<p>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.</p>
0	<p>Contribution to reserves: the 2024/25 budget includes a £4.053m contribution to the Council's 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 award. This additional funding will be allocated back to uncommitted reserves.</p>
(1,646)	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 in 2025/26.		

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

Actual Expenditure to 31 January £'000	Service	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
(19,153)	Housing Revenue Account	0	(938)	938
(19,153)		0	(938)	938

Table 2 - Subjective Analysis

Actual Expenditure to 31 January £'000	Service	Full Year Budget 2024/25 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
3,947	Employee costs	5,595	5,045	550
8,180	Property costs	14,418	14,225	193
253	Supplies and services costs	334	279	55
40	Transport costs	72	72	0
1,045	Administrative costs	1,523	1,709	(186)
320	Support services costs	1,837	1,837	0
20	Third party payments	30	18	12
91	Transfer payments	117	117	0
0	Financing costs	7,038	6,915	123
1,798	CFCR	5,397	5,397	0
15,694	Gross expenditure	36,361	35,614	747
(34,847)	Income	(36,361)	(36,552)	191
(19,153)	Net expenditure	0	(938)	938

Table 3 - Financial Variance Analysis

Projected Variance favourable /(adverse) £'000	Housing Revenue Account
550	Employee costs - projected underspend of £0.550m due to current vacancies.
193	Property Costs - projected underspend of £0.193m. This is mainly due to a projected underspend of £0.760m 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 £0.350m, as well as projected overspends in Gas Contracts (£0.137m) and electricity (£0.120m) 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.
55	Supplies & Services - projected underspend of £0.055m, mainly due to lower than expected legal fees (£0.040m) and removal & storage costs (£0.010m).
(186)	Administrative costs - projected overspend of £0.186m. There is an overspend of £0.529m in insurance costs due to the premiums increasing in line with the increased property values after a recent revaluation of properties. This overspend is partly offset by underspends in Feasibility & Design Costs for capital projects being charged to revenue of £0.093m, £0.200m in bad debts based on the current level of arrears of council house rental income, various other underspends in postage, telecomms and stationery costs totalling £0.050m.
12	Third Party Payments and Transfer Payments - projected underspend of £0.012m on charges from other Council services.

123	Financing costs - projected net underspend of £0.123m comprising: - Principal, Interest payments and expenses - projected underspend of £0.021m 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.
191	Income - over recovery of £0.191m in rental income.
938	Total projected variance
Comments:	

Table 4 - Accumulated Surplus

	Amount £'000	Amount £'000
Accumulated Surplus		
HRA accumulated surplus as at 1 April 2024	2,520	
Current year projected surplus	938	
Minimum working balance	(2,000)	
Projected surplus for the year ended 31 March 2025		1,458
Current commitments:		
Revenue:		
Transformation within Housing - support costs		(44)
Costs associated with Home Loss Payments at Riverside High Flats and provision for Disturbance Allowance approved by Leadership Panel 26 November 2019		(169)
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		745
Comments:		
At period 6 Members approved £0.500m of the uncommitted surplus to be used to fund the unbudgeted impact of the increased pay award in 2024/25 and the impact of the employers national insurance changes in 2025/26 and 2026/27. The HRA 2025/26 revenue budget approved by Council on 3rd March includes the impact of this cost within the previously approved 4.5% rent increase. Members are requested to approve the return of this funding to the uncommitted surplus as it is no longer required.		
Members are further requested to approve £0.250m of the uncommitted surplus be utilised to outsource a parcel of work to sub-contractors to support Property Maintenance complete the required work on empty properties to reduce the number of unlet properties		

Table 5 - Rent Arrears

	As at 31 Jan 2024	As at 31 Jan 2025	Movement
Rent Arrears			
Current Tenants – Mainstream	1,333	1,334	0%
Former Tenants – Mainstream	635	736	16%
Total	1,968	2,070	5%
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 31 January £'000	Common Good Fund	Full Year Budget 2024/25 £'000	Projected Full Year Actual to 31 March 2025 £'000	Projected Full Year Variance favourable /(adverse) £'000
480	Ayr Common Good Fund	0	111	(111)
13	Prestwick Common Good Fund	0	(4)	4
0	Troon Common Good Fund	0	(1)	1
0	Maybole Common Good Fund	0	0	0
43	Girvan Common Good Fund	0	0	0
536		0	106	(106)

Table 3 - Financial Variance Analysis

Projected Full Year Variance favourable /(adverse) £'000	Common Good Fund
(111)	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 £0.120m is currently projected, comprising overspends of £0.067m on property repairs and maintenance, £0.044m on utility costs including non-domestic rates and council tax and £0.010m 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.
4	Prestwick Common Good Fund: A favourable variance of £0.004m at the year-end is currently projected, mainly due to additional interest income as a result of interest rate increases.
1	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.
(106)	Total projected variance

Table 4 - Accumulated Revenue Reserves

Common Good Fund	Reserves as at 31 March 2024 £'000	Reserves as at 31 January 2025 £'000	Projected Reserves as at 31 March 2025 £'000
Ayr Common Good Fund	260	(220)	149
Prestwick Common Good Fund	245	231	248
Troon Common Good Fund	38	38	38
Maybole Common Good Fund	2	2	2
Girvan Common Good Fund	9	(34)	9
Total	554	17	446
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 will be brought before Members in early course outlining options.			

Table 5 - Accumulated Capital Reserves

Common Good Fund	Reserves as at 31 March 2024 £'000	Reserves as at 31 January 2025 £'000	Projected Reserves as at 31 March 2025 £'000
Ayr Common Good Fund	711	222	221
Prestwick Common Good Fund	35	35	35
Total	746	257	256
Comments: Approximately £0.480m of a total contribution of approximately £0.500m has been incurred against Ayr Common Good Fund's capital reserve towards the restoration cost of fire-damaged properties at Ayr High Street.			

**Summary of Current General Services Financial Position
as at 31 January 2025**

	<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)	1.188	
Previously approved earmarking requests	(0.635)	
Period 10 earmarking requests (subject to Cabinet approval)	(1.252)	
Assessed revenue impact of IFRS16 transition – PPP arrangements	1.788	1.089
ii) Other:		
Ash tree Dieback (approved February 2025 Cabinet)	(0.202)	
Storm Damage estimated draw (subject to Cabinet approval)	(0.500)	
Station Hotel Fire incident final drawdown (subject to Cabinet approval)	(0.329)	(1.031)
iii) Review of committed reserves		
Release fund to uncommitted (August 2024 Cabinet)	0.887	0.887
Projected uncommitted reserves at 31 March 2025		5.389