

South Ayrshire Council

**Report by Head of Finance and ICT
to Cabinet
of 30 August 2022**

**Subject: Budget Management – Revenue Budgetary Control
2022/23 – Position at 30 June 2022**

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 2022/23 as at 30 June 2022.

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 and 3.4 below and notes that the impact of Covid-19 has been included in the projections;**
- 2.1.2 approves the budget transfers as outlined in the Directorate financial performance reports at Appendix 1 and summarised in 4.1.8 below;**
- 2.1.3 approves the requested earmarking of resources to be carried forward to 2023/24 as summarised in 4.1.9;**
- 2.1.4 notes the projected in year over-spend of £1.650m after earmarking; and**
- 2.1.5 requires Directors/Assistant Directors and Heads of Service to take steps to ensure that Directorate/ Services are not overspent against budget by 31 March 2023 as per section 5.3 of the Financial Regulations.**

3. Background

- 3.1 The budget management report contains overview information including the impact of Covid-19 for the following:
- 3.1.1 General Services Revenue - Appendix 1a to f (*pages 1 to 16*);
- 3.1.2 Housing Revenue Account - Appendix 1g (*page 17*); and

3.1.3 Common Good Funds - Appendix 1h (page 18).

- 3.2 Members approved the Council's revenue budget for 2022/23 on 3 March 2022, with total planned expenditure of £304.962m. The approved 2022/23 budget included Aggregate External Finance (AEF) due from Scottish Government of £238.799m net Council tax income of £63.067m and £3.096m use of reserves resulting in total planned income of £304.962m.
- 3.3 In June 2022, Council agreed that the Chief Officers' Appointments/Appraisal Panel were to meet with the Chief Executive to set out the parameters of a management restructure. It is expected that a report will be brought forward by the Chief Executive that may result in changes to the directorate structure of the Council and associated budget allocations. Until this work is completed and approved, the budget management structure, as contained in this Period 3 report, remains unchanged for reporting purposes apart from the separation of Education. Following Council approval of any change, budgets will be realigned and the Budget Management reporting structure will be updated accordingly in future reports to Cabinet.
- 3.4 Directorate planned spending has been adjusted to incorporate a number of adjustments which required to be actioned following budget approval in March 2022:
- 3.4.1 allocation of a £4.739m payroll management target held within the Miscellaneous Services Account approved as part of the 2022/23 budget in March 2022;
 - 3.4.2 allocations of £0.217m of fees and charges CPI increase approved as part of the 2022/23 budget;
 - 3.4.3 living wage harmonisation cost of £0,301m allocated from corporate budgets held for this purpose;
 - 3.4.4 normal service earmarking of £7.809m brought forward from 2021/22 approved by Council on 29 June 2022;
 - 3.4.5 additional notifications of funding from the Scottish Government (not included in the March 2022 budget) for:
 - (i) £0.265m for additional Pupil Equity Fund spend funded through additional Specific grant received;
 - (ii) £1.337m for Discretionary Housing Payments;
 - (iii) £0.704m for the impact of the 2021/22 Teachers pay award;
 - (iv) £0.829m for expansion of Free School Meals (FSM) to P4, P5 and special schools;
 - (v) £0.403m for FSM alternative School holiday provision;
 - (vi) £0.149m for removal of curriculum charges;
 - (vii) £0.142m for removing instrumental music tuition fees in schools;
 - (viii) £5.462m as the Council's share of the additional £200m for Social care included as part of the 2022/23 Scottish Budget; and

(ix) £4.958m to meet the cost of the reduced Council tax income due following the implementation of the £150 cost of living Council tax rebate.

3.4.6 Specific grant income of £14.327m has been re-allocated to offset directorate expenditure; and

3.4.7 other budget transfers that have been actioned as part of the refinement of the Council restructure following the approval of the budgets in March 2022 and other budget transfers between Directorates actioned in line with Financial Regulations rules on budget transfers.

3.5 In addition to the standard budget adjustment outlined in 3.4 above, Directorate spending plans have been updated to incorporate a number of adjustments linked to Covid-19 activity in 2022/23, as follows:

3.5.1 earmarking of £5.233m of specific underspends resulting from reduced spend activity in 2021/22, as identified in the Budget Management 2021/22 out-turn report presented to 29 June Council;

3.5.2 In 2021/22 Leadership Panel approved a two year allocation from Covid-19 reserves to mitigate the impact of loss of income/additional cost and an allocation for a two year recovery programme. Funding for Year 2 has been drawn down from reserves and included in 2022/23 budgets, £0.688m for loss of income/additional expenditure and £2.435m for year two of the recovery activity.

3.5.3 An additional £2.640m of Covid-19 additional budgets were included in the 2022/23 budget approved in March 2022 following updated assumptions for the ongoing loss of income or increased service provision costs likely to be encountered in 2022/23.

Table 1 – Covid-19 2022/23 Funding allocated to date

Funding stream	CEX £m	Education £m	People £m	Place £m	Misc £m	Total £m
Covid-19 earmarked funding brought forward from 2021/22 (per 3.5.1 above)	0.409	2.143	1.302	1.379	-	5.233
Covid-19 reserves allocation 2021/22 for loss of income additional expenditure– Year 2 allocation (per 3.5.2 above)	0.398	-	0.188	0.081	-	0.667
Covid-19 recovery programme 2021/22 – Year 2 allocation (per 3.5.2 above)	0.150	0.607	0.565	1.113	-	2.435
Covid-19 cost impact/Loss of income 2022/23 (per 3.5.3 above)	0.134	-	1.111	1.378	0.017	2.640
Total	1.091	2.750	3.166	3.951	0.017	10.975

3.6 Table 2 below summarises the revised 2022/23 General Services budget at 30 June 2022 inclusive of the budget adjustments outlined in 3.4 and 3.5 above.

Table 2 – Budget movement

<i>Directorate/ Account</i>	<i>Original Budget</i>	<i>Standard/ funding adjustment (per 3.4)</i>	<i>Covid-19 adjustments (per 3.5)</i>	<i>Revised</i>
	£m	£m	£m	£m
CEX	17.197	1.201	1.091	19.489
EDUCATION	127.062	(9.349)	2.750	120.463
PEOPLE	16.467	2.103	3.166	21.736
PLACE	43.337	1.511	3.951	48.799
HSC	88.175	3.385	-	91.560
Misc Services Account	12.724	4.648	0.017	17.389
Total Expenditure	304.962	3.499	10.975	319.436
General Revenue Grant	(193.559)	(14.893)	-	(208.452)
NDRI	(30.913)	-	-	(30.913)
Specific Grant	(14.327)	14.327		-
Council Tax	(63.067)	4.958	-	(58.109)
Use of reserves b/f	(3.096)	(7,891)	(10.975)	(21.962)
Total Income	(304.962)	(23.499)	(10.975)	(319.436)
Net Expenditure	-	-	-	-

- 3.7 In relation to the Health and Social Care Partnership (HSCP). Table 2 above shows the adjusted 2022/23 budget delegated from the Council to be overseen by the Integration Joint Board (IJB). In addition to this £91.560m a further £8.300m has been allocated via the NHS to the South Ayrshire HSCP from the Scottish Government for Council specific services and is included within Resource Transfer income in Appendix 1b. £15.931m of HSCP earmarking from 2021/22 has also been added to the HSCP budget. A further £0.790m is allocated to HSCP in terms of the Aids and Adaptation scheme. Appendix 1b provides an overview statement of the current financial budget and projected out-turn position for the Council element for 2022/23.
- 3.8 As outlined in the draft Annual Accounts 2021/22, the unaudited General Services surplus at 31 March 2022 was £39.877m and of this, £33.974m was set aside or earmarked for specific purposes, leaving an uncommitted balance of £5.903m. Excluding HSCP, which now holds its own reserves, This equates to 2.72% of future planned expenditure.
- 3.9 Members approved the Housing Revenue Account budget for 2022/23 on 3 March 2022, with total planned expenditure of £34.051m being met from rents and other income. Since the approval of the 2022/23 budget various budget transfers have been actioned in accordance with Financial Regulations resulting a revised total planned spend of £34.203m. The unaudited Housing Revenue Account surplus at 31 March 2022 was £9.531m. Of this, £9.344m is to be used to fund capital and revenue expenditure in future years. This left an uncommitted balance of £0.187m at 31 March 2022.

- 3.10 Members approved the Common Good revenue and capital budgets for 2022/23 on 3 March 2022. The combined unaudited Common Good revenue surplus as at 31 March 2022 for all Common Good Funds was £0.355m.
- 3.11 Table 1 above includes budgeted pay uplifts as per the Scottish Governments pay policy which is based on a differentiated scheme that proposes higher increases to the lower end of the pay scales. This initial proposal, based on the initial Scottish Government pay policy, has been rejected by the Trade Unions. Cosla along with Council Leaders have been meeting with the Scottish Government in recent weeks in order to secure additional funding to make an increased offer to staff. These discussions are ongoing however the Scottish Government has recently agreed to allocate a further £140m to Local government for this purpose. The additional funding provided allowed an increased offer of 3.5% to be made (1.5% above the current budget amount within the Council) however the Trade Unions have already rejected this latest offer.
- 3.12 At this stage it is assumed that payroll budgets will be on line at the year end with any increased cost resulting from an improved pay offer being met by additional funding provided by the Scottish Government. Initial estimates indicate that for every 1% increase in the pay uplift, above the current budget 2% amount, will equate to a £2.0m increase in cost (inclusive of HSCP uplifts).

4. Proposals

4.1 *Overview of Directorate/ Accounts' position as at 30 June 2022*

- 4.1.1 Appendix 1a to e to this report provides financial performance information in the form of a report for each Directorate/ account for the period to 30 June 2022. The Council's overall General Services revenue position at Period 3, excluding HSCP, is projected to be an in year over-spend of £0.286m prior to earmarking (£1.650m over-spend after earmarking).
- 4.1.2 As outlined in 3.5 above, funding has been allocated to Services to mitigate the loss of income/additional cost impact of Covid-19 during 2022/23. The Covid-19 variance information provided in the following section 4.1.3 to 4.1.8 below is the net Covid-19 position after taking account of the additional funding i.e. it outlines any further movement (over or underspend related to Covid-19) beyond the initial allocation.
- 4.1.3 Table 3 below provides a summarised position on a Directorate/ account basis and provides:
- (i) the projected out-turn position excluding the remaining impact of Covid-19;
 - (ii) Net remaining Covid-19 cost under/(over) spend projections;
 - (iii) the overall projected position combining (i) and (ii); and
 - (iv) the overall projected position after requested earmarking.

Table 3 – Projected under/(over) spend

<i>Directorate/ Account</i>	<i>Normal Projected under/ (over) spend £m (i)</i>	<i>Projected under/(over) spend related to Covid-19 £m (ii)</i>	<i>Overall Projected under/(over) spend £m (iii)</i>	<i>Earmarking approved/ requested £m</i>	<i>Revised under/ (over) spend £m (iv)</i>
Chief Executive	0.322	0.108	0.430	-	0.430
Education	0.987	-	0.987	(1.364)	(0.377)
People	(0.074)	0.080	0.006	-	0.006
Place	(1.069)	-	(1.069)	-	(1.069)
Miscellaneous Services Account	(0.744)	0.011	(0.733)	-	(0.733)
Total Net expenditure	(0.498)	0.119	(0.379)	(1.364)	(1.743)
Council Tax income (see 4.1.5 below)	0.093	-	0.093	-	0.093
Net in year projected surplus	(0.405)	0.119	(0.286)	(1.364)	(1.650)

- 4.1.4 Table 3, above, indicates an overall over-spend for the year (excluding HSCP) of £0.286m, prior to requested earmarking of £1.364m. All Directors, Assistant Directors and Heads of Service have been contacted to confirm their duty in terms of Section 5.3 of the Councils Financial Regulations which states, per the extract below:

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

It is expected that Service managers will now limit spend wherever possible in order to bring the projections back on line with budget. An update on this will be provided in the next Budget Management report.

- 4.1.5 **Council Tax Income** – A review of the current collection rates indicates they are slightly ahead of current year targets. It is anticipated that if trends continue as expected then Council Tax income will be £0.093m in excess of budget.
- 4.1.6 **Health and Social Care Partnership** – details of the projected out-turn information can be found within the Financial Monitoring report presented to the last Integration Joint Board (IJB) meeting. Appendix 1b indicates a projected in year underspend of £3.772m for 2022/23
- 4.1.7 The above HSCP projection assumes that £0.802m will be paid to the Council in 2022/23, being the fourth and final tranche of four repayments relating to the £3.277m draw from reserves provided to the partnership during 2020/21. In total £2.475m has been repaid in the previous three financial years leaving an outstanding balance of £0.802m to be repaid this year.

- 4.1.8 **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 4 below (by Directorate).

Table 4 – Budget Transfers

<i>Directorate/ Account</i>	<i>Dr £m</i>	<i>Cr £m</i>	<i>Appendix ref:</i>
People	0.125	0.125	1d –page 9
Place	5.153	5.153	1e –page 11
Total	5.278	5.278	

- 4.1.9 **Earmarking** - Members are asked to consider and approve the new earmarking request to be carried forward to 2023/24 for each Directorate as outlined in Appendix 1a to 1e summarised in total in the table below (by Directorate). It should be noted that part of this earmarking request is in relation to schools carry forward and may require to be amended in future reports depending on actual spend patterns.

Table 5 – New Period 3 Earmarking

<i>Directorate/ Account</i>	<i>Normal £m</i>	<i>Appendix ref:</i>
Education	1.364	1c – page 6
Total	1.364	

- 4.1.10 At this stage the earmarking requested relates to Pupil Equity Funding (PEF) of £1.214m which requires to be carried forward to follow the academic school year rather than the financial year, and £0.150m of Devolved School Management (DSM) of resources which is requested in line with the approved DSM scheme. There is therefore no scope to reduce the level of earmarking for PEF and limited scope to reduce the DSM, unless the DSM scheme is amended accordingly which would require member approval.

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

- 4.2.1 The unaudited 2021/22 Annual Accounts showed an accumulated surplus at 31 March 2022 of £39.877m and of this, £33.974m was set aside or earmarked for specific purposes leaving an uncommitted balance of £5.903m for General Services. Appendix 2 provides detail of the amounts set aside from the accumulated sum together with the impact of the current year directorate net year-end over-spend projections of £1.650m (after earmarking) outlined in Table 3 at 4.1.3 above
- 4.2.2 Table 6 below indicates that a year-end £5.055m uncommitted general services surplus is currently projected at 31 March 2023. This equates to 2.3 per cent of estimated future planned spend (excluding HSCP). This is towards the lower end of the 2 to 4 per cent required by Council policy for uncommitted general reserves.

Table 6 – General Services accumulated surplus

	£m
Unaudited opening surplus	39.877
Commitments (per Appendix 2)	(33.974)
Uncommitted surplus brought forward	5.903
Directorate 2022/23 projections (per table 3 above)	(1.650)
HSCP repayment (4 of 4)	0.802
Projected accumulated surplus	5.055

4.3 ***Housing Revenue Account Balance***

4.3.1 **Summary of Current Financial Position** – as outlined in Appendix 1e the current projected ‘in year’ surplus as at 31 March 2023 is £0.309m. When the in-year surplus is added to the current uncommitted surplus, identified in Table 4 of Appendix 1g, this results in an overall revised projected uncommitted surplus of £0.496m 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 2023, a combined projected accumulated revenue surplus of £0.356 is anticipated together with a projected combined capital reserve of £0.592m.

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 £5.055m is currently projected for General Services, excluding HSCP.

6.2 A £0.496m accumulated uncommitted surplus is projected for the Housing Revenue Account and a combined £0.356m accumulated surplus is currently projected for the Common Good Funds.

7. **Human Resources Implications**

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

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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 1](#).

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 Commitment 1 of the Council Plan: Fair and Effective Leadership/ Leadership that promotes fairness.

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 Head of Finance and ICT 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 4.1.8	16 September 2022	Head of Finance and ICT
Record for future reporting purposes the requested earmarking for carry forward of resources to 2023/24 as outlined in 4.1.9	16 September 2022	Head of Finance and ICT

Background Papers **Report to South Ayrshire Council of 3 March 2022 - [Revenue Estimates 2022/23, Capital Estimates 2022/23 to 2033/34 and Carbon Budget 2022/23](#)**

Report to South Ayrshire Council of 3 March 2022 - [Housing Revenue Account \(HRA\) – Revenue Budget 2022/23 and Capital Budget 2022/23 to 2026/27](#)

[Finance Circular 1/2022](#)

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Date: 24 August 2022

Budget Management Report to 30 June 2022 (Period 3)

Appendix 1

Ref.	Directorate/ Account	Pages
1a	Chief Executive's Strategic Office	1 to 2
1b	Health & Social Care	3
1c	Education	4 to 6
1d	People	7 to 9
1e	Place	10 to 14
1f	Miscellaneous Services Account	15 to 16
1g	Housing Revenue Account	17 to 18
1h	Common Good Funds	19 to 20

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

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2022/23 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000	Projected Variance due to Covid-19 £'000
80	Chief Executive & Support	434	429	5	0
	Finance and ICT Services:				
25	Head of Finance & ICT Services	(103)	(103)	0	0
410	Corporate Finance and Accounting	1,988	1,954	34	34
2,432	Revenues and Benefits	4,789	4,780	9	9
1,259	Information and Communication Technology	4,786	4,479	307	55
4,125	Total Finance and ICT Services	11,459	11,109	350	98
	Regulatory Services				
24	Head of Regulatory Services	(56)	(56)	0	0
35	Civil Contingencies & Business Continuity	61	61	0	0
858	Democratic Governance Services	2,580	2,547	33	0
83	Insurance, Risk & Safety Management	415	413	2	0
167	Legal & Licensing Services	890	890	0	0
376	Trading Standards & Environmental Health	1,854	1,824	30	0
205	Employee Services	904	904	0	0
235	Human Resources	918	908	10	10
1,983	Total Regulatory Services	7,566	7,491	75	10
8	Covid-19 Mobilisation Costs	31	31	0	0
6,196	Total Chief Executive's Office	19,489	19,059	430	108

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2022/23 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000	Projected Variance due to Covid-19 £'000
3,482	Employee costs	17,454	17,366	88	83
23	Property costs	284	284	0	0
986	Supplies and services costs	1,904	1,629	275	25
17	Transport costs	103	109	(6)	0
375	Administrative costs	480	456	24	0
173	Third party payments	1,593	1,544	49	0
7,520	Transfer payments	25,201	25,201	0	0
4	Financing costs	12	12	0	0
12,580	Gross expenditure	47,032	46,602	430	108
(6,384)	Gross income	(27,543)	(27,543)	0	0
6,196	Net expenditure	19,489	19,059	430	108

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Chief Executive & Support
5	Chief Executive & Support - projected over-recovery of payroll turnover target.
5	Total projected variance

Projected Variance favourable /(adverse) £'000	Finance and ICT Services
34	Corporate Finance and Accounting - projected full-year underspend of £0.034m due to a legacy delay in recruiting Covid-19 recovery posts in 2021/22, which following earmarking has carried forward into the current year.
9	Revenues and Benefits - projected full-year underspend of £0.009m due to vacant Covid-19 recovery post that will not be filled.
307	ICT - projected full-year underspends of £0.267m on maintenance contracts, £0.045m on Oracle non-contract spend and £0.012m on administrative costs; offset by projected overspend on electric vehicle costs following the end of subsidy agreements. Further projected underspend of £0.055m on Covid recovery funding, comprising both employee costs and equipment.

350	Total projected variance
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Projected Variance favourable /(adverse) £'000	Regulatory Services
33	Democratic Governance Services - a series of small projected underspends across various areas of the service comprising supplies and services costs (£0.008m) transport costs (£0.09m), administrative costs (£0.012m) and third party payments (£0.004m) combine toward a projected full year underspend for the service of £0.033m.
30	Trading Standards and Environmental Health - a full year underspend of £0.030m is currently projected for the service, comprising £0.020m from Food Standards Scotland for ongoing work which is already met from within the services existing resources, plus another £0.010m from supplies and services budgets across the service.
10	Human Resources - a full year underspend of £0.010m is currently projected due to a legacy delay in recruiting Covid-19 recovery posts in 2021/22, which following earmarking has carried forward into the current year.
75	Total projected variance

Projected Variance favourable /(adverse) £'000	Covid-19
0	Covid-19 Mobilisation Costs - the budget of £0.031m held against Covid-19 Mobilisation relates to earmarking from 2021/22 for employee costs to support the continuing administration of self-isolation support grants. It is expected to be fully spent during the financial year.
0	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:		DR £'000	CR £'000
Total		0	0

Table 5 - Earmarking Requests

Earmarking requests:	Objective/ Subjective	Amount £'000
Total		0
Comments: No earmarking requests were identified at period 3.		

Table 6 - Efficiency Savings

Efficiency savings:	Targeted £'000	Anticipated shortfall £'000	Anticipated shortfall due to Covid-19 £'000
Brought forward from 2021/22 - Review staffing levels within Democratic Support	10	0	0
Total	10	0	0
Comments: The remaining Democratic Support efficiency of £0.010m is currently being addressed on a temporary basis through payroll management. No further efficiency targets included at directorate level in 2022/23.			

Table 7 - Payroll Management

	£'000	period 3	to be
Payroll Management - Corporate target	563	124	439
Total	563	124	439
Comments: The Directorate's payroll management target is currently projected to be fully achieved at the end of the financial year.			

Table 8 - Grant Income

New Grants Received:	
Amount	
0	
Comments: Additional amounts notified during the financial year, not included in the original budget.	

Social Care

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2022/23 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000	Projected Variance due to Covid-19 £'000
	Community Care Services :				
9,729	Older People	53,071	52,512	559	0
820	Physical Disabilities	4,107	4,085	22	0
10,549	Total Community Care Services	57,178	56,597	581	0
4,196	Children's Services	23,049	21,241	1,808	0
(137)	Justice Services	(4)	(13)	9	0
4,059	Total Children and Justice Services	23,045	21,228	1,817	0
3,321	Learning Disabilities	23,860	22,924	936	0
677	Mental Health	4,252	4,106	146	0
265	Addiction	838	838	0	0
4,262	Total Mental Health Services	28,950	27,868	1,082	0
723	Directorate Services	5,458	4,852	606	0
280	Other Services	1,104	1,418	(314)	0
0	Vacancy management	(1,254)	(1,254)	0	0
1,003	Total Support Services	5,308	5,016	292	0
141	Integrated Care Fund/Delayed Discharges	373	373	0	0
0	Additional Funding Repayment	802	802	0	0
(1,831)	Interagency payments with Health	(19,831)	(19,831)	0	0
364	Covid-19 Costs	11,666	11,666	0	0
18,547	Social Care Sub-total	107,491	103,719	3,772	0
54	Scheme of assistance/Aids and adaptations etc	790	790	0	0
18,601	Final Social Care total	108,281	104,509	3,772	0

Earmarking requests

0

Health & Social Care - 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 2022/23 as at 30 June (Period 3). Earmarking of £15.931m is included in the budgets reported, including £11.666m for Covid 19 purposes. The reported position above assumes all additional Covid 19 spend will be funded via the Local Mobilisation Plan. £24.768m (£21.135m general and £3.633m NHS) of reserves were held at 2021/22 year end, leaving a balance of £5.204m uncommitted. This Period 3 projected position has been reported to the IJB.

Education Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2022/23 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000	Projected Variance due to Covid-19 £'000
265	Directorate	(593)	(593)	0	0
3,427	Education - Early Years	8,714	8,714	0	0
9,625	Education - Learning and Teaching Primary	38,148	37,300	848	0
9,594	Education - Learning and Teaching Secondary	40,106	39,843	263	0
3,176	Education - Learning and Teaching Additional Support	14,130	14,220	(90)	0
4,994	Education Support Services	16,354	16,388	(34)	0
357	Education Recovery	2,077	2,077	0	0
337	Financial Insecurity	635	635	0	0
369	Scottish Child Payments (SCP) Bridging Payments	892	892	0	0
32,144	Total People Directorate	120,463	119,476	987	0

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2022/23 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000	Projected Variance due to Covid-19 £'000
22,838	Employee costs	101,070	99,706	1,364	0
5,323	Property costs	23,544	23,578	(34)	0
561	Supplies and services costs	1,952	1,952	0	0
1,021	Transport costs	4,043	4,386	(343)	0
859	Administrative costs	1,164	1,164	0	0
2,185	Third party payments	6,042	6,042	0	0
5	Transfer payments	573	573	0	0
32,792	Gross expenditure	138,388	137,401	987	0
(648)	Gross income	(17,925)	(17,925)	0	0
32,144	Net expenditure	120,463	119,476	987	0

Table 3 - Analysis of Significant Variances

Year end Variance Fav /(Adv) £'000	Directorate
0	Payroll management target - projected to be on-line (refer to Table 7 below).
0	Total projected variance

Year end Variance Fav /(Adv) £'000	Education - Early Years
0	Members approved £0.024m in relation to COVID recovery project to support parents of babies to reduce social isolation and improve outcomes particularly early language and communication skills in areas of deprivation.
0	Total projected variance

Year end Variance Fav /(Adv) £'000	Education - Learning and Teaching - Primary, Secondary and Additional Support
1,021	<p>Projected net underspend of £1.021m, as a result of:</p> <p>Devolved School Management carry forward - projected underspend on school carry forward budgets of £0.150m, primarily relating to employee costs across academic years. This underspend is subject to schools Devolved School Management Scheme and Members are requested to earmark this underspend to be utilised 2023/24 (refer to Table 5 below).</p> <p>Pupil Equity Funding - projected underspend of £1.214m. This Scottish Government funding relates to the academic year (August 2022 - August 2023) and has permissible carry forward. Members are requested to earmark this underspend to be utilised in 2023/24 (refer to Table 5 below).</p> <p>Pupil Transport - projected overspend of £0.343m (£0.207 SPT and £0.136m ASN). There have been major tender exercises undertaken for both Mainstream and ASN. Tenders received are higher as operators come out of the pandemic, dealing with additional fuel and wage costs.</p>
1,021	Total projected variance

Year end Variance Fav /(Adv) £'000	Education - Support Services
(34)	<p>PPP unitary charge payments projected net overspend of £0.034m, due to malicious damage costs (£0.035m), additional Opex/Lifecycle costs of £0.026m (Feb 2017 - May 2022), which are partially offset by £0.027m due to actual RPI (Feb 22) being less than budgeted.</p> <p>Free School Meals - School Holidays Support - The SG has provided funding of £0.403m to enable the provision of alternative free school meal provision to all children and young people, eligible for free school meals on the basis of low income, in primary and secondary during the school holidays. However, this funding is based on £2.50 contribution, compared to the £3.00 SAC agreed amount. This equates to a shortfall of £0.150m which will be met from the 21/22 earmarked financial insecurity funding.</p> <p>COVID Recovery Projects - Members approved £0.332m in relation to secondary schools family first project.</p>
(34)	Total projected variance

Year end Variance Fav /(Adv) £'000	Covid-19
0	<p>Education Recovery funding comprises:-</p> <ul style="list-style-type: none"> - SAC share of £80m SG Teacher Recovery Fund (£1.608m). The purpose of this funding is to enable councils to employ a variety of school staff to meet the needs of children and young people in their local areas and ensuring that levels of teaching and support staff in schools could be maintained. - Scottish Government grants earmarked from 2021/22 £0.815m, of which £0.346m devolved to schools. These funds are fully committed.
0	<p>Financial Insecurity including the following funding:-</p> <ul style="list-style-type: none"> - 21/22 earmarking £0.261m SCP Bridging payments (clothing grant criteria) - COVID additional expenditure - Members approved £0.250m funding in relation to support the payment of four Scottish Child Payment (SCP) 'Bridging Payments' to a wider group of young people in 2022, making the same grant payments for customers who were eligible for Clothing Grants, as those eligible for free school meals. - 21/22 earmarking £0.107m financial insecurity, including food bank running costs
0	<p>Scottish Child Payment (SCP) Bridging Payments</p> <p>The Bridging Payments will be made on the same basis as the Family Pandemic Payments and will be paid for each child in receipt of Free School Meals due to low income. In 2022, four equal payments of £130 will be made at Easter (made in 2021/22), Summer, October and Christmas to broadly align with the start of school holidays. Additional funding £0.892m has been made available from SG to meet the cost of these payments. This includes 80% of projected award value, with the full value of awards being made through the General Revenue Grant redetermination process in the last two weeks of March 2023.</p>
0	Total projected variance

Table 4 - Budget Transfer Requests

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

Table 5 - Earmarking Requests

Earmarking requests:	Objective/ Subjective	Amount £'000
School Pupil Equity Fund	Education - various	1,214
School Carry Forwards	Education - various	150
Total requests		1,364
Comments:		

Table 6 - Efficiency Savings

Efficiency savings:	Targeted £'000	Shortfall £'000	Shortfall due to Covid-19 £'000
Increase all applicable external fees and charges by 2.9%	1	0	0
Total	1	0	0
Comments:			

Table 7 - Payroll Management

Payroll Management:	Targeted £'000	Achieved at period 3	Remaining to be
Payroll Management - Corporate target	2,623	630	1,993
Total	2,623	630	1,993
Comments: The Directorate payroll management target is projected to be achieved.			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
4	Edina Trust	Science Resources
1	Tesco	Groundwork Funding
41	Ayrshire Chamber of Commerce	Developing Young Workforce
23	Education Scotland	STEM
7	Scottish Government	Education recovery
76		

People Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2022/23 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000	Projected Variance due to Covid-19 £'000
49	Directorate	27	27	0	0
646	Destination South Ayrshire	7,502	7,496	6	80
889	Thriving Communities	6,340	6,340	0	0
1,563	Organisational Development & Customer Services	4,125	4,125	0	0
967	Policy, Performance and Community Planning	3,430	3,430	0	0
49	Performance Appraisal & Audit	312	312	0	0
4,163	Total People Directorate	21,736	21,730	6	80

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2022/23 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000	Projected Variance due to Covid-19 £'000
3,447	Employee costs	18,995	18,995	0	0
416	Property costs	2,284	2,284	0	0
621	Supplies and services costs	1,771	1,771	0	0
181	Transport costs	614	614	0	0
88	Administrative costs	678	678	0	0
1,395	Third party payments	3,631	3,631	0	0
0	Transfer payments	10	10	0	0
6,148	Gross expenditure	27,983	27,983	0	0
(1,985)	Gross income	(6,247)	(6,253)	6	80
4,163	Net expenditure	21,736	21,730	6	80

Table 3 - Analysis of Significant Variances

Year end Variance Fav /(Adv) £'000	Directorate
0	Payroll management target - projected to be on-line (refer to Table 7 below).
0	Total projected variance

Year end Variance Fav /(Adv) £'000	Destination South Ayrshire
6	<p>Members approved year two income target reductions of £1.036m within sports and leisure, as part of the COVID-19 Programme of Recovery, to reflect the loss of income due to Scottish Government restrictions resulting in reduced capacity and membership cancellations within sports and leisure.</p> <p>Projected net over-recovery in income of £0.006m, due to the following:</p> <ul style="list-style-type: none"> - £0.074m shortfall in income relating to utility cost recharges to user groups for use of Council community centres, as a result of their lack of financial resources. - £0.145m shortfall within hotelier and green fees income. - £0.225m additional income above target within leisure memberships and admissions, primarily as a result of the reduced income targets of £1.036m <p>Riverside Sports Arena - projected underspend within employee costs of £0.125m, due to employees not starting until September 2022. Member's approval is requested to utilise this underspend in order to purchase one-off equipment (refer to Table 4 below).</p>
6	Total projected variance

Projected Variance favourable /(adverse) £'000	Thriving Communities
0	Members approved (Yr2) funding of £0.400m in relation to COVID recovery projects within employability and skills. LACER funding - members have approved the following funding initiatives (SAC 29 June 2022):- - NEC Free Travel Support £0.045m - Social Enterprise Support £0.200m - Empowering Communities Fund £0.100m
0	Total projected variance

Year end Variance Fav /(Adv) £'000	Organisational Development & Customer Services
0	COVID additional expenditure (Yr2) - Information and advice hub were allocated a further £0.187m to continue with following COVID recovery projects:- - Administrative support to meet increased enquiries (£0.134m) - Targeted Community Based Education and Outreach Service (£0.129m). LACER funding - members have approved the following funding initiatives (SAC 29 June 2022):- - Household Boost Fund £0.400m - Senior Community Advisor (I&AH) £0.047m
0	Total projected variance

Projected Variance favourable /(adverse) £'000	Policy, Performance and Community Planning
0	Members approved £0.166m in relation to COVID recovery projects (Yr2) within policy, performance and community planning.
0	Total projected variance

Year end Variance Fav /(Adv) £'000	Performance Appraisal & Audit
0	Online.
0	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:		DR £'000	CR £'000
1	Riverside Sports Arena - employee costs		125
	Riverside Sports Arena - supplies and services	125	
	<i>Underspend within full year employee budget to be utilised to purchase equipment for new Riverside Sports Arena (employees due to start Sept 22).</i>		
Total		125	125

Table 5 - Earmarking Requests

Earmarking requests:	Objective/ Subjective	Amount £'000
n/a		
Total requests		0
Comments:		

Table 6 - Efficiency Savings

Efficiency savings:	Targeted £'000	Shortfall £'000	Shortfall due to Covid-19 £'000
Increase all applicable external fees and charges by 2.9%	121	0	0
Total	121	0	0
Comments:			
This efficiency is being met, as result of year 2 income target reductions within sports and leisure.			

Table 7 - Payroll Management

Payroll Management:	Targeted £'000	Achieved at period 3 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	537	230	307
Total	537	230	307
Comments:			
The Directorate payroll management target is projected to be achieved.			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
3	Scottish Library Information Centre	Jock Tamson's Bairns
21	Scottish Library Information Centre	Climate for Change
13	Scottish Library Information Centre	Read Woke Primaries
25	NCCBC	Maybole Town Centre Regeneration
100	Sustrans	Maybole Town Centre Regeneration
23	North Ayrshire Council	Ayrshire Visitor Economy Strategy Group
3	Youth Link Scotland	Youth Link Climate Funding
180	Sport Scotland	Active Schools / Community Sports Hubs
274	Scottish Government	School Milk & healthy snack scheme
96	Scottish Government	HEEPS
134	Scottish Government	Ukraine Refugee Support
5	Scottish Government	Long-term unemployed support
877		

Place Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2022/23 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000	Projected Variance due to Covid-19 £'000
(629)	Directorate	1,670	1,481	189	0
1,091	Asset Management and Community Asset Transfer	5,896	5,896	0	0
796	Ayrshire Roads Alliance/SPT	8,524	8,384	140	0
277	Economy & Regeneration	1,774	1,679	95	0
2,611	Facilities Management	11,279	10,806	473	0
718	Housing Services	1,810	1,725	85	0
3,409	Neighbourhood Services	16,837	19,075	(2,238)	0
1,269	Planning and Building Standards	1,263	1,023	240	0
206	Procurement	607	660	(53)	0
186	Professional Design Services	(639)	(639)	0	0
3,622	Property Maintenance	(222)	(222)	0	0
6,701	Special Property Projects		0	0	0
20,257	Total Place Directorate	48,799	49,868	(1,069)	0

Table 2 - Subjective Analysis

Actual		Full Year	Projected	Projected	Projected
7,673	Employee costs	37,889	37,058	831	0
1,380	Property costs	6,105	6,427	(322)	0
10,586	Supplies and services costs	11,254	11,099	155	0
2,126	Transport costs	5,699	6,643	(944)	0
87	Administrative costs	481	537	(56)	0
1,267	Third party payments	17,530	18,843	(1,313)	0
8	Financing costs	90	90	0	0
23,127	Gross expenditure	79,048	80,697	(1,649)	0
(2,870)	Gross income	(30,249)	(30,829)	580	0
20,257	Net expenditure	48,799	49,868	(1,069)	0

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Directorate
189	Directorate - projected underspend of £0.189m in employee costs as a result of current vacancies and a delay in recruiting to the Strategic Change Team.
189	Total projected variance

Projected Variance favourable /(adverse) £'000	Asset Management & Community Asset Transfer
0	No material variances to report
0	Total projected variance

Projected Variance favourable /(adverse) £'000	Ayrshire Roads Alliance/SPT
140	Ayrshire Roads Alliance/SPT - projected underspend of £0.140m mainly as a result of current vacancies. The potential increased cost of materials and fuel are being closely monitored by management and once the position becomes clearer a further update will be reported to Cabinet.
140	Total projected variance

Projected Variance favourable /(adverse) £'000	Economy & Regeneration
--	------------------------

95	Economy and Regeneration - projected underspend of £0.95m as a result of; Employee costs - projected underspend of £0.090m as a result of current vacancies Administrative costs - projected underspend of £0.005m within various small budget lines across the service.
95	Total projected variance

Projected Variance favourable /(adverse) £'000	Facilities Management
473	Facilities Management - projected underspend of £0.473m as a result of; Employee costs - projected underspend of £0.185m due to current vacancies Property costs - projected overspend of £0.067m mainly as a result of the increased cost of cleaning and domestic supplies across all Council properties Supplies & Services costs - projected underspend of £0.621m due to underspends in food costs (£0.563m) due to continued reduced school meals provision and security services costs (£0.058m) anticipated from the changeover in cashless catering provider contracts Administrative costs - projected underspend of £0.056m across various small budget lines Income - projected under-recovery of £0.322m due to the impact of the Government funding for the Primary Universal Free School Meals expansion programme for all P4 and P5 pupils. Management will closely monitor the impact of this over the coming months and once the position becomes clearer a permanent budget realignment between income and food costs will be proposed to Cabinet.
473	Total projected variance

Projected Variance favourable /(adverse) £'000	Housing Services
85	Housing Services - projected underspend of £0.085m as a result of; Employee Costs - projected underspend of £0.024m due to the current vacancies. Property Costs - projected overspend of £0.255m. This relates to increased responsive repairs costs (£0.150m), unlets (£0.075m), increased cleaning supplies (£0.020m), refuse collection (£0.005m) and equipment costs (£0.005m), all as a result of the increased demand for temporary homeless accommodation. This is offset by the corresponding over-recovery of income noted below. Supplies & Services Costs - projected overspend of £0.185m. This relates to increased furniture costs (£0.155m) and increased removal & storage costs (£0.030m) as a result of the increased demand for temporary homeless accommodation. This is offset by the corresponding over-recovery of income noted below. Administrative Costs - projected overspend of £0.120m. This is due to the need to maintain a bad debt provision to fund any future write off relating to the increased level of homeless rent arrears. This is offset by the corresponding over-recovery of income noted below. Third Party Payments - projected overspend of £0.030m. Due to the increased use of bed & breakfast properties (£0.030m) as a result of the increased demand for temporary homeless accommodation. This is offset by the corresponding over-recovery of income noted below. Income - projected over recovery of £0.651m. This relates to an increased number of temporary accommodation units being utilised from the HRA stock which has been necessary to meet increased demand for homeless accommodation. Members are requested to approve a Budget Transfer Request (Table 4 below) to use the over-recovery of income to
85	Total projected variance

Projected Variance favourable /(adverse) £'000	Neighbourhood Services
(2,238)	Neighbourhood Services - projected overspend of £2.238m as a result of; Supplies & Services costs - projected overspend of £0.281m due to the increased cost of repairs and maintenance of equipment (£0.096m), use of subcontractors for street cleaning and weed spraying (£0.130m), annual software licences (£0.030m) and one-off clean up costs required in relation to the bird flu outbreak (£0.025m) Transport costs - projected overspend of £0.944m mainly due to increased cost to hire essential equipment (£0.231m), skip and vehicle hire (£0.110m), increased repair and maintenance costs (£0.130m) and fuel price increases (£0.350m). The approved £0.123m prior year saving for Council-wide reduced external vehicle hire and grants for electric vehicles has not yet been allocated across services due to the impact of covid Third Party Payments - projected overspend of £1.278m within recycling costs following the implementation of new contracts with service providers. Members are requested to approve a Budget Transfer Request (see Table 4 below) to transfer Service underspends to meet this increased contract cost in 2022/23 Income - projected over-recovery of £0.265m in relation to current levels of bereavement income (£0.115m) along with an increase in recharges to user services for price increases in fuel and repairs costs (£0.150m).
(2,238)	Total projected variance

Projected Variance favourable /(adverse) £'000	Planning & Building Standards
240	<p>Planning & Building Standards - projected underspend of £0.240m as a result of ;</p> <p>Employee costs - projected underspend of £0.338m due to current vacancies</p> <p>Third Party Payments - projected overspend of £0.145m due to the requirement to employ temporary agency workers to support the current volume of building warrant applications</p> <p>Income - projected over-recovery of £0.047m due to the increased volume of Building Warrant Fees and Planning Applications in the first quarter of the financial year</p> <p>Members are requested to approve a Budget Transfer Request (see Table 4 below) to transfer employee costs underspends of £0.145m noted above to fund the employment of temporary agency workers required to deal with the increased level of building warrant applications</p>
240	Total projected variance

Projected Variance favourable /(adverse) £'000	Procurement
(53)	<p>Procurement - projected overspend of £0.053m as a result of;</p> <p>Employee costs - projected underspend of £0.005m as a result of vacancies in the first quarter of the financial year</p> <p>Administrative costs - projected underspend of £0.003m within various small budget lines across the service</p> <p>Income - projected under-recovery of £0.061m contract rebate income</p>
(53)	Total projected variance

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

Projected Variance favourable /(adverse) £'000	Property Maintenance
0	<p>Property Maintenance Service - projected online overall. Made up of the following variances:</p> <p>Employee Costs - projected underspend of £1.166m. This is due to a high level of vacancies within the service.</p> <p>Supplies & Services - projected overspend of £2.762m. This is due to an increased use of sub contractors, which is mainly related to the high level of vacancies.</p> <p>Third Party Payments - projected overspend of £0.378m due to increased spend on Agency payments, which is related to the high level of vacancies.</p> <p>Income - projected over-recovery of £1.974m based on the current level of jobs being carried out.</p> <p>Members are requested to approve a Budget Transfer Request (Table 4 below) to use the underspend in employee costs and the over-recovery of income to fund the related increased supplies and services and third party payments noted above.</p>
0	Total projected variance

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

		DR	CR
1	Planning & Building Standards - Employee Costs		145
	Planning & Building Standards - Third Party Payments	145	
	Transfer employee cost underspend to fund use of Agency workers to meet current workload		
2	Neighbourhood Services - Third Party Payments	1,278	
	Neighbourhood Services - Income		119
	Directorate - Employee Costs		189
	ARA - Third Party Payments		140
	Economy & Regeneration - Employee Costs		36
	Facilities Management - Supplies & Services Costs		473
	Housing - Income		81
	Planning & Building Standards - Employee Costs		193
	Planning & Building Standards - Income		47
	Transfer Service underspends to fund increased waste recycling contract costs		
3	Housing - Income		590
	Housing - Property Costs	255	
	Housing - Supplies & Services Costs	185	
	Housing - Third party payments	120	
	Housing - Administrative Costs	30	
	Transfer homelessness rent income over-recovery to fund related increased expenditure		
4	Property Maintenance Services - Employee Costs		1,166
	Property Maintenance Services - Supplies & Services	2,762	
	Property Maintenance Services - Third Party Payments	378	
	Property Maintenance Services - Income Costs		1,974
	Transfer underspend in employee costs and income over-recovery to fund the related increased sub-contractor and agency costs		
Total		5,153	5,153

Table 5 - Earmarking Requests

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

Table 6 - Efficiency Savings

Efficiency savings:	Targeted £'000	Anticipated shortfall £'000	Anticipated shortfall met by Covid-19 funding £'000
Asset Management - Newton House rental income	80	0	0
Housing Services - Homelessness rental income	550	0	0
Facilities Management - Fees & Charges - public conveniences increase charges	1	0	0
Asset Management - Fees & Charges - rental income increase charges	8	0	0
Neighbourhood Services - Fees & Charges - increase charges for special uplifts/commercial waste/grass cutting/allotments/bereavement	68	0	0
Total	707	0	0
Comments:			

Table 7 - Payroll Management

Payroll Management:	Targeted £'000	Achieved at period 3 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	1,049	262	787
Total	1,049	262	787

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
	n/a	
0		
Comments:		
The above grants which have been received during the financial year were not part of the approved Directorate budget.		

Miscellaneous Services

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2022/23 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000	Projected Variance due to Covid-19 £'000
2,480	Miscellaneous Services	17,241	17,974	(733)	11
2,480	Total Miscellaneous Services	17,241	17,974	(733)	11

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2022/23 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000	Projected Variance due to Covid-19 £'000
0	Debt management charges	12,748	12,698	49	0
0	Investment income	(114)	(303)	189	0
0	Recharges to other services	(1,667)	(1,667)	0	0
215	Requisitions and other initiatives	859	859	(0)	0
193	Employee provision	603	603	0	0
(19)	Fees and subscriptions	425	426	(1)	0
2,061	Other payments	4,537	5,508	(971)	11
30	Covid-19 Mobilisation Costs	19	19	0	0
2,480	Gross expenditure	17,410	18,144	(733)	11
0	Gross income	(21)	(21)	0	0
2,480	Net expenditure	17,389	18,122	(733)	11

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Miscellaneous Services
49	Debt management charges - budget comprises £5.870m for loan principal repayments, £6.700m for interest costs and £0.178m for loans fund expenses, based on significant levels of capital expenditure and borrowing during the year. The projected underspend of £0.049m is due to delaying the majority of long-term borrowing until the second half of the financial year and instead taking advantage of lower short-term borrowing rates.
189	Investment income - budget of £0.114m is projected to over-recover by £0.189m due to increase in interest rates and a higher level of investments than was budgeted for.
(971)	Other payments - a projected overspend of £0.971m is anticipated for other payments: A full year overspend of £0.897m is projected for utility costs. Budgets were calculated based on anticipated increases at the time, however energy costs have significantly increased due to the cost of living crisis and war in Ukraine. This overspend is in respect of all energy costs across the Council, rather than report individual overspends across the various Council properties, services and directorates. Budget is held within other payments for Non-Domestic Rates (NDR) increases during the year. The Scottish Government have continued limited relief measures for the first three months of 2022/23 due to the Covid pandemic in relation to NDR charges and as a result there is a projected underspend of £0.051m for Council-owned properties. Corporate efficiency targets totalling £0.600m are held within other payments, details for which are shown at Table 6 below. An overall shortfall of £0.117m is currently projected, which will be monitored in order to reduce as far as possible.
(733)	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:	DR £'000	CR £'000
Total	0	0

Table 5 - Earmarking Requests

		Amount
Description	Service/ Account	
Total		0
Comments: No earmarking requests identified in the current reporting period.		

Table 6 - Efficiency Savings

Efficiency savings:	Targeted £'000	Anticipated shortfall £'000	Projected Shortfall due to Covid-19 £'000
Procurement (prior year) - work continuing to identify relevant contracts to which target can be applied	(177)	(77)	0
Purchase of additional leave - target to be allocated across services	(200)	(40)	(40)
On-costs savings in relation to additional AVCs	(48)	0	0
Future Operating Model - target to be allocated across services	(175)	0	0
Total	(600)	(117)	(40)
Comments: Work is continuing to identify permanent procurement efficiencies to be allocated against the target, with a shortfall of £0.077m currently projected. Fewer employees have purchased additional leave due to the legacy of Covid and revised homeworking arrangements. Consequently, a shortfall of £0.040m is currently projected.			

Table 7 - Payroll Management

Payroll Management:	Targeted £'000	Achieved at period 3 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	0	0	0
Payroll Management - Directorate target	0	0	0
Total	0	0	0
Comments: No payroll management target allocation made to Miscellaneous Services for 2022/23.			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
0		
Comments: Additional amounts notified during the financial year, not included in original budget.		

Housing Revenue Account

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2022/23 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000	Anticipated shortfall due to Covid-19 £'000
(5,543)	Housing Revenue Account	0	(309)	309	0
(5,543)		0	(309)	309	0

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2022/23 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000	Anticipated shortfall due to Covid-19 £'000
875	Employee costs	5,130	4,630	500	0
2,036	Property costs	12,608	12,798	(190)	0
96	Supplies and services costs	378	313	65	0
7	Transport costs	94	54	40	0
48	Administrative costs	1,560	1,480	80	0
46	Support services costs	1,766	1,666	100	0
0	Third party payments	28	28	0	0
30	Transfer payments	71	121	(50)	0
0	Financing costs	3,868	3,736	132	0
2,338	CFCR	8,700	8,700	0	0
5,476	Gross expenditure	34,203	33,526	677	0
(11,019)	Income	(34,203)	(33,835)	(368)	0
0	Year-to-date draw on surplus for Welfare Reform	0	0	0	0
0	Year-to-date draw on surplus for Housing Officers	0	0	0	0
0	Year-to-date draw on surplus for Home loss payments	0	0	0	0
0	Year-to-date draw on surplus for Transformation	0	0	0	0
					0
(5,543)	Net expenditure	0	(309)	309	0

Year end Variance Fav /(Adv) £'000	Housing Revenue Account
500	Employee costs - projected underspend of £0.500m due to current vacancies.
(190)	Property Costs - projected overspend of £0.190m. This is due mainly to a higher than anticipated level of void properties (£0.200m) and property condition surveys (£0.030m), these overspends are offset by an underspend in asbestos management (£0.040m). Management are going to review the void properties costs in detail and a further update will be provided at period 6.
65	Supplies & Services - projected underspend of £0.065m. This is due to underspends in; ICT Hardware (£0.030m), Legal Fees (£0.020m), and other supplies and services (£0.015m).
40	Transport Costs - projected underspend of £0.040m, due to less use of private contract hire, car mileage allowance, fuel and repairs & maintenance of vehicles.
80	Administrative costs - projected underspend of £0.080m. There is an underspend on Telecoms charges (£0.010m) as well as less Feasibility & Design Costs for capital projects being charged to revenue (£0.070m).
100	Support service costs - projected underspend of £0.100m, due to less staff overheads being charged from other services.
(50)	Third Party Payments and Transfer Payments - projected overspend of £0.050m relating to redecoration allowances.
132	Financing costs - projected net underspend of £0.132m comprising: - Principal, Interest payments and expenses - projected underspend of £0.140m 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 - £0.008m under recovery as a result of the Loans Fund not achieving the originally estimated rate of interest on investments.
0	CFCR - no variances
(368)	Income - projected under recovery of £0.368m in rental income as a result of the Mainholm new build units not being completed until January 2023. This is partly offset by the corresponding underspend in borrowing costs noted under Financing costs above
309	Total variance

Comments:

Table 4 - Accumulated Surplus

Accumulated Surplus	£'000	£'000
HRA accumulated surplus as at 1 April 2022	9,531	
Current year surplus/(deficit) before draw on surplus	309	
Revised current year surplus/(deficit)		9,840
Minimum working balance		(2,000)
Projected surplus for the year ended 31 March 2023		7,840
Current commitments:		
Capital:		
Previously approved draws on surplus now committed as part of the Capital Programme	(5,401)	
Revenue:		
Welfare reform - mitigating risks to HRA (per Council report of April 2013) - (spend in 2022/23: £0.000m).	(64)	
Transformation within Housing - support costs (spend in 2022/23: £0.000m).	(44)	
Tenant Participation - support aims of TP Strategy	(30)	
Costs associated with Home Loss Payments at Riverside High Flats and provision for Disturbance Allowance approved by Leadership Panel 26 November 2019 (spend of £0.006m in 22/23)	(182)	
Extending the temporary contracts for the 2 FTE Housing Officers at Grade – Level 7 until 30 September 2022 approved by Leadership Panel 26 November 2019 (spend of £0.008m in 22/23)	(67)	
2020/21 CFCR underspend to be used for financing costs for capital projects in 21/22 approved by Leadership Panel 21 August 2020	(1,000)	
2020/21 Repairs underspend to be used for the backlog of repairs due to COVID-19	(556)	
Total current commitments		(7,344)
Projected uncommitted surplus as at 31 March 2023		496
Comments:		
<p>Welfare Reform - £0.444m was originally set aside to mitigate the risks associated with the impact of welfare reform. Measures implemented thus far include additional contact and follow-up actions with affected tenants. Pro-active prevention work has also increased, including the provision of advice and information to affected tenants and identification of new or additional housing support needs.</p> <p>Since 2014/15 to date, £0.380m has been spent. The remaining balance of £0.064m to continue work in this area</p>		

Table 5 - Rent Arrears

Rent Arrears	As at 31 March 2022	As at 30 June 2022	Movement
Current Tenants – Mainstream	755	1,179	56%
Current Tenants – Homeless	99	59	-40%
Former Tenants – Mainstream	479	534	11%
Former Tenants – Homeless	255	275	8%
Total	1,588	2,047	29%
Comments:			
<p>Performance in this area was strong when benchmarked against other Scottish local authorities for 2021/22. Rent arrears is an area of focused activity with a dedicated team managing rent accounts and supporting tenants in arrears. Following Covid-19, the Council took the decision to suspend recovery action for the three-month period from 1 April – 30 June 2020. Officers are maintaining contact with tenants to provide ongoing advice and support to those who are experiencing hardship as a consequence of Covid-19. Every effort is being made to secure repayment arrangements as an alternative to formal recovery action, taking account of the temporary legislative changes introduced by the Scottish Government to provide additional protection to tenants. These place additional duties on the team and extend the recovery process. Consequently, the level of outstanding debt has increased while support and advice is being provided to help tenants reach a repayment plan, resulting in debts being higher and being on accounts for longer periods of time and reducing at a slower rate.</p> <p>Rent arrears typically follow an annual trend of increasing in the first six months of the financial year. For the equivalent period in 2021/22, total current tenants arrears were £1.073m in comparison to £1.238m this year (an increase of £0.165m) while former tenants arrears were £0.705m in comparison to £0.809m this year (an increase of £0.104m).</p>			

Table 6 - Budget Transfer Requests

	DR £'000	CR £'000
N/A		
Total	0	0

Common Good Funds

Table 1 - Objective Analysis

Actual Net Expenditure/ (Income) to 30 June £'000	Common Good Fund	Full Year Budget 2022/23 £'000	Projected Actual to 31 March 2023 £'000	Projected Variance favourable /(adverse) £'000	Projected Variance due to Covid-19 £'000
51	Ayr Common Good Fund	(3)	0	(3)	0
(5)	Prestwick Common Good Fund	0	(1)	1	0
0	Troon Common Good Fund	(0)	(0)	0	0
0	Maybole Common Good Fund	(0)	(0)	0	0
0	Girvan Common Good Fund	0	0	0	0
46		(3)	(1)	(1)	0

Table 3 - Financial Variance Analysis

Projected Variance favourable /(adverse) £'000	Common Good Fund
(103)	<u>Ayr Common Good Fund:</u> Property Costs: Unbudgeted expenditure (approximately £0.080m in 2020/21, £0.093m in 2021/22 and a further £0.003m in 2022/23 year-to-date) continues to be incurred in relation to the fire-damaged properties on Ayr High Street. A full-year overspend of £0.100m is currently projected; however this continues to be offset by insurance recovery income and accordingly no net impact on the overall projected outturn position is anticipated. A projected full-year underspend of £0.003m in respect of energy costs.
100	Income: A full year over-recovery of £0.100m is currently projected in relation to unbudgeted insurance recovery income referred to above (see property costs).
1	<u>Prestwick Common Good Fund:</u> Property costs: A full-year underspend of approximately £0.001m.
(2)	Total projected variance

Table 4 - Accumulated Revenue Reserves

Common Good Fund	Reserves as at 31 March 2022 £'000	Reserves as at 30 June 2022 £'000	Projected Reserves as at 31 March 2023 £'000
Ayr Common Good Fund	56	5	56
Prestwick Common Good Fund	253	258	254
Troon Common Good Fund	35	35	36
Maybole Common Good Fund	2	2	2
Girvan Common Good Fund	9	9	9
Total	355	309	356
Comments:			

Table 5 - Accumulated Capital Reserves

Common Good Fund	Reserves as at 31 March 2022 £'000	Reserves as at 30 June 2022 £'000	Projected Reserves as at 31 March 2023 £'000
Ayr Common Good Fund	897	897	557
Prestwick Common Good Fund	35	35	35
Total	932	932	592
Comments: Approximately £0.350m is expected to be incurred during 2022/23 on an approved external fabric project at Rozelle House.			

**Summary of Current General Services Financial Position
as at 30 June 2022**

	<i>£m</i>	<i>£m</i>
1) Accumulated surplus brought forward from 2021/22		39.877
Funds set aside for specific purposes		
2021/22 & 2022/23 budget contribution	3.296	
2022/23 contribution to financial insecurity	0.250	
Affordable homes	1.482	
Workforce change fund	1.127	
Efficiency and Improvement fund	1.529	
Local election fund	0.159	
Transform South Ayrshire	(0.050)	
Invest in South Ayrshire	0.200	
Community Halls Fund	0.633	
Ayrshire Growth Deal	0.269	
Civil Contingency (3 Ayrshire reserve commitment)	0.097	
Prestwick Airport	0.060	
Supported Employment/ESF funding	0.958	
Ayr Renaissance	0.026	
Glenburn Temp accommodation	0.001	
Corporate Support Capacity issues	0.806	
Levelling Up - additional capacity funding to be drawn only if required	0.125	

	<i>£m</i>	<i>£m</i>
Golf Strategy - to address initial priority and health and safety issues	0.500	
Station Hotel – encapsulation to Dec 22 and consultant cost	0.615	
Council Covid-19 earmarking	14.082	
General Service earmarking	7.809	33.974
Uncommitted Council surplus brought forward as at 31 March 2022		5.903
2) Movement in 2022/23		
i) Directorate budget projections:		
Service projections (per Appendix 1)	(0.498)	
Period 3 earmarking requests (subject to LP approval)	(1.364)	
Covid-19 specific projections (per Appendix 1)	0.119	
ii) Income		
Council Tax (over recovery)	0.093	(1.650)
Total In year surplus/(deficit)		4.253
iii) HSCP repayment 2022/23 (being 4 of 4 profiled repayment)		0.802
Projected uncommitted reserves at 31 March 2023		5.055

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 2022/23 – Position at 30 June 2022
Lead Officer (Name/Position/Email)	Tim Baulk, Head of Finance and ICT – 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

