

South Ayrshire Council

**Report by Head of Finance, ICT and Procurement
to Cabinet
of 29 November 2022**

**Subject: Budget Management – Revenue Budgetary Control
2022/23 – Position at 30 September 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 September 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 notes the projected in year over-spend of £1.382m after earmarking;
- 2.1.3 notes the significant projected future increase in debt charges, as outlined in 4.1.5 to 4.1.7 below, and agrees to review the twelve year capital programme as part of the 2023-24 budget process;
- 2.1.4 approves a draw of £0.025m from uncommitted Covid-19 reserves to meet additional projects costs as outlined in 4.2 below;
- 2.1.5 notes that a report seeking to implement the Service Concession Flexibility outlined in 4.3 below will be presented to Council in December 2022;
- 2.1.6 approves the budget transfers as outlined in the Directorate financial performance reports at Appendix 1 and summarised in 4.1.10 below; and
- 2.1.7 approves the new period 6 requested earmarking of resources to be carried forward to 2023/24 as summarised in 4.1.11.

3. Background

- 3.1 The budget management report contains overview information including the impact of Covid-19 for the following:
 - 3.1.1 General Services Revenue - Appendix 1a to f (*pages 1 to 18*);
 - 3.1.2 Housing Revenue Account - Appendix 1g (*page 19*); and
 - 3.1.3 Common Good Funds - Appendix 1h (*page 21*).
- 3.2 As detailed in the Budget Management – Revenue Budgetary Control 2022/23 – Position Statement at 30 June 2022, presented to the Cabinet of 30 August 2022, revisions to the 2021/22 revenue budget have been made in terms of corporate allocations, Covid-19 funding allocations and other transfers actioned in line with Financial Regulations rules on budget transfers, resulting in revised planned net expenditure of £319.436m.
- 3.3 In September 2022 Council agreed changes to the directorate structure of the Council. Budgets have been realigned and the Budget Management reporting structure has been updated accordingly.
- 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 additional notification of funding of £0.071m from the Scottish Government (not included in the March 2022 budget) for Social Security Service - Adult Disability Payment Fund,
 - 3.4.2 additional funding from the Scottish Government for the increased pay offer of £5.538m (currently held centrally pending allocation to directorates); and
 - 3.4.3 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 Table 1 below summarises the revised 2022/23 General Services budget at 30 September 2022 inclusive of the budget adjustments outlined in 3.3 and 3.4 above.

Table1/.

Table 1 – Budget movement

<i>Directorate/ Account</i>	<i>Period 3 Budget</i>	<i>Other adjust (per 3.4)</i>	<i>Restructure adjust (per 3.3)</i>	<i>Revised</i>
	£m	£m	£m	£m
CEX	19.489	0.116	0.919	20.524
EDUCATION	120.463	-	(0.287)	120.176
PEOPLE	21.736	1.385	(23.121)	-
PLACE	48.799	1.291	(50.090)	-
HOD	-	-	48.569	48.569
SCC	-	-	24.010	24.010
HSC	91.560	0.151	-	91.711
Misc Services Account	17.389	(809)	-	16.580
Pay funding	-	5.538	-	5.538
Total Expenditure	319.436	7.672	-	327.108
General Revenue Grant	(208.452)	(5.609)	-	(214.061)
NDRI	(30.913)	-	-	(30.913)
Council Tax	(58.109)	-	-	(58.109)
Use of reserves b/f	(21.962)	(2.063)	-	(24.025)
Total Income	(319.436)	(7,672)	-	(327.108)
Net Expenditure	-	-	-	-

- 3.6 In relation to the Health and Social Care Partnership (HSCP). Table 1 above shows the adjusted 2022/23 budget delegated from the Council to be overseen by the Integration Joint Board (IJB). In addition to this £91.711m 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 1c. £15.931m of HSCP earmarking from 2021/22 has also been added to the HSCP budget. A further £0.802m 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.
- 3.7 As outlined in the Annual Accounts 2021/22, the audited 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 £5.943m. Excluding HSCP, which now holds its own reserves, This equated to 2.72% of future planned expenditure at that time.
- 3.8 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 £34.231m. The audited 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.

- 3.9 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.
- 3.10 Table 1 above includes budgeted pay uplifts as per the Scottish Governments original pay policy which was based on a differentiated scheme that proposed higher increases to the lower end of the pay scales. This initial proposal was rejected by the Trade Unions. Cosla along with Council Leaders then made an increased offer which, with the exception of Teachers has been accepted by the majority of Unions. The Scottish Government has provided £260.6m of additional funding to Local government to assist in meeting the increased pay offer cost. The Council is due to receive an allocation of £5.538m from this funding. It is estimated that a further funding of £140m is required across Scotland to fully fund the accepted pay offer. The Scottish Government has been in discussions with Cosla over further flexibilities to assist in meeting this cost however further clarity is still required on the mechanics of how these flexibilities can be accessed.
- 3.11 The Period 3 Budget Management Report presented to Cabinet in August 2022 projected an overall overspend for the financial year of £0.286m (£1.650m after earmarking). In order to bring spend back in to line with budget Cabinet agreed to a freeze on non-essential vacancies and to limit general spend to essential spend only.

4. Proposals

4.1 *Overview of Directorate/ Accounts' position as at 30 September 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 September 2022. The Council's overall General Services revenue position at Period 6, excluding HSCP, is projected to be an in year under-spend of £0.787m prior to earmarking (£1.382m over-spend after earmarking).
- 4.1.2 Table 2 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 2/.

Table 2 – 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	(1.466)	0.206	(1.260)	(0.014)	(1.274)
Education	(1.736)	-	(1.736)	(1.364)	(3.100)
Housing Operations & Development	(1.306)	-	(1.306)	-	(1.306)
Strategic Change & Communities	(0.389)	0.598	0.209	(0.791)	(0.582)
Miscellaneous Services Account	(0.879)	(0.021)	(0.900)	-	(0.900)
Total Net expenditure	(5.776)	0.783	(4.993)	(2.169)	(7.162)
Pay funding (see 4.1.4 below)	5.538	-	5.538	-	5.538
Council Tax income (see 4.1.8 below)	0.242	-	0.242	-	0.242
Net in year projected surplus	0.004	0.783	0.787	(2.169)	(1.382)

4.1.3 Table 3, above, indicates an overall under-spend for the year (excluding HSCP) of £0.787m, prior to requested earmarking of £2.169m.

It is expected that Service managers will continue to 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.

4.1.4 **Pay uplifts** – Table 2 above includes the projected impact of the increased differentiated pay offer within each directorate for all employees with the exception of teachers, where a flat 5% uplift has been included instead. This flat 5% offer has been rejected by Teaching Unions with strike action now due to take place in late November. The Scottish Government is currently in negotiations with Teaching Unions and should a revised offer be proposed then it is anticipated that funding will be made available by the Scottish Government to meet the increased offer.

As stated in 3.4.2, additional funding of £5.538m is due from the Scottish Government to assist in meeting the cost of the increased pay offer. This funding is being held centrally pending allocation to Directorates. Work is underway regarding the potential areas of further flexibilities that could be taken forward to assist in meeting the shortfall in funding for the pay award. Any proposals in this area will be brought forward to Cabinet for further consideration.

4.1.5 **Debt Charges interest rate increase implications** – Included in the Miscellaneous Service account is a projected underspend in Debt Charges of £0.094m for 2022/23. This has resulted due to a combination of reduced principal repayments and increased interest payments (linked to PWLB interest rate increases). This increase in interest payments has occurred despite the significant reprofiling of spend to later years in the programme (as outlined in the General services Capital report shown

elsewhere on this Cabinet agenda). The additional costs are offset by increased investment income being received due to increased rates of return being achieved on external investments.

- 4.1.6 Whilst a small underspend is currently projected for 2022/23, the increased PWLB interest rate environment has a significant impact on debt charge implications for future years. Appendix 3 provides detail on the current twelve year budgeted debt charge expenditure profile (based on the general services capital budget approved in March 2022) compared to the revised debt charge profile following inclusion of the latest period 6 capital programme information and the latest expected interest rate information, for both borrowing and investments. Table 3 below provides a summarised comparison of the information contained in Appendix 3.

Table 3 – total projected debt charge (2022-23 to 2033-34)

	Current planned spend £m	Revised projection £m	Movement £m
Principal repayments	91.181	90.416	0.765
Interest payments	139.817	156.019	(16.202)
Expenses	2.051	2.074	(0.023)
Total expenditure	233.049	248.509	(15.460)
Investment income	(4.493)	(11.984)	7.491
Net debt charges	228.556	236.525	(7.969)

- 4.1.7 As can be seen from Table 3, based on the current future interest rate expectations, the Council will require to meet total additional costs of £7.969m over the 12 year period. Given this significant change it is prudent to consider reviewing the current future planned capital programme to reduce spend where possible and thereby reduce borrowing and limit the increase in debt charges. It is recommended that this review be incorporated as part of the budget setting process for 2023-24.
- 4.1.8 **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 £0.242m in excess of budget.
- 4.1.9 **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 1c indicates a projected in year underspend of £3.369m for 2022/23, exclusive of the increased accepted pay offer for 2022/23. The additional costs of the increased pay offer are estimated to be circa £1.189m which will reduce projected surplus accordingly.

- 4.1.10 **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>
HOD	0.786	0.786	1d –page 12
Total	0.786	0.786	

- 4.1.11 **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 – Earmarking

<i>Directorate/ Account</i>	<i>Previously approved £m</i>	<i>New Period 6 request £m</i>	<i>Appendix ref:</i>
CEX	-	0.014	1a – page 3
Education	1.364	-	1b – page 6
Strategic Change & Communities	-	0.791	1e – page 15
Total	1.364	0.805	

- 4.2 **Covid-19 Recovery Project Funding Request** – As part of the budget setting process for 2022-23, resources were allocated to a number of Covid-19 recovery projects, with funding being met from Covid-19 reserves held. It has been identified that one of the approved projects, the North Ayr/River Ayr outdoor sport facilities proposal to develop water sport and beach volleyball opportunities to link both sides of River Ayr to Craigie campus development, which is being funded through Covid-19 recovery funding and the Place-Based Investment Programme, is likely to be under resourced by circa £0.025m. It is therefore requested that additional funds are allocated from Covid-19 reserves to bridge the gap in project costs. This additional allocation can be accommodated within the Covid-19 reserves fund as there are £0.792m of uncommitted covid-19 reserves available.

4.3 **PPP Service Concessions**

- 4.3.1 The Scottish Government's 2022 Resource Spending Review, contained details of a Service Concession Arrangement flexibility that relates to the Council's PPP schools.
- 4.3.2 The flexibility permits councils to undertake internal accounting changes that extend the period over which the principal repayment of the unitary charge can be made which results in a one-off credit to the Council and ongoing annual savings for a period of time.

4.3.3 The Statutory Regulation was published and issued to councils in September 2022 and work on modelling the impact of the flexibility on the specific elements within our school estate is well advanced. A report seeking approval to implement the Service Concession Flexibility will be presented to Council in December 2022.

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

4.4.1 The audited 2021/22 Annual Accounts showed an accumulated surplus at 31 March 2022 of £39.877m and of this, £33.934m was set aside or earmarked for specific purposes leaving an uncommitted balance of £5.943m 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 £1.382m (after earmarking) outlined in Table 2 at 4.1.2 above. It should be noted that a review has recently been undertaken regarding the committed sums held withing general reserves. The outcome of this review is being presented elsewhere on this Cabinet agenda.

4.4.2 Table 6 below indicates that a year-end £4.980m 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
Audited opening surplus	39.877
Commitments (per Appendix 2)	(33.934)
Uncommitted surplus brought forward	5.943
Directorate 2022/23 projections (per table 2 above)	(1.382)
Further 2022/23 approved 'in year' reserve commitments	(0.383)
HSCP repayment (4 of 4)	0.802
Projected accumulated uncommitted surplus	4.980

4.3 **Housing Revenue Account Balance**

4.3.1 **Summary of Current Financial Position** – as outlined in Appendix 1g the current projected 'in year' surplus as at 31 March 2023 is £0.566m. 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 £1.333m 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 £0.343 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 £5.363m is currently projected for General Services, excluding HSCP.

6.2 A £1.333m accumulated uncommitted surplus is projected for the Housing Revenue Account and a combined £0.343m accumulated surplus is currently projected for the Common Good Funds.

7. Human Resources Implications

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

8. Risk

8.1 Risk Implications of Adopting the Recommendations

8.1.1 There are no risks associated with adopting the recommendations.

8.2 Risk Implications of Rejecting the Recommendations

8.2.1 There are no risks associated with rejecting the recommendations.

9. Equalities

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

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, ICT and Procurement 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 4.1.10	20 December 2022	Head of Finance, ICT and Procurement
Record for future reporting purposes the requested earmarking for carry forward of resources to 2023/24 as outlined in 4.1.11	20 December 2022	Head of Finance, ICT and Procurement

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](#)

Person to Contact **Tim Baulk, Head of Finance, ICT and Procurement
County Buildings, Wellington Square, Ayr, KA7 1DR
Phone 01292 612612
E-mail tim.baulk@south-ayrshire.gov.uk**

Date: 22 November 2022

Budget Management Report to 30 September 2022 (Period 6)

Appendix 1

Ref.	Directorate/ Account	Pages
1a	Chief Executive's Strategic Office	1 to 3
1b	Education	4 to 7
1c	Health & Social Care	8
1d	Housing Operations & Development	9 to 12
1e	Strategic Change & Communities	13 to 16
1f	Miscellaneous Services Account	17 to 18
1g	Housing Revenue Account	19 to 20
1h	Common Good Funds	21 to 22

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

Chief Executive's Office

Table 1 - Objective Analysis

Actual Expenditure to 30 September £'000	Service	Full Year Budget 2022/23 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000	Projected Variance due to Covid-19 £'000
169	Chief Executive & Support	434	464	(30)	0
	Finance, ICT and Procurement Services:				
55	Head of Finance & ICT Services	(103)	(103)	0	0
898	Corporate Finance and Accounting	1,986	2,100	(114)	34
3,718	Revenues and Benefits	4,789	5,013	(224)	9
2,025	Information and Communication Technology	4,786	5,123	(337)	55
368	Procurement	607	713	(106)	0
7,064	Total Finance, ICT and Procurement Services	12,065	12,846	(781)	98
	Regulatory Services				
54	Head of Regulatory Services	(56)	(56)	0	0
78	Civil Contingencies & Business Continuity	61	76	(15)	0
1,385	Democratic Governance Services	2,580	2,674	(94)	0
171	Insurance, Risk & Safety Management	531	568	(37)	0
285	Legal & Licensing Services	890	980	(90)	82
807	Trading Standards & Environmental Health	1,854	1,949	(95)	14
2,780	Total Regulatory Services	5,860	6,191	(331)	96
864	Human Resources	1,822	1,940	(118)	12
112	Internal Audit	312	312	0	0
22	Covid-19 Mobilisation Costs	31	31	0	0
11,011	Total Chief Executive's Office	20,524	21,784	(1,260)	206

Table 2 - Subjective Analysis

Actual Expenditure to 30 September £'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
8,072	Employee costs	18,728	20,019	(1,291)	181
123	Property costs	283	283	0	0
1,174	Supplies and services costs	1,940	1,854	86	25
63	Transport costs	106	101	5	0
381	Administrative costs	528	509	19	0
546	Third party payments	1,478	1,474	4	0
13,548	Transfer payments	25,201	25,201	0	0
7	Financing costs	12	12	0	0
23,913	Gross expenditure	48,276	49,453	(1,177)	206
(12,901)	Gross income	(27,752)	(27,669)	(83)	0
11,012	Net expenditure	20,524	21,784	(1,260)	206

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Chief Executive & Support
(30)	Chief Executive & Support - projected under-recovery of payroll turnover £30k target following inclusion of the pay award.
(30)	Total projected variance

Projected Variance favourable /(adverse) £'000	Finance and ICT Services
(114)	Corporate Finance and Accounting - projected full-year overspend of £0.114m with £0.134m relating to the following of increased pay award offset by a £0.020m underspend due to a legacy delay in recruiting Covid-19 recovery posts in 2021/22, which following earmarking has carried forward into the current year.
(224)	Revenues and Benefits - projected full-year overspend of £0.224m with £0.234m relating to the inclusion of the increased pay award which is offset by an over recovery £0.010m expected through Benefits Admin Grant.
(337)	ICT - projected full-year overspend of £0.337m with £0.362m relating to the inclusion of the increased pay award and by projected overspend on electric vehicle costs following the end of subsidy agreements, offset by underspends of £0.015m on administrative costs. Further projected underspend of £0.055m on Covid recovery funding, comprising both employee costs and equipment.
(106)	Procurement - projected overspend of £0.106m as a result of: Employee costs - projected overspend of £0.022m mainly as a result of the unbudgeted element of the pay award (£0.030m). Administrative costs - projected underspend of £0.009m within various small budget lines across the service Income - projected under-recovery of £0.093m in contract rebate income (£0.061m) and under-recovery in employee costs recharged to ICT capital (£0.032m).
(781)	Total projected variance

Projected Variance favourable /(adverse) £'000	Regulatory Services
(15)	Civil Contingencies & Business Continuity - a projected full-year overspend of £0.015m following inclusion of the increased pay award.
(94)	Democratic Governance Services - a projected full-year overspend of £0.094m with £0.123m relating to the inclusion of the unbudgeted increased pay award offset by a series of small projected underspends across various areas of the service comprising supplies and services costs (£0.008m) transport costs (£0.005m), administrative costs (£0.012m) and third party payments (£0.004m) combine toward a projected full year underspend for the service of £0.029m.
(37)	Insurance, Risk and Safety Management - a projected full-year overspend of £0.037m following inclusion of the increased pay award.
(90)	Legal & Licensing - a projected full-year overspend of £0.090m following inclusion of the increased pay award.
(95)	Trading Standards and Environmental Health - a projected full- year overspend of £0.095m with £0.125m relating to the inclusion of the unbudgeted increased pay award, offset by a projected underspend of £0.030m for the service, comprising £0.020m of income from Food Standards Scotland for ongoing work which is already met from within the services existing resources, plus another £0.010m of underspends within supplies and services budgets across the service. In addition £0.014m is requested as earmarking regards Covid funded Compliance Officer post recruited for 1 year to October 2023.
(331)	Total projected variance

Projected Variance favourable /(adverse) £'000	Human Resources
(118)	Human Resources - a projected full- year overspend of £0.118m relating to the inclusion of the unbudgeted increased pay award.
(118)	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
Trading Standards & Environmental Health - Compliance	Employee Costs	14
Total		14
Comments: This post is Covid recovery funded for one year to October 2023		

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 will be addressed on a permanent basis against a recently vacated post.			

Table 7 - Payroll Management

	Targeted	Achieved at	Remaining
Payroll Management - Corporate target	576	576	0
Total	576	576	0
Comments: The projected overspend on employee costs reported above, due to the pay award being higher than originally budgeted, includes the impact of the Directorate's payroll management target. The projected overspend will be reduced by an allocation of additional funding in due course.			

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 the original budget.		

Education Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 Sept £'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
61	Directorate	(1,958)	1,116	(3,074)	0
(2,489)	Education - Early Years	8,701	8,701	0	0
18,318	Education - Learning and Teaching Primary	38,172	37,383	789	0
21,114	Education - Learning and Teaching Secondary	41,075	40,616	459	0
6,634	Education - Learning and Teaching Additional Support	14,112	13,988	124	0
10,492	Education Support Services	17,370	17,404	(34)	0
646	Education Recovery	1,321	1,321	0	0
451	Financial Insecurity	491	491	0	0
726	Scottish Child Payments (SCP) Bridging Payments	892	892	0	0
55,953	Total People Directorate	120,176	121,912	(1,736)	0

Table 2 - Subjective Analysis

Expenditure		Budget	Actual to	Variance	Variance
46,840	Employee costs	99,940	101,430	(1,490)	0
14,158	Property costs	23,762	23,796	(34)	0
1,009	Supplies and services costs	1,928	1,893	35	0
1,991	Transport costs	4,057	4,589	(532)	0
1,021	Administrative costs	1,257	1,257	0	0
3,961	Third party payments	7,019	7,019	0	0
540	Transfer payments	573	573	0	0
69,520	Gross expenditure	138,536	140,557	(2,021)	0
(13,567)	Gross income	(18,360)	(18,645)	285	0
55,953	Net expenditure	120,176	121,912	(1,736)	0

Table 3 - Analysis of Significant Variances

Year end Variance Fav /(Adv) £'000	Directorate
(3,074)	Directorate employee costs - projected to be £3.074m under-recovered, due to the accepted SJC pay deal being higher than the previously budgeted SG's pay policy thresholds. In the absence of a SNCT pay settlement for 2022/23, a flat 5% has been used to project teachers pay award. These projections include the impact of the directorate payroll turnover target (refer to Table 7 below). A budget allocation to reduce this projected overspend will be made in due course.
(3,074)	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
1,372	Projected net underspend of £1.021m, as a result of:
	Devolved School Management carry forward - projected underspend on school carry forward budgets of £0.150m, primarily relating to primarily employee costs across academic years. This underspend is subject to schools Devolved School Management Scheme and Members previously approved (Period 3) earmarking this underspend to be utilised 2023/24 (refer to Table 5 below).
	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 previously approved (Period 3) earmarking this underspend to be utilised in 2023/24 (refer to Table 5 below).
	Pupil Transport - projected overspend of £0.447m (£0.325 SPT and £0.122m 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.
	Access to Sanitary Products (Schools) - projected to be underspent by £0.035m in relation to the implementation of access to free sanitary products to students in schools, colleges and universities.
	Access to Counselling - projected to be underspent by £0.220m in relation to the introduction of access to counsellors through schools, primarily due to COVID-19 pandemic and the availability of qualified counsellors.
	Other local authority income - projected over-recovery of £0.200m, in relation to the number of pupil support assistant recharges being greater than anticipated.
1,372	Total projected variance

Year end Variance Fav /(Adv) £'000	Education - Support Services
(34)	PPP unitary charge payments projected net overspend of £0.034m, due to malicious damage costs (£0.035m), additional Opex/Lifecycle costs (£0.026m, Feb 2017 - May 2022), which are partially offset by £0.027m due to actual RPI (Feb 22) being less than budgeted.
	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.
	COVID Recovery Projects - Members approved £0.332m in relation to secondary schools family first project.
(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 - SG Extension of Funds for COVID-19 Self-Isolation Assistance Service, until end April 2022 £0.017m. <p>These funds are fully committed, with a projected underspend of £0.020m being allocated to the new Local Authority Covid Economic Recovery (LACER) funding, per SAC 29 June 2022.</p>
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 previously approved:	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 6 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	2,473	2,473	0
Total	2,473	2,473	0
Comments:			
The full year payroll management target has been included in estimating the overspend in directorate payroll costs above.			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
48	Creative Scotland	Youth Music 19
54	Dumfries & Galloway Council	SWEIC
2	Edina Trust	Science Resources
9,792	Scottish Government	Early Years Expansion
2,616	Scottish Government	Pupil Equity Fund
84	Scottish Government	Care Experienced Children & Young People
25	Scottish Government	EMA - admin
12,621		

Social Care

Social Care

Table 1 - Objective Analysis

Actual Expenditure to 30 September £'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 :				
22,642	Older People	53,187	52,379	808	
1,715	Physical Disabilities	4,132	4,220	(88)	
24,357	Total Community Care Services	57,319	56,599	720	0
9,188	Children's Services	22,956	21,360	1,596	
(174)	Justice Services	(4)	(4)	0	
9,014	Total Children and Justice Services	22,952	21,356	1,596	0
9,338	Learning Disabilities	23,828	23,091	737	
1,648	Mental Health	4,257	4,276	(19)	
714	Addiction	838	838	0	
11,700	Total Mental Health Services	28,923	28,205	718	0
5,825	Directorate Services	5,839	5,117	722	
520	Other Services	754	1,149	(395)	
0	Vacancy management	(1,068)	(1,068)	0	
6,345	Total Support Services	5,525	5,198	327	0
196	Integrated Care Fund/Delayed Discharges	388	380	8	
0	Additional Funding Repayment	802	802	0	
(5,464)	Interagency payments with Health	(19,938)	(19,938)	0	
658	Covid-19 Costs	11,666	11,666	0	
46,806	Social Care Sub-total	107,637	104,268	3,369	0
337	Scheme of assistance/Aids and adaptations etc	802	802	0	0
47,143	Final Social Care total	108,439	105,070	3,369	0
Earmarking requests					0

Housing Operations & Development

Table 1 - Objective Analysis

Actual Expenditure to 30 Sept £'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
	Directorate	9,659	9,929	(270)	0
(501)	Directorate	1,274	1,199	75	0
4,612	Ayrshire Roads Alliance/SPT	8,385	8,730	(345)	0
	Planning & Development	6,392	6,549	(157)	0
3,596	Asset Management and Community Asset Transfer	5,983	6,034	(51)	0
1,813	Planning and Building Standards	1,048	1,144	(96)	0
(407)	Professional Design Services	(639)	(629)	(10)	0
0	Special Property Projects	0	0	0	0
	Housing & Operations	32,518	33,397	(879)	0
5,273	Facilities Management	10,788	11,403	(615)	0
2,178	Housing Services	4,197	4,153	44	0
7,908	Neighbourhood Services	17,748	17,991	(243)	0
(40)	Property Maintenance	(215)	(150)	(65)	0
24,432	Total Housing Operations & Development	48,569	49,875	(1,306)	0

Table 2 - Subjective Analysis

Actual Expenditure to 30 Sept £'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
15,098	Employee costs	33,906	34,339	(433)	0
4,944	Property costs	6,616	7,016	(400)	0
7,872	Supplies and services costs	13,788	14,559	(771)	0
3,665	Transport costs	5,511	6,444	(933)	0
194	Administrative costs	639	594	45	0
9,235	Third party payments	21,680	21,220	460	0
7	Financing costs	90	90	0	0
41,015	Gross expenditure	82,230	84,262	(2,032)	0
(16,583)	Gross income	(33,661)	(34,387)	726	0
24,432	Net expenditure	48,569	49,875	(1,306)	0

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Directorate
75	Directorate - projected underspend of £0.075m in employee costs as a result of current vacancies
75	Total projected variance

Projected Variance favourable /(adverse) £'000	Ayrshire Roads Alliance/SPT
(345)	Ayrshire Roads Alliance/SPT - projected overspend of £0.288m mainly as a result of the unbudgeted pay award (£0.218m) and increased costs of materials, fuel and utility costs (£0.070m) Property costs - projected overspend of £0.57m within SAC electricity costs for car parks as a result of the rollout and installation of electric vehicle charging points.
(345)	Total projected variance

Projected Variance favourable /(adverse) £'000	Asset Management & Community Asset Transfer
(51)	<p>Asset Management & CAT - projected overspend of £0.051m as a result of;</p> <p>Employee Costs - projected underspend of £0.061m due to current vacancies.</p> <p>Property Costs - projected overspend of £0.186m. This relates to a projected overspend of £0.200m within the Central Repairs Account based on the level of repairs currently required to Council buildings. This is offset by an underspend of £0.014m within automated public convenience costs due to closure at one location.</p> <p>Supplies & Services Costs - projected overspend of £0.040m. This relates to increased consultancy costs, which have been incurred where consultants have been used to carry out work that cannot be done in-house due to the current vacancies.</p> <p>Transport Costs - projected overspend of £0.015m due to the increased cost of leased vehicles and increased private contract hire.</p> <p>Administrative Costs - projected underspend of £0.020m made up of small underspends over various budget lines.</p> <p>Income - projected over recovery of £0.109m. This is due to an over recovery of rental income within Industrial Units (£0.149m) where a previously anticipated reduction in rental income due to the effects of Covid-19 has not materialised. This is offset with an under recovery of income within fees for work done for third parties (£0.020m) as this work is no longer carried out, and an under recovery of fee income for Property Enquiries (£0.020m) due to the number of these enquiries received greatly reducing over the last couple of years.</p> <p>.</p> <p>Members are requested to approve a Budget Transfer Request (see Table 4) to fund the overspend in consultancy costs from the related underspend in Employee costs due to vacancies, and to fund the increased Transport costs from the underspend in Administrative costs.</p>
(51)	Total projected variance
Projected Variance favourable /(adverse) £'000	Planning & Building Standards
(96)	<p>Planning & Building Standards - projected overspend of £0.096m as a result of ;</p> <p>Supplies & Services costs - projected overspend of £0.125m due to increased consultancy costs involved in preparation for three windfarm appeals going to Public Local Inquiry under Section 36 of the Electricity Act</p> <p>Administrative costs - projected underspend of £0.006m across various small budget lines</p> <p>Income - projected over-recovery of £0.023m due to an increased volume of Building Warrant Fees and Planning Applications during this year although this has started to slow down in the second quarter due to changes in the economic landscape.</p>
(96)	Total projected variance
Projected Variance favourable /(adverse) £'000	Professional Design Services
(10)	<p>Professional Design Services - projected overspend of £0.010m, due to:</p> <p>Employee Costs - projected overspend of £0.010m due to the impact of the unbudgeted element of the pay award.</p>
(10)	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
(615)	<p>Facilities Management - projected overspend of £0.615m as a result of;</p> <p>Employee costs - projected overspend £0.098m as a result of the impact of the unbudgeted element of the pay award (£0.360m) offset by current vacancies (£0.262m)</p> <p>Property costs - projected overspend of £0.260m mainly as a result of the increased cost of cleaning and domestic supplies across all Council properties</p> <p>Supplies & Services costs - projected overspend of £0.131m due to food price increases as a direct consequence of the effects of the cost of living crisis</p> <p>Administrative costs - projected underspend of £0.017m across various small budget lines</p> <p>Income - projected under-recovery of £0.143m due to the impact of the Government funding for the Primary Universal Free School Meals expansion programme for all P4 and P5 pupils.</p>
(615)	Total projected variance

Projected Variance favourable /(adverse) £'000	Housing Services
44	<p>Housing Services - projected underspend of £0.044m as a result of;</p> <p>Employee Costs - projected underspend of £0.030m due to current vacancies.</p> <p>Property Costs - projected underspend of £0.048m due to resolution of prior year disputed electricity charges for the Travellers Site at Girvan.</p> <p>Third Party Payments - projected underspend of £0.005m in charges from other Council services for a contribution towards Sheltered Housing Unit costs.</p> <p>Income - projected under recovery of £0.039m in temporary accommodation rental income. This is due to an income target increase which was required in order to fund additional costs which have been incurred as a result of an increased number of temporary accommodation units being utilised from the HRA stock to meet the demand for homeless accommodation.</p>
44	Total projected variance

Projected Variance favourable /(adverse) £'000	Neighbourhood Services
(243)	<p>Neighbourhood Services - projected overspend of £0.243m as a result of;</p> <p>Employee costs - projected overspend of £0.206m as a result of the unbudgeted element of the pay award (£0.378m) offset by an underspend due to current vacancies (£0.172m)</p> <p>Property costs - projected underspend of £0.055m within general repairs and maintenance mainly within grounds maintenance</p> <p>Supplies & Services costs - projected overspend of £0.475m due to the increased cost of repairs and maintenance of equipment (£0.152m), use of subcontractors for street cleaning and weed spraying (£0.263m), annual software licences (£0.030m) and increased costs of protective clothing (£0.030m)</p> <p>Transport costs - projected overspend of £0.918m mainly due to increased costs of tractor, tipper and vehicle hires (£0.188m), increased repairs and maintenance costs (£0.310m). In addition are fuel price increases (£0.420m) which are recharged across user services and offset by corresponding increased income noted below. Members are requested to approve a Budget Transfer Request (Table 4 below) to increase the budget for transport costs along with the corresponding income budget noted below</p> <p>Third Party Payments - projected underspend of £0.525m within recycling (£0.319m) due to a reduction in tonnages following the introduction of a booking system at the civic amenity sites and along with a reduction in internal grounds maintenance recharges (£0.206m)</p> <p>Income - projected over-recovery of £0.776m mainly due to increased recharges of fuel costs (£0.420m) and vehicle repairs and maintenance (£0.310m) noted above along with an over-recovery (0.046m) within bereavement services due to current demand.</p>
(243)	Total projected variance

Projected Variance favourable /(adverse) £'000	Property Maintenance
(65)	Property Maintenance Service - projected overspend of £0.065m as a result of the unbudgeted element of the pay award. This relates to costs attributable to work carried out within General Services and not recoverable from HRA. Management are currently reviewing the impact of factors in the external environment such as increased labour, materials and sub-contractor costs, all costs will be reviewed and any necessary further re-alignment of the budget will be reported to Cabinet at period 8.
(65)	Total projected variance

Table 4 - Budget Transfer Requests			
Budget Transfer Requests:		DR £'000	CR £'000
1	Asset Management/Supplies & Services	40	
	Asset Management/Employee Costs		40
	Asset Management/Transport Costs	15	
	Asset Management/Administrative Costs		15
	Transfer service underspends to fund corresponding increased costs		
2	Neighbourhood Services - Transport costs	730	
	Neighbourhood Services - Income		730
	Realign Fleet budgets to reflect the significant increases in fuel costs and vehicle repair and maintenance costs along with the corresponding recharge to user services		
Total		785	785

Table 5 - Earmarking Requests

	Objective/ Subjective	Amount £'000
	Not applicable in period 6	
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	68	0	0
Total	707	0	0
Comments:			

Table 7 - Payroll Management

Payroll Management:	Targeted £'000	Achieved at period 6 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	1,049	525	524
Total	1,049	525	524

Management will continue to apply the Council's policy in recruiting to essential posts only. Employee costs are projected to overspend by £0.433m mainly as a result of the unbudgeted cost of the pay award of £1.337m included within Service out-turn projections (**Table 1** above)

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
0		
Comments:		
Not applicable in period 6		

Strategic Change & Communities Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 September £'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
111	Directorate	334	1,075	(741)	0
2,894	Destination South Ayrshire	7,807	7,642	165	165
3,592	Thriving Communities	7,961	7,176	785	433
697	Organisational Development & Customer	3,564	3,564	0	0
390	Performance, Policy and Community Planning	976	976	0	0
357	Economy and Regeneration	2,904	2,904	0	0
100	Sustainability	218	218	0	0
86	Strategic Change	246	246	0	0
0	Special Property Projects	0	0	0	0
8,227	Total People Directorate	24,010	23,801	209	598

Table 2 - Subjective Analysis

Actual Expenditure to 30 September £'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
8,207	Employee costs	20,702	20,584	118	433
1,668	Property costs	2,527	2,527	0	0
1,563	Supplies and services costs	1,974	1,974	0	0
389	Transport costs	624	624	0	0
129	Administrative costs	655	655	0	0
628	Third party payments	4,099	4,099	0	0
0	Transfer payments	10	10	0	0
0	Financing costs	0	0	0	0
12,584	Gross expenditure	30,591	30,473	118	433
(4,357)	Gross income	(6,581)	(6,672)	91	165
8,227	Net expenditure	24,010	23,801	209	598

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Directorate
(741)	<p>Directorate employee costs - projected to be £0.783m under-recovered, due to the accepted SJC pay deal being higher than the previously budgeted SG's pay policy thresholds. These projections include the impact of the directorate payroll turnover target (refer to Table 7 below). A budget allocation to reduce this projected overspend will be made in due course.</p> <p>Access to Sanitary Products (non-schools) - projected to be underspent by £0.042m, due to a delay in the recruitment of the Development Worker post, who will co-ordinate activity in relation to free access to sanitary products and wider work to mitigate poverty.</p>
(741)	Total projected variance

Projected Variance favourable /(adverse) £'000	Destination South Ayrshire
165	<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 £0.165m, due to the following:</p> <ul style="list-style-type: none"> - £0.005m net over-recovery within golf income, with an over-recovery in golf memberships off, setting shortfalls in hotelier income and cafe/bar sales. - £0.225m additional income above target within leisure memberships and admissions, primarily as a result of the reduced income targets of £1.036m - £0.065m projected shortfall in Culture income, within both libraries and museums.
165	Total projected variance

Projected Variance favourable /(adverse) £'000	Thriving Communities
785	<p>£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.</p> <p>Members approved (Yr2) funding of £0.400m in relation to COVID recovery projects within employability and skills and carried forward £0.175m from 2021/22. It is anticipated that the following two projects will be underspent at the year-end:-</p> <ul style="list-style-type: none"> - Supported Employment Tailored Jobs Programme - £0.153m - South Ayrshire Works Employer Recruitment Incentive - £0.280m <p>This is due to expenditure in both these projects being utilised against SG No-one Left Behind (NOLB) funding. Members are requested to earmark these underspends to be utilised in next financial year, in order to extend temporary staffing contracts until March 2024 (refer to Table 5 below).</p> <p>Employee costs within employability & skills are projected to be £0.358m underspent at the year end. This is due to employee costs, which meet the terms and conditions of the grant criteria, being utilised against SG No-one Left Behind (NOLB) funding. Members are requested to earmark these underspends to be utilised in next financial year, in order to extend temporary staffing contracts until March 2024 (refer to Table 5 below).</p> <p>Projected underspends within Modern Apprentices £0.040m and Work out Work Experience programme £0.028m.</p> <p>LACER funding - members have approved the following funding initiatives (SAC 29 June 2022):-</p> <ul style="list-style-type: none"> - NEC Free Travel Support £0.045m - Social Enterprise Support £0.200m - Empowering Communities Fund £0.100m
785	Total projected variance

Projected Variance favourable /(adverse) £'000	Organisational Development & Customer Services
0	<p>COVID additional expenditure (Yr2) - Information and advice hub were allocated a further £0.187m to continue with following COVID recovery projects:-</p> <ul style="list-style-type: none"> - Administrative support to meet increased enquiries (£0.058m) - Targeted Community Based Education and Outreach Service (£0.129m). <p>LACER funding - members have approved the following funding initiatives (SAC 29 June 2022):-</p> <ul style="list-style-type: none"> - 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

Projected Variance favourable /(adverse) £'000	Economy and Regeneration
0	Online
0	Total projected variance

Projected Variance favourable /(adverse) £'000	Sustainability
0	Online
0	Total projected variance

Projected Variance favourable /(adverse) £'000	Strategic Change
0	Online
0	Total projected variance

Table 4 - Budget Transfer Requests

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

Table 5 - Earmarking Requests

Earmarking requests:	Objective/ Subjective	Amount £'000
Employability and skills	Employability/employee costs	358
COVID recovery projects	Tailored jobs / Employer Recruitment Incentive	433
Total requests		791
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 6 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	518	518	0
Total	518	518	0
Comments: The full year payroll management target has been included in estimating the overspend in directorate payroll costs above.			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
1	The National Lottery	Coastal Community Connections - Maidens Primary
41	Ayrshire Chamber of Commerce	Developing Young Workforce
5	Cashback for Communities	Ayr North Youth Project
24	Ayr College	ESOL Funding
2	Creative Scotland	Arts & Culture VACAP
1	Scottish Book Trust	Library Week Funding
3	Scottish Library Information Centre	Public Libraries COVID Relief Fund
7	Visit Scotland	Year of stories / events
2	Duke of Edinburgh Fund	Diamond Award
36	National Heritage	Maybole Town Centre Regeneration
4	ADP Contribution	Targeted activities for young people
2	Paths for All	Walking Development
10	Cycling Scotland	Pedal for Scotland
456	Scottish Government	Homes for Ukraine
71	European Social Fund	ESF Management
366	European Social Fund	ESF Pipeline
108	Scottish Government	Young Persons Guarantee
55	Scottish Government	Long term Unemployed Support
3	Scottish Government	Opportunities for All - No-one Left Behind
19	Scottish Government	Parental Employability Support
1,216		

Miscellaneous Services

Table 1 - Objective Analysis

Actual Expenditure to 30 September £'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
3,038	Miscellaneous Services	16,580	17,480	(900)	(21)
3,038	Total Miscellaneous Services	16,580	17,480	(900)	(21)

Table 2 - Subjective Analysis

Actual Expenditure to 30 September £'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	13,113	(365)	0
0	Investment income	(114)	(573)	459	0
0	Recharges to other services	(1,667)	(1,667)	0	0
430	Requisitions and other initiatives	859	859	(0)	0
314	Employee provision	603	603	0	0
(19)	Fees and subscriptions	425	425	(0)	0
2,274	Other payments	3,729	4,702	(973)	0
39	Covid-19 Mobilisation Costs	18	39	(21)	(21)
3,038	Gross expenditure	16,601	17,501	(900)	(21)
0	Gross income	(21)	(21)	0	0
3,038	Net expenditure	16,580	17,480	(900)	(21)

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Miscellaneous Services
(365)	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 overspend of £0.365m is due to the impact of recent Bank of England interest rate increases on forecasts.
459	Investment income - an over-recovery of £0.459m is currently projected due to the impact of recent Bank of England interest rate increases, and a higher level of investments than was budgeted for.
(973)	Other payments - a projected overspend of £0.973m is anticipated for other payments: A full year overspend of £0.646m is projected for utility costs across the entire organisation. 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 projected overspend covers all Council properties, services and directorates, rather than report individual overspends for each service. Budget is held within other payments for Non-Domestic Rates (NDR) increases during the year. Based on allocations made to services to date and known allocations still to be made, a full-year overspend of £0.199m in respect of Council-owned properties is currently projected. Corporate efficiency targets totalling £0.600m are held within other payments (refer to Table 6 below). An overall shortfall of £0.117m is currently projected, which will continue to be monitored throughout the remainder of the financial year in order to reduce it as far as possible.
(21)	Covid 19 - a small full-year overspend of £0.021m is currently projected in relation to the hangar at Prestwick Airport.
(900)	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 £'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 September £'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
(2,651)	Housing Revenue Account	0	(566)	566	0
(2,651)		0	(566)	566	0

Table 2 - Subjective Analysis

Actual Expenditure to 30 September £'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
1,943	Employee costs	5,130	4,530	600	0
7,613	Property costs	12,608	13,371	(763)	0
325	Supplies and services costs	378	303	75	0
13	Transport costs	94	34	60	0
75	Administrative costs	1,445	1,016	429	0
89	Support services costs	1,766	1,666	100	0
8	Third party payments	16	16	0	0
54	Transfer payments	21	71	(50)	0
0	Financing costs	3,868	3,395	473	0
7,243	CFCR	8,905	8,905	0	0
17,363	Gross expenditure	34,231	33,307	924	0
(20,014)	Income	(34,231)	(33,873)	(358)	0
(2,651)	Net expenditure	0	(566)	566	0

Year end Variance Fav /(Adv) £'000	Housing Revenue Account
600	Employee costs - projected underspend of £0.600m due to current vacancies.
(763)	Property Costs - projected overspend of £0.763m. This is mainly due to; Repairs costs are projected to overspend by £0.756m due to current economic conditions where labour, materials and sub-contractor costs have all increased. Additionally there has been a higher than anticipated level of void properties (£0.200m) and property condition surveys (£0.007m). These overspends are offset by an underspend in disabled adaptations (£0.160m) and asbestos management costs (£0.040m).
75	Supplies & Services - projected underspend of £0.075m. This is due to underspends in; ICT Hardware (£0.030m), Legal Fees (£0.030m), and other supplies and services (£0.015m).
60	Transport Costs - projected underspend of £0.060m, due to less use of private contract hire, car mileage allowance, fuel and repairs & maintenance of vehicles.
429	Administrative costs - projected underspend of £0.429m. There are underspends on Telecoms charges (£0.010m), postage costs (£0.030m), training courses (£0.020m), conferences and subscription (£0.015m), as well as less Feasibility & Design Costs for capital projects being charged to revenue (£0.070m). There is also a projected underspend of £0.284m in bad debts based on the current level of arrears of council house rental income.
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.
473	Financing costs - projected net underspend of £0.473m comprising: - Principal, Interest payments and expenses - projected underspend of £0.413m on principal, interest and expenses, which relates to the timing of loan payments and interest rates of temporary loan debt. This underspend can mostly be attributed to the delay of the Mainholm new build project which results in a delay of the loan and interest payments against the borrowing to fund this project. This is offset by the corresponding under recovery of rental income due to the delay of this project build. - Interest income on revenue balances - £0.060m over recovery as a result of the Loans Fund exceeding the originally estimated rate of interest on investments.
0	CFCR - no variances
(358)	Income - projected under recovery of £0.358m 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
566	Total variance
Comments:	

Table 4 - Accumulated Surplus

	£'000	£'000
Accumulated Surplus		
HRA accumulated surplus as at 1 April 2022	9,531	
Current year surplus/(deficit) before draw on surplus	566	
Revised current year surplus/(deficit)		10,097
Minimum working balance		(2,000)
Projected surplus for the year ended 31 March 2023		8,097
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 £0.013m in 22/23)	(169)	
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 £0.011m in 22/23)	(56)	
2020/21 CFGR 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 (£0.556m to be used in 2022/23).	0	
Total current commitments		(6,764)
Projected uncommitted surplus as at 31 March 2023		1,333
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

	As at 31 March 2022	As at 30 June 2022	Movement
Rent Arrears			
Current Tenants – Mainstream	1,258	1,422	13%
Current Tenants – Homeless	60	48	-20%
Former Tenants – Mainstream	516	582	13%
Former Tenants – Homeless	235	295	26%
Total	2,069	2,347	13%
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 initial three-month period from 1 April – 30 June 2020, and the Council has provided support to affected tenants via funding from the Tenant Hardship Grant. Officers are maintaining contact with tenants to provide ongoing advice and support to those who are experiencing hardship. Every effort is being made to maximise personal contact with tenants and 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. This temporary legislation restricts formal recovery action in some instances, placing additional duties on the team and extending 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 on accounts for longer periods of time and reducing at a slower rate.</p> <p>The current increase in rent arrears has been factored into the Bad Debt Provision out-turn figure noted above in Table 3.</p>			

Table 6 - Budget Transfer Requests

	DR £'000	CR £'000
1		
Description		
Administration Costs	115	
Third Party Payments	12	
Transfer Payments	50	
Income	28	
Financing costs		205
Permanently adjust budgets to fund increased expenditure and reduced income		
Total	205	205

Common Good Funds

Table 1 - Objective Analysis

Actual Net Expenditure/ (Income) to 30 September £'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
384	Ayr Common Good Fund	(3)	14	(17)	0
20	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
45	Girvan Common Good Fund	0	0	0	0
449		(3)	13	(15)	0

Table 3 - Financial Variance Analysis

Projected Variance favourable /(adverse) £'000	Common Good Fund
(133)	Ayr Common Good Fund: Property Costs: Unbudgeted expenditure (approximately £0.080m in 2020/21, £0.093m in 2021/22 and a further £0.043m 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. Projected full-year overspends of £0.042m in respect of repairs and maintenance costs and £0.003m in respect of energy costs, partly offset by a projected full-year underspend of £0.013m in respect of other utilities costs.
115	Income: A full year over-recovery of £0.115m is currently projected in relation to unbudgeted insurance recovery income (£0.100m - refer to property costs above) and £0.015m for rental income.
1	Prestwick Common Good Fund: Property costs: A full-year underspend of approximately £0.001m.
(17)	Total projected variance

Table 4 - Accumulated Revenue Reserves

Common Good Fund	Reserves as at 31 March 2022 £'000	Reserves as at 30 September 2022 £'000	Projected Reserves as at 31 March 2023 £'000
Ayr Common Good Fund	56	(328)	42
Prestwick Common Good Fund	253	233	254
Troon Common Good Fund	35	35	36
Maybole Common Good Fund	2	2	2
Girvan Common Good Fund	9	(36)	9
Total	355	(94)	342
Comments:			

Table 5 - Accumulated Capital Reserves

Common Good Fund	Reserves as at 31 March 2022 £'000	Reserves as at 30 September 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 September 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	1.126	
Efficiency and Improvement fund	1.490	
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	33.934
Uncommitted Council surplus brought forward as at 31 March 2022		5.943
2) Movement in 2022/23		
i) Directorate budget projections:		
Service projections (per Appendix 1)	0.787	
Approved Period 3 earmarking requests (subject to LP approval)	(1.364)	
Period 6 earmarking requests (subject to LP approval)	(0.805)	
ii) In year approved general reserve commitments		
Chief Officers/Council structural changes	(0.300)	
Additional public holiday	(0.083)	(1.765)
Total In year surplus/(deficit)		4.178
iii) HSCP repayment 2022/23 (being 4 of 4 profiled repayment)		0.802
Projected uncommitted reserves at 31 March 2023		4.980

Debt charges projections 2022-23 to 2033-34

Approved Budget (March 2022)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Principle	5,870,000	6,564,000	6,933,000	7,057,000	7,070,000	7,177,000	7,343,000	7,688,000	8,100,000	8,652,000	9,152,000	9,575,000	91,181,000
Interest	6,699,767	8,401,719	10,117,060	10,659,585	11,447,346	11,748,936	12,508,828	13,362,794	13,649,311	13,841,531	13,806,796	13,573,071	139,816,744
Expenses	177,898	174,298	175,101	175,156	172,334	170,362	169,692	168,353	167,988	168,124	167,020	165,071	2,051,399
Investment income	(113,750)	(170,625)	(227,500)	(284,375)	(341,250)	(398,125)	(455,000)	(455,000)	(511,875)	(511,875)	(511,875)	(511,875)	(4,493,125)
Total	12,633,916	14,969,392	16,997,661	17,607,366	18,348,430	18,698,173	19,566,519	20,764,148	21,405,425	22,149,780	22,613,941	22,801,267	228,556,017

Update (based on Period 6 information and updated interest rate expectation)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Principle	5,889,000	6,370,000	6,747,000	6,956,000	7,021,000	7,131,000	7,287,000	7,623,000	8,029,000	8,601,000	9,116,000	9,646,000	90,416,000
Interest	7,035,678	8,547,473	10,897,830	12,879,454	13,030,237	13,860,078	14,411,970	14,490,439	15,031,301	15,323,218	15,396,714	15,114,414	156,018,806
Expenses	187,583	182,886	176,966	175,394	172,960	170,857	169,923	168,360	168,000	168,295	167,308	165,556	2,074,086
Investment income	(572,596)	(916,750)	(965,000)	(1,013,250)	(1,013,250)	(1,013,250)	(1,037,375)	(1,061,500)	(1,085,625)	(1,109,750)	(1,109,750)	(1,085,625)	(11,983,721)
Total	12,539,665	14,183,608	16,856,795	18,997,598	19,210,947	20,148,684	20,831,518	21,220,299	22,142,676	22,982,763	23,570,272	23,840,345	236,525,171

Movement

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Principle	(19,000)	194,000	186,000	101,000	49,000	46,000	56,000	65,000	71,000	51,000	36,000	(71,000)	765,000
Interest	(335,910)	(145,753)	(780,770)	(2,219,869)	(1,582,892)	(2,111,142)	(1,903,143)	(1,127,645)	(1,381,990)	(1,481,687)	(1,589,918)	(1,541,344)	(16,202,062)
Expenses	(9,685)	(8,588)	(1,865)	(238)	(625)	(494)	(231)	(6)	(12)	(171)	(287)	(485)	(22,687)
Investment income	458,846	746,125	737,500	728,875	672,000	615,125	582,375	606,500	573,750	597,875	597,875	573,750	7,490,596
Total	94,251	785,784	140,866	(1,390,232)	(862,517)	(1,450,511)	(1,264,999)	(456,151)	(737,252)	(832,983)	(956,331)	(1,039,078)	(7,969,154)

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 September 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

Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)	— YES NO
Rationale for decision: This report presents Members with a financial overview of the General Services revenue account, Housing Revenue Account and Common Good Accounts for 2021/22 as at 30 September 2022. Their decision on this has no specific equality implications	
Signed : Tim Baulk Date: 17 November 2022	Head of Service