

**South Ayrshire Council**

**Report by Head of Finance, ICT and Procurement  
to Cabinet  
of 15 February 2023**

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**Subject: Budget Management – Revenue Budgetary Control  
2022/23 – Position at 31 December 2022**

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**1. Purpose**

- 1.1 The purpose of this report is to present Members with a financial overview of the General Services revenue account, Housing Revenue Account and Common Good Accounts for 2022/23 as at 31 December 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 under-spend of £3.310m after earmarking;**
- 2.1.3 approves the budget transfers as outlined in the Directorate financial performance reports at Appendix 1 and summarised in 4.1.8 below;**
- 2.1.4 approves the new period 6 requested earmarking of resources to be carried forward to 2023/24 as summarised in 4.1.9;**
- 2.1.5 notes the revised projected accumulated surplus position of £11.868m, as stated in 4.2.2 below; and**
- 2.1.6 approves the request to create an inflation reserve of £2.500m, as described in 4.2.3, to be met from the increased projected accumulated surplus, aimed in mitigating the risk surrounding the temporary excessive inflationary environment during 2023/24; and**
- 2.1.7 approves the requested HRA surplus commitments as outlined in 4.3.2.**

**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 19*);
  - 3.1.2 Housing Revenue Account - Appendix 1g (*page 20*); and
  - 3.1.3 Common Good Funds - Appendix 1h (*page 23*).
- 3.2 As detailed in the Budget Management – Revenue Budgetary Control 2022/23 – Position Statement at 30 September 2022, presented to the Cabinet of 29 November 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 £327.108m.
- 3.3 Directorate planned spending has been adjusted to incorporate a number of adjustments which required to be actioned following the November 2022 Cabinet:
- 3.3.1 additional notification of General Revenue Grant funding from the Scottish Government of:
    - (i) £0.559m for the remaining amount owed for Council Tax funding to implement the £150 Cost of Living rebate;
    - (ii) £0.075m for Local Heat and Energy Efficiency funding;
    - (iii) £0.017m for Local Self Isolation Services funding;
    - (iv) £0.040m for Discretionary Housing Payments funding;
    - (v) £0.009m of Council Tax Data extract admin funding; and
  - 3.3.2 other budget transfers that have been actioned as part of the refinement of the Council restructure and other budget transfers between Directorates actioned in line with Financial Regulations rules on budget transfers.
- 3.4 Directorate budgets have also been updated to reflect the allocation of £5.538m of Scottish Government funding for the increased 2022/23 pay offer (previously held centrally pending allocation to Directorates).
- 3.5 Table 1 below summarises the revised 2022/23 General Services budget at 31 December 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 6 Budget</i>	<i>Adjustment (per 3.3)</i>	<i>Pay funding allocation (per 3.4)</i>	<i>Revised Period 9 Budget</i>
	£m	£m	£m	£m
CEX	20.524	0.189	0,306	<b>21.019</b>
EDUCATION	120.176	0.837	3.385	<b>124.398</b>
HOD	48.569	0.369	1.000	<b>49.938</b>
SCC	24.010	0.091	0.569	<b>24.670</b>
HSC	91.711	0.094	-	<b>91.805</b>
Misc Services Account	16.580	(0.647)	(2.285)	<b>13.648</b>
Pay funding	5.538	-	(5.538)	-
<b>Total Expenditure</b>	<b>327.108</b>	<b>0.933</b>	<b>(2.563)</b>	<b>325.478</b>
General Revenue Grant	(214.061)	(0.682)	2.563	(212.180)
NDRI	(30.913)	-	-	(30.913)
Council Tax	(58.109)	0.467	-	(57.642)
Use of reserves b/f	(24.025)	(0.718)	-	(24.743)
<b>Total Income</b>	<b>(327.108)</b>	<b>(0.933)</b>	<b>2.563</b>	<b>(325.478)</b>
<b>Net Expenditure</b>	-	-	-	-

- 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 £91.805m 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. £15.728m 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.
- 3.7 In December 2022, Council agreed to implement a new Service Concession Flexibility relating to PPP Service Concession Arrangements following publication of a new Statutory Regulation. following will be presented to Council in December 2022. This 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. The impact of this change is included in the projected out-turn position for 2022/23 outlined below with the retrospective element of the change being included within the overall reserve position of the Council, as shown in Appendix 2.
- 3.8 The Period 6 Budget Management Report presented to Cabinet in November 2022 projected an overall underspend for the financial year of £0.787m (£1.382m overspend after earmarking).

## 4. Proposals

### 4.1 Overview of Directorate/ Accounts' position as at 31 December 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 31 December 2022. The Council's overall General Services revenue position at Period 9, excluding HSCP, is projected to be an in year under-spend of £8.904m prior to earmarking (£3.310m under-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 – 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	0.451	0.336	0.787	(0.283)	0.504
Education	1.994	-	1.994	(1.968)	0.026
Housing Operations & Development	0.250	1.224	1.474	(1.474)	-
Strategic Change & Communities	2.004	0.727	2.731	(1.869)	0.862
Miscellaneous Services Account	1.689	(0.071)	1.618	-	1.618
<b>Total Net expenditure</b>	<b>6.388</b>	<b>2.216</b>	<b>8.604</b>	<b>(5.594)</b>	<b>3.010</b>
Council Tax income (see 4.1.8 below)	0.300	-	0.300	-	0.300
<b>Net in year projected surplus</b>	<b>6.688</b>	<b>2.216</b>	<b>8.904</b>	<b>(5.594)</b>	<b>3.310</b>

- 4.1.3 Table 3, above, indicates an overall under-spend for the year (excluding HSCP) of £8.904m, prior to requested earmarking of £5.594m.

- 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 taking place in late November and December with further action due to continue. 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, additional funding of £5.538m was received from the Scottish Government to assist in meeting the cost of the increased pay offer. This funding has now been allocated to Directorates.

- 4.1.5 **Teachers Strike action** - £0.172m teachers strike deductions in relation to the SAC impacted strike days on 24 November 2022 and 7 December 2022 have been included in the projected out-turn information in Table 2. A further 3 days strike action has also taken place in January 2023 resulting in further deductions of £0.162m, also included in the projections for the year.
- 4.1.6 **Council Tax Income** – Collection rates continue to be slightly ahead of current year targets. It is anticipated that if trends continue as expected then Council Tax income will be £0.300m in excess of budget.
- 4.1.7 **Health and Social Care Partnership** – details of the projected out-turn information can be found within the Financial Monitoring report presented to the most recent Integration Joint Board (IJB) meeting. Appendix 1c indicates a projected in year underspend of £3.916m for 2022/23, inclusive of the increased accepted pay offer for 2022/23.
- 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 3 – Budget Transfers**

<i>Directorate/ Account</i>	<i>Dr £m</i>	<i>Cr £m</i>	<i>Appendix ref:</i>
CEX	0.100	0.100	1a – page 3
Education	0.100	0.100	1b – page 6
Housing, Operations & Development	1.083	1.083	1d –page 12
Strategic Change & Communities	0.025	0.025	1e – page 17
<b>Total</b>	<b>1.308</b>	<b>1.308</b>	

- 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 4 – Earmarking/**

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<i>Directorate/ Account</i>	<i>Previously approved £m</i>	<i>New Period 9 request £m</i>	<i>Appendix ref:</i>
CEX	0.014	0.269	1a – page 3
Education	1.364	0.604	1b – page 6
Housing, Operations & Development	-	1.474	1d – page 12
Strategic Change & Communities	0.791	1.078	1e – page 17
<b>Total</b>	<b>2.169</b>	<b>3.425</b>	

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

4.2.1 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. In November 2022 Cabinet approved a reduction of £0.633m to the previous committed sums. Appendix 2 provides detail of the revised amounts set aside from the accumulated sum together with the impact of the current year directorate net year-end under-spend projections of £3.310m (after earmarking) outlined in Table 2 at 4.1.2 above and the impact of the retrospective PPP flexibility adjustment.

4.2.2 Table 5 below indicates that a year-end £11.868m uncommitted general services surplus is currently projected at 31 March 2023. This equates to 5.6 per cent of planned spend (excluding HSCP). This is above the 2 to 4 per cent required by Council policy for uncommitted general reserves.

**Table 5 – General Services accumulated surplus**

	<i>£m</i>
Audited opening surplus	39.877
Commitments (per Appendix 2)	(33.934)
Revisions to b/f Commitments (per Cabinet of Nov 23)	0.633
<b>Uncommitted surplus brought forward</b>	<b>6.576</b>
Directorate 2022/23 projections (per table 2 above)	3.310
Further 2022/23 approved 'in year' reserve commitments	(1.538)
HSCP repayment (4 of 4)	0.802
PPP retrospective flexibility (uncommitted balance)	2.718
<b>Projected accumulated uncommitted surplus</b>	<b>11.868</b>

4.2.3 Given the projected accumulated surplus is well above the required range of between 2 and 4 per cent, it is proposed to utilise £2.500m to establish an inflation reserve. This would be held to mitigate any temporary inflation risk occurring during 2023/24 and would be drawn down if costs incurred during 2023/24 relating to inflation are above the level included in the 2023/24 budget. Utilising £2.500m in this way would reduce the projected

accumulated uncommitted surplus to £9.368m which equates to 4.42 per cent of planned spend, still above the required recommended amount.

#### 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 £0.155m. 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 £0.978m for the HRA.

4.3.2 Within Appendix 1f are two request to reallocate the HRA uncommitted/committed surplus; as follows:

- (i) Tenant Priorities - South Ayrshire Council (Special) of 20 January 2021 approved that tenant priorities for investment of any identified uncommitted reserves within the HRA be incorporated in future reports to Cabinet. In line with tenant priorities, Members are requested to approve £0.950m of the uncommitted surplus be committed for the next phase of the Council house window replacement programme in 2023/24; and
- (ii) Repair Costs - Members are requested to approve the reversal of the 2020/21 CFCR underspend to be used for financing costs for capital projects in 2021/22 approved by Leadership Panel of 21 August 2020 of £1.000m as this is no longer required and approve that this amount be committed to meet the increased housing repair costs due to current price increases in 2023/24.

#### 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 £0.270 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 £11.868m is currently projected for General Services, excluding HSCP.

6.2 A £0.978m accumulated uncommitted surplus is projected for the Housing Revenue Account and a combined £0.270m accumulated surplus is currently projected for the Common Good Funds.

## **7. Human Resources Implications**

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

## **8. Risk**

### **8.1 *Risk Implications of Adopting the Recommendations***

- 8.1.1 There are no risks associated with adopting the recommendations.

### **8.2 *Risk Implications of Rejecting the Recommendations***

- 8.2.1 There are no risks associated with rejecting the recommendations.

## **9. Equalities**

- 9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as Appendix 3.

## **10. Sustainable Development Implications**

- 10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

## **11. Options Appraisal**

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

## **12. Link to Council Plan**

- 12.1 The matters referred to in this report contribute to 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:

<b>Implementation</b>	<b>Due date</b>	<b>Managed by</b>
Action the budget transfers in the financial ledger as outlined in the Directorate financial performance reports at Appendix 1 and summarised in 4.1.8	28 February 2023	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 4.1.9	28 February 2023	Head of Finance, ICT and Procurement
Action the creation of an inflation reserve as outlined in 4.2.3	28 February 2023	Head of Finance, ICT and Procurement
Record for future reporting purposes the requested reallocation of the HRA uncommitted/committed surplus as outlined in 4.3.2	28 February 2023	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](#)**

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**Date: 8 February 2023**

# Budget Management Report to 31 December 2022 (Period 9)

## 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 13
1e	Strategic Change & Communities	14 to 17
1f	Miscellaneous Services Account	18 to 20
1g	Housing Revenue Account	21 to 23
1h	Common Good Funds	24 to 25

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

## Chief Executive's Office

Table 1 - Objective Analysis

Actual Expenditure to 31 December £'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
296	<b>Chief Executive &amp; Support</b>	435	435	0	0
	<b>Finance, ICT and Procurement Services:</b>				
123	Head of Finance & ICT Services	155	155	0	0
1,388	Corporate Finance and Accounting	1,975	1,921	54	34
5,791	Revenues and Benefits	4,803	4,725	78	9
2,946	Information and Communication Technology	4,904	4,391	513	187
515	Procurement	626	716	(90)	0
<b>10,763</b>	<b>Total Finance, ICT and Procurement Services</b>	<b>12,462</b>	<b>11,907</b>	<b>556</b>	<b>230</b>
	<b>Regulatory Services</b>				
111	Head of Regulatory Services	149	149	0	0
126	Civil Contingencies & Business Continuity	45	45	0	0
2,137	Democratic Governance Services	2,494	2,461	33	0
276	Insurance, Risk & Safety Management	399	399	0	0
499	Legal & Licensing Services	893	750	143	82
1,265	Trading Standards & Environmental Health	1,838	1,803	35	14
<b>4,415</b>	<b>Total Regulatory Services</b>	<b>5,818</b>	<b>5,608</b>	<b>211</b>	<b>96</b>
<b>1,410</b>	<b>Human Resources</b>	<b>1,974</b>	<b>1,954</b>	<b>20</b>	<b>10</b>
<b>196</b>	<b>Internal Audit</b>	<b>299</b>	<b>299</b>	<b>0</b>	<b>0</b>
<b>27</b>	<b>Covid-19 Mobilisation Costs</b>	<b>31</b>	<b>31</b>	<b>0</b>	<b>0</b>
<b>17,107</b>	<b>Total Chief Executive's Office</b>	<b>21,019</b>	<b>20,233</b>	<b>787</b>	<b>336</b>

Table 2 - Subjective Analysis

Actual Expenditure to 31 December £'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
#REF!	Employee costs	18,994	18,709	285	236
#REF!	Property costs	295	280	15	0
#REF!	Supplies and services costs	1,983	1,523	461	100
#REF!	Transport costs	105	111	(7)	0
#REF!	Administrative costs	589	530	59	0
#REF!	Third party payments	1,560	1,562	(2)	0
#REF!	Transfer payments	25,240	25,210	30	0
#REF!	Financing costs	12	12	0	0
<b>#REF!</b>	<b>Gross expenditure</b>	<b>48,779</b>	<b>47,939</b>	<b>841</b>	<b>336</b>
#REF!	Gross income	#REF!	#REF!	#REF!	0
<b>#REF!</b>	<b>Net expenditure</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>	<b>336</b>

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Chief Executive & Support
0	<b>Chief Executive &amp; Support</b> - projected in line
0	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	Finance and ICT Services
54	<b>Corporate Finance and Accounting</b> - projected full-year underspend of £0.054m being £0.034m underspend due to a legacy delay in recruiting Covid-19 recovery posts. It is requested that this underspend be earmarking to be carried forward into 2023/24. The remainder of the underspend is in relation to a £0.020m underspend in training budgets.
78	<b>Revenues and Benefits</b> - projected full-year underspend of £0.078m due to an over recovery of £0.026m expected through Admin Grant & Housing Benefit Grant and £0.030m Discretionary Housing Payment Grant plus an underspend in Administrative costs of £0.012m. It is currently projected, based on current trends, that costs in relation to Scottish Welfare Fund (Crisis Grant payments) will exceed budget by £0.100m however spend in relation to DHP is projected to be £0.100m underspent, it is therefore requested that Members approve a budget transfer between the two expenditure lines, as detailed in Table 4 below.
513	<b>ICT</b> - projected full-year underspend of £0.513m with underspends of £0.017m on administrative costs offset by projected overspend of £0.015m in electric vehicle costs following the end of subsidy agreements. Projected underspend of £0.299m across all ICT contracts - £0.326m software and hardware contracts offset by a £0.026m overspend on Local Government Digital Office contracts. The majority of the balance of the underspend relates to £0.187m Covid Recovery funding allocations. Of this, £0.087m relates to delays in filling Covid recovery posts which is requested to be earmarked and carried forward to 2023/24.
(90)	<b>Procurement</b> - projected overspend as a result of - Employee Costs - underspend £0.03m as a result of vacancies Income - under recovery of £0.093m in contract rebate income (£0.061m) and under recovery Employee Costs re costs recharged to Capital (£0.032m)
<b>556</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	Regulatory Services
33	<b>Democratic Governance Services</b> - a projected full-year underspend of £0.033m being a series of projected underspends across various areas of the service comprising supplies and services costs (£0.013m) transport costs (£0.007m), administrative costs (£0.020m) and transfer payments (£0.003m). Note in year saving of £0.010m allocated to current underspends reducing projection to £0.033m. Of this underspend it is requested that £0.004m and £0.011m be earmarked to be carried forward to 2023/24 to assist in funding the Homecoming Parade and Members training respectively.
143	<b>Legal &amp; Licensing</b> - a projected full-year underspend of £0.143m including a £0.049m underspend in relation to work on Historic Child Abuse cases which is requested to be earmarked for carry forward to continue the work in 2023/24; £0.082m underspends in relation to delays in filling Covid Recovery Posts of which £0.048m is requested to be earmarked to be carried forward; £0.010m underspends in Supplies & Services of which £0.085m relates to ongoing works Tarbolton Landfill and is requested to be earmarked for carry forward.
35	<b>Trading Standards and Environmental Health</b> - a projected full-year underspend of £0.035m comprising a £0.020m grant from Food Standards Scotland for ongoing work which is already met from within the services existing resources, plus £0.014m which Members previously approved to be earmarked to be carried forward to 2023/24 in regards of a Covid funded Compliance Officer post recruited for 1 year to October 2023.
<b>211</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	Human Resources
20	<b>Human Resources</b> - a projected full-year underspend of £0.020m : comprising Employee cost underspends of £0.037m, of which £0.027m relates to a HSCP Recruitment post which is requested to be earmarked for carry forward to 2023/24 and £0.010m relating to a Covid Recovery Post offset by overspends in Third Party Payments of £0.015m due to increased Occ Health referrals.
<b>20</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	Covid-19
0	<b>Covid-19 Mobilisation Costs</b> - 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	<b>Total projected variance</b>
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**Table 4 - Budget Transfer Requests**

<b>Budget Transfer Requests:</b>		<b>DR £'000</b>	<b>CR £'000</b>
	Scottish Welfare Fund - Crisis Grants	100	
	Benefit Payments - Transfer Payments		100
	<i>underspend in DHP used to fund overspend in SWF</i>		
<b>Total</b>		<b>100</b>	<b>100</b>

**Table 5 - Earmarking Requests**

<b>Earmarking requests:</b>	<b>Objective/ Subjective</b>	<b>Amount £'000</b>
<b>Previously approved requests:</b>		
Trading Standards & Environmental Health - Compliance Officer Post	Employee Costs : in relation to Covid Recovery post	14
		<b>14</b>
<b>New requests:</b>		
Corporate Accounting	Employee Costs : in relation to Covid Recovery posts.	34
Information and Communication Technology	Employee Costs : in relation to Covid Recovery posts	87
Democratic Governance	Supplies & Services : Homecoming Parade [£0.004m] and Members Training [£0.011m]	15
Human Resources	Level 5 HSCP Recruitment Post	27
Legal & Licensing	Employee Costs: £0.049m Historic Abuse; £0.048m Covid Recovery and Supplies & Services £0.0085m re Tarbolton Landfill.	106
		<b>269</b>
<b>Total</b>		<b>283</b>

**Table 6 - Efficiency Savings**

<b>Efficiency savings:</b>	<b>Targeted £'000</b>	<b>Anticipated shortfall £'000</b>	<b>Anticipated shortfall due to Covid-19 £'000</b>
Brought forward from 2021/22 - Review staffing levels within Democratic Support	10	0	0
<b>Total</b>	<b>10</b>	<b>0</b>	<b>0</b>
<b>Comments:</b> The remaining Democratic Support efficiency of £0.010m will be addressed on a permanent basis against a recently vacated post.			

**Table 7 - Payroll Management**

<b>Payroll Management:</b>	<b>Targeted £'000</b>	<b>Achieved at period 9 £'000</b>	<b>Remaining to be achieved £'000</b>
Payroll Management - Corporate target	576	576	0
<b>Total</b>	<b>576</b>	<b>576</b>	<b>0</b>
<b>Comments:</b>			

**Table 8 - Grant Income**

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

## Education Directorate

Table 1 - Objective Analysis

Actual Expenditure to 31 December £'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
314	Directorate	1,722	1,722	0	0
2,318	Education - Early Years	8,762	8,762	0	0
27,632	Education - Learning and Teaching Primary	37,587	36,768	819	0
30,954	Education - Learning and Teaching Secondary	41,156	40,658	498	0
10,719	Education - Learning and Teaching Additional Support	14,862	14,151	711	0
13,682	Education Support Services	17,412	17,446	(34)	0
909	Education Recovery	1,322	1,322	0	0
674	Financial Insecurity	683	683	0	0
1,490	Scottish Child Payments (SCP) Bridging Payments	892	892	0	0
<b>88,692</b>	<b>Total Education Directorate</b>	<b>124,398</b>	<b>122,404</b>	<b>1,994</b>	<b>0</b>

Table 2 - Subjective Analysis

Expenditure		Budget	Actual to	Variance	Variance
72,316	Employee costs	102,571	101,045	1,526	0
19,258	Property costs	23,783	23,817	(34)	0
1,484	Supplies and services costs	2,169	2,134	35	0
3,407	Transport costs	4,060	4,702	(642)	0
1,650	Administrative costs	1,728	1,728	0	0
6,515	Third party payments	7,835	7,011	824	0
562	Transfer payments	573	573	0	0
<b>105,192</b>	<b>Gross expenditure</b>	<b>142,719</b>	<b>141,010</b>	<b>1,709</b>	<b>0</b>
(16,500)	Gross income	(18,321)	(18,606)	285	0
<b>88,692</b>	<b>Net expenditure</b>	<b>124,398</b>	<b>122,404</b>	<b>1,994</b>	<b>0</b>

Table 3 - Analysis of Significant Variances

Year end Variance Fav /(Adv) £'000	Directorate
0	<b>Directorate employee costs</b> - Payroll turnover is projected to be online at the yearend. This projection includes: - the accepted SJC pay deal for 2022/23 - in the absence of a SNCT pay settlement for 2022/23, a flat 5% has been used to project teachers pay award. - £0.075m additional annual leave day as part of the 2022 pay award deal being paid to term-time staff, due to the complexities of managing an additional days leave during term-time. - £0.172m teachers strike deductions in relation to the SAC impacted strike days on 24 November 2022 and 7 December 2022. A further 3 days strike action has also taken in January 2023 resulting in further strike deduction of £0.162m.
<b>0</b>	<b>Total projected variance</b>

Year end Variance Fav /(Adv) £'000	Education - Early Years
0	Projected underspend of £0.100m within employee costs, which relates to specific Scottish Government funding for Early Years Expansion and is primarily due to posts not being filled as planned, as a result of delays within capital works. This is offset by a projected overspend in Early Years Expansion capital related expenditure. Members are therefore requested to approve a temporary budget transfer from the projected underspend within employee costs to fund the capital related expenditure (refer <b>Table 4</b> below).  Members approved £0.024m in relation to <b>COVID recovery project</b> to support parents of babies to reduce social isolation and improve outcomes particularly early language and communication skills in areas of deprivation.
<b>0</b>	<b>Total projected variance</b>

Year end	Education - Learning and Teaching - Primary, Secondary and Additional Support
2,028	Projected net underspend of £1.021m, as a result of:
	<b>Devolved School Management carry forward</b> - 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 <b>Table 5</b> below).
	<b>Pupil Equity Funding</b> - 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 <b>Table 5</b> below).
	<b>Pupil Transport</b> - projected overspend of £0.557m (£0.405 SPT and £0.152m 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.
	<b>Access to Sanitary Products (Schools)</b> - 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.
	<b>Access to Counselling</b> - 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.
	<b>Whole Family Wellbeing Funding (WFWF) Tranche 1</b> - SAC have received funding of £0.604m in relation to WFWF to support the development of holistic whole family support services. This funding will be received as a GRG redetermination in March 2023, therefore Members are requested to earmark these funds to be utilised during 2023/24.
	<b>Other local authority income</b> - projected over-recovery of £0.200m, in relation to the number of pupil support assistant recharges being greater than anticipated.
<b>2,028</b>	<b>Total projected variance</b>

Year end Variance Fav /(Adv) £'000	Education - Support Services
(34)	<b>PPP unitary charge</b> 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.
	<b>Free School Meals - School Holidays Support</b> - 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.
	<b>COVID Recovery Projects</b> - Members approved £0.332m in relation to secondary schools family first project.
<b>(34)</b>	<b>Total projected variance</b>

Year end Variance Fav /(Adv) £'000	Covid-19
0	<p><b>Education Recovery</b> funding comprises:-</p> <ul style="list-style-type: none"> <li>- 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. £0.755m of these funds were devolved to schools to fund additional teaching costs from August 2022 - March 2023.</li> <li>- Scottish Government grants earmarked from 2021/22 £0.815m, of which £0.346m devolved to schools. These funds are fully committed.</li> </ul>
0	<p><b>Financial Insecurity</b> including the following funding:-</p> <ul style="list-style-type: none"> <li>- 21/22 earmarking £0.261m SCP Bridging payments (clothing grant criteria)</li> <li>- <b>COVID additional expenditure</b> - 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.</li> <li>- Uncommitted COVID reserves of £0.172m - members approved (Cabinet 29 November 2022) to double the winter</li> </ul>
0	<p><b>Scottish Child Payment (SCP) Bridging Payments</b></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. Scottish Government increased the Winter payment from £130 to £260, which was paid to families in December 2022.</p> <p>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>
<b>0</b>	<b>Total projected variance</b>

**Table 4 - Budget Transfer Requests**

Budget Transfer Requests:		DR £'000	CR £'000
1	Early Years - employee costs		100
	Early Years - third party payments	100	
	Underspend in employee costs utilised to fund capital related expenditure.		
<b>Total</b>		<b>100</b>	<b>100</b>

**Table 5 - Earmarking Requests**

Earmarking requests:	Objective/ Subjective	Amount £'000
<b>Previously approved:</b>		
School Pupil Equity Fund	Education - various	1,214
School Carry Forwards	Education - various	150
<b>Total previously approved</b>		<b>1,364</b>
<b>New requests:</b>		
Whole Family Wellbeing Funding	Education - WFWF	604
<b>Total new requests</b>		<b>604</b>
<b>Total requests</b>		<b>1,968</b>
<b>Comments:</b>		

**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
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Comments:</b>			



**Table 7 - Payroll Management**

	Targeted	Achieved at	Remaining
Payroll Management - Corporate target	2,473	1,855	618
<b>Total</b>	<b>2,473</b>	<b>1,855</b>	<b>618</b>
<b>Comments:</b> The full year payroll management target has been included in estimating the overspend in directorate payroll costs above.			

**Table 8 - Grant Income**

<b>New Grants Received:</b>		
Amount £'000	Grant name/ body	Grant purpose
2,052	Scottish Government	Unitary Charge - QMA & Ayr Academy
81	Creative Scotland	Youth Music
46	Dumfries & Galloway Council	South West Collaborative
283	Scottish Government	Mental Health & Wellbeing
15	Scottish Government	Gaelic
27	Education Scotland	STEM
7	Scottish Government	Food for Thought
4	Edina Trust	Science Resources
12	Education Scotland	Creative Learning Network Fund
41	Ayrshire Chamber of Commerce	Developing Young Workforce
115	CORRA	Keep the Promise Fund
2	Scottish Government	Omicrom impacts fund - childcare
<b>2,685</b>		
<b>Comments:</b> Additional amounts notified during the financial year, not included in the original budget.		

## Social Care

Table 1 - Objective Analysis

Actual Expenditure to 31 December £'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
	<b>Community Care Services :</b>				
35,651	Older People	52,876	51,816	1,060	
2,688	Physical Disabilities	3,979	4,031	(52)	
<b>38,339</b>	<b>Total Community Care Services</b>	<b>56,855</b>	<b>55,847</b>	<b>1,008</b>	<b>0</b>
14,467	Children's Services	22,778	21,412	1,366	
(73)	Justice Services	(4)	(4)	0	
<b>14,394</b>	<b>Total Children and Justice Services</b>	<b>22,774</b>	<b>21,408</b>	<b>1,366</b>	<b>0</b>
15,220	Learning Disabilities	24,388	23,507	881	
2,694	Mental Health	4,254	4,123	131	
1,039	Addiction	838	838	0	
<b>18,953</b>	<b>Total Mental Health Services</b>	<b>29,480</b>	<b>28,468</b>	<b>1,012</b>	<b>0</b>
2,206	Directorate Services	5,167	3,917	1,250	
902	Other Services	1,134	1,216	(82)	
0	Vacancy management	(862)	(216)	(646)	
<b>3,108</b>	<b>Total Support Services</b>	<b>5,439</b>	<b>4,917</b>	<b>522</b>	<b>0</b>
492	Integrated Care Fund/Delayed Discharges	388	380	8	
0	Additional Funding Repayment	802	802	0	
151	Items Funded from Reserves	20	20	0	
(10,586)	Interagency payments with Health	(19,938)	(19,938)	0	
984	Covid-19 Costs	11,666	11,666	0	
<b>65,835</b>	<b>HSCP Sub-total</b>	<b>107,486</b>	<b>103,570</b>	<b>3,916</b>	<b>0</b>
490	Scheme of Assistance/Aids and Adaptations etc	790	790	0	0
<b>66,325</b>	<b>Final HSCP total</b>	<b>108,276</b>	<b>104,360</b>	<b>3,916</b>	<b>0</b>

Earmarking requests

0

**Health & Social Care Partnership** - the above table provides an overview statement of the financial budget and projected out-turn position for the Council element of the Integration Joint Board (IJB) for 2022/23 as at 31 December (Period 9). Earmarking of £15.728m 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 Financial Performance Return (previously 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 9 projected position will be reported to the IJB.

## Housing Operations &amp; Development

Table 1 - Objective Analysis

Actual Expenditure to 31 December £'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
	<b>Directorate</b>	<b>9,734</b>	<b>9,472</b>	<b>262</b>	<b>40</b>
(400)	Directorate	1,276	1,081	195	40
6,697	Ayrshire	8,458	8,391	67	0
	<b>Planning &amp; Development</b>	<b>6,692</b>	<b>6,256</b>	<b>436</b>	<b>119</b>
4,902	Asset Management and Community Asset Transfer	6,146	5,896	250	119
1,744	Planning and Building Standards	1,138	992	146	0
(185)	Professional Design Services	(592)	(632)	40	0
	<b>Housing &amp; Operations</b>	<b>33,512</b>	<b>32,736</b>	<b>776</b>	<b>1,065</b>
8,590	Facilities Management	11,305	12,074	(769)	0
3,881	Housing Services	4,297	3,239	1,058	350
12,636	Neighbourhood Services	18,118	17,631	487	715
802	Property Maintenance	(208)	(208)	0	0
<b>38,667</b>	<b>Total Housing Operations &amp; Development</b>	<b>49,938</b>	<b>48,464</b>	<b>1,474</b>	<b>1,224</b>

Table 2 - Subjective Analysis

Actual Expenditure to 31 December £'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
24,512	Employee costs	34,836	34,435	401	440
6,755	Property costs	6,696	6,863	(167)	0
11,577	Supplies and services costs	13,828	14,917	(1,089)	375
5,000	Transport costs	6,386	6,683	(297)	0
552	Administrative costs	890	762	128	0
14,398	Third party payments	22,177	20,796	1,381	290
7	Financing costs	89	7	82	0
<b>62,801</b>	<b>Gross expenditure</b>	<b>84,902</b>	<b>84,463</b>	<b>439</b>	<b>1,105</b>
(24,134)	Gross income	(34,964)	(35,999)	1,035	119
<b>38,667</b>	<b>Net expenditure</b>	<b>49,938</b>	<b>48,464</b>	<b>1,474</b>	<b>1,224</b>

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Directorate
195	<p><b>Directorate</b> - projected underspend of £0.195m as a result of;</p> <p><b>Employee costs</b> - projected underspend of £0.135m due to current vacancies</p> <p><b>Administrative costs</b> - projected underspend of £0.020m across various small budget lines</p> <p><b>Third party payments</b> - projected underspend of £0.040m as a result of the Covid 19 Programme of Recovery – E&amp;R Local Digital Shopping Platform not being taken forward</p>
<b>195</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	Ayrshire Roads Alliance/SPT
67	Ayrshire Roads Alliance/SPT - projected underspend of £0.067m as a result of over-recovery of parking income
<b>67</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	<b>Asset Management &amp; Community Asset Transfer</b>
250	<p><b>Asset Management &amp; CAT</b> - projected underspend of £0.250m as a result of;</p> <p><b>Employee costs</b> - projected underspend of £0.080m due to current vacancies.</p> <p><b>Property costs</b> - projected underspend of £0.005m. This relates to a projected overspend of £0.205m within the Central Repairs Account based on the level of repairs currently required to Council buildings. This is offset by an underspend of £0.028m within automated public convenience costs due to closure at one location, and an underspend of £0.182m on non-domestic rates within John Pollock Centre, Newton House and Burns House as these buildings are either now demolished or leased out.</p> <p><b>Supplies &amp; Services costs</b> - projected underspend of £0.036m due to an underspend on materials required to complete the Co2 Monitors in Schools programme.</p> <p><b>Third Party payments</b> - projected underspend of £0.050m in the grant funding for the Local Heat and Energy Efficiency Strategy. This funding does not require to be returned to the Scottish Government</p> <p><b>Income</b> - projected over recovery of £0.079m. This is due to an over recovery of rental income within Industrial Units (£0.119m) 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 two financial years.</p>
<b>250</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	<b>Planning &amp; Building Standards</b>
146	<p><b>Planning &amp; Building Standards</b> - projected underspend of £0.146m as a result of ;</p> <p><b>Employee costs</b> - projected underspend £0.030m as a result of current vacancies</p> <p><b>Supplies &amp; Services costs</b> - projected overspend of £0.113m 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><b>Administrative costs</b> - projected underspend of £0.009m across various small budget lines</p> <p><b>Income</b> - projected over-recovery of £0.220m due to an increased volume of Building Warrant Fees during the third quarter of this year</p>
<b>146</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	<b>Professional Design Services</b>
40	<b>Professional Design Services</b> - projected underspend of £0.040m, due to current vacancies in employee costs.
<b>40</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	<b>Facilities Management</b>
(769)	<p><b>Facilities Management</b> - projected overspend of £0.769m as a result of;</p> <p><b>Employee costs</b> - projected overspend £0.168m as a result of the impact of the unbudgeted element of the 2022/23 pay award (£0.328m) offset by current vacancies (£0.160m)</p> <p><b>Property costs</b> - projected overspend of £0.194m mainly as a result of the increased cost of cleaning and domestic supplies across all Council properties</p> <p><b>Supplies &amp; Services costs</b> - projected overspend of £0.115m due to food price increases as a direct consequence of the effects of the cost of living crisis</p> <p><b>Administrative costs</b> - projected underspend of £0.003m across various small budget lines</p> <p><b>Income</b> - projected under-recovery of £0.285m due to the impact of the Government funding for the Primary Universal Free School Meals expansion programme for all P4 and P5 pupils (£0.200m) along with the impact of contractual and service issues in relation to the implementation of the new cashless catering system (£0.085m).</p>
<b>(769)</b>	<b>Total projected variance</b>

Projected Variance favourable /(adverse) £'000	<b>Housing Services</b>
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1,058	<p><b>Housing Services</b> - projected underspend of £1.058m as a result of;</p> <p><b>Employee costs</b> - projected underspend of £0.160m due to current vacancies. £0.100m of this underspend relates to funding for the Covid 19 Programme of Recovery (Homeless) and anti-social behaviour. Members are requested to approve earmarking of this underspend (<b>Table 5</b> below) for carry forward to 2023/24 to continue work in this area.</p> <p><b>Property costs</b> - projected overspend of £0.042m. This is due to overspends of £0.085m on repairs to Homeless properties and £0.005m on utilities costs in Hostels, all as a result of the increased demand for temporary homeless accommodation. These overspends are partly offset by an underspend of £0.048m due to resolution of prior year disputed electricity charges for the Travellers Site at Girvan.</p> <p><b>Supplies &amp; Services costs</b> - projected overspend of £0.020m due to increased removal and storage costs as a result of the increased demand for temporary homeless accommodation.</p> <p><b>Administrative costs</b> - projected underspend of £0.096m. This relates to a projected underspend of £0.093m in bad debts based on the current level of arrears of homeless accommodation rental income. There are also various smaller budget underspends totalling £0.003m.</p> <p><b>Third Party payments</b> - projected underspend of £0.886m. There are underspends in funding for various approved projects: Develop housing options &amp; advice (£0.027m), Social letting service (£0.150m), Private sector leasing project (£0.025m), Housing regeneration options (£0.040m), Essential SHQS works in mixed tenure properties (£0.200m), and Covid 19 Programme of Recovery mixed tenure properties (£0.250m). The mixed tenure funding is now fully committed but costs will not be incurred until 2023/24, due to the complexity of owner engagement. Members are requested to approve these underspends of £0.200m and £0.250m (<b>Table 5</b> below) to be earmarked for carry forward to 2023/24 to complete this work. In addition, Rapid Rehousing Transition Programme is projected to be £0.209m underspent, due to delays in implementation of the programme the approved staff posts will now incur costs in 2023/24. Members are requested to approve this underspend for carry forward to 2023/24 to fund the staff costs (<b>Table 5</b> below) These underspends are partly offset by an overspend of £0.015m due to the use of bed &amp; breakfast properties which is a more expensive option.</p> <p><b>Income</b> - projected under recovery of £0.032m in temporary accommodation rental income, due to an income target increase which was required in order to fund additional costs incurred as a result of an increased number of temporary accommodation units utilised from HRA stock to meet the demand for homeless accommodation.</p>
1,058	<b>Total projected variance</b>

Projected Variance favourable / (adverse) £'000	Neighbourhood Services
487	<p><b>Neighbourhood Services</b> - projected underspend of £0.487m as a result of;</p> <p><b>Employee costs</b> - projected underspend of £0.280m as a result of double-time overtime working over the festive period (£0.060m overspend) and covid-19 temporary hit squad (£0.340m underspend). Members are requested to approve earmarking of the covid-19 temporary hit squad funding to carry forward to 2023/24 to complete this programme (<b>Table 5</b> below)</p> <p><b>Property costs</b> - projected underspend of £0.064m within general repairs and maintenance mainly within grounds maintenance</p> <p><b>Supplies &amp; Services costs</b> - projected overspend of £0.127m due to the increased cost of repairs and maintenance of equipment (£0.152m), use of subcontractors for street cleaning and weedspraying (£0.263m), annual software licences (£0.030m), increased costs of protective clothing (£0.030m) and an increase in domestic bins (£0.027) due to necessary replenishment of stocks and all partially offset by (£0.375m) underspend in the Covid funded promenade and shorefront improvement scheme. Members are requested to approve this (<b>Table 5</b> below) underspend of £0.375m for earmarking to carry forward to 2023/24 to continue these projects</p> <p><b>Transport costs</b> - projected overspend of £0.297m mainly due to increased costs of tractor, tipper and hooklift hires (£0.188m), along with increased costs of repairs and maintenance (£0.070m) and fuel (£0.039m) for refuse vehicles</p> <p><b>Third Party payments</b> - projected underspend of £0.510m within waste recycling (£0.325m) 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 (£0.185m)</p> <p><b>Financing costs</b> - projected underspend of £0.082m due to cremators equipment now fully depreciated</p> <p><b>Income</b> - projected under-recovery of £0.025m mainly due to reduced levels of bereavement income</p>
487	<b>Total projected variance</b>

<b>Projected Variance favourable /(adverse) £'000</b>	<b>Property Maintenance</b>
0	<p><b>Property Maintenance Service</b> - projected online, due to the net effect of;</p> <p><b>Employee costs</b> - projected overspend of £0.156m as a result of the unbudgeted element of the 2022/23 pay award. The increased cost has resulted in the recharge rate being increased and fully recovered through income below</p> <p><b>Supplies and Services costs</b> - projected overspend of £0.750m. This is due to an increased requirement to use sub contractors whose costs have risen due to increased labour rates and material price increases.</p> <p><b>Third Party payments</b> - projected overspend of £0.105m on Agency payments. This is required to help complete the current volume of jobs.</p> <p><b>Income</b> - projected over recovery of £1.011m due to the increased repair costs for Council houses which are recharged to HRA.</p> <p>Members are requested to approve a Budget Transfer Request (<b>Table 4 below</b>) to use the over-recovery of income as a result of the increased cost of repairs to fund the related increased employee costs, supplies and services, administrative costs and third party payments required to deliver those repairs noted above.</p>
0	<b>Total projected variance</b>

**Table 4 - Budget Transfer Requests**

Budget Transfer Requests:		DR £'000	CR £'000
1	<b>Housing Services/Property Costs</b>	37	
	<b>Housing Services/Supplies &amp; Services Costs</b>	20	
	<b>Housing Services/Administrative Costs</b>		57
	<b>Housing Services/Third Party Payments</b>	15	
	<b>Housing Services/Income</b>		15
	Transfer underspends and additional income to fund costs related to the increased use		
2	<b>Property Maintenance/Employee Costs</b>	156	
	<b>Property Maintenance/Supplies &amp; Services Costs</b>	750	
	<b>Property Maintenance/Third Party Payments</b>	105	
	<b>Property Maintenance/Income</b>		1,011
	Transfer over-recovery of income to fund related increased cost of repairs		
<b>Total</b>		<b>1,083</b>	<b>1,083</b>

**Table 5 - Earmarking Requests**

		Amount
<b>Previously approved:</b>		
<b>Total</b>		<b>0</b>
<b>New requests :</b>		
Covid 19 Programme of Recovery (Homeless) & anti-social behaviour	Housing Services/Employee Costs	<b>100</b>
Covid 19 Programme of Recovery (Mixed Tenure)	Housing Services/Third Party Payments	<b>250</b>
Essential works to meet SHQS in mixed tenure properties	Housing Services/Third Party Payments	<b>200</b>
Rapid Rehousing Transition Programme	Housing Services/Third Party Payments	<b>209</b>
Covid-19 Temporary Hit Squads	Neighbourhood Services/Supplies and services	<b>340</b>
Promenade and Shorefront Improvement Scheme	Neighbourhood Services/Supplies and services	<b>375</b>
<b>Total</b>		<b>1,474</b>
<b>Total</b>		<b>1,474</b>

**Table 6 - Efficiency Savings**

Efficiency savings:	Targeted £'000	Anticipated shortfall £'000	Anticipated shortfall due to Covid-19 £'000
Asset Management - Newton House rental income	80	0	0
Housing Services - Homelessness rental income	550	32	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	68	0
<b>Total</b>	<b>707</b>	<b>100</b>	<b>0</b>
<b>Comments:</b>			

**Table 7 - Payroll Management**

Payroll Management:	Targeted £'000	Achieved at period 9 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	1,049	787	262
Payroll Management - Directorate target	0	0	0
<b>Total</b>	<b>1,049</b>	<b>787</b>	<b>262</b>
It is anticipated that payroll turnover will be achieved in full as a result of applying the Council's policy of only recruiting to essential posts			

**Table 8 - Grant Income**

<b>New Grants Received:</b>		
Amount £'000	Grant name/ body	Grant purpose
30	Scottish Governm	Road safety
75	Scottish Governm	Local Heat and Energy Efficiency Strategy (LHEES)
412	Scottish Governm	Home Energy Efficiency Programmes Scotland (HEEPS)
<b>517</b>		
<b>Comments:</b>		
The above grants which have been received during the financial year were not part of the approved Directorate budget.		

## Strategic Change &amp; Communities Directorate

Table 1 - Objective Analysis

Actual Expenditure to 31 December £'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
187	Directorate	763	721	42	0
5,223	Destination South Ayrshire	7,928	7,409	519	294
5,401	Thriving Communities	7,804	7,011	793	433
1,061	Organisational Development & Customer	3,676	3,676	0	0
684	Performance, Policy and Community Planning	930	930	0	0
1,157	Economy and Regeneration	2,922	1,615	1,307	0
270	Sustainability	356	356	0	0
147	Strategic Change	290	220	70	0
0	Special Property Projects	1	1	0	0
<b>14,130</b>	<b>Total Strategic Change &amp; Communities</b>	<b>24,670</b>	<b>21,939</b>	<b>2,731</b>	<b>727</b>

Table 2 - Subjective Analysis

Actual Expenditure to 31 December £'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
14,118	Employee costs	21,887	20,835	1,052	433
2,051	Property costs	2,588	2,588	0	0
2,757	Supplies and services costs	1,948	1,948	0	0
443	Transport costs	630	480	150	0
360	Administrative costs	791	791	0	0
1,334	Third party payments	4,183	2,882	1,301	0
0	Transfer payments	10	10	0	0
0	Financing costs	0	0	0	0
<b>21,063</b>	<b>Gross expenditure</b>	<b>32,037</b>	<b>29,534</b>	<b>2,503</b>	<b>433</b>
(6,933)	Gross income	(7,367)	(7,595)	228	294
<b>14,130</b>	<b>Net expenditure</b>	<b>24,670</b>	<b>21,939</b>	<b>2,731</b>	<b>727</b>

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Directorate
42	<b>Directorate employee costs</b> - projected to be online at year end. This projection includes the impact of the accepted SJC pay deal for 2022/23. <b>Access to Sanitary Products (non-schools)</b> - 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.
<b>42</b>	<b>Total projected variance</b>



Projected Variance favourable / (adverse) £'000	Destination South Ayrshire
519	<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 <b>income</b> of £0.294m, due to the following:</p> <ul style="list-style-type: none"> <li>- £0.129m net over-recovery within golf income, with an over-recovery in golf memberships off, setting shortfalls in hotelier income and cafe/bar sales.</li> <li>- £0.235m additional income above target within leisure memberships and admissions, primarily as a result of the reduced income targets of £1.036m</li> <li>- £0.070m projected shortfall in Culture income, within both libraries and museums.</li> </ul> <p><b>Golf transport costs</b> - are projected to be underspent by £0.150m. This is due to leases being extended as a result of time delays in purchasing new equipment. Members are requested to earmark these funds to be utilised during 2023/24, to offset the increased purchase price of the new equipment (refer <b>Table 5</b> below).</p> <p><b>Events</b> - projected underspent by £0.050m. Members are requested to earmark this underspend to deliver a range of events and bunting to communities during the Coronation celebrations in May 2023 (refer to <b>Table 5</b> below).</p> <p><b>Riverside Sports Arena</b> - projected underspend within employee costs of £0.025m, due to employees not starting until September 2022. Member's are requested to approve the budget transfer of this underspend for the purchase one-off equipment (refer to Table 4 below). However, it is anticipated that due to delivery delays, it is unlikely that this equipment will be received this financial year, therefore Member's are also requested to earmark this £0.025m to complete the purchase during 2023/24 (refer to Table 5 below)</p>
<b>519</b>	<b>Total projected variance</b>

Projected Variance favourable / (adverse) £'000	Thriving Communities
793	<p>£0.066m 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 <b>COVID recovery projects</b> 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"> <li>- Supported Employment Tailored Jobs Programme - £0.153m</li> <li>- South Ayrshire Works Employer Recruitment Incentive - £0.280m</li> </ul> <p>This is due to expenditure in both these projects being utilised against <b>SG No-one Left Behind (NOLB)</b> funding. Members previously agreed to earmark these underspends to be utilised in next financial year, in order to extend temporary staffing contracts until March 2024 (refer to <b>Table 5</b> below).</p> <p>Employee costs within <b>employability &amp; skills</b> 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 previously agreed to earmark these underspends to be utilised in next financial year, in order to extend temporary staffing contracts until March 2024 (refer to <b>Table 5</b> below).</p> <p>Projected underspends within <b>Modern Apprentices</b> £0.040m and <b>Work out Work Experience programme</b> £0.028m.</p> <p><b>LACER</b> funding - members have approved the following funding initiatives (SAC 29 June 2022):-</p> <ul style="list-style-type: none"> <li>- NEC Free Travel Support £0.045m</li> <li>- Social Enterprise Support £0.200m</li> <li>- Empowering Communities Fund £0.100m</li> </ul>
<b>793</b>	<b>Total projected variance</b>

Projected Variance favourable / (adverse) £'000	Organisational Development & Customer Services
0	<b>COVID additional expenditure (Yr2)</b> - Information and advice hub were allocated a further £0.187m to continue with following COVID recovery projects:- - Administrative support to meet increased enquiries (£0.058m) - Targeted Community Based Education and Outreach Service (£0.129m).
	<b>LACER</b> funding - members have approved the following funding initiatives (SAC 29 June 2022):- - Household Boost Fund £0.400m - Senior Community Advisor (I&AH) £0.047m
<b>0</b>	<b>Total projected variance</b>

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

Projected Variance favourable / (adverse) £'000	Economy and Regeneration
1,307	<b>Economy and Regeneration</b> - projected underspend of £1.307m as a result of; <b>Employee costs</b> - projected underspend of £0.056m. The Council received funding from Scottish Government for Local Authority Covid Economic Recovery (LACER) fund and Council of 29 June 2022 approved initiatives including the appointment of an economic development officer. Due to delays in recruitment Members are requested to approve earmarking of £0.036m to carry forward to 2023/24 to enable this appointment to be made ( <b>Table 5</b> below) <b>Third party payments</b> - projected underspend of £1.251m. Council also approved LACER training and skills initiative of £0.600m which due to delays in developing this proposal Members are requested to approve earmarking of this underspend to carry forward to 2023/24 to allow this initiative to be delivered ( <b>Table 5</b> below). Business support is underspent by £0.267m which is the Council's match-funding in relation to ERDF approved funding. The programme has been delayed and to ensure that we continue to receive ERDF funding in 2023/24, Members are requested to approve earmarking of £0.267m underspend to carry forward to 2023/24 to continue this work.
<b>1,307</b>	<b>Total projected variance</b>

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

Projected Variance favourable / (adverse) £'000	Strategic Change
70	<b>Strateic Change</b> - projected underspend of £0.070m as a result of vacancies within employee costs.
<b>70</b>	<b>Total projected variance</b>

Projected Variance favourable / (adverse) £'000	Special Property Projects
0	Online
<b>0</b>	<b>Total projected variance</b>

**Table 4 - Budget Transfer Requests**

Budget Transfer Requests:		DR £'000	CR £'000
1	Riverside Sports Arena - employee costs		25
	Riverside Sports Arena - supplies and services	25	
	<i>Underspend within full year employee budget to be utilised to purchase equipment for new Riverside Sports Arena.</i>		
<b>Total</b>		<b>25</b>	<b>25</b>

**Table 5 - Earmarking Requests**

		Amount
<b>Previously approved:</b>		
Employability and skills	Employability/employee costs	358
COVID recovery projects	Tailored jobs / Employer Recruitment Incentive	433
<b>Total previously approved</b>		<b>791</b>
<b>New requests:</b>		
Golf transport costs	Golf/transport costs	150
Riverside Sports Arena	Sport & Leisure/supplies and service costs	25
LACER Fund - Economic development officer post	Economy & Regeneration - Employee costs	36
LACER Fund - training and skills fund	Economy & Regeneration - Third party payments	600
Cabinet Report September 2022 approved provision of	Economy & Regeneration - Third party payments	267
<b>Total new requests</b>		<b>1,078</b>
<b>Total requests</b>		<b>1,869</b>
<b>Comments:</b>		

**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
<b>Total</b>	<b>121</b>	<b>0</b>	<b>0</b>
<b>Comments:</b>			
This efficiency is being met, as result of year 2 income target reductions within sports and leisure.			

**Table 7 - Payroll Management**

	£'000	period 9	to be
Payroll Management - Corporate target	518	367	151
<b>Total</b>	<b>518</b>	<b>367</b>	<b>151</b>
<b>Comments:</b>			
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:		
£'000		
15	Youth Link Scotland	Targeted Activities for Young People
180	Sport Scotland	Active Schools / Community Sports Hub
11	Scottish Government	CCLD
579	Scottish Government	Homes for Ukraine
235	Scottish Government	Ukraine Temporary Accommodation
91	Scottish Government	Long Term Unemployed Support
171	Scottish Government	Opportunities for All - No-one Left Behind
<b>1,282</b>		
<b>Comments:</b>		
Additional amounts notified during the financial year, not included in the original budget.		

## Miscellaneous Services

Table 1 - Objective Analysis

Actual Expenditure to 31 December £'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
473	Miscellaneous Services	13,648	12,030	1,618	(71)
<b>473</b>	<b>Total Miscellaneous Services</b>	<b>13,648</b>	<b>12,030</b>	<b>1,618</b>	<b>(71)</b>

Table 2 - Subjective Analysis

Actual Expenditure to 31 December £'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	13,412	(665)	0
0	Investment income	(114)	(769)	655	0
0	Recharges to other services	(1,667)	(1,667)	0	0
645	Requisitions and other initiatives	859	859	0	0
(2,063)	Contributions to/ from Funds	(2,063)	(2,063)	0	0
496	Employee provision	603	603	0	0
78	Fees and subscriptions	425	425	0	0
1,549	Other payments	2,860	3,282	(422)	(50)
0	PPP flexibility statutory adjustment	0	(2,071)	2,071	0
0	Pension Fund contribution - net revenue charge	0	0	0	0
<b>748</b>	<b>Gross expenditure</b>	<b>13,669</b>	<b>12,051</b>	<b>1,618</b>	<b>(71)</b>
(275)	Gross income	(21)	(21)	0	0
<b>473</b>	<b>Net expenditure</b>	<b>13,648</b>	<b>12,030</b>	<b>1,618</b>	<b>(71)</b>

Table 3 - Analysis of Significant Variances

Variance favourable	Miscellaneous Services
(665)	<b>Debt management charges</b> - 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 £0.665m is due to the impact of recent increases in Bank of England base interest rates on external borrowings. The movement from period 6 is entirely due to this and the position will be closely monitored until the year-end in order to try to bring the net position back in-line with budget if possible.
655	<b>Investment income</b> - an over-recovery of £0.655m is currently projected due to the impact of recent increases in Bank of England base interest rates, and a higher level of investments than was budgeted for.
(422)	<b>Other payments</b> - a projected overspend of £0.425m is anticipated for other payments: A full year overspend of £0.310m is projected for General Services utility costs across Council budgets. Budgets were calculated based on anticipated increases at the time, however energy costs increased significantly due to the cost of living crisis and war in Ukraine. Rather than report individual overspends for each service area, this projected overspend covers all Council properties, services and directorates with the exceptions of Social Care and HRA.  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 £0.223m in respect of Council-owned properties is projected.  A full year underpend of £0.116m is currently projected for Pension Increase Act payments and premature retirement compensation costs, which have increased at lesser rates than were anticipated during the budget setting process. These costs will continue to be monitored during the remainder of the financial year and will be charged against service budgets where appropriate.  The Council received £5.538m of funding from the Scottish Government towards the cost of the increased 2022-23 staff pay offer. Due to the significant vacancies occurring within each directorate this year, a proportion of the increased offer can be met by the services meaning that only £5.260m requires to be drawn down to ensure the pay offer is met by services, leaving a balance of £0.278m within Miscellaneous Service that will remain as an unallocated contingency for the year.  Corporate efficiency targets totalling £0.600m are held within other payments (refer to Table 6 below). An overall shortfall of £0.275m 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)	<b>Covid-19</b> - a small full-year overspend of £0.021m is currently projected in relation to the hangar at Prestwick Airport.

2,071	In December 2022 Thje Council agreed to implement in the 2022/23 financial year the newly introduced statutory adjustment relating to the Councils three PPP contracts. This change results in a reduce cost in 2022/23 of £2.071m. Further retrospective adjustments are being actioned as part of the overall reserve position of the Council.
<b>1,618</b>	<b>Total projected variance</b>

**Table 4 - Budget Transfer Requests**

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

**Table 5 - Earmarking Requests**

Earmarking requests:	Objective/ Subjective	Amount £'000
Description	Service/ Account	
<b>Total</b>		<b>0</b>

**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	(177)	(177)	0
Purchase of additional leave - target to be allocated across services	(200)	(50)	(50)
On-costs savings in relation to additional AVCs	(48)	0	0
Future Operating Model - target to be allocated across services	(175)	(48)	0
<b>Total</b>	<b>(600)</b>	<b>(275)</b>	<b>(50)</b>

**Comments:**

Work is continuing to identify permanent procurement efficiencies to be allocated against the target, with a shortfall of £0.177m currently projected. Fewer employees have purchased additional leave due to the legacy of Covid and revised homeworking arrangements. Consequently, a shortfall of £0.050m is currently projected. Pressures on service budgets has made it difficult to allocate Future Operating Model savings across directorates, as underspends arising from the new ways of working have been utilised to offset overspends due to inflationary pressures and contractual increases. A final year end review will be undertaken to allocate the target once the final position is confirmed.

**Table 7 - Payroll Management**

Payroll Management:	Targeted £'000	Achieved at period 9 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	0	0	0
Payroll Management - Directorate target	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Comments:**

No payroll management target allocation made to Miscellaneous Services in 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 31 December £'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
(2,508)	Housing Revenue Account	0	(155)	155	0
<b>(2,508)</b>		<b>0</b>	<b>(155)</b>	<b>155</b>	<b>0</b>

Table 2 - Subjective Analysis

Actual Expenditure to 31 December £'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
3,178	Employee costs	5,130	4,530	600	0
11,014	Property costs	12,608	13,936	(1,328)	0
237	Supplies and services costs	378	322	56	0
22	Transport costs	94	34	60	0
427	Administrative costs	1,560	1,070	490	0
152	Support services costs	1,766	1,666	100	0
11	Third party payments	28	16	12	0
78	Transfer payments	71	91	(20)	0
0	Financing costs	3,868	3,383	485	0
11,560	CFCR	8,700	8,700	0	0
<b>26,679</b>	<b>Gross expenditure</b>	<b>34,203</b>	<b>33,748</b>	<b>455</b>	<b>0</b>
(29,187)	Income	(34,203)	(33,873)	(300)	0
<b>(2,508)</b>	<b>Net expenditure</b>	<b>0</b>	<b>(125)</b>	<b>155</b>	<b>0</b>

**Table 3 - Financial Variance Analysis**

Year end Variance Fav /(Adv) £'000	Housing Revenue Account
600 (1,328)	<p><b>Employee costs</b> - projected underspend of £0.600m due to current vacancies.</p> <p><b>Property Costs</b> - projected overspend of £1.328m. This is mainly due to; Repairs costs are projected to overspend by £1.120m due to current economic conditions where labour, materials and sub-contractor costs have all increased significantly. Additionally there has been a higher than anticipated level of void property costs due to significant labour and material cost increases (£0.220m). There is a projected overspend in Gas Contracts of £0.073m due to price increases part way through the year. Other overspends include costs for cleaning, security screens and property condition surveys totalling £0.045m. These overspends are offset by underspends in asbestos management costs (£0.035m), decants (£0.050m) and various other smaller budget underspends totalling £0.045m.</p>
56	<p><b>Supplies &amp; Services</b> - projected underspend of £0.056m. This is due to underspends in; ICT costs (£0.030m), Removal/Storage costs (£0.010m), and other supplies and services (£0.016m).</p>
60	<p><b>Transport Costs</b> - projected underspend of £0.060m, due to less use of private contract hire, car mileage allowance, fuel and repairs &amp; maintenance of vehicles.</p>
490	<p><b>Administrative costs</b> - projected underspend of £0.490m. There are underspends on Telecomms charges (£0.015m), postage costs (£0.035m), training courses (£0.030m), other printing, stationery and admin costs (£0.030m), as well as less Feasibility &amp; Design Costs for capital projects being charged to revenue (£0.080m). There is also a projected underspend of £0.300m in bad debts based on the current level of arrears of council house rental income.</p>
100	<p><b>Support service costs</b> - projected underspend of £0.100m, due to less staff overheads being charged from other services.</p>
(8)	<p><b>Third Party Payments and Transfer Payments</b> - projected overspend of £0.008m. This relates to increased cost of redecoration allowances (£0.020m), partly offset with an underspend of £0.012m in charges received from other Council services</p>
485	<p><b>Financing costs</b> - projected net underspend of £0.485m comprising:</p> <ul style="list-style-type: none"> <li>- Principal, Interest payments and expenses - projected underspend of £0.382m 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.</li> <li>- Interest income on revenue balances - £0.103m over recovery as a result of the Loans Fund exceeding the originally estimated rate of interest on investments.</li> </ul>
0	<p><b>CFCR</b> - no variances</p>
(300)	<p><b>Income</b> - projected under recovery of £0.300m in rental income as a result of the Mainholm new build units being delayed. This is offset by the corresponding underspend in the related borrowing costs noted under Financing costs above</p>
<b>155</b>	<b>Total variance</b>
<b>Comments:</b>	



**Table 4 - Accumulated Surplus**

	Amount £'000	Amount £'000
<b>Accumulated Surplus</b>		
HRA accumulated surplus as at 1 April 2022	9,531	
Current year surplus/(deficit) before draw on surplus	155	
Revised current year surplus/(deficit)		9,686
Minimum working balance		(2,000)
<b>Projected surplus for the year ended 31 March 2023</b>		<b>7,686</b>
<b>Current commitments:</b>		
<b>Capital:</b>		
Previously approved draws on surplus now committed as part of the Capital Programme	(5,401)	
<b>Revenue:</b>		
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)	0	
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 (£0.556m to be used in 2022/23).	0	(6,708)
<b>Projected uncommitted surplus as at 31 March 2023</b>		<b>978</b>
<b>Comments:</b>		
<p><b>Welfare Reform</b> - £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 will be required to continue work in this area.</p>		
<p><b>Uncommitted Surplus</b></p> <p>- Tenant Priorities - South Ayrshire Council (Special) of 20 January 2021 approved that tenant priorities for investment of any identified uncommitted reserves within the HRA be incorporated in future reports to Cabinet. In line with tenant priorities, Members are requested to approve £0.950m of the uncommitted surplus be committed for the next phase of the Council house window replacement programme in 2023/24</p> <p>- Repair Costs - Members are requested to approve the reversal of the 2020/21 CFCR underspend to be used for financing costs for capital projects in 21/22 approved by Leadership Panel 21 August 2020 of £1.000m (noted above) as this is no longer required and approve that this amount is committed to meet the increased housing repair costs due to current price increases in 2023/24. Management will monitor costs and spend to determine if a permanent budget increase is required to be included in the HRA Business Plan as part of the next Council House Rent Report in January 2024</p>		

**Table 5 - Rent Arrears**

	As at 31 March 2022	As at 30 June 2022	Movement
<b>Rent Arrears</b>			
Current Tenants – Mainstream	1,110	1,210	9%
Current Tenants – Homeless	54	36	-33%
Former Tenants – Mainstream	509	545	7%
Former Tenants – Homeless	249	331	33%
<b>Total</b>	<b>1,922</b>	<b>2,122</b>	<b>10%</b>
<b>Comments:</b>			
<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>			

## Common Good Funds

Table 1 - Objective Analysis

Actual Net Expenditure/ (Income) to 31 December £'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
470	Ayr Common Good Fund	(3)	65	(67)	0
38	Prestwick Common Good Fund	0	21	(21)	0
0	Troon Common Good Fund	(0)	(0)	0	0
0	Maybole Common Good Fund	(0)	(0)	0	0
46	Girvan Common Good Fund	0	0	0	0
<b>553</b>		<b>(3)</b>	<b>85</b>	<b>(88)</b>	<b>0</b>

Table 3 - Financial Variance Analysis

Projected Variance favourable /(adverse) £'000	Common Good Fund
(188)	<p><b>Ayr Common Good Fund:</b>  <b>Property Costs:</b> 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.  A projected full-year overspend of £0.103m in respect of repairs and maintenance costs is partly reduced by projected underspends of £0.021m across a range of budget lines, including Non-Domestic Rates, grounds maintenance and supplies and services. Ayr Common Good Fund properties have recently incurred some significant unbudgeted expenditure, including emergency work to make buildings and structures safe. This expenditure is currently under review to determine which aspects of it can be capitalised.  In summary, a fully year overspend of £0.188m is currently projected for Property Costs.</p>
115	<p><b>Income:</b> 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.</p>
(21)	<p><b>Prestwick Common Good Fund:</b>  <b>Property costs:</b> A full-year projected overspend of £0.021m due to unbudgeted expenditure at Links Road car park. This is currently being investigated in order to determine whether the expenditure can be capitalised.</p>
<b>(94)</b>	<b>Total projected variance</b>

Table 4 - Accumulated Revenue Reserves

Common Good Fund	Reserves as at 31 March 2022 £'000	Reserves as at 31 December 2022 £'000	Projected Reserves as at 31 March 2023 £'000
Ayr Common Good Fund	56	(414)	(9)
Prestwick Common Good Fund	253	215	232
Troon Common Good Fund	35	35	36
Maybole Common Good Fund	2	2	2
Girvan Common Good Fund	9	(36)	9
<b>Total</b>	<b>355</b>	<b>(198)</b>	<b>270</b>
<b>Comments:</b> Work is currently ongoing to investigate the impact of unbudgeted property costs and to determine the correct classification.			

**Table 5 - Accumulated Capital Reserves**

<b>Common Good Fund</b>	<b>Reserves as at 31 March 2022 £'000</b>	<b>Reserves as at 31 December 2022 £'000</b>	<b>Projected Reserves as at 31 March 2023 £'000</b>
Ayr Common Good Fund	897	897	557
Prestwick Common Good Fund	35	35	35
<b>Total</b>	<b>932</b>	<b>932</b>	<b>592</b>
<b>Comments:</b> 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 31 December 2022**

	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
<b>1) Accumulated surplus brought forward from 2021/22</b>				<b>39.877</b>
<b>Funds set aside for specific purposes</b>		<i>Revision (Nov 22 Cabinet)</i>	<i>Updated balance</i>	
2021/22 & 2022/23 budget contribution	(3.296)	0.200	(3.096)	
2022/23 contribution to financial insecurity	(0.250)	-	(0.250)	
Affordable homes	(1.482)	-	(1.482)	
Workforce change fund	(1.126)	-	(1.126)	
Efficiency and Improvement fund	(1.490)	-	(1.490)	
Local election fund	(0.159)	-	(0.159)	
Transform South Ayrshire	0.050	(0.050)	-	
Invest in South Ayrshire	(0.200)	-	(0.200)	
Community Halls Fund	(0.633)	-	(0.633)	
Ayrshire Growth Deal	(0.269)	-	(0.269)	
Civil Contingency (3 Ayrshire reserve commitment)	(0.097)	-	(0.097)	
Prestwick Airport	(0.060)	0.060	-	
Supported Employment/ESF funding	(0.958)	0.396	(0.562)	
Ayr Renaissance	(0.026)	0.026	-	
Glenburn Temp accommodation	(0.001)	0.001	-	

	£m	£m	£m	£m
Corporate Support Capacity issues	(0.806)	-	(0.806)	
Levelling Up - additional capacity funding to be drawn only if required	(0.125)	-	(0.125)	
Golf Strategy - to address initial priority and health and safety issues	(0.500)	-	(0.500)	
Station Hotel – encapsulation to Dec 22 and consultant cost	(0.615)	-	(0.615)	
Council Covid-19 earmarking	(14.082)	-	(14.082)	
General Service earmarking	(7.809)	-	(7.809)	
	<b>(33.934)</b>	<b>0.633</b>		<b>(33.301)</b>
<b>1) Revised uncommitted Council surplus brought forward as at 31 March 2022</b>				<b>6.576</b>
<b>2) In year movement - 2022/23</b>				
<b>i) Directorate budget projections:</b>				
Service projections (per Appendix 1)		8.904		
Approved Period 3 & Period 6 earmarking		(2.169)		
Period 9 earmarking requests (subject to LP approval)		(3.425)	3.310	
<b>ii) In year approved general reserve commitments</b>				
Chief Officers/Council structural changes		(0.300)		
Additional public holiday		(0.083)		
Abortive capital costs		(0.948)		
Station Hotel continued encapsulation		(0.207)	(1.538)	
<b>2) Total In year surplus/(deficit)</b>				<b>1.772</b>

	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
<b>3) Other movements</b>				
<b>i) HSCP repayment 2022/23 (being 4 of 4 profiled repayment)</b>			0.802	
<b>ii) PPP flexibility retrospective reserve adjustments</b>				
Retrospective reserve adjustment		21.718		
Commitment to 2023/24 to 2026/27 revenue budget		(14.000)		
Commitment to Workforce change fund		(5.000)	2,718	
<b>3) Total other movements</b>				<b>3.520</b>
<b>Projected uncommitted reserves at 31 March 2023 (1+2+3)</b>				<b>11.868</b>

## South Ayrshire Council Equality Impact Assessment Scoping Template

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. [FSD Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

### 1. Policy details

Policy Title	Budget Management – Revenue Budgetary Control 2022/23 – Position at 31 December 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)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	Low
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	Low
<b>Foster good relations</b> between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low



## 5. Summary Assessment

<b>Is a full Equality Impact Assessment required?</b> (A full Equality Impact Assessment must be carried out if impacts identified as <b>Medium and/or High</b> )	<del>YES</del>  <b>NO</b>
<b>Rationale for decision:</b>  <b>This report presents Members with a financial overview of the General Services revenue account, Housing Revenue Account and Common Good Accounts for 2021/22 as at 31 December 2022. Their decision on this has no specific equality implications</b>	
<b>Signed :</b> Tim Baulk	<b>Head of Service</b>
<b>Date:</b> 1 February 2023	