

**South Ayrshire Council****Report by Head of Finance and ICT  
to Chief Executive**

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**Subject: Budget Management – Revenue Budgetary Control  
2019/20 – Out-turn Statement at 31 March 2020**

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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 2019/20 as at 31 March 2020.

**2. Recommendation****2.1 It is recommended that the Panel:**

- 2.1.1 **notes the out-turn position for each Directorate/ service for 2019/20 detailed in Appendix 1;**
- 2.1.2 **approves the new earmarking of funds of £0.855m across all Directorates/ services to be carried forward for utilisation in 2020/21, as outlined in Appendix 2;**
- 2.1.3 **approves the contribution of £0.100m to provisions to meet the ongoing costs associated with current and potential insurance and other claims against the Council per 4.1.5; and**
- 2.1.4 **notes that the Budget Working Group will shortly commence a review of the 2020/21 budget to consider the impact of Covid-19 on the Council's financial position going forward.**

**3. Background**

- 3.1 The budget management report contains overview information for General Service Revenue, Housing Revenue and the Common Good Funds. The associated Directorate Appendices 1a to 1g show all financial variance analysis and other relevant financial information.
- 3.2 As detailed in the Budget Management – Revenue Budgetary Control 2019/20 – Position Statement at 31 December 2019, presented to the Leadership Panel of 18 February 2020, revisions to the 2019/20 revenue budget have been made in terms of corporate allocations and other transfers actioned in line with Financial Regulations rules on budget transfers.
- 3.3 Since February 2020, further notifications of additional general revenue grant funding due have been notified from the Scottish Government. Service expenditure

plans have been reviewed in light of this and expenditure/income budgets have been revised in line with the additional allocated funding.

- 3.4 Due to the limited time the Covid-19 pandemic had an effect on the 2019/20 financial year, with relatively low estimated costs, none of the funding received in 2020/21 has been written back to 2019/20 to match any expenditure or loss of income. The impact has therefore been absorbed within the Services as per the information contained in Appendix 1.

#### 4. Proposals

##### 4.1 Overview of General Services Financial Position at 31 March 2020

- 4.1.1 Detailed explanations for Directorate/ service variances are provided in the revenue out-turn reports (Appendix 1) to this report. Appendix 2 provides details of final earmarking requests for sums to be carried forward for use in 2019/20. The final Directorate/Service position is summarised in Table 1:

**Table 1**

	<b>Year End Out-turn Fav/ (Adv) £m</b>	<b>Less Carry- Forward £m</b>	<b>Revised Year End Out-turn Fav/ (Adv) £m</b>	<b>Comments</b>
<b>1) Service Expenditure</b>				
Chief Executive's	1.345	(0.438)	0.907	See Appendix 1a
Health & Social Care (excluding contribution to reserves)	0.169	(0.169)	-	See Appendix 1b
People	1.301	(1.898)	(0.597)	See Appendix 1c
Place	1.133	(0.919)	0.214	See Appendix 1d
Miscellaneous Services	1.237	-	1.237	See Appendix 1e
<b>2) Funding</b>				
Council tax income	0.382	-	0.382	Chargeable properties greater than budgeted, Council Tax Reduction Scheme awards less than budgeted
Non-Domestic Rates income	0.356	-	0.356	Notified Business Rates Incentivisation Scheme (BRIS) income from Scottish Government
HSCP contribution to reserves	0.291	-	0.291	Partial repayment of 2018/19 £3.277m HSCP overspend
Additional General Revenue Grant	0.692	-	0.692	Additional GRG received - £0.671 allocated to Workforce change per (LP Feb 20)
<b>Total underspend</b>	<b>6.906</b>	<b>(3.424)</b>	<b>3.482</b>	

- 4.1.2 **Health and Social Care Partnership** – Table 1 above indicates a net under-spend of £0.169m for 2019/20. This is after making a repayment to South Ayrshire Council of £0.291m (per the funding section of Table 1 above) as a partial repayment of the £3.277m additional funding provided to the partnership in 2018/19.
- 4.1.3 As part of the Budget Management – Revenue Budgetary Control 19/20 – Position at 31 December, the Leadership Panel of 18 February 2020 agreed that due to the HSCP’s then projected over-spend position, to reschedule the previously agreed re-payment profile of the monies owed. With terms to be finalised once the final 2018/19 position was known. Following confirmation of the under-spend out-turn position, the Partnership is able to make a payment of £0.291m towards the amounts owed. The impact of this partial repayment on the remaining repayment profile will now be considered and reported back to Leadership Panel in due course.
- 4.1.4 **Provisions** – A final year-end review of the provision held for potential insurance and other claims against the Council has identified the need to request an increase in the amount held by £0.100m. This additional amount will ensure that a prudent amount is available to meet the ongoing costs associated with current claims and future potential claims.
- 4.1.5 **Bad Debt Provisions** – As a result of the impact of Covid-19 on the general economy a review of the Bad Debt Provisions (BDP) for Council Tax and General Debtors has been undertaken as part of the year end process. Following this review the percentage rates used in the BDP calculation have been increased by 10% above the previously rates used. The additional costs for CT (£0.540m) and General Debtors (£0.200m) have been incorporated in the out-turn position noted in Table 1 at 4.1.1 above.
- 4.1.6 In addition to the BDP for General Debtors a further provision of £0.382m has been created to fully provide for further monies owed by external parties for costs incurred in 2019/20 in relation to the Station Hotel in Ayr. At present a 100% BDP is in place for the amounts owed in relation to prior year costs. Legal action is continuing to be undertaken to recover the amounts owed however it is considered prudent to continue to create BDP of 100% of monies due.
- 4.1.7 **Overall Accumulated Reserve position:** Table 2 below highlights the £18.499m Council’s overall General Services accumulated reserve position, outlining commitments of £12.249m and uncommitted funds at this stage of £6.250m and represents approximately 2.24% of 2020/21 planned spend.

**Table 2/**

<b>Table 2</b>	<b>£m</b>	<b>£m</b>
Accumulated General Reserves brought forward from 2018/19	18.542	
Approved draw from accumulated reserves to fund 2019/20 revenue and capital expenditure	(6.949)	
Contribution to accumulated reserves for partial repayment of the HSCP 2019/20 overspend	0.291	
Underspend for the year 2019/20 (per Table 1, para 4.1.1 – excluding HSCP repayment)	6.615	
<b>Accumulated general reserves 2019/20</b>		<b>18.499</b>
<b>Less commitments:</b>		
Previously approved (per Leadership Panel or Council)	(8.725)	
Previously approved earmarking (Per Appendix 2)	(2.569)	
New Earmarking requests (Per Appendix 2)	(0.855)	
Increase in Provisions request (para 4.1.5)	(0.100)	<b>(12.249)</b>
<b>Uncommitted Reserves at 31 March 2020</b>		<b>6.250</b>

#### 4.2 **Overview of Housing Revenue Account Financial Position at 31 March 2020**

4.2.1 The HRA shows a net contribution to reserves of £1.192m, the reasons for which are outlined in Appendix 1f. The accumulated surplus on the HRA revenue account at 31 March 2020 is £11.329m, of which £6.469m has been earmarked to fund capital and revenue expenditure in future years. This leaves an uncommitted balance of £4.860m (or 14.6% of current planned 2020/21 revenue expenditure), a proportion of which (2%) requires to be held as a contingency amount for future unexpected events or emergency situations.

4.2.2 The appropriate uncommitted balance will be considered as part of the annual Housing Business plan update and will form part of the HRA 2021/22 budget setting process.

#### 4.3 **Overview of Common Good Financial Position at 31 March 2020**

4.3.1 The accumulated revenue surplus for each individual fund is outlined in Appendix 1g. At 31 March 2020 the Common good fund shows a combined accumulated revenue surplus of £0.328m together with a combined capital reserve of £0.940m.

#### 4.4 **Covid-19 – 2020/21 Budget Review**

4.4.1 As detailed in section 3.5 above, any additional cost / loss of income impacting on 2019/20 has been absorbed with the financial out-turn position for 2019/20. However, given the significant impact that the

pandemic will have on Council finances going forward, it is deemed appropriate and prudent for the Council's Budget Working Group to commence a review of the 2020/21 budget in light of Covid-19.

## **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 At 31 March 2020, General Services shows an accumulated reserve of £18.499m. After adjustment for the factors outlined in this report, the Council has uncommitted funds of £6.250m as at 31 March 2020.

6.2 At 31 March 2020, the Housing Revenue Account shows an accumulated reserve of £11.329m. After adjustment for the factors outlined in this report, the Council has uncommitted funds of £4.860m as at 31 March 2020.

## **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 the Council strategic objective of 'Effective Leadership that Promotes Fairness' and within that to the outcome 'Ensure the Council is structured to make the best use of resources'.

## 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 Peter Henderson, Portfolio Holder for Resources and Performance, and the contents of this report reflect any feedback provided.

## 14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Head of Finance and ICT will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Incorporate financial information in the unaudited 2019/20 Annual Accounts to be submitted to external audit	30 June 2020	Head of Finance and ICT

**Background Papers**     **Report to Leadership Panel of 18 February 2020 - [Budget Management – Revenue Budgetary Control 2019/20 – Position Statement at 31 December 2019](#)**

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**Date: 23 June 2020**

# Budget Management Report to 31 March 2020 (Period 12)

## Appendix 1

Ref.	Directorate/ Account	Pages
1a	Chief Executive's	1 to 4
1d	Social Care Services	5
1b	People	6 to 12
1c	Place	13 to 19
1f	Miscellaneous Services	20 to 22
1g	Housing Revenue Account	23 to 24
1h	Common Good Funds	25 to 26

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

Period 9 Projected Variance Fav/(Adv) £000s	Service	Full Year Budget 2019/20 £'000	Actual Expenditure to 31 March £'000	Year end Variance favourable /(adverse) £'000	Full Year Variance 2018/19 Fav / (Adv) %
<b>133</b>	<b>Chief Executive &amp; Support</b>	<b>696</b>	<b>621</b>	<b>75</b>	<b>11%</b>
	<b>Employee and Customer Services:</b>				
157	Head of Employee & Customer Services	349	344	5	1%
(15)	Employee Services	967	975	(8)	(1%)
(13)	Human Resources	1,157	1,171	(14)	(1%)
50	Organisational Development & Public Affairs	1,144	1,061	83	7%
140	Youth Skills and Employability	1,816	1,638	178	10%
68	Customer Services	2,084	2,020	64	3%
<b>387</b>	<b>Total Employee and Customer Services</b>	<b>7,517</b>	<b>7,209</b>	<b>308</b>	<b>4%</b>
	<b>Finance and ICT Services:</b>				
392	Head of Finance & ICT Services	551	181	370	67%
21	Corporate Finance and Accounting	2,015	1,944	71	4%
463	Revenues and Benefits	4,734	4,187	547	12%
(43)	Information and Communication Technology	6,063	6,102	(39)	(1%)
<b>833</b>	<b>Total Finance and ICT Services</b>	<b>13,363</b>	<b>12,414</b>	<b>949</b>	<b>7%</b>
	<b>Regulatory Services:</b>				
86	Head of Regulatory Services	247	154	93	38%
20	Civil Contingencies & Business Continuity	122	102	20	16%
(27)	Democratic Governance Services	2,485	2,564	(79)	(3%)
6	Insurance, Risk & Safety Management	433	408	25	6%
(78)	Legal & Licensing Services	593	696	(103)	(17%)
33	Trading Standards & Environmental Health	1,818	1,761	57	3%
<b>40</b>	<b>Total Regulatory Services</b>	<b>5,698</b>	<b>5,685</b>	<b>13</b>	<b>0%</b>
<b>1,393</b>	<b>Total Chief Executive's Office</b>	<b>27,274</b>	<b>25,929</b>	<b>1,345</b>	<b>5%</b>

Table 2 - Subjective Analysis

Period 9 Projected Variance Fav/(Adv) £000s	Account	Full Year Budget 2019/20 £'000	Actual Expenditure to 31 March £'000	Year end Variance favourable /(adverse) £'000	Full Year Variance 2018/19 Fav / (Adv) %
995	Employee costs	25,250	23,848	1,402	6%
(5)	Property costs	382	389	(7)	(2%)
3	Supplies and services costs	2,005	2,092	(87)	(4%)
9	Transport costs	159	126	33	21%
28	Administrative costs	850	1,229	(379)	(45%)
58	Third party payments	1,408	1,301	107	8%
259	Transfer payments	37,334	29,031	8,303	22%
0	Financing costs	1,750	1,750	0	0%
<b>1,347</b>	<b>Gross expenditure</b>	<b>69,138</b>	<b>59,766</b>	<b>9,372</b>	<b>14%</b>
46	Gross income	(41,864)	(33,837)	(8,027)	19%
<b>1,393</b>	<b>Net expenditure</b>	<b>27,274</b>	<b>25,929</b>	<b>1,345</b>	<b>5%</b>



**Table 3 - Analysis of Significant Variances**

Year end Variance favourable /(adverse) £'000	<b>Chief Executive &amp; Support</b>
75	<b>Chief Executive &amp; Support</b> - the final position within the Chief Executive's office is a favourable variance of £0.075m. This is mainly as a result of overachieved vacancy management and an underspend of £0.049m against the budget held for the impact of Brexit. A previous request to earmark this underspend has been approved and is included in Table 5 below. Also recorded within this are costs of £0.011m in relation to specific spend incurred by Chief Executive's directorate due to the Covid-19 outbreak.
<b>75</b>	<b>Total variance</b>

Year end Variance favourable /(adverse) £'000	<b>Employee &amp; Customer Services</b>
5 (8) (14) 83	<b>Head of Employee &amp; Customer Services</b> - No material variances <b>Employee Services</b> - no material variances <b>Human Resources</b> - no material variances <b>Organisational Development and Public Affairs</b> - earmarking has previously been approved of any underspend against the budgets held for graduate interns and employee development respectively. The final position on these budgets are favourable variances of £0.022m (£0.015m at Period 9) and £0.066m (£0.038m at Period 9), and the earmarking request at Table 5 has been added accordingly.
178	<b>Youth skills and employability</b> - The budgets for the employability service and Modern Apprentices have a net year end underspend of £0.127m (£0.100m at Period 9). It has previously been requested that any underspend held in this area be earmarked for use in continuing to fund Modern Apprentice (MA) trainees. There are a number of MAs currently funded from non-recurring Early Years funding who are expected to continue in their posts beyond the funded period, along with additional trainees requested in other service areas. Table 5 has been updated for the final earmarking figure requested. There are also smaller underspends totalling £0.051m in relation to the Ambitions/Work Out programme and Employability Trainees. Earmarking of any underspend held for 19/20 has been previously approved (£0.035m at Period 9) and Table 5 also now reflects the year end position for these projects.
64	<b>Customer Services</b> - the underspend relates mainly to an underspend on CCTV equipment maintenance. Spend is lower than normal due to an ongoing review of CCTV equipment and will be considered as part of the transfer of services agreed by South Ayrshire Council on 5 March 2020.
<b>308</b>	<b>Total variance</b>

Year end Variance favourable /(adverse) £'000	<b>Finance &amp; ICT Services</b>
370	<b>Head of Finance and ICT</b> - the underspend against Head of Finance and ICT is mainly as a result of overachieved payroll management for the year. A significant proportion of this relates to the extended time it has taken to fill posts during the implementation of the revised operating models introduced following approval of the service reviews in Finance , Revenues and ICT in the later part of 2018/19.
71	<b>Corporate Finance and Accounting</b> -the year end position relates mainly to an under spend of £0.048m for premature retirement compensation along with a few smaller underspends throughout the service.
547	<b>Revenues and Benefits</b> - The year end position in relation to Housing Benefit (HB) payments and the related subsidy, and administration grant shows an underspend of £0.331m at 31 March 2020. This is an improvement on the projected position of £0.259m anticipated at Period 9. The budgets for HB payments and the related income are the main reason for the large variances shown against both Transfer Payments and Income in the subjective analysis at Table 2, which have been realigned during the budget process for next financial year. There is also a one-off benefit in 2019/20 of £0.059m from staff recharges to capital for staff time on a business systems project.
(39)	<b>ICT Strategy and Delivery</b> - this balance relates to various small over and under spends throughout the service. <small>A further underspend of £0.125m is recorded in relation to employee costs for Universal Credit. A variance is</small>
<b>949</b>	<b>Total variance</b>

Year end Variance favourable /(adverse) £'000	Regulatory services
93	<b>Head of Regulatory Services</b> - the year end underspend in this area is mainly due to the over-recovery of payroll management for the year.
20	<b>Civil Contingencies &amp; Business Continuity</b> - this favourable variance is as a result of the decision by the Emergencies Planning Board, following a review of balances, that each of the 3 Ayrshire Councils should benefit from a withdrawal of £0.020m each during 2019/20 from the surplus held for civil contingencies work.
(79)	<b>Democratic Governance Services</b> - The adverse position at 31 March 2020 relates to under-recoveries of income within Registration (£0.076m), and the internal print service (£0.025m), offset by various smaller underspends throughout the service. These overspends were the subject of successful resource pressure bids in the 20/21 budget setting process. Also within Democratic Services an underspend is held in relation to Elections general expenditure of £0.014m, which is requested to be earmarked and added to the Council's Election Fund. Leadership Panel has previously approved earmarking of £0.004m in relation to funding of the Homecoming Parade in 2010/21, continuation of Section 21 legal work of £0.065m and £0.026 relating to costs of vacating the Watson Peat building.
25	<b>Insurance, Risk and Safety Management</b> - no material variances; balance is due to the cumulative impact of a number of small variances
(103)	<b>Legal and Licensing</b> - Legal Services income is under recovered by (£0.050m) as a result of the Right to Buy legislation ending. This budget has been realigned during the 20/21 budget setting process to reflect the position and the additional income now being received in relation to the SHIP programme for buy back of Council Houses. Licensing income is also under recovered at the year end by (£0.035m). Income for this area can fluctuate year on year due to timing of renewals processes and the Covid pandemic has also had an effect on income at the end of the year. Finally, an overspend of £0.015m has been incurred in relation to taxi inspection costs for the year due to higher costs per inspection than anticipated.
57	<b>Trading Standards and Environmental Health</b> - this favourable variance is mainly as a result of over recovered external income for services provided.
<b>13</b>	<b>Total variance</b>

**Table 4 - Budget Transfer Requests**

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

**Table 5 - Earmarking Requests**

Earmarking requests:	Objective/ Subjective	Amount £'000
<b>Previously approved:-</b>		
Brexit	Chief Executive's Office/Third party	49
Graduate interns	Organisational Development/Employee	15
Employee engagement	Organisational Development/Admin costs	38
Modern Apprentices / Employability	Employability and Skills/Employee costs	100
Ambitions / Work out / Employability trainees	Employability and Skills/Employee costs	35
Homecoming Parade 2020 - one-off costs anticipated but not in core budget	Democratic Governance/Supplies and Services	4
Section 21 work in relation to historic child abuse cases	Democratic Governance/Employee Costs	65
One off costs in relation to records management vacating Watson Peat building	Democratic Governance/Third party payments	26
<b>Total</b>		<b>332</b>
<b>Additional requests for approval:-</b>		
Graduate interns	Organisational Development/Employee	7
Employee engagement	Organisational Development/Admin costs	28
Modern Apprentices / Employability	Employability and Skills/Employee costs	27
Ambitions / Work out / Employability trainees	Employability and Skills/Employee costs	16
Scottish Welfare Fund	Revenues and benefits/Third Party	14
Elections General transfer to Election Fund	Democratic Services/various	14
<b>Total additional requests</b>		<b>106</b>
<b>Total</b>		<b>438</b>
<b>Comments:</b>		
Additional earmarking figures for Graduate interns, Employee engagement, Modern Apprentices/Employability and Ambitions/Work out/Employability trainees have all been requested to reflect the year end position figures.		

**Table 6 - Efficiency Savings**

<b>Efficiency savings:</b>	<b>Targeted £'000</b>	<b>Anticipated shortfall £'000</b>
Corporate Finance & Revenues Service Review - full year impact of 2018/19 staffing savings	55	0
Organisational Development & Customer Services - Reduction in requirement for software maintenance	14	0
Organisational Development & Customer Services- Customer Payments - remove cash and cheque transactions from Customer Services centres *	34	0
Organisational Development & Customer Services - Review of opening hours in Customer Service Centres to reflect demand *	54	0
Human Resources - Review and reduction of staffing within the HR Policy and Operations Team *	99	0
Employee Services - Review and reduction of staffing within Employee Services	34	0
Organisational Development & Customer Services - Revise supervisory arrangements within the Customer Service Team	37	0
Removal of press cuttings service/Newspaper Licensing Agency licence	6	0
Removal of Vuelio media management software	4	0
Review staffing arrangements within Public Affairs	33	0
Revenues & Benefits - Increased income resulting from a full review of the Council Tax Single Occupier Discount caseload	183	0
Revenues & Benefits - Reduction in current budget allocation HB remote processing	50	0
Finance & ICT - Reduction in ICT revenue Hardware/software contract costs following the introduction of the new ICT operating model	271	0
Trading Standards and Environmental Health - Review staffing arrangements and remove vacant posts where appropriate	76	0
Trading Standards and Environmental Health - Reduce the Trading Standards general equipment budget	4	0
Trading Standards and Environmental Health - Reduce the Environmental Health budget for technical equipment	6	0
Risk & Safety - Review staffing arrangements within Risk & Safety Team and reduce hours worked where applicable and appropriate	17	0
Democratic & Governance - Review staffing levels within Democratic support - Members services *	34	0
Democratic & Governance - Removal of Members training budget	5	0
Legal & Licensing -Remove Vacant 0.61 FTE Administration Assistant post	16	0
ACCT - Income generated from development of external plans - per Council. (As this is a Shared Service an equivalent saving will be allocated to both NAC and EAC)	6	0
ACCT – General budget reductions agreed with NAC and EAC	4	0
<b>Corporate Savings Allocation:</b>		
Increase external fees by CPI	30	0
Reduce Supplies & Services and Administration Costs budgets	114	0
Procurement target	7	0
<b>Total</b>	<b>1,193</b>	<b>0</b>
<b>Comments:</b>		
* Efficiencies highlighted have been achieved or partly achieved on a temporary basis in 2019/20. Permanent solutions will require to be finalised during the next financial year.		

**Table 7 - Payroll Management**

<b>Payroll Management:</b>	<b>Targeted £'000</b>	<b>Achieved at period 12 £'000</b>	<b>Over achieved at Period 12</b>
Payroll Management - Corporate target	479	970	491
<b>Total</b>	<b>479</b>	<b>970</b>	<b>491</b>
<b>Comments:</b>			
Payroll management was over achieved during 2019/20 by £0.491m			

## Social Care

Table 1 - Objective Analysis

Period 9 projected variance Fav/(Adv) £'000	Service	Full Year Budget 2019/20 £'000	Full Year Actual 2019/20 £'000	Full Year Variance 2019/20 Fav / (Adv) £'000	Full Year Variance 2019/20 Fav / (Adv) %
	<b>Community Care Services :</b>				
88	Older People	42,035	42,063	(28)	0%
10	Learning Disabilities	20,063	20,163	(100)	0%
85	Physical Disabilities	3,658	3,606	52	1%
670	Mental Health	3,551	2,899	652	18%
0	Addiction	1,133	964	169	15%
<b>853</b>	<b>Total Community Care Services</b>	<b>70,440</b>	<b>69,695</b>	<b>745</b>	<b>1%</b>
(1,184)	<b>Children's Services</b>	22,126	23,251	(1,125)	-5%
7	<b>Criminal Justice Services</b>	169	150	19	11%
(106)	<b>Directorate Services</b>	1,340	1,437	(97)	-7%
(9)	<b>Other Services</b>	1,849	1,926	(77)	-4%
(372)	<b>Vacancy Management</b>	(309)	0	(309)	100%
25	<b>Integrated Care Fund/Delayed Discharges</b>	855	828	27	3%
0	<b>SAC additional funding repayment</b>	819	291	528	64%
0	<b>Resource Transfer</b>	(21,260)	(21,260)	0	0%
<b>(786)</b>	<b>Social Care sub-total</b>	<b>76,029</b>	<b>76,318</b>	<b>(289)</b>	<b>0%</b>
8	Aids and Adaptations/Scheme of Assistance	556	550	6	1%
0	NHS underspend contribution	0	(452)	452	100%
<b>(778)</b>	<b>Final position - Social Care Services</b>	<b>76,585</b>	<b>76,416</b>	<b>169</b>	<b>0%</b>

**Health & Social Care** - Further information on the final out-turn position can be found within the Financial Outturn report presented to the IJB meeting of 25 June 2020. The table above indicates an underspend of £0.169m in relation to specific funding for Addictions for 2019/20, which is the subject of a request for earmarking for use in 2020/21. The final position is following a part repayment to the Council of £0.291m in relation to the overspend for 2018/19, and an underspend of £0.452m being passed from the Health side of the Social Care Partnership to the Council at year end.

## People Directorate

Table 1 - Objective Analysis

Period 9 Projected Variance Fav / (Adv) £'000	Service	Full Year Budget 2019/20 £'000	Full Year Actual 2019/20 £'000	Full Year Variance 2019/20 Fav / (Adv) £'000	Full Year Variance 2019/20 Fav / (Adv) %
18	Directorate	2,149	2,257	(108)	-5%
(247)	Community Services and Facilities	10,344	10,794	(450)	-4%
0	Corporate and Housing Policy	2,218	1,740	478	22%
68	Corporate Planning and Improvement	1,824	1,748	76	4%
200	Education - Early Years	10,054	9,739	315	3%
729	Education - Learning and Teaching Primary	37,118	36,587	531	1%
351	Education - Learning and Teaching Secondary	44,327	44,104	223	1%
218	Education - Learning and Teaching Additional Support	13,255	13,105	150	1%
50	Education Support Services	3,233	3,155	78	2%
0	Performance Appraisal and Audit	323	315	8	2%
<b>1,387</b>	<b>Total People Directorate</b>	<b>124,845</b>	<b>123,544</b>	<b>1,301</b>	<b>1%</b>

Table 2 - Subjective Analysis

Period 9 Projected Variance Fav / (Adv) £'000	Service	Full Year Budget 2019/20 £'000	Full Year Actual 2019/20 £'000	Full Year Variance 2019/20 Fav / (Adv) £'000	Full Year Variance 2019/20 Fav / (Adv) %
1,378	Employee costs	100,076	98,343	1,733	2%
50	Property costs	12,347	12,882	(535)	-4%
68	Supplies and services costs	4,037	4,053	(16)	0%
(187)	Transport costs	4,155	4,515	(360)	-9%
0	Administrative costs	2,426	2,438	(12)	0%
441	Third party payments	9,804	8,775	1,029	10%
0	Transfer payments	842	855	(13)	-2%
0	Financing costs	15,359	15,359	0	0%
<b>1,750</b>	<b>Gross expenditure</b>	<b>149,046</b>	<b>147,220</b>	<b>1,826</b>	<b>1%</b>
(363)	Gross income	(24,201)	(23,676)	(525)	2%
<b>1,387</b>	<b>Net expenditure</b>	<b>124,845</b>	<b>123,544</b>	<b>1,301</b>	<b>1%</b>

**Table 3 - Analysis of Significant Variances**

Full Year Variance 2019/20 fav/(adv) £'000	Directorate
(108)	<p><b>Employee costs</b> - underachievement of £0.150m in departmental and corporate payroll management target of £2.379m (refer <b>Table 7</b> below). This is primarily due to an increase in the long-term sickness and maternity cover arrangements within teaching costs.</p> <p><b>Access to Sanitary Products (non-schools)</b> - underspent by £0.016m in relation to the funding allocation of £0.055m from Scottish Government, to continue working with Community Planning Partners to increase the number and range of places where sanitary products are available for those who need them. This is a reduction of £0.002m from the £0.018m Members previously approved to earmark in the Period 9 Budget Monitoring Report, to work with Community Planning Partners to extend provision across a range of partner organisations and to develop a communications strategy to encourage wider uptake of this service (refer to <b>Table 5</b> below).</p> <p><b>Various</b> - net underspends of £0.016m.</p>
<b>(108)</b>	<b>Total variance</b>

Full Year Variance 2019/20 fav/(adv) £'000	Community Services and Facilities
(450)	<p><b>Employee Costs</b> - underspent within sports, leisure, golf and community facilities of £0.157m due to management action taken to delay filling of vacancies and a reduction in the use of casual budgets.</p> <p><b>Utilities &amp; Refuse Collection</b> - £0.164m overspent where energy costs relating to prior years were accrued for a number of properties at the year-end based on information provided by the Council's energy database. This resulted in significant overspends across these properties and consequently these accruals are being re-examined in order to verify their accuracy.</p> <p><b>Creative Scotland Partnership Funding</b> - underspent by £0.018m within this funding, which is being utilised to fund an ongoing project part of which will be delivered in 2020/21. Members are asked to approve to earmark £0.018m to carry forward to 2020/21 to fund this work (refer to <b>Table 5</b> below).</p> <p><b>Third Party Payments</b> - net underspend of £0.095m in relation to:  - underspent by £0.100m in relation to The National Trust for Scotland (Culzean Country Park). This is as a result of the funding ceasing on 31 March 2019 and the Council has already recognised the £0.100m as savings in 2020/21.  - overspent by £0.005m in relation to The Scottish International Airshow (TSIA 2020). This is as a result of an advance payment being made within this financial year of £0.080m. The Significant Events Fund has been reduced by £0.075m to fund this payment, being the 2019/20 contribution to the fund.</p> <p><b>Income</b> - shortfall in income of £0.595m, due to the following:  - shortfall of £0.073m in relation to utility cost recharges to user groups for use of Council community centres, as a result of their lack of financial resources.  - Sport and Leisure (including Health and Wellbeing) - shortfall of £0.247m primarily within general admissions, due to a combination of reduced footfall (£0.030m), the impact of Access to Leisure Scheme (approximately £0.140m) and closure as a result of COVID-19 (£0.077m)  - Golf and Community Facilities - projected shortfall in income of £0.287m. This is mainly within golf memberships and casual green fees, primarily due to the decision to change monthly direct debit payments for those wishing to spread the annual cost of a membership to monthly payments, from 1/10th of the annual cost per month to 1/12th of the annual cost per month (i.e.20% reduction). The financial impact being a reduction in income from direct debit payments of approximately £0.120m per annum. Other factors are due to the increased uptake in Access to Leisure (approximately £0.060m), fewer than budgeted lets within community facilities (£0.029m), and closure as a result of COVID-19 (approximately £0.078m).  Various small over-recoveries £0.012m</p> <p><b>Various</b> - net underspends of £0.039m.</p>

	These budget variances highlight a number of issues within these service areas that management are seeking to address on a permanent basis, subject to the impact of Covid-19 on services.
<b>(450)</b>	<b>Total variance</b>

Full Year Variance 2019/20 fav/(adv) £'000	Corporate and Housing Policy
478	<p><b>Corporate and Housing Policy</b> - underspent by £0.478m, primarily within payments to agencies</p> <ul style="list-style-type: none"> <li>- First Home (Care Experienced Young Person) pilot delivered by Ayr Housing Aid Centre - Members agreed the action plan to improve housing outcomes for young people leaving care at Leadership Panel 21st August 2018. This pilot is underspent by £0.043m and Members are requested to earmark this underspend to continue with this pilot in 2020/21 (refer to <b>Table 5</b> below).</li> <li>- Housing First project - previously approved by Members at Leadership Panel of 18th September 2018, to deliver a targeted response to repeat homelessness among people with complex needs. This project is underspent by £0.075m and this funding is essential to increase the capacity of the scheme, as per our agreed Rapid Rehousing Transition Plan. Members are requested to earmark this underspend to continue with project in 2020/21 (refer to <b>Table 5</b> below).</li> <li>- Frontline empowerment in preventing homelessness - Strategy funding to support the Directorate Plan outcome "Empower frontline housing options colleagues to create person centred approaches to preventing homelessness" is underspent by £0.010m. Members are requested to earmark this underspend in order to continue with this project in 2020/21 (refer to <b>Table 5</b> below).</li> <li>- Social Letting Service (SLS) - was approved by Members at LP 26 November 2019 and is one of the aims contained within the RRTP 2019-2024. This scheme is underspent by £0.178m and this funding is required to pay for the start-up costs and operational delivery of the SLS over the 4 years. Members are therefore requested to earmark this underspend in order to continue with this scheme in 2020/21 (refer to <b>Table 5</b> below).</li> <li>- Scheme of Assistance is £0.126m underspent, primarily due to a reduction in the requirement to fund capital related adaptations during this financial year.</li> </ul> <p><b>Various</b> - net underspends of £0.046m.</p>
<b>478</b>	<b>Total variance</b>

Full Year Variance 2019/20 fav/(adv) £'000	Corporate Planning and Improvement
76	<b>Payments to Agencies</b> - £0.076m underspent, primarily within Community Focus budgets, due to matched grant funding received in relation to a project.
<b>76</b>	<b>Total variance</b>

Full Year Variance 2019/20 fav/(adv) £'000	Education - Early Years
315	<p><b>Payments to Partner Nurseries</b> - projected underspend of £0.200m due to fluctuating numbers within the partner establishments.</p> <p><b>Various</b> - net underspends of £0.044m.</p>
<b>315</b>	<b>Total variance</b>

Full Year Variance 2019/20 fav/(adv) £'000	Education - Learning and Teaching Primary, Secondary and Additional Support
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904	<p>Underspent by £0.904m primarily as a result of the following:</p> <p><b>Devolved School Management carry forward</b> - £0.193m underspent within school carry forward budgets, primarily within employee costs across academic years and delays in receiving ICT orders due to COVID-19. This underspend is subject to schools Devolved School Management Scheme and is requested to be earmarked for use in 2020/21. Members approved to earmark £0.150m in Period 9 and are now asked to approve a further £0.043m (refer to <b>Table 5</b> below).</p> <p><b>Pupil Equity Funding</b> - underspent by £0.924m. This Scottish Government funding relates to the academic year (August 2019 - August 2020) and has permissible carry forward. Members have already approved to earmark £0.887m to be utilised in 2020/21 in the Period 9 report and are now requested to approve additional earmarking of £0.037m (refer to <b>Table 5</b> below).</p> <p><b>Access to Sanitary Products (Schools)</b> - underspent by £0.018m in relation to the funding allocation of £0.045m from Scottish Government, to continue the implementation of access to free sanitary products to students in schools, colleges and universities. Members have already approved the earmarking £0.020m to continue with the initiative in 2020/21, in the Period 9 report and are now requested to approve the reduction of £0.002m (refer to <b>Table 5</b> below).</p> <p><b>School Transport</b> - overspent by £0.299m, in both Strathclyde Pupil Transport (SPT) and additional support need (ASN). These services are demand led and are due to an increase in the number of pupils requiring school transport.</p> <p><b>Access to Counselling</b> - £0.173m underspent in relation to Scottish Government funding of £0.253m, to support the introduction of access to counsellors through schools. The commitment to counselling through schools will be delivered in 2 phases, with full delivery expected by September 2020. Members had previously approved to earmark £0.178m to continue this initiative in 2020/21, in Period 9 and are now requested to reduce this earmarking by £0.005m (refer to <b>Table 5</b> below).</p> <p><b>Support for Additional Support for Learning Implementation</b> - underspent by £0.250m of the £0.305m allocated in relation to Scottish Government funding, to support the provision of support staff in schools in this academic year. Members have already approved to earmark this underspend to continue this initiative in 2020/21, in Period 9 (refer to <b>Table 5</b> below).</p> <p><b>Utilities &amp; Refuse Collection</b> - £0.391m overspent where energy costs were accrued for a number of schools at the year-end based on information provided by the Council's energy database. This resulted in significant overspends across these properties and consequently these accruals are being re-examined in order to verify their accuracy.</p> <p><b>Various</b> - net underspends of £0.036m.</p>
<b>904</b>	<b>Total variance</b>

<b>Full Year Variance 2019/20 fav/(adv) £'000</b>	<b>Education Support Services</b>
78	<p><b>PPP</b> - net underspend of £0.055m within PPP. This is due to a combination of fewer payment recovery credits being received from Mitie (PPP service provider) of £0.057m and the RPI inflationary increase being less than the budget projections by £0.112m.</p> <p><b>Various</b> - net underspends of £0.023m.</p>
<b>78</b>	<b>Total variance</b>

<b>Projected Variance favourable /(adverse) £'000</b>	<b>Performance Appraisal &amp; Audit</b>
8	<b>Various</b> small underspends of £0.008m.
<b>8</b>	<b>Total projected variance</b>

**Table 4 - Budget Transfers**

<b>Budget Transfer requests:</b>		<b>DR £'000</b>	<b>CR £'000</b>
n/a			
<b>Total</b>		<b>0</b>	<b>0</b>



**Table 5 - Earmarking Requests**

<b>Earmarking requests:</b>	<b>Objective/ Subjective</b>	<b>Amount £'000</b>
<b>Previously approved:</b>		
School carry forwards	Education - various	150
School Pupil Equity Funding	Education - various	887
Access to Free Sanitary Products - CPP	Directorate	18
Access to Free Sanitary Products - Schools	Education - Secondary Schools	20
Access to Counselling - SG funding	Education - Secondary Schools	178
Support for Additional Support for Learning Implementation SG funding	Education - Learning and Teaching Additional Support	250
<b>Total previously approved</b>		<b>1,503</b>
<b>Additional requests for approval:</b>		
School carry forwards	Education - various	43
School Pupil Equity Funding	Education - various	37
Access to Free Sanitary Products - CPP	Directorate	(2)
Access to Free Sanitary Products in Schools	Education - Secondary Schools	(2)
Access to Counselling - SG funding	Education - Secondary Schools	(5)
Creative Scotland Partnership	Culture	18
First Home (Ayrshire Housing Aid) Pilot	Corporate & Housing Policy	43
Homelessness Prevention Fund	Corporate & Housing Policy	10
Social Letting Service - per LP 26 November 2019	Corporate & Housing Policy	178
Housing First Project	Corporate & Housing Policy	75
<b>Total additional requests for approval</b>		<b>395</b>
<b>Total</b>		<b>1,898</b>
<b>Comments:</b>		

**Table 6 - Efficiency Savings**

<b>Efficiency savings:</b>	<b>Targeted £'000</b>	<b>Shortfall £'000</b>
Policy and Performance - staffing restructure	23	0
Community Services & Facilities - Expand learn to swim programme	10	0
Community Services & Facilities - develop and introduce new range of childrens swimming activities	4	0
Community Services & Facilities - review & re-launch sports & fitness activity programme	8	0
Education - remove central admin clerical post	19	0
Education - remove central admin budgets	10	0
Full year impact of 2018/19 staffing savings	183	0
Asset Management and Community Transfer - asset transfer of halls	12	12
Asset Management and Community Transfer - property cost savings from asset transfer of Halls which are owned and run by communities but where the Council has	24	4
Community Services & Facilities - removal of Council support for the Ayr Concert Series	13	0
Community Services & Facilities - Culture - removal of a number of part vacancies totalling 0.96fte	24	0
Community Services & Facilities - increase income target for golf - review green fees and golf membership categories	82	0
Community Services & Facilities - reduction in golf transport budget for repairs and renewals	20	0
Community Services & Facilities - introduction of a golf buggy service at Belleisle Park	5	0
Community Services & Facilities - review staffing arrangements - potential realignment of management responsibility and deletion of vacant posts.	136	0
Community Services & Facilities - replace vacant 37 hour posts with 35 hour posts	11	11
Community Services & Facilities - review swimming pool opening hours and close pools during quieter periods.	30	30
Community Services & Facilities - review of casual swimming charges	45	0

Corporate Housing & Policy - remove the 10% discount for online Landlord Registration applications in line with Scottish Government revisions	10	0
Corporate Housing & Policy - Homeless Strategy - remove vacant Project Officer post.	38	0
Education - Learning and Teaching Additional Support - review staffing arrangements/levels	40	0
Education - Determined to Succeed Budgets - reduce budget	50	0
Education - review school assistant staffing arrangements	140	0
Education - Early Years - remove catering budget	8	0
Education - Quality Improvement Team - review staffing arrangements	78	0
Education - Central Admin Budgets - reduce central administration budget	10	0
Education - Learning and Teaching Secondary - reduce central flexibility staffing budget	50	0
Pupil Transport - reduction in budget	50	0
Schools - reduce teachers by 15 posts	444	0
Review staffing arrangements within Corporate Planning	88	0
Remove residual budget from previous years savings of a Level 15 and Level 5 post	16	0
Reduced ability to support communities with minor adhoc funding support	25	0
<b>Corporate Savings Allocation:</b>		
Increase external fees by CPI	135	0
Reduce Supplies & Services and Administration Costs budgets	323	0
Procurement target	4	0
<b>Total</b>	<b>2,168</b>	<b>57</b>
<b>Comments:</b> The shortfall of £0.057m is included within Community Services and Facilities outturn figures above.		

**Table 7 - Payroll Management**

<b>Payroll Management:</b>	<b>Targeted £'000</b>	<b>Achieved £'000</b>	<b>Under- achieved £'000</b>
Payroll Management - Corporate target	2,144	2,001	143
Payroll Management - Directorate target	235	219	16
<b>Total</b>	<b>2,379</b>	<b>2,220</b>	<b>159</b>
<b>Comments:</b> Under-recovery in payroll management of £0.159m.			

**Table 8 - Grant Income**

<b>New Grants Received:</b>		
<b>Amount £'000</b>	<b>Grant name/ body</b>	<b>Grant purpose</b>
15	Visit Scotland	Burns on the beach festival
43	Leader	Maybole Town Centre Regeneration Project
15	William Grant Foundation	Columbia 1400 Leadership Academy
5	Mitie	Corporate Social Responsibility for Fitness
10	Scottish Rugby Union	School of Rugby
20	Ayrshire & Arran	Weight Management Programme
6	Charitable Trust	Holiday Meals Programme
30	Leader	Enabling Rural Communities
18	MacMillan Cancer Support	Cancer Support
179	Sport Scotland	Active Schools
5	Scottish Library Information Centre	Creating Space
1	Scottish Library Information Centre	Bookworms Libraries as green champions
14	Scottish Government	Graduate funding and Realising Change Fund
367	Scottish Government	South West Improvement Collaborative
757	Scottish Government	LEADER
192	Scottish Government	Attainment Challenge - Care Experienced Children and Young People
4	Children in Scotland	Early Learning and Childcare Inclusion Fund
254	Scottish Government	Attainment Challenge
398	Scottish Government	Home Energy Efficiency Programmes (HEEPS)
3	Paths for All	Community Paths
31	Scottish Government	Energy Efficiency Scotland
21	Scottish Government	Raising Aspirations in Science
47	Education Scotland	STEM
<b>2,435</b>		
<b>Comments:</b>		
Additional amounts notified during the financial year, not included in original budget.		

## Place Directorate

Table 1 - Objective Analysis

Period 9 Projected Variance Fav / (Adv) £'000	Service	Full Year Budget 2019/20 £'000	Full Year Actual 2019/20 £'000	Full Year Variance 2019/20 Fav / (Adv) £'000	Full Year Variance 2019/20 Fav / (Adv) %
81	Directorate	1,348	1,252	96	7%
(300)	Asset Management and Community Asset Transfer	5,350	5,976	(626)	(12%)
155	Ayrshire Roads Alliance/SPT	11,353	10,914	439	4%
123	Economy & Regeneration	1,574	1,204	370	24%
86	Facilities Management	9,893	10,145	(252)	(3%)
383	Housing Services	1,921	1,405	516	27%
204	Neighbourhood Services	15,028	14,826	202	1%
269	Planning & Building Standards	976	617	359	37%
31	Procurement	687	624	63	9%
(21)	Professional Design Services	820	837	(17)	(2%)
(100)	Property Maintenance	877	892	(15)	(2%)
0	Special Property Projects	33	35	(2)	(6%)
<b>911</b>	<b>Total Place Directorate</b>	<b>49,860</b>	<b>48,727</b>	<b>1,133</b>	<b>2%</b>

Table 2 - Subjective Analysis

Period 9 Projected Variance Fav / (Adv) £'000	Account	Full Year Budget 2019/20 £'000	Full Year Actual 2019/20 £'000	Full Year Variance 2019/20 Fav / (Adv) £'000	Full Year Variance 2019/20 Fav / (Adv) %
377	Employee costs	35,317	35,027	290	1%
(442)	Property costs	6,234	8,148	(1,914)	(31%)
68	Supplies and services costs	10,296	11,121	(825)	(8%)
(86)	Transport costs	5,596	5,551	45	1%
(64)	Administrative costs	1,043	795	248	24%
0	Support service costs	0	0	0	0%
471	Third party payments	15,620	14,692	928	6%
0	Transfer payments	0	0	0	0%
0	Financing costs	4,550	4,550	0	0%
<b>324</b>	<b>Gross expenditure</b>	<b>78,656</b>	<b>79,884</b>	<b>(1,228)</b>	<b>(2%)</b>
587	Gross income	(28,796)	(31,157)	2,361	8%
<b>911</b>	<b>Net expenditure</b>	<b>49,860</b>	<b>48,727</b>	<b>1,133</b>	<b>2%</b>

Table 3 - Analysis of Significant Variances

Full Year Variance favourable /(adverse) £'000	Directorate
96	<p><b>Directorate</b> - underspend of £0.096m as a result of:</p> <p><b>Employee costs</b> - underspend of £0.072m as a result of vacancies.</p> <p><b>Supplies &amp; services costs</b> - underspend of £0.003m as a result IDOX software maintenance contract of £0.050m being funded by ICT Service offset by the overspend of £0.047m as a result of COVID-19 related costs.</p> <p><b>Administrative costs</b> - underspend of £0.021m across various small budget lines.</p>
<b>96</b>	<b>Total variance</b>

Full Year Variance favourable /(adverse) £'000	<b>Asset Management &amp; Community Asset Transfer</b>
(626)	<p><b>Asset Management &amp; Community Asset Transfer</b> - overspend of £0.626m as a result of ;</p> <p><b>Employee costs</b> - Due to delays in implementing the approved service review the 2019/20 full year saving of £0.147m was only achieved in part, with a shortfall of £0.036m.</p> <p><b>Property costs</b> - overspend of £0.617m. The Central Repairs Account (CRA) is overspent by £0.529m in relation to essential works across all Council properties. There are further overspends across various small budget lines within Health &amp; Social Care non-devolved properties of £0.031m and general Council properties of £0.057m. Management action is being taken to address the continued overspends in this area going forward.</p> <p><b>Supplies &amp; services costs</b> - overspend of £0.053m in relation to software maintenance contracts increased costs of £0.040m and general overspends across various small budget lines of £0.013m</p> <p><b>Third party payments</b> - underspend of £0.080m in relation to the abolishment of the Carbon Reduction Scheme at 31 March 2019. The charges paid to the lead authority Fife Council to finalise the scheme were at lower rates than those accrued at 2018/19 year end</p>
<b>(626)</b>	<b>Total projected variance</b>

Full Year Variance favourable /(adverse) £'000	<b>Ayrshire Roads Alliance/SPT</b>
439	<p><b>Ayrshire Roads Alliance/SPT</b> - underspend of £0.439m as a result of ;</p> <p><b>Third party payments</b> - underspend of £0.377m. Payments to Ayrshire Roads Alliance (ARA) is underspent by £0.356m as a result of increased level of general fund recharges to capital. SPT is underspend by £0.021m in relation to reduced bus shelter maintenance costs.</p> <p><b>Income</b> - over-recovery of income of £0.062m in relation to prior year underspends held by ARA being returned to SAC</p> <p>At LP of 26 November 2019, Members approved earmarking of £0.233m for carry forward to 2020/21 as match funding in relation to Transport Scotland Low Carbon Travel and Transport Challenge Fund. This funding will allow for installation and infrastructure for electric charging hubs across South Ayrshire (<b>Table 5</b> below)</p>
<b>439</b>	<b>Total projected variance</b>

Full Year Variance favourable /(adverse) £'000	<b>Economy &amp; Regeneration</b>
370	<p><b>Economy &amp; Regeneration</b> - underspend of £0.370m as a result of ;</p> <p><b>Third party payments</b> - underspend of £0.182m in relation to Ayrshire Engineering Alliance project of £0.030m due to programme delays, £0.091m Coastal Communities Fund received and approved to support businesses as a result of COVID-19 and general business grants awarded of £0.061m</p> <p><b>Income</b> - projected over-recovery of £0.188m in relation to additional contribution of £0.056m received from Scottish Enterprise towards Aerospace project and a contribution of £0.132m from Ayr Renaissance towards salary and property costs.</p> <p>At LP of 18 February 2020, Members approved earmarking of £0.050m of the service underspend for carry forward to 2020/21 to support the development of the Strategic Economic Plan (<b>Table 5</b> below).</p> <p>Members are requested to approve further earmarking of £0.091m of the service underspend to continue to utilise the Coastal Communities funding in 2020/21 to provide essential grants to local businesses as a result of COVID-19 and £0.030m to continue the support for the Ayrshire Engineering Alliance in 2020/21 as a result of project delays (<b>Table 5</b> below)</p>
<b>370</b>	<b>Total projected variance</b>

Full Year Variance favourable /(adverse) £'000	Facilities Management
(252)	<p><b>Facilities Management</b> - overspend of £0.252m as a result of :</p> <p><b>Employee costs</b> - overspend of £0.084m as a result of the delay in implementing the approved service review due to the period of consultation</p> <p><b>Property costs</b> - overspend of £0.073m as a result of increased cost of cleaning supplies and contract cleaning throughout the year</p> <p><b>Supplies and services costs</b> - overspend of £0.095m as a result of essential replacement of catering and cleaning equipment (£0.182m) and small overspends across various budget lines (£0.025m) offset by an underspend in school meal food costs (£0.112m)</p> <p>At LP of 18 February 2020, Members approved earmarking of £0.065m for carry forward to be utilised in 2020/21 to roll-out new recycling units to support effective waste recycling in Council buildings including schools (<b>Table 5</b> below)</p>
(252)	<b>Total projected variance</b>

Full Year Variance favourable /(adverse) £'000	Housing Services
516	<p><b>Housing Services</b> - underspend of £0.516m as a result of:</p> <p><b>Employee costs</b> - underspend of £0.050m as a result of vacancies</p> <p><b>Property costs</b> - underspend of £0.083m in relation to the reduced repair costs of Homeless temporary accommodation units being utilised</p> <p><b>Supplies &amp; services costs</b> - underspend of £0.132m. The Scottish Government Homeless Initiative funding to develop a long-term homeless prevention strategy is underspend by £0.120m. Members approved earmarking of £0.056m for carry forward to 2020/21 to fund the development and improvement of housing options advice to assist with homeless prevention. Further funding of £0.064m was received in March and Members are requested to approve additional earmarking of this funding for carry forward to 2020/21 to meet the estimated total cost of the project (<b>Table 5</b> below). There are further underspends of £0.012m across various small budget lines.</p> <p><b>Transport costs</b> - underspend of £0.014m across various small budget lines</p> <p><b>Administrative costs</b> - underspend of £0.186m as a result of decreased level of bad debts in relation to homeless accommodation units.</p> <p><b>Third party payments</b> - underspend of £0.014m across various small budget lines</p> <p><b>Income</b> - over-recovery of £0.037m, due to additional rental income from Homeless temporary accommodation. This relates to an increased number of temporary accommodation units being utilised from the HRA stock which has been necessary to meet demand for homeless households.</p>
516	

Full Year Variance favourable /(adverse) £'000	Neighbourhood Services
202	<p><b>Neighbourhood Services</b> - underspend of £0.202m as a result of;</p> <p><b>Employee costs</b> - overspend of £0.042m as a result of the delay in implementing the service restructure</p> <p><b>Property costs</b> - overspend of £0.033m across various small budget lines</p> <p><b>Supplies and services costs</b> - overspend of £0.126m as a result of increased cost of bins (£0.042m) as a result of the rollout of the new service, increased cost of various supplies (£0.040m) in Bereavement and increased cost of materials in Forestry and Grounds (£0.044m). These overspends have been fully offset by the corresponding over-recovery in income noted below</p> <p><b>Transport costs</b> - overspend of £0.111m mainly as a result of increased repair and maintenance costs. At LP of 18 February 2020, Members approved earmarking of service underspends to replace equipment in April 2020 which has been identified as not fit for purpose. This will reduce the repair and maintenance costs and downtime in 2020/21</p> <p><b>Administrative costs</b> - underspend of £0.029m across various small budget lines</p> <p><b>Third Party Payments</b> - underspend of £0.162m as a result of reduced tonnages to landfill as a direct consequence of the rollout of the new waste recycling scheme (£0.144m) and reduced grounds maintenance costs (£0.018m)</p> <p><b>Income</b> - over-recovery of income of £0.323m as a result of over-recovery of bereavement income (£0.196m), forestry work (£0.065m) and grounds maintenance (£0.062m) which are all demand-led services</p>
202	<b>Total projected variance</b>

Full Year Variance favourable /(adverse) £'000	Planning & Building Standards
359	<p><b>Planning &amp; Building Standards</b> - underspend of £0.359m as a result of:</p> <p><b>Employee costs</b> - underspend of £0.074m. This is due to vacancies within the service resulting in an underspend of £0.104m, partly offset by a shortfall of £0.030m against the approved savings target arising from the delay in implementing the approved service review</p> <p><b>Property costs</b> - overspend of £1.172m as a result of costs in relation to Dangerous Buildings - Station Hotel (£1.051m) and Belleisle House (£0.121m). These costs are fully offset by the over-recovery of income noted below</p> <p><b>Supplies &amp; services costs</b> - underspend of £0.058m mainly as a result of reduction in demand for consultants (£0.040m) and small underspend across various budget lines (£0.018m)</p> <p><b>Transport costs</b> - underspend of £0.011m as a result of improved utilisation of electric and hire vehicles across the service</p> <p><b>Income</b> - over-recovery of income of £1.388m in building warrant fees (£0.136m) and planning applications (£0.069m) as a result of increased level of applications during the 2nd half of the financial year and Dangerous Buildings recharge of property costs to owners (£1.172m)</p>
359	<b>Total projected variance</b>

Full Year Variance favourable /(adverse) £'000	Procurement
63	<p><b>Procurement</b> - underspend of £0.063m as a result of:</p> <p><b>Employee costs</b> - underspend of £0.060m due to vacancies</p> <p><b>Supplies &amp; services costs</b> - underspend of £0.003m across various small budget lines</p>
63	<b>Total projected variance</b>

<b>Full Year Variance favourable /(adverse) £'000</b>	<b>Professional Design Services</b>
(17)	<b>Employee costs</b> - overspend of £0.017m due to unachieved payroll turnover target as a result of the service having no vacancies.
(17)	<b>Total projected variance</b>

<b>Full Year Variance favourable /(adverse) £'000</b>	<b>Property Maintenance</b>
(15)	<b>Income</b> - under-recovery of £0.015m as a result of the reduction in demand for emergency, urgent and routine repair jobs carried out for Council house tenants.
(15)	<b>Total projected variance</b>

<b>Full Year Variance favourable /(adverse) £'000</b>	<b>Special Property Projects</b>
(2)	No material variance to report.
(2)	<b>Total projected variance</b>

**Table 4 - Budget Transfer Requests**

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

**Table 5 - Earmarking Requests**

	<b>Objective/ Subjective</b>	<b>Amount £'000</b>
<b>Previously approved:</b>		
Local Development Plan (LDP2) consultation and examination)	Planning & Building Standards/Third Party Payments	85
Low Carbon Travel and Transport Challenge - electric charging points match funding	ARA/Third Party Payments	233
Develop and improve housing options advice for homeless prevention	Housing Services/Third Party Payments	56
Commission consultants to undertake transport appraisal of trunk road network to satisfy Local Development Plan 2 (LD2P)	Planning & Building Standards/Third Party Payments	50
Development of the Strategic Economic Plan	Economy & Regeneration/Third Party Payments	50
Introduce new waste recycling bins in Council buildings and schools	Facilities Management/Supplies & services costs	65
Fund compliance and health & safety work, replace essential equipment and introduce controls over waste disposal at civic	Neighbourhood Services/Third Party Payments	195
<b>Total</b>		<b>734</b>
<b>New requests for approval:</b>		
Coastal Communities Fund - business support as a result of COVID-19	Economy & Regeneration/Third Party Payments	91
Develop and improve housing options advice for homeless prevention. Utilise additional funding allocated in March 2020	Housing Services/Third Party Payments	64
Ayrshire Engineering Alliance	Economy & Regeneration/Third Party Payments	30
<b>Total additional requests for approval</b>		<b>185</b>
<b>Total</b>		<b>919</b>



**Comments:****Table 6 - Efficiency Savings**

<b>Efficiency savings:</b>	<b>Targeted £'000</b>	<b>Shortfall £'000</b>
ARA - reduce electricity costs through LED street lighting	184	0
ARA - reduce frequency of roads inspections to align with Code of Practice	30	0
Increase charges for school meals	8	0
Introduce charging for additional sheltered housing tenants	20	0
Review staffing arrangements/structure within Neighbourhood Services	17	0
Review staffing arrangements within Neighbourhood Services - Green Space	46	0
Review staffing arrangements within Neighbourhood Services - Admin	21	0
Increase in Bereavement charges	50	0
Increase in Special Uplift/Bulky Uplift charges	5	0
Review staffing arrangements/structure within Strategic Procurement	40	0
Reduce CRA base budget	30	0
Review staffing arrangements/structure within Asset Management	100	0
Review staffing arrangements/structure within Professional Design Services	40	17
Increase in prices for Bereavement Services by 4%	100	0
Increase in Special Uplift/Bulky Uplift charges	30	0
Increase in Commercial Waste charges - general and co-mingled	54	0
Increase Allotment charges	5	0
Reduce hedge cutting frequency from twice to once per annum	7	0
Review staffing arrangements/structure within Asset Management	48	36
Review staffing arrangements/structure within Professional Design Services	40	0
Review staffing arrangements within Property Maintenance re Work Scheduling	26	0
Reduce daily cleaning of offices to alternate days within Council properties	179	84
Review staffing arrangements within Facilities Management support services	2	0
Reduce Small Grants budget	20	0
Reduce financial contribution to NTS for Culzean Country Park	48	0
Reduce Visit Scotland budget	18	0
Reduce funding for Dundonald Castle Visitor Centre	3	0
ARA - reduce the use of consultants and deliver design work in-house	30	0
ARA - increase income from PCN by extending staff no's issuing tickets	15	0
ARA - reduce overtime	20	0
ARA - increase capitalisation of staff costs	25	0
ARA - amend night time winter maintenance provision	25	0
ARA - fleet modernisation and rationalisation	20	0
ARA - increase staff recharges to capital	60	0
ARA - staff reductions	34	0
ARA - general services efficiencies of 5%	18	0
Introduce homeless temporary accommodation target based on current levels	300	0
Reduce contribution to Housing Support for Sheltered Housing	25	0
Review staffing arrangements within Planning & Building Standards	30	30
Introduction of pre-Planning application fees	15	0
ARA - deliver increased level of road resurfacing through capital	255	0
Review and reduce Economy and Regeneration activities following wind-up of Ayr	220	0
Carbon Reduction Commitment Scheme abolished from 1 April 2019	380	0
<b>Corporate Savings Allocation:</b>		
Increase external fees by CPI	85	0
Reduce Supplies & Services and Administration Costs budgets	298	0
Procurement target	62	0
<b>Total</b>	<b>3,088</b>	<b>233</b>
<b>Comments:</b>		
The 2019/20 savings which were not achieved were met from underspends within the Directorate are anticipated to be achieved in full in 2020/21		

**Table 7 - Payroll Management**

<b>Payroll Management:</b>	<b>Targeted £'000</b>	<b>Achieved £'000</b>	<b>Remaining to be achieved £'000</b>
Payroll Management - Corporate target	781	781	0
Payroll Management - Directorate target	0	0	0
<b>Total</b>	<b>781</b>	<b>781</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>
2	Scottish Natural Heritage	Park Ranger activities
2	Scottish Natural Heritage	Outdoor Learning
19	Cycling Scotland	Bikeability
<b>23</b>		
<b>Comments:</b>		
Additional amounts notified during the financial year, not included in original budget. Expenditure budgets have been created and incorporated to match the additional grant income received.		

## Miscellaneous Services

Table 1 - Objective Analysis

Period 9 Projected Variance Fav / (Adv) £'000	Service	Full Year Budget 2019/20 £'000	Full Year Actual 2019/20 £'000	Full Year Variance 2019/20 Fav / (Adv) £'000	Full Year Variance 2019/20 Fav / (Adv) %
1,714	Miscellaneous Services	(11,576)	(12,813)	1,237	11%
<b>1,714</b>	<b>Total Miscellaneous Services</b>	<b>(11,576)</b>	<b>(12,813)</b>	<b>1,237</b>	<b>11%</b>

Table 2 - Subjective Analysis

Period 9 Projected Variance Fav / (Adv) £'000	Service	Full Year Budget 2019/20 £'000	Full Year Actual 2019/20 £'000	Full Year Variance 2019/20 Fav / (Adv) £'000	Full Year Variance 2019/20 Fav / (Adv) %
284	Debt management charges/ interest	12,260	12,031	229	2%
152	Investment income	(218)	(349)	131	60%
0	Recharges to other services	(1,667)	(1,688)	21	1%
1	Requisitions and other initiatives	741	739	2	0%
0	Contributions to/ from funds	(514)	(514)	0	0%
(43)	Employee provision	334	489	(155)	-46%
(15)	Fees and subscriptions	408	411	(3)	-1%
1,287	Other payments	4,677	3,713	964	21%
	<b>Year end accounting adjustments</b>				
0	Depreciation/impairment reversal	(21,032)	(21,032)	0	0%
0	Short term employee benefit adjustment	(701)	(701)	0	0%
0	Finance lease adjustment	289	289	0	0%
0	Capital Financing from Current Revenue (CFCR)	354	354	0	0%
0	Assets expenditure/ written out	0	0	0	0%
0	Policy & AVJB Capital Grant/Expenditure Written Out	653	653	0	0%
0	PPP unitary charge capital element/contingent rental/finance lease	9,905	9,905	0	0%
0	Pension fund contribution-net revenue charge	(17,046)	(17,046)	0	0%
<b>1,666</b>	<b>Gross expenditure</b>	<b>(11,557)</b>	<b>(12,746)</b>	<b>1,189</b>	<b>10%</b>
48	General Income	(19)	(67)	48	254%
<b>1,714</b>	<b>Net expenditure</b>	<b>(11,576)</b>	<b>(12,813)</b>	<b>1,237</b>	<b>11%</b>

**Table 3 - Analysis of Significant Variances**

Full Year Variance 2019/20 fav/(adv) £'000	Miscellaneous Services
229	<b>Debt Management Charges/Interest</b> - the full year budget of £12.260m comprises £5.448m for loan principal repayments, £6.326m for interest costs, £0.179m for loans fund expenses and a further £0.306m for debt management costs, based on significant capital spend and borrowing during the financial year. The actual loan charges incurred is impacted by the timing of the new borrowing and also the pace of spend in the capital programme. A pragmatic approach has been taken throughout the financial year, resulting in a favourable year end variance of £0.229m.
131	<b>Investment income</b> - full year budget of £0.170m was based on an estimate of the average revenue balances held during 2019/20, and achieving an interest rate of 1.00% on these balances. The year end outturn showed income of £0.301m resulting in an over achievement of £0.131m.
21	<b>Recharges to Other Services</b> – This budget represents the element of central support staff costs recoverable from services out with the General Fund, such as the Housing Revenue Account, capital, Ayrshire Valuation Joint Board, etc. Recharges are broadly in line with the anticipated level, with the year end position showing a £0.021m underspend.
0	<b>Contributions to/from funds</b> - These budgets include the agreed contribution of £0.5m to the Capital Fund for 2019/20. Also recorded are contributions from both the Repairs and Renewals Fund and the Capital Fund for agreed projects totalling £0.014m.
(155)	<b>Employee provision</b> - Funding of £0.525m was set aside to fund charges relating to Apprenticeship Levy within Miscellaneous (HRA & HSCP budgeted separately). Although it was previously anticipated that this budget would incur an overspend, the year end position showed a favourable variance of £0.036m following all recharges to services. Also within employee provision is an adverse variance of £0.190m in relation to a budget transfer made to address a shortfall in the provision for probationer teacher payments within the People directorate.
964	<b>Other payments</b> - a favourable variance of £0.964m has arisen for all other payments. The main variances are as follows:- A rebate of £0.850m has been received for non domestic rates in relation to the revaluation of the rateable value of schools. In addition a year end underspend of £0.627m was recorded for all other corporate held utilities budgets. Further items include an underspend in relation to pensions costs attributable to previous employees of the Council of £0.098m, a benefit of £0.187m following the allocation of the Council's insurance policies across relevant services and £0.050m against the Welfare Reform available funds for 19/20.  Also included in other payments are the under-achievement of efficiency targets set for Corporate procurement of (£0.177m), (£0.014m) for supplies and services and enhanced leave of (£0.039m). As the overall position for Miscellaneous services is a considerable favourable variance these targets have been met on a temporary basis for 2019/20. Work will continue in 20/21 financial year to identify permanent solutions where appropriate.  The Council's general bad debt provision for accounts receivable has been increased by approximately 10% from regular levels to reflect the potential economic impact of Covid-19. Furthermore, expenditure incurred on the former Station Hotel and recharged to the owner (£0.382m) has also been fully provided for. These adjustments have resulted in an adverse variance for provisions for the year of (£0.588m).
48	<b>Gross Income</b> - Rental income of £0.046m has been received in respect of rental income associated with Freeport Scotland.
<b>1,238</b>	<b>Total variance</b>

**Table 4 - Budget Transfer Requests**

Budget Transfer requests:		DR £'000	CR £'000
n/a			
<b>Total</b>		<b>0</b>	<b>0</b>

**Table 5 - Earmarking Requests**

Earmarking requests:	Objective/ Subjective	Amount £'000
<b>Additional requests for approval:</b>		
<b>Total</b>		<b>0</b>
<b>Comments:</b>		

**Table 6 - Efficiency Savings**

<b>Efficiency savings:</b>	<b>Targeted £'000</b>	<b>Shortfall £'000</b>
Procurement (prior year saving) - work is ongoing to identify relevant contracts where savings targets will be applied.	177	177
Purchase of holidays - allocation to be carried out across services	200	39
Supplies and Services - areas of efficiency to be identified within Miscellaneous	14	14
<b>Total</b>	<b>391</b>	<b>230</b>
<b>Comments:</b> Due to the overall underspend position these efficiencies have been met on a temporary basis for 2019/20. Any ongoing shortfalls will be addressed during 20/21 financial year on a permanent basis.		

**Table 7 - Payroll Management**

<b>Payroll Management:</b>	<b>Targeted £'000</b>	<b>Achieved at period 12 £'000</b>	<b>Remaining to be achieved £'000</b>
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>
<b>Comments:</b> No payroll management target was allocated to Miscellaneous Services for 2019/20			

**Table 8 - Grant Income**

<b>New Grants Received:</b>		
<b>Amount</b>		
n/a		
<b>0</b>		
<b>Comments:</b>		

<b>Housing Revenue Account</b>
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Table 1 - Objective Analysis

Projected FY Variance at period 9 £'000	Service	Full Year Budget 2019/20 £'000	Actual to 31 March £'000	Variance favourable /(adverse) £'000	Variance 2019/20 Fav / (Adv) %
3,225	Housing Revenue Account	0	(1,972)	1,972	N/A
<b>3,225</b>		<b>0</b>	<b>(1,972)</b>	<b>1,972</b>	<b>N/A</b>

Table 2 - Subjective Analysis

Projected FY Variance at period 9 £'000	Service	Full Year Budget 2019/20 £'000	Actual to 31 March £'000	Variance favourable /(adverse) £'000	Variance 2019/20 Fav / (Adv) %
243	Employee costs	4,828	4,549	279	6%
100	Property costs	12,281	11,522	759	6%
33	Supplies and services costs	362	303	59	16%
20	Transport costs	90	71	19	21%
347	Administrative costs	1,195	692	503	42%
0	Support services costs	1,645	1,608	37	2%
0	Third party payments	452	458	(6)	(1%)
0	Transfer payments	134	110	24	18%
33	Financing costs	15,822	13,533	2,289	14%
<b>776</b>	<b>Gross expenditure</b>	<b>36,809</b>	<b>32,846</b>	<b>3,963</b>	<b>11%</b>
169	Income	(36,809)	(37,071)	262	(1%)
0	Draw on surplus for Welfare Reform	0	17	(17)	0%
0	Draw on surplus for Transformation	0	13	(13)	0%
2,280	Draw on surplus for Capital Investment	0	2,223	(2,223)	0%
<b>3,225</b>	<b>Net expenditure</b>	<b>0</b>	<b>(1,972)</b>	<b>1,972</b>	<b>N/A</b>

Table 3 - Financial Variance Analysis

Variance favourable /(adverse) £'000	Housing Revenue Account
279	<b>Employee costs</b> - underspend of £0.249m as a result of vacancies
759	<b>Property Costs</b> - underspend of £0.759m in relation to reduced volume of repairs processed by Property Maintenance (£0.870m) in relation to emergency, urgent and routine repairs and reduced demand for property adaptations (£0.213m) offset by an overspend on void property maintenance costs (£0.324m). Management have have worked closely with Property Maintenance during 2019/20 to challenge agency and sub-contractors work resulting in significant savings in expenditure. Adaptations are demand-led and between period 9 & 12 there has been no spend.
59	<b>Supplies &amp; services costs</b> - underspend of £0.059m across various small budget lines.
19	<b>Transport costs</b> - underspend of £0.019m as a result of reduced vehicle lease costs.
503	<b>Administrative costs</b> - underspend of £0.503m as a result of reduced levels of bad debts (£0.359m) as a result of effective management and collection of outstanding accounts, reduced spend on training courses (£0.040m), third party insurance claims (£0.020m), postage/stationery costs (£0.030m) and feasibility & design (£0.054m)
37	<b>Support service costs</b> - reduced level of overhead recharged by Place Directorate
18	<b>Third Party Payments and Transfer Payments</b> - underspend on redecoration allowances during the financial year
2,289	<b>Financing costs</b> - underspend of £2.289m ; - CFCR underspend of £2.280m. Leadership Panel of 17 September 2019 approved £2.280m of 2019/20 CFCR be committed and added to the harmonisation of the internal modernisation programme for future years
262	<b>Income</b> - over-recovery of £0.262m the majority is due to over-recovery in mainstream rents (£0.080m), homeless accommodation (£0.117m) and supplier rebate income (£0.050m) received as part of the Council's Procurement Service supplier rebates negotiations

4,225 Total Variance

**Table 4 - Accumulated Surplus**

Accumulated Surplus	Amount £'000	Amount £'000
HRA accumulated surplus as at 1 April 2019		9,357
Surplus for the year ended 31 March 2020		1,972
<b>Current commitments:</b>		
<b>Capital:</b>		
Surplus earmarked for capital investment 2019/20 & 2020/21 (spend in 19/20 £2.223m)	(1,100)	
Harmonisation of the internal modernisation programme 2020/21 to 2022/23. Approved by Council 28 February 2019 (£1.789m) and Leadership Panel 17 September 2019 (£2.280m)	(4,069)	
<b>Revenue:</b>		
Welfare reform - mitigating risks to HRA (per Council report of April 2013) - (spend in 2019/20: £0.017m).	(109)	
Transformation within Housing - support costs (spend in 2019/20: £0.013m). Council of 5 March 2020 approved a funding increase of £0.050m	(111)	
Womens Aid Refuge refurbishment	(50)	
Tenant Participation - support aims of TP Strategy	(30)	
Additional funding for structural and environmental works for 289 properties in 2020/21 Housing Capital Programme approved by Leadership Panel 26 November 2019	(500)	
Window replacement programme - approved by Council 5 March 2020	(500)	
<b>Total current commitments</b>		<b>(6,469)</b>
<b>Uncommitted surplus as at 31 March 2020</b>		<b>4,860</b>
<b>Comments:</b>		
<p><b>Welfare Reform</b> - £0.400m 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, £0.352m has been spent, including £0.017m in the current year. The remaining balance of £0.048m has been topped up with additional funding of £0.044m as part of the 2019/20 budget (report to Council on 28 February 2019) to continue work in this area.</p>		

**Table 5 - Rent Arrears**

Rent Arrears	As at 31 March 2019	As at 31 March 2020	Movement
Current Tenants – Mainstream	525	611	16%
Current Tenants – Homeless	35	29	-17%
Former Tenants – Mainstream	358	387	8%
Former Tenants – Homeless	208	217	4%
<b>Total</b>	<b>1,126</b>	<b>1,244</b>	<b>10%</b>
<b>Comments:</b>			
<p>Universal Credit (UC) Full Service rolled out in South Ayrshire in February 2018. As at March 2020, 1899 current tenants were recorded as being in receipt of Universal Credit, 872 of those tenants had rent arrears on their account, the arrears attributed to those rent accounts was £0.360m. Alternative Payment Arrangements (APA's), have been approved by the DWP for 1416 tenants, the Council has or will receive the payment of housing costs direct after the first assessment period, along with a contribution towards any outstanding arrears where applicable. Cases are being closely monitored, Housing Services are liaising with tenants and the DWP on an ongoing basis and Housing Staff are tracking expected payments from Alternative Payment Arrangements approved by the DWP.</p> <p>Rent arrears at the year-end in 2018/19 for current tenants arrears were £0.560m in comparison to £0.640m this year (an increase of £0.080m) while former tenants arrears were £0.566m in comparison to £0.604m this year (an increase of £0.038m).</p>			

## Common Good Funds

Table 1 - Objective Analysis

Period 9 Projected Variance £'000	Common Good Fund	Full Year Budget 2019/20 £'000	Full Year Actual 2019/20 £'000	Full Year Variance favourable /(adverse) £'000
(41)	Ayr Common Good Fund	(45)	49	(94)
(2)	Prestwick Common Good Fund	0	1	(1)
(1)	Troon Common Good Fund	(1)	0	(1)
0	Maybole Common Good Fund	0	0	0
0	Girvan Common Good Fund	0	0	0
<b>(44)</b>		<b>(46)</b>	<b>50</b>	<b>(96)</b>

Table 3 - Financial Variance Analysis

Full Year Variance favourable /(adverse) £'000	Common Good Fund
(94)	<b>Ayr Common Good Fund:</b> <i>Property costs:</i> overspend of £0.077m on property repairs and maintenance, offset by a £0.029m underspend on utility costs and non-domestic rates. <i>Income:</i> £0.043m under-recovery of rental income due to increased number of vacant properties.
(1)	<b>Prestwick Common Good Fund:</b> <i>Property costs:</i> £0.004m overspent on property maintenance costs. <i>Income:</i> £0.002m over-recovered on rental income; £0.001m over-recovered on interest received.
(1)	<b>Troon Common Good Fund:</b> <i>Income:</i> £0.001m under-recovery of rental income due to the leasehold period being greater than the budgeted assumption. This timing issue does not impact on the financial health of the Fund and will be corrected in future years budgets.
<b>(96)</b>	<b>Total projected variance</b>

Table 4 - Accumulated Revenue Reserves

Common Good Fund	Reserves as at 31 March 2019 £'000	Reserves as at 31 March 2020 £'000	Movement in Reserves 2019/20 Fav/(Adv) £'000
Ayr Common Good Fund	77	28	(49)
Prestwick Common Good Fund	255	252	(3)
Troon Common Good Fund	35	35	0
Maybole Common Good Fund	2	2	0
Girvan Common Good Fund	9	9	0
<b>Total</b>	<b>378</b>	<b>326</b>	<b>(52)</b>

Comments:



**Table 5 - Accumulated Capital Reserves**

<b>Common Good Fund</b>	<b>Reserves as at 31 March 2019 £'000</b>	<b>Reserves as at 31 March 2020 £'000</b>	<b>Movement in Reserves 2019/20 Fav/(Adv) £'000</b>
Ayr Common Good Fund	895	905	10
Prestwick Common Good Fund	35	35	0
<b>Total</b>	<b>930</b>	<b>940</b>	<b>10</b>
<b>Comments:</b>			
<b><i>Ayr Common Good Fund:</i></b> Capital income of £0.010m received from Housing in relation to the 25 year repayment agreement for the Citadel plot 1 development in 1999/00. No capital works were undertaken during 2019/20.			
<b><i>Prestwick Common Good Fund:</i></b> No draws made during 2019/20.			

**South Ayrshire Council**  
**Requests for Carry Forward of Resources to 2020/21**

	<i>Previously Approved £m</i>	<i>New request £m</i>	<i>Total £m</i>
<b>Chief Executive</b>			
Modern Apprenticeship Programme Commitments	0.100	0.027	
Ambition Programme Funding	0.035	0.016	
Employee engagement	0.038	0.028	
Section 21 legal work	0.065	-	
Graduate Intern programme	0.015	0.007	
Homecoming Parade	0.004	-	
Brexit funding	0.049	-	
Records Management – vacating Watson Peat building	0.026	-	
Scottish Welfare Fund	-	0.014	
Election Reserve	-	0.014	
	<b>0.332</b>	<b>0.106</b>	<b>0.438</b>
<b>People</b>			
Scheme of Delegation – Schools	0.150	0.043	
School Pupil Equity Funds	0.887	0.037	
Access to free sanitary products – CPP and schools programme	0.038	(0.004)	
Access to Counselling	0.178	(0.005)	
Support for Additional Support for Learning	0.250	-	
Creative Scotland Partnership	-	0.018	
First home (Ayrshire Housing Aid) pilot	-	0.043	
Homeless Prevention Fund	-	0.010	
Social Letting Service	-	0.178	
Housing first pilot	-	0.075	
	<b>1.503</b>	<b>0.395</b>	<b>1.898</b>

	<i>Previously Approved £m</i>	<i>New request £m</i>	<i>Total £m</i>
<b>Place</b>			
Local Development Plan (LDP2) consultation and examination	0.085	-	
Low Carbon Travel and Transport challenge – match funding	0.233	-	
Housing options advice for homeless prevention	0.056	-	
Transport appraisal of trunk road network	0.050	-	
Development of Strategic Economic plan	0.050	-	
Introduce new waste recycling in Council buildings	0.065	-	
Compliance and Health and Safety work, essential equipment replacement etc.	0.195	-	
Economy and Regeneration – Coastal Communities fund	-	0.091	
Economy and Regeneration – Ayrshire Engineering	-	0.030	
Homeless Prevention Strategy	-	0.064	
	<b>0.734</b>	<b>0.185</b>	<b>0.919</b>
<b>HSCP</b>			
Alcohol and Drugs Partnership projects – linked to Scottish Government grant funding	-	0.169	
	-	<b>0.169</b>	<b>0.169</b>
<b>Total Carry-Forward</b>	<b>2.569</b>	<b>0.855</b>	<b>3.424</b>

## 1. Proposal details

Proposal Title <b>Budget Management – Revenue Budgetary Control          2019/20 – Out-turn Statement at 31 March 2020</b>	Lead Officer <b>Tim Baulk</b>
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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 proposal? Please indicate whether these would be positive or negative impacts

Community, Groups of People or Themes	Negative Impacts	Positive impacts
The whole community of South Ayrshire	-	-
People from different racial groups, ethnic or national origin.	-	-
Women and/ or men (boys and girls)	-	-
People with disabilities	-	-
People from particular age groups for example Older people, children and young people	-	-
Lesbian, gay, bisexual and heterosexual people	-	-
People who are proposing to undergo, are undergoing or have undergone a process to change sex	-	-
Pregnant women and new mothers	-	-
People who are married or in a civil partnership	-	-
People who share a particular religion or belief	-	-
Thematic Groups: Health, Human Rights, Rurality and Deprivation	-	-

3. Do you have evidence or reason to believe that the proposal will support the Council to:

General Duty and other Equality Themes	Level of Negative and/ or Positive Impact (high, medium or low)
Eliminate discrimination and harassment faced by particular communities or groups	Low impact
Promote equality of opportunity between particular communities or groups	Low impact
Foster good relations between particular communities or groups	Low impact
Promote positive attitudes towards different communities or groups	Low impact
Increase participation of particular communities or groups in public life	Low impact
Improve the health and wellbeing of particular communities or groups	Low impact
Promote the human rights of particular communities or groups	Low impact
Tackle deprivation faced by particular communities or groups	Low impact

## 4. Summary Assessment

<b>Is a full Equality Impact Assessment (EQIA) required?</b> (A full EQIA must be carried out on all high and medium impact proposals)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<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 2019/20 as at 31 March 2020. Their decision on this has no specific equality implications.</b>		
Signed : <b>Tim Baulk</b> Head of Service		

Date: **15 June 2020**

Copy to [equalities@south-ayrshire.gov.uk](mailto:equalities@south-ayrshire.gov.uk)