

FINANCE & ASSET MANAGEMENT



FINANCE AND SERVICE STRATEGY REPORT

BASED ON PERIOD 9 (13 DECEMBER 2009)

CABINET 10 FEBRUARY 2010

Efficiency Theme	Description
PYI	Full year effects of previous years investment
MUA	Maximising the utilisation of assets
KSO	Focusing resources on activities which deliver key service objectives
CND	Adjusting service levels to reflect current need and/or demand
BRS	Business Review of specific services to achieve reduced costs which do not impact on service levels or council policies
CIS	Closer integration of services within departments
UAF	Utilisation of alternative funding
PSP	Procurement where a strategy is in place including electronic purchasing to maximise savings potential
ABS	Absence Management where a sustained reduction in absence will allow staffing establishments to be reduced
SB1	Streamlining bureaucracy through the implementation of Shared Services Diagnostic projects for which business cases are being developed, These include Central Purchasing, Document Imaging, Single IT based booking system and Review of clerical and administrative support functions across the Council
SB2	Streamlining bureaucracy through reviewing the Council's management structure immediately below Chief Officer level
SB3	Streamlining bureaucracy through the rationalisation of service delivery boundaries to improve integration of services to the public and avoid duplication
SB4	Streamlining bureaucracy through the review of service and location management resources where appropriate
SB5	Streamlining bureaucracy through the identification of shared services opportunities both within the Council and with other organisations
IEM	Energy usage as a result of investment in energy saving measures and continued staff training on energy management
CFS	Review of policies and procedures for charging for services

EAST AYRSHIRE COUNCIL
CABINET – 10 FEBRUARY 2010
FINANCE AND SERVICE STRATEGY REPORT

Report by Executive Head of Finance and Asset Management

1 PURPOSE OF REPORT

- 1.1 To advise Members of the projected financial position for the year based on expenditure to 13 December 2009 (Period 9) and information provided by Executive Directors.

2 GENERAL SERVICES

- 2.1 The overall projected outturn for the year to 31 March 2010 is a surplus of £0.920m. Details are included in the attached report.
- 2.2 It is anticipated that the department of Educational and Social Services will outturn £0.222m under budget at 31 March 2010 after the utilisation of £0.486m of departmental balances to offset current budget pressures which relate to termination payments and additional costs in respect of Outwith Placements.
- 2.3 Social Services is currently anticipated to be £0.136m over budget at 31 March 2010. This includes additional secure accommodation placement costs, unbudgeted legal costs and additional adult care and self-directed care costs being offset by savings from the management of vacant posts and by use of £0.360m in non-recurring balances. The Sustainability Board, tasked with realigning budget resources and led by the Executive Director, continues to review a number of areas within the service to ensure the longer term sustainability of the Social Services budget.

- 2.4 The Executive Director of Neighbourhood Services anticipates an adverse variance of £0.368m mainly due to additional winter maintenance costs of £0.774m partially offset by savings in employee costs and landfill costs. This is after the utilisation of £0.334m from departmental balances held specifically for winter maintenance. He is currently reviewing budgets with a view to reducing or eliminating this variance by the year end.
- 2.5 Building and Works is a Significant Trading Operation in terms of the Local Government Scotland Act 2003 and carries out work for all Council departments including the Housing Revenue Account. Cabinet on 2 July 2008 approved the creation of the Single Business Unit incorporating Building and Works and Housing Services. From November 2009 the status of Building and Works changed and the organisation now undertakes repairs solely for the Housing Revenue Account (HRA).
- 2.6 In line with previous practice all surpluses generated prior to November will remain in the Council's General Fund. From November Building and Works will continue to charge the HRA on the existing charging model for jobs to March 2010. All surpluses generated in the period will be passed to the HRA effectively resulting in a charge at cost. Given this Elected Members are asked to suspend the status of Building and Works as a Significant Trading Operation.
- 2.7 The Executive Director of Corporate Support anticipates a break even position at 31 March 2010 after the utilisation of £0.400m of departmental balances as approved by Cabinet on 2 December 2009 to offset current budget pressures including a projected shortfall in Planning and Building Standards income of £0.765m.

2.8 The Executive Head of Finance and Asset Management anticipates a favourable variance of £0.074m mainly due to funding received from the Department of Work and Pensions, additional income and employee cost savings offset by reduced property related income.

2.9 The level of Housing and Council Tax Benefit shows an increase of 14.1% over the same period last year with the net cost currently over budget by £0.166m. This is offset by the income recovered which is anticipated to outturn £0.300m over budget, resulting in a net favourable variance of £0.134m. The current projection for Council Tax shows a potential shortfall of £0.990m relating primarily to collection of arrears. In addition there is an adverse variance of £0.022m on Non Domestic Rates income due to increased discretionary reliefs.

2.10 The number of staff on the Redeployment Register as at 31 December 2009 is 10 and the cost of maintaining them is £0.164m. The number of staff on the register fluctuates during the year as individuals are added and redeployment opportunities identified.

3 LEADER'S INITIATIVES

3.1 At the Council meeting of 14 February 2008 the Leader detailed a number of specific innovative initiatives to commence in 2008/09, with £1.000m approved to be allocated from the Council's General Fund uncommitted balance. The table on page 3 details the specific schemes and their current status based on information provided by the departments.

4 HOUSING REVENUE ACCOUNT (HRA)

4.1 The adjustment to HRA arising from the suspension of the trading status of Building and Works will be a credit of £1.369m which can be committed to repairs. Elected Members are asked to approve the utilisation of these funds for repairs.

5 CAPITAL PROGRAMME

5.1 Projected expenditure on the Capital Programme for the year is £41.080m which is 92% of budgeted expenditure. The Roads and HRA programmes have been hampered by the recent need to deploy staff to deal with the adverse weather conditions.

5.2 The Dunlop Primary extension project has been subject to a number of design developments identified during the construction which has required on-site variations and additional works. There were also increases to the original allowance for provisional sums, particularly in relation to the sprinkler system. This has resulted in the contract figure being £0.550m which exceeds the accepted tender value by £0.051m.

5.3 As work progresses on the ten year programme it has become apparent that savings and greater control of quality and scheduling could be achieved by engaging in-house structural, mechanical and electrical engineering staff rather than putting this work to consulting engineers and it is proposed to do this by means of fixed term appointments.

5.4 Over the last few years, on-going remedial repairs have been undertaken at the Dick Institute to address water ingress problems within the rear windows areas. In order to protect the long term integrity of the facility it is recommended that more extensive works are undertaken, including the removal of existing glazing units and redesign of the drainage at an estimated cost of £0.035m. It is therefore proposed that the remaining balance on the contingency fund is reallocated to meet the cost of these essential works.

6 GENERAL FUND UNCOMMITTED BALANCE

6.1 The Financial Reserves Strategy sets the level of the Uncommitted General Fund Balance at between 2% and 4% of Annual Budgeted Expenditure.

6.2 During the current financial year commitments of £1.113m have been approved by Cabinet. When added to the reallocated funding approved by Cabinet on 2 December 2009 of £2.781m, the uncommitted balance is increased to £8.269m which equates to 2.5% of the annual budgeted expenditure for 2009/10. This excludes the forecast surplus for the year

7 RECOMMENDATIONS

7.1 It is recommended that Members:

- (i) approve the suspension of Building and Works as a Significant Trading Operation as noted at paragraph 2.6;
- (ii) approve the utilisation of savings within the HRA budget for additional CFCR/Planned Maintenance works within HRA as at paragraph 4.1;
- (iii) note the contract figure exceeding the accepted tender value by more than 10% in respect of the Dunlop Primary Extension as noted at paragraph 5.2;
- (iv) note the intention to appoint engineering staff to improve the delivery of the long term capital programme as noted at paragraph 5.3;
- (v) Approve the allocation of £0.035m from the contingency fund for the works at the Dick Institute as noted at paragraph 5.4;
- (vi) otherwise note the contents of this report.

Alex McPhee
Executive Head of Finance and Asset Management
1 February 2010

LIST OF BACKGROUND PAPERS - NIL

Members wishing further information should contact
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2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

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GENERAL FUND SUMMARY

Service	2009/10 Budget £m	Projected Actual to 31 March 2010	Projected Variance £m		2009/10 Budget £m	Projected Actual to 31 March 2010	Projected Variance £m
Educational and Social Services	178.811	178.589	(0.222)	Deficit / (Surplus) for the Year	4.033	2.986	(1.047)
Neighbourhood Services	67.106	67.475	0.368	Transfer from Capital Fund	0.000	(1.000)	(1.000)
Corporate Support	16.920	16.920	0.000	Utilisation of Current Years Balances	0.000	1.200	1.200
Finance and Asset Management	9.171	9.097	(0.074)	Utilise Previous Years Balances	(4.033)	(4.033)	0.000
Central Services– Other	8.058	6.875	(1.183)	Departmental Under/(Over) Spend c/f	0.000	(0.073)	(0.073)
Central Services – HB/CT Benefit Subsidy	43.414	43.580	0.166	2009/2010 Deficit / (Surplus)	0.000	(0.920)	(0.920)
Central Services – Debt Charges	17.350	17.150	(0.200)				
Building and Works	(0.783)	(1.397)	(0.615)				
Net Expenditure	340.047	338.288	(1.759)	Housing Revenue Account			
				Expenditure	36.793	36.651	(0.142)
				Income	(36.793)	(36.651)	0.142
Funded by				Net Expenditure	0.000	0.000	0.000
Council Tax	(48.818)	(47.828)	0.990	B&W Charge at Cost Adjustment	0.000	(1.369)	(1.369)
Aggregated External Finance	(243.880)	(243.858)	0.022				
HB/CT Benefit Subsidy	(43.316)	(43.616)	(0.300)				
Total Income	(336.014)	(335.302)	0.712				

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CAPITAL SUMMARY

Service	Revised Budget 2009/10	Actual Expenditure to Date	Projected Expenditure 2009/10	Projected Expenditure as % Budget	Funded by	Revised Budget 2009/10 £m	Projected Expenditure 2009/10 £m
Education & Social Services	7.100	3.183	5.929	84%	Grants, Partnership Funding , CFCR	9.909	9.574
Neighbourhood Services	13.814	5.557	11.741	85%	External Borrowing	18.857	16.264
Corporate Support	3.620	1.453	3.620	100%	Total	28.766	25.838
Finance and Asset Management	0.720	0.128	0.128	18%			
Regeneration, Efficiency & Asset Management	3.477	0.779	4.420	127%			
Contingency Funding	0.035	0.000	0.000	-			
Total	28.766	11.100	25.838	90%			

Service	Revised Budget 2009/10	Actual Expenditure to Date	Projected Expenditure 2009/10	Projected Expenditure as % Budget	Funded by	Revised Budget 2009/10	Projected Expenditure 2009/10
Housing Revenue Account	15.616	5.517	15.242	98%	Revenue Funding (CFCR)	5.561	5.947
					Sale of Council Dwellings	4.888	2.000
					Anticipated Borrowing	5.167	7.295
					Total	15.616	15.242
Total Capital Programme	44.382	16.617	41.080	92%		44.382	41.080

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

LEADER'S INITIATIVES

No	Initiative	Lead Department	Projected Expenditure to 31 March 2010	Progress	
1	Landscape works being carried out in Kilmarnock Town Centre including Titchfield Street, Glencairn Street and West Langlands Street	Corporate Support	£0.040m	█	Car parking area and landscaping at North Hamilton Place complete and two large hexagonal planters purchased for Langlands St. and Titchfield St. Kilmarnock. Costs revised by £0.010m. Additional landscaping works to be carried out in Spring 2010.
2	The provision of a drop-down façade erected at the opera house site at John Finnie Street, to be developed in partnership with Klin Developments	Corporate Support	£0.000m	█	This activity has been overtaken by Kilmarnock Town Centre developments.
3	The provision of a new floral clock with associated landscaping works at Kilmarnock Railway Station	Corporate Support	£0.209m	█	Cabinet on 8 July 2009 agreed proposals. Total project cost is currently anticipated to be £0.380m with funding of £0.320m secured per Cabinet of 4 November 2009. A draft license agreement has been received from Network Rail and is currently with Legal Services. It is anticipated this agreement will be finalised mid-February at which point the contract for the wall and clock face will be concluded. Stage 2 (Garden Street) is dependant on £0.060m additional funding being secured.
4(a)	The installation of floodlighting to highlight key landmark structures - the viaduct	Corporate Support	£0.100m	█	Project completed in 2008/09 and opening ceremony took place on 6 October 2008.
4(b)	External Lighting Projects	Corporate Support	£0.292m	█	Work continues with regards to the scheme scope and specification. Neighbourhood Services have been instructed to progress with the purchase of lighting equipment for Riccarton Church and Kilmarnock Town Centre and are working on revised schemes for Bank Street. Opening ceremony for Phase 1 took place in November 2009. The works at Riccarton Church are due to be complete by the end of January 2010.
5	Feasibility study for cultural activity (per Cabinet 17 December 2008)	Corporate Support	£0.070m	█	Scheme continues to progress with activity anticipated to be completed by end March 2010.
6	The development of options for future use of the Co-op building in Darvel	Corporate Support	£0.017m	█	Consultants concluded that the building was structurally unsound and demolition works are complete, paid for by the owner. The feasibility study for the reuse of the site has now been finalised and plans to progress are currently being considered.

Status: Complete



In Progress



To Commence



2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

LEADER'S INITIATIVES

No	Initiative	Lead Department	Projected Expenditure to 31 March 2010	Progress
7	The refurbishment of the Council-owned shops in Ayr Road, Cumnock	Finance & Asset Management	£0.136m	Work is complete on all units. Two of the units are occupied with the third unit currently vacant, although there has been interest in the property recently.
8	The extension of summer floral baskets to cover all of the historical centres of Kilmarnock and Cumnock	Neighbourhood Services	£0.012m	Scheme completed in 2008/09.
9(a)	The purchase of an additional mechanical sweeper to tackle litter	Neighbourhood Services	£0.068m	Complete with vehicle purchased in 2008./09.
9(b)	Litter Education & Enforcement team	Corporate Support	-	Scheme completed and funded by the department. The Corporate Enforcement Unit is well established and the programme of planned enforcement and educative activities continue to be delivered and generally well received.
10	Changes to the Shopmobility scheme to make it available on a Saturday	Neighbourhood Services	-	Scheme completed in 2008/09 and funded by the department.
11	The availability of a public convenience provision in Kilmarnock seven days a week	Neighbourhood Services	£0.025m	Installation works commenced early January with works anticipated to be completed in February.
12	The provision of new toilet facilities in Mauchline	Neighbourhood Services	-	Scheme completed and funded by the department.
TOTAL			£0.969m	

Status: Complete



In Progress



4

To Commence



2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

SERVICE SUMMARY

Based on current service activity and advice from the Executive Director of Educational and Social Services, it is anticipated that the department of Educational and Social Services will outturn £0.222m under budget at 31 March 2010, after the utilisation of £0.486m of departmental balances approved by Cabinet on 2 December 2009 to offset budget pressures arising from severance payments and the additional costs of outwith placements within Educational Services.

The Educational Services position is £0.358m under budget. Additional employee costs for Classroom assistants for additional support are offset by funds held within Central Resources for teachers in 2010/11. In addition, the deployment of additional Probationers and Scottish Government grant funding and ongoing vacancies within the Psychological services section have resulted in favourable variances. Additional property costs are anticipated for transport and relocation costs for pupils and staff at Crossroads Primary School, additional office space at Elmbank Centre and Woodstock School annexe. Additional Supplies and Services costs have been incurred in order to align Secondary School budgets with the new rolls.

The Social Services position is £0.136m over budget after the utilisation of General Fund balances brought forward of £0.360m as well as significant savings from management of vacant posts. The figures in this report do not include any adjustments related to service reviews underway within children's services, adult services and administrative support. It is anticipated that future reports will incorporate required budget adjustments resulting from these reviews.

The approved budget for care at home services has been allocated to take account of the review of eligibility criteria for services. The Review Team is fully established and is presently undertaking reviews across individual teams on a phased basis. It is important to highlight that the review process is at an early stage there will inevitably be a lead-in time before cost reductions are fully realised.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Resources	2.522	1.976	(0.546)
PPP	8.242	8.242	0.000
Schools	67.571	67.451	(0.120)
Community Support	23.905	24.031	0.126
Facilities Management	13.774	13.956	0.182
Social Work	62.798	62.934	0.136
Net Expenditure	178.811	178.408	(0.222)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	120.332	118.908	(1.424)
Property Costs	7.789	8.104	0.315
Transport Costs	6.862	6.733	(0.129)
Supplies & Services	9.418	9.737	0.319
Third Party Payments	47.063	48.186	1.123
Transfer Payments	6.137	6.497	0.360
Gross Expenditure	197.601	198.165	0.564
Income	(19.150)	(19.576)	(0.426)
Net Expenditure	178.451	178.589	0.138
Utilise Balances	0.360	0.000	(0.360)
Net Expenditure	178.811	178.589	(0.222)

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EDUCATIONAL AND SOCIAL SERVICES

SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate £m	Budget Adjustments £m	Revised Budget £m	Comments on Budget Movement
Budget Allocation Approved by Council 12 February 2009	170.244			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Fairer Scotland Fund		+0.010		Realignment of Budgets to reflect allocation of Fairer Scotland Fund
2 Teacher Induction Scheme Funding		+1.102		Additional Funding for Probationary Teachers
3 Gaelic Education Funding		+0.007		Additional Funding for Gaelic Education
4 Realignment of Social Work Income Budgets		+0.100		Realignment of Budgets to Reflect actual inflation on Health Board Income
5 Adult Support and Protection Funding		+0.362		Additional Funding for Implementation of the Adult Support and Protection (Scotland) Act
6 Community Planning Budget Realignment		+0.192		Realignment of Budgets to reflect transfer of Community Planning payments to other external bodies and 2 Staff to Community Learning
7 Departmental Human Resources Budget Realignment		-0.743		Realignment of Budgets to reflect transfer of Departmental Human Resources Staff to Corporate Support
8 Grants to Voluntary Organisations Budget Realignment		-0.010		Realignment of Budgets to reflect transfer of responsibilities to Neighbourhood Services
9 Budget realignment for Onsite and Vehicle Maintenance		+0.033		Transfer budgets for Kay Park Library cleaning and former trading services transfer
10 Social Services Budget realignment		-0.045		Realignment of budget to reflect Community Health & Wellbeing Officer to Corporate Support
11 Supporting People Budget Realignment		+5.779		Transfer of Formerly Ringfenced Supporting People Budget from Neighbourhood Services
12 Utilisation of Departmental Balances		+1.101		Utilisation of Earmarked Departmental Balances
13 Utilisation of General Fund Balance		+0.679		Utilisation of General Fund Balance for Social Services per Cabinet 11 Feb 09 and Teachers Refresh per Cabinet 1 April 09
<i>Total Budget adjustments</i>			+8.567	
Revised Budget Allocation at Period 9			178.811	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

EXPENDITURE REDUCTION TARGETS

At the Council meeting on 12 February 2009 the department was been tasked with saving 1.5% of its controllable revenue expenditure which equates to £2.372m. The continuous pursuit of efficiencies to release resources for priority areas is established practice within the Council and whilst the target is challenging it is considered to be achievable without affecting the quality of essential services.

ACTIONS	Theme	SAVING £m	Status at 13/12/09	Achieved at 13/12/09 £m
Educational and Social Services		2.372		2.210
Reduce the number of school administration and support staff	KSO	0.210		0.048
Reduce the number of classroom assistants by natural wastage	KSO	0.174		0.174
Reduce costs of school cleaning by 10% including the use of new technology	KSO	0.157		0.157
Redesign the Outdoor Learning service	KSO	0.125		0.125
Reduce costs within the Educational & Social Services property team	KSO	0.022		0.022
Reduce school letting hours	KSO	0.010		0.010
Review of Learning Partnerships to improve integration with Children & Families Services	CIS	0.396		0.396
Efficiencies in Community Learning and Development (CL&D)	CIS	0.078		0.078
Review of early years establishment structures	CIS	0.062		0.062
Review the structure of the school psychology service	CIS	0.045		0.045
Review how Central Education Continuing Professional Development is delivered	BRS	0.198		0.198
Review of Quality Improvement within Educational & Social Services	BRS	0.092		0.092
Review of school catering arrangements	SB4	0.024		0.024
Review of School Management structures	CND	0.556		0.556
Adjustments to school delegated budgets to take account of falling school rolls	CND	0.141		0.141
Review of Arts and Culture function	CND	0.077		0.077
Recharge of school library support service	CND	0.005		0.005

Status: Fully met



In Progress



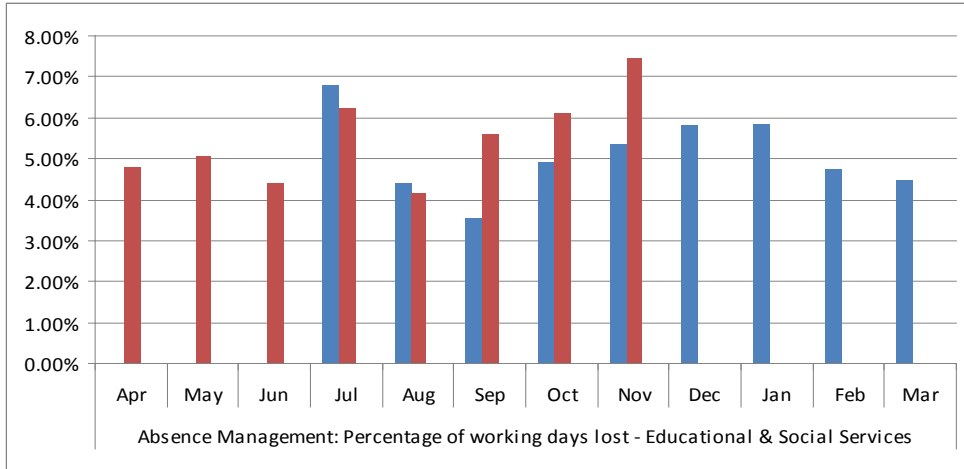
Unmet



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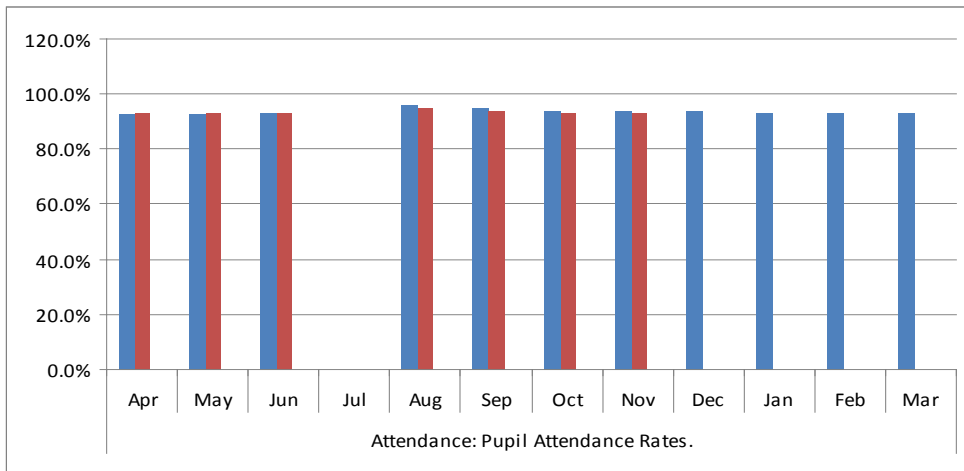
EDUCATIONAL AND SOCIAL SERVICES

PERFORMANCE MEASURES



Absence increased from 6.16% in October to 7.48% in November for ESS employees (excluding Teachers). This is the highest figure reported to date. There was an increase in both short term (from 2.95% to 4.20%) and long term (from 3.21% to 3.28%) absence, with short term absence accounting for 56% of all absences.

Absence management procedures are being applied. Levels of absence are being monitored weekly in relation to pandemic flu.



Attendance has increased this month by 0.1% to 93.4% reversing the downward trend anticipated by the pandemic flu virus.

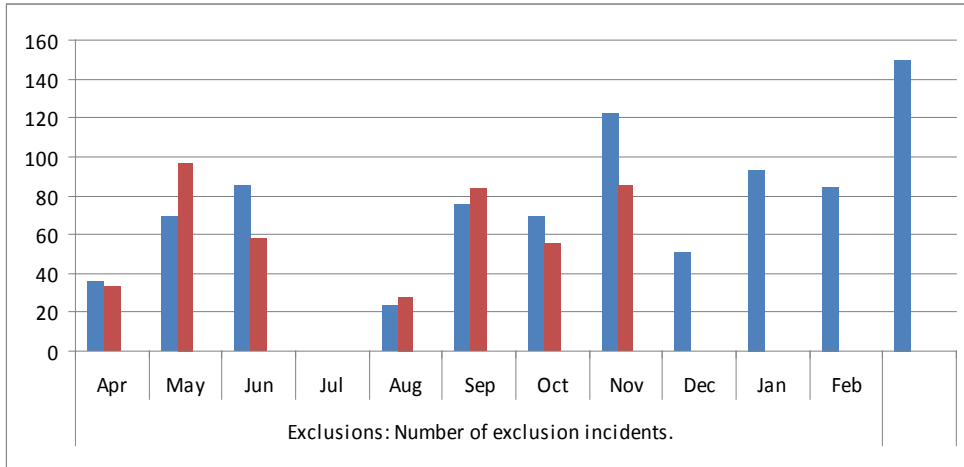
Continue to monitor and encourage high levels of attendance.

Previous Year ■

Current Year ■

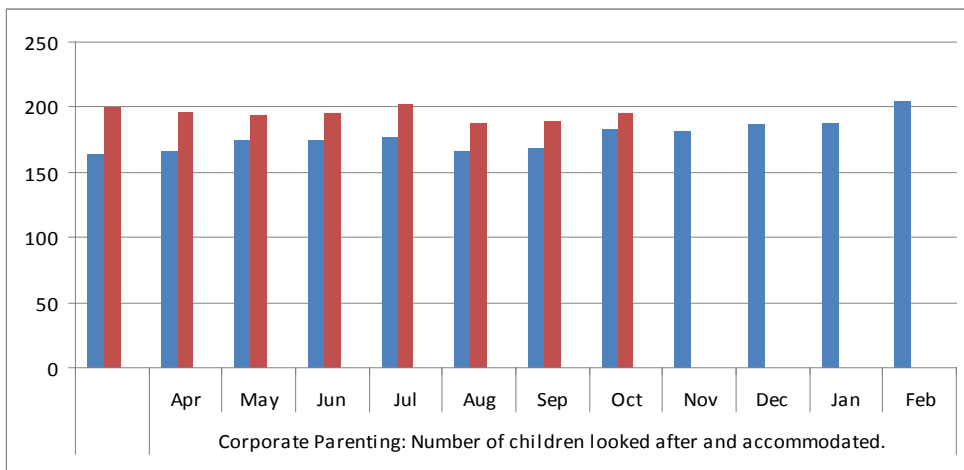
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EDUCATIONAL AND SOCIAL SERVICES



Exclusions overall continue to show an encouraging downward trend with the number of incidents decreasing from 122 in November 2008 to 86 in November 2009 and the opening lost decreasing from 563 in November 2008 to 391 in November 2009. This equates overall for a school population of 16,434 pupils to exclusions per 1000 of 5.2 and openings lost per 1000 of 23.8.

Continue to monitor and encourage schools to maintain the focus on promoting positive pupil behaviour.



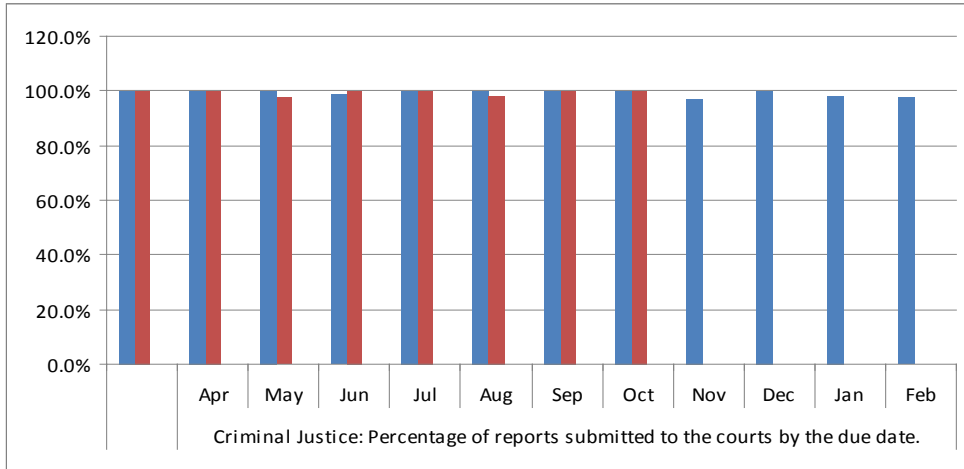
The trend in the numbers of looked after and accommodated children being significantly higher than the same period in 12 months prior is continued. This reflects a national trend which has implications for capacity and resources and these factors are being considered within the Social Work Sustainability Review.

Previous Year 

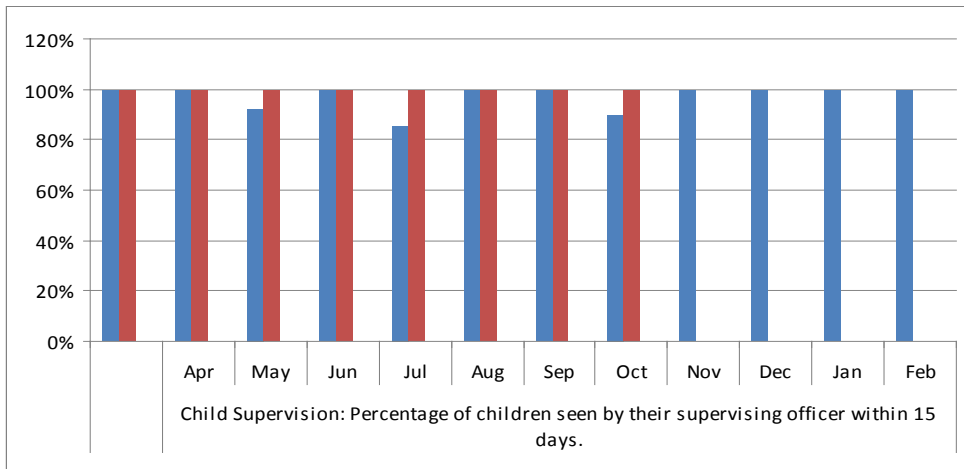
Current Year 

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EDUCATIONAL AND SOCIAL SERVICES



Continued 100% delivery of reports to the courts by the due date in Period 9 has been achieved through regular performance monitoring by team managers.



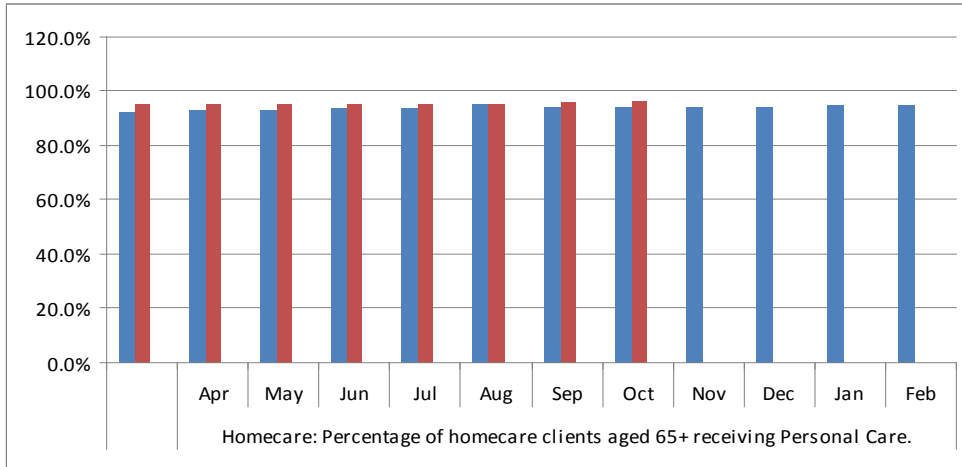
Period 9 has seen 100% performance has been maintained due to the good practice of social workers in giving effect to the supervision requirement at the Children's Hearing.

Previous Year 


Current Year 


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EDUCATIONAL AND SOCIAL SERVICES



The measure indicates a continued focus of the homecare service towards the needs of the most vulnerable. As part of the Social Work Sustainability programme all homecare service provision is currently being reviewed with reference to efficient working practices and ensuring consistent application of eligibility criteria.

Previous Year 

Current Year 

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

NON FINANCIAL DATA

	2008/09 Period 9	2008/09 Outturn	2009/10 Period 9
Number of pupils requiring additional support	2,389	2,577	2,593
School transport costs (projected expenditure at year end)	£4,937,140	£4,939,466	£4,796,000
Number of pupils receiving free school transport	5,078	4,969	4,834
Outwith Placements – Number of Pupils receiving external Auxiliary Support	15	13	10
– Number of Pupils in Day Placements	15	15	17
– Number of Pupils in Residential Placements	24	23	26
Number of children in external foster placement	50	51	46
Average cost of external foster placement per child per week	£975	£975	£1,000
Number of children in secure accommodation <i>(*includes 1 placement funded by the Scottish Government)</i>	3*	5*	3*
Average cost of a secure placement per week	£5,215	£5,215	£5,215
Number of care at home service users (adult & older) receiving more than 10 hours per week	713	737	663
Number of care at home service users (adult & older) receiving more than 50 hours per week	74	73	80
Most expensive homecare packages - Elderly	£46,083	£46,083	£46,083
Most expensive homecare packages – Adult Learning Disabled	£252,487	£252,487	£254,969

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

SERVICE PERFORMANCE TO DATE

RESOURCES

The variance mainly relates to a sum of £0.325m which was previously anticipated to be required for carry forward at 31 March 2010 to pay for 15 additional Primary teachers and for the restructure of the Secondary Schools promoted post structures as approved by Cabinet on 17 June 2009. This is no longer required and the funding will be utilised to offset additional expenditure elsewhere within the department. Additional variances have arisen from vacancies in the Technician service, partially offset by reduced recharges to other local authorities for the service and the projected recurring cost of 1 FTE Grade 12 post which is part of the resource support admin review.

The variance within Third Party Payments is due to claims against the PPP contractor for non performance. Income is under recovered due to reduced recharges within the Technicians Service.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	1.970	1.628	(0.342)
Property Costs	0.051	0.051	0.000
Transport Costs	0.030	0.030	0.000
Supplies & Services	0.761	0.769	0.008
Third Party Payments	0.186	(0.066)	(0.252)
Transfer Payments	0.714	0.714	0.000
Gross Expenditure	3.712	3.126	(0.586)
Income	(1.190)	(1.150)	0.040
Net Expenditure	2.522	1.976	(0.546)

FTE STAFFING ANALYSIS

Budget	Actual to date
33.64	29.06

PPP / BUILDING LEARNING COMMUNITIES

There are no material variances anticipated at this time. Any future variances will be retained centrally to fund PPP Unitary Charges in future years.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.000	0.000	0.000
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	0.000	0.000	0.000
Third Party Payments	8.242	8.242	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	8.242	8.242	0.000
Income	0.000	0.000	0.000
Net Expenditure	8.242	8.242	0.000

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

SCHOOLS

The Employee Cost variance is mainly due to reduced teacher salaries and vacancies together with additional Scottish Government grant funding for probationers partially offset by additional cover costs, deployment of the additional probationers and costs arising from the redeployment of staff. In addition the costs for returning pupils in August 2009 exceeds the amount previously anticipated due to higher pupil stay on rates and returning pupils attending college resulting in additional Supplies and Services costs partly offset by the reduced number of SQA exam fees. The adverse variance in third party payments relates to the school library service recharge issue which has now been resolved.

FTE STAFFING ANALYSIS

Budget	Actual to date
1,587.54	1,576.57

COMMUNITY SUPPORT

Additional costs in respect of Special Education classroom assistants have been partly offset by favourable employee cost variances as a result of vacancies and maternity leave mainly within Psychological Services and a restructure of Early Years staffing. There are additional Property Costs in respect of accommodation at Witchhill School for the new Annexe. Supplies and Services variances relate to integrated community schools and common communications. Additional Outwith Placement costs have been partially offset by the cessation of the Ayrshire Household Recycling Project and expenditure on Women's Aid being less than anticipated. There is additional expenditure anticipated in respect of payments to day carers. Additional income from other local authorities mainly for Classroom Assistants is partly offset by reduced income on wraparound care.

FTE STAFFING ANALYSIS

Budget	Actual to date
454.11	472.97

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	60.023	59.712	(0.311)
Property Costs	4.748	4.757	0.009
Transport Costs	0.209	0.212	0.003
Supplies & Services	2.927	3.073	0.146
Third Party Payments	0.615	0.644	0.029
Transfer Payments	0.310	0.300	(0.010)
Gross Expenditure	68.832	68.697	(0.134)
Income	(1.261)	(1.247)	0.014
Net Expenditure	67.571	67.450	(0.120)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	15.767	15.861	0.094
Property Costs	1.000	1.051	0.051
Transport Costs	0.264	0.259	(0.005)
Supplies & Services	1.647	1.618	(0.029)
Third Party Payments	5.992	6.107	0.115
Transfer Payments	0.086	0.101	0.015
Gross Expenditure	24.756	24.997	0.241
Income	(0.851)	(0.966)	(0.115)
Net Expenditure	23.905	24.031	0.126

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

FACILITIES MANAGEMENT

The favourable employee costs variance is due to efficiency savings offset by redundancy costs and payments in lieu. These savings have offset additional foodstuff supply costs and reduced meals income, Social Work Centre income, janitors recharges and special catering income. Additional costs of £0.176m are currently anticipated for transport and relocation costs for pupils and staff at Crossroads Primary School and Bellfield Primary School the latter requiring teaching resource alterations and costs for the playground/car park, as well as refurbishment costs at Elmbank Centre.

FTE STAFFING ANALYSIS

Budget	Actual to date
510.40	502.83

SOCIAL WORK

The adverse variance of £0.136m is after utilisation of non-recurring balances of £0.360m, as well as significant savings from management of vacant posts. The approved budget for care at home services has been allocated to take account of the review of eligibility criteria for services. The Review Team is fully established and is presently undertaking reviews across individual teams on a phased basis. It is important to highlight that the review process is at an early stage there will inevitably be a lead-in time before cost reductions are fully realised. Significant favourable variances have arisen in respect of vacant posts. As at 14 December, the Council was funding 2 young people within secure accommodation with provision for one additional placement for the remainder of the financial year. Provisions for growth in children's services, including secure accommodation, of £0.165m, adult care costs of £0.189m and self-directed services of £0.050m have been included. There are additional legal costs currently anticipated at £0.090m in respect of contested adoption cases.

FTE STAFFING ANALYSIS

Budget	Actual to date
1,118.04	1,041.53

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	9.339	9.166	(0.173)
Property Costs	0.264	0.475	0.211
Transport Costs	4.913	4.918	0.005
Supplies & Services	2.399	2.429	0.030
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.915	16.988	0.073
Income	(3.141)	(3.032)	0.109
Net Expenditure	13.774	13.956	0.182

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	33.232	32.540	(0.692)
Property Costs	1.726	1.770	0.044
Transport Costs	1.445	1.313	(0.132)
Supplies & Services	1.685	1.848	0.163
Third Party Payments	32.028	33.261	1.233
Transfer Payments	5.027	5.382	0.355
Gross Expenditure	75.143	76.114	0.971
Income	(12.705)	(13.180)	(0.475)
Net Expenditure	62.438	62.934	0.496
Utilise Balances	0.360	0.000	(0.360)
Net Expenditure	62.798	62.934	0.136

EDUCATIONAL AND SOCIAL SERVICES

Service Enhancements 2009/10

Additional funding has been provided for the operation of a number of services experiencing increasing demands and costs including:

- Social Work service pressures including foster care, home care, personalised care and adult care;
- Introduction of National Entitlement Cards;
- Revenue costs arising from the new Netherthird Community Campus.

Additional funding has also been provided in relation to the introduction of the Fairer Scotland Fund which replaced a number of existing funding streams including the Community Regeneration Fund, the Community Voices Programme, Working for Families, the Social Inclusion element of the Changing Children's Services Fund, the Financial Inclusion Fund, Workforce Plus and More Choices – More Chances.

Strategic Review of the Revenue Budget

The Strategic Review of the Revenue Budget resulted in decisions to realign the Revenue Budget and invest additional resources in a number of areas including:

- The redesign and development of Social Work Infrastructure to meet increasing demands for services;
- Additional teachers for educational establishments in deprived areas;
- Increased resources for the placement of children and young people in specialist educational establishments outwith East Ayrshire.

This will result in net additional funding of £1.037m over the 4 years to 2011/12.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

SERVICE SUMMARY

The projected outturn to 31 March 2010 is an adverse variance of £0.368m. This is mainly due to additional winter maintenance costs within Roads and Transportation combined with adverse variances within Community Safety and CCTV, Emergency Planning, General Fund Housing and Supporting People. This is partly offset by anticipated savings in Central Management Support, Leisure Service, Waste Management and Strong Safe and Attractive Communities. All other services are anticipated to outturn on budget.

It was anticipated that Building and Works would cease being a significant trading operation as at 18 October 2009 and form part of the new Single Business Unit (SBU) to be consolidated into the HRA. The structure of the SBU is being finalised and a report to elected members seeking approval for the new structure will shortly be presented to Cabinet.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Central Mgt Support	0.889	0.759	(0.130)
Leisure Services	12.273	12.260	(0.013)
General Fund Housing	11.760	11.817	0.057
Emergency Planning	0.049	0.063	0.014
Police & Fire	30.680	30.680	0.000
Roads & Transport	11.456	11.896	0.440
Net expenditure	67.107	67.475	0.368

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	24.286	24.192	(0.094)
Property Costs	3.161	3.174	0.013
Transport Costs	3.785	4.102	0.317
Supplies & Services	7.711	7.905	0.194
Third Party Payments	41.136	40.791	(0.345)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	80.079	80.164	0.085
Income	(12.972)	(12.689)	0.283
Net expenditure	67.107	67.475	0.368

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate £m	Budget Adjustments £m	Revised Budget £m	Comments on Budget Movement
Budget Allocation Approved by Council 12 February 2009	72.481			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Fairer Scotland Fund		+0.009		Realignment of Budgets to Reflect Allocation of Fairer Scotland Fund
2 Realignment of SPT Precept Budgets		+0.002		Realignment of Budgets to Reflect Actual SPT Precept
3 Realignment of Energy Budgets		+0.054		Realignment of Budgets to Reflect Projected Energy Costs
4 Police Specific Grant		+0.019		Additional Funding for Police Specific Grants
5 Strategic Waste Fund		+0.011		Additional Funding for the Strategic Waste Fund
6 Departmental Human Resources Budget Realignment		-0.166		Realignment of Budgets to Reflect Transfer of Departmental Human Resources Staff to Corporate Support
7 Grants to Voluntary Organisations Budget Realignment		+0.010		Realignment of Budgets to Reflect Transfer of Responsibilities from Educational and Social Services
8 Adjustment of Income Recharges outwith the General Fund		+0.071		Realignment of Budgets income recharges outwith the General Fund
9 Realignment of Property Budgets		+0.040		Transfer of property budgets relating to bus stations from Finance and Asset Management
10 Realignment of IT, Vehicle Maintenance & Libraries Budgets		-0.038		Transfer of budgets relating to WAN (Corporate Support new buildings), Former Trading Services and Kay Park Library cleaning
11 Supporting People Budget Realignment		-5.779		Transfer of formerly ring fenced Supporting People budget to ESS
12 Utilisation of Balances		+0.393		Drawdown of Departmental Earmarked balances
<i>Total Budget adjustments</i>			-5.374	
Revised Budget Allocation at Period 9			67.107	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

EXPENDITURE REDUCTION TARGETS

The department was been tasked with saving 2.4% of its controllable revenue expenditure which equates to £0.964m. The continuous pursuit of efficiencies to release resources for priority areas is established practice within the Council and whilst the target is challenging it is considered to be achievable without affecting the quality of essential services.

ACTIONS	Theme	SAVING £m	Status at 13/12/09	Achieved at 13/12/09 £m
Neighbourhood Services		0.964		0.964
Reduce Community Safety / Local Action Fund expenditure	KSO	0.150		0.150
Reduce promotion expenditure and third party payments in Leisure Services	KSO	0.022		0.022
Reduce landfill charges for waste	PYI	0.250		0.250
Reduce expenditure on public library books given previous higher spending	PYI	0.020		0.020
Maximise use of CCTV	PYI	0.008		0.008
Review general project funding within Leisure Services	PYI	0.004		0.004
Recharge of Roads and Transportation design fees	UAF	0.076		0.076
Review of Roads and Transport functions in Neighbourhood Services	BRS	0.171		0.171
Review of General Fund Housing	BRS	0.123		0.123
Efficiencies within Leisure Services	SB4	0.040		0.040
Savings from Emergency Planning shared services	SB4	0.021		0.021
Savings within Central Management Support	CND	0.021		0.021
Leisure Services – Skillseeker Provision	CND	0.006		0.006
Review of service provision within Leisure Services	CND	0.010		0.010
Reduce the opening hours at the Gavin Hamilton Centre to reflect current demand	CND	0.013		0.013
Review of contractual arrangements within Roads and Transportation	PSP	0.027		0.027
Close unused changing pavilions at New Farm Loch and Bonnyton	MUA	0.002		0.002

Status: Fully met



In Progress



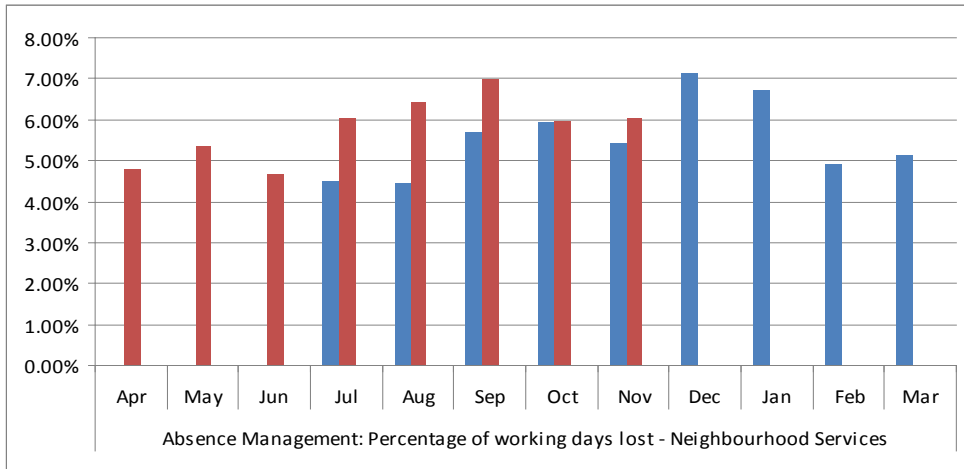
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2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

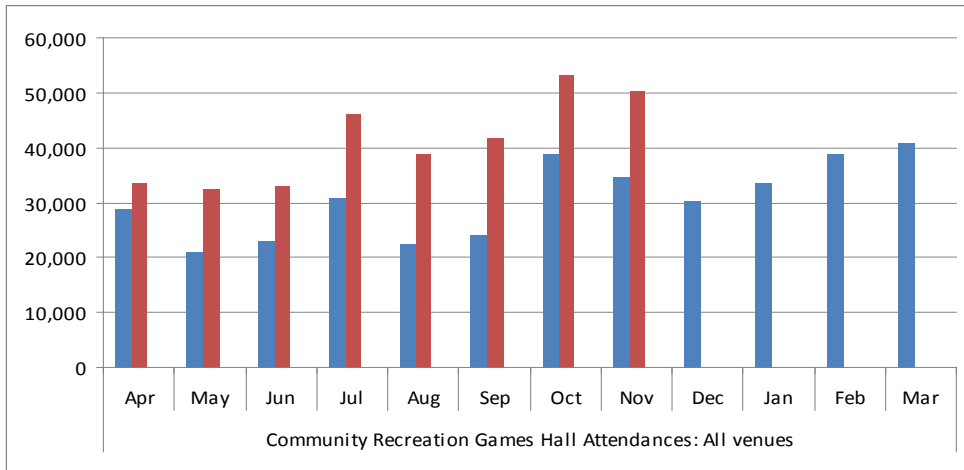
NEIGHBOURHOOD SERVICES

PERFORMANCE MEASURES



The absence rate increased to 6.06% in November from 5.99% in October. The majority of lost working days are due to long term sickness with long term absences accounting for 60% of all days lost. There was one new referral to the Occupational Health Service this month, with one case recorded as ongoing.

Absence figures are closely monitored by Heads of Service and monthly meetings are held with HR Staff and the Executive Director to monitor and review status.

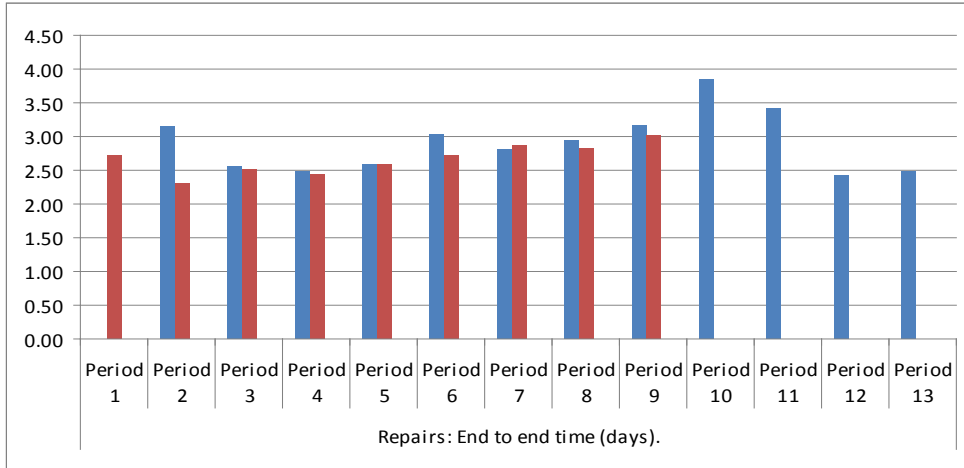


Overall facilities have performed well throughout 2009 and the Section will have to continually develop to ensure this performance can be bettered in 2010.

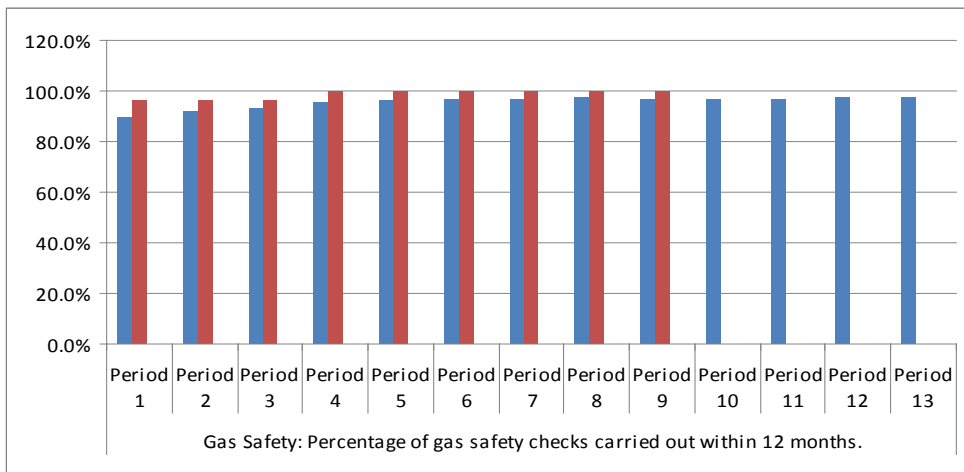
Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES



Slight increase on previous month. Servitor is a dynamic system. Over a period of time the longer term jobs, spanning more than one period, will come back into the system, upon their completion, and inflate the average end to end time which is cumulative.

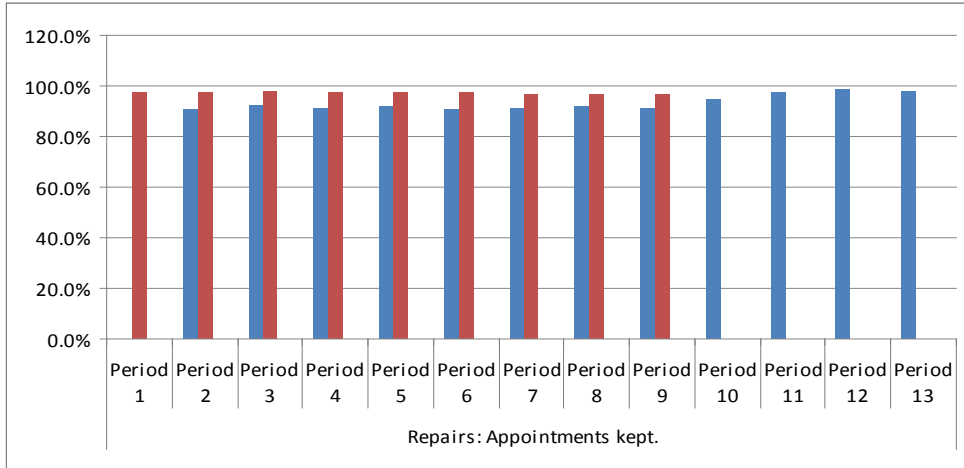


This performance is considerably better than the same period last year. The impact of diversion of gas plumbers to resolve heating problems during the recent cold snap is being addressed.

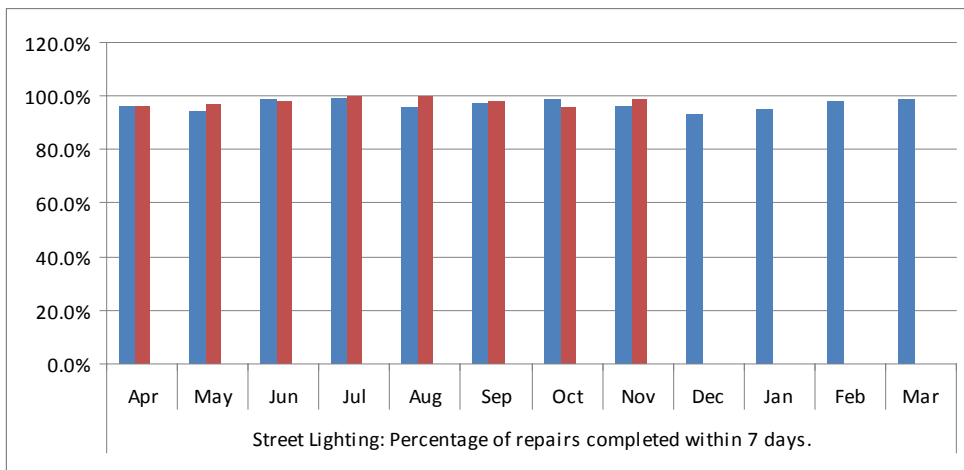
Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES



There was a significant increase in demand from the previous month. Upon analysis it was found that 65% of the failed appointments were met later the same day, half of which were attended within an hour of the appointment. The current figure of 96.92% compares favourably with the 2008/09 figure of approximately 92%.



Performance has regained the levels consistently achieved earlier this year and continues to be higher than that of the equivalent period last year.

Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

Non Financial Data

		2008/09 Period 9	2008/09 Outturn	2009/10 Period 9
Amount of waste to landfill (tonnes)		30,975	41,650	29,524
Amount of waste recycled (tonnes)		23,263	30,281	24,132
Number of burials		504	701	490
Attendance at games halls		221,061	314,865	232,346
Number of void weeks	Actual	14,155	19,300	11,788
	Budget	15,397	21,737	14,062
Number of council house sales	Actual	93	109	54
	Budget	173	250	72

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

SERVICE PERFORMANCE TO DATE

CENTRAL MANAGEMENT SUPPORT

The variance principally relates to staff turnover, reduced other employee related expenses and anticipated savings on publicity, promotion and other services.

FTE STAFFING ANALYSIS

Budget	Actual to date
7.00	7.00

LEISURE SERVICES

Employee Cost savings reflect vacancies within PPP Schools, Outdoor Amenities and Libraries, partly offset by additional costs in Museums and special payments within Registration and Community Recreation. Property Costs variances have arisen due to additional repairs and higher than anticipated rates and energy costs. Transport Costs variances are related to additional charges in respect of purchased and leased vehicles and non contract repairs, partly offset by savings on hires and car mileage allowances. Additional Supplies and Services costs due to the purchase of Outdoor Amenities equipment and materials and additional costs in relation to the Burns Monument Centre have been offset by additional income. Additional Third Party payment costs are due to Homecoming expenditure, project expenditure within Dean Castle Country Park and tree works. Additional income is anticipated from registration fees, Cemeteries, Grounds Maintenance, Street Cleansing, theatre and hall charges partly offset by reduced income from Leisure facilities in PPP schools and golf.

FTE STAFFING ANALYSIS

Budget	Actual to date
466.28	427.28

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.259	0.221	(0.038)
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	0.395	0.320	(0.075)
Third Party Payments	0.330	0.330	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.984	0.871	(0.113)
Income	(0.095)	(0.112)	(0.017)
Net expenditure	0.889	0.759	(0.130)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	11.849	11.686	(0.163)
Property Costs	1.267	1.306	0.039
Transport Costs	1.015	1.114	0.099
Supplies & Services	1.777	1.966	0.189
Third Party Payments	0.390	0.450	0.060
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.298	16.522	0.224
Income	(4.025)	(4.262)	(0.237)
Net expenditure	12.273	12.260	(0.013)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

GENERAL FUND HOUSING

Employee Costs variance reflects additional special payments and overtime costs within the Community safety and CCTV combined with Tenancy Support redeployment staff costs. This has been partially offset by favourable variances from the timing of filling of vacancies and reduced overtime costs in Waste Management and Strong, Safe and Attractive Communities. Variances on Property Costs are mainly due to savings on rents due to reduced numbers of temporary accommodation properties partly offset by additional rent and rates costs at depots. Additional fuel costs and charges in respect of purchased vehicles are partially offset by savings on hires and car mileage allowances. Supplies and Services variances have arisen from reduced B&B expenditure and managed savings within Homelessness, partly offset by the necessary purchase of additional bins and protective clothing. Landfill charges are less than anticipated due to increased recycling activity. Reduced income is anticipated from the sale of recycle due to market conditions, reduced number of special uplifts and skip hires as well as an under recovery in homeless rent due to a reduction in temporary accommodation properties.

FTE STAFFING ANALYSIS

Budget	Actual to date
249.11	233.39

HOUSING REVENUE ACCOUNT

There are favourable variances due to the timing of filling vacancies, reduced debt charges and lower than budgeted void rent losses. These are offset by increased CFCR contributions towards planned maintenance to offset reduced capital receipts from house sales and lower than budgeted rent income due to demolitions. In addition the suspension of Significant Trading Operation status for Building and Works from November 2009 means a further £1.369m is available to spend of repairs.

FTE STAFFING ANALYSIS

Budget	Actual to date
114.35	105.84

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	5.809	5.882	0.073
Property Costs	1.467	1.410	(0.057)
Transport Costs	1.267	1.323	0.056
Supplies & Services	1.831	1.697	(0.134)
Third Party Payments	5.246	4.815	(0.431)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	15.620	15.127	(0.493)
Income	(3.860)	(3.310)	0.550
Net expenditure	11.760	11.817	0.057

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	3.605	3.530	(0.075)
Property Costs	15.392	15.111	(0.281)
Transport Costs	0.134	0.134	0.000
Supplies & Services	5.197	5.197	0.000
Third Party Payments	0.974	0.974	0.000
Debt Charges	4.850	4.700	(0.150)
CFCR/Planned Maint	5.561	5.947	0.386
Homeless Hostels	1.080	1.058	(0.022)
Gross Expenditure	36.793	36.651	(0.142)
Income	(36.793)	(36.651)	0.142
Net expenditure	0.000	0.000	0.000
B&W Charge at Cost Adj	0.000	(1.369)	(1.369)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

EMERGENCY PLANNING

The variance reflects additional training and standby costs and payments to the Ayrshire Civil Contingencies Team.

FTE STAFFING ANALYSIS

Budget	Actual to date
1.0	1.0

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.037	0.043	0.006
Property Costs	0.000	0.000	0.000
Transport Costs	0.003	0.002	(0.001)
Supplies & Services	0.009	0.018	0.009
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.049	0.062	0.014
Income	0.000	0.000	0.000
Net expenditure	0.049	0.062	0.014

JOINT BOARDS – POLICE AND FIRE

The Executive Director does not anticipate any material variances at this time.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.000	0.000	0.000
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	0.000	0.000	0.000
Third Party Payments	30.680	30.680	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	30.680	30.680	0.000
Income	0.000	0.000	0.000
Net expenditure	30.680	30.680	0.000

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

ROADS AND TRANSPORTATION

There are adverse variances due to additional winter maintenance costs for additional overtime, transport costs, supplies of salt and grit and payments to contractors. Additional costs have also been incurred for car park non domestic rates, the purchase of Mass Barriers for bridge protection and contractors fees in relation to a hydro-geological survey for flood management at Newmilns. These are partly offset by favourable variances due to the timing of filling vacancies and additional income on rechargeable work.

FTE STAFFING ANALYSIS

Budget	Actual to date
183.0	180.0

BUILDING & WORKS

From November 2009 the status of Building and Works changed and the organisation now undertakes repairs solely for the Housing Revenue Account (HRA). In line with previous practice all surpluses generated prior to November will remain in the Council's General Fund with the remainder being utilised by the Housing Revenue Account for additional repairs.

The figures are based on projected outturn and may be subject to change as actual figures are finalised.

FTE STAFFING ANALYSIS

Budget	Actual to date
302.0	279.0

General Fund	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	6.332	6.360	0.028
Property Costs	0.427	0.458	0.031
Transport Costs	1.500	1.663	0.163
Supplies & Services	3.699	3.904	0.205
Third Party Payments	4.490	4.516	0.026
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.448	16.901	0.453
Income	(4.992)	(5.005)	(0.013)
Net expenditure	11.456	11.896	0.440

Building & Works	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Surplus to General Fund	(0.782)	(1.397)	(0.615)
Reduced Cost in HRA	(0.558)	(1.369)	(0.811)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

PARTNERSHIPS AND PROJECTS

A number of projects are operated and funded from a variety of sources with some funding awarded in one financial year for use in that or subsequent years.

The balance on Leisure Projects relates to schemes including Positive Play, the Talented Athlete Programme, Walking Development and Multi Use Games Areas. These balances will be required to sustain the projects in future years. Additional costs in relation to River Ayr Way will be met from earmarked departmental balances.

Roads and Transport balances relate mainly to the Clyde Local Authority Consortium, A76 Crossroads, the Hopper Bus Service and the Scottish Coal Obligation Funds.

	Projected Balances at 31 March 2010
EA Positive Play	(0.317)
Talented Athlete	(0.282)
MUGA Streetcages	(0.162)
Healthy Weight Community	(0.049)
Walking Development / Sports Council	(0.040)
Libraries	(0.015)
DCCP- Outdoor Access / River Irvine / Barskimming	0.125
Museums and Arts	(0.031)
Scottish Coal	(0.040)
Hopper Bus	(0.069)
CLAC	(0.090)
Other Roads and Transport Projects	(0.021)
Total	(0.991)

NEIGHBOURHOOD SERVICES

Service Enhancements 2009/10

Additional funding has been provided for the operation of a number of services experiencing increasing demands and costs including:

- Additional waste management services arising from new streets, houses and local facilities;
- Opening of new local facilities;
- Maintenance of Floral Clock and Floral Baskets;
- Public convenience provision in Kilmarnock seven days per week.

Additional funding has also been provided in relation to the introduction of the Fairer Scotland Fund which replaced a number of existing funding streams including the Community Regeneration Fund, the Community Voices Programme, Working for Families, the Social Inclusion element of the Changing Children's Services Fund, the Financial Inclusion Fund, Workforce Plus and More Choices – More Chances.

Strategic Review of the Revenue Budget

The Strategic Review of the Revenue Budget resulted in decisions to increase burial charges nearer to the Scottish Average, reductions in the net costs of Waste Disposal and Street Cleansing and a move of funding for roads maintenance to capital to enable a more strategic approach to be implemented. This amounts to net additional savings of £0.450m over the 4 years to 2011/12.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT

SERVICE SUMMARY

The projected outturn to 31 March 2010 is a break-even position after the utilisation of £0.400m of departmental balances agreed by Cabinet on 2 December 2009 to fund in year budget pressures including an anticipated shortfall of £0.765m in planning and building standards income as a result of external economic factors. The impact of these factors remains uncertain and the Executive Director of Corporate Support has continued to freeze vacancies within Planning and Economic Development in anticipation of the Best Value Service Review currently being finalised. As members are aware, the economic downturn is anticipated to have a continuing impact into future years and the Executive Director of Corporate Support has initiated a review of options to address the position.

In addition there are a number of significant items particularly within Planning and Economic Development which are multi-annual initiatives and may require any underspend at year end to be earmarked for carry forward to meet future commitments.

The Scottish Government is currently reviewing historic European Funds in a number of Councils where projects were delivered by an external organisation which may result in a significant clawback of funding previously provided. The position is anticipated to be confirmed prior to 31 March 2010.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Central Management Support	0.198	0.185	(0.013)
Human Resources	2.454	2.424	(0.030)
Information Technology	3.666	3.651	(0.015)
Planning & Economic Dev.	4.082	4.189	0.107
Democratic Services	2.905	2.887	(0.018)
Legal Procurement & Reg.	2.964	2.933	(0.031)
Community Planning P'ship	0.651	0.651	0.000
Net Expenditure	16.920	16.920	0.000

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	14.616	13.969	(0.647)
Property Costs	0.199	0.195	(0.004)
Transport Costs	0.294	0.311	0.017
Supplies & Services	5.635	5.800	0.165
Third Party Payments	0.867	0.939	0.072
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	21.611	21.214	(0.397)
Income	(4.691)	(4.294)	0.397
Net Expenditure	16.920	16.920	0.000

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT

SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate £m	Budget Adjustments £m	Revised Budget £m	Comments on Budget Movement
Budget Allocation Approved by Council 12 February 2009	15.160			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Fairer Scotland Fund		-0.019		Realignment of Budgets to Reflect Allocation of Fairer Scotland Fund
2 Community Planning Budget Realignment		-0.192		Realignment of Budgets to Reflect Transfer of Community Planning Staff to Community Learning
3 Departmental Human Resources Budget Realignment		+0.909		Realignment of Budgets to Reflect Transfer of Departmental Human Resources Staff to Corporate Support
4 Utilisation of Departments Balances		+0.931		Utilisation of Departmental Earmarked Balances
5 Utilisation of General Fund Balance		+0.039		Utilisation of GF Balance as approved by Council on 8 October 2009
6 Adjustment of income recharges outwith the General Fund / Vehicle Maintenance Budgets		-0.007		Realignment of income recharges outwith the General Fund and charges from the former Trading Services
7 Realignment of IT Budgets		+0.054		Transfer of IT budgets relating to operation of WAN in new buildings and Civica host icon
8 Community Health Budget Realignment		+0.045		Realignment of Budgets to reflect transfer of Community Health & Wellbeing Officer from Social Work
<i>Total Budget adjustments</i>			+1.760	
Revised Budget Allocation at Period 9			16.920	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT

EXPENDITURE REDUCTION TARGETS

At the Council meeting on 12 February 2009 the department was been tasked with saving 2.8% of its controllable revenue expenditure which equates to £0.377m. The continuous pursuit of efficiencies to release resources for priority areas is established practice within the Council and whilst the target is challenging it is considered to be achievable without affecting the quality of essential services.

ACTIONS	Theme	SAVING £m	Status at 13/12/09	Achieved at 13/12/09£m
Corporate Support		0.377		0.377
Reduce affiliation payments within Planning and Economic Development and ensure benefit equates to cost	KSO	0.081		0.081
Reduce administration costs within Human Resources and Democratic Services	KSO	0.071		0.071
Reduced IT costs as a result of investment	PYI	0.059		0.059
Review of Community Planning and links to Community Learning and Development	BRS	0.045		0.045
Review of Planning and Economic Development staffing requirements	SB4	0.041		0.041
Legal and Regulatory – Various Management Efficiencies	CND	0.011		0.011
Review of Asset Management Contract within Information Technology	PSP	0.040		0.040
Planning and Economic Development retaining work previously outsourced	PSP	0.013		0.013
Pilot use of data network for telephone calls	MUA	0.016		0.016

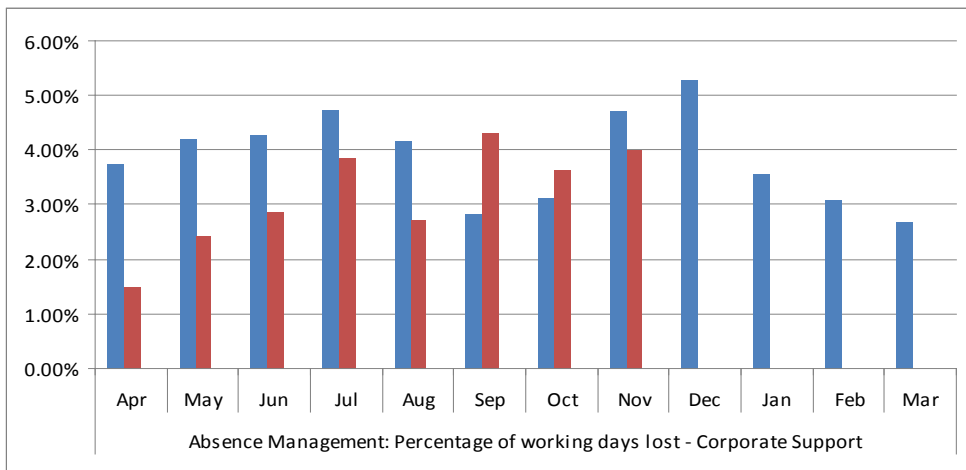
Status: Fully met

In Progress

Unmet

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

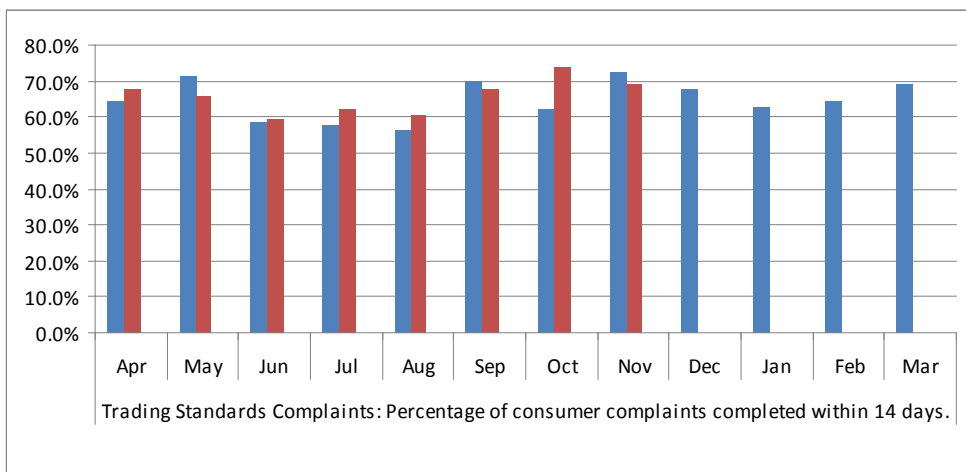
CORPORATE SUPPORT



The number of days lost increased from 263.5 days to 295.5 between October and November, representing an increase in the rate of absence from 3.62% to 4.01%. The number of absence periods increased by 28%. The majority of days lost were due to short term absence with 56% of all days lost the result of short term absences.

Considering short term absences only, the rate of absence for the department was 2.23%. The majority of absence periods fall within the 2-7 day absence category (40) followed by 1 day periods (16). There were no new referrals to Occupational Health and none ongoing.

The Department Management Team continues to monitor absence statistics and trends on a regular basis. HR officers are invited to attend these meetings on a regular basis to provide updates.



The number of complaints increased from 69 in October to 79 for this month (November) leading to a small decrease in the % of complaints that were able to be completed within 14 days. Sixty two complaints were completed during the month, of which 43 were finalised within the prescribed 14 day timeline.

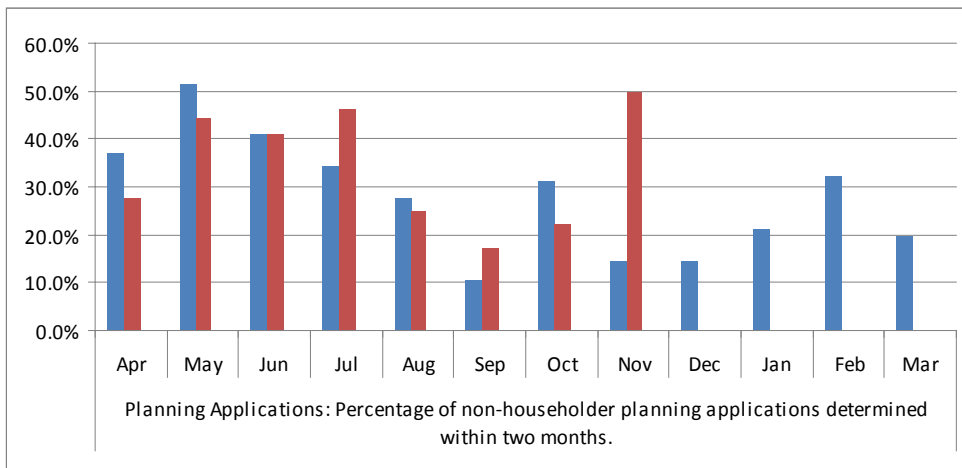
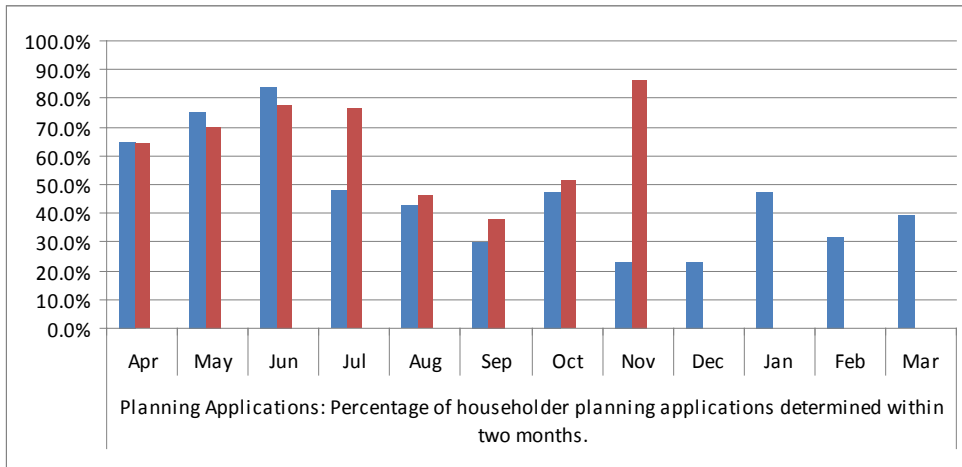
Complaints will continue to be reviewed with a view to identifying timeous and effective resolution. This will include discussion of the more detailed complaints being raised and discussed at team meetings.

Previous Year ■

Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT



Previous Year ■ Current Year ■

Adoption and implementation of new legislative measures (Planning Act 2006 and new Development Management Regulations) contributed to the previous decline in performance output but, as evidenced by the improved November figure, are now having a positive impact on performance.

A number of procedural efficiencies within the Section have been identified for timeous implementation. These will ensure further improvement to outputs and subsequent performance outcomes e.g.

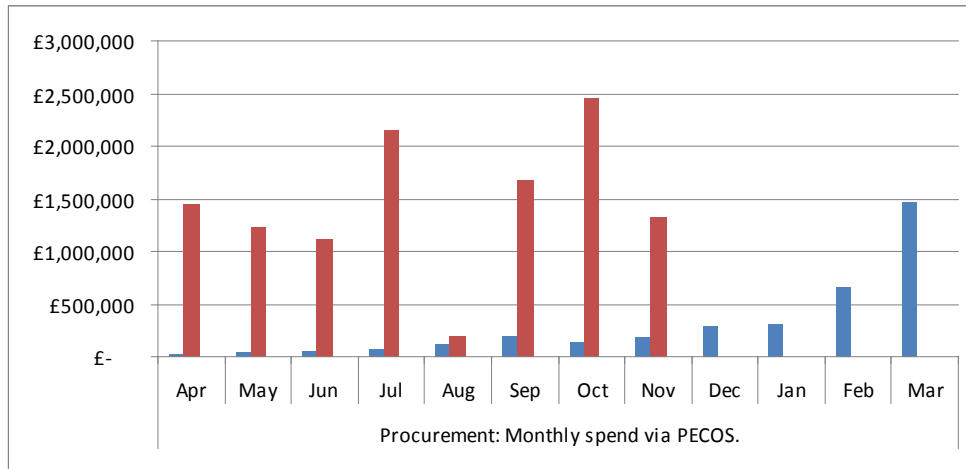
- streamlining of processes;
- removal of task duplication; and
- the development of shorter, more incisive reporting templates

Processes and determinations for non-householder applications mirror those for Householder. Therefore, output for November is again a reflection of the new legislative regulations impacting on performance.

The procedural efficiencies stated for Householder Applications are being adopted across the Section.

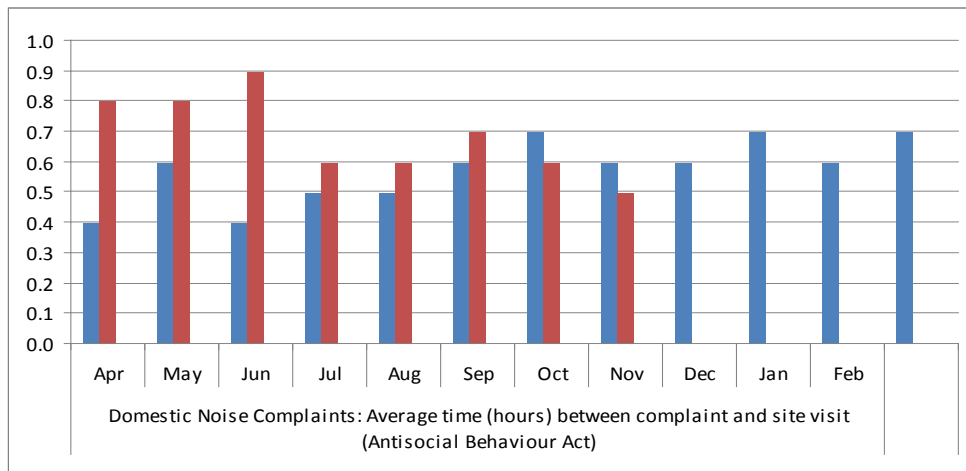
2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT



The 17,000th order was placed through PECOS in the month of November (including change orders) resulting in a total of £1.34 million of orders placed during this month. As at 31 November, within this financial year 2009/10, there was a recorded throughput of £8.65 million. Key Rollout Updates:

- development of Integration Harness with CIVICA ongoing (testing & procedures being finalised)
- PECOS CIVICA Integration now re-scheduled for January 2010 (PECOS Version 11.0 upgrade now re-scheduled during late December 2009)
- Workshops have been held within Social Work with subsequent training scheduled during November and December 2009 and January 2010
- On Site Services (excluding kitchens) ready for the System to "go live"
- Changes to Order Processes have been communicated to ePS Users



A total of 74 complaints were dealt with in the month of November. Of these, 34 were attended and dealt with under Part V of the Antisocial Behaviour Act, 2 were attended and not dealt with under the Act and 38 did not require attendance on site. The number of reported complaints has risen from 49 in September and 48 in October, explained by increased public awareness of this service through advertising and promotion by the Antisocial Behaviour Unit. Times will vary from month to month depending on the location of complaints and the distance that has to be covered by the team in responding to individual complaints.

No improvement action is proposed at this time as the average time taken to respond to complaints is still within target.

Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT

Non Financial Data

	2008/09 Period 9	2008/09 Outturn	2009/10 Period 9
Number of property enquiries	134	165	93
Average income per property enquiry	£44	£44	£43
Number of licensing board applications	969	1,385	1,428
Average income per licensing board application	£187	£169	£96
Number of job vacancy adverts placed	318	385	176
Average cost per job vacancy advert	£340	£335	£368
Number of building warrants received	876	1,174	794
Average income per building warrant received	£403	£402	£353
Number of building warrants determined	945	1,264	790
Value of development plans submitted	£49.97m	£66.31m	£29.80m
Number of planning applications received	624	879	583
Average income per planning application received	£505	£573	£688
Number of planning applications determined	538	758	534

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT

SERVICE PERFORMANCE TO DATE

CENTRAL MANAGEMENT SUPPORT

The favourable variance is due to underspends within supplies and services and may be required for consultancy costs which are currently anticipated to be recovered from the Scottish Government.

FTE STAFFING ANALYSIS

Budget	Actual to date
3.0	3.0

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.178	0.176	(0.002)
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	0.020	0.009	(0.011)
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.198	0.185	(0.013)
Income	0.000	0.000	0.000
Net Expenditure	0.198	0.185	(0.013)

HUMAN RESOURCES

Savings due to turnover, vacancies and the amalgamation of the Human Resources function within Corporate Support have been partly offset by additional staffing costs within Health and Safety and Occupational Health. The adverse Supplies and Services variance is as a result of subscriptions, promotion and training associated with Equality and Diversity and general office related expenses. Consultancy expenses in relation to Health and Safety and Physiotherapy have resulted in an adverse variance within Third Party Payments, the latter being offset by income recharges. Income is under recovered due to reduced fees in respect of National Training Programmes, partly offset by additional sponsorship income and physiotherapy and training fees.

FTE STAFFING ANALYSIS

Budget	Actual to date
75.2	67.6

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.539	2.402	(0.137)
Property Costs	0.009	0.011	0.002
Transport Costs	0.019	0.020	0.001
Supplies & Services	0.216	0.264	0.048
Third Party Payments	0.049	0.087	0.038
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	2.832	2.784	(0.048)
Income	(0.377)	(0.359)	0.018
Net Expenditure	2.454	2.424	(0.030)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT

INFORMATION TECHNOLOGY

The favourable variance in Employee Costs has resulted from turnover savings and reduced overtime levels. This has been partly offset by an adverse variance in Supplies and Services arising from the repair of the fibre connection between London Road and the Civic Centre South.

FTE STAFFING ANALYSIS

Budget	Actual to date
58.5	54.2

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.253	2.213	(0.040)
Property Costs	0.000	0.000	0.000
Transport Costs	0.026	0.026	0.000
Supplies & Services	1.824	1.849	0.025
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	4.103	4.088	(0.015)
Income	(0.437)	(0.437)	0.000
Net Expenditure	3.666	3.651	(0.015)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT

PLANNING AND ECONOMIC DEVELOPMENT

Management action was taken during 2008/09 to delay filling vacancies following the decline in planning and building standards income and vacancies continue to be held. In addition there are savings resulting from the timing of the Best Value Service Review. Cabinet agreed retrials on 4 November 2009 with an in year cost of £0.094m. The Supplies and Services variance is due to E-Planning maintenance costs, statutory advertising and legal and professional fees. The impact of statutory neighbourhood notification will increase stationery and postage costs and this is being managed within existing resources. Within Third Party Payments expenditure on statutory dangerous buildings has increased significantly and current projections exceed £0.160m with the potential to recover income from owners.

Income from Building Warrants and Planning Fees are expected to be significantly lower than budget due to external economic factors. Planning and Building Standards income continues to be impacted by the economic downturn with the timing and scale of future fees remaining uncertain. It should be noted that actual 2009/10 income to date is 2% more than in the same period during 2008/09. Projected income for 2009/10 continues to be closely monitored and is anticipated to be slightly worse than 2008/09 due to timing differences in large applications and slippage on the capital programme. The position is after the utilisation of £0.400m of departmental balances previously approved by Cabinet.

Income projections include £1.140m of EU income made up of £0.486m due for 2008/09 and £0.654m for 2009/10. External factors have delayed the submission of claims, however, a first tranche of funds was received during October with claims continuing to be submitted. In addition the Scottish Government is currently reviewing historic European Funds in a number of Councils where projects were delivered by an external organisation and this may result in a clawback of previous funding.

The Executive Director has tasked the Head of Planning and Economic Development with identifying solutions to further reduce the projected adverse variance in income for 2010/11 with an overall objective to bring the budget back on line.

FTE STAFFING ANALYSIS

Budget	Actual to date
125.5	110.5

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	4.569	4.239	(0.330)
Premises Costs	0.135	0.135	0.000
Transport Costs	0.128	0.128	0.000
Supplies & Services	1.483	1.537	0.054
Third Party Payments	0.532	0.566	0.034
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	6.847	6.605	(0.242)
Income	(2.765)	(2.416)	0.349
Net Expenditure	4.082	4.189	0.107

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT

DEMOCRATIC SERVICES

A favourable variance in Employee Costs due to the timing of filling of vacancies is anticipated to be partly offset by the purchase of a replacement courier van and reduced income relating to sponsorship, property certificates and printroom recharges.

FTE STAFFING ANALYSIS

Budget	Actual to date
46.8	41.6

LEGAL, PROCUREMENT AND REGULATORY

The delay in filling vacancies following the implementation of the Best Value Service Review across the service and funding for Tobacco Test Purchasing has generated a favourable Employee Costs variance. This variance is anticipated to reduce due to costs associated with the unification of the District Courts to the Scottish Court Service however, general efficiencies are anticipated to maintain the overall variance for the service to the year end. The Supplies and Services variance relates to costs associated with bad debt provision, Scotland Excel fees, licence and software commitments associated with the Licensing Board and general office administration.

A shortfall in income for Pest Destruction of £0.016m is offset against higher income from Verification and Petroleum fees and Enforcement Fines. Legal fees, court fines and fixed penalty commission have all reduced primarily as a result of the unification of the District Courts. Licensing Board income continues to be higher this year and offsets all costs associated with the Board, including Northgate system upgrades.

FTE STAFFING ANALYSIS

Budget	Actual to date
88.5	85.3

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	1.540	1.477	(0.063)
Property Costs	0.000	0.000	0.000
Transport Costs	0.030	0.045	0.015
Supplies & Services	1.518	1.518	0.000
Third Party Payments	0.009	0.009	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.097	3.049	(0.048)
Income	(0.192)	(0.162)	0.030
Net Expenditure	2.905	2.887	(0.018)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	3.039	2.985	(0.054)
Property Costs	0.029	0.029	0.000
Transport Costs	0.087	0.088	0.001
Supplies & Services	0.536	0.558	0.022
Third Party Payments	0.182	0.182	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.873	3.842	(0.031)
Income	(0.909)	(0.909)	0.000
Net Expenditure	2.964	2.933	(0.031)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT

COMMUNITY PLANNING AND PARTNERSHIP

At this time no variance is anticipated. Income generated through support provided to the Community Planning Partnership in carrying out its function in administering/monitoring the Fairer Scotland fund will this year be transferred to the Community Planning Development Fund for utilisation across a variety of Community Planning events.

FTE STAFFING ANALYSIS

Budget	Actual to date
11.5	11.1

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.498	0.477	(0.021)
Property Costs	0.026	0.020	(0.006)
Transport Costs	0.003	0.003	0.000
Supplies & Services	0.039	0.066	0.027
Third Party Payments	0.095	0.095	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.661	0.661	0.000
Income	(0.010)	(0.010)	0.000
Net Expenditure	0.651	0.651	0.000

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT

PARTNERSHIPS AND PROJECTS

A number of projects are operated and funded from a variety of sources with some funding awarded in one financial year for use in that or subsequent years.

The Environmental balance relates to costs incurred at the Tardoes Open Cast Coal Site which are anticipated to be recovered.

The Employability balance mainly relates to East Ayrshire Woodlands and the deficit is anticipated to be offset by income received by 31 March 2010.

The Wind Farm balance is held for work related to the Whitelee Access Action Plan.

Developer's Contributions balances are held for leisure and recreation facilities throughout the area in line with the requirements set out in the Local Plan.

The Other balance is principally made up of Cabinet approved funding spent on town centre activities including Christmas events, money held for the Moorfield Entrance Junction which is required to be held during the project retention period and funding committed to the 4 Towns Enquiry by Design project and funding towards the Town Centre Managers operational budgets.

Balances at
13 December 2009
£m

Tardoes Open Cast Coal Site	0.143
Employability	0.159
Wind Farm	(0.243)
Developers Contributions / S75 SLR	(0.930)
Other	(0.139)
Total	(1.010)

CORPORATE SUPPORT

Service Enhancements 2009/10

Additional funding has been provided for the operation of a number of services experiencing increasing demands and costs including:

- Responsibilities in relation to Abandoned Vehicles and Funerals;
- Pest Destruction costs;
- Reduced Property Enquiry Certificate income.

Additional funding has also been provided in relation to the introduction of the Fairer Scotland Fund which replaced a number of existing funding streams including the Community Regeneration Fund, the Community Voices Programme, Working for Families, the Social Inclusion element of the Changing Children's Services Fund, the Financial Inclusion Fund, Workforce Plus and More Choices – More Chances.

Additional funding has also been provided following the introduction of new Tobacco Sales Enforcement legislation.

Strategic Review of the Revenue Budget

The Strategic Review of the Revenue Budget resulted in decisions to redirect resources away from support functions to frontline services with proportionate expenditure reductions across Corporate Support. This amounts to additional savings of £0.292m to 2011/12.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

FINANCE AND ASSET MANAGEMENT

SERVICE SUMMARY

There is a favourable variance of £0.074m projected for the current financial year as a result of savings anticipated within Corporate Office Accommodation and the Finance Service after offsetting for pressures experienced within Asset Management, Asset Improvement and Surplus Property.

The variance within Finance is attributed to Employee Costs due to vacancies which are being held pending a business review and additional income from the Department for Work and Pensions (DWP) being allocated to meet anticipated additional administrative costs from increased benefit caseloads in the current economic climate. The service anticipates that savings can be achieved by meeting increased caseload requirements within current resources. Additional income is also expected as a result of higher water bill collection.

Within the Asset Improvement Service additional consultancy services have been procured to enable the progression of work required to advance the Council's capital programme, ordinarily supported by fee income recovery. However changes in the required level of support as well as the timing of fee recovery on some project areas results in the current adverse position.

Within the Asset Management Service some savings are anticipated in relation to employee costs, the service anticipates an under-recovery of property related income during the year as a result of the current economic climate. Property rental income, rechargeable service costs, fees from house deed plans and income from the sale of surplus assets are all anticipated to be lower than budgeted. The position assumes a utilisation of earmarked balances for expenditure in relation to asset management data and systems, with £0.422m spent to date.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Finance	3.876	3.410	(0.466)
Asset Improvement	3.671	4.175	0.504
Asset Management	1.624	1.512	(0.112)
Net Expenditure	9.171	9.097	(0.074)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	9.600	9.262	(0.338)
Property Costs	5.393	5.307	(0.086)
Transport Costs	0.125	0.107	(0.018)
Supplies & Services	1.503	1.268	(0.235)
Third Party Payments	0.033	0.326	0.293
HB/CT Benefit	0.000	0.000	0.000
Gross Expenditure	16.654	16.270	(0.384)
Income	(7.483)	(7.173)	0.310
Net Expenditure	9.171	9.097	(0.074)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

FINANCE AND ASSET MANAGEMENT

SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate £m	Budget Adjustments £m	Revised Budget £m	Comments on Budget Movement
Budget Allocation Approved by Council 12 February 2009	9.024			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Adjustment of income recharges outwith the General Fund Budget		+0.137		Realignment of income recharges outwith the General Fund
2 Realignment of Property Budgets		-0.040		Transfer of property budgets relating to bus stations to Neighbourhood Services
3 IT budget realignment		-0.020		Transfer of IT budgets relating to Civica host icon
4 Utilisation of Balances		+0.070		Drawdown of earmarked balances
<i>Total Budget adjustments</i>			+0.146	
Revised Budget Allocation at Period 9			9.171	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

FINANCE AND ASSET MANAGEMENT

EXPENDITURE REDUCTION TARGETS

At the Council meeting on 12 February 2009 the department has been tasked with saving 2.8% of its controllable revenue expenditure which equates to £0.252m. The continuous pursuit of efficiencies to release resources for priority areas is established practice within the Council and whilst the target is challenging it is considered to be achievable without affecting the quality of essential services. Although specific actions have yet to be completed, offsetting savings have been achieved.

ACTIONS	Theme	SAVING £m	Status at 13/12/09	Achieved at 15/11/09 £m
Finance and Asset Management		0.252		0.099
Reduce the environmental improvement budget within Finance and Asset management	KSO	0.040	■	0.040
Reduced reliance on external consultants on capital projects	PYI	0.088	■	-
Reduced maintenance costs due to new facilities being opened	PYI	0.023	■	0.023
Review of service arrangements and staffing numbers within Finance and Asset management	BRS	0.065	■	-
Finance – Tools and Equipment	CND	0.006	■	0.006
Review of Financial Guardianship arrangements	PSP	0.020	■	0.020
Renunciation of leases for industrial units	MUA	0.010	■	0.010

Status: Fully met



In Progress



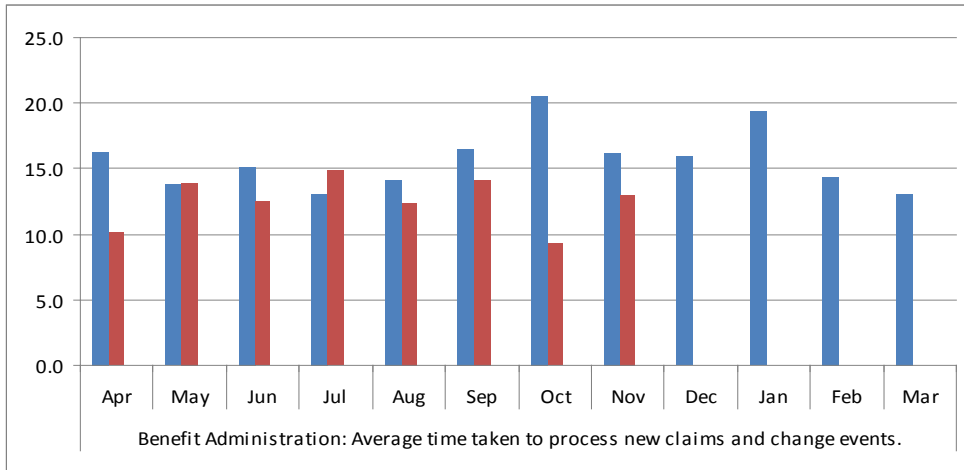
Unmet



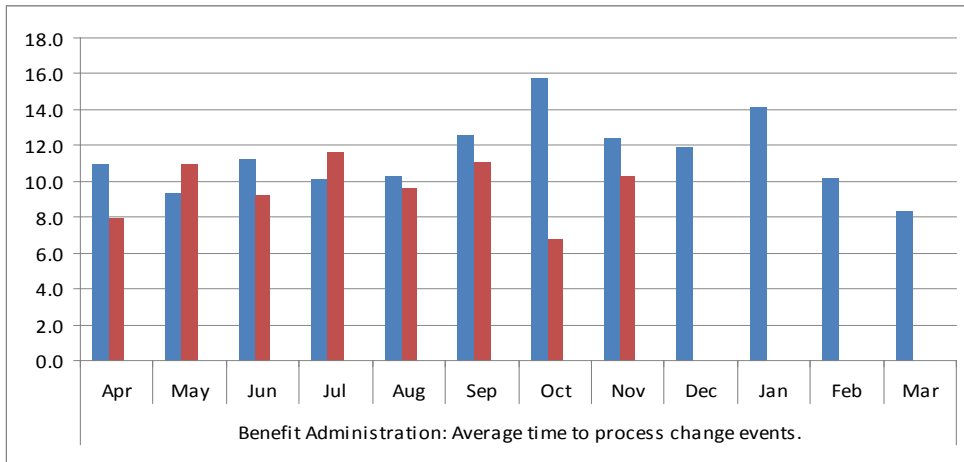
2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

FINANCE AND ASSET MANAGEMENT

PERFORMANCE MEASURES



Following the legislation change the previous month which caused a decrease, the processing figure is back to what would be considered within the normal range. There is still a slight increase in the caseload and work due to the ongoing recession.

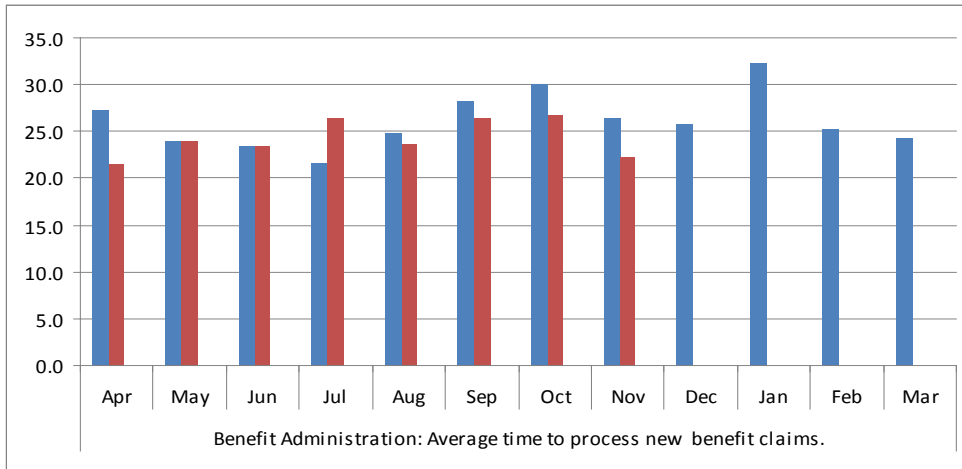


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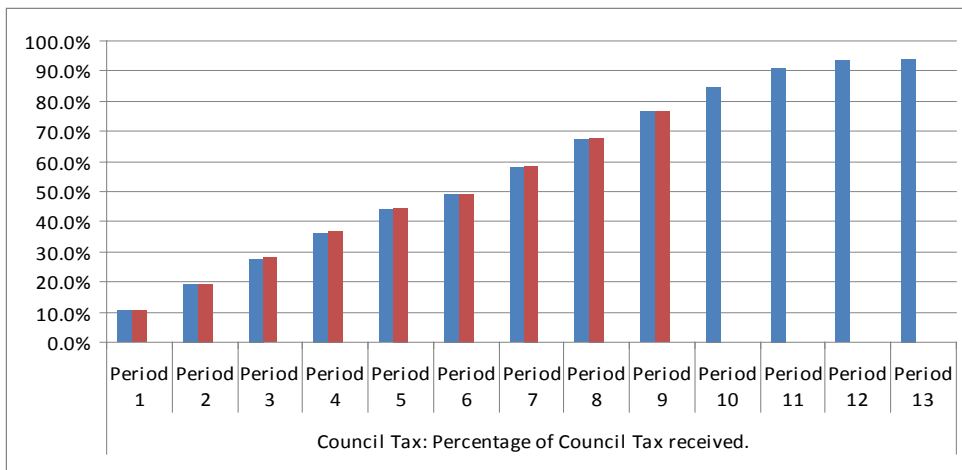
Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

FINANCE AND ASSET MANAGEMENT



There was a higher than normal number of new claims received in the month. In order to clear as many as possible these claims were prioritised during an overtime exercise which has resulted in an improvement to the time to process figure.

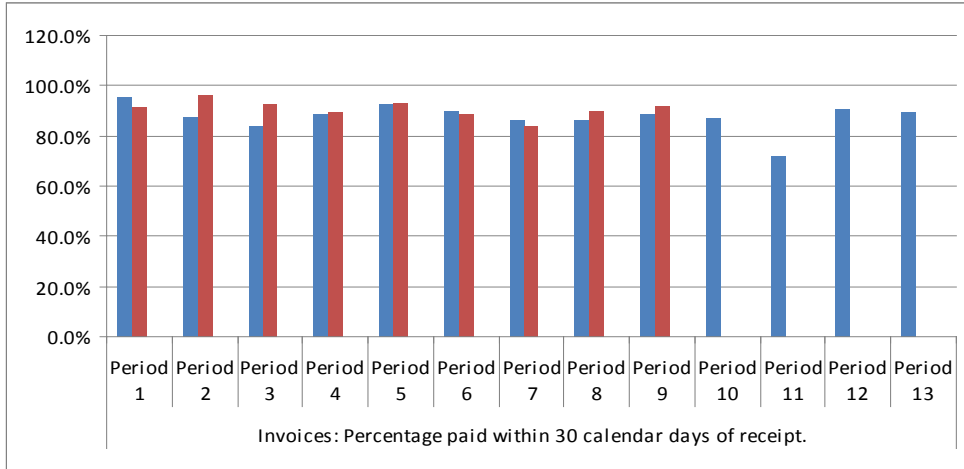


Experian Citizenview and Investigator Software are being used to obtain information to pursue outstanding debt. This information is used to ascertain the best form of diligence applicable for each case. For example it may provide us with a forwarding address or telephone number to allow us to contact the customer, or in high value debt cases it may provide us with an overall picture of their financial situation/ability to pay.

Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

FINANCE AND ASSET MANAGEMENT




The period 9 performance is 3% better than the corresponding 2008/09 figures and is reflective of improved processing within higher volume services such as Building and Works and Asset Management.

The overall focus continues to be that of ensuring that Departments and Services process invoices as soon as possible to allow central checking and keying to be carried out within the overall timescales.

Longer term objectives include greater use of scanning and character recognition to reduce manual keying, together with the consideration of purchasing cards for low value high volume suppliers and commodities.

Previous Year 

Current Year 

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

FINANCE AND ASSET MANAGEMENT

Non Financial Data

	2008/09 Period 9	2008/09 Outturn	2009/10 Period 9
Number of let commercial and industrial properties	67	61	56
Number of property repairs completed	5,275	9,596	5,619
Number of transactions processed through the Income Management System	502,620	667,510	488,487
Value of transactions processed through the Income Management System	£286.3m	£404.3m	£273.6m
Council Tax collection rate	76.7%	94.1%	76.8%

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

FINANCE AND ASSET MANAGEMENT

SERVICE PERFORMANCE TO DATE

FINANCE SERVICE

A variance of £0.466m is anticipated to 31 March 2010 within Finance primarily as a result of additional funding receivable from the Department for Work and Pensions and savings achieved on Employee Costs. This additional funding is being allocated to meet anticipated additional administrative costs from increased benefit caseloads in the current economic climate. The service anticipates that savings can be achieved by meeting increased caseload requirements within current resources. Additional income is also expected as a result of Scottish Water collection rates.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	5.757	5.559	(0.198)
Property Costs	0.018	0.006	(0.012)
Transport Costs	0.027	0.020	(0.007)
Supplies & Services	0.752	0.720	(0.032)
Third Party Payments	0.000	0.000	0.000
HB/CT Benefit	0.000	0.000	0.000
Gross Expenditure	6.554	6.305	(0.249)
Income	(2.678)	(2.895)	(0.217)
Net Expenditure	3.876	3.410	(0.466)

FTE STAFFING ANALYSIS

Budget	Actual to date
184.9	170.0

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

FINANCE AND ASSET MANAGEMENT

ASSET IMPROVEMENT

The Asset Improvement Service is currently projecting an adverse position of £0.504m. This is a result of external consultant costs required in order to progress the capital programme, combined with changes in levels of required service support and project timing impacting on fee recovery on some project areas. This is partly offset by favourable employee costs variances resulting from vacancies held pending a review of the service and reduced car mileage costs.

FTE STAFFING ANALYSIS

Budget	Actual to date
81.0	79.0

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.907	2.820	(0.087)
Property Costs	3.985	3.985	0.000
Transport Costs	0.078	0.073	(0.005)
Supplies & Services	0.101	0.101	0.000
Third Party Payments	0.000	0.293	0.293
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	7.071	7.272	0.201
Income	(3.400)	(3.097)	0.303
Net Expenditure	3.671	4.175	0.504

ASSET MANAGEMENT

Within the Asset Management Service, a favourable variance is currently projected of £0.112m. This mainly relates to resources added to the Corporate Office Accommodation budget in preparation for enabling town centre properties to be leased. While some savings are also anticipated in relation to employee costs and premises costs, the service anticipates an under-recovery of property related income during the year as a result of the current economic climate. Property rental income, rechargeable service costs, fees from house deed plans and receipts from the disposal of surplus properties are all anticipated to be lower than budgeted.

FTE STAFFING ANALYSIS

Budget	Actual to date
26.0	22.9

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.936	0.883	(0.053)
Property Costs	1.390	1.316	(0.074)
Transport Costs	0.020	0.014	(0.006)
Supplies & Services	0.650	0.447	(0.203)
Third Party Payments	0.033	0.033	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.029	2.693	(0.336)
Income	(1.405)	(1.181)	0.224
Net Expenditure	1.624	1.512	(0.112)

FINANCE AND ASSET MANAGEMENT

Service Enhancements 2009/10

Additional funding has been provided for the maintenance of public buildings.

Strategic Review of the Revenue Budget

The Strategic Review of the Revenue Budget resulted in decisions to redirect resources away from support functions to frontline services with proportionate expenditure reductions across Corporate Support and Finance and Asset Management. This amounts to additional savings of £0.295m to 2011/12.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CENTRAL SERVICES

SERVICE SUMMARY

Miscellaneous Services is anticipated to outturn £1.183m under budget as a result of unutilised contingency resources, centrally held resources retained for Concordat Commitments and previously ring-fenced grant activities which are partially offset by legal costs in respect of equal pay claims. The variance within Chief Executives is a result of employee cost savings within the Internal Audit Service.

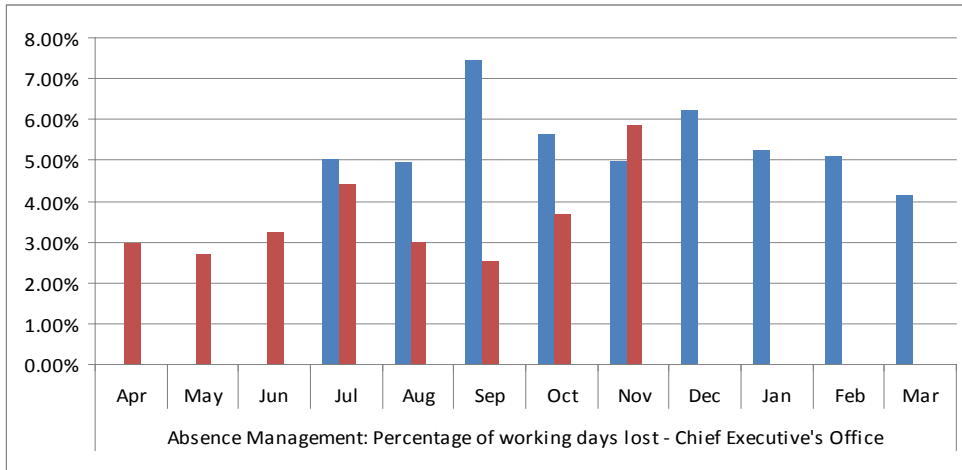
	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Chief Executive	0.530	0.507	(0.023)
Miscellaneous	5.274	4.114	(1.160)
Insurance	2.254	2.254	0.000
Net Expenditure	8.058	6.875	(1.183)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.422	2.430	0.008
Property Costs	0.000	0.000	0.000
Transport Costs	0.006	0.005	(0.001)
Supplies & Services	5.807	4.617	(1.190)
Third Party Payments	0.725	0.725	0.000
HB/CT Benefit	0.000	0.000	0.000
Gross Expenditure	8.960	7.777	(1.183)
Income	(0.902)	(0.902)	0.000
Net Expenditure	8.058	6.875	(1.183)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CENTRAL SERVICES

PERFORMANCE MEASURES



Absence increased to its highest level since July, increasing from 3.7% in October to 5.91% in November, an increase of around 37%. The number of days lost increased by 36.5%. Considering short term absences only, the rate of absence for the department increased from 2.35% in October to 4.09% in November. Seasonal ailments have impacted on absence in general this month, with a reported increase in colds/flu.

There were two new referrals to Occupational Health and one case currently ongoing. Statistics will continue to be closely monitored.

Absence levels and reasons are discussed in detail by the DMT. Absence Management Procedures continue to be rigorously observed.

Previous Year ■

Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CENTRAL SERVICES

SERVICE PERFORMANCE TO DATE

CHIEF EXECUTIVE

The favourable variance is due to a vacancy within the Internal Audit service.

FTE STAFFING ANALYSIS

Budget	Actual to date
10.61	10.0

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.566	0.544	(0.022)
Property Costs	0.000	0.000	0.000
Transport Costs	0.006	0.005	(0.001)
Supplies & Services	0.017	0.017	0.000
Third Party Payments	0.000	0.000	0.000
Gross Expenditure	0.589	0.566	(0.023)
Income	(0.059)	(0.059)	0.000
Net Expenditure	0.530	0.507	(0.023)

MISCELLANEOUS SERVICES

A favourable variance of £1.160m is anticipated due to unutilised contingency resources, centrally held resources retained for Concordat Commitments and previously ring-fenced grant activities which are partially offset by legal costs in respect of equal pay claims.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	1.856	1.886	0.030
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	3.536	2.346	(1.190)
Third Party Payments	0.725	0.725	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	6.117	4.957	(1.160)
Income	(0.843)	(0.843)	0.000
Net Expenditure	5.274	4.114	(1.160)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CENTRAL SERVICES

INSURANCE

There are no material variances to report at this time.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.000	0.000	0.000
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	2.254	2.254	0.000
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	2.254	2.254	0.000
Income	0.000	0.000	0.000
Net Expenditure	2.254	2.254	0.000

EDUCATIONAL AND SOCIAL SERVICES

Capital Programme

Expenditure to date is £3.183m, which represents 44.8% of the available budget. The Projected Expenditure for 2009/10 is £5.929m.

The projected underspend on the Education and Social Services capital programme primarily relates to a number of schemes which are anticipated to be less than originally budgeted or are forecast to slip into future financial years.

The underspend is partially offset by a number of schemes including the Galston Primary, Netherthird Community Campus and Stewarton Townhouse projects are anticipated to be higher than the available budgets.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

Major Projects

Galston Community / Office Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development TBC	Design TBC	Tender TBC	Construction TBC
4.335	0.000	4.130	Expected Progress Actual Progress			

Financial Status

As agreed by Cabinet on 18 November 2009 the budget allocations from Galston Community Facilities, Galston Local Office and Town Centre projects have been consolidated to form above budget, augmented by TCRF.

Project Life Cycle

Cabinet on 18 November 2009 approved the refurbishment of existing community facilities and office accommodation and construct new office space in Galston Town Centre. Initial meeting of Project Management Team took place on 11 January to discuss proposals; further work to develop options on-going. Land / property acquisitions and contract preparation in respect of the TCRF funded project also on-going.

Darvel Primary School and Nursery School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development <i>Start</i> 15-05-09 <i>Finish</i> 03-09-09	Design <i>Start</i> 04-09-09 <i>Finish</i> 02-03-10	Tender <i>Start</i> 03-03-10 <i>Finish</i> 04-05-10	Construction <i>Start</i> 05-05-10 <i>Finish</i> 19-05-10
5.000	0.000	5.000	Expected Progress Actual Progress 80%			

Financial Status

Budget revised following Cabinet decision of 6 May 2009. Project costs will be accurately determined after detailed designs are finalised and tenders received.

Project Life Cycle

Outline proposals have been agreed in principal with client department, notwithstanding some minor variations which are anticipated to be completed and available for consultation by end of January.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

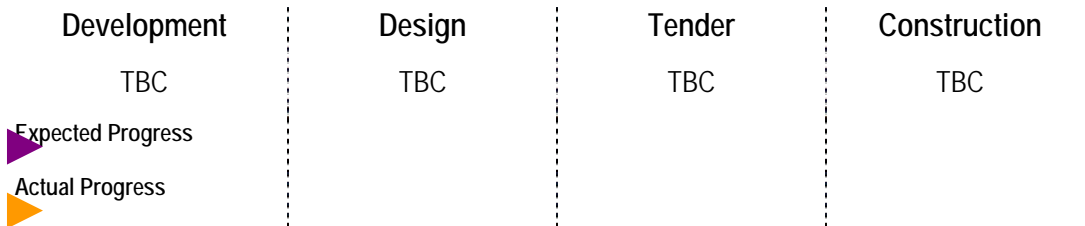
EDUCATIONAL AND SOCIAL SERVICES

Flowerbank Nursery

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.750	0.000	1.750

Financial Status

No expenditure is anticipated to be incurred in 2009/10



Project Life Cycle

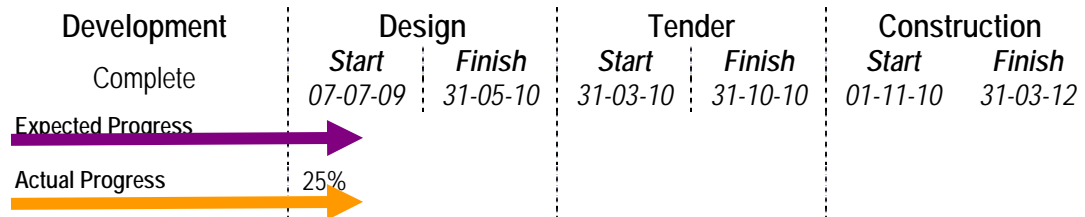
Information relating to the project is currently being gathered from a number of sources which will assist in determining the options. Next meeting of Project Management Team to be held on 4 February 2010.

Merger of Witchhill and Woodstock Schools

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
10.000	0.069	10.000

Financial Status

Budget revised following Cabinet decision of 6 May 2009. Project costs will be accurately determined after detailed designs are finalised and tenders received.



Project Life Cycle

Outline design and floor plan formally approved. Detailed design work on-going. Demolition of the former Park School site is complete. An advanced package of works to prepare site for construction being prepared. Planning application to be submitted in February 2010.



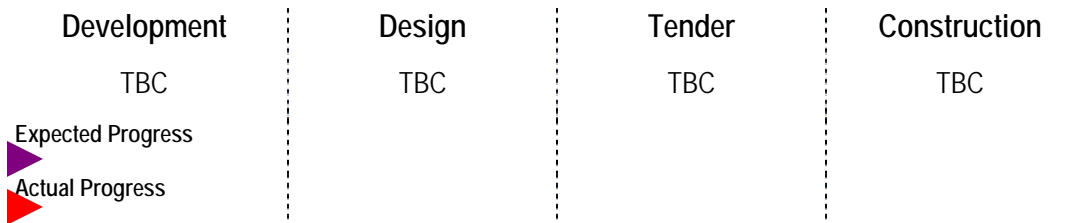
Concept Design Image

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

New Cumnock Nursery and Primary School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
9.600	0.000	9.600



Financial Status

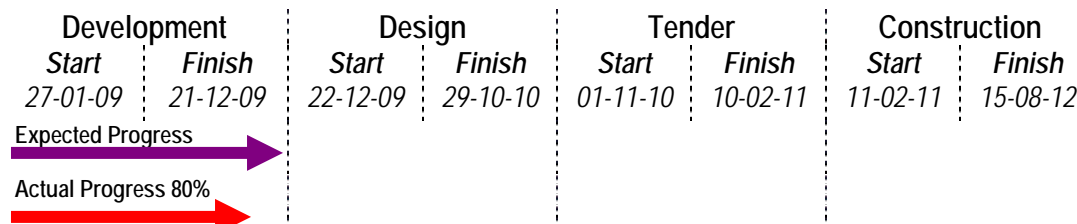
Budget revised following Cabinet decision of 6 May 2009. Project costs will be accurately determined after detailed designs are finalised and tenders received.

Project Life Cycle

SEPA have confirmed that in principle they have no objections to development on the site; formal confirmation required from Scott Wilson. An outline indicative layout has been agreed in principle internally which is deliverable within budget. Consultation exercise with stakeholders to be undertaken.

Patna / St Xavier's Primary Schools Co-location

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
9.000	0.000	9.000



Financial Status

Anticipated expenditure in 2009/10 relates to an allowance for ancillary investigation works.

Project Life Cycle

Outline layouts agreed in principle which are deliverable within budget although some refinement required; estimated that this will be completed and available for consultation by end of January.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

Replacement Schools

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development TBC	Design TBC	Tender TBC	Construction TBC
19.000	0.000	19.000	 			

Financial Status

Budgets to be revised to take account of Scottish Government funding once more information is available.

Project Life Cycle

Work currently ongoing to develop the scheme to construct a new Gargieston Primary School in consultation with the Scottish Government.

Auchinleck Community Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development Start TBC Finish TBC	Design Start TBC Finish TBC	Tender Start TBC Finish TBC	Construction Start TBC Finish TBC
0.956	0.000	0.956	 			

Financial Status

No expenditure is anticipated to be incurred in 2009/10

Project Life Cycle

Original funding in respect of Auchinleck Resource Centre is now proposed to be used to fund improvements in Auchinleck Community Centre. Refurbishment options currently being determined in consultation with the client department.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

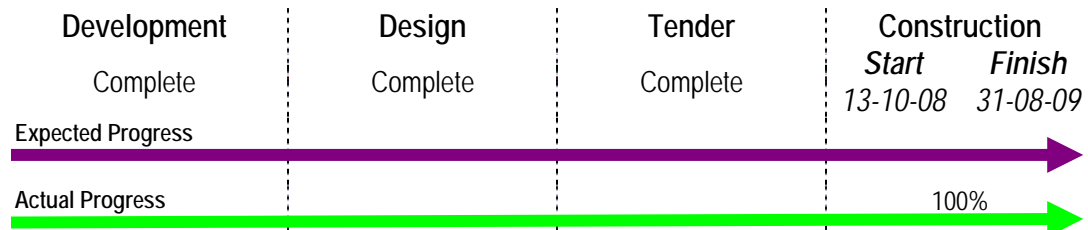
EDUCATIONAL AND SOCIAL SERVICES

Rosebank Resource Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
2.082	1.611	1.902

Financial Status

Costs in relation to the new facility and client fit-out are less than originally anticipated. Underspend of £0.180m currently anticipated.



External View

Project Life Cycle

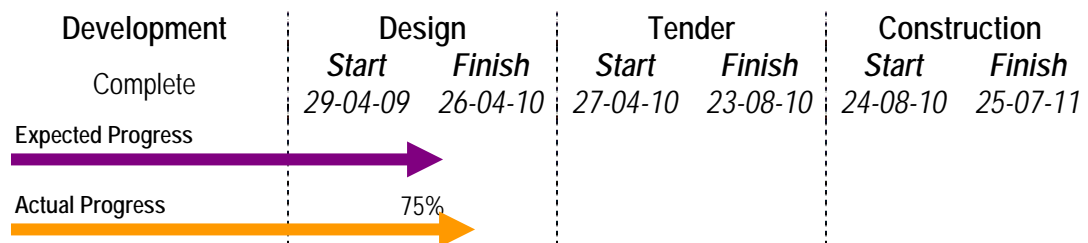
Property opened on 2 November, minor snagging issues being addressed.

Children's House North Kilmarnock

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.510	0.010	1.510

Financial Status

Minor expenditure on site investigations is currently anticipated to be incurred during 2009/10.



Project Life Cycle

Possible acceptable solution to removal of "spoil" may have been reached with contractor. Results from the final boreholes indicate no major issues although it is likely that some piling will be required on the site. Building designs are nearing completion.; Planning performance secured 4 December 2009 and building warrants to be applied for shortly.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

Hurlford Day Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start TBC	Finish TBC	Start TBC	Finish TBC	Start TBC	Finish TBC	Start TBC	Finish TBC
2.500	0.000	2.500	Expected Progress							
			Actual Progress							

Financial Status

No expenditure is anticipated to be incurred in 2009/10

Project Life Cycle

Scope of works to be defined by Social Services; awaiting completion of model for day care services.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

General Projects

There are a number of minor projects which are due to start and finish within the current financial year:-

Fabric Upgrades and Refurbishments

The underspend primarily relates to a number of schemes which are anticipated to be less than originally budgeted, although some schemes have also slipped in terms of progress and will now be completed in 2010/11. The underspends identified will be required, in part, to offset schemes which are currently projected to cost more than available budget.

Projects

The Netherthird Community Centre project carried forward from 2008/09 is anticipated to be £0.136m more than the available budget. Costs of approximately £0.100m in relation to the new Galston Primary School are anticipated to be incurred during the 2009/10 financial year.

Elderly Day Care Facilities

The costs in relation to the Stewarton Townhouse project are anticipated to be approximately £0.016m more than the available budget due to additional IT / telephony requirements, and structural issues identified with the roof area.

Telecare

The Telecare project is anticipated to incur only £0.100m of the £0.200m budget in the current year.

	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Fabric Upgrades & Refurbishments	3.645	1.695	2.845	(0.800)
Projects	0.535	0.239	0.742	0.207
PPP Schools	0.200	0.092	0.200	0.000
Care Homes Elderly	0.008	0.000	0.008	0.000
Elderly Day Care Facilities	0.435	0.144	0.451	0.016
Children's Homes	0.004	0.021	0.027	0.023
Telecare	0.200	0.000	0.100	(0.100)
TOTAL EDUCATION & SOCIAL SERVICES	5.027	2.191	4.373	(0.654)

NEIGHBOURHOOD SERVICES

Capital Programme

Expenditure to date is £5.557m, which represents 40% of the available budget. The projected expenditure for 2009/10 is £11.741m.

The variance primarily relates to anticipated slippage on the Sports Pavilions, Playparks, Road Safety Capital Programme, 20 Mph School Zones, Rural Route Action Plans, Rural Improvement Schemes, Real Time Bus Information, Bridge Strengthening and Decriminalisation of Parking Enforcement; offset to some extent by additional costs to complete the CCTV / Risk Monitoring Centre, Depot Improvements, Palace Theatre and Stewarton Community Facilities projects.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

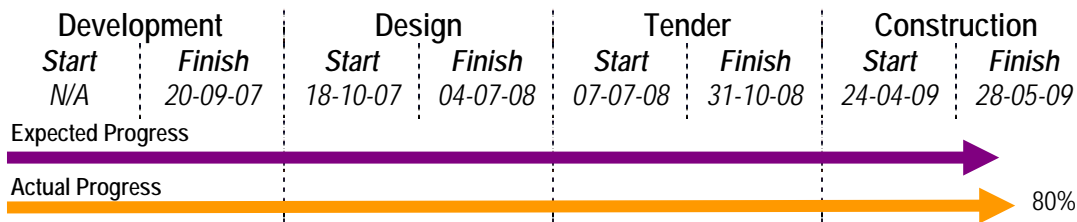
NEIGHBOURHOOD SERVICES

Crosshouse Area Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.866	2.313	3.816

Financial Status

Early indications are that there may be an underspend overall; currently estimated at £0.050m.



External View

Project Life Cycle

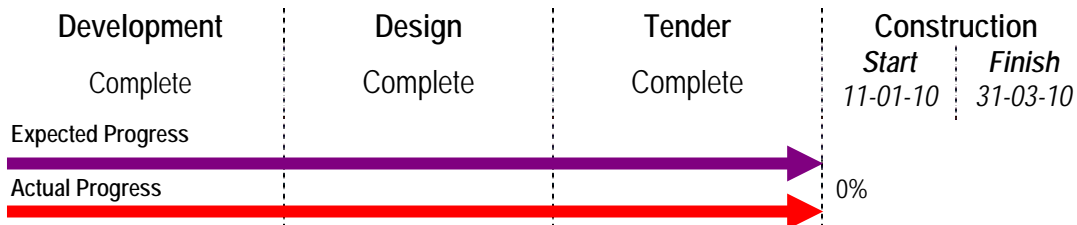
Internal works ongoing, nearing completion. Construction works are anticipated to be completed ahead of schedule, handover and fit-out late February / early March, with possible opening in April.

Palace Theatre / Grand Hall

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.281	0.844	1.281

Financial Status

Project is currently anticipated to outturn on budget.



Project Life Cycle

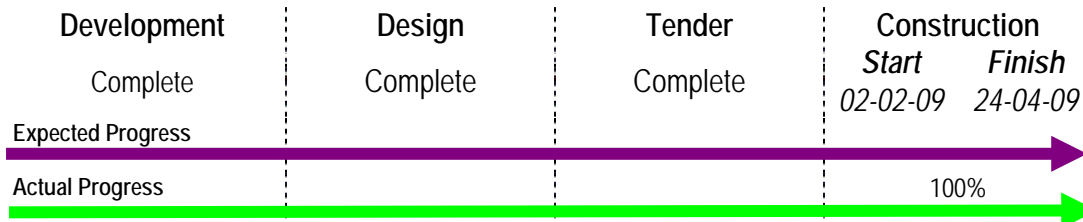
The front of house, stage and installation of lift commenced 11 January; anticipated completion end of March 2010. An improvement programme at a cost of £2.000m to £3.000m is being developed which will also allow a bid for funding to be made to Historic Scotland (HS) and Heritage Lottery Fund (HLF).

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

Baird Institute

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
0.650	0.599	0.660



Financial Status

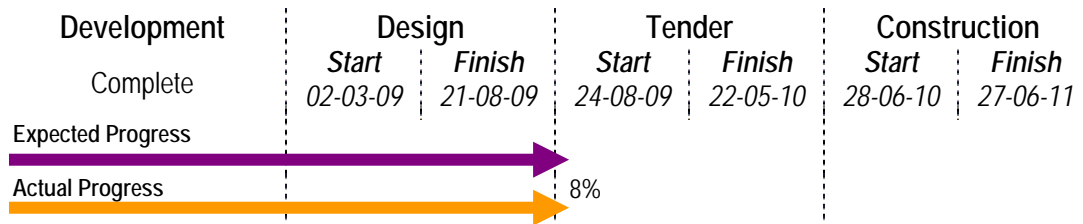
Project is currently estimated to be overspent by £0.010m.

Project Life Cycle

Phase 1 works are now complete; currently in snagging period. Proposals to develop a Phase 2 dependent on identifying match funding to support a CARS bid. Possible funding sources being investigated.

Kilmarnock Athletics Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
5.625	0.046	5.625



Financial Status

Budget revised to £5.625m following Cabinet decision on 6 May 2009.

Project Life Cycle

Original proposals currently under review due to concerns with overall capital and revenue costs of the project and overall deliverability within preferred site due to SEPA flood risk concerns and requirements from Scottish Water to re-divert a main culvert. Alternative site options being considered. Redesign of current proposals may be required to ensure project is delivered within approved budget allocation.



Artists Impression

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

Depot Improvements

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start TBC	Finish TBC	Start TBC	Finish TBC	Start TBC	Finish TBC	Start TBC	Finish TBC
5.600	0.000	5.600								

Expected Progress
Actual Progress

Financial Status

£0.150m set aside for staff welfare facilities; to be incurred in 2009/10

Project Life Cycle

Option appraisal ongoing with regard to site selection, determination of operations to be delivered from new depot facility and financial viability. Options relating to provision of staff welfare / office accommodation at Gauchalland currently being developed.

Stewarton Sports Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start N/A	Finish N/A	Start 07/10/08	Finish 16/10/09	Start 19/10/09	Finish 28/05/10	Start 01/06/10	Finish 04/10/11
4.300	0.000	4.300								

Expected Progress
Actual Progress

25%



Artist's Impression

Financial Status

No expenditure is anticipated to be incurred in 2009/10



Project Life Cycle

Designs are "locked-down". Preference towards a "design and build option" will delay planning application process and consequently construction start. However, it is possible that this option will result in cost savings. Construction start now revised to October 2010.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

Dean Ford Bridge

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start <i>TBC</i>	Finish <i>TBC</i>	Start <i>TBC</i>	Finish <i>TBC</i>	Start <i>TBC</i>	Finish <i>TBC</i>	Start <i>TBC</i>	Finish <i>TBC</i>
1.000	0.000	1.000	Expected Progress 							
			Actual Progress 							

Financial Status

Anticipated expenditure in 2009/10 relates to feasibility works.

Project Life Cycle

Preliminary design work will be carried out during 2009/10. It is anticipated that construction will be carried out during 2010/11.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

General Projects

There are a number of minor projects due to start and finish within 2009/10.

Strategic Priorities

The final costs in relation to the CCTV Monitoring Centre and the Stewarton Community Centre were higher than originally anticipated.

Facility Improvement

Slippage of £0.600m is currently projected on the Sports Pavilions projects, along with underspends on Dalmellington Library and Darvel Town Hall.

Traffic and Road Safety

Additional costs of £0.017m in respect of the spend to save traffic signal renewal have been incurred. There are projected slippage with regard to the Road Safety Capital Programme (£0.113m), 20mph School Zones (£0.092), Rural Route Action Plans (£0.054m), Rural Improvement Schemes (£0.250m), Real Time Bus Information (£0.490m) and spend to save Decriminalisation of Parking Enforcement (£0.130m).

Structures

The slippage shown is in respect of the Bridge Strengthening Programme.

	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Strategic Priorities	0.000	0.000	0.087	0.087
Facility Improvements	2.190	0.372	1.512	(0.678)
Cemetery Extension	0.576	0.099	0.576	0.000
Playparks	0.531	0.198	0.200	(0.331)
Traffic & Road Safety	2.509	0.410	1.397	(1.112)
Structures	1.094	0.329	0.894	(0.200)
Carriageways & Footways	2.175	1.587	2.175	0.000
Street Lighting	0.220	0.131	0.220	0.000
Flood Prevention Schemes	0.055	0.005	0.055	0.000
Depots	0.110	0.017	0.110	0.000
TOTAL NEIGHBOURHOOD SERVICES	9.460	3.148	7.226	(2.234)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

Housing Investment Programme

As at Period 9 the projected spend is £15.483m, which is £0.133m below budget. The underspend on the Housing Investment Programme primarily relates to slippage on the Modern Facilities programme, and the proposed works to renew the roof at St Maur's Gardens which is anticipated will now be completed in 2010/11.

There is a long term programme to refurbish council dwellings to meet the Scottish Housing Quality Standards by 2015. Investment levels are therefore not uniform each year, which may result in levels of over or under commitment.

Service	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Asbestos	0.250	0.090	0.356	0.106
Energy Efficiency	3.194	0.594	3.681	0.487
Efficient Heating	2.922	1.193	2.809	(0.113)
External Envelope Enhancement	1.409	0.290	1.013	(0.396)
Modern Facilities & Services	6.384	2.652	6.203	(0.181)
Neighbourhood Improvements	0.386	0.508	0.592	0.206
Safe & Secure Neighbourhood	0.381	0.160	0.252	(0.129)
Sheltered Housing Safety & Improvement	0.690	0.030	0.336	(0.354)
Total Housing Expenditure	15.616	5.517	15.242	(0.374)

Asbestos

Projected spend over budget reflects increased number of addresses.

Energy Efficiency

The uPVC Window Replacement Programme has been accelerated to reduce the overall variance.

Efficient Heating

Slippage has increased on central heating replacements being undertaken by B&W due to redeployment during winter period onto emergency works.

External Envelope Enhancement

Projected variance reflects possible issues with private owners and concerns over ability to deliver programme within the current year.

Modern Facilities & Services

Underspend projected due to risk of work on kitchens and bathrooms carrying on into 2010/11.

Neighbourhood Improvements

Additional timber clad addresses have been included in projections.

Safe & Secure Neighbourhood

Increased risk of private owners slowing progress on the Door Entry programme.

Sheltered Housing Safety & Improvement

The renewal of the roof at St Maur's Gardens has been added to the projected spend however it is anticipated that all phases cannot be completed in 2009/10 resulting in further expenditure in 2010/11.

Sources of Funding

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES



	Approved Budget 2009/10 £m	Actual Expenditure 2009/10 £m
Revenue Funding (CFCR)	5.561	5.947
Sale of Council Dwellings and Other Capital Receipts	4.888	2.000
Anticipated Borrowing	5.167	7.295
Total	15.616	15.242

As a result of current economic conditions, the contribution to the Housing Investment Programme from capital receipts generated from council house sales is likely to be significantly less than originally anticipated. This will therefore result in an increased borrowing requirement for the HRA in 2009/10 and beyond. However, this will be offset by higher rental income in the current year than originally anticipated and greater forecast receipts in future years after the current economic conditions have dissipated. This will continue to be kept under regular review.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

NEIGHBOURHOOD SERVICES

Council House Building Programme – Phase 1

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development <i>Start</i> <i>Finish</i> TBC TBC		Design <i>Start</i> <i>Finish</i> TBC TBC		Tender <i>Start</i> <i>Finish</i> TBC TBC		Construction <i>Start</i> <i>Finish</i> TBC TBC	
1.000	0.000	1.000	 Expected Progress  Actual Progress							



Financial Status

Budget is based on assumed £0.100m to construct each unit with a maximum grant of £0.025m per house.

Project Life Cycle

Project is to construct 10 new council houses on the site of the former St Matthew's Primary School.

Council House Building Programme – Phase 2

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development <i>Start</i> <i>Finish</i> TBC TBC		Design <i>Start</i> <i>Finish</i> TBC TBC		Tender <i>Start</i> <i>Finish</i> TBC TBC		Construction <i>Start</i> <i>Finish</i> TBC TBC	
3.000	0.000	3.000	 Expected Progress  Actual Progress							

Financial Status

Budget is based on assumed £0.100m to construct each unit with a maximum grant of £0.025m per house.

Project Life Cycle

Project is to construct 30 new houses on sites at Creelshaugh Road, Fenwick, Newlands Drive and Lammermuir Road, Kilmarnock.

CORPORATE SUPPORT

Capital Programme

Expenditure to date is £2.232m, which represents 32% of the available budget. The projected expenditure for 2009/10 is £8.040m.

The projected variance on the Corporate Support capital programme primarily relates to the cost of the fit out of the Strand Street Building.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT

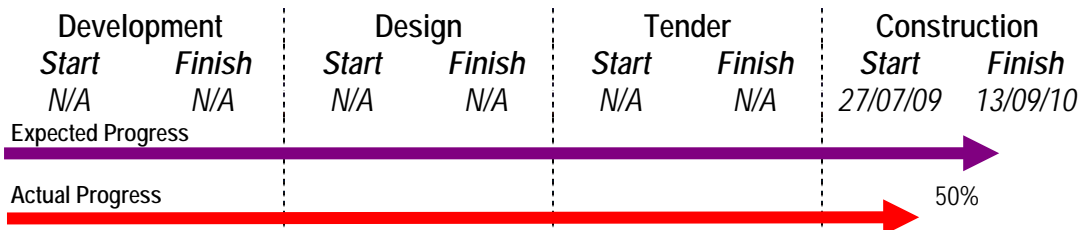
Major Projects

Council Chambers/Data Centre/London Road HQ

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
4.010	0.791	4.010

Financial Status

The budget has been consolidated with allocations from Data Centre, HQ Roof, Health & Safety and Corporate Office budgets as well as £0.110m from future years IT capital allocation.



New Timber Joist

Project Life Cycle

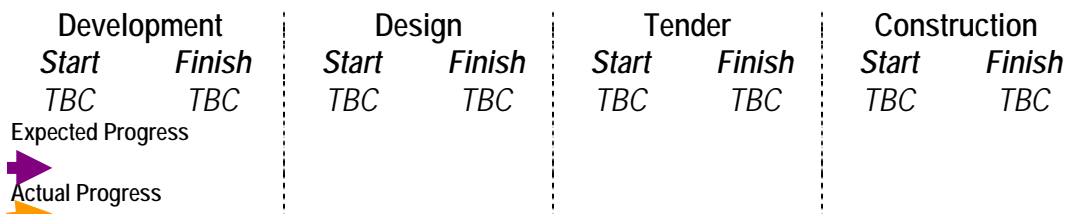
Work currently ongoing with regard to initial fit out of the Chambers. IT work anticipated to be complete by mid March with the Chambers operational by April. Data Centre design ongoing; construction work due for completion September and full switchover planned for Christmas 2010.

Kilmarnock Town Centre Regeneration

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
22.992	0.673	22.992

Financial Status

Budget has been revised to take account of £1.156m award from the TCRF and £0.075m from Scottish Enterprise. However, it is anticipated that expenditure in respect of this funding will not be incurred until 2010/11.



Project Life Cycle


Cabinet on 21 October 2009 approved the distribution of the allocation across a number of individual projects. These projects will be progressed by those departments deemed responsible for delivering each scheme under the common management of the Head of Planning & Economic Development. Purchase of Hill Street offices and fit out of Strand Street anticipated to be concluded this financial year.

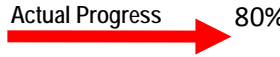
2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT

Cumnock Town Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Acquisition		Design		Construction		Distribution	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
14.718	2.108	14.718	01-10-08	31-03-09	31-01-08	TBC	31-10-09	TBC	TBC	TBC

Expected Progress 

Actual Progress  80%

Financial Status

The budget has been augmented to include the TCRF funding award of £0.749m, which has to be spent by 31 March 2010.

Project Life Cycle

Office / Retail Development – Scottish Government has responded to the CPO application requesting some issues to be clarified. Following a fire there was extensive damage to cottages on the site; these have now been demolished.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

CORPORATE SUPPORT

Corporate Support General Projects

There are no material variances on the Corporate Support general projects.

	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Corporate Information Technology	1.440	0.662	1.440	0.000
TOTAL CORPORATE SUPPORT	1.490	0.662	1.440	0.000

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (13 DECEMBER 2009)

FINANCE & ASSET MANAGEMENT

Capital Programme

Expenditure to date is £0.128m, which represents 17% of the available budget. The Projected Expenditure for 2009/10 is £0.128m.

Contingency Funding

This represents the balance of available contingency funding in 2009/10. Drawdowns on this funding may reduce the projected underspend throughout the year.

Corporate Office Accommodation

This balance represents currently uncommitted allocations in Corporate Office categories. This variance may reduce as the budget is utilised.

Vehicle Procurement

Following an option appraisal a vehicle costing £0.128m will be purchased rather than leased.

	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Contingency Funding	0.035	0.000	0.000	(0.035)
Corporate Office Accommodation	0.720	0.000	0.000	(0.720)
Vehicle Procurement	0.000	0.128	0.128	0.128
TOTAL FINANCE AND ASSET MANAGEMENT	0.755	0.128	0.128	(0.627)