

FINANCE & ASSET MANAGEMENT



FINANCE AND SERVICE STRATEGY REPORT

TO PERIOD 8 (15 NOVEMBER 2009)

CABINET 16 DECEMBER 2009

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 – 16 DECEMBER 2009
FINANCE AND SERVICE STRATEGY REPORT
TO PERIOD 8 (15 NOVEMBER 2009)

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 15 November 2009 (Period 8) and information provided by Executive Directors.

2 BACKGROUND

- 2.1 As indicated to the Cabinet on 2 September 2009, this report has now been developed to include performance information from the Council's Electronic Performance Management System. A selection of indicators is included for each department. The graphs show current year in red, previous year in blue and each is accompanied by a commentary including any planned improvement actions where appropriate. It should be noted that the system is still under development and the format and content of the performance information included in this report will continue to change and improve over time.

3 GENERAL SERVICES

- 3.1 The overall projected outturn for the year to 31 March 2010 is a net utilisation of general fund balances of £0.276m. Details are included in the attached report.

- 3.2 It is anticipated that the department of Educational and Social Services will outturn £0.346m under budget at 31 March 2010 after the utilisation of £0.486m of departmental balances as approved by Cabinet on 2 December 2009 to offset current budget pressures. These relate to termination payments and additional costs in respect of Outwith Placements.

- 3.3 Social Services is currently anticipated to be £0.037m under budget at 31 March 2010. This includes additional secure accommodation placement costs required for the remainder of the year and additional elderly residential 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.

- 3.4 The Executive Director of Neighbourhood Services anticipates a favourable variance of £0.112m mainly due to savings in employee costs and landfill costs partially offset by additional transport, property and supplies and services costs.

- 3.5 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 £0.716m.

- 3.6 The Executive Head of Finance and Asset Management anticipates a favourable variance of £0.124m mainly due to funding received from the Department of Work and Pensions, additional income and employee cost savings offset by reduced property related income.

- 3.7 The level of Housing and Council Tax Benefit shows an increase of 12.8% over the same period last year with the net cost currently over budget by £0.188m. This is offset by the income recovered which is anticipated to outturn £0.264m over budget, resulting in a net favourable variance of £0.076m. The current projection for Council Tax shows a potential shortfall of £0.979m 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.
- 3.8 In line with Cabinet approval on 11 February 2009 £1.000m has been transferred from the Capital Fund to smooth the anticipated impact on the revenue budget of the accelerated capital programme. In addition there is currently £0.200m reduction in Debt Charges due to a favourable cash profile and additional investment income in the year.
- 3.9 Property condition surveys across the Council's estate have identified a number of repairs categorised as urgent or essential meaning they require attention before March 2011. In view of the policy to accelerate building works spending where possible it is proposed that repairs to school buildings be instructed now to enable works to be programmed as quickly as possible. The estimated total cost of £2.215m would be met from the £1.200m noted in paragraph 3.8 and from an acceleration of future year capital spending.
- 3.10 The number of staff on the Redeployment Register as at 30 November 2009 is 14 and the cost of maintaining them is £0.188m. The number of staff on the register fluctuates and during the year a further 19 staff were added to the register and subsequently removed prior to period 8 due to due to contracts ending or being terminated. The total cost of maintaining these 19 staff was £0.096m.

4 LEADER'S INITIATIVES

- 4.1 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.

5 HOUSING REVENUE ACCOUNT (HRA)

- 5.1 It is proposed that the favourable variances in employee costs, debt charges and voids be used to assist capital spending to help offset the affect of reduced house sales and formal approval is sought for this.
- 5.2 Projected expenditure on the Housing Investment Programme is £15.365m which is 98% of budgeted expenditure.

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. During the current financial year commitments of £0.764m 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 £8.618m which equates to 2.6% of the annual budgeted expenditure for 2009/10.

7 CAPITAL PROGRAMME

- 7.1 Projected expenditure on the Capital Programme for the year is £29.807m which is 103% of budgeted expenditure.

7.2 The Data Centre/Council Meeting Room project under way at Council Headquarters was originally tendered on the basis that the scope of the initial phase of the works would relate primarily to the construction of the Meeting Room area. The need to undertake remedial works has resulted in an opportunity to accelerate other planned elements of the project including roof, fire separation and electrical works and it is advantageous for these works to be done under the same contract using the same tendered prices. This will increase the contract value by £0.300m or 21% and authority is formally requested from the Cabinet in this regard. It should be noted that these works were planned and included in the overall project cost which remains within budget.

7.3 The work to the front of house and stage at the Palace Theatre will be completed concurrently with the lift installation which will be installed between January and April 2010. Current cost projections suggest there may be an underspend and it is proposed that this is used to enable limited internal refurbishment of the theatre.

7.4 The Auchinleck Resource Centre project depended on partner participation and external funding which are not now anticipated in the short term. In these circumstances it is proposed to use the allocation to fund a partial upgrade to Auchinleck Community Centre.

8 RECOMMENDATIONS

8.1 It is recommended that Members:

- (i) approve the utilisation of £1.200m of current years balances for essential repairs as noted at paragraph 3.9;
- (ii) approve the utilisation of savings within the HRA budget for additional CFCR/Planned Maintenance works within HRA as at paragraph 5.1;
- (iii) note the accelerated works in respect of the London Road Headquarters as noted at paragraph 7.2;
- (iv) agree that any underspend on the Palace Theatre project shown on page 63 should be utilised for internal refurbishment works as noted at paragraph 7.3;
- (v) agree that the Auchinleck Resource Centre allocation be used for a limited refurbishment of Auchinleck Community Centre as noted at paragraph 7.4; and
- (vi) otherwise note the contents of this report.

Alex McPhee
Executive Head of Finance and Asset Management
10 December 2009

LIST OF BACKGROUND PAPERS - NIL

Members wishing further information should contact
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2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

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2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

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	176.991	176.645	(0.346)	Deficit / (Surplus) for the Year	3.057	2.551	(0.506)
Neighbourhood Services	66.899	66.787	(0.112)	Transfer from Capital Fund	0.000	(1.000)	(1.000)
Corporate Support	16.881	16.881	0.000	Utilisation of Current Years Balances	0.000	1.200	1.200
Finance and Asset Management	9.170	9.046	(0.124)	Utilise Previous Years Balances	(3.057)	(3.057)	0.000
Central Services– Other	8.058	7.565	(0.493)	Departmental Under/(Over) Spend c/f	0.000	0.582	0.582
Central Services – HB/CT Benefit Subsidy	43.414	43.602	0.188	2009/2010 Deficit / (Surplus)	0.000	0.276	0.276
Central Services – Debt Charges	17.350	17.150	(0.200)				
Building and Works	(0.783)	(0.939)	(0.156)				
Net Expenditure	337.980	336.737	(1.243)	Housing Revenue Account			
				Expenditure	36.793	36.651	(0.142)
				Income	(36.793)	(36.651)	0.142
				Net Expenditure	0.000	0.000	0.000
Funded by							
Council Tax	(48.818)	(47.839)	0.979				
Aggregated External Finance	(242.789)	(242.767)	0.022				
HB/CT Benefit Subsidy	(43.316)	(43.580)	(0.264)				
Total Income	(334.923)	(334.186)	0.737				

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

CAPITAL SUMMARY

Service	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Projected Expenditure as % Budget	Funded by	Revised Budget 2009/10 £m	Projected Expenditure 2009/10 £m
Education & Social Services	7.100	2.802	6.250	88%	Grants, Partnership Funding , CFCR	10.149	10.149
Neighbourhood Services	14.054	5.065	14.169	101%	External Borrowing	18.857	19.658
Corporate Support	2.740	0.857	2.740	100%	Total	29.006	29.807
Finance and Asset Management	1.600	0.210	1.728	108%			
Regeneration, Efficiency & Asset Management	3.477	0.601	4.920	142%			
Contingency Funding	0.035	0.000	0.000	-			
Total	29.006	9.535	29.807	103%			

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	4.636	15.365	98%	Revenue Funding (CFCR)	5.561	5.947
					Sale of Council Dwellings	4.888	2.000
					Anticipated Borrowing	5.167	7.418
					Total	15.616	15.365

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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. Tender process for the clock face and wall have still to be completed. Currently also await conclusion of license agreement with Network Rail prior to awarding contract. 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.
5	Feasibility study for cultural activity (per Cabinet 17 December 2008)	Corporate Support	£0.070m	Scheme is currently in progress.
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.

Status: Complete



In Progress



To Commence



2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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	£0.120m	In Progress	One of the units is now occupied and negotiations are ongoing with an interested party regarding a second unit. Work at the remaining shop is ongoing following it becoming vacant.
8	The extension of summer floral baskets to cover all of the historical centres of Kilmarnock and Cumnock	Neighbourhood Services	£0.012m	Complete	Scheme completed in 2008/09.
9(a)	The purchase of an additional mechanical sweeper to tackle litter	Neighbourhood Services	£0.068m	Complete	Complete with vehicle purchased in 2008./09.
9(b)	Litter Education & Enforcement team	Corporate Support	-	Complete	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	-	Complete	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	In Progress	Planning application submitted and contract for installation awarded.
12	The provision of new toilet facilities in Mauchline	Neighbourhood Services	-	Complete	Scheme completed and funded by the department.
TOTAL			£0.953m		

Status: Complete



In Progress



To Commence



2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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 £0.346m under budget at 31 March 2010, after the utilisation of £0.487m 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 £0.383m 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 £0.037m under 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	2.066	(0.456)
PPP	8.242	8.242	0.000
Schools	65.827	65.911	0.084
Community Support	24.036	23.904	(0.132)
Facilities Management	13.709	13.904	0.195
Social Work	62.655	62.618	(0.037)
Net Expenditure	176.991	176.645	(0.346)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	119.263	117.946	-1.317
Property Costs	7.773	8.080	0.307
Transport Costs	6.856	6.738	-0.118
Supplies & Services	9.325	9.550	0.225
Third Party Payments	46.820	48.012	1.192
Transfer Payments	6.137	6.509	0.372
Gross Expenditure	196.174	196.835	0.661
Income	(19.543)	(20.190)	(0.647)
Net Expenditure	176.631	176.645	0.014
Utilise Balances	0.360	0.000	(0.360)
Net Expenditure	176.991	176.645	(0.346)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

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 Utilisation of Balances		+1.177		Drawdown of Earmarked Balances and use of Departmental Balances
2 Fairer Scotland Fund		+0.010		Realignment of Budgets to reflect allocation of Fairer Scotland Fund
3 Teacher Induction Scheme Funding		+0.011		Additional Funding for Probationary Teachers
4 Gaelic Education Funding		+0.007		Additional Funding for Gaelic Education
5 Realignment of Social Work Income Budgets		+0.100		Realignment of Budgets to Reflect actual inflation on Health Board Income
6 Adult Support and Protection Funding		+0.362		Additional Funding for Implementation of the Adult Support and Protection (Scotland) Act
7 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
8 Departmental Human Resources Budget Realignment		-0.743		Realignment of Budgets to reflect transfer of Departmental Human Resources Staff to Corporate Support
9 Grants to Voluntary Organisations Budget Realignment		-0.010		Realignment of Budgets to reflect transfer of responsibilities to Neighbourhood Services
10 Budget realignment for Onsite and Vehicle Maintenance		+0.033		Transfer budgets for Kay Park Library cleaning and former trading services transfer
11 Social Services Budget realignment		-0.045		Realignment of budget to reflect Community Health & Wellbeing Officer to Corporate Support
12 Supporting People Budget Realignment		5.653		Transfer of Formerly Ringfenced Supporting People Budget from Neighbourhood Services
<i>Total Budget adjustments</i>			+6.747	
Revised Budget Allocation at Period 8			176.991	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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 15/11/09	Achieved at 15/11/09 £m
Educational and Social Services		2.372		2.158
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



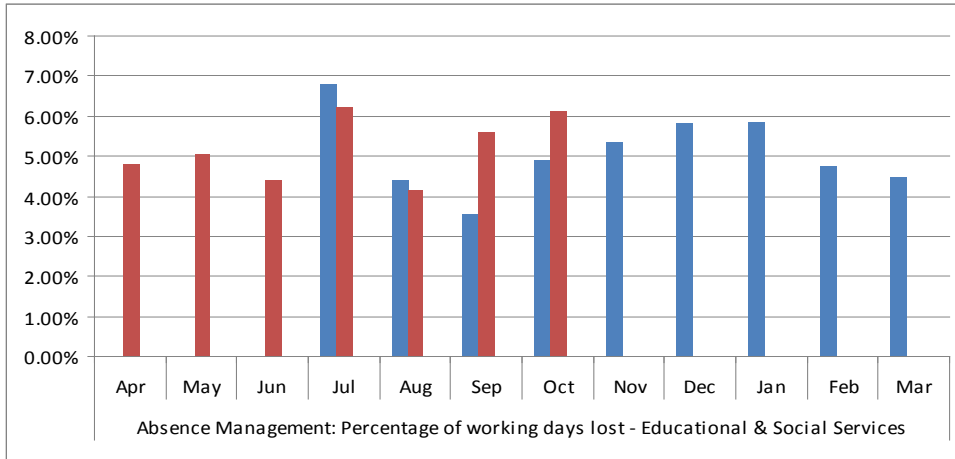
Unmet



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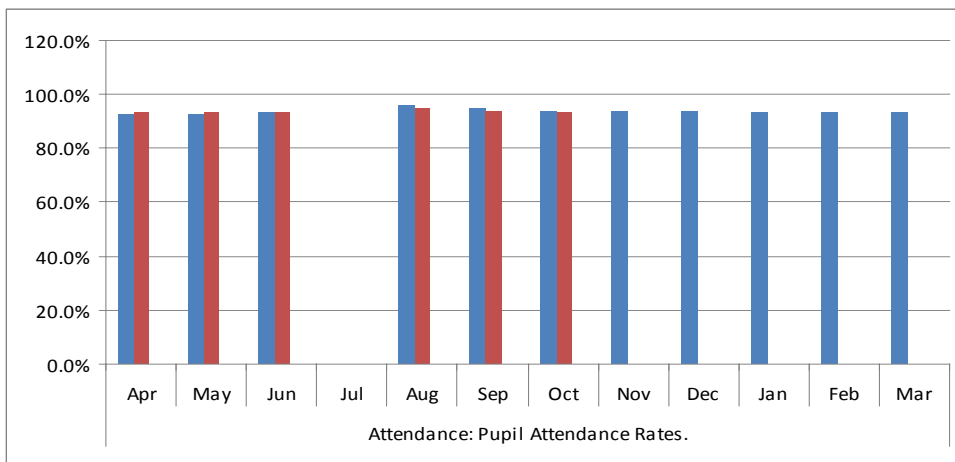
EDUCATIONAL AND SOCIAL SERVICES

PERFORMANCE MEASURES



Absence management is a regular agenda item at Departmental Directorate Team and Service Management Team meetings. Absence increased from 5.61% to 6.16% for ESS employees (excluding Teachers). The only month in which absence was higher was July. There was an increase in both short term and long term absence, with long term absence accounting for 52% of all absences, only a marginal increase since September.

Absence management procedures are being applied. Levels of absence are being monitored weekly in relation to pandemic flu. The Corporate Managing Absence group has been looking at a number of areas, including drilling down into the reasons for absence and examining short term persistent absence. Everyone should now have a copy of the new managing absence guidelines and a new toolbox talk DVD has been released and is being rolled out to all staff.



Overall pupil attendance has fallen by 0.9% points from September 2009 but a level of 93.3% remains encouraging as we move into the winter term.

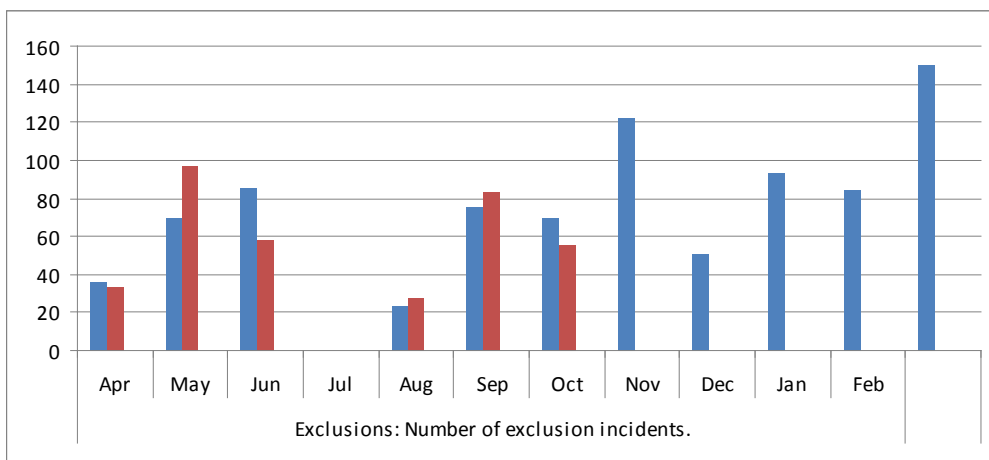
Guidelines have been issued from Scottish Government regarding attendance related to Influenza A H1N1 pandemic. These will be followed in monitoring attendance levels as we move into winter. Contingency plans have been agreed at LNCT.

Previous Year 

Current Year 

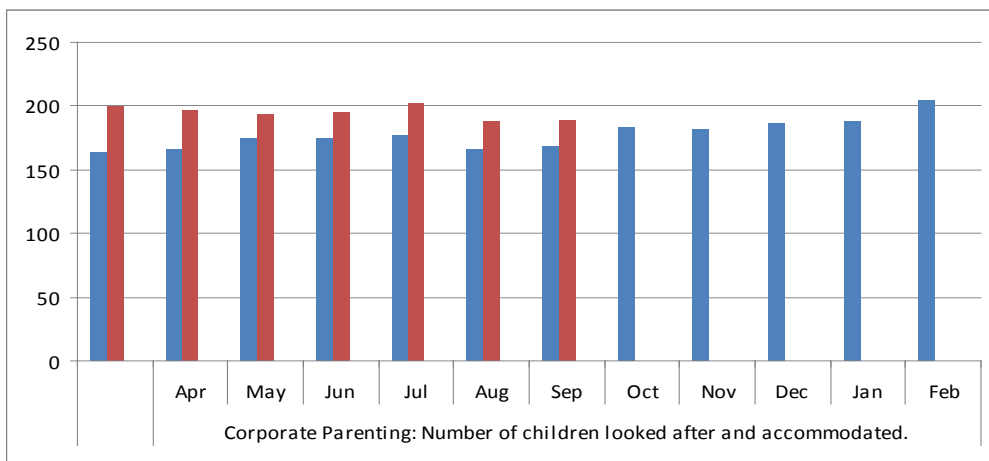
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EDUCATIONAL AND SOCIAL SERVICES



Overall exclusions show a significant reduction from 84 in September to 56 in October. This is in part due to the shorter month arising from the October holiday week. However there is still a reduction from 70 exclusions for the same time period in 2008. This has resulted in an exclusion rate in the primary sector of 1.4 per 1000 pupils and openings lost of 6.4 per 1000 pupils and the lowest rate in the last 5 years in the secondary sector of 6.0 per 1000 pupils (from a high of 15.4 in October 2006) and openings lost of 26.1 per 1000 pupils (from a high of 73.8 in October 2006).

The department will continue to monitor exclusions and encourage schools to redouble efforts linked to promoting positive behaviour and providing appropriate alternative curricula and courses for those in danger of disengagement and



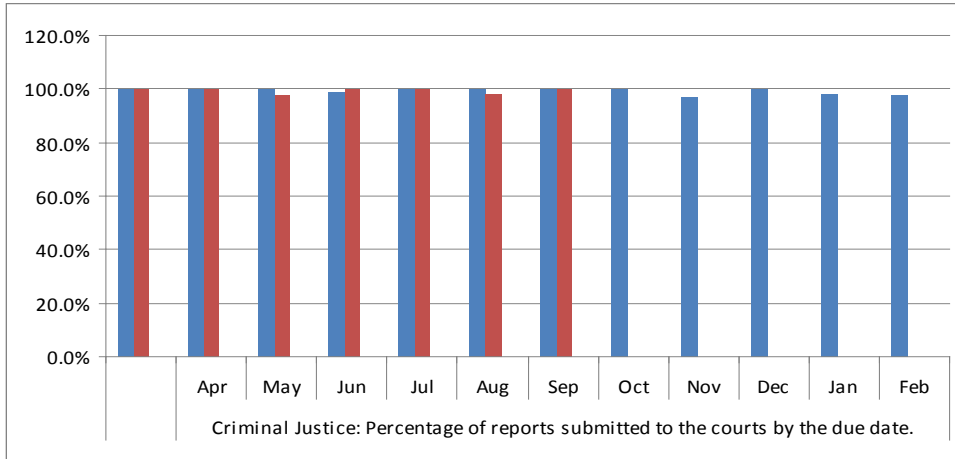
The trend in the numbers of looked after and accommodated children being significantly higher than the same period in 12 months prior is continued. This reflects a national trend. This trend has implications for capacity and resources and is a factor being considered within the Social Work Sustainability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

Previous Year ■

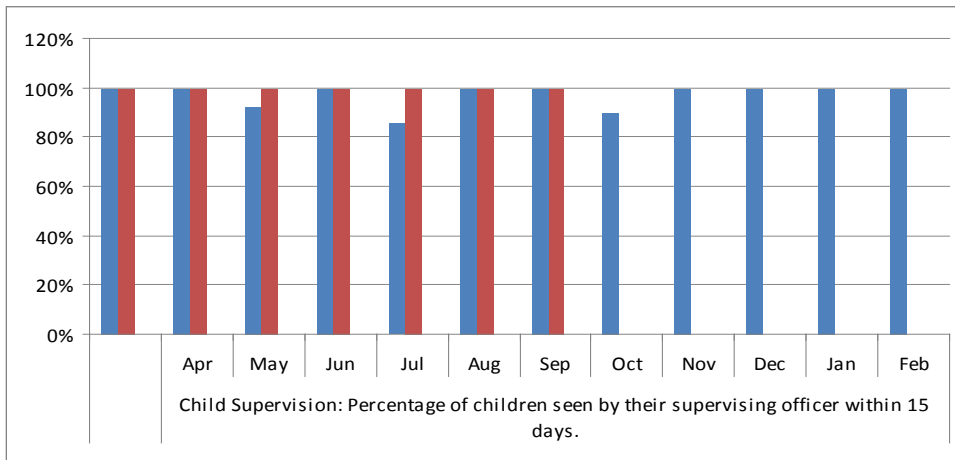
Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES



The 100% success has been achieved by regular performance monitoring by team managers.



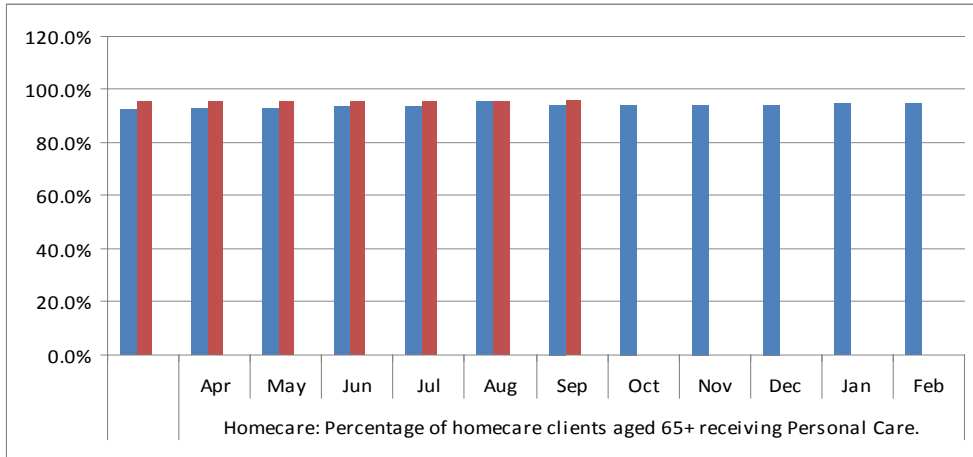
100% performance has been maintained due to the good practice of social workers in giving effect to the supervision requirement at the Children's Hearing.

Previous Year ■


Current Year ■


2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

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 consistent application of eligibility criteria. Revised Eligibility Criteria for Community Care services were approved by Cabinet on 18 November 2009.

Previous Year 

Current Year 

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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. This variance is partly offset by 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.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
62.24	-28.6	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	1.970	1.685	(0.285)
Property Costs	0.051	0.051	0.000
Transport Costs	0.030	0.030	0.000
Supplies & Services	0.761	0.766	0.005
Third Party Payments	0.186	(0.015)	(0.201)
Transfer Payments	0.714	0.714	0.000
Gross Expenditure	3.712	3.231	(0.481)
Income	(1.190)	(1.165)	0.025
Net Expenditure	2.522	2.066	(0.456)

	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 TO PERIOD 8 (15 NOVEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

SCHOOLS

The Employee Cost variance is mainly due to the demand for additional support resulting in the employment of additional classroom assistants, additional costs in the HQ Cover budget for Special Schools, partially offset by the deployment of additional probationers and Scottish Government grant funding. 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 variances in third party payments relates to the school library service and the issue has now been resolved. Additional income will be received from recharges to other authorities for classroom assistants.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	58.464	58.450	(0.014)
Property Costs	4.753	4.762	0.009
Transport Costs	0.212	0.214	0.002
Supplies & Services	3.022	3.169	0.147
Third Party Payments	0.624	0.650	0.026
Transfer Payments	0.310	0.310	0.000
Gross Expenditure	67.385	67.555	0.170
Income	(1.558)	(1.644)	(0.086)
Net Expenditure	65.827	65.911	0.084

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
1,547.44	+9.63	1,557.07	1,577.57

COMMUNITY SUPPORT

Favourable employee cost variances are anticipated 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. The Income variance relates to wraparound care.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	16.258	16.079	(0.179)
Property Costs	0.987	1.034	0.047
Transport Costs	0.256	0.251	(0.005)
Supplies & Services	1.547	1.523	(0.024)
Third Party Payments	5.740	5.744	0.004
Transfer Payments	0.086	0.101	0.015
Gross Expenditure	24.874	24.732	(0.142)
Income	(0.838)	(0.828)	0.010
Net Expenditure	24.036	23.904	(0.132)

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
517.62	-32.04	485.58	469.52

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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 potential capital costs for the playground/car park, as well as refurbishment costs at Elmbank Centre.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
510.40	0	510.40	502.83

SOCIAL WORK

The favourable variance of £0.037m is achieved through utilisation of non-recurring balances 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. The report includes additional specialised child placement costs and expenditure related to increased internal foster care placement. As at 18 November, the Council was funding 2 young people within secure accommodation with provision for 1 additional placement for the remainder of the financial year. Additional elderly care costs of £0.136m are also included mainly due to emergency admissions to residential accommodations. Additional adult care package costs of £0.505m are partly offset by lower than anticipated transport costs across the service.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
1,089.57	+28.44	1,118.01	1,032.26

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	9.340	9.194	(0.146)
Property Costs	0.256	0.467	0.211
Transport Costs	4.913	4.919	0.006
Supplies & Services	2.342	2.372	0.030
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.851	16.952	0.101
Income	(3.142)	(3.048)	0.094
Net Expenditure	13.709	13.904	0.195

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	33.231	32.538	(0.693)
Property Costs	1.726	1.766	0.040
Transport Costs	1.445	1.324	(0.121)
Supplies & Services	1.653	1.720	0.067
Third Party Payments	32.028	33.391	1.363
Transfer Payments	5.027	5.384	0.357
Gross Expenditure	75.110	76.123	1.013
Income	(12.815)	(13.505)	(0.690)
Net Expenditure	62.295	62.618	0.323
Utilise Balances	0.360	0.000	(0.360)
Net Expenditure	62.655	62.618	(0.037)

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 TO PERIOD 8 (15 NOVEMBER 2009)

NEIGHBOURHOOD SERVICES

SERVICE SUMMARY

The projected outturn to 31 March 2010 is a favourable variance of £0.112m. This is mainly due to anticipated savings in Central Management Support, Leisure Service, Waste Management and Strong Safe and Attractive Communities. This is partly offset by adverse variances within Community Safety & CCTV, Emergency Planning, General Fund Housing and Supporting People. All other services are anticipated to outturn on budget.

Building and Works is expected to outturn above budget at 31 March 2010.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Central Mgt Support	0.889	0.763	(0.126)
Leisure Services	12.273	12.233	(0.040)
General Fund Housing	11.886	11.927	0.041
Emergency Planning	0.049	0.062	0.013
Police & Fire	30.680	30.680	0.000
Roads & Transport	11.122	11.122	0.000
Net expenditure	66.899	66.787	(0.112)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	24.286	24.047	(0.239)
Property Costs	3.161	3.168	0.007
Transport Costs	3.785	3.935	0.150
Supplies & Services	7.837	7.826	(0.011)
Third Party Payments	40.802	40.478	(0.324)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	79.871	79.454	(0.417)
Income	(12.972)	(12.667)	0.305
Net expenditure	66.899	66.787	(0.112)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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
9 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
9 Supporting People Budget Realignment		-5.653		Transfer of formerly ring fenced Supporting People budget to ESS
9 Utilisation of Balances		+0.061		Drawdown of Earmarked balances
<i>Total Budget adjustments</i>			-5.582	
Revised Budget Allocation at Period 8			66.899	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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 15/11/09	Achieved at 15/11/09 £m
Neighbourhood Services		0.964		0.946
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		0.026
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

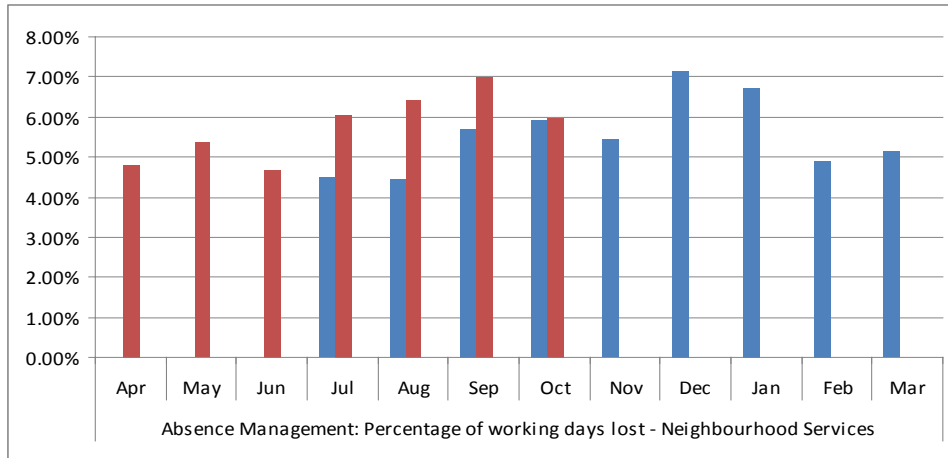
In Progress

Unmet

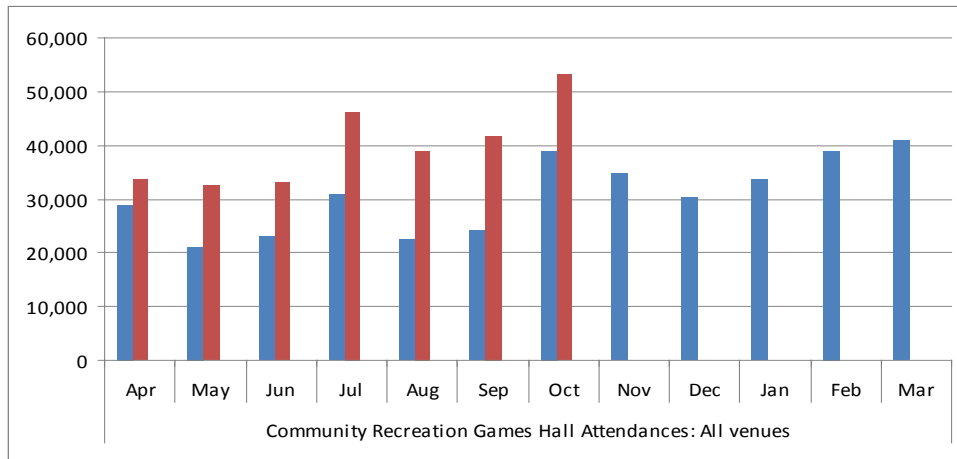
2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

NEIGHBOURHOOD SERVICES

PERFORMANCE MEASURES



The absence rate decreased to its lowest level since June 2009, dropping from a high of 7% in September to 5.99% in October. The majority of days lost, (54%), were due to long term absence. There were five new referrals to the Occupational Health Service in month, with a further thirteen cases recorded as ongoing. This is closely monitored by Heads of Service and monthly meetings are held with HR Staff and the Executive Director. The DMT monitor absences closely and ensure that the Council's Absence Management Policy is rigorously enforced and that areas with high absence levels are targeted directly. The Corporate Managing Absence Group has been looking at a number of areas, including drilling down into the reasons for absence and examining short term persistent absence. Everyone should now have a copy of the new managing absence guidelines and a new toolbox talk DVD has been released and is being rolled out to all staff.

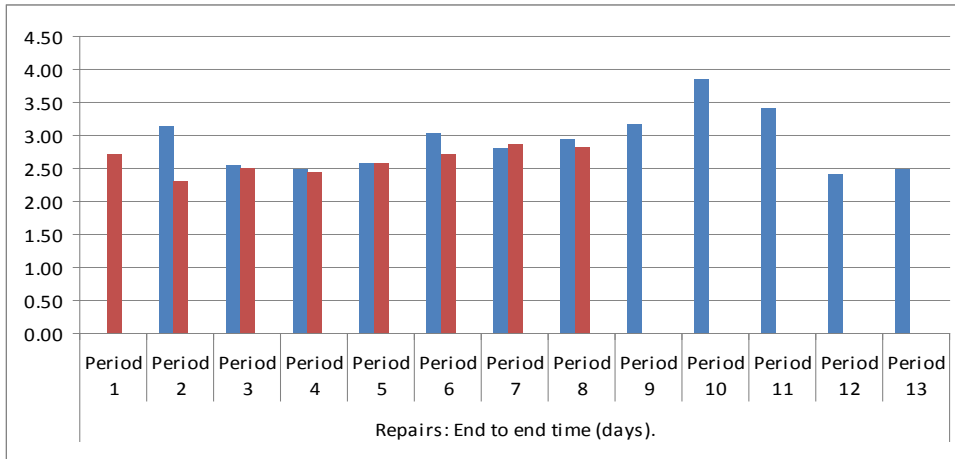


October is a transitional period for recreation services and coincides with the launch of Community Recreations autumn/winter programme. Overall the launch was successful with gains in attendances at Catrine games hall, Hunter Fitness Suite, Muirkirk games hall, New Cumnock games hall and Patna games hall. There were minor losses at Drongan games hall, Gavin Hamilton sports centre and Mauchline games hall. However, over the year the majority of facilities are making gains on 2008/2009 and the eight sports facilities should demonstrate a cumulative increase on last year. St Josephs, Grange and Doon Valley Leisure Centres are performing reasonably well and will improve considerably when the installation of suitable small size goals at the synthetic grass pitches is achieved.

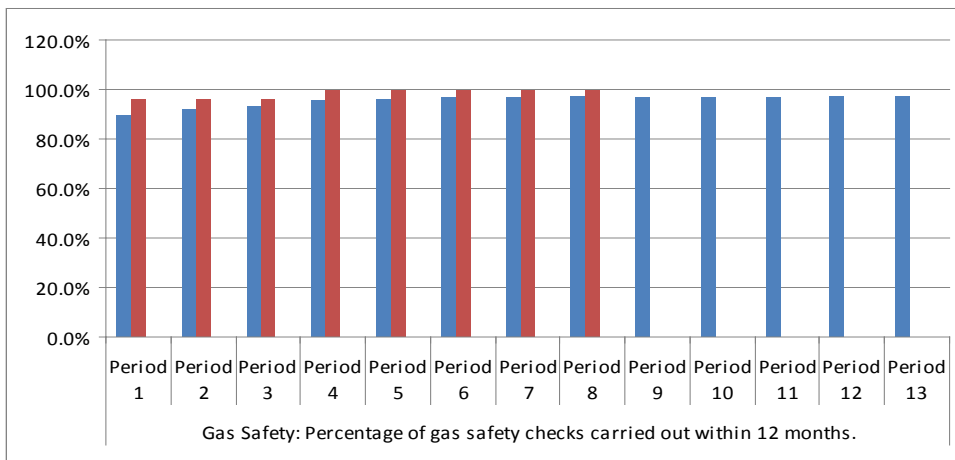
Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

NEIGHBOURHOOD SERVICES



Performance has improved from last period and from last year. Although performance has fluctuated throughout the year, the difference between the highest and lowest values represents just 30 minutes.

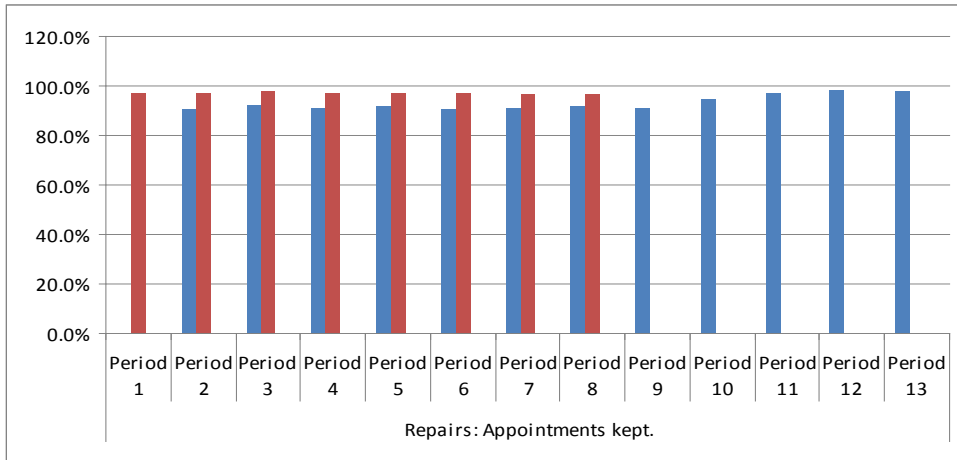


This performance is considerably better than the same period last year and is probably at a peak.

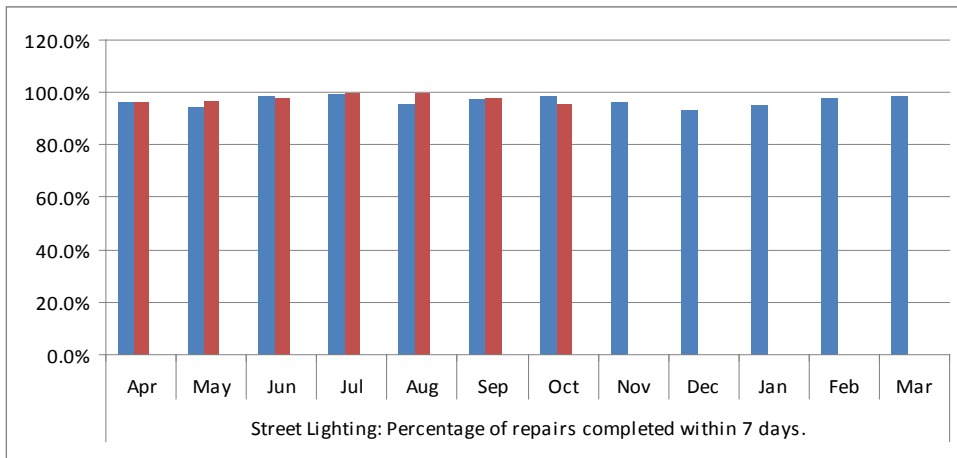
Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

NEIGHBOURHOOD SERVICES



The performance in this area remains consistently high and failure to keep appointments can be caused by tenants not being at home. Performance on the same period last year is significantly improved.



Performance has declined slightly in period, but remains within target. Year to date, performance demonstrates improvement over last year. The service has recently been short listed for an award as the most improved street lighting service in the UK.

Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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 other services.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
12.0	-5.0	7.0	7.00

LEISURE SERVICES

Employee Cost savings reflect vacancies within PPP Schools, Outdoor Amenities and Libraries, partly offset by job evaluation appeals and special payments within Registration and Community Recreation. Additional repairs have been completed within Property Costs. Transport Costs variances are related to additional charges in respect of purchased and leased vehicles and non contract repairs which are partially 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 and theatre and hall charges partially offset by reduced anticipated income from Leisure facilities in PPP schools and golf income.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
466.28	0	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	0.324	(0.071)
Third Party Payments	0.330	0.330	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.984	0.875	(0.109)
Income	(0.095)	(0.112)	(0.017)
Net expenditure	0.889	0.763	(0.126)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	11.849	11.701	(0.148)
Property Costs	1.267	1.303	0.036
Transport Costs	1.015	1.113	0.098
Supplies & Services	1.777	1.904	0.127
Third Party Payments	0.390	0.447	0.057
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.298	16.468	0.170
Income	(4.025)	(4.235)	(0.210)
Net expenditure	12.273	12.233	(0.040)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

NEIGHBOURHOOD SERVICES

GENERAL FUND HOUSING

The Employee Costs variance reflects additional special payments and overtime costs within the Community safety & CCTV section combined with the cost of Tenancy Support Staff who are on the redeployment register, this has been partially offset by favourable variances arising from the timing of filling of vacancies and reduced overtime costs in Waste Management and Strong, Safe and Attractive Communities. Favourable variances on Property Costs are mainly due to savings on property 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 recyclate 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	In year Changes	Revised Budget	Actual to date
249.11	0	249.11	233.39

HOUSING REVENUE ACCOUNT

There are favourable variances due to the timing of filling vacancies, 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.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
114.35	0	114.35	105.84

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	5.809	5.848	0.039
Property Costs	1.467	1.407	(0.060)
Transport Costs	1.267	1.320	0.053
Supplies & Services	1.957	1.852	(0.105)
Third Party Payments	5.246	4.815	(0.431)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	15.746	15.242	(0.504)
Income	(3.860)	(3.315)	0.545
Net expenditure	11.886	11.927	0.041

	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

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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	In year Changes	Revised Budget	Actual to date
1.0	0	1.0	1.0

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.037	0.042	0.005
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	0.013
Income	0.000	0.000	0.000
Net expenditure	0.049	0.062	0.013

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 TO PERIOD 8 (15 NOVEMBER 2009)

NEIGHBOURHOOD SERVICES

ROADS AND TRANSPORTATION

There are favourable variances due to the timing of filling vacancies and additional income on rechargeable work. These are offset by additional costs 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.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
193.0	-10.0	183.0	180.0

BUILDING & WORKS

Building and Works is anticipated to outturn above budget at 31 March 2010. Income is less than anticipated due to a lower than budgeted workforce and costs are correspondingly lower due to a reduced number of craft operatives, reduced levels of sub contractor work and lower plant and transport costs. Additional costs are anticipated on costs for building repairs.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
302.0	0	302.0	286.0

General Fund	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	6.332	6.235	(0.097)
Property Costs	0.427	0.458	0.031
Transport Costs	1.500	1.500	0.000
Supplies & Services	3.699	3.728	0.029
Third Party Payments	4.156	4.206	0.050
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.114	16.127	0.013
Income	(4.992)	(5.005)	(0.013)
Net expenditure	11.122	11.122	0.000

Building & Works	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Income	(21.355)	(19.793)	1.562
Labour Costs	9.162	8.457	(0.705)
Sub Contractors	4.000	3.125	(0.875)
Other Direct Costs	5.424	4.719	(0.705)
Overheads	1.237	1.259	0.022
Total Expenditure	(1.532)	(2.233)	(0.701)
Pension Accounting	0.192	0.192	0.000
Net expenditure	(1.340)	(2.041)	(0.701)
Forecast Transfer GF	(0.783)	(0.939)	(0.156)
Forecast Transfer HRA	(0.557)	(1.102)	(0.545)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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 £m
EA Positive Play	(0.327)
Talented Athlete	(0.294)
MUGA Streetcages	(0.162)
Healthy Weight Community	(0.051)
Walking Development / Sports Council	(0.038)
Libraries	(0.017)
DCCP- Outdoor Access / River Irvine / Barskimming	0.150
Museums and Arts	(0.036)
Scottish Coal	(0.077)
Hopper Bus	(0.069)
CLAC	(0.090)
Other Roads and Transport Projects	(0.022)
Total	(1.033)

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 TO PERIOD 8 (15 NOVEMBER 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 £0.716m 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 response to the situation reducing the projected adverse variance by £0.330m. The impact of 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 assist in offsetting this impact.

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.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Central Management Support	0.198	0.198	0.000
Human Resources	2.454	2.444	(0.010)
Information Technology	3.666	3.666	0.000
Planning & Economic Dev.	4.082	4.141	0.059
Democratic Services	2.866	2.848	(0.018)
Legal Procurement & Reg.	2.964	2.933	(0.031)
Community Planning P'ship	0.651	0.651	0.000
Net Expenditure	16.881	16.881	0.000

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	14.616	14.002	(0.614)
Property Costs	0.199	0.195	(0.004)
Transport Costs	0.294	0.312	0.018
Supplies & Services	5.596	5.760	0.164
Third Party Payments	0.867	0.954	0.087
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	21.572	21.223	(0.349)
Income	(4.691)	(4.342)	0.349
Net Expenditure	16.881	16.881	0.000

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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 Balances		+0.931		Drawdown of Earmarked Balances and use of Departmental Balances
5 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
6 Realignment of IT Budgets		+0.054		Transfer of IT budgets relating to operation of WAN in new buildings and Civica host icon
7 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>			+1.721	
Revised Budget Allocation at Period 8			16.881	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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 15/11/09	Achieved at 20/9/09 £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

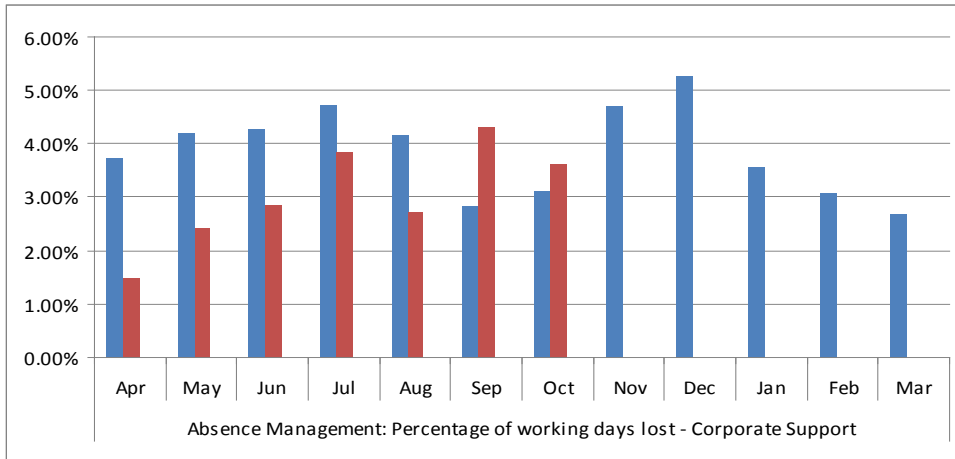
Status: Fully met

In Progress

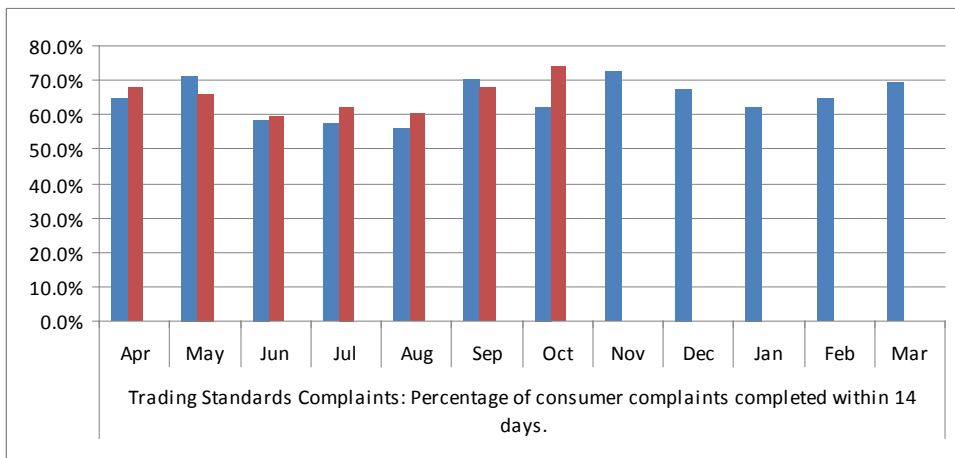
Unmet

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

CORPORATE SUPPORT



There was a significant decrease in the rate of absence from 4.32% to 3.62% between September and October. The majority of days lost, (56%), were due to long term absence. The rate of short term absence for the department was 1.57%. The majority of absences were again attributable to colds/flu (22.58% days lost) and to stress/debility (26.19% days lost). There was one new referral to Occupational Health and a further four cases are 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 Corporate Managing Absence Group has been looking at a number of areas, including drilling down into the reasons for absence and examining short term persistent absence. Everyone should now have a copy of the new managing absence guidelines and a new toolbox talk DVD has been released and is being rolled out to all staff.



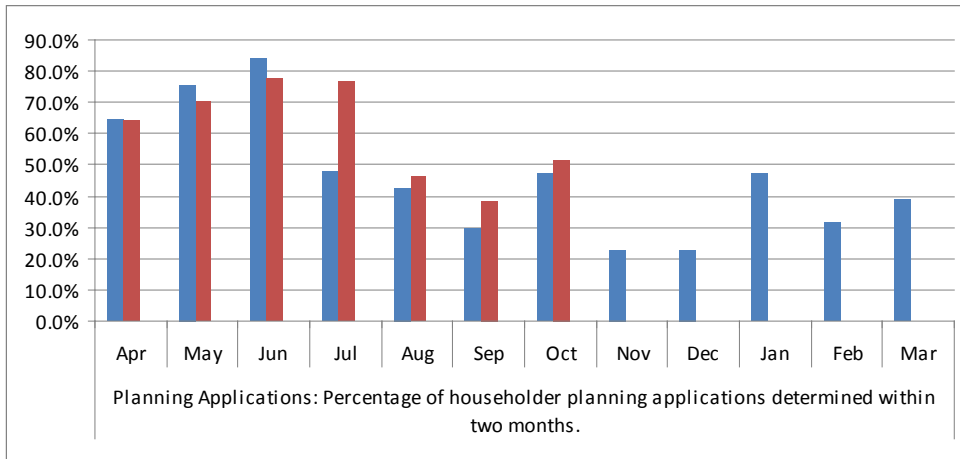
This month's improvement in performance can be attributed to the section maintaining a full complement of staff over this period (absence/annual leave minimal).

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 ■

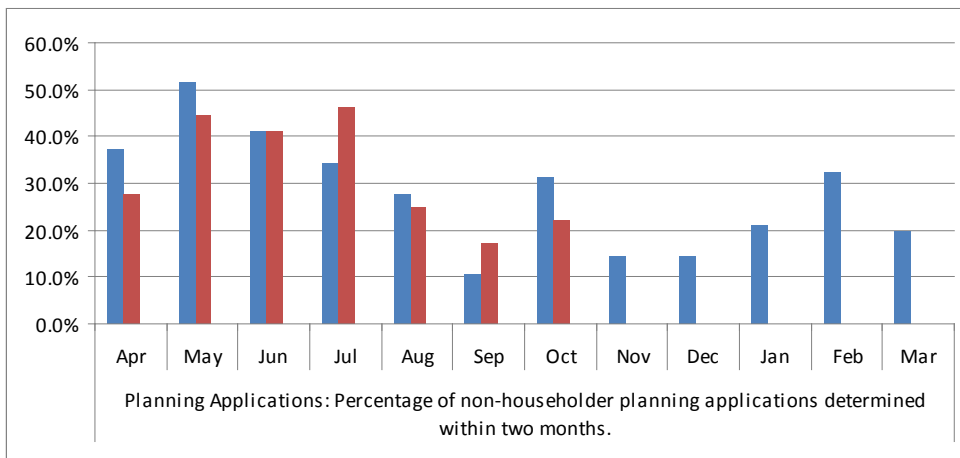
2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

CORPORATE SUPPORT



Performance is improved over the last month although it is recognised that month on month figures are less significant than longer term trends. Adoption and implementation of new legislative measures (Planning Act 2006 and new Development Management Regulations) contributed to the previous decline in performance output.

Section meeting held to consider both the more difficult operating climate going forward and the possible range of measures (no ideas out of bounds for consideration) which could be introduced as part of a radical reappraisal of the section's business processes. These identified measures will be discussed with the Head of Service on 19 November 2009.



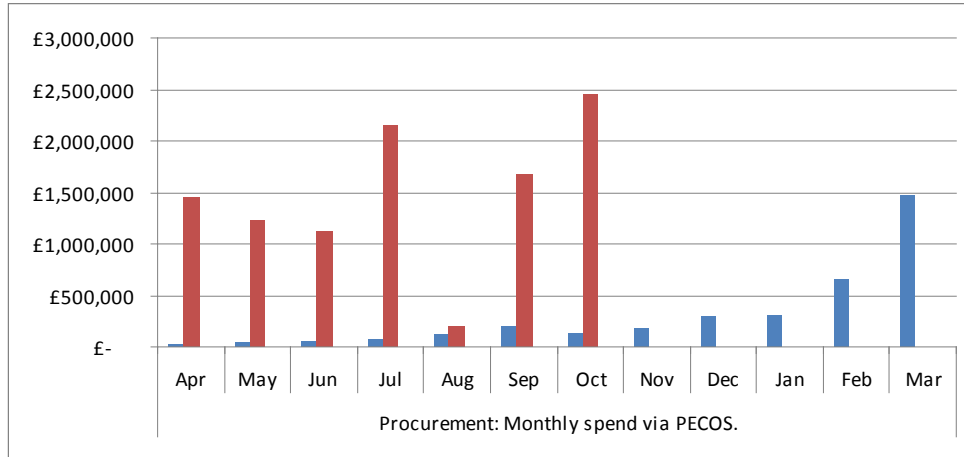
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Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

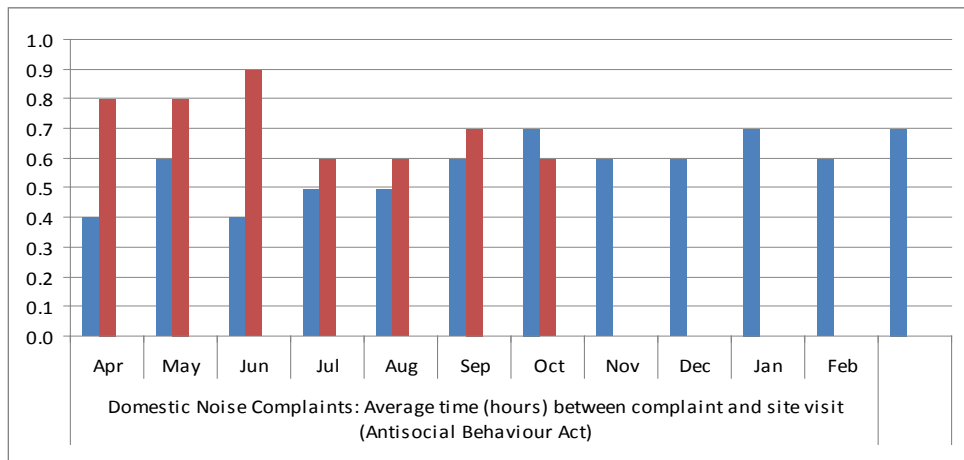
CORPORATE SUPPORT



The 15,500th order was placed through PECOS in the month of October (including change orders). As at 31 October, within this financial year 2009/10, there was a recorded throughput of £7.73 million.

Key Rollout Updates:

- development of Integration Harness with CIVICA ongoing (testing & procedures being finalised)
- PECOS CIVICA Integration scheduled for December 2009 (PECOS Version 11.0 upgrade during November)
- Training scheduled during November for On Site Services and Social Work



The number of complaints requiring a site visit under Part V of the Antisocial Behaviour Act was 48 in the month of October, this is comparable to the 49 complaints requiring a site visit in September, although is significantly higher than the same month last year, when only 28 visits were required. However, the average time taken between the time of the complaint and attendance on site decreased to 0.6 hours (36 minutes).

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 TO PERIOD 8 (15 NOVEMBER 2009)

CORPORATE SUPPORT

SERVICE PERFORMANCE TO DATE

CENTRAL MANAGEMENT SUPPORT

There are no material variances to report at this time.

FTE STAFFING ANALYSIS FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
3.0	0	3.0	3.0

HUMAN RESOURCES

The recent amalgamation of the Human Resources function within Corporate Support has resulted in the favourable variance shown due to the timing of filling vacancies pending a recent Best Value Service Review. 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 the Health & Safety and Physiotherapy have resulted in an adverse variance within Third Party Payments. An under recovery on anticipated income from the National Training Programmes is partly offset by additional sponsorship income and physiotherapy and training fees.

FTE STAFFING ANALYSIS FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
36.0	+39.2	75.2	65.6

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.178	0.177	(0.001)
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	0.020	0.021	0.001
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.198	0.198	0.000
Income	0.000	0.000	0.000
Net Expenditure	0.198	0.198	0.000

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.539	2.413	(0.126)
Property Costs	0.009	0.010	0.001
Transport Costs	0.019	0.020	0.001
Supplies & Services	0.216	0.257	0.041
Third Party Payments	0.049	0.102	0.053
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	2.832	2.802	(0.030)
Income	(0.377)	(0.357)	0.020
Net Expenditure	2.454	2.444	(0.010)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

CORPORATE SUPPORT

INFORMATION TECHNOLOGY

The favourable variance in Employee Costs has resulted from reduced overtime levels. This has been 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.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.253	2.228	(0.025)
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	4.103	0.000
Income	(0.437)	(0.437)	0.000
Net Expenditure	3.666	3.666	0.000

FTE STAFFING ANALYSIS FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
58	+0.5	58.5	54.2

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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 frozen. Retirals agreed at Cabinet on 4 November 2009 have an in year cost of £0.094m. The variance on Supplies and Services is due to E-Planning maintenance costs, statutory advertising and legal and professional fees. The impact of the 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 are in excess of £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. Projected income for 2009/10 is currently based on the 2008/09 out-turn position and continues to be monitored. It should be noted that actual 2009/10 income to date is 4% less than in the same period during 2008/09. The current position is after the utilisation of £0.400m of departmental balances previously approved by Cabinet on 2 December 2009 to fund in year budget pressures.

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.

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	In year Changes	Revised Budget	Actual to date
125.5	0	125.5	111.5

	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)	(2.464)	0.301
Net Expenditure	4.082	4.141	0.059

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

CORPORATE SUPPORT

DEMOCRATIC SERVICES

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

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
47.8	-1.0	46.8	42.6

LEGAL, PROCUREMENT AND REGULATORY

The delay in filling vacancies following the implementation of the Best Value Service Review across the service in addition to funding for Tobacco Test Purchasing has generated a favourable Employee Costs variance. Additional costs have been incurred in respect of car mileage and leasing costs. The Supplies and Services variance relates to costs associated with bad debt provision, Scotland Excel fees, legal and professional 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 Legal Fees, Verification and Petroleum fees and Enforcement Fines. 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	In year	Revised Budget	Actual to date
90.5	-2.0	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	1.479	1.479	0.000
Third Party Payments	0.009	0.009	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.058	3.010	(0.048)
Income	(0.192)	(0.162)	0.030
Net Expenditure	2.866	2.848	(0.018)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	3.039	2.983	(0.056)
Property Costs	0.029	0.029	0.000
Transport Costs	0.088	0.090	0.002
Supplies & Services	0.536	0.561	0.025
Third Party Payments	0.182	0.182	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.874	3.845	(0.029)
Income	(0.909)	(0.911)	(0.002)
Net Expenditure	2.965	2.934	(0.031)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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	In year Changes	Revised Budget	Actual to date
10.5	1	11.5	11.1

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.498	0.485	(0.013)
Property Costs	0.026	0.021	(0.005)
Transport Costs	0.003	0.003	0.000
Supplies & Services	0.039	0.057	0.018
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 TO PERIOD 8 (15 NOVEMBER 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 principally relates to costs incurred at the Tardoes Open Cast Coal Site which are anticipated to be recovered.

The Employability balance 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.

Balances at
20 September 2009
£m

Environmental / Community / Heritage	0.097
Employability	0.112
Wind Farm	(0.243)
Developers Contributions / S75 SLR	(0.932)
Other	(0.154)
Total	(1.120)

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 TO PERIOD 8 (15 NOVEMBER 2009)

FINANCE AND ASSET MANAGEMENT

SERVICE SUMMARY

There is a favourable variance of £0.124m 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 service has alleviated much of this pressure by earmarking balances at the end of the previous financial year to assist with the anticipated shortfall.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Finance	3.876	3.469	(0.407)
Asset Improvement	3.671	4.016	0.345
Asset Management	1.624	1.562	(0.062)
Net Expenditure	9.171	9.047	(0.124)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	9.600	9.333	(0.267)
Property Costs	5.393	5.337	(0.056)
Transport Costs	0.125	0.113	(0.012)
Supplies & Services	1.503	1.283	(0.220)
Third Party Payments	0.033	0.408	0.375
HB/CT Benefit	0.000	0.000	0.000
Gross Expenditure	16.654	16.474	(0.180)
Income	(7.483)	(7.427)	0.056
Net Expenditure	9.171	9.047	(0.124)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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 8			9.171	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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 15/11/09	Achieved at 15/11/09 £m
Finance and Asset Management		0.252		0.187
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



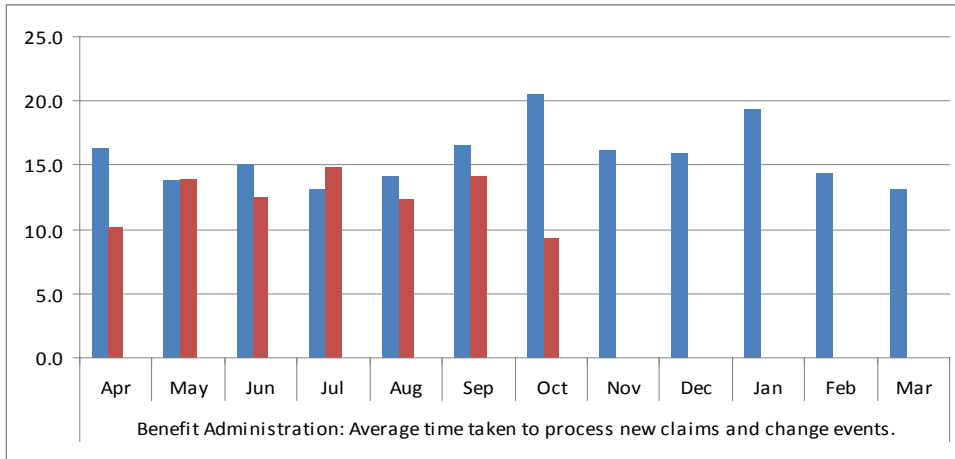
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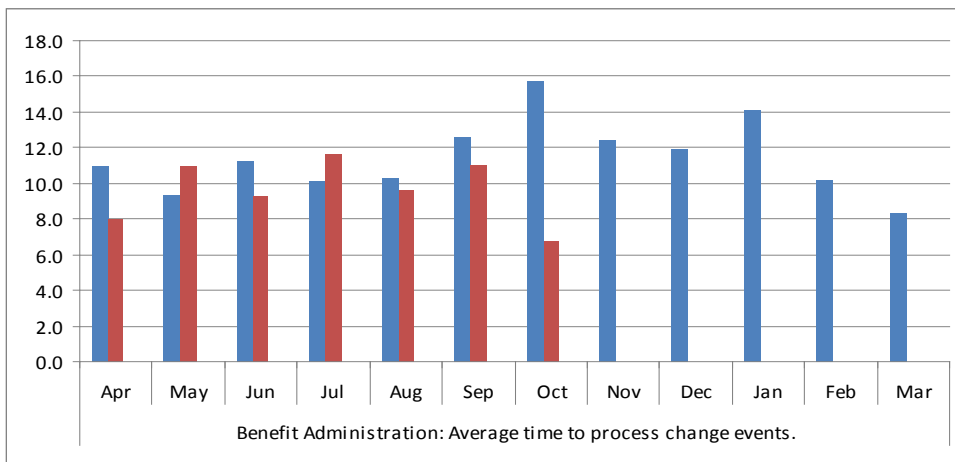
2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

FINANCE AND ASSET MANAGEMENT

PERFORMANCE MEASURES



There was a change to benefit legislation this month which needed a recalculation of certain types of claim for this to take effect. As this is a system automated process this had the effect of showing more changes processed within the month but all done within a day. This is not a usual occurrence and it is expected that this figure will increase next period back to a normal operating level of around 13 days.

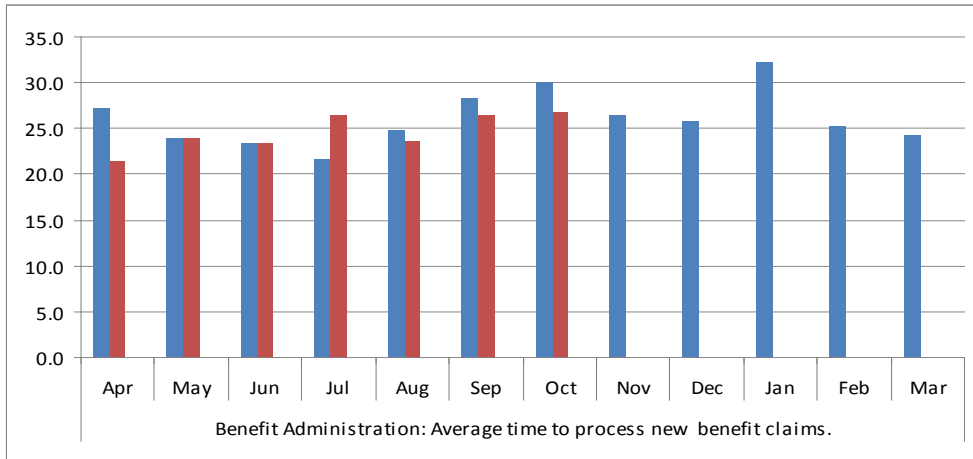


There was a change to benefit legislation this month which needed a recalculation of certain types of claim for this to take effect. As this is a system automated process this had the effect of showing more changes processed within the month but all done within a day. This is not a usual occurrence and it is expected that this figure will increase next period back to a normal operating level of around 10 days..

Previous Year ■ Current Year ■

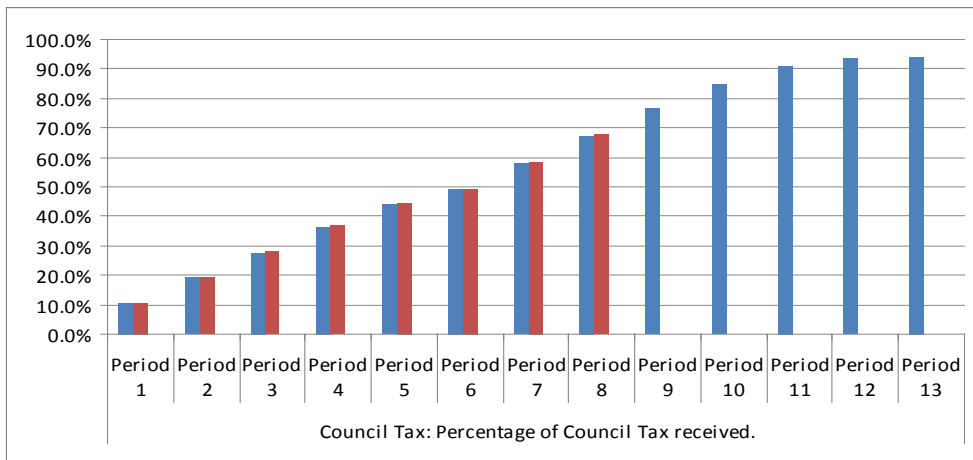
2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

FINANCE AND ASSET MANAGEMENT



There was a small increase in the number of claims received in the month. Coupled with the level of staff absence due to sick leave the time to process has increased slightly but the level is still within a normal range.

The way of prioritising incoming work has been amended and it is hoped that this will have the effect of improving processing times. The changes have just been implemented and it is expected that it will take a few months to show if the changes have been successful.



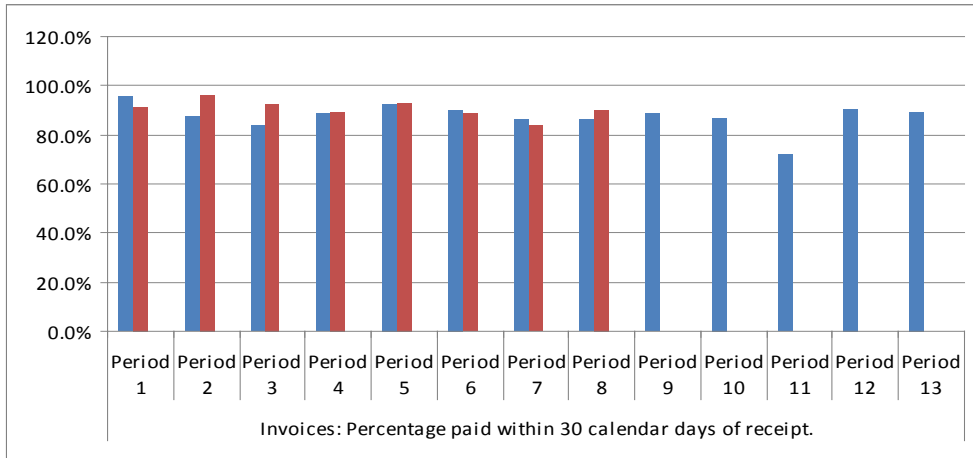
Experian Citizenview and Investigator Software are being used to obtain information to pursue outstanding debt. This information is used to ascertain the best form of diligence applicable for each case. For example it may provide us with a forwarding address or telephone number to allow us to contact 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 TO PERIOD 8 (15 NOVEMBER 2009)

FINANCE AND ASSET MANAGEMENT



During the period, positive improvement in the overall processing times was noted for all Services, with the exception of those which, due to the low volume of in period transactions where already returning a 100% compliance.

The initial stage of the shared services diagnostic exercise has now been completed with the next stage - process re-engineering workshops scheduled for mid December. Whilst these are expected to deliver overall reductions in end to end processing once they are in place close liaison will continue with Departments to ensure overall performance is maintained.

Previous Year 

Current Year 

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

FINANCE AND ASSET MANAGEMENT

SERVICE PERFORMANCE TO DATE

FINANCE SERVICE

A variance of £0.407m 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	5.609	(0.148)
Property Costs	0.018	0.008	(0.010)
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	6.357	(0.197)
Income	(2.678)	(2.888)	(0.210)
Net Expenditure	3.876	3.469	(0.407)

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
185.9	-1.0	184.9	171.75

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

FINANCE AND ASSET MANAGEMENT

ASSET IMPROVEMENT

The Asset Improvement Service is currently projecting an adverse position of £0.345m. This is primarily a result of external consultant costs required in order to progress the capital programme, ordinarily supported by fee income recovery. However changes in levels of required service support as well as the timing of fee recovery on some project areas results in the current adverse position. As in previous years pressure is being experienced within property maintenance budgets however the service anticipates an online position at the current time.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
81.0	0	81.0	77.0

ASSET MANAGEMENT

Within the Asset Management Service, a favourable variance is currently projected of £0.062m. This is primarily the result of 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	In year Changes	Revised Budget	Actual to date
26.0	0	26.0	22.9

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.907	2.842	(0.065)
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	0.375	0.375
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	7.071	7.376	0.305
Income	(3.400)	(3.360)	0.040
Net Expenditure	3.671	4.016	0.345

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.936	0.882	(0.054)
Property Costs	1.390	1.344	(0.046)
Transport Costs	0.020	0.020	0.000
Supplies & Services	0.650	0.462	(0.189)
Third Party Payments	0.033	0.033	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.029	2.741	(0.288)
Income	(1.405)	(1.179)	0.226
Net Expenditure	1.624	1.562	(0.062)

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 TO PERIOD 8 (15 NOVEMBER 2009)

CENTRAL SERVICES

SERVICE SUMMARY

Miscellaneous Services is anticipated to outturn £0.470m under budget as a result of unutilised contingency resources partially offset by additional expenditure in respect of legal costs for equal pay claims. The variance within Chief Executives is a result of employee cost savings within the Internal Audit Service.

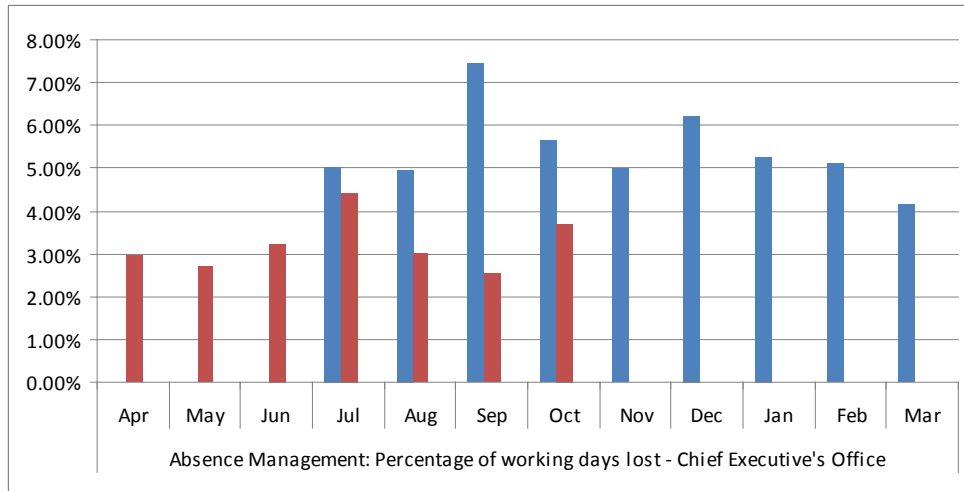
	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Chief Executive	0.530	0.507	(0.023)
Miscellaneous	5.274	4.804	(0.470)
Insurance	2.254	2.254	0.000
Net Expenditure	8.058	7.565	(0.493)

	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	5.307	(0.500)
Third Party Payments	0.725	0.725	0.000
HB/CT Benefit	0.000	0.000	0.000
Gross Expenditure	8.960	8.467	(0.493)
Income	(0.902)	(0.902)	0.000
Net Expenditure	8.058	7.565	(0.493)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

CENTRAL SERVICES

PERFORMANCE MEASURES



Absence increased to its highest level since July, increasing from 2.56% in September to 3.7% in October. The majority of days lost were due to short term absence with 63 % of all days lost the result of short term absences. The rate of short term absence for the department was 2.35%. There were two new referrals to Occupational Health and a further three cases are currently ongoing. Absence Management Procedures continue to be rigorously observed. The Corporate Managing Absence Group has been looking at a number of areas, including drilling down into the reasons for absence and examining short term persistent absence. Everyone should now have a copy of the new managing absence guidelines and a new toolbox talk DVD has been released and is being rolled out to all staff.

Previous Year 

Current Year 

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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	In year Changes	Revised Budget	Actual to date
10.61	0	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 £0.470m is anticipated due to unutilised contingency resources which is 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	3.036	(0.500)
Third Party Payments	0.725	0.725	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	6.117	5.647	(0.470)
Income	(0.843)	(0.843)	0.000
Net Expenditure	5.274	4.804	(0.470)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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 £2.802m, which represents 39.5% of the available budget. The Projected Expenditure for 2009/10 is £6.250m.

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 TO PERIOD 8 (15 NOVEMBER 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.

Project Life Cycle

Cabinet on 18 November 2009 approved proposals to refurbish existing community facilities and office accommodation and construct new office space in Galston Town Centre.

Darvel Primary School and Nursery School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
5.000	0.000	5.000	15-05-09	03-09-09	04-09-09	02-03-10	03-03-10	04-05-10	05-05-10	19-05-10

Expected Progress

Actual Progress 80%

Financial Status

Budget revised following Cabinet decision of 6 May 2009.

Project Life Cycle

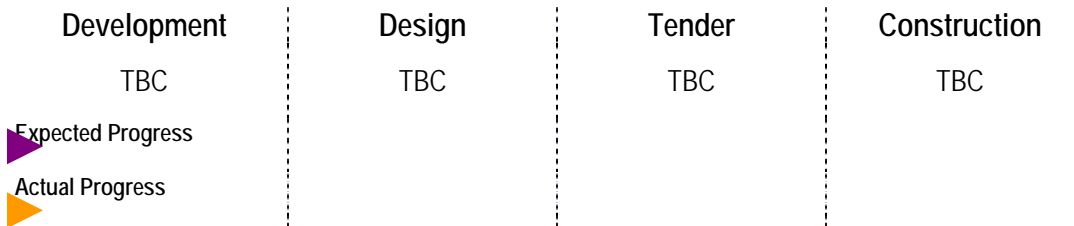
Following a series of detailed discussion a draft design which meets the minimum requirement of the Executive Director of Educational and Social Services has been agreed. The indicative cost is £5.5m. It is proposed to go to tender on this basis given that current market conditions may result in the final price being closer to budget.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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

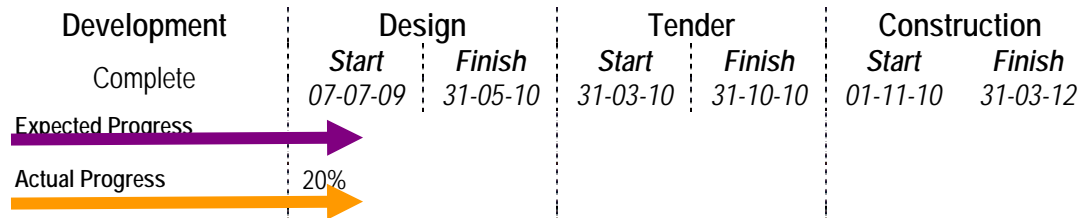
No expenditure is anticipated to be incurred in 2009/10

Project Life Cycle

Options for refurbishment or replacement of existing facilities still to be determined. Next meeting of Project Team to meet shortly to discuss outline brief and options, and recommend a preferred solution.

Merger of Witchhill and Woodstock Schools

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



Concept Design Image

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

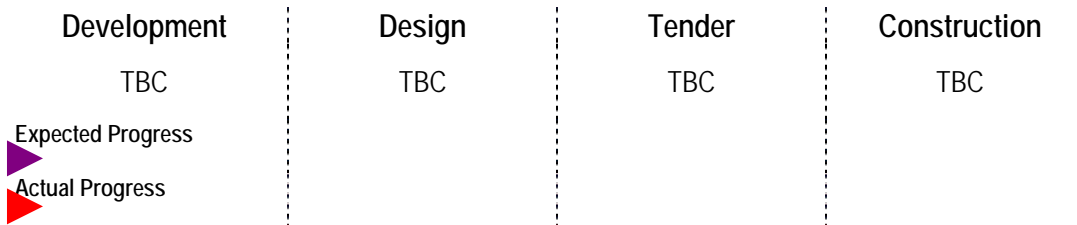
Outline design and floor plan formally approved. Demolition of the former Park School site is complete. Work progressing as planned.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

New Cumnock Nursery and Primary School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
9.600	0.148	9.600



Financial Status

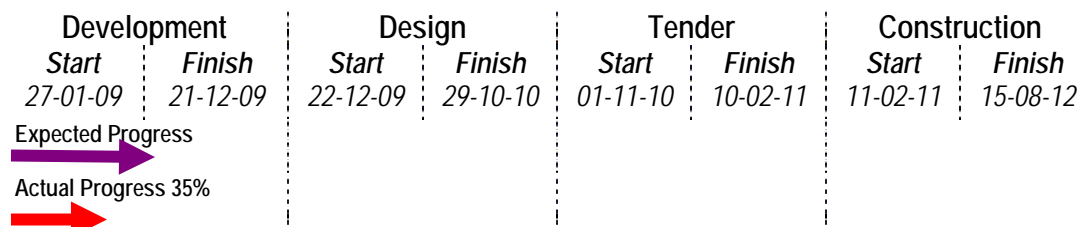
Budget revised following Cabinet decision of 6 May 2009. Project costs will be accurately determined after detailed designs are finalised and tenders received.

Project Life Cycle

Response of Stage 2 Flood Risk Assessment received from SEPA. Early indications are that flood prevention works will be required. Works to temporarily relocate nursery to Cairnhill Primary have been delayed due to problems with water ingress. Further works to roof are in progress.

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 designs being developed based on brief prepared by Education and Leisure Services.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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

The Scottish Government recently announced funding will be made available to support the construction of a new Gargieston Primary School.

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

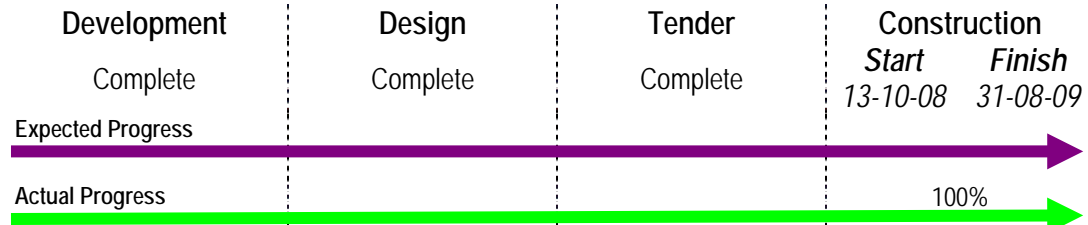
Original funding in respect of Auchinleck Resource Centre is now proposed to be used to fund a partial upgrade to Auchinleck Community Centre.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

Rosebank Resource Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
2.082	1.608	1.902



External View

Financial Status

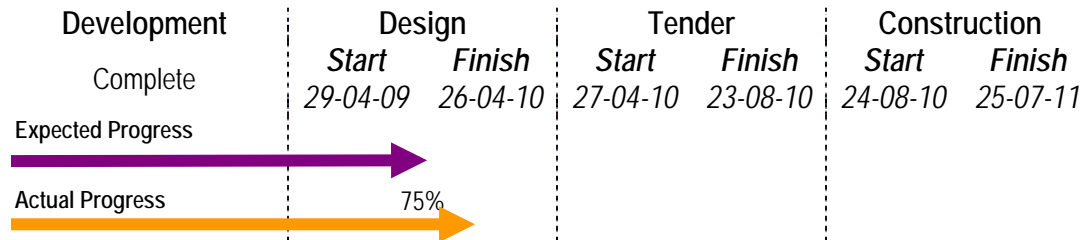
Costs in relation to the new facility and client fit-out are less than originally anticipated.

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



2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

EDUCATIONAL AND SOCIAL SERVICES

Financial Status

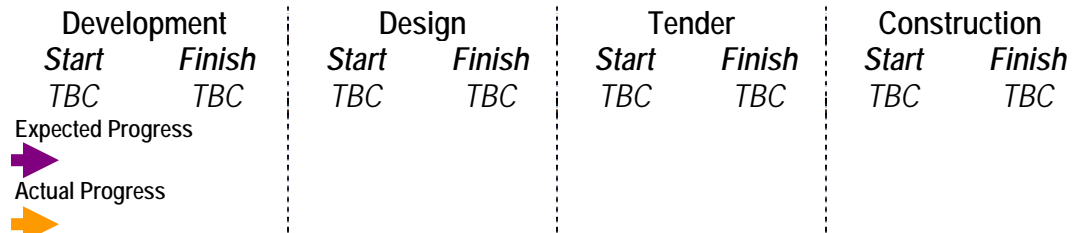
Minor expenditure on site investigations is currently anticipated to be incurred during 2009/10.

Project Life Cycle

Discussions currently ongoing with the PPP contractor regarding removal of "spoil" which is delaying access to the site. Work on the last 2 boreholes has now been completed. Official results awaited from the first 4 boreholes.

Hurlford Day Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
2.500	0.000	2.500



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 TO PERIOD 8 (15 NOVEMBER 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 £0.137m 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	1.463	2.917	(0.728)
Projects	0.535	0.180	0.740	0.205
PPP Schools	0.200	0.080	0.200	0.000
Care Homes Elderly	0.008	0.000	0.008	0.000
Elderly Day Care Facilities	0.435	0.091	0.451	0.016
Children's Homes	0.004	0.000	0.004	0.000
Telecare	0.200	0.000	0.100	(0.100)
TOTAL EDUCATION & SOCIAL SERVICES	5.027	1.814	4.420	(0.607)

NEIGHBOURHOOD SERVICES

Capital Programme

Expenditure to date is £5.065m, which represents 36% of the available budget. The projected expenditure for 2009/10 is £13.969m.

The variance primarily relates to anticipated underspend on Sports Pavilions and Decriminalisation of Parking Enforcement, offset to some extent by additional costs to complete the CCTV / Risk Monitoring Centre and Stewarton Community Facilities projects.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

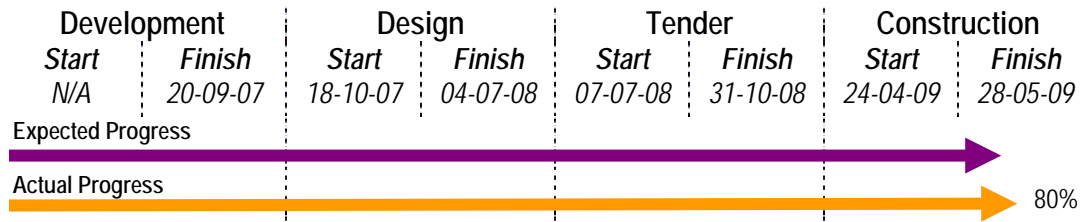
NEIGHBOURHOOD SERVICES

Crosshouse Resource Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.866	2.306	3.866

Financial Status

Early indications are that there may be an underspend overall.



Internal View

Project Life Cycle

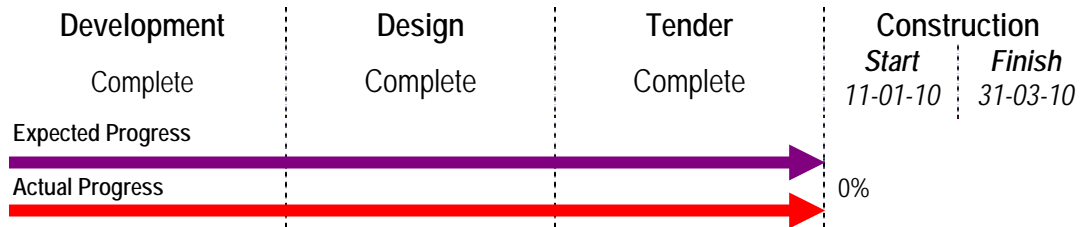
Internal works ongoing. Construction works are anticipated to be completed ahead of schedule, possibly late February / early March.

Palace Theatre / Grand Hall

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.481	0.843	1.481

Financial Status

Budget has been enhanced by the £0.200m swapped from revenue balances in line with the Cabinet report of 2 December 2009.



Project Life Cycle

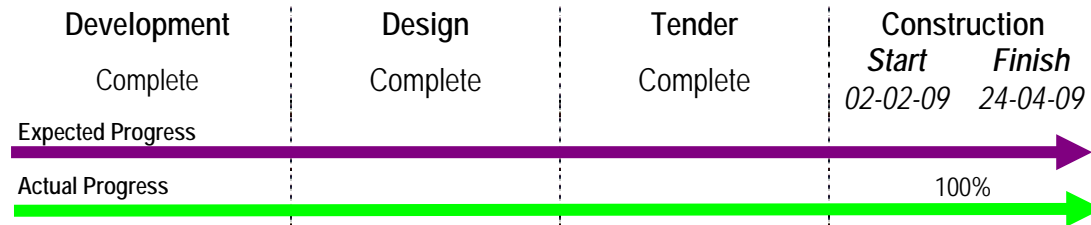
The front of house and stage works has been delayed due to contractor inability to deliver project within agreed timescales. These works will therefore be completed concurrently with the lift installation which will be installed between January and April 2010. Current cost projections suggest there may be an underspend and it is proposed that this is used to enable limited internal refurbishment of the theatre.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

NEIGHBOURHOOD SERVICES

Baird Institute

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
0.650	0.599	0.641



Financial Status

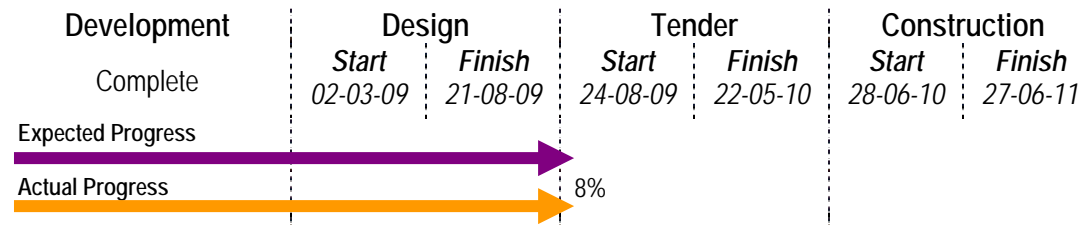
Project is currently estimated to be underspent by £0.009m. However, this will be used to match fund a bid for CARS funding.

Project Life Cycle

Phase 1 works are now complete; currently in snagging period. Proposals are being developed to support a CARS bid to fund Phase 2 works to stonework, handrail and roof. Outcome dependent on planning and Historic Scotland approval.

Kilmarnock Athletics Facilities

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



Artists Impression

Financial Status

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

Project Life Cycle

Discussions currently on-going with SEPA regarding flood risk and drainage issues. Work ongoing to determine extent of facilities deliverable within proposed budget allocation.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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

Works currently ongoing with regard to site selection and determination of operations to be delivered from new depot facility. Indicative layouts prepared for discussion with departments. Report on recommended option anticipated to be with Cabinet early 2010.

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

20%

Financial Status

No expenditure is anticipated to be incurred in 2009/10

Project Life Cycle

Designs are "locked-down". Planning application has been submitted, anticipated decision early 2010. Design works and tender document ongoing.



Artist's Impression

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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

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.

Financial Status

Anticipated expenditure in 2009/10 relates to feasibility works.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 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 £0.200m is currently projected on the Sports Pavilions projects. Additional works at the Scott Ellis pavilion have been added.

Traffic and Road Safety

Additional costs in respect of the spend to save traffic signal renewal have been incurred. There is a projected underspend of £0.130m in respect of the spend to save Decriminalisation of Parking Enforcement project.

	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Strategic Priorities	0.000	0.000	0.090	0.090
Facility Improvements	2.190	0.359	1.990	(0.200)
Cemetery Extension	0.576	0.045	0.576	0.000
Playparks	0.531	0.198	0.531	0.000
Traffic & Road Safety	2.749	0.354	2.633	(0.116)
Structures	1.094	0.293	1.094	0.000
Carriageways & Footways	2.175	1.283	2.175	0.000
Street Lighting	0.220	0.108	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	9.700	2.662	9.474	(0.226)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

NEIGHBOURHOOD SERVICES

Housing Investment Programme

As at Period 8 the projected spend is £15.365m, which is £0.251m 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	0.084	0.356	0.106
Energy Efficiency	3.194	0.570	3.476	0.282
Efficient Heating	2.922	1.020	3.147	0.225
External Envelope Enhancement	1.409	0.235	1.166	(0.243)
Modern Facilities & Services	6.384	2.054	5.879	(0.505)
Neighbourhood Improvements	0.386	0.506	0.704	0.318
Safe & Secure Neighbourhood	0.381	0.160	0.259	(0.122)
Sheltered Housing Safety & Improvement	0.690	0.007	0.378	0.312
Total Housing Expenditure	15.616	4.636	15.365	(0.251)

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

Another phase of work has been added to the Gas Central Heating programme in order to offset slippage on other phases.

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.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

NEIGHBOURHOOD SERVICES

Sources of Funding

	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	7.418
Total	15.616	15.365

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.

CORPORATE SUPPORT

Capital Programme

Expenditure to date is £1.457m, which represents 23% of the available budget. The projected expenditure for 2009/10 is £7.660m.

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

CORPORATE SUPPORT

Major Projects

Data Centre, Council Chambers and Associated Works on Council Chambers

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Council Chambers Development		Design		Tender		Construction	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
3.900	0.443	3.900	N/A	N/A	N/A	N/A	N/A	N/A	27/07/09	26/01/10



New Timber Joist

Financial Status

Current projections estimate the costs will be containable within the overall budget allocations relating to the London Road Headquarters.



Project Life Cycle

Work is currently in progress. Additional structural works required to the roof are anticipated to delay the completion date by between 4 to 6 weeks (estimated completion March 2010). A formal Project Management Team has been established to monitor closely delivery of project to completion.

Data Centre

Development		Design		Tender		Construction	
Start	Finish	Start	Finish	Start	Finish	Start	Finish
17-07-09	13-08-09	14-08-09	04-03-10	05-03-10	05-05-10	06-05-10	13-09-10



Project Life Cycle

Work on preliminary designs is ongoing and these are currently ahead of schedule. Construction works due for completion mid September 2010, however, centre will not become fully operational until after December 2010 as switch over planned for Christmas holiday period. Funding of IT equipment proposed through reallocation of future years IT capital allocations.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

CORPORATE SUPPORT

Kilmarnock Town Centre Regeneration

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
22.992	0.511	21.760								

Expected Progress



Actual Progress



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.

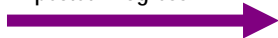
Project Life Cycle

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. Purchase of Hill Street offices and fit out of Strand Street anticipated to be concluded this financial year.

Cumnock Town Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Acquisition		Design		Construction		Distribution	
			Start 01-10-08	Finish 31-03-09	Start 31-01-08	Finish TBC	Start 31-10-09	Finish TBC	Start TBC	Finish TBC
14.718	2.091	14.718								

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 is extensive damage to cottages on the site; dangerous buildings notice to demolish has been served. Planning permission for demolition of bingo hall and civic space works approved 2 October 2009, awaiting Historic Scotland approval.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

CORPORATE SUPPORT

Corporate Support General Projects

As at Period 8, 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	0.414	1.440	0.000
TOTAL CORPORATE SUPPORT	1.490	0.414	1.440	0.000

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 8 (15 NOVEMBER 2009)

FINANCE & ASSET MANAGEMENT

Capital Programme

Expenditure to date is £0.210m, which represents 13% of the available budget. The Projected Expenditure for 2009/10 is £1.728m.

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.

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	1.600	0.082	1.600	0.000
Vehicle Procurement	0.000	0.128	0.128	0.128
TOTAL FINANCE AND ASSET MANAGEMENT	1.635	0.210	1.728	0.093