

FINANCE & ASSET MANAGEMENT



East Ayrshire
COUNCIL

EAST AYRSHIRE COUNCIL

CABINET– 17 JUNE 2009

FINANCE AND SERVICE STRATEGY REPORT 2008/09 OUTTURN TO 31 MARCH 2009

Report by Executive Head of Finance and Asset Management

1 PURPOSE OF REPORT

- 1.1 To advise Members of the unaudited financial position for the year ended 31 March 2009 taking account of information provided by Executive Directors.

2 GENERAL SERVICES REVENUE ACCOUNT

- 2.1 The draft outturn for the year to 31 March 2009 shows a reduction in the level of uncommitted balances of £1.504m, after funding the costs of the estimated commitment required to settle Equal Pay claims and the impairment of deposits with Icelandic Banks. Earmarked and departmental balances of £9.537m will be carried forward. The detail of this is included in the attached report.
- 2.2 The uncommitted General Fund balance brought forward of £8.105m includes the reallocation of £1.983m of departmental balances identified and approved for transfer at Cabinet on 19 November 2008. When added to the 2008/09 reduction on the General Fund balance of £1.504m, the cumulative uncommitted surplus is £6.601m which remains within the range specified in the Financial Reserves Strategy (between £6.340m and £12.681m). Departmental balances will be reviewed by the Cabinet following completion of the audit process in line with the Reserves Strategy.
- 2.3 Debt charges are under budget by £1.704m partly due to slippage on the capital programme, a favourable cash profile and additional investment income in the year.

- 2.4 As a result of changes to the classification of capital grants and the associated accounting treatment it is not possible to capitalise expenditure incurred by the Council in the remediation of contaminated land, where the land is not in Council ownership. Members are therefore requested to approve the transfer of £0.151m from Debt Charges to Corporate Support to offset the costs incurred during 2008/09. It is anticipated that a virement will also be required in 2009/10 although the actual value will be dependent upon the required level of work.
- 2.5 Housing Benefit income is higher than anticipated principally due to the continued effectiveness of the overpayment recovery process.
- 2.6 There is a favourable variance of £0.666m on Council Tax principally due to continued recovery of income on previous years accounts and higher levels of penalties due to early follow up.
- 2.7 As part of the Council's Treasury Management arrangements cash received but not immediately required is placed in short term deposit with a range of institutions following guidance from the Council's treasury advisers. In October 2008 following turmoil in the global banking sector several Icelandic Banks were placed in administration with the result that all deposits held in the banks were effectively locked until the administrators had quantified the liabilities of each bank.
- 2.8 At the time of the administration orders East Ayrshire Council, along with Councils throughout the United Kingdom, had deposits with two Icelandic banks. The Council had two investments totalling £3.000m deposited with Heritable Bank and £2.000m with Kaupthing, Singer and Friedlander Bank.

2.9 The bank administrators have indicated that repayments are likely to be between 50% and 80% of sums owed although the final values will not be known for some years. It would be prudent therefore to set aside £1.551m from the General Fund and £0.594m from the HRA to accommodate this scenario. The Cabinet is asked to approve that funds be earmarked for this purpose.

2.10 The table to follow provides a reconciliation of the 2008/09 reduction as shown in the report and the Financial Statements together with a reconciliation of the departmental balances.

	Uncommitt ed Balance £m	Departmental Balances & Commitments £m	HRA Balances & Commitments £m	Total £m
Balance Brought Forward	6.197	26.630	2.055	34.882
2008/09 Utilisation of Balances	(0.075)	(13.926)	(0.545)	(14.546)
2008/09 Reallocation	1.983	(1.983)	-	-
Sub Total	8.105	10.721	1.510	20.336
2008/09 Additions	(1.504)	9.537	0.716	8.749
Outturn Position 2008/09	6.601	20.258	2.226	29.085

2.11 The table below shows the departmental balances held and Elected Members are asked to approve that £9.118m is earmarked for specific departmental initiatives as indicated within the report.

	Balan ce B/f £m	Utilisati on of Balance s £m	Reallocat ed at Cabinet (19/11/08)	Earmarked £m	General Dept'al £m	Balan ce as at 31/3/0 9
Educational & Social Services	4.848	(3.336)	(0.948)	1.731	0.051	2.346
Neighbourhood Services	2.822	(0.863)	(0.310)	0.413	0.301	2.363
Corporate Support	3.291	(0.821)	(0.178)	1.611	0.019	3.922
Finance & Asset Management	3.487	(1.004)	(0.248)	1.235	0.047	3.517
Central	12.182	(7.902)	(0.299)	4.129	-	8.110
Outturn Position 2008/09	26.630	(13.926)	(1.983)	9.118	0.418	20.258

2.12 The Executive Director of Neighbourhood Services has reported a shortfall in project funding of £0.200m for the Outdoor Access project can be met from Leisure Services. Members are requested to approve this.

3 TRADING SERVICES

3.1 All of the Trading Services have an outturn in excess of budget after accounting for pensions.

3.2 The Executive Director of Neighbourhood Services has reported that the book value of consumable stores has been reduced by £0.011m within Building and Works and £0.004m within Roads at 31 March 2009 principally due to obsolete stock and write-offs.

4 HOUSING REVENUE ACCOUNT (HRA)

4.1 There is a favourable variance of £0.716m on the Housing Revenue Account after the utilisation of £0.545m previous years balances. This is principally due to managed savings in supplies and services, reduced debt charges and additional income from rechargeable repairs partially offset by increased repairs and maintenance expenditure and Capital Financed from Current Revenue (CFCR).

4.2 £0.594m of this balance requires to be earmarked against the HRA share of the impairment of Icelandic bank deposits.

5 REPAIRS AND RENEWALS FUND

5.1 Members will recall that Cabinet of 18 March 2009 approved the use of £0.136m of funding currently held within the Repairs and Renewal Fund for Roads in order to meet 2008/09 expenditure. The Executive Director of Neighbourhood Services has indicated that this will now be used in 2009/10.

5.2 The Repairs and Renewals Fund retains funds to meet the costs of future repairs including those of the former trading services. By October 2009 all remaining trading services will be subsumed into departments and will have access to the Council's capital programme with revenue repair costs being met centrally. Elected Members are therefore asked to approve that the non HRA balances held in the Fund be reclassified as General Fund.

6 2009/10 COMMENTARY

6.1 The UK has now suffered two consecutive quarterly reductions in GDP, the most commonly held definition of recession. This is part of a global downturn in economic activity and has resulted in falling house prices, increased bankruptcy and business failure, rising unemployment, falling retail sales and reduced consumer and business confidence.

6.2 The Bank of England anticipates the recession will last until 2010 although the effects are likely to last longer with future developments being extremely difficult to predict. The effect on the public sector is likely to last considerably longer.

6.3 The impact is already being felt by the Council through significant reductions in Planning income, reduced demand for Business Grants, delays in implementation of regeneration projects due to difficulties accessing private sector match funding, reduced commercial property income and a substantial reduction in capital receipts.

6.4 Rising unemployment may impact on rent and Council Tax income levels, as well as having the potential to significantly affect homelessness.

6.5 The reduction in income levels along side increasing expenditure pressures are predominantly being met from non recurring efficiency measures and from Council balances. However this position may not be sustainable in the longer term.

7 2009/10 SERVICE PRESSURES

7.1 Educational and Social Services

Budget pressures of £0.910m within Educational Services have been identified by the Executive Director and following a review of school cover arrangements a balance of £0.528m remains to be met from within existing resources. The Executive Director is also undertaking a number of other business reviews in order to achieve the savings of £2.372m set as part of the 2009/10 budget process.

The Executive Director has also identified £0.676m of savings realised from falling school rolls and Elected Members are asked to approve that these funds be utilised to meet the cost of 15 additional FTE primary school teachers in order to reduce class sizes in line with the Concordat commitment and support the Council's policy of improving attainment.

The Sustainability Board tasked with realigning Social Services budget resources led by the Executive Director continues to review a number of areas within the service to ensure the longer term sustainability of the budget. The four specific workstreams identified as a matter of priority are Homecare Services, Adult Services, Children's Services and Administrative and Support Services and update reports are presented to Cabinet. The 2009/10 budget takes account of the work undertaken to date and will be closely monitored during the year to incorporate any required amendments.

7.2 Neighbourhood Services

The Executive Director has intimated that the savings of £0.964m set as part of the budget process will be achieved.

7.3 Corporate Support

The Executive Director has highlighted a number of pressures such as the realignment and modernisation of planning systems and desktop computer maintenance as being pressures in 2009/10. Whilst it is intended that these pressures will be met from existing resources the Executive Director has highlighted a significant shortfall in planning income which will require management action throughout the year to ensure that the departmental budget outturns on target.

7.4 Finance and Asset Management

The Executive Head of Finance and Asset Management has indicated that there are no issues to report at this time and that the £0.252m savings set as part of the budget process are on target to be achieved.

7.5 Central Services

There are no material issues to report at this time.

7.6 Housing Revenue Account

The Executive Director of Neighbourhood Services has indicated that there are no significant variances to report in respect of the HRA at this time.

8 RECOMMENDATIONS

8.1 It is recommended that Members:

- (i) Approve the budget virement for contaminated land indicated in paragraph 2.4;
- (ii) Approve that funds be earmarked specifically for the Icelandic bank impairment as noted in paragraphs 2.9 and 4.2 and departmental earmarked balances as noted at paragraph 2.11;
- (iii) Approve the use of £0.200m from Leisure Services as noted at paragraph 2.12;
- (iv) Note the adjustment to trading services stock as at paragraph 3.2;
- (v) Approve the reclassification of the non-HRA balances held in the Repairs and Renewals Fund as noted at paragraph 5.2;
- (vi) Approve that the savings due to falling school rolls as noted at paragraph 7.1 be reallocated to fund additional teacher costs;
- (vii) Note that balances will be reviewed following external audit and
- (vi) otherwise note the contents of this report.

Alex McPhee

Executive Head of Finance and Asset Management

10 June 2009

LIST OF BACKGROUND PAPERS - NIL

Members wishing further information should contact
Alex McPhee, Executive Head of Finance and Asset Management,
Telephone (01563) 576300

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

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2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

GENERAL FUND SUMMARY

Service	2008/09 Budget £m	Actual Exp to 31 March 2009	Variance £m	Funded by	2008/09 Budget £m	Actual Exp to 31 March 2009	Variance £m
Educational and Social Services	168.320	166.538	(1.782)	Council Tax	(48.101)	(48.767)	(0.666)
Neighbourhood Services	72.861	72.147	(0.714)	Aggregated External Finance	(234.648)	(234.637)	0.011
Corporate Support	16.252	14.622	(1.630)	Housing/Council Tax Benefit Income	(41.914)	(42.254)	(0.340)
Finance and Asset Management	51.796	50.514	(1.282)	Total Income	(324.663)	(325.658)	(0.995)
Central Services – Other	15.060	15.460	0.400				
Central Services – Debt Charges	16.350	14.646	(1.704)				
Building and Works	(1.915)	(2.368)	(0.453)	Deficit / (Surplus) for the Year	14.001	5.652	(8.349)
Roads	(0.040)	(0.119)	(0.079)	Utilise Previous Years Balances	(14.001)	(14.001)	0.000
Vehicle Maintenance	(0.010)	(0.086)	(0.076)	Departmental Underspend C / fwd	0.000	7.986	7.986
Street Lighting	(0.010)	(0.044)	(0.034)	Earmark Icelandic Bank Deposits	0.000	1.551	1.551
				Contribution to Pension Reserve	0.000	0.316	0.316
Net Expenditure	338.664	331.310	(7.354)	Adjustment of Uncommitted Balances	0.000	1.504	1.504
				2007/2008 Uncommitted Balance B / fwd	0.000	(8.105)	(8.105)
				2008/09 Cumulative Surplus	0.000	(6.601)	(6.601)
				Housing Revenue Account			
				Expenditure	35.682	35.673	(0.009)
				Income	(35.682)	(36.389)	(0.707)
				Net Expenditure	0.000	(0.716)	(0.716)
				Earmark Icelandic Bank Deposits	0.000	0.594	0.594
				2008/09 HRA Surplus	0.000	(0.122)	(0.122)

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CAPITAL SUMMARY

Service	Revised Budget 2008/09 £m	Actual Expenditure 2008/09 £m	Variance 2008/09 £m	Actual Expenditure as % Budget	Funded by	Revised Budget 2008/09 £m	Actual Expenditure 2008/09 £m
Education & Social Services	12.881	11.685	(1.196)	91%	Grants, Partnership Funding , CFCR	1.593	6.565
Neighbourhood Services	11.648	10.420	(1.227)	89%	External Borrowing	26.961	18.823
Corporate Support	0.948	0.774	(0.175)	82%	Total	28.554	25.388
Finance & Asset Management	0.328	1.021	0.693	311%			
Regeneration, Efficiency & Asset Management	2.563	1.488	(1.075)	58%			
Total	28.368	25.388	(2.980)	90%			

Service	Revised Budget 2008/09 £m	Actual Expenditure 2008/09 £m	Variance 2008/09 £m	Actual Expenditure as % Budget	Funded by	Revised Budget 2008/09 £m	Actual Expenditure 2008/09 £m
Housing Revenue Account	15.592	15.607	0.015	100%	Revenue Funding (CFCR)	5.561	6.344
					Sale of Council Dwellings	6.500	2.848
					Anticipated Borrowing	3.531	6.415
					Total	15.592	15.607

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CONCORDAT BETWEEN THE SCOTTISH GOVERNMENT AND LOCAL AUTHORITIES

On 14 November 2007 a concordat between the Scottish Government and local authorities was signed setting out the terms of the relationship between the two. As part of their contribution to the relationship, the Scottish Government and local government agreed to work towards the delivery of a number of key government policies and programmes including:

<u>Commitment</u>	<u>Current Status</u>	<u>Progress</u>
1 Freezing council tax rates at 2007/08 levels.	On 12 February 2009 Council approved the freezing of council tax for 2009/10.	
2 Making an additional 1,000 police officers available in communities.	£94m has been transferred to the Justice portfolio. The first 150 additional officers are currently attending the Police training College with a further 450 planned for 2008/09 and an additional 200 officers in 2009/10 and 2010/11.	
3 Introduction of the Small Business Bonus Scheme.	The Planning and Economic Development Service has a key role to play in supporting the government objective of supporting small businesses and helping them gain a competitive advantage. A key part of this work will be raising awareness of the introduction of the Small Business Bonus Scheme which is funded by the Scottish Government.	
4 Improving the learning experience for children and young people by improving the fabric of schools and nurseries; developing and delivering <i>A Curriculum for Excellence</i> ; and, as quickly as is possible, reducing class sizes in P1 to P3 to a maximum of 18 and improving early years provision with access to a teacher for every pre-school child.	The Council will invest approximately £28.6 million in the next 5 years to improve the fabric of educational establishments. A report will be presented to Cabinet highlighting the financial and logistical implications of moving P1-3 class sizes to a maximum of 18. The Executive Director has identified savings realised from falling school rolls to meet the cost of 15 additional FTE primary school teachers in order to reduce class sizes and support the Council's policy of improving attainment.	

Key: Achieved



In Progress



Awaiting Action



2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CONCORDAT BETWEEN THE SCOTTISH GOVERNMENT AND LOCAL AUTHORITIES

5	Expanding pre-school provision and making substantial progress towards a 50% increase in pre-school entitlement for 3 and 4 year olds. The entitlement to pre-school provision will be maintained at the new level of 475 hours per annum (equivalent to 38 weeks at 12 hours) in 2008/09 and 2009/10. This will increase to 570 hours per annum (equivalent to 38 weeks at 15 hours) in August 2010.	Officers continue to assess the issues relating to this Commitment. It is envisaged that a report will be submitted to Cabinet in the Autumn of 2009 setting out proposals on how the Council will deliver the move to 15 hours pre school provision from August 2010.	
6	Free school meals - Providing nutritious free school meals for all P1 to P3 pupils in the pilot areas until the end of the current "academic year (i.e. up to June 2008). The remainder of 2008/09 will be taken up with evaluation of the trials. In 2009/10, provided the evaluation of the trials is positive, legislation will be introduced to allow extension of the nutritious free school meals to all pupils in P1 to P3. Assuming the legislation is passed, local authorities will provide free school meals to all P1 to P3 pupils from August 2010.	A review of the pilot has demonstrated the positive benefits delivered. Legislation will be enacted to allow the Commitment to be implemented nationally. East Ayrshire Council is committed to delivering free school meals to all P1 to P3 pupils from August 2010 and will adjust budget priorities to meet this Commitment.	
7	Subject to necessary legislation being passed, extending entitlement to free school meals to all primary and secondary pupils of families in receipt of maximum child tax credit and maximum working tax credit from August 2009.	Additional funding to meet the 2009/10 cost of this commitment was allocated to Education as part of the budget process.	
8	Vocational education/skills - working in partnership with colleges, local employers and others as appropriate to give more school pupils opportunities to experience vocational learning.	Through working in partnership with Kilmarnock and Ayr Colleges, the More Choices: More Chances group, the 16+ Learning Choices group and the Schools / College Liaison group the range of vocational courses available to our young people has been expanded. In session 2009/10 approximately 600 places will be available to pupils to undertake skills for work and vocational programmes. This represent 23% of the eligible cohort and exceeds the Concordat target of 20% by 3%.	

Key: Achieved



In Progress


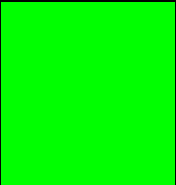

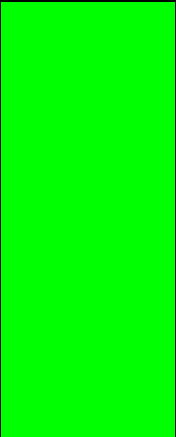


Awaiting Action



2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CONCORDAT BETWEEN THE SCOTTISH GOVERNMENT AND LOCAL AUTHORITIES

9	Kinship care – providing allowances for kinship carers of “looked after children” to treat them on an equivalent basis to foster carers.	The Cabinet on 3 June 2009 approved the proposals for the implementation of the new scheme to be put in place to support kinship carers from 1 April 2010.	
10	Improving care home quality through care home fees and the quality framework.	The impact of this commitment has been costed and based on the existing external residential placements budgetary provision. This would result in full year additional expenditure in the Community Care division of £0.160m. Additional funding to meet the cost of this commitment was allocated to the Social Work budget as part of the 2009/10 budget process.	
11	Free personal care – increasing current standard payment levels in line with inflation from April 2008 and allowance for subsequent years.	The impact of this commitment has been costed and based on 221 service users (at 14 March 2008) who receive an element of FPC, this will result in a full year additional cost to the Community Care division of £0.057m and this has been added to the Social Work budget.	
12	Carers’ support – progress towards delivering 10,000 extra respite weeks per annum at home or in care homes.	Information received from COSLA on 6 October 2008 outlines that 6,000 extra respite weeks are to be achieved by 2009/10 increasing to 10,000 weeks by 2010/11. The impact of this commitment has been costed and based on the assumption that these extra weeks is the national target, it is assumed that East Ayrshire Council will be required to deliver 2.4% of this target figure i.e. 144 weeks in 2009/10 and 240 weeks in 2010/11. An average weekly cost (based on existing commissioned respite care provision) of £501.37 has been applied, resulting in a full year uplifted additional cost to the Community Care division of £0.076m by 2009/10, increasing to £0.133m by 2010/11. The information received from COSLA highlights a proposed distribution of additional funding of £1.37m in 2009/10 and £2.82m in 2010/11. Additional funding to meet the cost of this commitment was allocated to the Social Work budget for 2009/10.	

Key: Achieved



In Progress



Awaiting Action



2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

EDUCATIONAL AND SOCIAL SERVICES

SERVICE SUMMARY

Educational and Social Services has an outturn position of £1.782m under budget at 31 March 2009. It is proposed that £1.731m requires to be earmarked to meet specific departmental commitments as detailed on page 7.

The Educational Services position is £1.569m under budget of which of which £1.431m is proposed to be earmarked with £0.664m of this required for Building Learning Communities commitments and £0.522 for school carry forwards. The Community Support net underspend of £0.902m arises mainly from staff vacancies.

The Social Services position is £0.213m under budget after the utilisation of General Fund balances brought forward of £0.975m as well as managed in-year savings of £0.636m to offset significant recurring budget pressures, particularly in areas such as adult care package costs, home care costs, residential care costs and fostering allowances payable through external providers. It is anticipated that £0.300m will be earmarked for specific commitments.

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Resources	1.976	1.919	(0.057)
PPP	6.774	6.164	(0.610)
Schools	67.165	67.092	(0.073)
Community Support	24.549	23.648	(0.902)
Facilities Management	13.463	13.536	0.073
Social Work	54.392	54.179	(0.213)
Net Expenditure	168.320	166.538	(1.782)
Earmarked Funds	(8.314)	(6.583)	1.731
Total	160.007	159.955	(0.051)

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	118.889	117.082	(1.807)
Property Costs	7.394	7.575	0.181
Transport Costs	6.975	7.008	0.033
Supplies & Services	9.935	10.007	0.072
Third Party Payments	44.264	44.710	0.446
Transfer Payments	4.765	5.754	0.989
Gross Expenditure	192.221	192.135	(0.086)
Income	(24.876)	(25.598)	(0.722)
Net Expenditure	167.345	166.538	(0.807)
Utilise Balances	0.975	0.000	(0.975)
Net Expenditure	168.320	166.538	(1.782)
Earmarked Funds	(8.314)	(6.583)	1.731
Total	160.007	159.955	(0.051)

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

EDUCATIONAL AND SOCIAL SERVICES

EARMARKED FUNDS TO BE CARRIED FORWARD

No.	Description	£m
1	PPP - Unitary Charge underspends to fund 2009/10 charges	0.664
2	Early Years Central - Care Commission repairs	0.013
3	Early Years Central - Fairer Scotland	0.027
4	Primary Central - CMW underspend to fund Foreign Language Assistants	0.003
5	Secondary Central - Fairer Scotland MC2	0.048
6	CL&D - Fairer Scotland Youth Outreach	0.033
7	CL&D - Literacies Partnership	0.030
8	Social Work phone system at Galston	0.026
9	Education property maintenance costs	0.008
10	Onsite - Underspend to cost of cashless meals system	0.057
11	Devolved Schools - carry forwards under delegated rules	0.522
13	Performance and Development - Underspend to cover work ordered and due for completion 2009/10	0.016
14	Performance and Development - Child Trust Fund - top-up payments 2009/10	0.005
15	Children and Families Care and Review - landscaping Sunnyside CU	0.022
16	Children and Families Care and Review - Corporate Parenting / Child Protection Committee	0.015
17	Children and Families Care and Review - Foster Kinship Care funding - equipment	0.020
18	Criminal Justice - underspend against 92% cost / grant threshold - potential repayment liability 2009/10	0.004
19	Community Care Independent Living and Review - Equipment and Adaptations	0.099
20	Community Care Adults - Choose Life	0.053
21	Community Care Adults - Kilmaurs Ind. Living - Underspend to cover refurbishment of respite house	0.066
	Total	1.731

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 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 14 February 2008	162.132			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Finance Circular 1/2008 Adjustments		-0.217		Realignment of Budget to Reflect Adjustments Included in Scottish Government Finance Circulars
2 E-Care Funding		+0.050		Additional Funding for E-Care Project
3 Job Evaluation Funding		+0.006		Additional Funding for Costs Arising from Job Evaluation Appeals
4 Procurement Strategy		-0.054		Realignment of Budgets to Reflect Implementation of Procurement Strategy
5 Community Alarms Transfer		-0.169		Realignment of Budgets to Reflect Transfer of Responsibility to Neighbourhood Services
6 Teacher Induction Scheme Funding		+0.329		Additional Funding for the Second Phase of the Teacher Induction Scheme 2007-08
7 Fairer Scotland Fund		+1.346		Additional Funding for Fairer Scotland Fund objectives
8 Use of Balances		+3.336		Social Services sustainability
9 Adult Support and Protection Funding		+0.181		Additional funds for implementing the Adult Support and Protection (Scotland) Act 2007
10 Teacher Induction Scheme Funding		+0.465		Additional funds for the second phase of the Teacher Induction Scheme 2008-09
11 PPP Unitary Charges Transfer		+0.118		Realignment of budget to reflect CRA contribution to PPP Unitary charges
12 Child Trust Fund		+0.005		Additional funding for Child Trust Funds
13 Payroll Adjustment		+0.117		Additional payroll inflation at 3% offset by strike deductions
14 Energy Costs Adjustment		+0.675		Realignment of budget to allocate centrally held funding
<i>Total Budget adjustments</i>			+6.118	
Revised Budget Allocation at Period 13			168.320	

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

EDUCATIONAL AND SOCIAL SERVICES

SERVICE PERFORMANCE TO DATE

RESOURCES

Savings in Employee Costs are due to vacancies and additional teachers funding held centrally to offset costs in Schools. These savings are partially offset by additional costs in respect of procurement, copyright and consultancy costs and reduced income.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
37.34	0	37.34	32.42

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	1.708	1.527	(0.181)
Property Costs	0.017	0.021	0.005
Transport Costs	0.035	0.024	(0.011)
Supplies & Services	0.695	0.746	0.051
Third Party Payments	0.125	0.187	0.061
Transfer Payments	0.603	0.611	0.008
Gross Expenditure	3.182	3.117	(0.066)
Income	(1.206)	(1.198)	0.009
Net Expenditure	1.976	1.919	(0.057)
Earmarked Funds	0.000	0.000	0.000
Total	1.976	1.919	(0.057)

PPP / BUILDING LEARNING COMMUNITIES

There are savings on the Unitary Charge mainly due to the delay in opening the Grange Campus, retentions which will not be paid in the current year and an underspend in rates at St Joseph's Campus. These are partially offset by additional cleaning and janitor costs as a result in the delay in opening the new Grange Campus. This underspend will be earmarked and carried forward to meet future years PPP expenditure.

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	0.000	0.042	0.042
Property Costs	0.346	0.301	(0.045)
Transport Costs	0.000	0.000	0.000
Supplies & Services	0.000	0.000	0.000
Third Party Payments	6.554	5.939	(0.615)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	6.900	6.282	(0.618)
Income	(0.126)	(0.119)	0.007
Net Expenditure	6.774	6.164	(0.610)
Earmarked Funds	(6.554)	(5.935)	0.619
Total	0.220	0.229	0.008

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

EDUCATIONAL AND SOCIAL SERVICES

SCHOOLS

Underspends of £0.600m in devolved school budgets are partially offset by additional costs in centrally held budgets for long term absence cover, staff flexibility for special units and school moves, supplementary classroom assistants for additional support needs and a reduction in Probationers funding.

Additional expenditure was incurred for prior years energy costs, additional property repairs and rates at Galston Primary. The variance on Supplies and Services is mainly due to underspends in Quality Improvement partly offset by additional education materials. The income variance relates primarily to the timing of the expenditure for Active Schools and the National Assessment Programme partially offset by additional grant and recharges.

It is anticipated that £0.522m will be earmarked for schools carry forward.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
1,644.58	0	1,644.58	1,564.71

Non Financial Performance

Number of Teachers

Outturn (31/3/08)	Outturn (31/3/09)
EY** 39.2	EY** 40.0
PS 549.9	PS 554.7
SS 671	SS 638.4
ASN 102.1	ASN 46.2
N / A	CE 25.6

*EY = Early Years PS = Primary School SS = Secondary School ASN = Additional Support Needs CE = Centrally Employed

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	58.486	58.213	(0.273)
Property Costs	4.696	4.905	0.209
Transport Costs	0.211	0.241	0.029
Supplies & Services	4.488	4.437	(0.051)
Third Party Payments	0.554	0.550	(0.004)
Transfer Payments	0.310	0.303	(0.007)
Gross Expenditure	68.746	68.648	(0.098)
Income	(1.580)	(1.556)	0.024
Net Expenditure	67.165	67.092	(0.073)
Earmarked Funds	(0.923)	(0.401)	0.522
Total	66.242	66.691	0.449

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

EDUCATIONAL AND SOCIAL SERVICES

COMMUNITY SUPPORT

There are employee cost underspends in Community Learning and Development, Integrated Community Schools, Special Education and Psychological Services mainly due to vacancies that have occurred during the year. Underspends within Supplies and Services are mainly due to reduced education and training materials costs. As anticipated additional expenditure has been incurred on third party payments principally due to Outwith Placement costs. Additional income was recovered principally from Special Education section 23 charges to other authorities.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
539.97	-32.9	507.07	496.9

FACILITIES MANAGEMENT

Within employee costs, turnover savings have been partially offset by additional overtime and redundancy costs. Additional property costs have been incurred in respect of the former St Matthews and St Columba's schools. Transport costs are higher than budgeted following contract renewals and vehicle hire costs. Supplies and Services are over budget principally due to additional food and equipment costs. The income variance is mainly due to additional special catering, cleaning and school meal income which has been partly offset by expenditure which was previously recharged to capital but is no longer possible. £0.091m is anticipated to be earmarked for the cashless meals system, property and phone system service commitments.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
513.98	+32.9	546.88	514.2

Number of Pupils Receiving School Transport

Outturn (31/3/08)	Outturn (31/3/09)
5,347	4,969

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	16.994	16.326	(0.668)
Property Costs	1.170	1.185	0.016
Transport Costs	0.276	0.268	(0.008)
Supplies & Services	1.323	1.148	(0.175)
Third Party Payments	5.629	5.827	0.199
Transfer Payments	0.087	0.089	0.002
Gross Expenditure	25.479	24.844	(0.634)
Income	(0.929)	(1.197)	(0.267)
Net Expenditure	24.549	23.648	(0.902)
Earmarked Funds	(0.444)	(0.244)	0.199
Total	24.106	23.403	(0.703)

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	9.177	9.020	(0.156)
Property Costs	0.245	0.306	0.062
Transport Costs	4.980	5.029	0.049
Supplies & Services	1.975	2.147	0.171
Third Party Payments	0.075	0.068	(0.007)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.452	16.570	0.118
Income	(2.988)	(3.034)	(0.045)
Net Expenditure	13.463	13.536	0.073
Earmarked Funds	(0.093)	(0.002)	0.091
Total	13.370	13.534	0.164

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

EDUCATIONAL AND SOCIAL SERVICES

SOCIAL WORK

The outturn position is a favourable variance of £0.213m after the utilisation of £0.975m of departmental balances. However it is anticipated that £0.300m will be earmarked for specific departmental issues, resulting in an overall adverse variance of £0.087m.

This variance principally relates to a number of significant recurring budget pressures, particularly in areas such as adult package costs, home care costs, residential care costs and fostering allowances payable through external providers. Additional Secure Accommodation costs incurred reflected the legal requirement to accommodate a total of 17 young people during the financial year, each for an average duration of 80 days which equates to 2.6 young people for the full year. The outturn variance was £0.043m after a one off saving of £0.112m from funds anticipated to offset disputed invoices.

Managed savings from unavoidable delays in filling vacant posts have resulted in a favourable Employee Cost variance. The overspend in third party payments is mainly due to additional residential and adult care costs. Additional fostering and direct payments to clients account for the overspend within Transfer Payments.

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	32.524	31.954	(0.570)
Property Costs	0.921	0.856	(0.065)
Transport Costs	1.472	1.446	(0.026)
Supplies & Services	1.454	1.529	0.075
Third Party Payments	31.327	32.139	0.812
Transfer Payments	3.765	4.750	0.985
Gross Expenditure	71.463	72.674	1.211
Income	(18.046)	(18.495)	(0.449)
Net Expenditure	53.417	54.179	0.762
Utilise Balances	0.975	0.000	(0.975)
Net Expenditure	54.392	54.179	(0.213)
Earmarked Funds	(0.300)	0.000	0.300
Total	54.092	54.179	0.087

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
1,099.21	0	1,096.71	1,031.4

Non Financial Performance :

Number of External Foster Placements

Number of Homecare Users

Outturn (31/3/08)	Outturn (31/3/09)	Outturn (31/3/08)	Outturn (31/3/09)
35	51	649	737

EDUCATIONAL AND SOCIAL SERVICES

Service Enhancements 2008/09

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

- Services to meet the needs of adults with learning disabilities and mental health needs living within our community;
- Increasing cost of the provision of secure accommodation for young people;
- Increased costs and demands for specialist educational placements outwith East Ayrshire;
- Increased demands for fostering placements.

In addition, funding has been provided to support the operation of services relating to Corporate Parenting and the Determined to Succeed initiative.

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:

- Additional teachers have been employed in schools located in deprived areas;
- Additional funding has been made available for the placement of children and young people in specialist educational establishments outwith East Ayrshire.

Efficiency Gains

The Executive Head of Educational and Social Services was tasked with saving 2.25% of controllable revenue expenditure which equates to £3.632m. The continuous pursuit of efficiencies to release resources for priority areas is established practice within the Council and whilst the target was challenging the departmental budget outturn was favourable.

EDUCATIONAL AND SOCIAL SERVICES

Capital Programme

Out-turn expenditure for 2008/09 was £11.685m, which represents 91% of the available budget.

The underspend on the Education and Social Services capital programme primarily relates to slippage on a number of refurbishment schemes, including Auchinleck Heating Upgrade and Window Replacement, Riccarton roofing, the purchase of equipment for PPP schools and the Stewarton Townhouse project. In addition, there has been general underspends on a number of projects due to a reduction in the professional fees charged as compared to earlier estimates.

The underspends noted above are offset to some extent by overspends on a number of schemes, including the Galston Primary School, Netherthird Community Centre and Dunlop Primary School projects

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

EDUCATIONAL AND SOCIAL SERVICES

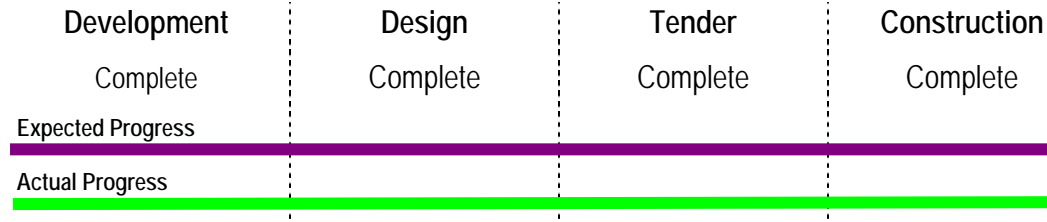
Major Projects

Galston Primary School New Build

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
9.300	9.342	9.542

Financial Status

Project currently projected to be approximately £0.242m overspent due to additional costs from delays resulting from the Galston Flood Prevention Scheme.



Project Life Cycle

The external works to the football pitches and planting of trees and shrubs are taking longer than originally anticipated due to drainage issues. It is anticipated that the works can be completed in early course.



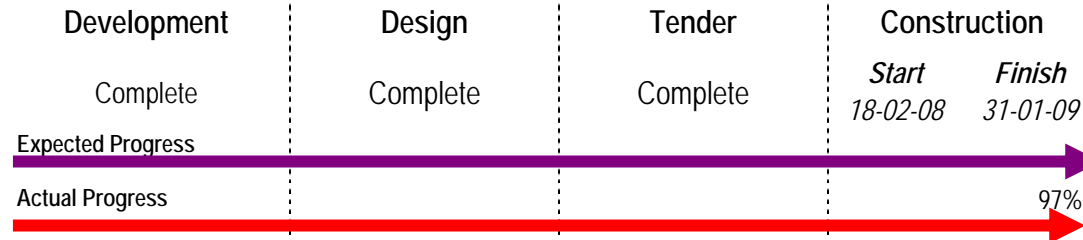
External View

Netherthird Community Campus New Build

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.500	1.331	1.607

Financial Status

The projected overspend relates to the cost of the attenuation tank and the demolition cost being higher than originally anticipated, and the cost of a BT circuit.



Project Life Cycle

Property handed-over end of March. The car park and the demolition of the old property are currently on-going, although the demolition has been delayed due to asbestos removal.



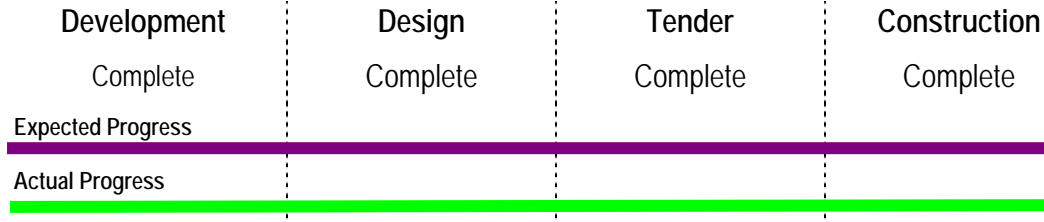
External View

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

EDUCATIONAL AND SOCIAL SERVICES

Dunlop Primary School Extension

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
0.722	0.766	0.766



External View

Financial Status

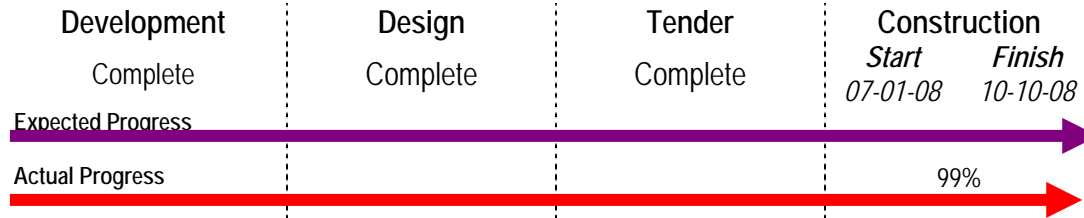
The overspend is due to costs to alter the footprint to accommodate existing services, connection of water for the sprinkler system and costs of fire compartmentalisation.

Project Life Cycle

Project was completed and handed over on 23 May 2008. The demolition & reinstatement of the temporary accommodation is now complete.

Stewarton Academy Extension

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
0.700	0.562	0.614



External View

Financial Status

The budget allocation has been revised to reflect the profile agreed by Cabinet on 19 December 2007.

Project Life Cycle

Partial completion certificate has been issued; full completion certificate will only be issued after work to external areas is completed.

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

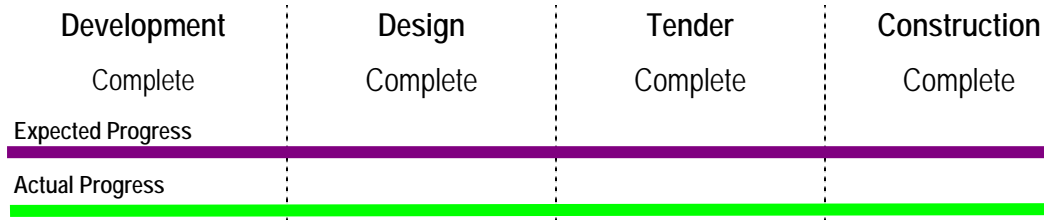
EDUCATIONAL AND SOCIAL SERVICES

Berryknowe Adult Care Home, Auchinleck

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.310	1.302	1.325

Financial Status

The overspend on the project relates to the provision for the completion of the landscaping works.



Project Life Cycle

Occupants moved into home on 23 April 2008.



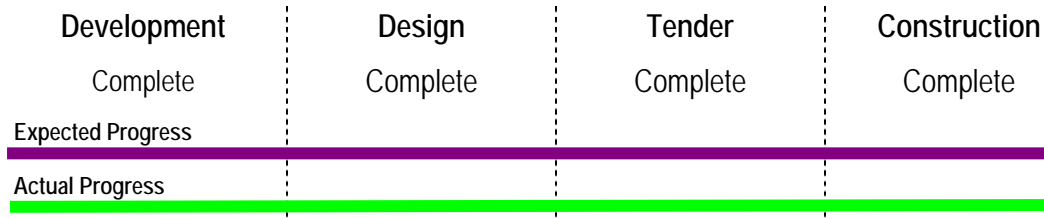
Internal View

Sunnyside Children's Unit, Auchinleck

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.030	1.026	1.099

Financial Status

A number of factors including design changes, utilities requirements and site topography have contributed to the delay and increased cost.



Project Life Cycle

Building officially opened 10 September 2008.



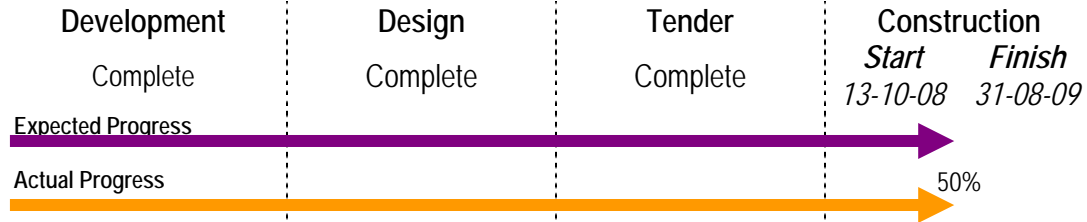
External View

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

EDUCATIONAL AND SOCIAL SERVICES

Rosebank Resource Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
2.000	0.691	2.000



Artists Impression

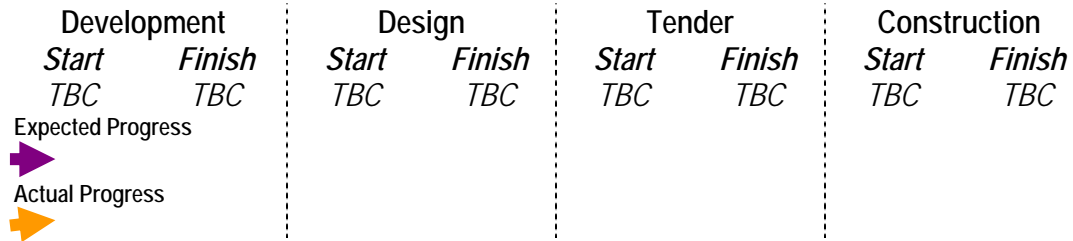
Financial Status

The budget has been revised to reflect the anticipated project expenditure.

Project Life Cycle
Project is on programme.

Galston Community Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.500	0.000	1.500



Financial Status



There was no expenditure incurred in 2008/09 in relation to this project.

Project Life Cycle
Report on Galston Town Centre Regeneration, which may include proposals in relation to community facilities is currently being finalised by the Head of Planning and Economic Development.

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

EDUCATIONAL AND SOCIAL SERVICES

Children's Home - Kilmarnock

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>
1.510	0.008	1.510	Expected Progress 							
			Actual Progress 							



Financial Status

There was no expenditure incurred in 2008/09 in relation to this project.

Project Life Cycle

A site for the proposed children's home was selected at Cabinet on 4 March 2009. Site investigations on-going; detailed plans being developed.

Galston Local Office

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start <i>N/A</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>
1.600	0.000	1.600	Expected Progress 							
			Actual Progress 							

Financial Status

There was no expenditure incurred in 2008/09 in relation to this project.

Project Life Cycle

Report on Galston Town Centre Regeneration, which may include proposals in relation to community facilities is currently being finalised by the Head of Planning and Economic Development.

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

EDUCATIONAL AND SOCIAL SERVICES

General Projects

Fabric Upgrades & Refurbishments

The application of the new fee structure for professional services in 2008/09 has resulted in a reduction in fees charged to projects as compared to earlier estimates. These underspends will be used to fund some minor overspends on other projects. A number of schemes were also not completed in 2008/09, including the Auchinleck Academy heating upgrade (£0.085m), Auchinleck Academy Window Replacement (£0.127m) and Riccarton Nursery Reroofing (£0.120m).

PPP Equipment

The expenditure in 2008/09 in relation to equipment for the PPP schools was less than originally anticipated.

Care Homes Elderly

The Stewarton Townhouse project did not incur significant expenditure in 2008/09 and will be carried forward into 2009/10.

DDA/Care Commission

The work at the Riverside Centre is overcommitted. This overspend was mitigated by the use of revenue funding. Additional video-conferencing equipment financed through CFCR was also purchased during the year.

	Revised Budget 2008/09	Actual Expenditure to Date	Variance
	£m	£m	£m
Fabric Upgrades & Refurbishments	4.463	3.815	(0.648)
PPP Schools	1.973	1.773	(0.200)
Elderly Day Care Facilities	0.200	0.004	(0.196)
DDA / Care Commission	0.050	0.079	0.029
TOTAL EDUCATION & SOCIAL SERVICES	6.686	5.671	(1.015)

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

NEIGHBOURHOOD SERVICES

SERVICE SUMMARY

The outturn at 31 March 2009 is a favourable variance of £0.714m with £0.413m anticipated to be earmarked for Private Sector Housing Grant and a youth music project within museums. There were Employee Cost savings throughout the service mainly due to the timing of filling vacancies as well as additional income mainly related to additional rental income, charges for services, landlord registration fees and additional grant income. These variances were partially offset by additional expenditure on Transport Costs due to rising fuel and vehicle hire costs, additional Property Costs mainly due to additional temporary accommodation costs and repairs within the Landlord Leasing Scheme and additional equipment and material costs including £0.250m of additional winter maintenance and emergencies costs.

Within Leisure Services an additional £0.200m is required to meet a shortfall in the Outdoor Access Project which is held within Partnerships and Projects balances.

EARMARKED FUNDS TO BE CARRIED FORWARD

No.	Description	£m
1	Museums – Unsigned Unlimited Youth Music Project	0.015
2	Private Sector Housing Grant	0.398
	Total	0.413

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Central Mgt Support	1.064	0.863	(0.201)
Leisure Services	12.643	12.761	0.118
General Fund Housing	18.351	17.279	(1.072)
Emergency Planning	0.069	0.030	(0.039)
Police & Fire	29.983	29.983	0.000
Roads & Transport GF	10.751	11.231	0.480
Net expenditure	72.861	72.147	(0.714)
Earmarked Funds	0.000	0.413	0.413
Total	72.861	72.560	(0.301)

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	21.095	20.194	(0.901)
Property Costs	2.475	3.005	0.530
Transport Costs	3.326	3.510	0.184
Supplies & Services	13.303	13.206	(0.097)
Third Party Payments	43.555	44.388	0.833
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	83.754	84.303	0.549
Income	(10.893)	(12.156)	(1.263)
Net expenditure	72.861	72.147	(0.714)
Earmarked Funds	0.000	0.413	0.413
Total	72.861	72.560	(0.301)

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 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 14 February 2008	70.270			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Procurement Strategy		-0.033		Realignment of Budgets to Reflect Implementation of Procurement Strategy
2 Community Alarms Transfer		+0.168		Realignment of Budgets to Reflect Transfer of Responsibility from Educational and Social Services
3 Fairer Scotland Fund		+1.328		Additional Funding for Fairer Scotland Fund objectives
4 Utilisation of Departmental and Earmarked Balances		+1.090		Drawdown of Earmarked Balances and use of Departmental Balances
5 Other Minor Adjustments		+0.068		Minor Adjustments to align Budgets
6 Hostels Specific Grant		-0.118		Realignment of budget to reflect reallocation of Hostels Grant to HRA
7 Police ICT & Loan Charges		-0.210		Revised funding for Strathclyde Police Loan Charges and ICT Services
8 Fire Commutations		+0.193		Additional Funding for Fire Service Pension Commutations
9 Strategic Waste Fund		+0.011		Additional funding for Strategic Waste Fund
10 Energy Costs Adjustment		+0.095		Realignment of budget to allocate centrally held funding
<i>Total Budget adjustments</i>			+2.591	
Revised Budget Allocation at Period 13			72.861	

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

NEIGHBOURHOOD SERVICES

SERVICE PERFORMANCE TO DATE

CENTRAL MANAGEMENT SUPPORT

The Employee cost variance principally relates to staff recharges, turnover and anticipated savings on other employee related expenses. The Supplies and Services variance is principally due to savings in a number of areas such as publicity and promotion and other services.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
12	0	12	11.11

LEISURE SERVICES

Employee Cost savings reflect the delayed availability of Leisure facilities within PPP Schools, savings within Cleansing Hit Squads, staff savings from Doon Valley Swimming Pool and turnover within Libraries, Leisure Development, Community Recreation and Outdoor Amenities, partly offset by reduced turnover. The Property Costs variance relates mainly to the Burns Monument Centre and additional energy costs, partly offset by the temporary closure of Doon Valley Swimming Pool, savings on non-domestic rates within Community and Games Halls and utility costs at golf courses and Street Cleansing depots. Increased fuel costs and additional Street Cleansing leasing costs have been partly offset by savings on vehicle costs and car mileage. Additional Supplies and Services costs were due to the purchase of Outdoor Amenities and leisure equipment and events costs. An additional contribution was met on a shortfall in the Outdoor Access Project. Additional income was received from registration fees, Grounds Maintenance work, cemeteries and theatre and hall charges partially offset by Leisure facilities in PPP schools and Golf fees.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
447.75	0	447.75	425.52

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	0.399	0.364	(0.035)
Property Costs	0.000	0.000	0.000
Transport Costs	0.004	0.003	(0.001)
Supplies & Services	0.425	0.260	(0.165)
Third Party Payments	0.330	0.330	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	1.158	0.957	(0.201)
Income	(0.094)	(0.094)	0.000
Net expenditure	1.064	0.863	(0.201)
Earmarked Funds	0.000	0.000	0.000
Total	1.064	0.863	(0.201)

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	11.511	10.988	(0.523)
Property Costs	1.280	1.493	0.213
Transport Costs	1.382	1.479	0.097
Supplies & Services	1.990	2.429	0.439
Third Party Payments	0.419	0.644	0.225
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.582	17.033	0.451
Income	(3.939)	(4.272)	(0.333)
Net expenditure	12.643	12.761	0.118
Earmarked Funds	0.000	0.015	0.015
Total	12.643	12.776	0.133

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

NEIGHBOURHOOD SERVICES

GENERAL FUND HOUSING

The Employee Cost variance reflects the timing of filling vacancies as well as reduced overtime and special payments within Waste Management. Additional Premises Costs are mainly due to additional weighbridge software costs within Waste Management and additional temporary accommodation properties and higher than anticipated energy costs. Additional fuel costs and external hires have been met and Supplies and Services costs relate mainly to additional purchasing at the Material Recovery Facility and purchase of bins, offset by managed savings within Homelessness to offset temporary accommodation costs and unspent Private Sector Housing Grant which is anticipated to be earmarked for service commitments in 2009/10. The income variance reflects income from additional accommodation properties, private landlord registration fees, additional grant income and service charges.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
260.11	0	260.11	229.41

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	6.232	6.033	(0.199)
Property Costs	0.962	1.283	0.321
Transport Costs	1.654	1.776	0.122
Supplies & Services	9.656	9.197	(0.459)
Third Party Payments	4.818	4.242	(0.576)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	23.322	22.531	(0.791)
Income	(4.971)	(5.252)	(0.281)
Net expenditure	18.351	17.279	(1.072)
Earmarked Funds	0.000	0.398	0.398
Total	18.351	17.677	(0.674)

Non Financial Performance

Homelessness

Presentations	Homeless	Potentially Homeless	Priority Needs
971	631	95	662

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

NEIGHBOURHOOD SERVICES

HOUSING REVENUE ACCOUNT

Staff turnover savings, managed savings in supplies and services, reduced debt charges and additional income from rechargeable repairs are partially offset by increased repairs and maintenance expenditure and CFCR costs. £0.545m of HRA funds earmarked within previous years balances for repairs and demolitions in 2008/09 have been utilised. In addition £0.594m has been earmarked in the current year for the HRA's share of the impairment of Icelandic Bank deposits.

The purchase of land at Richmond Terrace, Cumnock took place in April 2009 and the anticipated utilisation of previous years balances for the purchase was not therefore required in the current year. This sum continues to be held within previous years earmarked balances and will be required to be utilised in 2009/10.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
141.99	0	141.99	136.09

Non Financial Performance

Number of Council house sales

Outturn (31/3/08)	Outturn (31/3/09)
Act 251	Act 109
Bud 350	Bud 250

Number of void weeks

Outturn (31/3/08)	Outturn (31/3/09)
Act 18,902	Act 19,300
Bud 21,789	Bud 21,737

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	3.590	3.530	(0.060)
Property Costs	14.610	15.402	0.792
Transport Costs	0.135	0.132	(0.003)
Supplies & Services	4.860	4.626	(0.234)
Third Party Payments	0.942	0.945	0.003
Debt Charges	4.400	3.656	(0.744)
CFCR/Planned Maint	6.103	6.344	0.241
Homeless Hostels	1.042	1.038	(0.004)
Gross Expenditure	35.682	35.673	(0.009)
Income	(35.682)	(35.844)	(0.162)
Net Expenditure	0.000	(0.171)	(0.171)
Utilise Balances	0.000	(0.545)	(0.545)
Net Balance	0.000	(0.716)	(0.716)
Earmarked Funds	0.000	0.594	0.594
Total	0.000	(0.122)	(0.122)

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

NEIGHBOURHOOD SERVICES

EMERGENCY PLANNING

The variance reflects the timing of filling of vacancies, reduced printing and stationery costs and grant funding in relation to an all-Ayrshire emergency Planning Unit.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
2	0	2	1

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	0.057	0.045	(0.012)
Property Costs	0.000	0.000	0.000
Transport Costs	0.003	0.002	(0.001)
Supplies & Services	0.009	0.004	(0.005)
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.069	0.051	(0.018)
Income	0.000	(0.021)	(0.021)
Net expenditure	0.069	0.030	(0.039)
Earmarked Funds	0.000	0.000	0.000
Total	0.069	0.030	(0.039)

JOINT BOARDS – POLICE AND FIRE

There are no material variances to report.

	Estimate £m	Actual Exp to 31 Mar 09 £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	29.983	29.983	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	29.983	29.983	0.000
Income	0.000	0.000	0.000
Net expenditure	29.983	29.983	0.000
Earmarked Funds	0.000	0.000	0.000
Total	29.983	29.983	0.000

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

NEIGHBOURHOOD SERVICES

ROADS AND TRANSPORTATION GENERAL FUND

There are favourable variances due to the timing of filling vacancies, additional grant income and recharges. These are offset by additional costs for street lighting electricity, additional winter maintenance and salt costs, additional patching and contractors costs.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
75	0	75	69

TRADING SERVICES

All of the Trading Services have an outturn in excess of budget at 31 March 2009, after accounting for pensions.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
424	0	424	411

General Fund	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	2.896	2.764	(0.132)
Property Costs	0.233	0.229	(0.004)
Transport Costs	0.283	0.250	(0.033)
Supplies & Services	1.223	1.316	0.093
Third Party Payments	8.005	9.189	1.184
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	12.640	13.748	1.108
Income	(1.889)	(2.517)	(0.628)
Net expenditure	10.751	11.231	0.480
Earmarked Funds	0.000	0.000	0.000
Total	10.751	11.231	0.480

Trading Services	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Income	(31.647)	(31.878)	(0.231)
Labour Costs	13.050	12.644	(0.406)
Sub Contractors	5.094	5.496	0.402
Other Direct Costs	9.456	9.618	0.162
Overheads	1.795	1.818	0.023
Total Expenditure	(2.252)	(2.302)	(0.050)
Pension Accounting	0.277	(0.316)	(0.593)
Net expenditure	(1.975)	(2.618)	(0.643)
Earmarked Funds	0.000	0.000	0.000
Total	(1.975)	(2.618)	(0.643)

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 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. The unanticipated shortfall in project funding for the Outdoor Access project of £0.200m was funded from Leisure Services.

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

The balance previously reported for Homecoming has been transferred to Leisure Services to be funded from previously approved balances.

Balances at 31
March 2009
£m

Leisure External Projects	(0.852)
Roads and Transport Projects	(0.277)
Total	(1.129)

NEIGHBOURHOOD SERVICES

Service Enhancements 2008/09

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

- Additional street cleansing, refuse collection and waste management services arising from new streets, houses and local facilities;
- Extension of community usage of school based leisure facilities;
- Commitment to Road Safety and the Kerbcraft initiative in schools.

Funding previously provided on a temporary basis has been incorporated into mainstream services including Strategic Waste, Community Safety, Supporting People and Homelessness services including additional funding for Hostels.

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.

Enhanced funding has been provided to continue the work of the Community Health Improvement Partnership and the Environmental Hit Squads

Leader's Initiatives

At the Council meeting on 14 February 2008 the leader gave details of the following initiatives, the funding for which will be met from council balances:

- Extension of summer floral baskets to cover historical centres of Kilmarnock and Cumnock – scheme completed at a cost of £0.012m
- Additional mechanical sweeper – purchased 29 September 2008
- Changes to Shopmobility Scheme to make it available on Saturdays – scheme currently being progressed
- Availability of public convenience provision in Kilmarnock seven days per week – Planning application submitted and contract for installation awarded
- Provision of new toilet facilities in Mauchline – issues raised by disabled group to be progressed prior to award of Building Warrant

Efficiency Gains

The Executive Director of Neighbourhood Services was tasked with saving 2.25% of controllable revenue expenditure which equates to £0.861m. The continuous pursuit of efficiencies to release resources for priority areas is established practice within the Council and whilst the target was challenging it was achieved without affecting the quality of essential services.

NEIGHBOURHOOD SERVICES

Capital Programme

Out-turn expenditure for 2008/09 was £10.420m, which represents 89% of the available budget.

The variance primarily relates to slippage on the Traffic & Road Safety (£0.800m) and Structures programmes (£0.354m) which although committed will not incur expenditure until 2009/10. There has also been slippage on a number of facility improvement schemes including Darvel Town Hall (£0.294m) and the Newmilns (£0.100m) and Dalmellington / Bellsbank Library projects (£0.119m) which will be carried forward into 2009/10.

These underspends are partially offset by additional costs in relation to the Burns Monument Centre (£0.506m) as a result of delays due to changes to the specification for stone and the roof, together with the increased scope of road works and car parking and restoration of the Reformers' Monument.

Additional costs of £0.125m were also incurred on the CCTV / Risk Management Centre due to design revisions required for the sprinkler system and fire compartmentalisation.

2008/2009 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 13 (31 MARCH 2009)

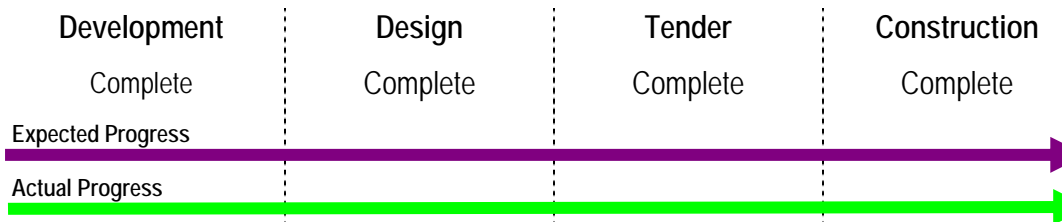
NEIGHBOURHOOD SERVICES

Stewarton Community Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.560	3.570	3.578

Financial Status

The projected overspend is a result of contractual claims following delays to the project and additional client expenditure.



Project Life Cycle

Project completed. Official opening was on 10th March 2009.



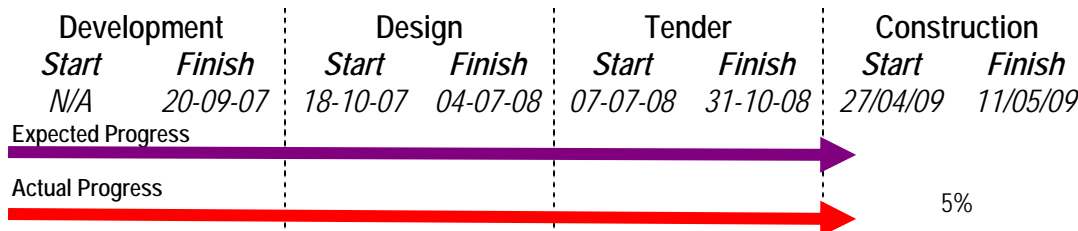
External View

Crosshouse Library / Local Office

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.805	0.307	3.805

Financial Status

Agreement on additional funding has now been reached between partners to the project.



Project Life Cycle

Construction commenced on 27 April, ground works in progress, project on programme.



External View

2008/2009 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 13 (31 MARCH 2009)

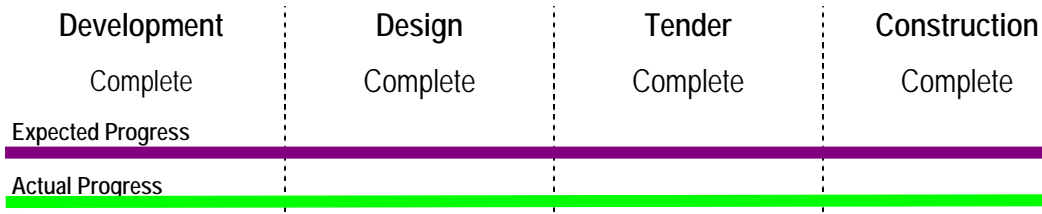
NEIGHBOURHOOD SERVICES

Doon Valley Swimming Pool

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
0.795	0.852	0.852

Financial Status

Overspend due to extension of project to include painter work to main pool.



Project Life Cycle

The building reopened on 16 September.



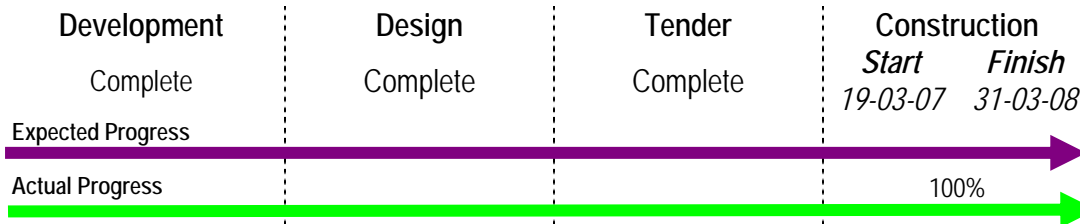
External View

Burns Monument Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
5.000	5.506	5.506

Financial Status

Overspend for project due to additional costs in relation to delays resulting from the revised specification to stone and roofing, the increased scope of road works and car parking and restoration of Reformers' Monument.



Project Life Cycle

Building opened by First Minister 16 May 2009.



Internal View

2008/2009 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 13 (31 MARCH 2009)

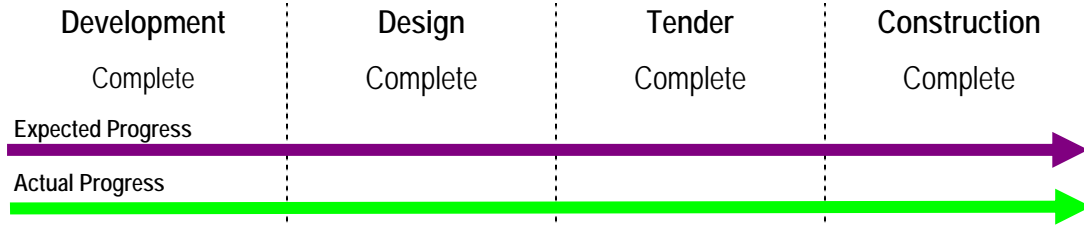
NEIGHBOURHOOD SERVICES

CCTV / Risk Management Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
2.729	2.853	2.853

Financial Status

Overspend due to revisions to sprinkler system, ground conditions and additional costs in relation to upper floor fire compartmentalisation.



Project Life Cycle
Project completed.



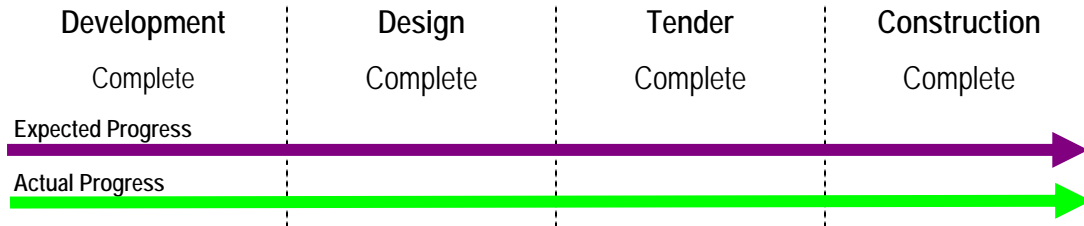
Internal View

Galston Flood Prevention Scheme

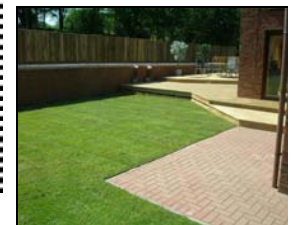
Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
13.070	12.987	12.987

Financial Status

Underspend on project currently estimated at £0.083m; after taking account of revised grant support the net underspend will be revised to approximately £0.008m.



Project Life Cycle
Project completed





Reinstated Garden

2008/2009 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 13 (31 MARCH 2009)

NEIGHBOURHOOD SERVICES


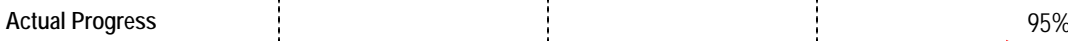
Palace Theatre Complex – Phase 3

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
1.281	0.836	1.281	N/A	N/A	29-09-08	19-01-09	19-01-09	30-03-09	01-07-09	01-08-09
			Expected Progress 							
			Actual Progress 							

Project Life Cycle

The construction milestones above are exclusive of the lift installation which is scheduled for January to April 2010, to avoid the Year of Homecoming celebrations.

Baird Institute

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
0.650	0.247	0.650	TBC	TBC	TBC	10-11-08	10-11-08	22-12-08	02-02-09	24-04-09
			Expected Progress 							
			Actual Progress 							



External View

Project Life Cycle

Works to include installation of disabled toilet in upper floor and other general improvements to visitor facilities. Final works to electrical systems and basement doors on-going.

2008/2009 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 13 (31 MARCH 2009)

NEIGHBOURHOOD SERVICES

Kilmarnock Athletics Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
3.750	0.000	3.750	TBC	27-02-09	02-03-09	21-08-09	24-08-09	12-02-10	29-03-10	28-03-11

Expected Progress: A purple arrow points from the start of the Development phase (TBC) to the start of the Design phase (02-03-09).

Actual Progress: An orange arrow points from the start of the Development phase (TBC) to approximately 10% through the Design phase.

Financial Status

The current total budget allocation of £3.750m to be revised in light of Cabinet's decision on 6 May 2009 to progress options in relation to full indoor and outdoor facilities.

Project Life Cycle

Cabinet on 6 May 2009 agreed to progress option in relation to full indoor and outdoor facilities. Site visits planned to similar sports facilities in Grangemouth; design work on-going.

2008/2009 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 13 (31 MARCH 2009)

NEIGHBOURHOOD SERVICES

General Projects

Facility Improvement

The underspend primarily relates to slippage on the Darvel Town Hall which has been deferred until after the Darvel Music Festival, Dalmellington & Bellsbank Library which will be carried forward into 2009/10, the Newmilns Library and Non HRA Housing.

Health & Safety

The underspend relates to the works to Underwood Wash Bay which were less than anticipated.

Cemetery Extensions

The programme of works for Cemetery Extensions did not progress as anticipated in 2008/09.

Disabled Access

There are uncommitted balances under the libraries allocation.

Playparks

The programme of works in relation to play parks investment did not progress as anticipated in 2008/09. The remainder of works will be completed in 2009/10.

Traffic & Road Safety

Neither the Cumnock Parking Strategy nor Decriminalisation of Parking Enforcement incurred expenditure in the current year. A number of Traffic schemes, including the Rural Improvements and Rural Route Action Plans have also slipped into the beginning of 2009/10.

Structures

There are a number of bridge projects which although committed will not incur expenditure until 2009/10. There was also an element of slippage in respect of the multi storey car park.

Carriageways and Footways

Overall there was a minor underspend on the carriageway and footways capital programme.

Street Lighting

Overall there was a small underspend on the street lighting capital programme.

Flood Prevention Schemes

The set aside for land compensation in relation to the Crookedholm Flood Prevention Scheme was less than originally anticipated.

Depots

There is a modest underspend on the depots project.

	Revised Budget 2008/09 £m	Actual Expenditure to Date £m	Variance £m
Facility Improvements	1.188	0.718	(0.470)
Health & Safety	0.109	0.105	(0.004)
Cemetery Extension	0.127	0.041	(0.086)
Disabled Access	0.012	0.004	(0.008)
Playparks	0.239	0.225	(0.014)
Traffic & Road Safety	1.445	0.645	(0.800)
Structures	0.767	0.413	(0.354)
Carriageways & Footways	2.027	2.023	(0.004)
Street Lighting	0.238	0.212	(0.026)
Flood Prevention Schemes	0.020	(0.005)	(0.025)
Depots	0.016	0.010	(0.006)
TOTAL NEIGHBOURHOOD SERVICES	6.188	4.391	(1.797)

2008/2009 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 13 (31 MARCH 2009)

NEIGHBOURHOOD SERVICES

Housing Investment Programme

The Housing Investment Programme outturn for financial year 2008/09 is £15.607m, which is £0.015m over budget. There is a long term programme to refurbish council dwellings to meet the Scottish Housing Quality Standard by 2015. This means that the investment levels are not uniform each year, which may result in levels of over or under commitment. However, with current uncertain economic conditions, particularly with regard to capital receipts the originally over-committed programme for 2008/09 was brought back into line with the available budget.

In scaling back the original programme to current levels for 2008/09, it is not envisaged that that this will have a detrimental impact on the delivery of the programme of works required to meet the Scottish Housing Quality Standard by 2015, nor any commitments given to tenants.

Service	Revised Budget 2008/09 £m	Actual Expenditure to Date £m	Variance £m
Asbestos	0.132	0.204	0.072
Energy Efficiency	2.536	0.484	(2.052)
Efficient Heating	3.379	3.501	0.122
External Envelope Enhancement	1.741	1.572	(0.169)
Modern Facilities & Services	6.478	7.619	1.141
Neighbourhood Improvements	0.112	0.786	0.674
Safe & Secure Neighbourhood	0.389	0.399	0.010
Sheltered Housing Safety & Improvement	0.825	1.042	0.217
Total Housing Expenditure	15.592	15.607	0.015

Asbestos

Small overspend due to additional scope of programme.

Energy Efficiency

The start of UPVC Phase 1 windows and timber windows were deferred until February and March respectively resulting in the slippage noted. UPVC Phase 2 and 3 windows were deferred entirely into 2009/10.

Efficient Heating

The scope of works undertaken in relation to the efficient heating programme was higher than originally anticipated resulting in a modest overspend.

External Envelope Enhancement

Phase 2 roofing has been postponed to help bring the programme within budget.

Modern Facilities & Services

Over the year there have been an increased number of kitchen and bathroom installations.

Neighbourhood Improvements

The overspend relates primarily to demolitions which were not originally to be funded through the Housing Investment Programme. Additional demolitions in New Cumnock and Galston were funded by additional revenue transfer.

Safe & Secure Neighbourhood

A small overspend was noted on the Safe & Secure Neighbourhood programme.

Sheltered Housing Safety & Improvement

The increased costs were due to additional roofing, flooring and roughcast repairs

2008/2009 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 13 (31 MARCH 2009)

NEIGHBOURHOOD SERVICES

Sources of Funding

	Approved Budget 2008/09 £m	Actual Expenditure 2008/09 £m
Revenue Funding (CFCR)	5.561	6.344
Sale of Council Dwellings and Other Capital Receipts	6.500	2.848
Anticipated Borrowing	3.531	6.415
Total	15.592	15.607

As a result of current economic conditions, the contribution to the Housing Investment Programme from capital receipts generated from council house sales was significantly less than originally anticipated. As a result the borrowing requirement for the HRA in 2008/09 was increased to £6.415m.

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CORPORATE SUPPORT

SERVICE SUMMARY

The outturn position at 31 March 2009 is an underspend of £1.630m of which £1.611m is required to be earmarked to meet specific commitments. The variance includes a shortfall in Planning and Building Standards income of £0.716m due to external economic factors. Management action was taken to delay the timing of filling vacant posts and to restrict general expenditure where this did not impact on service requirements.

It is anticipated that £1.611m will be earmarked for specific departmental commitments which include £0.264m received by Legal under the Licensing Scotland Bill 2005 required to be retained for future years Licensing Board costs, £0.120m for the Local Plan Public Enquiry, £0.199m Scottish Enterprise contribution to CARS / THI and £0.391m of Fairer Scotland Funding which was largely required to be reprofiled to match external funding in multi-annual programmes. This mainly relates to the Kilmarnock Area Regeneration Scheme (CARS) and the Skills Development and Employability service and the revised profile for these schemes is shown in the table below.

	2008/09	2009/10	2010/11	Total
	£m	£m	£m	£m
Fairer Scotland Fund				
Initial Funding Profile	0.923	0.790	0.790	2.503
Revised Funding Profile	0.610	0.915	0.978	2.503
Variance (Favourable) / Adverse	(0.313)	0.125	0.188	0.000

	Estimate	Actual Exp	Variance
	£m	to 31 Mar 09	(Favourable)
		£m	/ Adverse
Central Management Support	0.264	0.249	(0.014)
Personnel	1.517	1.458	(0.059)
Information Technology	3.517	3.287	(0.231)
Planning & Economic Dev.	4.135	3.445	(0.689)
Democratic Services	2.899	2.724	(0.175)
Legal Procurement & Reg.	3.007	2.621	(0.386)
Community Planning P'ship	0.915	0.838	(0.077)
Net Expenditure	16.252	14.622	(1.630)
Earmarked Funds	(1.092)	0.519	1.611
Total	15.160	15.141	(0.019)

	Estimate	Actual Exp	Variance
	£m	to 31 Mar 09	(Favourable)
		£m	/ Adverse
Employee Costs	13.267	12.378	(0.889)
Property Costs	0.345	0.261	(0.084)
Transport Costs	0.339	0.281	(0.057)
Supplies & Services	5.783	5.521	(0.263)
Third Party Payments	1.177	1.097	(0.080)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	20.910	19.538	(1.373)
Income	(4.658)	(4.915)	(0.257)
Net Expenditure	16.252	14.622	(1.630)
Earmarked Funds	(1.092)	0.519	1.611
Total	15.160	15.141	(0.019)

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CORPORATE SUPPORT

EARMARKED FUNDS TO BE CARRIED FORWARD

No.	Description	£m
1	Liquor Licensing Income -received under the Licensing (Scotland) Act 2005	0.264
2	Scottish Enterprise contribution to 'Kilmarnock Building our Future' - CARS/THI	0.199
3	Local Plan Public Local Inquiry	0.120
4	Fairer Scotland Funds - Skills Development & Employability Service	0.213
5	Fairer Scotland Funds - CARS	0.100
6	Fairer Scotland Funds – Community Planning	0.042
7	Fairer Scotland Funds - Restoring Communities	0.036
8	Information Technology (£65k Community Facilities Review / £33k PC maint. audit)	0.098
9	Skills Development & Employability - EU match funding	0.037
10	CARS match fund top up in line with Historic Scotland award	0.009
11	Dangerous Buildings	0.081
12	Daldorch Footbridge (Cabinet 2/7/08 & 22/4/09)	0.050
13	Newmilns Townscheme (Cabinet 2/7/08 & 22/4/09)	0.042
14	Catrine Environmental Heritage Project (Cabinet 2/07/08)	0.038
15	Redundancy Costs (Legal & Regulatory BVSR, Cabinet 22/04/09)	0.037
16	Tobacco Sales Enforcement (Scottish Government award)	0.034
17	Jo Evaluation contract to Summer 2009	0.033
18	Local Grants	0.030
19	Tourism (Cabinet 17/12/08)	0.024
20	Joint Ayrshire Household Shopping Survey	0.005
21	Air Quality - software for web loggers	0.009
22	Business Grants	0.055
23	Organisational Development training and facilities upgrade	0.023
24	Contaminated Land (Cabinet 5/3/08)	0.007
25	Members Caseload Information Technology software	0.025
		1.611

Within the Earmarked funds to be carried forward the Executive Director of Corporate Support has indicated that items 1 to 20 on the table are essential with the remaining items desirable.

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 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 14 February 2008	13.002			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Single Status Unit Funding		+0.103		Additional Funding for Costs Arising from the Single Status Unit
2 Fairer Scotland Fund		+1.978		Additional Funding for the Implementation of the Fairer Scotland Fund
3 Procurement Strategy		+0.093		Realignment of Budgets to Reflect Implementation of Procurement Strategy
4 Tobacco Sales Enforcement Funding		+0.034		Additional Funding for Implementation of Tobacco Sales Legislation
5 Utilisation of Balances - Head of Corporate Development		+0.023		Drawdown of Balances for Costs Arising from Head of Corporate Development
6 Adjustment of Non Relevant Recharge Budgets		-0.062		Realignment of Budgets to Reflect Non Relevant Recharges
7 Utilisation of Earmarked Balances		+0.908		Draw down of departmental earmarked balances
8 7 Payroll Adjustment		+0.010		Additional payroll inflation at 3% offset by strike deductions
9 Energy Costs Adjustment		+0.005		Realignment of budget to allocate centrally held funding
10 Contaminated Land Funding		+0.151		Realignment of budget to transfer Contaminated Land grant
11 Animal Feedstuffs Funding		+0.007		Additional funding for the testing of Animal feedstuffs
<i>Total Budget adjustments</i>			+3.250	
Revised Budget Allocation at Period 13			16.252	

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CORPORATE SUPPORT

SERVICE PERFORMANCE TO DATE

CENTRAL MANAGEMENT SUPPORT

The variance mainly relates to management efficiencies in respect of Corporate Marketing.

FTE STAFFING ANALYSIS FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
4	-1	3	3

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	0.204	0.199	(0.005)
Property Costs	0.000	0.000	0.000
Transport Costs	0.001	0.000	(0.001)
Supplies & Services	0.008	0.013	0.004
Third Party Payments	0.050	0.037	(0.013)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.264	0.249	(0.014)
Income	0.000	0.000	0.000
Net Expenditure	0.264	0.249	(0.014)
Earmarked Funds	0.000	0.000	0.000
Total	0.264	0.249	(0.014)

HUMAN RESOURCES

The variance on Employee Costs is due to the delay in the implementation of the Best Value Service Review offset by subsequent redundancy costs and the timing in implementing a Management Development training programme. It is anticipated that £0.034m and £0.023m will be earmarked respectively for Job Evaluation and Organisational Development training commitments. Additional costs in respect of subscription and licence commitments, costs associated with Absence Management, Equality and Diversity training costs and the move towards a National Recruitment Portal have been met. Additional physiotherapy costs are offset by income recharges and surplus income from the Employee Excellence Awards sponsorship.

FTE STAFFING ANALYSIS FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
50	-15	35	32.4

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	1.417	1.340	(0.077)
Property Costs	0.017	0.024	0.007
Transport Costs	0.011	0.011	(0.001)
Supplies & Services	0.191	0.207	0.017
Third Party Payments	0.063	0.095	0.032
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	1.699	1.677	(0.022)
Income	(0.182)	(0.219)	(0.037)
Net Expenditure	1.517	1.458	(0.059)
Earmarked Funds	(0.056)	0.000	0.056
Total	1.461	1.458	(0.003)

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CORPORATE SUPPORT

INFORMATION TECHNOLOGY

Within employee costs, delays in the Best Value Service Review implementation, additional turnover and recharges have been partially offset by additional overtime and job evaluation regrading costs.

It is anticipated that £0.098m will be earmarked for community facilities, additional p.c. maintenance and broadband costs, with a further £0.025m required for Members Caseload software.

FTE STAFFING ANALYSIS FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
51	+7	58	53.6

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	2.115	1.911	(0.204)
Property Costs	0.000	0.000	0.000
Transport Costs	0.026	0.014	(0.012)
Supplies & Services	1.792	1.778	(0.014)
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.933	3.703	(0.230)
Income	(0.415)	(0.416)	(0.001)
Net Expenditure	3.517	3.287	(0.231)
Earmarked Funds	(0.123)	0.000	0.123
Total	3.394	3.287	(0.108)

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CORPORATE SUPPORT

PLANNING AND ECONOMIC DEVELOPMENT

Management action was taken to realign existing Employee Costs following a decline in planning income, with additional savings in the Skills Development and Employability service. The Property Costs variance relates primarily to Dangerous Building costs. The Supplies and Services underspend is mainly due to the take up of Business Grants being lower than anticipated and timing issues in respect of Environmental Initiatives, partially offset by advertising, legal and professional fees. The variance on Third Party Payments is mainly due to the contingency element within the Core Funding Payments to External bodies. Income from Planning Fees and Building Warrants were £0.716m under budget. The outturn includes £0.615m of income yet to be received from EU funds for Employability and Historic Scotland for Kilmarnock CARS. It is anticipated that £1.009m will be earmarked and carried forward to meet existing commitments in respect of FSF, regeneration projects and other service commitments. The FSF is required to match external funds in multi-annual programmes which have been subject to re-profiling and mainly relate to the Kilmarnock Conservation Area Regeneration Scheme (£0.100m) and Skills Development and Employability service (£0.190m).

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	4.487	4.096	(0.391)
Property Costs	0.240	0.157	(0.083)
Transport Costs	0.170	0.130	(0.039)
Supplies & Services	1.667	1.414	(0.253)
Third Party Payments	0.557	0.440	(0.118)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	7.121	6.236	(0.885)
Income	(2.987)	(2.791)	0.196
Net Expenditure	4.135	3.445	(0.689)
Earmarked Funds	(0.763)	0.246	1.009
Total	3.372	3.691	0.320

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
104	+14	118	105

Non Financial Performance

Number of Planning Applications received

Outturn (31/3/08)	Outturn (31/3/09)
1,040	879

Number of Building Warrants received

Outturn (31/3/08)	Outturn (31/3/09)
1,483	1,174

Value of Development Plans Submitted

Outturn (31/3/08)	Outturn (31/3/09)
£163.5m	£66.31m

Average Income per Planning Application received

Outturn (31/3/08)	Outturn (31/3/09)
£846	£573

Average Income per Building Warrant received

Outturn (31/3/08)	Period (31/3/09)
£577	£402

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CORPORATE SUPPORT

DEMOCRATIC SERVICES

Employee Costs are underspent due to the timing of filling of vacancies. Reduced Supplies and Services costs are mainly due to reduced expenditure on local grants which is anticipated to be earmarked to meet service commitments. Income from Property Certificates was less than anticipated as a result of regulatory changes and the economic downturn and Printroom income was under budget.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
48	0	48	42.6

LEGAL, PROCUREMENT AND REGULATORY

Employee Costs are underspent due to the timing of filling vacancies. It is anticipated that £0.037m will be earmarked for commitments in respect of the Best Value Service Review. The Supplies and Services variance mainly relates to costs associated with Abandoned Vehicles, National Assistance Act funerals, licence and software commitments offset by general office administration efficiencies. £0.034m is required to be earmarked for Tobacco Test purchasing commitments.

Additional income generated through Licensing Board fee charges imposed under the Licensing Scotland Act 2005 of £0.264m requires to be earmarked for use only for future licensing board costs. Additional income was also received mainly from Fixed Penalty Commission, legal and licensing fees, and court fines and additional grant income offsets a projected shortfall on pest destruction fees.

FTE STAFFING ANALYSIS

Budget	In year	Revised Budget	Actual to date
90	-1.8	88.2	84.1

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	1.554	1.387	(0.167)
Property Costs	0.025	0.025	(0.000)
Transport Costs	0.031	0.030	(0.001)
Supplies & Services	1.449	1.430	(0.019)
Third Party Payments	0.046	0.031	(0.016)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.105	2.902	(0.203)
Income	(0.206)	(0.177)	0.028
Net Expenditure	2.899	2.724	(0.175)
Earmarked Funds	(0.030)	0.000	0.030
Total	2.869	2.724	(0.145)

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	2.974	2.943	(0.031)
Property Costs	0.037	0.034	(0.003)
Transport Costs	0.096	0.088	(0.008)
Supplies & Services	0.546	0.566	0.021
Third Party Payments	0.218	0.252	0.034
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.870	3.883	0.012
Income	(0.864)	(1.262)	(0.398)
Net Expenditure	3.007	2.621	(0.386)
Earmarked Funds	(0.078)	0.273	0.351
Total	2.929	2.894	(0.035)

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CORPORATE SUPPORT

COMMUNITY PLANNING AND PARTNERSHIP

The Employee Cost underspend is due to the delay in filling a vacancy after offsetting turnover savings. Reduced expenditure on Supplies and Services was mainly in relation to the Small Project Development Fund and the allocation of grants. Additional income has been generated in respect of service recharges. In line with grant conditions it is anticipated that £0.042m of Fairer Scotland Funds will be earmarked for service commitments.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
17	-3.5	13.5	12.9

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	0.516	0.502	(0.014)
Property Costs	0.026	0.022	(0.004)
Transport Costs	0.004	0.009	0.004
Supplies & Services	0.130	0.112	(0.018)
Third Party Payments	0.243	0.243	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.919	0.888	(0.031)
Income	(0.005)	(0.050)	(0.045)
Net Expenditure	0.915	0.838	(0.077)
Earmarked Funds	(0.042)	0.000	0.042
Total	0.873	0.838	(0.035)

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 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 a result of timing of income which is anticipated to be recovered in line with a recent Steering Group report.

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

The outstanding 2007/08 claim for the Skills Training balance was received in 2008/09 and the costs of the Skills Development and Employability unit are reflected in the General Services Revenue Budget.

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 funds committed for the Four Towns Enquiry by Design, Cabinet approved funding to be spent on town centre activities and money held for the Moorfield Entrance Junction which is required to be held during the project retention period.

Balances at 31
March 2009
£m

Environmental / Community / Heritage	0.043
Employability	0.107
Wind Farm	(0.174)
Skills Training Unit	0.000
Developers Contributions / S75 SLR	(0.677)
Other	(0.168)
Total	(0.869)

CORPORATE SUPPORT

Service Enhancements 2008/09

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

- Additional services in relation to Dangerous Buildings;
- Best Value Service Reviews of the Information Technology and Personnel Services;
- Introduction of a Management Development Programme.

Additional funding has also been provided in relation to the introduction of the Copyright, Design and Patents Act with funding previously provided on a temporary basis incorporated in mainstream services for Neighbourhood Noise services.

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 over the next 4 years.

Efficiency Gains

The Executive Director of Corporate Support was tasked with saving 2.25% of controllable revenue expenditure which equates to £0.288m. The continuous pursuit of efficiencies to release resources for priority areas is established practice within the Council and whilst the target was challenging it was achieved without affecting the quality of essential services.

Leader's Initiatives

Progress to date is as follows:

- Landscape works being carried out in Kilmarnock Town Centre – Car parking area and landscaping at North Hamilton Place complete and two large hexagonal planters purchased for Langlands St. and Tichfield St. Kilmarnock. Additional landscaping works to be carried out by summer 2009
- Provision of drop-down façade erected at opera house site in John Finnie Street – work is ongoing with application for consents anticipated
- Provision of a new Floral Clock and associated landscaping works at Kilmarnock Railway Station – the proposed design will result in costs being considerably in excess of budget with additional funding being bid from the Town Centre Regeneration Fund
- Feasibility study of option for development of Centrestage facilities in Kilmarnock – this is currently in progress
- Development of options for future use of Co-op building in Darvel – 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 is anticipated to be completed by June 2009
- Litter Education and Enforcement Team – as reported to Cabinet on 18 March 2009 the Corporate Enforcement Unit is well established and this years approved programme of planned enforcement and educative activities continue to be delivered and generally well received
- Installation of floodlighting to highlight key landmarks – opening ceremony for viaduct floodlighting took place on 6 October 2008

CORPORATE SUPPORT

Capital Programme

Out-turn expenditure for 2008/09 was £2.262m, which represents 64% of the available budget.

The projected variance on the Corporate Support capital programme primarily relates to the Town Centre Regeneration works in relation to Kilmarnock and Cumnock.

In respect of the Kilmarnock Town Centre regeneration project, the works to the multi-storey car park as agreed by Cabinet on 17 September 2008 were not completed in 2008/09 and will carry forward into 2009/10. In addition, not all of the properties were acquired in 2008/09 in relation to the John Finnie Street development.

Property acquisitions in relation to the Cumnock Town Centre Regeneration project did not progress as anticipated in 2008/09. These acquisitions will therefore carry forward into 2009/10.

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CORPORATE SUPPORT

Major Projects

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
21.800	0.510	21.800								

Expected Progress



Actual Progress



Financial Status

It is anticipated that total costs of approximately £0.866m will be incurred by the Council in relation to the termination costs with Ediston (£0.294m), prior works undertaken (£0.312m), an additional consultant fee to collate peripheral information (£0.005m), carrying out work as detailed at Cabinet on 17 September 2008 (£0.180m) and the contribution for works at Portland Gait (£0.075m).

Project Life Cycle

The process to terminate the contracts with the companies providing professional services at "point of tender" has been agreed. Each of the companies has now been informed of the circumstances and has submitted their final account statements via the project managers.

Works is currently on-going to develop proposals for a number of other projects in relation to utilising the remainder of the available funding for the regeneration of Kilmarnock Town Centre.

Council Chambers

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
1.300	0.000	1.300								

Expected Progress



Actual Progress



Financial Status

No expenditure was incurred in 2008/09 in relation to this project.



Project Life Cycle

Augmented tender to accommodate accelerated works to roof; anticipated tender acceptance by 21 May.

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CORPORATE SUPPORT

Cumnock Town Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Acquisition		Design		Construction		Distribution	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
3.969	1.491	3.969	01-10-08	31-03-09	31-01-08	TBC	31-10-09	TBC	TBC	TBC
			Expected Progress 							
			Actual Progress  50%							



Financial Status

An indicative budget of £3.969m has been allocated to the project from the Regeneration, Efficiency and Asset Management fund. Firm budget proposals will be brought to members for approval as the project develops.

Project Life Cycle

Detailed planning application for office development and outline planning application were approved on 5th May 2009. Land acquisition progressing. Consultant led discussions with supermarket operators continuing.

Data Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
1.250	0.000	1.250	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
			Expected Progress 							
			Actual Progress 							

Financial Status

There was no expenditure incurred in 2008/09 in relation to this project.

Project Life Cycle

Outline proposals still to be costed and designs are still under consideration.

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CORPORATE SUPPORT

General Projects

Regeneration and Efficiency Fund

The John Finnie Street project incurred slippage of £0.174m due to the carry over of a property purchase into 2009/10. It should be noted that the projected expenditure does not include an estimate for disturbance / relocation compensation payable to sitting tenants as this has not yet been determined.

	Revised Budget 2008/09 £m	Actual Expenditure to Date £m	Variance £m
Corporate Information Technology	0.641	0.641	0.000
R & EF - John Finnie Street	0.307	0.133	0.174
TOTAL	0.948	0.774	0.174

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

FINANCE AND ASSET MANAGEMENT

SERVICE SUMMARY

The outturn position is £1.282m under budget with £1.235m required to be earmarked for specific service commitments. Employee Costs are significantly underspent due to vacancies which are being held pending a business review. The Property Costs variance is primarily due to the property maintenance programme partially offset additional energy costs in corporate office accommodation properties. Additional income was due to funding received from the Department for Work and Pensions to support the implementation of the Employment Support Allowance and income from the collection of Scottish Water collection rates. The Supplies and Services variance principally relates to leasing costs on town centre properties. Additional consultancy costs have been procured to enable the progression of work required to advance the Council's capital programme.

As previously anticipated £0.598m is required to be earmarked for expenditure on property maintenance for committed work not completed before the end of the financial year with a further £0.637m required for Asset Management commitments.

EARMARKED FUNDS TO BE CARRIED FORWARD

No.	Description	£m
1	Central Repairs - Building Maintenance Commitments 2008/09	0.598
2	Waterside Industrial Units - Repair Work	0.040
3	Corporate Office Accommodation Strategy	0.330
4	Property Rental – Burns Mall	0.250
5	Fuel Poverty Funding Income	0.015
6	OPM Prize Income - Dalmellington Area Centre	0.002
	Total	1.235

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Finance	45.581	45.301	(0.280)
Asset Improvement	4.331	3.263	(1.068)
Asset Management	1.884	1.950	0.066
Net Expenditure	51.796	50.514	(1.282)
Earmarked Funds	(1.168)	0.067	1.235
Total	50.628	50.581	(0.047)

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	9.271	8.854	(0.417)
Property Costs	6.499	6.149	(0.350)
Transport Costs	0.129	0.100	(0.029)
Supplies & Services	1.745	1.483	(0.262)
Third Party Payments	0.084	0.423	0.339
HB/CT Benefit	42.111	42.111	0.000
Gross Expenditure	59.839	59.120	(0.719)
Income	(8.043)	(8.606)	(0.563)
Net Expenditure	51.796	50.514	(1.282)
Earmarked Funds	(1.168)	0.067	1.235
Total	50.628	50.581	(0.047)

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

FINANCE AND ASSET MANAGEMENT

SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate	Budget Adjustments	Revised Budget	Comments on Budget Movement
Budget Allocation Approved by Council 14 February 2008	50.530			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Procurement Strategy		-0.005		Realignment of Budgets to Reflect Implementation of Procurement Strategy
2 Adjustment of Non Relevant Recharge Budgets		0.126		Realignment of Budgets to Reflect Non Relevant Recharges
3 PPP Unitary Charges Transfer		-0.119		Realignment of budget to reflect agreed contribution from CRA towards PPP Unitary Charges
4 Utilisation of Departmental and Earmarked Balances		+1.232		Drawdown of Earmarked Balances
5 Payroll Adjustment		+0.012		Additional payroll inflation at 3% offset by strike deductions
6 Energy Costs Adjustment		+0.020		Realignment of budget to allocate centrally held funding
<i>Total Budget adjustments</i>			+1.266	
Revised Budget Allocation at Period 13			51.796	

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

FINANCE AND ASSET MANAGEMENT

SERVICE PERFORMANCE TO DATE

FINANCE SERVICE

The Employee Costs variance is principally due to staff turnover and the timing of filling vacancies which are currently being held pending a review of service operational requirements. Early retirement and voluntary severance costs of £0.106m have been included.

Savings in Supplies and Services are due to general administration costs, equipment and debt recovery costs being less than budgeted as well as lower than anticipated costs associated with Financial Guardianships.

Additional income has been received from the collection of Scottish water rates and additional grant funding from the DWP, the majority of which is one-off to enable the Council to meet the requirements of administering claims for Employment Support Allowance.

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	5.588	5.526	(0.062)
Property Costs	0.018	0.003	(0.015)
Transport Costs	0.027	0.021	(0.006)
Supplies & Services	0.760	0.668	(0.092)
Third Party Payments	0.000	0.000	0.000
HB/CT Benefit	42.111	42.111	0.000
Gross Expenditure	48.504	48.329	(0.175)
Income	(2.923)	(3.028)	(0.105)
Net Expenditure	45.581	45.301	(0.280)
Earmarked Funds	0.000	0.000	0.000
Total	45.581	45.301	(0.280)

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
186	+1	187	173

Non Financial Performance

Council Tax Collection

Outturn 31/3/08	Outturn 31/3/09
92.4%	94.1%

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

FINANCE AND ASSET MANAGEMENT

ASSET IMPROVEMENT

The Employee Costs variance is attributed to vacancies following the Best Value Service Review of Asset Management arrangements and recruitment continues to progress. The Property Costs variance relates predominantly to property maintenance with the £0.598m variance required to be earmarked for work committed but not yet complete. Additional external consultant costs procured under a framework contract to enable the progression of work required to advance the Councils capital programme were offset by additional fee income mainly due to additional work primarily from the Capital Programme. Fees recovered exceeded budget after the reinvestment of £0.500m for essential building maintenance.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
81	0	81	71

ASSET MANAGEMENT

As previously reported there are a number of vacancies following the Best Value Service Review of Asset Management and recruitment continues to progress. Property Cost savings in rentals are offset by additional fuel oil costs for boiler systems, work in relation to surplus property and Corporate Office energy costs. Additional Supplies and Services costs for the implementation of new systems and the Councils Asset Management Strategy have been offset by savings within Corporate Office Accommodation and the utilisation of previous years balances. I.T. cable re-routing costs at Mill Street will not be incurred. Income is under recovered mainly due to lower property income and housing deed plans and a downturn in capital receipts from disposals due to market conditions and a reduced portfolio of marketable surplus property as well as significantly lower values of existing properties. £0.637m needs to be earmarked to meet service commitments.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
26	0	26	23

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	2.783	2.544	(0.239)
Property Costs	5.126	4.532	(0.594)
Transport Costs	0.080	0.069	(0.011)
Supplies & Services	0.101	0.104	0.003
Third Party Payments	0.000	0.373	0.373
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	8.090	7.622	(0.468)
Income	(3.759)	(4.359)	(0.600)
Net Expenditure	4.331	3.263	(1.068)
Earmarked Funds	(0.598)	0.000	0.598
Total	3.733	3.263	(0.470)

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	0.900	0.784	(0.116)
Property Costs	1.355	1.614	0.259
Transport Costs	0.022	0.010	(0.012)
Supplies & Services	0.884	0.711	(0.173)
Third Party Payments	0.084	0.050	(0.034)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.245	3.169	(0.076)
Income	(1.361)	(1.219)	0.142
Net Expenditure	1.884	1.950	0.066
Earmarked Funds	(0.570)	0.067	0.637
Total	1.314	2.017	0.703

FINANCE AND ASSET MANAGEMENT

Service Enhancements 2008/09

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 over the next 4 years.

Leader's Initiatives

At the Council meeting on 14 February 2008 the leader gave details of the following initiatives, the funding for which will be met from council balances:

- Refurbishment of Council owned shops in Ayr Road, Cumnock – One of the units is now occupied and one is currently being marketed. The remaining shop is complete but there are problems with the flooring which is currently being discussed with the contractor.

Efficiency Gains

The department was tasked with saving 2.25% of its controllable revenue expenditure which equates to £0.197m. The continuous pursuit of efficiencies to release resources for priority areas is established practice within the Council and whilst the target was challenging it was achieved without affecting the quality of essential services..

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

FINANCE AND ASSET MANAGEMENT

Capital Programme

Out-turn expenditure for 2008/09 was £1.021m, which represents 199% of the available budget.

Efficient Government

This is due to a minor underspend in Electric to Gas heating project.

Corporate Office Accommodation

Overall there was a minor underspend on the programme of works for Corporate Office during 2008/09.

Building Insulation

Overall there was a minor underspend on the works carried forward from 2007/08 in relation to the building insulation programme.

Vehicle Procurement

Following option appraisals, vehicles costing £757,066 were purchased rather than leased.

	Revised Budget 2008/09 £m	Actual Expenditure to Date £m	Variance £m
Corporate Issues - General Efficient Govt	0.146	0.133	(0.013)
Corporate Office Accommodation	0.157	0.113	(0.044)
R & EF - Building Insulation	0.025	0.017	(0.008)
Vehicle Procurement	0.000	0.757	0.757
TOTAL	0.328	1.021	0.693

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CENTRAL SERVICES

SERVICE SUMMARY

The outturn position for Central Services is a £0.400m adverse variance. However £2.577m is required to be earmarked for specific initiatives in future years. This results in an adverse variance of £2.977m to be met from overall Council balances.

The anticipated costs of Equal Pay and energy have been partially offset by savings on Insurance and a number of non recurring miscellaneous budgets. As previously approved, the variance at the year end on energy has been earmarked to meet energy costs next year along with other specific initiatives as shown in the table below.

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Chief Executive	0.516	0.498	(0.018)
Miscellaneous	12.323	13.154	0.831
Insurance	2.221	1.808	(0.413)
Net Expenditure	15.060	15.460	0.400
Earmarked Funds	(2.532)	0.045	2.577
Total	12.528	15.505	2.977

EARMARKED FUNDS TO BE CARRIED FORWARD

No.	Description	£m
1	Match Funding - Employability Projects	0.052
2	PPP Grant	1.673
3	Zero Waste Fund	0.378
4	Contribution to Demolition of Council Yard	0.040
5	Energy - Contract Prices 09/10	0.406
6	BT Income	0.010
7	Chief Executive's Office	0.018
	Total	2.577

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	9.477	13.031	3.554
Property Costs	0.000	0.000	0.000
Transport Costs	0.006	0.003	(0.003)
Supplies & Services	5.777	2.825	(2.952)
Third Party Payments	0.676	0.676	0.000
HB/CT Benefit	0.000	0.000	0.000
Gross Expenditure	15.936	16.535	0.599
Income	(0.876)	(1.075)	(0.199)
Net Expenditure	15.060	15.460	0.400
Earmarked Funds	(2.532)	0.045	2.577
Total	12.528	15.505	2.977

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CENTRAL SERVICES

SERVICE PERFORMANCE TO DATE

CHIEF EXECUTIVE

The variance arises principally due to a vacancy within the Internal Audit service and in line with the Reserves Strategy these funds will be carried forward to 2009/10.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
11	0	11	10.4

MISCELLANEOUS SERVICES

As previously reported the adverse variance on energy costs has been offset by underspends on a number of non recurring miscellaneous budgets, with the remaining balance earmarked for future energy costs. In addition £2.051m of funding for the Schools Fund and Zero Waste Fund has been received and due to the timing of this the balance has been earmarked and carried forward to next year, along with £0.052m for employability projects and other minor commitments. The outturn position also takes account of the costs anticipated for current equal pay claims lodged with the Council.

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	0.547	0.533	(0.014)
Property Costs	0.000	0.000	0.000
Transport Costs	0.006	0.003	(0.003)
Supplies & Services	0.018	0.015	(0.003)
Third Party Payments	0.000	0.000	0.000
Gross Expenditure	0.571	0.551	(0.020)
Income	(0.055)	(0.053)	0.002
Net Expenditure	0.516	0.498	(0.018)
Earmarked Funds	(0.018)	0.000	0.018
Total	0.498	0.498	0.000

	Estimate £m	Actual Exp to 31 Mar 09 £m	Variance (Favourable) / Adverse
Employee Costs	8.930	12.498	3.568
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	3.538	1.002	(2.536)
Third Party Payments	0.676	0.676	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	13.144	14.176	1.032
Income	(0.821)	(1.022)	(0.201)
Net Expenditure	12.323	13.154	0.831
Earmarked Funds	(2.514)	0.045	2.559
Total	9.809	13.199	3.390

2008/2009 FINANCE AND SERVICE STRATEGY OUTTURN REPORT TO 31 MARCH 2009

CENTRAL SERVICES

INSURANCE

The variance arises primarily due to lower than anticipated expenditure in relation to former Strathclyde Regional Council claims as well as higher than anticipated year end recharges to services outwith the general fund.

	Estimate £m	Actual Exp to 31 Mar 09 £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	2.221	1.808	(0.413)
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	2.221	1.808	(0.413)
Income	0.000	0.000	0.000
Net Expenditure	2.221	1.808	(0.413)
Earmarked Funds	0.000	0.000	0.000
Total	2.221	1.808	(0.413)