

# FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)



Quality | Equality | Access | Partnership



Efficiency Theme	Description
MUA	Maximising the utilisation of assets
KSO	Focusing resources on activities which deliver key service objectives
CND	Adjusting service levels to reflect current need and/or demand
BRS	Business Review of specific services to achieve reduced costs which do not impact on service levels or council policies
AMW	Obtaining maximum efficiency through alternative methods of working
ITS	Deployment of Information Technology solutions releasing cash efficiencies
BWP	Benefits achieved through effective workforce planning
CPF	Core payments reduced reflecting the overall reduction in Scottish Government grant funding
RSP	Efficiencies to be achieved through a review of service provision
CFS	Review of policies and procedures for charging for services

# EAST AYRSHIRE COUNCIL

CABINET – 26 JANUARY 2011

## FINANCE AND SERVICE STRATEGY REPORT

### Report by Executive Director of Finance and Corporate Support

#### 1 PURPOSE OF REPORT

- 1.1 To advise Members of the projected financial position for the year based on expenditure to 12 December 2010 (Period 9) and information provided by Executive Directors.

#### 2 GENERAL SERVICES

- 2.1 The overall projected outturn for the year to 31 March 2011 is an uncommitted surplus of £2.649m. This will increase the General Fund Uncommitted balance to £11.328m at the year end. As previously indicated to Cabinet, there is the potential of up to 220 severances to be funded at an estimated cost of £8.8m. This will require a significant draw on the balances currently held.
- 2.2 The Cabinet recently approved for consultation a draft budget for 2011/12, including a package of savings measures. Considerable progress has already been made this year in relation to achieving future years' savings through areas such as the management of vacant posts, business reviews, the efficiency strategy and specific management actions. While these actions will contribute to the savings targets required in future years, their early achievement has also allowed significant savings to be generated in the current financial year.

- 2.3 It is anticipated that the department of Educational and Social Services will outturn £1.070m under budget at 31 March 2011. Educational Services is anticipated to outturn £0.192m under budget which includes underspends in both teaching and ancillary staff costs, the deployment of probationers and efficiency savings within Onsite Services. In addition £0.415m of the favourable variance relates specifically to devolved school budgets. The variance has been partly offset by £0.510m additional Outwith Placements costs.

- 2.4 Social Services is anticipated to outturn £0.357m under budget with significant savings continuing to be made from the timing of recruitment to vacant posts. These are partly offset by pressures in respect of severance costs, secure accommodation placement costs, looked after children, legal costs and additional adult care and self-directed care costs. The variance includes additional costs for a number of demand led pressures of £0.952m based on information provided by the Service and relating to care at home, secure accommodation placements and service re-design costs that are anticipated to be incurred by 31 March. The movement from the previous report relates principally to secure accommodation (£0.250m), adult care (£0.220m) and foster care (£0.088m) expenditure where demand is expected to be less than previously anticipated. Should the anticipated expenditure not be incurred, then the Executive Director has indicated that the favourable variance being projected would increase further at the year end.

- 2.5 The Executive Director of Neighbourhood Services anticipates a favourable variance of £0.391m mainly due to savings in employee and landfill costs, partly offset by reduced Planning and Building Standards income and additional costs resulting from winter maintenance activities due to inclement weather. £0.391m will require to be earmarked at 31 March 2011 in respect of Planning and Economic Development initiatives.
- 2.6 The Executive Director of Finance and Corporate Support anticipates a favourable variance of £0.581m at 31 March 2011 predominantly arising from employee cost savings, and Premises Costs savings arising largely from a reduced level of completed central repairs due to the financial insolvency of the former contractor. Additional severance costs throughout the department and shortfalls in income partly offset the variance.
- 2.7 Central Services is anticipated to be £2.141m under budget. The variance includes £0.943m transferred from departmental budgets in respect of the Efficiency strategy (SRRB2) as well as £0.344m in respect of the revised Local Government Employees pay inflation. These savings are recurring and will deliver future years budget savings. Savings are also anticipated in year on one-off VAT reclaims, centrally held funding for Zero Waste Fund and Carbon Reduction Commitment. The costs of decanting pupils from Gargieston are estimated at £0.287m and partly offset the overall variance.
- 2.8 Debt charges are anticipated to be under budget by £0.600m partly due to the profiling of the capital programme, a favourable cash flow position and additional investment income in the year.

- 2.9 There is a favourable variance in respect of Housing and Council Tax Benefit income of £0.407m due to the effective overpayment recovery process.

### **3 HOUSING REVENUE ACCOUNT (HRA)**

- 3.1 The Housing Revenue Account is expected to outturn £0.476m under budget at 31 March 2011. In line with previous Cabinet approval, the Executive Director of Neighbourhood Services plans to utilise this variance on programmed maintenance and virement authority is therefore requested from Cabinet.

### **4 CAPITAL PROGRAMME**

- 4.1 The projected expenditure on the Council's capital programme is anticipated to be £47.843m, further analysis is shown in the Capital Summary shown on Page 6.

### **5 GENERAL FUND UNCOMMITTED BALANCE**

- 5.1 The Financial Reserves Strategy sets the level of the Uncommitted General Fund Balance at between 2% and 4% of Annual Budgeted Expenditure. During the current financial year commitments of £0.308m have been approved by Council and Cabinet and have reduced the balance to £8.679m. Including the forecast surplus for the year, this will increase to £11.328m which equates to 3.3% of the annual budgeted expenditure for 2010/11.

- 5.2 Work has been completed in reviewing departmental balances following the completion of the external audit and a report will be presented as a separate agenda item to this Cabinet. If the report recommendations are approved then the Council's uncommitted General Fund balance will be £ 12.712m which equates to 3.8% of the annual budgeted expenditure for 2010/11.
- 5.3 As outlined in paragraph 2.1, the 2011/12 draft budget proposals indicate the potential for a significant one-off cost associated with severance packages. If met in-year this would significantly reduce the General Fund Uncommitted Balance to £3.912m or 1.17% of annual budgeted expenditure, which is below the threshold set as part of the Reserves Strategy.

## **6 RECOMMENDATIONS**

- 6.1 It is recommended that Members:
- (i) Approve the budget virement in respect of additional CFCR/Planned Maintenance works within HRA as at paragraph 3.1;
  - (ii) otherwise note the contents of this report.

Alex McPhee  
Executive Director of Finance and Corporate Support  
19 January 2011

### **LIST OF BACKGROUND PAPERS – NIL**

Members wishing further information should contact  
Craig McArthur, Head of Finance, Telephone (01563) 576300

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

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## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### GENERAL FUND SUMMARY

Service	2010/11 Budget £m	Projected Actual to 31 March 2011	Projected Variance £m		2010/11 Budget £m	Projected Actual to 31 March 2011	Projected Variance £m
Educational and Social Services	180.119	179.570	(0.549)	Deficit / (Surplus) for the Year	4.099	(0.096)	(4.195)
Neighbourhood Services	65.028	64.637	(0.391)	Utilisation of Previous Years Balances	(4.099)	(4.099)	-
Finance and Corporate Support	24.124	23.543	(0.581)	Departmental Under/(Over) Spend c/f	-	1.546	1.546
Central Services – Other	10.471	8.330	(2.141)	<b>2010/2011 Deficit / (Surplus)</b>	<b>0.000</b>	<b>(2.649)</b>	<b>(2.649)</b>
Central Services – HB/CT Benefit Subsidy	49.885	49.885	-				
Central Services – Debt Charges	18.350	17.750	(0.600)				
<b>Net Expenditure</b>	<b>347.977</b>	<b>343.715</b>	<b>(4.262)</b>				
				<b>Housing Revenue Account</b>			
				Expenditure	37.257	36.781	(0.476)
				Income	(37.257)	(37.257)	-
				<b>Net Expenditure</b>	<b>0.000</b>	<b>(0.476)</b>	<b>(0.476)</b>
<b>Funded by</b>							
Council Tax	(48.395)	(47.939)	0.456				
Aggregated External Finance	(245.835)	(245.817)	0.018				
HB/CT Benefit Subsidy	(49.648)	(50.055)	(0.407)				
<b>Total Income</b>	<b>(343.878)</b>	<b>(343.811)</b>	<b>0.067</b>				

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### CAPITAL SUMMARY

Service	Revised Budget 2010/11	Actual Expenditure to Date	Projected Expenditure 2010/11	Projected Expenditure as % Budget	Funded by	Revised Budget 2010/11 £m	Projected Expenditure 2010/11 £m
Education & Social Services	6.957	3.258	6.431	92%	Grants, Partnership Funding , CFCR	8.920	8.920
Neighbourhood Services	23.321	9.045	23.380	100%	External Borrowing	25.017	25.167
Finance & Corporate Support	3.569	2.981	4.186	117%	<b>Total</b>	<b>33.937</b>	<b>34.087</b>
Contingency Funding	0.090	0.000	0.090	-			
<b>Total</b>	<b>33.937</b>	<b>15.284</b>	<b>34.087</b>	<b>100.4%</b>			

Service	Revised Budget 2010/11	Actual Expenditure to Date	Projected Expenditure 2010/11	Projected Expenditure as % Budget	Funded by	Revised Budget 2010/11	Projected Expenditure 2010/11
Housing Revenue Account	12.574	7.186	13.756	109%	Revenue Funding (CFCR)	5.661	8.133
					Sale of Council Dwellings	2.202	1.616
					Anticipated Borrowing	4.711	4.007
					<b>Total</b>	<b>12.574</b>	<b>13.756</b>
<b>Total Capital Programme</b>	<b>46.511</b>	<b>22.470</b>	<b>47.843</b>	<b>103%</b>		<b>46.511</b>	<b>47.843</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### EDUCATIONAL AND SOCIAL SERVICES

#### SERVICE SUMMARY

It is anticipated that Education and Social Services will outturn £0.549m under budget.

The current projected outturn position for Educational Services is an underspend of £0.192m, with the major variances relating to underspends of £0.660m in both teaching and ancillary staff costs, the deployment of probationers and efficiency and absence cover savings within Onsite Services which has been partly offset by a projected overspend of £0.501m relating to Outwith Placements

The projected outturn variance within Social Work is an underspend of £0.357m and is after utilisation of 2010/11 projected budget sustainability savings from the ongoing eligibility review of care at home services £0.965m and adult care services £1.000m. In addition, the review of administrative and support services has now been finalised and has generated a full year recurring cost reduction of £0.388m. As in previous financial years, significant savings from recruitment delays are contributing to the current projection. Work is ongoing in conjunction with service managers to prioritise the filling of vacant posts in order to ensure that operational objectives can continue to be met within an overall balanced budget

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Resources	1.170	1.149	(0.021)
PPP	9.207	9.207	0.000
Schools	66.900	66.392	(0.508)
Community Support	24.092	24.446	0.354
Facilities Management	13.862	13.845	(0.017)
Social Work	64.888	64.531	(0.357)
<b>Net Expenditure</b>	<b>180.119</b>	<b>179.570</b>	<b>(0.549)</b>

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	119.864	118.939	(0.925)
Premises Costs	8.453	8.428	(0.025)
Transport Costs	6.676	6.710	0.034
Supplies & Services	8.082	8.163	0.081
Third Party	49.814	50.249	0.435
Transfer Payments	6.930	6.772	(0.158)
<b>Gross Expenditure</b>	<b>199.820</b>	<b>199.262</b>	<b>(0.558)</b>
Income	(19.700)	(19.691)	0.009
<b>Net Expenditure</b>	<b>180.119</b>	<b>179.570</b>	<b>(0.549)</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### 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 11 February 2010	177.879			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Supporting People Budget Realignment		+0.142		Transfer of Formerly Ringfenced Supporting People Budget from Neighbourhood Services
2 Onsite Services Budget Realignment		+0.010		Transfer of Budgets for additional cleaning provision
3 Teacher Induction Scheme Funding		+1.320		Additional Funding for Probationary Teachers
4 PPP Unitary Charges Inflationary Adjustment		+0.740		Drawdown of Earmarked Balances to reflect actual inflationary charges
5 Fairer Scotland Fund		+0.035		Realignment of Budgets to Reflect Allocation of Fairer Scotland Fund
6 Financial Support for SRRB 2		+0.010		Transfer of Budget to allow cover for staff working on SRRB2
7 School Meals VAT		+0.007		Transfer of Budget for additional Meals VAT commitments
8 Curriculum for Excellence Funding		+0.093		Additional Funding for Curriculum for Excellence Additional Teachers
9 Energy Inflation Adjustment		-0.348		Realignment of Budgets to reflect actual energy inflation rates
10 NDR Revaluation Adjustment		+0.186		Realignment of Budgets to reflect actual NDR revaluation charges
11 Schools ICT Budget Realignment		-0.391		Transfer of Schools ICT budgets to Finance & Corporate Support IT Service
12 Transfer of Education Property Staff to Asset Improvement		-0.128		Realignment of Budgets to reflect transfer of staff to Asset Improvement
13 Utilisation of Balances		+0.566		Drawdown of Earmarked and Departmental Balances
14 SRRB2 Line By Line Review		-0.106		Realignment of Budgets to reflect savings identified by SRRB2
15 E Procurement Staffing Budgets per Cabinet 16 June 2010		-0.022		Transfer of Budgets to Finance & Corporate Support to fund posts
16 Adult Support and Protection Funding		+0.362		Additional Funding for Adult Support and Protection
17 Water Cooler Budget Adjustment		-0.036		Realignment of Budgets to reflect revised Water Cooler contract
18 2010/11 Payroll Adjustment		-0.200		Realignment of Budgets to reflect actual 2010/11 Pay Award
<i>Total Budget adjustments</i>			+2.240	
<b>Revised Budget Allocation at Period 9</b>			<b>180.119</b>	

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## EDUCATIONAL AND SOCIAL SERVICES

### EXPENDITURE REDUCTION TARGETS

Following extensive public consultation the Council approved a number of expenditure reduction measures which will produce savings from the department's controllable revenue expenditure of £3.187m in 2010/11. The reductions relating to the school academic year have not yet come into effect:

ACTIONS	Theme	SAVING £m	Status at 12/12/10	Achieved at 12/12/10 £m
<b>Educational and Social Services</b>		<b>3.187</b>		<b>1.549</b>
Reduce the number of external foster placements	AMW	0.185		-
Review cleaning hours in line with productivity improvements	AMW	0.020		0.020
Review roles of caretakers and cleaners in Social Work facilities	AMW	0.015		0.015
Restructure Joint Ayrshire Technician Service staffing levels	AMW	0.025		-
Reduce Schools Staffing Flexibility budget	AMW	0.050		-
Reduce HQ school absence cover budget	AMW	0.030		(0.050)
Reduce janitorial costs arising from revised standard hours	AMW	0.020		0.020
Review roles of cleaners and supervisors in Community Centres	AMW	0.030		0.030
Remove Study Support for GOALS funding	AMW	0.030		0.030
Efficiency measures and productivity review of schools catering	BRS	0.174		0.174
Rationalise training provision	BWP	0.023		0.023
Introduce Teacher Refresh Scheme 2	BWP	0.320		-
Reduce catering fixed costs	BWP	0.050		0.050
Reduce cleaning fixed costs	BWP	0.050		0.050
Reduce Special Education promoted posts held centrally	BWP	0.054		0.032
Reduce curricular support staff	BWP	0.080		0.041
Increased income from adult / teacher meals in schools	CFS	0.007		0.007
Increase price of school meals	CFS	0.090		0.035
Remove payment holiday for Community Care services	CFS	0.020		0.020
Remove subsidy from Meals on Wheels	CFS	0.030		0.030

Status: Fully met



In Progress



Unmet



## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### EDUCATIONAL AND SOCIAL SERVICES

ACTIONS	Theme	SAVING £m	Status at 12/12/10	Achieved at 12/12/10 £m
Introduce charging for extra curricular music tuition	CFS	0.032		0.027
Remove grant for Ayrshire Household Recycling project	CND	0.015		0.015
Reduce controllable Social Work budgets	CND	0.082		0.082
Reduce food supplies budgets	CND	0.036		0.036
Reduce supplies and services budgets across Onsite Services	CND	0.040		0.040
Reduce non-schools supplies and services budgets	CND	0.119		-
Remove furniture and fittings budgets from new PPP schools	CND	0.008		0.008
Reduce strain on the pension fund costs in Children & Families	CND	0.014		0.014
Reduce promoted posts in secondary schools	CND	0.228		-
Reduce promoted posts within Special Education	CND	0.023		0.023
Reduce schools budgets in line with falling school rolls	CND	0.200		-
Remove early intervention budget	CND	0.110		0.110
Reduce SQA budgets	CND	0.020		0.015
Reduce Social Work catering costs	CND	0.004		0.004
Remove departmental voluntary sector grants budget	CPF	0.010		0.010
Utilise alternative funding for schools college link programme	CPF	0.035		0.035
Remove budget for Foreign Language Assistants	KSO	0.051		0.051
Relocate Community Learning and Development staff	MUA	0.004		0.004
Reduce transport costs	MUA	0.015		0.015
Review early years partner provider provision	RSP	0.022		0.022
Review managerial arrangements in nursery schools	RSP	0.060		0.060
Reduce delegated Primary schools budgets	RSP	0.170		-
Reduce delegated Secondary schools budgets	RSP	0.135		-
Remove requirement for class sizes of 20 in S1/2 English / Maths	RSP	0.451		0.451

Status: Fully met



In Progress



10

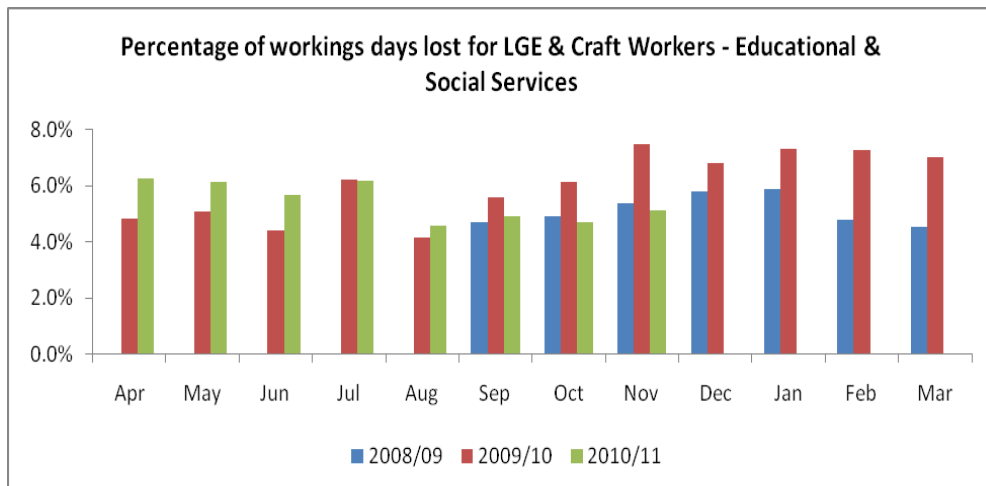
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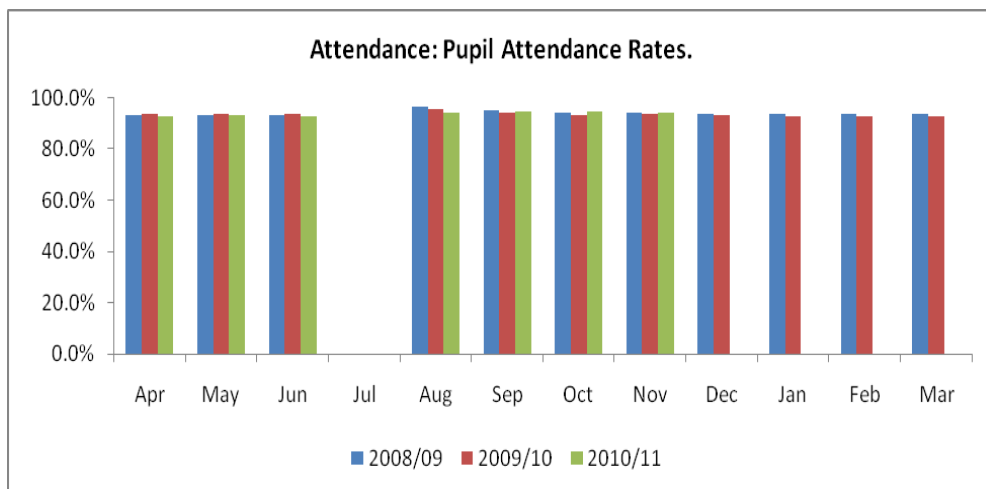
## EDUCATIONAL AND SOCIAL SERVICES

### PERFORMANCE MEASURES



In month absence has increased from 4.7% in October to 5.1% in November, although absence has improved significantly from the 6.3% reported from in January 2010.

The Departmental Management Team continue to monitor and analyse absence levels and adhere to current Absence Management procedures



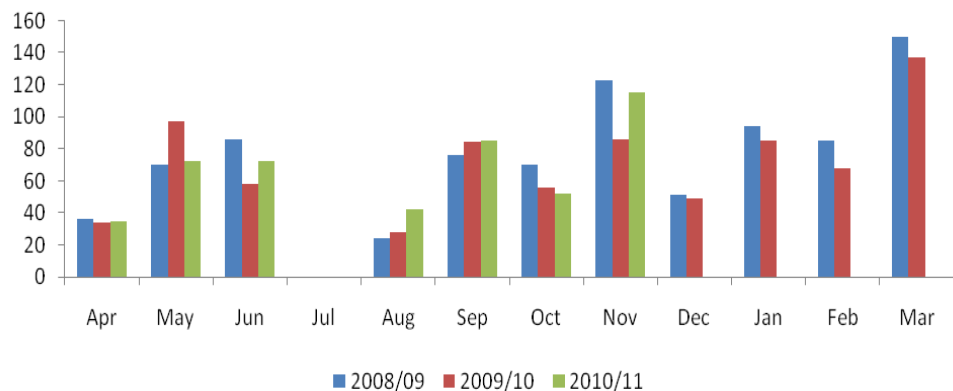
Attendance in the month of November was 94%. This compares with 94.5% in October and 94.7% in September. This is within acceptable levels of fluctuation.

Schools remain vigilant in monitoring attendance in partnership with parents/carers.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## EDUCATIONAL AND SOCIAL SERVICES

**Exclusions: Number of exclusion incidents.**

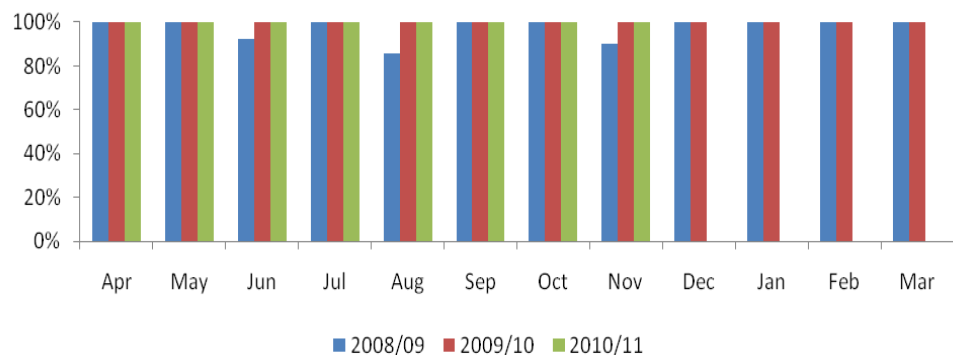


While exclusions overall across all categories viz. number of exclusions, openings lost and exclusion rate and openings lost per 1000 pupils have risen compared to last November, these figures, nevertheless are the second lowest in the last five years.

Exclusions = 115 compared to 170 in 2006  
 Openings lost = 458 compared to 854 in 2006  
 Exclusions/1000 pupils = 7.1 compared to 9.7 in 2006  
 Openings lost/1000 pupils = 28.2 compared to 48.8 in 2006.

The month of November, overall, has posted the second best results in all categories in the last five years and this is to the credit of teachers, support staff and headteachers across the authority.

**Child Supervision: Percentage of children seen by their supervising officer within 15 days.**

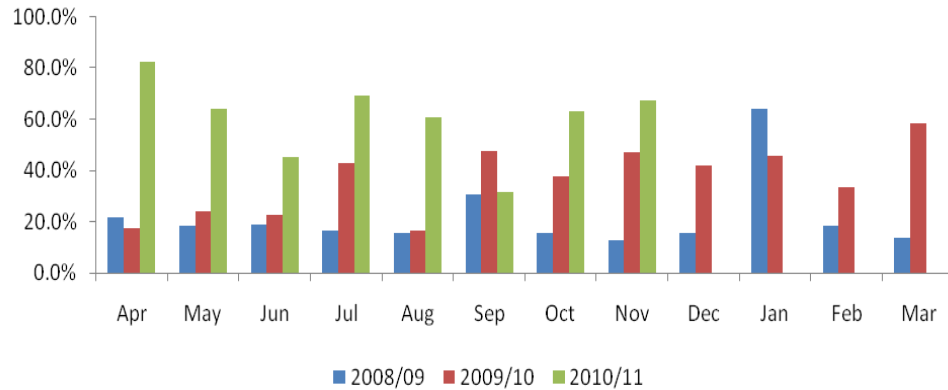


Although the number of supervision requests has increased, performance remains consistent at 100%.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

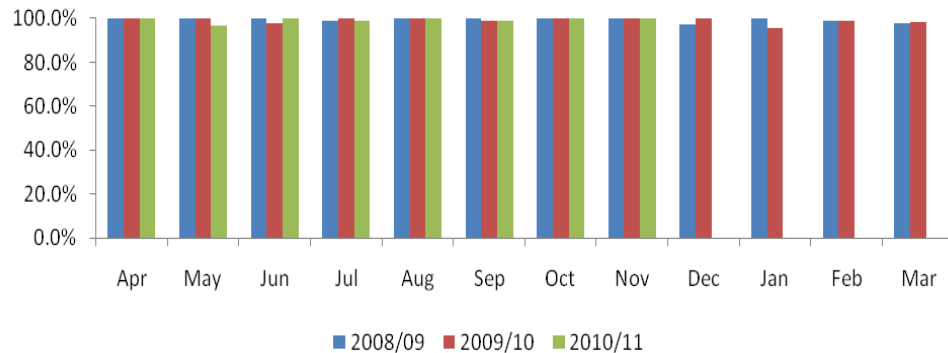
## EDUCATIONAL AND SOCIAL SERVICES

**SCRA Reports: Percentage of reports submitted to SCRA by the due date.**



The time intervals working group within Social Work services and partnership working between the Council and the Authority Reporter has led to significant improvements in performance when compared against previous years. The working group continues to monitor performance closely using a range of reporting mechanisms, instigating direct management action when appropriate.

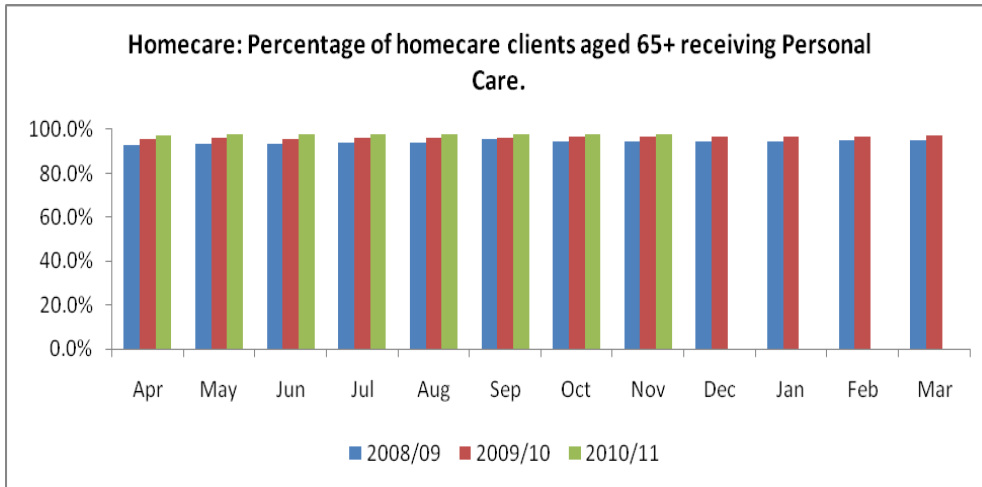
**Criminal Justice: Percentage of reports submitted to the courts by the due date.**



Sustained high level of delivery of reports by the due date has been achieved through regular performance monitoring by team managers.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## EDUCATIONAL AND SOCIAL SERVICES



Work continues in relation to evaluating the recording and reporting of home care data that will better illustrate the increasing activity around the flexible provision of support that individuals require. The figures given are for services provided in pre-planned slots at specific times of the day with the number of users receiving this service rising slightly during the last three month period in line with seasonal trends.

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### EDUCATIONAL AND SOCIAL SERVICES

#### CONTEXTUAL DATA

	2009/10 Period 9	2009/10 Outturn	2010/11 Period 9
Number of pupils requiring additional support	2,593	2,593	2,781
School transport costs (projected expenditure at year end)	£4.796m	£4.756m	£5.020m
Number of pupils receiving free school transport	4,834	4,834	5,179
Number of children in external foster placement	46	54	50
Average cost of external foster placement per child per week	£1,000	£1,000	£1,000
Number of children in secure accommodation <i>(*includes 1 placement funded by the Scottish Government)</i>	3*	2	1
Average cost of a secure placement per week	£5,215	£5,215	£5,215
Number of care at home service users (adult & older) receiving more than 10 hours per week	663	596	517
Number of care at home service users (adult & older) receiving more than 50 hours per week	80	82	82
Most expensive homecare packages - Elderly	£46,083	£46,083	£37,150
Most expensive homecare packages – Adult Learning Disabled	£254,969	£254,969	£254,969

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### EDUCATIONAL AND SOCIAL SERVICES

#### SERVICE PERFORMANCE TO DATE

##### RESOURCES

The adverse Employee Costs variance results from budgeted staff turnover savings which are unlikely to be achieved, partly offset by employee cost savings in the Technician service. A favourable variance on Premises Costs has resulted from lower than anticipated NDR expenditure following the revaluation exercise. The Third Party Payments variance has resulted from the cost of the assessment for the Cumnock Head Teacher post and a shortfall in claims against the PPP contractor partly offset by reduced legal fees. The adverse variances are offset by additional income received from the PPP contractor as a contribution to malicious damage.

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	1.013	1.045	0.032
Premises Costs	0.051	0.034	(0.017)
Transport Costs	0.016	0.016	0.000
Supplies & Services	0.126	0.129	0.003
Third Party Payments	0.282	0.287	0.005
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>1.488</b>	<b>1.511</b>	<b>0.023</b>
Income	(0.318)	(0.362)	(0.044)
<b>Net Expenditure</b>	<b>1.170</b>	<b>1.149</b>	<b>(0.021)</b>

##### FTE STAFFING ANALYSIS

Budget	Actual to date
23.6	23.1

##### PPP / BUILDING LEARNING COMMUNITIES

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

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	0.000	0.000	0.000
Premises 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	9.207	9.207	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>9.207</b>	<b>9.207</b>	<b>0.000</b>
Income	0.000	0.000	0.000
<b>Net Expenditure</b>	<b>9.207</b>	<b>9.207</b>	<b>0.000</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### EDUCATIONAL AND SOCIAL SERVICES

#### SCHOOLS

Anticipated favourable variances arising from the deployment of Probationers and reduced teaching and ancillary staffing costs within both primary and secondary schools are partly offset by additional costs arising from delays in achieving the planned staffing cuts within Quality Improvement. Additional third party payments, including Outdoor Learning costs, have been partly offset by additional income while there is a small anticipated under recovery of income relating to Music Tuition charges. The favourable variance of £0.508m can be broken down as £0.415m devolved budgets and £0.093m non devolved budgets.

#### FTE STAFFING ANALYSIS

Budget	Actual to date
1,476.9	1,472.3

#### COMMUNITY SUPPORT

Anticipated Employee Cost savings arise from vacancies and reduced expenditure on devolved non teaching staff, partly offset by overspends on devolved teaching staff within Special Education. Reduced provision of Wraparound Care has been partially offset by reduced income. The variance on Third Party Payments includes a projected overspend of £0.501m on Outwith Placements following the Prioritisation Group meeting on 9 November and has reduced by £0.249m partly as a result of Alternatives to Secure grant funding received from the Scottish Government.

#### FTE STAFFING ANALYSIS

Budget	Actual to date
504.6	498.6

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	58.927	58.410	(0.517)
Premises Costs	5.325	5.325	0.000
Transport Costs	0.151	0.149	(0.002)
Supplies & Services	2.827	2.834	0.007
Third Party Payments	0.762	0.772	0.010
Transfer Payments	0.919	0.919	0.000
<b>Gross Expenditure</b>	<b>68.911</b>	<b>68.409</b>	<b>(0.502)</b>
Income	(2.011)	(2.017)	(0.006)
<b>Net Expenditure</b>	<b>66.900</b>	<b>66.392</b>	<b>(0.508)</b>
Variance attributable to Devolved Budgets			(0.415)
Variance attributable to Non Devolved Budgets			(0.093)

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	16.655	16.557	(0.098)
Premises Costs	1.024	1.012	(0.012)
Transport Costs	0.256	0.246	(0.010)
Supplies & Services	1.504	1.476	(0.028)
Third Party Payments	5.564	6.052	0.488
Transfer Payments	0.086	0.076	(0.010)
<b>Gross Expenditure</b>	<b>25.089</b>	<b>25.419</b>	<b>0.330</b>
Income	(0.997)	(0.973)	0.024
<b>Net Expenditure</b>	<b>24.092</b>	<b>24.446</b>	<b>0.354</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### EDUCATIONAL AND SOCIAL SERVICES

#### FACILITIES MANAGEMENT

The Employee Costs variance is due to efficiencies and absence cover savings within Onsite Services partly offset by severance costs, disclosure fees and additional staff costs of £0.088m due to the Gargieston Primary School decant. The transport section anticipates an overspend on the Additional Support Needs contracts of £0.111m offset by an anticipated underspend of £0.146m on SPT payments. There is currently a projected shortfall in School Meal and vending income of £0.074m.

#### FTE STAFFING ANALYSIS

Budget	Actual to date
498.4	494.8

#### SOCIAL WORK

This projected outturn variance is after utilisation of 2010/11 projected budget sustainability savings from the ongoing eligibility review of care at home services of £0.965m and adult care services £1.000m. In addition, the review of administrative and support services has now been finalised and has generated a full year recurring cost reduction of £0.388m. As in previous financial years, significant savings continue to be made from the timing of recruitment to vacant posts and are contributing to the favourable projected variance. There are a number of significant budget pressures within the service including anticipated severance costs of £0.737m. Within Children and Families, there are presently 50 children within external foster care placements resulting in a projected overspend of £0.150m with a further provision of £0.032m for additional places to 31 March 2011. This is offset by £0.143m of reduced Kinship Care costs. Additional Alternatives to Secure Accommodation funding is anticipated and this will be utilised to impact on high tariff placement costs. Additional legal fees for contested adoption cases are anticipated at £0.060m. Within Community Care, additional adult care placement costs of £0.185m plus provision for £0.068m additional placements are projected. The projections for residential and nursing placements and care at home services include provisions for additional costs of £0.040m and £0.214m respectively for unavoidable additional pressures over the winter period.

#### FTE STAFFING ANALYSIS

Budget	Actual to date
1,091.0	1,038.7

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	9.219	9.142	(0.077)
Premises Costs	0.237	0.237	0.000
Transport Costs	4.887	4.864	(0.023)
Supplies & Services	2.259	2.259	0.000
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>16.602</b>	<b>16.502</b>	<b>(0.100)</b>
Income	(2.740)	(2.657)	0.083
<b>Net Expenditure</b>	<b>13.862</b>	<b>13.845</b>	<b>(0.017)</b>

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	34.050	33.785	(0.265)
Premises Costs	1.815	1.819	0.004
Transport Costs	1.367	1.436	0.069
Supplies & Services	1.365	1.464	0.099
Third Party Payments	33.999	33.931	(0.068)
Transfer Payments	5.925	5.777	(0.148)
<b>Gross Expenditure</b>	<b>78.521</b>	<b>78.212</b>	<b>(0.309)</b>
Income	(13.633)	(13.681)	(0.048)
<b>Net Expenditure</b>	<b>64.888</b>	<b>64.531</b>	<b>(0.357)</b>

## EDUCATIONAL AND SOCIAL SERVICES

### Service Enhancements 2010/11

Additional funding has been provided for the operation of a number of services:

- Re-design of the Children and Families Social Work service to improve outcomes for children;
- Introduction of free pre-school education to all children from their third birthday;
- Provision of free school meals for every child in Primary 1.

### Strategic Review of the Revenue Budget

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

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

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

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### NEIGHBOURHOOD SERVICES

#### SERVICE SUMMARY

The projected outturn to 31 March 2011 is a favourable variance of £0.391m. This is mainly due to anticipated savings Leisure Services, Waste Management, Emergency Planning, General Fund Housing and Planning and Economic Development. This is partly offset by adverse variances within Strong, Safe and Attractive Communities and Community Safety and CCTV.

In particular the favourable variance reflects an employee cost saving of £0.472m due to the active management of vacancies within Neighbourhood Services.

The department will require to earmark £0.391m in respect of Skills Development Scotland Income (£0.175m) and Scottish Enterprise funding (£0.217m).

The Housing Revenue Account is expected to outturn £0.476m under budget at 31 March 2011.

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Central Mgt Support	0.453	0.453	(0.000)
Leisure Services	11.568	11.540	(0.028)
Emergency Planning	0.050	0.046	(0.004)
Police & Fire	25.303	25.303	0.000
Planning & Econ Dev	4.125	3.733	(0.392)
Roads & Transport	12.097	12.097	0.000
General Fund Housing	11.432	11.465	0.033
<b>Net expenditure</b>	<b>65.028</b>	<b>64.637</b>	<b>(0.391)</b>

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	30.431	29.959	(0.472)
Premises Costs	2.944	2.988	0.044
Transport Costs	3.974	4.129	0.155
Supplies & Services	9.724	10.234	0.510
Third Party Payments	36.652	36.956	0.304
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>83.725</b>	<b>84.266</b>	<b>0.541</b>
Income	(18.696)	(19.629)	(0.933)
<b>Net expenditure</b>	<b>65.028</b>	<b>64.637</b>	<b>(0.391)</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### 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 11 February 2010	64.771			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Supporting People Budget Realignment		-0.142		Transfer of Formerly Ringfenced Supporting People Budget to Educational and Social Services
2 Fairer Scotland Fund		+0.106		Realignment of Budgets to Reflect Allocation of Fairer Scotland Fund
3 Fuel Poverty Strategy Budget Realignment		+0.050		Transfer of Fuel Poverty Budget from Central Services
4 Skills Training Income Transfer		-0.037		Transfer of Skills Training Income targets to Planning & Economic Development
5 Utilisation of Balances - Make it Kilmarnock		+0.100		Drawdown of General Fund Balances for Make it Kilmarnock match funding
6 PSHG Funding Realignment		+0.401		Transfer of PSHG Funding by the Scottish Government from Capital to Revenue
7 Fire Pensions Funding		+0.007		Additional Funding for Fire Service Pension Commitments
8 Energy Inflation Adjustment		-0.105		Realignment of Budgets to reflect actual energy inflation rates
9 NDR Revaluation Adjustment		-0.067		Realignment of Budgets to reflect actual NDR revaluation charges
10 Scottish Enterprise Regeneration Funding		+0.217		Additional Funding for Regeneration transferred from Scottish Enterprise
11 Utilisation of Balances		+0.571		Drawdown of Earmarked and Departmental Balances
12 SRRB2 Line By Line Review		-0.744		Realignment of Budgets to reflect savings identified by SRRB2
13 Water Cooler Budget Adjustment		-0.014		Realignment of Budgets to reflect revised Water Cooler contract
14 2010/11 Payroll Adjustment		-0.086		Realignment of Budgets to reflect actual 2010/11 Pay Award
<i>Total Budget adjustments</i>			+0.257	
<b>Revised Budget Allocation at Period 9</b>			<b>65.028</b>	

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### NEIGHBOURHOOD SERVICES

#### EXPENDITURE REDUCTION TARGETS

Following extensive public consultation the Council approved a number of expenditure reduction measures which will produce savings from the department's controllable revenue expenditure of £1.517m in 2010/11:

ACTIONS	Theme	SAVING £m	Status at 12/12/10	Achieved at 12/12/10 £m
<b>Neighbourhood Services</b>		<b>1.517</b>		<b>1.342</b>
Review of Removals & Storage provision within Homeless Services	AMW	0.020	■	0.020
Reduced usage of Bed & Breakfast Accommodation for Homeless	AMW	0.024	■	0.024
Rationalisation of Lighting Operations across depots	AMW	0.047	■	0.047
Review of Golf Course provision	AMW	0.050	■	-
Implementation of the Planning & Economic Development BVSR	BRS	0.127	■	0.127
Efficiencies identified as part of Roads & Transport service review	BRS	0.067	■	0.067
Reduce overtime costs for Community Wardens	BRS	0.020	■	0.020
Review of CATCH Walking Development Service	BRS	0.035	■	0.035
Reduced overtime costs within Waste Management	BWP	0.070	■	0.070
Reduced overtime costs within Leisure Services	BWP	0.049	■	0.049
Reduced staffing within Leisure Client	BWP	0.034	■	0.034
Reduced staffing within Outdoor Amenities	BWP	0.048	■	0.048
Reduced staffing within Museums	BWP	0.027	■	-
Reduced staffing within Leisure Services	BWP	0.051	■	0.051
Rationalise Transport Services workshop	BWP	0.027	■	0.027
Reduced staffing within Parking service	BWP	0.016	■	0.016
Reduced staffing with Roads Network and Performance	BWP	0.032	■	0.032

Status: Fully met



In Progress



Unmet



## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### NEIGHBOURHOOD SERVICES

ACTIONS	Theme	SAVING £m	Status at 12/12/10	Achieved at 12/12/10 £m
Reduced overtime costs with Roads and Transport	BWP	0.058		-
Review of Community Warden service	BWP	0.245		0.245
Additional efficiencies arising from departmental management action	CND	0.011		0.011
10% reduction in controllable budgets within Central Management Support	CND	0.017		0.017
Reduced Supplies & Services budgets within Community Safety	CND	0.010		0.010
10% reduction in controllable budgets within Leisure Services	CND	0.079		0.079
Reduced Economic Development support to external bodies	CPF	0.025		0.025
Reduced Grant Payments within Leisure Services	CPF	0.020		0.020
Additional income to offset costs of Fireworks Display	KSO	0.010		-
Reduced landfill charges arising from increased recycling	KSO	0.250		0.250
Reduced Mileage Allowance payments within Roads & Transportation	MUA	0.010		-
Reduced Supplies & Services budgets following office relocation	MUA	0.020		-
Reduced Employee Costs budgets following office relocation	MUA	0.018		0.018

Status: Fully met



In Progress



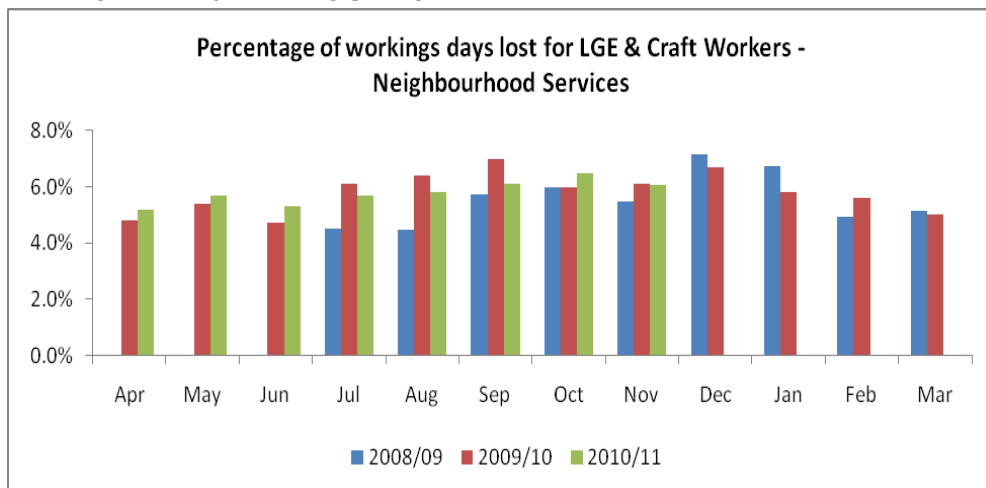
Unmet



# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

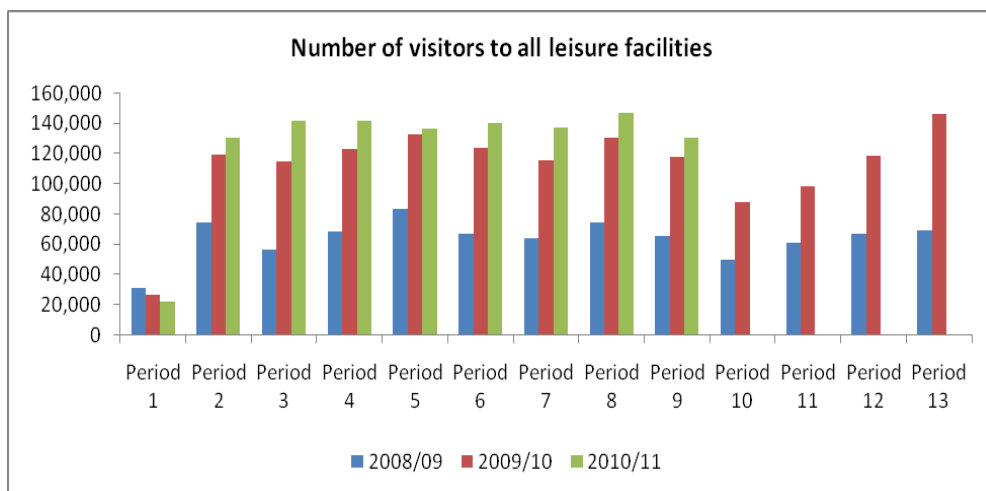
## NEIGHBOURHOOD SERVICES

### PERFORMANCE MEASURES



Absence for November was 6.1%, an improvement on previous months, but above the Council target of 4%. A sustained focus on the management of absence continues to be implemented across all services within the department.

Monthly statistical returns are reviewed and discussed by the Executive Director and Heads of Service at the Departmental Management Team Meeting and on a Service by Service basis.



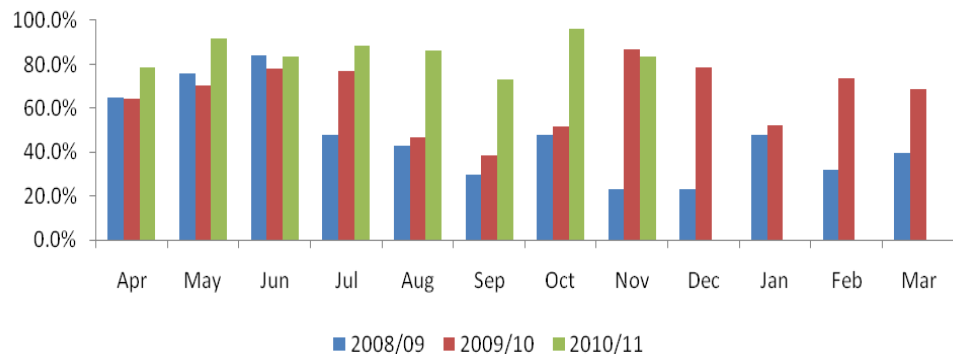
Attendances at all leisure facilities at P9 2010/11 were 130,101 which is 10% higher than the same period in 2009/10.

Overall attendances at all Leisure Facilities so far in 2010/11 are 1.12m which is up 12% on the same period in 2009/10.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## NEIGHBOURHOOD SERVICES

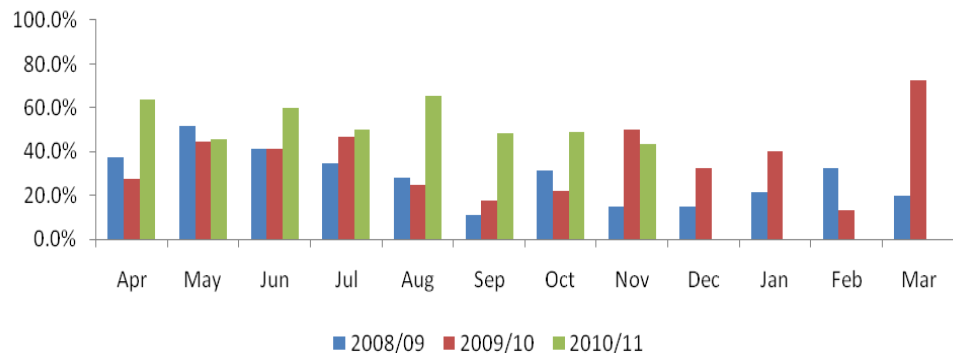
**Planning Applications: Percentage of householder planning applications determined within two months.**



The percentage of householder applications determined within 2 months has decreased by 13% between October and November 2010 due to normal seasonal variation.

Performance will be monitored and direct management action implemented if necessary.

**Planning Applications: Percentage of non-householder planning applications determined within two months.**

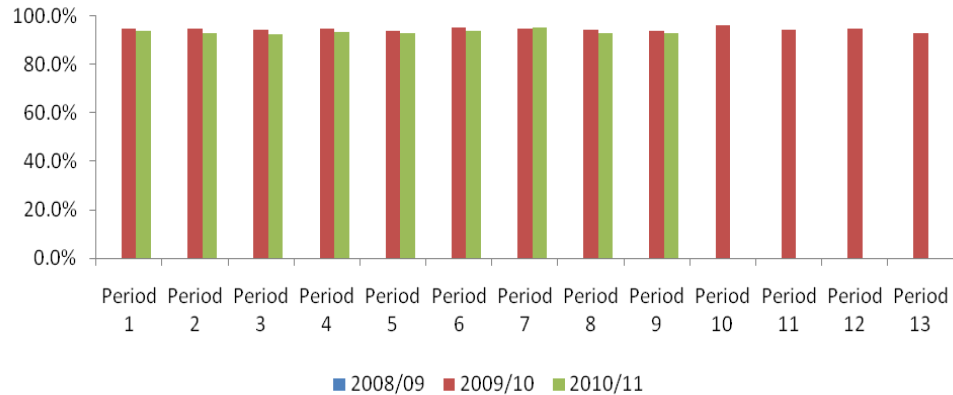


The percentage of non-householder applications determined within 2 months has decreased 5.5% between October and November 2010. A small number of complex planning applications have had a disproportionate impact on performance for this period.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

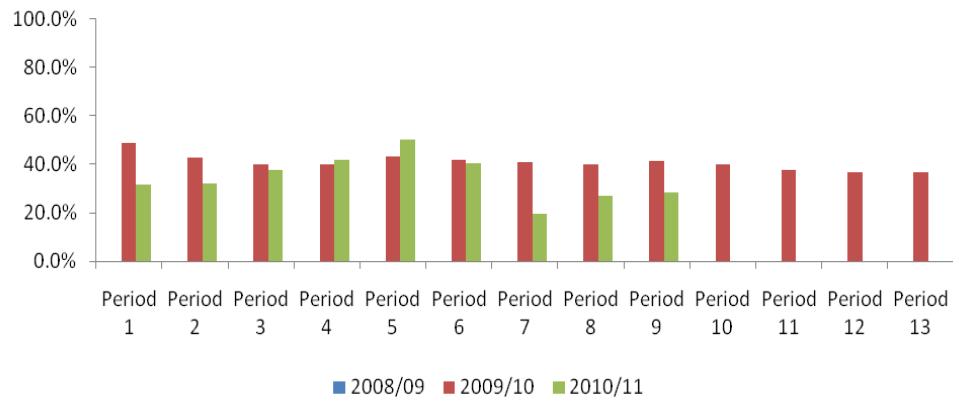
## NEIGHBOURHOOD SERVICES

**Housing Repairs: Percentage of first time fixes.**



The first time fix performance as at P9 is up 0.2% at 93% compared to P8. Performance remains slightly below the target of 95%. This is attributed to normal seasonal fluctuations.

**Housing Lets: Percentage of re-lets within 4 weeks.**



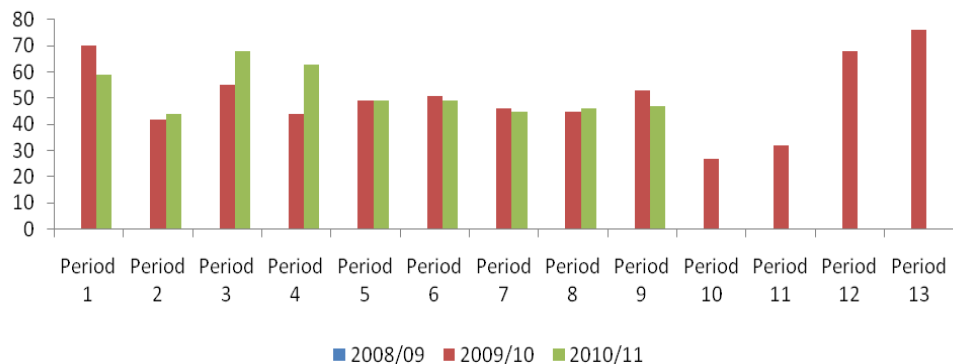
The percentage of properties re-let within 4 weeks as at P9 has risen to 28.6% from 27.1% in P8. The cumulative re-let performance as a P9 is 32.7% compared to the 40% target set for 2010/11. Analysis indicates that a further 48.7% of not low demand re-lets which missed the 4 week target were re-let within 5 weeks.

Additional work will be undertaken to return a significant proportion of the properties being re-let in 5 weeks to under the 4 week threshold.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## NEIGHBOURHOOD SERVICES

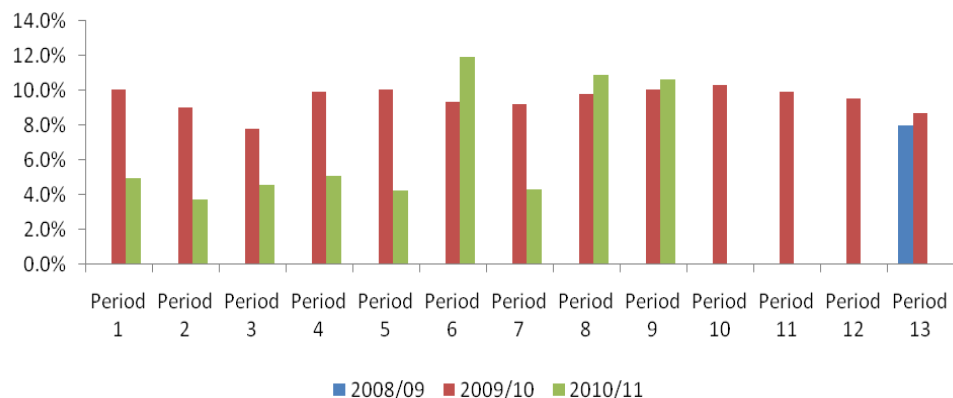
**Homelessness: Number of people assessed as homeless or potentially homeless**



The level of homeless assessments undertaken is affected by the level of presentations to the Housing Options Team. It should be noted that with all cases presenting as homeless / potentially homeless that there is a process time lag which makes a direct comparison on a period by period basis difficult. Cumulative presentations as at P9 2010/11 are 470 up 3% from 455 for the same period in 2009/10. The average number of presentations at P9 2010/11 is 52 compared to 50 in 2009/10.

All clients identified as not being homeless at the time of presentation are provided with information to prevent homelessness.

**Homelessness: Percentage of repeat homelessness within one year**



This figure fluctuates throughout the year and can be effected disproportionately by a relatively small number of repeated homeless representations. The current cumulative repeat homeless rate at P9 is 6.8% compared to 8.3% in 2009/10. The current P9 performance is 2.2% below the 2010/11 target of 9%.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## NEIGHBOURHOOD SERVICES

**Road Safety (Defects): Percentage of category 1 defects made safe within target.**



This indicator measures the % of Category 1 defects made safe within target; category 1 defects require to be addressed immediately / within 2 hours. The % of category 1 repairs made safe in 2009/10 was 83%. In quarter 2 of 2010/11 performance rose to 100%.

The Roads and Transportation Service will continue to review the way that defects are categorised to ensure that only the most serious defects are repaired reactively. Categorising more defects as routine and including them within a planned maintenance programme will result in more efficient working practices. The review will take cognisance of the guidance contained within the Code of Practice 'Well Maintained Highways'.

**Street Lighting: Percentage of repairs completed within 7 days.**



Despite increased number of faults in November (as would be expected), performance has recovered from the previous month's dip. In comparison with November last year, the number of faults has reduced by 1.5% and performance bettered by 0.5%.

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### NEIGHBOURHOOD SERVICES

#### CONTEXTUAL DATA

		2009/10 Period 9	2009/10 Outturn	2010/11 Period 9
Amount of waste to landfill (tonnes)		25,524	40,993	28,813
Amount of waste recycled (tonnes)		24,132	30,913	22,864
Number of burials (cumulative)		490	715	497
Attendance at games halls (cumulative)		232,346	323,098	213,083
Number of void weeks	Actual	11,788	15,888	12,067
	Budget	14,062	18,749	11,289
Number of council house sales	Actual	54	74	37
	Budget	72	104	52
Number of Building Warrants received (cumulative)		794	1,088	794
Average Income per Building Warrant received		£353	£380	£680
Number of Building Warrants determined (cumulative)		790	1,061	748
Value of Development Plans submitted (cumulative)		£29.80m	£54.52m	£108.75m
Number of Planning Applications received (cumulative)		583	831	633
Average Income per Planning Application received		£688	£666	£666
Number of Planning Applications determined (cumulative)		534	755	620
Number of Live Jobs ( Housing Asset Services)		-	-	11,433

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### NEIGHBOURHOOD SERVICES

	2010/11 Period 9
<b>Housing Asset Services – Number of Live Jobs by Category</b>	
A – Emergency	570
B – Urgent	1,800
C – 72 hrs	1,396
D – 10 days	2,406
E – Planned	4,088
Non Category	141
Scheduled Gas Services	1,032
<b>TOTAL</b>	<b>11,433</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### NEIGHBOURHOOD SERVICES

#### SERVICE PERFORMANCE TO DATE

##### CENTRAL MANAGEMENT SUPPORT

There are no material variances currently anticipated.

##### FTE STAFFING ANALYSIS

Budget	Actual to date
7.0	6.6

##### LEISURE SERVICES

The Employee Costs variance is principally due to vacancies across Leisure Services and a reduced number of Street Cleansing Hit Squad operatives, partly offset by additional costs within verge clearance, Museums and a secondment within Leisure Development, the latter being offset by additional income. An adverse variance is anticipated in Premises Costs arising from additional utility costs at Games Halls and Outdoor Amenities. The Transport Costs variance is a result of departmental debt charges in respect of purchased vehicles and an overspend on non contract repairs which have been partly offset by savings on fuel, car mileage allowances and vehicle hire charges. Within Supplies and Services there has been additional expenditure on the purchase of plant, equipment and materials, IT equipment and software, subscriptions. Additional expenditure on exhibitions and festivals within Museums has been offset by additional income. The Income variance reflects additional income within cemeteries, registration, Leisure Development, Doon Valley Swimming Pool, Dean Castle Country Park, community halls, Museums and Street Cleansing and is partly offset by reduced PPP income.

##### FTE STAFFING ANALYSIS

Budget	Actual to date
462.0	425.2

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	0.214	0.214	0.000
Premises Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	0.135	0.135	0.000
Third Party Payments	0.200	0.200	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>0.549</b>	<b>0.549</b>	<b>0.000</b>
Income	(0.096)	(0.096)	0.000
<b>Net Expenditure</b>	<b>0.453</b>	<b>0.453</b>	<b>0.000</b>

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	11.562	11.309	(0.253)
Premises Costs	1.234	1.331	0.097
Transport Costs	1.041	1.071	0.030
Supplies & Services	1.607	1.946	0.339
Third Party Payments	0.385	0.379	(0.006)
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>15.829</b>	<b>16.036</b>	<b>0.207</b>
Income	(4.261)	(4.496)	(0.235)
<b>Net Expenditure</b>	<b>11.568</b>	<b>11.540</b>	<b>(0.028)</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### NEIGHBOURHOOD SERVICES

#### EMERGENCY PLANNING

Favourable variances arising from a vacant post, reduced training expenditure and car mileage savings are partly offset by contributions towards the running costs of the Ayrshire Civil Contingencies Team under the shared services agenda.

#### FTE STAFFING ANALYSIS

Budget	Actual to date
1.0	1.0

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	0.038	0.027	(0.011)
Premises Costs	0.000	0.000	0.000
Transport Costs	0.003	0.001	(0.002)
Supplies & Services	0.009	0.018	0.009
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>0.050</b>	<b>0.046</b>	<b>(0.004)</b>
Income	0.000	0.000	0.000
<b>Net Expenditure</b>	<b>0.050</b>	<b>0.046</b>	<b>(0.004)</b>

#### JOINT BOARDS – POLICE AND FIRE

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

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	0.000	0.000	0.000
Premises 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	25.303	25.303	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>25.303</b>	<b>25.303</b>	<b>0.000</b>
Income	0.000	0.000	0.000
<b>Net Expenditure</b>	<b>25.303</b>	<b>25.303</b>	<b>0.000</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### NEIGHBOURHOOD SERVICES

#### ROADS AND TRANSPORTATION

Increased expenditure on winter maintenance has resulted in anticipated adverse variances in Employee Costs, Transport, Supplies and Services and Third Party Payments due to increased overtime, salt costs and payments to outside contractors. Additional income is anticipated from rechargeable work undertaken by Transport Services, the recharge of Masternaut to other departments and increased car parking and rental income.

#### FTE STAFFING ANALYSIS

Budget	Actual to date
179.6	171.0

#### PLANNING AND ECONOMIC DEVELOPMENT

Management action was taken during 2008/09 to delay filling vacancies following the decline in planning and building standards income and vacancies continue to be held with a variance of £0.411m currently anticipated. Within Supplies and Services, favourable variances are projected for the "Scottish Enterprise" Regeneration budget transfer and Leader's Initiatives / TCRF maintenance costs and are partly offset by a projected adverse variance on Statutory Advertising costs and the Threepwood Public Local Inquiry costs.

These are offset by an anticipated adverse variance in fee income, although this is projected to be higher than the 2009/10 outturn position, which is partly offset by increased income from Statutory Advertising and Skills Development Scotland Funding. Income continues to be affected by the economic downturn. Fluctuating income levels remain a challenge for the service and into future years. The department will require to earmark £0.391m in respect of Skills Development Scotland Income (£0.175m) and Scottish Enterprise funding (£0.217m).

#### FTE STAFFING ANALYSIS

Budget	Actual to date
129.7	112.5

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	6.002	6.192	0.190
Premises Costs	0.432	0.432	0.000
Transport Costs	1.524	1.576	0.052
Supplies & Services	3.846	4.254	0.408
Third Party Payments	5.178	5.542	0.364
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>16.982</b>	<b>17.996</b>	<b>1.014</b>
Income	(4.885)	(5.899)	(1.014)
<b>Net Expenditure</b>	<b>12.097</b>	<b>12.097</b>	<b>0.000</b>

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	6.930	6.519	(0.411)
Premises Costs	0.130	0.130	0.000
Transport Costs	0.126	0.126	0.000
Supplies & Services	2.182	1.942	(0.240)
Third Party Payments	0.638	0.638	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>10.006</b>	<b>9.355</b>	<b>(0.651)</b>
Income	(5.881)	(5.622)	0.259
<b>Net Expenditure</b>	<b>4.125</b>	<b>3.733</b>	<b>(0.392)</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### NEIGHBOURHOOD SERVICES

#### GENERAL FUND HOUSING

The Employee Costs variance reflects vacancies and reduced overtime within Waste Management which are partly offset by additional overtime and special payments to staff at the Risk Management Centre together with redundancy costs for Community Wardens, reduced staff turnover and payments in lieu of notice.

The favourable Premises Costs variance reflects a reduction in the number of temporary accommodation properties partly offset by additional charges in respect of Western Road Depot.

Additional Transport Costs have arisen due to charges in respect of purchased vehicles and vehicle tracking costs, partly offset by reduced fuel, repairs and hire charges.

The Supplies and Services variance is due to reduced expenditure within Private Sector Housing Grants, welcome packs, mediation and diversionary activities and Community Safety is partly offset by the purchase of bins and containers.

Increased recycling activity has resulted in reduced landfill charges and increased income from recycling. This is partly offset by costs associated with the installation of automated public conveniences, depot security costs and waste management licences

In addition, increased income from commercial waste and skip hire are partly offset by a reduction in the number of temporary accommodation properties, reduced ad hoc waste management income and reduced income from the sale of refuse sacks.

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	5.685	5.698	0.013
Premises Costs	1.148	1.095	(0.053)
Transport Costs	1.280	1.355	0.075
Supplies & Services	1.945	1.939	(0.006)
Third Party Payments	4.948	4.894	(0.054)
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>15.006</b>	<b>14.981</b>	<b>(0.025)</b>
Income	(3.574)	(3.516)	0.057
<b>Net Expenditure</b>	<b>11.432</b>	<b>11.465</b>	<b>0.032</b>

#### FTE STAFFING ANALYSIS

Budget	Actual to date
237.1	221.6

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### NEIGHBOURHOOD SERVICES

#### HOUSING REVENUE ACCOUNT

The favourable variance is as a result of lower than budgeted expenditure in a number of areas including overtime and other employee costs, electricity costs, reduced vehicle and car mileage costs and lower than anticipated garden care scheme costs. In addition reduced Supplies and Services costs have resulted from the later than anticipated start date for the housing register and a reduction in affiliations to outside organisations.

Budget	Actual to date
92.0	86.4

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	2.318	2.262	(0.056)
Premises Costs	3.150	3.140	(0.010)
Transport Costs	0.061	0.048	(0.013)
Supplies & Services	4.987	4.933	(0.054)
Third Party Payments	0.987	0.975	(0.012)
Debt Charges	4.972	4.972	0.000
CFCR/Planned Maint	8.133	8.133	0.000
Housing Asset Service	11.577	11.246	(0.331)
Homeless Hostels	1.072	1.072	0.000
<b>Gross Expenditure</b>	<b>37.257</b>	<b>36.781</b>	<b>(0.476)</b>
Income	(37.257)	(37.257)	0.000
<b>Net expenditure</b>	<b>0.000</b>	<b>(0.476)</b>	<b>(0.476)</b>

#### HOUSING ASSET SERVICE

This service operates within the Housing Revenue Account and analysis of the costs are provided in the table opposite. The favourable variance reflects lower vehicle hire and other transport costs and lower supplies and subcontractor costs arising from slippage in high level gutter and dampness eradication work. This is partly offset by the resultant reduction in income from recharging the capital account and higher than anticipated Employee Costs due to increased bonus payments.

Budget	Actual to date
336.0	316.5

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	8.668	8.696	0.028
Premises Costs	0.000	0.000	0.000
Transport Costs	1.265	1.240	(0.025)
Supplies & Services	4.290	4.026	(0.264)
Third Party Payments	2.751	2.382	(0.369)
Transfer Payments	2.500	2.483	(0.017)
<b>Gross Expenditure</b>	<b>19.474</b>	<b>18.827</b>	<b>(0.647)</b>
Income	(7.897)	(7.581)	0.316
<b>Net Expenditure</b>	<b>11.577</b>	<b>11.246</b>	<b>(0.331)</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### 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, Streetsport Cages and Healthy Weight Community. These balances will be required to sustain the projects in future years.

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

The Employability balance mainly relates solely to East Ayrshire Woodlands and the deficit is anticipated to be offset by secured income received by 31 March 2011. The Wind Farm balance represents income from CRE Energy committed to the Renewable Energy fund including the Whitelee Access Action Plan. Developer's Contributions balances are held for social, leisure and recreation facilities throughout the area in line with the requirements set out in the Local Plan. A review of these balances was submitted to Cabinet on 23 June 2010 addressing the usage of funds to support eligible projects within the capital programme. As a result all historic funds have been amalgamated into two funds reflecting the new Planning Committee areas. Make It Kilmarnock includes a reducing balance awarded from balances and Fairer Scotland/Challenge funding. The Moorfield Entrance Junction money is required to be held during the project retention period. East Ayrshire Town Centres is committed for town centre activities including Christmas events. The Design Workshop balance will be retained for expenditure on Cumnock shop front design guidance. The Cumnock Regeneration balance is held as a contingency. Cumnock and Kilmarnock Town Centre balances are held for planned activities, events and marketing to increase footfall through both town centres.

	Balances at 12 Dec. 2010 £m
<b>Leisure Projects</b>	
EA Positive Play	(0.311)
Talented Athlete Programme	(0.235)
Streetsport Cages	(0.156)
Sports Council	(0.019)
Healthy Weight Community	(0.077)
Other Leisure Projects	(0.048)
<b>Roads and Transportation Projects</b>	
Scottish Coal Obligation	(0.080)
A76 Trunk Road	(0.051)
Clyde Local Authority Consortium	(0.042)
Other Roads & Transport Projects	(0.026)
<b>Planning &amp; Development</b>	
Employability	0.255
Wind Farm	(0.277)
Developers Contributions / S75 SLR	(0.831)
Make It Kilmarnock	(0.180)
Moorfield Entrance Junction	(0.031)
East Ayrshire Town Centres	(0.017)
Design Workshop	(0.004)
Cumnock Regeneration	(0.016)
Cumnock Town Centre	(0.009)
Kilmarnock Town Centre	(0.009)
<b>Total</b>	<b>(2.164)</b>

## NEIGHBOURHOOD SERVICES

### Service Enhancements 2010/11

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

- Additional waste management services arising from new streets, houses and local facilities;
- Opening of new local facilities;
- Ongoing operating costs arising from Town Centre Regeneration and Leader's Initiatives;

### Strategic Review of the Revenue Budget

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

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### FINANCE AND CORPORATE SUPPORT

#### SERVICE SUMMARY

The department is currently projecting a favourable position of £0.581m. Savings are currently anticipated within Finance, Community Planning Partnership Unit, Human Resource and Democratic Services. Savings predominantly relate to employee and premises costs, compensating for pressures on income.

Throughout the department employee cost projections reflect anticipated expenditure on severance costs, as it moves to achieve future year savings. This is particularly evident within projections for the Legal, Procurement and Regulatory service and is the principal reason for the projected overspend. This is however covered by savings elsewhere within the service and within other services across the department. Severance costs also impact on projections within IT & Asset Management and Human Resources.

Within the IT & Asset Management Service, contract negotiations with the new main repairs contractor have continued to impact heavily on projected expenditure on premises costs. A £0.500m under spend on repairs (excluding managed savings) is currently projected, however, note is made that this could increase significantly subject to the timing of final negotiations and the subsequent rate of repairs work then able to be progressed.

In addition to the above, premises cost projections within IT & Asset Management are subject to data limitations being experienced in relation to energy supplies. Current projections, primarily for Corporate Office facilities, do not anticipate a funding issue in relation to current year energy costs, however this may change as energy information becomes more robust.

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Central Management Support	0.168	0.168	0.000
Finance	3.676	3.114	(0.562)
Human Resources	2.484	2.404	(0.080)
IT and AM	11.335	11.493	0.157
Democratic Services	2.799	2.757	(0.042)
Legal Procurement & Reg.	2.994	3.054	0.060
Comm. Planning P'ship Unit	0.668	0.554	(0.114)
<b>Net Expenditure</b>	<b>24.124</b>	<b>23.543</b>	<b>(0.581)</b>

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	19.617	19.291	(0.326)
Premises Costs	8.021	7.271	(0.750)
Transport Costs	0.292	0.271	(0.021)
Supplies & Services	5.010	5.012	0.002
Third Party Payments	0.416	0.415	(0.001)
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>33.356</b>	<b>32.259</b>	<b>(1.096)</b>
Income	(9.232)	(8.717)	0.515
<b>Net Expenditure</b>	<b>24.124</b>	<b>23.543</b>	<b>(0.581)</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### FINANCE AND 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 11 February 2010	21.674			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Onsite Services Budget Realignment		-0.010		Transfer of Budgets for additional cleaning provision to Onsite Services
2 Fairer Scotland Fund		-0.140		Realignment of Budgets to Reflect Allocation of Fairer Scotland Fund
3 Copyright Licence Funding Transfer		+0.017		Transfer of Budgets for Copyright Licences from Central Services
4 Housing Benefit Admin Grant Adjustment		+0.089		Revised HB Admin Grant Advised by DWP
5 Electoral Administration Budget Transfer		+0.053		Transfer of Electoral Administration Funding from Central Services
6 Skills Training Income Transfer		+0.037		Transfer of Skills Training Income targets to Planning & Economic Development
7 Transfer of Staffing to Chief Executive's		-0.022		Transfer of Staffing Budgets for post transferred to Chief Executive's
8 Energy Inflation Adjustment		-0.049		Realignment of Budgets to reflect actual energy inflation rates
9 NDR Revaluation Adjustment		-0.104		Realignment of Budgets to reflect actual NDR revaluation charges
10 Schools ICT Budget Realignment		+0.391		Transfer of Schools ICT budgets to Finance & Corporate Support IT Service
11 Transfer of Education Property Staff to Asset Improvement		+0.128		Realignment of Budgets to reflect transfer of staff from ESS
12 Chief Officer Restructuring per Cabinet 24 February 2010		-0.043		Transfer of savings realised to Miscellaneous Services
13 E Procurement Staffing Budgets per Cabinet 16 June 2010		+0.091		Transfer of Budgets from Miscellaneous Services to fund posts
14 Utilisation of Balances		+2.123		Drawdown of Earmarked and Departmental Balances
15 SRRB2 Line By Line Review		-0.093		Realignment of Budgets to reflect savings identified by SRRB2
16 Transfer of Finance & Corporate Support Staff to CE		-0.019		Realignment of Budgets to reflect transfer of staff
17 Water Cooler Budget Adjustment		+0.057		Realignment of Budgets to reflect revised Water Cooler contract
18 2010/11 Payroll Adjustment		-0.056		Realignment of Budgets to reflect actual 2010/11 Pay Award
<i>Total Budget adjustments</i>			+2.450	
<b>Revised Budget Allocation at Period 9</b>			<b>24.124</b>	

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## FINANCE AND CORPORATE SUPPORT

### EXPENDITURE REDUCTION TARGETS

Following extensive public consultation the Council approved a number of expenditure reduction measures which will produce savings from the department's controllable revenue expenditure of £0.899m in 2010/11.

ACTIONS	Theme	SAVING £m	Status at 12/12/10	Achieved at 12/12/10 £m
<b>Finance and Corporate Support</b>		<b>0.899</b>		<b>0.733</b>
Implementation of the Legal, Procurement and Regulatory BVSR	BRS	0.067	Fully met	0.067
Review of support within Members' Services	BRS	0.029	Fully met	0.029
A Business Case Review of Switchboard Services	BRS	0.020	Fully met	0.020
Reduced Finance and Asset Management Services staffing resulting from BVSRs	BWP	0.350	In Progress	0.320
Reduced staffing within the Pest Control / Dog Warden services	BWP	0.025	Fully met	0.025
Review of staffing within Information Technology	BWP	0.018	Fully met	0.018
Review of staffing within Human Resources	BWP	0.028	Fully met	0.028
Reduced IT Training Costs arising from revised recruitment policies	BWP	0.050	Fully met	0.050
Review of staffing within Democratic Services	BWP	0.041	Fully met	0.041
10% reduction of controllable budgets within Finance and Asset Management Services	CND	0.050	Fully met	0.050
10% reduction of controllable budgets within Democratic Services	CND	0.021	Fully met	0.021
Additional efficiencies arising from departmental management action	CND	0.055	Fully met	0.055
Discontinuation of BT contracts and replacements with Wireless circuits	ITS	0.024	In Progress	-
Continuation of VoIP Trunking and rationalisation of printing function	ITS	0.020	In Progress	-
Rationalisation of WAN data circuit contracts	ITS	0.016	In Progress	-
Reduce IT costs through LAN bandwidth reduction and adoption of single source UNIX maintenance	ITS	0.076	In Progress	-
Closure of CPPU Offices at Barrhill Road, Cumnock	MUA	0.009	Fully met	0.009

Status: Fully met



In Progress



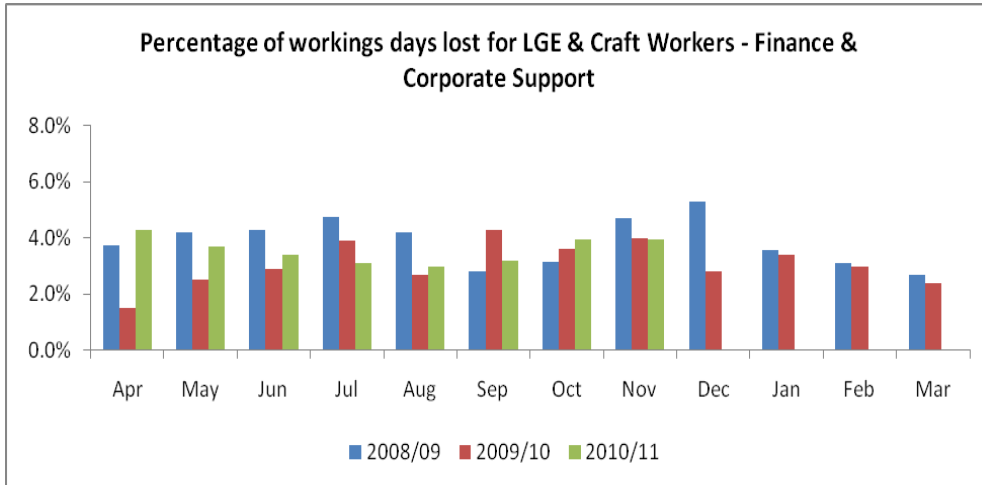
Unmet



# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

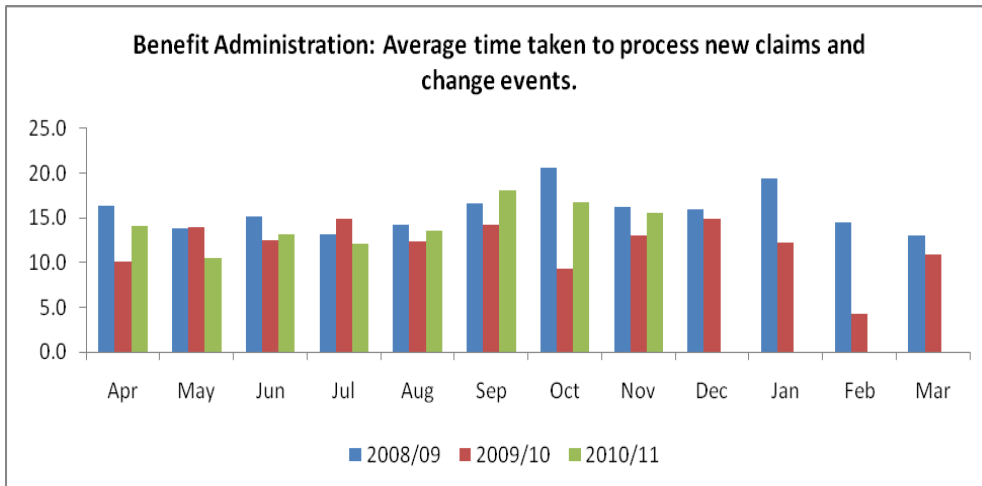
## FINANCE AND CORPORATE SUPPORT

### PERFORMANCE MEASURES



Absence for October was 3.9%, an improvement on previous months, and below the Council target of 4%. Within the Department 79% of absences for November were between 1 and 7 days long, and 4 absences at that time had been for longer than 3 months. During the month, the top three reasons for absence were stress/debility (29%), operations/recovery/treatment (21%) and Musculo-skeletal (10%).

Absence continues to be monitored monthly on a service by service basis through Executive Director and Head of Service one to ones and through the Departmental Management Team, and includes reviewing levels of absence, reasons for absence, completion of absence review meetings and referrals

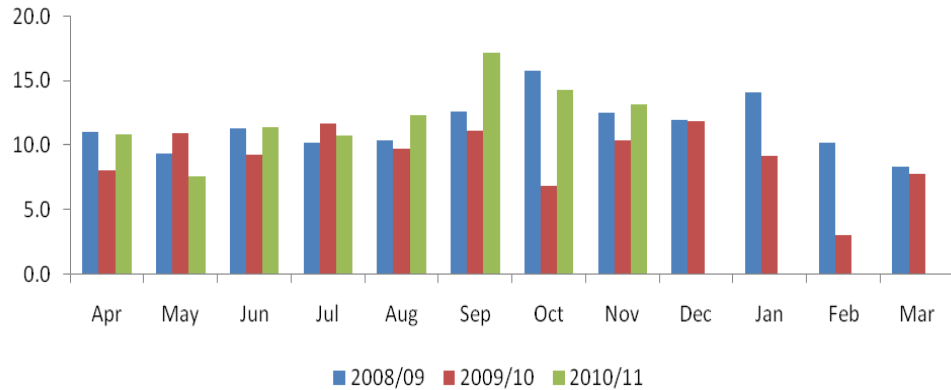


The time taken to process new claims and change events has improved in month as a result of direct management action to reorganise teams and utilise overtime.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

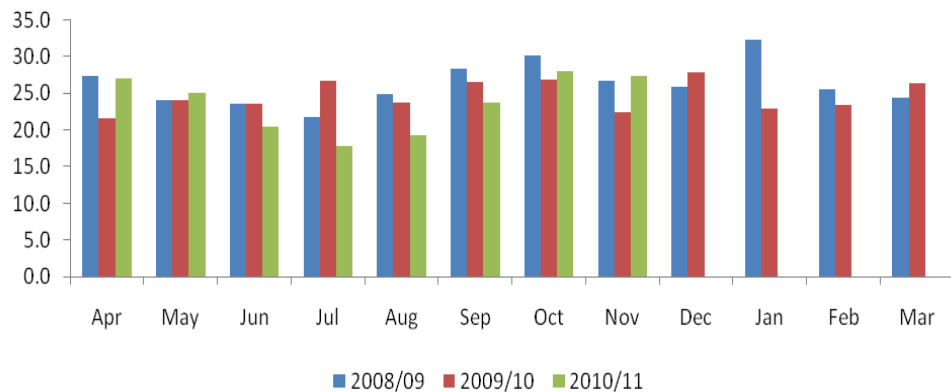
## FINANCE AND CORPORATE SUPPORT

**Benefit Administration: Average time to process change events.**



The time taken to process change events has improved in month as a result of direct management action to reorganise teams and utilise overtime.

**Benefit Administration: Average time to process new benefit claims.**

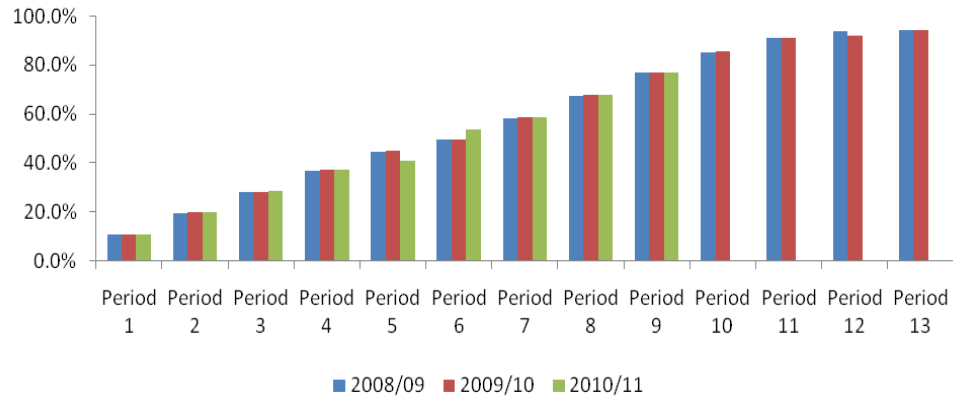


The time taken to process new claims has improved in month as a result of direct management action to reorganise teams and utilise overtime to clear the current claims backlog.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

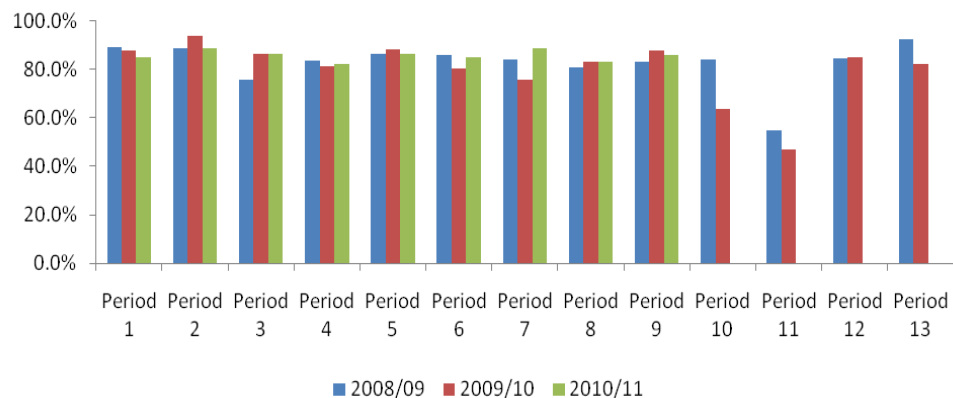
## FINANCE AND CORPORATE SUPPORT

**Council Tax: Percentage of Council Tax received.**



We continually evaluate internal processes to improve performance. One example is the recent introduction of improved agreed protocols to ensure that Sheriff Officers receive diligence information timeously and that the information provided is clear, concise and necessary.

**Invoices: Percentage paid within 30 calendar days of receipt.**

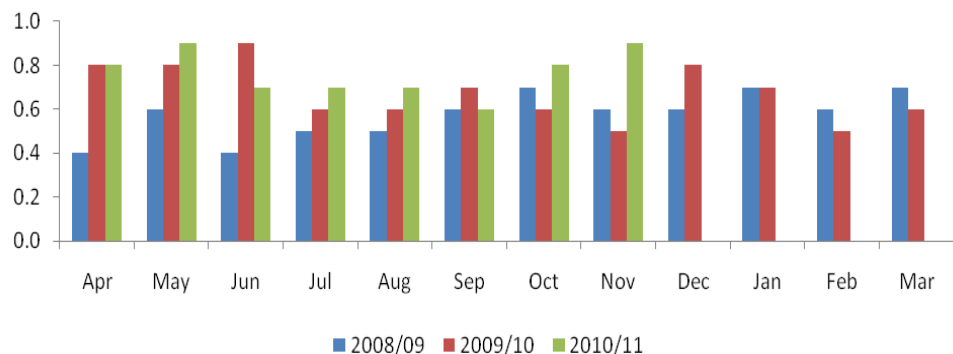


The performance to Period 9 for the year to date shows an overall improvement at 85.4% compared to 84.7% in 2009/10 and remains above target. The average backlog during P9 was 3.45 days for Non-Pecos and 5 days for PECOS.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

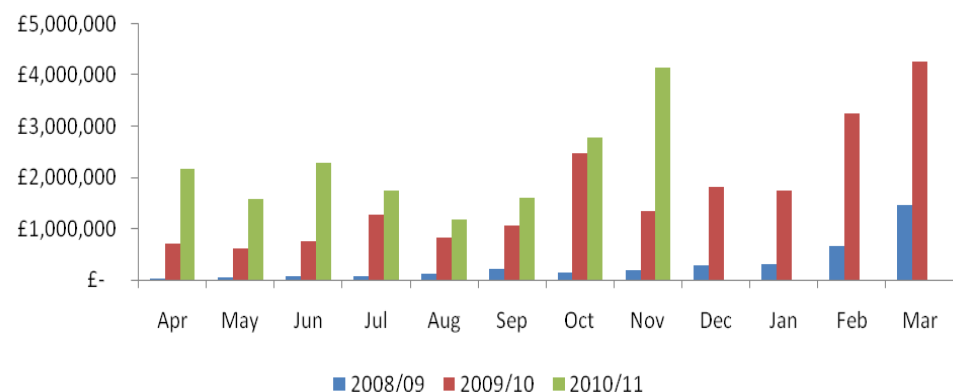
## FINANCE AND CORPORATE SUPPORT

**Domestic Noise Complaints: Average time (hours) between complaint and site visit (Antisocial Behaviour Act)**



The number of domestic noise complaints received by the Service in November was 81. Between April and November, 817 complaints have been received, an increase of over 9% on the previous year. 43 of the complaints in November required attendance on site under Part V of the Antisocial Behaviour (Scotland) Act. The out of hours noise service covers the whole of Ayrshire and as such the time taken to respond varies depending on the geographical spread of complaints as this can substantially increase the distance that has to be covered. Average performance remains under 1 hour, however, average time taken and number of complaints will continue to be monitored.

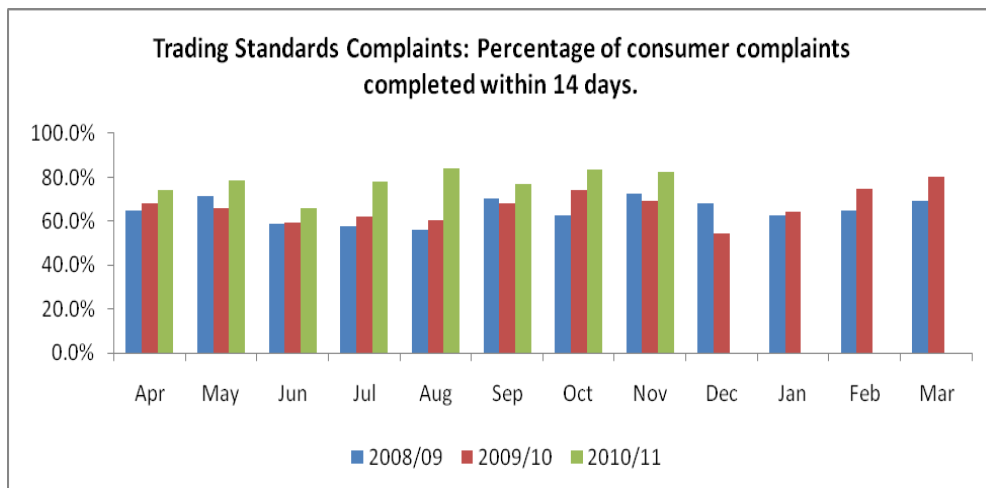
**Procurement: Monthly spend via PECOS.**



Year to date £17.32m purchases have been made via PECOS compared to £6.98m at the same point last year. The largest area of expenditure includes Roads Maintenance Works and increased Roads & Transport contracts (Real Time Passenger Information System and the purchasing of Winter Maintenance Equipment). An analysis of Non PECOS spend is being undertaken by the Central Purchasing Unit (CPU) to establish areas of opportunity to increase the use of PECOS. The CPU has been realigned to reflect current Service structure to allow dedicated staff for each service. This realignment is supported by regular liaison and feedback sessions with departments. In particular, liaison sessions with ESS are being utilised to refine process flows in Secondary Schools with a view to making the procurement process more efficient.

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### FINANCE AND CORPORATE SUPPORT



The percentage of consumer complaints completed within 14 days was 82.4% for the month of November. Performance has improved to levels above the previous year despite a reduction in the staffing complement within the service, and has been above the performance target of 74% in all but one month. However, it is worth noting that the reduction in staff has been accompanied by a reduction in the number of complaints received by the Service.

No actions are proposed at this time; however performance will continue to be monitored by management on a monthly basis, with particular regard paid to the number of complaints received and the current staffing situation.

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### FINANCE AND CORPORATE SUPPORT

#### CONTEXTUAL DATA

	2009/10 Period 9	2009/10 Outturn	2010/11 Period 9
Number of property enquiries (cumulative)	93	117	74
Average income per property enquiry	£43	£43	£47
Number of licensing board applications (cumulative)	1,428	1,824	1,374
Average income per licensing board application	£96	£84	£87
Number of job vacancy adverts placed (cumulative)	176	239	109
Average cost per job vacancy advert	£368	£343	£459
Number of let commercial and industrial properties	56	61	63
Number of property repairs completed (cumulative)	5,619	8,998	4,598
Number of transactions processed through the Income Management System (cumulative)	488,487	640,761	474,709
Value of transactions processed through the Income Management System	£237.6m	£397.6m	£304.2m
Council Tax collection rate	76.8%	94.1%	76.8%

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### FINANCE AND CORPORATE SUPPORT

#### SERVICE PERFORMANCE TO DATE

##### CENTRAL MANAGEMENT SUPPORT

There are no material variances anticipated at this time.

##### FTE STAFFING ANALYSIS

Budget	Actual to date
2.0	2.0

##### FINANCE SERVICE

A favourable variance is currently anticipated as a result of the number of vacancies currently held throughout the service pending a review of the service operation. Additional funding from the Department for Work and Pensions has been received to assist with anticipated increased benefit claims during the economic downturn. The service is managing the increased caseload within current resources although 2 Benefit Assistant vacancies have been filled. Additional income is also expected from the collection of Scottish Water rates. In addition, favourable variances are also anticipated on a number of areas including mileage allowances, security services, general administration, computer services and tools and equipment.

##### FTE STAFFING ANALYSIS

Budget	Actual to date
177.4	158.6

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	0.161	0.161	0.000
Premises Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	0.006	0.006	0.000
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>0.168</b>	<b>0.168</b>	<b>0.000</b>
Income	0.000	0.000	0.000
<b>Net Expenditure</b>	<b>0.168</b>	<b>0.168</b>	<b>0.000</b>

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	5.607	5.239	(0.369)
Premises Costs	0.003	0.003	0.000
Transport Costs	0.022	0.017	(0.005)
Supplies & Services	0.668	0.586	(0.082)
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>6.299</b>	<b>5.844</b>	<b>(0.455)</b>
Income	(2.623)	(2.730)	(0.107)
<b>Net Expenditure</b>	<b>3.676</b>	<b>3.114</b>	<b>(0.562)</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### FINANCE AND CORPORATE SUPPORT

#### INFORMATION TECHNOLOGY AND ASSET MANAGEMENT

Additional Employee Costs resulting from temporary staff, agency staff and additional overtime costs are projected in order to assist with the accelerated capital programme and workload and staff cover within the repairs function. In addition some one-off severance costs are anticipated. These costs are partly offset by vacancies across the service.

The Premises Costs favourable variance is partly due to the timing of the occupancy of the new Strand Street office building generating anticipated savings on non-domestic rates, utilities and rental costs. The service recognises the ongoing situation regarding negotiations with a new main contractor for Central Repairs as a result of the previous contractor going in to Administration. This ongoing position makes it difficult for the service to fully anticipate the level of repairs programme that will be achieved until negotiations are complete and a full work programme initiated. However, it is anticipated that in the current year the expenditure on building repairs and maintenance spend will be lower than planned, currently at a projected level of at least £0.500m. It should be noted however that the level of underspend could significantly increase, depending on the progression of negotiations with the new main repairs contractor and the rate at which repairs work is then subsequently progressed.

It is anticipated that operational requirements will result in an adverse position on supplies and services which will continue to be managed as part of the ongoing operational review of the service.

As in the previous year, the service anticipates the economic downturn to impact on property related income. A shortfall of £0.122m is currently expected in relation to rental income from the Burns Mall, with a shortfall in income from housing deed plans of £0.034m. The Asset Improvement service anticipates a £0.500m shortfall in fee recovery. The service continues to review the approach to fee recovery however it is anticipated that this under-recovery will be offset by the impact of the change in main contractor noted above.

#### FTE STAFFING ANALYSIS

Budget	Actual to date
171.9	155.8

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	6.350	6.468	0.118
Premises Costs	7.904	7.154	(0.750)
Transport Costs	0.124	0.114	(0.010)
Supplies & Services	2.144	2.288	0.144
Third Party Payments	0.033	0.033	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>16.554</b>	<b>16.056</b>	<b>(0.498)</b>
Income	(5.219)	(4.564)	0.655
<b>Net Expenditure</b>	<b>11.335</b>	<b>11.493</b>	<b>0.157</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### FINANCE AND CORPORATE SUPPORT

#### HUMAN RESOURCES

Savings due to turnover, non-filling of vacancies and recently approved work life balance arrangements have resulted in the projected favourable Employee Costs variance. The Transport Costs variance is due to excess travel commitments arising from the relocation of staff within Organisational Development and Health and Safety. Within Supplies and Services pressures arising from subscriptions, Health and Safety mobile phone costs, printing cost for revised HR policy bulletins, postages and admin costs associated with the Harmonisation of Conditions of Service are partly offset by a saving of £0.020m which has resulted from changing the Employee Recognition event to a biannual event. The variance within Third Party Payments is due to consultants' costs in respect of the Health and Safety compliance review as well as costs arising from the Physiotherapy Service which are offset by income recharges.

#### FTE STAFFING ANALYSIS

Budget	Actual to date
73.7	65.7

#### DEMOCRATIC SERVICES

A favourable Employee Costs variance is anticipated as a result of vacancies across the services and reduced Children's Panel training costs. Supplies and Services savings are anticipated from Publicity and Promotion and reduced net Print Room costs. An adverse variance in property certificates income based on the 2009/10 outturn position is currently anticipated together with a reduction in sponsorship income and this will be managed within the service.

#### FTE STAFFING ANALYSIS

Budget	Actual to date
43.4	42.6

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	2.545	2.474	(0.071)
Premises Costs	0.001	0.004	0.003
Transport Costs	0.020	0.023	0.004
Supplies & Services	0.209	0.190	(0.019)
Third Party Payments	0.049	0.070	0.021
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>2.824</b>	<b>2.761</b>	<b>(0.063)</b>
Income	(0.340)	(0.356)	(0.017)
<b>Net Expenditure</b>	<b>2.484</b>	<b>2.404</b>	<b>(0.080)</b>

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	1.443	1.403	(0.040)
Premises Costs	0.000	0.000	0.000
Transport Costs	0.027	0.027	0.000
Supplies & Services	1.453	1.406	(0.047)
Third Party Payments	0.069	0.069	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>2.992</b>	<b>2.905</b>	<b>(0.087)</b>
Income	(0.193)	(0.148)	0.045
<b>Net Expenditure</b>	<b>2.799</b>	<b>2.757</b>	<b>(0.042)</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### FINANCE AND CORPORATE SUPPORT

#### LEGAL, PROCUREMENT AND REGULATORY

Employee Costs savings from vacancies, work life balance arrangements across the service and the recharge of staff time to Tobacco Sales Enforcement are absorbed by anticipated one-off severance costs of £0.177m. Anticipated overspends in relation to Subscriptions, Fees and Other Charges are partly offset by general efficiencies and in other headings with additional Licensing Board costs being offset by an over recovery of income and lower than anticipated Chemist charges resulting from lower than budgeted sample requirements. An anticipated shortfall in respect of Legal Fees is offset by anticipated Fixed Penalty and other miscellaneous income.

#### FTE STAFFING ANALYSIS

Budget	Actual to date
84.0	79.2

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	2.981	3.076	0.096
Premises Costs	0.098	0.095	(0.003)
Transport Costs	0.096	0.086	(0.010)
Supplies & Services	0.495	0.502	0.006
Third Party Payments	0.170	0.170	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>3.840</b>	<b>3.929</b>	<b>0.089</b>
Income	(0.846)	(0.875)	(0.029)
<b>Net Expenditure</b>	<b>2.994</b>	<b>3.054</b>	<b>0.060</b>

#### COMMUNITY PLANNING PARTNERSHIP UNIT

The favourable Employee Costs variance relates to vacancies and work life balance arrangements. The Third Party Payments variance represents the Challenge Fund which is unlikely to be allocated before the year end. Additional Income has been generated from supporting the CPPU in administering and monitoring the Fairer Scotland Fund.

#### FTE STAFFING ANALYSIS

Budget	Actual to date
11.5	9.8

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	0.531	0.471	(0.060)
Premises Costs	0.016	0.016	0.000
Transport Costs	0.003	0.003	0.000
Supplies & Services	0.034	0.034	0.000
Third Party Payments	0.095	0.073	(0.022)
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>0.679</b>	<b>0.597</b>	<b>(0.082)</b>
Income	(0.011)	(0.043)	(0.032)
<b>Net Expenditure</b>	<b>0.668</b>	<b>0.554</b>	<b>(0.114)</b>

FINANCE AND CORPORATE SUPPORT

**Service Enhancements 2010/11**

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

- Reduced property rental income;
- Reduced income from the disposal of properties;
- Operating costs of the new Strand Street office development;

**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 Finance and Corporate Support. This amounts to additional savings of £0.587m over the 4 years to 2011/12.

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### CENTRAL SERVICES

#### SERVICE SUMMARY

Central Services is anticipated to outturn £2.141m under budget as a result of staff savings within the Internal Audit Service, successful reclaims of VAT and in-year savings generated by the Line by Line Review of departmental expenditure and the realignment of departmental budgets following the 0.65% pay award. These savings are partly offset by additional costs of £0.287m in respect of the transport and associated decant costs relating to Gargieston Primary School.

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Chief Executive	0.578	0.553	(0.025)
Miscellaneous	7.566	5.450	(2.116)
Insurance	2.327	2.327	0.000
<b>Net Expenditure</b>	<b>10.471</b>	<b>8.330</b>	<b>(2.141)</b>

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	2.237	2.214	(0.023)
Premises Costs	0.000	0.000	0.000
Transport Costs	0.006	0.291	0.285
Supplies & Services	8.420	6.017	(2.403)
Third Party Payments	0.710	0.710	0.000
<b>Gross Expenditure</b>	<b>11.373</b>	<b>9.232</b>	<b>(2.141)</b>
Income	(0.902)	(0.902)	0.000
<b>Net Expenditure</b>	<b>10.471</b>	<b>8.330</b>	<b>(2.141)</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### CENTRAL SERVICES

#### SERVICE PERFORMANCE TO DATE

##### CHIEF EXECUTIVE

The favourable variance is primarily due to employee related savings within the Internal Audit service.

##### FTE STAFFING ANALYSIS

Budget	Actual to date
11.6	11.7

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	0.615	0.592	(0.023)
Premises Costs	0.000	0.000	0.000
Transport Costs	0.006	0.004	(0.002)
Supplies & Services	0.017	0.017	0.000
Third Party Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>0.638</b>	<b>0.613</b>	<b>(0.025)</b>
Income	(0.060)	(0.060)	0.000
<b>Net Expenditure</b>	<b>0.578</b>	<b>0.553</b>	<b>(0.025)</b>

#### MISCELLANEOUS SERVICES

Transport costs of £0.287m are currently anticipated in relation to the transfer of pupils from Gargieston Primary School. Within Supplies and Services a favourable variance of £0.449m is anticipated as a result of successful reclaims of VAT. A further £0.943m has been drawn into the centre following the recent Line by Line review of departmental expenditure with £0.344m being drawn in following the 0.65% pay award to local government workers. In addition savings are anticipated on centrally retained budgets including the Zero Waste Fund and the Carbon Reduction Commitment.

##### FTE STAFFING ANALYSIS

Budget	Actual to date
1.0	1.0

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee & Related Costs	1.622	1.622	0.000
Premises Costs	0.000	0.000	0.000
Transport Costs	0.000	0.287	0.287
Supplies & Services	6.077	3.674	(2.403)
Third Party Payments	0.710	0.710	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>8.409</b>	<b>6.293</b>	<b>(2.116)</b>
Income	(0.843)	(0.843)	0.000
<b>Net Expenditure</b>	<b>7.566</b>	<b>5.450</b>	<b>(2.116)</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### CENTRAL SERVICES

#### INSURANCE

There are no material variances to report at this time.

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	0.000	0.000	0.000
Premises Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	2.327	2.327	0.000
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>2.327</b>	<b>2.327</b>	<b>0.000</b>
Income	0.000	0.000	0.000
<b>Net Expenditure</b>	<b>2.327</b>	<b>2.327</b>	<b>0.000</b>

EDUCATIONAL AND SOCIAL SERVICES

**Capital Programme**

Expenditure to date is £3.258m, which represents 46.8% of the available budget. The Projected Expenditure for 2010/11 is £6.431m.

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

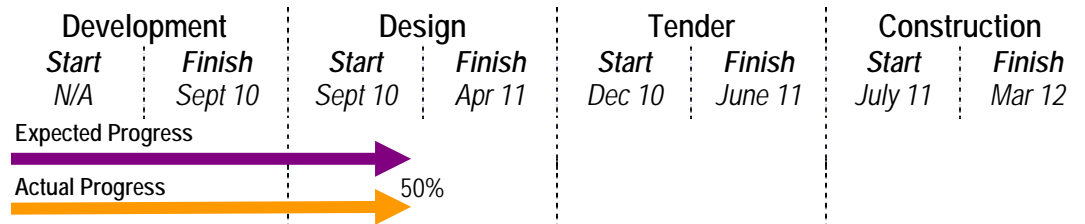
# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## EDUCATIONAL AND SOCIAL SERVICES

### Major Projects

#### Galston Community Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.000	0.000	1.000



#### Financial Status

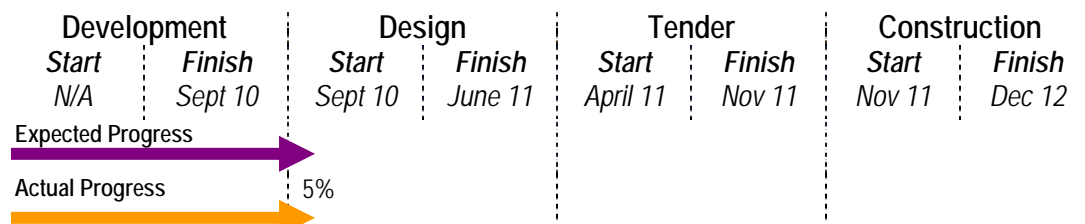
Allocation for Galston Town Centre has been provisionally allocated between the different elements.

#### Project Life Cycle

Outline proposals have been "locked down; detailed design works on-going. A revised programme specifically relating to the community facilities project has been prepared which allows for the works to be carried out between July 2011 and March 2012.

#### Galston Office Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
2.800	0.000	2.800



#### Financial Status

Allocation for Galston Town Centre has been provisionally allocated between the different elements.

#### Project Life Cycle

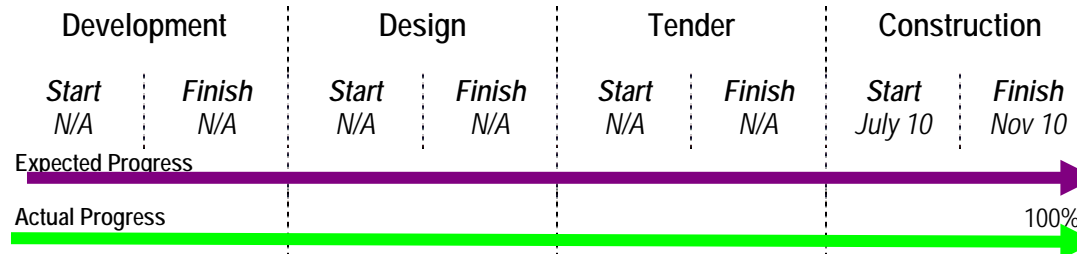
Outline proposals have been "locked down notwithstanding some minor design issues to be resolved; detailed design works on-going. External funding may be available to supplement and enhance the possible works to the former Chambers building; this is being explored. Start on site still anticipated Nov 2011.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## EDUCATIONAL AND SOCIAL SERVICES

### Galston TCRF

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
0.535	0.466	0.535



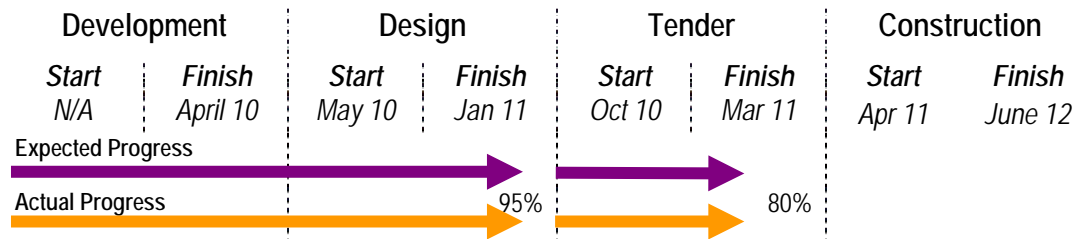
#### Financial Status

Allocation for Galston Town Centre has been provisionally allocated between the different elements.

**Project Life Cycle**  
Works on site are complete.

### Darvel Primary School and Nursery School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
5.000	0.024	5.000



#### Financial Status

Project costs will be accurately determined after detailed designs are finalised and tenders received.

**Project Life Cycle**  
Tender documents issued 16 December, with anticipated acceptance by mid March 2011. Design works progressing well to coincide with planned start on site of April 2011. Planning application and building warrant for extension have been submitted; anticipated decision February 2011. Building warrant for the alterations to the Gavin Hamilton sports to allow this to be used as a temporary dining facility has also been submitted. Cost estimates for the revised design is currently estimated at approximately £6.300m. Tender documents will continue to be prepared and issued to test market conditions; options will be explored if tendered prices continue are higher than the available budget

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## EDUCATIONAL AND SOCIAL SERVICES

### Flowerbank Nursery

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
1.750	0.001	1.750	N/A	Dec 10	Jan 11	Nov 11	Oct 11	Mar 12	Apr 12	May 13

#### Financial Status

Only minor expenditure is anticipated to be incurred in 2010/11.

Expected Progress

Actual Progress

#### Project Life Cycle

Initial discussions identified the refurbishment of the Woodstock School as the preferred option for the relocation of the Flowerbank Nursery School. However, an alternative option incorporating Adult Day Care Facilities with Nursery provision in a town centre location is now being considered. Proposals are being developed by the Asset Management Section. The timescales above are based on the refurbishment of the Woodstock School for the Nursery provision and may therefore have to be revised dependent on the outcome of the appraisal exercise.

### Willowbank School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Complete		Start	Finish	Start	Finish	Start	Finish
10.000	0.127	10.000	Complete		Sept 09	July 10	June 10	Jan 11	Jan 11	May 12

#### Financial Status

Project costs will be accurately determined after detailed designs are finalised and tenders received.

Expected Progress

Actual Progress

#### Project Life Cycle

Tender awarded 23 December 2010.



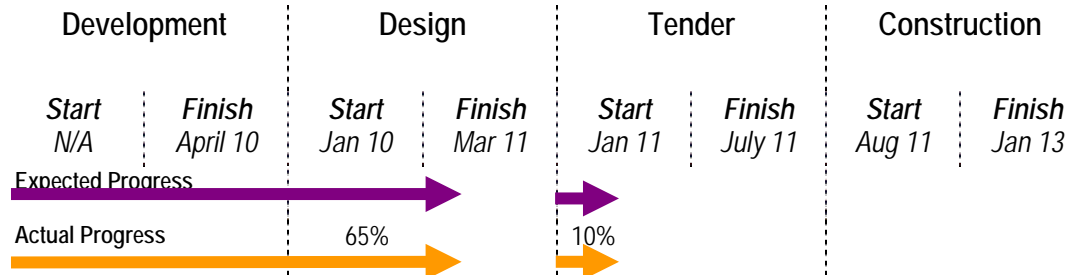
Concept Design Image

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## EDUCATIONAL AND SOCIAL SERVICES

### New Cumnock Nursery and Primary School

Budget Allocation	Expenditure to Date	Forecast Expenditure
£m	£m	£m
9.600	0.193	9.600



#### Financial Status

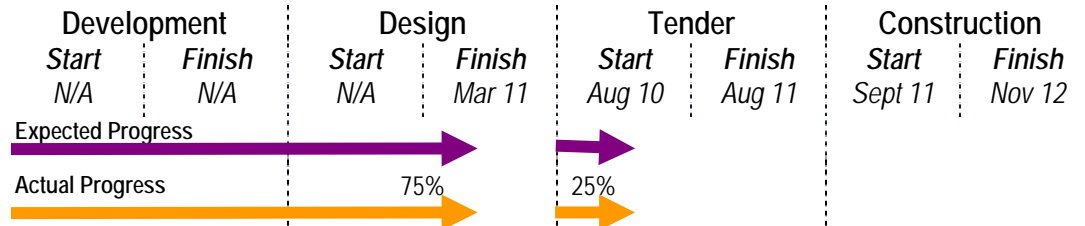
Project costs will be accurately determined after detailed designs are finalised and tenders received.

#### Project Life Cycle

Works are progressing as planned with the exception of minor delays to some design elements, however, it is envisaged that any delay can be absorbed later on in the project development. Planning application and building warrant have been submitted, anticipated decision early 2011. Currently anticipated that tender documents will be issued mid-March 2011 with an acceptance by July 2011.

### Patna / St Xavier's Primary Schools Co-location

Budget Allocation	Expenditure to Date	Forecast Expenditure
£m	£m	£m
9.000	0.038	9.000



#### Financial Status

No expenditure is anticipated to be incurred in 2010/11

#### Project Life Cycle

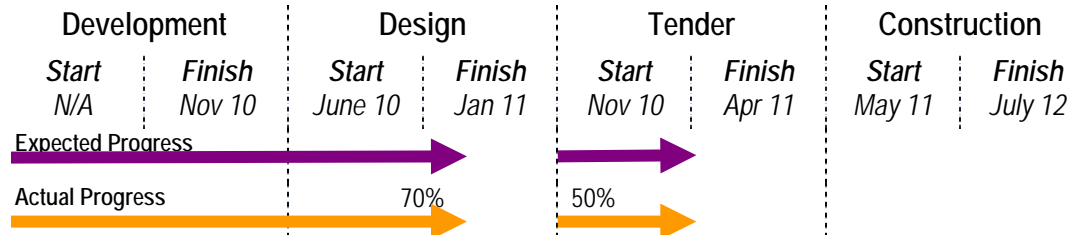
All design elements have been externalised. Works are progressing well and it is currently anticipated that construction will commence ahead of schedule. Tender documents issued 22 November; returning February 2011. Formal planning application was submitted late November, with anticipated approval by late February 2011. Revised pre-tender estimates indicate a total cost of approximately £10.500m. Options to revise costs will be explored if tendered prices are higher than the budget.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## EDUCATIONAL AND SOCIAL SERVICES

### Gargieston Primary School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
12.000	0.044	12.000



#### Financial Status

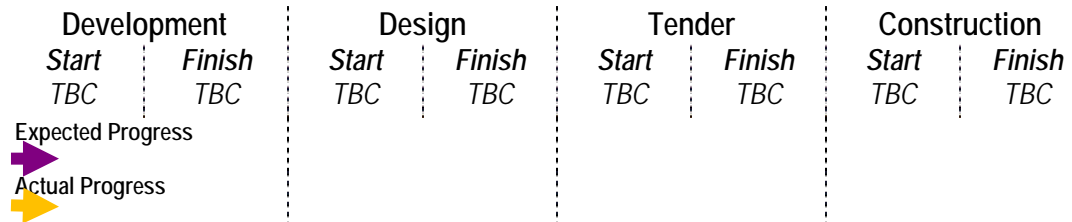
Budgets to be revised to take account of Scottish Government funding once more information is available.

#### Project Life Cycle

Revised design was "locked down" following consultation with external stakeholders on 16 December 2010. Changes to the design from the client department have delayed progress: options to absorb any current delay are being determined, however, a risk does exist that the completion on site may ultimately be later than planned. Planning application has been submitted; anticipated decision early 2011. Tenders documents for the build are anticipated to be issued January 2011, with anticipated award March 2011. Tender for ground consolidation works due to be issued January 2011. The demolition works commenced on site December; completion January 2011.

### Knockroon Primary School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
10.500	0.000	10.500



#### Financial Status

No expenditure is anticipated to be incurred in 2010/11

#### Project Life Cycle

Option appraisal not yet commenced.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

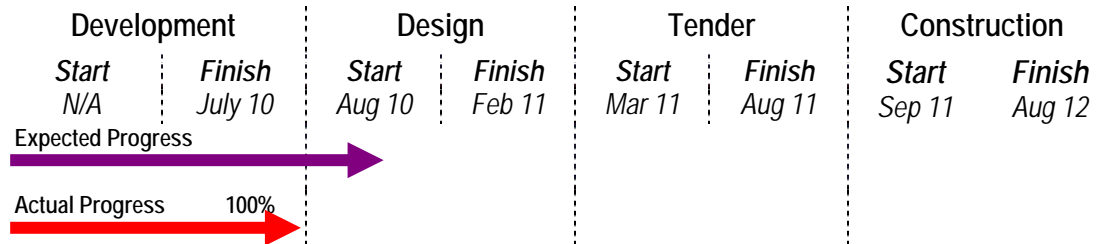
## EDUCATIONAL AND SOCIAL SERVICES

### Littlemill Primary School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.320	0.134	1.320

#### Financial Status

Only minor expenditure incurred to date.



#### Project Life Cycle

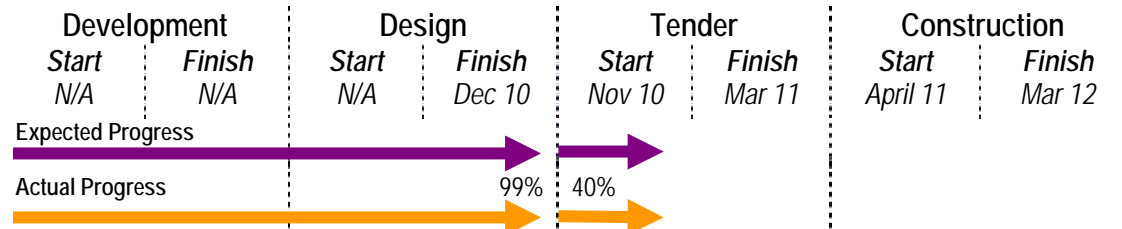
The works to renew the roof and rainwater goods to both the main building and gym block have now been completed. In order to minimise inconvenience to staff and pupils the external works to the car park, playground and garden are planned to commence summer 2011 to coincide with the remainder of the refurbishment works. The full extent of the refurbishment works have now been locked down with the client department. Currently anticipated that a start on site of September 2011 can be achieved.

### Sorn Primary School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.720	0.001	1.720

#### Financial Status

Only minor expenditure incurred to date.



#### Project Life Cycle

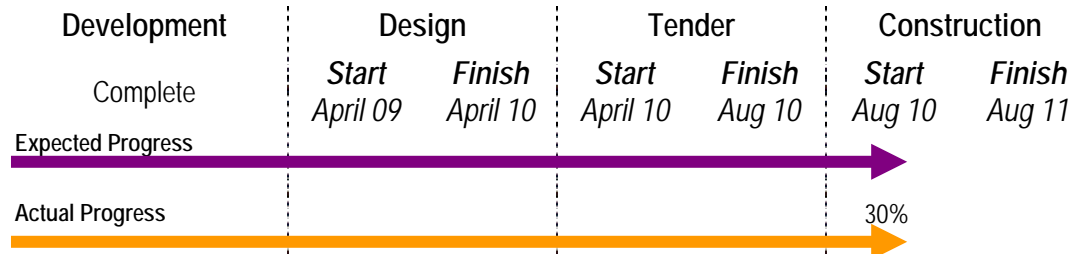
Detailed design and tender preparation work on-going. Forecast tender issue late February 2011 with anticipated award March / April 2011. Consultation period for listed building consent has finished, no adverse comments. Anticipated decision on planning application by January 2011. Bat exclusion licence application to be submitted prior to Christmas break. Decant options for staff and pupils still to be confirmed; required by Easter 2011 to coincide with agreed programme.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## EDUCATIONAL AND SOCIAL SERVICES

### Children's Residential House

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.510	0.322	1.210



#### Financial Status

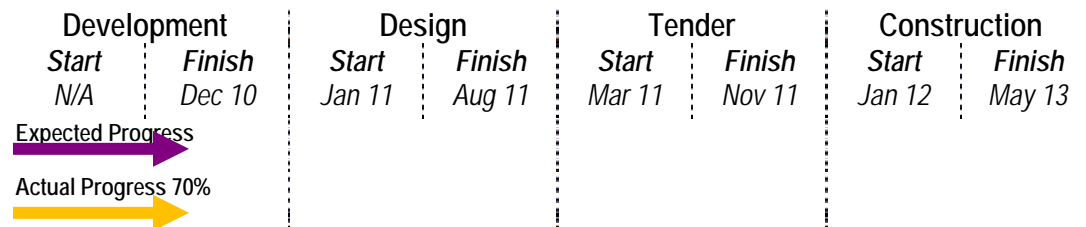
Revised estimates would indicate that costs are approximately 20% under budget.

#### Project Life Cycle

Works commenced on site 16 August 2010. There have been delays on site due to the current spell of inclement weather which has meant that the brickwork has not been able to progress as planned. It is currently anticipated that this can be absorbed within the contractual timescales.

### Auchinleck Community Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
4.900	0.001	4.900



#### Financial Status

Budget revised following Cabinet of 16 June 2010.

#### Project Life Cycle

Consultation exercise with external stakeholders completed 8 December 2010; design "locked down" on programme. Detailed design work has commenced ahead of schedule. Options relating to the relocation of services on a temporary basis during construction being considered by client departments in order to coincide with the anticipated start on site.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

## EDUCATIONAL AND SOCIAL SERVICES

### Kilmarnock Area Day Centre

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

2.500

0.000

2.500

Expected Progress



Actual Progress



### Project Life Cycle

### Financial Status

No expenditure is anticipated to be incurred in 2010/11

Options incorporating the Kilmarnock Day Care and Flowerbank Nursery School relocation within a town centre location are now being considered. Proposals are being developed by the Asset Management Section and will be available for Cabinet early 2011.

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 9 (12 DECEMBER 2010)

### EDUCATIONAL AND SOCIAL SERVICES

#### General Projects

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

#### Fabric Upgrades and Refurbishments

The underspend primarily relates to a number of schemes which are anticipated to slip in terms of progress and will now be completed in 2011/12.

#### Projects

Costs of approximately £0.086m and £0.008m in relation to the new Galston Primary School and Netherthird Community Centre respectively are anticipated to be incurred during the 2010/11 financial year.

#### Elderly Day Care Facilities

The costs in relation to the Stewarton Townhouse project are anticipated to be approximately £0.077m more than the available budget, however, most of the allocation of £0.100m for Rosebank which is unlikely to be required.

	Revised Budget 2010/11	Actual Expenditure to Date	Projected Expenditure 2010/11	Variance
Fabric Upgrades & Refurbishments	3.479	1.920	2.728	(0.751)
Projects	0.300	0.024	0.394	0.094
Care Homes Elderly	0.002	0.000	0.002	0.000
Elderly Day Care Facilities	0.291	0.254	0.270	(0.021)
Telecare	0.200	0.000	0.200	0.000
<b>TOTAL EDUCATION &amp; SOCIAL SERVICES</b>	<b>4.272</b>	<b>2.198</b>	<b>3.594</b>	<b>(0.678)</b>

NEIGHBOURHOOD SERVICES

**Capital Programme**

Expenditure to date is £9.045m, which represents 38.8% of the available budget.  
The projected expenditure for 2010/11 is £23.380m.

The variance primarily relates to a number of schemes which are anticipated to be less than originally budgeted or are forecast to slip into future financial years.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 9 (12 DECEMBER 2010)

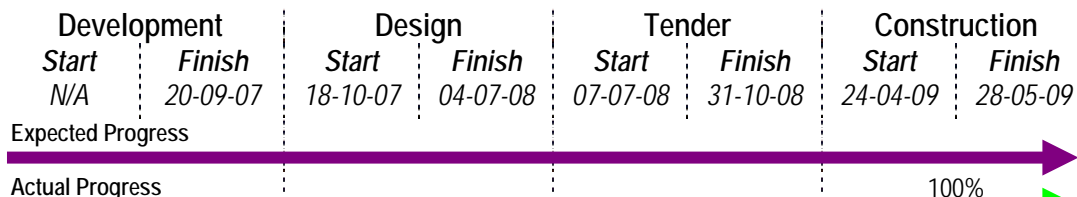
## NEIGHBOURHOOD SERVICES

### Crosshouse Area Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.955	3.664	3.955

#### Financial Status

Works have now been completed.



External View

#### Project Life Cycle

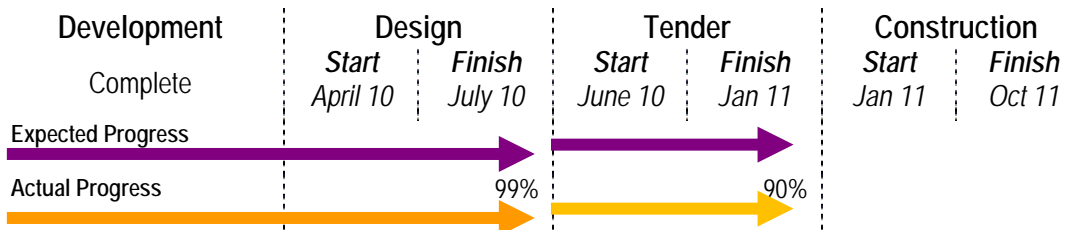
The official opening was held on 8 November 2010.

### Palace Theatre / Grand Hall

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.281	1.387	3.281

#### Financial Status

Budget has been augmented with £2.000m allocated from Kilmarnock Town Centre Regeneration.



#### Project Life Cycle

Tenders were returned on 16 December and are currently being reviewed by staff. Tender prices received indicate that the project can be delivered within the original budget provision. Currently anticipated that works will commence on site late January 2011 / early February.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 9 (12 DECEMBER 2010)

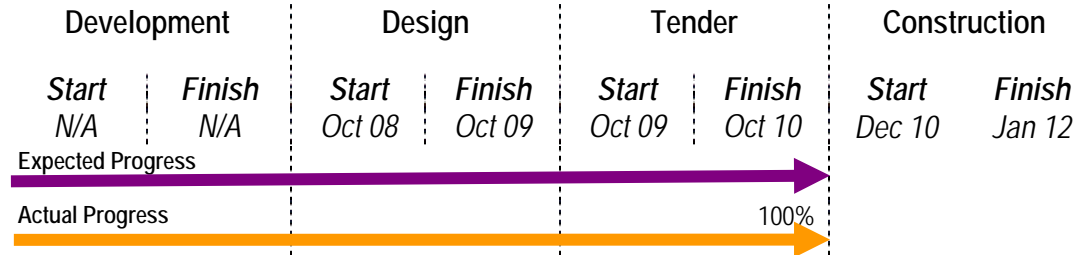
## NEIGHBOURHOOD SERVICES

### Stewarton Sports Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
4.300	0.033	4.300

#### Financial Status

Most expenditure is anticipated to be incurred in 2011/12.



Artist's Impression

#### Project Life Cycle

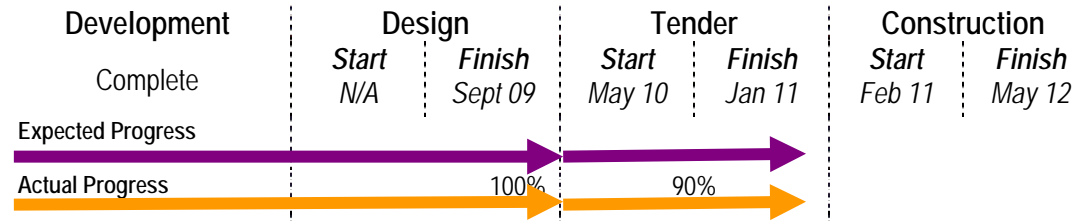
Contractor will start to have a presence on site from week commencing 10 January 2011, with construction proper commencing late January / Early February. Completion is anticipated last quarter 2011; ahead of the original programme.

### Kilmarnock Athletics Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
5.625	0.242	5.625

#### Financial Status

Expenditure to date relates to the works undertaken at Scott Ellis Playing Fields.



Artist's Impression

#### Project Life Cycle

Tenders were returned on 13 December 2010 and are currently being reviewed by staff. Planning application approved 7 January 2011, subject to resolution of outstanding SEPA issues. Currently anticipated that start on site will be February 2011, with anticipated completion May 2012. Tender prices received indicate that the project is above available budget, but less than pre-tender estimate. Report to Cabinet January 2011 requesting additional capital allocation to allow tender to be accepted.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 9 (12 DECEMBER 2010)

## NEIGHBOURHOOD SERVICES

### Depot Improvements

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start TBC	Finish TBC	Start TBC	Finish TBC	Start TBC	Finish TBC	Start TBC	Finish TBC
5.600	0.182	5.600								

Expected Progress

Actual Progress

### Financial Status

Allocations totalling £0.700m have already been set-aside in relation to improvements in staff welfare facilities at a number of depot locations.

### Project Life Cycle

**Welfare Facilities** – installation of welfare facilities at Burnside Street, Thistle Park and Lugar depots are now completed. **Gauchalland Depot** -commencement on site planned for late January 2011 and completion by April 2011. **Co-located Depot Site** – options relating to the co-location of services on a single site are currently being considered. **Underwood Depot** – proposals to reconfigure the Underwood Depot to accommodate facilities at Thistle Park and Lugar are being progressed.

### Dean Ford Bridge

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design / Tender		Construction	
			Start N/A	Finish N/A	Start Oct 10	Finish May 11	Start June 11	Finish Dec 11
1.000	0.046	1.000						

Expected Progress

Actual Progress

### Financial Status

Most expenditure is anticipated to be incurred in 2011/12.

### Project Life Cycle

The preferred option is to replace the ford and footbridge with a box culvert structure with a 7.3m wide carriageway and two 2.5m wide footways. The detailed design is being commenced, consultation with community on the planning of the works to be undertaken; no planning application required.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 9 (12 DECEMBER 2010)

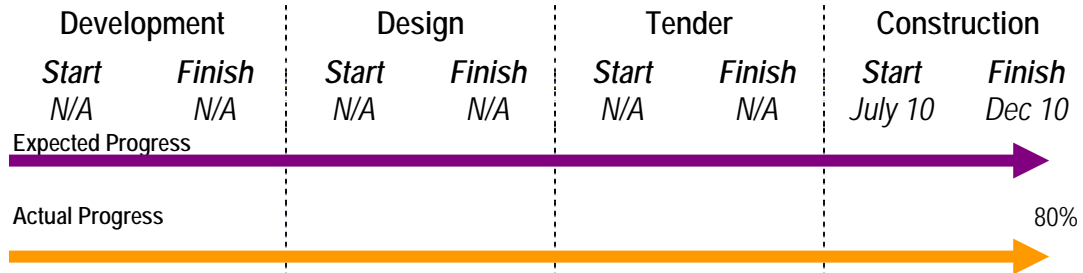
## NEIGHBOURHOOD SERVICES

### Kilmarnock Town Centre Regeneration (Strand Street)

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.500	2.696	3.500

#### Financial Status

Budget revised by Cabinet on 24 February 2010.



#### Project Life Cycle

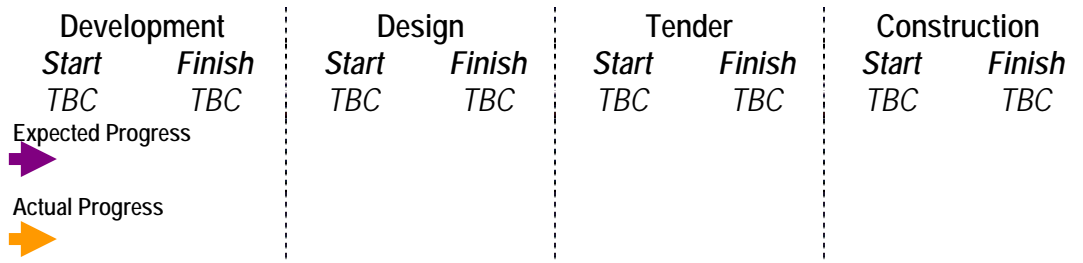
It is currently anticipated that the works will be completed on a partial handover basis by 3 December, with occupation of staff planned for Jan / Feb 2011. Transitional Planning Team has been established to co-ordinate the transfer of services into the building. Issues with CARS / THI grant still to be resolved to ensure external works completed to an acceptable standard; any further award is on hold pending the outcome of these discussions.

### Kilmarnock Town Centre Regeneration (Civic Centre)

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
6.410	0.000	6.410

#### Financial Status

Budget allocation approved by Cabinet on 21 October 2009.



#### Project Life Cycle

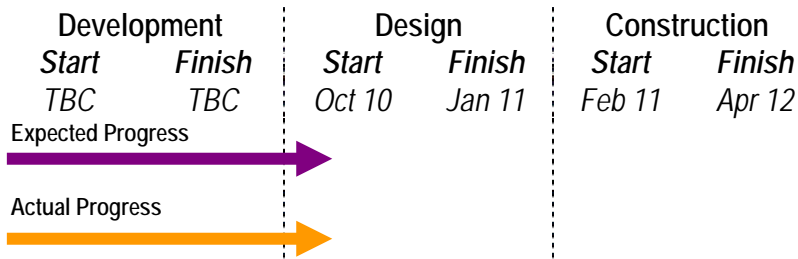
Works to roof and external stonework are currently being developed in respect of both the North and South buildings. Works programme being prepared with detail to be agreed with client department prior to publication.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 9 (12 DECEMBER 2010)

## NEIGHBOURHOOD SERVICES

### Kilmarnock Town Centre Regeneration (Opera House)

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
8.413	0.034	8.413



#### Financial Status

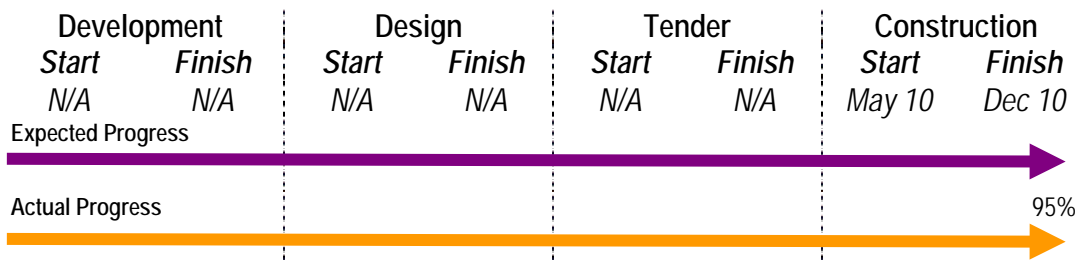
Budget allocation approved by Cabinet on 18 August 2010.

#### Project Life Cycle

Developer Agreement signed off 7 October 2010. Timetable dates are based on early estimation from developer. Internal layouts "locked down" 17 December with client departments. Practical completion target date has been agreed as 30 April 2012.

### Kilmarnock Town Centre Regeneration (TCRF)

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.432	0.896	1.432



#### Financial Status

Budget consists of TCRF award of £1.157m, £0.075m from Scottish Enterprise and a contribution of £0.200m from the Council.

#### Project Life Cycle

It is anticipated that all works will be completed by the December 2010, other than the Strand Steps, the additional work requested by EAC Roads at the junction of John Dickie Street and Strand Street and any outstanding 'snagging'. Luddon Construction will return to site week commencing 8 January 2011

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 9 (12 DECEMBER 2010)

## NEIGHBOURHOOD SERVICES

### Kilmarnock Town Centre Regeneration (General Projects)

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Tender		Construction	
			Start N/A	Finish N/A	Start Aug 10	Finish Nov 10	Start Jan 11	Finish Apr 11
0.970	0.658	0.970						

Expected Progress

Actual Progress

#### Project Life Cycle

Material and Civil Works for the Bank Street works out to tender. Start of site anticipated to commence January 2011 with a project completion of April 2011.

#### Financial Status

Budget consists of former Top of the Town Development, including the refurbishment of the multi-storey car park and the Bank Street proposals.

### Cumnock Town Centre (Office)

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Construction	
			Start N/A	Finish N/A	Start N/A	Finish N/A	Start Sept 10	Finish Sept 11
10.300	2.098	10.300						

Expected Progress

Actual Progress

#### Project Life Cycle

Internal layouts "locked down"; work on-going in partnership with developer to establish the estimated costs of the fit-out to requirements. Opportunity has been taken to relocate the hub for the south area currently located at the Lugar offices within the new office development.

#### Financial Status

Whilst the costs are projected to out-turn on budget, opportunities exist to value engineer the fit-out to release savings of up to £0.740m.

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 9 (12 DECEMBER 2010)

## NEIGHBOURHOOD SERVICES

### Cumnock Town Centre (Retail)

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Land Acquisition		Design		Construction		Dist. of returns	
			Start TBC	Finish TBC	Start TBC	Finish TBC	Start TBC	Finish TBC	Start TBC	Finish TBC
3.469	2.035	4.145								

Expected Progress

Actual Progress

#### Project Life Cycle

#### Financial Status

Whilst costs are shown to out-turn above budget, this assumes that expenditure will be incurred in respect of a number of as yet unresolved matters. The assumption is also that all or part of the costs will be recovered from the future sale of the retail development.

Discussions are on-going with existing tenants and owner occupiers within the Glaisnock Shopping Centre with regard to the future development of the site. A progress report on the development of the retail element of the project will be prepared for Cabinet.

### Cumnock Town Centre (TCRF)

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 May 10	Finish Dec 10
0.949	0.664	0.949								

Expected Progress

Actual Progress

90%

#### Project Life Cycle

#### Financial Status

Anticipated that all expenditure will be incurred in 2010/11.

Final works on site delayed due to inclement weather; works planned to recommence 10 January 2011 to be completed by the end January.

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 9 (12 DECEMBER 2010)

### NEIGHBOURHOOD SERVICES

#### General Projects

There are a number of minor projects due to start and finish within 2010/11.

#### Strategic Priorities

The anticipated overspend relates to the match funding for the additional works at the Baird Institute to be funded from CARS / THI grant.

#### Facility Improvement

Works relating to the refurbishment of the Dalmellington and Bellsbank Library are currently on hold. This is partially offset by small overspends in the Newmilns Library and Core Paths projects.

#### Cemetery Extensions

Work at Cumnock, Kilmaurs and New Cumnock cemeteries are anticipated to overspend by approximately £0.028m.

#### Traffic and Road Safety

There is projected slippage of £0.317m and £0.256m in respect of Strategic Route Improvements and the spend to save Decriminalisation of Parking Enforcement projects respectively.

#### Structures

Slippage is anticipated in respect of the Bridge Strengthening Programme.

#### Flood Prevention Schemes

There is some slippage anticipated in respect of the Flood Mitigation measures.

	Revised Budget 2010/11 £m	Actual Expenditure to Date £m	Projected Expenditure 2010/11 £m	Variance £m
Strategic Priorities	0.430	0.092	0.439	0.009
Facility Improvements	1.653	0.581	1.567	(0.086)
Cemetery Extension	0.331	0.049	0.359	0.028
Playparks	0.259	0.130	0.259	0.000
Regeneration & Efficiency	1.689	0.107	1.689	0.000
Traffic & Road Safety	3.931	0.600	3.358	(0.573)
Structures	0.967	0.290	0.790	(0.177)
Carriageways & Footways	2.244	1.674	2.244	0.000
Street Lighting	0.242	0.139	0.242	0.000
Flood Prevention Schemes	0.055	0.014	0.035	(0.020)
Depots	0.040	0.019	0.040	0.000
<b>TOTAL NEIGHBOURHOOD SERVICES</b>	<b>11.841</b>	<b>3.695</b>	<b>11.022</b>	<b>(0.819)</b>

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 9 (12 DECEMBER 2010)

### NEIGHBOURHOOD SERVICES

#### Housing Investment Programme

As at Period 9, the Housing Investment Programme is projecting an overspend for the financial year 2010/11.

Service	Revised Budget 2010/11 £m	Actual Expenditure to Date £m	Projected Expenditure 2010/11 £m	Variance £m
Asbestos	0.374	0.141	0.374	0.000
Energy Efficiency	0.719	0.686	2.374	1.655
Efficient Heating	3.053	2.464	2.955	(0.098)
External Envelope Enhancement	1.244	0.394	0.758	(0.486)
Modern Facilities & Services	5.915	2.607	6.063	0.148
Neighbourhood Improvements	0.061	0.176	0.268	0.207
Safe & Secure Neighbourhood	0.450	0.163	0.283	(0.167)
Sheltered Housing Safety & Improvement	0.758	0.555	0.681	(0.077)
<b>Total Housing Expenditure</b>	<b>12.574</b>	<b>7.186</b>	<b>13.756</b>	<b>1.182</b>

#### Asbestos

Full spend anticipated.

#### Energy Efficiency

The number of window replacements has increased.

#### Efficient Heating

Moderate underspend anticipated in respect of central heating contracts.

#### External Envelope Enhancement

Underspend anticipated in respect of roofing due to delays with common owners.

#### Modern Facilities & Services

Overspend anticipated in respect of 2009/10 carried forward contracts.

#### Neighbourhood Improvements

Increased number of timber clad housing and demolitions.

#### Safe & Secure Neighbourhood

Slippage anticipated in respect of door entry due to issues with common owners.

#### Sheltered Housing Safety & Improvement

Underspend anticipated in respect of St Maur's Gardens.

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 9 (12 DECEMBER 2010)

### NEIGHBOURHOOD SERVICES

#### Sources of Funding

	Approved Budget 2010/11 £m	Projected Expenditure 2010/11 £m
Revenue Funding (CFCR)	5.661	8.133
Sale of Council Dwellings and Other Capital Receipts	2.202	1.616
Anticipated Borrowing	4.711	4.007
<b>Total</b>	<b>12.574</b>	<b>13.756</b>

#### Performance Data

Attached below are details of the performance data where relevant for the Housing Investment Programme.

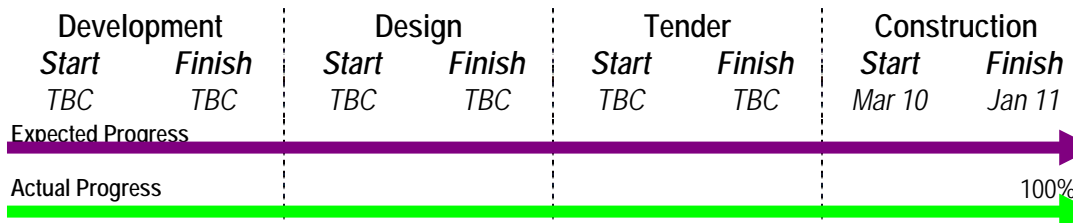
	Houses Planned	Actual Houses	Houses Forecast
Window Replacement Programme	943	290	943
Door and Screen Replacement	105	15	155
Gas Central Heating	817	800	817
External Envelope Enhancement and Overcladding	50	34	50
Re-roofing	116	67	116
Kitchen, Rewire and Bathroom Upgrading	966	474	964
Timberclad Houses Painterwork	32	28	32
Door Entry	90	0	90
<b>Total</b>	<b>3,119</b>	<b>1,708</b>	<b>3,167</b>

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 9 (12 DECEMBER 2010)

## NEIGHBOURHOOD SERVICES

### Council House Building Programme – Phase 1

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.000	0.975	1.000



#### Financial Status

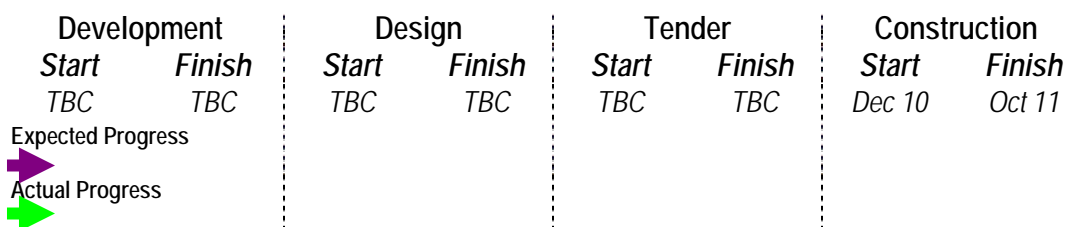
Budget is based on assumed £0.100m to construct each unit with a maximum grant of £0.025m per house.

#### Project Life Cycle

Site was handed over 29 November.

### Council House Building Programme – Phase 2

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.000	0.180	3.000



#### Financial Status

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



#### Project Life Cycle

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

# 2010/2011 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 9 (12 DECEMBER 2010)

## NEIGHBOURHOOD SERVICES

### Council House Building Programme – Phase 3

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development <i>Start</i> <i>Finish</i> <i>TBC</i> <i>TBC</i>		Design <i>Start</i> <i>Finish</i> <i>TBC</i> <i>TBC</i>		Tender <i>Start</i> <i>Finish</i> <i>TBC</i> <i>TBC</i>		Construction <i>Start</i> <i>Finish</i> <i>Mar 11</i> <i>Jan 12</i>	
1.000	0.000	1.000								
										

#### Financial Status

Budget is based on assumed £0.100m to construct each unit with a maximum grant of £0.030m per house.

#### Project Life Cycle

Project is to construct 10 new houses on sites at Newlands Drive, Kilmarnock and land adjacent to the Rosebank Resource Centre.

FINANCE & CORPORATE SUPPORT

**Capital Programme**

Expenditure to date is £2.981m, which represents 83.5% of the available budget. The projected expenditure for 2010/11 is £4.276m.

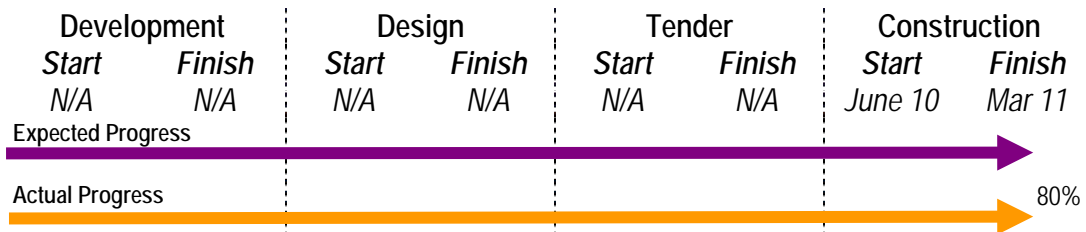
The projected variance on the Finance & Corporate Support capital programme primarily relates to the vehicles and equipment that will be purchased rather than leased following an option appraisal exercise, partially offset by anticipated underspends in Corporate Office Accommodation and Health & Safety.

FINANCE & CORPORATE SUPPORT

Major Projects

Council Chambers/Data Centre/London Road HQ

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.900	3.456	3.950



Financial Status

The budget has been consolidated with allocations from Data Centre, HQ Roof, Health & Safety and Corporate Office budgets.

Project Life Cycle

Works to the first floor corridor and former meeting room are nearing completion as programmed. Works to transfer over the Data Centre has now been deferred until Easter 2011 due to concerns about the risks associated with the current spell of inclement weather. This delay will result in additional costs of £0.050m. Remainder of works on-going and are programmed for completion by end of March 2011.

## 2010/2011 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 9 (12 DECEMBER 2010)

### FINANCE & CORPORATE SUPPORT

#### General Projects

There are a number of minor projects due to start and finish within 2010/11.

#### Contingency Funding

This represents the balance of available contingency funding in 2010/11.

	Revised Budget 2010/11 £m	Actual Expenditure to Date £m	Projected Expenditure 2010/11 £m	Variance £m
Contingency Funding	0.090	0.000	0.090	0.000
Corporate Information Technology	0.969	0.307	0.969	0.000
Corporate Office Accommodation	1.198	0.030	0.349	(0.849)
Vehicle and Equipment Procurement	0.000	1.467	1.467	1.467
<b>TOTAL</b>	<b>2.257</b>	<b>1.804</b>	<b>2.875</b>	<b>0.618</b>

#### Vehicle and Equipment Procurement

Following option appraisals, vehicles and equipment costing £1.467m will be purchased rather than leased.

Vehicle and Equipment Details	Dept	Cost £m
2 Mercedes Econic Refuse Collection Vehicles	Neighbourhood Services	0.284
12 John Deere 997 ZTR Ride on Mowers	Neighbourhood Services	0.134
4 Volkswagon Crafter Panel Vans	Neighbourhood Services	0.111
1 Leyland DAF Skip Loader	Neighbourhood Services	0.080
3 Citroen Nemo Vans	Neighbourhood / F&CS	0.027
4 Iveco Daily Vans	Neighbourhood Services	0.127
1 DAF Sweeper	Neighbourhood Services	0.134
IT Hardware – LAN Project	Finance & Corporate Support	0.570
<b>Total</b>		<b>1.467</b>