

FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)



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 – 9 MARCH 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 6 February 2011 (Period 11) 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 £3.352m. This will increase the General Fund Uncommitted balance to £12.031m at the year end. As indicated in the budget report (10 February 2011), there will be a requirement to utilise a significant proportion of this balance to fund severance packages.
- 2.2 The Council approved the 2011/12 Budget on 10 February 2011, which included a package of savings measures to address the identified budget gap. Considerable progress has already been made in the current financial year in relation to achieving future years' savings, including through the management of vacant posts, business reviews, the efficiency strategy and specific management actions. While these actions are intended to contribute to the savings targets required in future years, they have also delivered in-year savings for 2010/11.

- 2.3 It is anticipated that the department of Educational and Social Services will outturn £1.084m under budget at 31 March 2011. Educational Services is anticipated to outturn £0.795m under budget including underspends in both teaching and ancillary staff costs; the deployment of probationers; and efficiency savings within Onsite Services. £0.709m of the favourable variance relates specifically to devolved school budgets, and this will require to be critically reviewed at the year end. A review of the scheme of delegation in schools is due to be carried out, and delegated budgets will form an integral part of this work. The variance has been partly offset by £0.453m of additional Outwith Placements costs, which have been running over budget throughout the financial year.

- 2.4 Social Services is anticipated to outturn £0.289m under budget with significant savings continuing to be made from the timing of recruitment to vacant posts. The service however, recently advertised a significant number of high priority posts that will allow the service to meet operational objectives within an overall balanced budget. This is partly offset by pressures in respect of looked after children, legal costs, additional adult care placement costs and self-directed care costs. Efficiency retiral costs and other costs, mainly in relation to the re-design of services, of £1.576m are also included in the projected underspend.

- 2.5 The Executive Director of Neighbourhood Services anticipates that the department will outturn £1.415m under budget mainly due to savings in employee costs and additional income from Roads and Transportation rechargeable work, partly offset by reduced Planning and Building Standards income. The service have identified £0.533m that is required to be earmarked at the year-end in respect of Planning and Economic Development initiatives; £0.250m that was

previously agreed by Cabinet for an additional salt storage facility; and a further £0.090m in relation to implementing the Disabled Person's Parking Places Act. The Executive Director also proposes that the remaining £0.180m underspend within the Roads Service is earmarked specifically to increase the winter maintenance contingency balance already held of £0.747m. This would reduce the Neighbourhood Services variance to £0.362m under budget. Members will be aware that additional monies were given to Roads in the budget for carriageway repairs following the extreme winter. A framework agreement to allow external contractors to undertake this work has recently been finalised and significant volumes of repairs will now be undertaken in advance of next winter.

2.6 The Executive Director of Finance and Corporate Support anticipates that the department will outturn £0.594m under budget at 31 March 2011, predominantly arising from employee and premises costs savings. The premises saving is as a result of a reduced level of completed central repairs due to the rate at which the new contractor can undertake repairs. Severance costs in several areas of the department and shortfalls in income partly offset the variance.

2.7 Central Services is anticipated to be £3.870m 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 £0.267m 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 £0.402m due to the effective overpayment recovery process.

3 HOUSING REVENUE ACCOUNT (HRA)

3.1 The Housing Revenue Account is expected to outturn £0.453m under budget at 31 March 2011.

3.2 Live jobs have reduced from 13,422 at period 10 to 11,137 at period 11. A short term specific programme using additional temporary craft operatives will allow existing housing improvement and response repairs to continue while addressing outstanding gutter repairs, chimney removals, builder work, plasterer work and roughcast repairs.

3.3 The report to Cabinet on 24 February 2010 recognised that budgets not utilised by internal provision would be used to outsource work for which there was no in-house capacity available. The Head of Housing is in the process of agreeing work with the new contractor to further alleviate tenant demand and address preventative maintenance.

4 CAPITAL PROGRAMME

- 4.1 The projected expenditure on the Council's capital programme is anticipated to be £47.266m, further analysis is shown in the Capital Summary shown on Page 6 of the booklet. This is broadly in line with the estimated position following reprofiling adjustments approved at Cabinet on 19 September 2010.
- 4.2 The refurbishment works to the former Johnnie Walker Bonded Warehouse in Strand Street are nearing completion. Full occupation of the building requires work by IT and Asset Management staff in relation to commissioning of IT kit which will clash to some extent with the timescale for the commissioning of the council's new Data Centre at London Road Headquarters. The Data Centre project needs to have priority and so full occupation is likely to be delayed until May 2011. As part of the finishing works to the Strand Street building signage is being procured and it would be helpful to have members' approval of a name for the building. Given the former use of the building and the opportunity to ensure that a lasting link exists in Kilmarnock with Johnnie Walkers, it is proposed to name the building "The Johnnie Walker Bond". This would be displayed along the frontage of the building and would be part of the official address.

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 £12.032m which equates to 3.6% of the annual budgeted expenditure for 2010/11.

- 5.2 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. This would have a significant impact on the balances currently held, reducing the level of uncommitted balance to around 1% of annual budgeted expenditure

6 RECOMMENDATIONS

- 6.1 It is recommended that Members:

- E**
- (i) Note that there are no Education recommendations;
 - (ii) Approve the Neighbourhood Services earmarked balances as noted at paragraph 2.5;
 - (iii) Agree that the refurbished office complex in Strand Street be named "The Johnnie Walker Bond"; and
 - (iv) Otherwise note the contents of this report.

Alex McPhee
Executive Director of Finance and Corporate Support
3 March 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 11 (6 FEBRUARY 2011)

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2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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	179.035	(1.084)	Deficit / (Surplus) for the Year	4.099	(3.870)	(7.969)
Neighbourhood Services	65.046	63.631	(1.415)	Utilisation of Previous Years Balances	(4.099)	(4.099)	-
Finance and Corporate Support	24.124	23.530	(0.594)	Departmental Under/(Over) Spend c/f	-	4.617	4.617
Central Services – Other	10.531	6.661	(3.870)	2010/2011 Surplus	0.000	(3.352)	(3.352)
Central Services – HB/CT Benefit Subsidy	49.885	49.885	-				
Central Services – Debt Charges	18.350	17.750	(0.600)				
Net Expenditure	348.055	340.492	(7.563)				
				Housing Revenue Account			
				Expenditure	37.257	36.863	(0.394)
				Income	(37.257)	(37.316)	(0.059)
				Net Expenditure	0.000	(0.453)	(0.453)
Funded by							
Council Tax	(48.395)	(48.429)	(0.034)				
Aggregated External Finance	(245.913)	(245.883)	0.030				
HB/CT Benefit Subsidy	(49.648)	(50.050)	(0.402)				
Total Income	(343.956)	(344.362)	(0.406)				

CAPITAL PROGRAMME UPDATE – 17 FEBRAURY 2011

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	7.027	4.503	6.874	98%	Grants, Partnership Funding , CFCR	8.990	8.447
Neighbourhood Services	23.921	11.282	22.540	94%	External Borrowing	25.017	25.005
Finance & Corporate Support	3.059	3.619	4.038	132%	Total	34.007	33.452
Contingency Funding	-	-	-	-			
Total	34.007	19.404	33.452	98%			

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	9.129	13.814	110%	Revenue Funding (CFCR)	5.661	8.610
					Sale of Council Dwellings	2.202	1.616
					Anticipated Borrowing	4.711	3.588
					Total	12.574	13.814
Total Capital Programme	46.581	28.533	47.266	101%		46.581	47.266

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EDUCATIONAL AND SOCIAL SERVICES

SERVICE SUMMARY

It is anticipated that Education and Social Services will outturn £1.084m under budget.

The current projected outturn position for Educational Services is an underspend of £0.795m, with the major variances relating to underspends of £1.108m 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 £0.453m relating to Outwith Placements

The projected outturn variance within Social Work is an underspend of £0.289m 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 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	1.296	1.219	(0.077)
PPP	9.207	9.387	0.180
Schools	66.775	65.904	(0.871)
Community Support	24.091	24.141	0.050
Facilities Management	13.862	13.785	(0.077)
Social Work	64.888	64.599	(0.289)
Net Expenditure	180.119	179.035	(1.084)

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	119.595	118.508	(1.087)
Premises Costs	8.455	8.408	(0.047)
Transport Costs	6.700	6.624	(0.076)
Supplies & Services	8.344	8.379	0.035
Third Party	49.753	50.129	0.376
Transfer Payments	6.940	6.669	(0.271)
Gross Expenditure	199.787	198.717	(1.070)
Income	(19.668)	(19.682)	(0.014)
Net Expenditure	180.119	179.035	(1.084)

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EDUCATIONAL AND SOCIAL SERVICES

SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate £m	Budget Adjustments £m	Revised Budget £m	Comments on Budget Movement
Budget Allocation Approved by Council 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	
Revised Budget Allocation at Period 11			180.119	

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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 6/2/11	Achieved at 6/2/11 £m
Educational and Social Services		3.187		2.017
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		(0.130)
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		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



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EDUCATIONAL AND SOCIAL SERVICES

ACTIONS	Theme	SAVING £m	Status at 6/2/11	Achieved at 6/2/11 £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		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



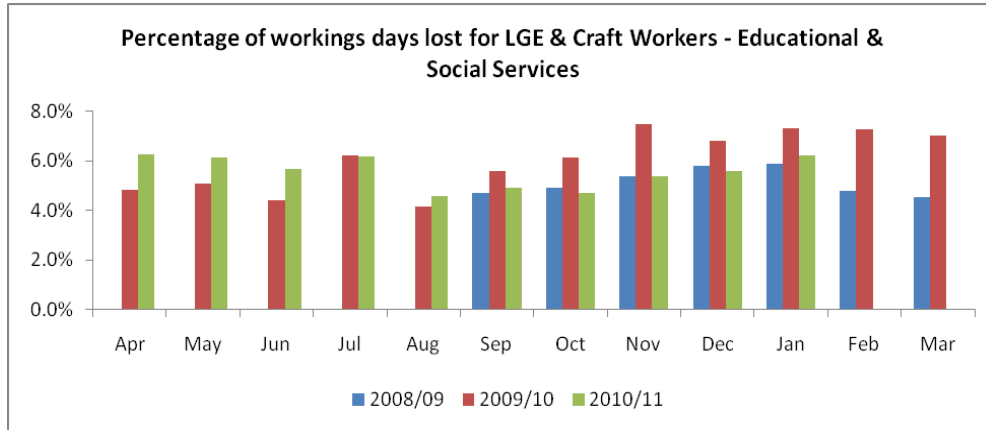
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2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

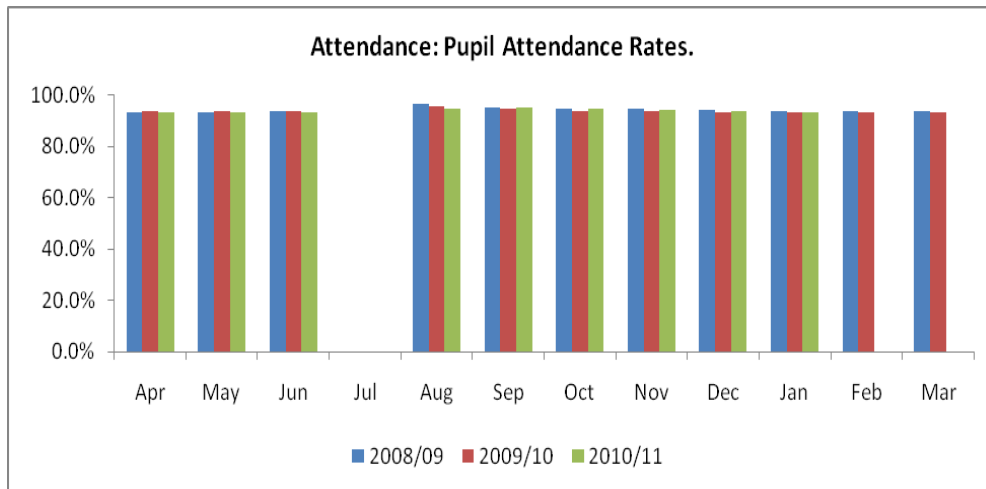
EDUCATIONAL AND SOCIAL SERVICES

PERFORMANCE MEASURES



Absence for January 2011 was 6.22%, an increase on previous months and above the Council target of 4%. Within the Department, short term absences accounted for 2.44% and long term absences 1.58%. Long term absences reduced from the previous 3% last month. The top three reasons for absence were Stress/Debility (22.00%); Operations/Recovery/Treatment (18.00% and Musculo/Skeletal (14.90%).

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



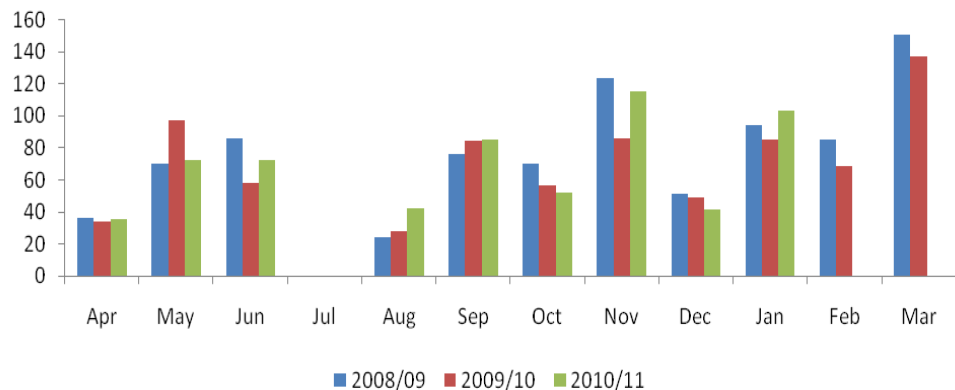
Attendance for the month of January was 93.1% ranging from 90.7% in secondary schools to 95.1% in primary schools. Bearing in mind the severe weather conditions in January this is a commendable level of pupil attendance.

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

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EDUCATIONAL AND SOCIAL SERVICES

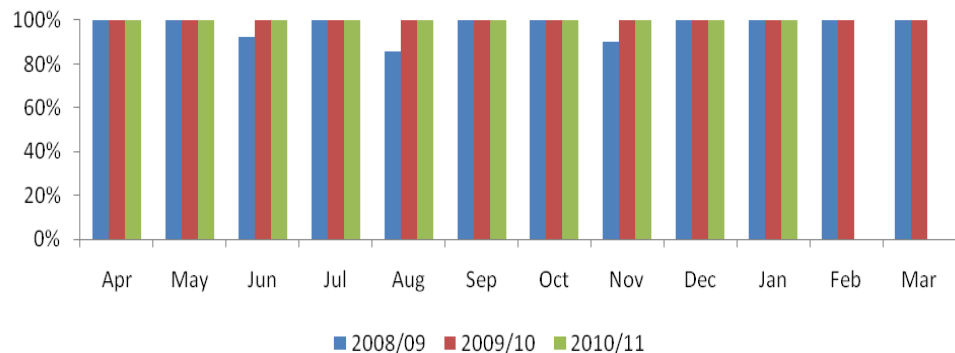
Exclusions: Number of exclusion incidents.



While both the total number of exclusions, at 103, is the second highest in the last five years and the exclusion rate per 1000 pupils, at 6.3, is also the second highest in the last five years, the total number of openings lost, at 446, and openings lost per 1000 pupils, at 27.5, are both the second lowest in the last five years. Therefore, while exclusions have increased, the length of exclusions has dropped significantly.

The month of January has shown a rise in the number of incidents of exclusions but a reduction in the length of the exclusions. Schools should continue in this trend of smaller lengths of exclusion but redouble their efforts to reduce the number of incidents to levels at or below those of previous years for the same time period of reporting.

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

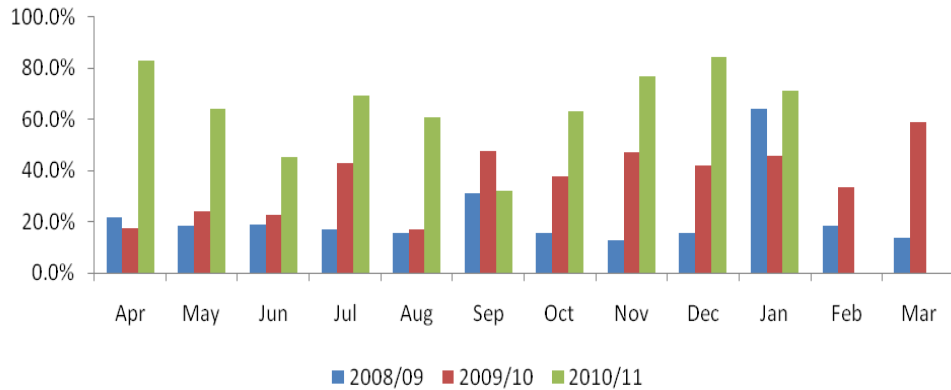


Although the number of supervision requests has increased, performance remains consistent at 100%. This sustained high performance is due to the good practice adopted by social workers following the conclusion of each Children's Hearing, when Supervision Orders are implemented immediately.

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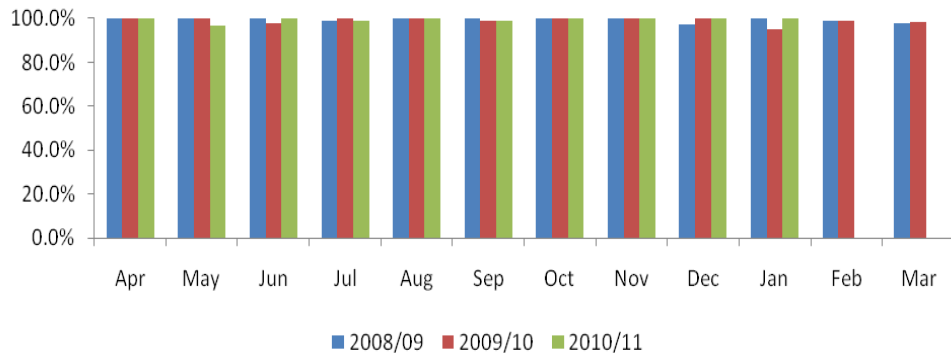
EDUCATIONAL AND SOCIAL SERVICES

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



The December figures have been adjusted to take into account a number of discrepancies in December's Scottish Children's Reporter Administration (SCRA) data and now stand at 84%. The January figures shown are directly from SCRA and may be subject to revision. There continues to be sustained improvement in the submission of reports to the reporter within timescale.

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

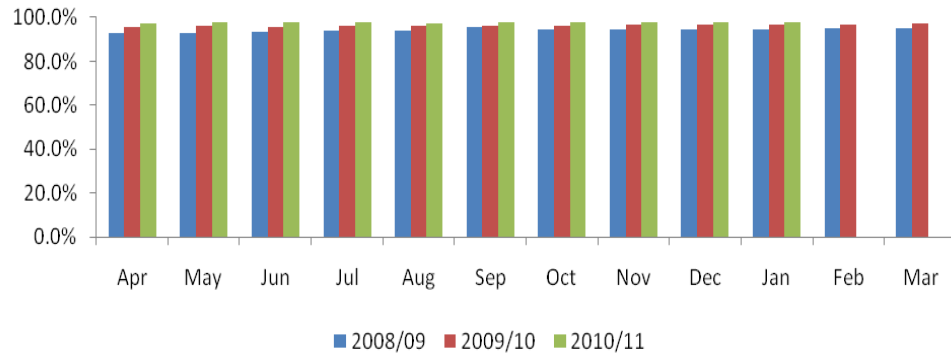


Continued 100% delivery of reports to the courts by the due date in Period 11 has been achieved through regular performance monitoring by team managers, resulting in a 4.7% improvement, in performance terms, compared to the same period in 2009/10.

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Homecare: Percentage of homecare clients aged 65+ receiving Personal Care.



Homecare has been remodelled to become a re-ablement service with the emphasis on flexible support which is focussed on tasks and outcomes for service users. There has been an increase in the proportion of service users receiving care at weekends.

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EDUCATIONAL AND SOCIAL SERVICES

CONTEXTUAL DATA

	2009/10 Period 11	2009/10 Outturn	2010/11 Period 11
Number of pupils requiring additional support	2,593	2,593	2,779
School transport costs (projected expenditure at year end)	£4.853m	£4.756m	£4.952m
Number of pupils receiving free school transport	4,834	4,834	5,042
Number of children in external foster placement	49	54	51
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	625	596	521
Number of care at home service users (adult & older) receiving more than 50 hours per week	79	82	85
Most expensive homecare packages - Elderly	£46,083	£46,083	£37,150
Most expensive homecare packages – Adult Learning Disabled	£254,969	£254,969	£254,969

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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. Within Supplies and Services anticipated underspends on professional fees and SEEMIS charges are partly offset by Directorate hospitality charges. The Third Party Payments variance has resulted from an over recovery in claims against the PPP contractor and reduced legal fees partly offset by the cost of the assessment for the Cumnock Head Teacher post and. Additional income has been received from the PPP contractor as a contribution to malicious damage and from the recovery of salary costs relating to a secondment.

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	1.013	1.036	0.023
Premises Costs	0.043	0.026	(0.017)
Transport Costs	0.016	0.016	0.000
Supplies & Services	0.240	0.233	(0.007)
Third Party Payments	0.302	0.287	(0.015)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	1.614	1.598	(0.016)
Income	(0.318)	(0.379)	(0.061)
Net Expenditure	1.296	1.219	(0.077)

FTE STAFFING ANALYSIS

Budget	Actual to date
23.6	23.1

PPP / BUILDING LEARNING COMMUNITIES

Additional PPP Unitary Charges are anticipated relating to the payment of retentions and charges arising from construction change notices. The variance will be funded from centrally held balances which have been held to fund PPP Unitary Charges.

	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	9.387	0.180
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	9.207	9.387	0.180
Income	0.000	0.000	0.000
Net Expenditure	9.207	9.387	0.180

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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 an anticipated overspend in HQ cover to schools and additional costs arising from delays in achieving the planned staffing cuts within Quality Improvement. School carry forwards from 2009/10 will not now be drawn from balances resulting in overspends in devolved Supplies and Services expenditure partly offset by reduced expenditure in 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 £0.871m can be broken down as £0.709m devolved budgets and £0.162m non devolved budgets.

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	58.656	57.656	(1.000)
Premises Costs	5.352	5.352	0.000
Transport Costs	0.168	0.166	(0.002)
Supplies & Services	2.969	3.096	0.127
Third Party Payments	0.693	0.703	0.010
Transfer Payments	0.919	0.919	0.000
Gross Expenditure	68.757	67.892	(0.865)
Income	(1.982)	(1.988)	(0.006)
Net Expenditure	66.775	65.904	(0.871)
Variance attributable to Devolved Budgets			(0.709)
Variance attributable to Non Devolved Budgets			(0.162)

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 centrally held budgets and devolved teaching and non teaching staff. Reduced Supplies and Services expenditure relates mainly to expenditure on Literacies Partnerships, following the receipt of grants, and lower than anticipated expenditure on Learning Communities. The variance on Third Party Payments includes a projected overspend of £0.453m on Outwith Placements following the Prioritisation Group meeting on 15 February partly offset by anticipated underpends in payments to Day Carers and Partnerships.

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	16.657	16.422	(0.235)
Premises Costs	1.008	1.000	(0.008)
Transport Costs	0.252	0.248	(0.004)
Supplies & Services	1.535	1.398	(0.137)
Third Party Payments	5.550	5.995	0.445
Transfer Payments	0.086	0.071	(0.015)
Gross Expenditure	25.088	25.134	0.046
Income	(0.997)	(0.993)	0.004
Net Expenditure	24.091	24.141	0.050

FTE STAFFING ANALYSIS

Budget	Actual to date
504.6	498.6

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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 SEN contracts of £0.099m offset by an anticipated underspend of £0.170m on SPT payments. There is currently a projected shortfall in School Meal, canteen, lunch club and vending income of £0.105m.

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 from recruiting candidates into vacant posts are contributing to the favourable projected variance. There are a number of significant budget pressures within the service. Within Children and Families, there are presently 51 children within external foster care placements resulting in a projected overspend of £0.119m with a further provision of £0.016m for additional places to 31 March 2011. This is offset by reduced internally sourced placement provision totalling £0.229m. Additional legal fees for contested adoption cases are anticipated at £0.060m. Within Community Care, additional adult care placement costs of £0.333m plus provision for £0.049m additional placements are projected. The projections for residential and nursing placements and care at home services include provisions for additional costs of £0.027m and £0.120m respectively for unavoidable additional pressures over the winter period.

FTE STAFFING ANALYSIS

Budget	Actual to date
1,091.0	1,047.9

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	9.219	9.073	(0.146)
Premises Costs	0.237	0.237	0.000
Transport Costs	4.892	4.833	(0.059)
Supplies & Services	2.254	2.254	0.000
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.602	16.397	(0.205)
Income	(2.740)	(2.612)	0.128
Net Expenditure	13.862	13.785	(0.077)

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	34.050	34.321	0.271
Premises Costs	1.815	1.793	(0.022)
Transport Costs	1.372	1.361	(0.011)
Supplies & Services	1.346	1.398	0.052
Third Party Payments	34.001	33.757	(0.244)
Transfer Payments	5.935	5.679	(0.256)
Gross Expenditure	78.519	78.309	(0.210)
Income	(13.631)	(13.710)	(0.079)
Net Expenditure	64.888	64.599	(0.289)

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 11 (6 FEBRUARY 2011)

NEIGHBOURHOOD SERVICES

SERVICE SUMMARY

The projected outturn to 31 March 2011 is a favourable variance of £1.415m. This is mainly due to anticipated savings within Central Management Support, Leisure Services, Waste Management, Emergency Planning, General Fund Housing, Roads and Transportation 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 £0.562m due to the active management of vacancies within Neighbourhood Services.

The service have identified £0.533m that will be required to be earmarked at the year-end in respect of Planning and Economic Development initiatives, £0.250m that was previously agreed by Cabinet for an additional salt storage facility and a further £0.090m in relation to implementing the Disabled Person's Parking Places Act. The Executive Director also proposes that the remaining £0.180m underspend within the Roads Service is earmarked specifically to increase the winter maintenance contingency balance already held of £0.747m.

The Housing Revenue Account is expected to outturn £0.453m under budget at 31 March 2011.

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Central Mgt Support	0.423	0.407	(0.016)
Leisure Services	11.598	11.445	(0.153)
Emergency Planning	0.050	0.046	(0.004)
Police & Fire	25.321	25.321	0.000
Planning & Econ Dev	4.124	3.577	(0.547)
Roads & Transport	12.098	11.668	(0.430)
General Fund Housing	11.432	11.167	(0.265)
Net expenditure	65.046	63.631	(1.415)

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	30.763	30.164	(0.599)
Premises Costs	2.884	2.809	(0.075)
Transport Costs	3.967	3.949	(0.018)
Supplies & Services	9.266	9.424	0.158
Third Party Payments	37.123	37.175	0.052
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	84.003	83.521	(0.482)
Income	(18.957)	(19.890)	(0.933)
Net expenditure	65.046	63.631	(1.415)

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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		+0.025		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>			+0.275	
Revised Budget Allocation at Period 11			65.046	

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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 6/2/11	Achieved at 6/2/11 £m
Neighbourhood Services		1.517		1.342
Review of Removals and Storage provision within Homeless Services	AMW	0.020		0.020
Reduced usage of Bed and 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 and Economic Development BVSR	BRS	0.127		0.127
Efficiencies identified as part of Roads and 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 11 (6 FEBRUARY 2011)

NEIGHBOURHOOD SERVICES

ACTIONS	Theme	SAVING £m	Status at 6/2/11	Achieved at 6/2/11 £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 and 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 and Transportation	MUA	0.010		-
Reduced Supplies and 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



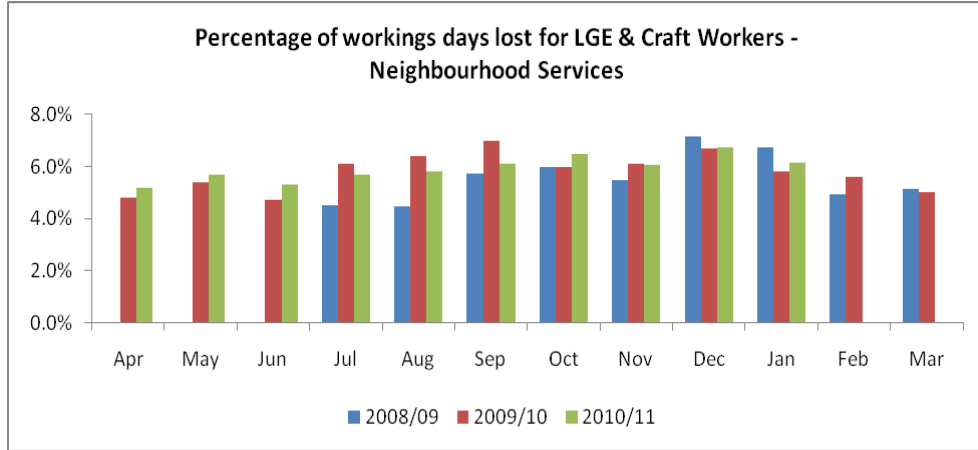
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2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

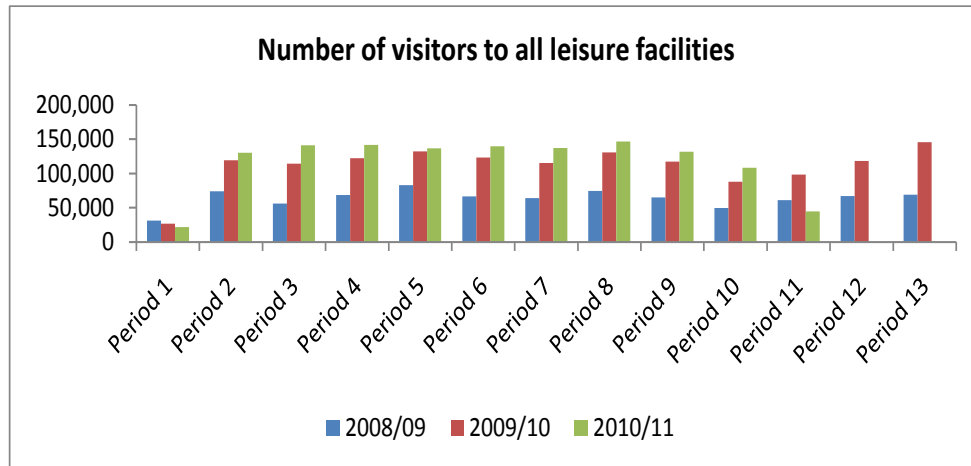
NEIGHBOURHOOD SERVICES

PERFORMANCE MEASURES



Absence for January 2011 was 6.15%, a decrease on previous months but still above the Council target of 4%. Within the Department, short term absences accounted for 2.68% and long term absences 3.47%. Both short term and long term absences reduced from the previous month. The top three reasons for absence were Stress/Debility (23.10%); Operations/Recovery/Treatment (22.00%) and Colds/Flu (12.50%).

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.



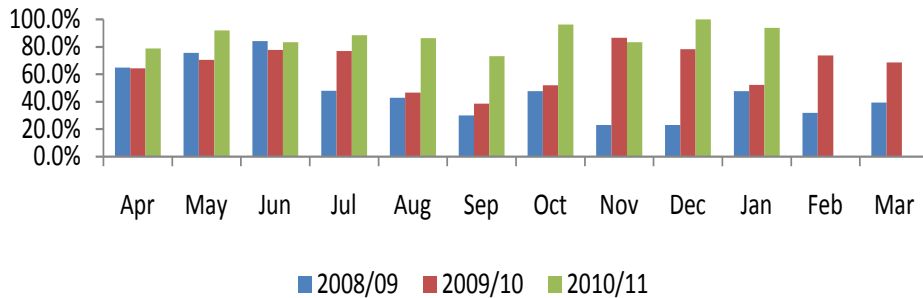
This indicator is a trend measure of the number of people accessing leisure services through the range of facilities operated by leisure services. The indicator includes visits to museums, libraries, sports facilities and the country park. The cumulative attendance figures for January 2011 show a 36% decrease in attendance compared to the same reporting period in 2010, the expected result from a combination of bad weather conditions and seasonal inactivity.

Publicising the services and facilities on offer at all Council leisure facilities will continue, utilising a wide range of communication methods to inform the public of the services available.

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NEIGHBOURHOOD SERVICES

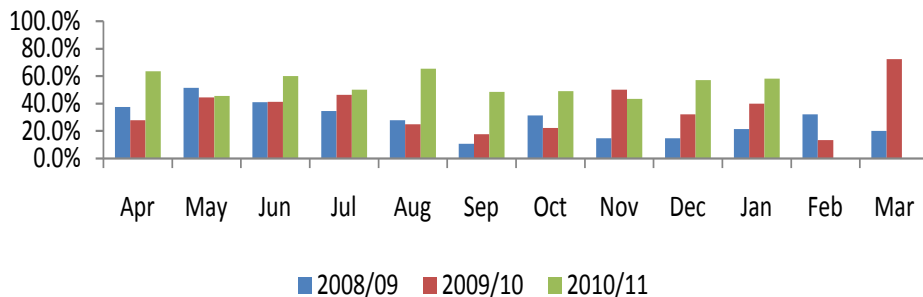
Planning Applications: Percentage of householder planning applications determined within two months.



Intervention level exceeded as was national SPI target of 90%. Furthermore the figure of 93.8% represents the third highest figure achieved for Householder applications over the last 9 years. It also reflects on the improved focus that has been achieved through the identification of a dedicated Performance / Delegated Principal Planning Officer.

Continue with current measures to maintain and if possible improve performance. Key in this will be maintenance of the current levels of workload monitoring by Principal Officers with a view to trawling as many as possible applications within the 2 month determination period

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



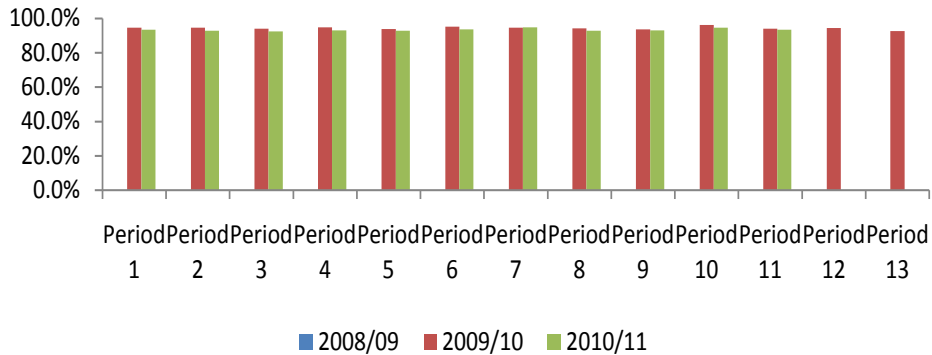
Intervention level exceeded. Furthermore, since recording of non-householder applications commenced, the average figure has been 46.1% compared to the 58.3% for January 2011. It is worth noting that non-householder applications contain a wide range of application types such that the potential exists for more volatility in the performance level month on month.

Continue with current measures to maintain and if possible improve performance. In this regard, it is important to maintain current levels of workload monitoring by Principal Officers such that applications do not fall outwith the determination period by merely a few days. By this mechanism it should be possible to raise performance further.

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NEIGHBOURHOOD SERVICES

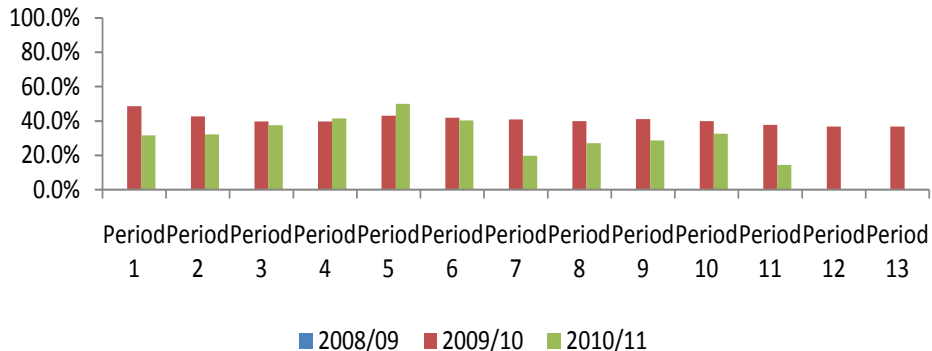
Housing Repairs: Percentage of first time fixes.



The first time fix performance as at P11 is down 1.2% at 93.5% compared to P10. Performance remains slightly below the target of 95%. This is attributed to normal seasonal fluctuations.

The Housing Asset Service will continue to review those jobs that have not been completed on the first visit to identify and address any underlying issues that could be having a detrimental effect on the first time fix rate. There will continue to be a number of jobs that require a second visit before a job is complete. An example of these jobs are where a glazier will attend to measure a window within a property, order the required material and then attend at a later date to complete the job.

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



The overall percentage of properties re-let in 4 weeks has dipped since period 7 to a level lower than the 2009/10 year end reported performance of 36.8%. The cumulative re-let performance as a P11 is 32.8% compared to the 40% target set for 2010/11.

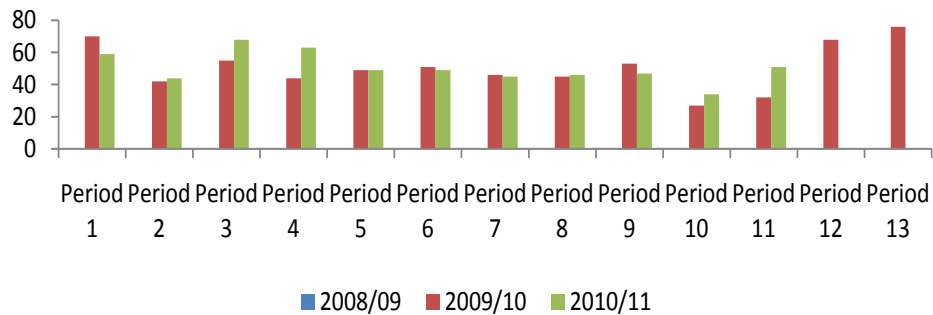
An analysis indicates that a further 43% of not low demand re-lets which missed the 4 week target were re-let within 5 weeks.

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 11 (6 FEBRUARY 2011)

NEIGHBOURHOOD SERVICES

Homelessness: Number of people assessed as homeless or potentially homeless

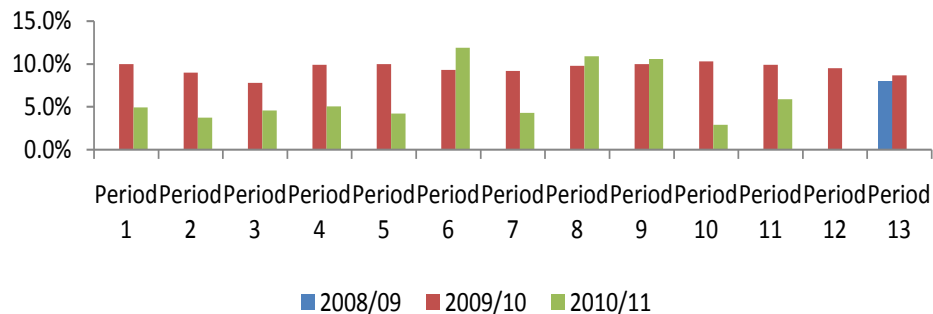


The level of homeless assessments undertaken is affected by the level of presentations to the Housing Options Team. It should be noted that with all cases presenting as homeless / potentially homeless that there is a process time lag which makes a direct comparison on a period by period basis difficult. Cumulative presentations as at P11 2010/11 are 555, up 8% from 514 for the same period in 2009/10.

The average number of presentations at P11 2010/11 is 50 compared to 47 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 affected disproportionately by a relatively small number of repeated homeless representations. The current cumulative repeat homeless rate at P11 is 6.5% compared to 9.9% in 2009/10. The current cumulative P11 performance is 2.5% below the 2010/11 target of 9%.

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

NEIGHBOURHOOD SERVICES

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



The Service has introduced a new reporting system; performance figures will not be available until quarter 4.

Street Lighting: Percentage of repairs completed within 7 days.



From a total of 700 logged faults this reporting period, 686 were successfully completed within target time. The year to date performance output is currently 97.7%.

Performance information will continue to be routinely monitored and analysed for opportunities for improvement.

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

NEIGHBOURHOOD SERVICES

CONTEXTUAL DATA

		2009/10 Period 11	2009/10 Outturn	2010/11 Period 11
Amount of waste to landfill (tonnes)		30,515	40,993	34,006
Amount of waste recycled (tonnes)		25,727	30,913	25,887
Number of burials (cumulative)		594	715	601
Attendance at games halls (cumulative)		270,590	323,098	251,384
Number of void weeks	Actual	13,889	15,888	14,494
	Budget	16,405	18,749	13,171
Number of council house sales	Actual	61	74	45
	Budget	88	104	63
Number of Building Warrants received (cumulative)		928	1,088	899
Average Income per Building Warrant received		£375	£380	£682
Number of Building Warrants determined (cumulative)		916	1,061	892
Value of Development Plans submitted (cumulative)		£40.61m	£54.52m	£121.72m
Number of Planning Applications received (cumulative)		688	831	734
Average Income per Planning Application received		£667	£666	£636
Number of Planning Applications determined (cumulative)		618	755	739
Number of Live Jobs (Housing Asset Services)		-	-	11,137

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

NEIGHBOURHOOD SERVICES

	2010/11 Period 11
Housing Asset Services – Number of Live Jobs by Category	
A – Emergency	556
B – Urgent	1,880
C – 72 hrs	1,333
D – 10 days	2,162
E – Planned	3,491
Non Category	17
Scheduled Gas Services	1,698
TOTAL	11,137

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

NEIGHBOURHOOD SERVICES

SERVICE PERFORMANCE TO DATE

CENTRAL MANAGEMENT SUPPORT

The Employee Costs Variance reflects maternity leave and savings on training and other employee related expenses. The favourable Supplies and Services variance reflects managed savings across a number of budgets.

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. Within Supplies and Services there has been additional expenditure on the purchase of plant, equipment and materials, IT equipment and software. Additional expenditure on projects at Dean Castle Country Park and verge works has been partly offset by reduced expenditure on New Sporting Futures. The Income variance reflects additional income within cemeteries, Leisure Development, Museums, Palace Theatre and Street Cleansing and is partly offset by shortfalls in income within PPP schools, Golf, Libraries and Registration.

FTE STAFFING ANALYSIS

Budget	Actual to date
462.0	422.4

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	0.214	0.207	(0.007)
Premises Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	0.104	0.095	(0.009)
Third Party Payments	0.200	0.200	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.518	0.502	(0.016)
Income	(0.095)	(0.095)	0.000
Net Expenditure	0.423	0.407	(0.016)

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	11.562	11.200	(0.362)
Premises Costs	1.234	1.302	0.068
Transport Costs	1.041	1.038	(0.003)
Supplies & Services	1.637	1.946	0.309
Third Party Payments	0.385	0.389	0.004
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	15.859	15.875	0.016
Income	(4.261)	(4.430)	(0.169)
Net Expenditure	11.598	11.445	(0.153)

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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
Gross Expenditure	0.050	0.046	(0.004)
Income	0.000	0.000	0.000
Net Expenditure	0.050	0.046	(0.004)

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	25.321	25.321	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	25.321	25.321	0.000
Income	0.000	0.000	0.000
Net Expenditure	25.321	25.321	0.000

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

NEIGHBOURHOOD SERVICES

ROADS AND TRANSPORTATION

The adverse Employee Costs variance has resulted from increased overtime costs and reduced staff turnover. A favourable Transport Costs variance reflects lower mileage, vehicle hire and licence costs partly offset increased fuel and repairs and maintenance costs. Lower winter equipment costs have been offset by increased maintenance materials, street lighting electricity and consultancy costs. The adverse Third Party Payments variance reflects higher than estimated payments to external contractors recovered by increased Income. Additional income is anticipated from grants for roads repairs, 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	170.5

PLANNING AND ECONOMIC DEVELOPMENT

Vacancies continue to be held with a variance of £0.411m currently anticipated. Within Supplies and Services, projected adverse variances on Statutory Advertising costs, the Public Local Inquiry costs and bad debt provision for Dangerous Buildings are partly offset by favourable variances on Leader's Initiatives / TCRF maintenance costs. Favourable Third Party Payments variances have resulted from the Scottish Enterprise regeneration budget transfer along with reduced expenditure on Dangerous Buildings and Match Funding. 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, Dangerous Buildings 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 £0.443m in respect of Skills Development Scotland Income (£0.226m) and Scottish Enterprise funding (£0.217m).

FTE STAFFING ANALYSIS

Budget	Actual to date
131.1	112.5

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	6.040	6.242	0.202
Premises Costs	0.424	0.436	0.012
Transport Costs	1.517	1.492	(0.025)
Supplies & Services	4.651	4.554	(0.097)
Third Party Payments	4.612	5.093	0.481
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	17.244	17.817	0.573
Income	(5.146)	(6.149)	(1.003)
Net Expenditure	12.098	11.668	(0.430)

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	7.224	6.814	(0.410)
Premises Costs	0.130	0.130	0.000
Transport Costs	0.126	0.126	0.000
Supplies & Services	0.898	0.963	0.065
Third Party Payments	1.627	1.247	(0.380)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	10.005	9.280	(0.725)
Income	(5.881)	(5.703)	0.178
Net Expenditure	4.124	3.577	(0.547)

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

NEIGHBOURHOOD SERVICES

GENERAL FUND HOUSING

The Employee Costs variance reflects vacancies and reduced overtime within Waste Management and General Fund Housing 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, removals and storage costs, furniture, mediation and diversionary activities and Community Safety network charges and 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 and depot security costs.

In addition, the increased recycling income partly offsets a reduction in the number of temporary accommodation properties, reduced commercial waste and ad hoc waste management income and reduced income from the sale of refuse sacks and uplift of white goods.

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	5.685	5.674	(0.011)
Premises Costs	1.096	0.941	(0.155)
Transport Costs	1.280	1.292	0.012
Supplies & Services	1.967	1.848	(0.119)
Third Party Payments	4.978	4.925	(0.053)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	15.006	14.680	(0.326)
Income	(3.574)	(3.513)	0.061
Net Expenditure	11.432	11.167	(0.265)

FTE STAFFING ANALYSIS

Budget	Actual to date
237.1	214.8

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

NEIGHBOURHOOD SERVICES

HOUSING REVENUE ACCOUNT

The favourable variance is as a result of lower than budgeted expenditure in a number of areas including vacant posts, energy costs, accommodation costs, a later than anticipated start date for the housing register and lower than budgeted tenancy support recharges. In addition reduced provision for bad debts and an insurance settlement are partly offset by lower than budgeted income from rechargeable repairs and under recovered homeless rents.

Budget	Actual to date
92.0	85.4

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	2.262	2.208	(0.054)
Premises Costs	3.140	3.124	(0.016)
Transport Costs	0.047	0.047	0.000
Supplies & Services	4.933	4.887	(0.046)
Third Party Payments	0.975	0.975	0.000
Debt Charges	4.972	4.972	0.000
CFCR/Planned Maint	8.610	8.610	0.000
Housing Asset Service	11.246	11.062	(0.184)
Homeless Hostels	1.072	0.978	(0.094)
Gross Expenditure	37.257	36.863	(0.394)
Income	(37.257)	(37.316)	(0.059)
Net expenditure	0.000	(0.453)	(0.453)

HOUSING ASSET SERVICE

This service operates within the Housing Revenue Account. The adverse Employee Costs variance is due to increased bonus and overtime payments. Adverse Transport Costs variances reflect higher vehicle leasing and tracking costs. Higher levels of Direct Purchases have resulted in the adverse Supplies and Services variance. The adverse variances are offset by favourable Third Party Payment and Income variances resulting from anticipated slippage in subcontracted work, lower than anticipated landfill charges and higher recharges to the capital account.

Budget	Actual to date
336.0	313.5

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	8.696	8.767	0.071
Premises Costs	0.000	0.000	0.000
Transport Costs	1.240	1.326	0.086
Supplies & Services	4.026	4.160	0.134
Third Party Payments	2.382	2.075	(0.307)
Transfer Payments	2.483	2.494	0.011
Gross Expenditure	18.827	18.822	(0.005)
Income	(7.581)	(7.760)	(0.179)
Net Expenditure	11.246	11.062	(0.184)

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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 6 Feb 2011 £m
Leisure Projects	
EA Positive Play	(0.306)
Talented Athlete Programme	(0.232)
Streetsport Cages	(0.156)
Sports Council	(0.019)
Healthy Weight Community	(0.068)
Other Leisure Projects	(0.049)
Roads and Transportation Projects	
Scottish Coal Obligation	(0.080)
A76 Trunk Road	(0.051)
Clyde Local Authority Consortium	(0.030)
Other Roads & Transport Projects	(0.033)
Planning & Development	
Employability	0.346
Wind Farm	(0.277)
Developers Contributions / S75 SLR	(0.855)
Make It Kilmarnock	(0.126)
Moorfield Entrance Junction	(0.031)
East Ayrshire Town Centres	(0.013)
Design Workshop	(0.004)
Cumnock Regeneration	(0.016)
Cumnock Town Centre	(0.003)
Kilmarnock Town Centre	(0.005)
Total	(2.008)

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 11 (6 FEBRUARY 2011)

FINANCE AND CORPORATE SUPPORT

SERVICE SUMMARY

The department is currently projecting a favourable position of £0.594m. Savings are currently anticipated within Finance, Community Planning, Human Resource, Democratic Services and Legal, Procurement and Regulatory 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. Further severances may occur before the year end within IT and Asset Management, potentially incurring costs of around £0.320m, however the service is still giving the matter further consideration.

Within the IT and 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 while a full commitment of work is anticipated against the remainder of the budget, it is likely that there will be a significant underspend as a result of the requirement of the new contractor to review and finalise inherited work as well complete newly ordered work. The level of this financial underspend is not accurately quantifiable as it is subject to the capacity of the new contractor to review and complete work prior to the financial year end. The service has twice weekly negotiations with the contractor in order to progress jobs to financial completion. Any financial underspend as a result of timing issues would be earmarked at the year end in order to allow the finalisation of the work in the next financial year.

In addition to the above, premises cost projections within IT and 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	0.264	0.096
Finance	3.676	3.135	(0.541)
Human Resources	2.484	2.450	(0.035)
IT and AM	11.335	11.498	0.163
Democratic Services	2.799	2.671	(0.128)
Legal Procurement & Reg.	2.994	2.974	(0.020)
Community Planning P'ship	0.668	0.539	(0.129)
Net Expenditure	24.124	23.530	(0.594)

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	19.617	19.510	(0.107)
Premises Costs	8.026	7.252	(0.774)
Transport Costs	0.292	0.245	(0.047)
Supplies & Services	5.005	4.966	(0.039)
Third Party Payments	0.416	0.390	(0.026)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	33.356	32.363	(0.992)
Income	(9.232)	(8.833)	0.398
Net Expenditure	24.124	23.530	(0.594)

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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	
Revised Budget Allocation at Period 11			24.124	

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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 6/2/11	Achieved at 6/2/11 £m
Finance and Corporate Support		0.899		0.763
Implementation of the Legal, Procurement and Regulatory BVSR	BRS	0.067		0.067
Review of support within Members' Services	BRS	0.029		0.029
A Business Case Review of Switchboard Services	BRS	0.020		0.020
Reduced Finance and Asset Management Services staffing resulting from BVSRs	BWP	0.350		0.350
Reduced staffing within the Pest Control / Dog Warden services	BWP	0.025		0.025
Review of staffing within Information Technology	BWP	0.018		0.018
Review of staffing within Human Resources	BWP	0.028		0.028
Reduced IT Training Costs arising from revised recruitment policies	BWP	0.050		0.050
Review of staffing within Democratic Services	BWP	0.041		0.041
10% reduction of controllable budgets within Finance and Asset Management Services	CND	0.050		0.050
10% reduction of controllable budgets within Democratic Services	CND	0.021		0.021
Additional efficiencies arising from departmental management action	CND	0.055		0.055
Discontinuation of BT contracts and replacements with Wireless circuits	ITS	0.024		-
Continuation of VoIP Trunking and rationalisation of printing function	ITS	0.020		-
Rationalisation of WAN data circuit contracts	ITS	0.016		-
Reduce IT costs through LAN bandwidth reduction and adoption of single source UNIX maintenance	ITS	0.076		-
Closure of CPPU Offices at Barrhill Road, Cumnock	MUA	0.009		0.009

Status: Fully met



In Progress



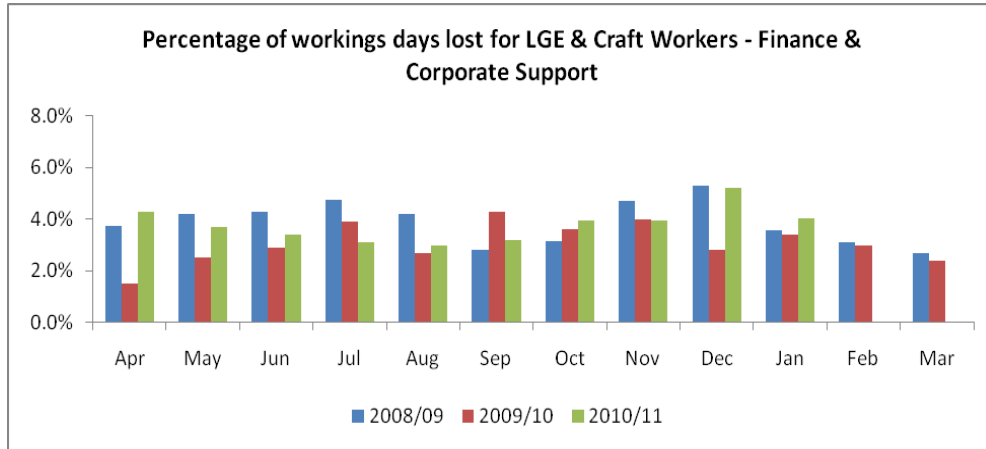
Unmet



2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

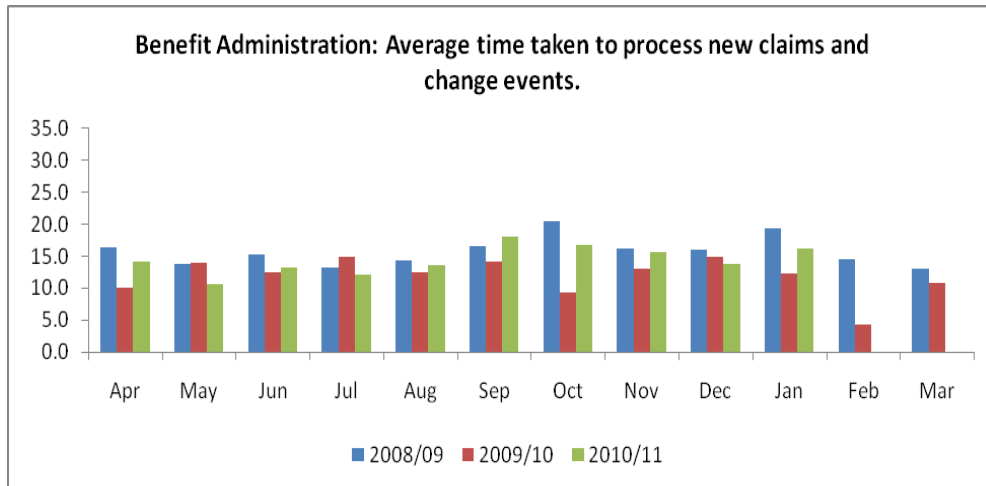
FINANCE AND CORPORATE SUPPORT

PERFORMANCE MEASURES



Absence for January 2011 was 4.02%, a decrease on previous months but still above the Council target of 4%. Within the Department, short term absences accounted for 2.4% and long term absences 1.6%. Long term absences reduced from the previous 3.2% last month. The top three reasons for absence were Stress/Debility (23.2%); Colds/Flu (19.10%) and Headache/Migraine (10.50%).

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



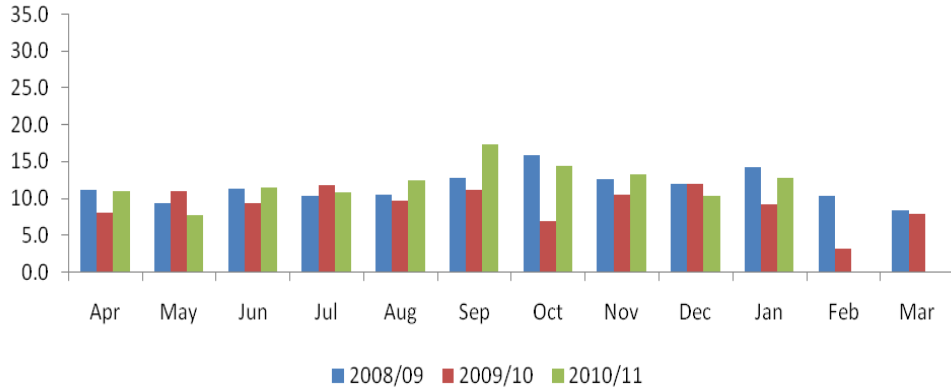
The workload continues to increase and there are 2 vacancies and several absences due to sickness within the section.

Some overtime will be done during the next period to try to bring the work more up to date.

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

FINANCE AND CORPORATE SUPPORT

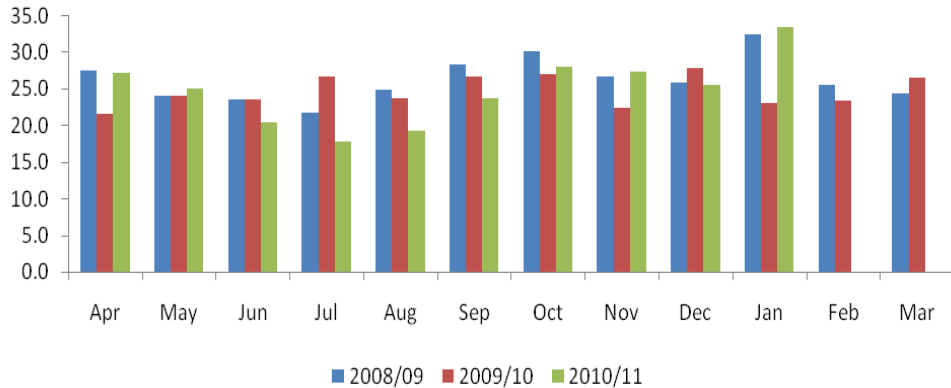
Benefit Administration: Average time to process change events.



The workload continues to increase and there are 2 vacancies and several absences due to sickness within the section.

Some overtime will be done during the next period to try to bring the work more up to date.

Benefit Administration: Average time to process new benefit claims.



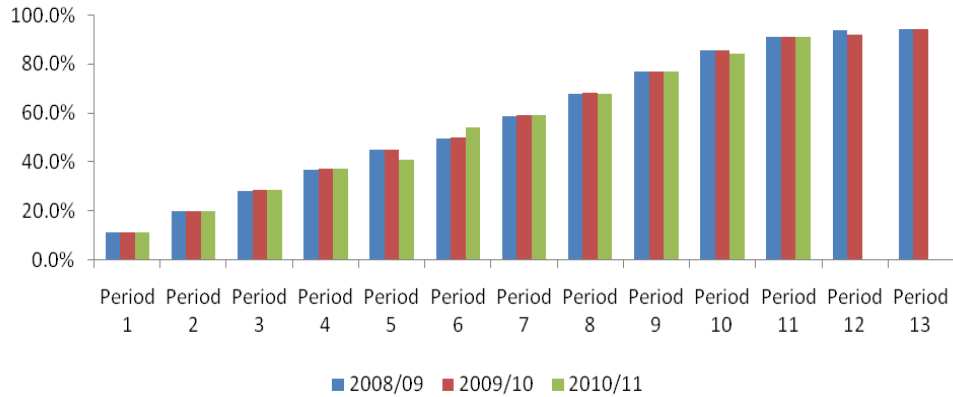
The workload continues to increase and there are 2 vacancies and several absences due to sickness within the section.

Some overtime will be done during the next period to try to bring the work more up to date.

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

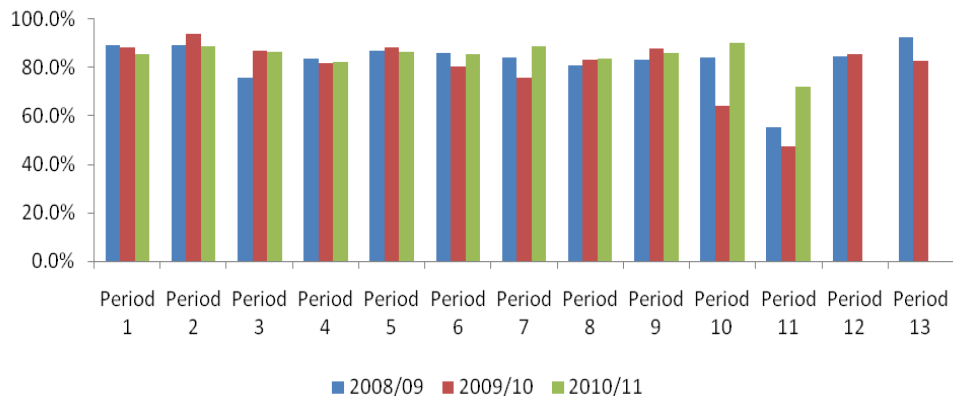
FINANCE AND CORPORATE SUPPORT

Council Tax: Percentage of Council Tax received.



We carry out regular reviews to ensure that the Council Tax data is accurate. All staff receive regular training and any training issues are raised and discussed at the Target Meetings. Comprehensive training material and procedural guides are available to all staff. This material is updated on a regular basis.

Invoices: Percentage paid within 30 calendar days of receipt.



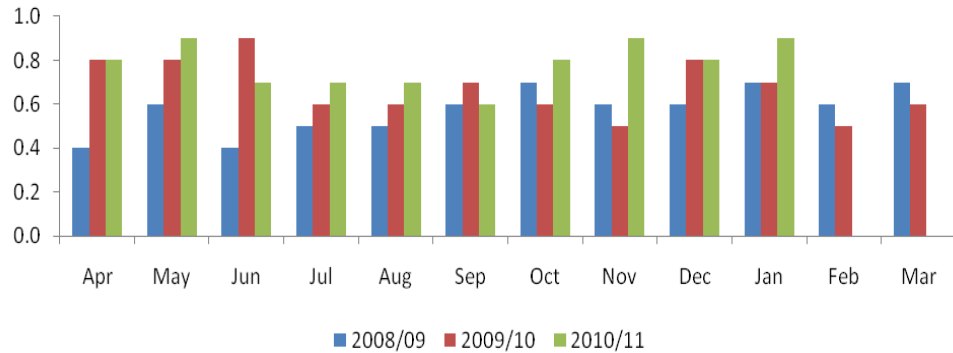
Historically the worst period for payment performance due to the impact of the Christmas shutdown. P11 saw an improvement on 2009/10 with 71.54% within 30 days compared with 47.04% in 2009/10.

Continued monitoring and reporting of payment performance.

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

FINANCE AND CORPORATE SUPPORT

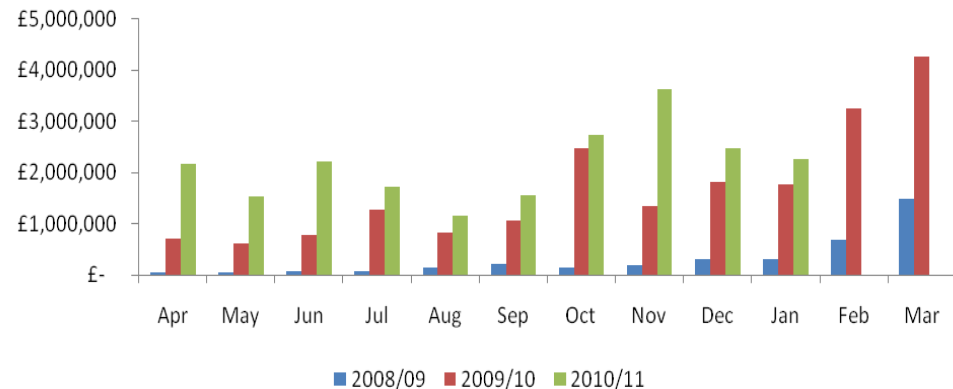
Domestic Noise Complaints: Average time (hours) between complaint and site visit (Antisocial Behaviour Act)



The time taken to respond is governed by the geographic location of staff at time of complaint. This performance indicator is driven by the service requests received.

Average performance remains under 1 hour, however, average time taken and number of complaints will continue to be monitored.

Procurement: Monthly spend via PECOS.

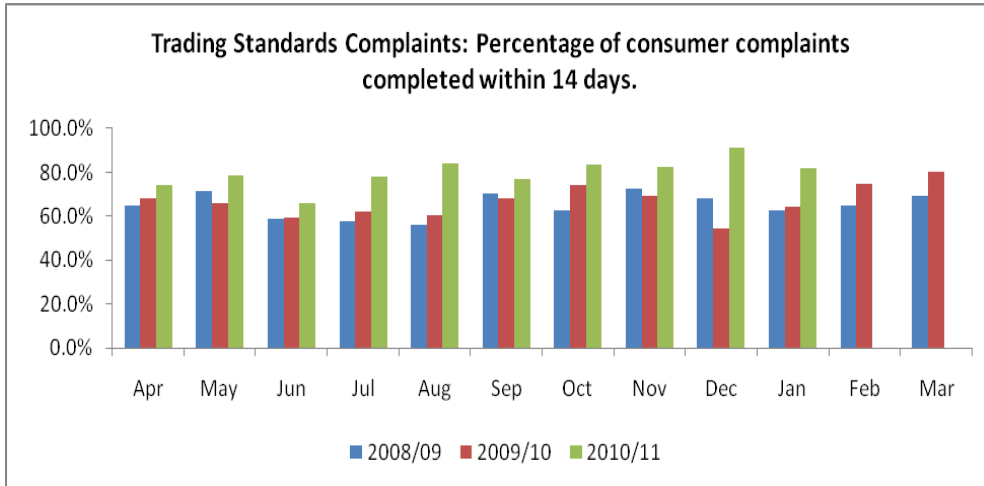


Year To Date throughput of £20.1M compared to £10.76M at the same point last year.

Intranet pages are being reconfigured to provide increased information for staff (contracts, coverage, clarity on invoice processing). The top 3 volume suppliers (Lyreco, Arco, Spectrum Computer Supplies) are undergoing testing with invoicing capability assessment which, if successful, will assist in reducing the service administrative burden related to invoice processing and will assist in improving on time payment performance figures.

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

FINANCE AND CORPORATE SUPPORT



The percentage of consumer complaints completed within 14 days was 81.6% for the month of January. This represents a drop in performance compared to the previous month, however, this can be explained by the Consumer Advisor taking annual leave during the month. Performance this year 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 important to note 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 11 (6 FEBRUARY 2011)

FINANCE AND CORPORATE SUPPORT

CONTEXTUAL DATA

	2009/10 Period 11	2009/10 Outturn	2010/11 Period 11
Number of property enquiries (cumulative)	104	117	85
Average income per property enquiry	£43	£43	£45
Number of licensing board applications (cumulative)	1,632	1,824	1,620
Average income per licensing board application	£89	£84	£78
Number of job vacancy adverts placed (cumulative)	204	239	122
Average cost per job vacancy advert	£359	£343	£435
Number of let commercial and industrial properties	59	61	66
Number of property repairs completed (cumulative)	6,213	8,998	5,318
Number of transactions processed through the Income Management System (cumulative)	566,960	640,761	561,838
Value of transactions processed through the Income Management System	£337.7m	£397.6m	£369.7m
Council Tax collection rate	91.0%	94.1%	91.1%

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

FINANCE AND CORPORATE SUPPORT

SERVICE PERFORMANCE TO DATE

CENTRAL MANAGEMENT SUPPORT

The Employee Costs variance results from one-off severance costs in relation to the redesign of the Internal Audit service.

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. The favourable variances within Supplies and Services and Transport Costs are partly related to the delay in the transfer of staff from the Lugar Offices to Kilmarnock, with additional favourable variances anticipated in security services, general administration, computer services and tools and equipment. Additional funding from the Department for Work and Pensions has been received to assist with anticipated increased benefit claims during the economic downturn. Additional income is also expected from the collection of Scottish Water rates and payroll administration charges.

FTE STAFFING ANALYSIS

Budget	Actual to date
177.4	158.0

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	0.161	0.257	0.096
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
Gross Expenditure	0.168	0.264	0.096
Income	0.000	0.000	0.000
Net Expenditure	0.168	0.264	0.096

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	5.607	5.337	(0.270)
Premises Costs	0.003	0.002	(0.001)
Transport Costs	0.022	0.012	(0.010)
Supplies & Services	0.668	0.563	(0.105)
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	6.299	5.913	(0.386)
Income	(2.623)	(2.778)	(0.155)
Net Expenditure	3.676	3.135	(0.541)

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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 one-off severance costs are anticipated across the service and are partly offset by vacancies.

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 with further savings anticipated in relation to water charges and managed savings to offset an anticipated shortfall in property disposal income. 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. 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 rate at which repairs work is reviewed and progressed by the new contractor. A saving in relation to Surplus Property expenditure is also anticipated.

It is currently anticipated that operational requirements will result in an adverse position on supplies although this position continues to be reviewed. In addition, residual IT works in relation to London Road, for which balances have been set aside, are to be absorbed by savings achieved elsewhere within the department.

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	156.8

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	6.350	6.496	0.146
Premises Costs	7.909	7.137	(0.772)
Transport Costs	0.124	0.106	(0.018)
Supplies & Services	2.139	2.295	0.156
Third Party Payments	0.033	0.028	(0.005)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.554	16.062	(0.492)
Income	(5.219)	(4.564)	0.655
Net Expenditure	11.335	11.498	0.163

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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 after allowing for £0.179m of severance costs. 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, and savings of £0.030m in relation to the Occupational health contract. 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 training costs. Supplies and Services savings are anticipated from Publicity and Promotion, reduced Print Room costs, offset by reduced income, and Local Area Grants. A favourable variance is anticipated in relation to the Electoral Development Process, although there may be a need to earmark for costs to be incurred in the next financial year. An adverse variance in property certificates income based on the 2009/10 outturn position is currently anticipated together with a reduction in sponsorship income, this shortfall is covered from savings elsewhere in the service and is partly offset by additional fees and charges relating to Children's Panel Legal Expenses.

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	2.521	(0.024)
Premises Costs	0.001	0.003	0.002
Transport Costs	0.020	0.023	0.003
Supplies & Services	0.209	0.189	(0.020)
Third Party Payments	0.049	0.075	0.026
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	2.824	2.810	(0.014)
Income	(0.340)	(0.360)	(0.021)
Net Expenditure	2.484	2.450	(0.035)

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	1.443	1.388	(0.055)
Premises Costs	0.000	0.000	0.000
Transport Costs	0.027	0.025	(0.002)
Supplies & Services	1.453	1.372	(0.081)
Third Party Payments	0.069	0.044	(0.025)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	2.992	2.829	(0.163)
Income	(0.193)	(0.158)	0.035
Net Expenditure	2.799	2.671	(0.128)

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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. A favourable Transport Costs variance is anticipated from the use of leased vehicles and reduced mileage allowance claims. Licensing Board costs are offset by the recovery of income and there are lower than anticipated Chemist charges resulting from lower than budgeted sample requirements. An anticipated shortfall in Pest Destruction income is offset by anticipated Fixed Penalty and other miscellaneous income.

FTE STAFFING ANALYSIS

Budget	Actual to date
84.0	79.2

COMMUNITY PLANNING AND PARTNERSHIP

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 CPP in administering and monitoring the Fairer Scotland Fund.

FTE STAFFING ANALYSIS

Budget	Actual to date
11.5	8.1

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	2.981	3.055	0.075
Premises Costs	0.098	0.095	(0.003)
Transport Costs	0.096	0.076	(0.020)
Supplies & Services	0.495	0.507	0.011
Third Party Payments	0.170	0.170	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.840	3.903	0.063
Income	(0.846)	(0.930)	(0.083)
Net Expenditure	2.994	2.974	(0.020)

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	0.531	0.456	(0.075)
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
Gross Expenditure	0.679	0.582	(0.097)
Income	(0.011)	(0.043)	(0.032)
Net Expenditure	0.668	0.539	(0.129)

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 11 (6 FEBRUARY 2011)

CENTRAL SERVICES

SERVICE SUMMARY

Central Services is anticipated to outturn £3.870m 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 £0.267m in respect of the transport and associated decant costs relating to Gargieston Primary School.

£1.428m has been received for Schools PPP support. While it is not anticipated that this will be utilised in 2010/11, in line with previous practice the funding is required to be earmarked and retained centrally to fund PPP Unitary Charges in future years. In addition £0.075m will be required to be earmarked as match funding for employability projects managed by Neighbourhood Services.

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Chief Executive	0.578	0.557	(0.021)
Miscellaneous	7.626	3.777	(3.849)
Insurance	2.327	2.327	0.000
Net Expenditure	10.531	6.661	(3.870)

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	2.237	2.219	(0.018)
Premises Costs	0.000	0.000	0.000
Transport Costs	0.006	0.270	0.264
Supplies & Services	8.480	4.364	(4.116)
Third Party Payments	0.710	0.710	0.000
Gross Expenditure	11.433	7.563	(3.870)
Income	(0.902)	(0.902)	0.000
Net Expenditure	10.531	6.661	(3.870)

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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	11.9

	Estimate £m	Projection to 31 Mar 11 £m	Variance (Favourable) / Adverse
Employee Costs	0.615	0.597	(0.018)
Premises Costs	0.000	0.000	0.000
Transport Costs	0.006	0.003	(0.003)
Supplies & Services	0.017	0.017	0.000
Third Party Payments	0.000	0.000	0.000
Gross Expenditure	0.638	0.617	(0.021)
Income	(0.060)	(0.060)	0.000
Net Expenditure	0.578	0.557	(0.021)

MISCELLANEOUS SERVICES

Transport costs of £0.267m 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	0.267	0.267
Supplies & Services	6.137	2.021	(4.116)
Third Party Payments	0.710	0.710	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	8.469	4.620	(3.849)
Income	(0.843)	(0.843)	0.000
Net Expenditure	7.626	3.777	(3.849)

2010/2011 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (6 FEBRUARY 2011)

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
Gross Expenditure	2.327	2.327	0.000
Income	0.000	0.000	0.000
Net Expenditure	2.327	2.327	0.000

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

EDUCATIONAL AND SOCIAL SERVICES

Capital Programme

Expenditure to date is £4.503m, which represents 64.1% of the available budget. The Projected Expenditure for 2010/11 is £6.874m.

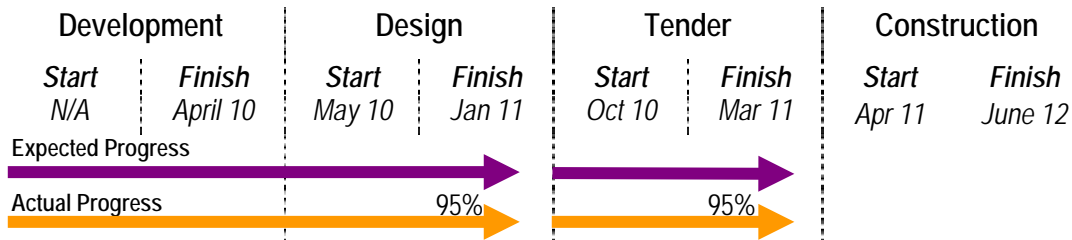
The projected underspend on the Education and Social Services capital programme primarily relates to a number of schemes which are anticipated to be less than originally budgeted or are forecast to slip into future financial years.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

EDUCATIONAL AND SOCIAL SERVICES – MAJOR PROJECTS

Darvel Primary School and Nursery School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
5.000	0.086	5.000



Financial Status

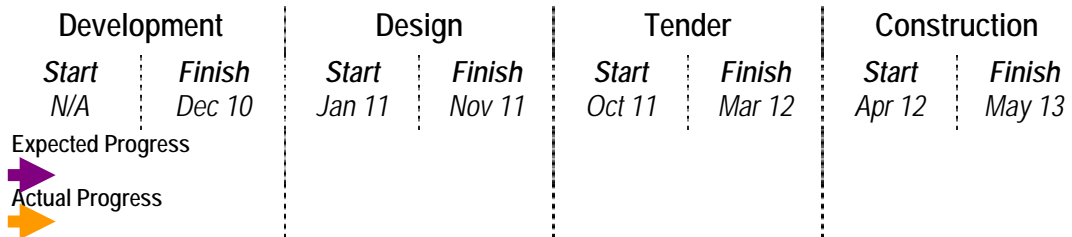
Project costs will be accurately determined after detailed designs are finalised and tenders received.

Project Life Cycle

Tender documents were returned 21 February and are currently being assessed. Early indications are that the project can be delivered within the existing budget allocation. Planning application was approved 4 February, decision on building warrant anticipated shortly. Works to alter the Gavin Hamilton sports to allow this to be used as a temporary dining facility commenced 7 February, with an anticipated completion of mid- March 2011.

Flowerbank Nursery

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.750	0.001	1.750



Financial Status

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

Project Life Cycle

Cabinet on 26 January 2011 approved the option to refurbish the existing Woodstock Primary School for the relocation of the Flowerbank Nursery into these premises. Works are currently on-going with regard to statutory consultation and scheme development. The timescales above are for indicative purposes and will have to be revised dependent on the outcome of the consultation exercise and progress on the Willowbank project.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

EDUCATIONAL AND SOCIAL SERVICES – MAJOR PROJECTS

Kilmarnock Area Day Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
2.500	0.000	2.500	TBC	Mar 11	Apr 11	Nov 11	June 11	Feb 12	Mar 12	Apr 13

Expected Progress

Actual Progress

Financial Status

No expenditure is anticipated to be incurred in 2010/11

Project Life Cycle

Cabinet on 26 January 2011 approved the option to construct the new Kilmarnock Adult Day Services on the site of the existing Woodstock Centre. Works are currently on-going with regard to the consultation and scheme development. The timescales for the scheme have yet to be determined and will be dependent on the outcome of the consultation 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	0.280	10.000	Complete	Sept 09	July 10	June 10	Jan 11	Jan 11	May 12

Expected Progress

Actual Progress

95%

100%

1%

Financial Status

Awarded tender indicates that project can be delivered within the available budget.

Project Life Cycle

Site set-up commenced on site 7 February, with a substantial completion anticipated by 31 March 2012 to allow a start to the mobilisation of furniture and equipment from April 2012 onwards. Handover is anticipated 28 May 2012.



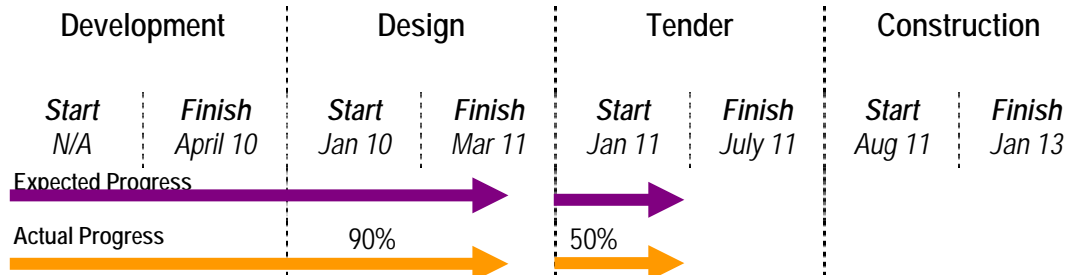
Concept Design Image

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

EDUCATIONAL AND SOCIAL SERVICES – MAJOR PROJECTS

New Cumnock Nursery and Primary School

Budget Allocation	Expenditure to Date	Forecast Expenditure
£m	£m	£m
9.600	0.419	9.600



Financial Status

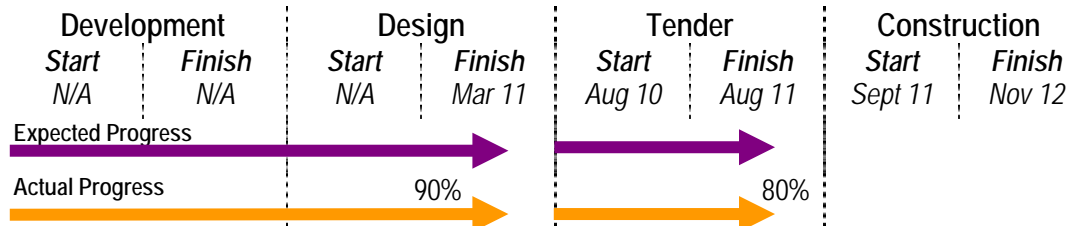
Project costs will be accurately determined after detailed designs are finalised and tenders received.

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 was approved 25 February 2011; building warrant awaited. 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	0.373	9.000



Financial Status

No expenditure is anticipated to be incurred in 2010/11

Project Life Cycle

Tender documents were returned 14 February 2011 and are currently being assessed. As previously indicated, costs are above budget but lower than pre-tender estimates. Options to achieve efficiencies are being explored however it is likely that some additional funding will be required. Formal planning application was approved 25 February 2011.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

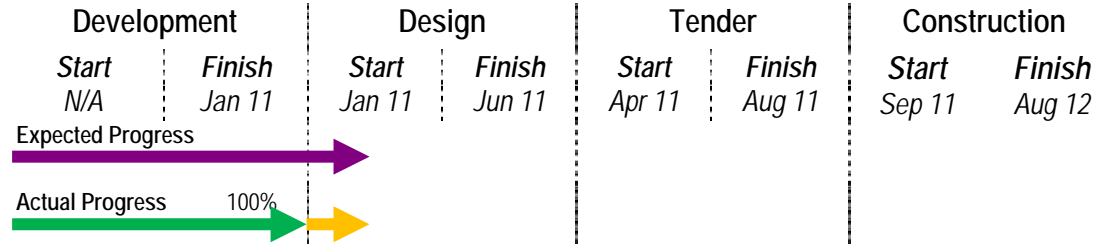
EDUCATIONAL AND SOCIAL SERVICES – MAJOR PROJECTS

Littlemill Primary School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.320	0.143	1.320

Financial Status

Only minor expenditure incurred to date.



Project Life Cycle

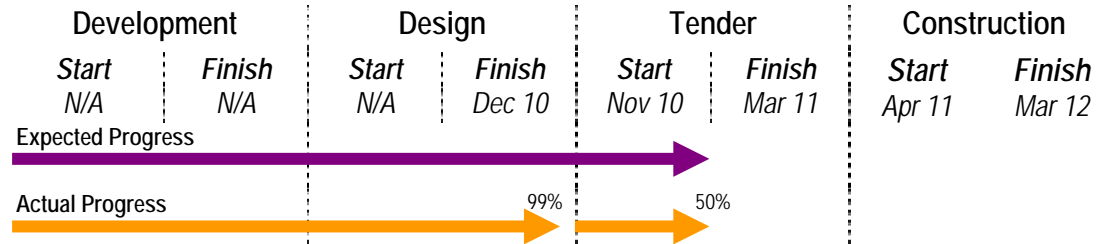
The extent of the refurbishment works have now been locked down with the client department and work is on-going to develop the full design specification and produce the appropriate tender documentation. Currently anticipated that a start on site of September 2011 can be achieved. Education to advise regarding the decant of staff and pupils.

Sorn Primary School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.320	0.143	1.320

Financial Status

Only minor expenditure incurred to date.



Project Life Cycle

There will be a minor delay on issue of tender documents as resources were required to be temporarily diverted to other projects, however, it is anticipated that this will not affect the forecast site completion date. Tender documents issued 28 February, award April with an anticipated start on site early May 2011. Planning application approved 21 January, listed building consent and bat license have been granted. Cabinet report from Education regarding decant options for staff and pupils anticipated March.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

EDUCATIONAL AND SOCIAL SERVICES – MAJOR PROJECTS

Gargieston Primary School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction			
			Start N/A	Finish Nov 10	Start June 10	Finish Jan 11	Start Nov 10	Finish Apr 11	Start May 11	Finish July 12		
12.000	0.126	12.000										

Financial Status

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

Project Life Cycle

Works progressing, tender return anticipated 7 March with an anticipated start on site May 2011. Planning application has been submitted; anticipated decision early March 2011. Tenders for ground consolidation works were returned on 2 February and are anticipated to be award by 18 February, with an anticipated start on site early March, completing late April 2011. The demolition works were completed end February 2011.

Auchinleck Community Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction			
			Start N/A	Finish Dec 10	Start Jan 11	Finish Aug 11	Start Mar 11	Finish Nov 11	Start Jan 12	Finish May 13		
4.900	0.001	4.900										

Financial Status

Budget revised following Cabinet of 16 June 2010.

Project Life Cycle

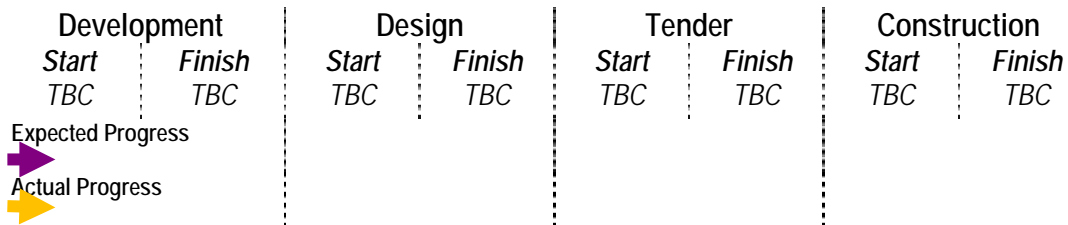
Detailed design works have commenced and are ahead of schedule. Pre-qualification Questionnaires have been issued. Options relating to the relocation of services on a temporary basis during construction being considered by client departments in order to coincide with the anticipated start on site.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

EDUCATIONAL AND SOCIAL SERVICES – MAJOR PROJECTS

Knockroon Primary School

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



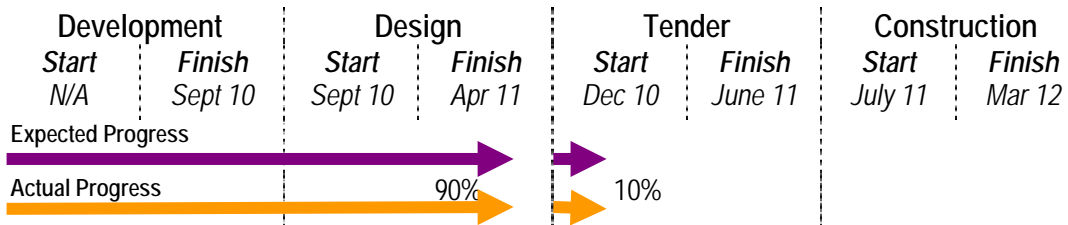
Financial Status

Budget set following Cabinet of 16 June 2010.

Project Life Cycle
Option appraisal not yet commenced.

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
Detailed design works and preparation of tender documents on-going. Planning application submitted, anticipated decision early March 2011. Anticipated that tender documents will be issued mid March, returning late April. A revised programme specifically relating to the community facilities project has been prepared which allows for the works to be completed between July 11 and March 12.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

EDUCATIONAL AND SOCIAL SERVICES – MAJOR PROJECTS

Galston Office Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction			
			Start N/A	Finish Sept 10	Start Sept 10	Finish June 11	Start April 11	Finish Nov 11	Start Nov 11	Finish Dec 12		
2.800	0.000	2.800										

Financial Status

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

Project Life Cycle

Detailed design works are 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 November 2011.

Galston TCRF

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction			
			Start N/A	Finish N/A	Start N/A	Finish N/A	Start N/A	Finish N/A	Start July 10	Finish Nov 10		
0.605	0.551	0.605										

Financial Status

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

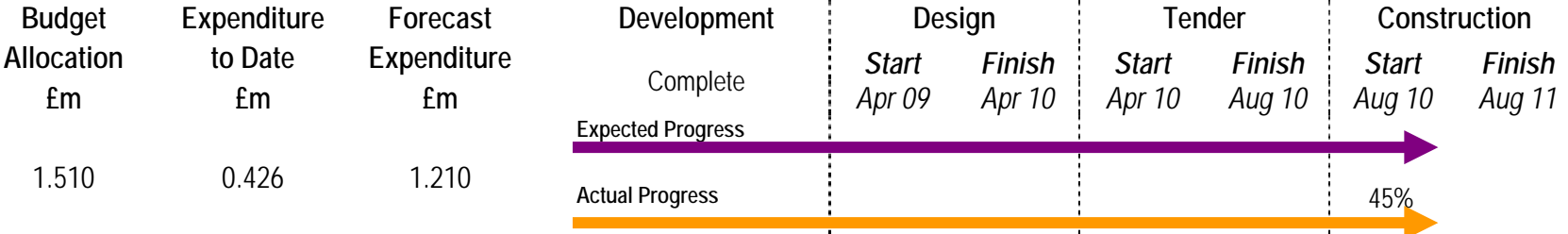
Project Life Cycle

Works on site are complete.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

EDUCATIONAL AND SOCIAL SERVICES – MAJOR PROJECTS

Children’s Residential House



Financial Status

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

Project Life Cycle

Works on site are progressing well and building will be wind and water tight shortly. There were some delays on site due to inclement weather, however, it is currently anticipated that this can be absorbed within the contractual timescales.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

EDUCATIONAL AND SOCIAL SERVICES – MAJOR PROJECTS

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	2.065	2.728	(0.751)
Projects	0.300	0.043	0.397	0.097
Care Homes Elderly	0.002	0.000	0.002	0.000
Elderly Day Care Facilities	0.291	0.271	0.270	(0.021)
Telecare	0.200	0.000	0.200	0.000
TOTAL EDUCATION & SOCIAL SERVICES	4.272	2.379	3.597	(0.675)

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

NEIGHBOURHOOD SERVICES

Capital Programme

Expenditure to date is £11.282m, which represents 47.2% of the available budget.
The projected expenditure for 2010/11 is £22.540m.

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.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

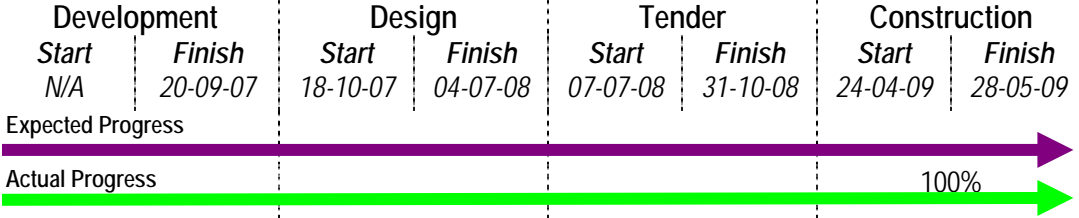
NEIGHBOURHOOD SERVICES

Crosshouse Area Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.955	3.790	3.955

Financial Status

Works have now been completed.



External View

Project Life Cycle

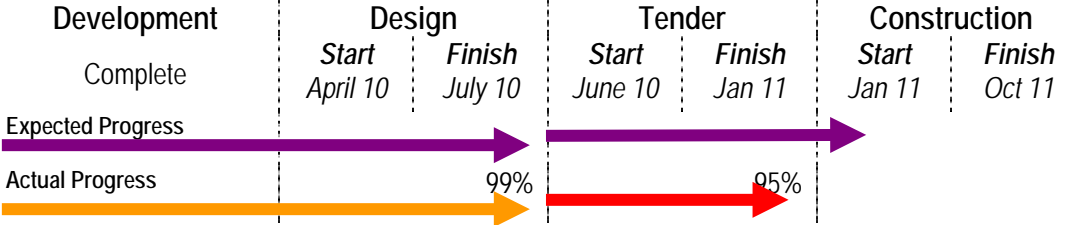
The official opening was held on 8 November 2010.

Palace Theatre / Grand Hall

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.281	1.395	3.281

Financial Status

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



Project Life Cycle

Tender was awarded 25 February which is later than planned due to matters requiring to be clarified with the preferred tenderer. Tender prices received indicate that the project can be delivered within the original budget provision. Currently anticipated that works will commence on site March 2011; reduced contractual programme indicates that construction completion can still be achieved by October 2011.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

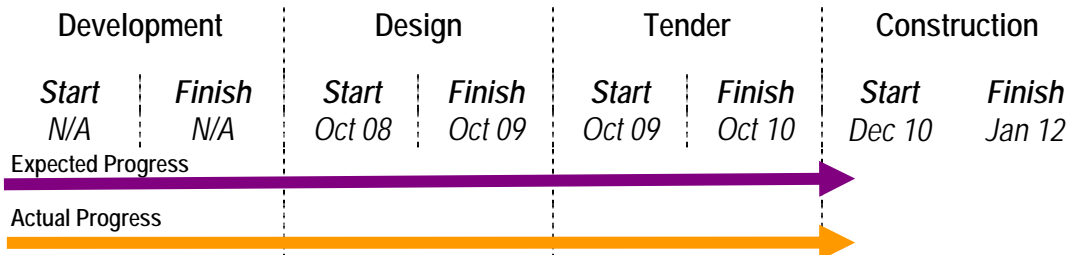
NEIGHBOURHOOD SERVICES

Stewarton Sports Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
4.300	0.125	4.300

Financial Status

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



Artist's Impression

Project Life Cycle

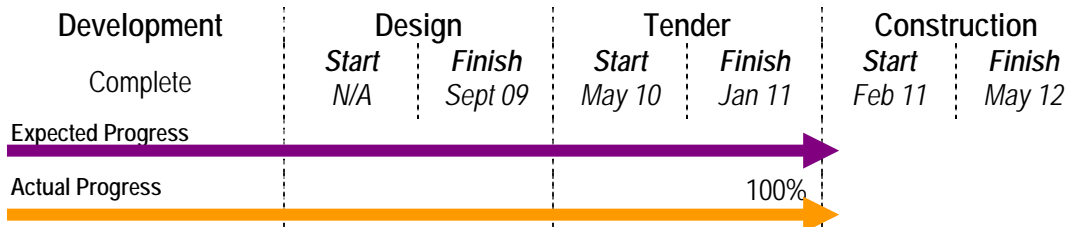
Setting out works have commenced with excavation and earthworks started 14 February 2011. Current anticipated completion last quarter 2011; ahead of the original programme.

Kilmarnock Athletics Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
6.525	0.251	6.525

Financial Status

Cabinet approval on 26 January 2011 has increased the budget for the project to £6.525m.



Artist's Impression

Project Life Cycle

Tender awarded 22 February 2011. Notification has also been received from the Scottish Government confirming that given the withdrawal of SEPA objections that the Council is free to issue planning permissions. Currently anticipated that start on site early March 2011, with anticipated completion May 2012.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

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	0.258	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** – works on site commenced 24 January 2011 with an anticipated 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.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

NEIGHBOURHOOD SERVICES

Kilmarnock Town Centre Regeneration (Strand Street)

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
			N/A	N/A	N/A	N/A	N/A	N/A	July 10	Dec 10
3.500	2.696	3.500								

Financial Status

Budget revised by Cabinet on 24 February 2010.

Project Life Cycle

Works are currently on-going to allow a temporary occupation certificate to be issued to the developer, after which occupation will be completed on a phased basis in order to ensure this does not compromise the planned works to the Data Centre which will be given priority. 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	Development		Design		Tender		Construction	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
			TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
6.410	0.000	6.410								

Financial Status

Budget allocation approved by Cabinet on 21 October 2009.

Project Life Cycle

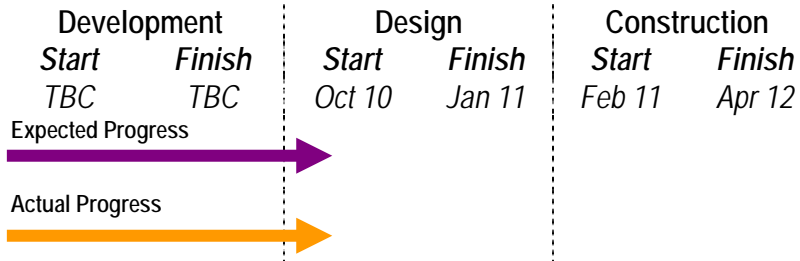
Works to roof and external stonework are currently being developed in respect of both the North and South buildings. Works programme being prepared however detail needs to be agreed with client department prior to publication.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

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

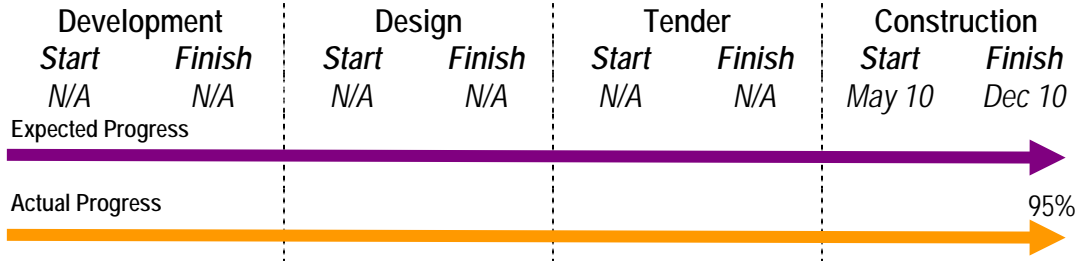
Budget allocation approved by Cabinet on 1 September 2010.

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	1.105	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

Works were 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 returned to site week commencing 8 January 2011, anticipated completion end February 2011.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

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	0.661	0.970						

Expected Progress

Actual Progress

Project Life Cycle

Works at Bank Street commenced 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	2.738	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.

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.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

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								



Project Life Cycle

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.

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.

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	0.741	0.949								



Project Life Cycle

Works have been delayed due to issues with the delivery of materials. Anticipated completion revised to end March 2011.

Financial Status

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

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

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 in respect of Strategic Route Improvements (£0.315m), Stewarton Park and Ride (£0.600m), A70/71 Route Improvements (£0.143m), 20mph School Zones (£0.020m), Disabled Access (£0.010m) and the spend to save Decriminalisation of Parking Enforcement (£0.227m) 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	0.168	0.439	0.009
Facility Improvements	1.531	0.635	1.446	(0.085)
Cemetery Extension	0.331	0.099	0.359	0.028
Playparks	0.259	0.240	0.259	0.000
Regeneration & Efficiency	1.689	0.111	1.689	0.000
Traffic & Road Safety	3.931	0.754	2.615	(1.316)
Structures	0.997	0.327	0.773	(0.224)
Carriageways & Footways	2.214	1.428	2.214	0.000
Street Lighting	0.242	0.131	0.242	0.000
Flood Prevention Schemes	0.055	0.011	0.035	(0.020)
Depots	0.040	0.023	0.040	0.000
TOTAL NEIGHBOURHOOD SERVICES	11.719	3.927	10.111	(1.608)

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

NEIGHBOURHOOD SERVICES

Housing Investment Programme

As at Period 11, 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	0.158	0.274	(0.100)
Energy Efficiency	0.719	0.922	2.284	1.565
Efficient Heating	3.053	3.033	3.143	0.090
External Envelope Enhancement	1.244	0.512	0.699	(0.545)
Modern Facilities & Services	5.915	3.495	6.199	0.284
Neighbourhood Improvements	0.061	0.247	0.281	0.220
Safe & Secure Neighbourhood	0.450	0.205	0.253	(0.197)
Sheltered Housing Safety & Improvement	0.758	0.557	0.681	(0.077)
Total Housing Expenditure	12.574	9.129	13.814	1.240

Asbestos

Full spend anticipated.

Energy Efficiency

The number of window replacements has increased.

Efficient Heating

Moderate overspend anticipated in respect of central heating contracts.

External Envelope Enhancement

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

Modern Facilities and Services

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

Neighbourhood Improvements

Increased number of timber clad housing and demolitions.

Safe and Secure Neighbourhood

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

Sheltered Housing Safety and Improvement

Underspend anticipated in respect of St Maur's Gardens.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

NEIGHBOURHOOD SERVICES

Sources of Funding

	Approved Budget 2010/11 £m	Projected Expenditure 2010/11 £m
Revenue Funding (CFCR)	5.661	8.610
Sale of Council Dwellings and Other Capital Receipts	2.202	1.616
Anticipated Borrowing	4.711	3.588
Total	12.574	13.814

Performance Data

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

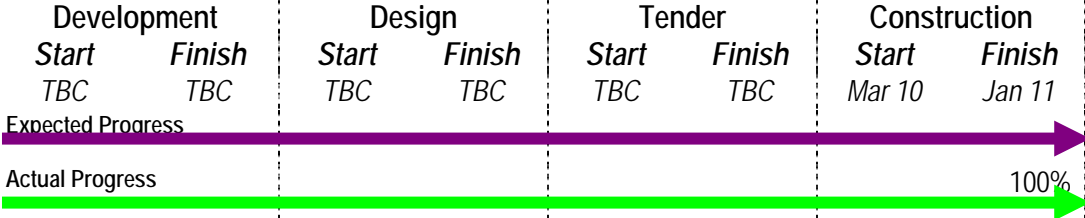
	Houses Planned	Actual Houses	Houses Forecast
Window Replacement Programme	943	488	927
Door and Screen Replacement	105	15	155
Gas Central Heating	817	817	817
External Envelope Enhancement and Overcladding	50	40	50
Re-roofing	116	84	100
Kitchen, Rewire and Bathroom Upgrading	966	654	965
Timberclad Houses Painterwork	32	28	31
Door Entry	90	0	0
Total	3,119	2,126	3,045

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

NEIGHBOURHOOD SERVICES

Council House Building Programme – Phase 1

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.000	1.055	1.100



Financial Status

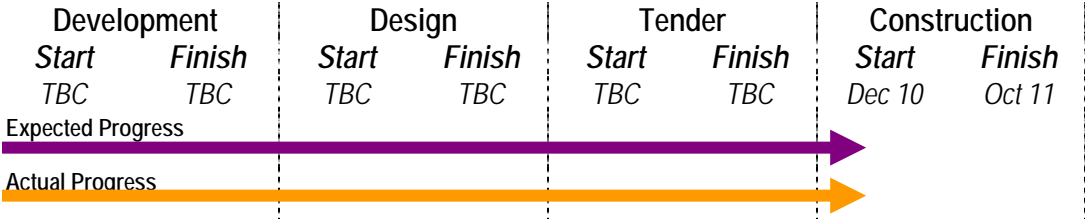
Budget is based on assumed £0.100m to construct each unit with a maximum grant of £0.025m per house.

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	0.265	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

Construction works at Creelshaugh Road, Fenwick commenced 10 January. Remaining works at Newlands Drive and Lammermuir Road, Kilmarnock are due to commence late February.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

NEIGHBOURHOOD SERVICES

Council House Building Programme – Phase 3

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start <i>TBC</i>	Finish <i>TBC</i>	Start <i>TBC</i>	Finish <i>TBC</i>	Start <i>TBC</i>	Finish <i>TBC</i>	Start <i>Mar 11</i>	Finish <i>Jan 12</i>
1.000	0.022	1.000								

Expected Progress

Actual Progress

Project Life Cycle

Financial Status

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

Project is to construct 10 new houses on sites at Newlands Drive, Kilmarnock.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

FINANCE & CORPORATE SUPPORT

Capital Programme

Expenditure to date is £3.619m, which represents 118.3% of the available budget. The projected expenditure for 2010/11 is £4.038m.

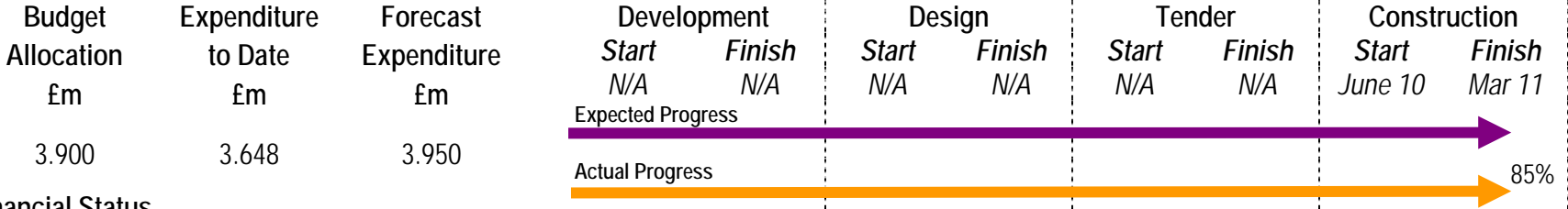
The projected variance on the Finance and Corporate Support capital programme primarily relates to the vehicles and equipment that will be purchased rather than leased following an option appraisal exercise, partially offset by anticipated underspends in Corporate Office Accommodation and Health and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

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

FINANCE & CORPORATE SUPPORT

Major Projects

Data Centre/London Road HQ



Financial Status

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

Project Life Cycle

Works to transfer over the Data Centre has now been deferred until Easter 2011 due to concerns about the risks associated with inclement weather over the New Year period. 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.

CAPITAL PROGRAMME UPDATE – 17 FEBRUARY 2011

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	0.000	0.000	0.000	0.000
Corporate Information Technology	0.969	0.753	0.969	0.000
Corporate Office Accommodation	0.688	0.030	0.200	(0.488)
Vehicle and Equipment Procurement	0.000	1.467	1.467	1.467
TOTAL FINANCE & CORPORATE SUPPORT	1.657	2.250	2.636	0.979

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
Total		1.467