

FINANCE & ASSET MANAGEMENT



*FINANCE AND SERVICE STRATEGY REPORT
BASED ON PERIOD 11 (7 FEBRUARY 2010)
GOVERNANCE AND SCRUTINY 23 APRIL 2010*

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

EAST AYRSHIRE COUNCIL

GOVERNANCE AND SCRUTINY COMMITTEE – 23 APRIL 2010

FINANCE AND SERVICE STRATEGY REPORT

Report by Executive Head of Finance and Asset Management

1 PURPOSE OF REPORT

- 1.1 To advise Members of the projected financial position for the year based on expenditure to 7 February 2010 (Period 11) and information provided by Executive Directors.

2 GENERAL SERVICES

- 2.1 The overall projected outturn for the year to 31 March 2010 is an uncommitted surplus of £1.417m. Details are included in the attached report.
- 2.2 It is anticipated that the department of Educational and Social Services will outturn £0.715m under budget at 31 March 2010 after the utilisation of £0.486m of departmental balances to offset current budget pressures which relate to termination payments and additional costs in respect of Outwith Placements. The projection includes anticipated reductions in outwith placement and devolved primary and secondary staff costs which were not highlighted at period 9. This is partly offset by a potential liability for maternity compensatory leave for teachers which increases the annual leave entitlement to a maximum of 66 days. Human Resources are currently calculating the liability but based on previous information £0.200m has been included in the projection.

- 2.3 Social Services is currently anticipated to be £0.092m over budget at 31 March 2010. This includes additional secure accommodation placement costs, unbudgeted legal costs and additional adult care and self-directed care costs being offset by savings from the management of vacant posts and by use of £0.360m in non-recurring balances. The Sustainability Board, tasked with realigning budget resources and led by the Executive Director, continues to review a number of areas within the service to ensure the longer term sustainability of the Social Services budget.
- 2.4 The Executive Director of Neighbourhood Services anticipates a favourable variance of £0.546m mainly due to Private Sector Housing Grant and Zero Waste Fund budgets which will be unspent in the current year and will be required to be earmarked for use in 2010/11.
- 2.5 As Members are aware, Cabinet has previously agreed that the trading status of Building and Works as a Significant Trading Operation could be suspended. The organisation solely undertakes work for the Housing Revenue Account and the transfer is currently anticipated to be £1.369m which may be subject to change as actual figures are finalised.
- 2.6 The Executive Director of Corporate Support anticipates a favourable variance of £0.618m at 31 March 2010 after the utilisation of £0.400m of departmental balances as approved by Cabinet on 2 December 2009 to offset current budget pressures including a projected shortfall in Planning and Building Standards income of £0.798m. The variance includes a number of significant items which will require underspends at the year end to be earmarked for carry forward to meet future commitments.

- 2.7 The Executive Head of Finance and Asset Management anticipates a favourable variance of £0.006m mainly due to funding received from the Department of Work and Pensions, additional income and employee cost savings offset by reduced property related income.
- 2.8 The level of Housing and Council Tax Benefit shows an increase of 1.3% over the same period last year with the net cost currently over budget by £0.146m. This is offset by the income recovered which is anticipated to outturn £0.317m over budget, resulting in a net favourable variance of £0.171m. The current projection for Council Tax shows a potential shortfall of £1.066m relating primarily to collection of arrears. In addition there is an adverse variance of £0.022m on Non Domestic Rates income due to increased discretionary reliefs.
- 2.9 It is proposed to use the prize money of £2,500 received from the OPM for the Dalmellington Area Centre in 2008/09 to fund the Art Trail being developed by Doon Academy.
- 2.10 The number of staff on the register fluctuates during the year as individuals are added and redeployment opportunities identified. The number of staff on the Redeployment Register as at 15 February 2010 is 15 and the cost of maintaining them is £0.157m.

3 LEADER'S INITIATIVES

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

4 HOUSING REVENUE ACCOUNT (HRA)

- 4.1 The adjustment to the HRA arising from the suspension of the trading status of Building and Works will be a credit of £1.369m which Members previously approved to be committed to repairs.

5 CAPITAL PROGRAMME

- 5.1 Projected expenditure on the Capital Programme for the year is £39.060m which is 88% of budgeted expenditure. Projects have been hampered by adverse weather conditions including the requirement to redeploy staff.
- 5.2 The capital programme includes an overall allocation of £0.190m to fund window replacement at the Crosshouse Nursery and Primary Schools. During works, an opportunity arose as a direct result of efficiencies having been identified to negotiate with the contractor to replace the remaining 25% of the windows at the nursery whilst continuing to deliver the scheme within the overall budget allocation. This work not only ensures continuity in appearance but also improves the overall sustainability of the building. As a result of the additional works being instructed, the original contract figure of £0.108m for the nursery window replacement has been exceeded by £0.032m. Members are therefore asked to note that the original contract has been exceeded by more than the 10% allowable under the Standing Orders for Contracts, although the overall project was delivered within budget.

5.3 Work in relation to the Kilmarnock Athletics Facilities project continues to progress well. During the development of the scheme a potential issue has been identified with Scottish Water in relation to the diversion of the main culvert that runs through the proposed development site. A suitable engineering solution has been agreed in consultation with Scottish Water. The Kilmarnock Athletics Facilities project includes new changing room facilities, therefore it is recommended to set aside the current unallocated balance of approximately £0.200m on the sports pavilions capital allocation which will only be drawn down to meet potential costs associated with the redesign if required.

6 GENERAL FUND UNCOMMITTED BALANCE

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

6.2 During the current financial year commitments of £1.413m have been approved by Council and Cabinet. When added to the reallocated funding approved by Cabinet on 2 December 2009 of £2.781m, the uncommitted balance is £7.969m and adding the forecast outturn indicated at paragraph 2.1 above brings the figure to £9.386m which equates to 2.8%.

7 RECOMMENDATIONS TO CABINET

7.1 It was recommended that Members:

- (i) approve the utilisation of the £2,500 balance as noted at paragraph 2.9;

- (ii) note that the contract figure exceeded the accepted tender value by more than 10% in respect of the Crosshouse Nursery window replacement as noted at paragraph 5.2;

- (iii) approve the set aside of the balance of uncommitted funding on the sports pavilions capital allocation of £0.200m in respect of the Kilmarnock Athletics Facilities project to be drawn down if required as noted at paragraph 5.3;

- (iv) otherwise note the contents of this report.

RECOMMENDATIONS

8.1 It is recommended that Members:

- (i) note the recommendations to Cabinet on 31 March 2010 as at paragraph 7; and

- (ii) otherwise note the contents of the report.

Alex McPhee
Executive Director of Finance and Corporate Support
14 April 2010

LIST OF BACKGROUND PAPERS - NIL

Members wishing further information should contact
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Telephone (01563) 576279

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

PAGE INDEX

Overview	Page	Departmental Budgets	Page
General Fund Summary	1	Educational and Social Services	5
Capital Summary	2	Neighbourhood Services	17
Leader's Initiatives	3	Corporate Support	30
		Finance and Asset Management	44
		Central Services	54

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

GENERAL FUND SUMMARY

Service	2009/10 Budget £m	Projected Actual to 31 March 2010	Projected Variance £m		2009/10 Budget £m	Projected Actual to 31 March 2010	Projected Variance £m
Educational and Social Services	178.892	178.177	(0.715)	Deficit / (Surplus) for the Year	4.328	0.448	(3.880)
Neighbourhood Services	67.792	67.246	(0.546)	Transfer from Capital Fund	0.000	(1.000)	(1.000)
Corporate Support	17.003	16.385	(0.618)	Utilisation of Current Years Balances	0.000	1.200	1.200
Finance and Asset Management	9.179	9.173	(0.006)	Utilise Previous Years Balances	(4.328)	(4.328)	0.000
Central Services– Other	7.766	5.668	(2.098)	Departmental Under/(Over) Spend c/f	0.000	2.263	2.263
Central Services – HB/CT Benefit Subsidy	43.414	43.560	0.146	2009/2010 Deficit / (Surplus)	0.000	(1.417)	(1.417)
Central Services – Debt Charges	17.350	17.150	(0.200)				
Building and Works	(0.783)	(1.397)	(0.614)				
Net Expenditure	340.613	335.962	(4.651)	Housing Revenue Account			
				Expenditure	36.793	36.651	(0.142)
				Income	(36.793)	(36.651)	0.142
Funded by				Net Expenditure	0.000	0.000	0.000
Council Tax	(48.818)	(47.752)	1.066	B&W Charge at Cost Adjustment	0.000	(1.369)	(1.369)
Aggregated External Finance	(244.151)	(244.129)	0.022				
HB/CT Benefit Subsidy	(43.316)	(43.633)	(0.317)				
Total Income	(336.285)	(335.514)	0.771				

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CAPITAL SUMMARY

Service	Revised Budget 2009/10	Actual Expenditure to Date	Projected Expenditure 2009/10	Projected Expenditure as % Budget	Funded by	Revised Budget 2009/10 £m	Projected Expenditure 2009/10 £m
Education & Social Services	7.100	3.783	5.797	82%	Grants, Partnership Funding , CFCR	10.009	9.029
Neighbourhood Services	13.849	7.113	11.252	81%	External Borrowing	18.757	15.934
Corporate Support	3.620	2.295	3.340	92%	Total	28.766	24.963
Finance and Asset Management	0.720	0.128	0.924	128%			
Regeneration, Efficiency & Asset Management	3.477	1.043	3.650	105%			
Contingency Funding	0.000	0.000	0.000	-			
Total	28.766	14.362	24.963	87%			

Service	Revised Budget 2009/10	Actual Expenditure to Date	Projected Expenditure 2009/10	Projected Expenditure as % Budget	Funded by	Revised Budget 2009/10	Projected Expenditure 2009/10
Housing Revenue Account	15.616	6.520	14.097	90%	Revenue Funding (CFCR)	5.561	6.155
					Sale of Council Dwellings	4.888	2.000
					Anticipated Borrowing	5.167	5.942
					Total	15.616	14.097
Total Capital Programme	44.382	20.882	39.060	88%		44.382	39.060

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

LEADER'S INITIATIVES

No	Initiative	Lead Department	Projected Expenditure to 31 March 2010	Progress
1	Landscape works being carried out in Kilmarnock Town Centre including Titchfield Street, Glencairn Street and West Langlands Street	Corporate Support	£0.040m	Project completed in 2009/10.
2	The provision of a new floral clock with associated landscaping works at Kilmarnock Railway Station	Corporate Support	£0.209m	Cabinet on 8 July 2009 agreed proposals. Total project cost is currently anticipated to be £0.380m with funding of £0.320m secured per Cabinet of 4 November 2009. The license agreement has been finalised with Network Rail and the contracts for the wall and clock face are anticipated to be concluded during April. Stage 2 (Garden Street) is dependant on £0.060m additional funding being secured.
3(a)	The installation of floodlighting to highlight key landmark structures - the viaduct	Corporate Support	£0.100m	Project completed in 2008/09 and opening ceremony took place on 6 October 2008.
3(b)	External Lighting Projects	Corporate Support	£0.292m	Opening ceremony for statues lighting took place in November 2009. Works at Riccarton Church are complete with switch on anticipated during April. Work has commenced on St Joseph's Church and continues with regard to scheme scope and specification for Bank Street. £0.150m is currently uncommitted but may be required as a contribution towards Kilmarnock TCRF lighting and further initiatives including the Palace Theatre, the Old High Kirk and schemes outwith Kilmarnock.
4	Feasibility study for cultural activity (per Cabinet 17 December 2008)	Corporate Support	£0.070m	Scheme continues to progress with majority of activity completed and final activity (branding & promotional feasibility) anticipated to be concluded in next few weeks.
5	The development of options for future use of the Co-op building in Darvel	Corporate Support	£0.017m	Consultants concluded that the building was structurally unsound and demolition works are complete, paid for by the owner. The feasibility study for the reuse of the site has now been finalised and plans to progress are currently being considered.

Status: Complete



In Progress



To Commence



2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

LEADER'S INITIATIVES

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

Status: Complete



In Progress



4

To Commence



2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES

SERVICE SUMMARY

Based on current service activity and advice from the Executive Director of Educational and Social Services, it is anticipated that the department of Educational and Social Services will outturn £0.715m under budget at 31 March 2010, after the utilisation of £0.486m of departmental balances approved by Cabinet on 2 December 2009 to offset budget pressures arising from severance payments and the additional costs of outwith placements within Educational Services.

The Educational Services position is £0.807m under budget. Additional employee costs for Classroom assistants for additional support are offset by £0.325m held within Central Resources for teachers in 2010/11. In addition, the deployment of additional Probationers and Scottish Government grant funding and ongoing vacancies within the Psychological services section have resulted in favourable variances. Additional property costs are anticipated for transport and relocation costs for pupils and staff at Crossroads Primary School, additional office space at Elmbank Centre and Woodstock School annexe. Additional Supplies and Services costs have been incurred in order to align Secondary School budgets with the new rolls.

The Social Services position is £0.092m over budget after the utilisation of General Fund balances brought forward of £0.360m as well as significant savings from management of vacant posts. The figures in this report do not include any adjustments related to service reviews underway within children's services, adult services and administrative support. It is anticipated that future reports will incorporate required budget adjustments resulting from these reviews.

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

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Resources	2.522	1.984	(0.537)
PPP	8.242	8.242	0.000
Schools	67.662	67.495	(0.167)
Community Support	23.894	23.618	(0.276)
Facilities Management	13.774	13.947	0.173
Social Work	62.798	62.890	0.092
Net Expenditure	178.892	178.177	(0.715)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	120.644	118.778	(1.866)
Property Costs	7.797	8.021	0.224
Transport Costs	6.828	6.658	(0.170)
Supplies & Services	9.647	10.052	0.405
Third Party Payments	47.268	48.267	0.999
Transfer Payments	6.137	6.524	0.387
Gross Expenditure	198.321	198.300	(0.021)
Income	(19.789)	(20.123)	(0.334)
Net Expenditure	178.532	178.177	(0.355)
Utilise Balances	0.360	0.000	(0.360)
Net Expenditure	178.892	178.177	(0.715)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES

SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate £m	Budget Adjustments £m	Revised Budget £m	Comments on Budget Movement
Budget Allocation Approved by Council 12 February 2009	170.244			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Fairer Scotland Fund		+0.010		Realignment of Budgets to reflect allocation of Fairer Scotland Fund
2 Teacher Induction Scheme Funding		+1.102		Additional Funding for Probationary Teachers
3 Gaelic Education Funding		+0.007		Additional Funding for Gaelic Education
4 Realignment of Social Work Income Budgets		+0.100		Realignment of Budgets to Reflect actual inflation on Health Board Income
5 Adult Support and Protection Funding		+0.362		Additional Funding for Implementation of the Adult Support and Protection (Scotland) Act
6 Community Planning Budget Realignment		+0.192		Realignment of Budgets to reflect transfer of Community Planning payments to other external bodies and 2 Staff to Community Learning
7 Departmental Human Resources Budget Realignment		-0.743		Realignment of Budgets to reflect transfer of Departmental Human Resources Staff to Corporate Support
8 Grants to Voluntary Organisations Budget Realignment		-0.010		Realignment of Budgets to reflect transfer of responsibilities to Neighbourhood Services
9 Budget realignment for Onsite and Vehicle Maintenance		+0.033		Transfer budgets for Kay Park Library cleaning and former trading services transfer
10 Social Services Budget realignment		-0.045		Realignment of budget to reflect Community Health & Wellbeing Officer to Corporate Support
11 Supporting People Budget Realignment		+5.779		Transfer of Formerly Ringfenced Supporting People Budget from Neighbourhood Services
12 Utilisation of Departmental Balances		+1.101		Utilisation of Earmarked Departmental Balances
13 Utilisation of General Fund Balance		+0.700		Utilisation of General Fund Balance for Social Services per Cabinet 11 Feb 09 and Teachers Refresh per Cabinet 1 April 09
14 Curriculum for Excellence Funding		+0.060		Additional Funding for Curriculum for Excellence Additional Teachers
<i>Total Budget adjustments</i>			+8.648	
Revised Budget Allocation at Period 11			178.892	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES

EXPENDITURE REDUCTION TARGETS

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

ACTIONS	Theme	SAVING £m	Status at 7/2/10	Achieved at 7/2/10 £m
Educational and Social Services		2.372		2.338
Reduce the number of school administration and support staff	KSO	0.210	In Progress	0.176
Reduce the number of classroom assistants by natural wastage	KSO	0.174	Fully met	0.174
Reduce costs of school cleaning by 10% including the use of new technology	KSO	0.157	Fully met	0.157
Redesign the Outdoor Learning service	KSO	0.125	Fully met	0.125
Reduce costs within the Educational & Social Services property team	KSO	0.022	Fully met	0.022
Reduce school letting hours	KSO	0.010	Fully met	0.010
Review of Learning Partnerships to improve integration with Children & Families Services	CIS	0.396	Fully met	0.396
Efficiencies in Community Learning and Development (CL&D)	CIS	0.078	Fully met	0.078
Review of early years establishment structures	CIS	0.062	Fully met	0.062
Review the structure of the school psychology service	CIS	0.045	Fully met	0.045
Review how Central Education Continuing Professional Development is delivered	BRS	0.198	Fully met	0.198
Review of Quality Improvement within Educational & Social Services	BRS	0.092	Fully met	0.092
Review of school catering arrangements	SB4	0.024	Fully met	0.024
Review of School Management structures	CND	0.556	Fully met	0.556
Adjustments to school delegated budgets to take account of falling school rolls	CND	0.141	Fully met	0.141
Review of Arts and Culture function	CND	0.077	Fully met	0.077
Recharge of school library support service	CND	0.005	Fully met	0.005

Status: Fully met



In Progress



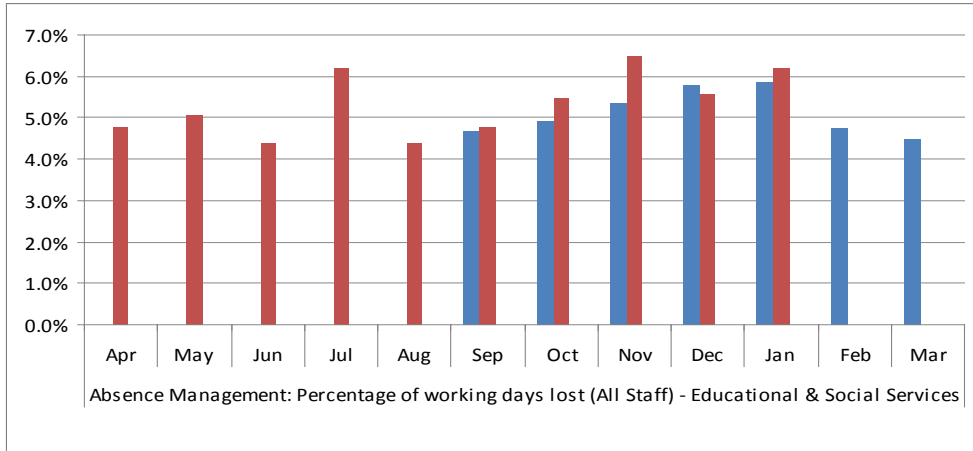
Unmet



2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

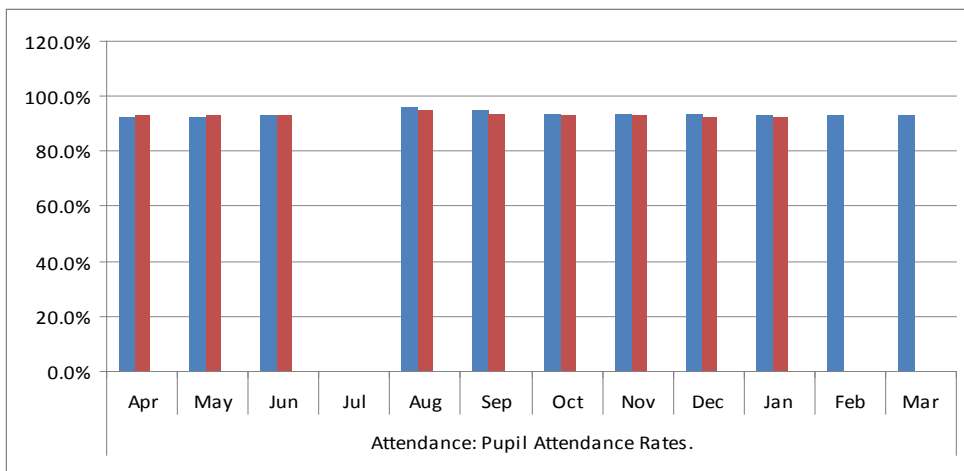
EDUCATIONAL AND SOCIAL SERVICES

PERFORMANCE MEASURES



Levels of short term absence have increased over December's to a level of 3.46%. This is a similar level to that of November. Long term has decreased from 3.12% to 2.73%. The level of short and long term absence for January 2009 was 3.62% and 2.25% respectively.

Absence management procedures are being applied.



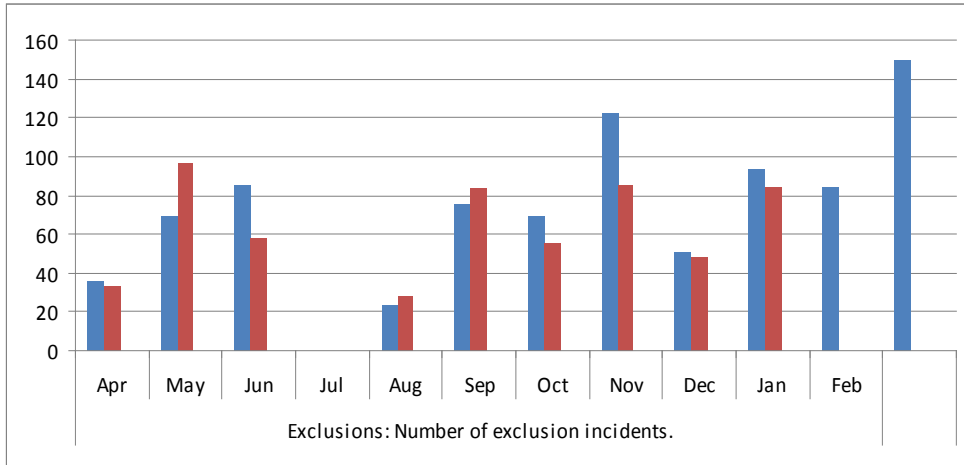
Attendance recorded on 8 February 2010 has fallen slightly to 92.8% compared to 93.0% in the previous month but gives no cause for concern.

Previous Year ■

Current Year ■

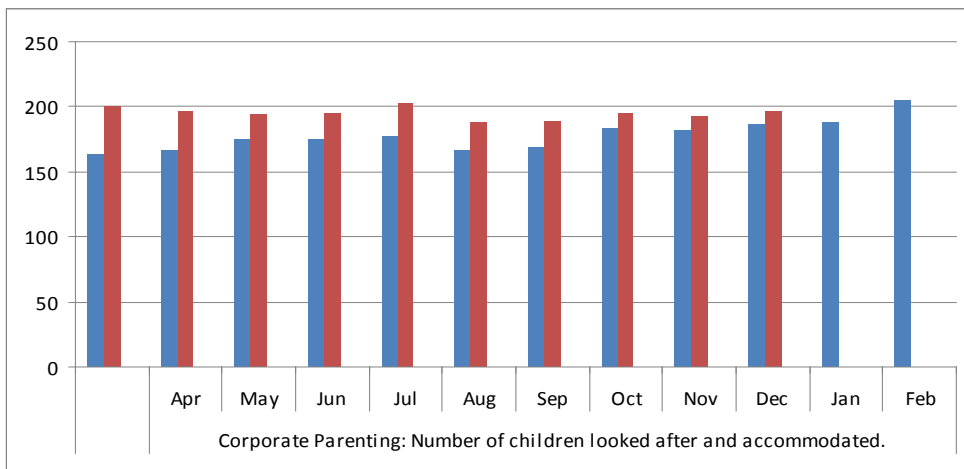
2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES



Exclusions overall for the month of January continue to show a reduction on the same period in 2009 from 94 to 85. Exclusions per 1,000 pupils for January are the second lowest over a five year period and openings lost per 1,000 pupils are the third lowest over the same five year period. The increase in openings lost is attributable to one secondary school experiencing a specific incident which resulted in an exceptional exclusion rate of lengthy time periods.

Exclusions will continue to be monitored and behaviour management and intervention strategies reinforced across all sectors.



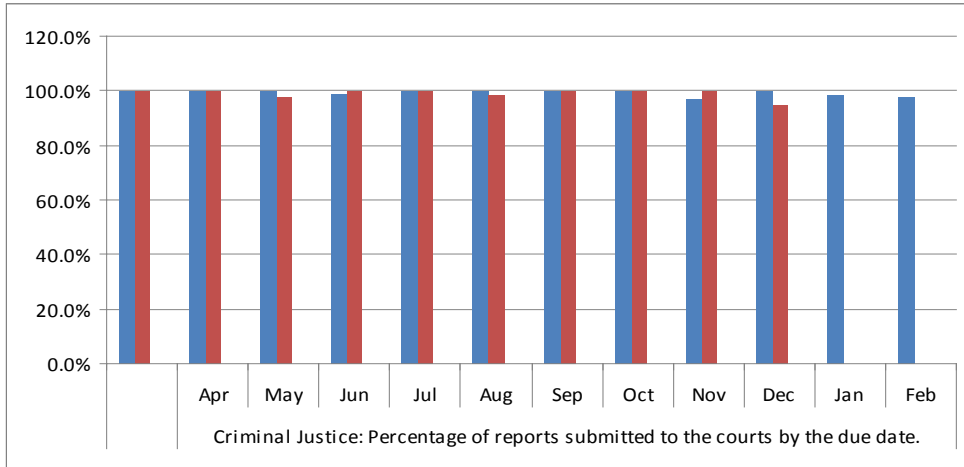
The trend in the numbers of looked after and accommodated children being significantly higher than the same period in 12 months prior is continued. This reflects a national trend which has implications for capacity and resources and these factors are being considered within the Social Work Sustainability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

Previous Year 

Current Year 

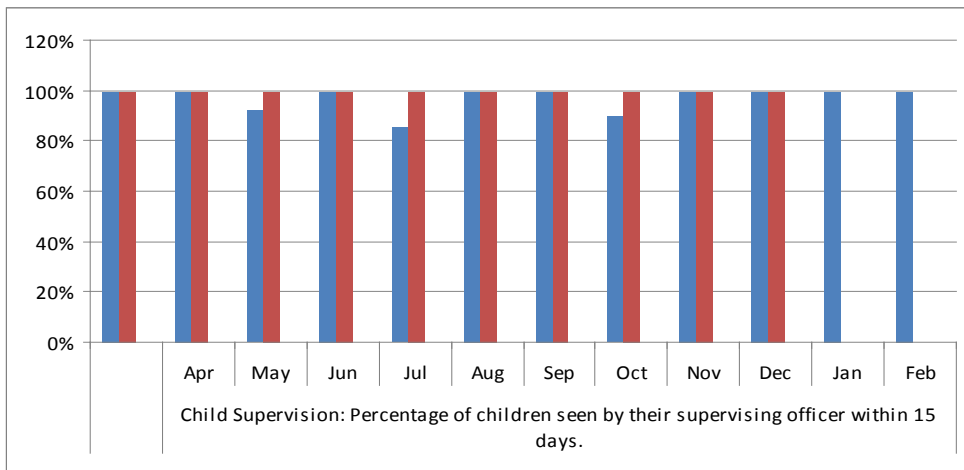
2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES



The service continues to strive to meet 100% timeous submissions. Performance dropped slightly during this period however but is anticipated to improve in subsequent periods.

Continuous monitoring and review will take place.



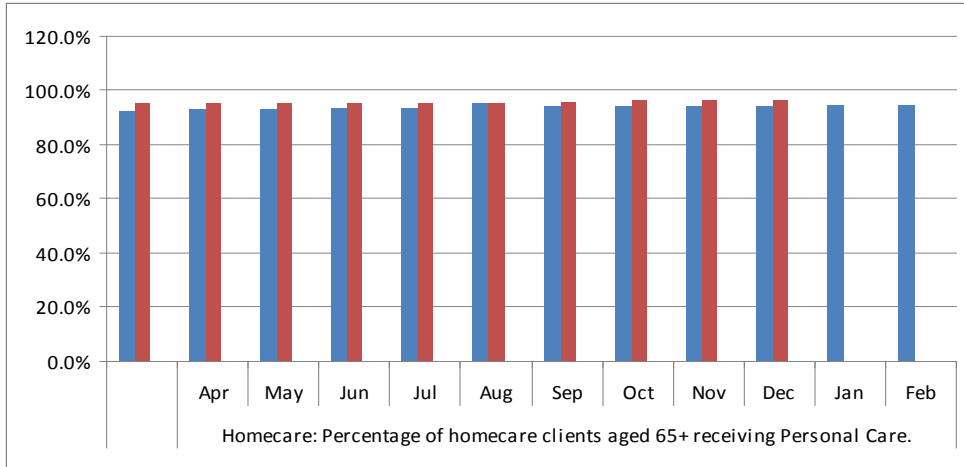
Period 11 has seen 100% performance being maintained due to the good practice of social workers in giving effect to the supervision requirement at the Children's Hearing.

Previous Year ■


Current Year ■


2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES



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

Previous Year 

Current Year 

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES

NON FINANCIAL DATA

	2008/09 Period 11	2008/09 Outturn	2009/10 Period 11
Number of pupils requiring additional support	2,389	2,577	2,593
School transport costs (projected expenditure at year end)	£4,953,830	£4,939,466	£4,852,870
Number of pupils receiving free school transport	5,078	4,969	4,834
Outwith Placements – Number of Pupils receiving external Auxiliary Support	11	13	13
– Number of Pupils in Day Placements	17	15	16
– Number of Pupils in Residential Placements	23	23	22
Number of children in external foster placement	47	51	46
Average cost of external foster placement per child per week	£975	£975	£1,000
Number of children in secure accommodation <i>(*includes 1 placement funded by the Scottish Government)</i>	2	5*	3*
Average cost of a secure placement per week	£5,215	£5,215	£5,215
Number of care at home service users (adult & older) receiving more than 10 hours per week	718	737	625
Number of care at home service users (adult & older) receiving more than 50 hours per week	74	73	79
Most expensive homecare packages - Elderly	£46,083	£46,083	£46,083
Most expensive homecare packages – Adult Learning Disabled	£252,487	£252,487	£254,969

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES

SERVICE PERFORMANCE TO DATE

RESOURCES

The variance mainly relates to a sum of £0.325m which relates to the full year cost of 15 additional Primary teachers recruited from August 2009 and for the restructure of the Secondary Schools promoted post structures as approved by Cabinet on 17 June 2009. This funding will be utilised to offset additional expenditure elsewhere within the department. Additional variances have arisen from vacancies in the Technician service, partially offset by reduced recharges to other local authorities for the service and the projected recurring cost of 1 FTE Grade 12 post which is part of the resource support admin review and has now been redeployed.

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

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	1.999	1.725	(0.273)
Property Costs	0.051	0.022	(0.029)
Transport Costs	0.030	0.030	0.000
Supplies & Services	0.760	0.769	0.009
Third Party Payments	0.186	(0.098)	(0.284)
Transfer Payments	0.714	0.714	0.000
Gross Expenditure	3.740	3.163	(0.577)
Income	(1.219)	(1.179)	0.040
Net Expenditure	2.522	1.984	(0.537)

FTE STAFFING ANALYSIS

Budget	Actual to date
33.6	28.5

PPP / BUILDING LEARNING COMMUNITIES

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

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

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES

SCHOOLS

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

FTE STAFFING ANALYSIS

Budget	Actual to date
1,587.5	1,577.6

COMMUNITY SUPPORT

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

FTE STAFFING ANALYSIS

Budget	Actual to date
454.1	473.4

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	60.219	59.808	(0.411)
Property Costs	4.745	4.754	0.009
Transport Costs	0.173	0.177	0.004
Supplies & Services	3.148	3.343	0.195
Third Party Payments	0.703	0.730	0.028
Transfer Payments	0.310	0.297	(0.013)
Gross Expenditure	69.298	69.109	(0.189)
Income	(1.636)	(1.614)	0.022
Net Expenditure	67.662	67.495	(0.167)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	15.856	15.702	(0.153)
Property Costs	1.011	1.047	0.036
Transport Costs	0.266	0.261	(0.005)
Supplies & Services	1.694	1.634	(0.060)
Third Party Payments	5.970	5.990	0.020
Transfer Payments	0.086	0.093	0.007
Gross Expenditure	24.883	24.727	(0.156)
Income	(0.988)	(1.108)	(0.120)
Net Expenditure	23.894	23.618	(0.276)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES

FACILITIES MANAGEMENT

The favourable employee costs variance is due to efficiency savings offset by redundancy costs and payments in lieu. These savings have offset additional foodstuff supply costs and reduced meals income, Social Work Centre income and special catering income. Additional costs of £0.192m are currently anticipated for transport and relocation costs for pupils and staff at Crossroads Primary School and Bellfield Primary School the latter requiring teaching resource alterations and costs for the playground/car park, as well as refurbishment costs at Elmbank Centre.

FTE STAFFING ANALYSIS

Budget	Actual to date
510.4	501.0

SOCIAL WORK

The adverse variance of £0.092m is after utilisation of non-recurring balances of £0.360m, as well as significant savings due to vacancies. The approved budget for care at home services has been allocated to take account of the review of eligibility criteria for services. The Review Team is fully established and is presently undertaking reviews across individual teams on a phased basis. It is important to highlight that the review process is at an early stage there will inevitably be a lead-in time before cost reductions are fully realised. As at 7 February, the Council was funding 2 young people within secure accommodation with provision for one additional placement for the remainder of the financial year. Provisions for growth in children's services, including secure accommodation, of £0.146m have been included. No specific provision for additional adult care packages is included in this report, as all committed expenditure, based upon information provided by budget managers is included in the projected outturn

FTE STAFFING ANALYSIS

Budget	Actual to date
1,118.0	1,051.1

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	9.339	9.132	(0.207)
Property Costs	0.264	0.485	0.221
Transport Costs	4.913	4.937	0.025
Supplies & Services	2.399	2.419	0.020
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.915	16.974	0.059
Income	(3.142)	(3.027)	0.115
Net Expenditure	13.774	13.947	0.173

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	33.231	32.410	(0.821)
Property Costs	1.726	1.713	(0.013)
Transport Costs	1.445	1.252	(0.193)
Supplies & Services	1.645	1.887	0.242
Third Party Payments	32.168	33.403	1.235
Transfer Payments	5.027	5.420	0.393
Gross Expenditure	75.242	76.085	0.843
Income	(12.804)	(13.195)	(0.391)
Net Expenditure	62.438	62.890	0.452
Utilise Balances	0.360	0.000	(0.360)
Net Expenditure	62.798	62.890	0.092

EDUCATIONAL AND SOCIAL SERVICES

Service Enhancements 2009/10

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

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

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

Strategic Review of the Revenue Budget

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

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

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

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

SERVICE SUMMARY

The projected outturn to 31 March 2010 is a favourable variance of £0.546m. This is mainly due to anticipated savings within Central Management Support, Leisure Services, Waste Management, General Fund Housing and Strong Safe and Attractive Communities. This is partly offset by adverse variances within Community Safety and CCTV, Emergency Planning, Roads and Transportation, and Supporting People. All other services are anticipated to outturn on budget.

The favourable variance includes £0.097m of Private Sector Housing Grant which will not be utilised in 2009/10 and it is anticipated that this balance will be earmarked for carry forward and used in 2010/11. In addition it is anticipated that a further £0.330m of Zero Waste Fund funding will also require to be earmarked.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Central Mgt Support	0.889	0.740	(0.149)
Leisure Services	12.399	12.143	(0.256)
General Fund Housing	12.319	11.727	(0.592)
Emergency Planning	0.049	0.060	0.011
Police & Fire	30.680	30.680	0.000
Roads & Transport	11.456	11.896	0.440
Net expenditure	67.792	67.246	(0.546)

CURRENT FORECAST OF EARMARKED FUNDS TO BE CARRIED FORWARD

No.	Description	£m
1	Zero Waste Fund	0.330
2	Private Sector Housing Grant	0.097
	Total	0.413

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	24.334	24.088	(0.246)
Property Costs	3.162	3.081	(0.081)
Transport Costs	3.786	4.001	0.215
Supplies & Services	9.200	8.808	(0.392)
Third Party Payments	41.263	40.788	(0.475)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	81.745	80.766	(0.979)
Income	(13.953)	(13.520)	0.433
Net expenditure	67.792	67.246	(0.546)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate £m	Budget Adjustments £m	Revised Budget £m	Comments on Budget Movement
Budget Allocation Approved by Council 12 February 2009	72.481			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Fairer Scotland Fund		+0.009		Realignment of Budgets to Reflect Allocation of Fairer Scotland Fund
2 Realignment of SPT Precept Budgets		+0.002		Realignment of Budgets to Reflect Actual SPT Precept
3 Realignment of Energy Budgets		+0.054		Realignment of Budgets to Reflect Projected Energy Costs
4 Police Specific Grant		+0.019		Additional Funding for Police Specific Grants
5 Strategic Waste Fund		+0.011		Additional Funding for the Strategic Waste Fund
6 Departmental Human Resources Budget Realignment		-0.166		Realignment of Budgets to Reflect Transfer of Departmental Human Resources Staff to Corporate Support
7 Grants to Voluntary Organisations Budget Realignment		+0.010		Realignment of Budgets to Reflect Transfer of Responsibilities from Educational and Social Services
8 Adjustment of Income Recharges outwith the General Fund		+0.071		Realignment of Budgets income recharges outwith the General Fund
9 Realignment of Property Budgets		+0.040		Transfer of property budgets relating to bus stations from Finance and Asset Management
10 Realignment of IT, Vehicle Maintenance & Libraries		-0.038		Transfer of budgets relating to WAN (Corporate Support new buildings), Former Trading Services and Kay Park Library cleaning
11 Supporting People Budget Realignment		-5.779		Transfer of formerly ring fenced Supporting People budget to ESS
12 Utilisation of Balances		+0.660		Drawdown of Departmental Earmarked balances
13 Fuel Poverty Strategy		+0.050		Transfer of Fuel Poverty Strategy funding previously held centrally
14 Zero Waste Fund		+0.368		Transfer of Zero Waste funding previously held centrally
<i>Total Budget adjustments</i>			-4.689	
Revised Budget Allocation at Period 11			67.792	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

EXPENDITURE REDUCTION TARGETS

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

ACTIONS	Theme	SAVING £m	Status at 7/2/10	Achieved at 7/2/10 £m
Neighbourhood Services		0.964		0.964
Reduce Community Safety / Local Action Fund expenditure	KSO	0.150		0.150
Reduce promotion expenditure and third party payments in Leisure Services	KSO	0.022		0.022
Reduce landfill charges for waste	PYI	0.250		0.250
Reduce expenditure on public library books given previous higher spending	PYI	0.020		0.020
Maximise use of CCTV	PYI	0.008		0.008
Review general project funding within Leisure Services	PYI	0.004		0.004
Recharge of Roads and Transportation design fees	UAF	0.076		0.076
Review of Roads and Transport functions in Neighbourhood Services	BRS	0.171		0.171
Review of General Fund Housing	BRS	0.123		0.123
Efficiencies within Leisure Services	SB4	0.040		0.040
Savings from Emergency Planning shared services	SB4	0.021		0.021
Savings within Central Management Support	CND	0.021		0.021
Leisure Services – Skillseeker Provision	CND	0.006		0.006
Review of service provision within Leisure Services	CND	0.010		0.010
Reduce the opening hours at the Gavin Hamilton Centre to reflect current demand	CND	0.013		0.013
Review of contractual arrangements within Roads and Transportation	PSP	0.027		0.027
Close unused changing pavilions at New Farm Loch and Bonnyton	MUA	0.002		0.002

Status: Fully met



In Progress



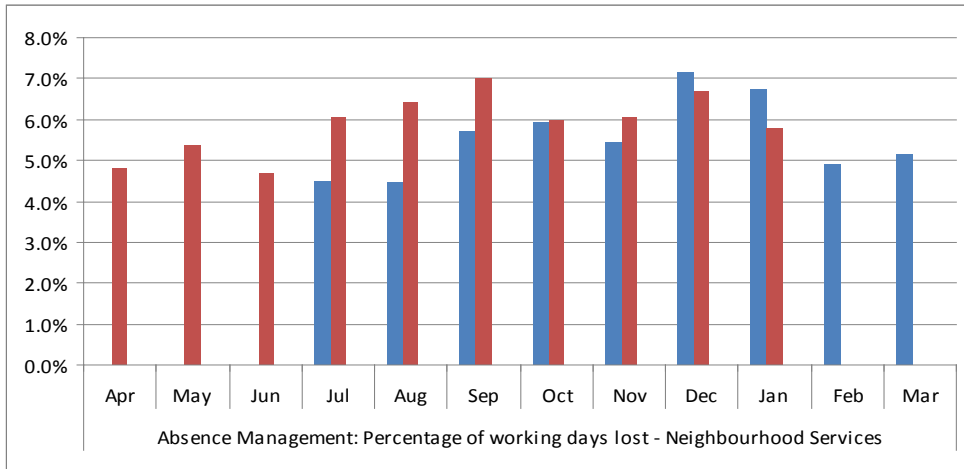
Unmet



2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

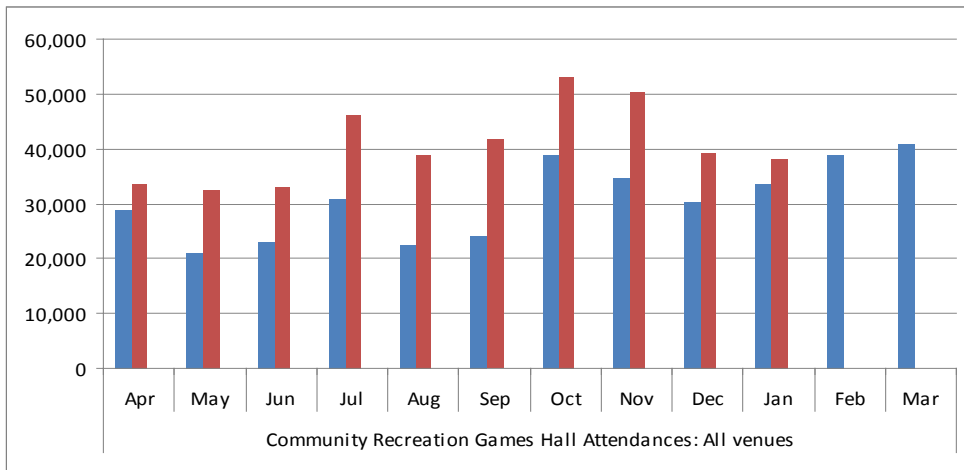
NEIGHBOURHOOD SERVICES

PERFORMANCE MEASURES



The levels of both short and long term absence have reduced from the December rates. The level of short and long term absence for January 2009 was 3.2% and 3.53% respectively. January 2010 consequently shows a decrease.

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

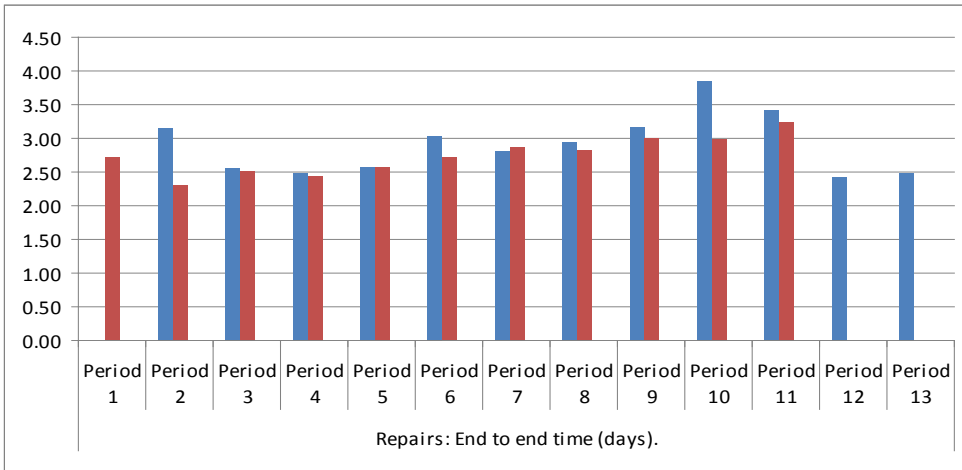


With the exception of the leisure facilities at the PPP schools and Catrine, New Cumnock and Muirkirk Games Halls, performance fell below expectation. This was primarily due to bad weather and failing heating systems. Performance should improve as the year progresses. Its good to see improvement at the Games Halls mentioned previously as these three facilities struggled to attain comparable figures to 2008 last year.

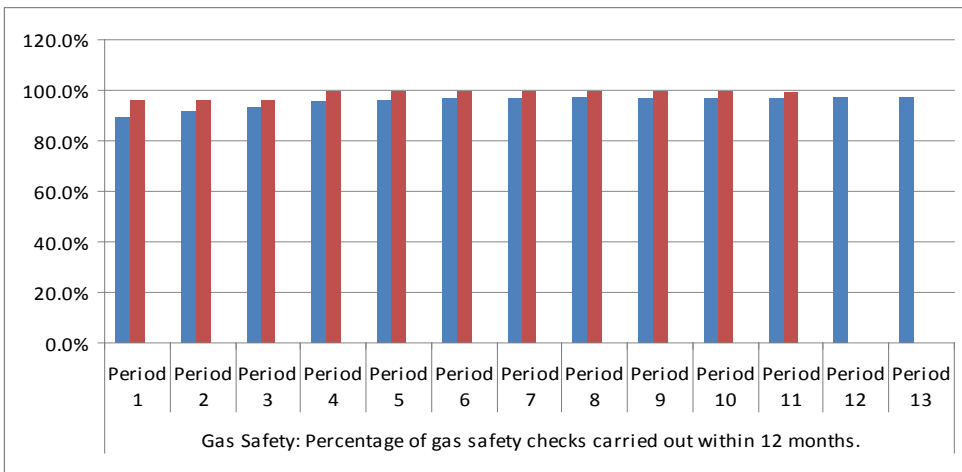
Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES



Due to the recent cold weather plumbers are spending longer at repairs fixing multiple burst pipes.

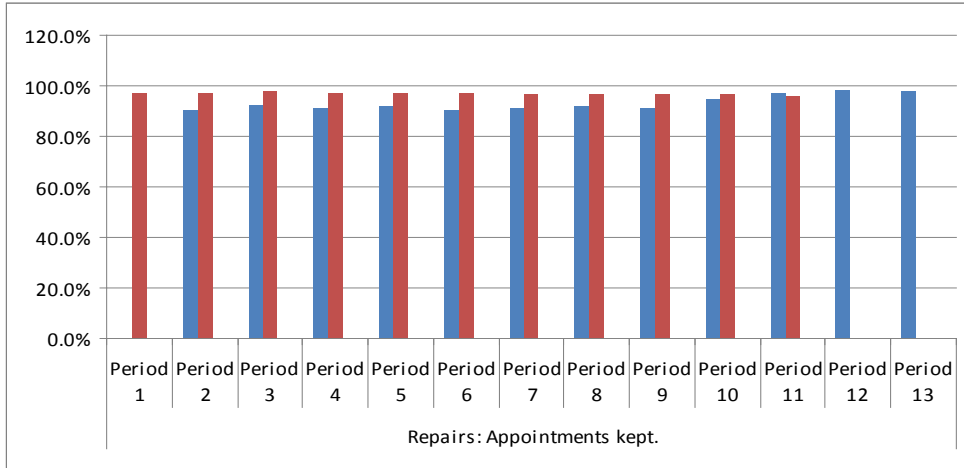


Performance remains consistently high.

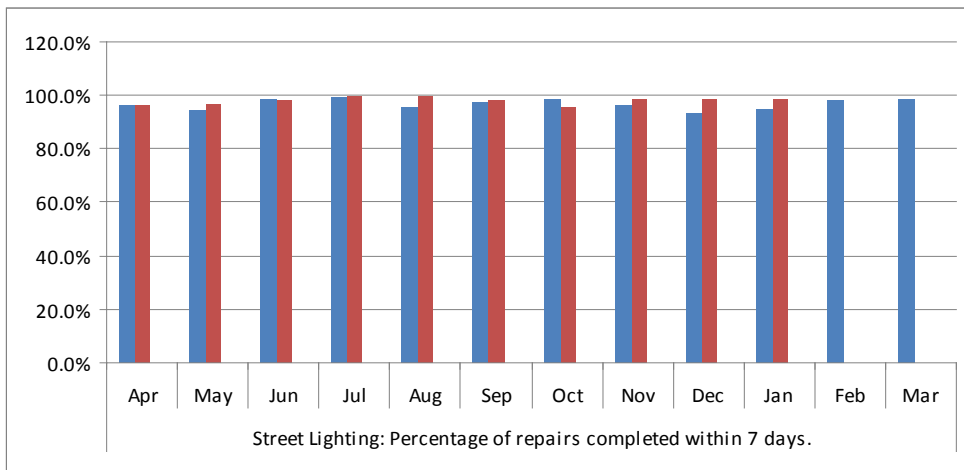
Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES



A slight decrease in performance this month is due to the overwhelming demand on resources during a period of sustained frost damage.



Performance continues to be above average for the time of year, largely due to full availability of staff and favourable weather conditions.

Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

Non Financial Data

		2008/09 Period 11	2008/09 Outturn	2009/10 Period 11
Amount of waste to landfill (tonnes)		-	41,650	40,510
Amount of waste recycled (tonnes)		-	30,281	31,139
Number of burials		643	701	594
Attendance at games halls		262,758	314,865	270,590
Number of void weeks	Actual	16,503	19,300	13,889
	Budget	18,114	21,737	16,405
Number of council house sales	Actual	102	109	61
	Budget	212	250	88

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

SERVICE PERFORMANCE TO DATE

CENTRAL MANAGEMENT SUPPORT

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

FTE STAFFING ANALYSIS

Budget	Actual to date
7.0	7.0

LEISURE SERVICES

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

FTE STAFFING ANALYSIS

Budget	Actual to date
466.3	432.7

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.259	0.213	(0.046)
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	(0.002)	(0.002)
Supplies & Services	0.395	0.311	(0.084)
Third Party Payments	0.330	0.330	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.984	0.852	(0.132)
Income	(0.095)	(0.112)	(0.017)
Net expenditure	0.889	0.740	(0.149)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	11.848	11.562	(0.286)
Property Costs	1.267	1.257	(0.010)
Transport Costs	1.015	1.081	0.066
Supplies & Services	1.777	1.997	0.220
Third Party Payments	0.517	0.553	0.036
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.424	16.450	0.026
Income	(4.025)	(4.307)	(0.282)
Net expenditure	12.399	12.143	(0.256)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

GENERAL FUND HOUSING

Employee Costs variance reflects additional special payments and overtime within Community Safety and CCTV and Tenancy Support redeployment staff costs partly offset by vacancies and reduced overtime in Waste Management and Strong, Safe and Attractive Communities. Reduced Property Costs are mainly due to savings on rents due to reduced numbers of temporary accommodation properties partly offset by additional depot rent and rates costs. Savings on hires and car mileage allowances are partly offset by additional fuel costs and purchased vehicles charges. Supplies and Services variances have arisen from reduced B&B costs and Homelessness managed savings, partly offset by the cost of additional bins and protective clothing. Reduced Landfill charges are due to increased recycling. Reduced income is anticipated from the sale of recyclate due to market conditions, reduced number of special uplifts and skip hires as well as an under recovery in homeless rent due to a reduction in temporary accommodation properties. The favourable variance includes £0.097m of Private Sector Housing Grant not utilised in year and anticipated to be earmarked for use in 2010/11 along with £0.330m Zero Waste Fund monies which are also required to be earmarked.

FTE STAFFING ANALYSIS

Budget	Actual to date
249.1	232.9

HOUSING REVENUE ACCOUNT

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

FTE STAFFING ANALYSIS

Budget	Actual to date
137.4	123.9

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	5.858	5.913	0.055
Property Costs	1.468	1.366	(0.102)
Transport Costs	1.268	1.257	(0.011)
Supplies & Services	3.320	2.578	(0.742)
Third Party Payments	5.246	4.709	(0.537)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	17.160	15.823	(1.337)
Income	(4.841)	(4.096)	0.745
Net expenditure	12.319	11.727	(0.592)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	3.605	3.547	(0.058)
Property Costs	15.492	15.203	(0.289)
Transport Costs	0.134	0.134	0.000
Supplies & Services	5.097	4.875	(0.222)
Third Party Payments	0.974	0.974	0.000
Debt Charges	4.850	4.700	(0.150)
CFCR/Planned Maint	5.561	6.155	0.594
Homeless Hostels	1.080	0.999	(0.081)
Gross Expenditure	36.793	36.587	(0.206)
Income	(36.793)	(36.587)	0.206
Net expenditure	0.000	0.000	(0.000)
B&W Charge at Cost Adj	0.000	(1.369)	(1.369)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

EMERGENCY PLANNING

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

FTE STAFFING ANALYSIS

Budget	Actual to date
1.0	1.0

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.037	0.040	0.003
Property Costs	0.000	0.000	0.000
Transport Costs	0.003	0.002	(0.001)
Supplies & Services	0.009	0.018	0.009
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.049	0.060	0.011
Income	0.000	0.000	0.000
Net expenditure	0.049	0.060	0.011

JOINT BOARDS – POLICE AND FIRE

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

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

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

ROADS AND TRANSPORTATION

There are adverse variances due to additional winter maintenance costs for additional overtime, transport costs, supplies of salt and grit and payments to contractors. Additional costs have also been incurred for car park non domestic rates, the purchase of Mass Barriers for bridge protection and contractors fees in relation to a hydro-geological survey for flood management at Newmilns. These are partly offset by favourable variances due to the timing of filling vacancies, additional income on rechargeable work and the utilisation of £0.334m from departmental balances held specifically for winter maintenance.

FTE STAFFING ANALYSIS

Budget	Actual to date
183.0	180.0

BUILDING & WORKS

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

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

FTE STAFFING ANALYSIS

Budget	Actual to date
302.0	2819.0

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

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

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

PARTNERSHIPS AND PROJECTS

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

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

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

	Projected Balances at 31 March 2010
EA Positive Play	(0.305)
Talented Athlete	(0.273)
MUGA Streetcages	(0.166)
Healthy Weight Community	(0.041)
Walking Development / Sports Council	(0.041)
Libraries	(0.011)
DCCP- Outdoor Access / River Irvine / Barskimming	0.125
Museums and Arts	(0.008)
Scottish Coal	(0.040)
Hopper Bus	(0.069)
CLAC	(0.090)
Other Roads and Transport Projects	(0.021)
Total	(0.940)

NEIGHBOURHOOD SERVICES

Service Enhancements 2009/10

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

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

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

Strategic Review of the Revenue Budget

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

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT

SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate £m	Budget Adjustments £m	Revised Budget £m	Comments on Budget Movement
Budget Allocation Approved by Council 12 February 2009	15.160			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Fairer Scotland Fund		-0.019		Realignment of Budgets to Reflect Allocation of Fairer Scotland Fund
2 Community Planning Budget Realignment		-0.192		Realignment of Budgets to Reflect Transfer of Community Planning Staff to Community Learning
3 Departmental Human Resources Budget Realignment		+0.916		Realignment of Budgets to Reflect Transfer of Departmental Human Resources Staff to Corporate Support
4 Utilisation of Departments Balances		+0.931		Utilisation of Departmental Earmarked Balances
5 Utilisation of General Fund Balance		+0.039		Utilisation of GF Balance as approved by Council on 8 October 2009
6 Adjustment of income recharges outwith the General Fund / Vehicle Maintenance Budgets		-0.007		Realignment of income recharges outwith the General Fund and charges from the former Trading Services
7 Realignment of IT Budgets		+0.054		Transfer of IT budgets relating to operation of WAN in new buildings and Civica host icon
8 Community Health Budget Realignment		+0.045		Realignment of Budgets to reflect transfer of Community Health & Wellbeing Officer from Social Work
9 District Courts Funding Transfer		-0.023		Reduced funding arising from transfer of District Courts
10 Regeneration Funding		+0.099		Additional Regeneration funding transferred from Scottish Enterprise
<i>Total Budget adjustments</i>			+1.843	
Revised Budget Allocation at Period 11			17.003	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT

EXPENDITURE REDUCTION TARGETS

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

ACTIONS	Theme	SAVING £m	Status at 7/2/10	Achieved at 7/2/10 £m
Corporate Support		0.377		0.377
Reduce affiliation payments within Planning and Economic Development and ensure benefit equates to cost	KSO	0.081		0.081
Reduce administration costs within Human Resources and Democratic Services	KSO	0.071		0.071
Reduced IT costs as a result of investment	PYI	0.059		0.059
Review of Community Planning and links to Community Learning and Development	BRS	0.045		0.045
Review of Planning and Economic Development staffing requirements	SB4	0.041		0.041
Legal and Regulatory – Various Management Efficiencies	CND	0.011		0.011
Review of Asset Management Contract within Information Technology	PSP	0.040		0.040
Planning and Economic Development retaining work previously outsourced	PSP	0.013		0.013
Pilot use of data network for telephone calls	MUA	0.016		0.016

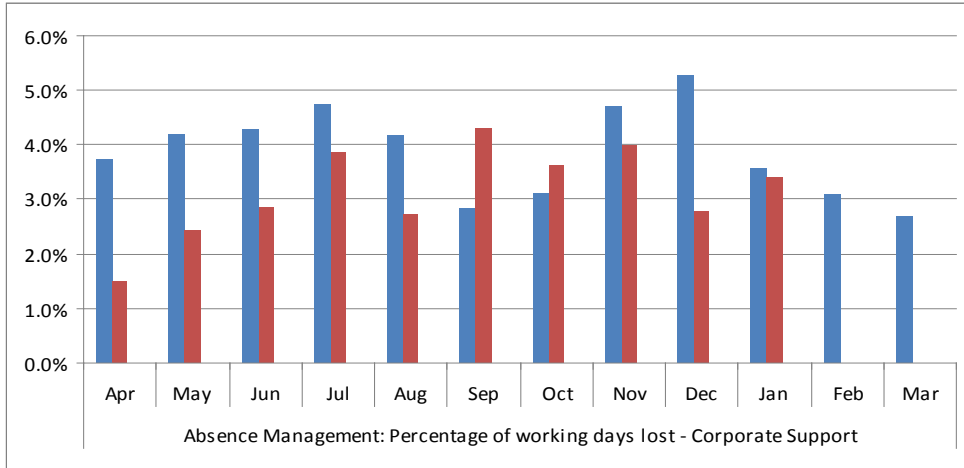
Status: Fully met

In Progress

Unmet

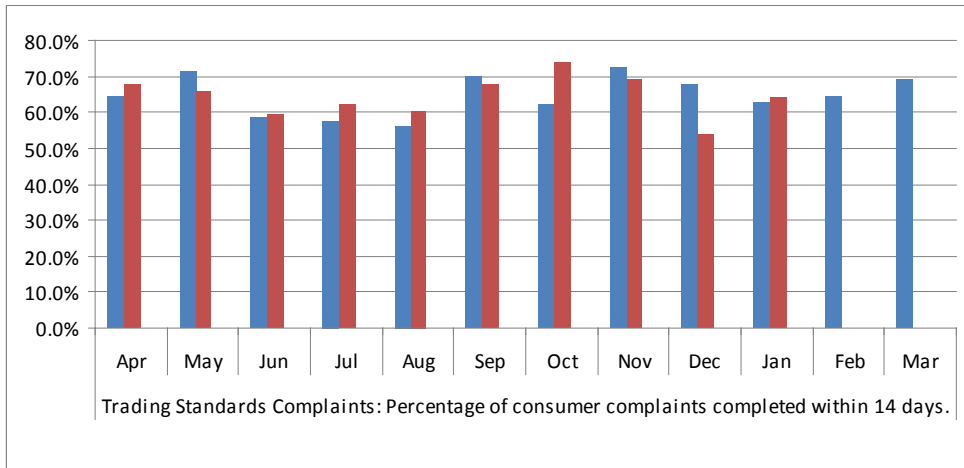
2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT



Levels of short term absence showed a small increase from the previous month whilst long term showed a small decrease. However, the previous months absence was very low. January levels of absence continue to show a small decrease from the previous year (January 2009).

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



The number of complaints received increased from 41 in December to 70 for January. The number of complaints completed were 59 and 62, with 32 and 40 complaints, respectively, being completed within the statutory 14 day timeline. This resulted in an improvement in performance from 54.2% in December to 64.5% in January.

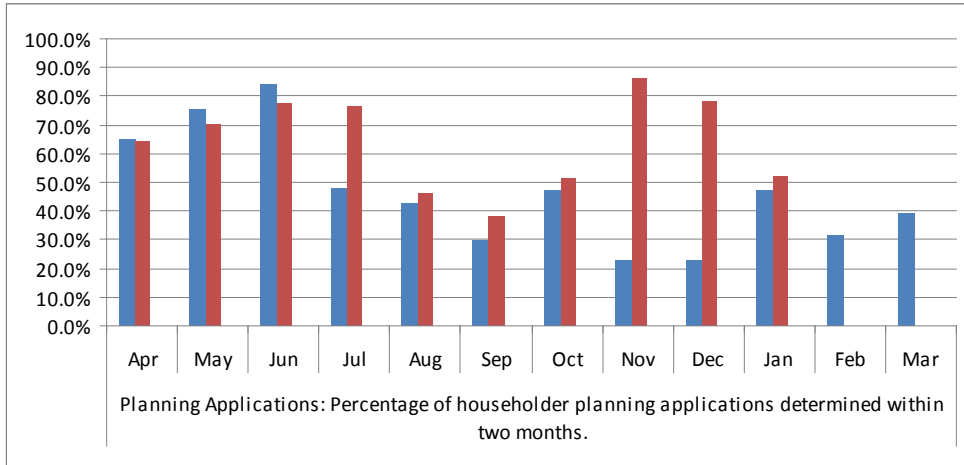
Consumer Direct continues to deal with simple, straightforward complaints/enquiries which are generally resolved quickly.

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

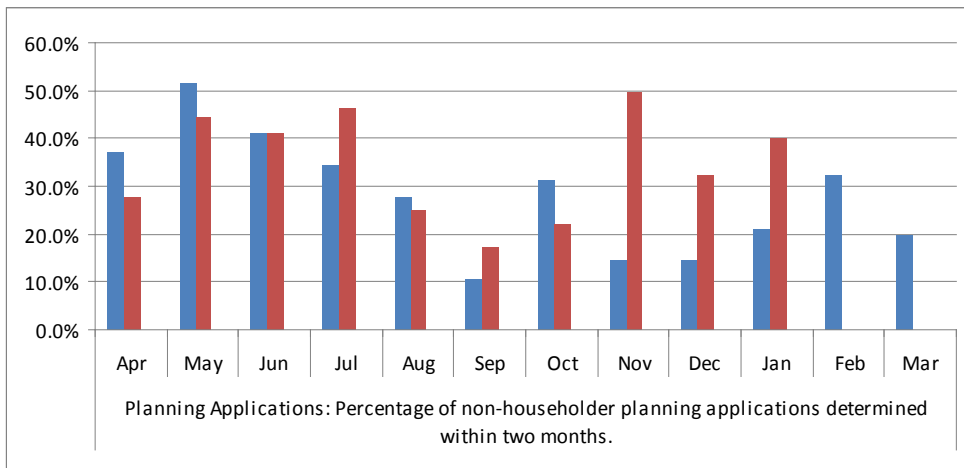
Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT



Disappointing results in respect of this SPI. It should be noted however, that as of start of February, and as agreed with Head of Function, we have revised the Section's structure into two teams so that Principals have dedicated responsibilities in two areas; Delegated / Performance applications and Committee / Regeneration applications. Given that by far the greatest % of applications are delegated (95%) it is anticipated that the focus derived from the new structure will improve the performance level.

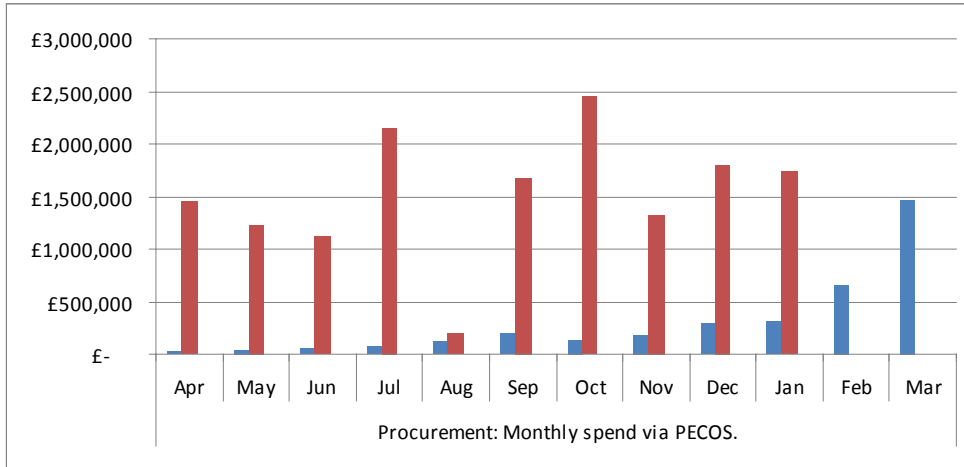


Disappointing results in respect of this SPI. It should be noted however, that as of start of February, and as agreed with Head of Function, we have revised the Section's structure into two teams so that Principals have dedicated responsibilities in two areas; Delegated / Performance applications and Committee / Regeneration applications. Given that by far the greatest % of applications are delegated (95%) it is anticipated that the focus derived from the new structure will improve the performance level.

Previous Year ■ Current Year ■

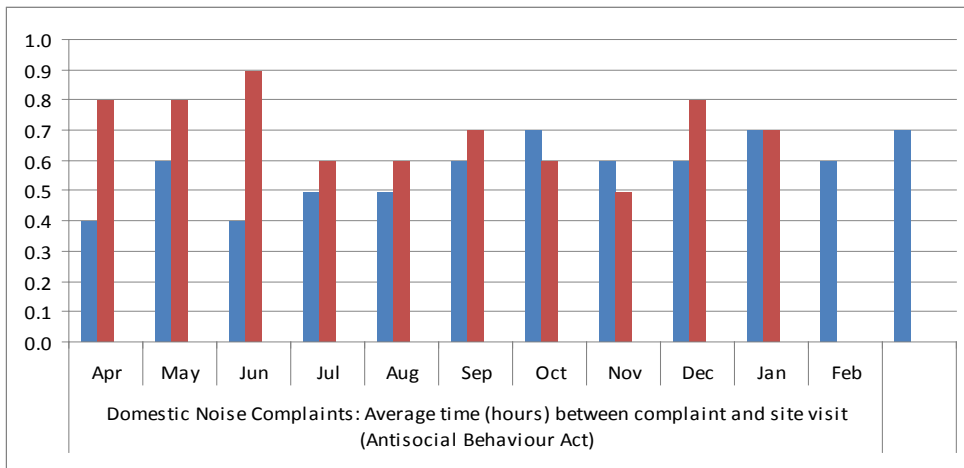
2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT



The 19,500th Order was placed through PECOS in January 2010, and £1.753 million worth of orders were placed in January 2010 compared to £295,542 in January 2009. Social Work training has now been completed

Key priorities will continue to be taken forward in line with the ongoing roll out of the system. Work required to integrate the system with CIVICA Financials is continuing.



A total of 79 complaints were dealt with in the month of January. Of these, 51 were attended and dealt with under Part V of the Antisocial Behaviour Act and 27 were settled without the need for attendance on site (1 complaint required attendance on site). This is an increase in the number of complaints dealt with compared to the previous month when 69 complaints were dealt with, and is also greater than the 62 complaints dealt with in January 2009, however, the time taken to respond continues to be within the target level.

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

Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT

Non Financial Data

	2008/09 Period 11	2008/09 Outturn	2009/10 Period 11
Number of property enquiries	147	165	104
Average income per property enquiry	£44	£44	£43
Number of licensing board applications	1,181	1,385	1,632
Average income per licensing board application	£188	£169	£89
Number of job vacancy adverts placed	338	385	204
Average cost per job vacancy advert	£336	£331	£359
Number of building warrants received	1,011	1,174	928
Average income per building warrant received	£408	£402	£375
Number of building warrants determined	1,087	1,264	916
Value of development plans submitted	£61.34m	£66.31m	£40.61m
Number of planning applications received	716	879	688
Average income per planning application received	£547	£573	£667
Number of planning applications determined	626	758	618

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT

SERVICE PERFORMANCE TO DATE

CENTRAL MANAGEMENT SUPPORT

There are no material variances anticipated at this time.

FTE STAFFING ANALYSIS

Budget	Actual to date
3.0	3.0

HUMAN RESOURCES

Savings due to turnover, vacancies and the amalgamation of the Human Resources function within Corporate Support have been partly offset by additional staffing costs within Health and Safety and Occupational Health. Activities to be delivered under the Management Development Programme of £0.072m are unlikely to be completed this year and it is anticipated that this sum will be required to be earmarked for utilisation in 2010/11. The Supplies and Services variance is as a result of subscriptions, promotion and training associated with Equality and Diversity and general office related expenses with £0.039m anticipated to be earmarked for Occupational Health. Consultancy expenses relating to Health and Safety and Physiotherapy have resulted in an adverse variance within Third Party Payments, the latter being offset by income recharges. The Income variance is due to reduced National Training Programme fees, partly offset by additional sponsorship income and physiotherapy and training fees.

FTE STAFFING ANALYSIS

Budget	Actual to date
75.2	67.1

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.178	0.175	(0.003)
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	0.020	0.023	0.003
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.198	0.198	0.000
Income	0.178	0.175	(0.003)
Net Expenditure	0.000	0.000	0.000

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.539	2.310	(0.229)
Property Costs	0.009	0.012	0.003
Transport Costs	0.019	0.018	(0.001)
Supplies & Services	0.216	0.219	0.003
Third Party Payments	0.049	0.091	0.042
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	2.832	2.650	(0.182)
Income	(0.377)	(0.366)	0.011
Net Expenditure	2.454	2.284	(0.171)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT

INFORMATION TECHNOLOGY

The favourable variance in Employee Costs has resulted from turnover savings and reduced overtime levels. Repairs to the fibre connection between London Road and Civic Centre South have now been met from efficiencies identified within Supplies and Services. £0.025m of the favourable variance within Supplies and Services requires to be earmarked as a review of security compliance with GSX (Government Security Xtranet) scheduled for this year is unlikely to take place before the end of the financial year.

FTE STAFFING ANALYSIS

Budget	Actual to date
58.5	54.2

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.253	2.233	(0.020)
Property Costs	0.000	0.000	0.000
Transport Costs	0.026	0.016	(0.010)
Supplies & Services	1.824	1.779	(0.045)
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	4.103	4.028	(0.075)
Income	(0.437)	(0.437)	0.000
Net Expenditure	3.666	3.591	(0.075)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT

PLANNING AND ECONOMIC DEVELOPMENT

Management action was taken during 2008/09 to delay filling vacancies following the decline in planning and building standards income and vacancies continue to be held. Cabinet agreed retirals on 4 November 2009 with an in year cost of £0.094m. It is now anticipated that the BVSr will not impact until April 2010. It is anticipated that £0.080m which is linked to EU funding is required to be earmarked for carry forward. The Supplies and Services variance is due to E-Planning maintenance costs, statutory advertising and legal and professional fees. There is a requirement to earmark £0.075m for Environmental Initiatives, £0.063m for Galston TCRF and £0.065m for regeneration and economic development related activities. The impact of statutory neighbourhood notification will increase stationery and postage costs and this is being managed within existing resources.

Income from Building Warrants and Planning Fees are expected to be significantly lower than budget due to external economic factors. Projected income for 2009/10 continues to be closely monitored and is anticipated to be slightly worse than 2008/09 is largely due to timing differences in large applications and slippage on the capital programme. The position is after the utilisation of £0.400m of departmental balances previously approved by Cabinet.

Income projections include £1.140m of EU income made up of £0.486m due for 2008/09 and £0.654m for 2009/10. External factors have delayed the submission of claims, however, a first tranche of funds was received during October with claims continuing to be submitted.

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

FTE STAFFING ANALYSIS

Budget	Actual to date
128.5	108.5

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	4.569	4.149	(0.420)
Premises Costs	0.135	0.135	0.000
Transport Costs	0.128	0.128	0.000
Supplies & Services	1.582	1.497	(0.085)
Third Party Payments	0.532	0.532	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	6.946	6.441	(0.505)
Income	(2.765)	(2.375)	0.390
Net Expenditure	4.180	4.065	(0.115)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT

DEMOCRATIC SERVICES

A favourable variance in Employee Costs due to the timing of filling of vacancies is anticipated to be partly offset by the purchase of a replacement courier van and reduced income relating to sponsorship, property certificates and printroom recharges. It is anticipated that £0.081m will require to be earmarked to contribute towards the financial impact of the Best Value Service Review.

FTE STAFFING ANALYSIS

Budget	Actual to date
46.8	41.6

LEGAL, PROCUREMENT AND REGULATORY

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

A shortfall in income for Pest Destruction of £0.016m is offset against higher income from Verification and Petroleum fees and Enforcement Fines with £0.059m required to be earmarked for Licencing Board activities. Legal fees and fixed penalty commission have reduced primarily as a result of the unification of the District Courts. Licensing Board income continues to be higher this year and offsets all costs associated with the Board, including Northgate system upgrades.

FTE STAFFING ANALYSIS

Budget	Actual to date
88.5	83.7

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	1.540	1.396	(0.144)
Property Costs	0.000	0.000	0.000
Transport Costs	0.030	0.045	0.015
Supplies & Services	1.518	1.518	0.000
Third Party Payments	0.009	0.009	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.097	2.968	(0.129)
Income	(0.192)	(0.162)	0.030
Net Expenditure	2.905	2.806	(0.099)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	3.016	2.974	(0.042)
Property Costs	0.029	0.026	(0.003)
Transport Costs	0.088	0.088	0.000
Supplies & Services	0.536	0.545	0.009
Third Party Payments	0.182	0.182	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.850	3.814	(0.036)
Income	(0.909)	(0.972)	(0.063)
Net Expenditure	2.941	2.842	(0.099)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT

COMMUNITY PLANNING AND PARTNERSHIP

A favourable variance is anticipated due to the timing of filling of vacancies and maternity leave after offsetting redundancy costs. Income generated through support provided to the Community Planning Partnership in carrying out its function in administering/monitoring the Fairer Scotland Fund will require to be earmarked for the Community Planning Development Fund for utilisation across a variety of Community Planning events. In addition £0.027m is also required to be earmarked for other Community Planning activities.

FTE STAFFING ANALYSIS

Budget	Actual to date
11.5	12.1

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.498	0.464	(0.035)
Property Costs	0.026	0.019	(0.007)
Transport Costs	0.003	0.003	0.000
Supplies & Services	0.046	0.060	0.014
Third Party Payments	0.095	0.095	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.668	0.641	(0.027)
Income	(0.010)	(0.042)	(0.032)
Net Expenditure	0.658	0.599	(0.059)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT

PARTNERSHIPS AND PROJECTS

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

The Tardoes Open Cast Coal Site costs are anticipated to be recovered.

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

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

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

The Moorfield Entrance Junction money is required to be held during the project retention period.

Significant costs have been paid from the East Ayrshire Town Centres balance since period 9 in respect of Christmas events.

The Design Workshop balance will be retained for expenditure on the Prince's Foundation for the Built Environment in the design process for Cumnock with the 4 Towns Enquiry by Design project balance held pending the finalisation of the Prince's Foundation report.

The Cumnock Regeneration balance is anticipated to be offset by income by 31 March 2010.

Cumnock and Kilmarnock Town Centre balances are held for planned activities, events and marketing to increase footfall through both town centres.

Balances at
7 February 2010
£m

Tardoes Open Cast Coal Site	0.143
Employability	0.231
Wind Farm	(0.243)
Developers Contributions / S75 SLR	(0.944)
Moorfield Entrance Junction	(0.061)
East Ayrshire Town Centres	(0.003)
Design Workshop	(0.006)
4 Towns Enquiry by Design	(0.010)
Cumnock Regeneration	0.026
Cumnock Town Centre	(0.025)
Kilmarnock Town Centre	(0.019)
Total	(0.911)

CORPORATE SUPPORT

Service Enhancements 2009/10

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

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

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

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

Strategic Review of the Revenue Budget

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

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

FINANCE AND ASSET MANAGEMENT

SERVICE SUMMARY

There is a favourable variance of £0.006m projected for the current financial year as a result of savings anticipated within Corporate Office Accommodation and the Finance Service after offsetting for pressures experienced within Asset Management, Asset Improvement and Surplus Property and meeting termination payments for voluntary severance.

The variance within Finance is primarily as a result of additional funding receivable from the Department for Work and Pensions. This funding is primarily being allocated to meet additional administrative costs from increased benefit caseloads in the current economic climate. The service anticipates that savings can be achieved by meeting increased requirements within current resources. Additional income is also expected as a result of Scottish Water collection rates. In year savings on employee costs are being utilised to fund severance costs as agreed at Cabinet on 24 February.

Within the Asset Improvement Service there is an anticipated shortfall in net fee recover after allowing for external consultant costs. Changes in levels of required service support as well as the timing of fee recovery on some project areas results in the current adverse position. The service is projecting an online position in relation to property maintenance expenditure.

Within the Asset Management Service while some savings are expected on all expenditure headings, the service anticipates an under-recovery of property related income during the year as a result of the current economic climate. The projected position assumes a draw on earmarked balances for expenditure in relation to the development of asset management data and systems, including £0.424m on condition surveys, £0.132m on floor plans, asset valuations and energy performance certificates, and £0.109m on IT requirements and other related issues.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Finance	3.885	3.561	(0.324)
Asset Improvement	3.671	4.123	0.452
Asset Management	1.623	1.489	(0.134)
Net Expenditure	9.179	9.173	(0.006)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	9.600	9.400	(0.200)
Property Costs	5.392	5.422	0.031
Transport Costs	0.125	0.091	(0.034)
Supplies & Services	1.513	1.166	(0.347)
Third Party Payments	0.033	0.320	0.287
HB/CT Benefit	0.000	0.000	0.000
Gross Expenditure	16.662	16.399	(0.263)
Income	(7.483)	(7.226)	0.257
Net Expenditure	9.179	9.173	(0.006)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

FINANCE AND ASSET MANAGEMENT

SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate £m	Budget Adjustments £m	Revised Budget £m	Comments on Budget Movement
Budget Allocation Approved by Council 12 February 2009	9.024			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Adjustment of income recharges outwith the General Fund Budget		+0.137		Realignment of income recharges outwith the General Fund
2 Realignment of Property Budgets		-0.040		Transfer of property budgets relating to bus stations to Neighbourhood Services
3 IT budget realignment		-0.020		Transfer of IT budgets relating to Civica host icon
4 Utilisation of Balances		+0.069		Drawdown of earmarked balances
5 NDR Deferral Scheme Funding		+0.009		Additional Funding for Administration of the NDR Deferral Scheme
<i>Total Budget adjustments</i>			+0.155	
Revised Budget Allocation at Period 11			9.179	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

FINANCE AND ASSET MANAGEMENT

EXPENDITURE REDUCTION TARGETS

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

ACTIONS	Theme	SAVING £m	Status at 7/2/10	Achieved at 7/2/10 £m
Finance and Asset Management		0.252		0.099
Reduce the environmental improvement budget within Finance and Asset management	KSO	0.040	■	0.040
Reduced reliance on external consultants on capital projects	PYI	0.088	■	-
Reduced maintenance costs due to new facilities being opened	PYI	0.023	■	0.023
Review of service arrangements and staffing numbers within Finance and Asset management	BRS	0.065	■	-
Finance – Tools and Equipment	CND	0.006	■	0.006
Review of Financial Guardianship arrangements	PSP	0.020	■	0.020
Renunciation of leases for industrial units	MUA	0.010	■	0.010

Status: Fully met



In Progress



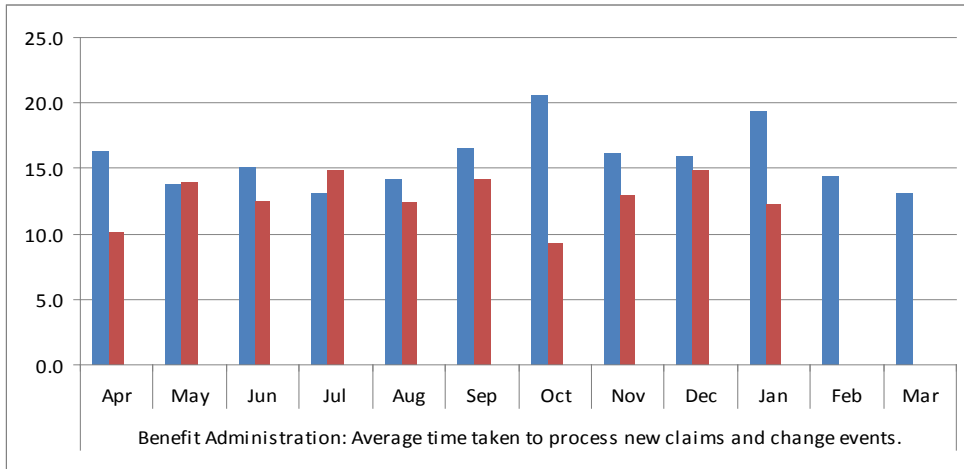
Unmet



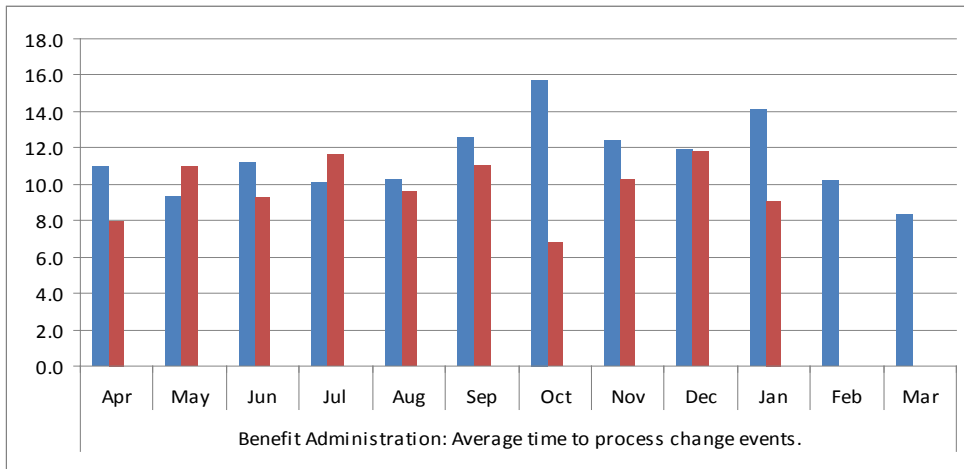
2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

FINANCE AND ASSET MANAGEMENT

PERFORMANCE MEASURES



A combination of overtime by staff and the changing of work priorities has had a positive impact on the time to process.

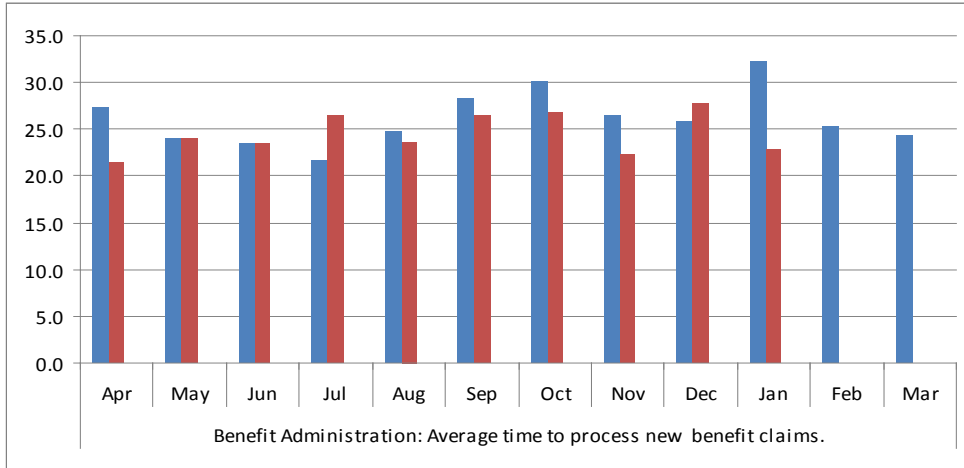


A combination of overtime by staff and the changing of work priorities has had a positive impact on the time to process.

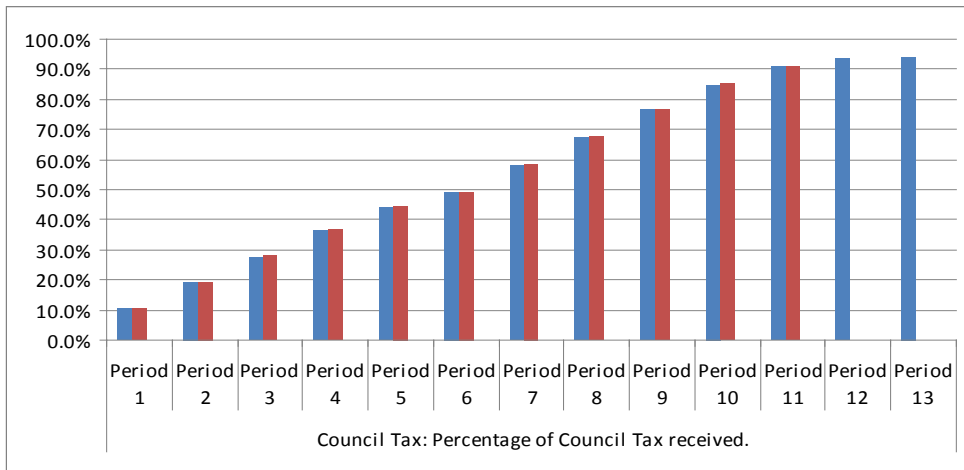
Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

FINANCE AND ASSET MANAGEMENT



A combination of overtime by staff and the changing of work priorities has had a positive impact on the time to process.

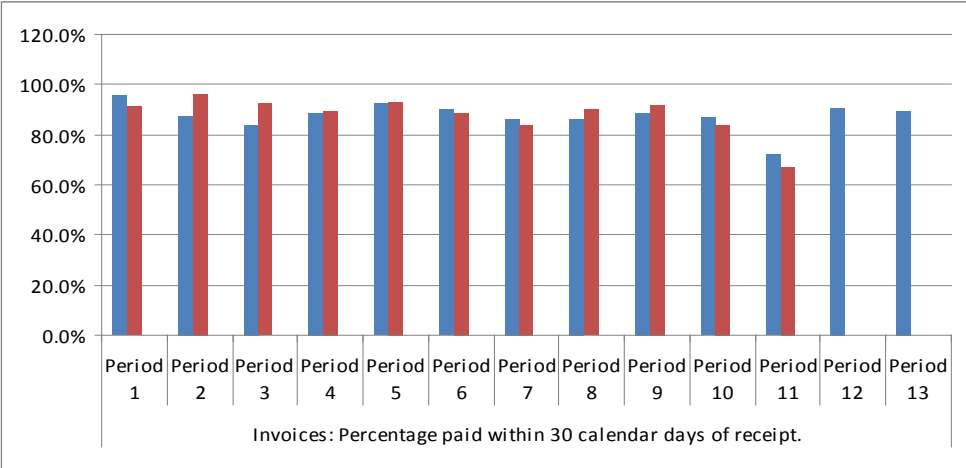


In view of the current economic climate we recently introduced a new 12 monthly direct debit. Customers have a longer period to pay, their monthly instalments are reduced and they can budget over a 12 month period rather than the usual 10. This means that payments will continue throughout February and March.

Previous Year ■ Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

FINANCE AND ASSET MANAGEMENT



Performance during period 11 was significantly lower than previous periods and slightly worse than 2008/09 (72.14%). The was primarily due to the closure during Christmas and New Year together with a significant level of sickness absence with 18 days lost compared to 2.5 days in December and none in November.

Previous Year ■

Current Year ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

FINANCE AND ASSET MANAGEMENT

Non Financial Data

	2008/09 Period 11	2008/09 Outturn	2009/10 Period11
Number of let commercial and industrial properties	66	61	59
Number of property repairs completed	7,072	9,596	6,213
Number of transactions processed through the Income Management System	588,788	667,510	566,960
Value of transactions processed through the Income Management System	£347.5m	£404.3m	£337.7m
Council Tax collection rate	91.0%	94.1%	91.0%

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

FINANCE AND ASSET MANAGEMENT

SERVICE PERFORMANCE TO DATE

FINANCE SERVICE

A variance of £0.324m is anticipated to 31 March 2010 within Finance primarily as a result of additional funding receivable from the Department for Work and Pensions. This funding is primarily being allocated to meet additional administrative costs from increased benefit caseloads in the current economic climate. The service anticipates that savings can be achieved by meeting increased requirements within current resources. Additional income is also expected as a result of Scottish Water collection rates. In year savings on employee costs are being utilised to fund severance costs as agreed at Cabinet on 24 February.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	5.757	5.750	(0.007)
Property Costs	0.018	0.006	(0.012)
Transport Costs	0.027	0.017	(0.010)
Supplies & Services	0.761	0.712	(0.049)
Third Party Payments	0.000	0.000	0.000
HB/CT Benefit	0.000	0.000	0.000
Gross Expenditure	6.563	6.485	(0.078)
Income	(2.678)	(2.924)	(0.246)
Net Expenditure	3.885	3.561	(0.324)

FTE STAFFING ANALYSIS

Budget	Actual to date
184.9	170.5

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

FINANCE AND ASSET MANAGEMENT

ASSET IMPROVEMENT

The Asset Improvement Service is currently projecting an adverse position of £0.452m. This is result of an anticipated shortfall in net fee recovery after allowing for external consultant costs. Changes in levels of required service support as well as the timing of fee recovery on some project areas results in the current adverse position. The service is projecting an online position in relation to property maintenance expenditure. This position assumes that a level of committed work will be completed before the end of the financial year. In the event that the timing of work means that this is not the case, any variance identified will be earmarked at the year end to fund completion within the next financial year.

FTE STAFFING ANALYSIS

Budget	Actual to date
81.0	79.0

ASSET MANAGEMENT

Within the Asset Management Service, a favourable variance is currently projected of £0.134m. This mainly relates to the Corporate Office Accommodation function. While some savings are expected on most expenditure headings, the service anticipates an under-recovery of property related income during the year as a result of the current economic climate. Having anticipated a shortfall, the service has alleviated much of this pressure by earmarking balances at the end of the previous financial year. The projected position assumes a draw on earmarked balances for expenditure in relation to the development of asset management data and systems. Within Surplus Property achievable income from the sale of surplus assets has been restricted by the current economic climate.

FTE STAFFING ANALYSIS

Budget	Actual to date
26.0	23.9

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.907	2.769	(0.138)
Property Costs	3.985	3.985	0.000
Transport Costs	0.078	0.066	(0.012)
Supplies & Services	0.101	0.110	0.009
Third Party Payments	0.000	0.293	0.293
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	7.071	7.223	0.152
Income	(3.400)	(3.100)	0.300
Net Expenditure	3.671	4.123	0.452

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.936	0.881	(0.055)
Property Costs	1.389	1.431	0.043
Transport Costs	0.020	0.008	(0.012)
Supplies & Services	0.651	0.344	(0.307)
Third Party Payments	0.033	0.027	(0.007)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.028	2.692	(0.337)
Income	(1.405)	(1.202)	0.203
Net Expenditure	1.623	1.489	(0.134)

FINANCE AND ASSET MANAGEMENT

Service Enhancements 2009/10

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

Strategic Review of the Revenue Budget

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

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CENTRAL SERVICES

SERVICE SUMMARY

Miscellaneous Services is anticipated to outturn £2.070m under budget as a result of unutilised contingency resources, centrally held resources retained for Concordat Commitments and previously ring-fenced grant activities, a successful VAT reclaim and favourable variances in relation to the Audit Fee and street signs. This has been partially offset by additional costs in respect of equal pay costs.

It is anticipated that there will be a requirement to earmark £0.379m as detailed below for carry forward and utilisation in 2010/11.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Chief Executive	0.530	0.501	(0.029)
Miscellaneous	4.982	2.912	(2.070)
Insurance	2.254	2.254	0.000
Net Expenditure	7.766	5.667	(2.099)

EARMARKED FUNDS TO BE CARRIED FORWARD

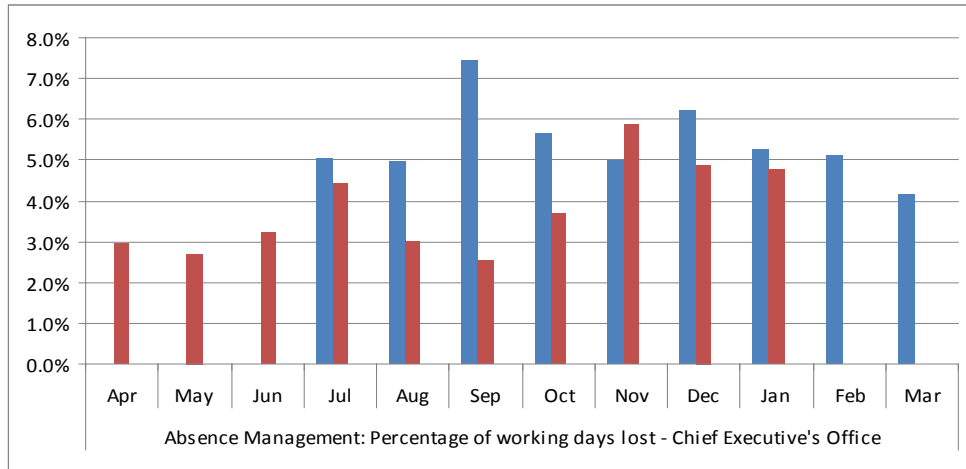
No.	Description	£m
1	Match Funding - Employability Projects	0.050
2	Installation of Automated Meter Readers	0.300
3	Chief Executive's Office	0.029
	Total	0.379

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.422	2.625	0.203
Property Costs	0.000	0.000	0.000
Transport Costs	0.006	0.004	(0.002)
Supplies & Services	5.521	3.221	(2.300)
Third Party Payments	0.719	0.719	0.000
HB/CT Benefit	0.000	0.000	0.000
Gross Expenditure	8.668	6.569	(2.099)
Income	(0.902)	(0.902)	0.000
Net Expenditure	7.766	5.667	(2.099)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CENTRAL SERVICES

PERFORMANCE MEASURES



Levels of short term absence reduced from the previous month from 2.9% to 2.33%. Long term has increased slightly from 2.05% to 2.51%. The level of short and long term absence for January 2009 was 3.54% and 1.74% respectively.

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

Previous Year 

Current Year 

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CENTRAL SERVICES

SERVICE PERFORMANCE TO DATE

CHIEF EXECUTIVE

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

FTE STAFFING ANALYSIS

Budget	Actual to date
10.6	9.7

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.566	0.539	(0.027)
Property Costs	0.000	0.000	0.000
Transport Costs	0.006	0.004	(0.002)
Supplies & Services	0.017	0.017	0.000
Third Party Payments	0.000	0.000	0.000
Gross Expenditure	0.589	0.560	(0.029)
Income	(0.059)	(0.059)	0.000
Net Expenditure	0.530	0.501	(0.029)

MISCELLANEOUS SERVICES

A favourable variance of £2.070m is anticipated as a result of unutilised contingency and centrally held resources retained for Concordat Commitments, centrally retained funding not fully required in 2009/10, a successful VAT reclaim and favourable variances in relation to the Audit Fee and street signs. The variance is partially offset by legal costs in respect of equal pay claims.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	1.856	2.086	0.230
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	3.250	0.950	(2.300)
Third Party Payments	0.719	0.719	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	5.825	3.755	(2.070)
Income	(0.843)	(0.843)	0.000
Net Expenditure	4.982	2.912	(2.070)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CENTRAL SERVICES

INSURANCE

There are no material variances to report at this time.

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

EDUCATIONAL AND SOCIAL SERVICES

Capital Programme

Expenditure to date is £3.783m, which represents 53.3% of the available budget. The Projected Expenditure for 2009/10 is £5.797m.

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, including the New Cumnock Primary School and Galston Community Facilities projects.

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

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES

Major Projects

Galston Community / Office Facilities

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

Financial Status

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

Project Life Cycle

Cabinet on 18 November 2009 approved the refurbishment of existing community facilities and office accommodation and construct new office space in Galston Town Centre. The Project Management Team is currently developing proposals that can be delivered within the available budget allocation.

Darvel Primary School and Nursery School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development <i>Start</i> <i>Finish</i>	Design <i>Start</i> <i>Finish</i>	Tender <i>Start</i> <i>Finish</i>	Construction <i>Start</i> <i>Finish</i>
5.000	0.000	5.000	15-05-09 03-09-09	04-04-10 02-08-10	02-08-10 06-12-10	06-12-10 21-12-11

Financial Status

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

Project Life Cycle

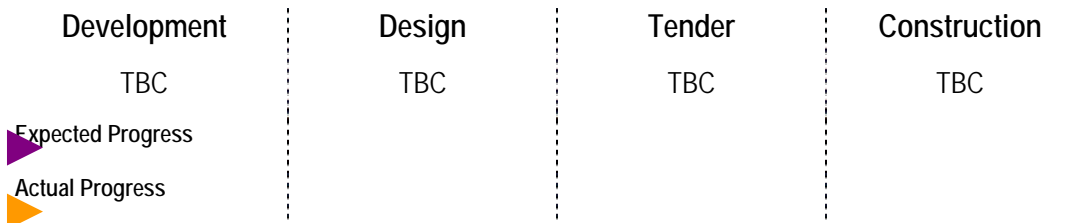
The outline designs are currently with internal and external stakeholders for consultation.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES

Flowerbank Nursery

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



Financial Status

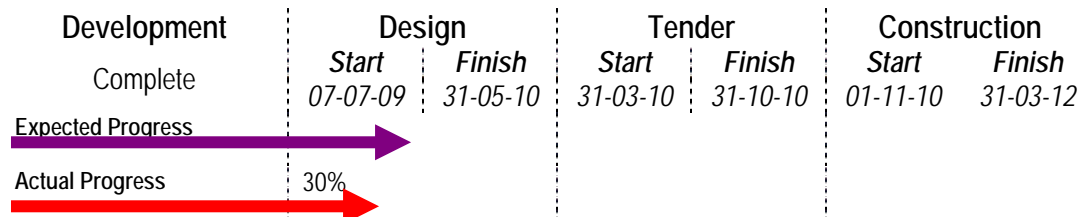
No expenditure is anticipated to be incurred in 2009/10

Project Life Cycle

The Project Management Team is currently developing options in relation to Flowerbank Nursery. It is currently anticipated that a report will be available for Member consideration by June 2010. Milestones to be confirmed following the meeting of the Project Management Team in April.

Willowbank Schools

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
10.000	0.078	10.000



Financial Status

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

Project Life Cycle

Planning application submitted 5 February 2010, anticipated decision 6 - 8 weeks. Preparation of an advance package of works to prepare site for construction ongoing which may allow the project to recover current delays.

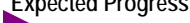



Concept Design Image

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES

New Cumnock Nursery and Primary School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development TBC	Design TBC	Tender TBC	Construction TBC
9.600	0.000	9.600	 Expected Progress  Actual Progress			

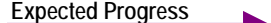

Financial Status

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

Project Life Cycle

SEPA have confirmed that in principle they have no objections to development on the site. Outline design layouts have been 'locked down' following consultations with internal and external stakeholders. Works to resolve water ingress at Cairnhill is in progress; transfer of nursery deferred until resolved.

Patna / St Xavier's Primary Schools Co-location

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development Start Finish	Design Start Finish	Tender Start Finish	Construction Start Finish
9.000	0.000	9.000	27-01-09 21-12-09	21-06-09 28-03-11	28-03-11 04-07-11	04-07-11 17-12-12
			 Expected Progress  Actual Progress 95%			

Financial Status

No expenditure is anticipated to be incurred in 2009/10.

Project Life Cycle

Project has slipped from original milestones due to difficulties developing a scheme within the available budget. Suitable proposals and outline design layouts have been prepared and are being discussed with internal and external stakeholders.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES

Replacement Schools

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

Financial Status

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

Project Life Cycle

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

Auchinleck Community Facilities

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

Financial Status

No expenditure is anticipated to be incurred in 2009/10

Project Life Cycle

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

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

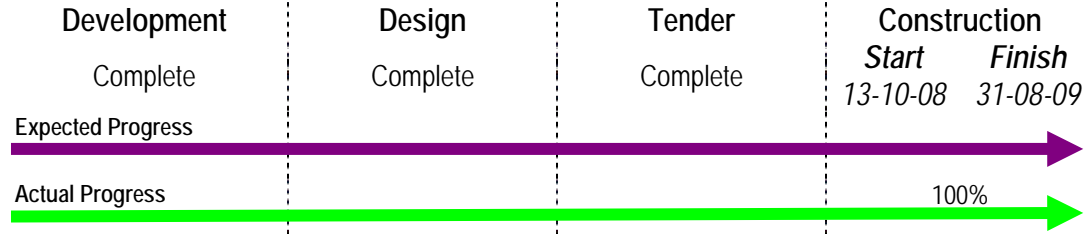
EDUCATIONAL AND SOCIAL SERVICES

Rosebank Resource Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
2.082	1.618	1.902

Financial Status

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



External View

Project Life Cycle

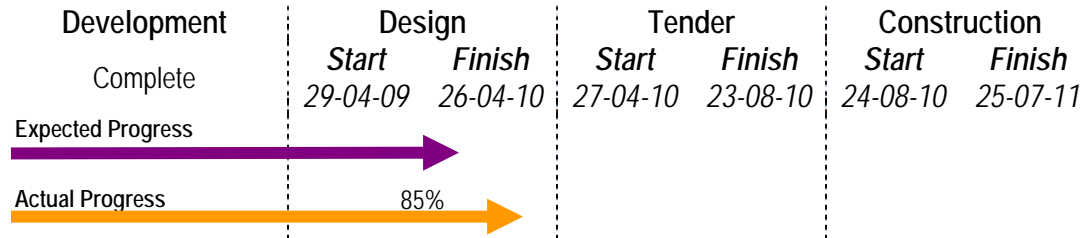
Property opened on 2 November, minor snagging issues being addressed.

Children's House North Kilmarnock

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.510	0.046	1.510

Financial Status

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



Project Life Cycle

Issues relating to removal of "spoil" from site on-going; PPP Board requested to attend a meeting with Council to try and reach an acceptable resolution. Results from the final boreholes indicate no major issues although it is likely that some piling will be required on the site. Building designs are nearing completion; building warrants to be applied for shortly.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES

Hurlford Day Centre

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

Financial Status

No expenditure is anticipated to be incurred in 2009/10

Project Life Cycle

Scope of works to be defined by Social Services; awaiting completion of the Consultation on Adult Day Care Services, which is anticipated by April 2010. Options to be determined thereafter.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

EDUCATIONAL AND SOCIAL SERVICES

General Projects

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

Fabric Upgrades and Refurbishments

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

Projects

The Netherthird Community Centre project carried forward from 2008/09 is anticipated to be £0.136m more than the available budget. Costs of approximately £0.050m in relation to the new Galston Primary School are anticipated to be incurred during the 2009/10 financial year.

Elderly Day Care Facilities

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

Telecare

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

	Revised Budget 2009/10	Actual Expenditure to Date	Projected Expenditure 2009/10	Variance
Fabric Upgrades & Refurbishments	3.645	2.039	2.817	(0.828)
Projects	0.535	0.320	0.700	0.165
PPP Schools	0.200	0.092	0.200	0.000
Care Homes Elderly	0.008	0.000	0.008	0.000
Elderly Day Care Facilities	0.435	0.247	0.451	0.016
Children's Homes	0.004	0.027	0.027	0.023
Telecare	0.200	0.000	0.100	(0.100)
TOTAL EDUCATION & SOCIAL SERVICES	5.027	2.725	4.303	(0.724)

NEIGHBOURHOOD SERVICES

Capital Programme

Expenditure to date is £7.113m, which represents 51% of the available budget. The projected expenditure for 2009/10 is £11.252m.

The variance primarily relates to anticipated slippage on the Kilmarnock Athletics Facilities, Dalmellington and Bellsbank Library, Sports Pavilions, Cemetery Extensions, Playparks, Road Safety Capital Programme, 20 Mph School Zones, Rural Route Action Plans, Rural Improvement Schemes, Real Time Bus Information, A70/A71 Route Improvements, Stewarton Park and Ride, Bridge Strengthening and Decriminalisation of Parking Enforcement; offset to some extent by additional costs to complete the CCTV / Risk Monitoring Centre, Depot Improvements, Stewarton Community Facilities projects and increased Road Resurfacing work.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

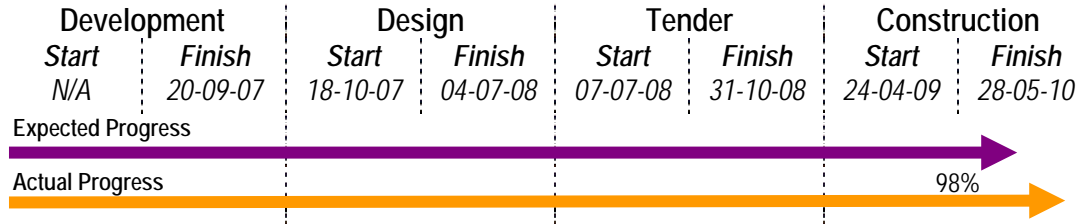
NEIGHBOURHOOD SERVICES

Crosshouse Area Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.866	2.942	3.816

Financial Status

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



External View

Project Life Cycle

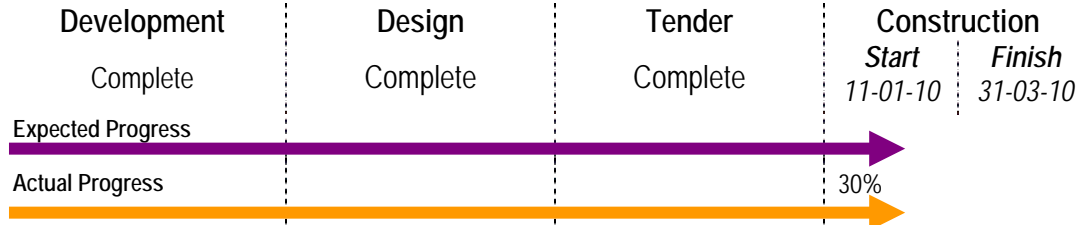
Internal works ongoing, nearing completion. Construction works are anticipated to be completed ahead of schedule, handover anticipated mid March, opening 12 April.

Palace Theatre / Grand Hall

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.281	0.859	1.281

Financial Status

Project is currently anticipated to outturn on budget.



Project Life Cycle

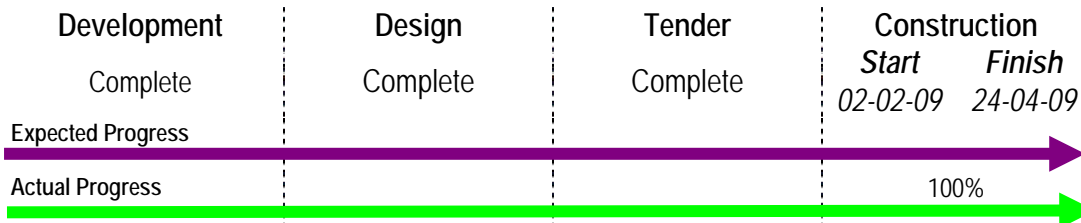
The front of house, stage and installation of lift commenced 11 January; anticipated completion end of March 2010. It is currently proposed to use the balance of funding in 2009/10 to procure a new sound and lighting system which will make the venue more accessible to larger acts. An improvement programme at a cost of £2.500m has been developed in relation to the funding from the Kilmarnock Town Centre Regeneration Fund. Work is also ongoing to submit an application to Historic Scotland and the Scottish Art Council for additional funding.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

Baird Institute

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
0.650	0.646	0.660



Financial Status

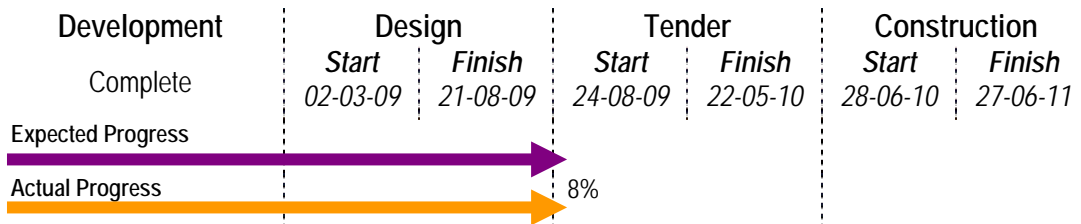
Project is currently estimated to be overspent by £0.010m.

Project Life Cycle

Phase 1 works are now complete; currently in snagging period. Phase 2 works currently being progressed.

Kilmarnock Athletics Facilities

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



Artists Impression

Financial Status

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

Project Life Cycle

Original proposals currently under review due to concerns with overall capital and revenue costs of the project and overall deliverability within preferred site. Scottish Water has indicated they are willing to consider alternatives to the diversion of the main culvert. Redesign of original proposals currently ongoing, however extent of any changes are dependent on a suitable engineering solution being established. Previous issue with SEPA have now been resolved with no cost implications overall.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

Depot Improvements

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

Expected Progress

Actual Progress

Financial Status

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

Project Life Cycle

Options for New Depot Facility currently under review due to early designs based on the indicative requirements of Building & Works, Roads and Street Lighting being above the available budget. Work ongoing to prepare a report for Corporate Management Team outlining proposals and assessing options. A report was approved for Cabinet on 24 February in relation to the provision of welfare facilities at Gauchalland.

Stewarton Sports Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start N/A	Finish N/A	Start 07/10/08	Finish 16/10/09	Start 19/10/09	Finish 30/09/10	Start 04/10/10	Finish 04/02/12
4.300	0.007	4.300								

Expected Progress

Actual Progress

30%

Project Life Cycle

Designs are "locked-down". Preference towards a "design and build option" will delay planning application process and consequently construction start. However, it is anticipated that this option will result in cost and time savings overall. Consultation period for planning application has now ended.



Artist's Impression

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

Dean Ford Bridge

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start TBC	Finish TBC	Start TBC	Finish TBC	Start TBC	Finish TBC	Start TBC	Finish TBC
1.000	0.022	1.000								

Expected Progress

Actual Progress

Project Life Cycle

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

Financial Status

Anticipated expenditure in 2009/10 relates to feasibility works.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

General Projects

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

Strategic Priorities

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

Facility Improvement

Slippage of £0.700m is currently projected on the Sports Pavilions projects. The Dalmellington and Bellsbank Library works are also anticipated to slip into 2010/11.

Cemetery Extensions

Work at Cumnock, Kilmaurs and New Cumnock cemeteries are anticipated to slip into 2010/11 as new planning regulations require formal planning for all works.

Traffic and Road Safety

There is projected slippage of £0.130m in respect of the spend to save Decriminalisation of Parking Enforcement project, partially offset by additional cost for traffic signal renewal. The works with regard to the Bus Real Time Information system funded by SPT is also anticipated to slip into 2010/11 resulting in an underspend of £0.460m. The Rural Route Improvements have also been delayed due to difficulties with land acquisition, resulting in slippage of £0.250m.

Structures

A number of schemes on the bridges programme are currently anticipated to slip into 2010/11 resulting in an underspend of £0.253m.

Carriageways & Footways

Variance relates to additional resurfacing works which will be undertaken in 2009/10 which will compensate for slippage on traffic and road safety allocations.

	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Strategic Priorities	0.000	0.082	0.111	0.111
Facility Improvements	2.225	0.723	1.382	(0.843)
Cemetery Extension	0.576	0.156	0.200	(0.376)
Playparks	0.531	0.198	0.501	(0.030)
Traffic & Road Safety	2.509	0.533	1.096	(1.413)
Structures	1.094	0.435	0.841	(0.253)
Carriageways & Footways	2.175	1.689	2.425	0.250
Street Lighting	0.220	0.141	0.220	0.000
Flood Prevention Schemes	0.055	0.008	0.055	0.000
Depots	0.110	0.019	0.040	(0.070)
TOTAL NEIGHBOURHOOD SERVICES	9.495	3.984	6.871	(2.624)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

Housing Investment Programme

As at Period 11 the projected spend is £14.097m, which is £1.519m below budget. The significant underspend on the Housing Investment Programme primarily relates to external contractors for the window replacement, gas central heating and kitchen replacement programmes being unable to deliver on previously indicated activity levels. In relation to the windows programme, this has been as a direct result of manufacturing difficulties. It should also be noted that the severe weather during December and early January have also had an impact on the ability of the Building and Works service to deliver elements of the programme as staff were redirected to emergency work during this period.

The Housing Improvement Programme is a long-term programme to refurbish council dwellings to meet the Scottish Housing Quality Standard (SHQS) by 2015 and therefore investment levels may not be uniform each year.

Service	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Asbestos	0.250	0.099	0.356	0.106
Energy Efficiency	3.194	0.789	3.026	(0.168)
Efficient Heating	2.922	1.448	2.546	(0.376)
External Envelope Enhancement	1.409	0.412	0.931	(0.478)
Modern Facilities & Services	6.384	2.994	6.106	(0.278)
Neighbourhood Improvements	0.386	0.512	0.584	0.198
Safe & Secure Neighbourhood	0.381	0.232	0.253	(0.128)
Sheltered Housing Safety & Improvement	0.690	0.034	0.295	(0.395)
Total Housing Expenditure	15.616	6.520	14.097	(1.519)

Asbestos

Projected spend over budget reflects increased number of addresses.

Energy Efficiency

Underspend relates to external contractors for the UPVC Window Replacement Programme being unable to deliver on the expected level of activity.

Efficient Heating

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

External Envelope Enhancement

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

Modern Facilities & Services

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

Neighbourhood Improvements

Additional timber clad addresses have been included in projections.

Safe & Secure Neighbourhood

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

Sheltered Housing Safety & Improvement

Rotten joists at St Maur's Gardens has slowed the progress of the refurbishment work.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

Sources of Funding



	Approved Budget 2009/10 £m	Projected Expenditure 2009/10 £m
Revenue Funding (CFCR)	5.561	6.155
Sale of Council Dwellings and Other Capital Receipts	4.888	2.000
Anticipated Borrowing	5.167	5.942
Total	15.616	14.097

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

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

NEIGHBOURHOOD SERVICES

Council House Building Programme – Phase 1

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development <i>Start</i> <i>Finish</i> TBC TBC		Design <i>Start</i> <i>Finish</i> TBC TBC		Tender <i>Start</i> <i>Finish</i> TBC TBC		Construction <i>Start</i> <i>Finish</i> TBC TBC	
1.000	0.044	1.000	 Expected Progress  Actual Progress							



Financial Status

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

Project Life Cycle

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

Council House Building Programme – Phase 2

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

Financial Status

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

Project Life Cycle

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

CORPORATE SUPPORT

Capital Programme

Expenditure to date is £3.338m, which represents 47% of the available budget. The projected expenditure for 2009/10 is £6.990m.

The projected variance on the Corporate Support capital programme primarily relates to the cost of the fit out of the Strand Street Building offset by slippage in the Cumnock Town Centre Regeneration and London Road HQ projects.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT

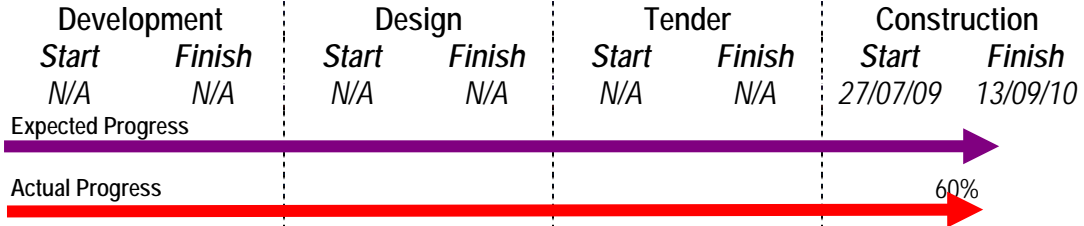
Major Projects

Council Chambers/Data Centre/London Road HQ

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.900	1.210	3.900

Financial Status

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



New Timber Joist

Project Life Cycle

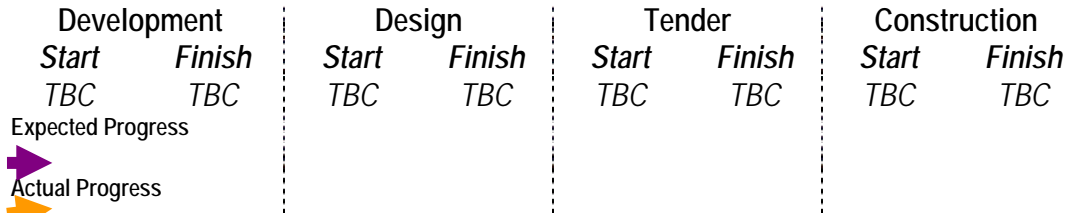
Work currently ongoing with regard to initial fit out of the Chambers. IT work anticipated to be complete by mid March with the Chambers operational by April. Data Centre design ongoing; construction work due for completion September and full switchover planned for Christmas 2010.

Kilmarnock Town Centre Regeneration

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
22.992	0.890	22.992

Financial Status

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




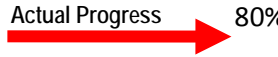
Project Life Cycle

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

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT

Cumnock Town Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Acquisition		Design		Construction		Distribution	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
14.718	2.153	14.718	01-10-08	31-03-09	31-01-08	TBC	31-10-09	TBC	TBC	TBC
			Expected Progress							
										
			Actual Progress							
										

Financial Status

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

Project Life Cycle

Office / Retail Development – Negotiations with final site owner are at an advanced stage.
 TCRF Bid – The demolition of the former Bingo Hall has been completed; the remainder of the TCRF works are in progress.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2010)

CORPORATE SUPPORT

Corporate Support General Projects

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

	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Corporate Information Technology	1.440	1.085	1.440	0.000
TOTAL	1.440	1.085	1.440	0.000

2009/2010 FINANCE AND SERVICE STRATEGY REPORT BASED ON PERIOD 11 (7 FEBRUARY 2009)

FINANCE & ASSET MANAGEMENT

Capital Programme

Expenditure to date is £0.128m, which represents 18% of the available budget. The Projected Expenditure for 2009/10 is £0.924m.

	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Contingency Funding	0.000	0.000	0.000	0.000
Corporate Office Accommodation	0.720	0.000	0.000	(0.720)
Vehicle Procurement	0.000	0.128	0.924	0.924
TOTAL	0.720	0.128	0.924	0.204

Contingency Funding

All of the contingency funding has been reallocated to projects during the financial year.

Corporate Office Accommodation

The remaining balance on the Health and Safety / DDA budgets and Corporate Office budgets are not currently committed against any schemes.

Vehicle Procurement

Every vehicle purchase is assessed to see whether the option to lease or purchase is the most cost effective method of financing . Following option appraisals, specific vehicle replacements have proved to be cheaper to buy rather than lease and these are detailed in the following table.

Vehicle Details	Dept	Cost £m
2 Mercedes Econic Refuse Collection Vehicles	Neighbourhood Services	0.260
1 Crafter Panel Van	Neighbourhood Services	0.029
3 Volkswagon T5 Panel Vans	Neighbourhood Services	0.051
1 Scarab Minor Hydrostatic Sweeper	Neighbourhood Services	0.069
9 Citroen Nemo Vans	Neighbourhood Services	0.080
4 Euro 4 FALF Tipper /Gritter / Skip vehicles	Neighbourhood Services	0.315
1 Citroen C4 Picasso	Educational and Social Services	0.016
2 Jacobsen LF3800 Fairway Mowers	Neighbourhood Services	0.058
2 Toro Greenmasters	Neighbourhood Services	0.046
Total		0.924