

FINANCE & ASSET MANAGEMENT



East Ayrshire
COUNCIL

EAST AYRSHIRE COUNCIL

GOVERNANCE AND SCRUTINY – 30 MAY 2008

2008/2009 FINANCE AND SERVICE STRATEGY

Report by Executive Head of Finance and Asset Management

1 PURPOSE OF REPORT

- 1.1 To provide details of the Finance and Service Strategy which will provide a framework to monitor revenue and capital expenditure linked to service performance.

2 BACKGROUND

- 2.1 Revenue and capital monitoring reports are presented to Cabinet and Governance and Scrutiny at various intervals during the financial year. These reports give details of the budgets and projected outturn position for each service and have been expanded in recent years to incorporate additional non financial data aimed at providing Elected members with information on the performance of each service.
- 2.2 The Best Value and Community Planning Audit Improvement Plan identified the Council's commitment to integrate service planning and budgeting processes as part of Action Point 1 – Effective Use of Resources.

3 FINANCE AND PERFORMANCE REPORT

- 3.1 The Council at its meeting of 14 February 2008 approved resource allocations for all services. These included additional resources to meet service pressures and aspirations and

efficiency savings targets.

The Cabinet on 19 December 2007 approved a Capital investment Strategy for the five years from April 2008 to March 2013.

- 3.2 The recent Local Government Finance Settlement and the Concordat between the Scottish Government and Councils signalled the partnership approach to joint working aimed at ensuring that the twelve commitments contained within the Concordat are achieved.

- 3.3 The commitments are key strategic outcomes some of which require significant financial resources and it is recognised that the Council's progress in achieving each commitment requires to be monitored and consequently the costs and the Councils progress towards each commitment area will be incorporated within the Finance and Performance report.

- 3.4 The outcome of the Strategic Review of the Revenue Budget (SRRB), exercise which reported to Cabinet on 24 January 2008 recommended the redistribution of specific budgets and will result in budget movements over the next four years as financial resources are redirected to key core and community planning activities. The format of the new report will demonstrate how these redirected resources have been used to enhance service performance.

3.5 The Finance and Service Strategy will be presented at the same intervals as the current Revenue Monitoring Report and will contain expanded information providing details of revenue and capital outturn and financial, performance and workforce planning information at department and Head of Service level throughout the financial year. The new report will give Elected Members a clear impression of how service pressures impact on budgets and the performance of each service as the financial year progresses.

4 RECOMMENDATIONS

4.1 It is recommended that Members:

- (i) note the contents of this report which was approved by Cabinet on 21 May 2008.

Alex McPhee
Executive Head of Finance

22 May 2008

LIST OF BACKGROUND PAPERS

NIL

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

FINANCIAL AND SERVICE STRATEGY 2008/2009

PAGE INDEX

Overview	Page	Departmental Budgets	Page
Background to Local Government Finance	1	Educational and Social Services	17
East Ayrshire Total Revenue Support	4	Neighbourhood Services	25
Council Tax	5	Corporate Support	35
Revenue Budget Summary	6	Finance and Asset Management	42
Capital Programme 2008/09 – 2012/13	15	Central Services	47

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FINANCIAL AND SERVICE STRATEGY 2008/2009

BACKGROUND TO LOCAL GOVERNMENT FINANCE

Revenue

Revenue expenditure involves spending on the day to day running costs of the council, for example employee costs, premises costs and supplies and services costs. The council's expenditure on these items is financed from a number of sources:

- Scottish Government Revenue Support - consisting of:
 - ❖ General Revenue Funding
 - ❖ Non-Domestic Rates (NDR)
 - ❖ Ring-Fenced Grants
- Other Government Funding for the administration of Housing Benefits and Council Tax Benefits on behalf of the Department of Work and Pensions
- Council Tax
- Fees and Charges for certain services

SCOTTISH GOVERNMENT REVENUE SUPPORT

The government determines the level of the overall provision for council funding through its Spending Reviews of government expenditure. Details of the outcome of Spending Review 2007 were provided in the Local Government Finance Settlement 2008/11 which included provisional total funding allocations for each local authority for the period 2008/09 to 2010/11. On 7 February 2008 the Scottish Parliament approved the Local Government Finance (Scotland) Order 2008 which provided the statutory authority to pay General Revenue Funding for 2008-09.

General Revenue Funding

General Revenue Funding is the largest element of Revenue Support which local authorities receive. The funding is provided by the Government as a general subsidy towards council spending and is allocated according to a statistical, needs based formula taking account of a wide range of factors including population, level of demand for specific services, relative efficiencies, new burdens and the political priorities given to particular services by the Scottish Government.

In order to ensure that every authority receives a minimum percentage increase on a like for like basis a Floor Calculation is included. This Floor Calculation compares the proposed funding increase of all Scottish local authorities and scales back those above the floor and increases the funding of those below the base level. For 2008/09 the base level was set at 3.4%. East Ayrshire Council received an additional allocation of £1.729m to increase funding to the base level.

For 2008/09 £7,265m will be distributed as General Revenue Funding to Scottish Local Authorities with East Ayrshire Council's allocation of £167.404m accounting for 72% of the Scottish Government Revenue Support allocated to the Council for 2008/09.

Non Domestic Rates

Non Domestic Rates (NDR) are paid by businesses based on the rateable value of the property they occupy. The Non Domestic poundage rate is set nationally by the Scottish Government.

The Distributable Amount of Non Domestic Rate Income for 2008/09 has been set at £1,963m East Ayrshire Council's allocation of £45.759m accounting for 20% of the Scottish Government Revenue Support allocated to the Council for 2008/09.

FINANCIAL AND SERVICE STRATEGY 2008/2009

BACKGROUND TO LOCAL GOVERNMENT FINANCE

Ring Fenced Grants

The Scottish Government allocates Ring Fenced Grants to East Ayrshire Council linked to specific policy initiatives and expectations such as Police Specific Grant, Gaelic Language Education and Determined to Succeed funding promoting enterprise in education. £764m will be distributed as Ring Fenced Grants during 2008/09 with East Ayrshire Council receiving £17.084m.

Additional Government Grant

In 2008/09 the Scottish Government will allocate an additional £70m to Scottish Local Authorities who agree to freeze Council Tax at 2007/08 levels. At its meeting of 14 February 2008 East Ayrshire Council agreed to freeze Council Tax for East Ayrshire residents at 2007/08 levels. This resulted in an additional grant allocation of £1.471m for 2008/09. A further £70m will be distributed in each of the next two years, 2009/10 and 2010/11, to those local authorities who continue to freeze council tax at current levels.

2008/09 REVENUE ESTIMATES

On 14 February 2008 East Ayrshire Council approved the 2008/09 Revenue Estimates. The initial draft allocation saw front line services receiving above inflation increases. Taking account of feedback received during the consultation process, the priority areas set out in the Community Plan and a number of service pressures highlighted by departments, a final allocation of £2.700m across the departments was approved.

The application of this funding to reflect local priorities is detailed in the attached Department Budgets.

Department

Educational and Social Services
Neighbourhood Services
Corporate Support
Finance and Asset Management
Total Allocation

Allocation

£m

1.750
0.450
0.400
0.100
2.700

The inclusion of previously ringfenced amounts in the Council's overall grant, whilst bringing welcome flexibility, also resulted in difficulty in identifying how certain funding streams were incorporated. Any funding streams overlooked may only become apparent after the beginning of the new financial year and a contingency sum of £0.500m was held centrally to ensure that a limited provision existed for any currently unidentified commitments. This position will be reviewed in June 2008 and, if no substantive issues become apparent by then, the funds will be distributed to departments.

European Grant applications in respect of a number of projects including Energy Advice, Conduit/BTTC, East Ayrshire Woodlands and Job Rotation have been submitted and the outcome of these is awaited. If successful Council match funding of £0.300m will be required and it was approved that this amount be held centrally until the final disposition of the application is known.

FINANCIAL AND SERVICE STRATEGY 2008/2009

BACKGROUND TO LOCAL GOVERNMENT FINANCE

Capital

Capital Expenditure generally represents money spent by the Council on building, upgrading or improving assets with service users receiving the benefit from capital planning expenditure over a number of years. The Local Government in Scotland Act 2003 includes a requirement for councils to comply with the Prudential Code for Capital Finance in Local Authorities (the Code). The Code is a professional code of practice developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) with the key objectives of ensuring that capital investment plans are affordable, prudent and sustainable. The main sources of capital funding are:

Borrowing

The Scottish Government provides support to local authorities for capital investment through borrowing. Loan Charge Support (LCS) is designed to provide a level of funding for the costs associated with servicing debt charges such as interest, repayments of principal and the costs of managing the debt. The allocation of LCS also includes an element which represents support for an assumed level of capital debt taken out each year. Loan Charge Support is paid through General Revenue Funding.

LCS is not ringfenced and, under the Prudential Code, local authorities are free to make borrowing decisions according to what they can afford.

Capital Receipts

When authorities sell assets, they can use the proceeds from the sale to fund future capital expenditure. The policy of East Ayrshire Council has been to credit Capital Receipts to the Capital Fund net of an Asset Management Fee except in circumstances where the sale of an asset is integral to the overall project funding package.

Capital Grants

These may be provided by government for specific purposes, for example, the Galston Flood Prevention Scheme, or simply as general support for capital expenditure.

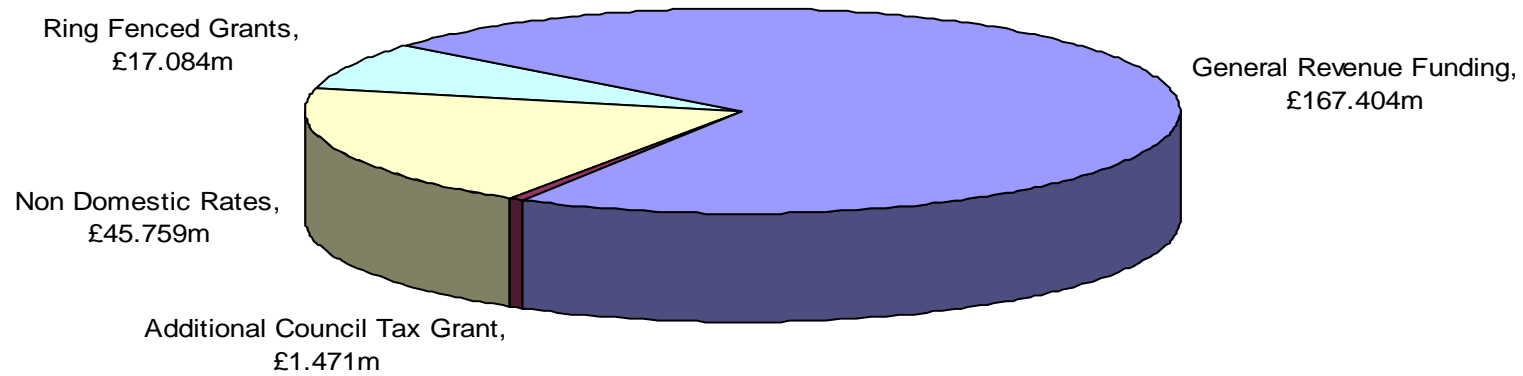
Revenue

Although capital resources cannot be used to fund revenue expenditure, direct revenue financing of capital is permitted. This is of course, subject to constraints over the level of available revenue resources.

FINANCIAL AND SERVICE STRATEGY 2008/2009

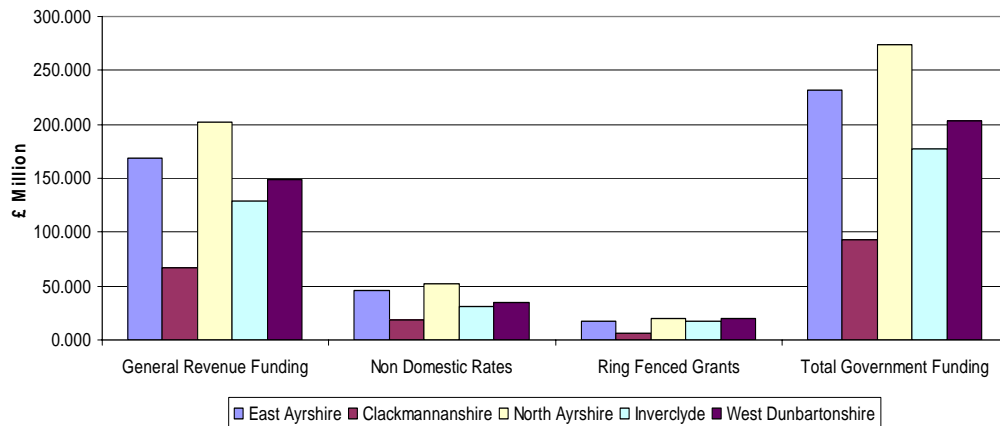
EAST AYRSHIRE TOTAL REVENUE SUPPORT

A description of the elements of Total Revenue Support is given in the section Background to Local Government Finance. The figures for East Ayrshire Council for 2008/09 are given in the chart:

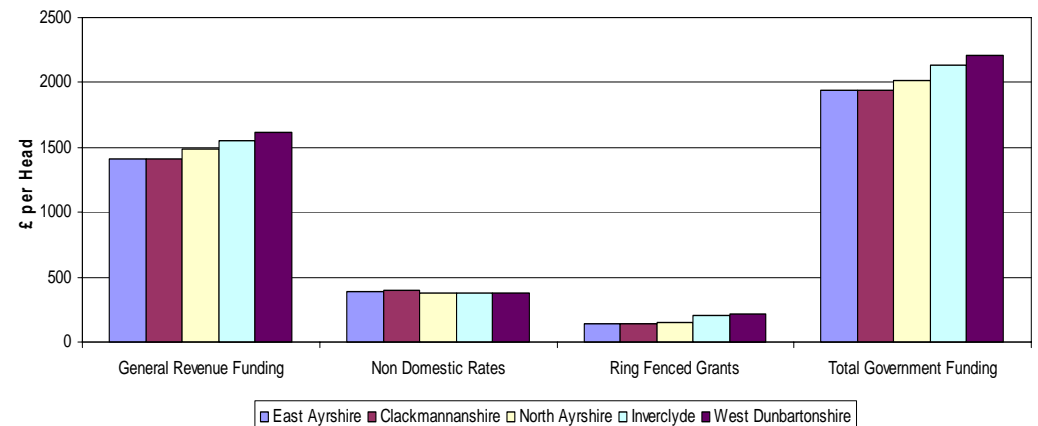


The following graphs compare these totals with the other local authorities in the Council's family grouping:

Total Revenue Support



Total Revenue Support per capita



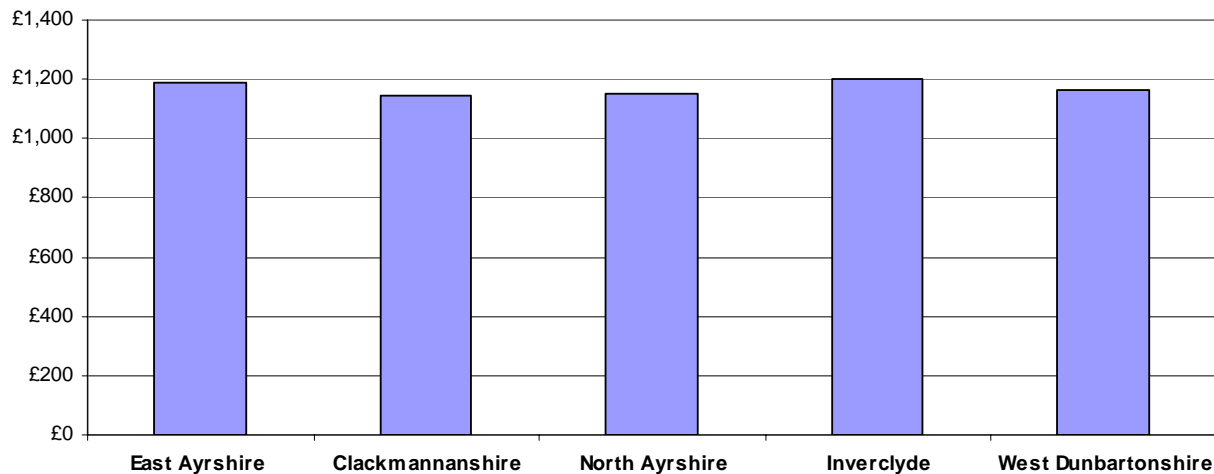
FINANCIAL AND SERVICE STRATEGY 2008/2009

COUNCIL TAX BANDS

The valuation of and relationship between bands A to H is set out in the table below together with the number of properties on which Council Tax will be levied in 2008/09. The total is equivalent to 39,825 Band D properties.

Value as at 1 April 1991	Up to £27,000	£27,001 - £35,000	£35,001 - £45,000	£45,001 - £58,000	£58,001 - £80,000	£80,001 - £106,000	£106,001 - £212,000	£212,000 +	Totals
Band	A	B	C	D	E	F	G	H	
Ratio to Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Properties	22,333	8,260	3,954	5,330	5,217	2,426	589	35	48,144
% of Total	46.4%	17.2%	8.2%	11.1%	10.8%	5.0%	1.2%	0.1%	100%
2008-09 Council Tax	£792.66	£924.77	£1,056.88	£1,188.99	£1,453.21	£1,717.43	£1,981.65	£2,377.98	

The following graph compares East Ayrshire Council's Band D Equivalent Council Tax for 2008/09 with the other local authorities in our family group:



FINANCIAL AND SERVICE STRATEGY 2008/2009

REVENUE SUMMARY

	2007/08 £m	2008/09 £m		2007/08 £m	2008/09 £m
Educational and Social Services			Corporate Support		
Resources*	2.838	5.990	Central Management Support	0.212	0.214
Schools	64.776	67.037	Personnel	1.244	1.408
Community Support	22.236	23.708	Information Technology	3.159	3.422
Facilities Management	11.896	12.533	Planning & Economic Development	2.295	2.470
Social Services	49.428	52.864	Democratic Services	2.540	2.782
	151.174	162.132	Legal & Regulatory Services	2.391	2.535
			Community Planning & Partnership**	0.169	4.823
Neighbourhood Services				12.010	17.654
Cent Man.& Emergency Planning	0.559	0.708	Finance & Asset Management	49.861	50.531
Leisure Services	11.016	11.609			
Housing Service	16.016	18.116	Central Services	3.199	3.730
Roads & Transportation	8.050	7.733			
	35.641	38.166	Other Specific Budget Items	15.990	16.746
Joint Boards	33.448	32.774			
			Total Net Expenditure	301.323	321.733

* Educational Resources increase is due to the inclusion of PPP Support funding partially offset by the Education Efficiency Gains for which options are currently being evaluated.

** Community Planning & Partnership increase is due to the introduction of the Fairer Scotland Fund and inclusion of the associated former ringfenced funding within General Revenue Funding.

FINANCIAL AND SERVICE STRATEGY 2008/2009

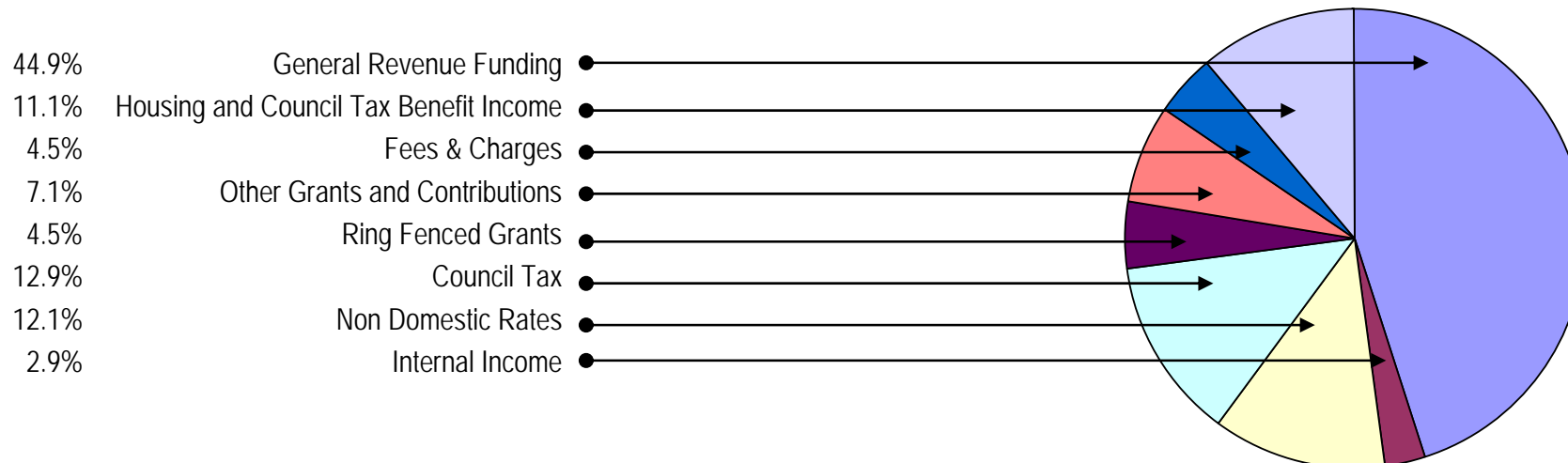
SUBJECTIVE SUMMARY

		2008/09 Revenue Estimate £m	% of Total
Expenditure	Employee Costs	163.402	43.3%
	Property Costs	14.523	3.9%
	Transport Costs	10.285	2.7%
	Supplies & Services	32.315	8.6%
	Third Party Payments	93.050	24.7%
	Transfer Payments	46.591	12.4%
	Debt Charges	16.500	4.4%
		376.666	100.0%
Income	Grants & Other Contributions	(26.792)	48.8%
	Fees & Charges	(17.034)	31.0%
	Internal Income	(11.107)	20.2%
		(54.933)	100.0%
Total Net Expenditure		321.733	

FINANCIAL AND SERVICE STRATEGY 2008/2009

WHERE THE MONEY COMES FROM

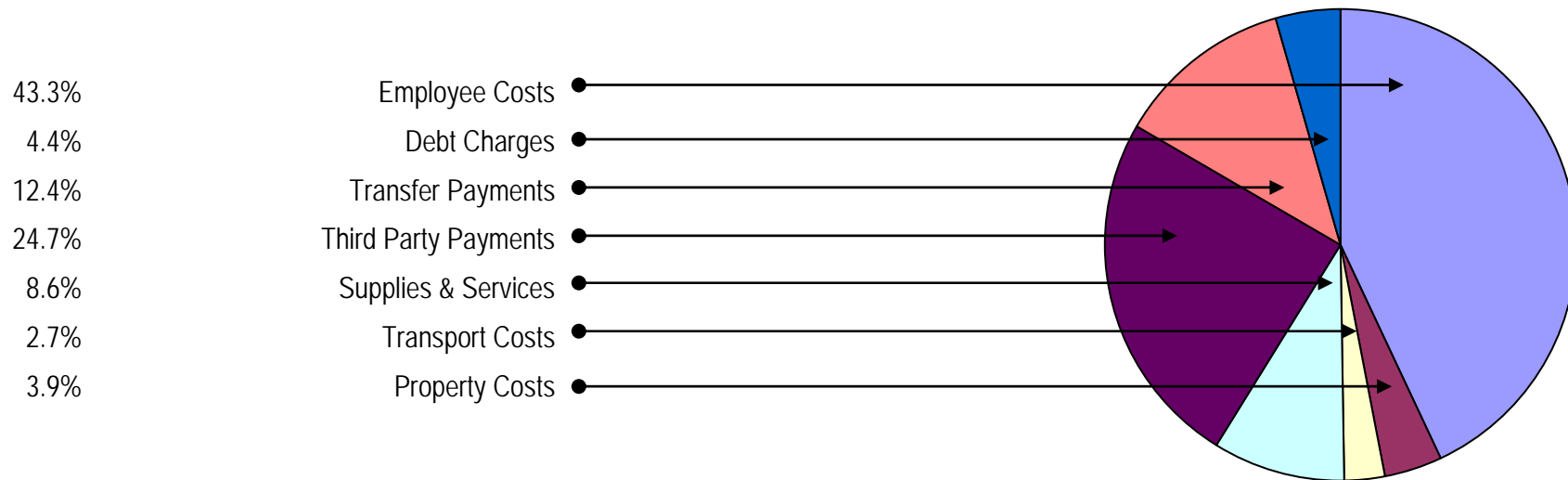
		£m
General Funding	General Revenue Funding	168.875
	Non Domestic Rates	45.759
	Council Tax (Including Prior Years)	48.101
		262.735
Specific Funding	Ring Fenced Grants	17.084
	Other Grants and Contributions	26.792
	Fees & Charges	17.034
	Internal Income	11.107
	Housing and Council Tax Benefit Income	41.914
	113.932	
Total Available Funding		376.666



FINANCIAL AND SERVICE STRATEGY 2008/2009

WHERE THE MONEY GOES

	£m
Employee Costs	163.402
Property Costs	14.523
Transport Costs	10.285
Supplies & Services	32.315
Third Party Payments	93.050
Transfer Payments	46.591
Debt Charges	16.500
Gross Expenditure	376.666



FINANCIAL AND SERVICE STRATEGY 2008/2009

CONCORDAT BETWEEN THE SCOTTISH GOVERNMENT AND LOCAL AUTHORITIES

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

<u>Commitment</u>	<u>Status</u>
1 Freezing council tax rates at 2007/08 levels.	On 14 February 2008 Council approved the freezing of council tax for 2008/09.
2 Making an additional 1,000 police officers available in communities.	£94m has been transferred to the Justice portfolio. The first 150 additional officers are currently attending the Police training College with a further 450 planned for 2008/09 and an additional 200 officers in 2009/10 and 2010/11.
3 Introduction of the Small Business Bonus Scheme.	The Planning and Economic Development Service has a key role to play in supporting the government objective of supporting small businesses and helping them gain a competitive advantage. A key part of this work will be raising awareness of the introduction of the Small Business Bonus Scheme which is funded by the Scottish Government.
4 Improving the learning experience for children and young people by improving the fabric of schools and nurseries; developing and delivering <i>A Curriculum for Excellence</i> ; and, as quickly as is possible, reducing class sizes in P1 to P3 to a maximum of 18 and improving early years provision with access to a teacher for every pre-school child.	The achievement of this commitment will have implications for both Capital and Revenue budgets from 2009/10 which are currently being evaluated by staff in Educational and Social Services

FINANCIAL AND SERVICE STRATEGY 2008/2009

CONCORDAT BETWEEN THE SCOTTISH GOVERNMENT AND LOCAL AUTHORITIES

5	Expanding pre-school provision and making substantial progress towards a 50% increase in pre-school entitlement for 3 and 4 year olds. The entitlement to pre-school provision will be maintained at the new level of 475 hours per annum (equivalent to 38 weeks at 12 hours) in 2008-09 and 2009-10. This will increase to 570 hours per annum (equivalent to 38 weeks at 15 hours) in August 2010.	The impact of this commitment is currently being costed by staff within Educational and Social Services
6	Free school meals - Providing nutritious free school meals for all P1 to P3 pupils in the pilot areas until the end of the current "academic year (i.e. up to June 2008). The remainder of 2008-09 will be taken up with evaluation of the trials. In 2009-10, provided the evaluation of the trials is positive, legislation will be introduced to allow extension of the nutritious free school meals to all pupils in P1 to P3. Assuming the legislation is passed, local authorities will provide free school meals to all P1 to P3 pupils from August 2010.	The impact of this commitment has been costed by staff within Educational and Social Services at £0.737m per annum. East Ayrshire is a pilot area with adequate funding to June 2008.
7	Subject to necessary legislation being passed, extending entitlement to free school meals to all primary and secondary pupils of families in receipt of maximum child tax credit and maximum working tax credit from August 2009.	It is envisaged that the commitment to extend free school meals will be funded by the Scottish Government.
8	Vocational education/skills - working in partnership with colleges, local employers and others as appropriate to give more school pupils opportunities to experience vocational learning.	A review of the impact of activities linked to the More Choices, More Chances agenda is currently underway and proposals will be presented to Cabinet in due course.
9	Kinship care – providing allowances for kinship carers of "looked after children" to treat them on an equivalent basis to foster carers.	Options to meet this commitment are being examined and indicative costs are between £0.258m and £0.491m per annum. Proposals will be presented to Cabinet in due course.

FINANCIAL AND SERVICE STRATEGY 2008/2009

CONCORDAT BETWEEN THE SCOTTISH GOVERNMENT AND LOCAL AUTHORITIES

<p>10 Improving care home quality through care home fees and the quality framework.</p>	<p>The impact of this commitment has been costed and based on the existing external residential placements budgetary provision. This would result in full year additional costs to the Community Care division of £0.160m. The timing of the additional expenditure is dependant upon Care Homes meeting the quality standard.</p>
<p>11 Free personal care – increasing current standard payment levels in line with inflation from April 2008 and allowance for subsequent years.</p>	<p>The impact of this commitment has been costed and based on 221 service users (at 14th March 2008) who receive an element of FPC, this will result in a full year additional cost to the Community Care division of £0.057m. This figure excludes any provision for growth in the number of service users receiving an element of FPC.</p>
<p>12 Carers' support – progress towards delivering 10,000 extra respite weeks per annum at home or in care homes.</p>	<p>The impact of this commitment has been costed and based on the assumption that 10,000 extra weeks is the national target, it is assumed that East Ayrshire Council will be required to deliver 2.4% of this target figure i.e. 240 weeks. An average weekly cost (based on existing commissioned respite care provision) of £501.37 has been applied, resulting in a full year additional cost to the Community Care division of £0.120m by 2010/11.</p>

FINANCIAL AND SERVICE STRATEGY 2008/2009

GENERAL FUND BALANCES

	£m
Uncommitted Balance at 1 April 2007	6.497
2007/08 Balances at Period 11 2007/08	2.610
Projected Uncommitted General Fund Balances	9.107
<u>Commitments</u>	
Homecoming Scotland approved by Cabinet 9 Jan 2008	0.045
2008/09 Budget Initiatives approved by Council 14 Feb 2008	1.000
Equal Pay	7.000
Total Commitments	8.045
Revised Uncommitted General Fund Balances	1.062

The balance of £2.610m at Period 11 is mainly due to additional income in respect of Council Tax and Housing Benefit Subsidy and reduced Debt Charges. This income was offset by a £1.000m contribution to CARS/THI approved by Cabinet on 24 October 2007.

£7.000m has been committed from the General Fund Balances to meet the costs of Equal Pay compensation. It is envisaged that compensation claims will be received during 2008/09 and Elected Members will be asked to note that the Head of Legal and Regulatory Services will settle individual claims in accordance with the current Scheme of Delegation.

The final accounts for 2007/08 are currently being prepared and it is anticipated that the uncommitted General Fund Balance can be augmented to bring it back to the minimum level of £6.000m identified in the Council's Financial Reserves Strategy.

FINANCIAL AND SERVICE STRATEGY 2008/2009

CAPITAL EXPENDITURE

General Services Capital Programme 2008/09 – 2012/13

Capital Expenditure Levels

The levels of Capital Expenditure for financial years 2008/09 to 2012/13 reflects the indicative capital investment levels required to ensure that East Ayrshire Council's asset portfolio maintains value and helps to meet the Council's strategic objectives whilst giving due regard to the needs and demands of stakeholders.

The programme is reviewed annually to ensure that it takes account of any material change which would affect the affordability and/or sustainability of the overall programme.

Major Projects

Cabinet on 19th December 2007 approved East Ayrshire Council's General Services Capital Programme Strategy for 2008/09 to 2012/13. The five-year capital strategy proposed a £100m programme that reflects the key drivers of asset management planning and makes a positive contribution towards corporate, community plan and service delivery objectives.

A number of new strategic schemes have been included in the five year programme and detailed business cases and option appraisals will be carried out as part of the new project management arrangements. Detailed lists of the projects have been included in the Departmental Budgets section. Key themes of Regeneration, Scotland's Year of Homecoming 2009 and the 2014 Commonwealth Games are evident in the programme.

Opportunities for joint working will continue to be pursued. The programme includes projects at Crosshouse and Rankinston.

Housing Investment Programme 2007/08 – 2011/12

The Housing Investment Programme is the Council's statement of how it will annually translate the Standard Delivery Plan into a detailed programme of major works. In addition to the works required to bring all Council houses up to the Scottish Housing Quality (SQHS) by 2015, the programme also includes other necessary capital/maintenance works not covered by the Housing Quality Standard criteria but which are necessary to provide quality housing for the tenants e.g. External Envelope Enhancement.

On 21 March 2007 the Council's Housing Committee agreed the five year Housing Investment Programme of £75.135m. The pattern of major works will continue along traditional lines with emphasis on kitchens, bathrooms, re-wiring, re-roofing, etc. with projected expenditure of £15.592m in 2008/09.

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FINANCIAL AND SERVICE STRATEGY 2008/2009

EDUCATIONAL AND SOCIAL SERVICES

FUNCTIONS AND RESPONSIBILITIES

Main Responsibilities

RESOURCES

The Resources Section is responsible for agreeing and amending annual budgets with all of the Council's educational establishments, including Early Years, Primary, Secondary and Special schools. Additionally, the Section is responsible for the delivery of Educational Maintenance Allowances (EMAs) and bursaries within East Ayrshire.

	£m	Staff FTE
Employee Costs	2.195	36
Property Costs	0.257	
Transport Costs	0.035	
Supplies & Services	0.976	
Third Party Payments	4.219	
Transfer Payments	-	
Gross Expenditure	7.682	
Income	(1.692)	
Net Expenditure	5.990	

SCHOOLS

The Schools Service is responsible for the delivery of a curriculum that is accessible to children and young people of all abilities and at the same time meets the needs of individual pupils. This is achieved through:-

- 9 secondary schools providing 7,744 educational placements
- 46 primary schools providing 9,028 educational placements
- Quality development and continuous improvement

	£m	Staff FTE
Employee Costs	60.088	1,641
Property Costs	4.796	
Transport Costs	0.250	
Supplies & Services	4.415	
Third Party Payments	1.483	
Transfer Payments	1.031	
Gross Expenditure	72.063	
Income	(5.026)	
Net Expenditure	67.037	

FINANCIAL AND SERVICE STRATEGY 2008/2009

EDUCATIONAL AND SOCIAL SERVICES

COMMUNITY SUPPORT

The Community Support Section is responsible for a range of services including:

- Early Education and Childcare providing 2,165 early years placements through 11 nurseries, 4 community nurseries/family centres and 18 nursery classes within schools.
- Special Educational Needs providing 180 educational placements through 4 special schools.
- Community Learning and Development which offers a wide range of community based learning opportunities across East Ayrshire for young people and adults through 32 Community Education Centres & 8 Community Wings (many of which have integral community learning centres)
- Psychological Services provides a range of services for schools, parents and young people with special educational needs

	£m	Staff FTE
Employee Costs	17.044	580
Property Costs	1.280	
Transport Costs	0.305	
Supplies & Services	1.756	
Third Party Payments	5.142	
Transfer Payments	0.093	
Gross Expenditure	25.620	
Income	(1.912)	
Net Expenditure	23.708	

FACILITIES MANAGEMENT

The Facilities Management Section provides support to schools in all aspects of the management of buildings or logistical arrangements across all schools. The three service areas are:

- Onsite Services (Catering, Cleaning, Janitorial & School Crossing)
- Transport Services
- Property Development (Client Function)

	£m	Staff FTE
Employee Costs	8.853	524
Property Costs	0.013	
Transport Costs	4.803	
Supplies & Services	2.167	
Third Party Payments	-	
Transfer Payments	-	
Gross Expenditure	15.836	
Income	(3.303)	
Net Expenditure	12.533	

FINANCIAL AND SERVICE STRATEGY 2008/2009

EDUCATIONAL AND SOCIAL SERVICES

SOCIAL WORK

- **Children and Families**

Children and Families fulfils the service's responsibilities to children and young people in respect of assessment, care management, supervision and support. At 1 April 2008 there are 1,588 open cases.

- **Criminal Justice**

Criminal Justice largely comprises core Criminal Justice Specific Grant services funded by the Scottish Government via the South West Scotland Criminal Justice Partnership. This funding offsets the cost of core services including supervision of offenders and throughcare. At 1 April 2008 there are 726 open cases.

- **Community Care**

Community Care provides services, both in-house and commissioned, to a number of client groups including older people, adults with learning disabilities, adults with mental illness and adults with physical / sensory disabilities, including assessment and care management. At 1 April 2008 there are 3,323 open cases.

- **Regulation**

Regulation comprises all costs associated with the regularity responsibilities of the Social Work function and is largely represented by the salaries and other costs of the Executive Head of Social Work and her support staff.

	£m	Staff FTE
Employee Costs	32.581	1,130
Property Costs	0.856	
Transport Costs	1.476	
Supplies & Services	1.854	
Third Party Payments	31.733	
Transfer Payments	3.331	
Gross Expenditure	71.831	
Income	(18.967)	
Net Expenditure	52.864	

FINANCIAL AND SERVICE STRATEGY 2008/2009

EDUCATIONAL AND SOCIAL SERVICES

- **Performance and Resources**

Performance and Resources provides support services within Social Work and inputs to a range of wider corporate issues and priorities within the Council

- **Resource Support**

This division comprises the Finance and Resources and Personnel functions.

FINANCIAL AND SERVICE STRATEGY 2008/2009

EDUCATIONAL AND SOCIAL SERVICES

Service Enhancements 2008/09

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

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

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

Strategic Review of the Revenue Budget

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

- 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.

Efficiency Gains

The department has been tasked with saving 2.25% of its controllable revenue expenditure which equates to £3.632m. The continuous pursuit of efficiencies to release resources for priority areas is established practice within the Council and whilst the target is challenging it is considered to be achievable without affecting the quality of essential services. Where a gain requires changes to policies or service levels such proposals will be presented to the Cabinet for approval. Options are currently being evaluated.

Capital Programme

The General Services Capital Programme recognises the need to invest in our educational establishments over the next five years.

Funding allocations of £18.275m have been approved over the next five-years to provide for the construction of new, state of the art educational facilities, including three new schools servicing various communities across East Ayrshire, and new community education facilities for the Galston area. These projects are

FINANCIAL AND SERVICE STRATEGY 2008/2009

EDUCATIONAL AND SOCIAL SERVICES

in addition to the new facilities currently being constructed at Galston Primary School, Netherthird Community Campus and Stewarton Academy which will provide significant improvements in classroom facilities.

The five-year General Services Capital Programme also takes cognisance of obligations to continually invest in the existing property portfolio, and provision has been made for £4.750m for major refurbishments at existing facilities at Flowerbank Nursery and Darvel Primary School. A further £3.005m in 2008/09 has also been made available for more general refurbishment, upgrade and component renewal works at a number of educational properties deemed to be of the highest priority in relation to condition and suitability criteria.

Following the Better Schools : Better Learning exercise a review of the Capital Programme is underway and proposals will be presented to Cabinet in due course.

FINANCIAL AND SERVICE STRATEGY 2008/2009

EDUCATIONAL AND SOCIAL SERVICES

Revenue Budget

	Estimate 2008/09 £m
Service	
Resources	5.990
Schools	67.037
Community Support	23.708
Facilities Management	12.533
Social Work	52.864
Net Expenditure	162.132
Category of Expenditure	
Employee Costs	120.761
Property Costs	7.202
Transport Costs	6.869
Supplies & Services	11.168
Third Party Payments	42.577
Transfer Payments	4.455
Total Expenditure	193.032
Other Grants and Contributions	(22.670)
Fees & Charges	(5.130)
Internal Income	(3.100)
Total Income	(30.900)
Net Expenditure	162.132

Capital Programme

	Total Cost £m	Estimate 2008/09 £m
Strategic Scheme		
Galston Primary School	9.300	2.400
Netherthird Community Campus	1.100	1.100
Stewarton Academy Extension	0.700	0.544
Rosebank Resource Centre	2.582	0.800
Children's Home North	1.510	0.300
Stewarton Townhouse Resource Centre	0.400	0.200
Galston Replacement Community Facilities	1.500	0.100
Darvel Primary Refurbishment	3.000	-
Flowerbank Nursery Replacement	1.750	-
Auchinleck Resource Centre	0.956	-
New Older Peoples' Community Support Unit	2.500	-
New School – North	5.775	-
New School – Central	9.000	-
New School – South	9.000	-
General Schemes	3.005	3.005
	52.478	8.449

FINANCIAL AND SERVICE STRATEGY 2008/2009

EDUCATIONAL AND SOCIAL SERVICES

Performance Summary

	Period 11 2007/08
Number of Pupils	
Early Years	2,165
Special Needs	180
Primary	9,028
Secondary	7,744
Number of Teachers	
Early Years	39
Special Needs	98
Primary	539
Secondary	660
School Transport	
Costs	£4,793,000
Number of Pupils	5,202
External Foster Placements	
Number of Children	33
Average Cost	£930
Homecare Services	
Number of Users	
Most Expensive Packages – Older	£46,083
Most Expensive Packages – Adult	£243,548

FINANCIAL AND SERVICE STRATEGY 2008/2009

NEIGHBOURHOOD SERVICES

FUNCTIONS AND RESPONSIBILITIES

Main Responsibilities

LEISURE SERVICES

Leisure Services includes the operation of :

- The Dean Castle Country Park
- Library, Registration and Information Services provided through 20 libraries, 2 mobile libraries and 18 local offices.
- Museums, Arts & Theatre including the Palace Theatre, the Grand Hall and 7 museums.
- Outdoor Services including maintenance of parks, sports facilities and open places, street cleansing and burial services
- Community Recreation including management of 7 community halls, 8 games halls and sports facilities including 100 football and rugby pitches, 37 pavilions and 1 swimming pool.
- Leisure Development providing a range of innovative sports, play and health improvement services.

	£m	Staff FTE
Employee Costs	10.604	580
Property Costs	1.118	
Transport Costs	1.184	
Supplies & Services	1.933	
Third Party Payments	0.365	
Gross Expenditure	15.204	
Income	(3.595)	
Net Expenditure	11.609	

FINANCIAL AND SERVICE STRATEGY 2008/2009

NEIGHBOURHOOD SERVICES

HOUSING

Housing Revenue Account

The Housing Service is responsible for the management of 13,330 council houses including allocations, tenancy and estate management and repairs management.

Refuse Collection and Waste Management

The Refuse Collection Service provides weekly refuse collection from 55,440 domestic properties and 1,900 commercial premises. The Waste Management Service disposes of 58,069 tonnes of waste to landfill per annum and 27,236 tonnes of waste recycled per annum

Community Safety

The main functions of the Community Safety Section are Community Safety Strategy, Business Continuity Planning, operation of CCTV in East Ayrshire and the operation of a 24 hour Council helpline.

General Fund Housing

In addition the Housing Service provides homelessness services, policy and strategic development, community care planning, supporting people, performance management and RSL liaison

General Fund

	£m	Staff FTE
Employee Costs	5.532	209
Property Costs	0.907	
Transport Costs	1.573	
Supplies & Services	9.763	
Third Party Payments	4.843	
Gross Expenditure	22.608	
Income	(4.502)	
Net Expenditure	18.116	

Housing Revenue Account

	£m	Staff FTE
Employee Costs	4.255	140
Property Costs	15.233	
Transport Costs	0.138	
Supplies & Services	2.201	
Third Party Payments	0.942	
Gross Expenditure	22.769	
Income	(22.769)	
Net Expenditure	-	

FINANCIAL AND SERVICE STRATEGY 2008/2009

NEIGHBOURHOOD SERVICES

ROADS AND TRANSPORTATION

Roads & Transportation includes Roads Contracts, Vehicle Maintenance and Street Lighting Trading Services. The division is responsible for the management and maintenance of the Council's fleet of 470 vehicles and plant, maintenance of 1,120km of roads and maintenance of 18,000 street lights in addition to the provision of an in-house design and transport strategy function.

General Fund

	£m	Staff FTE
Employee Costs	2.827	75
Property Costs	0.233	
Transport Costs	0.293	
Supplies & Services	1.026	
Third Party Payments	5.062	
Gross Expenditure	9.441	
Income	(1.708)	
Net Expenditure	7.733	

Trading Services

	£m	Staff FTE
Employee Costs	3.491	111
Property Costs	0.164	
Transport Costs	1.548	
Supplies & Services	2.324	
Third Party Payments	1.149	
Debt / Supp. Charges	0.281	
Gross Expenditure	8.957	
Income	(9.017)	
Net Expenditure	(0.060)	

FINANCIAL AND SERVICE STRATEGY 2008/2009

NEIGHBOURHOOD SERVICES

BUILDING AND WORKS

The Building and Works Trading Service provides property and construction trades services in relation to:

- Repairs & maintenance of housing, schools and public buildings
- Minor and major capital works

Trading Services

	£m	Staff FTE
Employee Costs	9.558	306
Property Costs	0.480	
Transport Costs	1.435	
Supplies & Services	4.577	
Third Party Payments	3.946	
Debt / Supp. Charges	0.450	
Gross Expenditure	20.446	
Income	(22.361)	
Net Expenditure	(1.915)	

FINANCIAL AND SERVICE STRATEGY 2008/2009

NEIGHBOURHOOD SERVICES

Service Enhancements 2008/09

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

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

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

Strategic Review of the Revenue Budget

The Strategic Review of the Revenue Budget resulted in decisions to increase burial charges nearer to the Scottish Average, reductions in the net costs of Waste Disposal and Street Cleansing and a move of funding for roads maintenance to capital to enable a more strategic approach to be implemented. Enhanced funding has been provided to continue the work of the Community Health Improvement Partnership and the Environmental Hit Squads

Leader's Initiatives

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

- Provision of a new Floral Clock at Kilmarnock Railway Station
- Installation of floodlighting to highlight key landmarks
- Extension of summer floral baskets to cover historical centres of Kilmarnock and Cumnock
- Additional mechanical sweeper
- Changes to Shopmobility Scheme to make it available on Sundays
- Availability of public convenience provision in Kilmarnock seven days per week
- Provision of new toilet facilities in Mauchline

Efficiency Gains

The department has been tasked with saving 2.25% of its controllable revenue expenditure which equates to £0.861m. The continuous pursuit of efficiencies to release resources for priority areas is established practice within the Council and whilst the target is challenging it is considered to be achievable without affecting the quality of essential services. Where a gain requires changes to policies or service

FINANCIAL AND SERVICE STRATEGY 2008/2009

NEIGHBOURHOOD SERVICES

levels such proposals will be presented to the Cabinet for approval.

It is proposed to achieve the efficiencies target through the implementation of a number of measures including:

- Reduced expenditure on library materials
- Increased income targets
- Reduced seasonal staffing
- Reduced expenditure on Supporting People Administration
- Increased recycling
- Opportunities to deliver the same level of service at lower costs in Roads Maintenance, Homeless Strategy and Community Safety.

Capital Programme

General Fund Services

The Council is committed to delivering improvements to sports, leisure and cultural facilities that contribute to the delivery of Community Plan objectives and support the key themes of Scotland's Year of Homecoming 2009 and the 2014 Commonwealth Games.

The Council recognises that there is a deficit in the provision of indoor sports facilities in Stewarton, based on local feedback and on the findings of SportsScotland's Facilities Planning Model. The five-year programme therefore includes provision of £4.300m for the construction of new sports facilities in the Stewarton area to include a new sports hall, gym and dance studio.

A sum of £5.950m has also been included over a five-year period to facilitate major improvements at a number of other leisure facilities including the provision of new Athletics facilities in Kilmarnock and new sports pavilions for Knockentiber and Netherthird. Internal refurbishment works at the Palace Theatre and Baird Institute are also provided for within the General Service Capital Programme. The parks development programme to upgrade facilities and attractions in East Ayrshire Council's main parks to enhance visitor potential has been provided for at £0.200m per year. The Department of Neighbourhood Services is currently undertaking a review of depot facilities for its trading services. A provision of £5.600m has therefore been set aside within the five-year capital programme in anticipation of the construction and redevelopment of facilities.

A number of schemes have been brought forward from previous years including the construction of new local office / library facilities in Stewarton and Galston, and the redevelopment of the Burns Monument in the Kay Park, Kilmarnock to provide a new family history and heritage centre incorporating the Burns Statute and Monument. These projects are due to be completed in the 2008/09 financial year.

The Roads Capital Programme allocation has been increased to £3.500m per annum to enable longer term planning and meet the challenges of its roads and bridges programmes.

FINANCIAL AND SERVICE STRATEGY 2008/2009

NEIGHBOURHOOD SERVICES

East Ayrshire Council has a strong track record of partnership in the development of capital projects. This is a growing area and the Council actively promotes community involvement and working with other agencies to maximise the impact of the Council's capital resources to address key issues. In recent years East Ayrshire Council has developed projects across a range of service areas directly linked to fulfilling Community Plan aspirations and includes projects completed in partnership with the NHS Ayrshire & Arran Health Board and Strathclyde Partnership for Transport. The five-year programme makes provision for continued commitment to these partnerships, and includes allocations for the Crosshouse Area Centre, and Auchinleck Resource Centre projects, which will be shared facilities with our Community Planning Partners.

Housing Investment Programme

The budget proposals for 2008/09 will see the value of the Housing Improvement Programme increase to £15.592m. The Council will continue to install significant numbers of new kitchens and bathrooms in response to the views which have been expressed by tenants. However, the Council also recognises the challenges of high energy costs and carbon management and is committed to tackling fuel poverty by making its properties more energy efficient. The Council will increase the number of modern central heating systems to be installed and introduce a major window replacement programme during the year to provide warm, dry and affordable homes for its tenants and with a view to ensuring the entire housing stock meets the Scottish Housing Quality Standard by 2015.

FINANCIAL AND SERVICE STRATEGY 2008/2009

NEIGHBOURHOOD SERVICES

Revenue Budget

Service	Estimate 2008/09 £m
Central Management & Emergency Planning	0.708
Leisure Services	11.609
Housing Services	18.116
Roads and Transportation	7.733
Police, Fire & SPT	32.104
Net Expenditure	70.270

Category of Expenditure

Employee Costs	19.418
Property Costs	2.258
Transport Costs	3.057
Supplies & Services	13.041
Third Party Payments	42.396
Total Expenditure	80.170
Other Grants and Contributions	(1.941)
Fees & Charges	(5.221)
Internal Income	(2.738)
Total Income	(9.900)
Net Expenditure	70.270

Trading Services

Trading Service	Estimate 2008/09 £m
Roads Contracts	(0.040)
Vehicle Maintenance	(0.010)
Street Lighting	(0.010)
Building and Works	(1.915)
Net Expenditure	(1.975)

FINANCIAL AND SERVICE STRATEGY 2008/2009

NEIGHBOURHOOD SERVICES

Capital Programme

Strategic Scheme	Total Cost £m	Estimate 2008/09 £m
Stewarton Area Centre	3.560	0.915
Galston Flood Prevention Scheme	13.071	0.600
Palace Theatre / Grand Hall Refurbishment	0.600	0.200
Baird Institute Refurbishment	0.600	0.200
Scott-Ellis Athletics Facilities	3.750	0.750
Parks Development Programme	1.000	0.200
Roads & Transport Development Programme	17.500	3.500
Public Art	0.250	0.050
Crosshouse Library / Local Office	3.014	0.144
Galston Local Office	1.600	1.000
Burns Monument Centre	5.000	2.470
Trading Services Depot	5.600	-
Stewarton Sports Facilities	4.300	-
New Sports Pavilions – Knockentiber /	2.200	-
General Scheme	0.930	0.930
	62.975	10.959
 Housing Improvement Programme	 75.135	 15.592

FINANCIAL AND SERVICE STRATEGY 2008/2009

NEIGHBOURHOOD SERVICES

Performance Summary

	Period 11 2007/08
Amount of Waste to Landfill (tonnes)	38,286
Amount of Waste Recycled (tonnes)	25,941
Number of Void Weeks	
Actual	15,691
Budget	18,611
Number of Council House Sales	
Actual	208
Budget	296

FINANCIAL AND SERVICE STRATEGY 2008/2009

CORPORATE SUPPORT

FUNCTIONS AND RESPONSIBILITIES

Main Responsibilities

PERSONNEL

The Personnel Service has an important part to play in promoting and supporting arrangements within the Council for workforce planning, management, health and safety and employee development. The service has a key role to play in meeting corporate, departmental and individual employee needs in order to meet the objective of being an exemplar employer and an employer of choice. In addition, the Service ensures the Council meets the various statutory obligations which apply to it as an employer.

	£m	Staff FTE
Employee Costs	1.633	50
Property Costs	0.002	
Transport Costs	0.011	
Supplies & Services	0.262	
Third Party Payments	0.060	
Gross Expenditure	1.968	
Income	(0.560)	
Net Expenditure	1.408	

INFORMATION TECHNOLOGY

IT Services provide information and communications technology (ICT) service to the Council, its constituent departments and partnerships. The Council's IT Services' objective is to provide a cost effective, responsive and accountable IT service which provides best value for the Council, and is focused upon, and driven by, the business needs of its customers.

	£m	Staff FTE
Employee Costs	1.938	51
Property Costs	-	
Transport Costs	0.026	
Supplies & Services	1.768	
Third Party Payments	0.013	
Gross Expenditure	3.745	
Income	(0.323)	
Net Expenditure	3.422	

FINANCIAL AND SERVICE STRATEGY 2008/2009

CORPORATE SUPPORT

PLANNING AND ECONOMIC DEVELOPMENT

The Planning & Economic Development Service is a key player in important projects, leading on many aspects of physical, community and economic regeneration and promoting, stimulating and encouraging all types of development, required to meet the needs and aspirations of the people of East Ayrshire.

The Planning and Economic Development Service has a key role to play in supporting the government objective of supporting small businesses and helping them gain a competitive advantage. This fits in well with the community plan aspiration/aim of increasing business birth rates and supporting new and existing businesses to remain sustainable and attract new inward investment jobs. A key part of this work will be raising awareness of the introduction of the Small Business Bonus Scheme. The Business Gateway provides information to new businesses and will guide clients towards the scheme. Proposals to transfer the functions of business gateway to local authority control are currently being progressed.

	£m	Staff FTE
Employee Costs	3.355	104
Property Costs	0.055	
Transport Costs	0.055	
Supplies & Services	0.599	
Third Party Payments	0.453	
Gross Expenditure	4.517	
Income	(2.047)	
Net Expenditure	2.470	

DEMOCRATIC SERVICES

Democratic Services provide a whole range of functions to the Council, but most notably have responsibility for administering the Council's democratic arrangements. Within this role the service provides essential support and advice to members, which includes ensuring that training and development needs are met. Other important functions performed by the service include reception, switchboard and mail services, reprographics, records management, freedom of information, customer first service commitment & complaints, and public relations and graphics.

	£m	Staff FTE
Employee Costs	1.529	48
Property Costs	-	
Transport Costs	0.030	
Supplies & Services	1.358	
Third Party Payments	0.061	
Gross Expenditure	2.978	
Income	(0.196)	
Net Expenditure	2.782	

FINANCIAL AND SERVICE STRATEGY 2008/2009

CORPORATE SUPPORT

LEGAL, PROCUREMENT AND REGULATORY

The Legal, Procurement and Regulatory Service provide a full range of legal, procurement and enforcement services for the Council. The work performed by the Legal Section includes litigation, debt recovery and conveyancing. In terms of regulatory services, the service is responsible for enforcing a whole range of legislation in respect of Licensing, Trading Standards and Environmental Health. The service is home to the Corporate Procurement Team which encompasses tendering, central purchasing and electronic procurement.

	£m	Staff FTE
Employee Costs	2.777	90
Property Costs	0.034	
Transport Costs	0.099	
Supplies & Services	0.509	
Third Party Payments	0.041	
Gross Expenditure	3.460	
Income	(0.925)	
Net Expenditure	2.535	

COMMUNITY PLANNING AND PARTNERSHIP

The Community Planning and Partnership Unit has responsibility for Community Planning and Corporate Community Regeneration Programmes. This involves developing and supporting partnership working and regeneration in a range of settings to better plan and deliver services that meet the needs and aspirations of our communities. The Unit has been leading on the development of the Community Planning Partners' Single Outcome Agreement.

	£m	Staff FTE
Employee Costs	0.546	17
Property Costs	-	
Transport Costs	-	
Supplies & Services	0.004	
Third Party Payments	4.273	
Gross Expenditure	4.823	
Income	-	
Net Expenditure	4.823	

FINANCIAL AND SERVICE STRATEGY 2008/2009

CORPORATE SUPPORT

Service Enhancements 2008/09

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

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

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

Strategic Review of the Revenue Budget

The Strategic Review of the Revenue Budget resulted in decisions to redirect resources away from support functions to frontline services with proportionate expenditure reductions across Corporate Support. This amounts to additional savings of £0.292m over the next 4 years.

Leader's Initiatives

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

- Landscape works being carried out in Kilmarnock Town Centre
- Provision of drop-down façade erected at opera house site in John Finnie Street
- Feasibility of using old ABC Cinema site in Kilmarnock in a cultural capacity as part of a theatre project
- Development of options for future use of Co-op building in Darvel
- Litter Education and Enforcement Team

Efficiency Gains

The department has been tasked with saving 2.25% of its controllable revenue expenditure which equates to £288,400. 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. Where a gain requires changes to policies or service levels such proposals will be presented to the Cabinet for approval.

FINANCIAL AND SERVICE STRATEGY 2008/2009

CORPORATE SUPPORT

It is proposed to achieve the efficiencies target through the implementation of a number of measures including:

- Reduced expenditure on Supplies and Services
- Increased income targets
- Renegotiation of Wide Area Network contracts.

Capital Programme

The five-year capital programme reflects an investment of £2.863m for Information and Communications Technology (ICT) projects to reflect the Council's commitment to the continued development of ICT systems that support the Council's strategic aims. In particular, investment sums will be used to upgrade key elements of the Council's central UNIX and File Server Infrastructure and Corporate Data and Voice Networks.

FINANCIAL AND SERVICE STRATEGY 2008/2009

CORPORATE SUPPORT

Revenue Budget

	Estimate 2008/09 £m
Service	
Central Management Support	0.214
Personnel	1.408
Information Technology	3.422
Planning & Economic Development	2.470
Democratic Services	2.782
Legal & Regulatory Services	2.535
Community Planning	4.823
Net Expenditure	17.654

Category of Expenditure

Employee Costs	11.989
Property Costs	0.092
Transport Costs	0.222
Supplies & Services	4.459
Third Party Payments	4.624
Total Expenditure	21.386
Other Grants and Contributions	(0.388)
Fees & Charges	(2.426)
Internal Income	(0.918)
Total Income	(3.732)
Net Expenditure	17.654

Capital Programme

	Total Cost £m	Estimate 2008/09 £m
Strategic Scheme		
ICT Infrastructure and Telephony	2.863	0.642
	2.863	0.642

FINANCIAL AND SERVICE STRATEGY 2008/2009

CORPORATE SUPPORT

Performance Summary

	Period 11 2007/08
Job Vacancy Adverts	
Number Placed	412
Average Cost	£369
Number of Building Warrants	1,263
Value of Development Plans	£155.6m
Number of Planning Applications	805

FINANCIAL AND SERVICE STRATEGY 2008/2009

FINANCE AND ASSET MANAGEMENT

FUNCTIONS AND RESPONSIBILITIES

Main Responsibilities

FINANCE AND ASSET MANAGEMENT

Finance

Corporate Accounting

Corporate Accounting is responsible for Budget Preparation, Budget Monitoring and Control, Financial Returns, Professional Advice to Executive Directors, Statutory and Financial Reporting, Financial and Revenue Ledger Control, Rent Accounting and Systems Management and Administration.

Revenues & Benefits

Revenues & Benefits is responsible for processing of Housing and Council Tax Benefits for residents, Benefit Fraud prevention and detection, Council Tax and Non-Domestic rates billing and collection.

Exchequer

The Exchequer unit is responsible for Treasury Management, Leasing, VAT and Statutory Compliance, Risk Management and Insurance, Income Management and Payments.

	£m	Staff FTE
Employee Costs	8.732	292
Property Costs	4.971	
Transport Costs	0.129	
Supplies & Services	1.689	
Third Party Payments	0.102	
Transfer Payments	42.136	
Gross Expenditure	57.759	
Income	(7.228)	
Net Expenditure	50.531	

FINANCIAL AND SERVICE STRATEGY 2008/2009

FINANCE AND ASSET MANAGEMENT

Asset Improvement

Asset Improvement offers a client-orientated professional multi-disciplinary service for the design and construction of all council building construction projects, including Architectural, Quantity Surveying and Engineering services. Recent restructuring has resulted in improved, integrated, multi-disciplinary customer-focused project teams such as Client Audit and Energy Advice Services. This enables the Division to carry out all client briefs in a comprehensive and integrated manner.

Asset Management

- Estates Management: The Estates Management Section is responsible for the disposal and lease of land and property, providing professional property advice to all Council Departments and Committees.
- Asset Management: The Asset Management Section provides a comprehensive and integrated approach to managing the Council's property portfolio to ensure that infrastructure and facilities are suitable for the delivery of our objectives. The work of this section is being driven by the implementation of the Corporate Asset Management Strategy. Key tasks include the identification of surplus assets, enhancement of the capital investment/receipts strategy and implementation of asset management software.

Best Value & Performance

The Best Value & Performance Section has lead corporate responsibility for overseeing the Council's approach to fulfilling its legislative duty arising from the Local Government in Scotland Act 2003 and associated Statutory Guidance and Regulations. The section interprets national legislation and guidance, develops policy direction, and provides corporate support in ensuring that the Council fulfils a range of statutory responsibilities.

FINANCIAL AND SERVICE STRATEGY 2008/2009

FINANCE AND ASSET MANAGEMENT

Service Enhancements 2008/09

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

Strategic Review of the Revenue Budget

The Strategic Review of the Revenue Budget resulted in decisions to redirect resources away from support functions to frontline services with proportionate expenditure reductions across Corporate Support and Finance and Asset Management. This amounts to additional savings of £0.295m over the next 4 years.

Leader's Initiatives

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

- Refurbishment of Council owned shops in Ayr Road, Cumnock

Efficiency Gains

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

quality of essential services. Where a gain requires changes to policies or service levels such proposals will be presented to the Cabinet for approval.

It is proposed to achieve the efficiencies target through the implementation of a number of measures including:

- Reduced staffing
- Reconfiguration of Financial Systems
- Reduced expenditure on external services

Capital Programme

The Council continues to consider initiatives for regeneration that support the development of our town centres. Major infrastructure projects have been identified for Kilmarnock and Cumnock Town Centres, including the reconfiguration and improvement of the multi-storey car park and other public realm improvements in Kilmarnock, and the development of joint venture arrangements for provision of new office developments in Kilmarnock and Cumnock Town Centres. A further £2.000m has been provided for in 2009/10 to enable further development of regeneration and asset management proposals.

An allocation of £1.650m has also been provided for in respect of the provision of new data centre, council chamber and annex facilities within East Ayrshire Council's London Road Headquarters, which are final phases of the extensive works in relation to the construction of a new CCTV / Risk Management Centre.

FINANCIAL AND SERVICE STRATEGY 2008/2009

FINANCE AND ASSET MANAGEMENT

Revenue Budget

	Estimate 2008/09 £m
Service	
Finance and Asset Management	50.531
Net Expenditure	50.531
Category of Expenditure	
Employee Costs	8.732
Property Costs	4.971
Transport Costs	0.129
Supplies & Services	1.689
Third Party Payments	0.102
Transfer Payments	42.136
Total Expenditure	57.759
Other Grants and Contributions	(1.474)
Fees & Charges	(4.257)
Internal Income	(1.497)
Total Income	(7.228)
Net Expenditure	50.531

Capital Programme

	Total Cost £m	Estimate 2008/09 £m
Strategic Scheme		
Regeneration & Asset Management	10.000	3.085
Development of Headquarters & Data Centre	1.650	1.650
	11.650	4.735

FINANCIAL AND SERVICE STRATEGY 2008/2009

FINANCE AND ASSET MANAGEMENT

Performance Summary

	Period 11 2007/08
Number of Repairs Orders Raised	5,467
Number of Days to process new HB/CTB Claim	26.56
Council Tax Collection Rate	90.9%

FINANCIAL AND SERVICE STRATEGY 2008/2009

CENTRAL SERVICES

FUNCTIONS AND RESPONSIBILITIES

Main Responsibilities

CENTRAL SERVICES

Chief Executive

This section covers the operation of the Chief Executive's office and the Internal Audit function which examines, evaluates and reports on the adequacy of the internal control as a contribution to the proper economic, efficient and effective use of resources.

Miscellaneous Services

Miscellaneous Services encompasses a range of functions and services which are not specific to any one department of the authority including:

- External Audit Fees
- Corporate Management
- Grants to Voluntary Organisations
- Unfunded Superannuation
- Contingencies and Retentions

	£m	Staff FTE
Employee Costs	2.502	11
Property Costs	-	
Transport Costs	0.008	
Supplies & Services	1.958	
Third Party Payments	0.812	
Gross Expenditure	5.280	
Income	(0.879)	
Net Expenditure	4.401	

FINANCIAL AND SERVICE STRATEGY 2008/2009

CENTRAL SERVICES

Revenue Budget

	Estimate 2008/09 £m
Service	
Chief Executive	0.541
Miscellaneous	3.190
Joint Board - AVJB	0.670
Net Expenditure	4.401

Category of Expenditure

Employee Costs	2.502
Property Costs	-
Transport Costs	0.008
Supplies & Services	1.958
Third Party Payments	0.812
Total Expenditure	5.280
Other Grants and Contributions	-
Fees & Charges	-
Internal Income	(0.879)
Total Income	(0.879)
Net Expenditure	4,401