

# FINANCE & ASSET MANAGEMENT



*FINANCE AND SERVICE STRATEGY REPORT*

*TO PERIOD 6 (20 SEPTEMBER 2009)*

*GOVERNANCE & SCRUTINY - 20 NOVEMBER 2009*

Efficiency Theme	Description
PVI	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**  
**20 NOVEMBER 2009**

**FINANCE AND SERVICE STRATEGY REPORT**  
**TO PERIOD 6 (20 SEPTEMBER 2009)**

**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 20 September 2009 (Period 6) and information provided by Executive Directors.

**2 BACKGROUND**

- 2.1 As indicated to the Cabinet on 2 September 2009, this report has now been developed to include performance information from the Council's CORVU performance management system. A selection of indicators is included for each department. The graphs show current year in red, previous year in blue and each is accompanied by a commentary including any planned improvement actions where appropriate. It should be noted that the system is still under development and the format and content of the performance information included in this report will continue to change and improve over time.

**3 GENERAL SERVICES**

- 3.1 The overall projected outturn for the year to 31 March 2010 is an uncommitted surplus in excess of budget of £0.244m. Net departmental overspends of £0.595m will require to be resolved in-year or carried forward. Details are included in the attached report.

- 3.2 It is anticipated that the department of Educational and Social Services will outturn £0.288m over budget at 31 March 2010. Cabinet on 2 September 2009 approved an amount of £0.325m which the department required to be earmarked and carried forward to meet the full year costs of 15 additional Primary teachers and the restructuring of the Secondary Schools promoted posts structure. However the Executive Director has confirmed that this is no longer required.

- 3.3 Social Services is currently anticipated to be £0.016m under budget at 31 March 2010. This includes additional secure accommodation placement costs required for the remainder of the year and additional elderly residential 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.

- 3.4 The Executive Director of Neighbourhood Services anticipates a favourable variance of £0.068m mainly due to savings in employee costs and landfill costs partially offset by additional transport, property and supplies and services costs.

- 3.5 The Executive Director of Corporate Support anticipates an adverse variance of £0.462m which includes a projected shortfall in Planning and Building Standards income of £0.719m partially offset by significant employee cost savings.

- 3.6 The Executive Head of Finance and Asset Management anticipates a favourable variance of £0.074m mainly due to funding received from the Department of Work and Pensions, additional income and employee cost savings offset by reduced property related income.

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CFS	Review of policies and procedures for charging for services

- 3.7 The level of Housing and Council Tax Benefit shows an increase of 6% over the same period last year with the net cost currently over budget by £0.148m. This is offset by the income recovered which is anticipated to outturn £0.235m over budget, resulting in a net favourable variance of £0.087m. In addition there is an adverse variance of £0.025m on Non Domestic Rates income due to increased discretionary reliefs.
- 3.8 The Solicitor to the Council has advised that anticipated costs of external support in respect of Equal Pay cases are £0.132m and this has currently been met within Miscellaneous Services.
- 3.9 Projected expenditure on the Capital Programme for the year is £28.369m which is 99% of budgeted expenditure.
- 3.10 The number of staff on the Redeployment Register fluctuates throughout the year as posts are added while others are removed due to contracts ending or being terminated. The number of staff on the register as at 2 October 2009 is 12 and the cost of maintaining them is £0.094m.

#### **4 LEADER'S INITIATIVES**

- 4.1 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.

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

- 5.1 Cabinet of 21 October 2009 approved that the favourable variances in employee costs, debt charges and voids be used to assist capital spending to help offset the affect of reduced house sales.
- 5.2 Projected expenditure on the Housing Investment Programme is £14.874m which is 95% of budgeted expenditure.

#### **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. During the current financial year commitments of £0.800m have reduced the balance to £5.801m which equates to 1.7% of the annual budgeted expenditure for 2009/10.

#### **7 CAPITAL PROGRAMME**

- 7.1 Cabinet of 21 October 2009 agreed that the spending profile be updated on a number of previously approved capital schemes which have not been able to be progressed within the original timetable for a variety of valid reasons in order to provide more meaningful monitoring information and aid forward planning assumptions.
- 7.2 The following table therefore sets out the revised position for 2009/10 and 2010/11 based on current information, taking account of proposed transfers between years.

Scheme	2009/10 Original £m	2009/10 Revised £m	FutureYears Original £m	FutureYears Revised £m
Auchinleck Academy PE Block	0.470	-	-	0.470
Bellsbank Primary Windows	0.100	-	-	0.100
Muirkirk Primary Reroofing	0.100	-	0.100	0.200
Muirkirk Primary Windows	0.051	0.001	-	0.050
New Cumnock Primary School	0.300	0.150	9.300	9.450
Patna / St Xavier's Primary School	0.100	0.030	8.900	8.970
Children's Home Kilmarnock	0.252	0.052	1.250	1.450
Crosshouse Resource Centre	3.558	3.258	-	0.300
Galston Local Office	0.500	-	1.100	1.600
Cumnock Town Centre Regeneration	3.226	2.126	10.000	11.100
John Finnie Street	0.175	-	-	0.175
Regeneration & Efficiency - General	0.750	0.450	5.000	5.300
<b>TOTAL</b>	<b>9.582</b>	<b>6.067</b>	<b>35.650</b>	<b>39.165</b>

7.3 Taking account of these changes, as at Period 6 the General Services Capital Programme expenditure to date is £6.039m, which represents 20.9% of the available budget (as compared to 41.2% to the same period in 2008/09) resulting in a projected variance for 2009/10 of £0.349m. The projected variance primarily relates to a number of schemes in relation to the Education and Social Services and Neighbourhood Services programmes where actual costs are less than originally budgeted.

7.4 Works are currently on-going with regard to the new back-up data centre located at the Civic Centre North Building, and the main data centre at London Road. The Head of Information Technology has confirmed that it would be helpful to bring forward the equipment upgrade programme to co-inside with the completion of these new facilities. Cabinet on 21 October 2009 approved an acceleration of £0.400m into 2009/10 to cover the additional costs in relation to the back-up data centre equipment and £0.110m in 2010/11 to cover the equipment costs for the main data centre.

7.5 Cabinet approved the Traffic, Transportation and Road Safety Programmes for 2009-10 on 3 June 2009 including a proposal for the Stewarton Cycle Route in the Cycling, Walking, Safer Streets programme (CWSS). It has not been possible to resolve land issues to allow the project to proceed in 2009/10 and Cabinet of 21 October 2009 approved the re-allocation of the budget for the scheme to bring forward pedestrian crossing schemes previously approved for future years at Grassyards Road, Holehouse Road, Western Road (near Kilmaurs Road roundabout), Campbell Street and street lighting improvements at bus stops on Barony Road at Dumfries House.

7.6 Cabinet on the 3 June 2009 also approved an improvement scheme at Kerlstone to Wee Torhill on the A70, East of Muirkirk from the Rural Route Improvement programme. It has not been possible to reach agreement with the landowner for the acquisition of the land needed to progress the project in the 2009/10 financial year. Cabinet on 21 October 2009 approved the re-allocation of the budget to begin negotiations for the acquisition of the land required for a future realignment of the A70 at Glenbuck.

7.7 Cabinet approved a 10 Year Bridge and Culvert Strengthening Programme on 22 April 2009 which included the replacement of B741 Muck Bridge near Dalmellington. The design is at an advanced stage, however, the extensive site investigation and assessment of options needed have delayed the start of the scheme until February 2010 and it is unlikely that the budget will be fully utilised in 2009/10.

7.8 Cabinet on 21 October 2009 therefore approved the proposed reallocation of funding to bring forward three approved schemes from 2010/11 for implementation in 2009/10. These were the re-decking of Manse Bridge on the A71 in Newmilns,

protective Trief kerbs at Townhead Bridge, Kilmarnock and site investigation and preparatory design for the future replacement of Littlemill Bridge near Rankinston. Other urgent remedial work to the masonry parapets of B778 Bloak Bridge, which was damaged following a vehicle strike and repairs to a partially collapsed masonry retaining wall on the B7037 Sorn Road, Galston will also be undertaken.

- 7.9 Work is currently on-going to develop designs in respect of the Kilmarnock Athletics Facilities project. As a means of better integrating the facilities on Queens Drive with the surrounding sports pitches at Scott Ellis, Cabinet on 21 October 2009 approved the proposal that a footbridge is constructed linking both sites. This would also create the facility for over-flow car parking for events that may be held at the new Athletics Facilities. The cost to construct a footbridge and associated footways is estimated at £0.200m and it is currently anticipated that this can be done within existing resources.

## **8 RECOMMENDATIONS**

8.1 It is recommended that Members:

- (i) note the earmarking of £0.325m to be carried forward as noted at paragraph 3.2 is no longer required; and
- (iii) otherwise note the contents of this report.

Alex McPhee  
Executive Head of Finance and Asset Management  
11 November 2009

### **LIST OF BACKGROUND PAPERS - NIL**

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

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

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## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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	176.505	176.793	0.288	Deficit / (Surplus) for the Year	2.171	2.522	0.351
Neighbourhood Services	66.899	66.831	(0.068)	Utilise Previous Years Balances	(2.171)	(2.171)	0.000
Corporate Support	16.481	16.943	0.462	Departmental Under/(Over) Spend c/f	0.000	(0.595)	(0.595)
Finance and Asset Management	9.170	9.096	(0.074)	<b>2009/2010 Deficit / (Surplus)</b>	<b>0.000</b>	<b>(0.244)</b>	<b>(0.244)</b>
Central Services – Other	8.058	8.044	(0.014)				
Central Services – Debt Charges	17.350	17.250	(0.100)				
Central Services – HB/CT Benefit Subsidy	43.414	43.562	0.148				
Building and Works	(0.783)	(0.864)	(0.081)				
<b>Net Expenditure</b>	<b>337.094</b>	<b>337.655</b>	<b>0.561</b>	<b>Housing Revenue Account</b>			
				Expenditure	36.793	36.651	0.142
				Income	(36.793)	(36.651)	(0.142)
				<b>Net Expenditure</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Funded by</b>							
Council Tax	(48.818)	(48.818)	0.000				
Aggregated External Finance	(242.789)	(242.764)	0.025				
HB/CT Benefit Subsidy	(43.316)	(43.551)	(0.235)				
<b>Total Income</b>	<b>(334.923)</b>	<b>(335.133)</b>	<b>(0.210)</b>				

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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	6.650	1.825	6.403	96%	Grants, Partnership Funding , CFCR	9.409	9.409
Neighbourhood Services	14.315	3.261	14.303	100%	External Borrowing	19.457	19.107
Corporate Support	2.340	0.284	2.340	100%	<b>Total</b>	<b>28.866</b>	<b>28.516</b>
Finance & Asset Management	1.600	0.082	1.600	100%			
Regeneration, Efficiency & Asset Management	3.926	0.587	3.870	99%			
Contingency Funding	0.035	0.000	0.000	-			
<b>Total</b>	<b>28.866</b>	<b>6.039</b>	<b>28.516</b>	<b>99%</b>			

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	3.214	14.874	95%	Revenue Funding (CFCR)	5.561	5.791
					Sale of Council Dwellings	4.888	3.000
					Anticipated Borrowing	5.167	6.083
					<b>Total</b>	<b>15.616</b>	<b>14.874</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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	£0.050m	In Progress	Car parking area and landscaping at North Hamilton Place complete and two large hexagonal planters purchased for Langlands St. and Titchfield St. Kilmarnock. Additional landscaping works to be carried out by Autumn 2009.
2	The provision of a drop-down façade erected at the opera house site at John Finnie Street, to be developed in partnership with Klin Developments	Corporate Support	£0.037m	To Commence	This activity has been overtaken by Kilmarnock Town Centre developments.
3	The provision of a new floral clock with associated landscaping works at Kilmarnock Railway Station in partnership with Strathclyde Partnership for Transport	Corporate Support	£0.209m	In Progress	Cabinet on 9 July 2009 agreed proposals. Total project cost is currently anticipated to be £0.390m with funding of £0.330m secured. Tender process for the clock face and wall have been completed. Currently await conclusion of license agreement with Network Rail prior to awarding contract. Stage 2 (Garden Street) is dependant on £0.060m additional funding being secured.
4(a)	The installation of floodlighting to highlight key landmark structures - the viaduct	Corporate Support	£0.100m	Complete	Project completed in 2008/09 and opening ceremony took place on 6 October 2008.
4(b)	External Lighting Projects	Corporate Support	£0.292m	In Progress	Work continues with regards to the scheme scope and specification. Neighbourhood Services have been instructed to progress with the purchase of lighting equipment for Riccarton Church and Kilmarnock Town Centre and are working on revised schemes for Bank Street.
5	Feasibility study for cultural activity (per Cabinet 17 December 2008)	Corporate Support	£0.070m	In Progress	Scheme is currently in progress.
6	The development of options for future use of the Co-op building in Darvel	Corporate Support	£0.017m	Complete	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.

Status: Complete ■

In Progress ■

To Commence ■

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### LEADER'S INITIATIVES

No	Initiative	Lead Department	Projected Expenditure to 31 March 2010	Progress
7	The refurbishment of the Council-owned shops in Ayr Road, Cumnock	Finance & Asset Management	£0.120m	One of the units is now occupied and negotiations are ongoing with an interested party regarding a second unit. Work at the remaining shop is ongoing following it becoming vacant.
8	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.
9(a)	The purchase of an additional mechanical sweeper to tackle litter	Neighbourhood Services	£0.068m	Complete with vehicle purchased in 2008./09.
9(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.
10	Changes to the Shopmobility scheme to make it available on a Saturday	Neighbourhood Services	-	Scheme completed in 2008/09 and funded by the department.
11	The availability of a public convenience provision in Kilmarnock seven days a week	Neighbourhood Services	£0.025m	Planning application submitted and contract for installation awarded.
12	The provision of new toilet facilities in Mauchline	Neighbourhood Services	-	Scheme completed and funded by the department.
<b>TOTAL</b>			<b>£1.000m</b>	

Status: Complete



In Progress



To Commence



## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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 £0.288m over budget at 31 March 2010.

The Educational Services position is £0.304m over budget. Cabinet previously approved a sum of £0.325m to be earmarked for carry forward at 31 March 2010 to ensure that a budget is available for the whole school year to pay for 15 additional Primary teachers and for the restructure of the Secondary Schools promoted post structures. However this is no longer required and the funding is offsetting additional expenditure elsewhere within the department. Additional employee costs for Classroom assistants for additional support are offset by funds held within Central Resources for teachers in 2010/11. Additional costs of Outwith Placements within Community Support are partially offset by additional PPP claims against the contractor. 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.

The Social Services position is £0.016m under budget after the utilisation of General Fund balances brought forward of £0.360m as well as significant savings from management of vacant posts including part-year savings from vacant posts which form part of the review of the Social Work management and administrative support structures. The report includes additional secure accommodation costs £0.293m and elderly residential care costs of £0.151m, as well as additional provisions for growth in children's services, adult care packages and self directed services.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Resources	2.633	2.260	(0.373)
PPP	8.242	8.242	0.000
Schools	65.707	66.123	0.416
Community Support	23.788	23.886	0.098
Facilities Management	13.712	13.875	0.163
Social Work	62.423	62.407	(0.016)
<b>Net Expenditure</b>	<b>176.505</b>	<b>176.793</b>	<b>0.288</b>

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	118.867	118.175	(0.692)
Property Costs	7.770	8.052	0.282
Transport Costs	6.858	6.792	(0.066)
Supplies & Services	9.290	9.285	(0.005)
Third Party Payments	46.620	47.780	1.160
Transfer Payments	6.137	6.388	0.251
<b>Gross Expenditure</b>	<b>195.542</b>	<b>196.472</b>	<b>0.930</b>
Income	(19.397)	(19.679)	(0.282)
<b>Net Expenditure</b>	<b>176.145</b>	<b>176.793</b>	<b>0.648</b>
Utilise Balances	0.360	0.000	(0.360)
<b>Net Expenditure</b>	<b>176.505</b>	<b>176.793</b>	<b>0.288</b>

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## EDUCATIONAL AND SOCIAL SERVICES

### SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate £m	Budget Adjustments £m	Revised Budget £m	Comments on Budget Movement
Budget Allocation Approved by Council 12 February 2009	170.244			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Utilisation of Balances		+0.692		Drawdown of Earmarked Balances and use of Departmental Balances
2 Fairer Scotland Fund		+0.010		Realignment of Budgets to reflect allocation of Fairer Scotland Fund
3 Teacher Induction Scheme Funding		+0.011		Additional Funding for Probationary Teachers
4 Gaelic Education Funding		+0.007		Additional Funding for Gaelic Education
5 Realignment of Social Work Income Budgets		+0.100		Realignment of Budgets to Reflect actual inflation on Health Board Income
6 Adult Support and Protection Funding		+0.362		Additional Funding for Implementation of the Adult Support and Protection (Scotland) Act
7 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
8 Departmental Human Resources Budget Realignment		-0.743		Realignment of Budgets to reflect transfer of Departmental Human Resources Staff to Corporate Support
9 Grants to Voluntary Organisations Budget Realignment		-0.010		Realignment of Budgets to reflect transfer of responsibilities to Neighbourhood Services
10 Budget realignment for Onsite and Vehicle Maintenance		+0.033		Transfer budgets for Kay Park Library cleaning and former trading services transfer
11 Social Services Budget realignment		-0.045		Realignment of budget to reflect Community Health & Wellbeing Officer to Corporate Support
12 Supporting People Budget Realignment		5.652		
<i>Total Budget adjustments</i>			+6.261	
<b>Revised Budget Allocation at Period 6</b>			<b>176.505</b>	

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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 20/9/09	Achieved at 20/9/09 £m
<b>Educational and Social Services</b>		<b>2.372</b>		<b>2.158</b>
Reduce the number of school administration and support staff	KSO	0.210	In Progress	0.048
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	In Progress	0.025
Recharge of school library support service	CND	0.005	Fully met	0.005

Status: Fully met



In Progress



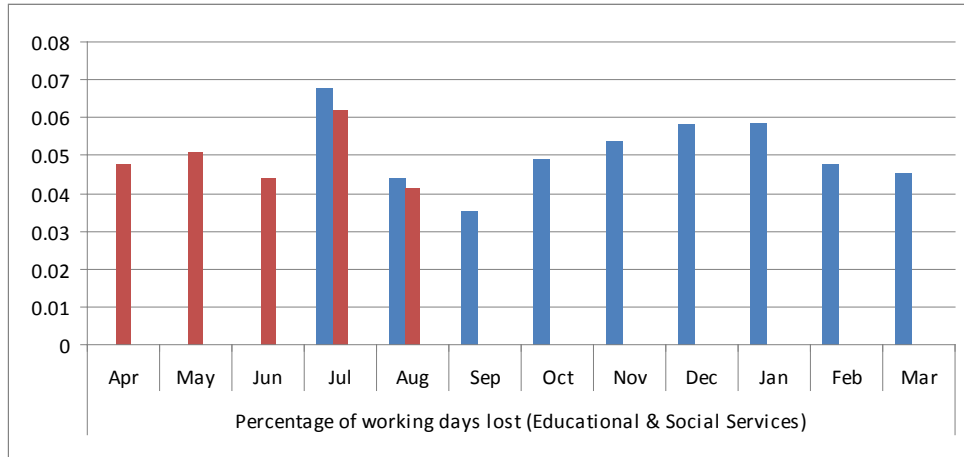
Unmet



# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

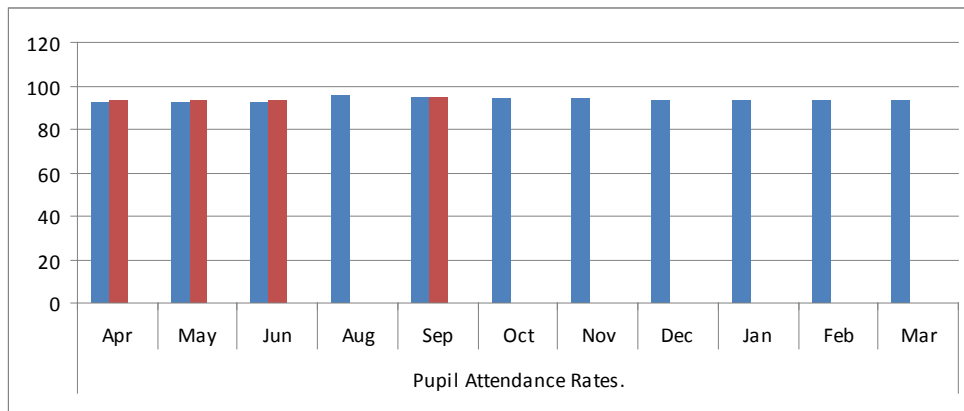
## EDUCATIONAL AND SOCIAL SERVICES

### PERFORMANCE MEASURES



Head of Service  
Commentary

Absence management is a regular agenda item at Department Directorate Team and Service Management Team meetings. Absence management procedures are being applied. Levels of absence are being monitored weekly in relation to pandemic flu.

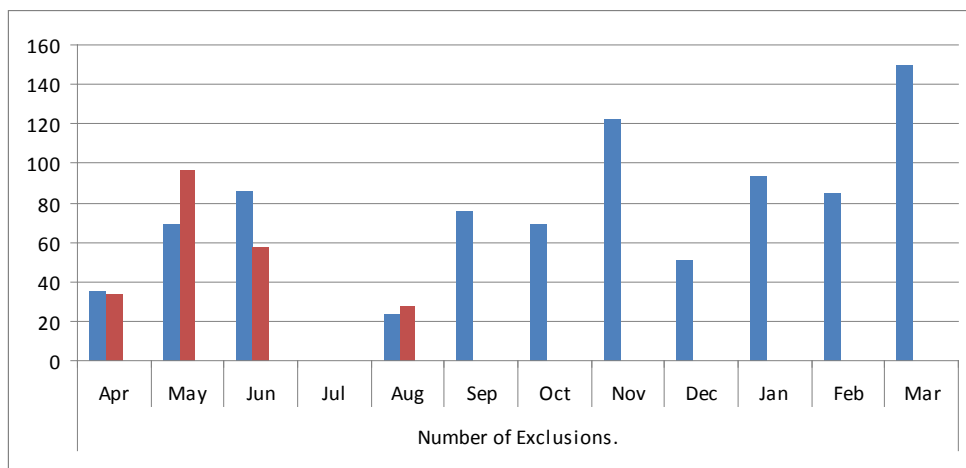


Head of Service  
Commentary

Overall attendance figures show an encouraging increase compared to the same time period last year, even taking into account the enthusiasm and motivation that pupils demonstrate at the start of term.

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

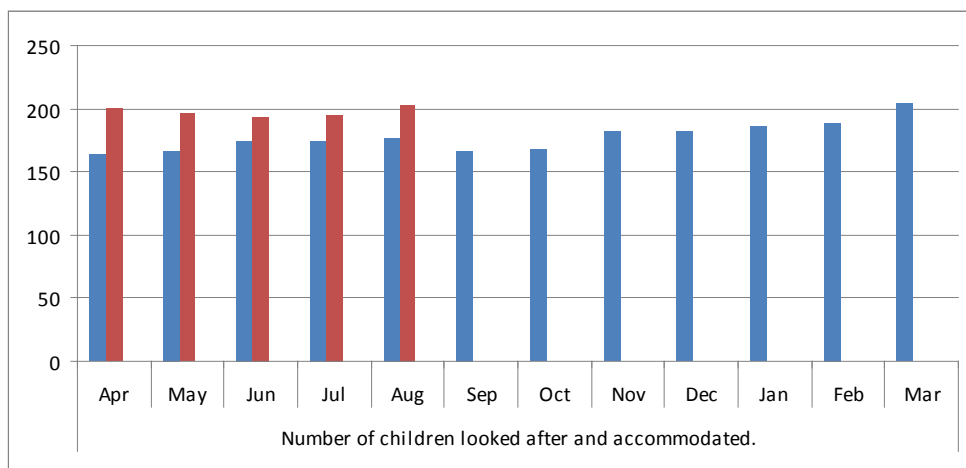
## EDUCATIONAL AND SOCIAL SERVICES



**Head of Service Commentary**

The small rise in exclusions at the start of this session, compared to 2008, are attributable to the secondary sector, but are within normal statistical fluctuation. It is anticipated however, that work done to achieve the downward trend demonstrated last year will continue.

Exclusion data is being closely monitored and Quality Improvement Officer intervention with Head Teachers will be deployed at an early stage to ensure schools continue to deploy appropriate pupil behaviour strategies.

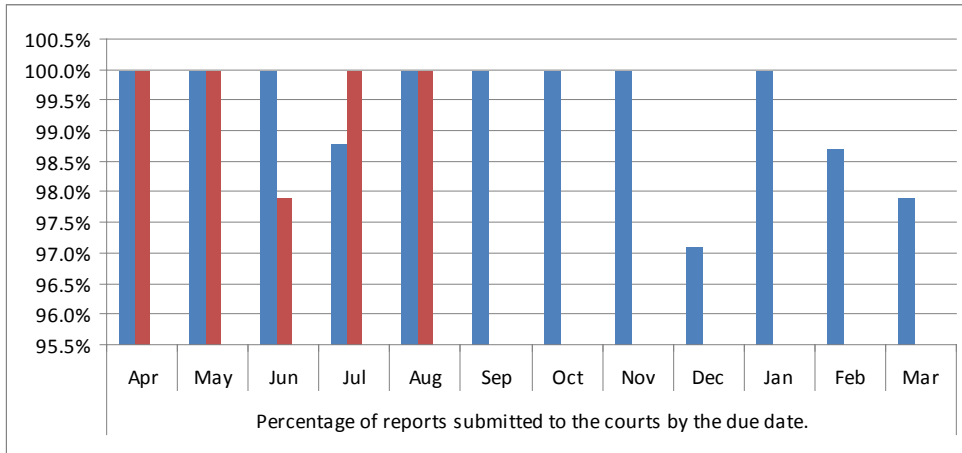


**Head of Service Commentary**

At a national and local level, the trend is an increase in the numbers of children being accommodated. This figure will fluctuate due to the number of sibling groups involved. The East Ayrshire Child Protection Committee has identified this as an issue requiring further investigation. Independent research is being commissioned to further develop our understanding of this trend.

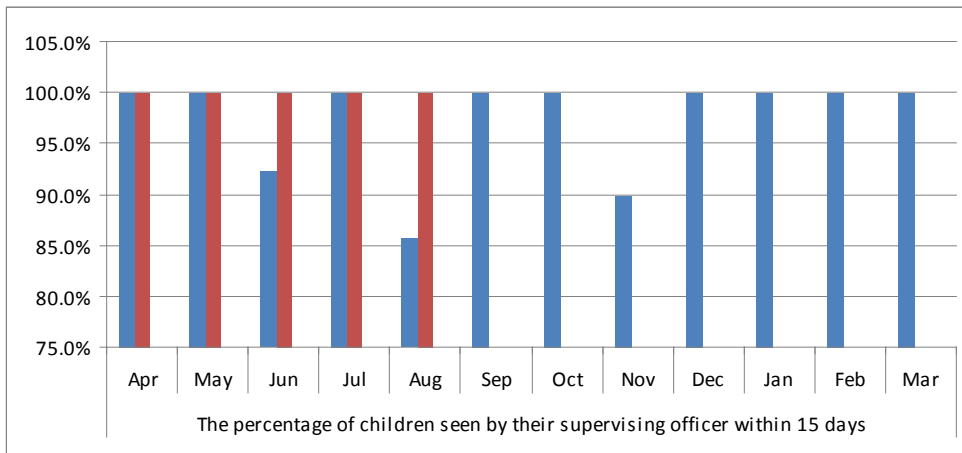
# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## EDUCATIONAL AND SOCIAL SERVICES



Head of Service  
Commentary

Performance in this area of activity has remained consistently high with slight variation being accounted for by staff absence and late report requests by the court.

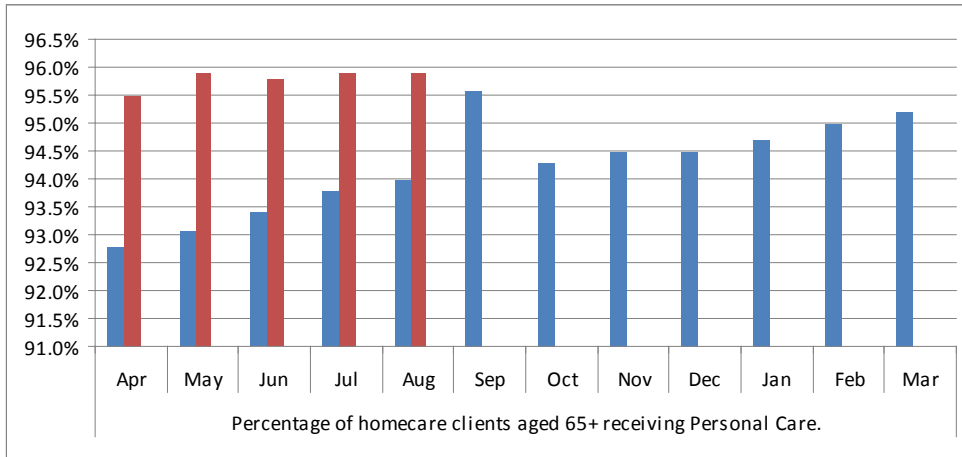


Head of Service  
Commentary

Performance is consistently high due to an improvement in practice with supervision orders being implemented by workers immediately following a children's hearing.

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### EDUCATIONAL AND SOCIAL SERVICES



#### Head of Service Commentary

The measure indicates continued focus of the homecare service towards the needs of the most vulnerable. The variation on previous period represents day to day fluctuations in the service, but trends against 2008 show a 2% increase. The social work service are undertaking a programme of reviews across homecare to ensure consistent application of the eligibility criteria, and focus of resources towards priority service areas.

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### EDUCATIONAL AND SOCIAL SERVICES

#### SERVICE PERFORMANCE TO DATE

##### RESOURCES

The variance mainly relates to a sum of £0.325m which was previously anticipated to be required for carry forward at 31 March 2010 to pay for 15 additional Primary teachers and for the restructure of the Secondary Schools promoted post structures as approved by Cabinet on 17 June 2009. This is no longer required and the funding will be utilised to offset additional expenditure elsewhere within the department. This variance is partly offset by the projected recurring cost of 1 FTE Grade 12 post which is part of the resource support admin review.

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.

##### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
62.24	-28.6	33.64	30.04

##### 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	2.053	1.767	(0.286)
Property Costs	0.051	0.051	0.000
Transport Costs	0.030	0.030	0.000
Supplies & Services	0.760	0.760	0.000
Third Party Payments	0.186	0.074	(0.112)
Transfer Payments	0.714	0.714	0.000
<b>Gross Expenditure</b>	<b>3.794</b>	<b>3.397</b>	<b>(0.398)</b>
Income	(1.161)	(1.136)	0.025
<b>Net Expenditure</b>	<b>2.633</b>	<b>2.260</b>	<b>(0.373)</b>

	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
<b>Gross Expenditure</b>	<b>8.242</b>	<b>8.242</b>	<b>0.000</b>
Income	0.000	0.000	0.000
<b>Net Expenditure</b>	<b>8.242</b>	<b>8.242</b>	<b>0.000</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### EDUCATIONAL AND SOCIAL SERVICES

#### SCHOOLS

The Employee Cost variance is mainly due to the demand for additional support resulting in the employment of additional classroom assistants, additional costs in the HQ Cover budget for Special Schools, additional school technicians costs and redeployment costs in relation to outdoor learning staff, partially offset by savings in foreign language assistants and Quality Improvement. 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. Supplies and Services are underspent due to reduced number of SQA exam fees. The adverse variances in third party payments relates to the school library service and discussions are continuing with the Executive Director of Neighbourhood Services to resolve staffing issues. Additional income will be received from recharges to other authorities for classroom assistants.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	58.187	58.685	0.498
Property Costs	4.753	4.762	0.009
Transport Costs	0.210	0.214	0.004
Supplies & Services	3.117	3.094	(0.023)
Third Party Payments	0.661	0.696	0.036
Transfer Payments	0.310	0.310	0.000
<b>Gross Expenditure</b>	<b>67.237</b>	<b>67.761</b>	<b>0.523</b>
Income	(1.531)	(1.638)	(0.107)
<b>Net Expenditure</b>	<b>65.707</b>	<b>66.123</b>	<b>0.416</b>

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
1,519.01	+42.75	1,561.76	1,560.18

#### COMMUNITY SUPPORT

Additional employee costs anticipated for the Woodstock Annexe at Witchhill School as a result of additional demand, the redeployment costs for staff in Community Learning and Childrens Services Coordinator costs are offset by vacancies and maternity leave mainly within Psychological Services. The adverse variance on third party payments relates to additional Outwith Placements with external bodies. This has been partially offset by reduced costs arising from the cessation of the Ayrshire Household Recycling Project There are additional Property Costs in respect of accommodation at Witchhill School for the new Annexe. Reduced income is anticipated on wraparound care.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	16.263	16.227	(0.036)
Property Costs	0.986	1.031	0.045
Transport Costs	0.267	0.267	0.000
Supplies & Services	1.427	1.413	(0.014)
Third Party Payments	5.612	5.696	0.084
Transfer Payments	0.086	0.096	0.010
<b>Gross Expenditure</b>	<b>24.640</b>	<b>24.728</b>	<b>0.088</b>
Income	(0.852)	(0.842)	0.010
<b>Net Expenditure</b>	<b>23.788</b>	<b>23.886</b>	<b>0.098</b>

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
517.62	-27.39	490.23	472.53

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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, janitors recharges and special catering income. Additional costs of £0.169m 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 potential capital costs for the playground/car park, as well as refurbishment costs at Elmbank Centre.

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
510.40	0	510.40	501.61

#### SOCIAL WORK

The favourable variance of £0.016m is achieved through utilisation of non-recurring balances of £0.360m, as well as significant savings from management of vacant posts including part-year savings from vacant posts which form part of the review of the Social Work management and administrative support structures. The report includes additional secure accommodation costs of £0.293m. As at 20 September 2009, the Council was funding 2 young people within secure accommodation. The projected outturn figure in this report is based upon 1,040 actual secure placement days commissioned in 2008/09 with provision for one additional placement for the second half of the financial year. Additional elderly residential care costs of £0.151m are also included mainly due to emergency admissions and costs associated with meeting hospital delayed discharge targets. Provisions for growth in children's services (including secure accommodation), adult care packages and self directed services are included in the report. The Budget Sustainability Board continues to examine these issues to identify a long term solution. This report does not include any adjustments related to service reviews underway within children and adult services and administrative support which will be incorporated in future reports.

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
1,089.57	+20.47	1,110.04	1,015.55

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	9.344	9.235	(0.109)
Property Costs	0.256	0.429	0.173
Transport Costs	4.913	4.908	(0.005)
Supplies & Services	2.342	2.372	0.030
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>16.854</b>	<b>16.943</b>	<b>0.089</b>
Income	(3.142)	(3.068)	0.074
<b>Net Expenditure</b>	<b>13.712</b>	<b>13.875</b>	<b>0.163</b>

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	33.021	32.262	(0.759)
Property Costs	1.724	1.781	0.057
Transport Costs	1.438	1.373	(0.065)
Supplies & Services	1.644	1.646	0.002
Third Party Payments	31.920	33.072	1.152
Transfer Payments	5.027	5.268	0.241
<b>Gross Expenditure</b>	<b>74.774</b>	<b>75.402</b>	<b>0.628</b>
Income	(12.711)	(12.995)	(0.284)
<b>Net Expenditure</b>	<b>62.063</b>	<b>62.407</b>	<b>0.344</b>
Utilise Balances	0.360	0.000	(0.360)
<b>Net Expenditure</b>	<b>62.423</b>	<b>62.407</b>	<b>(0.016)</b>

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 TO PERIOD 6 (20 SEPTEMBER 2009)

### NEIGHBOURHOOD SERVICES

#### SERVICE SUMMARY

The projected outturn to 31 March 2010 is a favourable variance of £0.068m. This is mainly due to anticipated savings within Central Management Support, Waste Management, General Fund Housing and Strong Safe and Attractive Communities. This is partly offset by adverse variances within Leisure Services, Community Safety and CCTV, Emergency Planning and Supporting People. All other services are anticipated to outturn on budget.

Building and Works is expected to outturn above budget at 31 March 2010.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Central Mgt Support	0.894	0.815	(0.079)
Leisure Services	12.267	12.346	0.079
General Fund Housing	11.887	11.808	(0.079)
Emergency Planning	0.049	0.060	0.011
Police & Fire	30.680	30.680	0.000
Roads & Transport	11.122	11.122	0.000
<b>Net expenditure</b>	<b>66.899</b>	<b>66.831</b>	<b>(0.068)</b>

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	24.285	24.106	(0.179)
Property Costs	3.162	3.270	0.108
Transport Costs	3.786	3.908	0.122
Supplies & Services	9.229	9.372	0.143
Third Party Payments	40.802	40.441	(0.361)
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>81.264</b>	<b>81.097</b>	<b>(0.167)</b>
Income	(14.365)	(14.266)	0.099
<b>Net expenditure</b>	<b>66.899</b>	<b>66.831</b>	<b>(0.068)</b>

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## NEIGHBOURHOOD SERVICES

### SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate	Budget Adjustments	Revised Budget	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 Non Relevant Recharge Budgets		+0.071		Realignment of Budgets to Reflect Non Relevant Recharges
9 Realignment of Property Budgets		+0.040		Transfer of property budgets relating to bus stations from Finance and Asset Management
9 Realignment of IT, Vehicle Maintenance & Libraries Budgets		-0.038		Transfer of budgets relating to WAN (Corporate Support new buildings), Former Trading Services and Kay Park Library cleaning
9 Supporting People Budget Realignment		-5.653		Transfer of formerly ring fenced Supporting People budget to ESS
9 Utilisation of Balances		0.059		Drawdown of Earmarked balances
<i>Total Budget adjustments</i>			-5.582	
<b>Revised Budget Allocation at Period 6</b>			<b>66.899</b>	

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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 20/9/09	Achieved at 20/9/09 £m
<b>Neighbourhood Services</b>		<b>0.964</b>		<b>0.946</b>
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		0.026
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		0.006
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



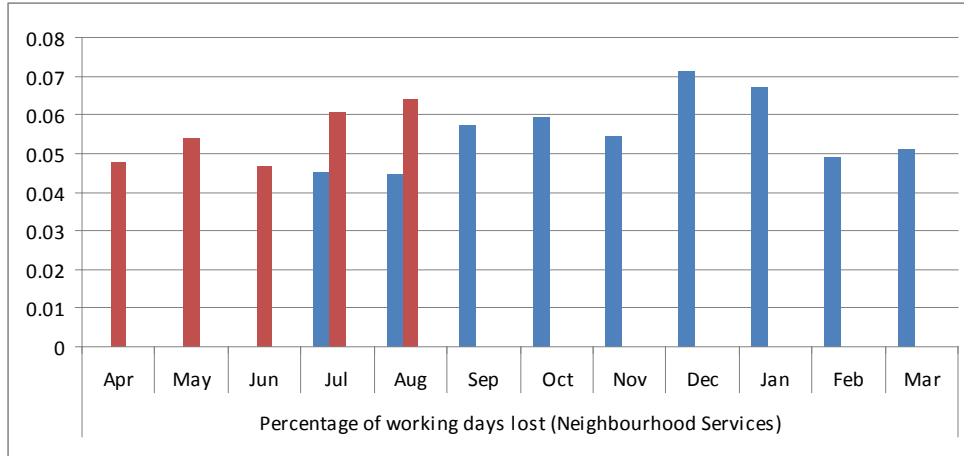
Unmet



# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

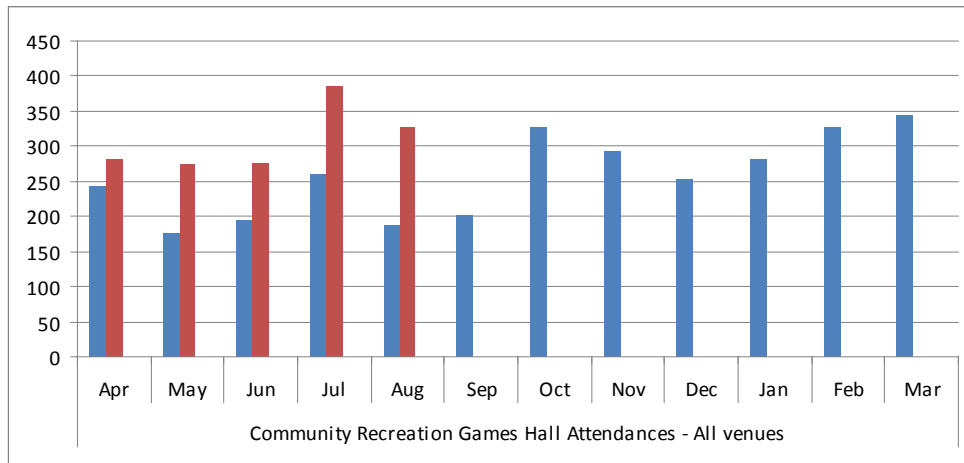
## NEIGHBOURHOOD SERVICES

### PERFORMANCE MEASURES



Head of Service  
Commentary

The majority of lost working days are due to long term sickness arising from operations or treatments. This is closely monitored by Heads of Service and monthly meetings are held with HR Staff and the Executive Director.



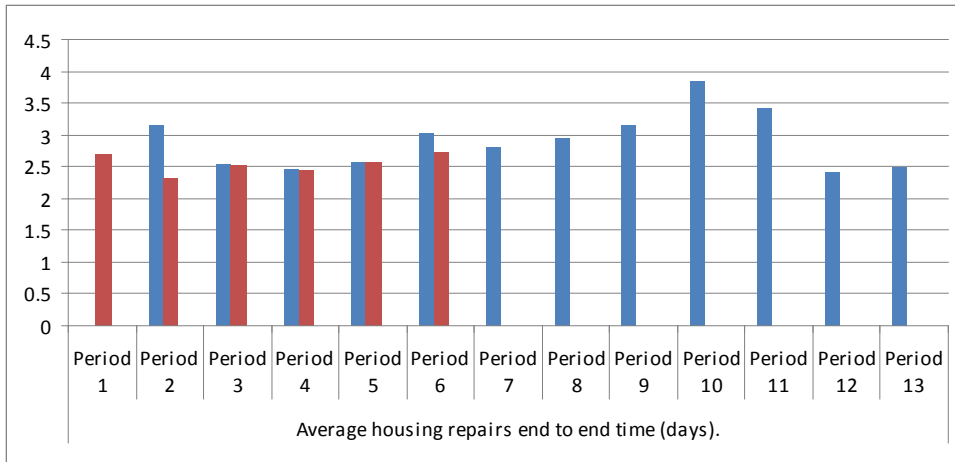
Head of Service  
Commentary

Games Hall attendance during the summer period have been traditionally low. The figures for period 6 this year are a significant improvement on previous years.

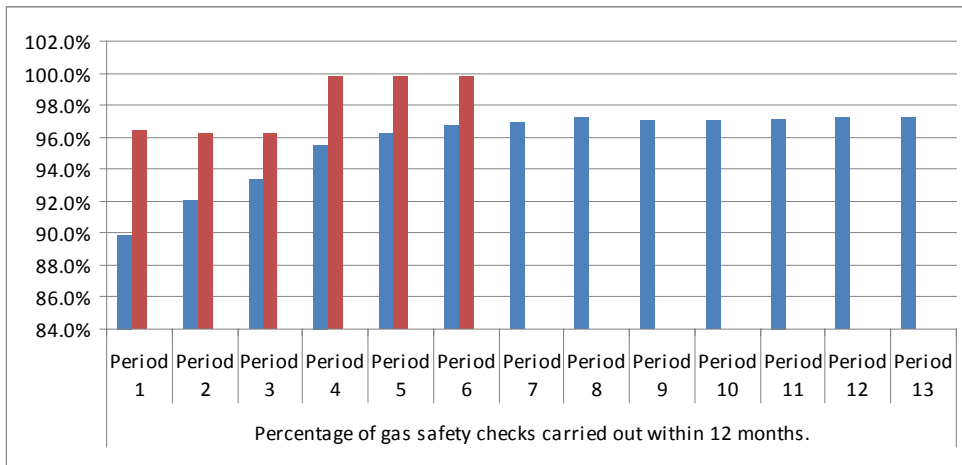
Month on month comparison in the same year is not a true comparator.

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## NEIGHBOURHOOD SERVICES



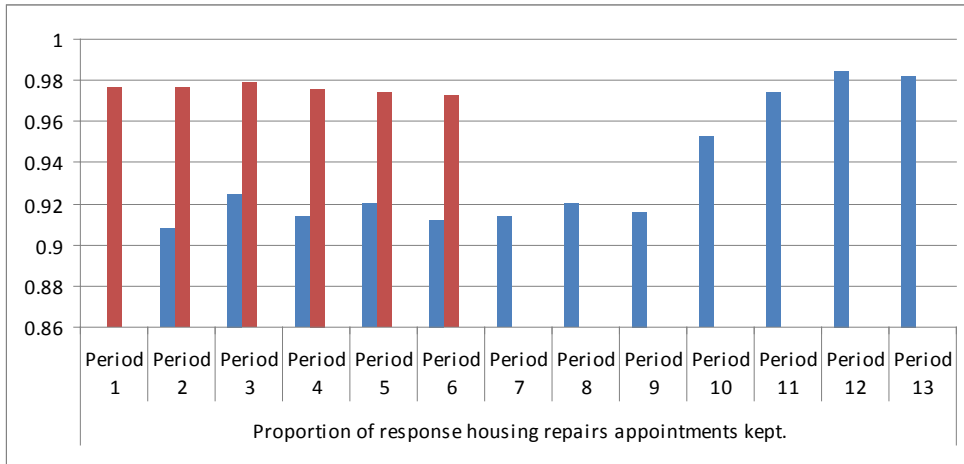
<p>Head of Service Commentary</p>	<p>Whilst the time period has extended by approximately 1 hour from last month, it is a significant improvement on last years performance. The slight decrease in period 6 is due to staff annual leave.</p>
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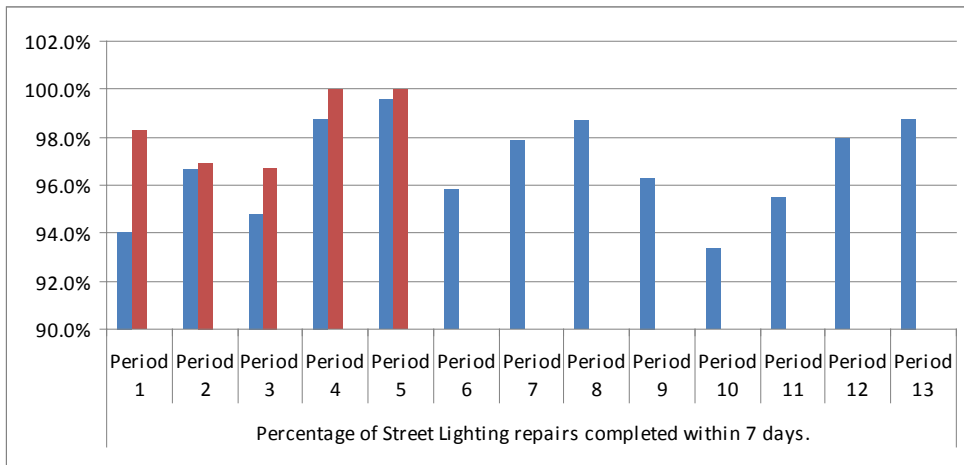
<p>Head of Service Commentary</p>	<p>Performance is now consistently close to 100%.</p>
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# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## NEIGHBOURHOOD SERVICES



Head of Service Commentary	The figures are better than the same period last year and have remained consistently above 97% throughout this year. The failures are generally attributed to tenants not being available.
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Head of Service Commentary	Performance for the last 2 months has been 100%.
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## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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 other services.

##### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
12.0	-5.0	7.0	6.39

##### LEISURE SERVICES

Employee Cost savings reflect vacancies within PPP Schools, Outdoor Amenities and Libraries, partly offset by job evaluation appeals and special payments within Registration and Community Recreation. Additional repairs have been completed within Property Costs. Adverse Transport Costs variances are related to additional fuel costs due to pricing and charges in respect of purchased and leased vehicles which are partially 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. Additional income is anticipated from registration fees, Grounds Maintenance, Street Cleansing, cemeteries and theatre and hall charges partially offset by reduced anticipated income from Leisure facilities in PPP schools and golf income.

##### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
466.28	0	466.28	434.29

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.259	0.214	(0.045)
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	0.400	0.384	(0.016)
Third Party Payments	0.330	0.330	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>0.989</b>	<b>0.928</b>	<b>(0.061)</b>
Income	(0.095)	(0.113)	(0.018)
<b>Net expenditure</b>	<b>0.894</b>	<b>0.815</b>	<b>(0.079)</b>

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	11.849	11.783	(0.066)
Property Costs	1.267	1.314	0.047
Transport Costs	1.015	1.099	0.084
Supplies & Services	1.771	1.877	0.106
Third Party Payments	0.390	0.418	0.028
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>16.292</b>	<b>16.491</b>	<b>0.199</b>
Income	(4.025)	(4.145)	(0.120)
<b>Net expenditure</b>	<b>12.267</b>	<b>12.346</b>	<b>0.079</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### NEIGHBOURHOOD SERVICES

#### GENERAL FUND HOUSING

The Employee Costs variance reflects the timing of filling vacancies as well as reduced overtime and special payments within Waste Management, this has been partially offset by the costs of Tenancy Support staff who are on the redeployment register. Additional Property Costs are mainly due to additional expenditure on non domestic rates and utilities within Waste Management, partly offset by a saving in property rents due to a reduction in the number of temporary accommodation properties. Additional fuel costs and charges in respect of purchased vehicles are partially offset by savings on hires and car mileage allowances. Supplies and Services costs relate mainly to the necessary purchase of additional bins and protective clothing, partially offset by reduced B&B expenditure and managed savings. Landfill charges are less than anticipated due to increased recycling activity. 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. This is partially offset by additional community safety funding from Strathclyde Police and additional trade waste.

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
220.11	0	220.11	206.78

#### HOUSING REVENUE ACCOUNT

Favourable variances due to the timing of filling vacancies, debt charges and lower than budgeted void rent losses are offset by lower than budgeted rent income due to demolitions and increased CFCR contributions towards planned maintenance to offset reduced capital receipts from house sales.

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
114.35	0	114.35	104.93

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	5.808	5.788	(0.020)
Property Costs	1.468	1.516	0.048
Transport Costs	1.268	1.307	0.039
Supplies & Services	3.350	3.393	0.043
Third Party Payments	5.246	4.807	(0.439)
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>17.140</b>	<b>16.811</b>	<b>(0.329)</b>
Income	(5.253)	(5.003)	0.250
<b>Net expenditure</b>	<b>11.887</b>	<b>11.808</b>	<b>(0.079)</b>

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	3.605	3.555	(0.050)
Property Costs	15.392	15.192	(0.200)
Transport Costs	0.134	0.134	0.000
Supplies & Services	5.197	5.197	0.000
Third Party Payments	0.974	0.974	0.000
Debt Charges	4.850	4.750	(0.100)
CFCR/Planned Maint	5.561	5.791	0.230
Homeless Hostels	1.080	1.058	(0.022)
<b>Gross Expenditure</b>	<b>36.793</b>	<b>36.651</b>	<b>(0.142)</b>
Income	(36.793)	(36.651)	0.142
<b>Net expenditure</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### NEIGHBOURHOOD SERVICES

#### EMERGENCY PLANNING

The variance reflects additional training and standby costs.

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
1.0	0	1.0	1.0

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.037	0.049	0.012
Property Costs	0.000	0.000	0.000
Transport Costs	0.003	0.002	(0.001)
Supplies & Services	0.009	0.009	0.000
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>0.049</b>	<b>0.060</b>	<b>0.011</b>
Income	0.000	0.000	0.000
<b>Net expenditure</b>	<b>0.049</b>	<b>0.060</b>	<b>0.011</b>

#### 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
<b>Gross Expenditure</b>	<b>30.680</b>	<b>30.680</b>	<b>0.000</b>
Income	0.000	0.000	0.000
<b>Net expenditure</b>	<b>30.680</b>	<b>30.680</b>	<b>0.000</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### NEIGHBOURHOOD SERVICES

#### ROADS AND TRANSPORTATION

There are favourable variances due to the timing of filling vacancies and additional income on rechargeable work. These are offset by additional costs 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.

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
169.0	-10.0	159.0	157.0

#### BUILDING & WORKS

Building and Works is anticipated to outturn above budget at 31 March 2010. Income is less than anticipated due to a lower than budgeted workforce and costs are correspondingly lower due to a reduced number of craft operatives, reduced levels of sub contractor work and lower plant and transport costs. Additional costs are anticipated on costs for building repairs.

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
302.0	0	302.0	286.0

General Fund	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	6.332	6.272	(0.060)
Property Costs	0.427	0.440	0.013
Transport Costs	1.500	1.500	0.000
Supplies & Services	3.699	3.709	0.010
Third Party Payments	4.156	4.206	0.050
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>16.114</b>	<b>16.127</b>	<b>0.013</b>
Income	(4.992)	(5.005)	(0.013)
<b>Net expenditure</b>	<b>11.122</b>	<b>11.122</b>	<b>0.000</b>

Building & Works	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Income	(12.653)	(11.049)	1.604
Labour Costs	5.200	4.809	(0.391)
Sub Contractors	2.675	1.734	(0.941)
Other Direct Costs	3.160	2.728	(0.432)
Overheads	0.731	0.809	0.078
<b>Total Expenditure</b>	<b>(0.887)</b>	<b>(0.969)</b>	<b>(0.082)</b>
Pension Accounting	0.105	0.105	0.000
<b>Net expenditure</b>	<b>(0.782)</b>	<b>(0.864)</b>	<b>(0.082)</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### NEIGHBOURHOOD SERVICES

#### PARTNERSHIPS AND PROJECTS

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

The balance on Leisure Projects relates to schemes including Positive Play, the Talented Athlete Programme, Walking Development and Multi Use Games Areas. These balances will be required to sustain the projects in future years. 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 £m
Leisure External Projects	(0.752)
Roads and Transport Projects	(0.262)
<b>Total</b>	<b>(1.014)</b>

### 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 TO PERIOD 6 (20 SEPTEMBER 2009)

### CORPORATE SUPPORT

#### SERVICE SUMMARY

The projected outturn to 31 March 2010 is an adverse variance of £0.462m. This is wholly due to an anticipated shortfall in planning and building standards income as a result of external economic factors. The impact of these factors remains uncertain and the Executive Director of Corporate Support has continued to freeze vacancies within Planning and Economic Development in response to the situation, reducing the projected adverse variance by £0.350m and has initiated a review with the aim of achieving a break-even position by the year end. Early indications are that the shortfall is unlikely to be contained in 2009/10 and will require to be met in 2010/11 from a review of staffing numbers.

Uncommitted departmental balances of £0.119m are currently held, the Executive Director of Corporate Support has initiated a review of all departmental balances with the objective of identifying further contributions towards offsetting the projected adverse variance.

In addition there are a number of significant items within Planning and Economic Development which are multi-annual initiatives and any underspend on these at 31 March 2010 will require to be earmarked for carry forward to meet future years commitments.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Central Management Support	0.198	0.198	0.000
Human Resources	2.454	2.444	(0.010)
Information Technology	3.666	3.666	0.000
Planning & Economic Dev.	3.681	4.153	0.472
Democratic Services	2.866	2.866	0.000
Legal Procurement & Reg.	2.964	2.964	0.000
Community Planning P'ship	0.651	0.651	0.000
<b>Net Expenditure</b>	<b>16.481</b>	<b>16.943</b>	<b>0.462</b>

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	14.616	14.057	(0.559)
Property Costs	0.254	0.284	0.030
Transport Costs	0.294	0.312	0.018
Supplies & Services	5.596	5.799	0.203
Third Party Payments	0.812	0.829	0.017
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>21.572</b>	<b>21.281</b>	<b>(0.290)</b>
Income	(5.091)	(4.339)	0.752
<b>Net Expenditure</b>	<b>16.481</b>	<b>16.942</b>	<b>0.462</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### CORPORATE SUPPORT

#### SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate £m	Budget Adjustments £m	Revised Budget £m	Comments on Budget Movement
Budget Allocation Approved by Council 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		+0.909		Realignment of Budgets to Reflect Transfer of Departmental Human Resources Staff to Corporate Support
4 Utilisation of Balances		+0.531		Drawdown of Earmarked Balances and use of Departmental Balances
5 Adjustment of Non Relevant Recharge/ Vehicle Maintenance Budgets		-0.007		Realignment of Budgets to Reflect Non Relevant Recharges and charges from the former Trading Services
6 Realignment of IT Budgets		+0.054		Transfer of IT budgets relating to operation of WAN in new buildings and Civica host icon
7 Community Health Budget Realignment		+0.045		Realignment of Budgets to reflect transfer of Community Health & Wellbeing Officer from Social Work
<i>Total Budget adjustments</i>			+1.321	
<b>Revised Budget Allocation at Period 6</b>			<b>16.481</b>	

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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 20/9/09	Achieved at 20/9/09 £m
<b>Corporate Support</b>		<b>0.377</b>		<b>0.377</b>
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

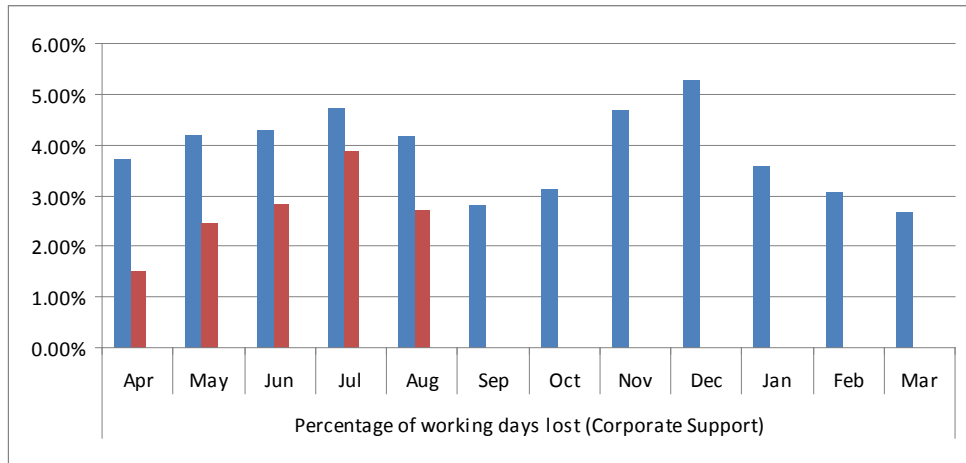
Status: Fully met ■

In Progress ■

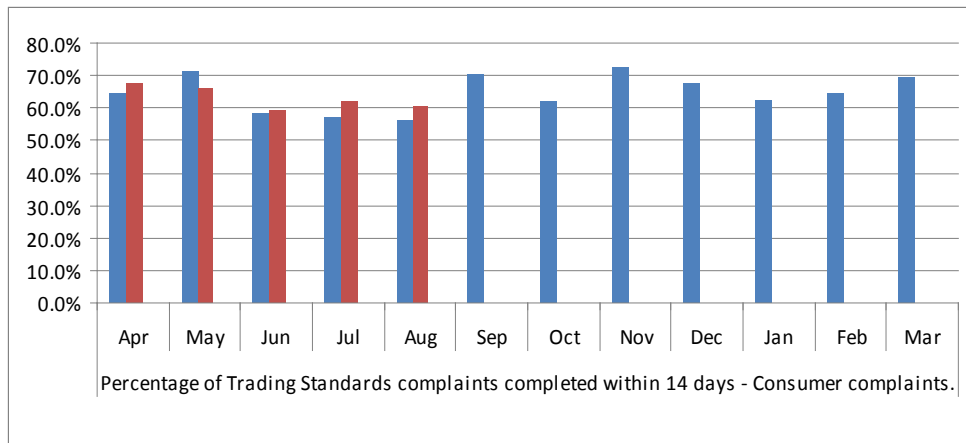
Unmet ■

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## CORPORATE SUPPORT



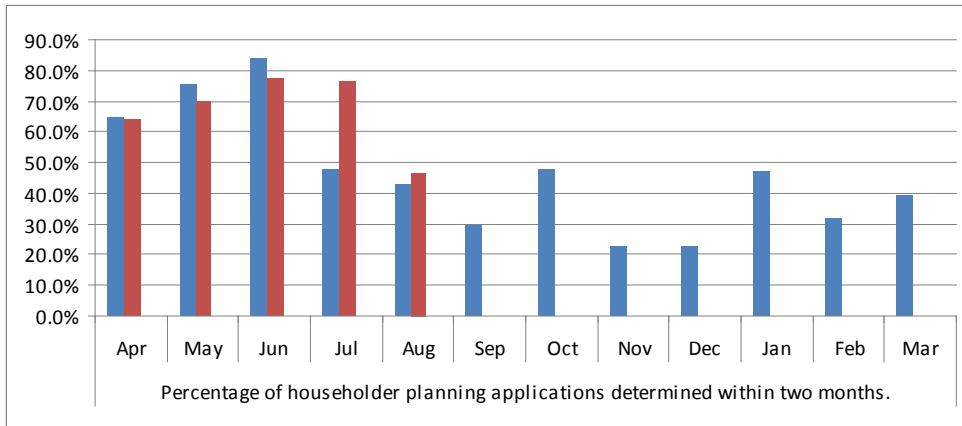
<p>Head of Service Commentary</p>	<p>Absence figures decreased in August to 2.74%, with a decrease in both short term and long term absences.</p> <p>The most common reasons for absence were Viral infection (24%), workplace injury (24%) and Stress Debility (16%).</p> <p>Absence information and trends continue to be reported on a monthly basis to members of the Department Management Team. All Heads of Service/ CPP Manager to continue to prioritise absence management and ensure that it is a key priority for all managers.</p>
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<p>Head of Service Commentary</p>	<p>The percentage of complaints completed within 14 days deteriorated slightly for the month of August to 60.7% compared to 62.3% for July. This can be attributed to annual leave accompanied by an increase in the number of small claims cases which can be time consuming and involve a lot of work.</p> <p>Complaints will continue to be reviewed with a view to identifying timely and effective resolution. This will include discussion of the more detailed complaints being raised and discussed at team meetings.</p>
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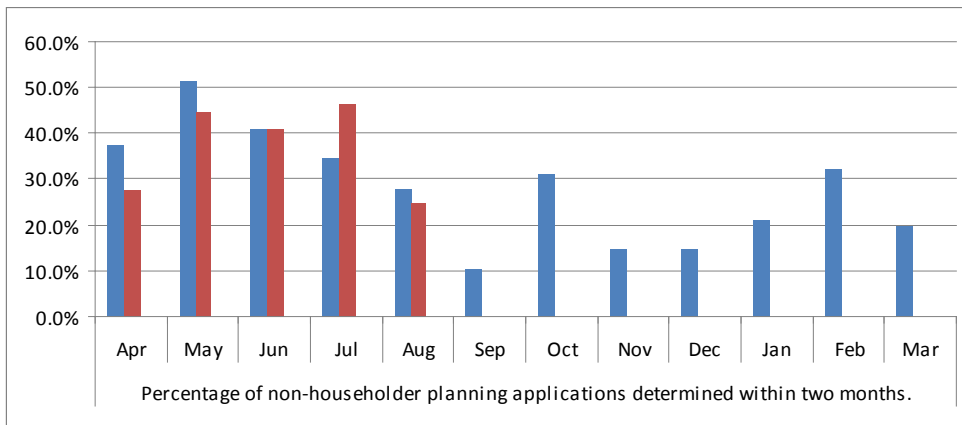
# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## CORPORATE SUPPORT



Head of Service  
Commentary

The decline in performance is attributable to (1) new business processes inherent within new development management regulations and the 2006 Act which take more time; (2) E-Planning has brought with it a requirement to scan applications into the system. Staff vacancies and sick leave are impacting on (1) and (2) and throughput of applications to planning officers which has a negative overall impact on performance. To address this, the 2 Admin Officers are being trained in scanning / redaction / indexing to ease the burden on the Planning Administrators (PA's) and this is ongoing. However, it is clear that the front loading of the planning process attributable to the recent legislative changes is a major challenge going forward. The Senior PA has been fully advised of the significance of their role in managing this challenge.

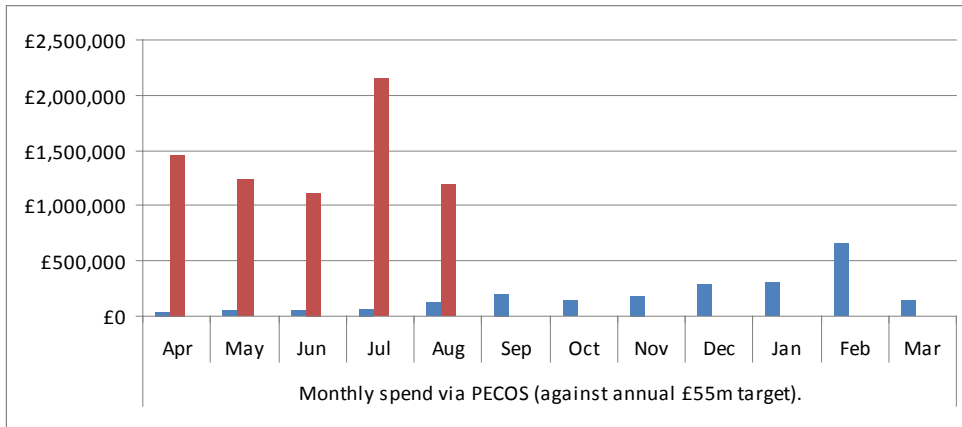


Head of Service  
Commentary

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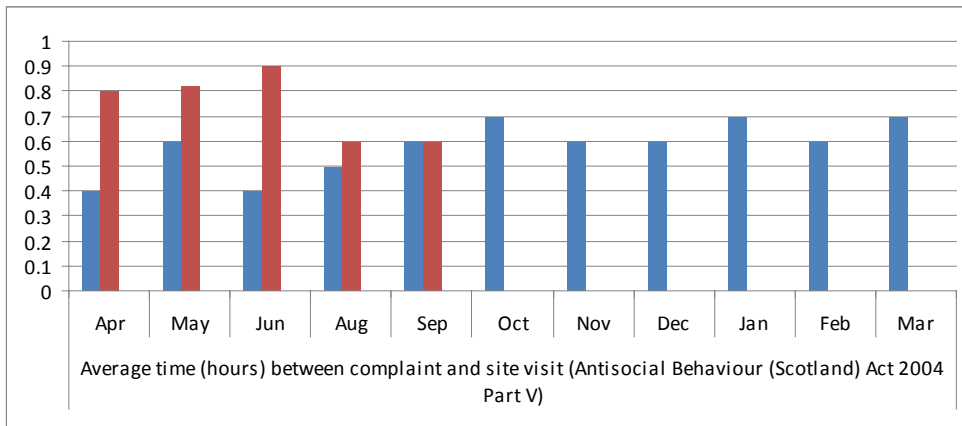
# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## CORPORATE SUPPORT



### Head of Service Commentary

During the month of August, the 12,000th order was placed in PECOS. 1601 suppliers have now been enabled and the value of orders placed continues to be significantly higher than at the same time last year. In August 2009, the value of orders placed in the month was over 800% higher than the value of orders placed in August 2008.



### Head of Service Commentary

The number of complaints requiring a site visit under Part V of the Antisocial Behaviour Act increased in August to 55. However, the average time taken between the time of the complaint and attendance on site remained at 0.6 hours (36 minutes).

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### CORPORATE SUPPORT

#### SERVICE PERFORMANCE TO DATE

##### CENTRAL MANAGEMENT SUPPORT

There are no material variances to report at this time.

##### FTE STAFFING ANALYSIS FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
3.0	0	3.0	3.0

##### HUMAN RESOURCES

The recent amalgamation of the Human Resources function within Corporate Support has resulted in the favourable variance shown due to the timing of filling vacancies pending a recent Best Value Service Review. However a potential pressure of £0.020m exists in respect of consultancy costs within the Health and Safety section. The adverse Supplies and Services variance is as a result of subscriptions, promotion and training associated with Equality and Diversity and general office related expenses. Annual costs associated with the National Recruitment Portal and consultancy expenses in relation to a review of the Council's Health and Safety arrangements have contributed to the adverse variance on Third Party Payments. An under recovery on anticipated income from the National Training Programmes is partly offset by additional sponsorship income and physiotherapy and training fees.

##### FTE STAFFING ANALYSIS FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
36.0	+39.2	75.2	67.22

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

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.539	2.436	(0.103)
Property Costs	0.009	0.009	0.000
Transport Costs	0.019	0.019	0.000
Supplies & Services	0.216	0.266	0.050
Third Party Payments	0.049	0.066	0.017
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>2.832</b>	<b>2.796</b>	<b>(0.036)</b>
Income	(0.377)	(0.351)	0.026
<b>Net Expenditure</b>	<b>2.454</b>	<b>2.444</b>	<b>(0.010)</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### CORPORATE SUPPORT

#### INFORMATION TECHNOLOGY

The adverse variance previously reported in Employee Costs has been offset by turnover savings. Overtime levels continue to be monitored to ensure the service breaks even at the end of the year.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.253	2.253	0.000
Property Costs	0.000	0.000	0.000
Transport Costs	0.026	0.026	0.000
Supplies & Services	1.824	1.824	0.000
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>4.103</b>	<b>4.103</b>	<b>0.000</b>
Income	(0.437)	(0.437)	0.000
<b>Net Expenditure</b>	<b>3.666</b>	<b>3.666</b>	<b>0.000</b>

#### FTE STAFFING ANALYSIS FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
58	+0.5	58.5	55.2

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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 frozen. Requests for retirals are currently being reviewed and the costs are not built into the projected variance at this time. Within Premises Costs the expenditure on statutory dangerous buildings has increased significantly and current projections are in excess of £0.160m with the potential to recover income from owners. The variance on Supplies and Services is due to E-Planning maintenance costs, statutory advertising and legal and professional fees. The impact of the statutory neighbourhood notification will increase stationery and postage costs which are currently being reviewed.

Income from Building Warrants and Planning Fees are expected to be significantly lower than budget due to external economic factors. Planning and Building Standards income continues to be impacted by the economic downturn with the timing and scale of future fees remaining uncertain. Projected income for 2009/10 is currently based on the 2008/09 out-turn position and continues to be monitored. It should be noted that actual 2009/10 income to date is 12% less than in the same period during 2008/09.

It should be noted that 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 and it is anticipated by the service that a first tranche of funds will be received by the Council during October.

The position continues to be closely monitored by the Executive Director whose overall objective is to bring the budget back on line by the year end, however early indications are that the shortfall is unlikely to be contained to 2009/10 and will require to be met in 2010/11 through significant reduction in staff numbers.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	4.569	4.219	(0.350)
Premises Costs	0.190	0.224	0.034
Transport Costs	0.128	0.128	0.000
Supplies & Services	1.483	1.552	0.069
Third Party Payments	0.477	0.477	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>6.847</b>	<b>6.600</b>	<b>(0.247)</b>
Income	(3.165)	(2.446)	0.719
<b>Net Expenditure</b>	<b>3.681</b>	<b>4.153</b>	<b>0.472</b>

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
125.5	0	125.5	109.5

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### CORPORATE SUPPORT

#### DEMOCRATIC SERVICES

A favourable variance in Employee Costs due to the timing of filling of vacancies is anticipated to be offset by the purchase of a replacement courier van and reduced income relating to sponsorship, property certificates and printroom recharges.

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
47.8	-1.0	46.8	43.6

#### LEGAL, PROCUREMENT AND REGULATORY

The delay in filling vacancies following the implementation of the Best Value Service Review across the service has generated a favourable Employee Costs variance. The Property Costs variance is due to the Night Noise team. Additional Transport costs have been incurred in respect of car mileage and leasing costs. The Supplies and Services variance relates to costs associated with bad debt provision, Scotland Excel fees, legal and professional fees, licence and software commitments associated with the Licensing Board and general office administration.

A shortfall in income for Pest Destruction of £0.017m is offset against higher income from Legal Fees, Verification and Petroleum fees and Enforcement Fines. 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	In year	Revised Budget	Actual to date
90.5	-2.0	88.5	85.0

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	1.540	1.495	(0.045)
Property Costs	0.000	0.000	0.000
Transport Costs	0.030	0.045	0.015
Supplies & Services	1.479	1.479	0.000
Third Party Payments	0.009	0.009	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>3.058</b>	<b>3.028</b>	<b>(0.030)</b>
Income	(0.192)	(0.162)	0.030
<b>Net Expenditure</b>	<b>2.866</b>	<b>2.866</b>	<b>0.000</b>

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	3.039	2.996	(0.043)
Property Costs	0.029	0.032	0.003
Transport Costs	0.088	0.092	0.004
Supplies & Services	0.536	0.595	0.059
Third Party Payments	0.182	0.182	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>3.873</b>	<b>3.896</b>	<b>0.023</b>
Income	(0.909)	(0.932)	(0.023)
<b>Net Expenditure</b>	<b>2.964</b>	<b>2.964</b>	<b>0.000</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### CORPORATE SUPPORT

#### COMMUNITY PLANNING AND PARTNERSHIP

Income generated through support provided to the Community Planning Partnership in carrying out its function in administering/monitoring the Fairer Scotland Fund will be transferred to the Community Planning Development Fund for utilisation across a variety of Community Planning events.

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
10.5	0	10.5	8.5

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.498	0.480	(0.018)
Property Costs	0.026	0.019	(0.007)
Transport Costs	0.003	0.003	(0.001)
Supplies & Services	0.039	0.064	0.026
Third Party Payments	0.095	0.095	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>0.661</b>	<b>0.661</b>	<b>0.000</b>
Income	(0.010)	(0.010)	0.000
<b>Net Expenditure</b>	<b>0.651</b>	<b>0.651</b>	<b>0.000</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### CORPORATE SUPPORT

#### PARTNERSHIPS AND PROJECTS

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

The Environmental balance principally relates to costs incurred at the Tardoes Open Cast Coal Site which are anticipated to be recovered.

The Employability balance relates to East Ayrshire Woodlands and the deficit is anticipated to be offset by 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.

The Other balance is principally made up of Cabinet approved funding spent on town centre activities including Christmas events, money held for the Moorfield Entrance Junction which is required to be held during the project retention period and funding committed to the 4 Towns Enquiry by Design project.

	Balances at 20 September 2009 £m
Environmental / Community / Heritage	0.089
Employability	0.172
Wind Farm	(0.182)
Developers Contributions / S75 SLR	(0.938)
Other	(0.136)
<b>Total</b>	<b>(0.995)</b>

### 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 TO PERIOD 6 (20 SEPTEMBER 2009)

### FINANCE AND ASSET MANAGEMENT

#### SERVICE SUMMARY

There is a favourable variance of £0.074m 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.

The variance within Finance is attributed to Employee Costs due to vacancies which are being held pending a business review and additional income from the Department for Work and Pensions (DWP) being allocated to meet anticipated additional administrative costs from increased benefit caseloads in the current economic climate. The service anticipates that savings can be achieved by meeting increased caseload requirements within current resources. Additional income is also expected as a result of higher water bill collection.

Within the Asset Improvement Service additional consultancy services have been procured to enable the progression of work required to advance the Council's capital programme, ordinarily supported by fee income recovery. However changes in the required level of support as well as the timing of fee recovery on some project areas results in the current adverse position.

Within the Asset Management Service some savings are anticipated in relation to employee costs, the service anticipates an under-recovery of property related income during the year as a result of the current economic climate. Property rental income, rechargeable service costs, fees from house deed plans and income from the sale of surplus assets are all anticipated to be lower than budgeted. The service has alleviated much of this pressure by earmarking balances at the end of the previous financial year to assist with the anticipated shortfall.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Finance	3.876	3.495	(0.382)
Asset Improvement	3.671	4.046	0.375
Asset Management	1.623	1.556	(0.067)
<b>Net Expenditure</b>	<b>9.170</b>	<b>9.096</b>	<b>(0.074)</b>

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	9.600	9.349	(0.251)
Property Costs	5.342	5.282	(0.060)
Transport Costs	0.125	0.119	(0.006)
Supplies & Services	1.553	1.361	(0.192)
Third Party Payments	0.033	0.408	0.375
HB/CT Benefit	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>16.653</b>	<b>16.519</b>	<b>(0.134)</b>
Income	(7.483)	(7.424)	0.060
<b>Net Expenditure</b>	<b>9.170</b>	<b>9.096</b>	<b>(0.074)</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### FINANCE AND ASSET MANAGEMENT

#### SUMMARY OF MOVEMENTS IN APPROVED BUDGET

	Annual Estimate	Budget Adjustments	Revised Budget	Comments on Budget Movement
Budget Allocation Approved by Council 12 February 2009	9.024			
<i>Additions / Transfers to / (from) Initial Budget:</i>				
1 Adjustment of Non Relevant Recharge Budgets		+0.136		Realignment of Budgets to Reflect Non Relevant Recharges
2 Realignment of Property Budgets		-0.039		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
<i>Total Budget adjustments</i>			+0.146	
<b>Revised Budget Allocation at Period 6</b>			<b>9.170</b>	

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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 20/9/09	Achieved at 20/9/09 £m
<b>Finance and Asset Management</b>		0.252		0.187
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 ■

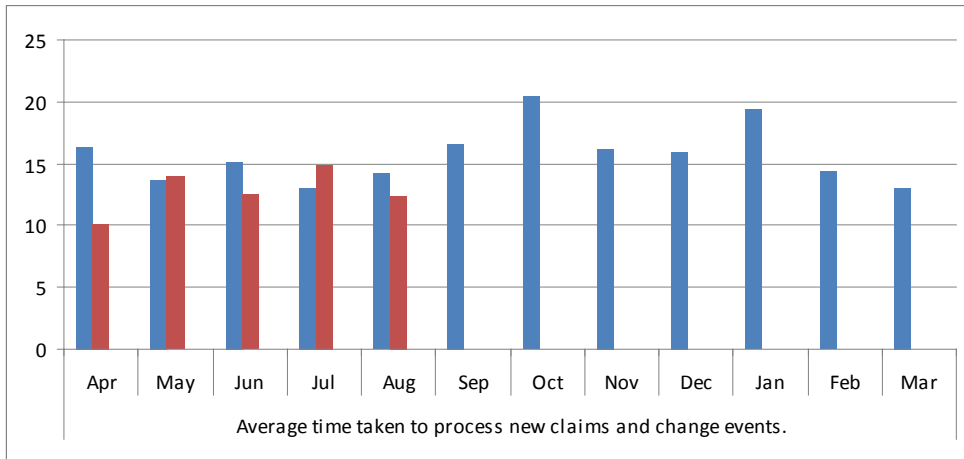
In Progress ■

Unmet ■

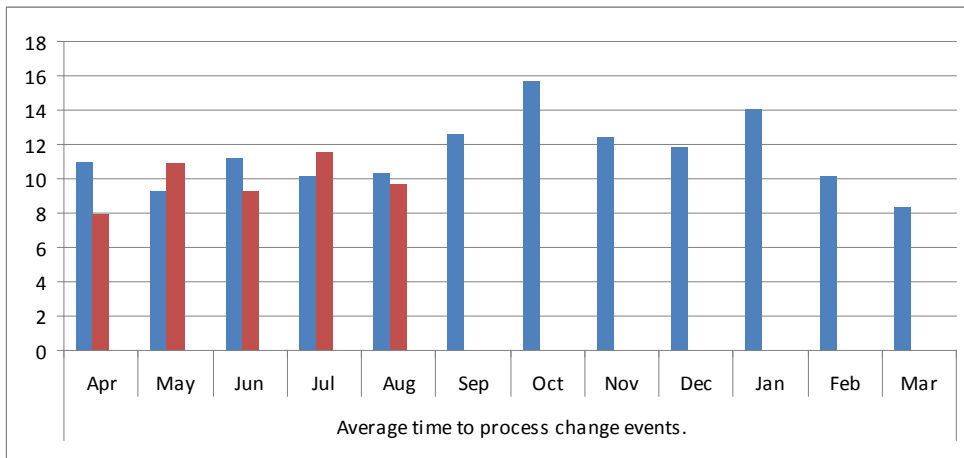
# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## FINANCE AND ASSET MANAGEMENT

### PERFORMANCE MEASURES



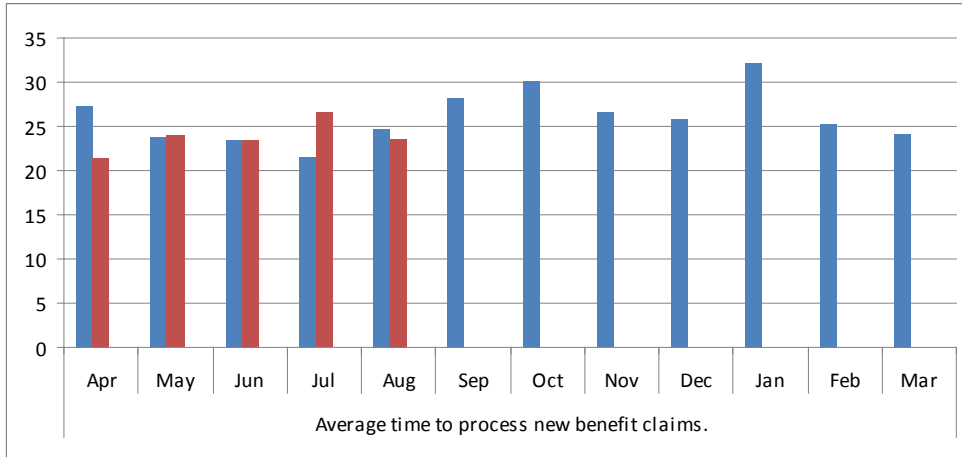
Head of Service Commentary	Slight improvement but within the expected range. Improvement due to most staff holidays being completed and short term sickness levels better than previous period.
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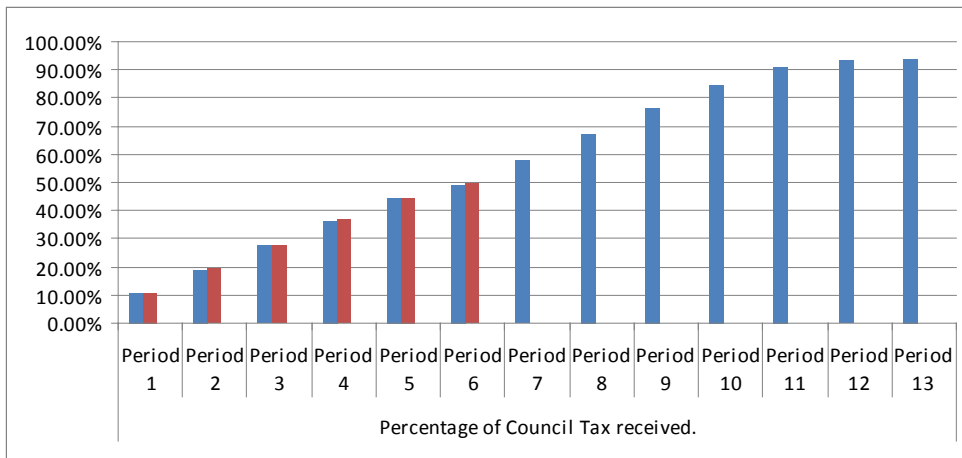
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# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## FINANCE AND ASSET MANAGEMENT



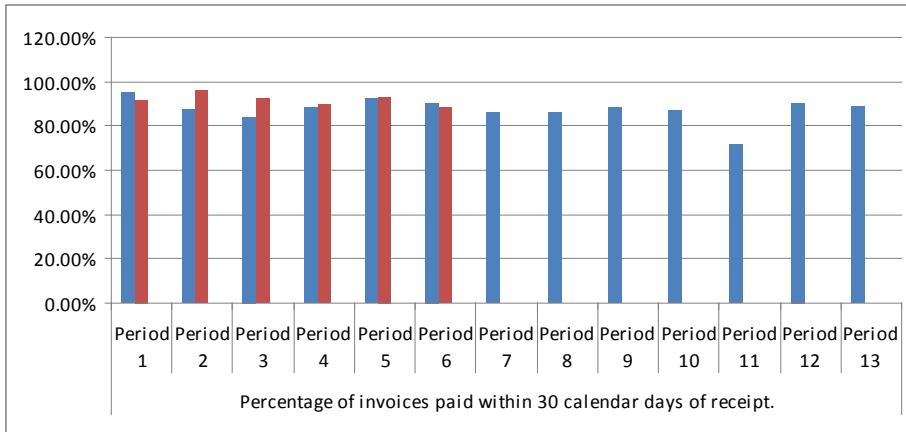
Head of Service Commentary	Slight improvement but within the expected range. Improvement due to most staff holidays being completed and short term sickness levels better than previous period.
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Head of Service Commentary	Performance is slightly better than last year despite the recession. The purchase of new 'Citizen Investigator' software from Experian provides access to residency information which is invaluable in checking single person discounts. It also enables debtor tracing and arrestment lodgements, and provides additional information on forwarding addresses and bank accounts - all vital in arrears recovery.
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# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## FINANCE AND ASSET MANAGEMENT



### Head of Service Commentary

The reduction in the overall percentage of invoices paid within the 30 day target from 92.52% in period 5 to 88.86% in period 6 can be attributed in the main to a reduced performance in respect of invoices for Building and Works, Finance and Asset Management, and Roads and Transportation. Further investigation is being undertaken to establish if this was the result of reduced availability of resource (absence, holiday etc) or an increase in the overall processing times required due to change in procedures.

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### FINANCE AND ASSET MANAGEMENT

#### SERVICE PERFORMANCE TO DATE

##### FINANCE SERVICE

Employee Costs are anticipated to be underspent principally due to staff turnover and the timing of filling vacancies which are currently being held pending a review of service operational requirements. The favourable variance in Transport Costs is attributed to an anticipated saving in the service's excess travel budget for the forthcoming financial year. Supplies and Services are underspent due to savings on security services for cash collection and general administration cost savings.

Additional income from the collection of Scottish Water rates and additional one-off grant funding from the DWP to assist with potential increased levels of benefits claims during the current economic downturn. The service is managing increased caseload within current resources.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	5.757	5.609	(0.148)
Property Costs	0.018	0.018	0.000
Transport Costs	0.027	0.021	(0.006)
Supplies & Services	0.752	0.735	(0.018)
Third Party Payments	0.000	0.000	0.000
HB/CT Benefit	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>6.554</b>	<b>6.383</b>	<b>(0.172)</b>
Income	(2.678)	(2.888)	(0.210)
<b>Net Expenditure</b>	<b>3.876</b>	<b>3.495</b>	<b>(0.382)</b>

##### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
185.9	-0.5	185.4	173.0

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### FINANCE AND ASSET MANAGEMENT

#### ASSET IMPROVEMENT

Employee Costs are less than anticipated mainly due to staff turnover and the timing of filling vacancies currently being held pending a review of service operational requirements and after offsetting temporary staff costs to progress current workload. Additional external consultant costs procured under a framework contract to enable the progression of some work required to advance the Council's capital programme and is projected based on the level of utilisation in the previous financial year. Income is anticipated to be under budget primarily as a result of operational changes in relation to the progression of elements of the Housing Improvement Capital Programme based on the service's current operational set up and workload. Any impact arising from the intended establishment of the Single Business Unit is not yet quantified pending the outcome of ongoing considerations regarding the operation of the Unit.

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
81.0	0	81.0	76.0

#### ASSET MANAGEMENT

There are vacancies following the Best Value Service Review of Asset Management. Savings anticipated on Premises Costs due to reduced costs in respect of property rental and surplus property are partly offset by additional energy within Corporate Office Accommodation. Supplies and Services variances relating to town centre property leases are due to the timing of the implementation of the corporate office accommodation strategy. The economic downturn has resulted in a projected decline in income from lower property rents and a reduced requirement for housing deed plans. The opportunity for the Council to generate income from disposals has reduced due to market conditions and a reduced portfolio of marketable surplus property and lower values of existing properties, consequently the sale of surplus properties income is projected to be lower than budgeted.

#### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
26.0	0	26.0	22.9

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.907	2.867	(0.041)
Property Costs	3.985	3.985	0.000
Transport Costs	0.078	0.078	0.000
Supplies & Services	0.101	0.101	0.000
Third Party Payments	0.000	0.375	0.375
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>7.071</b>	<b>7.406</b>	<b>0.335</b>
Income	(3.400)	(3.360)	0.040
<b>Net Expenditure</b>	<b>3.671</b>	<b>4.046</b>	<b>0.375</b>

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.936	0.874	(0.063)
Property Costs	1.339	1.279	(0.060)
Transport Costs	0.020	0.020	0.000
Supplies & Services	0.700	0.526	(0.175)
Third Party Payments	0.033	0.033	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>3.028</b>	<b>2.731</b>	<b>(0.297)</b>
Income	(1.405)	(1.176)	0.230
<b>Net Expenditure</b>	<b>1.623</b>	<b>1.556</b>	<b>(0.067)</b>

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 TO PERIOD 6 (20 SEPTEMBER 2009)

### CENTRAL SERVICES

#### SERVICE SUMMARY

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

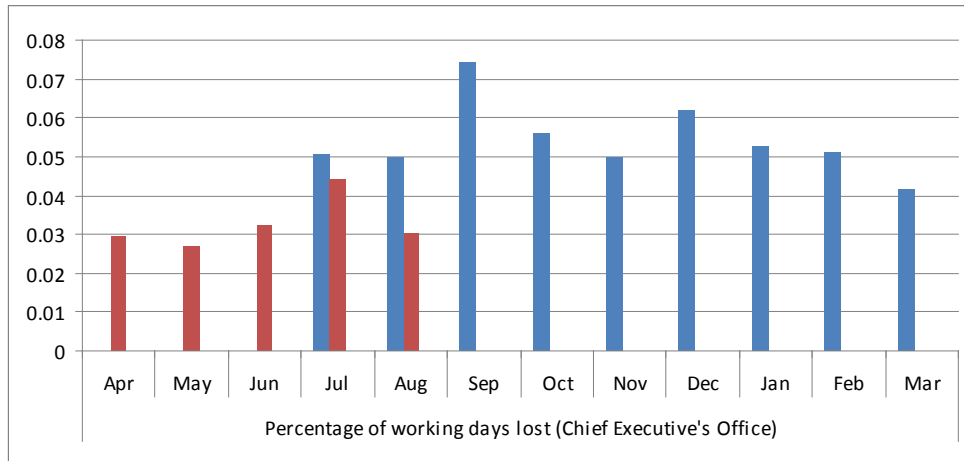
	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Chief Executive	0.530	0.516	(0.014)
Miscellaneous	5.274	5.274	0.000
Insurance	2.254	2.254	0.000
<b>Net Expenditure</b>	<b>8.058</b>	<b>8.044</b>	<b>(0.014)</b>

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	2.422	2.409	(0.013)
Property Costs	0.000	0.000	0.000
Transport Costs	0.006	0.005	(0.001)
Supplies & Services	5.807	5.807	0.000
Third Party Payments	0.725	0.725	0.000
HB/CT Benefit	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>8.960</b>	<b>8.946</b>	<b>(0.014)</b>
Income	(0.902)	(0.902)	0.000
<b>Net Expenditure</b>	<b>8.058</b>	<b>8.044</b>	<b>(0.014)</b>

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## CENTRAL SERVICES

### PERFORMANCE MEASURES



Head of Service  
Commentary

The reduced level of sickness reflects close adherence to Council policy and procedures and regular monitoring by senior staff.

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### CENTRAL SERVICES

#### SERVICE PERFORMANCE TO DATE

##### CHIEF EXECUTIVE

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

##### FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
10.61	0	10.61	10.0

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.566	0.553	(0.013)
Property Costs	0.000	0.000	0.000
Transport Costs	0.006	0.005	(0.001)
Supplies & Services	0.017	0.017	0.000
Third Party Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>0.589</b>	<b>0.575</b>	<b>(0.014)</b>
Income	(0.059)	(0.059)	0.000
<b>Net Expenditure</b>	<b>0.530</b>	<b>0.516</b>	<b>(0.014)</b>

#### MISCELLANEOUS SERVICES

There are no material variances to report at this time.

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	1.856	1.856	0.000
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	3.536	3.536	0.000
Third Party Payments	0.725	0.725	0.000
Transfer Payments	0.000	0.000	0.000
<b>Gross Expenditure</b>	<b>6.117</b>	<b>6.117</b>	<b>0.000</b>
Income	(0.843)	(0.843)	0.000
<b>Net Expenditure</b>	<b>5.274</b>	<b>5.274</b>	<b>0.000</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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
<b>Gross Expenditure</b>	<b>2.254</b>	<b>2.254</b>	<b>0.000</b>
Income	0.000	0.000	0.000
<b>Net Expenditure</b>	<b>2.254</b>	<b>2.254</b>	<b>0.000</b>

EDUCATIONAL AND SOCIAL SERVICES

**Capital Programme**

Expenditure to date is £1.825m, which represents 27.4% of the available budget. The Projected Expenditure for 2009/10 is £6.403m.

The projected underspend on the Education and Social Services capital programme primarily relates to a number of schemes which are anticipated to cost less than originally budgeted.

The costs in relation to the Stewarton Townhouse project are anticipated to be higher than the available budget.

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## EDUCATIONAL AND SOCIAL SERVICES

### Major Projects

#### Galston Community Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development TBC	Design TBC	Tender TBC	Construction TBC
1.500	0.000	1.500	Expected Progress Actual Progress			

#### Financial Status

No expenditure is anticipated to be incurred in 2009/10

#### Project Life Cycle

Sites and detail of facilities to be provided still to be determined. A paper will be presented to Cabinet in due course.

#### 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	04-09-09   02-03-10	03-03-10   04-05-10	05-05-10   19-05-10
			Expected Progress Actual Progress 80%			

#### 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

Project designs being developed with regard to different options; currently being assessed in terms of costs and applicability to project objectives. Site investigation results are anticipated by mid-November.

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

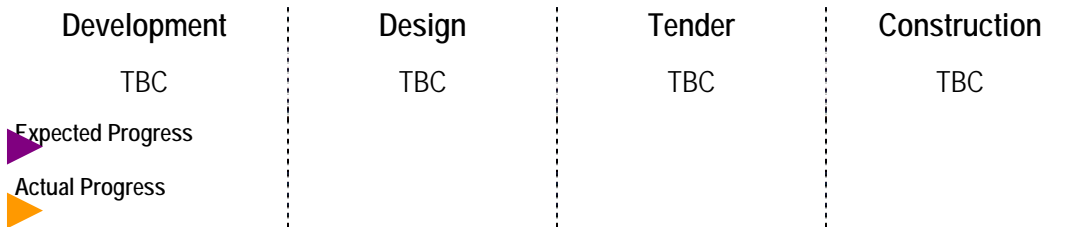
## EDUCATIONAL AND SOCIAL SERVICES

### 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

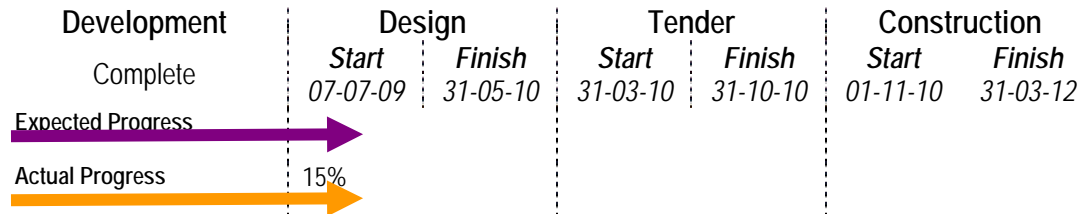
Options for refurbishment or replacement of existing facilities still to be determined. Initial meeting of Project Team planned for 8 October 2009.

### Merger of Witchhill and Woodstock Schools

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
10.000	0.029	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

Meeting held 29 September to formally approve outline design and floor plan. Demolition of the former Park School site is nearing completion. Milestones revised to take account of current progress resulting in a construction finish 5 weeks later than previously planned.

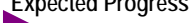


Demolition of Park School

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## 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	 			

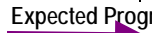

#### Financial Status

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

Results of Stage 2 Flood Risk Assessment due shortly. Following completion of this work, separate meetings will take place with SEPA and Council representatives to discuss the findings. Works to temporarily relocate nursery to Cairnhill Primary have been delayed due to problems with water ingress. Currently being investigated and remedial action being taken.

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

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development Start: 27-01-09 Finish: 21-12-09	Design Start: 22-12-09 Finish: 29-10-10	Tender Start: 01-11-10 Finish: 10-02-11	Construction Start: 11-02-11 Finish: 15-08-12
9.000	0.000	9.000	 			

#### Financial Status

Anticipated expenditure in 2009/10 relates to an allowance for ancillary investigation works.

#### Project Life Cycle

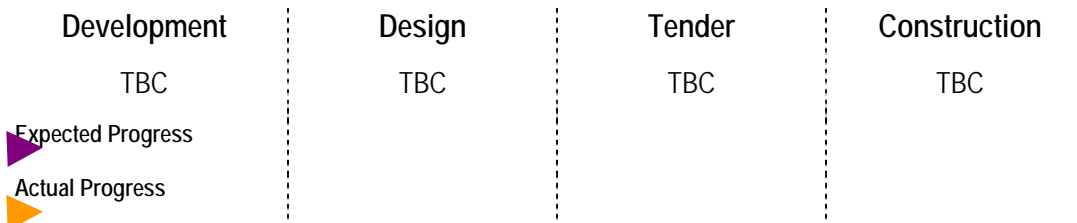
Outline designs being progressed. Initial meeting of the Project Team organised for 5 October 2009.

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## EDUCATIONAL AND SOCIAL SERVICES

### Replacement Schools

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
19.000	0.000	19.000



#### Financial Status

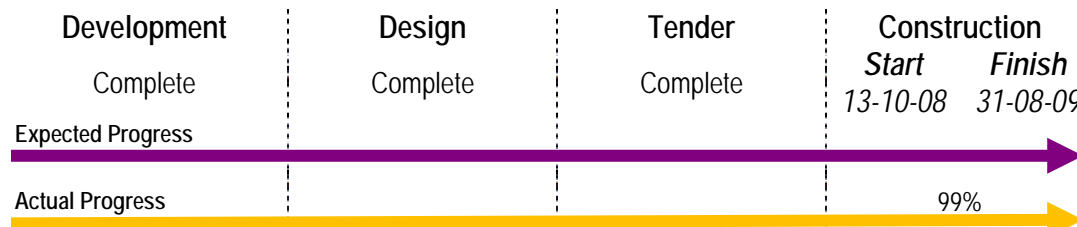
No expenditure is anticipated to be incurred in 2009/10

#### Project Life Cycle

Option appraisal exercise for replacement school in North area on-going.

### Rosebank Resource Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
2.082	1.416	1.902



#### Financial Status

Costs in relation to the new facility and client fit-out are less than originally anticipated.

#### Project Life Cycle

Handover of property commenced on 28 September 2009; new facility currently being commissioned with an anticipated opening towards the end of October.



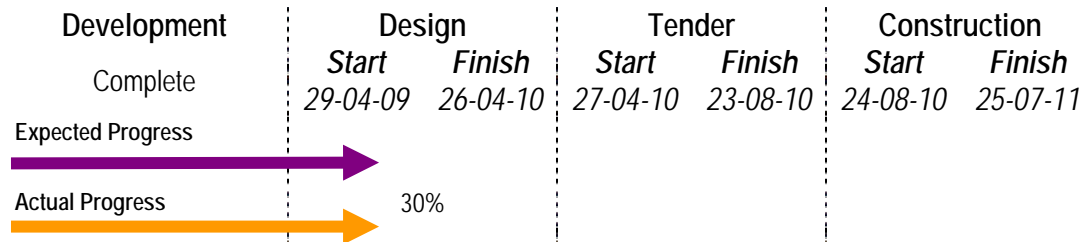
External View

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## EDUCATIONAL AND SOCIAL SERVICES

### Children's House North Kilmarnock

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.510	0.010	1.510



#### Financial Status

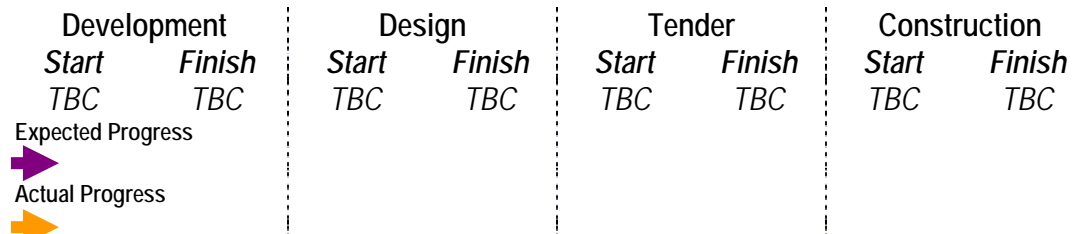
Minor expenditure on site investigations is currently anticipated to be incurred during 2009/10.

#### Project Life Cycle

Discussions currently ongoing between the PPP Unit and the contractor regarding removal of "spoil" and access to site. Work has started with regard to site investigations with results anticipated by early November. Planning application submitted 7 September, anticipated decision end November 2009.

### Hurlford Day Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
2.500	0.000	2.500



#### 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 model for day care services.

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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 costs in relation to a number of schemes are anticipated to be less than originally budgeted. However, 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 £0.137m more than the available budget. Costs of approximately £0.100m 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 £0.006m more than the available budget due to additional IT / telephony requirements.

	Revised Budget 2009/10	Actual Expenditure to Date	Projected Expenditure 2009/10	Variance
Fabric Upgrades & Refurbishments	3.645	0.878	3.248	(0.398)
Projects	0.535	0.081	0.742	0.207
PPP Schools	0.200	0.110	0.200	0.000
Care Homes Elderly	0.008	0.000	0.008	0.000
Elderly Day Care Facilities	0.435	0.000	0.441	0.006
Children's Homes	0.004	0.000	0.004	0.000
Telecare	0.200	0.000	0.200	0.000
<b>TOTAL EDUCATION &amp; SOCIAL SERVICES</b>	<b>5.027</b>	<b>1.069</b>	<b>4.843</b>	<b>(0.185)</b>

NEIGHBOURHOOD SERVICES

**Capital Programme**

Expenditure to date is £3.261m, which represents 23% of the available budget. The projected expenditure for 2009/10 is £14.303m.

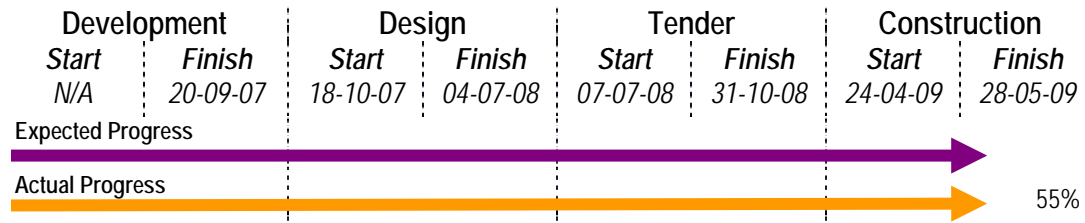
The variance primarily relates to anticipated underspend on a number of general projects, offset to some extent by additional costs to complete the CCTV / Risk Monitoring Centre, Stewarton Community Facilities and Baird Institute projects.

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## NEIGHBOURHOOD SERVICES

### Crosshouse Resource Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.866	1.533	3.866



Internal View

#### Financial Status

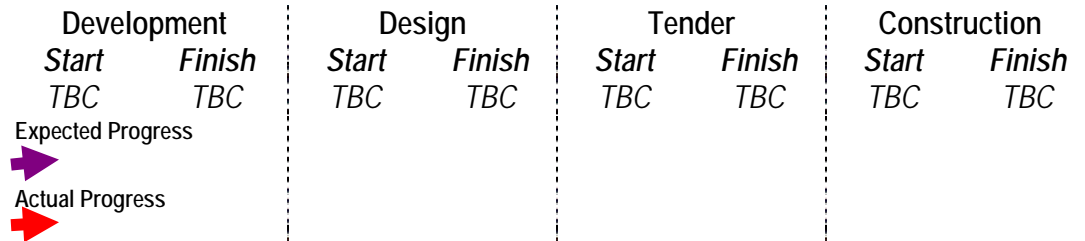
Additional costs incurred in relation to unexpected ground conditions, piling etc. Anticipated that project can still be contained within budget.

#### Project Life Cycle

Project now back on target due to steelwork being completed quicker than originally anticipated. A construction finish is therefore anticipated for 28 May 2010.

### Galston Local Office

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.600	0.000	1.600



#### Financial Status

No expenditure is anticipated to be incurred in 2009/10

#### Project Life Cycle

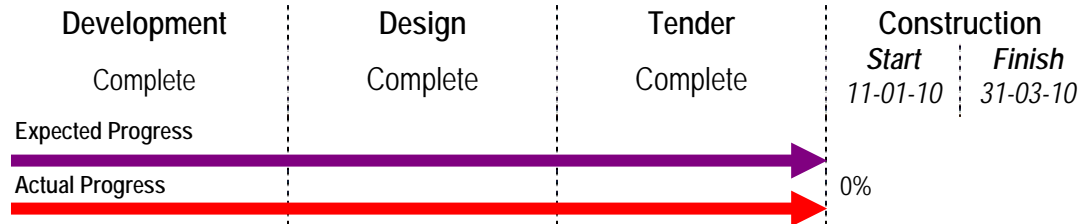
Sites and detail of facilities to be provided still to be determined. A paper will be presented to Cabinet in due course.

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## NEIGHBOURHOOD SERVICES

### Palace Theatre / Grand Hall

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.281	0.841	1.281



#### Financial Status

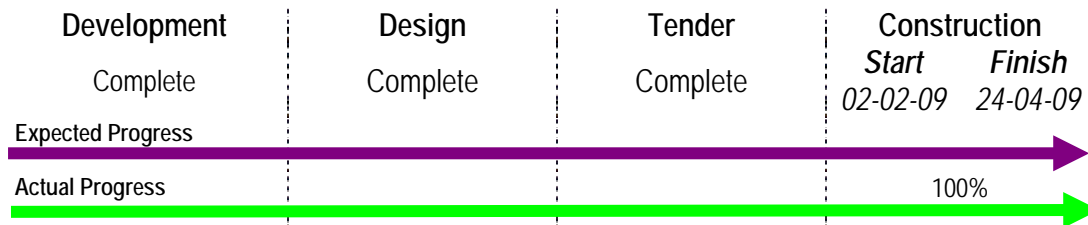
Possibility exists that costs for the project may be less than originally anticipated. An improvement programme to allow bid to Historic Scotland and Heritage Lottery Fund for additional funding being developed.

#### Project Life Cycle

The front of house and stage works has been delayed due to contractor inability to deliver project within agreed timescales. These works will therefore be completed concurrently with the lift installation which will be installed between January and March 2010.

### Baird Institute

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
0.650	0.558	0.666



#### Financial Status

Currently estimated that additional costs of £0.016m will be incurred. Additional costs may also be incurred in relation to match funding possible CARS award.

#### Project Life Cycle

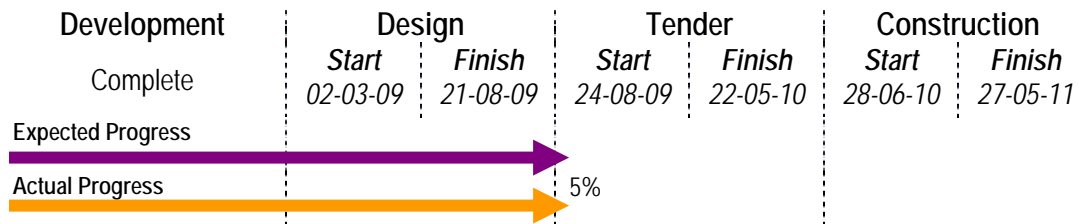
Phase 1 works are now complete; currently in snagging period. Proposals are to explore possibilities of funding Phase 2 works to stonework, handrail and roof from CARS. Also dependent on planning and Historic Scotland approval.

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## NEIGHBOURHOOD SERVICES

### Kilmarnock Athletics Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
5.625	0.045	5.625



Artists Impression

#### Financial Status

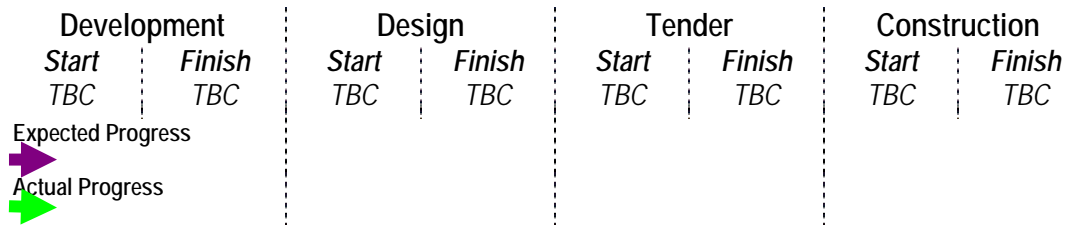
Preliminary designs prepared are within revised budget. Further savings may be possible during design development.

#### Project Life Cycle

Report approving purchase of ground from Buchanan Bequest to go to Cabinet on 21 October 2009. Discussions currently on-going with SEPA regarding flood risk.

### Auchinleck Resource Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
0.956	0.000	0.956



#### Financial Status

No expenditure is anticipated to be incurred in 2009/10

#### Project Life Cycle

Scheme as yet undefined.

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## 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

No expenditure is anticipated to be incurred in 2009/10

### Project Life Cycle

Draft Outline Business Case has been prepared. Preferred option currently being developed.

### 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 28/05/10	Start 01/06/10	Finish 04/10/11
4.300	0.000	4.300								

Expected Progress

Actual Progress

5%



Artist's Impression

### Financial Status

No expenditure is anticipated to be incurred in 2009/10



### Project Life Cycle

Proposals to build new sports facility on Strandhead Park approved by Cabinet on 16 September. Designs have been "locked down" and work is ongoing with regard to the statutory planning consultation period which will take 12 weeks to complete; planning application submitted thereafter.

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## NEIGHBOURHOOD SERVICES

### Dean Ford Bridge

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start <i>TBC</i>	Finish <i>TBC</i>	Start <i>TBC</i>	Finish <i>TBC</i>	Start <i>TBC</i>	Finish <i>TBC</i>	Start <i>TBC</i>	Finish <i>TBC</i>
1.000	0.000	1.000	Expected Progress 							
			Actual Progress 							

### Financial Status

Anticipated expenditure in 2009/10 relates to feasibility works.

### 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.

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### 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.

#### Traffic and Road Safety

Additional costs in respect of the spend to save traffic signal renewal have been incurred.

	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Strategic Priorities	0.000	0.000	0.109	0.109
Facility Improvements	2.190	0.160	2.190	0.000
Cemetery Extension	0.576	0.009	0.576	0.000
Playparks	0.531	0.087	0.531	0.000
Traffic & Road Safety	2.979	0.306	2.993	0.014
Structures	1.094	0.196	0.944	(0.150)
Carriageways & Footways	2.205	0.867	2.205	0.000
Street Lighting	0.220	0.023	0.220	0.000
Flood Prevention Schemes	0.055	0.005	0.055	0.000
Depots	0.110	0.024	0.110	0.000
<b>TOTAL NEIGHBOURHOOD SERVICES</b>	<b>9.960</b>	<b>1.677</b>	<b>9.933</b>	<b>(0.027)</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### NEIGHBOURHOOD SERVICES

#### Housing Investment Programme

As at Period 6 the projected spend is £14.874m, which is £0.742m below budget. The underspend on the Housing Investment Programme primarily relates to slippage on the UPVC window replacement programme, and the proposed works to renew the roof at St Maur's Gardens which is anticipated will now be completed in 2010/11.

There is a long term programme to refurbish council dwellings to meet the Scottish Housing Quality Standards by 2015. Investment levels are therefore not uniform each year, which may result in levels of over or under commitment.

Service	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Asbestos	0.250	0.068	0.356	0.106
Energy Efficiency	3.194	0.321	2.217	(0.977)
Efficient Heating	2.922	0.654	2.583	(0.339)
External Envelope Enhancement	1.409	0.169	1.087	(0.322)
Modern Facilities & Services	6.384	1.678	6.792	0.408
Neighbourhood Improvements	0.386	0.309	0.637	0.251
Safe & Secure Neighbourhood	0.381	0.014	0.316	(0.065)
Sheltered Housing Safety & Improvement	0.690	0.001	0.886	0.196
<b>Total Housing Expenditure</b>	<b>15.616</b>	<b>3.214</b>	<b>14.874</b>	<b>(0.742)</b>

#### Asbestos

Projected spend over budget reflects increased number of addresses.

#### Energy Efficiency

There are concerns over the ability to complete all the addresses under phases 1 and 3 of the UPVC Window Replacement Programme.

#### Efficient Heating

There are concerns over the ability to complete all the addresses under phase 1 of the Gas Central Heating Programme.

#### External Envelope Enhancement

Projected spend on roofing reduced to reflect possible issues with private owners and concerns over ability to deliver programme within the current year.

#### Modern Facilities & Services

Overspend currently projected on Kitchens, rewire and Bathroom upgrades.

#### Neighbourhood Improvements

Additional timber clad addresses in Cumnock have been included in projections.

#### Safe & Secure Neighbourhood

Small underspend projected.

#### Sheltered Housing Safety & Improvement

The renewal of the roof at St Maur's Gardens has been added to the projected spend however it is anticipated that all phases cannot be completed in 2009/10 resulting in further expenditure in 2010/11.

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### NEIGHBOURHOOD SERVICES

#### Sources of Funding

	Approved Budget 2009/10 £m	Actual Expenditure 2009/10 £m
Revenue Funding (CFCR)	5.561	5.691
Sale of Council Dwellings and Other Capital Receipts	4.888	3.000
Anticipated Borrowing	5.167	6.183
<b>Total</b>	<b>15.616</b>	<b>14.874</b>

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.

CORPORATE SUPPORT

**Capital Programme**

Expenditure to date is £0.871m, which represents 14% of the available budget. The projected expenditure for 2009/10 is £6.210m.

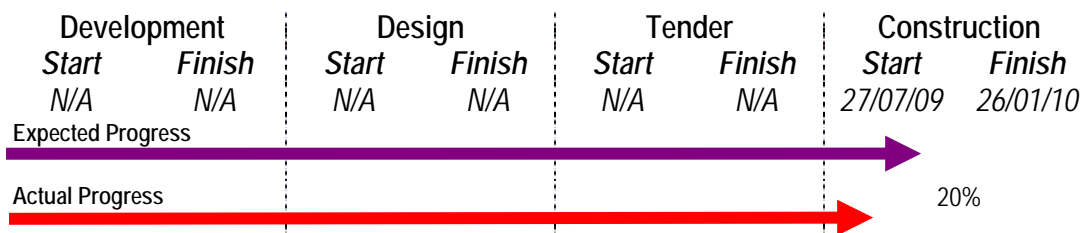
The projected variance on the Corporate Support capital programme primarily relates to the development of new office accommodation in Cumnock Town Centre, which is not likely to commence construction until April / May 2010 based on a favourable outcome to the current CPO application, and early resolution of other on-going matters.

CORPORATE SUPPORT

Major Projects

Council Chambers

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.300	0.085	1.300



Financial Status

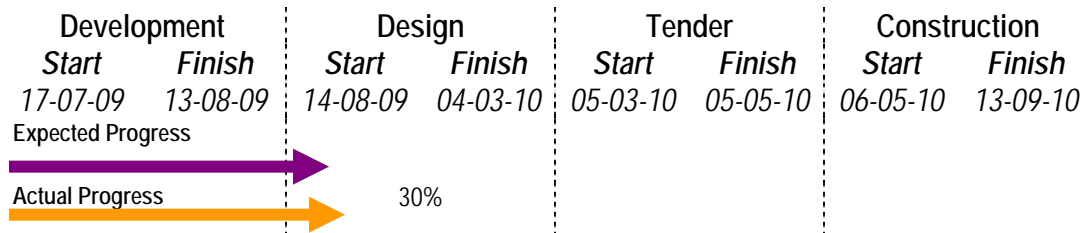
Costs in relation to the additional structural works are currently being assessed to determine impact on overall projected out-turn costs.

Project Life Cycle

Additional structural works required to the roof are anticipated to delay the completion date by 4 – 6 weeks, giving a revised completion of mid-March. Work currently ongoing with regard to procurement of furniture and equipment for new facilities.

Data Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.250	0.000	1.250



Financial Status

No expenditure is anticipated to be incurred in 2009/10

Project Life Cycle

Work on preliminary designs ongoing and are currently ahead of schedule. Construction works due for completion mid September 2010, however, centre won't be fully operational until after December 2010 as switch over planned for Christmas holiday period.

# 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

## CORPORATE SUPPORT

### Kilmarnock Town Centre Regeneration

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start TBC	Finish TBC	Start TBC	Finish TBC	Start TBC	Finish TBC	Start TBC	Finish TBC
21.760	0.510	21.760								

Expected Progress



Actual Progress



#### Financial Status

Works in respect of the multi-storey car park approved by Cabinet on 17<sup>th</sup> September 2008 are in progress.

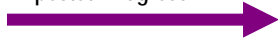
#### Project Life Cycle

Provisional sums allocated against indicative programme will form basis of proposals to future Cabinet meeting.

### Cumnock Town Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Acquisition		Design		Construction		Distribution	
			Start 01-10-08	Finish 31-03-09	Start 31-01-08	Finish TBC	Start 31-10-09	Finish TBC	Start TBC	Finish TBC
14.718	2.078	14.718								

Expected Progress



Actual Progress 80%



#### 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 – CPO application submitted; one objection. . Option appraisal ongoing regarding demolition of cottages on development site. Tender awarded for civic space around town hall. Planning permission for demolition of bingo hall and civic space works approved 2 October 2009.

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### CORPORATE SUPPORT

#### Corporate Support General Projects

As at Period 6, there are 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	1.040	0.198	1.040	0.000
Regeneration & Efficiency General	0.450	0.000	0.450	0.000
<b>TOTAL CORPORATE SUPPORT</b>	<b>1.490</b>	<b>0.198</b>	<b>1.240</b>	<b>0.000</b>

## 2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 6 (20 SEPTEMBER 2009)

### FINANCE & ASSET MANAGEMENT

#### Capital Programme

Expenditure to date is £0.082m, which represents 5% of the available budget. The Projected Expenditure for 2009/10 is £1.600m.

#### Contingency Funding

This represents the balance of available contingency funding in 2009/10. Drawdowns on this funding may reduce the projected underspend throughout the year.

	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Contingency Funding	0.035	0.000	0.000	(0.035)
Corporate Office Accommodation	1.600	0.082	1.600	0.000
<b>TOTAL FINANCE AND ASSET MANAGEMENT</b>	<b>1.635</b>	<b>0.082</b>	<b>1.600</b>	<b>(0.035)</b>