

FINANCE & ASSET MANAGEMENT



FINANCE AND SERVICE STRATEGY REPORT

TO PERIOD 4 (26 JULY 2009)

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

EAST AYRSHIRE COUNCIL

GOVERNANCE AND SCRUTINY COMMITTEE 25 SEPTEMBER 2009

FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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 26 July 2009 (Period 4) and information provided by Executive Directors.

2 GENERAL SERVICES

- 2.1 The overall projected outturn for the year to 31 March 2010 is an uncommitted surplus in excess of budget of £0.168m. Earmarked balances and departmental overspends of £0.192m will be carried forward. Details are included in the attached report.
- 2.2 It is anticipated that the department of Educational and Social Services will outturn £0.086m under budget at 31 March 2010. Included in this figure is an underspend of £0.325m which will require 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 as approved by Cabinet on 17 June 2009.
- 2.3 Social Services is currently anticipated to be £0.012m under budget at 31 March 2010. Additional secure accommodation placement costs required for the remainder of the year being offset by the use of £0.360m in non-recurring balances.

- 2.4 The Sustainability Board, tasked with realigning budget resources and led by the Executive Director, continues to review a number of areas within the service to ensure the longer term sustainability of the Social Services budget.

- 2.5 The Executive Director of Neighbourhood Services anticipates a favourable variance of £0.129m mainly due to savings in employee costs and landfill partially offset by additional transport and supplies and services costs.

- 2.6 The Executive Director of Corporate Support anticipates an adverse variance of £0.471m which includes a projected shortfall in Planning and Building Standards income of £0.753m partially offset by significant savings on employee costs.

- 2.7 The Executive Head of Finance and Asset Management anticipates a favourable variance of £0.064m mainly due to funding received from the Department of Work and Pensions, additional income and employee cost savings offset by reduced property related income.

- 2.8 There is a favourable variance in respect of Housing and Council Tax Benefit income of £0.176m due to the effective overpayment recovery process. This is partially offset by an adverse variance of £0.020m on Non Domestic Rates income due to increased discretionary reliefs.

- 2.9 The projected expenditure for the year on the Capital Programme is £29.136m which is 93.0% of budgeted expenditure. Progress on capital projects since the Cabinet meeting of 2 September 2009 has been shown in italics in the capital section of the report.

- 2.10 Work is currently being undertaken to quantify the financial impact associated with the Council's Redeployment Register and details will be provided in future Finance and Service Strategy Reports.

3 LEADER'S INITIATIVES

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

4 HOUSING REVENUE ACCOUNT (HRA)

- 4.1 The Executive Director of Neighbourhood Services anticipates that, while the Housing Revenue Account will outturn on budget, there will be adverse variances of £0.120m from lower than budgeted rental income due to demolitions and £0.130m from increase CFCR contributions towards planned maintenance offset by lower than budgeted void rent losses and Employee Costs savings arising from vacancies across the service.
- 4.2 Projected expenditure on the Housing Investment Programme is £15.368m which is 98.4% of budgeted expenditure.

5 GENERAL FUND UNCOMMITTED BALANCE

- 5.1 The Financial Reserves Strategy sets the level of the Uncommitted General Fund Balance at between 2% and 4 % of Annual Budgeted Expenditure. During the current financial year commitments of £0.800m have reduced the balance to £5.801m which equates to 1.7% of the annual budgeted expenditure for 2009/10.

6 REPAIRS AND RENEWALS FUND

- 6.1 Cabinet on 29 July 2009 approved the utilisation of £0.240m currently held within the Repairs and Renewal Fund towards the refurbishment of the Burns Mall.

7 CAPITAL PROGRAMME

- 7.1 The Executive Director of Neighbourhood Services has identified a need to install lockers and shower facilities within various depots. These facilities will be contained within portacabin type structures at an anticipated cost of £0.150m. It is proposed to fund the costs from the current depot improvement capital budget allocation as the structures will be re-sited to the new depot in due course.
- 7.2 The Capital Programme for 2009/10 includes a contingency fund of £0.400m. As the programme of works planned for the current financial year progresses, a number of developments have arisen and Cabinet on 2 September 2009 approved the drawdown of £0.365m from the contingency fund to meet the costs detailed in the following paragraphs.

- 7.3 Hamilton Gardens, Stewarton – as a result of parking concerns within the Stewarton town centre area a need has been identified for additional parking. The Roads and Transportation Section has proposed that a new car park is constructed on a site at Hamilton Gardens which would relieve the current demand for parking, complimenting the works currently on-going with regard to the Park and Ride facility. A drawdown of £0.085m has been approved from the contingency fund to allow this new scheme to progress.
- 7.4 Stewarton Townhouse Refurbishment – tenders returned in relation to the refurbishment of Stewarton Townhouse were significantly above the budget allocation for the project of £0.400m. Work has been undertaken to identify tender savings and costs for the works are now estimated to be £0.440m. A drawdown of £0.040m has been approved from the contingency fund to meet these additional costs.
- 7.5 Netherthird Community Campus – proposals to extend the car park at the newly constructed Netherthird Community Centre to provide an access link to Craigens Road are considered by the Roads and Transportation Section to offer significant benefits from a road safety and community access perspective. A drawdown of £0.075m has been approved from the contingency fund to meet these additional costs.
- 7.6 Auchinleck Academy Heating Upgrade – following an inspection of the heating system at Auchinleck Academy it has been determined that the system is beyond economic repair and is therefore recommended for replacement. A budget allocation of £0.085m was provided in the 2009/10 Capital Programme to upgrade the existing heating system. It is estimated that the costs to replace the system will be £0.215m. A drawdown of £0.130m has been approved from the contingency fund to replace the heating system.

- 7.7 Hans Hamilton and Boswell Tombs – as a result of issues identified at the Hans Hamilton (Dunlop) and Boswell (Auchinleck) tombs it has been deemed necessary to undertake essential works to the stonework and remediate rot. The total value of the works for both tombs is £0.130m with funding of £0.055m already identified within the Council's Central Repairs budget. A contribution of £0.040m will be made from the current cemeteries capital budget allocation and the balance of £0.035m will be drawn from the contingency fund.

8 RECOMMENDATIONS

- 8.1 It is recommended that Members note the contents of this report.

Alex McPhee
Executive Head of Finance and Asset Management
27 August 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 4 (26 JULY 2009)

PAGE INDEX

Overview	Page	Departmental Budgets	Page
General Fund Summary	1	Educational and Social Services	5
Capital Summary	2	Neighbourhood Services	12
Leader's Initiatives	3	Corporate Support	21
		Finance and Asset Management	31
		Central Services	37

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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	170.568	170.482	(0.086)	Deficit / (Surplus) for the Year	1.260	1.284	0.024
Neighbourhood Services	72.531	72.402	(0.129)	Utilise Previous Years Balances	(1.260)	(1.260)	0.000
Corporate Support	15.894	16.365	0.471	Departmental Under/(Over) Spend c/f	0.000	(0.192)	(0.192)
Finance and Asset Management	52.535	52.471	(0.064)	Proposed transfer to Renewals & Repairs	0.000	0.000	0.000
Central Services – Other	8.088	8.088	0.000	2009/2010 Deficit / (Surplus)	0.000	(0.168)	(0.168)
Central Services – Debt Charges	17.350	17.350	0.000				
Building and Works	(0.783)	(0.795)	(0.012)				
Net Expenditure	336.183	336.363	0.180	Housing Revenue Account			
				Expenditure	36.793	36.673	0.120
Funded by				Income	(36.793)	(36.673)	(0.120)
Council Tax	(48.818)	(48.818)	0.000	Net Expenditure	0.000	0.000	0.000
Aggregated External Finance	(242.789)	(242.769)	0.020				
Housing/Council Tax Benefit Income	(43.316)	(43.492)	(0.176)				
Total Income	(334.923)	(335.079)	(0.156)				

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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	7.545	0.764	6.431	85%	Grants, Partnership Funding , CFCR	8.355	8.355
Neighbourhood Services	14.939	1.505	14.083	94%	External Borrowing	22.971	20.781
Corporate Support	2.340	0.135	2.340	100%	Total	31.326	29.136
Finance and Asset Management	1.600	0.040	1.600	100%			
Regeneration, Efficiency & Asset Management	4.502	0.256	4.682	104%			
Contingency Funding	0.400	0.000	0.000	-			
Total	31.326	2.700	29.136	93%			

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	1.628	15.368	98%	Revenue Funding (CFCR)	5.561	5.561
					Sale of Council Dwellings	4.888	3.000
					Anticipated Borrowing	5.167	6.807
					Total	15.616	15.368

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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. A contract for the clock face and wall are anticipated to be in place by the end of August 2009. 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 is currently ongoing with regards to the scheme scope and specification.
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	In Progress	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 is anticipated to be completed by the end of August 2009.

Status: Complete



In Progress



3

To Commence



2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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. Corrective work at the remaining shop is ongoing.
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.
TOTAL			£1.000m	

Status: Complete



In Progress



4

To Commence



2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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 £0.086m under budget at 31 March 2010.

The Educational Services position is £0.074m under budget. A sum of £0.325m requires 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 as approved by Cabinet on 17 June 2009. Adverse Employee Costs variances with Schools have arisen due to long term sickness and maternity leave affecting the HQ cover budget, additional costs in relation the expressive arts post and redeployment costs for outdoor learning staff. Additional costs of Outwith Placements within Community Support are partially offset by reduced costs arising from the cessation of the Ayrshire Household Recycling Project. Additional costs of £0.030m are anticipated for independent survey costs, transport and relocation costs for pupils and staff at Crossroads Primary School. This excludes costs for Bellfield Primary School which requires teaching resource alterations and potential capital costs for the playground/car park.

The Social Services position is £0.012m 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 £0.342m as well as additional provisions for growth in children's services, adult care packages and self directed services.

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Resources	2.648	2.303	(0.345)
PPP	8.242	8.242	0.000
Schools	65.766	65.910	0.144
Community Support	23.648	23.750	0.102
Facilities Management	13.683	13.708	0.025
Social Work	56.581	56.569	(0.012)
Net Expenditure	170.568	170.482	(0.086)

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	118.460	117.549	(0.910)
Property Costs	7.708	7.799	0.091
Transport Costs	6.835	6.827	(0.008)
Supplies & Services	9.440	9.536	0.096
Third Party Payments	46.581	47.598	1.017
Transfer Payments	6.137	6.240	0.103
Gross Expenditure	195.161	195.550	0.390
Income	(24.952)	(25.068)	(0.116)
Net Expenditure	170.208	170.482	0.274
Utilise Balances	0.360	0.000	(0.360)
Net Expenditure	170.568	170.482	(0.086)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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		+0.395		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 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
<i>Total Budget adjustments</i>			+0.324	
Revised Budget Allocation at Period 4			170.568	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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 26/7/09	Achieved at 26/7/09 £m
Educational and Social Services		2.372		2.071
Reduce the number of school administration and support staff	KSO	0.210		0.048
Reduce the number of classroom assistants by natural wastage	KSO	0.174		0.174
Reduce costs of school cleaning by 10% including the use of new technology	KSO	0.157		0.157
Redesign the Outdoor Learning service	KSO	0.125		0.125
Reduce costs within the Educational & Social Services property team	KSO	0.022		0.022
Reduce school letting hours	KSO	0.010		0.010
Review of Learning Partnerships to improve integration with Children & Families Services	CIS	0.396		0.396
Efficiencies in Community Learning and Development (CL&D)	CIS	0.078		0.078
Review of early years establishment structures	CIS	0.062		-
Review the structure of the school psychology service	CIS	0.045		0.045
Review how Central Education Continuing Professional Development is delivered	BRS	0.198		0.198
Review of Quality Improvement within Educational & Social Services	BRS	0.092		0.092
Review of school catering arrangements	SB4	0.024		0.024
Review of School Management structures	CND	0.556		0.556
Adjustments to school delegated budgets to take account of falling school rolls	CND	0.141		0.141
Review of Arts and Culture function	CND	0.077		-
Recharge of school library support service	CND	0.005		0.005

Status: Fully met



In Progress



Unmet



2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

EDUCATIONAL AND SOCIAL SERVICES

SERVICE PERFORMANCE TO DATE

RESOURCES

The variance mainly relates to a sum of £0.325m which requires 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 as approved by Cabinet on 17 June 2009. This is offset by the projected recurring cost of 1 FTE Grade 12 post which is part of the resource support admin review.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
77.2	-27.6	49.6	31.9

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	2.058	1.748	(0.310)
Property Costs	0.053	0.053	0.000
Transport Costs	0.030	0.030	0.000
Supplies & Services	0.760	0.760	0.000
Third Party Payments	0.234	0.199	(0.035)
Transfer Payments	0.714	0.714	0.000
Gross Expenditure	3.850	3.504	(0.345)
Income	(1.201)	(1.201)	0.000
Net Expenditure	2.648	2.303	(0.345)

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 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	0.000	0.000	0.000
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	0.000	0.000	0.000
Third Party Payments	8.242	8.242	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	8.242	8.242	0.000
Income	0.000	0.000	0.000
Net Expenditure	8.242	8.242	0.000

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

EDUCATIONAL AND SOCIAL SERVICES

SCHOOLS

Adverse Employee Cost variances have arisen due to long term sickness and maternity leave affecting the HQ cover budget, additional costs in relation the expressive arts post and redeployment costs for outdoor learning staff. This is partially offset by vacancies within Quality Improvement. Additional employee costs incurred in respect of Other Education initiatives will be offset by additional funding for More Choices More Chances. The adverse variances in third party payments relates to the school library service.

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	58.152	58.306	0.153
Property Costs	4.721	4.721	0.000
Transport Costs	0.209	0.209	0.000
Supplies & Services	3.110	3.110	0.000
Third Party Payments	0.683	0.697	0.014
Transfer Payments	0.310	0.310	0.000
Gross Expenditure	67.186	67.352	0.167
Income	(1.420)	(1.442)	(0.023)
Net Expenditure	65.766	65.910	0.144

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
1,504.0	+75.7	1,579.7	1,550.7

COMMUNITY SUPPORT

The adverse variance shown is mainly a result of additional third party payments relating 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. Additional employee costs arising from the redeployment of staff, reduced staff turnover and redundancy costs have been offset by favourable variances arising from vacancies and maternity leave within Psychological Services.

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	15.868	15.867	(0.001)
Property Costs	1.030	1.031	0.001
Transport Costs	0.266	0.266	0.000
Supplies & Services	1.331	1.319	(0.013)
Third Party Payments	5.900	6.014	0.115
Transfer Payments	0.086	0.086	0.000
Gross Expenditure	24.480	24.582	0.102
Income	(0.832)	(0.832)	0.000
Net Expenditure	23.648	23.750	0.102

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
517.6	-55.6	462.0	430.4

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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 costs for meat supplies and reduced school meal and Social Work Centre income. Additional costs of £0.030m are anticipated for independent survey costs, transport and relocation costs for pupils and staff at Crossroads Primary School. This excludes costs for Bellfield Primary School which requires teaching resource alterations and potential capital costs for the playground/car park.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
510.4	0	510.4	501.6

SOCIAL WORK

There is a favourable variance of £0.012m. This is achieved through utilisation of non-recurring balances £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 £0.342m. As at 26 July 2009, the Council was funding two 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. Provisions for growth in children's services (including secure accommodation), adult care packages and self directed services are incorporated in the report. The Budget Sustainability Board is aware of these issues. The figures in this report do not include any adjustments related to service reviews underway within children's services, adult services and administrative support which will be incorporated in future reports.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
1,089.6	41.9	1,131.5	1,045.1

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	9.326	9.241	(0.085)
Property Costs	0.253	0.283	0.030
Transport Costs	4.913	4.913	0.000
Supplies & Services	2.332	2.372	0.040
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.824	16.809	(0.015)
Income	(3.142)	(3.102)	0.040
Net Expenditure	13.683	13.708	0.025

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	33.055	32.388	(0.667)
Property Costs	1.651	1.711	0.060
Transport Costs	1.417	1.409	(0.008)
Supplies & Services	1.907	1.976	0.069
Third Party Payments	31.522	32.446	0.924
Transfer Payments	5.027	5.130	0.103
Gross Expenditure	74.579	75.060	0.481
Income	(18.358)	(18.491)	(0.133)
Net Expenditure	56.221	56.569	0.348
Utilise Balances	0.360	0.000	(0.360)
Net Expenditure	56.581	56.569	(0.012)

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 4 (26 JULY 2009)

NEIGHBOURHOOD SERVICES

SERVICE SUMMARY

The projected outturn to 31 March 2010 is a favourable variance of £0.129m. 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 & 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 31/3/10 £m	Variance (Favourable) / Adverse
Central Mgt Support	0.894	0.831	(0.063)
Leisure Services	12.195	12.213	0.018
General Fund Housing	17.408	17.323	(0.085)
Emergency Planning	0.049	0.050	0.001
Police & Fire	30.680	30.680	0.000
Roads & Transport	11.305	11.305	0.000
Net expenditure	72.531	72.402	(0.129)

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	24.285	24.044	(0.241)
Property Costs	3.116	3.180	0.064
Transport Costs	3.945	4.071	0.126
Supplies & Services	14.726	14.862	0.136
Third Party Payments	40.630	40.270	(0.360)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	86.702	86.427	(0.275)
Income	(14.171)	(14.025)	0.146
Net expenditure	72.531	72.402	(0.129)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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
<i>Total Budget adjustments</i>			+0.050	
Revised Budget Allocation at Period 4			72.531	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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 26/7/09	Achieved at 26/7/09 £m
Neighbourhood Services		0.964		0.567
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	■	0.002
Reduce landfill charges for waste	PYI	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	■	
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	■	-
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	■	-
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 4 (26 JULY 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 miscellaneous and other services.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
12.0	-5.0	7.0	6.4

LEISURE SERVICES

Employee Cost savings reflect vacancies within PPP Schools, Outdoor Amenities and Libraries, partly offset by additional special payments within Registration and Community Recreation which are offset by additional income. Adverse Transport Costs variances are related to additional fuel costs 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 are due to the purchase of Outdoor Amenities equipment and materials and additional costs in relation to the Burns Monument Centre, both being offset by additional income. Additional income is anticipated from registration fees, Grounds Maintenance work, Street Cleansing, cemeteries and theatre and hall charges partially offset by reduced anticipated income from Leisure facilities in PPP schools and an under-recovery of Golf income.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
461.3	0	461.3	446.1

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	0.259	0.226	(0.033)
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	(0.001)	(0.001)
Supplies & Services	0.400	0.379	(0.021)
Third Party Payments	0.330	0.330	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.989	0.934	(0.055)
Income	(0.095)	(0.103)	(0.008)
Net expenditure	0.894	0.831	(0.063)

	Estimate £m	Projection to 31 Mar 10 £m	Variance (Favourable) / Adverse
Employee Costs	11.849	11.722	(0.127)
Property Costs	1.240	1.240	0.000
Transport Costs	0.969	1.058	0.089
Supplies & Services	1.772	1.844	0.072
Third Party Payments	0.390	0.392	0.002
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.220	16.256	0.036
Income	(4.025)	(4.043)	(0.018)
Net expenditure	12.195	12.213	0.018

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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 Premises Costs are mainly due to additional expenditure non domestic rates and utilities within Waste. 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 purchase of bins and protective clothing. Landfill charges are less than anticipated due to increased recycling activity. However reduced income is anticipated from the sale of recyclate due to market conditions which is partially offset by additional community safety funding from Strathclyde Police.

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	5.808	5.786	(0.022)
Property Costs	1.453	1.504	0.051
Transport Costs	1.148	1.186	0.038
Supplies & Services	9.006	9.081	0.075
Third Party Payments	5.246	4.834	(0.412)
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	22.661	22.391	(0.270)
Income	(5.253)	(5.068)	0.185
Net expenditure	17.408	17.323	(0.085)

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
250.1	0	250.1	241.3

HOUSING REVENUE ACCOUNT

Favourable variances due to the timing of filling vacancies 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.

	Estimate £m	Projection to 31/3/10 £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	4.850	0.000
CFCR/Planned Maint	5.561	5.691	0.130
Homeless Hostels	1.080	1.080	0.000
Gross Expenditure	36.793	36.673	(0.120)
Income	(36.793)	(36.673)	0.120
Net expenditure	0.000	0.000	(0.000)

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
114.4	0	114.4	105.8

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

NEIGHBOURHOOD SERVICES

EMERGENCY PLANNING

The variance reflects reduced staff turnover.

FTE STAFFING ANALYSIS

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

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	0.037	0.038	0.001
Property Costs	0.000	0.000	0.000
Transport Costs	0.003	0.003	0.000
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
Gross Expenditure	0.049	0.050	0.001
Income	0.000	0.000	0.000
Net expenditure	0.049	0.050	0.001

JOINT BOARDS – POLICE AND FIRE

There are no material variances anticipated at this time.

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	0.000	0.000	0.000
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	0.000	0.000	0.000
Third Party Payments	30.680	30.680	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	30.680	30.680	0.000
Income	0.000	0.000	0.000
Net expenditure	30.680	30.680	0.000

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

NEIGHBOURHOOD SERVICES

ROADS AND TRANSPORTATION

There are favourable variances due to the timing of filling vacancies. 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. A Favourable Income variance is projected reflecting additional income from rechargeable work.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
169.0	-10.0	159.0	162.0

General Fund	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	6.332	6.272	(0.060)
Property Costs	0.423	0.436	0.013
Transport Costs	1.825	1.825	0.000
Supplies & Services	3.539	3.549	0.010
Third Party Payments	3.984	4.034	0.050
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	16.103	16.116	0.013
Income	(4.798)	(4.811)	(0.013)
Net expenditure	11.305	11.305	0.000

BUILDING & WORKS

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

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
302.0	0	302.0	288.0

Building & Works	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Income	(11.116)	(9.916)	1.200
Labour Costs	4.549	4.173	(0.376)
Sub Contractors	2.293	1.693	(0.600)
Other Direct Costs	2.780	2.563	(0.217)
Overheads	0.621	0.602	(0.019)
Total Expenditure	(0.873)	(0.885)	(0.012)
Pension Accounting	0.091	0.091	0.000
Net expenditure	(0.782)	(0.794)	(0.012)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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.

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	(0.843)
Roads and Transport Projects	(0.257)
Total	(1.100)

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 4 (26 JULY 2009)

CORPORATE SUPPORT

SERVICE SUMMARY

The projected outturn to 31 March 2010 is an adverse variance of £0.471m. This is mainly due to an anticipated shortfall in planning and building standards income as a result of external economic factors. The impact of these factors is 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. This situation will continue to be monitored with the objective of achieving a break-even projection by the year end.

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.

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Central Management Support	0.198	0.198	0.000
Human Resources	2.420	2.410	(0.010)
Information Technology	3.390	3.399	0.009
Planning & Economic Dev.	3.561	4.033	0.472
Democratic Services	2.838	2.838	0.000
Legal Procurement & Reg'n	2.891	2.891	0.000
Community Planning P'ship	0.596	0.596	0.000
Net Expenditure	15.894	16.365	0.471

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	14.480	13.941	(0.539)
Property Costs	0.244	0.243	(0.001)
Transport Costs	0.293	0.300	0.007
Supplies & Services	5.161	5.339	0.178
Third Party Payments	0.806	0.836	0.030
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	20.984	20.659	(0.325)
Income	(5.090)	(4.294)	0.796
Net Expenditure	15.894	16.365	0.471

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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		+0.045		Drawdown of Earmarked Balances and use of Departmental Balances
5 Adjustment of Non Relevant Recharge Budgets		-0.009		Realignment of Budgets to Reflect Non Relevant Recharges
<i>Total Budget adjustments</i>			+0.734	
Revised Budget Allocation at Period 4			15.894	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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 26/7/09	Achieved at 26/7/09 £m
Corporate Support		0.377		0.377
Reduce affiliation payments within Planning and Economic Development and ensure benefit equates to cost	KSO	0.081		0.081
Reduce administration costs within Human Resources and Democratic Services	KSO	0.071		0.071
Reduced IT costs as a result of investment	PYI	0.059		0.059
Review of Community Planning and links to Community Learning and Development	BRS	0.045		0.045
Review of Planning and Economic Development staffing requirements	SB4	0.041		0.041
Legal and Regulatory – Various Management Efficiencies	CND	0.011		0.011
Review of Asset Management Contract within Information Technology	PSP	0.040		0.040
Planning and Economic Development retaining work previously outsourced	PSP	0.013		0.013
Pilot use of data network for telephone calls	MUA	0.016		0.016

Status: Fully met ■

In Progress ■

Unmet ■

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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. The variances generated have been used to offset pressures elsewhere in the service. 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. Additional physiotherapy costs are offset by additional income recharges. Anticipated surpluses on income from the National Training Programmes are now unlikely to be achieved.

FTE STAFFING ANALYSIS FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
36.0	+40.2	76.2	68.5

	Estimate £m	Projection to 31/3/10 £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
Gross Expenditure	0.198	0.198	0.000
Income	0.000	0.000	0.000
Net Expenditure	0.198	0.198	0.000

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	2.511	2.409	(0.102)
Property Costs	0.002	0.002	0.000
Transport Costs	0.019	0.020	0.001
Supplies & Services	0.216	0.250	0.034
Third Party Payments	0.049	0.079	0.030
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	2.797	2.760	(0.037)
Income	(0.377)	(0.350)	0.027
Net Expenditure	2.420	2.410	(0.010)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

CORPORATE SUPPORT

INFORMATION TECHNOLOGY

The adverse variance in Employee Costs results from the timing of the filling of vacancies and turnover savings. A review of overtime levels is to be carried out in order to reduce this variance over the course of the year.

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	2.253	2.262	0.009
Property Costs	0.000	0.000	0.000
Transport Costs	0.026	0.026	0.000
Supplies & Services	1.548	1.548	0.000
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.827	3.836	0.009
Income	(0.437)	(0.437)	0.000
Net Expenditure	3.390	3.399	0.009

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 4 (26 JULY 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. Vacancies continue to be frozen. Adverse Supplies and Services variances are anticipated due to E-Planning maintenance costs, statutory advertising and legal and professional fees. 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. The timing and scale of future fees remains 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 8% less than in the same period during 2008/09.

It should be noted that income projections include £1,140,262 of EU income made up of £486,302 due for 2008/09 and £653,960 for 2009/10. External factors have delayed the submission of claims; it is anticipated by the service that a first tranche of funds will be received by the Council by the end of August.

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	4.569	4.219	(0.350)
Property Costs	0.189	0.189	0.000
Transport Costs	0.128	0.128	0.000
Supplies & Services	1.368	1.437	0.069
Third Party Payments	0.472	0.472	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	6.726	6.445	(0.281)
Income	(3.165)	(2.412)	0.753
Net Expenditure	3.561	4.033	0.472

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 4 (26 JULY 2009)

CORPORATE SUPPORT

DEMOCRATIC SERVICES

A favourable variance in Employee Costs due to the timing of filling of vacancies is anticipated to offset reduced income relating to sponsorship, property certificates and printroom recharges.

Cabinet on 19 August 2009 committed £75,000 from General Fund Balances to the "Keep Johnnie Walker in Kilmarnock" campaign. This allocation is fully committed.

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 timing of filling vacancies following the implementation of the Best Value Service Review across the service has generated a favourable Employee Costs variance. The Supplies and Services variance relates to a variety of 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. The costs associated with Seagull Control for the year are projected to be met from existing resources.

Although the income target for Pest Destruction was reduced this year, a shortfall of £17k still exists. However, it is offset against income from other sources namely 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 upgrades.

FTE STAFFING ANALYSIS

Budget	In year	Revised Budget	Actual to date
89.5	-2.0	87.5	82.0

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	1.540	1.510	(0.030)
Property Costs	0.000	0.000	0.000
Transport Costs	0.029	0.029	0.000
Supplies & Services	1.452	1.452	0.000
Third Party Payments	0.009	0.009	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.030	3.000	(0.030)
Income	(0.192)	(0.162)	0.030
Net Expenditure	2.838	2.838	(0.000)

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	2.976	2.921	(0.055)
Property Costs	0.028	0.031	0.003
Transport Costs	0.088	0.095	0.007
Supplies & Services	0.527	0.585	0.058
Third Party Payments	0.181	0.181	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	3.800	3.813	0.013
Income	(0.909)	(0.922)	(0.013)
Net Expenditure	2.891	2.891	(0.000)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

CORPORATE SUPPORT

COMMUNITY PLANNING AND PARTNERSHIP

At this time no variance is anticipated. Income generated through support provided to the Community Planning Partnership in carrying out its function in administering/monitoring the Fairer Scotland Fund will this year 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	9.5

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	0.453	0.442	(0.011)
Property Costs	0.025	0.021	(0.004)
Transport Costs	0.003	0.002	(0.001)
Supplies & Services	0.030	0.047	0.017
Third Party Payments	0.095	0.095	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	0.606	0.607	0.001
Income	(0.010)	(0.011)	(0.001)
Net Expenditure	0.596	0.596	(0.000)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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 from various sources.

The Wind Farm balance is held for work related to an access road.

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
26 July 2009
£m

Environmental / Community / Heritage	0.089
Employability	0.135
Wind Farm	(0.174)
Developers Contributions / S75 SLR	(0.958)
Other	(0.189)
Total	(1.097)

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 over the next 4 years.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

FINANCE AND ASSET MANAGEMENT

SERVICE SUMMARY

There is a favourable variance of £0.064m projected for the current financial year for Finance and Asset Management. This is a result of savings anticipated within the Finance Service after offsetting for pressures experienced within Asset Management and Surplus Property.

Employee Costs are significantly underspent due to vacancies which are being held pending a business review.

Additional income from the Department for Work and Pensions is 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 Scottish Water collection rates, as well as a favourable variance on employee costs arising from a number of vacancies within the service.

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. The service anticipates that the costs of these services will be offset by the recovery of consequential additional fee income. Projected net fee recovery is based on current operational working arrangements and excludes any impact from pending considerations in relation to the establishment of the Single Business Unit.

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 31/3/10 £m	Variance (Favourable) / Adverse
Finance	47.270	47.021	(0.249)
Asset Improvement	3.671	3.671	0.000
Asset Management	1.594	1.779	0.185
Net Expenditure	52.535	52.471	(0.064)

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	9.601	9.517	(0.084)
Property Costs	5.312	5.312	0.000
Transport Costs	0.125	0.121	(0.004)
Supplies & Services	1.533	1.533	0.000
Third Party Payments	0.033	0.408	0.375
HB/CT Benefit	43.414	43.414	0.000
Gross Expenditure	60.018	60.305	0.287
Income	(7.483)	(7.834)	(0.351)
Net Expenditure	52.535	52.471	(0.064)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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	52.438			
<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
<i>Total Budget adjustments</i>			+0.097	
Revised Budget Allocation at Period 4			52.535	

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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.

ACTIONS	Theme	SAVING £m	Status at 26/7/09	Achieved at 26/7/09 £m
Finance and Asset Management		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	■	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 4 (26 JULY 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.

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 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	5.757	5.717	(0.040)
Property Costs	0.018	0.018	0.000
Transport Costs	0.027	0.023	(0.004)
Supplies & Services	0.732	0.732	0.000
Third Party Payments	0.000	0.000	0.000
HB/CT Benefit	43.414	43.414	0.000
Gross Expenditure	49.948	49.904	(0.044)
Income	(2.678)	(2.883)	(0.205)
Net Expenditure	47.270	47.021	(0.249)

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
185.9	+0.5	186.4	170.9

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

FINANCE AND ASSET MANAGEMENT

ASSET IMPROVEMENT

Additional external consultant costs procured under a framework contract to enable the progression of some work required to advance the Council's capital programme are anticipated to be offset by the recovery of consequential additional fee income. The fee recovery projection is 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	75.0

ASSET MANAGEMENT

There are a number of vacancies following the Best Value Service Review of Asset Management arrangements and recruitment to the new service structure continues to progress. The economic downturn has resulted in a projected decline in income resulting from lower property rents and a reduced requirement for housing deed plans. The opportunity for the Council to generate income from disposals has reduced as a result of market conditions and a reduced portfolio of marketable surplus property and significantly lower values of existing properties, consequently the income from the sale of surplus properties is projected to be lower than budgeted.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
26.0	0	26.0	22.7

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	2.907	2.907	0.000
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
Gross Expenditure	7.071	7.446	0.375
Income	(3.400)	(3.775)	(0.375)
Net Expenditure	3.671	3.671	0.000

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	0.937	0.893	(0.044)
Property Costs	1.309	1.309	0.000
Transport Costs	0.020	0.020	0.000
Supplies & Services	0.700	0.700	0.000
Third Party Payments	0.033	0.033	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	2.999	2.955	(0.044)
Income	(1.405)	(1.176)	0.229
Net Expenditure	1.594	1.779	0.185

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 over the next 4 years.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

CENTRAL SERVICES

SERVICE SUMMARY

There are no material variances to report at this time.

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Chief Executive	0.530	0.530	0.000
Miscellaneous	5.304	5.304	0.000
Insurance	2.254	2.254	0.000
Net Expenditure	8.088	8.088	0.000

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	2.422	2.422	0.000
Property Costs	0.000	0.000	0.000
Transport Costs	0.006	0.006	0.000
Supplies & Services	5.838	5.838	0.000
Third Party Payments	0.725	0.725	0.000
HB/CT Benefit	0.000	0.000	0.000
Gross Expenditure	8.991	8.991	0.000
Income	(0.903)	(0.903)	0.000
Net Expenditure	8.088	8.088	0.000

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

CENTRAL SERVICES

SERVICE PERFORMANCE TO DATE

CHIEF EXECUTIVE

There are no material variances to report at this time.

FTE STAFFING ANALYSIS

Budget	In year Changes	Revised Budget	Actual to date
10.6	0	10.6	10.0

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	0.566	0.566	0.000
Property Costs	0.000	0.000	0.000
Transport Costs	0.006	0.006	0.000
Supplies & Services	0.018	0.018	0.000
Third Party Payments	0.000	0.000	0.000
Gross Expenditure	0.590	0.590	0.000
Income	(0.060)	(0.060)	0.000
Net Expenditure	0.530	0.530	0.000

MISCELLANEOUS SERVICES

There are no material variances to report at this time.

	Estimate £m	Projection to 31/3/10 £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	3.566	3.566	0.000
Third Party Payments	0.725	0.725	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	6.147	6.147	0.000
Income	(0.843)	(0.843)	0.000
Net Expenditure	5.304	5.304	0.000

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

CENTRAL SERVICES

INSURANCE

There are no material variances to report at this time.

	Estimate £m	Projection to 31/3/10 £m	Variance (Favourable) / Adverse
Employee Costs	0.000	0.000	0.000
Property Costs	0.000	0.000	0.000
Transport Costs	0.000	0.000	0.000
Supplies & Services	2.254	2.254	0.000
Third Party Payments	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000
Gross Expenditure	2.254	2.254	0.000
Income	0.000	0.000	0.000
Net Expenditure	2.254	2.254	0.000

CAPITAL PROGRAMME - EDUCATIONAL AND SOCIAL SERVICES

Capital Programme

Expenditure to date is £0.764m, which represents 10% of the available budget. The Projected Expenditure for 2009/10 is £6.431m.

The projected underspend on the Education and Social Services capital programme primarily relates to slippage as against phased budget on a number of major schemes, including the New Cumnock Primary School, Rosebank Day Centre and Children's House North Kilmarnock projects.

Slippage is also anticipated on a number of general refurbishment schemes including the Auchinleck Academy PE Upgrade, James Hamilton Academy External Doors and Muirkirk Primary and Window Replacement projects. The projected costs in relation to a number of schemes are also anticipated to be less than originally budgeted.

The underspends noted above will be required to offset some schemes that are projected to cost more than the original budget including the Netherthird Community Centre and Galston Primary School projects carried forward from 2008/09 which are anticipated to incur additional unbudgeted costs during the current financial year.

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

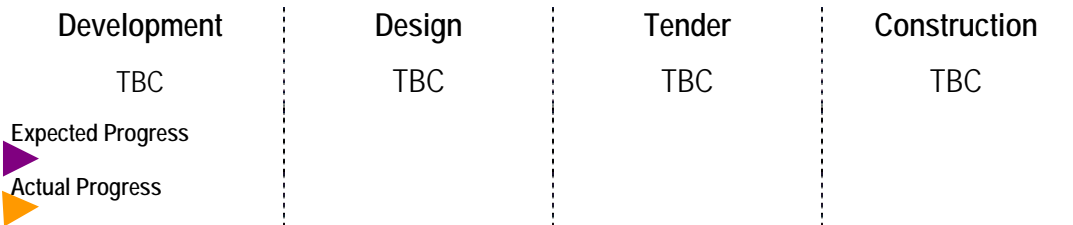
2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

CAPITAL PROGRAMME - EDUCATIONAL AND SOCIAL SERVICES

Major Projects

Galston Community Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.700	0.000	1.700



Financial Status

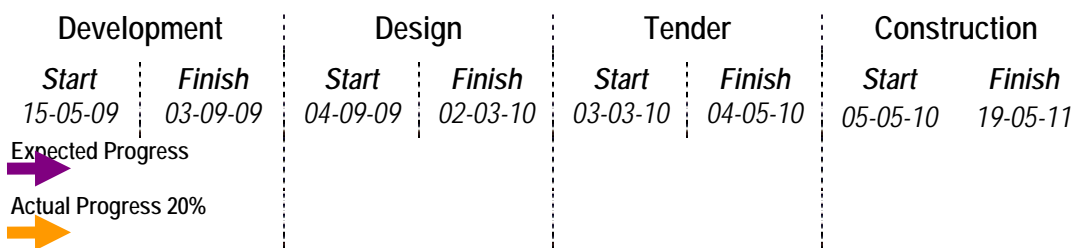
No expenditure is anticipated to be incurred in 2009/10

Project Life Cycle

Sites and detail of facilities to be provided still to be determined.

Darvel Primary School and Nursery School

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
5.000	0.000	5.000



Financial Status

Budget revised following Cabinet decision of 6 May 2009. Funding required to be accurately determined once detailed designs are finalised and tenders received.

Project Life Cycle

Feedback from public consultation exercise was positive and supported overall proposals. Project designs currently being developed in consultation with Educational and Social Services staff; outline designs prepared by Asset Improvement Service for 17 August 2009.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

CAPITAL PROGRAMME - EDUCATIONAL AND SOCIAL SERVICES

Flowerbank Nursery

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development TBC	Design TBC	Tender TBC	Construction TBC
1.750	0.000	1.750	Expected Progress			
			Actual Progress			

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.
 Progress since Cabinet on 2 September – 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	Development Complete	Design Start Finish 07-07-09 29-04-10	Tender Start Finish 30-04-10 29-07-10	Construction Start Finish 30-07-10 16-02-12
6.000	0.010	6.000	Expected Progress			
			Actual Progress	2%		

Financial Status

Budget to be revised following Cabinet decision of 6 May 2009. Additional funding required will be accurately determined after detailed designs are finalised and tenders received.

Project Life Cycle

Work ongoing to finalise design. Demolition of the former Park School site is ongoing.
 Progress since Cabinet on 2 September – project milestones have been revised to take account of current progress.



Demolition of Park School

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

CAPITAL PROGRAMME - 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 to £9.600m following Cabinet decision of 6 May 2009.

Project Life Cycle

Issues following flood assessment exercise indicate that development of the Castle site is restricted. Three layout options have been prepared and are currently with Scott Wilson to ascertain impact on flood risk. Following completion of this work, separate meetings will take place with SEPA and Council representatives to discuss the findings.

Progress since Cabinet on 2 September – results of Scott Wilson study due in October. Works to temporarily relocate New Cumnock Nursery to Cairnhill Primary School have been delayed due to water ingress issues which are proving difficult to resolve.

Patna / St Xavier's Primary Schools Co-location

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

Financial Status

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

Project Life Cycle

Feedback from Public Consultation exercise was positive and supported overall proposals. Project designs currently being developed. Proposals in relation to bio-mass facility currently being progressed between Council and NHS Ayrshire & Arran; funding issues to be determined.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

CAPITAL PROGRAMME - EDUCATIONAL AND SOCIAL SERVICES

Replacement Schools

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

Financial Status

No expenditure is anticipated to be incurred in 2009/10

Project Life Cycle

Work ongoing to develop option appraisal process to enable location selection.

Progress since Cabinet on 2 September – appraisal exercise for replacement school in North Area on-going.

Rosebank Resource Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development Complete	Design Complete	Tender Complete	Construction Start 13-10-08	Construction Finish 31-08-09
2.082	1.239	2.082	Expected Progress				
			Actual Progress				80%

Financial Status

Costs are currently anticipated to be within the overall budget allocation for the project.

Project Life Cycle

Late instruction to contractor for electrical installation may cause up to 4 weeks' delay resulting in a finish in late September.

Progress since Cabinet on 2 September –project due for completion on 28 September.



External View

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

CAPITAL PROGRAMME - EDUCATIONAL AND SOCIAL SERVICES

Children's House North Kilmarnock

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Complete	Expected Progress	Start	Finish	Start	Finish	Start	Finish
1.510	0.008	1.510		5%	29-04-09	26-04-10	27-04-10	23-08-10	24-08-10	25-07-11

Financial Status

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

Project Life Cycle

Site access difficulties are delaying investigations due to an issue regarding "spoil" from construction of new school which has not yet been removed from the site; negotiations with contractor are currently ongoing. Coal indemnity issue to be resolved; with legal to advise. Dates highlighted above are provisional until site investigations completed.

Progress since Cabinet on 2 September –work has started on site investigations. Planning application due to be submitted 7 September.

Hurlford Day Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
2.500	0.000	2.500	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC

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 4 (26 JULY 2009)

CAPITAL PROGRAMME - 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

Slippage is anticipated on a number of Educational & Social Services Schemes including Auchinleck Academy PE Upgrade, James Hamilton Academy External Doors and Muirkirk Primary Roofing and Window Replacement projects. The project costs in relation to a number of schemes are also anticipated to be less than originally budgeted. However, the underspends identified will be required 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 £0.119m 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 higher than the available budget.

	Revised Budget 2009/10	Actual Expenditure to Date	Projected Expenditure 2009/10	Variance
Fabric Upgrades & Refurbishments	4.235	0.062	3.469	(0.766)
Projects	0.460	0.035	0.659	0.199
PPP Schools	0.200	0.108	0.200	0.000
Care Homes Elderly	0.008	0.000	0.008	0.000
Elderly Day Care Facilities	0.395	0.000	0.447	0.052
Children's Homes	0.004	0.000	0.004	0.000
Telecare	0.200	0.000	0.200	0.000
TOTAL EDUCATION & SOCIAL SERVICES	5.502	0.205	4.987	(0.515)

NEIGHBOURHOOD SERVICES

Capital Programme

Expenditure to date is £1.505m, which represents 10% of the available budget. The projected expenditure for 2009/10 is £14.083m.

The variance primarily relates to anticipated slippage on the Crosshouse Resource Centre (£0.300m), Galston Local Office (£0.500m) and Kilmarnock Athletics Facilities (£0.157m) as against the phased budget.

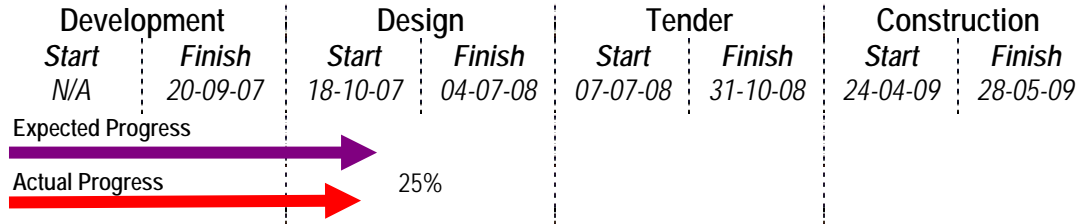
The slippages noted above are offset to some extent by additional costs on the completed CCTV / Risk Monitoring Centre and Stewarton Community Facilities projects due to final costs being higher than originally anticipated.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

NEIGHBOURHOOD SERVICES

Crosshouse Resource Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
3.866	0.960	3.866



External View

Financial Status

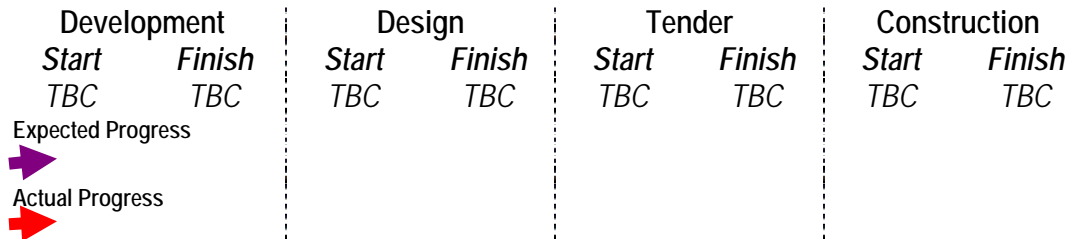
Additional costs incurred in relation to unexpected ground conditions, piling etc. Anticipated that project can still be contained within budget.

Project Life Cycle

Steelwork and timber kit have been completed. Project currently 2-3 weeks delayed due to issues with soft ground requiring piling and drainage connection problems. A construction finish is anticipated for June 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

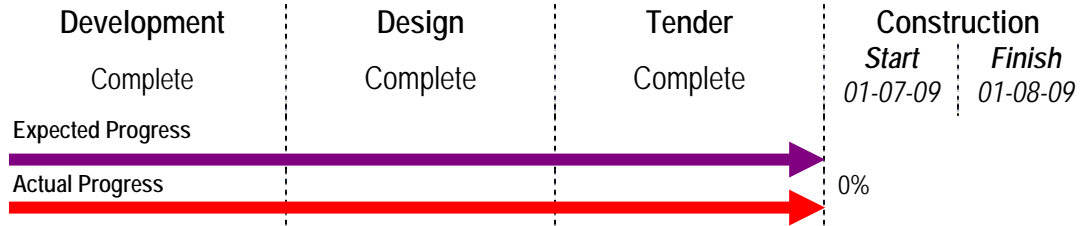
Work currently on-going to develop options in relation to regeneration of Galston Town Centre. Proposals for local office provision will be determined after this has been completed.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

NEIGHBOURHOOD SERVICES

Palace Theatre / Grand Hall

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
1.281	0.840	1.281



Financial Status

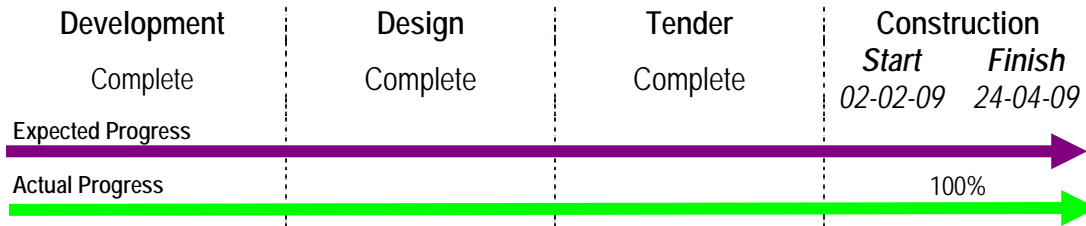
Possibility exists that costs for the project may be less than originally anticipated. An improvement programme to allow bid to Historic Scotland and Heritage Lottery Fund for additional funding being developed.

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 April 2010.

Baird Institute

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m
0.650	0.445	0.650



Financial Status

Work is currently on-going to ascertain whether there are savings on the main contract which could be used to fund additional work to stonework, handrail and roof.

Project Life Cycle

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

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

NEIGHBOURHOOD SERVICES

Kilmarnock Athletics Facilities

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Complete		Start	Finish	Start	Finish	Start	Finish
5.625	0.032	5.625			02-03-09	21-08-09	24-08-09	12-12-10	29-03-11	28-03-12
			Expected Progress 							
			Actual Progress 							

Financial Status

Budget to be revised following Cabinet decision of 6 May 2009. Required funding will be determined after detailed designs and tenders received.

Project Life Cycle

Cabinet 6 May 2009 approved the development of detailed designs in respect of providing outdoor athletics facilities for Kilmarnock with interior training facility and enhanced internal arrangements. Preliminary designs will be completed for end of August.

Progress since Cabinet on 2 September – draft paper being prepared for Cabinet on 30th September regarding proposals.

Auchinleck Resource Centre

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

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 4 (26 JULY 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

Project Life Cycle

Draft Outline Business Case has been prepared. Number of issues need to be clarified before Outline Business Case can be finalised.

Financial Status

No expenditure is anticipated to be incurred in 2009/10

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

Project Life Cycle

Draft Business Case has been prepared; Public Consultation to be completed before proposals can be finalised.

Progress since Cabinet on 2 September – draft paper being prepared for Cabinet on 16th September regarding proposals.



Financial Status

No expenditure is anticipated to be incurred in 2009/10

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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 4 (26 JULY 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	0.090	0.090
Facility Improvements	2.190	0.028	2.190	0.000
Cemetery Extension	0.486	0.009	0.486	0.000
Playparks	0.531	0.000	0.531	0.000
Traffic & Road Safety	2.894	0.227	2.905	0.011
Structures	1.094	0.093	1.094	0.000
Carriageways & Footways	2.205	0.226	2.205	0.000
Street Lighting	0.220	0.000	0.220	0.000
Flood Prevention Schemes	0.055	0.005	0.055	0.000
Depots	0.110	0.032	0.110	0.000
TOTAL NEIGHBOURHOOD SERVICES	9.785	0.620	9.886	0.101

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

NEIGHBOURHOOD SERVICES

Housing Investment Programme

As at Period 4 the projected spend is £15.368m, which is £0.248m 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	0.053	0.356	0.106
Energy Efficiency	3.194	0.132	2.006	(1.188)
Efficient Heating	2.922	0.398	2.520	(0.402)
External Envelope Enhancement	1.409	0.111	1.278	(0.131)
Modern Facilities & Services	6.384	0.749	6.919	0.535
Neighbourhood Improvements	0.386	0.184	0.581	0.195
Safe & Secure Neighbourhood	0.381	0.000	0.385	0.004
Sheltered Housing Safety & Improvement	0.690	0.001	1.323	0.633
Total Housing Expenditure	15.616	1.628	15.368	(0.248)

Asbestos

Projected spend over budget reflects increased number of addresses.

Energy Efficiency

Window replacement programme is currently undercommitted to bring the overall programme within budget.

Efficient Heating

Central Heating programme is currently undercommitted to bring the overall programme within budget.

External Envelope Enhancement

Projected spend on roofing reduced to reflect possible issues with private owners.

Modern Facilities & Services

Moderate overspend currently projected.

Neighbourhood Improvements

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

Safe & Secure Neighbourhood

Small overspend 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 slippage into 2010/11.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

NEIGHBOURHOOD SERVICES

Sources of Funding

	Approved Budget 2009/10 £m	Actual Expenditure 2009/10 £m
Revenue Funding (CFCR)	5.561	5.561
Sale of Council Dwellings and Other Capital Receipts	4.888	3.000
Anticipated Borrowing	5.167	6.807
Total	15.616	15.368

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 £0.391m, which represents 6% of the available budget. The projected expenditure for 2009/10 is £7.022m.

The projected variance on the Corporate Support capital programme primarily relates to the development of new office accommodation in Cumnock Town Centre, which could commence construction in January / February 2010 based on a favourable outcome to the current CPO application, and early resolution of other on-going matters.



This variance is offset to some extent by an anticipated underspend on the Regeneration and Efficiency Fund and the approved allocation in respect of John Finnie Street.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

CORPORATE SUPPORT

Major Projects

Council Chambers

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
1.300	0.000	1.300	N/A	N/A	N/A	N/A	N/A	N/A	27/07/09	26/01/10
			Expected Progress 							
			Actual Progress  10%							

Financial Status

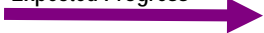

Costs in relation to the additional structural works are currently being assessed to determine impact on overall projected out-turn costs.

Project Life Cycle

Additional structural works required to the roof are anticipated to delay the completion date by 2 – 3 weeks.

Progress since Cabinet on 2 September – project estimated to be completed 26 February. Work currently on-going with regard to procurement of furniture and equipment for new facilities.

Data Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Development		Design		Tender		Construction	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
1.250	0.000	1.250	17-07-09	13-08-09	14-08-09	04-03-10	05-03-10	05-05-10	06-05-10	13-09-10
			Expected Progress 							
			Actual Progress  90%							

Financial Status

No expenditure is anticipated to be incurred in 2009/10

Project Life Cycle

Project currently in option appraisal and initial design stage.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 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 17th September 2008 are in progress.

Project Life Cycle

Specific details and estimated costs in relation to each of the different projects to be established.

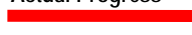
Cumnock Town Centre

Budget Allocation £m	Expenditure to Date £m	Forecast Expenditure £m	Acquisition		Design		Construction		Distribution	
			Start	Finish	Start	Finish	Start	Finish	Start	Finish
13.969	1.747	13.969	01-10-08	31-03-09	31-01-08	TBC	31-10-09	TBC	TBC	TBC

Expected Progress



Actual Progress 80%



Financial Status

Indicative cashflow projections indicate that approximately £3.331m could be incurred in 2009/10 in relation to this project.

Project Life Cycle

The new office development could commence construction in January / February 2010, however, this is dependent on a favourable outcome with the current CPO application, and early resolution of other on-going matters.

Progress since Cabinet on 2 September – Council has been award £0.749m from TCRF to undertake public realm works and form car parking space.

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

CORPORATE SUPPORT

Corporate Support General Projects

Regeneration & Efficiency General

The projected underspend primarily relates to the balance of the Regeneration & Efficiency General Fund (£0.300m) which has not yet been committed to specific projects. The remainder of the underspend relates to the balance of funding carried forward from 2008/09 in relation to the John Finnie Street which is unlikely to progress in the current financial year.

	Revised Budget 2009/10 £m	Actual Expenditure to Date £m	Projected Expenditure 2009/10 £m	Variance £m
Corporate Information Technology	1.040	0.135	1.040	0.000
Regeneration & Efficiency General	0.675	0.000	0.200	(0.475)
TOTAL CORPORATE SUPPORT	1.715	0.135	1.240	(0.475)

2009/2010 FINANCE AND SERVICE STRATEGY REPORT TO PERIOD 4 (26 JULY 2009)

FINANCE & ASSET MANAGEMENT

Capital Programme

Expenditure to date is £0.040m, which represents 2% 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	0.400	0.000	0.000	(0.400)
Corporate Office Accommodation	1.600	0.040	1.600	0.000
TOTAL FINANCE AND ASSET MANAGEMENT	2.000	0.040	1.600	(0.400)