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## NORTH AYRSHIRE COUNCIL

7 June 2022

### Cabinet

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**Title:** **Revenue Budget 2021/22 : Financial Performance to 31 March 2022**

**Purpose:** To advise Cabinet of the financial performance for the Council for 2021/22

**Recommendation:** That Cabinet agrees to:

- (a) note the information and financial performance outlined in the report;
- (b) approve the additional earmarking of £11.833m identified at 2.5 to meet future year commitments;
- (c) note the transfer of the net in-year underspend of £3.073m to supplement the Investment Fund;
- (d) note the financial performance of the Health and Social Care Partnership at 2.7; and
- (e) note the IJB cumulative deficit position of £2.320m at 31 March 2022

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### 1. Executive Summary

- 1.1 General Services Revenue Estimates for 2021/22 were approved by Council on 4 March 2021. The Housing Revenue Account (HRA) Revenue Budget for 2021/22 was approved by Council on 16 December 2020.
- 1.2 As part of the monitoring procedures to inform Cabinet of the financial performance of the Council, financial performance reports are presented on a regular basis. This is the final report for 2021/22 and covers the period to the end of March 2022 (Period 12). This is the final financial performance information on which the Annual Accounts for the Council will be prepared.
- 1.3 At Period 12 the General Fund is reporting a net in-year underspend of (£3.073m), 0.8%, after transferring resources to other funds. This is an increase of (£1.865m) from that reported at Period 8 and is primarily related to lower than anticipated costs arising from the 2021/22 local government and teacher pay settlements. As approved by Council on 2 March 2022, these funds will be utilised to supplement the Council's Investment Fund for delivery of sustainability projects as part of the Council's journey towards net zero.

- 1.4 The transfer of £14.288m to earmarked reserves has been proposed in relation to a range of pressures which are anticipated to impact in 2022/23 and beyond, including:
- £4.700m Scottish Government funding received late in the financial year including support for businesses, low income households and employability;
  - £4.457m additional provisions arising from the current cost volatility being experienced across the construction, food and energy sectors;
  - £2.601m to support the continued expansion of Early Learning and Childcare services; and
  - £2.530m to support the delivery of services which have been deferred to 2022/23 as a result of a number of factors including the impact of Covid-19 restrictions.
- 1.5 The Housing Revenue Account has reported a net in-year underspend of (£2.941m), 5.4%. This is a reduction of £0.357m from that reported at Period 8. The movement is primarily related to an under recovery of Council House rents, which has been partly offset by additional underspends within Property Costs as a result of lower than anticipated expenditure on planned and cyclical maintenance. The underspend will be allocated to HRA Balances to support delivery of services in 2022/23 and beyond.
- 1.6 The Health and Social Care Partnership is reporting an underspend of (£13.616m). This represents an increase of (£12.630m) over that reported at Period 8 with the main reasons for the movement being additional Scottish Government funding in relation to Covid mobilisation and other pressures. The Integration Joint Board (IJB) will carry forward this underspend in earmarked and general reserves for use in future years, resulting in an in-year net breakeven position for the HSCP.
- 1.7 The final outturn includes £1.486m set aside by the Council to support the repayments of the IJB's deficit to the Council. This has been applied to reduce the IJB's outstanding deficit and Cabinet is asked to note that the IJB's deficit position to the Council at 31 March 2022 has been reduced to £2.320m.

## **2. Background**

### **General Fund**

- 2.1 The Council set a breakeven budget for 2021/22. In addition to the budget approved on 4 March 2021, earmarked funds of £28.135m were carried forward from 2020/21 for service expenditure during 2021/22 and are reflected in the reported performance.
- 2.2 The reported net in-year underspend is (£3.073m), net of transfers to reserves. This represents 0.8% of the Council's total budget.

## 2.3 The following table details the final position on a service by service basis:

	App. No	Annual Budget	Actual Outturn to 31 March 2022	Variance for year (Fav)/Adv	Projected Variance at P8 (Fav)/Adv	Movement	Request for Carry Forward Approved @ P8	New Requests for Carry Forward	Variance for Year After Carry Forward (Fav)/Adv
<b>Service Expenditure</b>		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Chief Executive's	1	26,350	25,712	(638)	(620)	(18)	145	305	(188)
Communities	2	149,183	146,211	(2,972)	(1,750)	(1,222)	1,400	1,057	(515)
Place	3	69,040	66,565	(2,475)	(781)	(1,694)	910	1,353	(212)
Other Corporate Services	4	18,452	7,249	(11,203)	(512)	(10,691)	-	9,118	(2,085)
Sub Total		263,025	245,737	(17,288)	(3,663)	(13,625)	2,455	11,833	(3,000)
Health and Social Care Partnership		107,059	107,059	-	-	-	-	-	-
Balance for Services		370,084	352,796	(17,288)	(3,663)	(13,625)	2,455	11,833	(3,000)
Financing Charges	5	22,185	22,185	-	-	-	-	-	-
Contribution to Loans Fund Reserve	5	4,094	4,094	-	-	-	-	-	-
Total Planned Expenditure		396,363	379,075	(17,288)	(3,663)	(13,625)	2,455	11,833	(3,000)
<b>Planned Income</b>									
Aggregate External Finance	5	(335,202)	(335,244)	(42)	-	(42)	-	-	(42)
Council Tax	5	(59,862)	(59,893)	(31)	-	(31)	-	-	(31)
Contribution to Capital Fund	5	260	260	-	-	-	-	-	-
Contribution to/from Earmarked Funds	5	(1,559)	(1,559)	-	-	-	-	-	-
Total Planned Income		(396,363)	(396,436)	(73)	-	(73)	-	-	(73)
Net Expenditure/ (Income)		-	(17,361)	(17,361)	(3,663)	(13,698)	2,455	11,833	(3,073)

2.4 The reported Aggregate External Finance within Planned Income includes a number of adjustments to Scottish Government funding from that reported at Period 8, as detailed in the following table:

	General Revenue Grant £000's	Non Domestic Rates £000's	Specific Grants £000's	TOTAL AEF £000's
<b>Revised Budget 30 November 2021</b>	<b>(274,330)</b>	<b>(28,350)</b>	<b>(22,568)</b>	<b>(325,248)</b>
<b>Movements:</b>				
Business and Low Income Household Support	(2,154)			<b>(2,154)</b>
Care at Home Winter Planning	(1,719)			<b>(1,719)</b>
FWES Employability	(1,645)			<b>(1,645)</b>
Interim Care Winter Planning	(1,109)			<b>(1,109)</b>
Scottish Child Briding and Family Payments	(1,003)			<b>(1,003)</b>
Social Care Workforce Uplift	(866)			<b>(866)</b>
HSCP Living Wage	(861)			<b>(861)</b>
Funding for Pressures	(780)			<b>(780)</b>
Teacher Induction	(420)			<b>(420)</b>
Tenant Grant Fund	(314)			<b>(314)</b>
SNCT Pay Issues	(162)			<b>(162)</b>
Whole Family Wellbeing	(106)			<b>(106)</b>
DHP Accrual	(101)			<b>(101)</b>
MH Recovery and Renewal	(68)			<b>(68)</b>
Low Income Pandemic Payments	(53)			<b>(53)</b>
National Trauma Training	(50)			<b>(50)</b>
Scottish Disability Assistance	(28)			<b>(28)</b>
Telecare Fire Safety	(28)			<b>(28)</b>
Education Psychology Trainees	(14)			<b>(14)</b>
Unaccompanied Asylum Seekers	(11)			<b>(11)</b>
Education Psychology Trainees	(10)			<b>(10)</b>
Free Child Burials	(7)			<b>(7)</b>
Road Assessments Adjustment	22			<b>22</b>
Music Tuition Charges Adjustment	32			<b>32</b>
Curriculum Charges Adjustment	51			<b>51</b>
FSM Funding Adjustment	209			<b>209</b>
PEF Carried Forward to 22-23			1,241	<b>1,241</b>
<b>Final Scottish Government Income</b>	<b>(285,525)</b>	<b>(28,350)</b>	<b>(21,327)</b>	<b>(335,202)</b>

2.5 Detailed explanations of the significant variances in service expenditure compared to the approved budgets, together with information on funding to be carried forward to support expenditure during 2022/23, are provided in appendices 1 to 5 to this report. A full list of the proposed carry forward of earmarked funds is included at Appendix 5.

A brief explanation of the significant movements for each service since Period 8 is outlined as follows:

**(i) Chief Executive's – underspend of (£0.638m), an increase in underspend of (£0.018m)**

The movement is primarily related to:-

- Vacancy management across services , (£0.113m);

This has been partly offset by increased expenditure in relation to :-

- Additional costs in relation to the procurement of Covid PPE, £0.075m
- Lower than budgeted income from NDR and Council Tax statutory additions, £0.132m;
- Additional contribution to the Capital Fund as part of the agreed reimbursement of ICT infrastructure investment, £0.101m;

It is requested that a further £0.305m of the underspend is earmarked in respect of :

- Various committed ICT equipment, resources and software services impacted by delays in the supply chain, £0.181m;
- AGD Digital Processing Manufacturing Centre project. £0.070m;
- 22/23 Making Waves Festival, £0.044m; and
- Customer Services Kiosk Refurbishment, £0.010m.

**(ii) Communities – underspend of (£2.972m), an increase in underspend of (£1.222m)**

The movement is primarily related to:-

- Additional vacancy management underspends across services, (£0.662m);
- Increased underspends on Supplies and Services across the Connected Communities service linked the Covid-19 restrictions, (£0.445m); and
- Additional PPP rebates, (£0.114m).

It is requested that a further £1.057m of this underspend is earmarked for use 2022/23 in relation to:

- Support for cost pressures within the Early Learning and Childcare (ELC) capital programme, £0.300m;
- Additional earmarking in relation to the expansion of ELC, £0.194m;
- Inclusion Group funding to support temporary interventions, £0.173m;
- Eglinton Country Park - Community Gardens and Making Waves funding, £0.157m;
- Various supplies and services within Libraries, £0.082m.
- Funding to support additional Locality Workers linked to increased workload, £0.050m;
- Community Planning Partnerships for the Place Cube Project, £0.036m;
- Ardrossan Civic Centre renovation works, £0.027m;
- Procurement of exemplar furniture for Ardrossan Academy, £0.020m; and
- ICT equipment delays, £0.018m.

**(iii) Place – underspend of (£2.475m), an increase in underspend of (£1.694m)**

The movement is primarily related to:-

- Reduced expenditure on Supplies and Services and Third Party Payments across services, (£0.717m);
- Vacancy management across services, (£0.464m);
- Lower than anticipated uptake of ELC meals within Facilities Management, (£0.363m);
- Remaining project expenditure budgets in respect of Community Renewal Fund and Ayrshire Growth Deal projects, (£0.245m); and
- Reduced provision for bad debts in relation to Temporary Accommodation income, (£0.122m).

These have been partly offset by increased Transport Provision costs, £0.252m.

It is requested that a further £1.353m of the underspend is earmarked for use in 2022/23 in relation to:

- Additional earmarking in relation to the expansion of ELC, £0.372m;
- Community Renewal Fund and Ayrshire Growth Deal project costs, £0.283m;
- Temporary Accommodation furniture, £0.150m;
- Support for the Sustainability Agenda, £0.118m;
- Rapid Rehousing Transition Plan costs, £0.088m;
- ESF / Shared Prosperity Fund transition provision, £0.083m;
- Ardrossan Hostel upgrades, £0.072m;
- Our Future Working Environment reconfiguration costs, £0.049m;
- Lochshore Visitor and Community Hub initial costs, £0.045m;
- CCTV Maintenance, £0.036m;
- Community Safety Initiative, £0.026m;
- Window Cleaning Contract, £0.011m;
- Environmental Health Officer funding, £0.010m; and
- Transport Contractual Commitments, £0.010m.

**(iv) Other Corporate Items – underspend of (£11.203m), an increase in underspend of (£10.691m)**

The increased underspend is primarily related to :

- Funding announced as part of the Local Government Finance Settlement 2022/23 which will not be utilised during 2021/22, (£4.405m);
- The release of provisions following a review of long term debtor and potential credit losses, (£3.436m);
- Centrally held funds in relation to the 2021/22 pay settlement, which are no longer required following the lower than budgeted settlement, (£2.438m);
- Previously approved expenditure pressures which have not been drawn down during 2021/22, (£0.893m);
- Lower than budgeted severance costs during 2021-22, (£0.501m); and
- Higher than anticipated Housing Benefit Overpayments and Subsidy recovery, (£0.253m).

It is requested that a further £9.118m of the underspend is earmarked for use in 2022/23 in relation to:

- Contribution to the Loans Fund to support the 10 year Capital Investment Programme and address rising cost pressures, £2.569m;
- Provision for contractual electricity and gas price increases for 2022/23 to reflect current market inflationary levels, £1.066m;
- Provision for additional non-contractual inflationary pressures (e.g. food costs, fuel, etc.), £0.822m;
- Business continuity resilience infrastructure, £0.200m;
- Scottish Government Funding received later in the financial year, not fully utilised in year, in respect of:-
  - Business Support and Low Income Families, £2.154;
  - Employability, £0.870m;
  - Financial Insecurity, £0.429m;
  - Self-isolation Support grants, £0.313m;
  - Tenant Grant Fund grants payments, £0.284m;
  - 21/22 SNCT Payroll costs £0.162m;
  - CO2 Monitors, £0.077m;
  - Summer of Play, £0.20m;
  - Civil Contingencies, £0.020m;
  - Trainee Educational Psychologist, £0.010m; and
  - British Sign Language, £0.005m.
- Previously approved budget allocation to support future service delivery:-
  - Customer Service Staffing Commitments, £0.039m;
  - Finance Service Software, £0.035m;
  - Cost of the School Day, £0.024m; and
  - Trainee Health and Safety Officer, £0.019m.

## **Health and Social Care Partnership**

2.6 The final HSCP financial performance report for the year will be presented to the Integration Joint Board on 16 June 2022 and will outline the 2021/22 financial performance in more detail, including:

- An underspend of £13.616m for the year, which, after adjustment for earmarked reserves, leaves an adjusted year-end breakeven position;
- The earmarking of £13.616m includes £11.762m for specific purposes, including Covid-19, ADP, Care at Home. Interim Care Home Placements and Recovery and Renewal, and £1.854m contribution to the IJB's General Reserves; and
- The application of £1.486m, set aside by North Ayrshire Council, to make a partial repayment of the IJB's deficit to the Council. This has reduced the IJB's outstanding deficit to £2.320m at 31 March 2022.

## Housing Revenue Account

- 2.7 The Housing Revenue Account budgeted for a breakeven position in 2021/22. A net underspend of £2.941 is reported, representing 5.4% of the Council's HRA revenue budget. This is summarised in the following table with further details provided in Appendix 6. The underspend will be allocated to HRA reserves for utilisation in future years:

	Annual Budget	Actual Outturn to 31 March 2022	Variance for year (Fav)/Adv	Projected Variance at P8 (Fav)/Adv	Movement
	£000's	£000's	£000's	£000's	£000's
Employee Costs	5,175	4,959	(216)	-	(216)
Property Costs	20,924	18,001	(2,923)	(2,120)	(803)
Supplies & Services	331	304	(27)	(122)	95
Transport Costs	33	12	(21)	(3)	(18)
Administration Costs	2,103	1,630	(473)	10	(483)
Third Party Payments	2,435	2,657	222	(39)	261
Transfer Payments	279	118	(161)	(169)	8
Other Expenditure	379	592	213	45	168
Capital Financing Costs	22,324	21,973	(351)	(676)	325
<b>Gross Expenditure</b>	<b>53,983</b>	<b>50,246</b>	<b>(3,737)</b>	<b>(3,074)</b>	<b>(663)</b>
<b>Income</b>	<b>(53,983)</b>	<b>(53,187)</b>	<b>796</b>	<b>(224)</b>	<b>1,020</b>
<b>Net Expenditure</b>	<b>-</b>	<b>(2,941)</b>	<b>(2,941)</b>	<b>(3,298)</b>	<b>357</b>

- 2.8 Detailed explanations of the significant variances in expenditure compared to the approved budgets are provided in appendix 6 to this report.

A brief explanation of the significant movements for each service since Period 8 is outlined as follows:

- (i) **Employee Costs – underspend of (£0.216m), an increase in underspend of (£0.216m)**  
The increased underspend reflects vacancy management across the service.
- (ii) **Property Costs – underspend of (£2.923m), an increase in underspend of (£0.803m)**  
The movement reflects lower than anticipated expenditure on Planned and Cyclical Maintenance, (£0.283m), Aids and Adaptations, (£0.352m), and Other Property Costs, (£0.566m), which have been partly offset by increased expenditure on Responsive Repairs, £0.121m, and Void Repairs, £0.277m.
- (iii) **Supplies and Services – underspend of (£0.027m), a reduction in underspend of £0.095m**  
The movement is primarily related to costs related to, £0.111m.



- (iv) **Administration Costs – underspend of (£0.473m), a movement of (£0.483m) from the previously reported overspend of £0.010m**  
The movement reflects lower than anticipated recharges from the General Fund, (£0.210m), and lower than anticipated expenditure on Legal Expenses, (£0.127m), and a range of business support costs.
- (v) **Third Party Payments – overspend of £0.222m, a movement of £0.261m from the previously reported underspend of (£0.039m)**  
The movement reflects higher than anticipated payments to other departments within the Council.
- (vi) **Other Expenditure – overspend of £0.213m, an increase in overspend of £0.168m**  
The movement reflects increased provision for bad debts.
- (vii) **Capital Financing Costs – underspend of (£0.351m), a reduction in underspend of £0.325m**  
The movement reflects the revised borrowing strategy and the actual cash flows and interest rates to support the HRA capital investment programme.
- (vi) **Income – under recovery of £0.796m, a movement of £1.020m from the previously reported over recovery of (£0.224m)**  
The movement reflects under recoveries in Council House Rents, £0.820m, and recharge income.

### 3. Proposals

3.1 It is proposed that Cabinet:

- (a) note the information and financial performance outlined in the report;
- (b) approve the additional earmarking of £11.833m identified at 2.5 to meet future year commitments;
- (c) note the transfer of the net in-year underspend of £3.073m to supplement the Investment Fund;
- (d) note the financial performance of the Health and Social Care Partnership at 2.7; and
- (e) note the IJB cumulative deficit position of £2.320m at 31 March 2022.

### 4. Implications/Socio-economic Duty

#### **Financial**

##### 4.1 **General Services**

The final outturn position for the year is an underspend of (£3.073m) which will be applied to supplement the Council's Investment Fund.

##### **Housing Revenue Account**

The final outturn position for the year is an underspend of (£2.941m) which will be allocated to the HRA Reserves.

## **Human Resources**

4.2 None.

## **Legal**

4.3 None.

## **Equality/Socio-economic**

4.4 None.

## **Climate Change and Carbon**

4.5 None.

## **Key Priorities**

4.6 This report directly supports the Council Plan 2019 to 2024 by maximising resources and providing value for money to support financially sustainable delivery models.

## **Community Wealth Building**

4.7 None.

## **5. Consultation**

5.1 Executive Directors have been consulted as part of the review of financial performance and have approved the variances contained in this report.

**Mark Boyd**  
**Head of Service (Finance)**

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551** or **DavidForbes@north-ayrshire.gov.uk**.

## **Background Papers**

Revenue Budget 2021/22: Financial Performance to 30 November 2021 - Cabinet – 25 January 2022

**CHIEF EXECUTIVES**  
**BUDGETARY CONTROL 2021/22**

**REPORT FOR THE YEAR TO 31 MARCH 2022**

Objective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Chief Executive's Office</b>					
Chief Executive's Office	148	143	(5)	(3%)	
Total for Chief Executive's Office	148	143	(5)	(3%)	
<b>Financial Services</b>					
Change Programme	107	107	-	0%	
Audit, Fraud, Safety & Insurance	571	559	(12)	(2%)	
Corporate Procurement	1,021	974	(47)	(5%)	1
Financial Services	1,420	1,404	(16)	(1%)	
Revenues	2,218	2,242	24	1%	2
Total for Financial Services	5,337	5,286	(51)	(1%)	
<b>People &amp; ICT</b>					
Employee Services	1,042	1,070	28	3%	
HR & Organisational Development	1,210	1,169	(41)	(3%)	
ICT	5,440	5,264	(176)	(3%)	3
Business Support	1,359	1,265	(94)	(7%)	4
Customer Services	6,654	6,676	22	0%	5
Total for People & ICT	15,705	15,444	(261)	(2%)	
<b>Recovery &amp; Renewal</b>					
Transformation	846	821	(25)	(3%)	
Total for Recovery & Renewal	846	821	(25)	(0)	
<b>Democratic Services</b>					
Legal & Licensing	777	745	(32)	(4%)	6
Policy, Performance & Elections	757	696	(61)	(8%)	7
Communications	474	450	(24)	(5%)	
Civil Contingencies	40	37	(3)	(8%)	
Committee Services	353	339	(14)	(4%)	
Member Services	1,251	1,197	(54)	(4%)	8
Information Governance	437	370	(67)	(15%)	9
Total for Democratic Services	4,089	3,834	(255)	(6%)	
<b>Growth &amp; Investment</b>					
Tourism	147	103	(44)	(30%)	10
Growth & Investment	78	81	3	4%	
Total for Growth & Investment	225	184	(41)	(0)	
<b>Totals</b>	<b>26,350</b>	<b>25,712</b>	<b>(638)</b>	<b>(2%)</b>	
Less Proposed Carry Forwards		450	450		
<b>Net Total</b>	<b>26,350</b>	<b>26,162</b>	<b>(188)</b>	<b>(1%)</b>	

Subjective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	16,907	16,943	36	0%
Property Costs	73	84	11	0%
Supplies and Services	3,090	3,112	22	1%
Transport and Plant Costs	44	39	(5)	(11%)
Administration Costs	1,440	1,183	(257)	(18%)
Other Agencies & Bodies	8,518	8,523	5	0%
Transfer Payments	836	836	-	0%
Other Expenditure	43	43	-	0%
Capital Financing	-	-	-	-
Gross Expenditure	30,951	30,763	(188)	(1%)
Income	(4,601)	(5,051)	(450)	10%
<b>Net Expenditure</b>	<b>26,350</b>	<b>25,712</b>	<b>(638)</b>	<b>(2%)</b>

**CHIEF EXECUTIVES**  
**BUDGETARY CONTROL 2021/22**

**REPORT FOR THE YEAR TO 31 MARCH 2022**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Finance - Corporate Procurement</b>
			Movement - There has been an adverse movement of £0.070m. Within this movement £0.075m is due to increased Covid-19 PPE expenses, but is partially offset with a favourable movement of £0.005m due to vacancy management.
953	(194)	-20%	Employee Costs - An underspend of £0.194m due to vacancy management.
11	154	1400%	Supplies and Services - Overspend of £0.154m due to Covid-19 PPE expenses.
	(7)		Other minor variances
	(47)		
<b>Note 2</b>			<b>Finance - Revenues</b>
			Movement - There has been an adverse movement of £0.098m from P10 due to an under recovery of statutory additions income of £0.132m which is slightly offset by an additional underspend in sheriff officer commission of £0.028m and bank charges of £0.007m.
427	(17)	-4%	Employee Costs - An underspend of £0.017m due to vacancy management.
235	(96)	-41%	Administration Costs - Underspends of £0.089m in Sheriff Officer Commission due to new procurement arrangements and bank charges £0.007m.
(1,285)	132	-10%	Income - Under recovery of income due to decreased income from statutory additions of £0.132m.
	5		Other minor variances
	24		
<b>Note 3</b>			<b>People &amp; ICT - ICT</b>
			Movement - There has been an adverse movement of £0.101m from P10 mainly due to a contribution to capital fund as part of the agreed repayment of investment in ICT infrastructure.
3,188	(62)	-2%	Employee Costs - There is an underspend of 0.032m due to vacancy management and £0.030m due to non uptake of superann scheme
12	(8)	-67%	Transport Costs - There is an underspend of £0.008m due to lower than usual staff fares/mileage.
2,205	(102)	-5%	Supplies and Services - There is an underspend of £0.103m in WAN due to delays in equipment deliveries resulting from global chip shortages. An underspend of £0.042m in ICT Management Software Licences due to delayed procurement and £0.105m in Software Licence for O365 due to removal of temporary staff costs and reduction in consultancy costs. £0.009m underspend in Server Support due to reduction in maintenance contract costs and other minor underspends of £0.009m. These underspends are partially offset by a £0.167m contribution to capital fund as part of the agreed repayment of investment in ICT infrastructure.
	(4)		Other minor variances
			It is proposed to earmark funds of £0.070m for Project Resource equipment (WAN /LAN /Telephony /Other Infrastructure); £0.020m CRM Project Implementation; £0.040m O365 Backup and Recovery; £0.022m ITSM SaaS shortfall 2022/23; and £0.017m for current backup solution extension; £0.007 for delayed Computer Equipment
	(176)		
<b>Note 4</b>			<b>People &amp; ICT - Business Support</b>
			Movement - There has been a favourable movement of £0.024m since P10.
1,257	(86)	-7%	Employee Costs - An underspend of £0.086m due to vacancy management and maternity leave.
	(8)		Other minor variances
			It is proposed to earmark funds of £0.015m - £0.005m for delayed computer equipment, estimated delivery now end of April and £0.010m for kiosk refurbishment for Customer Services.
	(94)		
<b>Note 5</b>			<b>People &amp; ICT - Customer Services</b>
			Movement - There has been a favourable movement of £0.004m from P10.
63	(21)	-33%	Admin Costs - There is an underspend of £0.021m due to Benefits Postages. Excess budget will be utilised to cover increased software costs in 22/23 (Netcall) Request to earmark £0.010m for kiosk refurbishment through BS underspend.
(2,097)	41	-2%	Income - There is an under recovery of £0.041m in Registration Income due to COVID but also a historic under recovery.
	2		Other minor variances
	22		

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 6</b>			<b>Democratic Services - Legal &amp; Licensing</b>
			Movement - There has been an adverse movement of £0.030m. This is due to an under-recovery of licensing income.
1,184	(57)	-5%	Employee Costs - An underspend of £0.057m due to vacancy management.
47	(25)	-53%	Admin Costs - There is an underspend of £0.025m due to a range of minor underspends.
(494)	49	-10%	Income - There is an under-recovery of £0.031m within licensing income due to ongoing implications from the COVID 19 pandemic alongside an under-recovery of legal costs £0.016m and other minor variances.
	1		Other minor variances
<b>(32)</b>			
<b>Note 7</b>			<b>Democratic Services - Policy, Performance &amp; Elections</b>
			Movement - There has been a favourable movement of £0.053m from P10 due to a reduction in employee costs from vacancy management and overtime costs and reduced admin costs.
667	(40)	-6%	Employee Costs - An underspend of £0.024m due to vacancy management and £0.016m due to lower overtime costs.
	(21)		Other minor variances
<b>(61)</b>			
<b>Note 8</b>			<b>Democratic Services - Member Services</b>
			Movement - There has been a favourable movement of £0.065m from P10 due to civic events, travel, member allowances and various minor underspends.
37	(30)	-81%	Supplies & Services Costs - An underspend of £0.030m mainly due to civic events £0.015m, other departments and hall lets £0.010m and various other minor underspends
904	(41)	-5%	Admin Costs - An underspend of £0.040m mainly due to members travel expenses £0.018m, member allowances £0.009m and various other minor underspends
	17		Other minor variances
<b>(54)</b>			
<b>Note 9</b>			<b>Democratic Services - Information Governance</b>
			Movement - There has been a favourable movement of £0.013m due to reduction in employee costs from vacancy management.
430	(64)	-15%	Employee Costs - An underspend of £0.064m due to vacancy management.
	(3)		Other minor variances
<b>(67)</b>			
<b>Note 10</b>			<b>Growth &amp; Investment - Tourism</b>
			Movement - There has been a favourable movement of £0.044m from P10 this is in relation to the Events budget. This budget requires to be carried forward to 22/23 to contribute towards the planned 22/23 Making Waves Festival.
103	(44)	-43%	Other Agencies & Bodies - this underspend consists of £0.044m in relation to the annual events budget. Events have been on hold due to risks around Covid. The Making Waves festival is now planned for 22/23 and these funds require to be carried forward to meet some of the costs.
			It is proposed to earmark £0.044m to contribute towards the planned 22/23 Making Waves Festival.
			It is also requested to earmark funds of £0.070m from the Chief Executive overall underspend to support the funding of phase 1 of the AGD Digital Processing Manufacturing Centre project at i3 in Irvine.
<b>(44)</b>			

**COMMUNITIES**  
**BUDGETARY CONTROL 2021/22**

**REPORT FOR THE YEAR TO 31 MARCH 2022**

Objective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Early Years Education	21,795	19,730	(2,065)	-9.5%	1
Primary Education	41,785	41,951	166	0.4%	2
Secondary Education	46,467	46,225	(242)	-0.5%	3
Additional Support Needs	11,870	11,663	(207)	-1.7%	4
Education - Other	7,433	7,386	(47)	-0.6%	5
Pupil Equity Fund	4,626	4,626	-	0.0%	7
Connected Communities	15,207	14,630	(577)	-3.8%	8
<b>Net Total</b>	<b>149,183</b>	<b>146,211</b>	<b>(2,972)</b>	<b>-2.0%</b>	
Less Proposed Carry Forwards	-	2,457	2,457		
<b>Net Total</b>	<b>149,183</b>	<b>148,668</b>	<b>(515)</b>	<b>0%</b>	

Subjective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	128,503	126,575	(1,928)	-2%
Property Costs	735	753	18	2%
Supplies and Services	12,449	11,662	(787)	(6%)
Transport and Plant Costs	148	105	(43)	(29%)
Administration Costs	882	797	(85)	(10%)
Other Agencies & Bodies	16,481	15,840	(641)	-4%
Transfer Payments	580	584	4	0%
Other Expenditure	8	8	-	
Capital Financing	78	78	-	0%
Gross Expenditure	159,864	156,402	(3,462)	-2%
Income	(10,681)	(10,191)	490	-5%
<b>Net Expenditure</b>	<b>149,183</b>	<b>146,211</b>	<b>(2,972)</b>	<b>-2%</b>

**COMMUNITIES**  
**BUDGETARY CONTROL 2021/22**

**REPORT FOR THE YEAR TO 31 MARCH 2022**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Early Years Education</b>
			Movement: There has been a favourable movement of £0.174m since P10, mainly due to an increase in employee costs underspend.
16,472	(1,600)	-10%	Employee costs: An underspend due to the future opening of Marress House and Montgomerie Park establishments, additional vacancies and cover was not accessed at previously assumed levels.
464	(80)	-17%	Supplies & Services: underspends across all areas of EY establishments
4,740	(353)	-7%	Third Party Payments: A cautious approach was taken when setting the funded provider budget at the outset of the 1140 expansion programme. This budget will be refined in the future, taking account of uptake of places and the work being done nationally around the sustainable rates paid to our funded providers.
	(32)		Other minor movements across various budget lines
			It is requested to earmark funds of £1.594m for the EY expansion in view of the future funding model that is to be confirmed.
			It is requested to earmark funds of £0.300m to support cost pressures within the ELC capital investment programme
	(2,065)		
<b>Note 2</b>			<b>Primary Education</b>
			Movement: There has been an adverse movement of £0.062m since P10 mainly due to an increase in employee costs overspend of £0.072m and an increase in janitor overtime for school lets of £0.032m.
40,173	201	1%	Employee Costs : overspends of £0.201m within 8 primary schools. Work is ongoing with the schools to bring their budgets back in line with resources.
1,456	(50)	-3%	Supplies and Services : £0.027m underspend in PPP costs due to reduced RPI (Feb 21 rate) and utility costs and £0.023m collective underspends across all school budgets
110	(45)	-41%	Third Party Payments: no overtime required due to the schools not operating school lets due to COVID situation
(98)	60	-61%	Income: no school let income due to school lets not operating due to COVID situation.
			It is requested to earmark funds of £0.018m for IT equipment in schools which had been ordered but not received by 31 March 22
	166		
<b>Note 3</b>			<b>Secondary Education</b>
			Movement: There has been a unfavourable movement of £0.094m since P10, mainly due to increased school cover and school lets janitor overtime.
39,837	16	0%	Employee Costs : £0.016m overspend in school absence cover teaching costs. Work is ongoing with the schools to bring their budgets back in line with resources.
6,427	(288)	-4%	Supplies and Services : £0.264m underspend in PPP costs due to reduced RPI (Feb 21 rate) and utility costs
160	(32)	-20%	Third Party Payments: an underspend of £0.059m as less overtime was required due to the schools not operating school lets due to COVID
(83)	62	-75%	Income: no school let income due to school lets not operating due to COVID situation.
			It is requested to earmark funds of £0.020m to cover the costs of the exemplar furniture in Ardrossan Academy that will be purchased in the new financial year.
	(242)		
<b>Note 4</b>			<b>ASN</b>
			Movement: There has been an unfavourable movement of £0.068m since P10, mainly due to a reduction in employee costs underspend of £0.099m.
9,160	(260)	-3%	Employee costs: £0.355m underspend in non teaching costs partially offset by a £0.095m overspend in teaching costs across ASN school and bases provision.
355	30	8%	Other Local Authorities payments - £0.030m overspend due to additional NAC children being placed in other local authority establishments to meet the expanding demand.
1,010	(266)	-26%	There is an underspend of £0.266m on external day placements as a result of the screening process currently in place. This enables the children to remain in mainstream establishments or in-authority ASN establishments.
365	460	126%	There is an overspend of £0.460m on external specialist residential placements due to Covid affecting the ongoing number of children in residential education. Currently there are 7 children in accommodation. Joint working is ongoing with HSCP to continually assess the care setting for these children in delivering positive outcomes.
(460)	(112)	24%	Other Local Authorities income - Other Local Authorities that choose to place children in NAC establishments. There is an an over recovery of £0.112m due to an increase in demand.
	(59)		Other minor movements across various budget lines
			It is requested to earmark funds of £0.173m from Inclusion Group budget underspend to support temporary interventions in the transition to a new process from August 2022.
	(207)		



Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 5</b>			<b>Education Other</b>
			Movement: There has been a favourable movement of £0.713m since P10. This is mainly due to an increase in employee turnover of £0.575m and increased income from PPP insurance rebate/deductions of £0.114m.
5,738	311	5%	Employee costs: variances are managed within the context of the Covid-19 Education recovery Plan and available Scottish Government funding. Includes an overspend of £0.055m due to backfilling of Director and HoS post and £0.062m VER costs for HQ staff.
1,621	(38)	-2%	Third Party Payments - underspend of £0.046m in grant of additional payment to teachers
(1,944)	(318)	16%	Income - PPP insurance rebate and deductions was £0.274m in excess of budget.
	(2)		Other minor movements across various budget lines
	(47)		
<b>Note 6</b>			<b>Connected Communities</b>
			Movement: There has been a favourable movement of £0.527m since P10, mainly due to an increase in employee costs underspend of £0.168m and further underspends across supplies and services budgets of £0.445m.
7,467	(683)	-9%	Employee Costs: Underspends of £0.229m in Libraries, £0.257m in Community Facilities, £0.085m in Arran Outdoor, £0.010m in Country Parks, £0.010m in Active Schools, £0.069m in Community Development and £0.026m in Arts, all mainly due to staff costs being reduced due to Covid-19 and staff being redeployed to Facilities Management.
2,156	(344)	-16%	Supplies & Services: Underspends in Country Parks £0.112m, Libraries £0.045m, £0.053m in Arran Outdoor, £0.087m in Community Development, £0.018m in CPP and £0.023m in Arts, mainly due to expenditure being reduced across all areas to help offset the under recovery of income.
6,738	(29)	0%	Third Party Payments: Includes increased subsidy support for NALL of £1.075m due to the impact of Covid-19 restrictions and the impact on customer base. Additional support from the Council will be from the use of previously earmarked funds totalling £1.486m which will be used to support the trading deficit position and the renewal programme within NALL. Overspends in Libraries of £0.053m and Community facilities of £0.026m for payments to community groups, offset by underspends of £0.056m in Community Development and £0.053m in Community Development Fund
(1,818)	527	-29%	Income: Under recovery of income relates mainly to £0.196m in Community Facilities, £0.114m in Arran Outdoor Centre, £0.005m in Country Parks, £0.049m in Libraries and £0.043m in Arts, all due to Covid-19.
	32		Other minor movements across various budget lines.
			It is requested to earmark funds of £0.036m for CPP for the Place Cube Project which is to develop the community books for each locality
			It is requested to earmark funds of £0.050m for salaries of 2 Community Workers to assist increased workload for locality planning
			It is requested to earmark funds of £0.027m in Community Facilities for Ardrossan Civic Centre renovation works, following its use in Covid services
			It is requested to earmark funds of £0.157m in Eglinton Country Park for Community Gardens and Making Waves funding, Community Gardens electricity connection, replace fences, construct a path and pier boardwalk and purchase storage containers
			It is requested to earmark funds of £0.082m in Libraries for Library furniture, Library booking system, I-Phones and the relocation of Brodick School Library
	(497)		

**PLACE**  
**BUDGETARY CONTROL 2021/22**

**REPORT FOR THE YEAR TO 31 MARCH 2022**

Objective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
<b>Directorate and Support</b>	£000 9	£000 -	£000 (9)	(100%)	
<b>Physical Environment</b>					
Building Services	(2,490)	(2,710)	(220)	9%	1
Property Governance	56	56	-	0%	
Protective Services	1,386	1,291	(95)	0%	2
Facilities Management	17,084	16,135	(949)	0%	3
Other Housing	4,376	3,632	(744)	(17%)	4
<b>Total for Physical Environment</b>	<b>20,412</b>	<b>18,404</b>	<b>(2,008)</b>	<b>(10%)</b>	
<b>Commercial Services</b>					
Roads	6,762	6,787	25	0%	5
Streetscene	4,988	5,044	56	1%	6
Waste Resources	8,728	9,190	462	5%	7
<b>Total for Commercial Services</b>	<b>20,478</b>	<b>21,021</b>	<b>543</b>	<b>3%</b>	
<b>Economic Development and Regeneration</b>					
Economic Policy	535	361	(174)	0%	8
Planning & Protective Services	341	339	(2)	(1%)	
Economic Development	5,481	4,903	(578)	(11%)	9
<b>Total for Economic Growth and Regeneration</b>	<b>6,357</b>	<b>5,603</b>	<b>(754)</b>	<b>(12%)</b>	
<b>Sustainability, Transport &amp; Corporate Property</b>					
Property Management & Investment	1,946	1,940	(6)	0%	10
Housing Assets & Investment	(30)	-	30	0%	
Property Maintenance	197	323	126	0%	11
Property Running Costs	5,100	4,739	(361)	0%	12
Energy and Sustainability	4,731	4,347	(384)	(8%)	13
Internal Transport	9,840	10,188	348	4%	14
<b>Total for Economic Growth and Regeneration</b>	<b>21,784</b>	<b>21,537</b>	<b>(247)</b>	<b>(1%)</b>	
<b>Net Total</b>	<b>69,040</b>	<b>66,565</b>	<b>(2,475)</b>	<b>(4%)</b>	
Transfer to Earmarked Reserves		2,263	2,263		
<b>Net Total</b>	<b>69,040</b>	<b>68,828</b>	<b>(212)</b>	<b>0%</b>	

Subjective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	58,599	58,146	(453)	(1%)
Property Costs	20,208	19,711	(497)	(2%)
Supplies and Services	13,350	10,736	(2,614)	(20%)
Transport and Plant Costs	9,739	10,316	577	6%
Administration Costs	2,241	2,081	(160)	(7%)
Other Agencies & Bodies	25,134	24,173	(961)	(4%)
Transfer Payments	526	544	18	3%
Other Expenditure	486	371	(115)	(24%)
Capital Financing	95	103	8	
Gross Expenditure	130,378	126,181	(4,197)	(3%)
Income	(61,338)	(59,616)	1,722	(3%)
<b>Net Expenditure</b>	<b>69,040</b>	<b>66,565</b>	<b>(2,475)</b>	<b>(4%)</b>

**PLACE**  
**BUDGETARY CONTROL 2021/22**

**REPORT FOR THE YEAR TO 31 MARCH 2022**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Building Services</b>
			Movement - There has been a favourable movement of £0.220m since Period 10. This is primarily due to an increased underspend of £0.334m in supplies and services and £0.360m in third party payments. This is partially offset by a reduction in the employee costs underspend of £0.177m and an increased shortfall in income of £0.331m.
9,189	(964)	(10%)	Employee Costs: An underspend of £0.964m due to vacancy management and additional labour no longer required for the door renewal programme.
4,637	(1,106)	(24%)	Supplies & Services: An underspend of £1.106m in supplies and services. This is primarily due to an underspend of £1.113m in materials due to a change in the composition in the works programme. This underspend is offset against the reduction in income shown below.
3,002	1	0%	Third Party Payments: An overspend of £0.052m in payment to contractors partially offset by an underspend in Agency costs of £0.051m
(20,673)	1,864	(9%)	Income: There is an under recovery of income of £1.864m. This is primarily due to the delay in the door renewal and kitchen programmes.
	(15)		Other minor movements
	(220)		
<b>Note 2</b>			<b>Protective Services</b>
			Movement - There has been a favourable movement of £0.017m since P10. This is mostly due to further vacancy management.
1,750	(113)	(6%)	Employee Costs: Underspend of £0.113m due to vacancy management.
(710)	32	(5%)	Income: Under-recovery in Building warrants £0.064m offset by additional Income in Pest control £0.010m and miscellaneous £0.015m.
	(14)		Other minor movements
			It is proposed to earmark £0.010m for Protective service salaries. This is in relation to the grant funded Environmental Health Officer post.
	(95)		
<b>Note 3</b>			<b>Facilities Management</b>
			Movement - There has been a favourable movement of £0.121m from period 10. This is due to further underspends of £0.156m in employee costs through vacancy management, reduction in overtime and casual costs and an underspend within the pay award budget. In addition, there has been a favourable movement of £0.126m in income primarily due to increase in commercial catering income and cleaning non-statutory income. This has been offset against increased supplies and services costs of £0.085m primarily due to increased food costs and an increase of £0.073m in property costs.
13,657	(536)	(4%)	Employee Costs: Underspend of £0.253m is due to reduced commercial catering activity. There is a further underspend of £0.191m due to vacancy management and reduced overtime and casual costs. There is an underspend of £0.093m due to the pay award not being claimed by past employees.
1,178	81	7%	Property Costs: Overspend is primarily in relation to purchasing cleaning materials in response to Covid-19.
5,222	(1,396)	(27%)	Supplies and services: There is a saving of £0.272m in food due to reduced commercial catering. There are further food savings of £0.282m due to reduced school meal uptake and a lower average cost per meal from better procurement and less food wastages. In addition, there is an underspend within Early Years of £0.707m which has arisen as budgets were based on all establishments being open from April 2021 however some Early Years establishments did not open until August 2021. In addition, the absence rate within Early Years is resulting in reduced meals being served and the cost per meal is lower than initially expected. There is also a saving of £0.126m within tools and implements.
3,169	919	29%	Income: There is an under-recovery in commercial catering income of £1.037m due to the closure of buildings and Covid-19 restrictions. There is also an under-recovery of school meal income of £0.097m. This is offset against £0.117m of income for providing security at the new Lockhart School, Red Rose House and Flatt Road and £0.050m over-recovery of cleaning non-statutory income.
			As the service emerges from Covid a marketing campaign is currently being rolled out to increase the uptake of school meals across the school estate.
	(17)		Other minor movements
			FM are requesting to earmark £0.372m within the Early Years expansion as it is linked to specific grant funding provided by the Scottish Government. This is in addition to the £0.335m approved at period 8 and makes a revised total of £0.707m.
	(949)		

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 4</b>			<b>Other Housing</b>
			Movement - There has been favourable movement of £0.250m since period 10. Property costs have decreased by £0.113m, which is mainly the result of a decrease in furniture purchases and property repairs, partly offset with an increase in void rent loss and cleaning costs. There has been a decrease of £0.057m in employee costs due to vacancy management, a decrease of £0.045m in supplies and services and £0.040m in third party payments.
4,335	(387)	(9%)	Employee Costs: The underspend is due to vacancy management.
2,986	79	3%	Property Costs: Additional levels of temporary furnished accommodation units as a result of Covid-19 and Hostel closure, has resulted in increased property rental charges, furnished tenancy grants and void rent loss. These are offset by the additional rental income generated. Underspend on property repairs to Ardrossan Hostel and furniture purchases which have been deferred to 2022/23.
255	(42)	(16%)	Supplies and Services - £0.020m underspend on CCTV WAN costs and small underspends across the service.
2,875	(44)	(2%)	Third Party Payments - £0.029m underspend on Rapid Rehousing Transition Plan costs.
200	(85)	(43%)	Other Expenditure: Underspend of £0.073m for bad debt provision. The bad debt budget was based on the increase required to the bad debt provision in the previous year, which was due to an increase in arrears as a knock on effect of Covid-19. It was anticipated that there would be a similar increase this year, however the bad debt provision has only required an increase of £0.043m.
(6,437)	(224)	3%	Income: The over recovery of income relates mainly to the increase in temporary accommodation units in use. The budget was set for 230 units and up to 250 units have been in use at any time.
	(41)		Other minor movements.
			It is requested to earmark £0.357m of this underspend for various items in 2022/23. £0.150m for furniture purchases, £0.088m for the 5 year Rapid Rehousing Transition Plan, £0.072m for Ardrossan Hostel upgrades, £0.036m for CCTV maintenance and upgrades and £0.011m for a new window cleaning contract.
	(744)		
<b>Note 5</b>			<b>Roads</b>
			Movement - There has been an adverse movement of £0.025m since P10, mainly due to increased external plant costs.
4,164	(27)	(1%)	Employee Costs: Underspend in Winter Maintenance employee costs as the result of a mild winter.
(2,617)	33	(1%)	Income: Under recovery of income is mainly for Design income from other departments.
	19		Other minor movements.
			A budget virement was processed to increase the Network contractors budget by £0.706m, supplies and services budget by £0.159m, income from other departments budget by £0.805m and decrease the employee costs budget by £0.060m. The virement is mainly due to an increase in income generating work for other Council Services, which results in increased expenditure.
	25		
<b>Note 6</b>			<b>Streetscene</b>
			Movement - There has been a favourable movement of £0.117m since period 10. This is primarily due to a £0.089m decrease in employee costs through vacancy management and a reduction in overtime and casual costs. In addition, there was a £0.042m increase in income offset against additional supply and services costs of £0.013m.
129	121	94%	Transport Costs: Overspend is Covid related, with £0.053m for additional vehicle hire and £0.021m for the associated fuel costs primarily due to social distancing restrictions. There is also an overspend in skip hire of £0.043m due to increased waste arising from more visitors.
(2,757)	(108)	4%	Income: This is due to an over-recovery of interment income and site clearance/ flytipping income.
	43		Other minor movements
	56		
<b>Note 7</b>			<b>Waste Services</b>
			Movement - There has been a favourable movement of £0.145m since P10 due mostly to movements in materials & supplies.
4,762	847	18%	Employee Costs: Overspend of £0.847m, the majority of which is Covid related, due to the requirement for significant additional temporary labour and use of overtime to mitigate self-isolation absence, provide Covid support crews and cover unused annual leave in order to maintain essential services.
358	(70)	(20%)	Supplies & Services: Underspends in materials £0.050m and trade effluent £0.032m. Offset by overspend in plant & tools £0.019m.
6,406	(346)	(5%)	Third Party Payments: Underspend in Payment to contractors of £0.379m largely a result of improved quality of our recycle streams following sustained 'right stuff, right bin' campaigns alongside more competitive recycle prices within our disposal contracts.
(3,051)	89	(3%)	Income: Under-recovery of income due to a reduction in commercial waste of £0.076m due to Covid-19 and less gas extracted from the landfill site of £0.095m, offset by an increase of £0.087m from diverted waste.
145	(26)	(18%)	Administration Costs: Underspends in general advertising and printing costs £0.024m.
	(32)		Other minor movements.
	462		

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 8</b>			<b>Economic Policy</b>
			Movement - There has been a favourable movement of £0.152m since P10 mostly due to funds for the Community Renewal Fund and AGD projects of £0.146m. Delivery periods are extended.
184	(18)	(10%)	Employee Costs: Underspend of £0.018m due to vacancy management.
341	(157)	(46%)	Third Party Payments: Underspend of £0.146m in relation to the Community Renewal Fund and AGD projects as well as £0.011m other payment to contractors.
1			Other minor movements
			It is requested to earmark the Community Renewal Funds and AGD projects underspend of £0.146m to meet future project costs and extended delivery deadlines.
(174)			
<b>Note 9</b>			<b>Economic Development</b>
			Movement - There has been a favourable movement of £0.112m within Employability and Skills. This is due to additional external funding, over recovery of SDS income and young people leaving the MA programme early to take up jobs or further training opportunities. There has been a favourable movement of £0.099m in Regeneration, mainly due to the Community Renewal Fund expenditure due to be incurred in 2022/23.
4,367	(38)	(1%)	Employee Cost: Underspend of £0.036m within AGD projects which Employability and Skills are requesting to earmark to help cover future program costs.
6,081	(434)	(7%)	Third Party Payments: Employability and Skills underspend of £0.348m is primarily due to receiving external funding in 2021/22. Underspend of £0.101m in Regeneration relating to Community Renewal funding.
(6,111)	(101)	2%	Income: £0.083m of Kickstart administration income has been received. Request that this be earmarked in case of delays or no approvals in place to allow services and staff to transition from ESF to Shared Prosperity Fund in January 2023.
(5)			Other minor movements.
			It is requested to earmark the AGD underspend of £0.036m. Due to recruitment challenges this is required to help cover future project costs.
			It is requested to earmark administration income of £0.083m to mitigate risks in case of delays or no approvals in place to allow services and staff to transition from ESF to Shared Prosperity Fund in January 2023.
			It is requested to earmark the Community Renewal Fund underspend of £0.101m to be used in 2022/23.
			It is requested to earmark £0.045m of the underspend as a contribution towards the first year costs of the Lochshore Visitor and Community Hub.
(578)			
<b>Note 10</b>			<b>Property Management and Investment</b>
			Movement - There has been a favourable movement of £0.064m since P10 mainly due to further underspends in both employee costs and payments to contractors.
2,470	(75)	(3%)	Employee Costs: An underspend of £0.075m due to vacancy management.
402	(70)	(17%)	Third Party Payments: underspend in payment to contractors of £0.035m and recharge from Works Scoping of £0.035m.
(1,314)	119	(9%)	Income: There is an under-recovery of £0.119m in factoring income due to a delay (now scheduled for Sept 2022) in implementing the new charging policy as a result of Covid-19.
20			Other minor movements
(6)			
<b>Note 11</b>			<b>Property Maintenance Costs</b>
			Movement - There has been an unfavourable movement of £0.175m since P10 due to an increased spend against the reactive maintenance budgets.
3,548	153	4%	Property Costs - overspends in Reactive Maintenance costs of £0.343m which is offset against collective underspends across the remaining maintenance budgets of £0.191m
(27)			Other minor movements.
			It is requested to earmark £0.049m to support a small-scale property reconfiguration approach aligned to Our Future Working Environment.
126			
<b>Note 12</b>			<b>Property Running Costs</b>
			Movement - There has been a favourable movement of £0.015m since P10 due to collective underspends across various property cost budgets.
6,532	(545)	(8%)	Property Costs: The underspend is due to previous refund of 18/19 to 20/21 NDR (Non Domestic Rates) charges on Shewalton landfill amounting to £0.093m. There is an underspend in NDR charges of £0.442m (of which £0.084m is due to NDR poundage decrease which is permanent, the remainder is made up of various other reliefs, of which £0.258m is RHL (retail hospitality and leisure relief).
(1,609)	188	(12%)	Income: There is an under-recovery of income totalling £0.188m due to a reduction in rental income from commercial properties (£0.159m), a reduction in service charges (£0.010m) and tenants insurance (£0.014m).
(4)			Other minor movements
(361)			

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 13</b>			<b>Energy and Sustainability</b>
			Movement - There has been a favourable movement since P10 of £0.025m due to additional underspend in Water & Sewerage.
4,776	(380)	(8%)	Property Costs: There are underspends of £0.209m in Electricity, £0.101m in Gas and £0.021m in Water & Sewerage due to reduced volume of usage in relation to lower occupancy in the council buildings and £0.058m underspend in Biomass costs. This is offset by higher spend in Oil £0.008m.
	(4)		Other minor movements
			It is requested to earmark £0.118m to continue the sustainability agenda.
	(384)		
<b>Note 14</b>			<b>Internal Transport</b>
			Movement - There has been an unfavourable movement of £0.246m from P10 due to an increase in repairs & maintenance costs of £0.144m; an adverse movement of £0.209m in transport provision costs; and additional external hire costs of £0.019m. These were partially offset by £0.076m fuel underspend and £0.052m over recovery of income.
1,671	22	1%	Employee Costs: There is an overspend of £0.022m due to reduced staff turnover.
4,277	102	2%	Transport Provision Costs: Overspend of £0.102m due to increase in contract costs as a result of tender process.
1,657	(76)	(5%)	Fuel Costs: despite the increase in fuel prices there is an underspend of £0.076m due to fuel consumption not being at the same level as pre Covid-19 usage.
545	160	29%	External Hires: Overspend of £0.160m primarily due to additional hire vehicles as a result of accommodating social distancing measures in vehicles.
1,630	204	13%	Repairs & Maintenance: Overspend of £0.204m in repairs and maintenance due to maximising the life of assets due to the increased lead time for replacement vehicles and the shortage of available rental alternatives, outsourcing of some statutory work due to Covid restrictions, and from the removal of the HGV MOT exemption resulting in additional costs this year to ensure vehicles met the required standard.
(43)	(52)	121%	Income: There is an £0.053m over recovery of bus transport income.
	(12)		Other minor movements
			It is requested to earmark £0.010m to support the costs of a 12 month temporary contract that started in June 2021.
			Transport are requesting to earmark £0.026m for costs associated with implementing a Community Safety Initiative.
	348		

**OTHER CORPORATE ITEMS**  
**BUDGETARY CONTROL 2021/22**

**REPORT FOR THE YEAR TO 31 MARCH 2022**

Objective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,308	2,226	(82)	-4%	
SPT Concessionary Fares	294	287	(7)	-2%	
Ayrshire Joint Valuation Board	958	933	(25)	-3%	
	3,560	3,446	(114)	-3%	1
<b>Other Corporate Costs</b>					
Pension Costs	2,625	2,625	-	0%	
Central Telephones	154	158	4	3%	
Other Corporate Items (incl Transformation Costs, Bad Debt Provision, External Audit fees and other centrally held funding.)	9,219	(1,620)	(10,839)	(118%)	2
Insurance Account	94	94	-	0%	
Housing Benefit	2,800	2,546	(254)	-9%	3
	18,452	7,249	(11,203)	(61%)	
Less Proposed Carry Forwards		9,118	9,118		
<b>Net Total</b>	<b>18,452</b>	<b>16,367</b>	<b>(2,085)</b>	<b>(11%)</b>	



**OTHER CORPORATE ITEMS**  
**BUDGETARY CONTROL 2021/22**

**REPORT FOR THE YEAR TO 31 MARCH 2022**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Joint Boards</b>
			There is no material movement from Period 10
3,560	(114)	-3%	Annual requisitions confirmed at less than current budget.
	(114)		
<b>Note 2</b>			<b>Other Corporate Items</b>
			There is favourable movement of £7.135m from Period 10 is primarily related to: Previously approved, centrally held payroll and utility pressure budgets which have not been drawn down during 21/22, £1.508m; the release of £2.370m of provisions following a review of long term debtors and potential credit losses; and additional Scottish Government funding in relation to Employability, financial Insecurity and Support for Businesses and Families which was received at year end, £3.076m
9,219	(10,839)		Projected underspend is primarily related to: Previously approved, centrally held payroll and utility pressure budgets which have not been drawn down during 21/22, £3.832m; the release of £2.370m of provisions following a review of long term debtors and potential credit losses; and additional Scottish Government funding in relation to Employability, Financial Insecurity and Support for Businesses and Families received late in the year, £4.405m.
			It is proposed to earmark funds of £9.118m as follows: Contribution to the Loans Fund to support the 10 year Capital Investment Programme, £2.569m; Provision for contractual electricity and gas price increases for 2022/23 to reflect current market inflationary levels, £1.066m; Provision for additional non-contractual inflationary pressures, £0.822m; Business continuity resilience infrastructure, £0.200m; Funding received, not fully utilised in year, for:- Business Support and Low Income Families, £2.154; Employability, £0.870m; Financial Insecurity, £0.429m; Self isolation Support grants, £0.313m; Tenant Grant Fund grants payments, £0.284m; 21/22 SNCT Payroll costs £0.162m; CO2 Monitors, £0.077m; Summer of Play, £0.20m; Civil Contingencies, £0.020m; Trainee Educational Psychologist, £0.010m; British Sign Language, £0.005m Previously approved budget allocation to support future service delivery:- Customer Service Staffing Commitments, £0.039m; Finance Service Software, £0.035m; Cost of the School Day, £0.024m; and Trainee Health and Safety Officer, £0.019m.
	(10,839)		
<b>Note 3</b>			<b>Housing Benefits</b>
			There is movement of (£0.164m) from Period 10 mainly related to Housing Benefit overpayment recovery and subsidy. This is informed by the year end final claim
2,800	(253)	(47%)	Increased net income related to the recovery of Housing Benefit overpayments
	(253)		

**MISCELLANEOUS ITEMS**  
**BUDGETARY CONTROL 2021/22**

**REPORT FOR THE YEAR TO 31 MARCH 2022**

Objective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	22,192	22,192	-	-	
Contribution to Loans Fund Reserve	4,087	4,087	-	-	
Scottish Government Funding	(335,202)	(335,244)	(42)	0%	
Council Tax	(59,862)	(59,893)	(31)	0%	
Use of / Contribution to Earmarked Funds	(1,299)	(1,299)	-	-	
Net Total	(370,084)	(370,157)	(73)	0%	

Carried Forward Funds to 2022-23	£000		£000
<b>Previously Approved</b>		<b>Other Commitments</b>	
Early Learning and Childcare Expansion	1,735	Contractual Energy Cost Pressures	1,066
Universal Free School Meals	475	Non Energy Inflationary Pressures	822
Ash Die-back Survey	100	ELC Expansion - Additional FM	566
Employee Services Staffing	100	Inclusion Group	173
Legal Services Case Management System	45	Eglinton Park - Various Works	157
	2,455	Temporary Accommodation Furniture	150
		Sustainability Agenda	118
<b>Grants / External Funding</b>		5 year Rapid Rehousing Transition Plan	88
Business Support Low Income Families	2,154	Libraries - Various Works	82
FWES Employability Funding	870	Ardrossan Hostel Upgrades	72
Financial Insecurity Funding	429	ICT Project Resource Equipment	70
Self Isolation Support Grant	313	Digital Process Manufacturing Centre	70
Tenant Grant Fund	284	Locality Planning Staffing	50
SNCT Payroll Funding	162	OFWE - Property Reconfigurations	49
Community Renewal Fund	247	Lochshore Operating Costs	45
Kickstart/Shared Prosperity Fund	83	22-23 Making Waves Festival	44
CO2 Monitors Funding	77	O365 Backup and Recovery	40
AGD Community Wealth Building	36	Customer Services Staffing	39
Summer of Play Funding	20	Place Cube Project	36
Environmental Health Officer Funding	10	CCTV maintenance	36
Trainee Education Psychologist Funding	10	Finance Software	35
BSL Funding	5	Ardrossan Civic Centre Renovation	27
	4,700	Community Safety Initiative	26
		Cost of School Day	24
<b>Investments</b>		ITSM SaaS	22
Loans Fund Investment	2,569	CRM Project Implementation	20
Early Learning and Childcare - CFCR	300	Ardrossan Academy - Exemplar Furniture	20
Resilience Infrastructure	200	Civil Contingencies	20
	3,069	Trainee H&S Officer	19
		Schools ICT - Delayed Delivery	18
		ICT Backup Solution Extension	17
		ICT Equipment - Delayed Delivery	12
		New Window Cleaning Contract	11
		Customer Services Kiosk Refurbishments	10
		Transport Contract	10
			4,064
			<b>14,288</b>

**HOUSING REVENUE ACCOUNT**  
**BUDGETARY CONTROL 2021/22**

**REPORT FOR THE YEAR TO 31 MARCH 2022**

	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£	£	£		
Employee Costs	5,175	4,959	(216)	(4%)	1
Property Costs					
Responsive Repairs	5,245	5,789	544	10%	
Void Repairs	3,126	3,591	465	15%	
Planned and Cyclical Maintenance	4,492	3,928	(564)	(13%)	
Aids and Adaptions	1,603	1,251	(352)	(22%)	
Other property costs	6,458	3,442	(3,016)	(47%)	
Total for Property Costs	20,924	18,001	(2,923)		2
Supplies & Services	331	304	(27)	(8%)	3
Transport Costs	33	12	(21)	(64%)	
Administration Costs	2,103	1,630	(473)	(22%)	4
Third Party Payments	2,434	2,657	223	9%	5
Transfer Payments	279	118	(161)	(58%)	6
Other Expenditure	379	592	213	56%	7
Capital Financing Costs	22,325	21,973	(352)	(2%)	8
Gross Expenditure	53,983	50,246	(3,737)	(7%)	
Income					
Council House Rents	(51,526)	(50,706)	820	(2%)	
Other Rents	(317)	(405)	(88)	28%	
Recharges	(2,016)	(1,873)	143	(7%)	
Other Income	(124)	(203)	(79)	64%	
Total Income	(53,983)	(53,187)	796	(1%)	9
Net Expenditure	-	(2,941)	(2,941)		

**HRA**  
**BUDGETARY CONTROL 2021/22**

**REPORT FOR THE YEAR TO 31 MARCH 2022**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Employee Costs</b>
			Movement - there has been a favourable movement of £0.109m since Period 10. This is due to vacancy management.
5,175	(216)	-4%	An underspend in employee costs of £0.216m due to vacancy management.
(216)			
<b>Note 2</b>			<b>Property Costs</b>
			Movement - there has been a favourable movement of £0.671m since Period 10. This is due to a reduction of £0.110m in Planned and Cyclical Maintenance, £0.238m in Aids & Adaptations and £0.659m in other property costs offset by an increase of £0.207m in Responsive Repairs and £0.129m in Void Repairs.
20,924	(2,923)	-14%	An underspend in property costs of £2.926m. This is mainly due to a review of the profiling of a £2.500m contribution towards the £5m sustainability and regeneration programme. There is also an underspend of £0.565m in Planned and Cyclical Maintenance and £0.354m in Aids & Adaptations. This is partially offset by an overspend of £0.545m in Responsive Repairs and £0.465m in Void Repairs.
(2,923)			
<b>Note 3</b>			<b>Supplies &amp; Services</b>
			Movement - there has been an adverse movement of £0.128m since Period 10. This is primarily due to an adverse movement of £0.111m in relation to fly tipping costs.
331	(27)	-8%	An underspend in supplies and services of £0.027m which is mainly due to an underspend of £0.116m in software licences and computer equipment. This underspend is due to a delay in the required update to the Northgate system prior to the planned new modules being purchased. This is partially offset by an overspend of £0.093m in fly tipping costs.
(27)			
<b>Note 4</b>			<b>Administration Costs</b>
			Movement - There has been a favourable movement of £0.219m since Period 10. This is primarily due to an favourable movement of £0.340m in central supports costs partially offset by £0.130m in relation to Corporate and Democratic core charges.
2,103	(473)	-22%	An underspend in transfer payments of £0.473m which is mainly due to an underspend of £0.126m in Legal expenses, £0.259m in Central Support costs, £0.032m in postage costs and £0.020m in external printing.
(473)			
<b>Note 5</b>			<b>Third Party Payments</b>
			Movement - There has been an adverse movement of £0.272m since Period 10. £0.229m of which relates to payments to other departments.
2,434	223	9%	An overspend in third party payments of £0.223m which is mainly due to an overspend in payments to other departments of £0.229m.
223			
<b>Note 6</b>			<b>Transfer Payments</b>
			Movement - There has been an adverse movement of £0.008m since Period 10.
279	(161)	-58%	An underspend in transfer payments of £0.161m. This underspend is in relation to disturbance allowance payments as a result of a reduction in planned maintenance works.
(161)			
<b>Note 7</b>			<b>Other Expenditure</b>
			Movement - There has been a favourable movement of £0.143m since Period 10. This is due to a reduction in the overspend in the increased bad debt provision.
379	213	56%	An overspend of £0.213m in other expenditure which relates to increased bad debt provision due to an update in the calculation of bad debt.
213			
<b>Note 8</b>			<b>Capital Financing Costs</b>
			Movement - there has been an adverse movement of £0.363m since Period 10.
22,325	(352)	-2%	An underspend in capital financing costs of £0.352m due to reduced loan charges. This is due to the reduced levels of expenditure currently being experienced in the HRA Capital budget
(352)			
<b>Note 9</b>			<b>Income</b>
			Movement - there has been an adverse movement of £1.089m since Period 10. This is primarily due to an adverse movement of £0.820m in Council House Rents and £0.262m in recharges.
(53,983)	796	-1%	An under recovery of £0.820m in Council House Rents and recharges of £0.143m partially offset by an over recovery in other rents of £0.088m and other income of £0.079m
796			

**Transfer to / from Reserves** - Unused balances for Cyclical Planned Maintenance of £0.055m, Disturbance Allowance of £0.385m and Responsive Repairs of £0.150m have been reallocated with £0.318m being transferred to the Sustainability Fund and £0.272m to Voids - non programmed works. The additional CFCR balance of £1.000m is now no longer required and has been reallocated to the Council House Building Fund to provide for future contingencies. £0.719m from unearmarked reserves is also required to offset the movement in surplus.

**Earmarking of in year surplus** - The underspend of £2.941m has been allocated as follows: £0.246m to Council House Building Fund, £1.508m to the Sustainability Fund, £1.286m to Voids non programmed works, £0.123m to software licences, £0.111m to Infrastructure Improvements, £0.116m to Tenant led balances and £0.270m to Electrical testing. A drawdown of £0.719m from unearmarked reserves is also required.

HRA reserves and balances	B/fwd from 2019/20	Transfer to / from Reserves	Use of Earmarked sums	Earmarking of in year surplus	Funding of Capital Projects	Balance at 31/03/20
	£m	£m	£m	£m	£m	£m
Council House Building Fund	5.580	1.000	-	0.246	(1.546)	5.280
Welfare Reform	1.500	-	-	-	-	1.500
Sustainability Fund	3.174	0.318	-	1.508	-	5.000
Voids - non programmed works	-	0.272	-	1.286	-	1.558
Software Licences	-	-	-	0.123	-	0.123
Electrical Testing	-	-	-	0.270	-	0.270
Infrastructure Improvements	0.305	-	-	0.111	-	0.416
Major Refurbishment Works	0.052	-	-	-	-	0.052
Tenant led budget	0.520	-	-	0.116	-	0.636
Unearmarked	1.500	-	-	(0.719)	-	0.781
Additional CFCR	1.000	(1.000)	-	-	-	-
Cyclical Planned Maintenance	0.055	(0.055)	-	-	-	-
Disturbance Allowances	0.385	(0.385)	-	-	-	-
Responsive Repairs	0.150	(0.150)	-	-	-	-
	<b>14.221</b>	-	-	<b>2.941</b>	<b>(1.546)</b>	<b>15.616</b>