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## NORTH AYRSHIRE COUNCIL

30 May 2023

### Cabinet

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**Title:** Revenue Budget 2022/23 : Financial Performance to 31 March 2023

**Purpose:** To advise Cabinet of the financial performance for the Council for 2022/23.

**Recommendation:** That Cabinet agrees to:

- (a) note the information and financial outturn position outlined in the report;
  - (b) approve the earmarking of £3.524m identified at 2.5 to meet future year commitments;
  - (c) note the transfer of the net in-year underspend of £1.524m to support the Roads Maintenance budget and the Energy Smart scheme, as approved by Council;
  - (d) note the financial performance of the Health and Social Care Partnership highlighted at 2.6;
  - (e) note the deficit position of KA Leisure;
  - (f) note the virements detailed in Appendix 7.
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## 1. Executive Summary

- 1.1 The General Services Revenue Estimates for 2022/23 were approved by Council on 2 March 2022. The Housing Revenue Account (HRA) Revenue Budget for 2022/23 was approved by Council on 16 February 2022.
- 1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, financial performance reports are presented on a regular basis. This is the final report for 2022/23 and covers the period to the end of March 2023 (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 (£1.524m), (0.4%), after transferring resources to/from earmarked reserves. This is an increase of (£0.601m) from that reported at Period 10 and is primarily related to cost reductions arising from industrial action by teaching staff during February and March 2023. As approved by Council on 1 March 2023, £1.000m of this underspend will be utilised to supplement the Council's Roads Maintenance Programme for 2023/24 with the balance utilised to support the Energy Smart scheme.

- 1.4 The Housing Revenue Account is reporting a net in-year breakeven position, after transferring resources to/from earmarked reserves. This is a movement of £0.239m from the underspend reported at Period 10. The movement is primarily related to increased Bad Debt Provision, revised Capital Charges and the under recovery of Recharge income. This has been offset by a draw on HRA Balances.
- 1.5 At Period 10 the Health and Social Care Partnership reported a projected underspend of (£1.181m) and work is ongoing to confirm the final outturn position for the year, the HSCP awaits final confirmation of the NHS budget outturn. It is anticipated that the Integration Joint Board (IJB) will carry forward this underspend reserves for use in future years, resulting in an in-year net breakeven position for the HSCP.
- 1.6 KA Leisure has yet to finalise their year-end position. However, a net trading deficit is anticipated for 2022/23 and funding to support a breakeven position will be drawn from previously approved earmarked funds.

## **2. Background**

### **General Fund**

- 2.1 The Council set a breakeven budget for 2022/23. In addition to the budget approved on 2 March 2022, earmarked funds of £31.875m were carried forward from 2021/22 for service expenditure in 2022/23 and are reflected in the figures within the 2022/23 financial performance reports as they are drawn down.
- 2.2 The reported net in-year underspend is (£1.524m), net of transfers to/from reserves. This represent 0.4% of the Council's total General Fund revenue budget. As approved by Council on 1 March 2023, £1.0m of this underspend will be earmarked for the Roads Maintenance budget in 2023/24 and the balance will be applied to support the Energy Smart scheme.

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

	App. No	Annual Budget	Actual Outturn to 31 March 2023	Variance for year (Fav)/Adv	Projected Variance at P10 (Fav)/Adv	Movement	Request for Carry Forward Approved @ P10	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	26,560	25,702	(858)	(394)	(464)	233	327	(298)
Communities	2	176,746	171,407	(5,339)	(3,222)	(2,117)	2,184	1,419	(1,736)
Place	3	54,485	55,384	899	2,196	(1,297)	286	645	1,830
Other Corporate Services	4	18,441	15,407	(3,034)	(3,199)	165	959	1,133	(942)
<b>Sub Total</b>		<b>276,232</b>	<b>267,900</b>	<b>(8,332)</b>	<b>(4,619)</b>	<b>(3,713)</b>	<b>3,662</b>	<b>3,524</b>	<b>(1,146)</b>
Health and Social Care Partnership		120,549	120,549	-	-	-	-	-	-
<b>Balance for Services</b>		<b>396,781</b>	<b>388,449</b>	<b>(8,332)</b>	<b>(4,619)</b>	<b>(3,713)</b>	<b>3,662</b>	<b>3,524</b>	<b>(1,146)</b>
Financing Charges	5	20,077	20,077	-	-	-	-	-	-
Contribution to Loans Fund Reserve	5	7,125	7,125	-	-	-	-	-	-
<b>Total Planned Expenditure</b>		<b>423,983</b>	<b>415,651</b>	<b>(8,332)</b>	<b>(4,619)</b>	<b>(3,713)</b>	<b>3,662</b>	<b>3,524</b>	<b>(1,146)</b>
<b>Planned Income</b>									
Aggregate External Finance	5	(348,966)	(348,950)	16	-	16	-	-	16
Council Tax	5	(61,595)	(61,989)	(394)	34	(428)	-	-	(394)
Contribution to Capital Fund	5	161	161	-	-	-	-	-	-
Contribution to/from Earmarked Funds	5	(13,583)	(13,583)	-	-	-	-	-	-
<b>Total Planned Income</b>		<b>(423,983)</b>	<b>(424,361)</b>	<b>(378)</b>	<b>34</b>	<b>(412)</b>	<b>-</b>	<b>-</b>	<b>(378)</b>
<b>Net Expenditure/ (Income)</b>		<b>-</b>	<b>(8,710)</b>	<b>(8,710)</b>	<b>(4,585)</b>	<b>(4,125)</b>	<b>3,662</b>	<b>3,524</b>	<b>(1,524)</b>

### 2.4 The reported Aggregate External Finance within Planned Income includes a number of adjustments to Scottish Government funding from that reported at Period 10, as detailed in the following table:

	General Revenue Grant £000's	Non Domestic Rates £000's	Specific Grants £000's	<b>TOTAL AEF £000's</b>
<b>Revised Budget 31 January 2023</b>	<b>(288,560)</b>	<b>(37,512)</b>	<b>(21,259)</b>	<b>(347,331)</b>
<b>Movements:</b>				
Scottish Child Bridging Payments (additional)	(28)			<b>(28)</b>
22/23 Teachers Pay Award	(1,751)			<b>(1,751)</b>
DHP Accrual	(373)			<b>(373)</b>
PEF Carried Forward to 23-24			442	<b>442</b>
CJSW Funding Adjustment			75	<b>75</b>
<b>Final Scottish Government Income</b>	<b>(290,712)</b>	<b>(37,512)</b>	<b>(20,742)</b>	<b>(348,966)</b>

## 2.5 Commentary on Significant Movements from the Approved Budget

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 2023/24, 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 10 is outlined as follows:

**(i) Chief Executive's – underspend of (£0.858m), an increase of (£0.464m) from the previously reported underspend.**

The movement since Period 10 is primarily related to:

- Reduced Sheriff Officers' commission costs, (£0.180m);
- Reduced expenditure on LAN and software licenses, (£0.052m); and
- Vacancy management across services, (£0.073m).

It is requested that £0.327m of the projected underspend is earmarked to support anticipated additional expenditure in relation to the Scottish Welfare Fund, based on current levels of demand continuing into 2023/24.

**(ii) Communities – underspend of (£5.339m), an increase of (£2.117m) from the previously reported underspend.**

The movement since Period 10 is primarily related to:

- Additional impact of industrial action by Teachers, (£0.486m);
- Net teaching and non-teaching staff turnover, (£0.478m);
- Lower than anticipated expenditure across Connected Communities Supplies & Services and Third Party Payments, (£0.327m);
- Lower than anticipated expenditure on Early Learning and Childcare funded providers due to a lower than anticipated uptake of places, (£0.200m);
- Reduced expenditure on residential childcare placements, (£0.170m);
- Increased Facilities Management Income, (£0.125m); and
- Lower than anticipated expenditure on Cost of the School Day, (£0.065m).

It is requested that a further £1.419m is earmarked to support anticipated additional expenditure during 2023/24, including:

- Classroom Assistant workforce review as part of the Supporting Needs national review process, £0.600m;
- Additional funding to support Ukrainian Resettlement teaching costs, £0.259m, and Youth modern Apprentices, £0.038m;
- Essential boiler and pool plant investment at Auchenhavrie pool, £0.258m;
- The ongoing implementation of the expansion of ELC to 1140 hrs to help address future funding reductions, £0.200m; and
- Additional Cost of the School Day funds due to delays in procurement process for purchase of clothing stock for uniform exchanges in schools, £0.064m;

Virements in relation to the realignment of Information and Culture budget lines have been included within Appendix 7.

**(iii) Place – overspend of £0.899m, a reduction of (£1.297m) from the previously reported overspend.**

The net movement since Period 10 is primarily related to:

- Lower expenditure on gas and electricity, (£0.426m);
- Increased income across Planning and Building Control, (£0.352m);
- Lower expenditure on temporary accommodation furniture and fittings and repairs, (£0.187m);
- Revised General Fund Housing arrears and bad debt provisions, (£0.157m); and
- Lower expenditure in relation to the Rapid Rehousing Transition Plan, (£0.107m).

These have been partly offset by additional recharges in relation to Sheltered Housing Unit community hubs, £0.233m.

It is requested that a further £0.645m is earmarked to support anticipated additional expenditure during 2023/24, including:

- Provision for outstanding Covid related leave entitlement within Waste Services to fund backfill arrangements, £0.177m;
- Support for delayed furniture and fittings purchases across Temporary Accommodation properties £0.117m and £0.173m in relation to the Rapid Rehousing Transition Plan linked to the 5 year RRTP delivery programme; and
- Funding to support the Local Heat & Energy Efficiency Scheme, £0.075m, and Trading Standards and Economic Regeneration staffing, £0.080m.

In addition, a £0.023m underspend in Largs Car Park will be ring fenced to support Largs Car par activities.

Virements in relation to the realignment of income budgets within Roads, Regeneration and PMI have been included within Appendix 7.

**(iv) Other Corporate Items – underspend of (£3.039m), a reduction of £0.165m from the previously reported underspend.**

The movement since Period 10 is primarily related to the in-year settlement of outstanding HSCP debt, £0.834m, partly offset by a range of centrally held funds which have not been fully utilised in year, (£0.661m).

It is requested that a further £1.133m is earmarked to support anticipated additional expenditure during 2023/24, including:

- Provision for contractual electricity and gas prices following recent notification of pass through costs from energy providers for 2023/24, £0.870m;
- Contribution to Loans Fund Reserves to address ongoing significant cost pressures in the Capital Programme, £0.512m;

- Provision for the review of Democratic Services' structures linked to workload pressures, £0.250m;
- Business continuity resilience infrastructure to ensure provision across localities, £0.100m;
- Scottish Government Funding not fully utilised in year, £0.156m
- Previously approved budget allocation to support future service delivery in relation to the CCTV Review, £0.050m; and
- Essential repairs to Irvine Harbour property, £0.029m.

(v) **Council Tax – overrecovery of (£0.394m), a movement of (£0.428m) from the previously reported underrecovery.**

The movement since Period 10 is primarily related to an adjustment to the historical contribution to the Affordable Housing Reserve.

## **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 15 June 2023 and will outline the 2022/23 financial performance in more detail. At Period 10 the HSCP reported a projected underspend of (£1.181m) and work is ongoing to confirm the final outturn position for the year, with the HSCP awaiting final confirmation of the NHS budget outturn. It is anticipated that the IJB will carry forward this underspend in reserves for use in future years, resulting in an in-year net breakeven position for the HSCP. The IJB supported in March 2023 as part of the 2023-24 budget approval, the earmarking of the 2022-23 in-year underspend to be held in a reserve to support service transformation to assist with the delivery of future efficiencies and cost reduction, including the costs associated with future Voluntary Early Release (VER) of staff. During 2022/23, £2.320m, set aside by North Ayrshire Council, has been applied to make full and final repayment of the IJB's deficit to the Council.

## **Housing Revenue Account**

- 2.7 The Housing Revenue Account budgeted for a breakeven position in 2022/23. A net in-year breakeven position, net of transfers to/from reserves, has been reported. This is a movement of £0.239m from the previously reported underspend position and is summarised in the following table with further details provided in Appendix 6.

	Annual Budget	Actual Outturn to 31 March 2023	Variance for year (Fav)/Adv	Projected Variance at P10 (Fav)/Adv	Movement	Note
	£000's	£000's	£000's	£000's	£000's	
Employee Costs	5,300	5,290	(10)	-	(10)	
Property Costs	18,850	20,533	1,683	1,561	122	(i)
Supplies & Services	451	374	(77)	(120)	43	
Transport Costs	34	16	(18)	(10)	(8)	
Administration Costs	1,881	1,540	(341)	(84)	(257)	(ii)
Third Party Payments	2,550	2,760	210	149	61	(iii)
Transfer Payments	155	136	(19)	-	(19)	
Other Expenditure	368	836	468	(36)	504	(iv)
Capital Financing Costs	25,264	23,527	(1,737)	(2,068)	331	(v)
<b>Gross Expenditure</b>	<b>54,853</b>	<b>55,012</b>	<b>159</b>	<b>(608)</b>	<b>767</b>	
Income	(54,853)	(54,038)	815	369	446	(vi)
Utilisation of Reserves	-	(974)	(974)	-	(974)	(vii)
<b>Income</b>	<b>(54,853)</b>	<b>(55,012)</b>	<b>(159)</b>	<b>369</b>	<b>(528)</b>	
<b>Net Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(239)</b>	<b>239</b>	

## 2.8 Commentary Significant Movements from the Revised Budget

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 10 is outlined as follows:

**(i) Property Costs – overspend of £1.683m, an increase of £0.122m from the previously reported overspend**

The movement is primarily related to increased expenditure on:

- Responsive Repairs, £0.129m;
- Void Repairs, £0.233m; and
- Other Property Costs, £0.215m, which is primarily related to Sheltered Housing utilities.

These have been partly offset by reduced expenditure on Planned and Cyclical Maintenance, (£0.427m).

**(ii) Administration Costs – underspend of (£0.341m), an increase of (£0.258m) from the previously reported underspend**

The movement is primarily related to lower than anticipated expenditure on Central Support Costs, £0.177m.

**(iii) Third Party Payments – overspend of £0.210m, an increase of £0.061m from the previously reported overspend**

The movement is primarily related to an increase in Housing Asset and Investment recharges, £0.086m.

- (iv) **Other Expenditure – overspend of £0.468m, a movement of £0.504m from the previously reported underspend**  
The movement is primarily related to increased provision of Bad Debts, £0.497m.
- (v) **Capital Financing Costs – underspend of (£1.737m), a reduction of £0.331m from the previously reported underspend**  
The movement is primarily related to revised loan charges reflecting expenditure on the HRA Capital Programme.
- (vi) **Income – underrecovery of £0.815m, an increase of £0.446m from the previously reported underrecovery**  
The movement is primarily related to the under recovery of Recharge Income £0.397m.
- (vii) **Utilisation of Reserves – overrecovery of (£0.974m), an increase of (£0.974m) from the previously reported position**  
The movement is related to the drawdown of £0.974m from earmarked reserves to offset the reported overspend across the HRA.

### **3. Proposals**

3.1 It is proposed that Cabinet agrees to:

- (a) note the information and financial outturn position outlined in the report;
- (b) approve the earmarking of £3.524m identified at 2.5 to meet future year commitments;
- (c) note the transfer of the net in -year underspend of £1.524m to support the Roads Maintenance budget and the Energy Smart scheme, as approved by Council;
- (d) note the financial performance of the Health and Social Care Partnership highlighted at 2.6;
- (e) note the deficit position of KA Leisure;
- (f) note the drawdown of HRA reserves identified at 2.7;
- (g) note the virements detailed in Appendix 7.

### **4. Implications/Socio-economic Duty**

#### **Financial**

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

The final outturn position for the year is an underspend of (£1.524m) which will be applied to support the Roads maintenance budget and the Energy Smart scheme as approved by Council.

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

The final outturn position for the year is a net breakeven position after the draw down of HRA earmarked reserves.

#### **Human Resources**

4.2 None.

### **Legal**

4.3 None.

### **Equality/Socio-economic**

4.4 None.

### **Environmental and Sustainability**

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 Progress as outlined in this report has been approved by Executive Directors.

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

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551**.

### **Background Papers**

Revenue Budget 2022/23 : Financial Performance to 31 January 2023 - Cabinet 21 March 2023

**CHIEF EXECUTIVES**  
**BUDGETARY CONTROL 2022/23**

**REPORT FOR THE YEAR TO 31 MARCH 2023**

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	147	156	9	6%	
Total for Chief Executive's Office	147	156	9	6%	
<b>Financial Services</b>					
Change Programme	109	109	-	0%	
Audit, Fraud, Safety & Insurance	703	675	(28)	(4%)	
Corporate Procurement	1,080	910	(170)	(16%)	1
Financial Services	1,533	1,487	(46)	(3%)	
Revenues	(289)	(462)	(173)	60%	2
Transformation	745	753	8	1%	
Total for Financial Services	3,881	3,472	(409)	(11%)	
<b>People &amp; ICT</b>					
Employee Services	999	981	(18)	(2%)	3
HR & Organisational Development	1,207	1,205	(2)	(0%)	
ICT	5,777	5,547	(230)	(4%)	4
Business Support	1,537	1,537	-	0%	
Customer Services	8,623	8,645	22	0%	5
Total for People & ICT	18,143	17,915	(228)	(1%)	
<b>Democratic Services</b>					
Legal & Licensing	745	705	(40)	(5%)	
Policy, Performance & Elections	489	407	(82)	(17%)	6
Communications	493	473	(20)	(4%)	
Civil Contingencies	60	57	(3)	(5%)	
Committee Services	782	755	(27)	(3%)	
Member Services	1,309	1,293	(16)	(1%)	
Ayrshire Area Support team	59	59	-	0%	
Information Governance	452	410	(42)	(9%)	
Total for Democratic Services	4,389	4,159	(230)	(5%)	
<b>Totals</b>	<b>26,560</b>	<b>25,702</b>	<b>(858)</b>	<b>(3%)</b>	
Less Proposed Carry Forwards		560	560		
<b>Net Total</b>	<b>26,560</b>	<b>26,262</b>	<b>(298)</b>	<b>(1%)</b>	

Subjective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	17,652	17,324	(328)	(2%)
Property Costs	70	94	24	0%
Supplies and Services	3,151	2,876	(275)	(9%)
Transport and Plant Costs	32	18	(14)	(44%)
Administration Costs	1,470	1,190	(280)	(19%)
Other Agencies & Bodies	7,242	7,304	62	1%
Transfer Payments	889	889	-	0%
Other Expenditure	72	72	-	0%
Capital Financing	-	-	-	-
Gross Expenditure	30,578	29,767	(811)	(3%)
Income	(4,018)	(4,065)	(47)	1%
<b>Net Expenditure</b>	<b>26,560</b>	<b>25,702</b>	<b>(858)</b>	<b>(3%)</b>

**CHIEF EXECUTIVES**  
**BUDGETARY CONTROL 2022/23**

**REPORT FOR THE YEAR TO 31 MARCH 2023**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Finance - Corporate Procurement</b>
			Movement : There have been no significant movements since P10
1,008	(141)	-14%	Employee Costs - There is an underspend of £0.141m due to vacancy management.
(50)	(35)	69%	Income - There is an over recovery of £0.035m due to increased rebates.
	5		Other minor variances
(170)			
<b>Note 2</b>			<b>Finance - Revenues</b>
			Movement - There has been a favourable movement of £0.180m from P10 mainly due to the Sheriff Officer Commission.
7	(162)	-2314%	Sheriff Officer Commission - £0.162m underspend due to release of accrual which is no longer required under the new agreement terms.
	(11)		Other minor variances
(173)			
<b>Note 3</b>			<b>People &amp; ICT - Employee Services</b>
			Movement : There have been no significant movements since P10
940	(8)	-1%	Employee Costs - There is an underspend of £0.008m due to vacancy management.
	(10)		Other minor variances
(18)			
<b>Note 4</b>			<b>People &amp; ICT - ICT</b>
			Movement - There has been a favourable movement of £0.052m from P10 primarily due to underspends on LAN and software licences.
2,307	(206)	-9%	Supplies and Services - There is an underspend of £0.206m in software licences due to some contracts not being renewed and national delays in procuring a collective Security Operations Centre (SOC); a one-off reduction in cost for the O365 backup solution; and delays in delivery of WAN upgrade, planned bandwidth increases will incur increased WAN charges in 2023/24.
	(16)		Income - This variance includes an over-recovery of £0.014m in income from IT hardware.
	(8)		Other minor variances
(230)			
<b>Note 5</b>			<b>People &amp; ICT - Customer Services</b>
			Movement : There have been no significant movements since P10
2,540	(17)	-1%	Employee Costs - There is an underspend of £0.017m due to vacancy management.
298	(29)	-10%	Supplies and Services - There is an underspend of £0.029m due to lower than budgeted software licence costs.
6,207	71	1%	Third Party Payments - There is an overspend of £0.071m. This is due to an overspend of £0.081m in community care grants. This overspend has occurred despite £0.147m unspent funding being accrued from 21/22 and a further £0.088m top up being received from Scottish Government. This is offset by £0.010m excess funding received from Scottish Government for bridging payments.
	(3)		Other minor variances
22			
<b>Note 6</b>			<b>Democratic Services - Policy, Performance &amp; Elections</b>
			Movement : There have been no significant movements since P10
449	(61)	-14%	Employee Costs - There is an underspend of £0.041m due to vacancy management.
	(21)		Other minor variances
(82)			

**COMMUNITIES****BUDGETARY CONTROL 2022/23****REPORT FOR THE YEAR TO 31 MARCH 2023**

Objective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Early Years Education	20,675	19,857	(818)	(4%)	1
Primary Education	45,541	45,378	(163)	(0%)	2
Secondary Education	51,079	51,078	(1)	(0%)	3
Additional Support Needs	13,686	13,447	(239)	(2%)	4
Education - Other	8,583	5,867	(2,716)	(32%)	5
Pupil Equity Fund	4,972	4,972	-	0%	
Facilities Management	18,042	16,967	(1,075)	(6%)	6
Connected Communities	14,168	13,841	(327)	(2%)	7
<b>Net Total</b>	<b>176,746</b>	<b>171,407</b>	<b>(5,339)</b>	<b>(3%)</b>	
Less Proposed Carry Forwards		3,603	3,603		
<b>Net Total</b>	<b>176,746</b>	<b>175,010</b>	<b>(1,736)</b>	<b>(1%)</b>	

Subjective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs - Teachers	95,035	93,139	(1,896)	(2%)
Employee Costs - Non Teachers	59,939	57,869	(2,070)	(3%)
Property Costs	2,107	2,196	89	4%
Supplies and Services	16,496	15,253	(1,243)	(8%)
Transport and Plant Costs	180	212	32	18%
Administration Costs	828	754	(74)	(9%)
Other Agencies & Bodies	14,547	14,183	(364)	(3%)
Transfer Payments	580	541	(39)	0%
Other Expenditure	-	-	-	0%
Capital Financing	78	70	(8)	0%
Gross Expenditure	189,790	184,217	(5,573)	(3%)
Income	(13,044)	(12,810)	234	(2%)
<b>Net Expenditure</b>	<b>176,746</b>	<b>171,407</b>	<b>(5,339)</b>	<b>(3%)</b>

**COMMUNITIES**  
**BUDGETARY CONTROL 2022/23**

**REPORT FOR THE YEAR TO 31 MARCH 2023**

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 £0.200m compared to P10. This is mainly due to a larger than expected underspend in payments to Funded Providers.
16,089	(102)	-1%	Employee costs: £0.102m underspend due to continuing recruitment gaps
545	(274)	-50%	Supplies & Services: an underspend of £0.227m in milk and healthy snack payments due to reduced uptake. There are also small underspends across remaining budgets
4,311	(627)	-15%	Third Party Payments: an underspend of £0.627m mainly in payments to Funded Providers largely due to lower uptake of places against anticipated projections.
(372)	203	-55%	Income: under recovery of milk and healthy snack grant of £0.227m due to reduced uptake.
	(18)		Other minor movements across various budget lines
			It is proposed to earmark £0.200m to address funding pressures in 23/24.
<b>(818)</b>			
<b>Note 2</b>			<b>Primary Education</b>
			Movement : There has been an unfavourable movement of £0.283m compared to P10. This is mainly due to an overspend in some schools against teaching staff (£0.168m) and a reduction in underspend (£0.123m) against non teaching staff.
44,212	(261)	-1%	Employee Costs : £0.430m underspend in non teaching staff costs of which £0.270m is due to a part year saving for School Dining Supervisors who were appointed at the start of this academic year. The remainder is due to recruitment gaps. An overspend of £0.168m in teacher staff costs across a number of schools. Further management action will determine underlying reasons for these teacher overspends.
1,152	84	7%	Supplies and Services : £0.086m overspend in PPP costs due to pass through utility costs subject to same inflationary pressures as other schools.
93	(44)	-47%	Third Party Payments: an underspend of £0.044m due to reduced recharges following a process review.
(84)	58	-69%	Income: under recovery of school let income due to school lets not fully operational
<b>(163)</b>			
<b>Note 3</b>			<b>Secondary Education</b>
			Movement : There has been an unfavourable movement of £0.185m compared to P10. This is mainly due to an overspend in some schools against teaching staff (£0.098m) and a reduction in underspend (£0.072m) against non teaching staff.
44,118	(86)	0%	Employee Costs : a net £0.086m underspend in employee costs - £0.186m underspend in non teaching staff costs due to recruitment gaps and a £0.098m overspend in teacher staff costs. Further management action will determine underlying reasons for these teacher overspends.
6,703	64	1%	Supplies and Services : £0.064m overspend in PPP costs due to pass through utility costs subject to same inflationary pressures as other schools.
202	(35)	-17%	Third Party Payments: an underspend of £0.035m due to reduced recharges following a process review.
(83)	56	-67%	Income: under recovery of school let income due to school lets not fully operational
<b>(1)</b>			
<b>Note 4</b>			<b>ASN</b>
			Movement: There has been a favourable movement of £0.294m compared to P10, due to a decrease in placement costs of £0.170m as there has been a reduction in young persons accessing these services; further employee costs underspends of £0.057m; and £0.059m underspend in third party payments.
12,261	(432)	-4%	Employee costs: £0.164m underspend in teaching costs and a £0.268m underspend in non teaching staff costs across all ASN school and bases provision from recruitment gaps. There is an ongoing Supporting Needs review and this is due to be completed later this calendar year.
993	(233)	-23%	There is an underspend of £0.233m on external day placements as a result of the assessment process currently in place. This enables the children to remain in mainstream establishments or in-authority ASN establishments.
499	523	105%	There is an overspend of £0.523m on external specialist residential placements. Currently there are 9 children in accommodation. Joint working is ongoing with HSCP to continually assess the care setting for these children in delivering positive outcomes.
119	(58)	-49%	There is an underspend in payments to other bodies due to lower home and hospital charges from other local authorities of £0.021m; an underspend in payments to private nurseries for ASN assistance £0.018m; and £0.020m underspend in ASN General payments to other bodies.
(527)	(56)	11%	Other Local Authorities income - Other Local Authorities that choose to place children in NAC establishments. There is an over recovery of £0.056m due to an increase in demand.
	17		Other minor movements across various budget lines
<b>(239)</b>			

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 £1.629m since P10. This is mainly due to underspends in employee costs as a result of the teachers industrial action and over achieved teacher turnover but is partly offset by an increased spend in teachers HQ cover costs.
6,799	(2,068)	-30%	Employee costs: mainly due to an over recovery of teacher payroll turnover partially offset against an overspend against Teachers HQ Cover costs giving a net over recovery of £0.789m. There was £1.279m underspend in relation to the industrial action by teachers during Dec 2022/Feb 2023.
356	(48)	-13%	Property Costs: underspends across various budget lines
169	(12)	-7%	Admin Costs: small underspends across all budget lines
889	(211)	-24%	Supplies & Services: small overspends across various budget lines of £0.018m offset by underspend of £0.215m in COSD due to procurement tendering process to obtain best value for money.
1,415	(16)	-1%	Third Party Payments - small overspends across various subscriptions/licences amounting to £0.039m and underspend of £0.054m
580	(39)	-7%	Transfer: underspend against EMA payments made
(1,717)	(355)	21%	Income - PPP insurance rebate £0.075m, PPP deductions of £0.302m in excess of budget due to rigorous contract compliance arrangements and £0.017m salaries rec'd from capital
	33		Other minor movements across various budget lines
			It is requested to earmark a further £0.064m of COSD funds due to delays in procurement process for purchase of clothing stock for uniform exchanges in schools
			It is requested to earmark £0.259m of additional funding to be used to continue to meet the additional Teaching costs of Ukrainian families.
			It is requested to earmark £0.600m towards the first year costs of a Classroom Assistant workforce review as part of the Supporting Needs national review process.
	(2,716)		
<b>Note 6</b>			<b>Facilities Management</b>
			Movement: There has been a favourable movement of £0.125m since period 10 which is primarily due to an over-recovery of income.
15,031	(585)	-4%	Employee Costs: Underspend of £0.050m is due to reduced commercial catering activity. There is an underspend of £0.205m due to the reduced uptake of school meals. In addition, there is an underspend of £0.309m due to recruitment challenges and reduced overtime and casual costs.
1,079	126	12%	Property Costs: Overspend is primarily in relation to purchasing cleaning materials in response to Covid-19.
4,774	(873)	-18%	Supplies and services: There is a saving of £0.062m in food due to reduced commercial catering. There are further food savings of £0.269m due to reduced school meal uptake and £0.064m within social services. In addition, there is an underspend within Early Years of £0.444m which has arisen due to a lower attendance rate than originally anticipated.
(2,982)	231	-8%	Income: There is an under-recovery in commercial catering income of £0.472m due to a reduction in commercial events and cost/ income challenges within commercial venues. This is offset against an over-recovery of school meal income of £0.068m and cleaning and janitorial income of £0.140m.
			Facilities Management continue to promote the school meal service to maximise uptake.
	26		Other minor movements
	(1,075)		
<b>Note 7</b>			<b>Connected Communities</b>
			Movement: There has been a favourable movement of £0.327m since P10. This is a result of reduced spend across many budgets held within supplies and services £0.218m and Third Party Payments of £0.123m.
7,957	(387)	-5%	Employee Costs: underspends across all sectors due to vacancy management.
1,473	(19)	-1%	Supplies and Services: small underspends across all budget lines.
5,980	(124)	-2%	Third Party Payments: There are a number of underspends across various budget lines amounting to £0.124m. The NALL deficit is not included but it is expected that any deficit will be offset by a draw from earmarked funds of £0.318m set aside for this purpose.
(1,805)	182	-10%	Income: £0.200m under recovery across various sectors as income has not returned to pre covid levels, partly offset by over recovery in Harbour Arts Centre of £0.018m.
	21		Other minor movements across various budget lines.
			It is requested to earmark funds of £0.038m in relation to funding for youth modern apprentices
			It is requested to earmark funds of £0.258m to meet essential boiler repair costs in swimming pools
	(327)		

**PLACE**  
**BUDGETARY CONTROL 2022/23**

**REPORT FOR THE YEAR TO 31 MARCH 2023**

Objective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
<b>Directorate and Support</b>	£000 (26)	£000 -	£000 26	(100%)	
<b>Housing and Public Protection</b>					
Building Services	(2,547)	(2,547)	-	0%	1
Property Governance	43	43	-	0%	
Planning Services	376	176	(200)	0%	2
Protective Services	1,784	1,111	(673)	100%	3
Other Housing	2,936	1,855	(1,081)	(37%)	4
<b>Total for Housing and Public Protection</b>	<b>2,592</b>	<b>638</b>	<b>(1,954)</b>	<b>(75%)</b>	
<b>Neighbourhood Services</b>					
Roads	6,727	7,109	382	6%	5
Streetscene	5,583	5,997	414	7%	6
Waste Resources	9,748	9,941	193	2%	7
<b>Total for Neighbourhood Services</b>	<b>22,058</b>	<b>23,047</b>	<b>989</b>	<b>4%</b>	
<b>Economic Development, Growth &amp; Investment</b>					
Economic Development	6,682	6,540	(142)	0%	8
Growth & Investment	283	283	-	0%	
<b>Total for Economic Development, Growth &amp; Investment</b>	<b>6,965</b>	<b>6,823</b>	<b>(142)</b>	<b>(2%)</b>	
<b>Sustainability, Transport and Corporate Property</b>					
Property Management & Investment	2,127	2,174	47	0%	9
Housing Assets & Investment	(22)	-	22	0%	
Property Maintenance	(120)	40	160	0%	10
Property Running Costs	5,073	5,347	274	0%	11
Energy and Sustainability	5,657	6,297	640	11%	12
Internal Transport	10,181	11,018	837	8%	13
<b>Total for Sustainability, Transport and Corporate Property</b>	<b>22,896</b>	<b>24,876</b>	<b>1,980</b>	<b>9%</b>	
<b>Net Total</b>	<b>54,485</b>	<b>55,384</b>	<b>899</b>	<b>2%</b>	
Transfer to Earmarked Reserves		931	931		
<b>Net Total</b>	<b>54,485</b>	<b>56,315</b>	<b>1,830</b>	<b>3%</b>	

Subjective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	48,456	50,635	2,179	4%
Property Costs	21,851	23,951	2,100	10%
Supplies and Services	9,963	9,443	(520)	(5%)
Transport and Plant Costs	9,880	11,314	1,434	15%
Administration Costs	2,096	2,010	(86)	(4%)
Other Agencies & Bodies	22,715	22,972	257	1%
Transfer Payments	-	-	-	
Other Expenditure	182	37	(145)	(80%)
Capital Financing	60	58	(2)	
Gross Expenditure	115,203	120,420	5,217	5%
Income	(60,718)	(65,036)	(4,318)	7%
<b>Net Expenditure</b>	<b>54,485</b>	<b>55,384</b>	<b>899</b>	<b>2%</b>

**PLACE**  
**BUDGETARY CONTROL 2022/23**

**REPORT FOR THE YEAR TO 31 MARCH 2023**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Building Services</b>
			Movement: There has been no movement since P10 however the service continued to manage significant financial challenges.
9,164	184	2%	Employee costs: There was an overspend of £0.184m in employees costs due to the increased agreed pay award and additional overtime payments to assist with labour shortages and changes to work composition. These increased costs were partially offset by a number of vacancies experienced throughout the year.
5,624	(1,151)	(20%)	Supplies & Services: An underspend of £1.151m in supplies and services. This is due to an underspend in materials as a result of a change in the composition of the works programme.
547	60	11%	Transport costs: The overspend of £0.060m in transport costs is due to increasing costs of skip hire.
2,152	1,017	47%	Third Party Payments: An overspend in third party payments of £1.017m. New workstreams for 22/23 have required an above average subcontractor element. There has also been an increase in works that are wholly subcontracted due to either labour shortages or specialist activities.
(20,153)	(128)	1%	Income: Movement across income lines has resulted in an over-recovery of £0.128m.
	18		Other minor movements
	0		
<b>Note 2</b>			<b>Planning Services</b>
			Movement: There has been a favourable movement of £0.140m since P10 mainly due to increased planning fee income of £0.129m.
(608)	(129)	21%	Income : Over recovery of £0.129m due to additional planning fee application Income.
104	(62)	(60%)	Supplies & Services: An underspend of £0.062m due to plans for the LDP reprofiling costs into 23-24.
	(9)		Other minor movements
	(200)		
<b>Note 3</b>			<b>Protective Services</b>
			Movement: There has been a favourable movement of £0.310m since P10 mostly due to increased building warrant income of £0.149m and additional employee underspends within CCTV of £0.058m.
2,650	(173)	(7%)	Employee Costs: An underspend of £0.173m in staffing costs due to vacancies during the year now mostly filled with the exception of two posts.
(1,231)	(482)	39%	Income: Over recovery of £0.418m in building warrants and £0.053m additional recharged to HRA.
	(18)		Other minor movements
			It is requested to earmark £0.040m of the vacancy underspend which was funding for the Trading Standards Authorised Officer due to delays in recruiting.
	(673)		

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 4</b>			<b>Other Housing</b>
			Movement: There has been a favourable movement of £0.435m since period 10 predominantly as a result of reductions in property costs £0.187m; bad debt provision required and arrears write offs £0.157m; and further underspends in RRTP of £0.107m. These are partially offset by an increase in employee costs of £0.079m.
4,110	(646)	(16%)	Employee Costs: Underspend is due to a number of vacancies within the homeless service, this is of a temporary nature and it is anticipated that all vacancies will be filled next financial year. In addition to this a number of posts transferred over to the Housing Options Hub to assist with the Ukraine Humanitarian crisis and funding for these posts came from Scottish Government for that purpose.
3,015	(113)	(4%)	Property Costs: £0.192m underspend in furniture and fittings purchases and property repairs as a result of delaying replacements until an assessment of all Temporary Accommodation properties was carried out and due to staff being redeployed to assist the Ukrainian resettlement programme; and £0.031m underspend in window and contract cleaning. This has partially been offset a £0.055m overspend in furnished tenancies; £0.022m additional costs in property rents; £0.020m utility costs overspend due to rising prices; and £0.012m overspend in Council Tax payments. This is for backdated Council Tax from the previous two years, which is due for temporary furnished properties while they were unoccupied for a short period of time between tenants. A significant proportion of furnished tenancies are in very poor condition, work had been postponed as a result of COVID and staff shortages. The team are in the process of drawing up a schedule of works to be undertaken throughout 2023/24 to bring the accommodation back up to an appropriate standard.
1,589	(118)	(7%)	Third Party Payments: mainly due to £0.107m underspend on Rapid Rehousing Transition Plan costs, due to delays in the start of the programme.
104	(134)	(129%)	Other Expenditure: The bad debt calculation has been reviewed and adjusted to reflect the current debt collection profile resulting in a £0.096m underspend. Arrears write offs are £0.038m lower than budgeted.
(6,308)	(26)	0%	Income: £0.051m over recovery in House and Hostel rents partially offset by under recovery of £0.023m in income from other departments.
	(44)		Other minor movements
			It is requested to earmark £0.290m of this underspend, £0.117m for furniture and fittings purchases, and £0.173m for the 5 year Rapid Rehousing Transition Plan. This is in addition to the £0.121m RRTP funding that has previously been requested to be earmarked and is linked to the ongoing 5 year delivery programme. As previously highlighted, funding for the 5 year RRTP ends on 31 March 2024, there were delays to implementation in the first two years as a result of the pandemic, funding is therefore required for the 5 year plan to be implemented beyond the 31 March 2024.
	(1,081)		
<b>Note 5</b>			<b>Roads</b>
			Movement: There has been a favourable movement of £0.031m since period 10. £0.022m of this favourable movement relates to Roads Lighting and Traffic Signal energy costs.
2,467	229	9%	Supplies and Services: Overspend of £0.085m on street lighting and traffic signal energy costs, which is due to inflation. Overspend of £0.103m relates to coated roadstone costs, which have been adversely affected by inflation. Further overspend of £0.021m on Artificial Intelligence software costs and small overspends across the service.
2,588	(203)	(8%)	Third Party Payments: £0.125m budget allocated for the introduction of the Car Parking Charges and Decriminalised Parking Enforcement was not used. Underspends of £0.044m in both Coastal Assets and Flood Risk Management due to contractor delays.
(3,143)	335	(11%)	Income: Under recovery of income relates mainly to the £0.346m saving for Car Parking Charges and Decriminalised Parking Enforcement, which was not achieved.
	21		Other minor movements.
	382		
<b>Note 6</b>			<b>Streetscene</b>
			Movement: There has been a favourable movement of £0.082m since period 10. Employee costs have decreased by £0.030m and there has been a £0.031m increase in income, mainly from work for other Council departments.
7,316	355	5%	Employee Costs: There is an overspend of £0.355m in employee costs, primarily due to overtime costs, which is partially offset with increased income from other Council departments. The overspend on overtime is partly due to non scheduled operational activities such as A78 litter clearance (£0.056m), various events (£0.050m), and safety works for memorials (£0.041m). Turnover of £0.112m wasn't realised.
133	176	132%	Transport Costs: There is an overspend of £0.176m in transport costs, which can be attributed partly to additional vehicles required for the Covid response, vehicles required for seasonal workers, and to support the operational needs within bereavements. In addition to this, there is a £0.062m overspend on skip hire costs.
352	49	14%	Supplies and Services: Overspend on materials is partly offset with underspends against tools and employee uniforms.
(2,698)	(187)	7%	Income: There is an over recovery of income of £0.086m relating to internments and £0.256m relating to income from other departments, offset with a £0.145m under recovery of fees and charges.
	21		Other minor movements
			Included within the Streetscene outturn there is a £0.023m underspend in Largs Car Park that will be transferred to earmarked funds.
	414		

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 7</b>			<b>Waste Services</b>
			Movement : There has been no significant movement since P10.
5,155	915	18%	Employee Costs: Additional temporary labour remains in place within Waste Operations as the service recovers from the pandemic. Work to review beats taking account of post pandemic waste composition analysis and to balance the burden of new builds is ongoing with Trade Union colleagues resulting in support arrangements being required. In addition there is a high volume of annual leave not taken due to COVID, requiring holiday cover.
489	180	37%	Supplies & Services: Overspends on Trade effluent £0.147m and Refuse containers £0.131m, offset by underspends in Materials £0.074m and Leachate £0.043m.
191	(41)	(21%)	Admin Costs: Underspend of £0.041m due to reduced spend on external printing and advertising.
6,426	(737)	(11%)	Third Party Payments: Underspend in Payment to contractors of £0.718m 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.
202	161	80%	Transport Costs: Overspend of £0.183m due to the new way of working requiring 2 additional hire vehicles plus a long term hire. This is being reviewed in line with the post pandemic review of beats.
(3,015)	(264)	9%	Income: Over-recovery of income due to the recycles market for glass, cans, plastics and paper being favourable to provide income rather than a cost to the council £0.123m, along with increased income from the disposal of the content of skips over the year of £0.136m.
	(21)		Other minor movements
			It is requested to earmark £0.177m to support the cover costs for the remaining Covid annual leave.
	214		
<b>Note 8</b>			<b>Economic Development</b>
			Movement : There has been no significant movement since P10.
5,522	(93)	(2%)	Employee Costs: Underspend of £0.093m due to vacancies across Economic Development.
5,936	(73)	(1%)	Third Party Payments: Underspend on consultancy within Economic Policy £0.026m.
	24		Other minor movements.
			It is requested to earmark £0.040m of the above employee cost underspend for Interim Senior Manager positions with EDR in 2023/24.
	(142)		
<b>Note 9</b>			<b>Property Management and Investment</b>
			Movement : There has been no significant movement since P10.
2,485	(6)	(0%)	Employee Costs: An underspend of £0.006m due to vacancy management.
256	16	6%	Supplies & Services: small overspends across various budget lines of £0.016m.
(1,236)	31	(3%)	Income: There is an under-recovery in fees general service (revenue) of £0.031m due to a concentration on delivery of capital projects at the current time.
	6		Other minor movements
	47		
<b>Note 10</b>			<b>Property Maintenance Costs</b>
			Movement : There has been no significant movement since P10.
3,420	158	5%	Property Costs: increased costs due to external consultancy work associated with supporting the Education Estate Review of £0.199m, and an increase in statutory compliance of £0.122m due to increasing compliance requirements as the specification of our property estate increases through investment, offset by £0.135m through active management of planned maintenance budgets to offset the aforementioned overspend.
(3,362)	(22)	1%	Income: additional income from Largs Campus grant.
	24		Other minor movements
	160		
<b>Note 11</b>			<b>Property Running Costs</b>
			Movement : There has been an unfavourable movement of £0.233m since P10 due to unbudgeted HRA charges for community hubs within SHUs.
6,529	265	4%	Property Costs: increase in costs primarily due to unbudgeted HRA charges for community hubs within SHUs - service charges of £0.112m and internal rental charges of £0.115m. There are also additional costs against the repairs-other landlords budget of £0.038m due to the transfer of the commercial estate budget to Business Support & Development, but remaining/residual commitments with Estates/ PMI.
	9		Other minor movements
	274		

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 12</b>			<b>Energy and Sustainability</b>
			Movement : There has been a favourable movement of £0.426m since P10. This is due to reduced expected Gas and Electricity costs.
532	(31)	(6%)	Employee Costs: An underspend of £0.031m due to vacancy management.
5,494	787	14%	Property Costs: Due to the current energy crisis and after drawing down £0.658m from contingencies there is an overspend in property costs of £0.787m due to increased utility cost charges. Most of this is overspend is Gas of £0.854m, offset by small underspends in Biomass £0.035m and Electricity £0.035m.
			The reported overspends are after the inclusion of budgeted inflation contingencies. The remaining overspend will be offset against the additional inflationary provisions agreed by Council which have been reported within the Other Corporate Items appendix.
288	(108)	(38%)	Third Party Payments: Underspend of £0.108m, the majority being £0.075m in relation to the LHEES delays in appointing a consultant.
	(9)		Other minor movements
			It is requested to earmark £0.075m in relation to the Local Heat Energy Efficiency Scheme due to delays in appointing a consultant.
639			
<b>Note 13</b>			<b>Internal Transport</b>
			Movement - There has been a favourable movement of £0.035m since P10 due to a £0.039m decrease in fuel costs as a result of lower fuel prices; £0.037m lower than expected repairs and maintenance costs; £0.032m additional over recovery of income; and a £0.033m movement in other minor movements across various lines. These are partially offset by an increase in transport provision costs of £0.061m; and £0.058m of additional external hire costs.
1,802	8	0%	Employee Costs: There is an overspend of £0.008m due to reduced staff turnover.
4,226	578	14%	Transport Provision Costs: Projected overspend of £0.578m is largely due to direct fuel cost increases and indirect fuel and labour cost increases through our school transport contracts.
1,800	208	12%	Fuel Costs: The overspend of £0.208m is due to the increase in fuel prices and the legislative changes restricting the use of rebated gas oil (or 'red diesel' as it is commonly referred to).
567	124		External Hires: Overspend of £0.124m due to additional hire vehicles as a result of increased lead time for replacement vehicles.
1,114	43	4%	Repairs & Maintenance: Overspend of £0.043m in repairs and maintenance due to price increases and maximising the life of assets due to the increased lead time for replacement vehicles and the shortage of available rental alternatives.
(251)	(92)	37%	Income: Overrecovery of £0.092m in bus transport income and hire of pool vehicles.
	(33)		Other minor movements
			The reported overspends are after the inclusion of budgeted inflation contingencies. The remaining fuel price related overspend will be offset against the additional inflationary provisions agreed by Council which have been reported within the Other Corporate Items appendix.
836			

**OTHER CORPORATE ITEMS**  
**BUDGETARY CONTROL 2022/23**

**REPORT FOR THE YEAR TO 31 MARCH 2023**

	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
Objective Summary	£000	£000	£000		
Strathclyde Passenger Transport	2,212	2,187	(25)	-1%	
SPT Concessionary Fares	286	286	-	0%	
Ayrshire Joint Valuation Board	975	932	(43)	-4%	
	3,473	3,405	(68)	-2%	1
<b>Other Corporate Costs</b>					
Pension Costs	2,545	2,545	-	0%	
Central Telephones	190	190	-	0%	
Other Corporate Items (incl Transformation Costs, Bad Debt Provision, External Audit fees and other centrally held funding.)	9,281	6,362	(2,919)	(31%)	2
Insurance Account	100	100	-	0%	
Housing Benefit	2,852	2,805	(47)	-2%	
	18,441	15,407	(3,034)	(16%)	
Less Proposed Carry Forwards		2,092	2,092		
<b>Net Total</b>	<b>18,441</b>	<b>17,499</b>	<b>(942)</b>	<b>(5%)</b>	

**OTHER CORPORATE ITEMS**  
**BUDGETARY CONTROL 2022/23**

**REPORT FOR THE YEAR TO 31 MARCH 2023**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Joint Boards</b>
			There has been no material movement from Period 10
3,473	(68)	-2%	Annual requisitions confirmed at less than current budget.
	(68)		
<b>Note 2</b>			<b>Other Corporate Items</b>
			There has been a favourable movement of £0.165m since Period 10 is primarily related to the in year settlement of outstanding HSCP debt, £0.834m, partly offset by a range of centrally held funds which have not been fully utilised in year, (£0.661m).
9,281	(2,919)		The projected underspend is primarily related to the drawdown of £1.666m earmarked funds in relation to additional contractual and non contractual energy and fuel costs reported across the services, linked to significant unbudgeted inflationary pressures and the release of £0.711m of bad debt provision linked to the settlement of the outstanding HSCP debt. In addition, centrally held funds of £1.220m are not expected to be fully utilised in year, including additional Scottish Government funding in relation to Core Curriculum Charges, changes to DHP distributions and the administration of grants, £0.744m, and funding for pension autoenrolment and severances, £0.444m. In addition, an overrecovery of corporate income has been reported in relation to the shared AVC scheme and the purchase of additional annual leave, £0.116m. These have been partly offset by the early settlement of outstanding HSCP debt, (£0.834m).
			It is proposed to earmark funds of £1.967m as follows: Provision for contractual electricity and gas price increases for 2023/24 to reflect current market inflationary levels, £0.870m; Contribution to Loans Fund Reserve to address ongoing significant cost pressures in the Capital Programme, £0.512m; Provision for the review of Democratic Services' structures linked to workload pressures, £0.250m; Business continuity resilience infrastructure, £0.100m; Scottish Government Funding not fully utilised in year, £0.156m; Previously approved budget allocation to support CCTV Review, £0.050m; and Essential repairs to Irvine Harbour property, £0.029m.
	(2,919)		

**MISCELLANEOUS ITEMS**  
**BUDGETARY CONTROL 2022/23**

**REPORT FOR THE YEAR TO 31 MARCH 2023**

Objective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	20,077	20,077	-	-	
Contribution to Loans Fund Reserve	7,125	7,125	-	-	
Scottish Government Funding	(348,966)	(348,950)	16	(0%)	
Council Tax	(61,595)	(61,989)	(394)	1%	1
Contribution to Capital Fund	161	161			
Use of / Contribution to Earmarked Funds	(13,583)	(13,583)	-	-	
Net Total	(396,781)	(397,159)	(378)	0%	

**Note 1 Council Tax**

Movement: There has been a favourable movement of £0.428m since period 8. This is primarily related to an adjustment to the historic contributions to the Affordable Housing Reserve.

Carried Forward Funds to 2023-24	£000		£000
<b>Previously Approved</b>		<b>Grants / External Funding</b>	
Early Learning and Childcare Expansion	1,622	Ukrainian Resettlement	259
ICT LAN and Telephony	166	Government funding not fully utilised	156
Cost of School Day	150	Local Heat and Energy Efficiency Scheme	75
Facilities Management - Lochshore	139	Trading Standards & Econ Dev staffing	80
Chambers webcasting	125	Youth Modern Apprenticeships	38
Rapid Rehousing Transition Plan	121		608
Sustainability agenda	80		
Easter Study Support	75	<b>Other Commitments</b>	
Facilities Management - Moorpark PS	60	Energy Cost Inflation Provision	870
Educational Psychologist Staffing	58	Classroom Assistants workforce review	600
Local Development Plan	50	Contribution to Loans Fund Reserve	512
Marress House Resources	40	Scottish Welfare Fund Demand Pressures	327
Minor Adaptations	40	Auchenharvie Pool plant	258
Community Wealth Building	35	Democratic Services Structure Review	250
Democratic Service pressures	34	Early Learning and Childcare Expansion	200
23/24 Non recurring savings contributions	33	Waste Services Annual Leave	177
	2,828	Rapid Rehousing Transition Plan	173
		Temporary Accommodation Furniture	117
		Cost of School Day	64
		CCTV installation and maintenance	50
		Essential repairs to Irvine Harbour property	29
		Largs Car Park Fund	23
			3,650
		<b>Investments  </b>	
		Resilience Infrastructure	100
			100
			<b>7,186</b>

**HOUSING REVENUE ACCOUNT**  
**BUDGETARY CONTROL 2022/23**

**REPORT FOR THE YEAR TO 31 MARCH 2023**

	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£	£	£		
Employee Costs	5,300	5,290	(10)	(0%)	
Property Costs					
Responsive Repairs	5,677	6,632	955	17%	
Void Repairs	3,147	3,476	329	10%	
Planned and Cyclical Maintenance	4,856	4,489	(367)	(8%)	
Aids and Adaptions	1,617	1,590	(27)	(2%)	
Other property costs	3,553	4,346	793	22%	
Total for Property Costs	18,850	20,533	1,683		1
Supplies & Services	451	374	(77)	(17%)	1
Transport Costs	34	16	(18)	(53%)	
Administration Costs	1,881	1,540	(341)	(18%)	3
Third Party Payments	2,550	2,760	210	8%	4
Transfer Payments	155	136	(19)	(12%)	
Other Expenditure	368	836	468	127%	5
Capital Financing Costs	25,264	23,527	(1,737)	(7%)	6
Gross Expenditure	54,853	55,012	159	0%	
Income					
Council House Rents	(53,310)	(52,663)	647	(1%)	
Other Rents	(326)	(344)	(18)	6%	
Recharges	(1,071)	(812)	259	(24%)	
Other Income	(146)	(219)	(73)	50%	
Transfer from HRA Reserves	-	(974)	(974)	0%	
Total Income	(54,853)	(55,012)	(159)	0%	7
Net Expenditure	-	-	-		

**HRA**  
**BUDGETARY CONTROL 2022/23**

**REPORT FOR THE YEAR TO 31 MARCH 2023**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Property Costs</b>
			Movement - an adverse movement of £0.122m since Period 10. This is due to an increase of £0.129m in Responsive Repairs, £0.233m in Void Repairs and £0.215m in Other Property costs partially offset by a reduction of £0.427m in Planned and Cyclical Maintenance and £0.028m in Aids & Adaptations.
18,850	1,683	9%	An overspend in property costs of £1.683m. This is due to an overspend of £0.955m in Responsive Repairs, £0.329m in Void Repairs and £0.766m in other property costs of which £0.138m relates to increased Council Tax payments and £1.010m in sheltered housing utility costs. This is partially offset by an underspend of £0.366m in Planned and Cyclical Maintenance and £0.028m in Aids & Adaptations.
<b>1,683</b>			
<b>Note 2</b>			<b>Supplies and Services</b>
			Movement - an adverse movement of £0.043m since Period 10.
451	(77)	-17%	An underspend in supplies and services of £0.077m. This is primarily due to an underspend of £0.072m in computer equipment.
<b>(77)</b>			
<b>Note 3</b>			<b>Administration Costs</b>
			Movement - there has been an favourable movement of £0.258m primarily due to an underspend on central support costs.
1,881	(341)	-18%	An underspend in administration costs of £0.341m. This is primarily due to an underspend of £0.130m in legal fees and £0.177m in central support costs.
<b>(341)</b>			
<b>Note 4</b>			<b>Third Party Payments</b>
			Movement - there has been an adverse movement of £0.061m since Period 10. This is primarily due to an increase of £0.086m in Housing Asset and Investment recharges partially offset by a reduction of £0.019m in the ASB & Tenancy support charges.
2,550	210	8%	An overspend in third party payments of £0.210m. This is primarily due to an overspend of £0.271m in the Housing Asset and Investment recharges partially offset by an underspend of £0.057m in the ASB & Tenancy support charges.
<b>210</b>			
<b>Note 5</b>			<b>Other Expenditure</b>
			Movement - there has been an adverse movement of £0.504m since P10. This is primarily due to an increase in bad debt provision of £0.497m
368	468	127%	An overspend of £0.468m in Other Expenditure mainly due to an increase in bad debt provision of £0.497m
<b>468</b>			
<b>Note 6</b>			<b>Capital Financing Costs</b>
			Movement - an adverse movement of £0.331m since P10 due to revised loan charges linked to revised capital expenditure requirements.
25,264	(1,737)	-7%	There is an underspend in capital financing costs of £1.737m due to reduced loan charges. This is due to the reduced levels of expenditure currently being experienced in the HRA Capital budget.
<b>(1,737)</b>			
<b>Note 7</b>			<b>Income</b>
			Movement - an adverse income movement of £0.446m since Period 10. This is due to a reduction of £0.046m in Council House rents, £0.035m in Rents, £0.397m in Recharges partially offset by an increase of £0.032m in other income. This movement has been offset by a drawdown from Earmarked Reserves of (£0.974m).
(54,853)	(159)	0%	An under recovery in income of £0.815m. This is due to an under recovery of £0.647m in Council House Rents and £0.259m In Recharges. This is partially offset by an over recovery of £0.018m in Rents and £0.073m in Other Income. This has been offset by a drawdown from Earmarked Reserves of (£0.974m).
<b>(159)</b>			

HRA reserves and balances	B/fwd from 2021/22	Transfer to / from Reserves	Use of Earmarked sums	Earmarking of in year surplus	Funding of Capital Projects	Balance at 31/03/23
	£m	£m	£m	£m	£m	£m
Council House Building Fund	5.280	-	-	-	(0.571)	4.709
Welfare Reform	1.500	-	-	-	-	1.500
Sustainability Fund	5.000	-	-	-	-	5.000
Voids - non programmed works	1.558	(0.974)	-	-	-	0.584
Software Licences	0.123	-	-	-	-	0.123
Electrical Testing	0.270	-	-	-	-	0.270
Infrastructure Improvements	0.416	-	-	-	-	0.416
Major Refurbishment Works	0.052	-	-	-	-	0.052
Tenant led budget	0.636	-	-	-	-	0.636
Unearmarked	0.781	-	-	-	-	0.781
	<b>15.616</b>	<b>(0.974)</b>	-	-	<b>(0.571)</b>	<b>14.071</b>

## Budget Management - 31 March 2023

## Virement/Budget Adjustments

	Perm (P) / Temp(T)	2022/23	
		Virement £m	Directorate Total £m
<b>1) Budget Virements</b>			
<b>Place</b>			
Roads Third Party Payments	T	0.145	
Roads Employee Costs	T	0.079	
Roads Supplies and Services	T	0.065	
Roads Income	T	-0.289	
Regeneration Grant Income	T	0.088	
Regeneration Third Party Payments	T	-0.039	
Regeneration Employee Costs	T	-0.049	
PMI Supplies and Services	T	-0.196	
PMI Income	T	0.196	
			<b>0.000</b>
<b>Communities</b>			
Information and Culture - Third Party Payments	T	0.020	
Information and Culture - Property Costs	T	0.085	
Information and Culture - Supplies and Services	T	-0.071	
Information and Culture - Transport Costs	T	-0.005	
Information and Culture - Income	T	-0.029	
			<b>0.000</b>