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## NORTH AYRSHIRE COUNCIL

15 June 2021

### Cabinet

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**Title:** **Revenue Budget 2020/21 : Financial Performance to 31 March 2021**

**Purpose:** To advise Cabinet of the financial performance for the Council for 2020/21.

**Recommendation:** That Cabinet agrees to:

- (a) note the information and financial performance outlined in the report;
- (b) approve the earmarking of £32.774m identified at 2.5 and 2.6 to meet future year commitments;
- (c) note the revised General Fund Unearmarked Balance of £11.315m;
- (d) note the financial performance of the Health and Social Care Partnership at 2.6; and
- (g) note the IJB cumulative deficit position of £3.807m at 31 March 2021.

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### 1. Executive Summary

- 1.1 The General Services Revenue Estimates for 2020/21 were approved by Council on 5 March 2020. The Housing Revenue Account (HRA) Revenue Budget for 2020/21 was approved by Council on 18 December 2019.
- 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 fifth and final report for 2020/21 and covers the period to the end of March 2020 (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 £1.656m, 0.4%, after transferring resources to other funds. This is an increase of £0.682m from that reported at Period 10 and is primarily related to additional income in relation to the final Housing Benefit Subsidy claim for the year, increased net underspends within Building Services related to the impact of Covid-19 restrictions and lower than anticipated expenditure on energy costs within buildings. These have been partly offset by an additional corporate provision in relation to the 2021-22 pay settlement.

- 1.4 Following the Scottish Government budget announcement of 16 February 2021, further non-recurring Covid related funding was announced as part of the final Local Government Finance Settlement for 2021-22. This resulted in additional funding of £18.782m in relation a range of pressures, including Barnett Consequentials, Loss of Income and Education Recovery. Due to the timing of these announcements and recognising the work undertaken as part of North Ayrshire Council's Financial Recovery Plan, it has been recommended that £18.102m of this funding is earmarked for use in 2021-22 to support Covid Recovery and Renewal activities.
- 1.5 Following the transfer of earmarked funds, the final outturn is a net in-year underspend of £1.656m. These funds will be added to the Council's General Fund Unearmarked Balance, resulting in a revised General Fund Unearmarked Balance of £11.315m, 2.9% of General Services Budgeted Expenditure.
- 1.6 The Housing Revenue Account has reported a net in-year underspend of £4.116m (8.0%), an increase of £0.643m from that reported at Period 10. The movement is primarily related to vacancy management across the service, a reduction in bad debt provision and debt write offs, lower than anticipated recharges from the General Fund and improved rent collection, partly offset increased capital financing costs linked to HRA capital programme expenditure. This underspend will be allocated to HRA Balances.
- 1.7 The Health and Social Care Partnership is reporting an underspend of £4.148m for the year after accounting for funds earmarked in reserves. This represents an increase of £2.267m over that reported at Period 10. The main reasons for the movement being additional Scottish Government funding and further cost reductions across services including lead partnership health services. This overall position is after earmarking £6.168m of funds for specific purposes. From the remaining £4.148m underspend, the Council services element is £2.509m. The IJB will carry forward this underspend in general reserves for use in future years, this equates to 1.6% of the IJB budget. £1.486m set aside by the Council to support the repayments of the IJB's deficit to the Council has been applied to reduce the IJB's outstanding deficit. Cabinet is asked to note the IJB's deficit position to the Council at 31 March 2021 is reduced to £3.807m.

## **2. Background**

### **General Fund**

- 2.1 The Council set a breakeven budget for 2020/21. In addition to the budget approved on 5 March 2020, earmarked funds of £8.968m were carried forward from 2019/20 for service expenditure during 2020/21 and are reflected in the reported performance.
- 2.2 The reported net in-year underspend is £1.656m, net of transfers to reserves. This represents 0.4% of the Council's total budget. The net in-year underspend will be added to the General Fund Unearmarked Balance. This will result in an unearmarked balance of £11.315m or 2.9% of budgeted expenditure compared to the minimum recommended level of 2% or £7.782m.

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

	App. No	Annual Budget	Actual Outturn to 31 March 2021	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	24,569	23,408	(1,161)	270	(1,431)	122	288	(751)
Communities	2	140,298	137,499	(2,799)	(479)	(2,320)	1,701	2,066	968
Place	3	64,226	62,660	(1,566)	998	(2,564)	2,633	1,527	2,594
Other Corporate Services	4	33,337	5,857	(27,480)	(7,904)	(19,576)	750	21,376	(5,354)
Sub Total		262,430	229,424	(33,006)	(7,115)	(25,891)	5,206	25,257	(2,543)
Health and Social Care Partnership		98,411	90,894	(7,517)	-	(7,517)	-	7,517	-
Balance for Services		360,841	320,318	(40,523)	(7,115)	(33,408)	5,206	32,774	(2,543)
Financing Charges	5	24,797	24,797	-	-	-	-	-	-
Contribution to Loans Fund Reserve	5	3,464	3,464	-	-	-	-	-	-
Total Planned Expenditure		389,102	348,579	(40,523)	(7,115)	(33,408)	5,206	32,774	(2,543)
<b>Planned Income</b>									
Aggregate External Finance	5	(326,698)	(326,746)	(48)	-	(48)	-	-	(48)
Council Tax	5	(58,271)	(57,336)	935	935	-	-	-	935
Contribution to/from Earmarked Funds	5	(4,133)	(4,133)	-	-	-	-	-	-
Total Planned Income		(389,102)	(388,215)	887	935	(48)	-	-	887
Net Expenditure/ (Income)		-	(39,636)	(39,636)	(6,180)	(33,456)	5,206	32,774	(1,656)

2.4 The reported Planned Income includes a number of adjustments to Scottish Government funding from that reported at Period 10. These are primarily related to Covid related funding streams, 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>P10 Revised Planned Income</b>	<b>(263,811)</b>	<b>(24,847)</b>	<b>(19,973)</b>	<b>(308,631)</b>
<b>Movements:</b>				
<b>Non-recurring Covid related funding</b>				
CPP Transitional Funding	(13)			<b>(13)</b>
C&YP Mental Health Funding	(370)			<b>(370)</b>
Business Grant Administration	(255)			<b>(255)</b>
Education Remote Learning	(1,248)			<b>(1,248)</b>
Free School Meals	(887)			<b>(887)</b>
Education Staffing (2021-22 Consequential)	(1,392)			<b>(1,392)</b>
Winter and Spring Hardship Payments	(676)			<b>(676)</b>
Education Recovery	(1,740)			<b>(1,740)</b>
Tackling Financial Insecurity	(1,410)			<b>(1,410)</b>
Further Barnett Consequential	(5,872)			<b>(5,872)</b>
Covid Flexibility Fund	(397)			<b>(397)</b>
Test and Protect Extension	(60)			<b>(60)</b>
Loss of Income Funding	(2,476)			<b>(2,476)</b>
Parental Employability Support Fund	(159)			<b>(159)</b>
Discretionary Grant Funding	(1,662)			<b>(1,662)</b>
<b>Non-Covid Funding</b>				
DHP Adjustment	(130)			<b>(130)</b>
EU Withdrawal Support	(25)			<b>(25)</b>
Other minor adjustments	(10)			<b>(10)</b>
PEF Carry Forward			715	<b>715</b>
<b>Final Scottish Government Income</b>	<b>(282,593)</b>	<b>(24,847)</b>	<b>(19,258)</b>	<b>(326,698)</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 2021/22, are provided in appendices 1 to 5 to this report. A summary 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 below:

(i) **Chief Executive's – underspend of (£1.161m), a movement from the previously reported overspend of (£1.431m)**

The movement is primarily related to:-

- an improvement in Housing Benefit overpayment recovery and subsidy following completion of the final claim for the year, (£0.918m);
- vacancy management across the service, (£0.274m);
- improved income recovery across the service, (£0.085m); and
- an underspend on Election Costs (£0.122m).

It is requested that a further £0.216m of this underspend is earmarked for use 2021/22 in relation to:

- ICT equipment and software, £0.044m;
- Finance Services training programme, £0.036m;
- Provision of self isolation grants, £0.026m;
- Customer Services staffing, £0.085m; and
- EU Withdrawal, £0.025m.

It is also requested that £0.074m of the underspend on Election Costs is transferred to the Election Fund in accordance with the agreed policy.

The previously approved earmarking of funds to support the Making Waves programme has been reduced from £0.050m to £0.048m to reflect the actual activity during the year.

**(ii) Communities – underspend of (£2.799m), an increase in underspend of (£2.320m)**

The movement is primarily related to:-

- a reduction in the level of projected cashflow support provided to KA Leisure, (£1.486m);
- additional Community Mental Health funding not fully utilised in year, (£0.316m);
- additional vacancy management underspends linked to the delayed rollout of the Early Years expansion, (£0.245m); and
- increased underspends on Supplies and Services across the Connected Communities service linked the Covid-19 restrictions, (£0.265m).

It is requested that a further £2.077m of this underspend is earmarked for use 2021/22 in relation to:

- KA Leisure funding to support ongoing recovery and renewal activity, £1.486m;
- Community Mental Health funding, £0.316m;
- Education materials, £0.106m;
- Libraries ICT requirements, £0.072m;
- Support for People at Risk, £0.057m
- Emergency Support for Community Groups, £0.020m;
- Foodbank Coordinator costs, £0.012m; and
- Eglinton Park pedestrian ramp, £0.008m.

It is also requested that the previously approved earmarking of funds to support grants to Elderly and Community Groups is reduced from £0.089m to £0.078m to reflect the actual activity during the year.

**(iii) Place – underspend of (£1.566m), a movement from the previously reported overspend of (£2.564m)**

The movement is primarily related to:-

- vacancy management across services, (£0.126m);
- a reduction in the level of under-recovery of income linked to lockdown easing across Building services, commercial income from Waste services, school meal catering, roads operations and streetscene income, (£1.061m);
- reduced expenditure on Supplies and Services within Building Services and Facilities Management as a result of Covid-19 restrictions, (£0.407m);
- lower than anticipated energy costs across the property portfolio, (£0.474m);
- reduced provision for bad debts in relation to Temporary Accommodation income, (£0.152m), and lower than anticipated property maintenance costs, (£0.154m), within Other Housing;
- improved recycling contamination rates within Waste Services, (£0.077m); and
- lower than anticipated expenditure on a range of Employability and Regeneration activities as a result of Covid-19 restrictions (£0.144m).

These have been partly offset by increased expenditure on Property Maintenance resulting from the PAT programme and the installation of a new fire alarm at Kilwinning Academy, £0.340m.

It is requested that a further £1.527m of the underspend is earmarked for use in 2021/22 in relation to:

- Shewalton depot and infrastructure, £0.210m;
- Replacement waste compactors, £0.090m;
- Carpark resurfacing at Annick Primary, £0.044m;
- Howard Street depot – fuel tank work, £0.015m;
- Industrial Property Rents – debt write offs, £0.022m;
- Holiday Free School Meal provision. Funding to support the retention of £4 per eligible child per day voucher scheme during the school holidays provision, £0.751m;
- GF Housing – maintenance, training and associated costs, £0.070m;
- GF Housing – Temporary Accommodation furniture, £0.140m;
- Rapid Rehousing Transition Plan costs, £0.132m;
- Streetscene – Arboriculture works, £0.013m;
- Skills for Life additional earmarking, £0.014m; and
- Community Wealth Building project impacted by the pandemic, £0.026m.

**(iv) Other Corporate Items – underspend of (£27.480m), an increase in underspend of (£19.576m)**

The increased underspend is primarily related to additional non-recurring Covid related funding announced as part of the Local Government Finance Settlement 2021/22 which will not be utilised during 2020/21, (£17.342m); lower than anticipated severance costs, (£1.025m); and previously approved expenditure pressures which have not been drawn down during 2020/21, (£1.016m).

It is requested that a further £21.376m of the underspend is earmarked for use in 2021/22 in relation to:

- Contribution to the Renewal Fund, £6.974m;
- Education Recovery costs, £4.380m;
- Ongoing Covid impact on income recovery, £2.476m;
- 2021/22 Pay Award additional provision pending the outcome of the pay settlement, £1.982m;
- Discretionary Grant Funding, £1.840m;
- Contribution to Investment Fund, £1.025m;
- Ongoing Covid impact on Council Tax collection rates. Increased level of Bad Debt Provision, £0.785m;
- Healthy Living, £0.017m
- Business Grant Administration, £0.255m;
- Parental Employability Support Fund, £0.159m;
- Anticipated Scottish Government funding adjustment, £0.145m;
- Pension Auto-enrolment, £0.369m;
- Clothing Grants, £0.112m;
- Living Wage, £0.172m;
- Drugs Emergency Fund, £0.081m;
- Ayrshire Growth Deal Project Management Office contribution, £0.054m;
- British Sign Language funding, £0.005m;
- IT Systems and Cyber Security, £0.127m;
- Corporate Procurement, £0.006m;
- Barclay implementation funding, £0.007m;
- Debt Recovery, £0.044m;
- Customer Services, £0.053m;
- Rapid Rehousing Transformation Plan funding, £0.130m
- Additional Environmental Health Officer funding, £0.024m;
- Early Learning and Childcare funding, £0.132m; and
- Community Justice funding, £0.022m.

## **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 17 June and will outline the 2020-21 financial performance in more detail, including:
- An underspend of £10.316m for the year, which after adjustment for earmarked reserves of £6.168m leaves an adjusted year-end outturn of £4.418m. This is an increase of £2.267m over that reported at period 10. The main reasons for movement include additional Scottish Government funding to fully fund the costs of Scottish Living Wage implementation for 2021-22 which reduces the draw on IJB reserves to balance the budget in-year (reduced by £0.935m) and a further improvement in the outturn position due to increased vacancy savings, delays in transitions of care and further underspends in lead partnership health services;
  - The earmarking of £6.168m of funds for specific purposes includes Covid-19, Primary Care Improvement Plan, Mental Health Action 15, ADP, Community Living Change Fund and funding to balance the 2021-22 budget and invest in a challenge fund, agreed as part of the 2021-22 budget setting;
  - From the remaining £4.148m underspend the Council services element is £2.509m with health being £1.639m. The IJB take an integrated approach to the position and will carry forward the £4.148m in general reserves for use in future years, this equates to 1.6% of the IJB budget; 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 £3.807m at 31 March 2021.



## Housing Revenue Account

- 2.7 The Housing Revenue Account budgeted for a breakeven position in 2020/21. A net underspend of £4.116m is reported, representing 8.0% of the Council's HRA revenue budget. This is summarised in the following table with further details provided in Appendix 7. The underspend will be allocated to HRA reserves for utilisation in future years:

	Annual Budget	Actual Outturn to 31 March 2021	Variance for year (Fav)/Adv	Projected Variance at P10 (Fav)/Adv	Movement
	£000's	£000's	£000's	£000's	£000's
Employee Costs	4,818	4,505	(313)	(133)	(180)
Property Costs	18,927	16,399	(2,528)	(2,577)	49
Supplies & Services	269	173	(96)	(57)	(39)
Transport Costs	26	11	(15)	(16)	1
Administration Costs	1,855	1,656	(199)	7	(206)
Third Party Payments	2,454	2,312	(142)	(55)	(87)
Transfer Payments	389	5	(384)	(386)	2
Other Expenditure	455	850	395	697	(302)
Capital Financing Costs	22,163	21,297	(866)	(1,109)	243
<b>Gross Expenditure</b>	<b>51,356</b>	<b>47,208</b>	<b>(4,148)</b>	<b>(3,629)</b>	<b>(519)</b>
<b>Income</b>	<b>(51,356)</b>	<b>(51,324)</b>	<b>32</b>	<b>156</b>	<b>(124)</b>
<b>Net Expenditure</b>	<b>-</b>	<b>(4,116)</b>	<b>(4,116)</b>	<b>(3,473)</b>	<b>(643)</b>

- 2.8 Detailed explanations of the significant variances in expenditure compared to the approved budgets are provided in Appendix 7 to this report.

A brief explanation of the significant movements for each service since Period 10 is outlined as follows:

- (i) **Employee Costs – underspend of (£0.313m), an increase in underspend of (£0.180m)**  
The increased underspend reflects vacancy management across the service.
- (ii) **Property Costs – underspend of (£2.528m), a reduction in underspend of £0.049m**  
The movement reflects reduced expenditure on Responsive Repairs, (£0.084m) and Void Repairs, (£0.231m) which has been partly offset by increased expenditure on Aids and Adaptations, £0.132m, and Planned and Cyclical Maintenance, £0.076m.
- (iii) **Administration Costs – underspend of (£0.199m), a movement from the previously reported overspend of (£0.206m)**  
The movement reflects lower than anticipated recharges from the General Fund.

- (iv) **Third Party Payments – underspend of (£0.142m), an increase in underspend of (£0.087m)**  
The movement reflects lower than anticipated expenditure in relation to Anti-Social Behaviour.
- (v) **Other Expenditure – overspend of £0.395m, a reduction in overspend of (£0.302m)**  
The movement reflects increased provision for bad debts and debt write-offs
- (vi) **Capital Financing Costs – underspend of (£0.866m), a reduction in underspend of £0.243m**  
The movement reflects the revised borrowing strategy and the actual cash flows and interest rates to support the HRA capital investment programme.
- (vi) **Income – underrecovery of £0.032m, a reduction in underrecovery of (£0.124m)**  
The movement reflects revised income from rents, partly offset by an underrecovery in recharge income and the reversal of a previously proposed drawdown from HRA reserves.

### **3. Proposals**

#### **3.1 It is proposed that Cabinet agrees to:**

- (a) note the information and financial performance outlined in the report;
- (b) approve the earmarking of £32.774m identified at 2.5 and 2.6 to meet future year commitments;
- (c) note the revised General Fund Unearmarked Balance of £11.315m;
- (d) note the financial performance of the Health and Social Care Partnership at 2.6; and
- (g) note the IJB cumulative deficit position of £3.807m at 31 March 2021.

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

### **Financial**

#### **4.1 General Services**

The final outturn position for the year is an underspend of £1.656m.

#### **Housing Revenue Account**

The final outturn position for the year is an underspend of £4.116m.

### **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 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**.

### **Background Papers**

Revenue Budget 2020/21: Financial Performance to 31 January 2021 - Cabinet – 23 March 2021

**CHIEF EXECUTIVES**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE YEAR TO 31 MARCH 2021**

Objective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Financial &amp; Customer Services</b>					
FACS Directorate	37	47	10	27%	
Head of Service	151	145	(6)	(4%)	
Change Programme	297	297	-	0%	
Audit, Fraud, Safety & Insurance	552	556	4	1%	
Corporate Procurement	1,497	1,477	(20)	(1%)	
Financial Services	1,319	1,281	(38)	(3%)	1
Revenues	2,015	1,575	(440)	(22%)	2
<b>Total for Financial &amp; Customer Services</b>	<b>5,868</b>	<b>5,378</b>	<b>(490)</b>	<b>(8%)</b>	
<b>People &amp; ICT</b>					
Head of Service	117	118	1	1%	
Employee Services	1,116	1,076	(40)	(4%)	3
HR & Organisational Development	828	995	167	20%	4
ICT	5,302	5,000	(302)	(6%)	5
Business Support	1,311	1,201	(110)	(8%)	6
Customer Services	4,733	4,624	(109)	(2%)	7
<b>Total for People &amp; ICT</b>	<b>13,407</b>	<b>13,014</b>	<b>(393)</b>	<b>(3%)</b>	
<b>Recovery &amp; Renewal</b>					
Head of Service	150	151	1	1%	
Transformation	665	633	(32)	(5%)	8
<b>Total for Recovery &amp; Renewal</b>	<b>815</b>	<b>784</b>	<b>(31)</b>	<b>(0)</b>	
<b>Democratic Services</b>					
Chief Executive	180	187	7	4%	
Head of Service	123	128	5	4%	
Legal & Licensing	788	834	46	6%	9
Policy, Performance & Elections	751	607	(144)	(19%)	10
Communications	463	457	(6)	(1%)	
Civil Contingencies	61	58	(3)	(5%)	
Committee Services	328	332	4	1%	
Member Services	1,085	1,049	(36)	(3%)	
Information Governance	424	348	(76)	(18%)	11
<b>Total for Democratic Services</b>	<b>4,203</b>	<b>4,000</b>	<b>(203)</b>	<b>(5%)</b>	
<b>Growth &amp; Investment</b>					
Tourism	224	176	(48)	(21%)	12
<b>Total for Growth &amp; Investment</b>	<b>276</b>	<b>232</b>	<b>(44)</b>	<b>(0)</b>	
<b>Totals</b>	<b>24,569</b>	<b>23,408</b>	<b>(1,161)</b>	<b>(5%)</b>	
Less Proposed Carry Forwards		410	410		
<b>Net Total</b>	<b>24,569</b>	<b>23,818</b>	<b>(751)</b>	<b>(3%)</b>	

Subjective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	16,438	16,300	(138)	(1%)
Property Costs	152	157	5	0%
Supplies and Services	3,883	3,613	(270)	(7%)
Transport and Plant Costs	44	2	(42)	(95%)
Administration Costs	1,482	1,265	(217)	(15%)
Other Agencies & Bodies	3,588	3,360	(228)	(6%)
Transfer Payments	42,291	42,385	94	0%
Other Expenditure	263	73	(190)	(72%)
Capital Financing	-	-	-	-
Gross Expenditure	68,141	67,155	(986)	(1%)
Income	(43,572)	(43,747)	(175)	0%
<b>Net Expenditure</b>	<b>24,569</b>	<b>23,408</b>	<b>(1,161)</b>	<b>(5%)</b>

**CHIEF EXECUTIVES**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE YEAR TO 31 MARCH 2021**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Finance - Financial Services</b>
			There is movement of (£0.038m) from Period 10 mainly due to vacancy management
1,224	(27)	-2%	Employee Costs - There is a projected underspend of £0.027m due to vacancy management
28	(9)	-31%	Admin Costs - There is an underspend of £0.009m due to photocopying & stationery
	(3)		Other minor variances
			It is requested to earmark £0.038m for the CIPFA trainee development programme
(38)			
<b>Note 2</b>			<b>Finance - Revenues</b>
			There is movement of (£0.918m) from Period 10 mainly related to Housing Benefit overpayment recovery and subsidy. This is informed by the year end final claim
395	(14)	-4%	Employee Costs - There is an underspend of £0.014m due to vacancy management
44	14	33%	Supplies & Services - There is an overspend of £0.014m due to software licences
219	(81)	-37%	Admin Costs - There is an underspend of £0.081m due to Sheriff Officer Commission £0.042m, Postages £0.028m, External Printing £0.005m and Bank Charges £0.006m
41,663	91	0%	Transfer payments - There is an overspend of £0.092m due to Rent Rebates/Allowance expenditure offset by income received from DWP
254	(194)	-76%	Other Expenditure - There is an underspend of £0.194m due to Housing Benefit Overpayments Bad Debt Provision
(40,561)	(254)	1%	Income - There is an over recovery of £0.254m due to Housing Benefit income offset with underrecovery of overpayments as a result of limited debt recovery activity in relation to Housing Benefit £0.118m and increased income from statutory additions £0.136m
	(2)		Other minor variances
(440)			
<b>Note 3</b>			<b>People &amp; ICT - Employee Services</b>
			There is movement of £0.006m from Period 10 due to vacancy management
1,022	(36)	-3%	Employee Costs - There is an underspend of £0.036m due to vacancy management
	(4)		Other minor variances
			It is requested to earmark £0.010m in respect of HR21 upgrade costs £0.005m and Pen Testing £0.005m delayed due to COVID-19
(40)			
<b>Note 4</b>			<b>People &amp; ICT - HR &amp; Organisational Development</b>
			There is a movement of (£0.022m) from Period 10 mainly due to Occupational Health Recharges
727	7	1%	Employee Costs - There is an overspend of £0.007m due to turnover.
44	(30)	-68%	Admin Costs - There is an underspend of £0.030m due to training, postages and stationery.
434	(8)	-2%	Third Party Payments - There is an underspend of £0.008m due to catering
(403)	202	-50%	Income - There is an under recovery of £0.202m due to course fees and occupational health recharges due to the lower level of activity impacted by the pandemic. This is partially offset by underspends across services
	(4)		Other minor variances.
167			
<b>Note 5</b>			<b>People &amp; ICT - ICT</b>
			There is movement of (£0.118m) from Period 10 due to vacancy management and WAN tariff reduction
2,876	(140)	-5%	Employee Costs - There is an underspend of £0.140m due to vacancy management
13	(11)	-85%	Transport Costs - There is an underspend of £0.011m due to staff fares/mileage
2,339	(149)	-6%	Supplies & Services - There is an underspend of £0.149m due to a reduction in WAN tariffs £0.096m, software licences £0.061m offset with other minor variances £0.008m
	(2)		Other minor variances
			£0.042m has been earmarked in respect of Lagan upgrade costs
			It is requested to earmark £0.013m for computer equipment due to delays in procurement and £0.010m to allow completion of an initial Risk Identification project and follow-up re-assessments aimed at helping inform Cyber Insurance coverage requirements for the Council
(302)			

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 6</b>			<b>People &amp; ICT - Business Support</b>
			There is no movement from Period 10
1,296	(91)	-7%	Employee Costs - There is an underspend of £0.091m due to vacancy management
11	-7	-61%	Admin Costs - There is an underspend of £0.007m due to staff training.
(7)	(10)	150%	Income - There is an underspend of £0.010m due to Occ Health recharges
	-2		Other minor variances
			£0.018m has been earmarked in respect of procurement of Landlord Portal and DHP online form module and a further £0.012m in respect of costs due regarding Occupational Health Digitisation
<b>(110)</b>			
<b>Note 7</b>			<b>People &amp; ICT - Customer Services</b>
			There is a movement of (£0.118m) from Period 10 mainly due to vacancy management & software licences
2,445	(84)	-3%	Employee Costs - There is an underspend of £0.084m due to vacancy management
5	(5)	-93%	Transport Costs - There is an underspend of £0.005m due to staff mileage.
277	(38)	-14%	Supplies & Services - There is an underspend of £0.038m due to software licences
2,360	(23)	-1%	Third Party Payments - There is an underspend of £0.023m mainly due to self isolation admin grant.
(1,069)	44	-4%	Income - There is an underrecovery of £0.044m due to underrecovery of Registration Income £0.112m offset by overrecovery of Benefit Admin Subsidy £0.068m
	(4)		Other minor variances
			It is requested to earmark £0.026m in respect of self isolation admin grant funding to support the ongoing activity in responding to the pandemic and a further £0.085m for staffing
<b>(109)</b>			
<b>Note 8</b>			<b>Recovery &amp; Renewal - Transformation</b>
			There is movement of (£0.003m) from Period 10 due to vacancy management
624	(30)	-5%	Employee Costs - There is a projected underspend of £0.030m due to vacancy management
	(2)		Other minor variances
			It is requested to earmark £0.003m for computer equipment due to delays in procurement
<b>(32)</b>			
<b>Note 9</b>			<b>Democratic Services - Legal &amp; Licensing</b>
			There is movement of (£0.065m) from Period 10 mainly due to licensing income
1,126	21	2%	Employee Costs - There is an overspend of £0.021m due to turnover
47	(21)	-45%	Admin Costs - There is an underspend of £0.021m due to postages £0.007m, stationery & advertising £0.007m along with various other minor underspends £0.007m
(494)	60	-12%	Income - There is an under-recovery of £0.060m within Licensing Income due to implications from the COVID 19 pandemic
	(14)		Other minor variances
<b>46</b>			
<b>Note 10</b>			<b>Democratic Services - Policy, Performance &amp; Elections</b>
			There is movement of (£0.122m) from Period 10 mainly due to election costs
654	(59)	-9%	Employee Costs - There is an underspend of £0.059m due to vacancy management
115	(77)	-68%	Supplies & Services - The underspend is due to election costs £0.074 and software licences £0.003m
	(8)		Other minor variances
			It is requested to earmark £0.074m for election costs and £0.006m for computer equipment due to delays in procurement and also £0.025m for EU Brexit costs
<b>(144)</b>			
<b>Note 11</b>			<b>Democratic Services - Information Governance</b>
			There is movement of (£0.001m) from Period 10 due to minor variances
417	(75)	-18%	Employee Costs - There is a projected underspend of £0.075m due to vacancy management
	(1)		Other minor variances
<b>(76)</b>			
<b>Note 12</b>			<b>Growth &amp; Investment - Tourism</b>
			There is a movement of £0.002m from Period 10 due to additional contractor costs at the year end
435	(148)	-34%	Other Agencies & Bodies - this underspend consists of £0.108m in relation to delays in Making Waves programme (this is offset, below, by carry forward of Making Waves grant to 2122) and £0.039m of underspend on the Council's events programme. Both of these underspends are the result of Covid-19 restrictions.
-209	108	-52%	Under recovery of SG Making Waves funding due to delays in Making Waves programme, as a result of Covid-19. This funding will be cfwd to 2021/22.
	(9)		Other minor variances
			£0.048m has been earmarked in respect of the Council's share of funding towards the Making Waves festival, which has been postponed due to COVID-19 restrictions
<b>(48)</b>			

**COMMUNITIES**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE YEAR TO 31 MARCH 2021**

Objective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Early Years Education	21,406	18,297	(3,109)	-14.5%	1
Primary Education	40,387	40,287	(100)	-0.2%	2
Secondary Education	45,299	45,045	(254)	-0.6%	3
Additional Support Needs	12,872	12,150	(722)	-5.6%	4
Education - Other	3,674	4,422	748	20.4%	5
Attainment Challenge	100	(90)	(190)	-190.0%	6
Pupil Equity Fund	3,997	3,935	(62)	-1.6%	7
Connected Communities	12,563	13,453	890	7.1%	8
<b>Net Total</b>	<b>140,298</b>	<b>137,499</b>	<b>(2,799)</b>	<b>-2.0%</b>	
Less Proposed Carry Forwards	-	3,767	3,767		
<b>Net Total</b>	<b>140,298</b>	<b>141,266</b>	<b>968</b>	<b>1%</b>	

Subjective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	122,192	121,091	(1,101)	-1%
Property Costs	689	734	45	7%
Supplies and Services	12,393	10,461	(1,932)	(16%)
Transport and Plant Costs	179	102	(77)	(43%)
Administration Costs	1,096	863	(233)	(21%)
Other Agencies & Bodies	15,133	14,648	(485)	-3%
Transfer Payments	580	751	171	0%
Other Expenditure	36	19	(17)	
Capital Financing	75	75	-	0%
Gross Expenditure	152,373	148,744	(3,629)	-2%
Income	(12,075)	(11,245)	830	-7%
<b>Net Expenditure</b>	<b>140,298</b>	<b>137,499</b>	<b>(2,799)</b>	<b>-2%</b>

**COMMUNITIES**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE YEAR TO 31 MARCH 2021**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Early Years Education</b>
			Movement: The underspend has increased by £0.147 since P10. This is due to an increased underspend in employee costs of £0.245m as a result of the continued reduction in cover requirements and additional vacancies. This has been partially offset by a reduced underspend in third party payments of £0.124m due to an increased uptake in private provision.
15,252	(1,045)	-7%	Employee costs: An underspend primarily due to vacancies and posts relating to the expansion programme that have not been fully implemented due to Covid-19.
1,702	(110)	-6%	Supplies and Services: An underspend in Educational supplies due to Covid-19
106	(55)	-52%	Admin costs: An underspend in staff training course fees due to Covid-19
4,519	(776)	-17%	Third Party Payments: An underspend in payment to private providers due to Covid-19. The level of private provision uptake has been significantly less than originally anticipated as part of the 1140 hours rollout. Private providers have however been fully supported during the lockdown period.
	(1,122)		Unallocated budget: The Government has relaxed the ring fencing arrangements of this funding which allows it to be used to offset other unexpected costs within the service. Budgets that have been allocated are in place to allow the service to meet existing commitments.
	(1)		Other minor movements across various budget lines
	<b>(3,109)</b>		
<b>Note 2</b>			<b>Primary Education</b>
			Movement : The underspend has increased by £0.051m due to underspends in school education materials.
1,430	(79)	-6%	Supplies and Services : £0.029m underspend in PPP costs due to reduced RPI and utility costs. Also school education materials budgets have been underspent due to Covid restrictions by £0.050m.
108	(76)	-70%	Third Party Payments: no overtime required due to the schools being closed in relation to school lets
(57)	55	-96%	Income: due to the schools being closed there was no school let income.
	<b>(100)</b>		
<b>Note 3</b>			<b>Secondary Education</b>
			Movement: The underspend has increased by £0.055m due to underspends in school education materials.
6,235	(211)	-3%	Supplies and Services : £0.177m of this underspend relates to PPP costs due to reduced RPI and utility costs. Also school education materials budgets have been underspent due to Covid restrictions by £0.051m.
170	(97)	-57%	Third Party Payments: no overtime required due to the schools being closed in relation to school lets
(68)	62	-91%	Income: due to the schools being closed there will be no school let income.
	(8)		Other minor movements across various budget lines
	<b>(254)</b>		
<b>Note 4</b>			<b>ASN</b>
			Movement: The underspend has increased by £0.237m since P10, due to underspends of £0.316m in Community Mental Health, mainly as a result of additional funding, together with a favourable movement in other local authority and day placement costs of £0.084m. This is partially offset by an increase in residential placement costs of £0.184m.
10,164	(304)	-3%	Employee costs: the underspend is primarily due to vacancy management.
1,010	(188)	-19%	There is an underspend 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.
939	212	23%	An overspend on external specialist residential placements due to the ongoing high number of children in residential education. Currently there are 11 children in accommodation. Joint working is ongoing with HSCP to improve positive outcomes for these children.
355	90	25%	Other Local Authorities payments - overspend due to additional NAC children being placed in other local authority establishments.
(482)	(155)	32%	Other Local Authorities income - other Local Authorities that choose to place children in NAC establishments. The underspend relates to an over recovery due to an increase in demand.
370	(316)	-85%	Community Mental Health - underspends are due to additional Scottish Government funding of £0.277m received for response to the Covid pandemic and underspends of £0.039m in the delivery of the framework.
50	(29)	-58%	Transport costs - underspend in mileage and fares costs is a result of Covid-19 restrictions.
	(32)		Other minor movements across various budget lines
			It is proposed to earmark £0.316m of the Scottish Government Community Mental Health and Wellbeing Grant for both the framework and continued response to the Covid pandemic.
	<b>(722)</b>		



Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 5</b>			<b>Education Other</b>
			Movement: The overspend has increased by £0.019m since P10.
3,847	732	19%	Employee costs: variances were managed within the context of the Covid-19 Education recovery Plan and available Scottish Government funding. Costs include Covid related retention payments to teaching and support staff. The variance also includes an overspend of £0.081m in the Music service due to unachieved savings offset by underspends within HQ employee costs of £0.044m
(3,208)	65	-2%	Income : PPP penalty deductions has exceeded budget by £0.087m. The PPP insurance rebate has exceeded budget by £0.102m. This is offset against Music charges that have under recovered by £0.162m and other various reductions in income from other agencies totalling £78k.
(49)			Other minor movements across various budget lines
			It is requested to earmark the underspend across all schools materials budgets of £0.106m that have underspent due to Covid restrictions.
748			
<b>Note 6</b>			<b>Attainment Challenge</b>
			Movement: The underspend has increased by £0.089m since P10
5,918	(190)	-3%	Contribution towards the Education Recovery Plan. Government flexibility allows uncommitted budgets to be used to offset other unexpected costs within the service.
(190)			
<b>Note 7</b>			<b>Pupil Equity Fund</b>
			Movement: There has been no movement
0	(62)		Contribution towards the Education Recovery Plan. Government flexibility allows uncommitted budgets to be used to offset other unexpected costs within the service.
(62)			
<b>Note 8</b>			<b>Connected Communities</b>
			Movement: The overspend has reduced by £1.760m since P10. This is mainly due to the reduction in subsidy support required by NALL of £1.486m. Further underspends against supplies and services of £0.265m and third party payments of £0.145m are offset against a further reduction in income of £0.181m
6,957	(426)	-6%	Employee Costs: Underspends of £0.345m in Libraries/Community Facilities/Arts, which is mainly due to staff costs being reduced due to Covid-19 and staff being redeployed to Facilities Management. Further underspend in Arran Outdoor of £0.093m mainly due to staff being redeployed to Facilities Management
277	89	32%	Property Costs: Overspends of £0.062m in Community Development for Covid-19 related expenditure on foodbank and packaging provision and £0.017m in Community Facilities, mainly for cleaning materials
1,704	(369)	-22%	Supplies & Services: Underspends of £0.159m across all lines in Libraries/Arts/Country Parks/Heritage, as expenditure was reduced due to Covid-19. Further underspends against The Support for People at Risk grant of £0.046m, Community Development of £0.148m and Arran Outdoor Centre of £0.053m.
250	(69)	-28%	Admin Costs: Underspends across various budget lines as expenditure has been reduced due to Covid-19
5,396	1,010	19%	Third Party Payments: Increased subsidy support for NALL of £1.249m due to the impact of Covid-19 restrictions and to support the renewal programme within NALL. £0.059m underspend in Elderly Grants and £0.108m in Community Grants not spent due to Covid-19. Further underspends in the Support for People at Risk Fund of £0.030m and in Community Development of £0.044m.
(2,143)	688	-32%	Income: Under recovery of income is related to £0.280m in Community Facilities, £0.169m in Arran Outdoor Centre, £0.054m in Libraries, £0.049m in Arts and £0.098m in Community Development, all due to Covid-19. There is a further under recovery of £0.020m in Libraries which relates to grant income accrued in previous years, which is no longer recoverable.
(33)			Other minor movements across various budget lines
			It is requested to earmark £0.020m towards the emergency support for community groups fund to make a contribution to the NAVT community renewal and recovery fund.
			It is also requested to reduce the previously approved earmarking towards Community Grants from £0.030m to £0.019m.
			It is requested to earmark the underspend in the Covid Grant for Support for People at Risk of £0.057m.
			It is requested to earmark the remaining committed expenditure for NALL of £1.486m to be used to support the recovery and renewal activity.
			It is requested to earmark £0.022m for Libraries IT equipment as delivery of orders has been delayed into 2021/22 and earmark £0.050m for additional WIFI and Bookings Systems in Libraries.
			It is requested to earmark £0.008m for a pedestrian ramp at Eglinton Park as this was budgeted to be paid from the 2020/21 budget and earmark £0.012m for North Ayrshire Foodbank Coordinator costs.
890			

**PLACE**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE YEAR TO 31 MARCH 2021**

Objective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Directorate and Support</b>	11	-	(11)	(100%)	
<b>Physical Environment</b>					
Head Of Physical Environment	(1)	-	1	(100%)	
Building Services	(2,443)	(1,534)	909	(37%)	1
Property Governance	56	56	-	0%	
Property Management & Investment	2,021	2,006	(15)	(1%)	2
Housing Assets & Investment	60	-	(60)	0%	3
Property Maintenance	(93)	(161)	(68)	73%	4
Property Running Costs	5,227	4,695	(532)	(10%)	5
Energy and Sustainability	4,441	3,847	(594)	(13%)	6
Facilities Management	15,364	16,032	668	4%	7
Other Housing	4,046	2,636	(1,410)	(35%)	8
<b>Total for Physical Environment</b>	<b>28,678</b>	<b>27,577</b>	<b>(1,101)</b>	<b>(4%)</b>	
<b>Commercial Services</b>					
Head Of Commercial Services	9	-	(9)	(100%)	
Roads	6,890	6,890	-	0%	8
Streetscene	4,740	4,788	48	1%	10
Internal Transport	9,821	9,147	(674)	(7%)	11
Waste Resources	7,648	9,208	1,560	20%	12
<b>Total for Commercial Services</b>	<b>29,108</b>	<b>30,033</b>	<b>925</b>	<b>3%</b>	
<b>Economic Growth and Regeneration</b>					
Management	273	195	(78)	0%	13
Planning & Protective Services	1,664	1,310	(354)	(21%)	14
Economic Development	4,492	3,545	(947)	(21%)	15
<b>Total for Economic Growth and Regeneration</b>	<b>6,429</b>	<b>5,050</b>	<b>(1,379)</b>	<b>(21%)</b>	
<b>Net Total</b>	<b>64,226</b>	<b>62,660</b>	<b>(1,566)</b>	<b>(2%)</b>	
Transfer to Earmarked Reserves		4,160	4,160		
<b>Net Total</b>	<b>64,226</b>	<b>66,820</b>	<b>2,594</b>	<b>4%</b>	

Subjective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	54,685	53,735	(950)	(2%)
Property Costs	18,650	17,777	(873)	(5%)
Supplies and Services	13,694	10,410	(3,284)	(24%)
Transport and Plant Costs	9,668	9,248	(420)	(4%)
Administration Costs	2,322	1,931	(391)	(17%)
Other Agencies & Bodies	18,210	18,284	74	0%
Transfer Payments	966	898	(68)	(7%)
Other Expenditure	579	869	290	50%
Capital Financing	60	61	1	
Gross Expenditure	118,834	113,213	(5,621)	(5%)
Income	(54,608)	(50,553)	4,055	(7%)
<b>Net Expenditure</b>	<b>64,226</b>	<b>62,660</b>	<b>(1,566)</b>	<b>(2%)</b>

**PLACE**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE YEAR TO 31 MARCH 2021**

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 £0.606m since Period 10. This is primarily due to increased underspends in supplies and services of £0.259m and a reduced shortfall in income of £0.339m.
7,881	(140)	(2%)	Employee Costs: An underspend of £0.140m reflecting restrictions due to Covid-19.
4,595	(1,873)	(41%)	Supplies & Services: An underspend of £1.873m of which £1.850m relates to materials due to a reduced workload as a result of Covid-19.
291	(68)	(23%)	Transport Costs: An underspend of £0.068m.
2,841	(338)	(12%)	Third Party Payments: An overspend in support costs of £0.395m offset by an underspend of £0.733m in payments to contractors due to Covid-19.
(19,048)	3,370	(18%)	Income: There is an under recovery of income across various income streams due to Covid-19. This includes a contribution from HRA to support the Repairs and Maintenance Service of £1.900m.
	(42)		Other minor movements
	909		
<b>Note 2</b>			<b>Property Management and Investment</b>
			Movement - There has been a £0.072m reduction in the overspend from P10, mainly due to a £0.021m increase in the employee costs underspend; and a £0.038m underspend in the year end charge from work scoping and property governance.
2,410	(124)	(5%)	Employee Costs: An underspend of £0.124m due to vacancy management.
(1,103)	128	(12%)	Income: There is an under-recovery of income totalling £0.128m mainly consisting of £0.119m under-achievement in factoring income due to a delay in implementing the new charging policy as a result of Covid-19 and £0.006m in sales, fees and charge due to reduction in leases being agreed/renewed.
	(19)		Other minor movements
	(15)		
<b>Note 3</b>			<b>Housing Assets and Investments</b>
			Movement - There has been a favourable movement of £0.35m since P10 mainly due to increased income. This is now reported as on budget.
1,661	(47)	(3%)	Employee Costs: An underspend of £0.047m due to vacancy management.
	(13)		Other minor movements
	(60)		
<b>Note 4</b>			<b>Property Maintenance</b>
			Movement - There has been an adverse movement of £0.340m since P10 principally due to recovery of the PAT programme earlier than anticipated (£0.180m), installation of new fire alarm system at Kilwinning Academy (£0.150m), and additional property Covid-19 compliance costs.
3,239	(68)	(2%)	Property Costs: Underspends of £0.068m due to planned works not taking place due to access issues as a result of Covid-19.
			It is proposed to earmark funds of £0.059m. £0.044m for works to create additional car parking at Annick PS and £0.015m for alteration works at Howard Street Depot in Millport.
	(68)		
<b>Note 5</b>			<b>Property Running Costs</b>
			Movement - There has been an unfavourable movement of £0.018m since P10 mainly due to a slight decrease of £0.007m in net property costs together with a reduction in the under-recovery of income of £0.008m.
6,635	(687)	(10%)	Net Property Costs - The underspend is due to less NDR charges in Retail, Hospitality and Leisure sector due to Covid-19 (£0.202m) and revaluations on various properties (£0.278m) along with delays in early years establishments (£0.138m). Refunded NDR due on Shewalton landfill and the former Garnock Academy sites amounted to £0.238m. Also the under-achievement of previously approved savings of £0.160m in relation to rationalisation of properties.
(1,742)	160	(9%)	Income : There is an under-recovery of income totalling £0.160m due to a reduction in rental income from commercial properties due to lease terminations and refunds/rent free periods granted mainly within Bridgegate Units (£0.134m) and service charges (£0.008m) due to Covid-19 and a shortfall of tenant's insurance income of £0.018m.
	(5)		Other minor movements
			It is proposed to earmark funds of £0.022m to cover potential rent write offs for industrial property rents.
	(532)		

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 6</b>			<b>Energy and Sustainability</b>
			Movement - There has been a favourable movement of £0.474m since P10. Projections took into account COVID variations on trend data, however an additional underspend in Electricity of £0.244m was seen mostly due to 18% less usage than the prior year with people working from home. Gas and Biomas projections were previously based on COVID regulations requiring natural ventilation in occupied spaces and heating being on to compensate. The outturn reflects a reduction in Gas of £0.131m and a lower overspend in supply of heat of £0.085m.
353	(70)	(20%)	Employee costs - An underspend of £0.070m due to vacancy management
4,502	(410)	(9%)	Property Costs - Underspend of £0.410m, majority of underspend is in electricity £0.519m due to decreased consumption of around 18% compared to the prior year. Water & Sewage costs overspent by £0.115m which is similar to the prior year overspend of £0.109m
182	(87)	(48%)	Third Party Payments - £0.087m underspend in payments to contractors due to delays and restrictions in place
	(27)		Other minor movements
	(594)		
<b>Note 7</b>			<b>Facilities Management</b>
			Movement - There is a favourable movement of £0.438m from period 10. This is partly due to an increase in the employee cost underspend of £0.063m due to further savings in staff overtime. In addition, there has been a £0.100m favourable movement in cleaning costs due to FM being allocated additional budget of £0.020m to cover the cost of hand sanitiser in schools as well as a reduction in cleaning material costs - FM had previously projected costs for cleaning vaccine centres however these costs were recharged and invoiced to the NHS. There has also been a favourable movement of £0.212m within income which is primarily due to increased income from commercial catering and school meals due to the phased release of lock-down restrictions. There was a favourable movement in administration costs of £0.044m due to staff working from home.
12,505	(186)	(1%)	Employee Costs: There is an £0.739m underspend due to the reduction in the requirement for overtime during lock-down, utilising commercial catering staff in schools and not filling vacant commercial catering posts. There is also an underspend of £0.248m in Early Years Cleaning which is due to the delayed roll-out of the 1140 hours. These underspends are offset by an £0.387m overspend due to recharges from Building Services, HRA and Other Housing for the staff who helped with the Free School Meal Hubs and Communities Hub. There are £0.259m of savings related to the reorganisation of catering, and janitorial presence in schools, which are unachievable due to the ongoing Covid-19 response. These functions will remain under review with a view to achieving savings in the next year. An overspend of £0.100m is due to increased security at Trindlemoss and Kyle Road PPE store; this cost will be offset by additional income. There is also an overspend of £0.031m which relates to paying of casual staff their historic average weekly hours during lock-down.
1,233	(33)	(3%)	Property Costs: Underspend is primarily in relation to cleaning materials. This is because FM received COVID 19 funding to help cover the cleaning costs in schools as part of the Education Recovery Plan.
5,708	(1,174)	(21%)	Supplies and services - Underspend of £0.564m in Early Years Catering due to the delayed rollout of the 1140 hours. In addition, there is a net saving of £0.552m in food due to reduced commercial catering and school meals offset by an increase in food due to COVID 19 response through Free School Meal Hub, Community Hubs and meals for Key Worker's children. There is also an underspend in tools, implements and kitchen equipment of £0.186m. This is offset by an overspend of £0.150m in food vouchers which are being issued to families entitled to free school meals when schools have been closed and during the school holidays.
179	(44)	(25%)	Administration Costs - There are small underspends in department support (£0.027m), telephone calls (£0.006m), staff training (£0.008m) and stationery (£0.006m) due to COVID 19 restrictions and working from home.
(4,374)	2,108	(48%)	Income - There is a £2.316m under-recovery in commercial and school catering income due to the closure of schools and other buildings. This is offset against additional cleaning and janitorial income of £0.208m which is primarily due to the increased security at Trindlemoss and Kyle Road PPE.
	(3)		Other minor movements
			Facilities Management were allocated £0.133m of budget to purchase Easter Holiday food vouchers. The Easter Holidays started on 1 April 2021 so the food voucher costs fall into 2021/22. Facilities Management are therefore requesting to earmark £0.133m of budget to utilise in 2021/22.
			Facilities Management are also requesting to earmark £0.618m to cover the shortfall in 2021/22 holiday food vouchers.
	668		

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 8</b>			<b>Other Housing</b>
			Movement - There has been a favourable movement of £0.534m since P10, which is mainly due to a decrease in employee costs, business continuity expenditure, property repair costs and furniture costs, as well as a decrease in the bad debt provision projected at P10
4,030	(413)	(10%)	Employee Costs - The underspend is due to vacancies across the service, including vacancies within the Housing First programme
2,131	379	18%	Property Costs - Budgets were based on 170 temporary accommodation units and this increased to 257 units in use in response to Covid-19. The additional units have resulted in increased rental charges, cleaning costs and void rent loss. This is offset by the additional rental income generated
269	(44)	(16%)	Supplies and Services - £0.040m of the underspend is in Management due to reduced staff costs recharge from HRA
2,371	(131)	(6%)	Third Party Payments - £0.068m of the underspend relates to payments for hostel accommodation, as the contract was not renewed beyond January. A further £0.049m of the underspend relates to the vacant Health and Homeless nurse payments made to the NHS. These posts align to the work of the Rapid Rehousing Transition Plan
153	253	165%	Other Expenditure - £0.224m of the overspend relates to Covid-19 business continuity expenditure, which has been offset by the additional income generated from the temporary accommodation units. The remaining variance to budget relates to an increase in bad debt provision, partly offset with a favourable variance for arrears write offs
(5,066)	(1,420)	28%	Income - £1.386m of the over recovery of income relates to the increase in temporary accommodation units
	(34)		Other minor movements
			It is proposed to earmark £0.342m of this underspend for various items in 2021/22, including £0.140m for furniture purchases and £0.132m for the 5 year Rapid Rehousing Transition Plan
	(1,410)		
<b>Note 9</b>			<b>Roads</b>
			Movement - There has been a favourable movement of £0.092m since P10, which is primarily due to increased income.
3,861	(40)	(1%)	Employee Costs – an underspend of £0.040m as result of vacancy management due to Covid-19.
2,086	57	3%	Supplies and Services - £0.051m of the overspend is for salt and grit costs, as a result of exceptionally cold weather
294	(45)	(15%)	Admin Costs - Underspend on staff training and various other costs due to Covid-19
1,697	602	35%	Third Party Payments - Overspend in Structures for emergency landslip repairs on Arran. Overspend in Network, due to increased need for contractors as a result of Covid-19. These overspends are offset by an over recovery of income and underspends in other budget lines across the service.
(1,125)	(578)	51%	Income - Over recovery of income is mainly in Network, for work for other Council Services. This is partly offset with under recovery of external income across the service, which can be attributed to Covid-19
	4		Other Minor Movements
	0		
<b>Note 10</b>			<b>Streetscene</b>
			Movement - There has been a favourable movement of £0.041m since P10. This is primarily due to £0.098m over-recovery of income due to increased interment income and additional income-generating work. In addition, there was a decrease of £0.048m in supplies and services costs due to reduced spend on tools and implements and because £0.020m had previously been forecasted for the temporary morgue running costs. These underspends are offset by an increase of £0.102m in employee costs primarily as a result of additional cover required for staff shielding and other Covid-19 absence as well as to carry out the additional income-generating work.
6,446	174	3%	Employee Costs: As part of the response to the pandemic a significant number of Streetscene employees were redeployed to Waste Services to ensure uninterrupted operation of the domestic kerbside waste collection service. Additional staff have also been required to undertake income generating work and provide cover for staff shielding and other Covid-19 absence. These overspends are partially offset by underspends due to reduced staff overtime during lock-down and a reduction in Streetscene activities e.g. reduced Garden Tidy Scheme and reduction in public events.
187	(53)	(28%)	Property Costs: £0.012m underspend in plants and planting due to reduced number of public events. £0.021m underspend in ground maintenance which relates to reactive works and a £0.007m underspend in street furniture purchases and repairs. There has also been an underspend of £0.016m within arboriculture as work had to be delayed until April 2021. Streetscene are therefore requesting to earmark £0.013m as the 2020/21 budget should cover the cost of this work.
129	70	54%	Transport Costs: Overspend of £0.016m for additional vehicle hire due to Covid-19 social distancing restrictions. In addition, there are overspends in skip hire of £0.032m, routine hire costs of £0.020m.
100	(37)	(37%)	Third Party: Underspend in payment to contractors as Streetscene are carrying out as much work in-house as possible.
(2,638)	(90)	3%	Income: An over-recovery of income from Council services has been achieved, offset by an under-recovery of income due to Covid-19 e.g. cancellation of public events, reduced Garden Tidy income and cancellation of various works.
	(16)		Other minor movements.
			Streetscene are requesting to earmark £0.013m for arboriculture work.

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 11</b>			<b>Internal Transport</b>
			Movement : There has been an unfavourable movement of £0.084m from period 10 due to an increase in both external hire costs of £0.128m and a reduction in the fuel costs underspend of £0.041m. These were partially offset by lower than anticipated transport provision costs of £0.023m; repairs & maintenance costs of £0.022m and other minor movements of £0.040m.
4,317	(388)	(9%)	Transport Provision Costs - underspend due to Covid-19 and closure of schools. It was agreed that all current contracts would stand down and be paid 75% of the contract value from April until the end of term in June 2020. Again, from mid January 2021 certain contracts were stood down and were paid 75% until schools returned, this is in line with the approach taken by most other local authorities.
1,718	(391)	(23%)	Fuel Costs - underspend due to Covid-19 and associated decrease in fuel usage and price.
472	205	43%	External Hires - overspend primarily due to external plant hire, including hire of an additional Roads Gully Wagon as part of drainage maintenance in response to wet weather and additional support vehicles required for waste operations.
1,133	(77)	(7%)	Repairs & Maintenance - underspend primarily due to temporary exemptions in relation to vehicle testing being applied due to the Covid-19 lockdown restrictions in place.
	(23)		Other minor movements
	(674)		
<b>Note 12</b>			<b>Waste Services</b>
			Movement - There has been a reduction in the overspend of £0.237m since P10. This is a combination of a reduction in the projected under-recovery of income £0.121m and other reduced expenditure of £0.116m. A reduction in overspend of £0.077m was seen due to the recycling contamination rates being lower following our ongoing 'Right Stuff Right Bin' campaign along with lower actual tonnages for CDR.
4,624	439	9%	Employee Costs - Overspend of £0.439m, the majority of which is related to increased staffing costs in relation to delivery of the waste service during the pandemic as part of our planned Covid response to deliver an uninterrupted waste service.
166	148	89%	Transport Costs - Overspend due to additional vehicles required to deal with the increased waste requirements during Covid-19.
5,477	434	8%	Third Party Payments – Overspend in part due to Covid-19 (£0.393m). Domestic waste arisings increased significantly due to people staying at home during lockdown. This has been off-set to a degree by savings in disposal costs arising from essential HWRC closures (underspend of £0.100m). The remaining overspend is a result of a downturn (pre-Covid) in the recycle market, increasing our processing costs.
383	(35)	(9%)	Supplies & Services - Underspend in Materials £0.052m and Leachate £0.024m, offset by over spend in Refuse container purchases £0.034m, mainly due to increased demand for food waste bags.
(3,040)	599	(20%)	Income - Due to Covid-19 there is an under-recovery of income including Commercial Waste (£0.424m) and Special Uplifts (£0.062m) as part of our strategy to temporarily waive the uplift charge and increase capacity earlier in the year to mitigate the impact of HWRC closures. A further £0.144m of lost income can be attributed to reduced gas extraction and a reduction in skip hire. This is offset slightly by an increase in sale of bins within the year of £0.028m.
	(25)		Other Minor Movements
			It is proposed to earmark funds of £0.110m to cover Shewalton Depot infrastructure, £0.100m for Shewalton Depot facilities and £0.090m for Replacement Compactors.
	1,560		
<b>Note 13</b>			<b>Economic Development and Regeneration - Management</b>
			Movement - There has been a favourable movement of £0.028m since P10. This is an additional £0.012m in vacancy management, £0.007m in Research costs and £0.005m in Marketing
175	(12)	(7%)	Employee Costs - Underspend of £0.012m due to vacancy management.
83	(50)	(60%)	Third Party Payments - Underspend in Research and Marketing £0.050m due to projects now taking place next year and the development of in house economic analysis capacity.
	(16)		Other Minor Movements
	(78)		
<b>Note 14</b>			<b>Planning and Protective Services</b>
			Movement - There has been a favourable movement of £0.250m since P10. This is mostly due to building warrant and Planning application income now in line with budget, additional £0.095m and £0.050m respectively. The underspend in vacancy management increased by £0.032m due to continued delays in recruitment, both the LDP and contractors underspent by additional £0.021m and £0.018m respectively again due to delays.
2,433	(234)	(10%)	Employee Costs - Underspends due to vacancy management in Planning £0.023m and Protective Services £0.211m.
44	(36)	(82%)	Transport Costs - Underspend of £0.035m due to reduced travel due to restrictions.
163	(73)	(45%)	Supplies & Services - Underspend due to timing of planned preparatory work for LDP of £0.059m.
	(11)		Other Minor Movements
	(354)		

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 15</b>			<b>Economic Development</b>
			Movement - Since period 10 there has been a favourable movement of £0.144m. Of this £0.035m is in Employability and Skills, £0.023m in Business Growth and £0.086m in Regeneration.
3,809	(171)	(4%)	Employee Costs - an underspend of £0.113m in Employability and Skills due to the Skills for Life programme not re-starting. This is an office based programme and therefore it has not been able to commence in October due to the Covid-19 restrictions. There is a further underspend in Economic Development due to delays in appointing Community Wealth Building posts, as such employee contract periods will now be extended and carried forward as appropriate. All the Community Wealth Building underspends have been requested to be earmarked.
2,583	(88)	(3%)	Third Party Payments - There is an underspend of £0.083m in Regeneration, mainly due to work being delayed into 2021/22 due to Covid-19.
(2,856)	(657)	23%	Income - Over-recovery of BONA income of £0.660m. This is offset by an under-recovery of grant income of £0.029m in Employability and Skills due to the Skills for Life Programme not re-starting in October due to Covid-19 restrictions.
	(31)		Other Minor Movements
			It is proposed to earmark an additional £0.014m Skills for Life underspend as employability activity is expected to accelerate to support recovery. (£0.070m of this underspend was approved to be earmarked at period 7).
			It is also proposed to earmark £0.026m from Regeneration for Community Wealth Building costs, as there was a six month delay in the project commencing
	(947)		

**OTHER CORPORATE ITEMS**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE YEAR TO 31 MARCH 2021**

Objective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,300	2,222	(78)	-3%	
SPT Concessionary Fares	294	285	(9)	-3%	
Ayrshire Joint Valuation Board	958	958	-	0%	
<b>Other Corporate Costs</b>					
Pension Costs	2,170	2,100	(70)	(3%)	
Central Telephones	86	74	(12)	(14%)	
Other Corporate Items (incl Transformation Costs, Bad Debt Provision, External Audit fees and other centrally held funding.)	25,849	442	(25,407)	(98%)	
Business Support Grants	1,631	(273)	(1,904)	(117%)	
Insurance Account	49	49	-	0%	
	33,337	5,857	(27,480)	(82%)	1
Less Proposed Carry Forwards		22,126	22,126		
<b>Net Total</b>	<b>33,337</b>	<b>27,983</b>	<b>(5,354)</b>	<b>(16%)</b>	



**OTHER CORPORATE ITEMS**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE YEAR TO 31 MARCH 2021**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Other Corporate Items</b>
			Movement - There has been a favourable movement of £19.576m since P10. This is primarily related to additional Scottish Government funding (£17.342m), lower than anticipated severance costs, (£1.025m), and previously approved expenditure pressures which have not been drawn down during 2020/21, (£1.016m).
3,553	(87)	-2%	Joint Board Requisitions - The underspend reflects actual requisition payments to Strathclyde Partnership for Transport.
25,329	(25,329)	-100%	Contingency Funds - An underspend of £25.329m is reported. This is primarily in relation to additional Scottish Government Covid-19 related funding, £22.169m, and centrally held payroll and utility pressure budgets not drawn down during 2020/21, £2.629m and previously approved budget pressures not drawn down during 20/21, £0.531m.
1,631	(1,904)	-117%	Business Grants - An underspend of £1.904m is in relation to additional Scottish Government Covid-19 related funding, £0.064m, and an underspend in relation to Discretionary Fund grants which will be distributed during 2021/22, £1.840m.
	(160)		Other minor variances
			It is requested that, in addition to the £0.750m previously earmarked to support the 2021/22 medium term financial plan, a further £21.376m is earmarked as follows:
			Covid Renewal Fund - £6.974m
			Education Recovery - £4.380m
			Covid Loss of Income - £2.476m
			21-22 Pay Award Provision - £1.982m
			Discretionary Grants- £1.840m
			Contribution to Investment Fund - £1.025m
			Specific Covid funding to be drawn down in 21/22 - £1.498m
			Previously approved payroll and other budget pressures to be drawn down in 21/22 - £0.842m
			Clothing Grants - £0.112m
			Cyber Security - £0.100m
			Customer Services - £0.053m
			Debt Recovery - £0.044m
			Finance IT Systems - £0.027m
			Healthy Living - £0.017m
<b>(27,480)</b>			

**MISCELLANEOUS ITEMS**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE YEAR TO 31 MARCH 2021**

Objective Summary	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	23,228	23,228	-	-	
Contribution to Loans Fund Reserve	4,739	4,739	-	-	
Scottish Government Funding	(326,698)	(326,746)	(48)	0%	1
Council Tax	(58,271)	(57,336)	935	(2%)	2
Use of Earmarked Funds	(4,133)	(4,133)	-	-	
<b>Net Total</b>	<b>(361,135)</b>	<b>(360,248)</b>	<b>887</b>	<b>(0%)</b>	

**Note 1 Scottish Government Funding**

The reported overrecovery of Scottish Government Grant funding reflects an underspend on discretionary Non Domestic Rates relief resulting from the additional non-discretionary reliefs offered in relation to the Covid-19 pandemic.

**Note 2 Council Tax**

Income from Council Tax is forecasting to under recover by £0.935m. This is primarily related to additional provision for bad debts due to the impact on the debt recovery position and additional Council Tax Replacement expenditure.

Carried Forward Funds to 2021-22		£000	£000
<b>Previously Approved</b>		<b>Grants / External Funding</b>	
Early Learning and Childcare expansion	1,547	R RTP	132
21/22 Medium Term Financial Plan	750	Early Learning Funding	132
Building Services Supplies and Contractors	620	Customer Services	53
Ardrossan Hostel	550	Debt Recovery	44
Demonstrator Programme	380	EU Withdrawal	25
Modern Apprentice Programme	201	CJSW Grant	22
Demolitions	148	SAA Barclay Implementation	7
Islands Officer	130	BSL Funding	5
Lochshore	117		420
Cashless Catering	102	<b>Other Commitments</b>	
Housing First	90	21-22 Pay Award Provision	1,982
Elderly and Community Grants	78	NALL Recovery and Renewal	1,486
Community Wealth Building - Staffing	71	Contribution to Invest Fund	1,025
Skills for Life	70	Holiday Free School Meals	751
Libraries IT replacement	65	Pension Autoenrolment	369
Traffic Signs	56	Shewalton Depot infrastructure / facilities	210
Making Waves	48	Early Adoption of Living Wage	172
Lagan Upgrade	42	Temporary Accom. Furniture	140
CCTV system upgrade	40	Clothing Grants	112
Economic Development & Regeneration	33	Cyber Security	110
Young Persons Residential Units	25	Education materials	106
Landlord Portal and DHP Module	18	Waste - Replacement Compactors	90
Occ Health Digitisation	12	Customer Services Staffing	85
	5,193	Drugs Emergency Fund	81
		Election Costs	74
<b>Covid Related Funding</b>		Libraries IT equipment and WiFi	72
Covid Renewal Programme	6,974	GF Housing maintenance, training, etc.	70
Education Recovery Funding	4,380	Support for people at risk	57
Loss of Income	2,476	PMO Funding	54
Discretionary Fund Grant Support	1,840	Annick Primary - car park resurfacing	44
Council Tax BDP Provision	785	Finance Training	36
Community Mental Health	316	Finance IT systems	27
Business Grants Administration	255	Community Wealth Building	26
Parental Employability Support Fund	159	Industrial property rents - debt write off	22
Covid Funding Adjustment	145	Emergency support for Comm. Groups	20
Additional R RTP Funding	130	Healthy Lives	17
Self Isolation grants	26	Howard St depot - fuel tank works	15
Environmental Health Officer Funding	24	Skills for Life	14
	17,510	HR21 Upgrade	13
		Arboriculture Works	13
		ICT Computer Equipment	12
		Foodbank coordinator	12
		Eglington Park pedestrian ramp	8
		Democratic Service IT Equipment	6
		Procurement Rebates	6
		Transformation IT equipment	3
			7,340
			<b>30,463</b>

**HOUSING REVENUE ACCOUNT**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE YEAR TO 31 MARCH 2021**

	Annual Budget	Actual Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£	£	£		
Employee Costs	4,818	4,505	(313)	(6%)	1
Property Costs					
Responsive Repairs	4,828	3,876	(952)	(20%)	
Void Repairs	3,338	2,513	(825)	(25%)	
Planned and Cyclical Maintenance	5,862	3,890	(1,972)	(34%)	
Aids and Adaptions	1,571	977	(594)	(38%)	
Other property costs	3,327	5,142	1,815	55%	
Total for Property Costs	18,926	16,398	(2,528)		2
Supplies & Services	269	173	(96)	(36%)	3
Transport Costs	27	11	(16)	(59%)	
Administration Costs	1,855	1,656	(199)	(11%)	4
Third Party Payments	2,454	2,312	(142)	(6%)	5
Transfer Payments	390	5	(385)	(99%)	6
Other Expenditure	455	851	396	87%	7
Capital Financing Costs	22,163	21,296	(867)	(4%)	8
Gross Expenditure	51,357	47,207	(4,150)	(8%)	
Income					
Council House Rents	(49,601)	(49,582)	19	(0%)	
Other Rents	(315)	(496)	(181)	57%	
Recharges	(1,171)	(1,101)	70	(6%)	
Other Income	(160)	(144)	16	(10%)	
Transfer from HRA Reserves	(110)	-	110	0%	
Total Income	(51,357)	(51,323)	34	(0%)	9
Net Expenditure	-	(4,116)	(4,116)		

**HRA**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE YEAR TO 31 MARCH 2021**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Employee Costs</b>
			Movement - there is a favourable movement of £0.180m since Period 10.
4,818	(313)	-6%	An underspend in employee costs of £0.313m due to vacancies and posts being filled later than originally anticipated.
(313)			
<b>Note 2</b>			<b>Property Costs</b>
			Movement - there is an adverse movement of £0.049m since Period 10. This is mainly due to a reduced underspend in Responsive Repairs of £0.084m and Void Repairs of £0.231m partially offset by an increased underspend in Aids & Adaptions of £0.132m and Planned and Cyclical Maintenance of £0.076m.
18,926	(2,528)	-13%	There is an underspend of £2.528m which is primarily due to £0.953m in Responsive Repairs, £0.825m in Void Repairs and £1.972m in Planned and Cyclical Maintenance. A further underspend of £0.594m in Aids & Adaptations - this is due to fewer requests from the HSCP for adaptations, further impacted by COVID-19. Of this total underspend it is expected that £0.150m is related to delayed expenditure and will be required in future years. Included is a £1.900m contribution towards the Repairs and Maintenance Service.
(2,528)			
<b>Note 3</b>			<b>Supplies and Services</b>
			There has been a favourable movement of £0.039m since Period 10.
269	(96)	-36%	An underspend of £0.096m. This primarily relates to Software licences and Computer equipment £0.034m, Laundry £0.025m and other supplies & services £0.023m
(96)			
<b>Note 4</b>			<b>Administration Costs</b>
			There has been a favourable movement of £0.206m since Period 10.
1,855	(199)	-11%	An underspend of £0.199m of which £0.132m relates to legal expenses. In addition, a further underspend in insurances of £0.053m.
(199)			
<b>Note 5</b>			<b>Third Party Payments</b>
			There has been a favourable movement of £0.086m since Period 10
2,454	(142)	-6%	An underspend of £0.142m. This primarily relates to an underspend in ASB tenancy & support charges £0.087m and property excess of £0.030m.
(142)			
<b>Note 6</b>			<b>Transfer Payments</b>
			There has been no significant movement since Period 10.
390	(385)	-99%	The underspend relates to the reduction in payment of disturbance allowances as a result of COVID-19. This is due to a reduction in the number of repairs which can be carried out this year. This is delayed expenditure and will be incurred in future years.
(385)			
<b>Note 7</b>			<b>Other Expenditure</b>
			There has been a favourable movement of £0.301m since Period 10. This primarily relates to a reduction in the overspend in increased bad debt provision of £0.070m and £0.141 in relation to Debtors accounts written off.
455	396	87%	£0.396m of the overspend relates to an increase in the provision of bad debts largely due to COVID-19.
396			
<b>Note 8</b>			<b>Capital Financing</b>
			There has been an adverse movement of £0.243m since Period 10.
22,163	(867)	-4%	Loan Charges - There is an underspend in capital financing costs of £0.867m. This is due to the reduced levels of expenditure currently being experienced in the HRA Capital budget due to Covid related restrictions.
(867)			
<b>Note 9</b>			<b>Income</b>
			There has been a favourable movement of £0.122m since Period 10. This is mainly due to Council house rents of £0.201m and other rents of £0.181m, partially offset by recharges £0.198m and £0.110m in unused drawdown.
(51,357)	34	0%	An under recovery in income of £0.034m. This is due to an over recovery in other rents of £0.181m, offset by an under recovery in Council House rents £0.018m, recharges £0.070m, £0.017m other income and £0.110m in unused drawdowns.
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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	6.373	-	-	-	(0.793)	5.580
Welfare Reform	1.500	-	-	-	-	1.500
Contingency Balance	1.500	-	-	-	-	1.500
Infrastructure Improvements	0.305	-	-	-	-	0.305
Major Refurbishment Works	0.052	-	-	-	-	0.052
Aids and Adaptations	0.058	(0.058)	-	-	-	-
Sheltered Housing Works	0.110	-	-	0.410	-	0.520
Additional CFCR	1.000	-	-	-	-	1.000
Sustainability Fund	-	0.058	-	3.171	-	3.229
Disturbance Allowances	-	-	-	0.385	-	0.385
Responsive Repairs	-	-	-	0.150	-	0.150
	<b>10.898</b>	-	-	<b>4.116</b>	<b>(0.793)</b>	<b>14.221</b>