

CHIEF EXECUTIVE SERVICE
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE YEAR TO 31 MARCH 2018

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Legal	459	415	(43)	(9%)	1
Policy, Performance & Community Planning	784	773	(10)	(1%)	2
Communications	483	403	(80)	(17%)	3
Civil Contingencies	69	71	2	3%	
Committee Services	840	774	(67)	(8%)	4
Members Services	1,051	1,045	(7)	(1%)	
Totals	3,687	3,482	(205)	(6%)	
Less Carry Forward to be approved		15	15		
	3,687	3,497	(190)		

Subjective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	3,029	2,869	(159)	(5%)
Property Costs	3	3	(0)	(0%)
Supplies and Services	260	279	19	7%
Transport and Plant Costs	18	13	(5)	(27%)
Administration Costs	1,033	981	(52)	(5%)
Other Agencies & Bodies	314	295	(20)	(6%)
Transfer Payments	-	-	-	-
Other Expenditure	46	46	(0)	(0%)
Capital Financing	-	-	-	-
Gross Expenditure	4,704	4,487	(216)	(5%)
Income	(1,017)	(1,005)	12	(1%)
Net Expenditure	3,687	3,482	(205)	(6%)

CHIEF EXECUTIVE SERVICE
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE YEAR TO 31 MARCH 2018

Budget £000	Outturn Variance £000	Variance as % of budget	Section
Note 1			Legal
			Movement - There is a favourable movement of (£0.037m) from Period 10 arising from reduced Supplies & Services and Administration expenditure
1,056	(32)	-3%	Employee costs - There is an underspend of (£0.032m) due to vacancies
32	7	22%	Supplies and Services - There is an overspend of £0.007m for purchase of new IT equipment
60	(13)	-22%	Administration Costs - There is an underspend across various lines
(690)	(5)	1%	Other minor variances
(43)			
Note 2			Policy, Performance & Community Planning
			Movement - There is a favourable movement of (£0.041m) from Period 10 arising from reduced Administration and Third Party Payments expenditure
710	16	2%	Employee costs - There is an overspend of £0.016m mainly due to turnover target not being achieved
27	7	26%	Supplies and Services - There is an overspend of £0.007m mainly for purchase of new IT equipment
36	(14)	-39%	Administration Costs - There is an underspend across various lines
98	(20)	-20%	Third Party Payments - Approval is requested to carry forward £0.015m into 2018/19 for Community Planning
47	1	2%	Other minor variances
(10)			
Note 3			Communications
			Movement - There is a favourable movement of (£0.021m) from Period 10 arising from reduced Administration expenditure
456	(75)	-16%	Employee costs - There is an underspend of (£0.074m) due to two vacant posts which will be partly used to purchase IT Equipment for the whole of Democratic Services
21	(6)	-28%	Administration Costs - There is an underspend across various lines
6	1	17%	Other minor variances
(80)			
Note 4			Committee Services
			Movement - There is a favourable movement of (£0.022m) from Period 10 arising from ongoing vacancies
676	(73)	-11%	Employee costs - There is an underspend of (£0.073m) due to vacant posts
165	6	4%	Other minor variances
(67)			

FINANCE & CORPORATE SUPPORT
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE YEAR TO 31 MARCH 2018

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Directorate	167	167	0	-	
Audit & Risk	597	629	32	5%	
Finance					
Head of Service	176	203	27	15%	
FMS Project	77	83	6	8%	
Financial Services	1,597	1,648	51	3%	1
Corporate Procurement	723	708	(15)	(2%)	
People & Transformation					
Head of Service	109	108	(1)	(1%)	
Human Resources	1,954	1,864	(90)	(5%)	2
Customer & Digital Services					
Head of Service	107	107	0	-	
ICT	3,291	3,176	(115)	(3%)	3
Customer Services & Registration	2,340	2,247	(93)	(4%)	4
Business Support	1,272	1,104	(168)	(13%)	5
Revenues & Benefits	4,044	3,320	(724)	(18%)	6
Change Programme	544	557	13	2%	
Information Governance	362	356	(6)	(2%)	
Totals	17,360	16,277	(1,083)	(6%)	
Less Carry Forwards to be approved		304	304		
Net Total	17,360	16,581	(779)	(4%)	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	14,671	14,077	(594)	(4%)
Property Costs	74	78	4	5%
Supplies and Services	1,767	1,733	(34)	(2%)
Transport and Plant Costs	45	33	(12)	(27%)
Administration Costs	610	606	(4)	(1%)
Other Agencies & Bodies	1,965	1,951	(14)	(1%)
Transfer Payments	55,423	55,394	(29)	(0%)
Other Expenditure	217	236	19	9%
Capital Financing				
Gross Expenditure	74,772	74,108	(664)	(1%)
Income	(57,412)	(57,831)	(419)	1%
Net Expenditure	17,360	16,277	(1,083)	(6%)

FINANCE & CORPORATE SUPPORT
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE YEAR TO 31 MARCH 2018

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Financial Services
			There is no material change from Period 10.
1,667	(46)	-3%	Employee Costs - There is an underspend of £0.046m due to vacancy management.
89	67	75%	Supplies & Services - There is a projected overspend of £0.067m due to software commitments.
(301)	23	-8%	Income - There is an income shortfall of £0.023m following the cessation of the CJA Admin Grant (£0.005m), recharges to EAC/SAC for Accountancy services in respect of CJA Accounts that are no longer produced (£0.016m) and reduced Management Fee income (£0.002m).
143	7	5%	Other minor movements.
51			
Note 2			Human Resources
			There is a favourable movement of (£0.033m) from Period 10 within Employee Costs as a result of the transfer of the Directorate Support team from Business Support to Employee Services.
1,760	(41)	-2%	Employee Costs - There is a projected underspend of £0.041m due to the transfer of the Directorate Support team from Business Support, together with reduced hours and maternity-related savings.
135	(26)	-19%	Administration Costs - Underspend of £0.026m within staff training courses (£0.022m) and external printing (£0.004m).
(414)	(10)	2%	Income - There is an over recovery in Occupational Health recharges (£0.012m) offset by a small income shortfall due to the cessation of both Irvine Bay and CJA Admin Grant income.
474	(13)	-3%	Other minor movements.
(90)			
Note 3			ICT
			There is a favourable movement of (£0.026m) from Period 10 within Employee Costs and Supplies & Services.
2,316	(40)	-2%	Employee Costs - There is an underspend of £0.040m due to vacancy management and other savings.
1,183	(78)	-7%	Supplies & Services - There is an underspend of £0.078m across Software Licences, Systems Support, PC Maintenance and Equipment.
(206)	3	-1%	Other minor movements.
(115)			
Note 4			Customer Services
			There is a favourable movement of (£0.012m) from Period 10 due additional underspend on Footwear and Clothing Grants.
2,204	(73)	-3%	Employee Costs - There is a projected underspend of £0.073m due to vacancy management and additional budget received for the Transformation Team.
245	(29)	-12%	Transfer Payments - There is an underspend of £0.029m against Footwear & Clothing Grants.
(108)	9	-8%	Other minor movements.
(93)			
Note 5			Business Support
			There is an adverse movement of £0.016m from Period 10 within Employee Costs as a result of the transfer of the Directorate Support team from Business Support to Employee Services offset by increased vacancies.
1,408	(148)	-11%	Employee Costs - There is an underspend of £0.148m due to vacancy management.
(136)	(20)	15%	Other minor movements.
(168)			
Note 6			Revenues & Benefits
			There is a favourable movement of (£0.504m) from Period 10 due to additional Income and Employee Cost savings.
2,162	(308)	-14%	Employee Costs - There is an underspend of £0.308m due to vacancy management (£0.255m) together with Scottish Government funding received late in 2017/18 (£0.053m). Authority is being sought to earmark £0.053m in relation to DHP Admin staffing.
(54,974)	(395)	1%	Income - There is an overrecovery of £0.395m due to higher Statutory Additions receipts (£0.153m), reduced Housing Benefit Subsidy exceeding expenditure (£0.121m) and additional DWP income (£0.148m). Authority is being sought to earmark £0.090m of this income in relation to staffing costs.
56,857	(21)	0%	Other minor movements.
(724)			

EDUCATION AND YOUTH EMPLOYMENT
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE YEAR TO 31 MARCH 2018

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Early Years Education	11,260	10,978	(282)	-3%	1
Primary Education	36,930	36,895	(35)	0%	2
Secondary Education	42,868	42,468	(400)	-1%	3
Additional Support Needs	7,325	7,936	611	8%	4
Education - Other	2,780	2,679	(101)	-4%	5
Pupil Equity Fund	2,304	2,304	-	0%	
Totals	103,467	103,260	(207)	0	
Transfer to Earmarked Reserves		15	15		
Net Total	103,467	103,275	(192)		

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	91,442	91,578	136	0%
Property Costs	222	269	47	21%
Supplies and Services	10,073	9,893	(180)	(2%)
Transport and Plant Costs	201	232	31	15%
Administration Costs	1,121	1,023	(98)	(9%)
Other Agencies & Bodies	6,756	7,082	326	5%
Transfer Payments	580	566	(14)	(2%)
Other Expenditure	-	1	1	-
Capital Financing	61	61	-	-
Gross Expenditure	110,456	110,705	249	0%
Income	(6,989)	(7,445)	(456)	7%
Net Expenditure	103,467	103,260	(207)	(0%)

EDUCATION AND YOUTH EMPLOYMENT
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE YEAR TO 31 MARCH 2018

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Early Years Education
			There has been a favourable movement of (£0.098m) from Period 10 due an underspend in supplies and services, partially offset by an overspend in speech therapy.
1,776	(101)	-6%	Employee Costs - Underspends in Early Years Teachers of £0.030m. A further £0.071m had been identified from underspends in the budget set aside for the new early years centre in the new Largs campus.
1,209	(42)	-3%	Payments made to Private Partner Providers due to lower than anticipated uptake of services.
551	(151)	-27%	Supplies and services - goods ordered by individual centres not received by 31 March due to supply issues. These costs will be met from the 18/19 budget.
21	50	238%	Third party payments - speech therapy payments due to increased demand.
(11)	(38)	345%	Income from Wrap Around Care charges
(282)			
Note 2			Primary
			There has been an adverse movement of £0.146m from Period 10 due to employee costs. This is mainly related to ASN response classroom assistants.
34,373	(97)	0%	Employee Costs - there is a £0.244m underspend in ASN provision costs due to teacher vacancies. This is offset against ASN response Classroom Assistants which is overspent by £0.098. This movement is due to the overspend incurred prior to the new model being introduced. Also included are payments in lieu of notice of £0.049m.
62			Other minor items
(35)			
Note 3			Secondary Education
			There has been a favourable movement of (£0.288m) from Period 10 mainly due to reductions in PPP related costs and increased income.
12,666	(178)	-1%	PPP unitary charge - underspend on the variable element of the contract (cleaning, utilities, pensions). The underspend on utilities was £0.124m due to good management, user engagement, warmer winters and more reliable recording of utilities consumption.
(60)	(111)	185%	PPP contract deductions due to penalties.
(260)	(85)	33%	PPP insurance rebate.
(26)			Other minor items
(400)			
Note 4			ASN
			There has been an adverse movement of £0.466m from Period 10 mainly due to movements in employee costs £0.396m and residential placements of £0.074m.
4,834	324	7%	Employee Costs - there has been an overspend in ASN schools of £0.396m due to additional non teacher staffing such as Classroom Assistants and Early Years Practitioners. There has also been large amount of temporary cover required due to sick leave, maternity cover and special leave. There is no budget available for non teachers cover. This is partially offset by an underspend in psychological services of £0.072m due to staff vacancies.
1,102	474	43%	External specialist residential placements has overspent due to more demand than expected.
1,004	(62)	-6%	The underspend on external day placements is a result of the rigorous screening process in place that enables the Council to support children in mainstream establishments.
355	(46)	-13%	Payments to other local authorities - underspend is due to the number of children placed in schools outwith NAC being less than expected.
(264)	(64)	24%	Income - over recovery of income due to increased number of pupils placed in North Ayrshire schools and units by other local authorities.
(15)			Other minor variances
			It is requested that £0.015m is earmarked for the delayed implementation of GIRFEC requirements.
611			
Note 5			Education Other
			There has been an adverse movement of £0.022m from Period 10 mainly due to removal expenses of £0.017m
2,996	(40)	-1%	Employee Costs - there is a underspend of £0.088m largely due to Senior Managers vacancies and changes to work patterns. This is offset against payroll turnover of £0.031m and removal expenses of £0.017m.
810	(61)		Other minor items
(101)			

PLACE
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE YEAR TO 31 MARCH 2018

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Directorate and Support	(3)	-	3	(100%)	
Physical Environment					
Head Of Physical Environment	(31)	-	31	(100%)	
Building Services	(3,333)	(3,066)	267	(8%)	1
Works Scoping and Quality Assurance	366	354	(12)	(3%)	
Property Governance	889	871	(18)	(2%)	
Property Management & Investment	1,311	1,291	(20)	(2%)	2
Housing Assets & Investment	(44)	-	44	(100%)	
Property Maintenance	3,693	3,479	(214)	(6%)	3
Property Running Costs	4,945	5,078	133	3%	4
Energy and Sustainability	3,684	3,889	205	6%	5
Facilities Management	11,581	11,491	(90)	(1%)	6
Other Housing	5,050	4,867	(183)	(4%)	7
Commercial Services					
Head Of Commercial Services	22	-	(22)	(100%)	
Roads	6,671	7,035	364	5%	8
Streetscene	5,177	5,319	142	3%	9
Internal Transport	9,918	9,801	(117)	(1%)	10
Waste Services	8,207	7,631	(576)	(7%)	11
Total	58,103	58,040	(63)	(0%)	
Less Carry Forward		100	100		
Net Total	58,103	58,140	37	0%	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	42,129	42,905	776	2%
Property Costs	16,611	16,957	346	2%
Supplies and Services	10,244	10,381	137	1%
Transport and Plant Costs	10,053	10,293	240	2%
Administration Costs	2,065	2,025	(40)	(2%)
Other Agencies & Bodies	15,473	15,686	213	1%
Transfer Payments	1,738	1,738	-	-
Other Expenditure	341	446	105	31%
Capital Financing	680	723	43	6%
Gross Expenditure	99,334	101,154	1,820	2%
Income	(41,231)	(43,114)	(1,883)	5%
Net Expenditure	58,103	58,040	(63)	(0%)

PLACE
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE YEAR TO 31 MARCH 2018

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Building Services
			Movement - There has been an adverse movement of £0.098m since P10. This is due primarily to the inability to gain access to properties within Planned Repairs which has resulted in a net reduction in income of £0.175m
7,935	(84)	(1%)	Employee Costs - There is an underspend of £0.084m due to staff turnover
4,100	(64)	(2%)	Supplies and Services - There is an underspend of £0.064m in materials due to increased subcontractor works
2,225	577	26%	Third Party Payments - There is an overspend of £0.577m in Subcontractor Costs. Of this £0.458m relates to un-budgeted Asbestos works.
(18,017)	(124)	1%	Income - There is an over-recovery of income of £0.124m. This is comprised of Responsive Repairs of (£0.112m), Projects (£0.369m) and other works of (£524m) which includes Asbestos works, offset by under-recoveries in Non-Housing projects of £0.458m, Planned Maintenance £0.351m and Void Works £0.093m.
	(38)		Other minor movements
	267		
Note 2			Property Management & Investment
			Movement - There has been an adverse movement of £0.023m since P10 largely due to under recovery of Income
2,281	(144)	(6%)	Employee Costs - There is an underspend of £0.144m due to staff vacancies. This is partially offset against the income noted below.
(1,050)	103	(10%)	Income - There is an under recovery in fees recovered from Revenue and Capital projects of £0.070m. There is an under-recovery of £0.033m in relation to charges to HRA.
	21		Other Minor Movements
	(20)		
Note 3			Property Maintenance
			Movement- There has been an adverse movement since P10 of £0.046m due to greater than anticipated fire safety management works being carried out
200	(97)	(49%)	Condition Survey works - There is an underspend of £0.097m due to demolition of Smith Street Depot not being carried out until 2018/19.
1,695	(175)	(10%)	Property Repairs/Reactive Maintenance - There is an underspend of £0.175m. This is primarily due to a delay in Window and Rendering works at Saltcoats Library (£0.040m) and Roofing works at Bridgegate House (£0.100m). These works will not be carried out until 2018/19
40	45	113%	Fire Safety Management Works - There is an overspend of £0.045m.
	13		Other Minor Movements
	(214)		
Note 4			Property Running Costs
			Movement - There has been no significant movement since P10.
5,682	(25)	(0%)	Rates - There is an underspend in Rates of £0.025m due to prior year refunds
(162)	164	(101%)	Other Property Costs - building running costs incurred due to slippage in the property rationalisation programme.
190	(75)	(39%)	Property Repairs - There is an underspend of £0.075m due to lower than anticipated repairs being carried out
(127)	54	(43%)	Income - There is an under recovery in recharges to HRA of £0.054m that are offset against reduced property running costs of HRA related buildings.
	15		Other Minor Movements
	133		
Note 5			Energy and Sustainability
			Movement - There has been an adverse movement of £0.280m since P10 mainly due to two sites, Red Cross House (£0.147m) and Garnock Campus (£0.124m).
2,900	291	10%	Property Costs - overspends on electricity, gas and water in respect of Red Cross House £0.147m and Garnock Campus (£0.079m 16/17) and (£0.045m 17/18). The Garnock Campus is a new site and the supplier has been unable to provide invoices until later than expected.
443	(80)	(18%)	Payment to contractors underspent £0.080m due to a reduction in the purchase of carbon allowances.
	(6)		Other Minor Movements
	205		

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 6			Facilities Management
			Movement - There has been a favourable movement of (£0.090m) since P10 due to additional income of £0.047m and other minor movements.
113	50	44%	Kitchen Equipment - £0.050m was required for alterations to kitchens required to implement future years savings.
(3,093)	(117)	2%	Income - £0.046m due to the over recovery of income as a result of the growth in the commercial arm of the service.
	(23)		Other Minor Movements
	(90)		
Note 7			Other Housing
			Movement - There has been a favourable movement of (£0.030m) since P10 primarily due to a reduction in third party payments of £0.191m and increased staff turnover of £0.037m. This is offset by an increase in bad debt provision of £0.104m and increases to property costs and general fund work from HRA £0.103m
3,359	(91)	(2%)	Employee costs - There is an underspend of £0.091m due to staff turnover.
1,378	92	7%	Property Costs - There is an overspend on furniture of £0.094m. £0.043m of this overspend is directly attributable to the setting up of new units of accommodation, which is partly offset by an increase in income from the additional units of £0.029m. The remaining overspend is due to additional expenditure from assisting the resettlement into permanent tenancies.
60	98		Other Expenditure - There is an overspend of £0.104m due to a bad debt provision for temporary accommodation rents.
	(68)		Other minor movements including £0.033m underspend for Resettlement Programmes
	(183)		
Note 8			Roads
			Movement - There has been an adverse movement since P10 of £0.164m due to increased winter maintenance and associated essential road repairs due to severe weather.
6,559	364	6%	The overspend relates to work undertaken in relation to winter maintenance and associated carriageway repairs caused by the severe Winter
	364		
Note 9			Streetscene
			Movement - There has been no significant movement since P10
6,077	86	1%	Employee Costs - there is an overspend of £0.086m mainly due to unachieved turnover of £0.066m.
127	107	84%	Transport Costs are overspent by £0.107m due to an overspend of £0.062m for hire of skips with increased community clean ups, £0.021m for rechargeable external hires and £0.014m in ferry charges.
(445)	(37)	8%	Income - There is an over-recovery of cemetery interment income of £0.038m.
	(14)		Other minor movements
	142		
Note 10			Internal Transport
			Movement - there has been an adverse movement since P10 of £0.096m, mainly due to a change in year end internal recharge arrangements.
1,398	17	1%	Employee Costs - there is an overspend of £0.017m largely due to unachieved turnover of £0.015. This is offset by additional driver transport income.
2,235	(97)	(4%)	Transport Costs - External hires are £0.042m overspent which is related to increased demands. However this is offset by a year end underspend of £0.114m on fuel as a result of the current lower cost of fuel and an underspend in other transport costs of £0.026m.
4,192	(71)	(2%)	Transport Provision Costs - there is an underspend of £0.071m based on the Quarter 4 outturn from SPT.
(45)	(136)	302%	Income - There is an over-recovery of additional income of £0.048m in relation to external taxi recharges, £0.054m driver transport income and £0.025m internal hire of pool vehicles.
0	155		A change in year end recharge arrangements between roads, building services and transport is no longer required.
	15		Other minor movements
			£0.100m has been approved by cabinet to be earmarked for internal property improvements at the Transport garage to provide adequate welfare facilities.
	(117)		

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 11			Waste Services
			Movement - there has been a favourable movement of (£0.329m) since P10 mainly due to £0.207m in Trade Effluent and Leachate costs being transferred to capital. The underspend in Landfill Tax has increased by £0.072m. Also a net increase of £0.032m in Refuse Containers stock at year end and additional Special Uplifts income of £0.023m.
4,340	311	7%	Employee Costs - there is an overspend of £0.311m mainly due to a requirement to supplement current resources to reflect seasonal and operational demands. Also there were delays in the efficiency savings (£0.055m) and unachieved turnover of £0.050m. These are now fully implemented. This overspend in total is being offset currently against a reduction in Blue Bin contract expenditure.
741	(294)	(40%)	Payments to Contractors - there is an underspend on the Blue Bin contract of £0.294m as a result of an increase in the market values for recyclates.
2,744	(163)	(6%)	Landfill tax - there is an underspend of £0.163m due to the tonnages sent to landfill reducing due to the diversion of additional waste for processing and a reduction in waste arisings.
258	(156)	(60%)	There are underspends in Trade effluent (£0.052m) and Leachate (£0.104m) as a result of a transfer of expenditure to capital regarding landfill aftercare costs as a result of the closure of the Shewalton site.
178	(98)	(55%)	Refuse Containers - an underspend of £0.098m due to reduced demand for bio-degradable food waste bags. Included within this figure is £0.032m net increase in stock at year end partly as a result of this change in policy.
405	51	13%	Civic amenity sites - Diverted Waste - there is an overspend of £0.051m due to increased tonnages being diverted from landfill site to external contractors. This is offset against the reduced Landfill Tax costs.
(2,659)	(234)	9%	Income - there is additional income of £0.098m in Waste Gas Extraction as a result of the capping of landfill cells and additional gas wells being installed, £0.048m in Commercial Refuse Collections, mainly due to a net increase in uptake of the service by external businesses, £0.044m additional income from Arran Transfer Station due to increased tonnages from external contractors and £0.034m additional Income from Other NAC Depts e.g. skip service and site clearances
	7		Other Minor Movements
(576)			

ECONOMY AND COMMUNITIES
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE YEAR TO 31 MARCH 2018

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Management	732	568	(164)	(22%)	1
Economic Growth					
Planning & Protective Services	1,572	1,550	(22)	(1%)	2
Economic Development	6,241	6,221	(20)	(0%)	3
Connected Communities	12,865	12,837	(28)	(0%)	4
Net Total	21,410	21,176	(234)	(1%)	
Transfer to Earmarked Reserves		226	226		
Net Total	21,410	21,402	(8)	(0%)	

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	12,808	13,038	230	2%
Property Costs	380	404	24	6%
Supplies and Services	1,084	1,134	50	5%
Transport and Plant Costs	158	135	(23)	(15%)
Administration Costs	293	239	(54)	(18%)
Other Agencies & Bodies	10,860	11,080	220	2%
Transfer Payments	-	-	-	-
Other Expenditure	-	12	12	-
Capital Financing	-	-	-	-
Gross Expenditure	25,583	26,042	459	2%
Income	(4,173)	(4,866)	(693)	17%
Net Expenditure	21,410	21,176	(234)	(1%)

ECONOMY AND COMMUNITIES
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE YEAR TO 31 MARCH 2018

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Management
			Movement - There has been a favourable movement P10 of (£0.164m) predominantly as a result of unspent monies in relation to Ayrshire Growth Deal.
110	(68)	-62%	Payments to contractors/consultants is underspent by £0.068m at year end within Economic Growth Marketing and Research.
0	(115)		Income - Ayrshire Growth Deal additional income from the three Ayrshire Councils of £0.115m.
19			Other minor variances
			It is requested that £0.115m of this underspend be earmarked for the Ayrshire Growth Deal, which relates to funding from the three Ayrshire Councils.
(164)			
Note 2			Planning & Protective Services
			Movement - There has been a favourable movement of (£0.067m) since P10. Employee cost underspend has increased by £0.020m due to vacancies and other minor items by £0.047m.
966	(79)	-8%	Employee Costs - There are underspends in Planning Services (£0.039m) due to vacancies and (£0.040m) in Trading Standards
67	(49)	-73%	Other Supplies & Services - There is an underspend within Planning of (£0.049m) which is in relation to the costs of the Local Development Plan due to a postponement in publication of the proposed plan until April 2018.
19	(8)	-42%	Administration Costs - There is an underspend of £0.009m due to a downturn in Planning Applications
573	144	25%	Income - There is an under recovery in Planning Income £0.144m largely due the lack of major planning applications.
(30)			Other minor variances
			£0.037m has been approved to be earmarked for The Local Development Plan to accommodate additional costs anticipated in 2018/19 for consultation, professional support and public examination costs.
(22)			
Note 3			Economic Development
			Movement - there has been an adverse movement since P10 of £0.088m mainly due to the unrecovered income from the Better off North Ayrshire project.
1,631	65	4%	Employee Costs - there is an overspend of £0.065m mainly due to Better Off North Ayrshire Salaries of £0.048m which is offset by Grant income
2,111	106	5%	Payments to Other Bodies/Income - There is an overspend of £0.106m due to a shortfall of income for Better Off North Ayrshire projects of £0.169m. This is off-set by an underspend against Employability Contracts of £0.063m due to the recovery of income to cover NAC costs from ESF projects.
1,053	(111)	-11%	Regeneration - Payments to Contractors - this is partly due to staff vacancies during the year which resulted in projects being delayed. There was also a delay in the purchase of land at Quarry Road therefore it is requested that £0.075m of this underspend is earmarked for this purpose.
799	(26)	-3%	Business Growth - Payments to Contractors is underspent by £0.026m at year end due to reduced demand.
120	(18)	-15%	Business Growth - Income - there is an over recovery of income primarily due to the completion of the West Coast Hatchery project in early 2018 with unspent monies of £0.013m being returned from East Ayrshire Council.
(36)			Other minor variances
(20)			
Note 4			Connected Communities
			Movement - there has been an adverse movement since P10 of £0.043m due to movement in employee costs.
6,375	33	1%	Employee Costs - there is an overspend in Community Facilities of £0.106m due to increased activity in relation to Food poverty. This is being reduced through agreed reduction of core hours allocations for community centres. There is also an underspend in Community Development of £0.050m and £0.018m in Tourism due to staff vacancies.
(52)			There is a general underspend in Administration Costs of £0.052m largely in relation to telephone calls/line rental of £0.020m and staff training £0.015m
(9)			Other minor variances
(28)			

OTHER CORPORATE ITEMS
FINANCIAL PERFORMANCE 2017/18

REPORT FOR THE YEAR TO 31 MARCH 2018

Objective Summary	Annual Budget	Final Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,408	2,365	(43)	(2%)	1
SPT Concessionary Fares	283	277	(6)	(2%)	
Ayrshire Joint Valuation Board	780	760	(20)	(3%)	2
Other Corporate Costs			-	-	
Pension Costs	1,882	1,783	(99)	(5%)	3
Non-Distributed Costs	-	-	-	-	
Central Telephones	86	65	(21)	(24%)	4
Other Corporate Items (incl Additional Resources from Council decisions on 1 March 2017)	10,672	2,009	(8,663)	(81%)	5
Insurance Account	(8)	-	8	(100%)	
	16,103	7,259	(8,844)	(55%)	
Transfer to Earmarked Reserves		7,209	7,209		
Net Total	16,103	14,468	(1,635)	(4%)	

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2016/17

REPORT FOR THE YEAR TO 31 MARCH 2017

Budget £000	Outturn Variance £000	Variance as % of budget	Section
Note 1			Strathclyde Passenger Transport
			No significant movement
2,408	(43)	-2%	The projected underspend of £0.044m is due to a reduction in the requisition charge
	(43)		
Note 2			Ayrshire Valuation Joint Board
			No significant movement
780	(20)	-3%	The projected underspend of £0.020m is due to a reduction in the requisition charge
	(20)		
Note 3			Pension Costs
			No significant movement
1,882	(99)	-5%	The projected underspend of £0.099m is due to reduced pension costs relating to the period before local government reorganisation
	(99)		
Note 4			Central Telephones
			Movement - There is a movement of (£0.011m) from Period 10 due to lower than anticipated costs
86	(21)	-24%	The projected underspend of (£0.021m) is due to reduced charges as a result of Perceton House now closed and lower than anticipated costs for Cunninghame House
	(21)	-	
Note 5			Other Corporate Items
			Movement - There is a favourable movement of (£7.188m) from Period 10 due to lower than anticipated drawdown of Community Investment and Poverty Challenge Funds (£5.745m), the release of employee related provisions no longer required (£0.730m) and the receipt of 2018-19 Scottish Government Funding in advance (£0.925m), partly offset by additional Bad Debt Provision of £0.800m.
10,672	(8,663)	-81%	Other Corporate Items includes a range of centrally held funds and additional funding received during the year. Specific underspends have been identified in relation to Community Investment and Poverty Challenge Funds (£5.745m), additional Scottish Government funding in relation to temporary accommodation, teacher induction and the 2018/19 Settlement (£1.601m) and centrally held funds identified as not fully required during the year related to pensions, the revised Benefits Cap and energy inflation (£1.443m). In addition a review of previous employee related provisions has released (£0.730m) which is no longer required. This is partly offset by additional Bad Debt Provision of £0.800m. Agreement is sought to ringfence £7.209m of the identified underspend in relation to Community Investment and Poverty Challenge Funds, 2018/19 funding received in advance and other commitments which are anticipated to arise during 2018/19.
	(8,663)	-	

2017/18 Budget Monitoring Report – Period 12 Objective Summary

Partnership Budget - Objective Summary	2017/18 Budget								
	Council			Health			TOTAL		
	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COMMUNITY CARE AND HEALTH	54,633	53,603	(1,030)	10,910	11,111	201	65,543	64,714	(829)
: Locality Services	26,145	25,764	(381)	3,494	3,477	(17)	29,639	29,241	(398)
: Community Care Service Delivery	26,065	25,561	(504)	0	0	0	26,065	25,561	(504)
: Rehabilitation and Reablement	756	798	42	1,969	2,258	289	2,725	3,056	331
: Long Term Conditions	1,216	1,103	(113)	3,160	3,091	(69)	4,376	4,194	(182)
: Integrated Island Services	451	377	(74)	2,287	2,285	(2)	2,738	2,662	(76)
MENTAL HEALTH SERVICES	22,399	23,311	912	49,362	49,461	99	71,761	72,772	1,011
: Learning Disabilities	17,209	18,231	1,022	478	459	(19)	17,687	18,690	1,003
: Community Mental Health	3,854	3,809	(45)	1,844	1,786	(58)	5,698	5,595	(103)
: Addictions	1,336	1,271	(65)	1,191	1,176	(15)	2,527	2,447	(80)
: Lead Partnership Mental Health NHS Area Wide	0	0	0	45,849	46,040	191	45,849	46,040	191
CHILDREN'S SERVICES AND CRIMINAL JUSTICE	30,108	32,714	2,606	3,396	3,252	(144)	33,504	35,966	2,462
: Intervention Services	3,835	3,616	(219)	295	324	29	4,130	3,940	(190)
: Looked After & Accomodated Children	15,426	18,376	2,950	0	0	0	15,426	18,376	2,950
: Fieldwork	6,527	6,549	22	0	0	0	6,527	6,549	22
: CCSF	395	385	(10)	0	0	0	395	385	(10)
: Criminal Justice	2,812	2,815	3	0	0	0	2,812	2,815	3
: Early Years	311	233	(78)	2,658	2,543	(115)	2,969	2,776	(193)
: Policy & Practice	802	740	(62)	0	0	0	802	740	(62)
: Lead Partnership NHS Children's Services Area Wide	0	0	0	443	385	(58)	443	385	(58)
PRIMARY CARE	0	0	0	49,637	49,518	(119)	49,637	49,518	(119)
MANAGEMENT AND SUPPORT COSTS	4,090	4,519	429	176	1,278	1,102	4,266	5,797	1,531
CHANGE PROGRAMME	708	353	(355)	2,162	1,862	(300)	2,870	2,215	(655)
LEAD PARTNERSHIP AND SET ASIDE	0	0	0	0	132	132	0	132	132
TOTAL	111,938	114,500	2,562	115,643	116,614	971	227,581	231,114	3,533

2017/18 Budget Monitoring Report

Period 12 Subjective Summary

Partnership Budget Subjective Summary	2017/18 Budget								
	Council			Health			TOTAL		
	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employee Costs	45,116	46,823	1,707	56,608	57,022	414	101,724	103,845	2,121
Property Costs	411	332	(79)	16	59	43	427	391	(36)
Supplies and Services	2,674	2,842	168	3,312	3,507	195	5,986	6,349	363
Prescribing Costs	0	0	0	31,954	31,954	0	31,954	31,954	0
Primary Medical Services	0	0	0	17,683	17,564	(119)	17,683	17,564	(119)
Transport and Plant	530	693	163	0	0	0	530	693	163
Admin Costs	692	781	89	1,847	1,688	(159)	2,539	2,469	(70)
Other Agencies & Bodies	83,800	87,155	3,355	6,142	6,028	(114)	89,942	93,183	3,241
Transfer Payments	2,667	2,775	108	0	0	0	2,667	2,775	108
Other Expenditure	0	31	31	0	0	0	0	31	31
Capital Expenditure	0	0	0	0	0	0	0	0	0
Income	(23,952)	(26,932)	(2,980)	(1,919)	(1,208)	711	(25,871)	(28,140)	(2,269)
TOTAL	111,938	114,500	2,562	115,643	116,614	971	227,581	231,114	3,533

MISCELLANEOUS ITEMS**BUDGETARY CONTROL 2017/18****REPORT FOR THE TWELVE MONTHS ENDED 31 MARCH 2018**

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	26,185	23,315	(2,870)	-11%	1
Aggregate External Finance	(271,113)	(271,091)	22	0%	
Council Tax	(52,108)	(51,646)	462	-1%	2
Use of Capital Fund	(641)	(641)	-	0%	
Use of Earmarked Funds	(11,800)	(11,800)	-	0%	
Totals	(309,477)	(311,863)	(2,386)	1%	

Note 1 Financing Charges

Capital Financing Charges have reported an underspend of £2.870. The underspend reflects a revised strategy of taking temporary borrowing rather than permanent borrowing to maximise the financial savings as a result of current market conditions. £2.653m of the underspend has been earmarked and transferred to the Loans Fund Reserve to enable future costs linked to capital expenditure and borrowing to be managed through the reserve.

Note 2 Council Tax

Income from Council Tax has under recovered by £0.462m. This is mainly related to additional provision being made for net discounts and reliefs for prior years in line with previous trends.

Carried Forward Funds to 2018-19**Previously Approved**

Loans Fund Reserve	£000
Transport Welfare Facilities	2,653
Education unspent grants	100
Planning Costs for Local Development Plan	15
	37

Grants / External Funding

2018/19 Finance Settlement	925
Community Justice Transitional Funding	38
Ayrshire Growth Deal - Joint Funding	114
Sensory Impairment	8
DWP Staffing Funding	90
CTR Admin - Software Modification	23
DHP Admin Funding	53

Commitments

Community Planning	15
Regeneration - Quarry Road	75
Procurement Training	32
Finance Software	60
GovTech Software	30
UC Comms	9
SWF Crisis Grants	30
Festivals Fund	150
North Ayrshire Achieves	16
Ardrossan Hostel	55
NALL Income	100
Poverty Challenge Fund	130
2017/18 Community Investment and Poverty Challenge Funds	5,747
Change Fund Savings	17
Totals	10,522

HOUSING REVENUE ACCOUNT
BUDGETARY CONTROL 2017/18

REPORT FOR THE TWELVE MONTHS ENDED 31 MARCH 2018

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Employee Costs	4,522	4,585	63	1%	1
Property Costs					
Responsive Repairs	1,655	1,822	167	10%	
Void Repairs	2,580	2,673	93	4%	
Planned and Cyclical Maintenance	7,604	7,234	(370)	(5%)	
Estate Based Projects	210	240	30	14%	
Roads and Lighting Maintenance	186	161	(25)	(13%)	
Aids and Adaptions	1,855	1,743	(112)	(6%)	
Other property costs	3,277	3,362	85	3%	
Total for Property Costs	17,367	17,235	(132)	(1%)	2
Supplies & Services	227	202	(25)	(11%)	
Transport Costs	38	35	(3)	(7%)	
Administration Costs	1,609	1,772	163	10%	3
Third Party Payments	1,703	1,697	(6)	(0%)	
Transfer Payments	121	59	(62)	(51%)	
Other Expenditure	403	380	(23)	(6%)	
Capital Financing Costs	22,464	22,042	(422)	(2%)	4
Gross Expenditure	48,454	48,007	(447)	(1%)	
Income					
Council House Rents	(46,265)	(46,002)	263	(1%)	
Other Rents	(380)	(344)	36	(9%)	
Recharges	(1,083)	(980)	103	(10%)	
Other Income	(103)	(102)	1	(1%)	
Transfer from HRA Reserves	(623)	(588)	35	(6%)	
Total Income	(48,454)	(48,016)	438	(1%)	5
Net Expenditure	(0)	(9)	(9)		

HOUSING REVENUE ACCOUNT
BUDGETARY CONTROL 2017/18

REPORT FOR THE TWELVE MONTHS ENDED 31 MARCH 2018

Budget £000	Variance £000	Variance as % of budget	Section
Note 1			Employee Costs
			There has been an adverse movement since P10 of £0.070m due to the Apprenticeship Levy (£0.021m) and reduced turnover (£0.049m).
4,522	63	1%	There is an overspend of £0.063m due to reduced turnover and the Apprenticeship Levy.
63			
Note 2			Property Costs
			There has been an adverse movement since P10 of £0.255m mainly due to increased Response, Void and Estate Based Projects (EBP) costs. At P10 an underspend was projected for EBPs due to a supplier delay however this was resolved and the budget was fully expended. Response and Void repairs were also higher than projected due to variances claimed for work completed and higher than projected work values.
17,367	(132)	-1%	Property costs are overspent against Response and Voids by £0.260m this is offset by underspends in Planned Maintenance and Aids and Adaptions of £0.482m. There has also been an increase in other property costs of £0.105m primarily due to expenditure transferred from Capital. This is offset by a reduction in CFCR.
(132)			
Note 3			Administration costs
			There has been an adverse movement of £0.216m since P10 mainly due to utilisation of Central Support charges exceeding current budgets.
1,609	163	10%	Administration costs are overspent by £0.163m due to a revised allocation for central support charges and corporate and democratic core charges partly offset by efficiency savings.
Note 4			Capital Financing
			There has been a favourable movement since P10 of (£0.430m) due to the revised capital financing charges (£0.235m) and reduced CFCR (£0.185m).
22,464	(432)	-2%	Capital Financing charges are underspent by £0.237m based on the latest cash flow and interest rate projections. This reflects a strategy of taking temporary borrowing rather than permanent borrowing to maximise the financial savings as a result of current market conditions. Capital Financed from Current Revenue has underspent by £0.185m reflecting movement in the HRA Capital programme.
(432)			
Note 5			Income
			There has been an adverse movement of £0.165m since P10 primarily due to the under-recovery of Tenant Recharges and Other Rents.
(48,454)	438	-1%	There is an under-recovery of Council house rent income of £0.263m mainly due to increased council house sales. There was also slippage and amendments to properties available to rent and 23 protracted voids from sheltered housing decants. Recharges are also under recovered by £0.103m compared to previous projections.
438			

HRA reserves and balances	B/fwd from 2016/17	Period 12 Revenue	Use of Earmarked sums	Earmarking of in year surplus	Funding of Capital Projects	Balance at 31/03/18
	£m	£m	£m		£m	£m
Council House Building Fund	8.082	0.156	(0.588)		-	7.650
Welfare Reform	3.000	-	-		-	3.000
Contingency Balance	1.000	0.009	-		-	1.009
Sheltered Housing Unit Works	0.156	(0.156)			-	0.000
Infrastructure Improvements	0.613		-		-	0.613
Major Refurbishment Works	0.762		(0.498)		-	0.264
Tarryholme	1.091	-	-		-	1.091
	14.704	0.009	(1.086)	-	-	13.627