
NORTH AYRSHIRE COUNCIL

2 June 2026

Cabinet

Title: Revenue Budget 2025/26 : Financial Performance to 31 March 2026

Purpose: To advise Cabinet of the financial performance for the Council for 2025/26.

Recommendation: That Cabinet agrees to:

- (a) note the information and financial outturn position outlined in the report;
 - (b) approve the earmarking of £7.691m identified at 2.4 to meet future year commitments in accordance with funding requirements;
 - (c) note the financial performance for the Health and Social Care Partnership highlighted at 2.5; and
 - (d) approve the virements detailed in Appendix 8.
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1. Executive Summary

- 1.1 The General Services Revenue Estimates for 2025/26 were approved by Council on 26 February 2025. The Housing Revenue Account (HRA) Revenue Budget for 2025/26 was approved by Council on 12 February 2025.
- 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 fourth report for 2025/26 and covers the period to the end of March 2026 (Period 12). Projections have been made to the year-end. 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 (£2.014m), (0.4%), after transferring resources to/from earmarked reserves This is an improvement of (£0.334m) from that reported at Period 10 and is primarily related to additional income, lower than anticipated employee costs within the Facilities Management and Streetscene linked to staff turnover levels and lower than anticipated utilisation of inflationary related provisions during the year. In recognising that there continues to be volatility across certain areas of spend, linked to current global events, this improved position has been partially offset by additional requests for earmarking to meet anticipated cost pressures in 2026/27. The underspend will be added to the General Fund Unearmarked Reserves which would increase the

available balance to 2.3% the revised General Services Revenue Budget which is within the recommended range of 2 – 4%. From the underspend, a total of £0.518m is required to ensure unearmarked reserves are retained at a minimum level of 2% within this range. Whilst the current level of unearmarked reserves remains at the lower end of good practice, this still reflects a prudent position to help address areas of significant risk to the Council through 2026/27, most notably through the financial performance of the HSCP.

- 1.4 The Housing Revenue Account is reporting a net in-year underspend of (£3.943m), (6.0%). This is a movement of (£1.617m) from the previously reported underspend at Period 10. The movement is primarily related to reduced expenditure on property costs and increased income. The underspend will be added to the HRA earmarked balances to support service delivery in future years.
- 1.5 Work is ongoing to confirm the final Health and Social Care Partnership out-turn position for the year, and the final confirmation of the NHS budget outturn is awaited. The final outturn for the Council services element has been confirmed as an underspend of £1.818m. From this, £1.359m will be earmarked to meet future costs. This leaves a £0.459m surplus to be added to the HSCP's unearmarked reserves bringing the reported position to a net break-even position. This is an improvement of £1.941m from the previously reported Council services position. A further report will follow from the HSCP in the new year.
- 1.6 Management action is ongoing to address absence levels across services. However, employee absence rates remain above targets, and there has been a marginal 0.9% increase in days lost during the period when compared to the same period last year.

2. Background

General Fund

- 2.1 The Council set a balanced budget for 2025/26. In addition to the budget approved on 26 February 2025, earmarked funds of £85.088m were carried forward from 2024/25 for service expenditure in 2025/26 and beyond. These funds are reflected in the figures within the 2025/26 financial performance reports as they are drawn down.
- 2.2 A net in-year underspend of £2.014m is reported, net of transfers to/from reserves. The undernoted table details the final position on a service-by-service basis.

Service Expenditure	App No.	Annual Budget £ million	Actual Expenditure to 31 March 2026 £ million	Variance for year (Fav)/Adv £ million	Requests for Carry Forwards £ million	Variance after Carry Forward (Fav)/Adv £ million	Note
Corporate Services	1	22.748	21.767	(0.981)	0.186	(0.795)	(i)
Education	2	191.980	192.050	0.070	(0.193)	(0.123)	(ii)
Place	3	60.889	58.371	(2.518)	3.363	0.845	(iii)
Communities & Housing	4	17.116	16.344	(0.772)	0.233	(0.539)	(iv)
Other Corporate Items	5	15.971	10.781	(5.190)	3.357	(1.833)	(v)
Sub Total		308.704	299.313	(9.391)	6.946	(2.445)	

Health and Social Care Partnership	9	142.676	140.858	(1.818)	1.818	0.000	
Balance for Services		451.380	440.171	(11.209)	8.764	(2.445)	
Financing Charges	6	13.751	13.751	0.000	0.000	0.000	
Contribution to Loans Fund Reserve	6	10.187	10.187	0.000	1.500	1.500	(vi)
Total Planned Expenditure		475.318	464.109	(11.209)	10.264	(0.945)	
Aggregate External Finance	6	(394.613)	(394.637)	(0.024)	0.000	(0.024)	
Council Tax	6	(71.939)	(72.984)	(1.045)	0.000	(1.045)	(vii)
Use of Earmarked Funds	6	(8.766)	(8.766)	0.000	0.000	0.000	
Total Planned Income		(475.318)	(476.387)	(1.069)	0.000	(1.069)	
Net Expenditure/ (Income)		0.000	(12.278)	(12.278)	10.264	(2.014)	

2.3 The reported Aggregate External Finance within Planned Income includes several adjustments to Scottish Government funding from that reported at Period 10, as detailed in the following table:

Movements on Planned Income	General Revenue Grant £ million	Non Domestic Rates £ million	Specific Grants £ million	TOTAL AEF £ million
Revised Budget at P10	(342.866)	(42.606)	(8.101)	(393.573)
Pupil Equity Fund C/F			0.655	0.655
Discretionary Housing Payment Undistributed	(0.781)			(0.781)
Teacher Pay Award	(0.756)			(0.756)
CSC Pay Uplift Adjustment	0.083			0.083
Revised Planned Income	(344.320)	(42.606)	(7.446)	(394.372)

2.4 Commentary on Significant Movements from Period 10

The Council's overall financial forecast against the revised budget is an improvement of (£0.334m) from the previously reported position. A brief explanation of the significant movements at a service level are outlined as follows:

- (i) **Corporate Services – underspend of (£0.795m), an improvement of (£0.200m) from the previously reported underspend**

The movement is primarily related to:

- Vacancy management across the services;
- Revisions to Statutory additions (£0.070m);
- Lower than anticipated ICT contract costs in-year (£0.067m).; and
- Underspend in Election costs (£0.081m)

This has been offset by a request to Earmark £0.283m in relation to anticipated ICT contract inflation in 26/27 (£0.138m), resources to support the outcome of a Service review (£0.060m) and the carry forward of Election resources to support the democratic process (£0.085m).

(ii) Education – underspend of £0.123m, a favourable movement of (£0.724m) from the previously reported position

The movements are primarily related to:

- Increase in the underspend within Facilities management of £0.679m primarily relating to vacancy management and reduced expenditure across supplies and services.
- Reduction in the overspend within ASN of £0.402m as a result of reduced day placement costs and a reduction in external residential placement numbers and associated costs, through the work of the Brighter Pathways programme.

This has been offset by increased teacher costs across Primary and Secondary Schools.

It is requested that £0.010m is earmarked to meet costs in relation to Furniture and updated equipment for the Visual Impairment team in ASN.

(iii) Place – overspend of £0.845m, an increase of £0.434m from the previously reported overspend

The movement is primarily related to:

- Funds received from the Extended Producer Responsibility Payment (£1.087m) in accordance with the payment schedule.
- Increased underspend within Transport of £0.310m due to reduced expenditure on repairs and maintenance, fuel and additional income.
- A favourable movement within Streetscene of £0.196m largely due to a reduction in staff costs and increased income
- An over-recovery of Largs car park income as a result of the new pricing structure.

This is offset by requests to earmark £1.939m, further to the £1.424m previously approved, to support anticipated additional expenditure during 2026/27 in relation to:

- Waste pressures and investments in accordance with Extended Producer Responsibility funding requirements, £0.950m
- Programme of Fire risk Assessments and essential works, £0.400m
- Programme of Water Quality Assessments and essential works, £0.100m
- Largs Car Park income to be retained in Largs Car Park Fund, £0.104m
- Anticipated Fuel cost pressures in view of current global events, £0.274m
- Investment in Car parking infrastructure, £0.076m
- Provision for the Making Waves Festival, £0.035m

Virements in relation to the realignment of budgets within Roads and Employability have been included within Appendix 8.

(iv) Communities and Housing – underspend of £0.539m, an improvement of (£0.139m) from the previously reported underspend

The movement is primarily related to:

- Increase in the underspend within Housing of £0.197m largely relating to reduced Bad debt provision and write off costs.
- Reduced expenditure within connected communities of £0.261m relating to lower than anticipated storm damage costs and service management of budget lines to offset the impact of delay in implementing previously approved libraries savings.
- Additional income within protective services of £0.255m
- Reduced expenditure on employee costs due to ongoing service redesign of £0.094m
- An underspend due to the reprofiling of the local development plan into 2026-27
- A surplus of £0.057m within Building services.

This has been partially offset by :

- An overspend of £0.314m in relation to demolition costs as a result of significant fire damage at the Forum Centre Irvine.
- Requests to earmark £0.463m to support anticipated additional expenditure during 2026/27 in relation to:
 - Further anticipated costs in relation to the demolition of the Forum centre following the major fire damage, £0.400m
 - Local Development Plan, £0.043m
 - Holiday Playschemes and Activities budget as part of a delivery programme of activities in Summer 2026, £0.020m

(v) Other Corporate Items – underspend of £1.833m, an increase of (£0.757m) from the previously reported underspend

The movement is primarily related to:

- Centrally held provisions not drawdown during the year, including pay inflation, energy sustainability funding and energy cost provisions which have been subject to ongoing volatility, even after allowing for a proportion of advanced purchasing arrangements, (£2.041m)
- Workforce Planning cost provisions not required in year including Severance costs and Equal pay £1.257m
- Funding to support ongoing Transformation activity secured as part of the 2025/26 Budget, not utilised in year £0.750m

This is offset by :

- An overspend on insurance reflecting high level of excesses largely relating to storm damage. £1.106m
- Requests to earmark £3.496m to support anticipated additional expenditure during 2026/27 in relation to:
 - Equal Pay Provision required to help address future risks, £0.494m
 - Workforce Planning and Transformation resources required to support ongoing programme £1.732m
 - Property – Energy sustainability funding to address current volatility, £0.500m
 - DWP Housing Benefit Accuracy award, £0.018m
 - Rapid Rehousing Transition Plan rolling programme £0.024m
 - SG Resettlement programme funding £0.095m
 - SG Nature Restoration funding £0.073m
 - SG Island support funding £0.288m
 - On-going Service re-design costs £0.031m
 - SG NDR Empty Property Relief funding £0.241m

(vi) Contribution to Loans Fund Reserve – Overspend of £1.500m, an increase of £1.500m from the previously reported position

In view of the current conflict in the middle east and the anticipated inflationary impacts, the Bank of England forecast for interest rates now reflects an increase from the current base rate of 3.75% up to 5.25% potentially during 2026/27. In order to address the impact this will have on borrowing costs through 2026/27, it is requested that £1.500m is earmarked and transferred to the Loans Fund reserve.

(vii) Council Tax – over-recovery of (£1.045m), an increase of £0.448m from the previously reported over-recovery

The movement reflects growth in the Council Tax base from additional new builds, properties previously registered as self-catering holiday units for NDR purposes that have come onto the Council tax register, and the impact of the application of 100% premium on Council tax for second homes when measured against the original financial planning assumptions.

Health and Social Care Partnership

- 2.5 The final HSCP financial performance report for the year will be presented to the Integration Joint Board on 18 June 2026 and will outline the 2025/26 financial performance in more detail. Work is ongoing to confirm the final outturn position for the year and the HSCP is awaiting final confirmation of the NHS budget outturn. The final outturn for the Council services element has been confirmed as an underspend of £1.818m. £1.359m is to be earmarked to meet costs in relation to ADP, Whole Family Wellbeing Fund, Community alarms, Magic Notes and Adult Social work Restructure costs. This leaves a £0.459m surplus which is to be added to the HSCP's unearmarked reserves bringing the reported position to a net break-even position. This is an improvement of £1.941m from the previously reported Council services position. A further report will follow from the HSCP in the new year.

Absence Management

- 2.6 The programme of work to monitor absence levels and effectively implement relevant policies has been ongoing and initially resulted in a significant reduction in reported absence levels across the Council. However, the year-end position shows a marginal increase in days lost during 2025/26 when compared to 2024/25 i.e. 12.87 days lost compared to 12.76 in 2024/25. The absence levels for the year exceed the target of 10.22 days. Within the Education Service, the number of days lost for teaching staff has reduced by almost 8% when compared to the previous year (5.78 days compared to 6.25 last year). The HSCP and the Communities and Housing directorate's number of days lost have increased by 20% and 4% respectively, with the Place directorate showing a 14% improvement for the period.

Risks

- 2.7 Due to the anticipated outturn position of the HSCP in 2025/26, from the Council services element, the level of HSCP unearmarked reserves will increase by £0.459m. Moving forward into 2026/27, under the terms of the Health and Social Care Integration Scheme, a recovery plan is required in order to address any projected shortfalls in future years. There is a risk that, if the recovery plan is not successful, this would have an impact on the level of financial contributions from the funding parties. In such a circumstance the Council would be asked to make interim funds available. The funding could be made available for repayment by the HSCP across a period of future years or as an additional contribution. This HSCP position will continue to be monitored through 2026/27, however, in view of the level of pressures faced by the HSCP and the scale of savings required in 2026/27 to operate within available resources, there is a risk that spend will exceed available resources. It is recognised the Council's underspend position 2025/26 will help provide a level of financial mitigation to this risk. The other main risks are linked to current global events and the potential impacts on inflation and interest rates through 2026/27. Again, to address these, further mitigations through the earmarking of financial resources have been included in the year end position.

Housing Revenue Account

- 2.8 The Housing Revenue Account budgeted for a breakeven position in 2025/26. An underspend of (£3.942m), net of transfers to/from reserves, has been reported. This is an improvement of (£1.617m) from the previously reported position and is summarised in the following table with further details provided in Appendix 7. The underspend will be added to the HRA earmarked balances to support delivery of the HRA Business Plan.

Housing Revenue Account	Annual Budget £ million	Actual Expenditure to 31 March 2026 £ million	Variance for year (Fav)/Adv £ million	Projected Variance at P10 (Fav)/Adv £ million	Movement	Note
Employee Costs	5.294	5.294	0.000	0.002	(0.002)	
Property Costs	25.628	24.536	(1.092)	0.158	(1.250)	(i)
Supplies and Services	2.145	2.130	(0.015)	(0.006)	(0.009)	(ii)
Transport and Plant Costs	0.016	0.015	(0.001)	0.000	(0.001)	
Administration Costs	2.114	1.902	(0.212)	(0.004)	(0.208)	(iii)
Third Party Payments	3.832	3.771	(0.061)	0.061	(0.122)	(iv)
Transfer Payments	0.177	0.124	(0.053)	0.000	(0.053)	
Other Expenditure	0.550	0.948	0.398	0.000	0.398	(v)
Capital Financing	26.270	23.834	(2.436)	(2.372)	(0.064)	(vi)
Gross Expenditure	66.026	62.554	(3.472)	(2.161)	(1.311)	
Income	(66.026)	(66.496)	(0.470)	(0.164)	(0.306)	(vii)
Net Expenditure	0.000	(3.942)	(3.942)	(2.325)	(1.617)	

2.9 Commentary on Significant Movements from Period 10

A brief explanation of the significant movements from the previous forecasts is outlined as follows:

(i) Property Costs – underspend of £1.092m, a favourable movement of (£1.250m) from the previously reported position

The movement is primarily related to reduced expenditure on Aids and Adaptation, (£0.191m), Void Repairs (£0.276m), Planned and Cyclical Maintenance (£0.466m) and Other Property Costs (£0.293m).

(ii) Administration Costs – underspend of £0.212m, a movement of (£0.208m) from the previously reported position

The movement is primarily related to reduced expenditure on legal fees (£0.103m), Central Recharges (£0.053m) and Insurances (£0.025m)

(iii) Third Party Payments – underspend of £0.061m, a favourable movement of (£0.122m) from the previously reported position

The movement is primarily related to reduced recharges from other Council departments.

(iv) Transfer payments – underspend of £0.053m, a movement of (£0.053m) from the previously reported position

The movement is due to an underspend in disturbance allowances.

(v) Other Expenditure – overspend of £0.398m, a movement of £0.398m from the previously reported position

The movement is due to an increase in the bad debt provision.

(vi) Capital Financing Costs – underspend of £2.436m, a movement of (£0.064m) from the previously reported position

The movement is primarily related to revised loan charges reflecting the revised profile of capital project delivery, leading to a lower level of in-year borrowing. These funds will be required to support the HRA capital programme in future years.

(vii) Income – over recovery of £0.470m, a movement of (£0.306m) from the previously reported position

The movement is primarily related to an over-recovery in Council House rents (£0.147m) and other income (£0.157m).

3. Proposals

3.1 It is proposed that Cabinet agrees to:

- (a) note the information and financial outturn position outlined in the report;
- (b) approve the earmarking of £7.691m identified at 2.4 to meet future year commitments in accordance with funding requirements;
- (c) note the financial performance for the Health and Social Care Partnership highlighted at 2.5; and
- (d) approve the virements detailed in Appendix 8.

4. Implications/Socio-economic Duty

Financial

4.1 General Services

The final outturn position for the year is a net underspend of (£2.014m) after transfers to and from earmarked reserves.

Housing Revenue Account

The final outturn position for the year is a net underspend of (£3.942m).

Human Resources

4.2 None.

Legal

4.3 None.

Equality/Socio-economic

4.4 None.

Climate Change and Carbon

4.5 None.

Key Priorities

4.6 This report directly supports the Council Plan 2023 to 2028 by maximising financial flexibility to support the delivery of our priorities.

Community Wealth Building

4.7 None.

Islands Communities Impact Assessment (ICIA)

4.8 None.

United Nations Rights of the Child (UNCRC)

4.9 None.

Consumer Duty

4.10 None.

5. Consultation

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

Mark Boyd
Head of Service (Finance)

For further information please contact **Mark Boyd, Head of Service (Finance)**, on **01294 324560**.

Background Papers

Revenue Budget 2025/26: Financial Performance to 31 January 2026 – Cabinet 17 March 2026

CORPORATE SERVICES

BUDGETARY CONTROL 2025/26

REPORT FOR THE TWELVE MONTHS TO 31 MARCH 2026

Objective Summary	Annual Budget	Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Chief Executive's Office					
Chief Executive's Office	197	214	17	9%	
Total for Chief Executive's Office	197	214	17		
Financial Services					
Change Programme	283	283	0	0%	
Audit, Fraud, Safety & Insurance	701	688	(13)	-2%	
Corporate Procurement	815	566	(249)	-31%	1
Financial Services	1,749	1,634	(115)	-7%	2
Revenues	(459)	(546)	(87)	19%	3
Transformation	795	817	22	3%	
Total for Financial Services	3,884	3,442	(442)		
People & ICT					
Employee Services	946	865	(81)	-9%	4
HR & Organisational Development	1,229	1,193	(36)	-3%	5
ICT	5,605	5,431	(174)	-3%	6
Business Support	1,594	1,554	(40)	-3%	7
Customer Services	4,759	4,700	(59)	-1%	8
Total for People & ICT	14,133	13,743	(390)		
Democratic Services					
Legal & Licensing	791	823	32	4%	
Policy, Performance & Democracy	539	516	(23)	-4%	
Communications	503	507	4	1%	
Civil Contingencies	60	59	(1)	-2%	
Committee Services	443	372	(71)	-16%	9
Member Services	1,560	1,528	(32)	-2%	
Information Governance	577	524	(53)	-9%	10
Ayrshire Area Support Team	61	39	(22)	-36%	
Total for Democratic Services	4,534	4,368	(166)		
Net Totals	22,748	21,767	(981)	-4%	
Transfer to/ (from) Earmarked Reserves	97	283	186		
Net Total	22,845	22,050	(795)	-3%	

Subjective Summary	Annual Budget	Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	18,290	17,858	(432)	-2%
Property Costs	85	118	33	39%
Supplies and Services	3,462	3,174	(288)	-8%
Transport and Plant Costs	23	13	(10)	-43%
Administration Costs	1,653	1,569	(84)	-5%
Other Agencies & Bodies	2,274	2,209	(65)	-3%
Transfer Payments	867	866	(1)	0%
Other Expenditure	-	-	-	-
Capital Financing	-	-	-	-
Gross Expenditure	26,654	25,807	(847)	-3%
Income	(3,906)	(4,040)	(134)	3%
Net Expenditure	22,748	21,767	(981)	-4%

CORPORATE SERVICES
BUDGETARY CONTROL 2025/26

REPORT FOR THE TWELVE MONTHS TO 31 MARCH 2026

Budget £000	Projected Variance £000	Variance as % of budget	Section
	Note 1		Finance - Corporate Procurement
			Movement: There has been a favourable movement of (£0.091m) since P10 mainly due to continued forecasted underspends in employee costs and overrecovery of income.
815	(167)	-20%	Employee costs: There is an underspend of £0.167m due to vacancy management.
(100)	(60)	-7%	Income: £0.060m overrecovery of income from Procurement cards and rebates from Scotland Excel contracts.
	(22)	-3%	Other minor movements.
	(249)		
	Note 2		Finance - Financial Services
			Movement: There has been a favourable movement of (£0.066m) since P10 mainly due to an over recovery of £0.052m in staff recharges.
1,456	(45)	-3%	Employee Costs: Underspend of £0.045m mainly due to vacancy management.
(108)	(53)		Income: £0.053m over recovery of staff recharges.
	(17)		Other minor movements.
	(115)		
	Note 3		Finance - Revenues
			Movement: There has been a favourable movement of (£0.070m) since P10 largely due to revisions to statutory additions.
(1,385)	(48)	3%	Income: There is an overall increase in statutory additions of £0.048m.
	(39)		Other minor movements.
	(87)		
	Note 4		People & ICT - Employee Services
			Movement: There has been a favourable movement of (£0.010m) since P10 due to vacancy management.
900	(78)	-9%	Employee Costs: There is an underspend of £0.078m due to vacancy management.
	(3)		Other minor movements.
	(81)		
	Note 5		People & ICT - HR & Organisational Development
			Movement: There has been no significant movement from P10.
413	(35)	-8%	Third Party Payments: There is an underspend of £0.035m due to Occupational Health charges.
	(1)		Other minor movements.
	(36)		
	Note 6		People & ICT - ICT
			Movement: There has been a favourable movement of (0.067m) since P10 due to contract costs being less, Co-Pilot trial being funded from change fund and Wi-Fi support not being completed.
5,605	(179)	-3%	Supplies and Services: There is an underspend of £0.205m due to contract costs being less than expected, Wi-Fi support not completed in September due to negotiations of new product offset with a £0.010m overspend in WAN circuits due to increase in contract prices and £0.016m overspend in other supplies in services due to no computer disposals.
	5		Other minor movements.
			It is requested to earmark £0.138m underspend in software licenses and support. This funding would be used to offset the unforeseen and significant increase in charges under the current WAN contract, estimated at £0.138m. Earmarking these underspends will allow the service to manage this in-year budget pressure within existing ICT resources, while progressing the planned procurement of a replacement WAN contract
	(174)		

Budget £000	Projected Variance £000	Variance as % of budget	Section
	Note 7		People & ICT - Business Support
			Movement: There has been no significant movement from P10.
1,583	(36)	-2%	Employee Costs: There is an underspend of £0.036m due to vacancy management.
	(4)		Other minor movements.
	(40)		
	Note 8		People & ICT - Customer Services
			Movement: There has been no significant movement from P10.
3,069	(78)	-3%	Employee Costs: There is an underspend of £0.078m due to vacancy management.
	19		Other minor movements.
			It is requested to earmark £0.060m for service review costs in 2026/27.
	(59)		
	Note 9		Democratic Services - Committee Services
			Movement: There has been a favourable movement of (£0.081m) since P10 mainly due to underspend in Election Costs.
443	(85)	-19%	Election Costs: There is an underspend of £0.085m in relation to Election Costs for 2025/26.
	14	3%	Other minor movements.
			It is requested to earmark £0.085m for future Election commitments.
	(71)		
	Note 10		Democratic Services - Information Governance
			Movement: There has been a small favourable movement of (£0.007m) from P10.
571	(60)	-11%	Employee Costs: Underspend of £0.060m due to vacancy management.
	7		Other minor movements.
	(53)		

EDUCATION
BUDGETARY CONTROL 2025/26

REPORT FOR THE TWELVE MONTHS TO 31 MARCH 2026

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Early Years Education	21,528	20,868	(660)	-3%	1
Primary Education	55,635	56,447	812	1%	2
Secondary Education	67,948	69,278	1,330	2%	3
Additional Support Needs	17,754	18,725	971	5%	4
Central Education	4,980	4,581	(399)	-8%	5
Scottish Equity Fund	152	152	-	0%	
Pupil Equity Fund	4,074	4,074	-	0%	
Facilities Management	19,909	17,925	(1,984)	-10%	6
	191,980	192,050	70		
Transfer to/(from) Earmarked Reserves	203	10	(193)		
Net Total	192,183	192,060	(123)		

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs - Teachers	108,021	109,763	1,742	2%
Employee Costs - Non Teachers	53,190	51,976	(1,214)	-2%
Property Costs	1,921	1,803	(118)	-6%
Supplies and Services	25,328	24,797	(531)	-2%
Transport and Plant Costs	160	187	27	17%
Administration Costs	827	845	18	2%
Other Agencies & Bodies	10,017	11,059	1,042	10%
Transfer Payments	580	426	(154)	-27%
Other Expenditure	1	1	-	0%
Capital Financing	71	84	13	18%
Gross Expenditure	200,116	200,941	825	0%
Income	(8,136)	(8,891)	(755)	9%
Net Expenditure	191,980	192,050	70	0%

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EDUCATION
BUDGETARY CONTROL 2025/26

REPORT FOR THE TWELVE MONTHS TO 31 MARCH 2026

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Early Years Education
			Movement : There has been an unfavourable movement of £0.041m since P10 mainly due to an increase of £0.058m in employee costs.
15,895	(485)	-3%	Employee Costs: Overall an underspend of (£0.544m). - Teachers:- underspend of (£0.055m.) - Non Teachers:- underspend of (£0.430m) as a result of vacancy management after accounting for budgeted turnover.
5,341	(151)	-3%	Third Party Payments: There are underspends of (£0.165m) in payments to funded providers due to a lower than forecasted uptake of hours and a change in the charging model for cross boundary costs, partially offset by an overspend of £0.024m in Speech Therapy costs.
	(24)		Other minor movements
	(660)		
Note 2			Primary Education
			Movement : There has been an unfavourable movement of £0.162m since P10 mainly due to increased teacher costs
53,155	784	1%	Employee Costs : Overall an overspend of £0.784m - Teachers:- overspend of £0.758m Pressures on this line include teacher absence cover, budgeted turnover and teacher salary pay levels - Non Teachers:- underspend of (£0.027m) after accounting for budgeted turnover.
	28		Other minor movements.
	812		
Note 3			Secondary Education
			Movement : There has been a unfavourable movement of £0.219m since P10 mainly due to increased teacher costs
51,940	1,412	3%	Employee Costs : Overall an overspend of £1.412m - Teachers:- overspend of £1.289m. Pressures on this line include teacher absence cover, budgeted turnover and teacher salary pay levels - Non Teachers:- overspend of £0.123m after accounting for budgeted turnover.
15,834	(109)	-1%	Supplies and Services: forecasted underspend in PPP unitary charge mostly due to a reduction in energy costs
	27		Other minor movements.
	1,330		
Note 4			ASN
			Movement: There has been a favourable movement of (£0.402m) since P10. (£0.207m) of this favourable movement is in Day Placements as a result of the level of assessed needs varying for some young people, transport costs were less than projected and rates for one provider were lower than projected. There has been a (£0.117m) favourable movement in Residential Placements as there are less children in Residential Placements compared to P10, and there has been a decrease in rates from P10 projection. There has also been a favourable movement of (£0.067m) in Employee Costs.
16,034	(321)	-2%	Employee Costs : Overall underspend of (£0.321m) - Teachers:- underspend of (£0.246m). Pressures on this line include teacher absence cover, budgeted turnover and teacher salary pay levels - Non Teachers:- underspend of (£0.075m) reflecting the level of turnover within the service.
268	(32)	-12%	There is an underspend of (£0.032m) on payments to Other Local Authorities due to a reduction in the number of NAC children accessing placements in their establishments.
1,310	(83)	-6%	Underspend of (£0.083m) on external day placements. Currently there are 31 children in day placement provision. This service will continue to be monitored as options for alternative service provision are developed.

Budget £000	Projected Variance £000	Variance as % of budget	Section
499	1,414	283%	There is an overspend of £1.414m on external specialist residential placements. Currently there are 9 children in accommodation. Increased pressures on internal care settings, as well as changing needs of children and young people, have resulted in an increase in the need for external residential settings. Joint working is ongoing with HSCP on the Brighter Pathways Programme to ensure that all options are fully explored to retain young people within their local community where possible. Where this is not possible, a forum has been set up to further discuss those young people who will require care and education provision to support them appropriately.
	(7)		Other minor movements.
			It is requested to earmark £0.010m to purchase furniture and updated equipment for the Visual Impairment team.
	971		
	Note 5		Central Education
			Movement: There has been a favourable movement of (£0.075m) since P10.
4,015	40	1%	Employee Costs: There is an overspend of £0.040m mainly due to unachieved turnover.
(1,407)	(431)	31%	Income: There is an over-recovery of PPP insurance rebate of (£0.285m) and PPP deductions of (£0.156m) in excess of budget.
	(8)		Other minor movements
	(399)		
	Note 6		Facilities Management
			Movement: There has been a favourable movement of (£0.679m) since P10. This is mainly due to further employee cost underspends and further underspends across supplies and services lines
15,642	(901)	-6%	Employee Costs: There is an underspend of (£1.232m) primarily due to previous vacancy management, offset by a budgeted turnover target of £0.331m resulting in a net underspend of (£0.901m)
1,612	(58)	-4%	Property Costs: There is an underspend of (£0.058m) across cleaning materials budget lines
5,434	(445)	-8%	Supplies and services: There is an underspend of (£0.445m). This comprises of underspends in kitchen equipment of (£0.376m) and other supplies and services of (£0.160m) which is offset slightly by an overspend on food costs of £0.138m.
2,892	(625)	-22%	Income: There is an over recovery in Commercial Catering of (£0.191m). A targeted approach over the last few years has seen this outturn position change from a significant under recovery in income to the favourable position shown this year. Over recovery in Cleaning/janitorial income of (£0.218m) and school meals income of (£0.215m) linked to an uptake in paid meals within secondary schools
	45		Other minor movements
	(1,984)		
	Note 7		General
			Teacher absence levels are subject to regular review across the service and appropriate actions are being taken to maximise attendance. Average days lost per FTE is 8.82 for the period April-March. Average days lost per FTE for same period last year was 9.33. This reflects an improved position for the year.

PLACE
BUDGETARY CONTROL 2025/26

REPORT FOR THE TWELVE MONTHS ENDED 31 MARCH 2026

Objective Summary	Annual Budget	Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
Directorate and Support	£000 995	£000 836	£000 (159)	(16%)	1
Neighbourhood Services					
Roads	8,109	8,034	(75)	(1%)	2
Streetscene	5,875	5,753	(122)	(2%)	3
Waste Resources	8,199	6,545	(1,654)	(20%)	4
Municipalisation Advertising	(73)	(29)	44	(60%)	
Total for Neighbourhood Services	22,110	20,303	(1,807)		
Economic Development, Growth & Regeneration					
Economic Policy	337	261	(76)	(23%)	5
Employability and Skills	2,274	2,274	-	0%	
Regeneration	702	703	1	0%	
Business	954	556	(398)	(42%)	6
Growth & Investment	287	277	(10)	(3%)	7
Total for Economic Development, Growth & Regeneration	4,554	4,071	(483)		
Sustainability, Transport and Corporate Property					
Property Management & Investment	2,129	2,132	3	0%	8
Housing Assets & Investment	95	-	(95)	(100%)	9
Property Maintenance	4,709	4,848	139	3%	10
Property Running Costs	6,653	7,287	634	10%	11
Energy and Sustainability	7,679	7,679	-	0%	
Internal Transport	11,965	11,215	(750)	(6%)	12
Total for Sustainability, Transport and Corporate Property	33,230	33,161	(69)		
Net Total	60,889	58,371	(2,518)	(4%)	
Transfer to Earmarked Reserves		3,363	3,363		
Net Total	60,889	61,734	845		

Subjective Summary	Annual Budget	Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	31,558	32,297	739	2%
Property Costs	24,583	24,722	139	1%
Supplies and Services	4,548	4,634	86	2%
Transport and Plant Costs	10,638	10,997	359	3%
Administration Costs	703	933	230	33%
Other Agencies & Bodies	21,044	19,834	(1,210)	(6%)
Transfer Payments	-	-	-	0%
Other Expenditure	78	90	12	15%
Capital Financing	26	26	-	0%
Gross Expenditure	93,178	93,533	355	0%
Income	(32,289)	(35,162)	(2,873)	9%
Net Expenditure	60,889	58,371	(2,518)	(4%)

PLACE
BUDGETARY CONTROL 2025/26

REPORT FOR THE TWELVE MONTHS ENDED 31 MARCH 2026

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Directorate and Support
			Movement: There has been a favourable movement of (£0.104m) since P10. This relates to Largs Car Park, with increased income and a decrease in operating costs.
981	(56)	(6%)	Employee Costs: There is an underspend due to vacancy management.
(212)	(85)	40%	Income: £0.085m over recovery of income in Largs Car Park, as a new pricing structure was introduced in 2025/26.
	(18)		Other minor movements.
			There is an underspend of £0.104m in Largs Car Park and this will be retained for the Largs Car Park fund, to be used in future years.
	(159)		
Note 2			Roads
			Movement: There has been a favourable movement of (£0.075m) since P10 primarily due to a reduction in forecasted winter and energy costs within supplies and services of £0.108m and additional over recovery of income of £0.181m. This is partially offset by an adverse movement of £0.138m in third party costs due to reactive emergency unplanned maintenance costs and £0.093m in employee costs.
4,877	58	1%	Employee Costs: £0.058m overspend due to additional overtime.
31	91	294%	Transport Costs: £0.090m overspend mainly due to hire charges in particular of a gully unit.
2,828	(115)	(4%)	Supplies & Services: Underspends of £0.100m in winter salt/grit costs and £0.052m in electrical power, partially offset by overspends of £0.026m in materials and £0.017m in software licence costs.
1,070	144	13%	Third Party Payments: overspend of £0.091m within Engineering Services due to reactive emergency unplanned costs together with £0.040m Winter overspend due to weighbridge replacement costs and Millport gritting contract.
(1,631)	(226)	14%	Income: £0.163m over recovery of design fees income mainly due to project management fees for Road Safety Improvement Funds and 20mph projects and £0.076m over recovery in Decriminalised Parking Enforcement income.
	(27)		Other minor movements.
			It is requested to earmark £0.076m, the DPE net income, which will be reinvested in the car parking infrastructure.
	(75)		
Note 3			Streetscene
			Movement: There has been a favourable movement of (£0.196m) since P10. Vacant posts and a reduction in overtime and casual staff costs have contributed to a favourable movement of £0.130m in Employee Costs. Income has seen a favourable movement of £0.052m, with increased income from other departments, interment and memorial permit income. There has also been a favourable movement of £0.012m in Supplies and Services.
7,712	(285)	(4%)	Employee Costs: £0.285m underspend due to vacancy management. Management are currently recruiting to fill vacant posts in 2026/27.
455	66	15%	Supplies and Services: £0.066m overspend includes £0.041m for storm rectification works, £0.011m overspend on tools and machinery and £0.014m overspend on PPE.
(2,886)	77	(3%)	Income: £0.077m under recovery of income, which includes £0.050m under recovery of interment income and £0.022m under recovery of memorial permit income.
	20		Other minor movements.
	(122)		

Budget £000	Projected Variance £000	Variance as % of budget	Section
	Note 4		Waste Services
			Movement: There has been a favourable movement of (£0.951m) since P10 due to £1.087m of funds received from the Extended Producer Responsibility payment, partially offset by additional costs within supplies & services of £0.127m which includes £0.082m of trade effluent costs.
5,616	799	14%	Employee costs: Current sickness absence rates for April 2025 to March 2026 are 20.26 days per employee, a reduction of 10.15 days per employee when compared to the same period last year. A robust absence monitoring process is in place and a dedicated resource has been recruited to monitor and review the absence management process in Waste, through assisting supervisors with absence management meetings, referrals to occupational health etc and to support employees return to work. The statutory nature of the service requires additional resources and/or overtime to cover unforeseen absences resulting in additional costs. To help mitigate against this, resources out-with Waste Collections have received HGV training to help provide cover for collections. An overall review of the Waste service in light of legislative changes and current service demands is ongoing. The absence rates reflect an improving position, however they are still above target rates.
245	368	150%	Transport Costs: Additional vehicles are currently in place to deal with ongoing pressures and demands. Transport needs are continuously under review and flexed depending on the operational needs of the service.
671	10	1%	Supplies & Services: Overspends in trade effluent of £0.082m, software and computer equipment costs of £0.018m, and materials/tools and implements of £0.011m have been partially offset by underspends in refuse containers of £0.055m and leachate of £0.052m.
6,896	(125)	(2%)	Third Party Payments: Underspends mainly from diverted waste of £0.114m due to a reduction in tonnages as a result of the implementation of the HWRC booking system, the recyclables contract of £0.046m, the organics contract of £0.048m, and the Clyde Valley Contract of £0.025m, this is partially offset by an overspend in Special Uplift processing costs of £0.093m due to increased costs for POPs waste.
(5,413)	(2,679)	49%	Income: Income from the Extended Producer Responsibility (£4.350m) for packaging funds currently exceeds the amount included in the Budget by £2.843m. These funds were received in 3 tranches from November 2025 and have been allocated to cover chargeable disposal costs. In 2025/26 these funds helped address the pressures faced by the service and supported further investment to meet operational needs and deliver service improvements. These funds together with an over recovery in special uplifts income of £0.077m, sale of scrap of £0.023m, and the sale of vouchers of £0.019m, is partially offset by an under-recovery in purple bin contract income of £0.175m due to reductions in recyclate market prices, commercial refuse charges of £0.074m and sale of bins of £0.035m.
	(27)		Other minor movements.
			A further request to earmark funds of £0.950m is made to the P10 request of £0.703m (total £1.653m), these funds will be utilised to support waste pressures and investments in accordance with EPR funding requirements.

Budget £000	Projected Variance £000	Variance as % of budget	Section
	(1,654)		
	Note 5		Economic Policy
			Movement: There has been a favourable movement of (£0.021m) since P10.
347	(84)	(24%)	Employee Costs: Underspend of £0.084m due to vacancy management and maximising available external funding.
	8		Other minor movements.
	(76)		
	Note 6		Business
			Movement: There has been an unfavourable movement of £0.012m since P10.
975	(400)	(41%)	Income: £0.400m received from Business Loans Scotland for contributions to the West Of Scotland Loans Fund.
	2	0%	Other minor movements.
	(398)		
	Note 7		Growth & Investment
			Movement: There has been a favourable movement of (£0.010m) since P10.
193	(10)	(5%)	Third Party Payments: Underspend of £0.010m in budget for Events.
			It is requested to earmark £0.035m to support the Making Waves festival 2027 to support an event of sufficient scale and quality to promote the Great Harbour programme.
	(10)		
	Note 8		Property Management and Investment
			Movement: There has been adverse movement of £0.120m since largely due to an under recovery in project income (£0.171m), partially offset by an increase in the employee costs underspend (£0.081m) due to vacancy management.
2,733	(253)	(9%)	Employee Costs: There is an underspend of £0.253m primarily due to vacancy management.
(1,263)	211	(17%)	Income: There is an under-recovery of fee income of £0.211m which is primarily related to projects.
	45		Other minor movements.
	3		
	Note 9		Housing Assets and Investments
			Movement: There has been a favourable movement of (£0.095m) since P10 mainly due to increased income offset by increased employee costs. This is now reported as on budget.
(2,204)	(86)	4%	Income: Increased income from HRA.
	(9)		Other minor movements
	(95)		
	Note 10		Property Maintenance
			Movement: There has been an adverse movement of £0.139m since P10 mainly due to insurance works (£0.272m), partially offset by a reduction in spend in relation to security costs and Rationalisation.
0	272		Administration Costs: An overspend of £0.272m in relation to insurance works.
8,071	(92)	(1%)	Property Costs: An underspend of £0.092m largely relating to lower than anticipated security costs and reduced expenditure within the rationalisation budget.
	(41)		Other minor movements.
			It is requested to earmark £0.500m to undertake programmes of Fire and Water Quality Risk Assessments and essential works which arise from these assessments.
	139		

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 11			Property Running Costs
			Movement: There has been a minor favourable movement of (£0.019m) since P10 due to a reduction in under-recovery of income £0.101m, partially offset by increased overspends within property costs in relation to service charges and condition surveys.
7,975	253	3%	Property Costs: Overspend of £0.100m due to Non Domestic Rates costs relating to the following properties: Moorpark Primary which is scheduled for demolition, and Annickbank Innovation Campus which now has a lease agreed. The NDR liability for Annickbank relates to the period it is unoccupied. There are also £0.058m of additional costs due to condition surveys for the commercial estate and higher service charges of £0.072m.
(1,907)	376	(20%)	Income: Under-recovery of income £0.375m largely related to rental property income linked to market pressures, the commercial property review is ongoing and we anticipate improvement in this position through recently agreed leases which will fully come into effect in 2026/27 along with anticipated future pipeline of income from the capital investment programme.
	5		Other minor movements.
634			
Note 12			Internal Transport
			Movement: There has been a favourable movement of (£0.310m) since P10, this is mainly due to an increased underspend in Fuel of £0.076m, lower than projected costs for Software Licences of £0.026m, lower than projected Hires costs of £0.019m, lower than projected overspend in Repairs and maintenance of £0.053m, an increase in Internal Pool Vehicle Income of £0.042m and an increase in projected Bus Income of £0.060m.
1,714	(274)	(16%)	Fuel: There is an underspend in fuel of £0.274m due to the current mix in fleet; HVO roll out, Electric Vehicles being operated and fuel price volatility
5,513	(302)	(5%)	Pupil Transport: There is an underspend of £0.302m this was mainly due to changes from SPT as a result of expired contracts with no renewal and savings on renewed contracts, linked to reduced levels of inflation, as well as in-house operational efficiencies.
630	(61)	(10%)	External Hires: There is a projected underspend in Roads Plant Hire of £0.103m due to works being allocated to capital. This is partially offset by an overspend of £0.061m mainly within Care at Home due to replacement vehicles to cover extensive Vehicle Off Road time due to age of the current fleet and not having suitable zero emission alternatives readily available.
1,363	172	13%	Repairs & Maintenance: There is an overspend of £0.172m due to additional repairs being outsourced as a result of difficulties recruiting Motor Mechanics (now resolved) during the first two quarters of the year along with maximising the life of assets due to the availability of suitable replacements. Automotive parts and third party labour cost continues to increase.
(170)	(241)	142%	Income: There is an over-recovery of £0.144m in bus transport income and an over-recovery of £0.121m in hire of pool vehicle income which will support overspends in repairs and maintenance as end of life vehicles in pool are being retained for longer, offset with a previously reported under recovery in Enterprise Cars Income.
	(44)		Other minor movements.
(750)			It is requested to earmark £0.274m in view of current global events to help address fuel cost pressures in 2026/27.

COMMUNITIES AND HOUSING
BUDGETARY CONTROL 2025/26

REPORT FOR THE TWELVE MONTHS ENDED 31 MARCH 2026

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Directorate and Support	262	249	(13)	(5%)	
Housing and Public Protection					
Building Services	(2,565)	(2,622)	(57)	2%	1
Works Scoping and Quality Assurance	-	-	-	0%	
Property Governance	-	-	-	0%	
Planning Services	257	112	(145)	(56%)	2
Protective Services	2,167	2,008	(159)	(7%)	3
Other Housing	2,790	2,501	(289)	(10%)	4
Total for Housing and Public Protection	2,649	1,999	(650)		
Connected Communities	14,205	14,096	(109)	(1%)	5
Net Total	17,116	16,344	(772)	(0)	
Transfer to/ (from) Earmarked Reserves	230	463	233		
Net Total	17,346	16,807	(539)		

Subjective Summary	Annual Budget	Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	26,854	28,360	1,506	6%
Property Costs	4,603	5,129	526	11%
Supplies and Services	7,051	6,335	(716)	(10%)
Transport and Plant Costs	969	1,070	101	10%
Administration Costs	332	278	(54)	(16%)
Other Agencies & Bodies	12,527	12,531	4	0%
Transfer Payments	-	-	-	0%
Other Expenditure	286	67	(219)	(77%)
Capital Financing	-	-	-	0%
Gross Expenditure	52,622	53,770	1,148	2%
Income	(35,506)	(37,426)	(1,920)	5%
Net Expenditure	17,116	16,344	(772)	(5%)

COMMUNITIES AND HOUSING
FINANCIAL PERFORMANCE 2025/26

REPORT FOR THE TWELVE MONTHS ENDED 31 MARCH 2026

Budget £000	Projected Variance £000	Variance as % of budget	Section
	Note 1		Building Services
			Movement: There has been a favourable movement of £0.057m since Period 10.
10,792	(329)	(3%)	Employees: an underspend in employee costs of £0.379m. This is due to vacancy management.
4,584	(570)	(12%)	Supplies & Services: an underspend in supplies and services of £0.570m. This is primarily as a result of an underspend in materials due to changes in the income profile detailed below.
884	80	9%	Transport: an overspend of £0.080m in transport costs primarily due to scaffolding costs linked to increased number of factoring jobs received and some additional transport related costs.
3,287	184	6%	Third party payments: an overspend in third party payments of £0.184m. This is due to an overspend in payment to contractors of £0.220m as a result of a carry forward of storm damage works from the previous financial year. This is partially offset by an underspend of £0.036m in Agency costs.
(23,265)	614	-3%	Income: an under recovery in income of £0.614m. This is due to a reduction of £0.425m in voids works and £0.599m in Projects, mainly due to a reduction in demand for replacement bathrooms and wetrooms at void stage as well as a reduction in buybacks and the separation of communal windows from the window programme. There is also a reduction of £0.276m in Aids & Adaptations. This is partially offset by an increase in Responsive Repairs income of £0.240m as a result of an increase in storm damage works carried forward from last financial year partially offset by a reduction in other responsive repairs and a 5% productivity efficiency. There is also an increase of £0.358m in Planned repairs due to increased timber and damp works and an additional £0.096m in income mainly due to additional Estates Based Regeneration Programme fencing works.
	(36)		Other minor movements
	(57)		
	Note 2		Planning Services
			Movement: There has been a favourable movement of (£0.031m) since Period 10, this is mainly due to underspend in Other Supplies and Services of £0.043m.
100	(42)		Supplies & Services: There is an underspend in Supplies & Services of £0.042m, mainly due to reprofiling of the Local Development Plan into 2026-27.
(684)	(83)	12%	Income: There is an over-recovery of £0.083m for additional planning fee application income.
	(20)		Other minor movements
			It is requested to Earmark £0.043m of underspends which relate to the Local Development Plan
	(145)		
	Note 3		Protective Services
			Movement: There has been a favourable movement of (£0.043m) since P10, this is mainly due to a reduction in projected emp costs of £0.094m due to ongoing service redesign, an increase in the over-recovery of Building Warrant income of £0.155m and an over-recovery of income from HRA of £0.100m, offset with an overspend in Property costs of £0.314m due to Forum fire
2,731	(189)	(7%)	Employee Costs: There is an underspend of £0.180m, this is primarily due to a delayed implementation in the Scheme of Delegation.
247	315	128%	Property Costs: There is an overspend of £0.314m, this is due to costs associated with making site safe following the Forum fire of £0.300m and other minor variances
(1,233)	(337)	27%	Income: There is an over-recovery of £0.195m for additional Building Warrant income, an over-recovery of £0.100m in income from HRA and other minor variances
	52		Other minor movements
			It is requested to Earmark £0.400m for further costs in relation to the demolition of the Forum Centre following the major fire damage.
	(159)		

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 4			Other Housing
			Movement: There has been a favourable movement of (£0.197m) since P10. This is mainly due to due to lower than anticipated bad debt provision and write off costs.
3,524	(169)	(5%)	Employee Costs: There is an underspend of £0.169m due to vacancy management.
3,350	111	3%	Property Costs: An overspend of £0.166m mainly due to additional maintenance costs to be addressed at the void stage in relation to homeless furnished units, partially offset by undersend in property repair costs of £0.027m and small variances across other property costs.
55	(40)	(73%)	Administration Costs: Underspend due to lower staff training costs of £0.018m and legal expenses of £0.018m.
286	(220)	(77%)	Other Expenditure: underspend of £0.220m due to lower than anticipated bad debt provision and write off costs.
(7,016)	61	(1%)	Income: There is an under-recovery mainly due to temporary furnished accomodation and hostel rents.
	(32)		Other minor movements
	(289)		
Note 5			Connected Communities
			Movement: There has been favourable movement of (£0.261m) since P10. This is due to a favourable movement of £0.119m in property costs following less than anticipated costs in relation to Storm Eowyn and service management of budget lines to offset the impact of revised programming of implementation of the libraries 20% reduction efficiencies target.
7,508	(5)	(0%)	Employee Costs: There is a projected overspend of £0.098m related to the revised programming of implementation of the approved saving for the libraries 20% reduction efficiencies target with work ongoing as part of the Land and Property review. This is offset by management of other lines to reduce the impact, including an underspend of £0.103m across the service primarily due to vacancy management.
767	66	9%	Property Costs: An overspend of £0.106m due to storm damage repairs at Eglinton Country Park offset against an underspend of £0.045m in library fixtures and fittings.
890	(70)	(8%)	Supplies and Services: There was an underspend of £0.070m primarily due to reduced spend within libraries.
(2,205)	(95)	4%	Income: There was an over recovery of Harbour Arts Centre income of £0.049m and Arran Outdoor income of £0.044m.
	(5)		Other minor movements.
			It is requested that we earmark the Holiday Playschemes and Activites budget of £0.020m as part of delivery of a programme of activities in summer 2026.
	(109)		

OTHER CORPORATE ITEMS**BUDGETARY CONTROL 2025/26****REPORT FOR THE 12 MONTHS TO 31 MARCH 2026**

Objective Summary	Annual Budget	Final Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,261	2,254	(7)	0%	
SPT Concessionary Fares	291	291	-	0%	
Ayrshire Joint Valuation Board	1,002	1,002	-	0%	
	3,554	3,547	(7)	0%	1
Other Corporate Costs					
Pension Costs	2,157	2,157	-	0%	
Central Telephones	133	133	-	0%	
Other Corporate Items (incl Transformation Costs, Bad Debt Provision, External Audit fees and other centrally held funding.)	7,509	1,024	(6,485)	-86%	2
Insurance Account	-1033	73	1,106	-107%	3
Housing Benefit	3,651	3,847	196	5%	4
			-		
Net Total	15,971	10,781	(5,190)	(32%)	
Transfer to/ (from) Earmarked Reserves	139	3,496	3,357		
Net Total	16,110	14,277	(1,833)	(11%)	

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2025/26

REPORT FOR THE 12 MONTHS TO 31 MARCH 2026

Budget £000	Outturn Variance £000	Variance as % of budget	Section
	Note 1		Joint Boards
			No significant movements since P10
3,554	(7)	0%	Projected underspend of (£0.008m) due to confirmation of annual requisitions and applicable refunds.
	(7)		
	Note 2		Other Corporate Items
			There has been a favourable movement of £6.485m since P10 primarily related to centrally held inflationary and other budget pressures not required in year.
7,268	(6,244)	(86%)	An underspend of £6.485m in relation to centrally held inflationary and other budget pressures not required to be drawn down in year.
	(6,244)		
	Note 3		Insurance
			There has been an adverse movement of £1.106m since P10 as a result of year end allocations of Insurance premiums and Excesses
(1,033)	1,106	-107%	An overspend on insurance reflecting high level of excesses largely relating to recent storm damages.
	1,106		
	Note 4		Housing benefit
			There has been a favourable movement of (£0.094m) since Period 10 in relation to the year end Housing Benefit submission to the DWP.
3,651	196	5%	Overspend of £0.040m due to the provision of Housing Benefits, reduced Bad Debt Provisions and additional overpayment recovery
	196		

MISCELLANEOUS ITEMS
BUDGETARY CONTROL 2025/26

REPORT FOR THE TWELVE MONTHS TO 31 MARCH 2026

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	13,751	13,751	-	-	
Contribution to Loans Fund Reserve	10,187	10,187	-	-	
Scottish Government Funding	(394,613)	(394,637)	(24)	0%	
Council Tax	(71,939)	(72,984)	(1,045)	1%	1
Use of Earmarked Funds	(8,766)	(8,766)	-	-	
Net Total	(451,380)	(452,449)	(1,069)	0%	
Transfer to Earmarked Reserves		1,500	1,500		2
Net Total	(451,380)	(450,949)	431	(0%)	

Note 1 Council Tax

There has been a favourable movement of £1.045m since P10 due to updated Council tax projections.

The projected over recovery reflects growth in the Council Tax base from additional new builds, properties previously registered as self-catering holiday units for NDR purposes that have come onto the Council tax register, and the impact of the application of 100% premium on Council tax for second homes which has exceeded original financial planning assumptions.

Note 2 Transfer to Earmarked Reserves

In view of the current conflict in the middle east and the anticipated inflationary impacts, the Bank of England forecast for interest rates now reflects an increase from the current base rate of 3.75% up to potentially 5.25% during 2026/27. In order to address the impact this will have on borrowing costs through 2026/27, it is requested that £1.500m is earmarked and transferred to the Loans Fund reserve.

HOUSING REVENUE ACCOUNT
BUDGETARY CONTROL 2025/26

REPORT FOR THE TWELVE MONTHS ENDED 31 MARCH 2026

	Budget	P12 outturn	Year End variance	% Variance	Note No
	£	£	£		
Employee Costs	5,294	5,294	0	0%	
Property Costs					
Responsive Repairs	7,406	6,714	(692)	(9%)	
Void Repairs	4,656	4,348	(309)	(7%)	
Planned and Cyclical Maintenance	6,047	6,197	150	2%	
Aids and Adaptions	1,792	1,342	(450)	(25%)	
Other property costs	5,726	5,935	209	4%	
Total for Property Costs	25,627	24,536	(1,092)	(4%)	1
Supplies & Services	2,145	2,130	(15)	(1%)	
Transport Costs	16	15	(1)	(6%)	
Administration Costs	2,114	1,902	(211)	(10%)	2
Third Party Payments	3,832	3,771	(61)	(2%)	3
Transfer Payments	177	124	(53)	(30%)	4
Other Expenditure	550	948	398	72%	5
Capital Financing Costs	26,270	23,834	(2,437)	(9%)	6
Gross Expenditure	66,026	62,555	(3,472)	(5%)	
Income					
Council House Rents	(62,592)	(62,740)	(147)	0%	
Other Rents	(541)	(358)	183	(34%)	
Recharges	(1,212)	(1,505)	(292)	24%	
Other Income	(959)	(1,174)	(214)	22%	
Transfer from HRA Balances	(722)	(722)	0	0%	
Total Income	(66,026)	(66,497)	(470)	1%	7
Net Expenditure	(0)	(3,942)	(3,942)		

HRA
BUDGETARY CONTROL 2025/26

REPORT FOR THE TWELVE MONTHS ENDED 31 MARCH 2026

Budget £000	Variance £000	Variance as % of budget	Section
	Note 1		Property Costs
			Movement: there has been a favourable movement of £1.250m since period 10. This is due to favourable movements of £0.191m in Aids and Adaptations, £0.024m in Responsive Repairs, £0.276m in Void Repairs, £0.466m in Planned and Cyclical Maintenance, and £0.293 in Other Property costs
25,627	(1,092)	-4%	An underspend of £1.092m in Property costs. This is due to an underspend of £0.692m in Responsive Repairs, primarily as a result of an underspend of £0.162m in Emergency Repairs, £0.436m in Planned Repairs and £0.177m in RTR, an underspend in Void Repairs of £0.309m and £0.450m in Aids & Adaptations. An element of the Voids and Aids and Adaptations underspends, in particular, are attributable to the ongoing Housing Transformation Programme. These underspends are partially offset by an overspend of £0.150m in Planned and Cyclical Maintenance and £0.209m in other Property costs due to void rent loss.
	(1,092)		
	Note 2		Administration costs
			Movement: there has been a favourable movement of £0.207m since Period 10.
2,114	(211)	-10%	An underspend of £0.211m in Administration costs. This is primarily due to lower than anticipated expenditure on external legal fees (£0.103m), central recharges (£0.053m) and insurances (£0.025m).
	(211)		
	Note 3		Third Party Payments
			Movement: there has been a favourable movement of £0.122m since Period 10.
3,832	(61)	-2%	An underspend of £0.061m in Third party payments due to an underspend in internal recharges.
	(61)		
	Note 4		Transfer Payments
			Movement: there has been a favourable movement of £0.053m since Period 10.
177	(53)	-30%	An underspend of £0.053m in Transfer payments due to a lower volume of disturbance allowances than anticipated when the budget was set.
	(53)		
	Note 5		Other Expenditure
			Movement: there has been an adverse movement of £0.398m since Period 10.
550	398	72%	An overspend of £0.398m in Other Expenditure due to a review of the level/ methodology for calculation of the bad debt provision.
	398		
	Note 6		Capital Financing Costs
			Movement: there has been a favourable movement of £0.065m since Period 10.
26,270	(2,437)	-9%	An underspend of £2.437m in capital financing costs which reflects a continuing strategy to delay new external borrowing by utilising cash balances, resulting in savings on external interest costs, changes in the profile of the capital programme and projected investment income returns.
	(2,437)		
	Note 7		Income
			Movement: There has been a favourable movement of £0.306m since Period 10.
(66,026)	(470)	0.7%	An over-recovery in income of £0.469m due to an over-recovery of £0.147m in Council House Rents, £0.292m in Recharges primarily due to insurance recoveries and £0.214m in other income in relation to additional grants. This is partially offset by an under-recovery of £0.184m in Other Rents as result of rent refunds and ex tenant arrears.
	(470)		

HRA
BUDGETARY CONTROL 2025/26

REPORT FOR THE TWELVE MONTHS ENDED 31 MARCH 2026

HRA reserves and balances	B/fwd from 2024/25	Transfer to / from Reserves	Use of Earmarked Sums	Earmarking of in year surplus	Funding of Capital Projects	Reallocation	Balance at 31/03/26
	£m	£m	£m	£m	£m		£m
Council House Building Fund	13.213			3.942	(0.227)		16.928
Sustainability Fund	5.000				(0.495)		4.505
Housing Services Transformation Programme	2.000			(0.213)			1.787
Unearmarked	1.758		0.170				1.928
Tenant led budget	0.170		(0.170)				-
	22.141	-	-	3.729	(0.722)	-	25.148

Budget Management - 31 March 2026
Virement/Budget Adjustment Requests

	2025/26		
	Perm (P) / Temp(T)	Virement £m	Directorate Total £m
Place			
Employability - Employee Costs	T	0.405	
Employability - Income	T	0.245	
Employability - Transport Costs	T	0.004	
Employability - Third Party Payments	T	-0.612	
Employability - Supplies and Services	T	-0.022	
Employability - Admin Costs	T	-0.020	
Roads - Employee Costs	T	-0.027	
Roads - Supplies & Services	T	-0.073	
Roads - Third Party Payments	T	0.376	
Roads - Income	T	-0.276	
			0.000