

South Ayrshire Council

**Report by Chief Financial Officer
to Cabinet
of 17 June 2025**

**Subject: Budget Management – Revenue Budgetary Control
 2024/25 – Out-turn Statement at 31 March 2025**

1. Purpose

- 1.1 The purpose of this report is to present Members with a financial overview of the General Services revenue account, Housing Revenue Account and Common Good Accounts for 2024/25 as at 31 March 2025.

2. Recommendation

2.1 It is recommended that the Council:

- 2.1.1 notes the out-turn position for each Directorate/ service for 2024/25 detailed in Appendix 1;
- 2.1.2 approves the revisions to previous earmarking and new earmarking of funds, to be carried forward for utilisation in 2025/26, as outlined in Appendix 2 and included in table 1 at 4.1.1;
- 2.1.3 notes the overall General Services in-year underspend of £0.182m at 4.1.1 (before earmarking) and the accumulated uncommitted reserves position of £4.431m, as outlined at 4.1.9;
- 2.1.4 notes the £0.097m HSCP 2024/25 in-year underspend and accumulated reserves position of £11.100m available to the Partnership for 2025/26, as outlined in 4.1.5 to 4.1.6;
- 2.1.5 notes the creation of a new provision for potential abortive capital spend of £3.279m charged to revenue in 2024/25, as outlined in 4.1.7, which significantly impacts on the in-year out-turn position noted in 2.1.3 above;
- 2.1.6 notes the Housing Revenue Account financial position outlined in 4.2 and approves the newly requested £1.350m earmarking of funds as detailed in Appendix 1f);
- 2,1.7 notes the Common Good Fund's financial position outlined in 4.3;
- 2.1.8 approves the release of a small number of current committed reserve balances, as noted in 4.1.11 and detailed in Appendix 3; and

- 2.1.9** notes the General Fund uncommitted reserve balance is below the desired 2% of expenditure at 31 March 2025 but further notes the previous Council agreement, to contribute £3.928m of funds to the uncommitted reserve during 2025/26, increases the balance held above the desired level going forward.

3. Background

- 3.1 The budget management report contains overview information for General Service Revenue, Housing Revenue and the Common Good Funds. The associated Directorate Appendices 1a to 1g show all financial variance analysis and other relevant financial information.
- 3.2 As detailed in the Budget Management – Revenue Budgetary Control 2024/25 – Position Statement at 31 January 2025, presented to the Cabinet of 18 March 2025, revisions to the 2024/25 revenue budget have been made in terms of corporate allocations and other transfers actioned in line with Financial Regulations rules on budget transfers.
- 3.3 Since March 2025, further notifications of additional general revenue grant funding due have been notified from the Scottish Government. Service expenditure plans have been reviewed in light of this and expenditure/income budgets have been revised in line with the additional allocated funding.
- 3.4 As a result of Storm Eowyn, the Council incurred a variety of costs in relation to the emergency activity undertaken during the storm and recovery works in the days following the storm. As part of the Budget Management – Revenue Budgetary Control 2024/25 – Position Statement at 31 January 2025, presented to the Cabinet of 18 March 2025, Members approved a draw of £0.500m from uncommitted reserves to meet the then estimated costs. Final costs have now been collated resulting in a draw of £0.418m from reserves and Service expenditure budgets have been revised in line with the additional allocated funding. The remaining balance of committed funding of £0.082m has been return to uncommitted reserves.
- 3.5 As detailed in the Budget Management – Revenue Budgetary Control 2024/25 – Position Statement at 31 January 2025, Members agreed a final draw of £0.329m from reserves to meet the remaining outstanding costs in relation to the Station Hotel Fire. Service expenditure budgets have been revised in line with the additional allocated funding.

4. Proposals

4.1 *Overview of General Services Financial Position at 31 March 2025*

- 4.1.1 Detailed explanations for Directorate/ service variances are provided in the revenue out-turn reports (Appendix 1) to this report. Appendix 2 provides details of final earmarking requests for sums to be carried forward for use in 2025/26. The final Directorate/Service position is summarised in Table 1 below:

Table1/

Table 1

	<i>Out-turn Fav/ (Adv) £m</i>	<i>Earmarking previously approved £m</i>	<i>New Earmarking requested £m</i>	<i>Revised Year End Out-turn Fav/ (Adv) £m</i>
1) Service Expenditure				
Chief Executive's	1.809	(0.902)	0.208	1.115
Education	0.563	(0.530)	(0.270)	(0.237)
Housing, Operations & Development	0.014	(0.214)	(0.226)	(0.426)
Communities & Transformation	2.597	(0.241)	(0.384)	1.972
Miscellaneous Services	(1.874)	-	-	(1.874)
Service out-turn sub total	3.109	(1.887)	(0.672)	0.550
Abortive capital spend Provision (see 4.1.7 below)	(3.279)	-	-	(3.279)
Revised Service out-turn	(0.170)	(1.887)	(0.672)	(2.729)
2) Funding				
Council tax income	0.352	-	-	0.352
Total underspend/(Overspend)	0.182	(1.887)	(0.672)	(2.377)

- 4.1.2 Table 1 above shows a net combined underspend of £0.182m for the year. Earmarking of £2.559m (Appendix 2) results in a net overall overspend of £2.377m for the year.
- 4.1.3 **Earmarking** - Appendix 2 provides detail of the movement on the previously approved earmarked funds of £1.887m and the newly requested earmarked funds of £0.672m included with the service analysis in Appendix 1.
- 4.1.4 **Council Tax income** – Table 1 above indicates an over recovery of income of £0.352m recorded in 2024/25. As reported in previous Budget Management Reports to Cabinet, actual in year collections were slightly above target for the year which resulted in an overall net under recovery being shown for 2024/25.
- 4.1.5 **Health and Social Care Partnership** – details of the out-turn information can be found within the Financial Monitoring report presented to the Integration Joint Board (IJB) meeting of 11 June 2025. Appendix 1c summarises this information and indicates an in-year underspend of £0.097m.
- 4.1.6 At the IJB meeting on 11 June 2025, the Board considered the End of Year position across both Council and NHS services with an overall accumulated reserve position of £11.100m. The IJB agreed to the Earmarking of £5.856m into 2025/26 and beyond. A further £4.646m was approved to be held as the Innovation and Improvement Fund. This results in a remaining uncommitted reserve of £0.597m or 0.27% of planned base expenditure of £216.877 for 2025/26. This is below the lower end of the IJB Reserves Strategy which recommends an uncommitted reserve of between 2% and 4%.
- 4.1.7 **Abortive capital spend provision** – During 2024/25 Council agreed to initiate a change request in relation to the Ayrshire Growth Deal to realign

and revise the projects to be progressed. This change request was considered and endorsed by the Ayrshire Growth Deal Project Management Office in February 2025 and is now with the Scottish Government for final decision. From an accounting perspective this change request creates an event that may result in the discontinuation of the Ayrshire Growth Deal Spaceport project. Project spend incurred prior to approval of a full business case is at the Councils own risk therefore the discontinuation of this project will require the cost to be met by the Council. A provision has therefore been created for £3.279m of potential abortive capital spend, the cumulative spend over four previous financial years (2019/20 to 2023/24) held in Assets Under Construction. There was no capital spend incurred on this project during 2024/25. The provision expenditure has been allocated to the Communities and Transformation directorate (Economic Regeneration Service) at the year-end (as detailed in appendix 1e) but is shown separately in Table 1 above at 4.1.1.

4.1.8 Bad Debt Provisions and Other Provisions held – In order to take a prudent approach in light of the current financial environment an increase in the Council's general bad debt provision has been applied. This is offset by reductions in other provisions, resulting in a net overall reduction in provisions of £0.230m for the year. This ensures that all provisions held remain at an appropriate level. The net impact on revenue is contained within Miscellaneous Services.

4.1.9 Overall Accumulated Reserve position: Table 2 below highlights the £22.897m Council's overall General Services accumulated reserve position, outlining commitments of £18.466m and uncommitted funds at 31 March 2025 of £4.431m, which represents approximately 1.73% of 2024/25 spend, excluding HSCP expenditure, as the partnership holds its own reserves.

Table 2

	£m	£m
Accumulated General Reserves brought forward from 2024/25	28.591	
Net Contribution to/(from) accumulated reserves to fund 2024/25 revenue expenditure	(5.876)	
Service underspend for the year (per Table 1, para 4.1.1)	3.109	
Abortive Capital costs (per Table 1 and para 4.1.7)	(3.279)	
Council Tax income (per Table 1 and para 4.1.4)	0.352	
Accumulated general reserves 2024/25		22.897
Less commitments:		
Previously approved (per Appendix 3)	(15.907)	
Previously approved Service earmarking (Per Appendix 2)	(1.887)	

	£m	£m
Updated and new Service earmarking requests (Per Appendix 2)	(0.672)	(18.466)
Uncommitted Reserves at 31 March 2025		4.431

4.1.10 Council policy is to aim to maintain an uncommitted reserve balance of at least 2% of expenditure. As stated in 4.1.9 above, uncommitted reserves are sitting slightly below this level.

4.1.11 Appendix 3 provides an analysis of the revised committed funds as at 31 March and also indicates the funds that can be released to uncommitted reserves as they are no longer required to be held for the original purpose intended.

4.1.12 As part of the 2025/26 revenue budget Council, agreed to contribute £3.928m in 2025/26 to uncommitted reserves which would increase the balance shown in table 2 above to £8.359m, or 3.1% of planned 2025/26 expenditure.

4.2 **Overview of Housing Revenue Account Financial Position at 31 March 2025**

4.2.1 The HRA shows a net contribution to reserves of £1.944m, the reasons for which are outlined in Appendix 1f. The accumulated surplus on the HRA revenue account at 31 March 2025 is £4.464m, of which £2.000m is held as a minimum working balance and £0.213m has previously been earmarked. A further £1.350m is now requested to be earmarked to fund expenditure in future years. This leaves an uncommitted balance of £0.901m.

4.2.2 The appropriate uncommitted balance will be considered as part of the annual Housing Business plan update and will form part of the HRA 2026/27 budget setting process.

4.3 **Overview of Common Good Financial Position at 31 March 2025**

4.3.1 The accumulated revenue surplus/deficit for each individual fund is outlined in Appendix 1g. At 31 March 2025, the Common good fund shows a combined accumulated revenue surplus of £0.436m together with a combined capital reserve of £0.192m.

5. **Legal and Procurement Implications**

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. **Financial Implications**

6.1 At 31 March 2025, General Services shows an accumulated reserve of £22.897m. After adjustment for the factors outlined in this report, the Council has uncommitted funds of £4.431m as at 31 March 2025. which represents approximately 1.73% of 2024/25 final budgeted spend, excluding the HSCP, which now holds its own uncommitted reserves.

- 6.2 At 31 March 2025, the Housing Revenue Account shows an accumulated reserve of £4.464m. After adjustment for the factors outlined in this report, the HRA has uncommitted funds of £0.901m as at 31 March 2025.

7. Human Resources Implications

- 7.1 There are no specific human resource implications arising directly from this report. Any indirect implications are being managed on an operational basis by the Service Directorates.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

- 8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

- 8.2.1 There are no risks associated with rejecting the recommendations.

9. Integrated Impact Assessment (incorporating Equalities)

- 9.1 The proposals in this report do not require to be assessed through an Integrated Impact Assessment.

10. Sustainable Development Implications

- 10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to Priority1 of the Council Plan: Efficient and effective enabling services.

13. Link to Shaping Our Future Council Yes ☐ No ☒

- 13.1 Not applicable.

14. Results of Consultation

- 14.1 There has been no public consultation on the contents of this report.
- 14.2 Consultation has taken place with Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.

15. Next Steps for Decision Tracking Purposes

- 15.1 If the recommendations above are approved by Members, the Chief Financial Officer will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Incorporate financial information in the unaudited 2024/25 Annual Accounts to be submitted to external audit	30 June 2025	Chief Financial Officer

Background Papers **Report to Cabinet of 18 March 2025– [Budget Management – Revenue Budgetary Control 2024/25 – Position Statement as at 31 January 2025](#)**

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Date: 11 June 2025

Budget Management Report to 31 March 2025 (Period 12)

Appendix 1

Ref.	Directorate/ Account	Pages
1a	Chief Executive's Strategic Office	1 to 5
1b	Health & Social Care	6
1c	Education	7 to 10
1d	Housing, Operations and Development	11 to 15
1e	Communities & Transformation	16 to 19
1f	Miscellaneous Services Account	20 to 22
1g	Housing Revenue Account	23 to 25
1h	Common Good Funds	26 to 27

This appendix outlines the **key financial issues** for each directorate or account (**Tables 1 to 3**), together with **other financial information** (**Tables 4 to 8**).

Chief Executive's

Table 1 - Objective Analysis

Period 10 Projected Variance Fav / (Adv) £'000	Service	Full Year Budget 2024/25 £'000	Actual expenditure to 31 March £'000	Year End Variance favourable /(adverse) £'000
(51)	Chief Executive & Support	451	497	(46)
	Finance and ICT Services:			
0	Head of Finance & ICT Services	168	168	0
298	Corporate Finance and Accounting	2,363	2,026	337
684	Revenues and Benefits	6,262	5,617	645
63	Procurement	804	685	119
1,045	Total Finance and ICT Services	9,597	8,496	1,101
	Regulatory Services			
0	Head of Regulatory Services	166	163	3
22	Civil Contingencies & Business Continuity	71	63	8
92	Democratic Governance Services	2,638	2,539	99
91	Insurance, Risk & Safety Management	616	517	99
123	Legal & Licensing Services	946	854	92
73	Trading Standards & Environmental Health	1,825	1,774	51
401	Total Regulatory Services	6,262	5,910	352
476	Human Resources	3,147	2,753	394
10	Internal Audit	344	336	8
1,881	Total Chief Executive's Office	19,801	17,992	1,809

Table 2 - Subjective Analysis

Period 10 Projected Variance Fav / (Adv) £'000	Account	Full Year Budget 2024/25 £'000	Actual expenditure to 31 March £'000	Year End Variance favourable /(adverse) £'000
1,079	Employee costs	16,410	15,364	1,046
62	Property costs	189	174	15
(31)	Supplies and services costs	644	638	6
25	Transport costs	98	52	46
237	Administrative costs	691	1,132	(441)
464	Third party payments	1,643	1,373	270
0	Transfer payments	26,149	23,959	2,190
0	Financing costs	101	110	(9)
1,836	Gross expenditure	45,925	42,802	3,123
45	Gross income	(26,124)	(24,810)	(1,314)
1,881	Net expenditure	19,801	17,992	1,809

Table 3 - Analysis of Significant Variances

Year End Variance Fav / (Adv) £'000	Chief Executive & Support
(46)	<p>Chief Executive & Support - overspend of £0.046m as a result of ;</p> <p>Employee Costs - underspend of £0.008m due to the current level of vacancies.</p> <p>Supplies & Services Costs - overspend of £0.052m on legal fees and consultancy costs.</p> <p>Administrative Costs - overspend of £0.002m on membership fees and subscriptions.</p>
(46)	Total variance

Year End Variance Fav / (Adv) £'000	Finance and ICT Services
0	Chief Financial Officer - no material variances to report
337	<p>Corporate Finance - underspend of £0.337m mainly as a result of:</p> <p>Employee Costs - underspend of £0.334m due to the current level of vacancies</p>
645	<p>Revenues & Benefits - underspend of £0.645m as a result of:</p> <p>Employee Costs - underspend of £0.178m due to the current level of vacancies. Cabinet of 18th March approved a service restructure which has removed 4.5 fte posts therefore this level of underspend will reduce significantly in 2025/26. Members previously approved earmarking of the 2024/25 underspend of £0.070m (Table 5 below) to deliver ongoing essential support in 2025/26 within the Corporate Finance Social Care Support Team.</p> <p>Administrative Costs - overspend of £0.096m, due to increased postage costs (£0.089m) and printing costs (£0.006m).</p> <p>Third Party Payments - underspend of £0.271m. The Scottish Government announced additional Scottish Welfare Fund budget in December 2024 of £0.421m, due to the timing of this payment, Members previously approved earmarking of this for use 2025/26 (Table 5 below). Spending of £0.153m has been incurred in the fourth quarter therefore Members are now requested to approve the reduction of the previously approved earmarking (Table 5 Below)</p> <p>Transfer Payments - underspend of £2.191m, which fully relates to underspends in public and private rent rebates issued, and is offset by the corresponding under-recovery in grant income received to fund these noted below.</p> <p>Income - under recovery of income of £1.907m mainly due to the grant received to fund public and private rent rebate costs (£2.011m) as a result of lower rent rebate expenditure noted above. This is partially offset by over-recoveries in other income streams totalling £0.104m, mainly from Scottish Water (£0.053m) and DWP grant to support delivery of housing benefit (£0.043m).</p>
119	<p>Strategic Procurement - underspend of £0.119m as a result of;</p> <p>Employee Costs - overspend of £0.005m in relation to overtime costs and maternity leave cover.</p> <p>Administrative Costs - underspend of £0.022m due to reduced printing costs (£0.015m) and an underspend on training (£0.005m).</p> <p>Income - over recovery of income of £0.100m, in contract rebates (£0.057m) and charges for work done for other Council services (£0.043m).</p> <p>As part of the period 10 Budget Management Report, members approved earmarking of part of the service underspend of £0.063m to carry forward to 2025/26 to fund the cost of maternity leave cover. The essential element of this request is to ensure that the service continues to provide a timely level of support in processing new supplier requests and checks and processing of quick quotes to ensure no delays with supplier deliveries (Table 5 below).</p>
1,101	Total variance

Year End Variance Fav / (Adv) £'000	Regulatory Services
3	Chief Governance Officer - no material variances to report
8	Civil Contingencies - no material variances to report
99	<p>Democratic & Governance Services - underspend of £0.099m mainly as a result of;</p> <p>Employee Costs - underspend of £0.055m due to the current level of vacancies.</p> <p>Property Costs - Members previously approved earmarking of £0.055m to fund dilapidation costs for the Watson Peat Building at Auchincruive in 2025/26. Following a year end review, this has now been treated as a provision in 2024/25 therefore the approved earmarking is no longer required and therefore requested to be removed (Table 5 below).</p> <p>Supplies & Services Costs - underspend of £0.060m, mainly due to underspends in ICT software (£0.029m), catering costs (£0.010m) and other fees (£0.011m).</p> <p>Transport Costs - underspend of £0.025m due to less vehicle hire, fuel and mileage.</p> <p>Administrative Costs - overspend of £0.536m. The overspend is wholly due to costs incurred in relation to the 2024 General Election (£0.560m), and this is fully offset by the corresponding income received from UK Government. This overspend is reduced by underspends across various other administration budgets totalling £0.024m.</p> <p>Third Party Payments - underspend of £0.005m in relation payments to external agencies.</p> <p>Income - over recovery of income of £0.481m, which mainly relates to the income received to fund the costs of the 2024 General Election mentioned in Administrative costs above (£0.560m). This is partly offset by an under-recovery of £0.084m mainly due to marriage fee income levels being lower than anticipated.</p>
99	<p>Insurance, Risk & Safety Management - underspend of £0.099m mainly as a result of;</p> <p>Employee Costs - underspend of £0.085m due to the current level of vacancies.</p> <p>Administrative Costs - underspend of £0.016m on risk reduction initiatives.</p>
92	<p>Legal & Licensing Services - underspend of £0.092m mainly as a result of;</p> <p>Employee Costs - underspend of £0.155m due to the current level of vacancies. Members approved earmarking of £0.049m from 2023/24 to fund legal costs in relation to historic child abuse cases. As these are still ongoing, Members again approved earmarking of the £0.049m underspend to use in 2025/26 (Table 5 below).</p> <p>Income - under recovery of income of £0.050m, mainly due to Licencing fee income levels being lower than anticipated.</p>
51	<p>Trading Standards & Environmental Health - underspend of £0.051m mainly as a result of;</p> <p>Employee Costs - underspend of £0.012m due to current vacancies.</p> <p>Transport Costs - underspend of £0.013m due to less private vehicle hire, fuel and mileage.</p> <p>Administrative Costs - overspend of £0.028m. This is due to £0.013m of Private Water Supplies grants which have been issued, and this is fully funded by corresponding grant income. Other overspends include Training courses (£0.010m) and Public Health Act 1968 funeral costs (£0.005m).</p> <p>Financing Costs - overspend of £0.009m on Glasgow Scientific Lab Debt Charges.</p> <p>Income - over recovery of £0.068m, mainly due to additional income from Food Standards Scotland (£0.037m) and Government grant income (£0.030m) which funds the cost of Private Water Supplies grants issued and Air Quality Management .</p>
352	Total variance

Year End Variance Fav / (Adv) £'000	Human Resources
394	<p>Human Resources & Payroll - underspend of £0.394m mainly as a result of;</p> <p>Employee Costs - underspend of £0.201m due to the current level of vacancies. Members approved earmarking of £0.049m to fund the remaining cost of the approved temporary post in relation to the implementation of Oracle Fusion HR in 2025/26. Members approved earmarking of £0.086m from 2023/24 to employ graduate interns in 2024/25, and currently there is an underspend of £0.025m which relates to the remaining part of their contractual costs in 2025/26. Members approved earmarking of this underspend for 2025/26 to meet this cost (Table 5 below)</p> <p>Administrative Costs - underspend of £0.198m mainly due to an underspend of £0.170m in the corporate workforce and succession planning fund. Members previously approved earmarking of this underspend (Table 5 below) for use in 2025/26, where Services will be able to seek funds to pay for essential training courses to support the development of a future talent pipeline of employees across the Council.</p>
394	Total variance

Year End Variance Fav / (Adv) £'000	Internal Audit
8	Performance, Appraisal & Audit - no material variances to report
8	Total variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:	DR £'000	CR £'000
Total	0	0

Table 5 - Earmarking Requests

Earmarking requests:	Objective/ Subjective	Amount £'000
Previously approved requests:		
Corporate Finance SCS Team support	Revenues & Benefits/Employee Costs	70
Scottish Welfare Fund grant	Revenues & Benefits/Third party Payments	421
Temporary staffing to cover maternity leave	Procurement/Employee Costs	63
Temporary HR Oracle Fusion post	Human Resources/Employee Costs	49
Graduate Intern contract costs	Human Resources/Employee Costs	25
Corporate workforce and succession planning fund	Human Resources/Administrative Costs	170
Dilapidation Costs - Watson Peat Building Auchincruive	Democratic & Governance/Property Costs	55
Legal costs - historic child abuse cases	Legal Services/Employee Costs	49
Total approved		902
Amended requests :		
Scottish Welfare Fund grant - reduce	Revenues & Benefits/Third party Payments	(153)
Dilapidation Costs - Watson Peat Building Auchincruive - remove	Democratic & Governance/Property Costs	(55)
Total amended requests		(208)
Total		694
Comments:		

Table 6 - Efficiency Savings

Efficiency savings:	Targeted £'000	Shortfall £'000
Council Tax premium on second homes	209	0
Revised NDR empty property relief scheme	950	0
Expand employee benefits framework scheme	80	0
Remove Registration & Archives security/ grounds budgets	2	0
Reduce Internal Audit hire car costs	1	0
Reduce various Legal & Licensing supplies/ admin budgets	2	0
Additional Scottish Government DHP admin grant income	53	0
Total	1,297	0
Comments:		

Table 7 - Payroll Management

Payroll Management:	Targeted £'000	Achieved £'000
Payroll Management - Corporate target	406	406
Total	406	406
Comments:		

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
421	Scottish Government	Scottish Welfare Fund
421		

Social Care

Table 1 - Objective Analysis

Period 9 Projected Variance Fav/(Adv) £'000	Service	Full Year Budget 2023/24 £'000	Full Year Actual to 31 March 2024 £'000	Full Year Variance Fav/(Adv) £'000
	Community Care Services :			
59,355	Older People	57,988	59,355	(1,367)
5,023	Physical Disabilities	5,084	5,023	61
64,378	Total Community Care Services	63,072	64,378	(1,306)
21,716	Children's Services	23,600	21,716	1,884
90	Justice Services	111	90	21
21,806	Total Children and Justice Services	23,711	21,806	1,905
28,258	Learning Disabilities	26,881	28,258	(1,377)
4,845	Mental Health	4,389	4,845	(456)
1,957	Addiction	2,430	1,957	473
35,060	Total Mental Health Services	33,700	35,060	(1,360)
5,943	Directorate Services	6,865	5,943	922
5,943	Total Support Services	6,865	5,943	922
570	Integrated Care Fund/Delayed Discharges	486	570	(84)
(19,158)	Interagency payments with Health	(19,158)	(19,158)	0
108,599	HSCP Sub-total	108,676	108,599	77
650	Scheme of Assistance/Aids and Adaptations etc	670	650	20
109,249	Final HSCP total	109,346	109,249	97

IJB Reserves	£'000
Balance brought forward	17,469
Transfers out	(11,249)
Transfers in	4,880
Balance carried forward	11,100
Commitments	(10,503)
Uncommitted Reserves	597

Health & Social Care Partnership: the above table provides an overview statement of the budget and out-turn position for the Council's element of the Integration Joint Board (IJB) for 2024/25 as at 31 March 2025, which records an in-year underspend of £0.097m for the Council element following various draws from reserves during the year. When combined with the balance of reserves brought forward plus the various transfers in and out of reserves during the year, a closing reserve balance of £11.100m is held by the Partnership. Of this balance, £10.503m is committed leaving an uncommitted balance of £0.597m

Education Directorate

Table 1 - Objective Analysis

Period 10 Projected Variance Fav/(Adv) £'000	Service	Full Year Budget 2024/25 £'000	Actual Expenditure to 31 March £'000	Year end Variance Fav/(Adv) £'000
0	Directorate	323	616	(293)
230	Corporate Policy, Strategy & Performance	3,247	2,715	532
0	Education - Early Years	18,736	18,568	168
(80)	Education - Learning and Teaching Schools	102,747	102,678	69
349	Education - Learning and Teaching Additional Support	19,541	19,358	183
0	Education Support Services	6,973	7,069	(96)
499	Total Education Directorate	151,567	151,004	563

Table 2 - Subjective Analysis

Period 10 Projected Variance Fav/(Adv) £'000	Account	Full Year Budget 2024/25 £'000	Actual Expenditure to 31 March £'000	Year end Variance Fav/(Adv) £'000
635	Employee costs	116,505	116,388	117
0	Property costs	15,555	15,730	(175)
0	Supplies and services costs	2,829	2,617	212
(431)	Transport costs	4,841	5,383	(542)
0	Administrative costs	2,052	2,312	(260)
230	Third party payments	10,422	9,318	1,104
0	Transfer payments	938	922	16
(35)	Financing costs	13,188	13,188	0
399	Gross expenditure	166,330	165,858	472
100	Gross income	(14,763)	(14,854)	91
499	Net expenditure	151,567	151,004	563

Table 3 - Analysis of Significant Variances

Year end Variance Fav /(Adv) £'000	Directorate
(293)	<p>Payroll Management Target - under-recovered by £0.294m. This is due the net impact of the following:</p> <ul style="list-style-type: none"> - additional SG funding to support delivery of the £12 per hour pay commitment, which was not allocated to EY as part of the budget process due to information not being received from SG until after budget was approved. - two weeks of employers superannuation at 19.3%, rather than the budgeted reduced rate of 6.5%, estimated at approximately £0.133m and is due to the new reduced rate being applied from the first full pay period in each new tax year (May payrun), as the April payrun includes 16th March - 15th April 2024. - teacher roll adjustment, due to falling school rolls - confirmation of probationer funding from SG.
(293)	Total variance

Year end Variance Fav /(Adv) £'000	Corporate Policy, Strategy & Performance
532	<p>Public Sector Reform (LACER) - this pilot within North Ayr, working with Mutual Ventures Trust is £0.232m underspent. Members have already approved to earmark £0.230m of these funds to continue with this pilot in 2025/26 and are now requested to increase this to the full underspend of £0.232m (refer Table 5 below).</p> <p>Rapid Rehousing Transition Plans & Housing First - underspent by £0.272m primarily due to staff shortages. Members are requested to earmark £0.057m to fund Housing First Team Leader post (23 months) approved at ELT, to meet Care Commission guidelines (refer to Table 5 below).</p>
532	Total variance

Year end Variance Fav /(Adv) £'000	Education
324	<p>Pupil Equity Funding - underspent by £0.150m. PEF is provided on a financial year basis but used across an academic year by schools (August 2024 - August 2025) and has permissible carry forward. SG reviewed 2023/24 funding in order to utilise £0.900m of the carry forward funding to manage pay pressures in 2023-24 and have committed that there will be an additional payment in 26/27 when the programme ends (in theory). This should ensure that funding continues to be available at currently planned levels going forward with no detriment to schools. Members are requested to earmark this underspend to be utilised up to the end of the academic year (refer to Table 5 below).</p> <p>Early Years - £0.168m underspent, primarily due to the delay in Troon EYC opening, payments to partner nurseries and additional income in relation to wrap-around childcare.</p> <p>Pupil Transport - overspent by £0.397m, including £0.103m relating to SPT and £0.294m relating to ASN framework contracts.</p> <p>Free School Meals (holidays) - £0.065m overspent, due to the number qualifying for free school meals during school holidays.</p> <p>Uplift of Litter - £0.130m overspent, however there will be a corresponding over-recovery in Waste Management (HOD) income to offset this overspend.</p> <p>Other local authority income (ASN) - £0.067m over-recovery in inter-authority recharges, due to an increase in the number of pupils accessing ASN in South Ayrshire from other authorities.</p>

	<p>Whole Family Wellbeing Fund (WFWF) - underspent by £0.661m in relation to WFWF to support the development of holistic whole family support services. This is primarily due to a delay in filling posts. Members have already approved earmarking of £0.300m of this underspend to fund both internal and external contracts during 2025/26 and are now requested to increase this to £0.361m (refer to Table 5 below).</p> <p>PPP/New Schools - other property costs are overspent by £0.067m, primarily due to vandalism and other repair costs.</p> <p>Capital Financed by Current Revenue (CFCR) - Members should note that the service has purchased equipment as part of the operational service provision during the year totalling £0.083m (Gym equipment costing £0.023m, treehouse and landscaping costing £0.026m and stage lighting costing £0.034m) where revenue funding has been utilised that meets the de-minimis asset threshold of £0.010m and therefore has been capitalised and included as assets on the Council's balance sheet.</p>
324	Total variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:		DR £'000	CR £'000
	None at Period 12		
Total		0	0

Table 5 - Earmarking Requests

	Previously Approved £'000	New Requests £'000	Total Earmarking £'000
Whole Family Wellbeing Funding (WFWF)	300	61	361
Pupil Equity Fund	0	150	150
Public Sector Reform - North Ayr	230	2	232
Housing 1st Team Leader	0	57	57
Total	530	270	800
Comments: Detail included above.			

Table 6 - Efficiency Savings

Efficiency savings:	Target £'000	Shortfall £'000
Review Early Learning Team	125	0
Review all current Education external contract arrangements	50	0
Introduce Teacher Turnover Target	500	0
Increase income and fees targets by 20% for Short Term Let Licences	2	0
Realign PSL Bulk Leasing Scheme income budget based on current recovery rates	20	0
Reduced Private Sector Housing Grant budget based on low uptake	15	0
Total	712	0
Comments: No shortfalls.		

Table 7 - Payroll Management

Payroll Management:	Targeted £'000	Shortfall £'000
Payroll Management - Corporate target	3,748	(294)
Total	3,748	(294)
Comments: Under-recovered by £0.294m.		

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
2,614	Scottish Government	Pupil Equity Fund
128	Scottish Government	Mental Health & Wellbeing
120	Scottish Government	Care Experienced Children & Young People
2,980	Scottish Government	Unitary Charge - new schools
429	Scottish Government	HEEPS
8	Scottish Government	Child Poverty Practice Action Fund
652	Scottish Government	South Ayrshire Reads
39	Dumfries & Galloway Council	SWEIC
41	Ayrshire Chamber of Commerce	Developing Young Workforce
5	Lintel Trust	Arts Festival Grant
7,016		
Comments:		
Additional amounts notified during the financial year, not included in original budget.		

Housing Operations & Development

Table 1 - Objective Analysis

Projected Variance P10 favourable /(adverse) £'000	Service	Full Year Budget 2024/25 £'000	Actual to 31 March £'000	Variance favourable /(adverse) £'000
(1,106)	Directorate	12,026	13,202	(1,176)
7	Directorate	439	430	9
(1,113)	Ayrshire Roads Alliance/SPT	11,587	12,772	(1,185)
523	Planning & Development	8,693	8,027	666
350	Asset Management and Community Asset Transfer	7,454	7,025	429
133	Planning and Building Standards	1,625	1,430	195
40	Professional Design Services	(403)	(449)	46
0	Special Property Projects	17	21	(4)
382	Housing & Operations	36,093	35,569	524
0	Facilities Management	12,519	12,568	(49)
178	Housing Services	1,529	1,216	313
204	Neighbourhood Services	21,529	21,332	197
0	Property Maintenance	516	453	63
(201)	Total Housing Operations & Development	56,812	56,798	14

Projected Variance P10 favourable /(adverse) £'000	Account	Full Year Budget 2024/25 £'000	Actual to 31 March £'000	Variance favourable /(adverse) £'000
511	Employee costs	39,016	38,527	489
285	Property costs	7,561	7,751	(190)
(6)	Supplies and services costs	18,900	18,111	789
(57)	Transport costs	6,028	6,156	(128)
14	Administrative costs	839	882	(43)
(993)	Third party payments	16,749	18,177	(1,428)
(7)	Transfer payments	7	7	0
0	Financing costs	6,531	6,531	0
(253)	Gross expenditure	95,631	96,142	(511)
52	Gross income	(38,819)	(39,344)	525
(201)	Net expenditure	56,812	56,798	14

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Directorate
9	Directorate - underspend of £0.009m as a result of various small underspends across the service
9	Total variance

Projected Variance favourable /(adverse) £'000	Ayrshire Roads Alliance/SPT
(1,185)	Ayrshire Roads Alliance/SPT - overspend of £1.185m. This is mainly as a result of overspends in electricity costs for street lighting, electric vehicles and Christmas lights (£0.279m), increased sub-contractors costs of £0.796m (which includes unbudgeted costs of £0.400m for road surfacing works in relation to a national cycling event and £0.097m for new parking ticket machines), increased consultancy costs (£0.258m), and under-recovery of car parking income (£0.447m) as a result of the extension of 2 hour free parking. This is partially offset by an underspend in employee costs (£0.300m) as a result of current vacancies, underspends in road maintenance materials and bitumen asphalt (£0.200m) and insurance premium costs (£0.081m).
(1,185)	Total variance

Projected Variance favourable /(adverse) £'000	Asset Management & Community Asset Transfer
429	<p>Asset Management & Community Asset Transfer - underspend of £0.429m mainly as a result of:</p> <p>Employee Costs - overspend of £0.021m. The service has been running with some long term vacancies and there was an underspend on employee costs, however a budget transfer was approved earlier in the year to use this underspend to fund increased costs in other areas of the service.</p> <p>Property costs - underspend of £0.224m mainly as a result of Central Repairs Account (CRA) management action to prioritise works which has resulted in planned maintenance being stopped temporarily (£0.254m), and reduced repair and maintenance costs in Health & Social Care occupied buildings (£0.027m). There is also an underspend of £0.079m in rent and insurance costs for McCalls Avenue, as these costs are now shared with other Council services. There has also been a reduction in the rental charge for the Town buildings (£0.050m). Various other small underspends provide a total additional underspend of £0.014m. These underspends are offset by an overspend due to the delay in delivering the proposed office rationalisation saving (£0.200m).</p> <p>Supplies & Services - overspend of £0.050m, mainly due to consultancy costs in relation to the 5 year periodic Council property asset valuations (£0.072m). Other overspends include legal fees (£0.012m), equipment and materials (£0.019m), ICT costs (£0.016m) and other supplies (£0.010m). These overspends are partly off set by an underspend in the CRA budget of £0.079m where only essential works have been carried out.</p> <p>Administrative Costs - underspend of £0.042m, due to a further CRA underspend of £0.027m, and reduced spend across various administrative supplies of £0.015m.</p> <p>Third Party Payments - underspend of £0.060m . This is due to an underspend of £0.041m on energy efficiency initiatives, and an underspend in CRA of £0.019m.</p> <p>Income - over recovery of £0.176m, mainly due to additional rental income received for commercial properties and industrial units, where work was undertaken to recover historical and outstanding rents due to the Council</p>
429	Total variance

Projected Variance favourable /(adverse) £'000	Planning & Building Standards
195	<p>Planning & Building Standards - underspend of £0.195m as a result of ;</p> <p>Employee costs - underspend of £0.163m as a result of current vacancies</p> <p>Supplies & Services costs - overspend of £0.141m in consultancy costs. This relates to legal and specialist experts costs in relation to judicial reviews and other advice</p> <p>Income - over-recovery of £0.174m due to an increase in the number of applications linked to some economic recovery in the second half of the year.</p>
195	Total variance

Projected Variance favourable /(adverse) £'000	Professional Design Services
46	<p>Professional Design Services - underspend of £0.046m as a result of;</p> <p>Employee Costs - underspend of £0.041m due to current vacancies.</p> <p>Administrative Costs - underspend of £0.017m mainly due to less spend on membership fees and subscriptions.</p> <p>Income - under recovery of £0.018m on fees recharged to the Capital programme due to reduced level of work carried out on Capital projects.</p>
46	Total variance

Projected Variance favourable /(adverse) £'000	Special Property Projects
(4)	No material variance to report.
(4)	Total variance

Projected Variance favourable /(adverse) £'000	Facilities Management
(49)	<p>Facilities Management - overspend of £0.049m as a result of:</p> <p>Employee costs - overspend of £0.075m as a result of the requirement to cover high levels of vacancies and sickness absence. This has resulted in increased employers national insurance costs as employees working additional hours to cover absence move above the budgeted lower national insurance lower earnings limit. This is partly offset by the over-recovery of income noted below</p> <p>Property costs - overspend of £0.011m due to public convenience paddle gate maintenance at various locations</p> <p>Income - over-recovery of £0.037m in recharge of costs to other Council services</p>
(49)	Total variance

Projected Variance favourable /(adverse) £'000	Housing Services
313	<p>Housing Services - underspend of £0.313m mainly as a result of:</p> <p>Employee Costs - underspend of £0.217m due to current vacancies.</p> <p>Property Costs - underspend of £0.051m due to a lower than expected level of repair and maintenance costs in homelessness properties.</p> <p>Supplies & Services Costs - underspend of £0.076m, mainly due to reduced removal and storage costs (£0.065m) and lower furniture costs (£0.009m).</p> <p>Administrative Costs - overspend of £0.030m, mainly due to the creation of a bad debt provision to cover the level of homeless rent arrears (£0.041m). This overspend is partly offset by various small underspends in postage, stationery and telecoms (£0.011m).</p> <p>Third Party Payments - underspend of £0.161m. This relates to the DWP benefits subsidy grant received for homelessness (£0.103m) and the financial inclusion funding approved at Cabinet 12th March 2024 to provide a tenant hardship fund over 2 financial years (£0.052m). The DWP funding is expected to be used to fund homelessness initiatives and will fund additional staffing to deliver these initiatives. Members previously approved earmarking of these underspends to deliver on both initiatives in 2025/26 (Table 5 below). The DWP benefits subsidy transferred from Revenue & Benefits Service is higher than anticipated therefore Members are requested to approve earmarking of the additional £0.043m received (Table 5 below). There has been spend of £0.008m in the Tenant Hardship Fund in quarter four therefore Members are requested to approve the reduction of the previously approved earmarking accordingly (Table 5 below). There is also an underspend of £0.038m on works carried out to mixed tenure properties. Engagement with private owners is currently underway and Members are requested to approve earmarking of this underspend to be used to fund costs in 2025/26 (see Table 5 below).</p> <p>Income - under recovery of £0.159m as a result of the current demand for temporary accommodation units being utilised from the HRA stock. This is partly offset by the corresponding underspend in Property Costs and Supplies & Services Costs notes above.</p>
313	Total variance

Projected Variance favourable /(adverse) £'000	Neighbourhood Services
197	<p>Neighbourhood Services - underspend of £0.197m as a result of:</p> <p>Property Costs - overspend of £0.047m as a result of the necessity to introduce security measures at Heathfield Waste Recycling Centre</p> <p>Supplies & Services Costs - underspend of £0.286m mainly as a result of underspend of £0.247m for Ash Dieback works. Members previously approved £0.094m projected underspend to be earmarked for carry forward to be used in 2025/26 (Table 5 below) at Cabinet of 18 February. The increased underspend of £0.153m is now requested to be earmarked for carry forward</p> <p>Transport costs - overspend of £0.033m as a result of increased repairs and maintenance costs and fuel price increases</p> <p>Third Party payments - overspend of £0.090m mainly due to additional waste management licences required for Heathfield Waste Recycling Centre (£0.064m) and an increase in recycling costs (£0.026m)</p> <p>Income - over-recovery of £0.087m as a result of over-recovery of bereavement income (£0.124m), waste recycling (£0.014m) and brown bin permit income (£0.053m), offset by an under-recovery in commercial waste customer income (£0.104m).</p> <p>Capital Financed by Current Revenue (CFCR) - Members should note that the service has purchased equipment as part of the operational service provision during the year totalling £0.450m (80 solar powered litter bins costing £0.424m, a weighbridge ramp costing £0.013m and 2800 kerbside caddy bins costing £0.013m) where revenue funding has been utilised that meets the de-minimis asset threshold of £0.010m and therefore the equipment has been capitalised and included as assets on the Council's balance sheet.</p>
197	Total variance
Projected Variance favourable /(adverse) £'000	Property Maintenance
63	Property Maintenance Service - underspend of £0.063m in relation to reduced levels of repair and maintenance work carried out on Council buildings under Central Repairs Account (CRA) as noted under Asset Management above.
63	Total variance

Table 4 - Budget Transfer Requests

	DR £'000	CR £'000
Total	0	0

Table 5 - Earmarking Requests

	Objective/ Subjective	Amount £'000
Previously approved:		
Ash Dieback	Neighbourhood Services/Supplies and Services costs	94
DWP funding for homeless initiatives	Housing Services/Third Party Payments	60
Financial Inclusion Funding - Tenant Hardship Fund	Housing Services/Third Party Payments	60
Total approved requests		214
Amend previously approved requests:		
Ash Dieback - increase	Neighbourhood Services/Supplies and	153
DWP funding for homeless initiatives - increase	Housing Services/Third Party Payments	43
Financial Inclusion Funding - Tenant Hardship Fund - decrease	Housing Services/Third Party Payments	(8)
Total amended requests		188
New requests :		
Mixed Tenure Properties	Housing Services/Third Party Payments	38
Total		38
Total earmarking requests		440

Table 6 - Efficiency Savings

		Targeted £'000	Shortfall £'000
ARA	Introduction of EV charging tariff for public use.	52	52
ARA	Remove 5.5fte vacant strategic posts (Split EAC/SAC – 50/50%)	104	0
ARA	Increase fees and permit charges to developers, utilities and public by 5%	30	0
ARA	Increase harbour dues by 5%	6	0
Neighbourhood Services	Introduce £50 charge for Garden Waste Collections (based on servicing 1 bin per	559	0
Neighbourhood Services	Increase Bereavement prices by 10%	180	0
Neighbourhood Services	Introduce £30 charge to householders for lost, stolen, damaged replacement bins	30	0
Neighbourhood Services	Increasing commercialisation (Heathfield Waste recycling centre)	100	0
Neighbourhood Services	Reduction in Neighbourhood Services overtime	10	0
Facilities Management	Increase cost of public toilets from £0.30 to £0.50 per use	21	7
Asset Management	Transforming the Estate Review - rationalise council assets and remove various property costs	200	200
Property Maintenance	Review internal charging approach to reduce and remove administration costs	50	0
Planning	Realign Planning fees income budget based on current recovery rates	30	0
		1,372	259
Comments:			

Table 7 - Payroll Management

	Targeted £'000	Achieved £'000	Over/(Under) achieved £'000
Payroll Management - Corporate target	1,020	1020	0
Payroll Management - Directorate target	63	63	0
Total	1,083	1,083	0

Table 8 - Grant Income

Amount £'000	Grant name/ body	Grant purpose
16	Zero Waste Scotland	Support recycling initiatives
20	Scottish Government	School milk subsidy
36		
Comments:		
The above grants which have been received during the financial year were not part of the approved Directorate budget.		

Communities & Transformation

Table 1 - Objective Analysis

Period 10 Projected Variance Fav/(Adv) £'000	Service	Full Year Budget 2024/25 £'000	Actual Expenditure to 31 March £'000	Year end Variance Fav/(Adv) £'000
550	Directorate	1,572	467	1,105
	Communities			
0	Thriving Communities	6,010	5,742	268
150	Economy and Regeneration	1,356	4,290	(2,934)
(238)	Destination South Ayrshire	4,741	4,802	(61)
0	Sport, Leisure and Golf	5,976	5,405	571
(88)	Total Communities	18,083	20,239	(2,156)
	Transformation			
0	ICT Strategy & Delivery	10,017	9,730	287
91	Customer Services & Public Affairs	2,385	2,239	146
(200)	Transformation	902	966	(64)
(109)	Total Transformation	13,304	12,935	369
353	Total Communities & Transformation	32,959	33,641	(682)

Table 2 - Subjective Analysis

Period 10 Projected Variance Fav/(Adv) £'000	Account	Full Year Budget 2024/25 £'000	Actual Expenditure to 31 March £'000	Year end Variance Fav/(Adv) £'000
459	Employee costs	25,467	23,900	1,567
(100)	Property costs	4,189	4,141	48
(81)	Supplies and services costs	6,005	6,322	(317)
(100)	Transport costs	697	705	(8)
(200)	Administrative costs	740	905	(165)
(88)	Third party payments	6,598	9,394	(2,796)
0	Transfer payments	10	10	0
0	Financing costs	8,303	8,303	0
(110)	Gross expenditure	52,009	53,680	(1,671)
463	Gross income	(19,050)	(20,039)	989
353	Net expenditure	32,959	33,641	(682)

Table 3 - Analysis of Significant Variances

Year end Variance Fav /(Adv) £'000	Directorate
1,105	Payroll Management - over-recovery in payroll management target of £1.097m, due to delays in filling vacancies, vacancy freeze and utilisation of external funding.
1,105	Total variance

Year end Variance Fav /(Adv) £'000	Communities
268	<p>Thriving Communities - Modern Apprentices - underspent by £0.070m. As part of the Strategic Workforce Planning Group, Thriving Communities have committed to creating modern apprenticeship opportunities across the organisation to support both service delivery and workforce planning. These opportunities will encourage young people to become employees of SAC, creating a workforce for the future in a range of vocational areas. Members are requested to earmark this underspend to fund the ongoing MA's during 2025/26 (refer to Table 5 below).</p> <p>Additional funding of £0.200m to enhance external funding including NOLB & UKSPF, was not required during 2024/25, due to the delay in some projects.</p>
(2,934)	<p>Economy & Regeneration - Abortive capital spend provision – During 2024/25 Council agreed to initiate a change request in relation to the Ayrshire Growth Deal to realign and revise the projects to be progressed. This change request was considered and endorsed by the Ayrshire Growth Deal Project Management Office in February 2025 and is now with the Scottish Government for final decision. From an accounting perspective this change request creates an event that may mean the discontinuation of the Ayrshire Growth Deal Spaceport project. A provision has therefore been created for £3.279m of potential abortive capital spend and is shown against Economic Regeneration.</p> <p>Training and Skills LACER project - underspent by £0.150m. Members to note that ELT approval has already been sought to earmark this underspend to fund 5 temporary positions within Community Wealth Building until September 2025 (refer to Table 5 below).</p> <p>LACER SLL - underspent by £0.046m. Members are requested to earmark this underspend and utilise it to fund the annual subscription to Miconex, where over 200 South Ayrshire based businesses are registered to accept the local gift card. (refer to Table 5 below).</p> <p>ERDF - £0.112m income in relation to Claim 3 from previous financial year 2023/24.</p>
(61)	<p>Destination South Ayrshire - International Ayr Show - Festival of Flight 2024 - over-spent by £0.227m. This is covered by over-recovery in Directorate payroll turnover targets.</p>
571	<p>Sport, Leisure and Golf - net over-recovery, primarily due to -</p> <ul style="list-style-type: none"> - vacancies across Sport & Leisure - overspends in supplies and services, including food provisions for the Cafes - delay in works being completed at Dalmilling golf course - over-recovery in golf memberships, casual green fees and The R&A income. - over-recovery in sport & leisure memberships, admissions, Learn2Swim and lets. <p>Members are requested to earmark £0.250 of this net over-recovery to:-</p> <ul style="list-style-type: none"> - purchase the remaining older machinery within Golf, which are currently on a lease extension (£0.150m) - assist in funding one-off revenue consequences of capital expenditure within both Prestwick Swimming Pool and Citadel, including lockers and equipment (£0.050m) - fund the ongoing works at Dalmilling golf course funded from The R&A income (£0.050m) (refer to Table 5 below). <p>Capital Financed by Current Revenue (CFCR) - Members should note that the service has purchased equipment as part of the operational service provision during the year totalling £0.065m (Golf equipment costing £0.029m and chairs/trolley at Ayr Town Hall costing £0.036m) where revenue funding has been utilised that meets the de-minimis threshold of £0.010m and therefore has been capitalised and included as an asset on the Council's balance sheet.</p>
(2,156)	Total variance

Year end Variance Fav /(Adv) £'000	Transformation
369	<p>ICT - underspent by £0.286m within software, hardware and leased lines contracts. A full review of contracts will be undertaken as part of ICT service review.</p> <p>IAAH (COVID Recovery Project) - underspent by £0.119m, which is primarily due to the challenge in filling short term contracts (12 month). ELT have previously approved to utilise this underspend to extend 1fte temp level 8 Senior Advisor Post for 23 months from March 2024 and 1fte 23 month level 5 advisor post with immediate effect. Members have previously approved the earmarking of £0.091m of this underspend and are now requested to increase this to £0.109m, to extend contracts until 2025/26 (refer to Table 5 below).</p> <p>Transformation - net overspend of £0.064m, primarily due to an unachieved savings target from 2023/24 of £0.200m and underspend of £0.145m within employee costs.</p>
369	Total variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:	DR £'000	CR £'000
None at Period 12		
Total	0	0

Table 5 - Earmarking Requests

	Previously Approved £'000	New Requests £'000	Total Earmarking £'000
IAAH extend contracts	91	18	109
LACER - Community Wealth Building posts	150	0	150
Miconex Annual Subscription	0	46	46
Golf - transport costs	0	150	150
Golf - Dalmilling Works	0	50	50
RCCE - Prestwick Pool & Citadel	0	50	50
Modern Apprentices	0	70	70
Total	241	384	625
Comments: Detail included above.			

Table 6 - Efficiency Savings

	£'000	£'000
Maybole Golf - delete vacant post	34	0
Increase monthly Learn2 membership from £23 to £25 per month	50	0
Increase various golf green and membership fees by £5 per annum	40	0
Realign Riverside Sports Arena income budget based on current recovery rates	15	0
Total	139	0
Comments: All shortfalls in approved efficiencies have been included in the outturns above.		

Table 7 - Payroll Management

Payroll Management:	Targeted £'000	Shortfall/ (Surplus) £'000
Payroll Management - Corporate target	633	1,097
Total	633	1,097
Comments: £0.628m over-recovered.		

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
99	Scottish Government	CCLD
739	Scottish Government	No-one Left Behind (NOLB)

Miscellaneous Services

Table 1 - Objective Analysis

Period 10 Projected Variance Fav/(Adv) £'000	Service	Full Year Budget 2024/25 £'000	Full Year Actual to 31 March 2024 £'000	Full Year Variance Fav/(Adv) £'000
(1,644)	Miscellaneous Services	(5,686)	(3,812)	(1,874)
(1,644)	Total Miscellaneous Services	(5,686)	(3,812)	(1,874)

Table 2 - Subjective Analysis

Period 10 Projected Variance Fav/(Adv) £'000	Account	Full Year Budget 2024/25 £'000	Full Year Actual to 31 March 2024 £'000	Full Year Variance Fav/(Adv) £'000
(1,558)	Debt management charges	17,610	20,262	(2,652)
75	Investment income	(2,184)	(2,272)	88
0	Recharges to other services	(1,793)	(1,843)	50
0	Requisitions and other initiatives	859	859	(0)
0	Contributions to/ from Funds	54	54	0
(72)	Employee provision	710	748	(38)
(42)	Fees and subscriptions	479	491	(13)
(231)	Other payments	3,618	4,126	(507)
(32)	Covid-19 costs	0	38	(38)
172	Salary sacrifice schemes	478	461	16
0	Storm Eowyn costs	377	377	0
	<u>Year-end accounting adjustments:</u>			
0	Depreciation/ impairment reversal	(27,637)	(27,637)	0
0	Short-term employee benefit adjustment	(249)	(249)	0
0	Finance lease adjustment	200	200	0
0	Capital grant/ expenditure written out	1,891	1,891	0
0	PPP unitary charge	12,236	12,236	0
0	PPP flexibility adjustment	(2,026)	(2,026)	0
0	PPP IFRS16 adjustment	0	(1,178)	1,178
0	Contribution to Capital (Affordable Housing)	1,182	1,182	0
0	Pension Fund contribution - net revenue charge	(11,498)	(11,498)	0
(1,688)	Gross expenditure	(5,693)	(3,778)	(1,915)
44	Gross income	6	(35)	41
(1,644)	Net expenditure	(5,687)	(3,813)	(1,874)

Table 3 - Analysis of Significant Variances

Full Year Variance Fav/(Adv) £'000	Miscellaneous Services
(2,652)	Debt management charges - the overall budget for loan charges was £17.610m, comprising £6.457m for loan principal, £10.979m for interest costs and £0.174m for loans fund expenses. A full year overspend of £2.652m reflected higher than predicted interest rates for a longer period of the year than anticipated, despite having to borrow less than originally planned. The eventual small reductions in interest rates were not significant enough to bring expenditure back in line with budget.
88	Investment income - the budget for investment income was set at £2.130m based on an estimate of the average revenue balances held during the year at an assumed interest rate return of 5.50% on those balances. A full year over-recovery of £0.088m was due to higher than forecast interest rate levels.
50	Recharges to other services: this budget is held corporately and represents central support costs recoverable from services outwith the General Fund, e.g. HRA, Capital, AVJB, Common Good Funds, etc. The over-recovery reflects a higher than budgeted charge due to the impact of recent pay awards and other cost increases.
(38)	Employee provision - the full year overspend was mainly due to apprenticeship levy costs.
(507)	Other payments - the full year net overspend of £0.507m comprised the following significant elements: - £0.673m overspend on Non-Domestic Rates due to a combination in reductions in available reliefs and increases in poundage rates; - £0.355m overspend due to unachievable corporate efficiency targets reported in Miscellaneous but allocated to service budgets where appropriate (refer to Table 6 - Efficiency Savings below); and - £0.086m underspend in energy costs across all Council services but reported corporately within Miscellaneous Services, due to what continues to be a fluctuating energy price market. These projected overspends are partly offset by the following projected underspends: - £0.435m following the release of/ adjustment to provisions created in previous years for expected costs and other commitments that have not materialised; and - £0.203m underspend on insurance costs (net of third party claims).
(38)	Covid-19 costs: the full year overspend relates to ongoing costs associated with the lease of a hangar at Prestwick Airport.
0	Storm Eowyn costs: non-employee expenditure totalling £0.377m was incurred and charged to Miscellaneous Services in the aftermath of Storm Eowyn in January 2025 and as approved by Members, was funded by a draw from reserves. Other costs of £0.041m were charged direct to services and also met from reserves.
1,178	PPP - IFRS adjustments - From 1 April 2024, a new International Financial Reporting Standard, IFRS 16, came into effect for Local Authorities relating to Right of Use leased assets. The new standard also impacts the accounting for Service Concession Arrangements (SCA's), more commonly known as PPP contracts. The impact of this new standard is a net reduction in cost charged to revenue relating to the contract following the reameasurement of the liabilities within the contract. For 2024/25 this net reduction in costs was £1.178m.
(1,874)	Total Full Year Variance

Table 4 - Budget Transfer Requests

Description	DR £'000	CR £'000
N/a		
Total	0	0

Table 5 - Earmarking Requests

Description	Objective/ Subjective	Amount £'000
	Service/ Account	
Total		0
Comments: No earmarking requests identified for Miscellaneous Services.		

Table 6 - Efficiency Savings

Efficiency savings:	Targeted £'000	Shortfall £'000
Procurement (prior year saving)	177	177
Purchase of additional leave: target to be allocated across services	200	3
Additional AVCs: on-cost savings	48	0
Future Operating Model: target to be allocated across services	175	175
Total	600	355
Comments: Continuing pressures on service budgets has made it challenging to allocate corporate procurement and Future Operating Model savings across directorates, as underspends arising from new ways of working have been utilised to offset overspends due to inflationary pressures and contractual increases. However, those savings targets were considered as part of the wider Transformation work across the Council and have now been permanently addressed as part of the 2025/26 budget.		

Table 7 - Payroll Management

Payroll Management:	Targeted £'000	Achieved £'000
	0	0
Total	0	0
Comments: No payroll management target allocated to Miscellaneous Services.		

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant Name/ Body	Grant Purpose
0		
Comments: No new grant income received within Miscellaneous Services.		

Housing Revenue Account

Table 1 - Objective Analysis

Projected Variance P10 favourable /(adverse) £'000	Service	Full Year Budget 2024/25 £'000	Actual to 31 March £'000	Variance favourable /(adverse) £'000
938	Housing Revenue Account	0	(1,944)	1,944
1,065		0	(1,944)	1,944

Projected Variance P10 favourable /(adverse) £'000	Service	Full Year Budget 2024/25 £'000	Actual to 31 March £'000	Variance favourable /(adverse) £'000
550	Employee costs	5,940	5,285	655
193	Property costs	14,416	13,702	714
55	Supplies and services costs	341	267	74
0	Transport costs	70	40	30
(186)	Administrative costs	1,520	1,349	171
0	Support services costs	1,837	1,869	(32)
12	Third party payments	562	550	12
0	Transfer payments	117	107	10
123	Financing costs	16,455	16,440	15
0	CFCR	5,397	5,397	0
747	Gross expenditure	46,655	45,006	1,649
191	Income	(46,655)	(46,950)	295
938	Net expenditure	0	(1,944)	1,944

Table 3 - Financial Variance Analysis

Projected Variance favourable /(adverse) £'000	Housing Revenue Account
655	Employee costs - underspend of £0.655m due to current vacancies.
714	Property Costs - underspend of £0.714m. This is mainly due to an underspend of £1.177m in the cost of repairs to council houses, where management action undertaken has reduced the use of sub contractors by increasing efficiency to keep an increased level of work "in house". There is also an underspend of £0.063m in the costs for Decants. Other small underspends across various lines total £0.031m. These underspends are partially offset with an increase in Unlets costs (£0.308m), as well as overspends in gas boiler maintenance contract (£0.131m) and electricity costs (£0.118m) due to price increases.
74	Supplies & Services - underspend of £0.074m, mainly due to lower than anticipated "in-house" legal fees (£0.046m), removal & storage costs (£0.018m) and various other small underspends (£0.010m).
30	Transport Costs - underspend of £0.030m due to less use of vehicles, and lower fuel and mileage costs.
171	Administrative costs - underspend of £0.171m. There are underspends on telecoms charges (£0.042m), postage costs (£0.029m), subscriptions (£0.022m), training (£0.031m), other admin costs (£0.015m) as well as less feasibility & design costs for capital projects being charged to revenue (£0.093m). There is also an underspend of £0.463m in bad debts based on the current level of arrears of council house rental income. These underspends are partly offset by an overspend of £0.521m in insurance costs due to increased premiums which reflects increased property values after a recent revaluation exercise.
(32)	Support service costs - overspend of £0.032m, due to staff overheads being charged from other services.
22	Third Party Payments and Transfer Payments - underspend of £0.022m on charges from other Council services.

15	Financing costs - net underspend of £0.015m comprising: - Principal, Interest payments and expenses - underspend of £0.010m on principal, interest and expenses, which relates to the timing of loan payments and interest rates of temporary loan debt. - Interest income on revenue balances - £0.005m over recovery as a result of the Loans Fund exceeding the originally estimated rate of interest on investments.
0	CFCR - online
295	Income - over recovery of £0.295m in rental income. This is the impact of new builds coming into stock and available for renting
1,944	Total projected variance
Comments:	

Table 4 - Accumulated Surplus

Accumulated Surplus	£'000	Amount £'000
HRA accumulated surplus as at 1 April 2024	2,520	
Current year projected surplus	1,944	
Surplus for the year ended 31 March 2025		4,464
Minimum working balance		(2,000)
Surplus available for future spend		2,464
Current commitments:		
Revenue:		
Transformation within Housing - support costs		(44)
Costs associated with Home Loss Payments at Riverside High Flats and provision for Disturbance Allowance approved by Leadership Panel 26 November 2019		(169)
Total current commitments		(213)
Uncommitted surplus as at 31 March 2025		2,251
Comments:		
Uncommitted Surplus:		
Members are requested to approve earmarking from the uncommitted surplus for use in 2025/26:		
Request	Purpose	Amount £'000
Reduce the number of unlet properties	Joint management action by Housing & Property Maintenance is taking place to prioritise the reduction in empty properties for relet and to minimise the impact of void rent loss. Funding is required to outsource work to sub-contractors to help reduce the overall number of properties under repair and improve relet times	500
Increased insurance policy excess levels	The uninsured excess level has increased from £1,000 to £50,000 per claim under the new policy conditions. Based on previous claims history, this request is to establish a fund to mitigate the budget impact of uninsured losses across HRA assets. Following discussion with Risk & Insurance, it was agreed that the proposed provision would be sufficient to mitigate any financial loss.	500
Transformation within Housing	Amend existing transformation line within the commitments section and request to add £300K to existing commitment, taking the overall provision to £344K. This is to fund and support a project team to progress the implementation of a Housing Asset Management System which is an audit requirement. Implementation period is expected to be 18 -24 months.	300
Rain Water Harvesting Systems	Funding for initial inspection, service and any remedial works following commission of the RWH system, before cyclical maintenance regime is established.	50
Total		1,350

Table 5 - Rent Arrears

	As at 31 March 2024	As at 31 March 2025	Movement
Rent Arrears			
Current Tenants – Mainstream	779	658	-16%
Former Tenants – Mainstream	593	582	-2%
Total	1,372	1,240	-10%
Comments: Historically, the Council has performed well in the areas of rent arrears management and the collection of rental income. From the 2023/24 benchmarking information, the Council was the best performing local authority in terms of overall arrears at 4.63% of the rent due for the 2023/24 reporting year. Rent arrears is an area of focused activity with a dedicated team managing rent accounts and progressing necessary recovery actions, while supporting tenants in arrears. Officers are continuing to make contact and engage with tenants to provide ongoing advice and support to those households who are experiencing hardship. As an alternative to using legal action for recovery, every effort is being made to secure repayment arrangements and actively apply for Alternative Payment Arrangements (APA's) for housing costs to be paid direct to the Council from the Department of Works and Pensions for households in receipt of Universal Credit. The current reduction in rent arrears has been factored into the Bad Debt Provision out-turn figure noted above in Table 3.			

Common Good Funds

Table 1 - Objective Analysis

Period 10 Projected Variance Fav/(Adv) £'000	Common Good Fund	Full Year Budget 2024/25 £'000	Full Year Actual to 31 March 2024 £'000	Full Year Variance Fav/(Adv) £'000
(111)	Ayr Common Good Fund	0	125	(125)
4	Prestwick Common Good Fund	0	(7)	7
1	Troon Common Good Fund	(0)	(2)	2
0	Maybole Common Good Fund	(0)	(0)	0
0	Girvan Common Good Fund	0	0	0
(106)		(0)	116	(116)

Table 2 - Financial Variance Analysis

Full Year Variance favourable /(adverse) £'000	Common Good Fund
(125)	<p><u>Ayr Common Good Fund:</u> The following variances from budget combined to result in a net full year overspend of £0.125m: Property costs: a full year overspend of £0.121m, comprising £0.076m for repairs and maintenance, £0.032m for energy costs and £0.017m for other utilities (non-domestic rates, council tax, water), partly offset by a £0.004m underspend on insurance costs. As outlined in Table 4 below, a change in the Fund's operating model has been approved to take effect from 1 October 2025, which will see much of this expenditure transfer to the building occupier (i.e. the Council); this new arrangement will also be reflected in the value of corresponding rental income values. Income: a £0.005m under-recovery was attributed to a combination of £0.025m under-recovery of rental income, partly offset by a £0.020m over-recovery of interest income.</p>
7	<p><u>Prestwick Common Good Fund:</u> A favourable variance of £0.007m was attributed to small over-recoveries for both rental income (£0.003m) and interest income (£0.002m), together with a small underspend on property costs</p>
2	<p><u>Troon Common Good Fund:</u> A favourable variance of £0.002m was attributed to a small over-recovery for interest income.</p>
(116)	Total variance

Table 3 - Accumulated Revenue Reserves

Common Good Fund	Reserves as at 31 March 2024 £'000	Reserves as at 31 March 2025 £'000
Ayr Common Good Fund	260	135
Prestwick Common Good Fund	245	251
Troon Common Good Fund	38	39
Maybole Common Good Fund	2	2
Girvan Common Good Fund	9	9
Total	553	436
Comments: Recent significant increases in the cost of property repairs and maintenance, coupled with relatively static rental and other income continues to put pressure on Ayr Common Good Fund budgets and reserves. Members recently approved changes to the operating model for Ayr Common Good Fund with effect from 1 October 2025 which are expected to stabilise the Fund's income and expenditure and encourage modest growth in the Fund's reserves. All other Funds remain relatively stable, including Girvan Common Good Fund where the in-year deficit (£0.046m) continues to be funded by the Council.		

Table 4 - Accumulated Capital Reserves

Common Good Fund	Reserves as at 31 March 2024 £'000	Reserves as at 31 March 2025 £'000
Ayr Common Good Fund	711	157
Prestwick Common Good Fund	35	35
Total	746	192
Comments: Ayr Common Good Fund's capital reserve has been reduced through planned expenditure on the restoration of fire-damaged properties at Ayr High Street. Approximately £0.040m is expected to be incurred during 2025/26, with the balance of remaining expenditure funded by insurance recovery income and a capital contribution from the Council.		

South Ayrshire Council
Requests for Carry Forward of Resources to 2025/26

	<i>Previously Approved £m</i>	<i>New request £m</i>	<i>Total £m</i>
Chief Executive			
Corporate Finance – Social Care Support Team	0.070	-	
Revenues & Benefits – Scottish Welfare Fund Grant	0.421	(0.153)	
Procurement – Temporary staffing cover for maternity leave	0.063	-	
Human Resources – Temporary Oracle Fusion post	0.049	-	
Human Resources – Graduate Intern programme	0.025	-	
Human Resources – Corporate workforce and succession planning fund	0.170	-	
Democratic Governance – Watson Peat dilapidation costs	0.055	(0.055)	
Legal and Licensing - Work on historic child abuse cases	0.049	-	
	0.902	(0.208)	0.694
Education			
Whole Family Wellbeing Fund	0.300	0.061	
Public Sector Reform – North Ayr	0.230	0.002	
Pupil Equity Funds	-	0.150	
Housing First project	-	0.057	
	0.530	0.270	0.800
Housing, Operations and Development			
Neighbourhood Services – Ash Tree Dieback	0.094	0.153	
DWP funding for homeless initiatives	0.060	0.043	
Financial Inclusion Funding - Tenant Hardship Fund	0.060	(0.008)	
Mixed Tenure Properties	-	0.038	
	0.214	0.226	0.440
Communities and Transformation			
Thriving Communities – IAAH contract extensions	0.091	0.018	
Economy and Regeneration – Community Wealth Building	0.150	-	
Economy and Regeneration – Miconex contract	-	0.046	
Employability – Modern Apprentices	-	0.070	

	<i>Previously Approved £m</i>	<i>New request £m</i>	<i>Total £m</i>
Destination South Ayrshire – Golf transport costs	-	0.150	
Destination South Ayrshire – Dalmling Golf works	-	0.050	
Destination South Ayrshire – RCCE Prestwick Pool & Citadel	-	0.050	
	0.241	0.384	0.625
<i>Total Carry-Forward</i>	1.887	0.672	2.559

South Ayrshire Council
Analysis of Committed Reserves

	<i>Committed £m</i>	<i>Drawn down £m</i>	<i>Released to uncommitted £m</i>	<i>Closing balance £m</i>
Specific purposes				
2024/25 budget contribution	4.000	(4.000)	-	-
General Services earmarking b/f from 2023/24	2.616	(2.616)	-	-
PPP Reserve commitment to budget	5.000	-	(3.000)*	2.000
Workforce Change fund	5.515	(0.066)	-	5.449
Affordable Homes	1,854	(0.131)	-	1.723
Transformation Fund	4.964	(0.043)	-	4.921
Efficiency & Improvement fund legacy items	0.251	(0.021)	(0.017)	0.214
Community Halls fund	0.500	-	-	0.500
Ayrshire Growth Deal (PMO)	0.138	(0.083)	-	0.039
Corporate Support Capacity issue	0.226	-	(0.226)	-
Civil Contingency (3 Ayrshires reserve)	0.124	-	-	0.124
Employability	0.100	(0.021)	(0.079)	-
Station Hotel	0.635	(0.635)	-	-
Ash Tree Dieback	0.514	(0.281)	-	0.233
Storm Eowyn	0.500	(0.419)	(0.081)	-
Financial Inclusion (formerly Covid-19)	1.714	(1.010)	-	0.704
Golf Health and safety works	0.157	-	(0.157)	-
Subtotal of current commitments required:				15.907
New commitment:				
General Service earmarking 2024/25 (see appendix 2)				2.559
Total revised commitments as at 31 March 2025				
				18.466

*Release of £3,000m to uncommitted reserves agreed as part of the 2025/26 budget proposals