

South Ayrshire Council

**Report by Chief Financial Officer
to Cabinet
of 26 August 2025**

**Subject: Budget Management – Revenue Budgetary Control
2025/26 – Position at 30 June 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 2025/26 as at 30 June 2025.

2. Recommendation

2.1 It is recommended that the Cabinet:

2.1.1 notes the revised Directorate budgets following the budget movements outlined in 3.3 below;

2.1.2 approves the budget transfers as outlined in the Directorate financial performance reports at Appendix 1 and summarised in 4.1.7 below;

2.1.3 approves the requested earmarking of resources to be carried forward to 2026/27 as summarised in 4.1.8;

2.1.4 notes the projected in year under-spend of £1.361m after earmarking and projected uncommitted general reserve balance of £9.140m;

2.1.5 notes that the HSCP are developing a recovery plan in order to address the currently projected overspend of £5.286m.

3. Background

3.1 The budget management report contains overview information for the following:

3.1.1 General Services Revenue - Appendix 1a to f (*pages 1 to 17*);

3.1.2 Housing Revenue Account - Appendix 1g (*page 18*); and

3.1.3 Common Good Funds - Appendix 1h (*page 20*).

3.2 Members approved the Council's revenue budget for 2025/26 on 27 February 2025, with total planned expenditure of £375.871m. The approved 2025/26 budget included Aggregate External Finance (AEF) due from Scottish Government of £302.363m net Council tax income of £73.508m resulting in total planned income of £375.871m.

- 3.3 Directorate planned spending has been adjusted to incorporate several adjustments which required to be actioned following budget approval in February 2025:
- 3.3.1 allocation of a £5.514m payroll management target held within the Miscellaneous Services Account approved as part of the 2025/26 budget in March 2025;
 - 3.3.2 earmarking of £2.559m (brought forward from 2024/25 approved by Cabinet on 18 June 2024);
 - 3.3.3 additional notifications of funding from the Scottish Government (not included in the February 2025 budget) for:
 - (i) £0.018m for holiday play schemes and activities;
 - (ii) £0.048m for the Nature restoration fund allocations;
 - (iii) £0.038m for foster and kinship care allowances; and
 - (iv) £0.066m Criminal Justice top up funding.
 - 3.3.4 Specific grant income of £4.421m has been re-allocated to offset directorate expenditure (inclusive of the additional £0.066m for Criminal Justice Specific grant top up);
 - 3.3.5 structural changes transferring Corporate Policy, Strategy and Performance (£2.972m) from the Education Directorate to Chief Executive's, following the review of the management structure agreed at Council on 14 May 2025; and
 - 3.3.6 other budget transfers between Directorates actioned in line with Financial Regulations rules on budget transfers.
- 3.4 Table 1 below summarises the revised 2025/26 General Services budget at 30 June 2025 inclusive of the budget adjustments outlined in 3.3 above.

Table 1 – Budget movement

<i>Directorate/ Account</i>	<i>Original Budget £m</i>	<i>Budget adjustment (per 3.3) £m</i>	<i>Revised £m</i>
CEX	18.467	3.325	21.792
Communities and Transformation	23.049	0.013	23.062
Education	159.273	(8,221)	151.052
Housing, Operations and Development	47.010	(0.513)	46.497
HSC	107.165	(1.675)	105.490
Misc. Services Account	20.907	5.490	26.397
Total Expenditure	375.871	(1.581)	374.290

General Revenue Grant	(248.197)	(0.104)	(248.301)
NDRI	(49.811)	-	(49.811)
Specific Grant	(4.355)	4.355	-
Council Tax	(73.508)	-	(73.508)
Use of earmarked reserves brought forward from 2024/25 to support 2025/26 expenditure commitments	-	(2.670)	(2.670)
Total Income	(375.871)	1.581	(374.290)
Net Expenditure	-	-	-

- 3.5 In relation to the Health and Social Care Partnership (HSCP). Table 1 above shows the adjusted 2025/26 budget delegated from the Council to be overseen by the Integration Joint Board (IJB). Appendix 1e provides an overview statement of the current financial budget and projected out-turn position for the Council element for 2025/26.
- 3.6 As outlined in the draft Annual Accounts 2024/25, the unaudited General Services reserves at 31 March 2025 was £22.897m and of this, £18.466m was set aside or earmarked for specific purposes, leaving an uncommitted balance of £4.431m. Excluding HSCP, which holds its own reserves. This equated to 1.73% of future planned expenditure.
- 3.7 As part of the 2025/26 revenue budget the Council agreed to contribute £3.928m in 2025/26 to uncommitted reserves which would increase the balance shown in 3.6 above to £8.359m, or 3.1% of planned 2025/26 expenditure (excluding HSCP). Since the commencement of the 2025/26 financial year, Council has agreed two draws from uncommitted reserves totalling £0.741m, as detailed in appendix 2. These approved draws reduce the available uncommitted balance to £7.618m (or 2.8% of planned spend) prior to the impact of the Period 3 in-year spend projections contained in this report.
- 3.8 Members approved the Housing Revenue Account budget for 2025/26 on 6 March 2025, with total planned expenditure of £38.770m being met from rents and other income. Since the approval of the 2025/26 budget various budget transfers have been actioned in accordance with Financial Regulations resulting a revised total planned spend of £38.768m. The unaudited Housing Revenue Account surplus at 31 March 2025 was £4.464m.
- 3.9 Members approved the Common Good revenue and capital budgets for 2025/26 on 27 February 2025. The combined unaudited Common Good revenue surplus as at 31 March 2025 for all Common Good Funds was £0.436m.
- 3.10 Members considered and approved proposed changes to the management of Common Good Funds at the Council meeting of 14 May 2025, with the resultant changes due to be implemented from 1 October 2025. The impact of these changes are due to feature in future Budget Management reports to this Cabinet.
- 3.11 The approved Council budget includes pay uplifts for Council employees of 3% for 2025/26, however final confirmation of an uplift of 4% has recently been received for SNJC and Craft workers bargaining groups which is 1% greater than budgeted. Discussions with SNCT unions are still ongoing at present. Initial estimates indicate

that for every 1% increase in the pay uplift for all staff groups, above the current budgeted amount, will equate to a £2.1m increase in cost (inclusive of HSCP uplifts and assuming that Teaching unions reach the same 4% uplift agreement as others).

- 3.12 The Scottish Government has identified additional funding of £79m to be allocated to Councils to help offset this additional cost. South Ayrshire Council's share of this funding is estimated to be circa £1.659m leaving an unbudgeted shortfall of circa £0.450m. Of the anticipated allocation of £1.659m, £0.345m is due to be allocated to HSCP as a pro-rata share of the funding to partially meet the expected increased cost within the partnership.

4. Proposals

4.1 Overview of Directorate/ Accounts' position as at 30 June 2025

- 4.1.1 Appendix 1a to f to this report provides financial performance information in the form of a report for each Directorate/ account for the period to 30 June 2025.
- 4.1.2 Table 2 below provides a summarised position on a Directorate/ account basis and provides the overall projected position before and after requested earmarking.

Table 2 – Projected under/(over) spend

<i>Directorate/ Account</i>	<i>Projected under/ (over) spend £m (i)</i>	<i>Estimated Pay funding allocation £m (ii)</i>	<i>Earmarking approved/ requested £m (iii)</i>	<i>Revised Projected under/ (over) spend £m (iv)</i>
Chief Executive	0.331	0.124	-	0.455
Education	(1.606)	0.681	-	(0.925)
Communities and Transformation	0.230	0.170	(0.050)	0.350
Housing, Operations and /Development	0.408	0.339	-	0.747
Miscellaneous Services Account	0.234	-	-	0.234
Total Net (expenditure)/surplus	(0.403)	1.314	(0.050)	0.861
Council Tax income (see 4.1.5 below)	0.500	-	-	0.500
Net in year projected surplus/(deficit)	0.097	1.314	(0.050)	1.361

- 4.1.3 Table 2, above, indicates an overall under-spend for the year (excluding HSCP) of £1.361m after requested earmarking of £0.050m. Where directorate overspends are projected, Directors, Assistant Directors and Heads of Service have been contacted to confirm their duty in terms of

Section 5.3 of the Councils Financial Regulations which states, per the extract below:

‘It is the responsibility of the Chief Executive, Directors, Heads of Service and Assistant Directors concerned to ensure that items of expenditure in the revenue estimates of his/ her / services are not overspent, and that the income and expenditure of his/ her Directorate/ services conform to the requirements of these regulations.’

- 4.1.4 **Pay uplifts** – As noted in 3.11 agreement has been reached with the majority of trade unions for a 4% uplift in pay in 2025/26. This additional cost has been included in the actual projected out-turn for all directorates in Table 2 col (i) above, however the anticipated funding from the Scottish Government has not yet been received therefore it has been shown as a separate column in Table 2 col (ii) based on a pro-rata allocation to each directorate, pending it’s confirmation.
- 4.1.5 **Council Tax Income** – A review of the current collection rates and number of properties indicates they are on target to exceed income expectations by £0.500m at this stage. This is primarily due to an increase in the number of chargeable properties than originally estimated, but also due to a slightly improved collection rate compared to previous years.
- 4.1.6 **Health and Social Care Partnership** – details of the projected out-turn information can be found within the Financial Monitoring report that will be presented to the Integration Joint Board (IJB) meeting in September. Appendix 1e indicates a projected in year overspend of £5.286m for 2025/26. In terms of the integration scheme, discussions are already underway to implement a recovery plan in order to address the projected overspend. An update will be provided in future Budget Management Reports regarding this matter.
- 4.1.7 **Budget Transfers** - Members are asked to consider and approve the budget transfer requests for each Directorate as outlined in Appendix 1a to 1f summarised in total in table 3 below (by Directorate).

Table 3 – Budget Transfers

<i>Directorate/ Account</i>	<i>Dr £m</i>	<i>Cr £m</i>	<i>Appendix ref:</i>
Communities & Transformation	0.161	0.161	1b –page 5
HOD	0.905	0.905	1d –page13
Total	1.066	1.066	

- 4.1.8 **Earmarking** – Members are asked to consider and approve the new earmarking request to be carried forward to 2026/27 for each Directorate as outlined in Appendix 1a to 1e summarised in total in the table below (by Directorate).

Table 4 – New Period 4 Earmarking

<i>Directorate/ Account</i>	<i>£m</i>	<i>Appendix ref:</i>
Communities and Transformation	0.050	1b – page 5
Total	0.050	

4.2 **General Services – Summary of Current Financial Revenue Position**

4.2.1 The unaudited 2024/25 Annual Accounts showed an accumulated surplus at 31 March 2025 of £22.897m and of this, £18.466m was set aside or earmarked for specific purposes leaving an uncommitted balance of £4.431m for General Services. Appendix 2 provides detail of the amounts set aside from the accumulated sum together with the impact agreed movements and of the current year directorate net year-end under-spend projections of £1.361m (after earmarking) outlined in Table 2 at 4.1.2 above.

4.2.2 Table 5 below indicates that a year-end £9.140m uncommitted general services balance is currently projected at 31 March 2026. This equates to 3.4 per cent of estimated planned spend (excluding HSCP). This is within the 2 to 4 per cent required by Council policy for uncommitted general reserves.

Table 5 – General Services accumulated uncommitted reserves

	<i>£m</i>
Unaudited opening reserves	22.897
Commitments (per Appendix 2)	(18.466)
Uncommitted surplus brought forward from 2024/25	4.431
In year contribution (per Feb Council budget agreement)	3.928
New agreed commitments (see Appendix 2)	(0.741)
Revision to agreed commitment (see Appendix 1b)	0.161
Period 3 Directorate 2025/26 projections (per table 2 above)	1.361
Projected accumulated uncommitted reserve	9.140

4.2.3 Table 5 above shows a significant improvement in the overall uncommitted reserves in recent months which is a key requisite in measuring the overall financial sustainability of the council moving forward. As a minimum this improved position should be maintained at this level with limited further future draws from reserves being approved. Continued good progress and improvements in the in-year directorate projected position may have a positive effect on the use of uncommitted reserves in future budget strategies.

4.3 **Housing Revenue Account Balance**

4.3.1 **Summary of Current Financial Position** – as outlined in Appendix 1e the current projected ‘in year’ underspend as at 31 March 2025 is £1.761m. When the in-year underspend is added to the current uncommitted surplus, identified in Table 4 of Appendix 1g, this results in an overall revised projected uncommitted surplus of £2.662m for the HRA.

4.4 **Common Good Funds**

4.4.1 **Summary of Current Financial Position** – the current projected accumulated revenue surplus for each individual fund is outlined in Appendix 1h. Overall, at 31 March 2025, a combined projected accumulated revenue surplus of £0.443m is anticipated together with a projected combined capital reserve of £0.206m.

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 An accumulated uncommitted surplus of £8.979m is currently projected for General Services, excluding HSCP.

6.2 A £2.662m accumulated uncommitted surplus is projected for the Housing Revenue Account and a combined £0.443m accumulated surplus is currently projected for the Common Good Funds.

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

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:

Implementation	Due date	Managed by
Action the budget transfers in the financial ledger as outlined in the Directorate financial performance reports at Appendix 1 and summarised in 4.1.7	14 October 2025	Chief Financial Officer

Background Papers **Report to South Ayrshire Council of 27 February 2025 - [Revenue Estimates 2025/26, Capital Estimates 2025/26 to 2036/37 and Carbon Budget 2025/26](#)**

Report to South Ayrshire Council of 6 March 2025 - [Housing Revenue Account \(HRA\) – Revenue Budget 2025/26 and Capital Budget 2025/26 to 2029/30](#)

[Scottish Government Finance Circular 10/2024](#)

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Date: **12 August 2025**

Budget Management Report to 30 June 2025 (Period 3)

Appendix 1

Ref.	Directorate/ Account	Pages
1a	Chief Executive's Strategic Office	1 to 3
1b	Communities and Transformation	4 to 6
1c	Education	7 to 9
1d	Housing, Operations and Development	10 to 14
1e	Health & Social Care	15
1f	Miscellaneous Services Account	16 to 17
1g	Housing Revenue Account	18 to 19
1h	Common Good Funds	20 to 21

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 Office

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
108	Chief Executive & Support	454	439	15
83	Corporate Strategy, Policy & Performance	3,261	3,261	0
	Finance and Procurement Services:			
26	Chief Financial Officer	133	133	0
420	Corporate Finance and Accounting	2,217	2,190	27
2,206	Revenues and Benefits	5,661	5,597	64
150	Strategic Procurement	769	714	55
2,802	Total Finance and Procurement Services	8,780	8,634	146
	Regulatory Services:			
26	Head of Regulatory Services	134	134	0
41	Civil Contingencies & Business Continuity	83	73	10
700	Democratic Governance Services	2,581	2,614	(33)
111	Insurance, Risk & Safety Management	603	544	59
189	Legal & Licensing Services	971	998	(27)
418	Trading Standards & Environmental Health	1,816	1,791	25
1,485	Total Regulatory Services	6,188	6,154	34
573	Human Resources & Payroll	2,762	2,642	120
62	Performance Appraisal & Audit	347	331	16
5,113	Total Chief Executive's Office	21,792	21,461	331

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
3,341	Employee costs	17,309	17,004	305
37	Property costs	327	318	9
524	Supplies and services costs	793	805	(12)
34	Transport costs	94	78	16
154	Administrative costs	732	776	(44)
1,137	Third party payments	4,900	4,850	50
5,992	Transfer payments	25,948	25,948	0
4	Financing costs	12	12	0
11,223	Gross expenditure	50,115	49,791	324
(6,110)	Gross income	(28,323)	(28,330)	7
5,113	Net expenditure	21,792	21,461	331

Table 3 - Analysis of Significant Variances

FY Variance favourable	Chief Executive & Support
15	Chief Executive & Support - projected underspend of £0.015m as a result of ; Employee Costs - projected underspend of £0.015m due to the current level of vacancies.
15	Total projected variance
Projected FY Variance favourable /(adverse) £'000	Corporate Strategy, Policy & Performance
0	Corporate Strategy, Policy & Performance - projected online
0	Total projected variance

Projected FY Variance favourable / (adverse) £'000	Finance and Procurement Services
0	Chief Financial Officer - projected online.
27	Corporate Finance - projected underspend of £0.027m as a result of current vacancies
64	Revenues & Benefits - projected underspend of £0.064m as a result of; Employee Costs - projected underspend of £0.065m due to the current level of vacancies. Administrative Costs - projected overspend of £0.070m as a result of increased postage costs. Income - projected over recovery of income of £0.081m mainly due to the introduction of the Corporate Appointee Scheme.
55	Strategic Procurement - projected underspend of £0.055m as a result of; Employee Costs - projected underspend of £0.030m in relation to current vacancies. Administrative Costs - projected underspend of £0.015m mainly related to reduced printing costs. Income - projected over recovery of income of £0.010m for charges for work done for other Council services.
146	Total projected variance

Projected FY Variance favourable / (adverse) £'000	Regulatory Services
10	Civil Contingencies - projected underspend of £0.010m as a result of current vacancies.
(33)	Democratic & Governance Services - projected overspend of £0.033m as a result of; Property Costs - projected underspend of £0.009m across various small budget lines. Transport Costs - projected underspend of £0.011m due to less vehicle hire, fuel and mileage. Administrative Costs - projected underspend of £0.011m across various small budget lines Income - projected under recovery of income of £0.064m, mainly due to marriage fee income target levels being higher than achievable.
59	Risk & Safety Management - projected underspend of £0.059m as a result of current vacancies
(27)	Legal Services - projected overspend of £0.027m as a result of; Employee Costs - projected underspend of £0.015m due to the current level of vacancies. Income - projected under recovery of income of £0.042m, mainly due to Licencing fee income target levels being higher than achievable.
25	Trading Standards & Environmental Health - projected underspend of £0.025m; Transport Costs - projected underspend of £0.005m due to less private vehicle hire, fuel and mileage. Income - projected over recovery of £0.020m, due to additional income from Food Standards Scotland.
34	Total projected variance

Projected FY Variance favourable / (adverse) £'000	Human Resources & Payroll
120	Human Resources & Payroll: A projected underspend of £0.120m; Employee Costs - projected underspend of £0.070m due to the current level of vacancies. Third Party Payments - projected underspend of £0.050m due to savings on the new Occupational Health contract.
120	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Performance Appraisal & Audit
16	Performance, Appraisal & Audit: A projected underspend of £0.016m as a result of current vacancies.
16	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:	DR £'000	CR £'000
N/A		
Total	0	0

Table 5 - Earmarking Requests

Earmarking requests:	Objective/ Subjective	Amount £'000
Total		0

Table 6 - Efficiency Savings

Efficiency savings:	Target £'000	Anticipated shortfall £'000
Corporate Accounting - recover fees from externally funded projects	25	0
Corporate Procurement - increase contract rebate income target	40	0
Corporate Procurement - introduce supplier early payment discount scheme	15	0
Corporate Procurement - reduce various Supplies & services costs budget	3	0
Employee Services – Increase employee benefits income target	35	0
Revenues & Benefits – Increase Scottish Water contribution grant income target to reflect increased grant	53	0
Trading Standards & Environmental Health – review and increase fees by 5%	5	0
Corporate Strategy, Policy & Performance – Structure review	86	0
Total	262	0
Comments:		

Table 7 - Payroll Management

Payroll Management:	Target £'000	Achieved at period 3 £'000
Payroll Management - Corporate Target	637	132
Total	637	132
Comments: The payroll management target is projected to be achieved in full.		

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
1,118	Scottish Government	HEEPS
1,118		
Comments:		

Communities & Transformation Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
89	Directorate	(69)	(149)	80
	Communities			
2,144	Thriving Communities	5,807	5,607	200
407	Sport, Leisure and Golf	4,888	4,888	0
643	Destination South Ayrshire	4,624	4,624	0
3,194	Total Communities	15,319	15,119	200
	Transformation			
1,402	ICT Strategy & Delivery	4,890	4,790	100
503	Customer Services & Public Affairs	2,524	2,474	50
306	Transformation	398	598	(200)
2,211	Total Strategic Change	7,812	7,862	(50)
5,494	Total Strategic Change & Communities Directorate	23,062	22,832	230

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
4,632	Employee costs	21,905	21,575	330
626	Property costs	3,301	3,301	0
1,464	Supplies and services costs	2,963	2,963	0
447	Transport costs	745	745	0
81	Administrative costs	232	232	0
563	Third party payments	2,241	2,341	(100)
3	Transfer payments	10	10	0
0	Financing costs	0	0	0
7,816	Gross expenditure	31,397	31,167	230
(2,321)	Gross income	(8,335)	(8,335)	0
5,495	Net expenditure	23,062	22,832	230

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
80	Service - projected over-recovery in payroll management target of £0.080m, due to the net impact of: - delays in filling vacancies, vacancy freeze and utilisation of external funding £0.300m - the difference between the budgeted 25/26 pay award of 3% and the approved 4% pay award for Local Government employees (£0.220m).
80	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Communities
200	<p>Thriving Communities - currently projected to be £0.200m. This relates to core funding set aside to enhance external funding including NOLB & UKSPF, which is not anticipated to be required during 2025/26.</p> <p>Sport, Leisure and Golf - currently projected to be online.</p> <p>Destination South Ayrshire - currently projected to be online.</p> <p>International Ayr Show - Festival of Flight 2025 - Members approved (June 2025) access to funding from uncommitted reserves of a maximum sum of £590,000 for the International Ayr Show in 2025.</p> <p>Members are requested to approve the temporary budget transfer to allocate budgets in relation to the sponsorship/sales income received to date (refer to Table 4 below) and note that the confirmed sponsorship income received to date reduces the required potential draw from reserves to £429,000.</p>
200	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Transformation
(50)	<p>ICT Strategy & Delivery - currently projected to be £0.100m underspent in relation to ICT software maintenance contracts.</p> <p>Customer Services & Public Affairs - Information and Advice Hub - projected underspend of £0.050m. 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, however due to the challenge in filling short term contracts (12 month), these contracts will now continue into 2026/27. The post is targeted at improving clients financial wellbeing through maximising their income, minimising and managing debts and accessing the right benefits. Members are requested to approve the earmarking of this underspend, to fund these contracts in 2026/27 (refer to Table 5 below).</p> <p>Transformation - projected overspend of £0.200m due to short term unachievable savings target from 2023/24. This target relates to the overall Council Transformation programme and not specifically the Transformation team itself. The target will be considered for allocation as part of the overall Council transformation programme as projects are approved and savings identified.</p>
(50)	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:		DR £'000	CR £'000
1	International Ayr Show - Supplies and Services	161	
	International Ayr Show - Income		161
	<i>Allocation of sponsorship/sales income budget to offset expenditure.</i>		
Total		161	161

Table 5 - Earmarking Requests

Earmarking requests:	Objective/ Subjective	Amount £'000
ELT 546 (04/03/24) - IAAH extend contracts	OD/Employee Costs	50
Total		50
Comments: Details included above.		

Table 6 - Efficiency Savings

Efficiency savings:	Target £'000	Anticipated shortfall £'000
Sport, Leisure & Golf - increase golf season ticket price by £5 per annum	35	0
Sport, Leisure & Golf - increase golf adult green fees by £2 per round	15	0
Sport, Leisure & Golf - increase monthly Learn2 membership by £1 per month	35	0
Sport, Leisure & Golf - targeted price increase for the usage of 3G pitches - £2/hr	6	0
Thriving Communities - reduce employability supplies & services budget	5	0
Thriving Communities - reduce 'School as Hub' budget	10	0
Economy & Regeneration - reduce transport and administration budgets	3	0
Transformation - restructure transformation PMO (delete vacant posts)	45	0
ICT Operations - reduction in ICT contracts	20	0
ICT Operations - reduce leased line rentals	12	0
Total	186	0
Comments: Anticipated shortfalls in approved efficiencies have been included in the projections above.		

Table 7 - Payroll Management

Payroll Management:	Target £'000	Achieved at period 3 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	579	191	388
Total	579	191	388
Comments: Currently projected to be £0.300m over-recovered.			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
592	Scottish Government	CCLD
155	Scottish Government	Opportunities for All - No-one Left Behind
8	Museums Galleries Scotland	Future Art Centres
4	Scottish Book Trust	Targeted Activities for Young People
4	Youth Link Scotland	Weight Management Programme
262	Sport Scotland	Active Schools/Comm Sports Hub
58	Sport Scotland	Closing the Gap
5	Macmillan Cancer Support	Cancer Support
48	HSCP	Invigor8
14	Lawn Tennis Association	Refurbishment Girvan Tennis Courts
2	Creative Scotland	Arts & Culture VACAP
14	Museums Galleries Scotland	Museum Shop
19	Scottish Enterprise	Modern Apprentice Grant
27	Trussell Trust	South Ayrshire Food Bank
1,212		
Comments: Additional amounts notified during the financial year, not included in original budget.		

Education Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
77	Directorate	(3,044)	(1,563)	(1,481)
4,349	Education - Early Years	20,632	20,632	0
22,584	Education - Learning and Teaching Schools	93,068	93,118	(50)
4,394	Education - Learning and Teaching Additional Support	19,469	19,469	0
5,947	Education Support Services	20,833	20,908	(75)
37,351	Total Education Directorate	150,958	152,564	(1,606)

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
27,640	Employee costs	117,317	118,798	(1,481)
5,289	Property costs	27,435	27,510	(75)
544	Supplies and services costs	2,035	2,035	0
1,490	Transport costs	5,147	5,197	(50)
891	Administrative costs	953	953	0
1,977	Third party payments	7,692	7,692	0
7	Transfer payments	405	405	0
0	Financing costs	0	0	0
37,838	Gross expenditure	160,984	162,590	(1,606)
(487)	Gross income	(9,932)	(9,932)	0
37,351	Net expenditure	151,052	152,658	(1,606)

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
(1,481)	Payroll Management Target - currently projected to be £1.481m under-achieved due to: - the budget agreement between Local Government and Scottish Government (Dec 2024), to restore teacher numbers to 2023 levels (refer to Teaching Staff below) - £0.600m. - the difference between the budgeted 2025/26 pay award of 3% and the approved 4% pay award for Local Government employees (£0.296m) and an estimated 4% pay award for Teaching staff (£0.585m - Aug 25), which has yet to be negotiated.
(1,481)	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Education
(125)	<p>Teaching Staff -</p> <p>Pupil Equity Funding - currently projected to be online. PEF is provided on a financial year basis but used across an academic year by schools (August 2025 - August 2026) 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 2026/27 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.</p> <p>Pupil Transport - currently projected to be overspent by £0.050m, based on last year's outturn. These projections will be updated after the renewal of 25/26 academic year contracts.</p> <p>PPP- currently projected to be £0.075m overspent, due to the budgeted RPI (391.8) being lower than the actual RPI (394 Feb 2025).</p>
(125)	Total projected variance

Table 4 - Budget Transfer Requests

		DR £'000	CR £'000
1	n/a		
Total		0	0

Table 5 - Earmarking Requests

Earmarking requests:	Objective/ Subjective	Amount £'000
n/a		
Total		0
Comments: Detail included above.		

Table 6 - Efficiency Savings

Efficiency savings:	Target £'000	Anticipated shortfall £'000
Previously approved savings:-		
Redesign of Early Years Provision (Full year impact £0.300m)	185	0
Review Early Learning Team (Full year impact 25-26)	154	0
Total	339	0
Comments: No anticipated shortfalls.		

Table 7 - Payroll Management

Payroll Management:	Target £'000	Achieved at period 3 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	3,278	630	2,648
Introduce Teacher Turnover Target - approved 2024-25	500	0	500
Total	3,778	630	3,148
Comments: Teachers turnover previously met through school roll reductions, however due maintaining teacher numbers to a SG agreed number these savings will not be met 2025-26.			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
4	Scottish Government	Gaelic
39	Ayrshire Chamber of Commerce	Developing Young Workforce
5	Scottish Library Information Centre	Empathy in Action
15	NCCBC	Playground improvements
35	Paths for All	Beat the steets
98		
Comments: Additional amounts notified during the financial year, not included in original budget.		

Housing Operations & Development

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2025/26 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
(934)	Directorate	9,496	9,467	29
97	Directorate	116	109	7
(1,031)	Ayrshire Roads Alliance/SPT	9,380	9,358	22
2,551	Planning & Development	6,544	6,400	144
1,288	Asset Management and Community Asset Transfer	5,812	5,810	2
779	Planning and Building Standards	1,238	1,196	42
197	Professional Design Services	(506)	(606)	100
287	Special Property Projects	0	0	0
7,954	Housing & Operations	30,457	30,222	235
2,618	Facilities Management	13,513	13,460	53
(3,034)	Housing Services	1,333	1,223	110
4,944	Neighbourhood Services	15,611	15,484	127
3,426	Property Maintenance	0	55	(55)
9,571	Total Housing Operations & Development	46,497	46,089	408

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2025/26 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
7,797	Employee costs	40,644	39,508	1,136
1,489	Property costs	6,579	7,451	(872)
3,075	Supplies and services costs	11,797	12,034	(237)
2,366	Transport costs	6,624	6,564	60
172	Administrative costs	338	369	(31)
994	Third party payments	16,895	16,922	(27)
0	Transfer payments	0	0	0
0	Financing costs	90	0	90
15,893	Gross expenditure	82,967	82,848	119
(6,322)	Gross income	(36,470)	(36,759)	289
9,571	Net expenditure	46,497	46,089	408

Table 3 - Analysis of Significant Variances

Projected Variance favourable /(adverse) £'000	Directorate
7	Directorate - projected underspend of £0.007m across various small budgets
7	Total projected variance

Projected Variance favourable /(adverse) £'000	Ayrshire Roads Alliance/SPT
22	Ayrshire Roads Alliance/SPT - projected ARA underspend of £0.022m mainly as a result of underspends in employee costs.
22	Total projected variance

Projected Variance favourable /(adverse) £'000	Asset Management & Community Asset Transfer
2	<p>Asset Management - projected underspend of £0.002m ;</p> <p>Employee Costs - projected underspend of £0.010m due to part vacant posts.</p> <p>Property costs - projected overspend of £0.100m mainly due to the delay in delivering the proposed office rationalisation saving (£0.200m). This is partly offset by underspends in reduced repair and maintenance costs in Health & Social Care occupied buildings (£0.020m), as well as a projected underspend of £0.080m in rent and insurance costs for McCalls Avenue, as these costs are now shared with other Council services.</p> <p>Transport Costs - projected overspend of £0.010m due to increased private contract hire and car lease costs.</p> <p>Administrative Costs - projected underspend of £0.015m across various budget lines.</p> <p>Income - projected over recovery of £0.087m in rental income from Industrial units and other general properties based on current demand.</p>
2	Total projected variance

Projected Variance favourable /(adverse) £'000	Planning & Building Standards
42	<p>Planning & Building Standards - projected underspend of £0.042m as a result of;</p> <p>Employee costs - projected underspend of £0.205m as a result of current vacancies</p> <p>Supplies & Services costs - projected overspend of £0.100m in consultancy costs. This relates to the ongoing legal and specialist experts costs in relation to Planning Application reviews. This is a fluid position and is unbudgeted due to the unknown time and cost that this review will ultimately incur</p> <p>Income - projected under-recovery of £0.063m in planning application fees due to a slower than average start in the first quarter of this year</p>
42	

Projected Variance favourable /(adverse) £'000	Professional Design Services
100	Professional Design Services - projected underspend of £0.100m as a result of current vacancies.
100	Total projected variance

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

Projected Variance favourable /(adverse) £'000	Facilities Management
53	<p>Facilities Management - projected underspend of £0.053m as a result of;</p> <p>Employee Costs - projected underspend of £0.485m due to current vacancies.</p> <p>Income - projected under-recovery of £0.432m as a result of the impact of the ongoing rollout of Primary free school meals along with a decrease in the uptake of staff school meals and special catering</p>
53	Total projected variance

Projected Variance favourable /(adverse) £'000	Housing Services
110	<p>Housing Services - projected underspend of £0.110m as a result of;</p> <p>Employee Costs - projected underspend of £0.139m due to current vacancies.</p> <p>Property Costs - projected overspend of £0.397m. This relates to increased responsive repairs costs (£0.248m), cleaning and domestic supplies (£0.013m) and unlets (£0.136m), all as a result of the increased demand for temporary homeless accommodation.</p> <p>Supplies & Services Costs - projected overspend of £0.196m. This relates to increased furniture costs (£0.173m) and removal and storage costs (£0.023m) as a result of the increased demand for temporary homeless accommodation.</p> <p>Administrative Costs - projected overspend of £0.046m which relates to the expected level of bad debts as a result of the increased demand for temporary homeless accommodation.</p> <p>Third Party Payments - projected underspend of £0.081m, this relates to the DWP benefits subsidy grant received for homelessness (£0.121m). This underspend is offset by an overspend of £0.040m in supporting people payments related to tackling homelessness.</p> <p>Income - projected over recovery of £0.530m. This relates to an increased number of temporary accommodation units being utilised from the HRA stock which has been necessary to meet increased demand for homeless accommodation.</p> <p>Members are requested to approve a Budget Transfer Request (see Table 4 below) to transfer the income over-recovery to property costs, supplies & services costs, administrative costs and third party payments to meet the related costs for the provision of temporary homeless accommodation. This budget realignment will more accurately reflect the service's current operational position based on current demand for services</p>
110	Total projected variance

Projected Variance favourable /(adverse) £'000	Neighbourhood Services
127	<p>Neighbourhood Services - projected underspend of £0.127m as a result of;</p> <p>Employee costs - projected underspend of £0.198m as a result of vacancies across the service</p> <p>Property Costs - projected overspend of £0.375m as a result of the necessity to introduce security measures at Heathfield Waste Recycling Centre (£0.150m) and increased costs of general repairs and maintenance including cremators (£0.225m)</p> <p>Supplies & Services Costs - projected underspend of £0.052m across various budget lines</p> <p>Transport costs - projected underspend of £0.070m across various budget lines</p> <p>Third Party payments - projected overspend of £0.130m in relation to overspends in waste disposal costs (£0.080m) as new contracts are negotiated for the different waste streams within a changing market place and agency costs (£0.050m) to cover for seasonal grounds maintenance employee vacancies</p> <p>Financing costs - projected underspend of £0.090m as a result of the cremators lease ending</p> <p>Income - projected over-recovery of £0.222m as a result of increased Garden Waste permit income (£0.451m), an increase in recharge of works to ARA (£0.273m) offset by reduced DEFRA funding for the EPR for Packaging scheme (£0.317m) and an under-recovery in commercial waste income (£0.185m). Management are currently reviewing the criteria used by DEFRA to classify our Council and consider an appeal to increase the funding that we receive for the EPR for Packaging scheme .</p> <p>Members are requested to approve both temporary and permanent Budget Transfers (Table 4 below) to more accurately reflect the current operational position for Grounds Maintenance and Waste Management after a comprehensive review of service budgets at Period 3</p>
127	Total projected variance

Projected Variance favourable /(adverse) £'000	Property Maintenance
(55)	Property Maintenance Service - projected overspend of £0.055m as a result of the delay in implementing the Transformation project in relation to delivering a factoring service to private property owners
(55)	Total projected variance

Table 4 - Budget Transfer Requests

Budget Transfer Requests:		DR £'000	CR £'000
1	<i>Housing Services/Property Costs</i>	326	
	<i>Housing Services/Supplies & Services</i>	166	
	<i>Housing Services/Administrative</i>	50	
	<i>Housing Services/Third Party Payments</i>		12
	<i>Housing Services/Income</i>		530
	<i>Being use of over recovery of rental income to fund increased costs within Homeless Service</i>		
2	<i>Neighbourhood Services - Property costs</i>	90	
	<i>Neighbourhood Services - Financing costs</i>		90
	<i>Being temporary transfer of budget for cremators from leasing to repairs and maintenance as lease has now expired and they now require maintenance</i>		
3	<i>Neighbourhood Services - Third Party Payments</i>	50	
	<i>Neighbourhood Services - Employee Costs</i>		50
	<i>Being temporary transfer of budgets to fund agency workers to cover difficult to fill seasonal worker posts</i>		
4	<i>Neighbourhood Services - Supplies & Services costs</i>	28	
	<i>Neighbourhood Services - Income</i>		28
	<i>Being temporary budget set-up in relation to grant received for chewing gum removal</i>		
5	<i>Neighbourhood Services - Third Party Payments</i>	45	
	<i>Neighbourhood Services - Property Costs</i>	150	
	<i>Neighbourhood Services - Supplies & Services costs</i>		80
	<i>Neighbourhood Services - Transport Costs</i>		70
	<i>Neighbourhood Services - Income</i>		45
	<i>Being realignment of budgets to reflect the current costs for Heathfield Waste Recycling Centre</i>		
Total		905	905

Table 5 - Earmarking Requests

	Objective/ Subjective	Amount £'000
n/a		
Total		0

Table 6 - Efficiency Savings

Efficiency savings:		Targeted £'000	Anticipated shortfall £'000
ARA	Motorhome parking scheme	19	0
	Move from HVO back to diesel fuel for all ARA fleet	25	0
	Increase charges for permits/notices by 5%	6	0
	Increase harbour dues by 5%	3	0
	Apply charges to additional car parks	110	0
Asset Management	Asset Management and Community asset Transfer - Income generation delivered from licence fees from pop up sites	2	0
Neighbourhood Services	Increase charges for allotments by 30% for 2025-26; 15% for 2026-27 and 15% in 2027-28	2	0
	Increase Bereavement prices by 3% each year	21	0
	Increase commercial waste collection charges on certain waste streams	62	0
	Establish income target for sale of recycle	50	0
Property Maintenance	Property Maintenance - Private property maintenance and factoring Income generation delivered from new service	55	55
Planning & Building Standards	Introduce charge for forestry consultations (£200 per consultation)	4	0
	Introduce charge to developer for Street naming & numbering process	5	0
	Introduce charge for individual house naming (£250 each)	2	0
	Increase Pre application consultation fees in Planning to £3,000 for	10	0
	Increase all non-statutory fees by 3%	1	0
Total		377	55
Comments:			

Table 7 - Payroll Management

Payroll Management:	Targeted £'000	Achieved at period 3 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	1,268	317	951
Payroll Management - Directorate target	0	0	0
Total	1,268	317	951
It is anticipated that payroll turnover will be achieved in full.			

Table 8 - Grant Income

New Grants Received:		
Amount £'000	Grant name/ body	Grant purpose
28	Keep Britain Tidy	Chewing Gum removal
28		
Comments:		
The above grants which have been received during the financial year were not part of the approved Directorate budget.		

Social Care

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
	Community Care Services :			
12,829	Older People	60,484	64,339	(3,855)
1,086	Physical Disabilities	5,448	5,355	92
13,915	Total Community Care Services	65,932	69,694	(3,762)
4,666	Children's Services	24,700	23,045	1,656
(257)	Justice Services	(4)	(4)	0
4,408	Total Children and Justice Services	24,696	23,041	1,656
5,072	Learning Disabilities	27,658	29,569	(1,910)
580,629	Mental Health	5,183	5,352	(169)
42	Addiction	2,122	2,121	1
585,742	Total Mental Health Services	34,964	37,042	(2,078)
1,146	Directorate Services	7,501	7,190	311
0	Other Services	3	0	3
0	Vacancy management	(2,523)	(1,105)	(1,418)
1,146	Total Support Services	4,982	6,085	(1,103)
217	Integrated Care Fund/Delayed Discharges	547	545	2
(4,961)	Interagency payments with Health	(21,648)	(21,648)	0
600,467	HSCP Sub-total	109,473	114,759	(5,286)
26	Aids and Adaptations etc	833	833	0
600,493	Final HSCP total	110,306	115,592	(5,286)
Earmarking requests		0		

Health & Social Care Partnership - the above table provides an overview statement of the financial budget and projected out-turn position for the Council element of the Integration Joint Board (IJB) for 2025/26 as at 30th June (Period 3).

The table above includes £3.638m transferred from reserves, leaving a balance of £5.980m, of which £5.383m is committed and earmarked to be used in future years. This leaves an uncommitted balance of £0.597m which will be used to support the overall IJB overspend.

Period 3 will be presented to the IJB September's meeting.

Miscellaneous Services

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	FY Variance Favourable /(Adverse) £'000
3,640	Miscellaneous Services	22,493	22,259	234
3,640	Total Miscellaneous Services	22,493	22,259	234

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Account	Full Year Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	FY Variance Favourable /(Adverse) £'000
0	Debt management charges	20,133	19,632	501
0	Investment income	(1,930)	(1,767)	(163)
0	Recharges to other services	(1,862)	(1,862)	0
231	Requisitions and other initiatives	937	923	14
190	Employee provision	788	759	29
(15)	Fees and subscriptions	489	517	(28)
2,279	Other payments	7,818	6,928	890
12	Covid-19 costs	0	35	(35)
681	Salary sacrifice schemes	0	(118)	118
5	Equal pay	0	0	0
260	Storm Eowyn costs	0	400	(400)
0	PPP flexibility/ IFRS 16 adjustments	(3,859)	(3,163)	(696)
3,643	Gross expenditure	22,514	22,284	230
(3)	Gross income	(21)	(25)	4
3,640	Net expenditure	22,493	22,259	234

Table 3 - Analysis of Significant Variances

FY Variance Favourable /(Adverse) £'000	Miscellaneous Services
501	Debt management charges: the overall budget for loan charges was £20.133m, comprising £6.408m for loan principal, £13.552m for interest costs and £0.173m for loans fund expenses. A full year underspend of £0.501m is currently projected due to lower than anticipated capital borrowing to date for General Services.
(163)	Investment income: the budget for investment income was set at £1.930m based on an estimate of the average revenue balances held during the year at an assumed interest rate return of 4.00% on those balances. The full year projected investment income on balances held is currently £1.767m, a shortfall of £0.163m due to lower than anticipated revenue balances for General Services.
890	Other payments: the projected net underspend of £0.890m comprised the following significant elements: - £0.713m projected underspend in energy costs across all Council services, reported corporately within Miscellaneous Services, in what continues to be a fluctuating energy price market; and - £0.154m projected underspend in unfunded pension cost payments to Strathclyde Pension Fund.
118	Salary sacrifice schemes: the projected full year underspend comprises both car leasing and Viv-up schemes, based on orders received less the cost of administering the schemes and allowing for the £0.150m savings target held in Human Resources.

(400)	Storm Eowyn costs: non-employee expenditure incurred during 2025/26 in the aftermath of Storm Eowyn in January 2025. This expenditure includes remedial work on Council properties including schools, some of which was scheduled to coincide with the school summer holiday and other work relating to tree maintenance and recovery which was delayed due to the high level of demand for such services in the immediate aftermath of the storm. A full year overspend of £0.400m is currently projected.
(696)	PPP flexibility/ IFRS 16 adjustments: Following the initial implementation of IFRS16 in 2024/25 the implications and initial expected budgeted benefit, in revenue terms, in 2025/26 has been reassessed based on revised and updated information resulting in an anticipated under recovery of £0.696m.
250	Total projected full year variance

Table 4 - Budget Transfer Requests

Description	DR £'000	CR £'000
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

Description	Target £'000	Shortfall £'000
Purchase of additional leave: target to be allocated across services	200	0
Additional AVCs: on-cost savings	48	0
Total	248	0
Comments: Savings targets are expected to be fully achieved during the year.		

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:	
£'000	
0	
Comments: No new grant income received within Miscellaneous Services.	

Housing Revenue Account

Table 1 - Objective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2025/26 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
(6,091)	Housing Revenue Account	0	(1,761)	1,761
(6,091)		0	(1,761)	1,761

Table 2 - Subjective Analysis

Actual Expenditure to 30 June £'000	Service	Full Year Budget 2025/26 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
1,027	Employee costs	5,168	5,036	132
1,231	Property costs	16,990	15,970	1,020
265	Supplies and services costs	338	338	0
41	Transport costs	73	73	0
55	Administrative costs	2,306	1,951	355
11	Support services costs	1,899	1,899	0
5	Third party payments	33	20	13
38	Transfer payments	119	149	(30)
0	Financing costs	8,616	8,616	0
3,226	CFCR	3,226	3,226	0
5,899	Gross expenditure	38,768	37,278	1,490
(11,990)	Income	(38,768)	(39,039)	271
(6,091)	Net expenditure	0	(1,761)	1,761

Table 3 - Financial Variance Analysis

Projected Variance favourable /(adverse) £'000	Housing Revenue Account
132	Employee costs - projected underspend of £0.132m due to current vacancies.
1,020	Property Costs - projected underspend of £1.020m. This is mainly due to an underspend of £1.090m 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". These underspends are partially offset with an increase in Unlets costs (£0.070m).
0	Supplies & Services - projected online.
0	Transport Costs - projected online.
355	Administrative costs - projected underspend of £0.355m. There are projected underspends on telecomms charges (£0.020m), postage costs (£0.015m) and training (£0.020m). There is also a projected underspend of £0.300m in bad debts based on the current level of arrears of council house rental income.
(17)	Third Party Payments and Transfer Payments - projected overspend of £0.017m. This is due to a projected overspend of £0.030m on redecoration allowances, which is partly offset by a projected underspend of £0.013m on charges from other Council services.
0	Financing costs - projected online.
0	CFCR - projected online.
271	Income - over recovery of £0.271m. This is due to a projected over recovery of £0.117m in rental income related to the impact of new builds coming into stock and available for renting. There has also been additional income of £0.154m received from The Councils' insurance provider in relation to the claim made for storm damage in 2024.
1,761	Total projected variance
Comments:	

Table 4 - Accumulated Surplus

	Amount £'000	Amount £'000
Accumulated Surplus		
HRA accumulated surplus as at 1 April 2025	4,464	
Current year projected surplus	1,761	
Minimum working balance	(2,000)	
Projected surplus available for spend for the year ended 31 March 2026		4,225
Current commitments:		
Revenue:		
Transformation within Housing - support costs. Also to fund and support a project team to progress		(344)
Costs associated with Home Loss Payments at Riverside High Flats and provision for Disturbance		(169)
Reduce the number of unlet properties		(500)
Fund Insurance policy excess costs (The uninsured excess level has increased from £1,000 to		(500)
Rain Water Harvesting Systems - Funding for initial inspection, service and any remedial works		(50)
Total current commitments		(1,563)
Projected uncommitted surplus as at 31 March 2025		2,662
Comments:		

Table 5 - Rent Arrears

	As at 30 June 2024	As at 30 June 2025	Movement
Rent Arrears			
Current Tenants – Mainstream	1,280	1,231	-4%
Former Tenants – Mainstream	674	618	-8%
Total	1,954	1,849	-5%
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 increase in rent arrears has been factored into the Bad Debt Provision out-turn figure noted above in Table 3.		

Table 6 - Budget Transfer Requests

	DR £'000	CR £'000
1		
Total	0	0

Common Good Funds

Table 1 - Objective Analysis

Actual Net Expenditure/ (Income) to 30 June £'000	Common Good Fund	Full Year Net Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
(201)	Ayr Common Good Fund	0	(5)	5
(11)	Prestwick Common Good Fund	0	(1)	1
0	Troon Common Good Fund	0	(1)	1
0	Maybole Common Good Fund	0	0	0
1	Girvan Common Good Fund	0	0	0
(211)		0	(7)	7

Table 3 - Financial Variance Analysis

Projected FY Variance Favourable /(Adverse) £'000	Common Good Fund
5	<u>Ayr Common Good Fund:</u> A favourable variance of £0.005m at the year-end is currently projected, due to additional interest income as a result of higher than anticipated interest rates.
1	<u>Prestwick Common Good Fund:</u> A favourable variance of £0.001m at the year-end is currently projected, due to additional interest income as a result of higher than anticipated interest rates.
1	<u>Troon Common Good Fund:</u> A favourable variance of £0.001m at the year-end is currently projected, due to additional interest income as a result of higher than anticipated interest rates.
7	Total projected variance

Table 4 - Accumulated Revenue Reserves

Common Good Fund	Reserves as at 1 April 2025 £'000	Reserves as at 30 June 2025 £'000	Projected Reserves as at 31 March 2026 £'000
Ayr Common Good Fund	135	336	140
Prestwick Common Good Fund	251	262	252
Troon Common Good Fund	39	39	40
Maybole Common Good Fund	2	2	2
Girvan Common Good Fund	9	9	9
Total	436	648	443

Comments:

Following significant pressure in recent years on Common Good Funds property budgets, at the Council meeting in May Members approved changes to the management arrangements for Common Good Funds, including the nature of property lease agreements between the Council and the Common Good Funds. These changes are effective from 1 October 2025 and the financial impact for both parties will be established and reported during the second half of this financial year, ahead of 2026/27 budget considerations.

Table 5 - Accumulated Capital Reserves

Common Good Fund	Reserves as at 1 April 2025 £'000	Reserves as at 30 June 2025 £'000	Projected Reserves as at 31 March 2026 £'000
Ayr Common Good Fund	147	(12)	171
Prestwick Common Good Fund	35	35	35
Total	182	23	206
Comments:			

**Summary of Current General Services Reserves Position
as at 30 June 2025**

	<i>£m</i>	<i>£m</i>
1) Accumulated reserves brought forward from 2024/25		22.897
Funds set aside for specific purposes:		
Affordable Homes Fund	1.723	
Transformation Fund	5.135	
Workforce Change Fund	5.449	
Ash Tree Die back	0.233	
Ayrshire Growth Deal PMO	0.039	
Civil Contingency (3 Ayrshire reserve commitment)	0.124	
Community Halls Fund	0.500	
Financial Inclusion	0.704	
PPP Reserve commitment to 2026/27 budget	2.000	
General Service earmarking b/f	2.559	18.466
Uncommitted reserves brought forward as at 31 March 2025		4.431
2) Movement in 2025/26		
i) Approved contribution to uncommitted reserve		3.928
ii) Cabinet/Council approved in year draws:		
Cabinet of 28 May 2025 – Social Care Support	(0.151)	
Council of 26 June 2025 - Ayr Show (maximum commitment)	(0.590)	(0.741)
Ayr Show sponsorship income to date (offsets June commitment)		0.161
iii) Directorate budget projections:		
Service projections (including SG pay funding)		1.361
Projected uncommitted reserves at 31 March 2026		9.140