

South Ayrshire Council

**Report by Chief Financial Officer
to Cabinet
of 20 January 2026**

**Subject: Budget Management – Revenue Budgetary Control
2025/26 – Position at 30 November 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 November 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 4.1.6 below;**
- 2.1.3 approves the requested earmarking of resources to be carried forward to 2026/27 as summarised in 4.1.7;**
- 2.1.4 notes the projected General Services in year under-spend of £2.199m after earmarking and a projected uncommitted general reserve balance of £10.351m; and**
- 2.1.5 notes the revised HSCP projected overspend of £1.603m following the IJB's recent approval of an in-year recovery plan.**

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 19*);**
- 3.1.2 Housing Revenue Account - Appendix 1g (*page 20*); and**
- 3.1.3 Common Good Funds - Appendix 1h (*page 22*).**

3.2 As detailed in the Budget Management – Revenue Budgetary Control 2025/26 – Position Statement at 30 September 2025, presented to the Cabinet of 26

November 2025, revisions to the 2025/26 revenue budget were made in terms of corporate allocations, and other transfers actioned in line with Financial Regulations rules on budget transfers, resulting in revised planned net expenditure of £374.396m at period 6.

3.3 Directorate planned spending has further been adjusted to incorporate several budget transfers between Directorates and contingency funds 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 November 2025 inclusive of the budget adjustments outlined in 3.3 above.

Table 1 – Budget movement

<i>Directorate/ Account</i>	<i>Period 6 Budget £m</i>	<i>Budget adjustment (per 3.3) £m</i>	<i>Revised Period 8 Budget £m</i>
CEX	21.900	0.124	22.024
Communities and Transformation	23.277	-	23.277
Education	150.844	0.020	150.864
Housing, Operations and Development	46.519	(0.032)	46.487
HSC	105.474	(0.003)	105.471
Misc. Services Account	26.382	(0.010)	26.372
Total Expenditure	374.396	0.099	374.495
General Revenue Grant	(248.369)	-	(248.369)
NDRI	(49.811)	-	(49.811)
Council Tax	(73.508)	-	(73.508)
Use of earmarked reserves brought forward from 2024/25 to support 2025/26 expenditure commitments	(2.708)	(0.099)	(2.807)
Total Income	(374.396)	(0.099)	(374.495)
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 final Annual Accounts 2024/25, the audited General Services reserves at 31 March 2025 was £23.270m and of this, £18.466m was set aside or earmarked for specific purposes, leaving an uncommitted balance of £4.804m. Excluding HSCP, which holds its own reserves. This equated to 1.79% of future planned expenditure at that time.

- 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, ensuring that the Council achieves the 2 to 4 per cent required by Council policy for uncommitted general reserves.
- 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 audited 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 audited 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 now feature in the Budget Management Report 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 been received for SNCT, SNJC and Craft workers bargaining groups which is 1% greater than budgeted. 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).
- 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. Detail

4.1 *Overview of Directorate/ Accounts' position as at 30 November 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 November 2025.
- 4.1.2 Table 2 below provides a summarised position on a Directorate/ account basis and indicates an overall projected under-spend for the year (excluding HSCP) of £2.199m after requested earmarking of £0.302m.

Table 2/

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	0.508	0.124	(0.122)	0.510
Communities and Transformation	0.779	0.170	(0.085)	0.864
Education	(1.546)	0.681	(0.055)	(0.920)
Housing, Operations and Development	0.302	0.339	(0.040)	0.601
Miscellaneous Services Account	0.544	-	-	0.544
Total Net (expenditure)/surplus	0.587	1.314	(0.302)	1.599
Council Tax income (see 4.1.4 below)	0.600	-	-	0.600
Net in year projected surplus/(deficit)	1.187	1.314	(0.302)	2.199

4.1.3 **Pay uplifts** – As noted in 3.11 agreement has been reached with all the 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.

4.1.4 **Council Tax Income** – A review of the current collection rates and number of properties indicates they are on target to exceed income expectations by £0.600m at this stage. This is primarily due to an increase in the number of chargeable properties than originally estimated.

4.1.5 **Health and Social Care Partnership** – details of the projected out-turn information can be found within Appendix 1e which indicates a projected in year overspend of £1.603m for 2025/26. This is a slight deterioration from the £1.587m overspend projected in September 2025. The expectation is that following the agreement of the recovery plan in August 2025, alongside the continued ongoing work to reduce and minimise costs, the remaining overspend will reduce further. An update will be provided in future Budget Management Reports regarding this matter.

It should be noted that this is a draft position statement pending a formal financial monitoring report being presented to the next Integration Joint Board (IJB) meeting on 11 February 2026, therefore the figures contained in Appendix 1e may be updated prior to the formal reporting in February.

4.1.6 **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>
Education	0.210	0.210	1c –page 10
HOD	0.058	0.058	1d –page15
Total	0.268	0.268	

4.1.7 **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 table 4 below (by Directorate).

Table 4 – Period 8 Earmarking

<i>Directorate/Account</i>	<i>Previously approved £m</i>	<i>New Period 8 request £m</i>	<i>Total £m</i>	<i>Appendix ref:</i>
Chief Executive's	-	0.122	0.122	1a – page 4
Communities & Transformation	0.050	0.035	0.085	1b – page 7
Education	0.055	-	0.055	1c – page 10
HOD	0.040	-	0.040	1d – page 15
Total	0.145	0.157	0.302	

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

4.2.1 The audited 2024/25 Annual Accounts showed an accumulated surplus at 31 March 2025 of £23.270m and of this, £18.466m was set aside or earmarked for specific purposes leaving an uncommitted balance of £4.804m for General Services. Appendix 2 provides detail of the amounts set aside from the accumulated sum together with the impact of agreed movements and of the current year directorate net year-end under-spend projections of £2.199m (after earmarking) outlined in Table 2 at 4.1.2 above.

4.2.2 Table 5 below indicates that a year-end £10.351m uncommitted general services balance is currently projected at 31 March 2026. This equates to 3.85 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/

Table 5 – General Services accumulated uncommitted reserves

	£m
Audited opening reserves	23.270
Commitments (per Appendix 2)	(18.466)
Uncommitted surplus brought forward from 2024/25	4.804
In year contribution (per Feb Council budget agreement)	3.928
New agreed commitments (see Appendix 2)	(0.580)
Period 8 Directorate 2025/26 projections (per table 2 above)	2.199
Projected accumulated uncommitted reserve	10.351

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. This improved position also addresses the concerns regarding the low level of uncommitted reserves raised by Audit Scotland as part of their 2024/25 Annual Audit Report presented to the Audit and Governance Panel in September 2025. 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 2026 is £1.856m. When the in-year overspend is added to the current uncommitted surplus, identified in Table 4 of Appendix 1e, this results in an overall revised projected uncommitted surplus of £1.957m 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, inclusive of the impact of the revised arrangement, is outlined in Appendix 1h. Overall, at 31 March 2026, a combined projected accumulated revenue surplus of £0.414m is anticipated together with a projected 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 An accumulated uncommitted surplus of £10.351m is currently projected for General Services, excluding HSCP.

6.2 A £1.957m accumulated uncommitted surplus is projected for the Housing Revenue Account and a combined £0.414m 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, Policy Lead for Finance and Corporate Services, and the contents of this report reflect any feedback provided.

15./

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 4.1.6	31 January 2026	Chief Financial Officer

Background Papers **Report to South Ayrshire Council of 14 May 2025 - [Common Good Funds: Finance, Governance and Property Review](#)**
Report to Cabinet of 26 August 2025 - [Budget Management – Revenue Budgetary Control 2025/26 – Position at 30 June 2025](#)

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Date: 12 January 2026

Budget Management Report to 30 November 2025 (Period 8)

Appendix 1

Ref.	Directorate/ Account	Pages
1a	Chief Executive's Strategic Office	1 to 4
1b	Communities and Transformation	5 to 7
1c	Education	8 to 11
1d	Housing, Operations and Development	12 to 16
1e	Health & Social Care	17
1f	Miscellaneous Services Account	18 to 19
1g	Housing Revenue Account	20 to 21
1h	Common Good Funds	22 to 23

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 November £'000	Service	Full Year Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
377	Chief Executive & Support	445	534	(89)
1,916	Corporate Strategy, Policy & Performance	3,386	3,344	42
	Finance and Procurement Services:			
82	Chief Financial Officer	132	132	0
1,291	Corporate Finance and Accounting	2,213	2,155	58
5,220	Revenues and Benefits	5,658	5,563	95
571	Strategic Procurement	898	892	6
7,164	Total Finance and Procurement Services	8,901	8,742	159
	Regulatory Services:			
82	Head of Regulatory Services	133	133	0
109	Civil Contingencies & Business Continuity	83	64	19
1,815	Democratic Governance Services	2,581	2,514	67
307	Insurance, Risk & Safety Management	602	493	109
489	Legal & Licensing Services	980	920	60
1,155	Trading Standards & Environmental Health	1,808	1,769	39
3,957	Total Regulatory Services	6,187	5,893	294
1,817	Human Resources & Payroll	2,759	2,687	72
192	Performance Appraisal & Audit	346	316	30
15,423	Total Chief Executive's Office	22,024	21,516	508

Table 2 - Subjective Analysis

Actual Expenditure to 30 November £'000	Account	Full Year Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
10,555	Employee costs	17,409	16,795	614
(5)	Property costs	330	321	9
910	Supplies and services costs	914	958	(44)
63	Transport costs	104	93	11
465	Administrative costs	731	779	(48)
2,934	Third party payments	4,900	4,855	45
14,100	Transfer payments	25,948	25,948	0
12	Financing costs	12	12	0
29,034	Gross expenditure	50,348	49,761	587
(13,611)	Gross income	(28,324)	(28,245)	(79)
15,423	Net expenditure	22,024	21,516	508

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Chief Executive & Support
(89)	Chief Executive & Support - projected overspend of £0.089m as a result of ; Employee Costs - projected overspend of £0.036m due to additional staffing costs. Supplies & Services Costs - projected overspend of £0.053m mainly due to legal fees incurred.
(89)	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Corporate Strategy, Policy & Performance
42	Corporate Strategy, Policy & Performance - projected underspend of £0.042m as a result of ; Employee Costs - projected underspend of £0.042m as a result of current vacancies Members are requested to approve earmarking (see Table 5 below) of the service underspend for carry forward to 2026/27 to fund the approved cost of the Housing First Team Leader post (ELT 693 approved)
42	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Finance and Procurement Services
0	Chief Financial Officer - projected online.
58	Corporate Finance - projected underspend of £0.058m due to the level of current vacancies.
95	Revenues & Benefits - projected underspend of £0.095m as a result of; Employee Costs - projected underspend of £0.085m due to the current level of vacancies. Administrative Costs - projected overspend of £0.065m as a result of increased postage costs. Income - projected over recovery of income of £0.075m mainly due to the introduction of the Corporate Appointee charging Scheme.
6	Strategic Procurement - projected underspend of £0.006m as a result of; Employee Costs - projected underspend of £0.045m due to current vacancies. Administrative Costs - projected underspend of £0.011m mainly related to reduced printing costs. Income - projected under recovery of income of £0.050m due to less early payment discounts received than expected due to the delay in implementing agreed early payment discount Transformation project.
159	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Regulatory Services
19	<p>Civil Contingencies - projected underspend of £0.019m as a result of: Employee Costs - projected underspend of £0.040m as a result of current vacancies. Administrative Costs - projected underspend of £0.004 across various budget lines. Income - projected under recovery of £0.025m due to a reduction in the work carried out for external agencies.</p>
67	<p>Democratic & Governance Services - projected underspend of £0.067m as a result of; Employee Costs - projected underspend of £0.087m due to current vacancies. Property Costs - projected underspend of £0.009m across various small budget lines. Supplies & Services Costs - projected underspend of £0.024m mainly due to an underspend in general election costs (£0.014m) and reduced Safeguarders fees (£0.010m). Transport Costs - projected underspend of £0.011m due to less vehicle hire, fuel and mileage. Income - projected under recovery of income of £0.064m, mainly due to marriage fee income target levels being higher than achievable.</p>
109	<p>Risk & Safety Management - projected underspend of £0.109m as a result of: Employee Costs - projected underspend of £0.095m as a result of current vacancies. Administrative Costs - projected underspend of £0.014m on risk reduction initiatives.</p> <p>Members are requested to approve earmarking of £0.080m of the service underspend for carry forward to 2026/27 (see Table 5 below) to fund the necessary backfilling of 2 posts due to maternity leave to ensure service continuity</p>
60	<p>Legal Services - projected underspend of £0.060m as a result of; Employee Costs - projected underspend of £0.120m due to the current level of vacancies. Supplies & Services Costs - projected overspend of £0.030m on external legal fees. Income - projected under recovery of income of £0.030m, due to Licencing fee and recharge of Court fees income target levels being higher than achievable.</p>
39	<p>Trading Standards & Environmental Health - projected underspend of £0.039m; Employee Costs - projected underspend of £0.009m due to the current level of vacancies. Supplies & Services Costs - projected underspend of £0.015m across various small budget lines. Income - projected over recovery of £0.015m due to additional income from Food Standards Scotland.</p>
294	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Human Resources & Payroll
72	<p>Human Resources & Payroll - projected underspend of £0.072m; Employee Costs - projected underspend of £0.040m due to the current level of vacancies. Administrative Costs - projected overspend of £0.012m mainly due to increased costs of Disclosure checks. Third Party Payments - projected underspend of £0.045m due to savings on the new Occupational Health contract.</p>
72	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Performance Appraisal & Audit
30	Performance, Appraisal & Audit - projected underspend of £0.030m as a result of current vacancies.
30	Total projected variance

Table 4 - Budget Transfer Requests

	DR £'000	CR £'000
N/A		
Total	0	0

Table 5 - Earmarking Requests

	Objective/ Subjective	Amount £'000
New requests:		
To fund 2 posts due to maternity leave	Risk & Safety/Employee Costs	80
Housing First Team Leader post	Corporate Strategy/Employee Costs	42
Total		122

Table 6 - 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

	Target £'000	Achieved at period 8 £'000
Payroll Management - Corporate Target	637	435
Total	637	435
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
38	Scottish Government	Discretionary Housing Payments
38		
Comments:		

Communities & Transformation Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 November £'000	Service	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
280	Directorate	296	(186)	482
	Communities			
3,020	Thriving Communities	5,755	5,605	150
2,765	Sport, Leisure and Golf	4,877	4,862	15
2,879	Destination South Ayrshire	4,677	4,554	123
8,664	Total Communities	15,309	15,021	288
	Transformation			
3,183	ICT Strategy & Delivery	4,807	4,657	150
1,522	Customer Services & Public Affairs	2,432	2,373	59
397	Transformation	433	633	(200)
5,102	Total Strategic Change	7,672	7,663	9
14,046	Total Communities & Transformation	23,277	22,498	779

Table 2 - Subjective Analysis

Actual Expenditure to 30 November £'000	Account	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
14,607	Employee costs	23,265	22,503	762
3,014	Property costs	3,458	3,426	32
3,788	Supplies and services costs	4,141	3,991	150
903	Transport costs	765	765	0
366	Administrative costs	292	257	35
1,487	Third party payments	1,547	1,747	(200)
5	Transfer payments	10	10	0
24,170	Gross expenditure	33,478	32,699	779
(10,125)	Gross income	(10,201)	(10,201)	0
14,045	Net expenditure	23,277	22,498	779

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
482	Service - projected over-recovery in payroll management target of £0.482m, due to the net impact of: - delays in filling vacancies, vacancy freeze and utilisation of external funding resulting in a projected underspend of £0.702m, offset by - an overspend resulting from the difference between the budgeted 25/26 pay award of 3% and the approved 4% pay award for Local Government employees (£0.220m).
482	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Communities
150	Thriving Communities (Employability & Skills) - currently projected to be £0.150m underspent. This relates to core funding set aside to enhance external funding including NOLB & UKSPF, which is not anticipated to be required during 2025/26.
15	Sport, Leisure & Golf (Sport and Leisure) - currently projected to be £0.015m underspent, despite the challenges of closures at both Prestwick and Troon facilities, for upgrades/refurbishments. This underspend relates to Members considering and approving 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 result in reduced costs for Sports, Leisure & Golf related to property rental charges levied by the Common Good on the Council of £0.015m for the six-month period to 1 April 2026.
0	Sport, Leisure & Golf (Golf) - projected to be online. Permanent budget transfers were approved at Period 6 to increase employee costs, supplies and services and income targets to reflect current projections.
123	Destination South Ayrshire - currently projected to be £0.123m underspent in relation to: - a remaining balance of £0.079m of Local Authority Covid Economic Recovery (LACER) funding allocated in 2022/23 that was being utilised to extend existing contracts, which are now vacant. Members should note that the remaining balance of funds will be returned to Council reserves at the end of the financial year. - funding set aside to cover 3 years subscription fees (£0.035m), therefore Members are requested to earmark this underspend to be utilised in the next two financial years (refer to Table 5 below). - 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 result in reduced costs for Destination South Ayrshire related to property rental charges levied by the Common Good on the Council of £0.008m for the six-month period to 1 April 2026.
288	Total projected variance
Projected FY Variance favourable /(adverse) £'000	Transformation
150	ICT Strategy & Delivery - currently projected to be £0.150m underspent in relation to ICT software maintenance contracts.
59	Customer Services & Public Affairs - IAAH (COVID Recovery Project) - projected underspend of £0.059m. ELT have previously approved to utilise £0.050m of 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. Members previously approved the earmarking of this underspend, to fund these contracts in 2026/27 (refer to Table 5 below). In addition, 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 result in reduced costs for Customer Services related to property rental charges levied by the Common Good on the Council of £0.009m for the six-month period to 1 April 2026.
(200)	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.
9	Total projected variance

Table 4 - Budget Transfer Requests

	DR £'000	CR £'000
Total	0	0

Table 5 - Earmarking Requests

	Objective/ Subjective	Amount £'000
Previously Approved:		
ELT 546 (04/03/24) - IAAH extend contracts	OD/Employee Costs	50
New Requests:		
Miconex subscription - Years 2 and 3	DSA/Administration Costs	35
Total		85
Comments: Details included above.		

Table 6 - 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 increase	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

	Target £'000	Achieved at period 8 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	579	787	(208)
Total	579	787	(208)
Comments: Currently projected to be £0.482m over-recovered.			

Table 8 - Grant Income

New Grants Received:		
Amount		
5	Museums Galleries Scotland	Future Art Centres
51	Scottish Government	CCLD
32	Ayr College	ESOL
63	Cycling Scotland	Bikeability Support Fund
4	Macmillan Cancer Support	Cancer Support
155		
Comments: Additional amounts notified during the financial year, not included in original budget.		

Education Directorate

Table 1 - Objective Analysis

Actual Expenditure to 30 November £'000	Service	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
153	Directorate	(3,134)	(1,553)	(1,581)
11,577	Education - Early Years	20,638	20,638	0
65,480	Education - Learning and Teaching Schools	93,310	93,568	(258)
12,141	Education - Learning and Teaching Additional Support	19,068	18,975	93
13,305	Education Support Services	20,982	20,782	200
102,656	Total Education Directorate	150,864	152,410	(1,546)

Table 2 - Subjective Analysis

Actual Expenditure to 30 November £'000	Account	Full Year Budget 2025/26 £'000	Projected Full Year Actual to 31 March £'000	Projected FY Variance favourable /(adverse) £'000
76,478	Employee costs	117,388	118,629	(1,241)
20,263	Property costs	27,675	27,635	40
1,152	Supplies and services costs	2,174	2,224	(50)
3,568	Transport costs	5,205	5,500	(295)
1,161	Administrative costs	1,095	1,095	0
4,021	Third party payments	7,593	7,593	0
367	Transfer payments	405	405	0
107,010	Gross expenditure	161,535	163,081	(1,546)
(4,354)	Gross income	(10,671)	(10,671)	0
102,656	Net expenditure	150,864	152,410	(1,546)

Table 3 - Analysis of Significant Variances

Projected FY Variance favourable /(adverse) £'000	Directorate
(1,581)	Payroll Management Target - currently projected to be £1.581m 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) resulting in an underachievement of £0.700m (See Education - Schools section below for further details), and - the difference between the budgeted 25/26 pay award of 3% and the approved 4% pay award for Local Government employees (£0.296m) and recently accepted 4% pay award for Teaching staff (£0.585m - Aug 25).
(1,581)	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Education - Early Years
0	<p>Payments to Private Partner Nurseries -- projected underspend of £0.210m, due to the delay in opening Troon Nursery.</p> <p>Capital Finance from Current Revenue (CFCR) - currently projected to be £0.210m over-spent, which relates to additional costs for the following capital projects to be funded from revenue:</p> <ul style="list-style-type: none"> - Newton EY play area £0.145m - Kingcase EY play area £0.015m - Troon general equipment £0.050m <p>Members are requested to approve the temporary budget transfer request to utilise the under-spends in employee costs, to offset the projected overspend in capital projects (CFCR) (refer to Table 4 below).</p>
0	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Education - Schools
	<p>Teaching Staff - As noted in the Directorate section above, the Payroll management target for 2025/26 is projected to be underachieved by £1.581m and is recorded centrally within the Directorate area. Part of the underachievement is in relation to the agreement between Local Government and SG to restore teacher numbers to 2023 levels (1172). However, after discussions between SAC and SG, teacher numbers for 2025/26 have been agreed at 1150, being the 1172, reduced by the agreed exceptional circumstances of:-</p> <ul style="list-style-type: none"> - surplus unallocated probationers at the SG's request in 2023 (19fte) - a temporary increase in teaching capacity in place in 2023 in order to address a short-term issue, for example Ukrainian refugee support (2.9fte). <p>The September census is now complete and allocation of probationers confirmed and a projected overspend of £0.700m is included within the under-achievement of payroll turnover. This projection may decrease if/when any temporary teachers outwith the Devolved School Management Allocations are vacated, as these posts will not be filled.</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. This should ensure that funding continues to be available at currently planned levels going forward with no detriment to schools.</p>
(258)	Mainstream Pupil Transport - currently projected to be overspent by £0.258m, based on recent Quarter information received from Strathclyde Passenger Transport (SPT).
(258)	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Education - Additional Support for Learning
93	<p>Whole Family Wellbeing Fund - projected to be underspent by £0.130m 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 previously approved earmarking of £0.055m of this underspend to fund both internal and external contracts during 2026/27 (refer to Table 5 below).</p> <p>ASN Framework Pupil Transport - currently projected to be overspent by £0.037m, based on new 25/26 academic year contracts.</p>
93	Total projected variance

Projected FY Variance favourable /(adverse) £'000	Education - Support Services
200	PPP - currently projected to be £0.200m underspent, due to the net impact of:- - overspend of £0.094m in relation to the budgeted RPI (391.8) being lower than the actual RPI (394 Feb 2025) - £0.294m underspend in relation to a credit invoice received in relation to Joint Insurance Cost from E4A (2022-2024). The rebate is established through a periodic review of the PPP model contract insurance payments comparing against actual insurance payments made, with a proportion of any established overpayment being returned to the council.
200	Total projected variance

Table 4 - Budget Transfer Requests

		DR £'000	CR £'000
1	Early years - Employee Costs		210
	Early years - CFCR	210	
	<i>Utilise the under-spend in employee costs to offset the projected overspend Newton, Kingcase & Troon EY capital projects.</i>		
Total		210	210

Table 5 - Earmarking Requests

	Objective/ Subjective	Amount £'000
Previously approved:		
Whole Family Wellbeing fund	WWF/Employee costs	55
Total		55
Comments: Detail included above.		

Table 6 - Efficiency Savings

	Target £'000	Anticipated shortfall £'000
Redesign of Early Years Provision (Full year impact £300k)	185	0
Review Early Learning Team (Full year impact 25-26)	154	0
Total	339	0
Comments: No anticipated shortfalls.		

Table 7 - Payroll Management

	Target £'000	Achieved at period 8 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	3,278	1,373	1,905
Introduce Teacher Turnover Target - approved 2024-25	500	0	500
Total	3,778	1,373	2,405
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
17	Scottish Government	Education Maintenance Allowance (EMA)
5	Virgin Media	ICT Digital Literacy
81	Creative Scotland	Youth Music Initiative
103		
Comments: Additional amounts notified during the financial year, not included in original budget.		

Housing Operations & Development

Table 1 - Objective Analysis

Actual Expenditure to 30 September £'000	Service	Full Year Budget 2025/26 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
6,597	Directorate	9,806	10,257	(451)
269	Directorate	428	428	0
6,328	Ayrshire Roads Alliance/SPT	9,378	9,829	(451)
5,632	Planning & Development	6,543	6,587	(44)
3,998	Asset Management and Community Asset Transfer	5,839	6,151	(312)
581	Planning and Building Standards	1,237	1,034	203
545	Professional Design Services	(593)	(658)	65
508	Special Property Projects	60	60	0
28,095	Housing & Operations	30,138	29,341	797
7,862	Facilities Management	13,390	13,192	198
(1,703)	Housing Services	1,336	926	410
12,835	Neighbourhood Services	15,444	15,200	244
9,101	Property Maintenance	(32)	23	(55)
40,324	Total Housing Operations & Development	46,487	46,185	302

Table 2 - Subjective Analysis

Actual Expenditure to 30 September £'000	Account	Full Year Budget 2025/26 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
24,203	Employee costs	39,548	38,216	1,332
5,068	Property costs	7,159	7,443	(284)
8,700	Supplies and services costs	12,088	12,330	(242)
6,082	Transport costs	7,189	7,077	112
302	Administrative costs	470	408	62
11,289	Third party payments	17,180	17,937	(757)
55,655	Gross expenditure	83,634	83,411	223
(15,331)	Gross income	(37,147)	(37,226)	79
40,324	Net expenditure	46,487	46,185	302

Table 3 - Analysis of Significant Variances

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

Projected Variance favourable /(adverse) £'000	Ayrshire Roads Alliance/SPT
(451)	<p>Ayrshire Roads Alliance - projected overspend of £0.451m mainly as a result of increased transport costs (£0.128m) and reduced income levels (£0.200m capital and £0.180m ad hoc). To address the financial position, interventions have been put in place across ARA to apply financial restraint. These interventions will be challenging and will require an increased level of financial control and monitoring to ensure that their implementation has the desired impact. It is proposed that going forward and until further notice:</p> <ul style="list-style-type: none"> •A freeze is placed on the filling of all non-essential vacancies; •An increased level of authorisation by Head of ARA is put in place for all orders and expenditure above a specific level; •Head of ARA is required to undertake detailed monthly monitoring of expenditure to ensure robust review of essential spend. •All contracts currently being tendered or appraised are to be reconsidered by Head of ARA regarding continued need and availability of resource
(451)	Total projected variance
Projected Variance favourable /(adverse) £'000	Asset Management & Community Asset Transfer
(312)	<p>Asset Management - projected overspend of £0.312m ; Property costs - projected overspend of £0.369m. This is mainly due to the delay in delivering the proposed office rationalisation saving (£0.200m), an overspend of £0.025m in utilities costs incurred at the Arran Mall, and an overspend of £0.060m in service and repair costs of Public Conveniences. These overspends are 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 £0.140m in rent, rates and utilities for McCalls Avenue, as these costs are now shared with other Council services. In addition, 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 result in additional costs for Asset Management of £0.225m for the six-month period to 1 April 2026 in respect of NDR, Utilities and Repairs & Maintenance cost relating to the newly introduced Full Repairing and Insurance lease arrangements Supplies & Services costs - projected overspend of £0.030m mainly related ICT and equipment costs. Transport costs - projected overspend of £0.010m due to increased vehicle costs. Administrative Costs - projected underspend of £0.020m across various admin supplies. Income - projected over recovery of £0.077m in rental income from Industrial units and other general properties based on current demand.</p>
(312)	Total projected variance
Projected Variance favourable /(adverse) £'000	Planning & Building Standards
203	<p>Planning & Building Standards - projected underspend of £0.203m as a result of; Employee costs - projected underspend of £0.373m as a result of current vacancies. There is a hold on recruitment in place until the service redesign is complete Supplies & Services costs - projected overspend of £0.170m 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>Members approved earmarking at Period 6 of £0.040m of the service underspend to fund the ongoing transport assessment costs as part of LDP2 in 2026/27</p>
203	Total projected variance

Projected Variance favourable /(adverse) £'000	Professional Design Services
65	Professional Design Services - projected underspend of £0.065m as a result of current vacancies.
65	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
198	<p>Facilities Management - projected underspend of £0.198m as a result of;</p> <p>Employee Costs - projected underspend of £0.423m due to current vacancies.</p> <p>Property Costs - projected underspend £0.030m in cleaning & domestic supplies as a result of new contracts now in place</p> <p>Supplies & Services Costs - projected overspend of £0.118m due to increased costs of food and catering sundries</p> <p>Income - projected under-recovery of £0.137m as a result of the reduced meal sales due to the impact of the ongoing rollout of Primary free school meals (£0.067m) along with a decrease in the uptake of staff school meals (£0.012m) and special catering income from functions and events (£0.058m)</p>
198	Total projected variance

Projected Variance favourable /(adverse) £'000	Housing Services
410	<p>Housing Services - projected underspend of £0.410m as a result of;</p> <p>Employee Costs - projected underspend of £0.184m due to current vacancies.</p> <p>Property Costs - projected overspend of £0.028m. This relates to an overspend in unlets as a result of the increased demand for temporary homeless accommodation.</p> <p>Supplies & Services Costs - projected underspend of £0.074m. This relates to furniture costs (£0.040m) and removal and storage costs (£0.034m) in homeless properties where a budget transfer was actioned at period 3 to meet potential increased costs.</p> <p>Administrative Costs - projected underspend of £0.010m across various small budget lines.</p> <p>Third Party Payments - projected underspend of £0.060m due to an underspend in DWP Benefits subsidy to be used for homeless initiatives.</p> <p>Income - projected over recovery of £0.110m. 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>
410	Total projected variance

Projected Variance favourable /(adverse) £'000	Neighbourhood Services
244	<p>Neighbourhood Services - projected underspend of £0.244m as a result of;</p> <p>Employee costs - projected underspend of £0.287m as a result of current vacancies</p> <p>Property Costs - projected underspend £0.083m within grounds maintenance general repairs & maintenance costs</p> <p>Transport costs - projected underspend of £0.122m due to increased lead times for supply of replacement vehicles</p> <p>Administration costs - projected underspend of £0.032m across small budget lines</p> <p>Third Party payments - projected overspend of £0.364m in relation to overspends in waste disposal costs (£0.306m) as new contracts are negotiated for the different waste streams and resurfacing pathworks at Rozelle pond due to health & safety issues (£0.058m)</p> <p>Income - projected over-recovery of £0.084m as a result of increased Garden Waste permit income (£0.430m), an increase in recharge of works to ARA (£0.079m) offset by reduced DEFRA funding for the EPR for Packaging scheme (£0.317m) and an under-recovery in commercial waste income (£0.166m). In addition, Members considered and approved proposed changes to the management of Common Good Funds at Council of 14 May 2025 with the resultant changes due to be implemented from 1 October 2025. The impact of these changes result in additional income for Neighbourhood Services related to increased grounds maintenance charges to the Common Good of £0.058m for the six month period to 31 March 2026</p> <p>Members are requested to approve a Budget Transfer Request (BTR) (see Table 4 below) to utilise the additional Common Good income to fund essential resurfacing pathworks at Rozelle noted above.</p>
244	Total projected variance

Projected Variance favourable /(adverse) £'000	Property Maintenance
(55)	<p>Property Maintenance Service - projected overspend of £0.055m as a result of ;</p> <p>Income - projected under recovery 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.</p>
(55)	Total projected variance

Table 4 - Budget Transfer Requests

		DR £'000	CR £'000
1	Neighbourhood Services - third party payments	58	
	Neighbourhood Services - income		58
	<i>Being use of additional Common Good income to meet the cost of essential works at Rozelle</i>		
Total		58	58

Table 5 - Earmarking Requests

	Objective/ Subjective	Amount £'000
Previously approved:		
Required to fully complete the road traffic assessment required as part of LDP2	Planning & Building Standards/Third party payments	40
Total Earmarking Requests		40

Table 6 - 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

	Targeted £'000	Achieved at period 6 £'000	Remaining to be achieved £'000
Payroll Management - Corporate target	1,268	845	423
Payroll Management - Directorate target	0	0	0
Total	1,268	845	423
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
0		
Comments:		

Social Care

Table 1 - Objective Analysis

Actual Expenditure to 30 Nov £'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 :			
40,410	Older People	61,849	62,605	(755)
3,459	Physical Disabilities	5,449	5,547	(98)
43,869	Total Community Care Services	67,298	68,151	(853)
13,497	Children's Services	24,680	22,860	1,819
(189)	Justice Services	(4)	(4)	0
13,308	Total Children and Justice Services	24,675	22,856	1,819
17,275	Learning Disabilities	27,677	29,113	(1,436)
3,156	Mental Health	5,179	5,620	(441)
1,092	Addiction	2,126	2,125	1
21,523	Total Mental Health Services	34,982	36,858	(1,875)
3,522	Directorate Services	7,311	6,970	341
1	Other Services	3	0	3
0	Vacancy management	(2,523)	(1,479)	(1,044)
3,523	Total Support Services	4,791	5,491	(699)
389	Integrated Care Fund/Delayed Discharges	531	526	6
(10,083)	Interagency payments with Health	(21,409)	(21,409)	0
72,530	HSCP Sub-total	110,870	112,473	(1,603)
157	Aids and Adaptations etc	833	833	0
72,687	Final HSCP total	111,703	113,306	(1,603)
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 November (Period 8).

The table above includes £5.053m transferred from reserves, leaving a balance of £4.565m, of which £3.968m is committed and earmarked to be used in future years. The uncommitted balance of £0.597m has been allocated in year to older people residential care placements to meet demand greater than budgeted.

The Period 8 projections are based on estimates and judgements on spend to date, review of contracts and review of care packages / residential placements, along with discussion with service managers. Period 8 will be presented to the IJB at the 11th of February 2026 meeting.

Miscellaneous Services

Table 1 - Objective Analysis

Actual Expenditure to 30 November £'000	Service	Full Year Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	FY Variance Favourable /(Adverse) £'000
6,670	Miscellaneous Services	26,372	25,828	544
6,670	Total Miscellaneous Services	26,372	25,828	544

Table 2 - Subjective Analysis

Actual Expenditure to 30 November £'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	19,616	517
0	Investment income	(1,930)	(1,784)	(146)
0	Recharges to other services	(1,886)	(1,886)	0
616	Requisitions and other initiatives	937	923	14
506	Employee provision	788	767	21
130	Fees and subscriptions	489	544	(55)
4,262	Other payments	7,243	6,612	631
33	Covid-19 costs	0	19	(19)
793	Salary sacrifice schemes	550	440	110
8	Equal pay	0	0	0
336	Storm Eowyn costs	0	350	(350)
0	PPP flexibility/ IFRS 16 adjustments	(3,859)	(3,163)	(696)
0	Contribution to Reserves	3,928	3,928	0
6,684	Gross expenditure	26,393	26,366	27
(14)	Gross income	(21)	(538)	517
6,670	Net expenditure	26,372	25,828	544

Table 3 - Analysis of Significant Variances

FY Variance Favourable /(Adverse) £'000	Miscellaneous Services
517	Debt management charges: the budget comprising £6.408m for loan principal, £13.552m for interest costs and £0.173m for loans fund expenses. A full year underspend of £0.517m is currently projected due to lower than anticipated borrowing associated with the capital programme.
(146)	Investment income: the budget is 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. Investment income for the full year is currently projected to be £1.784m, a shortfall of £0.146m due to lower than anticipated revenue balances held by General Services.
(55)	Fees and subscriptions: the projected full year overspend relates to increased national CoSLA subscriptions.
631	Other payments: the projected net underspend of £0.631m comprised the following significant elements: - £0.477m projected underspend in energy costs across all Council services, reported corporately within Miscellaneous Services, in what continues to be a fluctuating energy price market; - £0.247m projected underspend on insurance costs (net of third party claims); - £0.141m projected underspend in unfunded pension cost payments to Strathclyde Pension Fund; and - partly offsetting those projected underspends is a projected overspend of £0.236m, of which £0.197m relates to increases in Non-Domestic Rates charges.

110	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 £0.185m savings target held in Human Resources.
(350)	Storm Eowyn costs: this comprises 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 £0.350m is projected.
(696)	PPP flexibility/ IFRS 16 adjustments: following the initial implementation of the accounting standard <i>IFRS 16 Leases</i> in 2024/25, the revenue budget implications and initial anticipated benefit have been reassessed in the current year based on revised and updated information, resulting in an anticipated under-recovery of £0.696m.
517	Income: includes £0.508m non-recurring income returned from West of Scotland Loans Fund/ ERDF. This income was previously reported within Thriving Communities at period 6.
544	Total projected full year variance

Table 4 - Budget Transfer Requests

	DR £'000	CR £'000
Total	0	0

Table 5 - Earmarking Requests

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

Table 6 - Efficiency Savings

	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

	£'000	£'000
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

Actual Expenditure to 30 November £'000	Service	Full Year Budget 2025/26 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
(18,853)	Housing Revenue Account	0	(1,856)	1,856
(18,853)		0	(1,856)	1,856

Table 2 - Subjective Analysis

Actual Expenditure to 30 November £'000	Service	Full Year Budget 2025/26 £'000	Projected Actual to 31 March £'000	Projected Variance favourable /(adverse) £'000
3,220	Employee costs	5,168	5,168	0
4,913	Property costs	16,990	15,661	1,329
364	Supplies and services costs	338	299	39
59	Transport costs	73	73	0
119	Administrative costs	2,306	1,893	413
36	Support services costs	1,899	1,899	0
14	Third party payments	33	20	13
121	Transfer payments	119	179	(60)
0	Financing costs	8,616	8,634	(18)
3,226	CFCR	3,225	3,225	0
12,072	Gross expenditure	38,767	37,051	1,716
(30,925)	Income	(38,767)	(38,907)	140
(18,853)	Net expenditure	0	(1,856)	1,856

Table 3 - Financial Variance Analysis

Projected Variance favourable /(adverse) £'000	Housing Revenue Account
1,329	Property Costs - projected underspend of £1.329m. This is mainly due to an underspend of £1.192m 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 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 to cover costs incurred at that time. In addition, there is a projected underspend of £0.040m in electricity costs and various small underspends across other budget lines totalling £0.018m. These underspends are partially offset with an increase in Unlets costs (£0.040m) and Decants (£0.035m).
39	Supplies & Services - projected underspend of £0.039m due to reductions in legal fees and removal & storage costs.
413	Administrative costs - projected underspend of £0.413m. This is due to projected underspends on telecomms charges (£0.036m), subscriptions (£0.010m), training (£0.022m) and postages and stationery (£0.045m). There is also a projected underspend of £0.300m in bad debts based on the current level of arrears of council house rental income.
(47)	Third Party Payments and Transfer Payments - projected overspend of £0.047m. This is due to a projected overspend of £0.060m on redecoration allowances, which is partly offset by a projected underspend of £0.013m on charges from other Council services.
(18)	Financing costs - projected net overspend of £0.018m comprising: - Principal, Interest payments and expenses - projected underspend of £0.058m 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 - £0.076m under recovery as a result of the Loans Fund not meeting the originally estimated rate of interest on investments.

140	Income - over recovery of £0.140m. This is due to a projected over recovery in rental income related to the impact of new builds coming into stock and available for renting.
1,856	Total projected variance
Comments:	

Table 4 - Accumulated Surplus

Accumulated Surplus	Amount £'000	Amount £'000
HRA accumulated surplus as at 1 April 2025	4,464	
Current year projected surplus	1,856	
Minimum working balance	(2,000)	
Projected surplus available for spend for the year ended 31 March 2026		4,320
Current commitments:		
Capital:		
Reduce the number of unlet properties		(500)
Potential overspend on capital works to void properties		(800)
Revenue:		
Transformation within Housing - support costs. Also 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.		(344)
Costs associated with Home Loss Payments at Riverside High Flats and provision for Disturbance Allowance approved by Leadership Panel 26 November 2019		(169)
Fund Insurance policy excess costs (The uninsured excess level has increased from £1,000 to £50,000 per claim under the new policy conditions).		(500)
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 current commitments		(2,363)
Projected uncommitted surplus as at 31 March 2026		1,957
Comments:		

Table 5 - Rent Arrears

Rent Arrears	As at 30 November 2024	As at 30 November 2025	Movement
Current Tenants – Mainstream	1,788	1,909	7%
Former Tenants – Mainstream	712	621	-13%
Total	2,500	2,530	1%
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.			

Common Good Funds

Table 1 - Objective Analysis

Actual Net Expenditure/ (Income) to 30 November £'000	Common Good Fund	Full Year Net Budget 2025/26 £'000	Projected FY Actual to 31 March £'000	Projected FY Variance Favourable /(Adverse) £'000
160	Ayr Common Good Fund	0	11	(11)
11	Prestwick Common Good Fund	0	13	(13)
0	Troon Common Good Fund	0	(1)	1
0	Maybole Common Good Fund	0	0	0
42	Girvan Common Good Fund	0	0	0
213		0	23	(23)

Table 3 - Financial Variance Analysis

Projected FY Variance Favourable /(Adverse) £'000	Common Good Fund
(11)	<p><u>Ayr Common Good Fund:</u> A unfavourable net variance of £0.011m at the year-end is currently projected, analysed as follows:</p> <ul style="list-style-type: none"> - a projected income under-recovery of £0.034m; comprising £0.040m in reduced rental income arising from the approved changes to management arrangements between the Common Good Funds and the Council from 1 October 2025; partly offset by an over-recovery of £0.005m due to additional interest income as a result of higher than anticipated interest rates. - a projected underspend of £0.030m on insurance costs due to the approved changes to management arrangements. - the projected impact on property costs is expected to be nil in the current year, with underspends in repairs and maintenance, utilities and energy costs from 1 October 2025 expected to be offset by an overspend on grounds maintenance costs.
(13)	<p><u>Prestwick Common Good Fund:</u> An overspend of £0.013m at the year-end is currently projected, due to the impact of updated grounds maintenance charges from the Council during the second half of the financial year, as part of the approved changes to management arrangements between the Common Good Funds and the Council.</p>
1	<p><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.</p>
(23)	Total projected variance

Table 4 - Accumulated Revenue Reserves

Common Good Fund	Reserves as at 1 April 2025 £'000	Reserves as at 30 November 2025 £'000	Projected Reserves as at 31 March 2026 £'000
Ayr Common Good Fund	135	(26)	124
Prestwick Common Good Fund	251	240	239
Troon Common Good Fund	39	39	40
Maybole Common Good Fund	2	2	2
Girvan Common Good Fund	9	(33)	9
Total	436	222	414

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 is being 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 November 2025 £'000	Projected Reserves as at 31 March 2026 £'000
Ayr Common Good Fund	147	(304)	157
Prestwick Common Good Fund	35	35	35
Total	182	(269)	192

Comments:

Ayr Common Good Fund's capital reserve will receive a contribution from the Council in respect of reinstatement work on fire-damaged property in Ayr High Street.

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

	<i>£m</i>	<i>£m</i>
1) Accumulated reserves brought forward from 2024/25		23.270
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 brought forward	2.559	18.466
Uncommitted reserves brought forward as at 31 March 2025		4.804
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)	
Cabinet of 23 August - Ayr Show sponsorship income (reduces June commitment)	0.161	(0.580)
iii) Directorate budget projections:		
Service projections (including SG pay funding)		2.199
Projected uncommitted reserves at 31 March 2026		10.351