

Cunninghame House,  
Irvine.

9 November 2017

## **Cabinet**

You are requested to attend a Meeting of the Cabinet of North Ayrshire Council to be held in the Council Chambers, Cunninghame House, Irvine on **TUESDAY 14 NOVEMBER 2017** at **2.30 p.m.** to consider the undernoted business.

Yours faithfully

Elma Murray

Chief Executive

**1. Declarations of Interest**

Members are requested to give notice of any declaration of interest in respect of items of business on the agenda.

**2. Minutes (Page 7)**

The accuracy of the Minutes of the meeting of the Cabinet held on 26 September 2017 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

### **EDUCATION ITEMS FOR DECISION**

**3. Education Governance : Next Steps (Page 17)**

Submit report by the Chief Executive on the progress towards the implementation of a South West Regional Improvement Collaborative in line with the timescale set out by the Deputy First Minister (copy enclosed).

**4. Fair Funding Consultation (Page 27)**

Submit report by the Executive Director (Finance and Corporate Support) on the response to the Scottish Government consultation (copy enclosed).

**GENERAL BUSINESS FOR DECISION**

**5. Millport Flood Protection Scheme and Millport Harbour (Page 36)**

Submit (5.1) report by the Chief Executive on a Petition received in respect of the Save Millport Pier Campaign; and (5.2) report by the Executive Director (Place) seeking agreement to the proposed further development of options for the Millport Coastal Flood Protection Scheme and on the current condition and prohibited use of the existing timber section of Millport pier (copies enclosed).

**6. B714 Upgrade between A737 and A78 (Page 77)**

Submit report by the Executive Director (Place) seeking approval to not progress, at this time, local realigning of the B714 pending the outcome of a Regional Transport Appraisal as part of the developing Ayrshire Growth Deal (copy enclosed).

**Reports by the Chief Executive**

**7. Local Government Benchmarking Framework (LGBF) 2015/16 (Page 83)**

Submit report by the Chief Executive on the the Directorates' priorities identified following the publication of the latest LGBF report (copy enclosed).

**8. Extending Smoke Free Grounds in North Ayrshire Council (Page 100)**

Submit report by the Chief Executive on progress with the implementation of Smoke-Free Grounds across Council premises (copy enclosed).

**Reports by the Executive Director (Finance and Corporate Support)**

**9. Revenue Budget 2017/18 : Financial Performance to 30 September 2017 (Page 103)**

Submit report by the Executive Director (Finance and Corporate Support) on the financial performance for the Council at 30 September 2017 (copy enclosed).

**10. Capital Programme Performance to 30 September 2017 (Page 130)**

Submit report by the Executive Director (Finance and Corporate Support) on the progress in delivering the Capital Investment Programme as at 30 September 2017 (copy enclosed).

**11. Treasury Management Mid Year Report 2017/18 (Page 150)**

Submit report by the Executive Director (Finance and Corporate Support) providing an update for the period 1 April to 30 September 2017 (copy enclosed).

**12. Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 (Page 168)**

Submit report by the Executive Director (Finance and Corporate Support) on a review of the Cabinet decision of 1 September 2015 to impose a council tax levy on unoccupied dwellings having regard to the Scottish Government's 2013 Guidance and 2015 Supplementary Guidance (copy enclosed).

**Reports by the Director Health and Social Care Partnership)**

**13. Chief Social Work Officer Annual Report (Page 196)**

Submit report by the Director (Health and Social Care Partnership) on the Chief Social Work Officer to Cabinet as required by the Scottish Government's Guidance (copy enclosed).

**Reports by the Executive Director (Place)**

**14. Housing Revenue Account Rent Structure Review (Page 231)**

Submit report by the Executive Director (Place) on the implementation of a revised Housing Revenue Account rent structure (copy enclosed).

**15. Customer Connections: Housing Services' Tenant Participation Strategy 2017-22 (Page 246)**

Submit report by the Executive Director (Place) on the details of the draft Tenant Participation Strategy 2017/22 for approval (copy enclosed).

**16. Roads Winter Service and Weather Emergencies Plan 2017/18 (Page 269)**

Submit report by the Executive Director (Place) on the Roads Winter Service and Weather Emergencies Plan 2017/18 (copy enclosed).

**Reports by the Executive Director (Economy and Communities)**

**17. Interim Ayrshire Development Board- Membership and Remit (Page 306)**

Submit report by the Executive Director (Economy and Communities) on the membership and terms of reference of the Interim Ayrshire Development Board (copy enclosed).

**18. Tax Incremental Finance Update (Page 311)**

Submit report by the Executive Director (Economy and Communities) on the submission of a Business Case to the Scottish Government for investment in the Irvine Enterprise Area through the Tax Incremental Finance mechanism (copy enclosed).

**19. Urgent Items**

Any other items which the Chair considers to be urgent.



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## Cabinet

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Sederunt: **Elected Members**

Joe Cullinane (Chair)  
John Bell (Vice-Chair)  
Robert Foster  
Alex Gallagher  
Louise McPhater  
Jim Montgomerie

Chair:

Attending:

Apologies:

Meeting Ended:



Cabinet  
26 September 2017

**IRVINE, 26 September 2017** - At a Meeting of the Cabinet of North Ayrshire Council at 2.30 p.m.

**Present**

Joe Cullinane, John Bell, Robert Foster, Alex Gallagher, Louise McPhater, Jim Montgomerie and Ian Haining (Church Representative) and Arran McDonald (Youth Representative).

**Also Present**

Donald L. Reid, Christina Larsen, Tom Marshall and Shaun Macaulay.

**In Attendance**

C. Hatton, Executive Director, Y. Baulk, Head of Service, R. McCutcheon, Head of Service (Commercial Services), T. Reaney, Senior Manager (Streetscene) and C. Dempster, Team Manager (Network Management) (Place); J. Butcher, Executive Director and A. McClelland, Head of Service, (Learning, Teaching and Curriculum), F. Hopkins, Senior Manager, A Noble and P. Hume (Education and Youth Employment); M. Hogg, Head of Finance, D. Forbes, Senior Manager - Financial Management, A. Lyndon, Team Manager (Corporate Procurement), E. Gunn-Stewart, Head of Service (Customer and Digital); F. Walker, Head of Service (People and Transformation) (Finance and Corporate Support); K. Yeomans, Executive Director, A. Sutton, Head of Connected Communities, G. Robson, Senior Employability and Skills Manager (Economy and Communities); A. Fraser, Head of Democratic Services, A. Todd, Senior Policy and Performance Officer, J. Hutcheson, Communications Officer and A. Little, Committee Services Officer (Chief Executive's Service).

**Chair**

Joe Cullinane in the Chair.

**Apologies for Absence**

Very Reverend Canon Matthew McManus.

**1. Declarations of Interest**

There were no declarations of interest by Members in terms of Standing Order 10 and Section 5 of the Code of Conduct for Councillors.

**2. Minutes**

The accuracy of the Minutes of the meeting of the Cabinet held on 29 August 2017 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973

### **3. 1+2 Language Policy, focusing on Erasmus+**

Submitted report and received presentation by the Executive Director (Education and Youth Employment) on the work of Erasmus+ in assisting the delivery of language learning in our schools. The presentation provided information on:-

- funding by the Erasmus+ and the British Council of 107,415 euros to allow 53 members of staff to participate in European mobility projects;
- staff investment;
- establishing links abroad - eTwinning;
- pupil impact; and
- how we will measure impact.

Members asked questions and were provided with further information in relation to strong self-evaluation and quality assurance processes that will ensure that the learning activities undertaken on this project are reflected upon regularly and their impact reviewed, measured and evidenced through a range of approaches.

The Cabinet agreed to (a) acknowledge the work of Erasmus+ in assisting the delivery of language learning in our schools; and (b) note progress to date.

### **4. Scottish Attainment Challenge in North Ayrshire**

Submitted report by the Executive Director (Education and Youth Employment) on the proposed Attainment Challenge long term outcomes to reduce the poverty-related attainment gap by 2020. The Key Attainment Challenge workstream progress was outlined in Appendix 1 to the report. Appendix 2 provided information on the revised long term outcomes. Progress in closing the attainment gap in literacy and numeracy between children living in SIMD Quintile 1 in North Ayrshire compared to the rest of the North Ayrshire school population was detailed at Appendix 3. Appendix 4 gave data supporting the positive impact of Nurture. Appendix 5 outlined the key operational activity.

Members asked questions and were provided with further information in relation to a range of overarching performance measures to show the impact of the Attainment Challenge.

The Cabinet agreed to (a) approve North Ayrshire Council's proposed Scottish Attainment Challenge long term outcomes and 2017/18 planned operational group activity; and (b) receive regular updates on the progress of the Scottish Attainment Challenge.

## **5. Pupil Equity Funding in North Ayrshire**

Submitted report by the Executive Director (Education and Youth Employment) on North Ayrshire Council's approach to supporting schools with the planned use of the Pupil Equity Fund (PEF). Appendix 1 to the report provided details of the funding allocated to North Ayrshire schools. Guidance to support head teachers with the planning process for the use of the Pupil Equity Fund was provided at Appendix 2. Appendix 3 provided details of how each school plans to use their PEF .

Members asked questions and were provided with further information in relation to:-

- a range of measures to monitor the spending and impact of the Pupil Equity Fund; and
- guidance to support head teachers with the planning process for the use of the PEF.

The Cabinet agreed to (a) approve North Ayrshire Council's proposed monitoring and reporting arrangements for the Pupil Equity Fund; and (b) receive an annual report on the progress and impact of the Pupil Equity Fund.

## **6. Smarter Ways of Working: A Digital Strategy for North Ayrshire Council**

Submitted report and received presentation by the Executive Director (Finance and Corporate Support) on the Digital Strategy for North Ayrshire Council, which details the key priorities and actions that will enable North Ayrshire Council to make best use of data and technology to deliver more effective and efficient high quality services to all. The Digital Strategy was attached at Appendix 1 to the report and the presentation provided information on:-

- the priorities and principles of the Strategy that will include - digital first, ICT infrastructure, digital by design, open data, digital leaders, one view and digital colleagues;
- the digital iceberg - customer interactions and internal processes;
- our customers - the benefits - customer needs, customer satisfaction, expectations and improved communication;
- our people (skilled, confident and enabled) - the benefits - improved skills, innovation, efficient and staff satisfaction;
- digital participation (access, ability and motivation) - the benefits - financial, improved employability, reduced isolation, tackling inequality and the future;
- collaboration (share, national, savings) - the benefits - savings, faster development, digital office for Scottish local government; and
- smart (analysis, improvement and technology) - the benefits - application review, a single view, smart with technology and data driver decisions.

Members asked questions and were provided with further information in relation to:-

- better data that will assist decision makers;
- affordable wifi and a North Ayrshire wifi mapping exercise that will be undertaken; and
- the increased usage of smart phones and 4G

The Cabinet agreed to approve the Digital Strategy.

## **7. Lay Representatives on Cabinet (Education)**

Submitted report by the Chief Executive on the Roman Catholic Church's representation on the Cabinet when the Cabinet meets to consider Education Authority business.

The Cabinet agreed to note that the Very Reverend Matthew Canon McManus will continue to serve as the Roman Catholic Church representative's for the time being, pending the identification in due course of a replacement representative.

## **8. Regulation of Investigatory Powers (Scotland) Act 2000- Inspection Report**

Submitted report by the Chief Executive on the Council's use of the Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA) and the inspection undertaken by the Office of the Chief Surveillance Commissioner.

The Cabinet agreed to (a) approve the recommendations made in the report of the Chief Surveillance Commissioner; and (b) note the measures in place to secure compliance with RIPSA.

## **9. Public Performance Reporting 2016/17**

Submitted report by the Chief Executive on the 2016/17 public performance reporting and the draft Annual Performance Report 2016/17. Appendix 1 to the report provided details of the full set of PIs, showing performance trends, along with targets, whether the target level of performance has been achieved, is slightly adrift of target or is significantly adrift of target. The Red/Amber indicators along with management commentary from the relevant Directorate was outlined at Appendix 2. Appendix 3 to the report presented the draft Annual Performance Report 2016/17.

Cabinet was advised that work is being done to check the accuracy of the number of volunteers active in Connected Communities and Third Sector Interface activities. This performance indicator has therefore been removed from Appendix 3.

Members asked questions and were provided with further information in relation to:-

- comparison of performance with previous years that shows performance improvement in 54% of indicators with trend information over the one year period and 63% over the three year period.

The Cabinet agreed to (a) note the status of the Council's performance indicators at Appendices 1 and 2; (b) endorse the Annual Performance Report 2016/17 set out at Appendix 3; and (c) note that this report will be referred to the Audit and Scrutiny Committee for further consideration.

## **10. Council House Building Programme**

Submitted report by the Executive Director (Place) which provided information on the increase of the Council's housing building programme from 750 to 1,000 units for delivery by March 2022, the estimated costs of the programme, including funding sources, and Council owned land assets to deliver the new build units.

The Cabinet agreed to approve the increase in the Council's house building programme from 750 to 1,000 units for delivery by March 2022.

## **11. Strategic Housing Investment Plan 2018 - 2023**

Submitted report by the Executive Director (Place) which provided information on the Strategic Housing Investment Plan (SHIP) 2018 – 2023 which sets out the priorities for affordable housing investment in North Ayrshire over the next five years, in order to support the outcomes set out within the Local Housing Strategy. The Strategic Housing Investment Plan was appended to the report.

Members asked questions and were provided with further information in relation to:-

- sustainable and future proof design of housing to maximise energy efficiency, reduce running costs, contribute to community stability and promote feelings of safety and inclusion;
- size mix and specialist accommodation to meet existing and future housing needs; and
- that the SHIP will be reviewed on an annual basis.

The Cabinet agreed to (a) approve the Strategic Housing Investment Plan 2018 – 2023 at Appendix 1 for submission to Scottish Government; and (b) delegate authority to the Executive Director (Place) and the Cabinet Member for Place to liaise directly with the Scottish Government in agreeing the North Ayrshire development programme and the rescheduling of projects as required.

## **12. Burial and Cremation (Scotland) Act 2016 and the North Ayrshire Bereavements Charter**

Submitted report by the Executive Director (Place) on the Burial and Cremation (Scotland) Act 2016 and the development of a North Ayrshire Bereavements Charter, that includes five commitments and timescales for those parties involved in the process from registering a death and the burial taking place.

The Cabinet agreed to (a) note the implications from the Burial and Cremation (Scotland) Act 2016; (b) note that the Bereavement Group and Working Group will continue to consider the implications of the new Act and develop arrangements as appropriate to ensure compliance; (c) receive further progress reports on the Act when as appropriate; and (d) approve a Bereavements Charter designed to ensure service excellence in Bereavement Services across North Ayrshire.

**Please note - this item was heard by the Audit & Scrutiny Committee on 11 October 2017, please refer to the minute for the decision.**

## **13. Demolition of Shelter within Douglas Park, Largs**

Submitted report by the Executive Director (Place) which provided information on the poor state of repair of the shelter and former public toilets within Douglas Park, Largs.

An update was provided regarding the discussions of Largs Community Council to support, then oppose the demolition, and on the drop-in session held on 22 September where Fairlie Growers explained their plans for the park, without the shelter.

The Chair invited local Member, Councillor Marshall, to address the meeting. Councillor Marshall advised of that the former public toilets had become a target for vandalism and anti-social behaviour and the local residents were in support of the recommendation to demolish the former public toilets within Douglas Park, Largs.

The Cabinet agreed (a) to approve the demolition of the Douglas Park shelter and former public toilets held within the Largs Common Good; and (b) that the demolition costs be funded from the Largs Common Good.

## **14. Memorandum of Understanding with Scottish Water regarding responsibilities for the provision of surface water drainage from new housing developments**

Submitted report by the Executive Director (Place) on the Memorandum of Understanding regarding the provision of surface water drainage from new housing developments. A copy of the Memorandum of Understanding was attached as Appendix 1 to the report. A Whole Life Cost spreadsheet attached at Appendix 2 provided maintenance task costs, standard rates and suggested maintenance frequencies.



The Cabinet agreed to (a) note the requirement for Local Authorities to enter into an agreement with Scottish Water under Section 7 of the Sewerage (Scotland) 1968; (b) approve the Council signing of the agreement; and (c) recover the additional maintenance burden imposed on the Council through the imposition of factoring arrangements on new developments through the Road Construction Consent process.

## **15. Revenue Budget 2017/18 : Financial Performance to 31 July 2017**

Submitted report by the Executive Director (Finance and Corporate Support) which (a) set out the revenue budgetary control position for the Council at 31 July 2017; (b) provided a brief explanation of Services' major variances at Appendices 1 - 19; (c) detailed the proposed virements at Appendix 10; and (d) detailed the Housing Revenue account budgetary control position at 31 July 2016 at Appendix 11.

Members asked questions and were provided with further information in relation to a range of factors, such as early achievement of savings and loan charges that can impact on financial projections.

Members also noted a minor typographical error in Appendix 10.

The Cabinet agreed to (a) note the information and financial projections outlined in the report; (b) approve the earmarking of £2.608m identified at 2.4 (vi) to meet future year commitments; (c) note the current financial projection for the Health and Social Care Partnership; (d) approve the allocation of £1.4m from the Challenge Fund to mitigate an element of the projected overspend within the HSCP; and (e) approve the virements detailed in Appendix 10 as amended.

## **16. Capital Programme Performance to 31 July 2017**

Submitted report by the Executive Director (Finance and Corporate Support) on (a) the progress in delivering the Capital Investment Programme as at 31 July 2017 (b) information on the progress of all projects and explanations for the carry forwards (Appendix 1); and (c) further revisions to the budget outlined at Sections 2.8, 2.9 and 2.10 and Appendix 2.

The Cabinet agreed to (a) approve the revisions to budgets outlined in the report; and (b) note (i) the General Services and HRA expenditure and revised budgets to 31 July 2017; and (ii) the forecast of expenditure to 31 March 2018.

## **17. Long Term Financial Strategy 2018/19 to 2027/28**

Submitted report by the Executive Director (Finance and Corporate Support) on the significant financial challenge that the Council faces over the next 10 years. The Financial Outlook was appended to the report and identified a number of local and national factors which will impact on the Council and the demand for services and reaffirms the complex environment that the Council operates in and the many factors which impact on its services.

The Cabinet agreed to note the Long Term Financial Outlook 2018/19 to 2027/28, including the scale of the financial challenge which the Council faces over the next 10 years and the approach to respond to this.

#### **18. Universal Credit Full Service**

Submitted report by the Executive Director (Economy and Communities) on the roll out of Universal Credit Full Service, including the preparations by the Welfare Reform Working Group to co-ordinate service responses to welfare reform and plan effectively for Universal Credit implementation.

The Cabinet agreed to (a) note the roll out of Universal Credit Full Service in North Ayrshire; and (b) approve the approach being taken to support services and residents.

#### **19. Proposed Arms' Length Organisation for Connected Communities Services: Options Appraisal**

Submitted report by the Executive Director (Economy and Communities) on the conclusions of the Options Appraisal for a proposed Arms' Length Organisation for Connected Communities services, attached at Appendix 1 to the report.

The Cabinet agreed (a) to approve the conclusions reached within the Options Appraisal report attached at Appendix 1; (b) not to set up an arms' length organisation for the Connected Communities Services in scope; and (c) remit to officers to identify alternative savings to replace those which were anticipated to have been delivered by transferring services to an arms' length organisation.

#### **20. Exploration of a Regional Partnership for Economic Development Services**

Submitted report by the Executive Director (Economy and Communities) on options in relation to a Regional Partnership for Economic Development Services to deliver economic development related services in the future.

Members asked questions and were provided with further information in relation to:-

- the creation of an Ayrshire-wide Steering Group to guide the Pathfinder process;
- the opportunity for a regional partnership to develop a new approach to drive and deliver inclusive economic growth in Ayrshire; and
- the extent to which a Pan-Ayrshire service could promote the interests of North Ayrshire.

The Cabinet agreed to (a) approve Option 4 to be further developed for detailed consideration; (b) proposals being brought forward to a future meeting regarding the potential benefits, efficiencies and risks of joining up some or all of the services listed in section 5 into a single Ayrshire team; (c) approve further engagement being undertaken with key stakeholders and businesses to identify and develop the specific asks of the Scottish Government and its national agencies; (d) proposals being brought forward to a future meeting to establish an interim Ayrshire Development Board as per section 7. This would comprise elected members in the first instance who would in turn consider proposals to widen the participation of other stakeholders; and (e) that work in (a) to (d) above is carried out by the team currently established to drive the Ayrshire Growth Deal over the next three months with a detailed proposal to the three authorities in early 2018.

## **21. Islands Bill Consultation Response**

Submitted report by the Executive Director (Economy and Communities) which provided information on the Council's response to the Scottish Government's request for evidence at Stage 1 of the Bill, the Council's engagement with island communities to create a response to the Bill and oral evidence provided by officers to the Rural Economy and Connectivity Committee. Appendix 1 to the report provided North Ayrshire Council's response to the Scottish Parliament.

The Cabinet agreed (a) to note the response to the Scottish Parliament from North Ayrshire Council (outlined in Appendix 1), submitted by the consultation closing date of 25 September 2017; and (b) that North Ayrshire Council continues to contribute to the further development of proposals within the Bill.

## **22. Award of Contract - Heating, Ventilation and Air Conditioning: Responsive Repairs and Planned Maintenance**

Submitted report by the Executive Director (Finance and Corporate Support) on the result of the tender exercise for the Measured Term Contract 2017 / 2020 Heating, Ventilation and Air Conditioning: Responsive Repairs and Planned Maintenance.

The Cabinet agreed to approve the award of contract to Servest Arthur McKay Ltd.

## **23. Award of Contract - Supply of a Managed Fleet Stores Service**

Submitted report by the Executive Director (Finance and Corporate Support) on the result of the tender exercise for the Supply of a Managed Fleet Stores Service Contract.

The Cabinet agreed to approve the award of contract to Flying Penguin Enterprises Ltd.

The Meeting ended at 5.15 p.m.



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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 3**

**14 November 2017**

#### **Cabinet**

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**Title:** **Education Governance : Next Steps**

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**Purpose:** To update the Cabinet on progress towards the implementation of a South West Regional Improvement Collaborative in line with the timescale set out by the Deputy First Minister.

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**Recommendation:**

1. To note the implementation steps taken to date, including the appointment of an Improvement Lead Officer; and
2. To receive future reports which will identify a Regional Improvement Plan and associated resources for the South West Regional Improvement Collaborative.

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#### **1. Executive Summary**

1.1 This report updates Cabinet on the implementation of a South West Regional Improvement Collaborative for Education. The proposed Collaborative is to be set up in line with the Scottish Government's publication: Education Governance: Next Steps paper published in June 2017, as clarified by discussions and negotiations between the Government, COSLA and other partners. In summary, the key elements of the Collaborative are:-

- 6 National Collaborative areas would be put in place to cover all of Scotland.
- North Ayrshire would be a member of the South West Collaborative with Dumfries and Galloway, East and South Ayrshire.
- Each Local Authority would collaborate to improve the quality of education across the region and work together to share best practice to close the poverty related attainment gap.
- A Chief Officer would be appointed, funded proportionately by each Local Authority, to lead this work. The post holder would be called 'Regional Improvement Lead Officer'. The post holder would remain employed by their current authority and report to each Chief Executive as well as the Chief Education Officer for Scotland.

- The post holder would work with each Local Authority to develop a Regional Improvement Plan and associated resources by January 2018.

## **2. Background**

- 2.1 Following the publication of the '*Education Governance: Next Steps*' paper in June 2017, it was agreed that a joint Steering Group be established between the Scottish Government and Local Government. The remit of this group is to work together to develop proposals, based on the policy direction outlined in the 'Next Steps' document.
- 2.2 The Steering Group is led by co-chairs, Fiona Robertson, (Director of Learning, Scottish Government), and Angela Leitch (SOLACE Education and Young People's Strategic Lead and Chief Executive of East Lothian Council). Membership includes representation from the following:
  - Scottish Government, Learning Directorate
  - Scottish Government, Children & Families Directorate
  - Education Scotland
  - COSLA
  - SOLACE
  - ADES
- 2.3 The Steering Group produced a report, which has been agreed by Scottish Ministers and COSLA, to create Regional Improvement Collaboratives led by a Chief Officer to be appointed by the end of October 2017. The Regional Improvement Collaboratives (ICs) are required to develop at pace, with a clear focus on supporting schools and authorities to raise attainment and close the poverty-related attainment gap. This work is driven by 'Getting It Right for Every Child' (GIRFEC) and will contribute to the collaborative work on children and young people that is already underway.

### **Improvement Collaborative (IC)**

- 2.4 It is the intention that each IC should have:-
  1. A shared vision to improve the education and life chances of our children and young people, through delivering excellence and equity, with a collective commitment to close the gap in attainment between our least and most disadvantaged children and to raise attainment for all.

2. Clear recognition of the improvement work that is already underway across Scotland, whilst acknowledging the need to address variability in performance and quality improvement support for schools. There is a need to secure greater consistency in pace and impact, reflecting the ambition of 'Next Steps'.
3. Agreement on the importance of increased collaboration and the principle of establishing ICs, as part of wider improvement work.
4. Recognition that strong and collaborative leadership, at all levels, will be key to delivering on this ambition. This is not about creating a new formal body, but about developing different ways of working, bringing together capacity from across an area, and beyond, in order to add value through collective efforts.
5. A commitment that the development and implementation of the ICs should be driven by the analysis of data and performance, and an absolute focus on addressing gaps, variability in outcomes and areas for improvement.
6. A strong commitment to the principles of GIRFEC and a clear desire to ensure that together we create an empowered 'system' to deliver excellence and equity for all our children.

2.5 The guiding principles agreed for all ICs are:-

1. Outcome-Focused - The primary purpose for ICs is to support schools in the delivery of educational improvement, developing and maintaining a coherent focus on raising attainment and closing the attainment gap, whilst ensuring that activity is aligned to the National Improvement Framework (NIF).
2. Child-Centred - Improvement must reflect the principles of GIRFEC and take a holistic approach to the needs of the child. ICs must consider the 'whole system' and ensure that all partners are working across authority boundaries and that they are engaging with those working closest to children, and with children themselves, at the point of need, as and when required.
3. A Thematic Approach - In order to ensure function comes before structure, ICs must establish clarity of purpose and common goals, drawing on the National Improvement Framework (NIF) and contributions of all partners. The focus should be on building collective expertise, knowledge and capacity to drive continuous improvement.

4. Robust, Locally-Driven and Evidence-Based - Reform initiatives must be driven by the needs and priorities identified in each region, whilst reflecting national priorities and evidence. Where appropriate, ICs will also draw on the activity and experience of existing regional groupings and their work to date. Evaluation must be built in from the outset.
5. Agile and Flexible - Each IC must build the capacity of the 'system' in order to respond to specific needs, and to react to change and unexpected events. They should actively encourage innovation and seek opportunities for partnership working. Sharing best practice within and beyond their IC will be essential.
6. Empowering - It will be important for ICs to create an environment based on trust and open dialogue, working with partners to ensure that progress can be made at pace, and that any ambiguities or tensions can be surfaced and resolved through collective effort. A 'culture of collaboration' will need to develop at all levels across the 'education community', whilst ensuring collective support to the role and responsibilities of Head Teachers in securing change in the classroom and beyond.

#### 2.6 The function of the ICs will be to:

- Provide excellent educational improvement support for Head Teachers, Teachers, Managers and Practitioners through dedicated teams of professionals. These teams will draw on Education Scotland staff, local authority staff and others.
- Provide coherent focus across all partners through delivery of an annual regional plan and associated work programme aligned with the National Improvement Framework.
- Facilitate collaborative working across the region, including sharing best practice, supporting collaborative networks and pursuing partnership approaches.
- Identify priorities for improvement within the region, based on an analysis of all available evidence on educational performance within the region, including school attainment data, and consideration of the priorities set out in the **National Improvement Framework (NIF)**.



- Formulate a **regional improvement plan**, based on the process of analysis and prioritisation mentioned above, and drawing on school improvement plans, local authority improvement plans and the national improvement plan. The plan should be agreed with the Chief Inspector of Education, to both ensure that it takes account of all available evidence on performance, and to support and challenge the selection of the education strategies and interventions.
- Enhance and improve **professional learning** for teachers, other professionals and key partners within the region, within a national framework, to ensure delivery on identified local priorities.
- Ensure that an appropriate **range of support, interventions and programmes** are in place to raise attainment and close the poverty-related attainment gap within the region. This should include proportionate and tailored support to schools and early learning and childcare providers.
- **Identify, promote and share good practice** in learning, teaching and assessment within the region, and with other regions. This should operate at all levels, and include developing networks of teachers and other professionals to share good practice, through **peer-to-peer and school-to-school collaboration**. These networks should include subject or sector specialisms across the region and build on areas identified for improvement, ensuring an appropriate level of challenge is injected into these groupings.
- Support schools to **interpret and implement key educational developments** and insights gained from research.
- Ensure and enhance **subject-specific support and advice** across all eight curriculum areas, with a clear focus on literacy and numeracy and areas of improvement identified for that region, and their contribution to attainment.
- Facilitate access to **sector-specific support and advice** which may include areas such as early learning, Gaelic Medium Education, and additional support for learning.
- Build capacity in **improvement methodology**, through review, collaboration and shared approaches. This will include working with local authorities to ensure appropriate support is in place for schools to 'manage change' successfully through training, support, peer review and challenge.
- Take a **regional approach to supporting staffing challenges**, including recruitment and retention; promoting shared approaches to building capacity and securing improvement.

- Work with local authorities and other partners to **support wider collaborative working** across the 'system', including education, social work, health, Community Planning Partnerships and others to ensure that together, 'we get it right for every child'.

## **Improvement Lead Officer**

- 2.7 In taking this work forward Scottish Ministers and COSLA agreed that strategic leadership and collaboration would be provided by a Chief Officer reporting to each of the Councils through existing Directors/Heads of Education and Chief Executives, as well as to the Scottish Government through the Chief Inspector of Education for Scotland.
- 2.8 It was agreed that the appointment of the Improvement Lead Officer would initially be sought from within the existing Council Chief Officers from the 4 Councils. Within the South West area a job description was developed by the 4 Chief Executives and issued on the 24<sup>th</sup> October seeking expressions of interest in the position. A copy of the job description is attached to this report.
- 2.9 One expression of interest was received and the candidate was interviewed by the Council Chief Executives and Chief Executive of the Care Inspectorate (on behalf of Education Scotland) on the 31<sup>st</sup> October. Douglas Hutchison, Director of Education from South Ayrshire Council was appointed with immediate effect on the evening of the 31<sup>st</sup> October 2017.
- 2.10 The post is full-time for the first year, which will be reviewed thereafter, but is expected to last, overall, for 3 to 5 years.
- 2.11 One of the first duties of the Improvement Lead Officer will be to work across the 4 Councils to establish existing plans and resources. It will also be important to work with colleagues from across all ICs to establish support and resource needs and to negotiate with the Scottish Government to put these arrangements in place.

## **3. Proposals**

- 3.1 Cabinet are requested to:
  - i) note the implementation steps taken to date, including the appointment of an Improvement Lead Officer; and
  - ii) receive future reports which will identify a Regional Improvement Plan and associated resources for the South West Regional Improvement Collaborative.

#### 4. Implications

<b>Financial:</b>	Whilst a request has been made to Scottish Government for funding support, North Ayrshire will be required to fund 26.6% (as GAE equivalent) towards the Regional Improvement Lead Officer post.
<b>Human Resources:</b>	N/A
<b>Legal:</b>	In governance terms, the Collaborative is a strategic advisory body. It does not have independent legal status and no Council powers are delegated to it. The Council retains statutory responsibility for education services within North Ayrshire. As such, there are no legal implications.
<b>Equality:</b>	N/A
<b>Environmental &amp; Sustainability:</b>	N/A
<b>Key Priorities:</b>	The aim of the Collaborative is to improve linkages between Education Scotland and Councils, and to facilitate a region-wide approach to improving attainment. Improving attainment and narrowing the attainment gap support the Council Plan priority of ensuring people have the right skills for learning, life and work.
<b>Community Benefits:</b>	N/A

## **5. Consultation**

- 5.1 The Chief Executive has consulted with the Leader, Depute Leader and Portfolio Holder, and Leader of the main Opposition Group as these developments have progressed.



ELMA MURRAY  
Chief Executive

Reference : EM/JB

For further information please contact Elma Murray, Chief Executive on 01294 324113.

### **Background Papers**

Regional Improvement Collaboratives for Education. Report of the Joint Steering Group - updated 21st September 2017.

**Regional Improvement Lead  
South West Education Improvement Collaborative  
Post Description**

<b>Title:</b>	SWEIC Improvement Lead
<b>Responsible to:</b>	SWEIC, through the Chief Executive of the Employing Authority and also reporting to the Chief Inspector of Education Scotland
<b>Responsible for:</b>	Leadership and Collaboration to improve Educational Outcomes across the South West Councils
<b>Post Duration:</b>	Up to 3 years (with potential to extend for up to 2 years). Fulltime for Year 1 with a review at end of 1 <sup>st</sup> year

**Remit**

- Provide leadership for the collaboration of work across the 4 Councils Education Teams
- In partnership with Directors/Heads of Service with responsibility for Education develop the SWEIC Improvement Plan, taking forward the functions agreed by local and national government and evaluate and report on its impact
- Provide reports on the progress and performance of collaborative work to the 4 Chief Executives, existing Council Cabinet/Committees as appropriate and Education Scotland
- Be the key link with Education Scotland, securing support from specialists as appropriate to inform and enhance the SWEIC Improvement Plan

**Role Activities**

- Development of the SWEIC Improvement Plan within the first 3 months, taking account of school improvement priorities across the region and the National Improvement Framework.
- Lead the implementation of the activities contained within the SWEIC Improvement Plan, agreeing resourcing and prioritisation, with Directors/Heads of Service with responsibility for Education, the 4 Chief Executives and Education Scotland
- Lead the development and implementation of monitoring and progress reporting arrangements for the SWEIC Improvement Plan
- Chair and co-ordinate meetings of Directors/Heads of Service and Education Scotland to take forward the SWEIC Improvement Plan, including progress monitoring and resource allocation
- Use data effectively to support improvement activities across the SWEIC
- Identify best practice and development needs across the 4 Councils and working with Education Scotland and the 4 Directors/Heads of Service agree how to implement this good practice
- Report on the progress of the SWEIC to the 4 Chief Executives and Education Scotland
- Promote the work of the SWEIC and be the key link for media inquiries, linking with Council media officers and Directors/Heads of Service for Education as appropriate



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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 4**

**14 November 2017**

#### **Cabinet**

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**Title:** **Fair Funding Consultation**

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**Purpose:** Advise Cabinet of the Council's response to the Scottish Government consultation on "Fair Funding to Achieve Excellence and Equity in Education".

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**Recommendation:** Notes the key messages within the Council's response and homologates the submission.

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#### **1. Executive Summary**

- 1.1 The Scottish Government consultation on "Fair Funding to Achieve Excellence and Equity in Education" closed on 13 October 2017.
- 1.2 North Ayrshire Council's response is attached as an appendix to this report. The response highlights key messages which are expanded within the core response.

#### **2. Background**

- 2.1 The consultation sought responses to 8 questions to inform the Government's approach to securing Fair Funding in support of its outcomes for Education.
- 2.2 To ensure a full response was provided to all issues, not just those contained within the consultation document, North Ayrshire Council submitted a broader response. This is attached as an appendix to this report.
- 2.3 The key messages emerging from the Council's response are;
  - the quantum of funding for Education was not part of the consultation
  - additional burdens should not be put on head teachers ensuring they focus on learning
  - the need for a whole systems approach
  - the importance of clear governance and democratic accountability
  - welcomed clarity that there is no intention to establish a national funding formula

- supported a review of the current devolved school management (DSM) scheme
- no support for a model based on the Pupil Equity Fund
- a call for certainty on the totality of resources for local government services, not just funding for education and / or head teachers.

### 3. Proposals

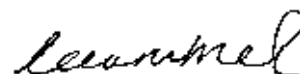
- 3.1 That Cabinet homologates the Council's response to the consultation on Fair Funding to Achieve Excellence and Equity in Education.

### 4. Implications

<b>Financial:</b>	There are no direct financial implications arising from the report. The Council's response seeks to secure the most effective arrangements for the management of Education resources.
<b>Human Resources:</b>	Further devolution of management of resources to head teachers could lead to a diversion from learning and increased bureaucracy.
<b>Legal:</b>	No direct implication
<b>Equality:</b>	The consultation seeks views on funding arrangements to secure increased equity in education.
<b>Environmental &amp; Sustainability:</b>	No direct implication
<b>Key Priorities:</b>	Funding for Education supports the Council Plan objective of "Ensuring people have the right skills for learning, life and work."
<b>Community Benefits:</b>	No direct implication

### 5. Consultation

- 5.1 Consultation took place with the Director of Education and Youth Employment.



LAURA FRIEL  
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Laura Friel on 01294-324554

### Background Papers

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# North Ayrshire Council Consultation Response: Fair Funding to Achieve Excellence and Equity in Education

October 2017

## Key Points

- The consultation document relates to the distribution of funding to achieve excellence and equity in education without considering the overall quantum
- Teachers need to be leaders in their learning communities without placing additional burdens on them around resource managements.
- A multi-agency, 'whole system' approach which puts the child at the centre is essential to bring services together to support attainment including social work, health and the third sector to assess a child and family's needs.
- Clear governance and accountability are essential when considering the review of funding and the changes, e.g. regional collaboratives, associated with the wider review of educational governance. Democratic accountability is at the heart of the current system. Decisions should be taken as close as possible to the communities which are affected by them. However, this is only democratic if those decisions are taken by representatives who have been democratically elected to take them and be held accountable for them.
- Welcome the assurance that has been provided that the review is not about establishing a national funding formula for schools and that recognition is being given to the many factors that result in variations in the cost per pupil.
- The strength of the current Devolved School Management (DSM) scheme is that it is democratically accountable and provides local flexibility to meet the needs of schools whilst derisking some of the issues which may be outwith the direct control of head teachers e.g workforce challenges including absence and maternity cover and surplus teachers. Decisions taken on how budgets are devolved to schools are subject to the same scrutiny as other decisions taken by local authorities. DSM may benefit from review and we are happy to work in partnership with the Scottish Government and other stakeholders to achieve this.
- A proposal to extend the Pupil Equity Fund by allocating funding on a formulaic basis depending on the purpose for which it was provided would create more complexity, more variation, increased bureaucracy, bypass democratic accountability and increase ring-fencing.
- The consultation document refers to certainty for head teachers, this certainty is essential for the totality of local government funding to ensure effective medium and longer term planning in support of central and local government outcomes including attainment.

## Introduction

1. Local Authorities play a fundamental role in the lives of children and young people in Scotland: their role as education authority is legislatively bound with wider responsibilities

for children's and family services, and underpinned by Getting It Right for Every Child (GIRFEC). In fulfilling these responsibilities, local authorities – as public bodies – are also responsible for achieving the highest standards of financial transparency.

2. North Ayrshire Council (NAC) fully supports the aims of improving raising attainment and ensuring every child is nurtured to achieve their potential, however we have serious concerns about proposals within this consultation and the potentially detrimental impact on children's services. There is a real risk that by taking a school-based and not whole system approach to funding, the most vulnerable children will be disadvantaged and the attainment gap will widen.
3. NAC believes that the interests of children and young people should be at the centre of this debate: this requires active recognition of the interconnectivity of services supporting children and young people which cannot be achieved by a focus on schools alone. Consideration must be given to ensuring the approach is a GIRFEC approach – including health, social work, the third sector and more.
4. We have not followed the structure of the prompt questions to ensure a full response to the issues under consideration.

## Context

5. NAC believes that any system for funding in education needs to be based on a number of key principles. We agree with the principles outlined in the consultation document at a high level, but do not support the analysis which sits behind those principles and presented as the case for change.

## *Support Excellence and Equity*

6. The overarching aims of the Education Governance Review – and the Fair Funding consultation – is to ensure excellence and equity in Scottish education while closing the poverty related attainment gap. NAC fully supports these aims, however these cannot be achieved in the classroom alone. To silo classroom-based education from integrated children's services and the whole system approach risks negatively impacting the most disadvantaged children and driving a wider attainment gap.
7. Children do not come to the classroom equal in opportunity. As much of 80% of a child's performance is attributable to factors out of school<sup>1</sup> – the influence of parents (including parental expectation), the family and neighbourhood environments cannot be understated. This differential can begin pre-birth through maternal health and lifestyle choices, with further impacts during early childhood when cognitive development is rapid. By age 5, the gap between children from low-income and high-income families can be 10-13 months.<sup>2</sup>
8. The school environment – however good - cannot "fix" the environment in which some children live. The poverty-related attainment gap is fuelled by inequalities of support, security and safety. Families suffering from economic deprivation and poverty require an economic solution. The impact of economic deprivation on children and young people cannot be underestimated with access to food and warmth not guaranteed for every child in Scotland in their home environment.

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<sup>1</sup> Rasbash, J. *et al* (2010) Children's educational progress: partitioning family, school and area effects (Journal of the Royal Statistical Society, 173[3] as referenced in Will Cook, (2013) *How intake and other external factors affect school performance* (available at <http://www.risetrust.org.uk/performance>)

<sup>2</sup> <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/education-attainment-scotland-summary.pdf>

9. A multi-agency, holistic approach which puts the child at the centre is needed to bring services together to address all of the contributors to attainment: bringing together social work, health, the third sector and others to assess a child and family's needs. This is the embodiment of GIRFEC and requires a whole system approach to funding.

*Be Fair*

10. NAC agrees with the importance of funding to achieve the overall aims of excellence and equity. However, we disagree with the premise of this consultation – that a universalised approach to funding at school level can deliver better outcomes for children and young people than decisions made locally by elected members who are democratically accountable to the communities they serve. Or, worse, the implication that local authorities do not take active and conscious steps to ensure every child and young person has the same opportunity to succeed.
11. In presenting this as a consultation to achieve “fair” funding, there is a suggestion that funding is currently *unfair*. The measure used to highlight this is cost per pupil variation but this is a crude measure which is not a proxy for quality of education, or the whole system which is in place to support a child.
12. The consultation document highlights the “wide variation in the amount of spending per pupil between authorities”. Whilst there is a recognition that staffing accounts for 70 per cent of spending there is no assessment of the totality of funding required to deliver education policy. Many of the challenges facing our education system including attainment, workforce and the mental health of children and young people are related to the current quantum of resources in the whole system. The consultation looks at how existing resources should be allocated rather than what level of resource is fair and adequate.
13. Councils like North Ayrshire which have high levels of deprivation have very specific challenges. It is important to recognise that there is large variation across the country and challenges are specific to localities. The system needs to be flexible enough to allow localities to respond to their own challenges.
14. The Attainment Challenge Fund shows that targeted variation in funding is acceptable and reinforces the fact that local needs and local circumstances are different. Local areas have different challenges and variation in how money is allocated and spent is to be expected. In the context of these local challenges it is important that there is local flexibility and local control over spending.
15. The consultation paper argues that there is no single transparent approach to allocating money from the local authority to education and then to schools. This is true for most local authority services as the majority of the grant system is unhypothecated based on the principle that local authorities are best placed to make decisions on local issues.

*Be simple, transparent and predictable*

16. Funding for education is complex. This is recognised to an extent in the consultation document but the narrow focus taken does not take account of the wider policy context in which education authorities operate which limits flexibility in the system.
17. National targets set by the Scottish Government have a significant impact on budgets meaning local authorities do not have full control over financial decisions in education. These include:

- **Pupil: Teacher ratio** – and the effective protection of teacher numbers requires local authorities to maintain a certain number of teachers or face financial sanctions. In reality, this means that money for teachers is ring-fenced in the local government settlement. Where there are cuts to local authority core grants, they cannot be applied to the resources for teacher salaries and must therefore come from the wider budget. This means that cuts to the wider budget are higher than if they were spread across the whole pot. The national target for pupil: teacher ratio is arbitrary and is not a measure of educational quality. There is a range of pupil: teacher ratios in place across Scotland which reflects where local authorities were when this requirement was introduced.
- **Presumption against rural school closure** – in rural areas where the school estate could be rationalised to save money by combining small rural schools into one larger school, the presumption against rural school closure means that this is not an option. This leads to increased spend per pupil and removes flexibility from the system.

18. Factors such as these lead to differences between authorities and schools which on paper represent variability but in reality are not within the gift of the local authority to change. Local policy and funding decisions must be based on local contexts – the school estate, the roll of small schools, maintaining teacher: pupil ratios locally – making simplicity at a national level difficult. NAC supports the principle of local democratic subsidiarity and the ideal that decisions should be taken as close to pupils as possible but the wider policy context removes flexibility for local authorities which in turn removes their ability to pass flexibility down to schools.

19. Another significant factor in predictability is in the settlements which come from national government to local government. In recent times the one-year nature of these settlements has led to uncertainty and lessened predictability.

#### *Deliver value for money*

20. Local authorities are committed to ensuring value for money in local authority spending. All monies spent by a local authority is accountable to local communities through democratically elected members, and this is ensured through strict procurement processes and audit.

21. We have serious concerns about accountability for public money if more power is to be devolved to headteachers without the input of central local authority staff and therefore without accountability to elected members. NAC would urge the Scottish Government to consider accountability carefully as policy is developed. As discussed in more detail below, NAC is very happy to work in partnership to ensure accountability.

### **Options**

22. Consideration of the two options in the consultation paper is based on the principles set out above.

#### *Devolved School Management (DSM)*

23. Across Scotland nearly half of the council budget is spent on school education, with a large proportion of this expenditure devolved to schools through DSM arrangements.

24. Through DSM the council passes control of a large proportion of our education budgets to head teachers.

25. Current DSM Guidelines, including a DSM Self-Evaluation Toolkit, were approved in 2012.

26. The consultation document suggests that as well as devolving the maximum amount of funding to schools the Headteachers Charter would provide a Scotland-wide approach to funding allocation, incorporating within it a standardised approach to school funding. Our understanding is that Scottish Government has ruled out a national funding formula, however it is difficult to envisage a standardised approach to school funding which would not be seen as a national formula. Any such approach risks reducing the local flexibility that exists and does not address the issues of equity or fairness the proposals are seeking.
27. Spend for Additional Support Needs at school level is not easily determined and would not fit with a standardised approach. These needs can be short or long term, wide ranging, complex, individual and unique, as such the associated budget needs to be flexible to respond to changing needs. Unless the overall quantum increases it is difficult to see how a proportion of this spend could be devolved directly to each school in order to meet our expectation that children are as far as possible educated in their local community.
28. The strength of the current DSM is that it is democratically accountable. Decisions taken on how budgets are devolved to schools are subject to the same scrutiny as all the decisions taken by local authorities. Decisions must be taken as close as possible to the communities which are affected by them. However, this is only democratic if those decisions are taken by representatives who have been democratically elected to take them and be held accountable for them. There is a real risk that by devolving responsibility for funding to schools decisions will be taken on behalf of children, young people, families and communities which are not made on the basis of democratic accountability.
29. DSM represents the best way to ensure there is a strategic, GIRFEC based approach to tackling the attainment gap. Only a whole system approach will impact on the poverty related attainment gap. Any changes to funding mechanisms need to ensure there is a coherent approach across all agencies. Schools have a central role to play but there needs to be an acknowledgement that it is wrong to focus too narrowly on the role of schools. Poverty, deprivation and inequality all have a part to play in creating the attainment gap but the response to this needs to be wider than looking at school funding in isolation.
30. Devolved budgets through the DSM provide the core funds which schools use to address local and national priorities. The current system allows headteachers flexibility whilst protecting them from the demands of a more bureaucratic approach. Teachers want to have the freedom and flexibility to teach and have been clear that they do not want increased financial accountability but to be leaders of learning and learning communities.
31. Consideration needs to be given to how authority wide issues would be managed. If schools were acting as discrete units how would they deal with fluctuations in their workforce e.g. school absence, support for a placing request decided by the local authority. In addition schools sometimes need support to take improvement forward at a faster pace, sometimes to learn from others and sometimes when they have specific challenges to resolve. Having the flexibility to move resources around the Education Authority or bringing in support from headquarters provides an immediate and tangible improvement to a school, its pupils and related families/carers. These examples highlight the need to retain and build on flexibility in the system.
32. Flexibility in the system is particularly important in relation to children and young people with additional support needs. There is no 'one cost' per child with additional support needs that can be defined. Individual costs for supporting these children can vary greatly



and any per capita allocation will not address that issue. Flexibility in how funding is allocated and follows the child is important.

33. Within NAC budgets devolved to schools are the maximum amount possible within the overall settlement. There are however issues with how flexible headteachers can be with those budgets. Flexibility is reduced given that the main proportion of the devolved budget relates to staffing with the requirement to maintain pupil teacher ratios. The most effective way of giving schools more flexibility over how they spend money would be to end the requirement to maintain pupil teacher ratios.
34. NAC recognises that school funding will never be simple due to the multitude of factors which need to be taken into account. The allocation of funding to schools is a complex issue and recognise that this consultation is an opportunity to consider how the current system can be improved. We do not agree that this complexity will be addressed by establishing a consistent formula to be used by local authorities in allocating funding to schools. There is a danger that this would create more complexity and fail to address local needs.

#### *Pupil Equity Fund (PEF)*

35. As it is currently organised the PEF acts as a top up scheme based on the number of children receiving Free School Meals. It is our understanding that the proposal within the consultation is that the PEF-model would similarly be a top-up without impacting on the local authority core grant. We welcome the fact that more money is entering the education system at a time when budgets are reducing. At same time we would be concerned that the proposal to extend the scheme by allocating funding on a formulaic basis depending on the purpose for which it was provided would create more complexity, more variation, bypass democratic accountability and increase the work load of head teachers.
36. It is not clear what impact extending the PEF on the basis of specific need factors would have on current distribution methodology. This approach is not in line with the work of the Settlement and Distribution Group (SDG). There is also a lack of clarity in the consultation on how an extended PEF would link with the DSM.
37. PEF has created more bureaucratic structures both in terms of reporting and implementation. The scheme is creating 'silo' working, which can detach important elements of education from a whole system approach. How money is spent can be driven by the individual priorities of headteachers with no clear link to children's service planning, community planning or wider Local Outcome Improvement Plans (LOIPS). This disconnect may make it difficult to take an outcomes based approach to supporting the wellbeing of children and young people which may have a negative impact on closing the attainment gap. Offering the right help at the right time is at the heart of GIRFEC and involves agencies working together in an integrated way. Extending a PEF type approach to overall funding of education may put integrated working at risk.
38. It could be difficult for third sector organisations and CPP to maintain funding and contractual relationships with local authorities when the responsibility for funding around attainment lies at school level. Rather than discussing and negotiating with a core team within the authority organisations require to negotiate with individual schools. This puts more pressure on third sector organisations and Partners and it also leaves schools to negotiate with potentially numerous providers.
39. There are concerns about the scrutiny or audit of the current PEF with no overview of the impact of spending on outcomes for children and young people.

## Offer

40. NAC fully supports the drive to achieve excellence and equity in education and to close the poverty related attainment gap. We believe that we are starting from a solid base. There are many strengths in the education system and we would reject any assumption that it is 'broken'.
41. *Improving schools in Scotland: an OECD Perspective*<sup>3</sup> recognised core strengths of education delivery; schools are inclusive, students are resilient and attainment levels are increasing. It also highlighted the positive progress which has been made on a system wide basis to lessen bureaucracy and support teaching and learning.
42. These strengths are a reflection that the system of funding in education has been working. We do however recognise that a review of DSM may be timely reflecting the new priorities around education but which is also developed in the context of wider national policies.
43. Taking a partnership approach to refreshing DSM would ensure that there was increased transparency in the way that budgets are devolved from education authorities to schools. It would also be an opportunity to look at what it is appropriate to devolve to school level and seek to achieve as much consistency as possible in the system without compromising local flexibility. It would also be an opportunity to set out a new relationship between schools and local authorities that seeks to ensure as much consistency and transparency as possible.
44. A refreshed DSM would also be an opportunity to explain to parents and other stakeholders why there is variation in spending in different areas and why it is important that flexibility is retained in the system. The ultimate objective is to improve outcomes and not focus on inputs.

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<sup>3</sup> Improving schools in Scotland: an OECD Perspective

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## NORTH AYRSHIRE COUNCIL

### Agenda Item 5.1

14 November 2017

#### Cabinet

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**Title:** Petition relating to "Save Millport Pier"

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**Purpose:** To advise the Cabinet on the terms of a petition in respect of the Save Millport Pier Campaign.

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**Recommendation:** That Cabinet considers the terms of the petition.

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#### 1. Executive Summary

- 1.1 This report sets out the background to a petition signed by at least 10 petitioners in relation to the Save Millport Pier Campaign.

#### 2. Background

- 2.1 The petition, signed by at least 10 petitioners, is as below:-

"On 24 February 2014 North Ayrshire Council (NAC) took the decision to not maintain the wooden section of the pier, to demolish it and to replace it with a 60m rock breakwater. Prior to this, the pier had been neglected for several years and since then no maintenance has taken place.

The future of the pier was again discussed by NAC on 11 February 2016 when it was stated that **the removal of the timber pier** would be included as part of the Flood Protection Scheme and that in the meantime it's safety would be monitored and managed until the Flood Protection Scheme was put in place.

For the avoidance of doubt no other option, apart from the demolition of the pier and the installation of rock breakwaters, has at any time been suggested as an option for Millport to date - and no proposals for a replacement working pier have ever been suggested or tabled.

Following this ongoing neglect of the pier and NAC's refusal to maintain it our Council then closed it to all boats and to public access in January of this year and published a Notice to that effect.

Over 9000 people have now made their views known about this situation.



To make matters worse the existing pier is recognised by NAC as an essential flood defence and until offshore breakwaters are put in place it is the only flood defence that Millport has. With the likelihood that it will be several years until any offshore breakwaters are in place the situation is that, without urgent maintenance, the **pier is at risk of catastrophic failure** which would obviously have severe consequences for the residents of Millport.

Further, the lack of a working pier will continue to have a detrimental impact on the future of Millport's economy as marine tourism is an area being developed across Clyde and West Coast. Why should Millport lose out? The Ferry slip at the back of the island does not have the potential in either reliability of service or flexibility of use - it can only be used by flat bottom boats like the roll on / off ferries. The resilience of the island is therefore being severely compromised as there is no pier or other facility providing an alternative route to Millport, for lifeboats, coastguard or any other vessel required in the event of say a large-scale evacuation of the island - we are of course also directly opposite a nuclear power station!

**The Save Millport Pier campaign would like NAC as a matter of urgency, to reinstate the pier to a safe and working condition. We would also like them to ensure that offshore breakwaters, with either the retention of the current pier or incorporating a new modern pier facility are selected as the preferred flood protection option as is being promoted by the Millport Pier and Harbour Users' Group. It may be that, in the future, there is need for transparent consultation with the local community re the possibility of an asset transfer of the Pier and Harbour to a community group set up specifically for the purpose of developing and managing marine tourism facilities in Millport."**

- 2.2 In terms of the procedure for petitions and depositions set out in Standing Orders, representatives of the petitioners have been invited to attend the meeting and to address the Cabinet. Spokespersons should be restricted to addressing the specific points raised in their petition.
- 2.3 The spokespersons have, collectively, 10 minutes to address the Cabinet. This may be extended at the discretion of the Chair.
- 2.4 Once the Cabinet has heard from the spokespersons for the petitioners, the Chair will invite Members of the Cabinet to ask questions of the spokespersons.
- 2.5 The Cabinet will then deliberate and determine the matter.

### 3. Proposals

3.1 It is proposed that the Cabinet considers the terms of the petition.

### 4. Implications

<b>Financial:</b>	None arising from this report.
<b>Human Resources:</b>	None arising from this report.
<b>Legal:</b>	None arising from this report.
<b>Equality:</b>	None arising from this report.
<b>Environmental &amp; Sustainability:</b>	None arising from this report.
<b>Key Priorities:</b>	None arising from this report.
<b>Community Benefits:</b>	None arising from this report.

### 5. Consultation

5.1 The Executive Director (Place) was made aware of the terms of the petition.



ELMA MURRAY  
Chief Executive

Reference :

For further information please contact Diane McCaw, Committee Services Officer on 01294 324133

### Background Papers

Details of signatories to the petition and their comments are available by contacting Committee Services.

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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 5.2**

**14 November 2017**

#### **Cabinet**

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<b>Title:</b>	<b>Millport Flood Protection Scheme and Millport Harbour</b>
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<b>Purpose:</b>	To update Cabinet on progress, and to seek agreement to the proposed further development of options for the Millport Coastal Flood Protection Scheme, and to also advise Cabinet of the current condition and prohibited use of the existing timber section of Millport pier.
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<b>Recommendation:</b>	That Cabinet:
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- (a) notes the work carried out, which has to date developed two potential design options for the proposed Millport Coastal Flood Protection Scheme;
  - (b) agrees that officers will continue to engage with the local community to develop a third potential flood protection design option which involves the replacement of the timber pier structure with an appropriate steel and/or concrete pier structure, complemented by an appropriate offshore rock breakwater;
  - (c) notes the potential budget implications and that further work is required to identify likely option costs to allow appropriate benefit/costs appraisal and affordability considerations which will be required prior to any proposed scheme being progressed;
  - (d) agrees that officers will arrange to carry out an economic benefits appraisal of the 3 options being explored to assist in the appraisal of potential designs;
  - (e) notes the poor condition and current prohibited use of the existing timber section of Millport Pier;
  - (f) notes that a petition has been received with in excess of 9000 signatures entitled "Save Millport Pier"; and
  - (g) agrees to receive further progress updates when appropriate.
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## **1. Executive Summary**

- 1.1 Work has been progressing to develop potential design proposals for a flood protection scheme at Millport to protect the town from coastal flooding. This has entailed a series of informal community consultation events to facilitate the development of a scheme proposal which will achieve the required flood protection levels and which is also supported by the local community.
- 1.2 The provision of a flood protection scheme for Millport has been included within the Ayrshire Local Flood Risk Management Strategy and Plan. An initial high level option appraisal carried out in 2015 suggested that a rock breakwater, which replaces the existing timber pier, could potentially be constructed to form part of the flood protection works.
- 1.3 Cabinet approved the All Ayrshire Local Flood Risk Management Strategy on 8 December 2015 and the Millport Flood Protection Scheme was noted in that report with an indicative cost of £12.1m of which the Council would require to fund 20% with the remaining 80% of the costs being funded by Scottish Government.
- 1.4 During locally held consultation events, the Millport community have expressed a strong desire to seize any opportunity offered by the Flood Protection Scheme to enhance the marine coastal tourism offering currently provided by the Island. This also aligns to the aspirations of the Ayrshire Growth Deal.
- 1.5 An initial design option for the proposed flood protection scheme was developed which consisted of a rock breakwater extension to the existing concrete pier and included the removal of the timber pier in line with the 2015 high level options appraisal. This was consulted on with the local community. However, views were received expressing a desire that an alternative second option be developed for consideration consisting of an offshore breakwater structure(s) being erected at appropriate location(s) out in the bay.
- 1.6 Recently the local community have further expressed a desire for the timber pier to be retained as it is perceived locally to have a potential positive impact on the future economy of the town and considered locally to be a potential long term contributor to Millport's flood defences. A petition has also been received entitled "Save Millport Pier" with in excess of 9000 signatures. It is therefore proposed that a third flood protection scheme design option be explored for consideration which would incorporate the replacement of the pier, albeit utilising steel and/ or concrete to improve the lifespan and reduce the maintenance costs. This proposal would also require to incorporate the provision of a suitable off shore rock breakwater structure to provide adequate flood protection levels.

- 1.7 All three options will also require the provision of appropriate suitably located sea wall defences around the bay.
- 1.8 Separately, in February 2014, Cabinet took a decision to replace the timber section of the existing Millport pier with a rock breakwater with new moorings. However funding for the proposal was not available at that time and the timber pier has since been retained due to its coastal defence properties pending the development of an appropriate flood protection scheme. The condition of the timber pier has continued to deteriorate in the interim. North Ayrshire Council are the statutory Harbour Authority for Millport Harbour and the timber pier forms part of that jurisdiction. Given the advanced state of deterioration of the timber section of pier, action has been taken to prohibit all access to the timber pier to ensure compliance with the Port Marine Safety Code which places emphasis on the safety of vessels and crews. Mooring is still available on the masonry pier and in the inner harbour, although the tidal movements do place restrictions on access.
- 1.9 There could potentially be significant, but currently unquantified, budget implications in delivering a Flood Protection Scheme which provides required flood defences and which is supported by the local community. As work progresses to develop the three options to consideration stage, a comprehensive costing exercise supported by a benefits/cost analysis together with an economic impact appraisal will be necessary to determine affordability and viability of any scheme.

## **2. Background**

### **Millport Coastal Flood Protection Scheme**

- 2.1 As required by the Flood Risk Management Act 2009, an all Ayrshire Local Flood Risk Management Strategy and Plan have been approved and published which both identify and prioritise required flood protection activities. As part of this, the need for a Millport Coastal Flood Protection Scheme was identified and has been allocated Scottish Government priority for implementation. The initial high level option appraisal carried out in 2015 suggested that a breakwater, replacing the existing timber pier, could form part of the potential flood protection works. Cabinet approved the All Ayrshire Local Flood Risk Management Strategy on 8 December 2015 and the Millport Flood Protection Scheme was noted in that report with an indicative budget requirement for £12.1m. Approved flood protection schemes attract 80% funding from Scottish Government with the remaining 20% funding being the responsibility of the Local Authority.

- 2.2 Two non-statutory public consultations with local stakeholders have now taken place on the island, one in November 2016 and one in March 2017 and the outcome reports are attached as Appendices to this report. It has become clear from the consultations that the island community greatly value the harbour and see it as a gateway to the island. Therefore stakeholders are seeking to maximise the benefit of the Flood Protection Scheme in conjunction with improvements to the harbour and island access, in order to create opportunities for economic regeneration of the island. It is acknowledged that in order for a Flood Protection Scheme to progress there will require to be community support. Any formal objections to the scheme can pose significant delays and potentially prevent a scheme from being approved by Scottish Government thereby preventing its construction.
- 2.3 The conclusions drawn from results of the first consultation event were: *'There is support for the scheme in principle but opposition to the pier breakwater extension has swayed opinion. The comments of those surveyed suggest that if the flood risk management scheme was considered in parallel to improvements to tourist and marine facilities whilst protecting the core amenity of the area, the scheme would be very strongly supported.'*
- 2.4 In particular the first consultation exercise identified a desire by many local stakeholders to see the initial proposal being replaced with an offshore breakwater option. Extending a breakwater from the existing masonry pier is seen by many as potentially limiting access to the harbour whilst an offshore breakwater increases the sheltered area of the harbour and bolsters aspirations within the local community for a marina development. This option, with a number of potential offshore locations, was developed and included to seek further community views at the second consultation event.
- 2.5 At the first consultation local people had also indicated that the Marine Parade area of Millport was affected by flooding. This location was outside the original scheme scope, however the impact of flooding in this area of the town has been investigated and proposals have now been incorporated into the scheme options as a result. By extending the scope of the scheme there will be a likely increase in the scheme costs from the original £12.1m estimated budget.
- 2.6 The Ayrshire Growth Deal has aspirations for marine tourism and the second consultation also included officers from the Council's Economy and Communities Directorate. This afforded the opportunity to also seek feedback from local people regarding their wishes for the harbour area. The community have expressed desires for step ashore facilities and a marina type development in the harbour area.

- 2.7 The conclusions drawn from the results of the second consultation were: *'The questionnaire respondents were predominantly local residents. Whilst flood risk and a need for flood protection was recognised for parts of Millport, many residents question the need for the scheme and have significant concerns about certain scheme elements.*

*Particular opposition was voiced against the proposal for extending Millport Pier with rock armour and relatively stronger support was voiced in favour of an offshore breakwater, but without a very clear preference for its location.*

*It is noted that the higher level of support for offshore breakwaters may be influenced by discussions about the potential for marine development inshore of an offshore breakwater. However, these proposals have not yet been clarified. The project team is working to clarify this issue and other assumptions about the potential solutions before the next consultation event.*

*Strong concerns persist regarding access, visual impact, and impact on the view. These concerns feed in to wider concerns about impacts on tourism and about how the flood protection scheme will connect with parallel issues relating to investments in drainage and tourism .'*

- 2.8 The local harbour users group recently commissioned a preliminary feasibility study looking at the potential for an offshore breakwater to act as an enabler for the subsequent development of a marina.
- 2.9 A forum consisting of officers, elected members and representatives from the community has been established to consider the flood protection scheme. This forum will provide an opportunity to review the potential option 2 flood protection scheme in the context of wider aspirations for economic growth. The forum, in order to establish if an offshore breakwater option for the flood protection scheme would support a marina development, will shortly review and discuss preliminary wave modelling which indicates that a limited marina development may be possible if an offshore flood protection breakwater is constructed. Officers from within the Council's Economy and Communities Directorate will also arrange for an economic impact appraisal of the offshore breakwater option to be carried out which will assist in the overall appraisal of the benefit/cost viability of this option. Affordability in line with available budget will also be fundamental in considering the viability of this option.

- 2.10 It is possible that an offshore breakwater option may support a marina development, however cost estimates for the offshore breakwater options are estimated to be considerably in excess of the original scheme budget of £12.1m, although work is still ongoing to finalise indicative costings.
- 2.11 Work has also continued in the development of the original first option involving the potential replacement of the timber pier with a rock breakwater to enable a cost benefit comparison of the various options. As part of this, a ground condition investigation at the pier area has been carried out. Early indications suggest that the anticipated high level of rockhead required to allow the construction of a rock breakwater is not present in the harbour area and that up to 10m of sediment or clay overlies the rock. It is now expected that a considerable amount of this material may need to be removed in order to construct any proposed rock breakwater at the pier and that the cost of this option will increase significantly beyond the original indicative cost of £12.1m. Further work is required and ongoing to determine the potential extent of increase in required budget, which could be of an order similar to the expected costs associated with the provision of option 2 (offshore breakwater).
- 2.12 There are also environmental issues attached to the removal of such a large amount of material. Carrying out such excavations from the sea bed would require a licence from Marine Scotland. The removal of significant quantities of material could render this option environmentally unacceptable to Marine Scotland. Further ground investigation work at the harbour to sample the material overlying the rock is required in order to establish the quantity and composition of the material that would actually require to be removed and to provide a more accurate updated cost estimate for this option. However, the potential ground investigation work is expensive in a marine environment (it is expected to cost in the order of £200k). Officers are therefore reviewing the environmental impact and acceptability of removing such quantities of materials with Marine Scotland as the further ground investigations will not be undertaken if environmental considerations indicate that this is an unacceptable option.
- 2.13 The ground investigation work carried out to date at the potential off shore breakwater option 2 locations indicates rockhead around 3m below the sea floor and the potential off shore breakwater sites are in relatively shallow water.



- 2.14 Following on from recent safety issues relating to the timber pier, which are discussed below, a campaign was started by Millport residents to try and save the timber pier. There is strong community support for the retention of the timber pier. A petition has also been received entitled "Save Millport Pier" with in excess of 9000 signatures. Given this there is scope for a third option to now be explored for consideration which involves replacing the timber section of the pier by constructing a replacement pier utilising steel and/ or concrete to improve the lifespan and reduce the maintenance costs, complemented by the provision of an offshore breakwater as required to provide the appropriate level of flood protection. Ground conditions at the pier, whilst being potentially restrictive to the construction of a rock breakwater structure, would not have the same significant impact on the construction of a replacement for the timber pier structure. Officers within Economy and Communities will also arrange for an economic impact assessment for the replacement pier option to ascertain the viability of a replacement pier from an economic perspective.
- 2.15 The initial 2015 indicative budget of £12.1m was a very preliminary estimate based on the option that offered the known highest cost benefit ratio at the time. Due to the complexity of this type of project and in recognition of a number of unknown factors, a 40% optimism bias was also incorporated into these estimated costings. However, clearly there could potentially be significant, but currently unquantified, additional budget requirements to deliver a Flood Protection Scheme which provides required flood defences and which is supported by the local community. As work progresses to develop the three options to consideration stage, a comprehensive costing exercise supported by a benefits/cost analysis together with an economic impact appraisal will be necessary to determine affordability and viability of any scheme.
- 2.16 To progress, the proposed Flood Protection Scheme favoured option would require a positive benefit/cost ratio. In addition, both the Local Authority and Scottish Government would require to approve the Scheme and allocate required funding. If the favoured option did not achieve community support, any objections to the scheme would also require to be taken into consideration. Preliminary enquiries to the Scottish Government regarding their position on the budget indicated that they are unlikely to make a determination on budget until a scheme proposal is developed. This would include a revision of the benefit/ cost ratio and it has been made clear by the Scottish Government that a scheme won't be supported if the benefit reduces below the cost. This is however, unlikely as early indications are that it is reasonable to expect there will be a positive benefit/ cost ratio for a scheme even based on increased cost estimates.

- 2.17 However, even with a positive benefit/ cost ratio, if the cost increase is significant in comparison to the original budget then the Scottish Government may not support the scheme, the Millport scheme is one of 40 schemes throughout Scotland and there has been a fixed allocation of funding for the entirety of their flooding programme. Total Scottish Government funding of around £240m has been identified to fund flood risk management schemes across Scotland over a 6 to 10 year period. Therefore an increase in cost in a particular scheme may require decreases in the cost of the other schemes in the programme.
- 2.18 Any increase in costs would also require North Ayrshire Council to consider financial implications of providing its share (20%) of funding.
- 2.19 A third non-statutory public consultation was planned for the Autumn of 2017 but due to the identified issues and the intention to explore a third option for consideration, this will now be carried out in early 2018. Subject to the benefit/cost/affordability considerations, and desired community support, it is hoped that a scheme that is supported by the community will be identified at this consultation.
- 2.20 Further progress reports will be provided in due course and Cabinet approval will be sought prior to proceeding to statutory consultation and determination of the Flood Protection Scheme.

### **Millport Timber Pier**

- 2.21 The condition of the timber section of Millport Pier has been a concern for some time and structural investigations carried out in 2013 and again in 2014 highlighted an ongoing state of deterioration of the timber pier and the need for substantial repairs.
- 2.22 In recognition of the poor state of the pier and its ongoing maintenance requirements an economic analysis of proposals to develop Millport Pier was undertaken. At its meeting on 25 February 2014, Cabinet considered the proposals and agreed that subject to the securing of external funding, the timber pier be replaced with a stone breakwater enabling the provision of facilities for visiting yachts and leisure boats but ending calls by the Waverley. External funding was however not forthcoming and the proposal did not proceed.

- 2.23 A structural investigation undertaken in April 2014 identified a requirement for an immediate spend of £650,000 plus £200,000 for costs of materials to deal with identified issues at the timber pier. The report also indicated that there would be an ongoing annual maintenance requirement of £125,000 once the repairs had been undertaken. With regard to the timber pier, the report noted *'The survey concludes that in sections of the pier there is significant ongoing age related degradation of the timber and joints, which have been exacerbated by the last two winters of severe weather. The aging of the structure is now starting to show, with evidence of increased deflection in the pier structure, due to loose joints having worsened over time, the presence of displaced and aging timbers, and other failure mechanisms, such as bolt connection failure .*
- 2.24 Following this an urgent item was considered at the Cabinet meeting of 3 June 2014 which approved a prohibition on vehicles from driving onto the timber pier and also prohibited vessels in excess of 100 tonnes from using the pier.
- 2.25 Subsequently, in June 2014 a Notice to Mariners was issued by the Council as Harbour Authority which limited vessels to 100 tonnes displacement to reflect the condition of the timber pier. One impact of this action is that it has prevented the berthing of the Waverley paddle steamer in Millport Harbour, although it has been visiting Millport by utilising Keppel Pier. Notices were erected indicating that motor vehicles were prohibited from the timber pier.
- 2.26 The Council's budget setting paper of 9 December 2014 sought funding of £500,000 for repairs to the masonry section of pier and for the demolition of the timber section. This was approved subject to confirmation that the sea defences were not adversely affected. A subsequent Flood Risk Assessment established that the existing timber pier affords some coastal flooding protection to Stuart Street in Millport and recommends that it should not be removed until alternative appropriate flood protection measures are constructed. It is therefore not intended to remove the timber pier until such time as a flood protection scheme is being constructed.
- 2.27 At the end of 2015 a physical barrier was installed to restrict vehicular access to the timber pier.
- 2.28 A regular monthly inspection of the harbour is carried out, however this inspection does not include diving, specialist inspectors, analysis or testing and relies on obvious visual evidence of defects.

- 2.29 The Structural Investigation that was carried out in 2014 cost approx. £45,000. In view of the decision that had been made to replace the pier with a breakwater, and in the expectation that this will happen through the Flood Protection Scheme, further detailed structural investigations have not been undertaken.
- 2.30 In accordance with the requirements of the Port Marine Safety Code, a recent risk assessment of the pier was carried out which determined that in the knowledge of ongoing deterioration of the pier and pending the development of a Flood Protection Scheme, there could be no confidence in the continued safety of the timber pier when in use. Therefore essential actions were taken to prohibit all access to the timber pier and signage to this effect was installed in summer 2017. Mooring is still available on the masonry pier and in the inner harbour, although the tidal movements do place restrictions on access.

### **3. Proposals**

- 3.1 It is proposed that Cabinet: (a) notes the work carried out, which has to date developed two potential design options for the proposed Millport Coastal Flood Protection Scheme; (b) agrees that officers will continue to engage with the local community to develop a third potential flood protection design option which involves the replacement of the timber pier structure with an appropriate steel and/or concrete pier structure, complemented by an appropriate offshore rock breakwater; (c) notes the potential budget implications and that further work is required to identify likely option costs to allow appropriate benefit/costs appraisal and affordability considerations which will be required prior to any proposed scheme being progressed; (d) agrees that officers will arrange to carry out an economic benefits appraisal of the 3 options being explored to assist in the appraisal of potential designs; (e) notes the poor condition and current prohibited use of the existing timber section of Millport Pier; (f) notes that a petition has been received with in excess of 9000 signatures entitled "Save Millport Pier"; and (g) agrees to receive further progress updates when appropriate.

#### 4. Implications

<b>Financial:</b>	An initial high level indicative Capital budget requirement of £12.1m was identified for Millport Coastal Flood Protection Scheme, with an expectation of Scottish Government meeting 80% of costs (£9.68m) and North Ayrshire Council meeting 20% of costs (£2.42m). North Ayrshire Council has allocated £1.05m (including £0.5m previously allocated to demolition of Millport timber pier) to date of which £332,506 expenditure has been incurred. It is likely that the initial indicative budget of £12.1m will be insufficient. Further exploratory work is required and will be carried out to inform a further update report in due course. The identification of further options for consideration will also increase expenditure, this is estimated to be in the region of £12,000. A full cost appraisal together with a benefit/cost analysis and economic impact assessment will be carried out to inform future budget requirement considerations.
<b>Human Resources:</b>	None
<b>Legal:</b>	Access to the timber section of Millport Pier has been prohibited due to safety concerns and to ensure compliance with the Health and Safety at Work etc Act 1974.
<b>Equality:</b>	None
<b>Environmental &amp; Sustainability:</b>	The flood protection scheme will protect the environment and fabric of Millport against flooding in the long term. Climate change is being considered and factored into the level of protection.
<b>Key Priorities:</b>	The flood protection scheme will protect the safety of residents in the affected areas and will also protect the economy of Millport. As Harbour Authority the Council has a duty to manage safety in the harbour area.
<b>Community Benefits:</b>	The actions are being taken in order to improve safety and protect the local economy.

## **5. Consultation**

- 5.1 To date 2 non statutory consultations have been held with stakeholders in order to develop the proposed flood protection scheme. The summary of the results of the consultations are attached to this report as appendices. Further consultation is planned as noted in the body of the report.

A handwritten signature in black ink, appearing to be 'CH', written over a horizontal line.

**CRAIG HATTON**  
Executive Director (Place)

Reference : AC/RM/JA

For further information please contact Arthur Cowley, Team Manager  
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### **Background Papers**

0

## REPORT

# **Millport Coastal Flood Protection Scheme, Community Consultation Questionnaire**

### Summary of Results

Client: North Ayrshire Council

Reference: WATPB4749R010F0.1

Revision: 0.1/Final

Date: 16/02/2017

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Document title: Millport Coastal Flood Protection Scheme, Community Consultation Questionnaire

Document short title: Millport CFPS Questionnaire Results

Reference: WATPB4749R010F0.1

Revision: 0.1/Final

Date: 16/02/2017

Project name: Millport CFPS

Project number: PB4749

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Date / initials: 16<sup>th</sup> February 2017

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Date / initials: 16<sup>th</sup> February 2017

Classification

Project related



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## 1 Introduction

This report presents the findings of the Millport Coastal Flood Protection Scheme Community Consultation Questionnaire. Engagement and consultation with the people of Millport is an integral part of the scheme development process; empowering communities is a core policy of both North Ayrshire Council and the Scottish Government.

The report first outlines the methodology of the survey and analysis (Section 2), then provides a summary of survey results (Section 3), before going on to detail the survey results (Section 3). Only brief conclusions are provided in this report (Section 4) because the survey is part of an ongoing process of planning and design.

## 2 Methodology

The questionnaire was shared using two survey methods as follows:

1. Online using Survey Monkey, through a link on North Ayrshire Council's website; and
2. Printed survey distributed at several locations around Millport and in Largs.

Eighteen questions were asked ranging from identification through to satisfaction with the engagement process. To ensure anonymity identification results have been omitted from this report. Questions were as follows:

1. Name
2. Address
3. Telephone
4. Email
5. Are you willing for North Ayrshire Council to retain your contact details in order to contact you regarding this response and/or the flood protection scheme proposals? Contact details will not be used for any other purpose.
6. What is your particular interest in Millport seafront?
7. Do you agree that overtopping and flooding is a problem in Millport and that a flood protection scheme is needed?
8. To your knowledge, has your property been affected by flooding?
9. How often do you come to Millport seafront?
10. Why do you visit the sea front? Please comment:
11. What are the most important aspects of Millport and Cumbrae to you? (tick all that apply)
12. What are the main uses of the seafront area that should be considered in developing the scheme?
13. What do you think would improve Millport? Please comment:
14. Please provide your comments on the proposed flood protection scheme.
15. Was the consultation adequately advertised?
16. Has enough information been provided to explain the proposals?
17. Have you had an adequate opportunity to obtain further information and express your views?
18. Do you have any comments on the consultation process?

During analysis the survey results have been compiled and grouped into relevant categories to show where there is agreement or variation. Where comments were requested these have been evaluated using a Word Cloud where possible. Otherwise a commentary of the main messages has been provided.

### 3 Survey results

#### 3.1 Summary of findings

One hundred and sixteen people responded to the survey. The majority of these people were local residents (61%, Figure 1) and visited the seafront on a daily basis (81%, Figure 2).

Although 91% of people surveyed believe flooding is an issue, 81% of those surveyed hadn't been personally effected by flooding.

Word clouds were created from the comments provided that show:

- People visit the seafront to walk (often with their dog), use the shops because they live in Millport, play on the beach (sometimes with their children), and enjoy the sea views (Figure 4);
- The most import aspects to respondents is the view (91%, Figure 5) then the beach (89%), the harbour (73%), and wildlife (68%). Shops, and cycling were ranked roughly equally around 60% (Figure 5). Twenty people (15%) provided additional comments (Figure 6) that showed they particularly valued:
  - Peace and tranquillity of the area;
  - Access for boats; and
  - Ability to walk along the seafront.
- Issues that should be considered during scheme development are (Figure 7) walking (80%), beach use (75%), and harbour moorings (64%). Twenty two people gave additional comments (Figure 8) that showed they were particularly concerned about :
  - Access for vessels – both small and up to the Waverley sized;
  - Marine wildlife; and
  - Preserving the view.
- 97 people responded with comments about how to improve Millport (Figure 9). This showed that people particularly want:
  - Better facilities, including public toilets;
  - Improvements to the pier to allow access by and protection of boats; and
  - Elements to improve visitor attraction.

The majority of people surveyed agree that protection against flooding is needed in the Old Town area but some question the need for improved protection to the harbour area and Newtown Beach.

There was a 78% response rate to question 14 asking for comments on aspects of the flood protection scheme. The bar chart in Figure 10 has been created by assessing whether a comment showed clear support, was ambivalent, or clearly disliked the idea.

These comments show strong support for an offshore breakwater solution but that people are undecided on the proposed extension to the pier. Many responses were caveated that development that improves access for the public and marine vessels to the pier and harbour area is preferred. Misinformation was apparent in some responses about the benefits of an offshore breakwater. Some people voiced concern about the strong and vocal support for an offshore breakwater by parts of the community.

There is reservation about the need for flood walls, wave return walls or rock revetments along Glasgow Street. Some people see the need for these in certain places – particularly at Cross House. But many are worried about the visual impact of these proposed scheme elements.

There was clear support for the need to protect the Old Town. But when considering sea walls in both Old Town and along Glasgow Street there is a strong desire to maintain the sea view. People want walls to be constructed so that benches are placed on the seaward side of the walls, and with the walls designed in a way that reflects the visual character of the town.

The final three questions regarding North Ayrshire Council's work to engage the community have been grouped in to one bar chart (Figure 11). This shows that the majority of people are happy with the engagement process so far. However the amount of information and the opportunity for the community to engage with the council could be improved.

Thirty nine children were also asked for their opinion on the scheme. By and large the children's opinions agreed with those of the adults. Most believed that flood protection was needed but they could not remember being flooded. They were all local residents, visited the seafront on a daily basis, and many used the harbour. They were particularly vocal about wanting to keep using the pier during the summer time, a need to protect the beach, and a desire to improve cycling in the area.

### 3.2 Who responded to the survey?

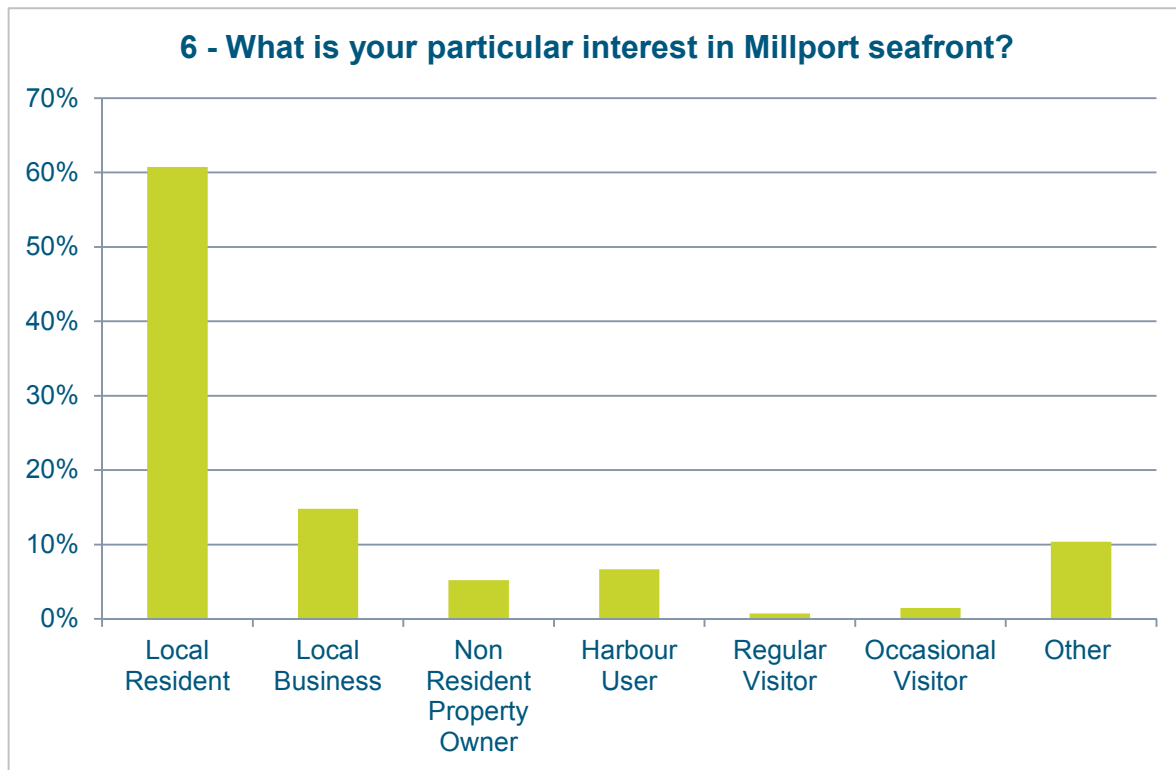


Figure 1: responses to Question 6

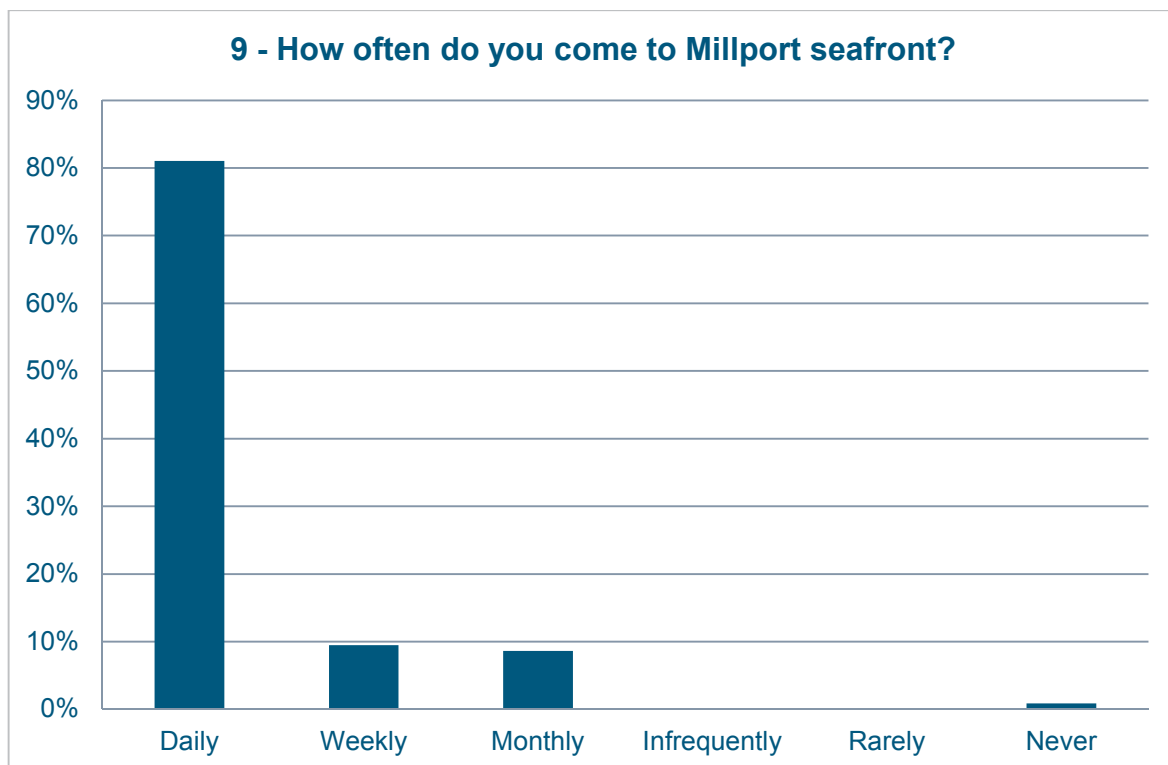


Figure 2: responses to Question 9

### 3.3 Is there a need for flood protection?

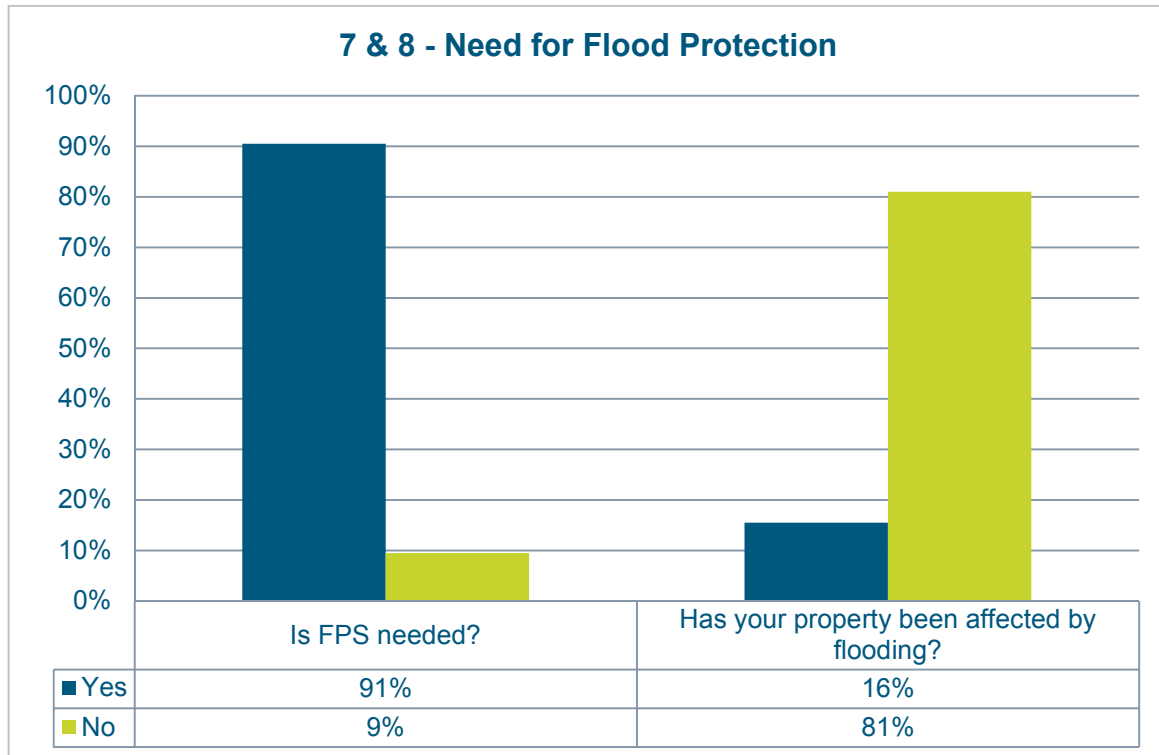


Figure 3: comparative results for questions 7 & 8

### 3.4 How do people use the seafront?

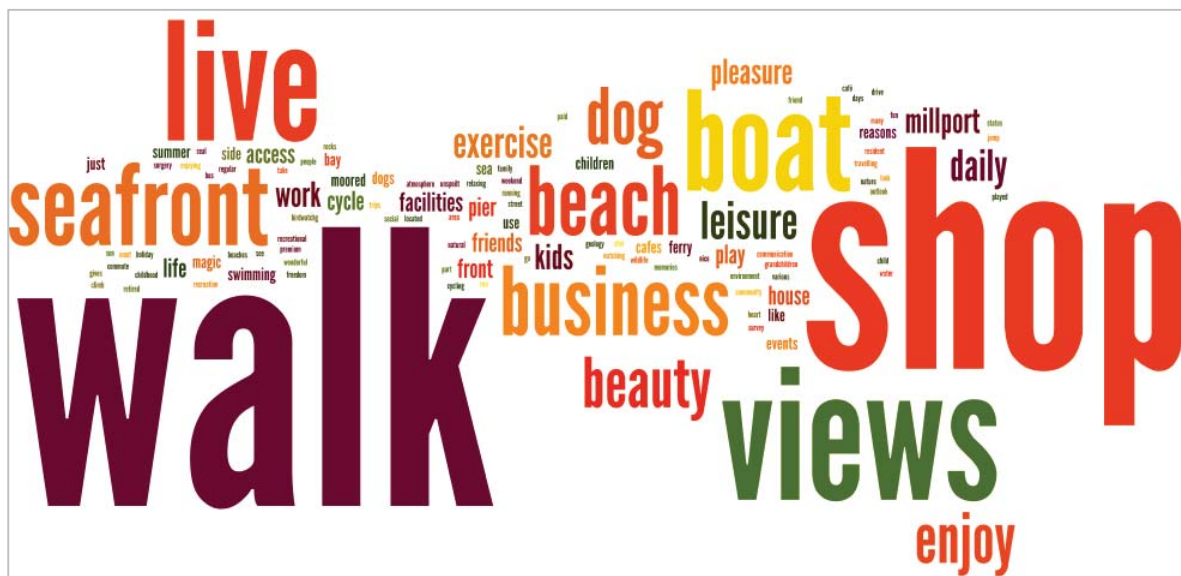


Figure 4: responses to Question 10: Why do you visit the seafront?

### 3.5 Important aspects of Millport

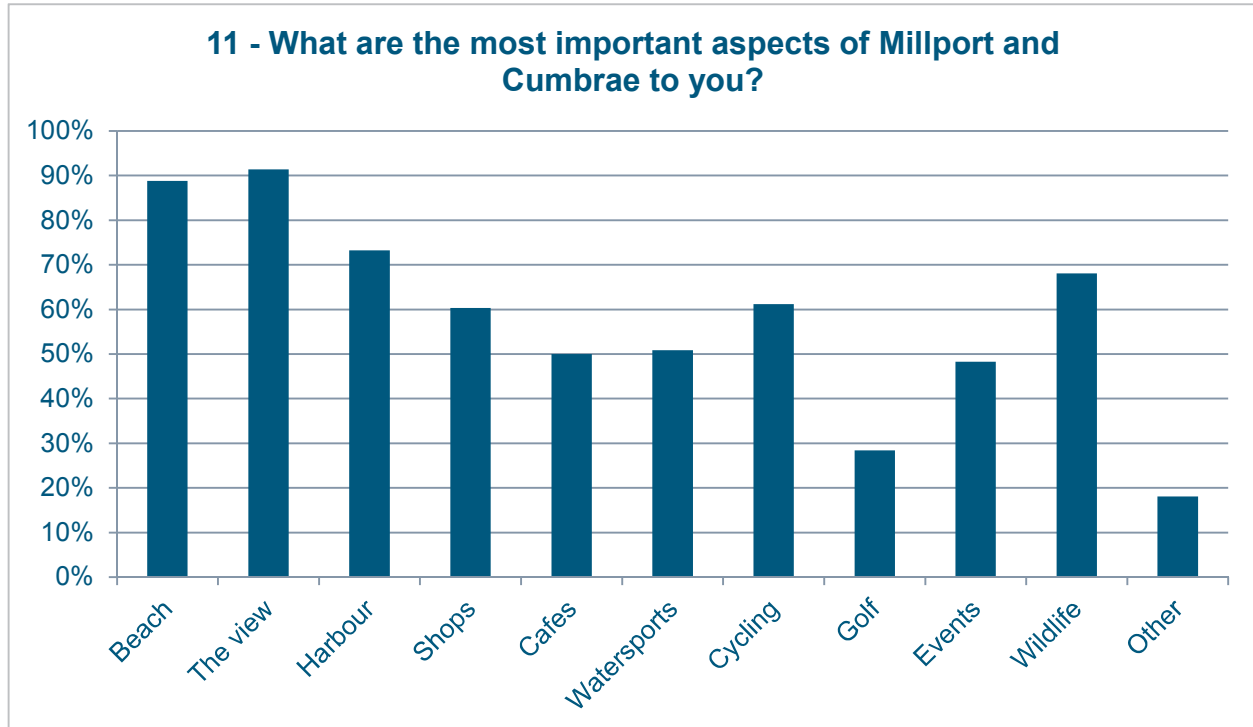


Figure 5: responses to Question 11



Figure 6: comments in response to Question 11: What are the most important aspects of Millport and Cumbrae to you?



### 12. What are the main uses of the seafront area that should be considered in developing the scheme?

Use	Percentage
Walking	80%
Beach use	75%
Harbour/Moorings	64%
Cycling	41%
Shopping	36%
Other	16%

[illegible]

16/02/2017





Figure 9: responses to Question 13: What do you think would improve Millport?

### 3.7 What do people think of the different scheme options?

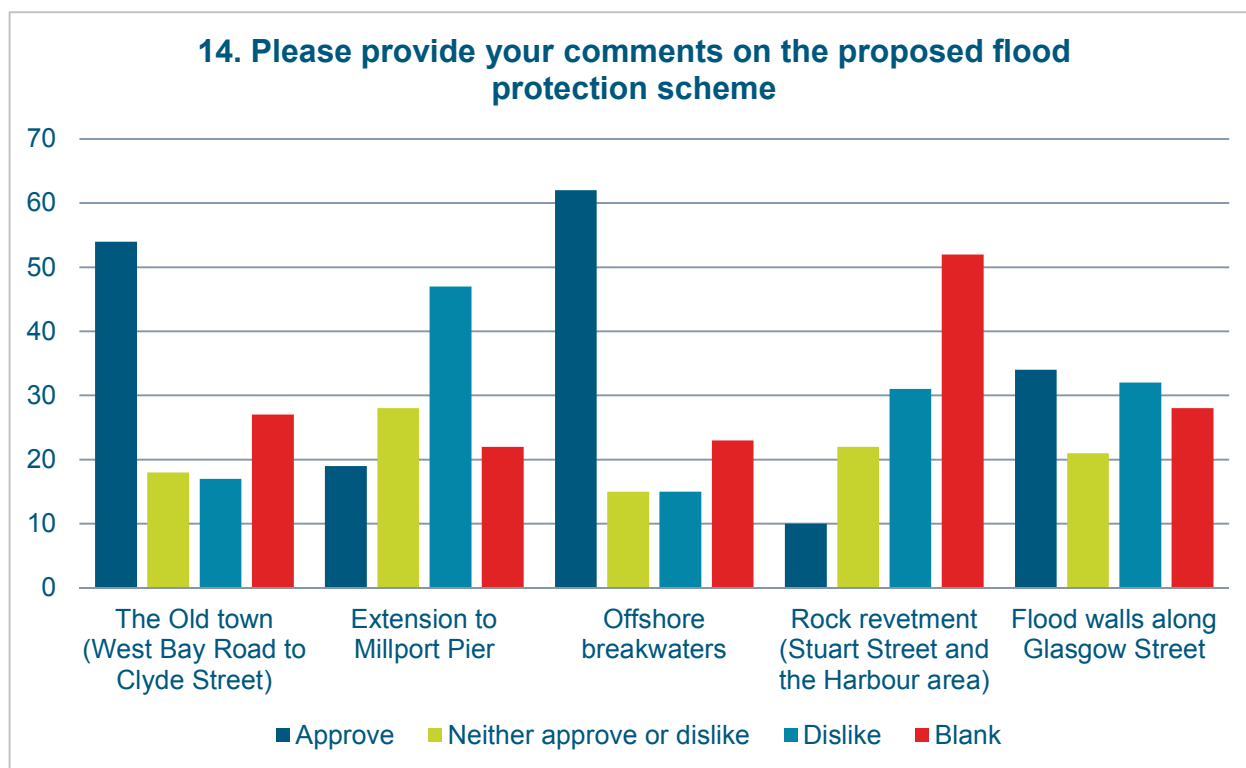


Figure 10: response to Question 14

A word cloud for such a complex question did not provide useful information. Therefore a summary of the comments has been provided below.

Although clear support for the offshore structure can be seen people were more undecided on the pier extension option than the graph suggests. Many of the responses were caveated that development that improves access for the public and marine vessels is preferred. Many people would approve of an extension to the pier IF it was constructed in a way that improved access and protection for boats; allowed the Waverley to dock; and maintained access for the public. But equally they would strongly disapprove of a pier extension solution that they believed would have negative impacts on access and would damage the economy of Millport. A significant number of comments referred to the pier's importance to the town for tourism and cultural heritage.

There is also concern that a pier extension would increase erosion of the adjacent beaches and would affect coastal geomorphology.

Information from sources other than North Ayrshire Council is apparent in some of the responses regarding the potential benefits of an offshore breakwater solution, the level of protection it would provide, and the improvements to marine facilities it might create. There is a risk that alternative information sources may be misleading some people.

Comments regarding walls and rock revetments were mixed. There was a strong appreciation that parts of the Old Town require protection. Again this was caveated that these measures should be constructed sympathetically and aim to preserve the views and landscape character of Millport.

People believed that areas to the east of Glasgow Street (around Cross House) were more prone to flooding and required protection. But that measures should be constructed to preserve the view and maintain seating in the area.

### 3.8 Have we done enough to engage the community?

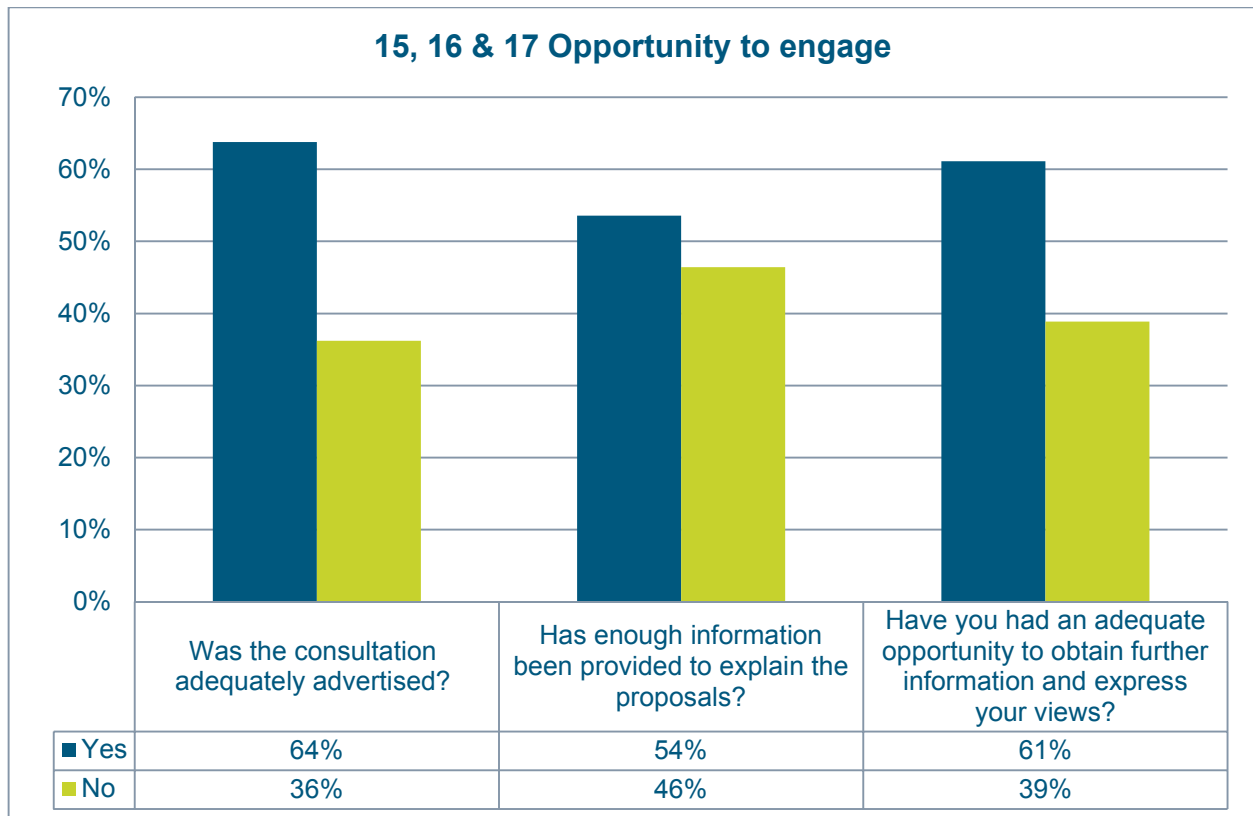


Figure 11: responses to Questions 15, 16, & 17

## 4 Student's survey

Thirty nine students from Cumbræ Primary School and Largs Academy were asked for their opinion on the scheme. By and large the children's opinions agreed with those of the adults. Most believed that flood protection was needed but they could not remember being flooded. They were all local residents, visited the seafront on a daily basis, and many used the harbour. They were particularly vocal about wanting to keep using the pier during the summer time, a need to protect the beach, and a desire to improve cycling in the area.

## 5 Conclusions

In conclusion there is support for the scheme in principle but opposition to the pier extension has swayed opinion. The comments of those surveyed suggest that if the flood risk management scheme was considered in parallel to improvements to tourist and marine facilities whilst protecting the core amenity of the area, the scheme would be very strongly supported.

## REPORT

# **Second Millport Coastal Flood Protection Scheme, Community Consultation Questionnaire**

### Summary of Results

Client: North Ayrshire Council

Reference: WATPB4749R011D0.3

Revision: 0.3/Draft

Date: Wednesday, 14 June 2017

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Document title: Second Millport Coastal Flood Protection Scheme, Community Consultation  
Questionnaire  
Document short title: Second Millport Consultation Questionnaire  
Reference: WATPB4749R011D0.3  
Revision: 0.3/Draft  
Date: Wednesday, 14 June 2017  
Project name: Millport FPS  
Project number: PB4749  
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Date / initials: DC 13/06/2017

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Classification

Project related



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## 1 Introduction

This report presents the findings of the second Millport Coastal Flood Protection Scheme (FPS) Community Consultation Questionnaire. Empowering communities is a core policy of both North Ayrshire Council and the Scottish Government. Engagement and consultation with the people of Millport is an essential part of the scheme development process.

**The aim of this questionnaire was to collect the opinions of the community on the different options and elements of the proposed Millport Coastal FPS. The associated questionnaire relating to Marine Tourism will be reported separately by the Council's Tourism and Coastal Economy team.**

This report first provides details of the community consultation undertaken to date (Section 2). Section 3 outlines the methodology of the survey and analysis and summarises the scheme options, before going on to set out the survey results (Section 4). Only brief conclusions are provided in this report (Section 5) because the survey is part of an ongoing process of planning and design.

## 2 Summary of consultation

Community consultation undertaken to date for the Millport Coastal FPS has taken a variety of formats. Initial information about the plans for development of a coastal flood protection scheme was provided via a newsletter. Feedback on this newsletter led to development of a Frequently Asked Questions document (available on the NAC website), a further newsletter and a meeting with community representatives with a particular interest in the harbour area.

Community engagement workshops were held from 29<sup>th</sup> November to 1<sup>st</sup> December 2016, with 245 visits recorded. Workshops were also held with 39 students from local schools. The consultation questionnaire issued alongside the workshops received 155 responses plus 39 responses from students. This first questionnaire focussed on how the seafront is used and the important aspects to be considered in development of the scheme. The exhibition materials from these workshops and the report on the findings of the first questionnaire is available on the NAC website.

A third newsletter was issued to all Millport addresses in February 2017 to provide an update on work that had been undertaken since the winter 2016 workshops to address questions raised. The newsletter also provided an introduction to the ongoing work by the Council's Tourism and Coastal Economy team to develop the Ayrshire Growth Deal for Marine Tourism and the associated potential for development of Millport as a key tourism destination on the Firth of Clyde.

The third newsletter included an invitation to a second community engagement event, to be held jointly with the Council's Tourism and Coastal Economy team on 21<sup>st</sup> and 22<sup>nd</sup> March 2017. The aim of this exhibition and Design Charrette was to provide feedback on the scheme development since the winter 2016 workshops, and to explore the community's wider ambitions for the town (led by the Tourism and Coastal Economy team).

The March 2017 event was publicised in the local newspaper, on local radio and on the NAC website, as well as in the February newsletter. Between 150 and 200 visits were made to the consultation workshops. The exhibition materials from the March 2017 event are available on the North Ayrshire Council website.

Questionnaires were developed for both the Coastal Flood Protection Scheme and the Marine Tourism proposals and were available at the workshops. The questionnaires were also posted to all Millport addresses, and an online version of the questionnaire could be accessed from the NAC website.



Consultation with statutory stakeholders and other organisations with a potential interest in the Millport CFPS is ongoing, following the statutory processes required for approval of a flood protection scheme. A request for EIA Screening Opinion has been issued to Marine Scotland and North Ayrshire Council Planning. An Environmental Scoping Report has been completed and issued to stakeholder organisations. Comments on this report are currently being collated to inform subsequent environmental assessment work.

### 3 Methodology

As for the previous consultation questionnaire for the Millport Coastal FPS, two survey methods were used as follows:

1. Online using Survey Monkey, through a link on North Ayrshire Council's website; and
2. Printed questionnaire provided during the consultation workshops and issued by post to all Millport addresses.

Ten questions were asked ranging from identification through to satisfaction with the engagement process. To ensure anonymity identification results have been omitted from this report. Questions were as follows:

1. Name
2. Address
3. Telephone
4. Email
5. Are you willing for North Ayrshire Council to retain your contact details in order to contact you regarding this response and/or the flood protection scheme proposals? Contact details will not be used for any other purpose.
6. What is your particular interest in Millport seafront?
7. Was the consultation adequately advertised?
8. Has enough information been provided to explain the proposals?
9. Have you had an adequate opportunity to obtain further information and express your views?
10. Do you have any comments on the consultation process?

Following the initial identification questions eight options were presented. For each option the following two questions were asked:

- Please indicate whether you approve of these proposals or not:
  - Completely disapprove;
  - Partially disapprove;
  - Neither approve nor disapprove;
  - Partially approve; or
  - Completely approve.

This question was intended to gauge opinion on which element of the scheme the public particularly approved or disapproved off. The following question was intended to identify "why" in a manner that could be used for comparison.

- Please indicate your main concerns about this proposal (pick as many as you like).
  - It will negatively affect the view;
  - It will not look good;
  - It will reduce access to the seafront;
  - It will have a negative impact on tourism; or
  - It is not needed.

In the last section, participants were asked to provide any comments on specific elements of the scheme.



### 3.1 Flood Protection Scheme Options

The elements and options for the scheme were presented as follows.

#### 3.1.1 West Bay Road to Millburn Street

##### Proposed solution

A 1.2m (3ft 11in) high concrete wave return crest wall and a shore-connected rock armour breakwater extending south east from Crichton Street.



#### 3.1.2 Crichton Street



#### 3.1.3 Clyde Street

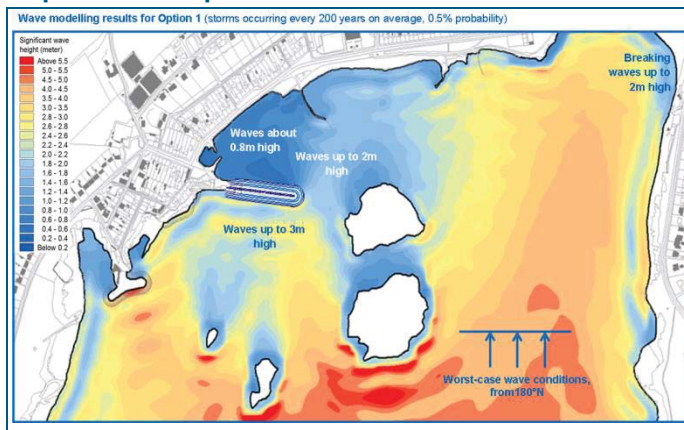


##### Proposed solution

A rock revetment is proposed, which would be built over the natural rock outcrops. Rocks that look similar to the natural rocks on the beach would be used. The crest level of the boundary walls to properties would not be raised.

### 3.1.4 Stuart Street Options

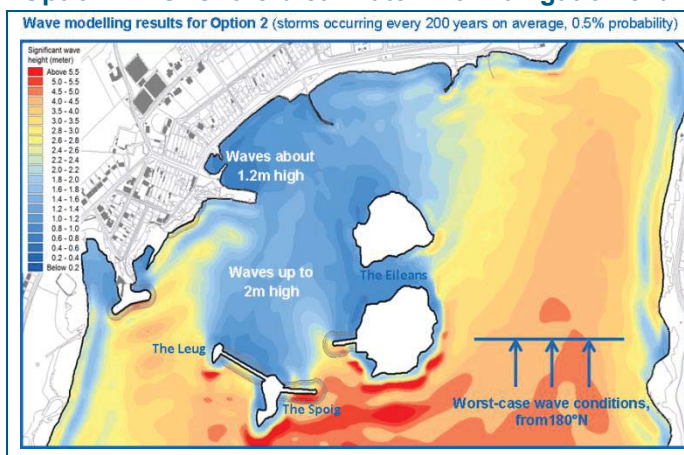
#### Option 1 – Millport Pier Extension



#### Proposed solution

- 150m rock armour extension to Millport Pier
- Estimated cost: £4,000,000

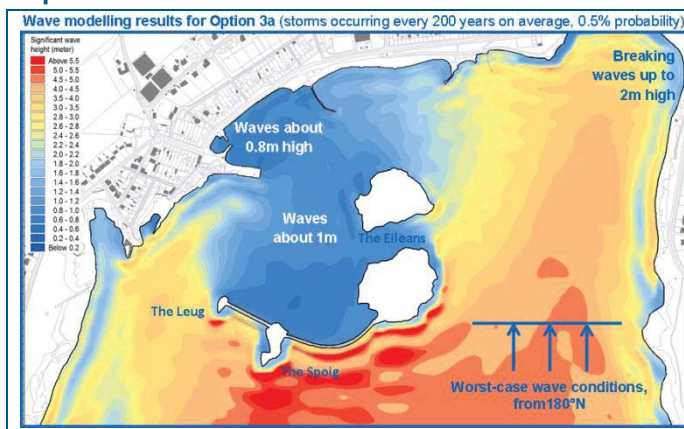
#### Option 2 – Offshore breakwater with navigation channel



#### Proposed solution

- Breakwaters between the Leug, the Spoig and the Eileans
- Navigation channel between the breakwaters
- Replacement of Stuart Street crest wall and drainage improvements
- Estimated cost: £11,589,000

#### Option 3 – Continuous offshore breakwater



#### Proposed solution


- Continuous breakwater between the Leug, the Spoig and the southern Eilean.
- Estimated cost: £12,639,000



### 3.1.5 Glasgow Street and Cross House

	<p><b>Proposed solution</b></p> <p>A wave return wall is required to the rear of the promenade and seaward of Cross House. The height of the wall along Glasgow Street will be either 0.8m or 1m depending on which offshore option is chosen. The height of the wall at Cross House will be 1.2m.</p>
<p>The visualisation is scaled to show a wave return crest wall approximately 1.2m (3ft 11in) high adjacent to Cross House.</p> 	

### 3.1.6 Kames Bay and Marine Parade

	<p><b>Proposed solution</b></p> <p>A 1.2m high wave return wall is needed along Marine Parade. To the southern half of Marine Parade, a higher defence level could be achieved by raising the level of the grass bank.</p> <p>For Kames Bay, a 0.8m high wall is required around the landward side of the promenade, plus drainage improvements to the grass area to deal with residual overtopping.</p>
---	--

## 4 Questionnaire findings

### 4.1 General information

There were between 150 and 200 visits made to the March 2017 consultation workshops. One hundred and sixty two (162) people responded to the questionnaire. This compares to an estimated resident population of Millport of 1280 (2011 census), i.e. response rate of 13% of all residents .

The majority of respondents were local residents (69%, Figure 4.1), and they were generally satisfied with the way in which the consultation has been undertaken (Figure 4.2)

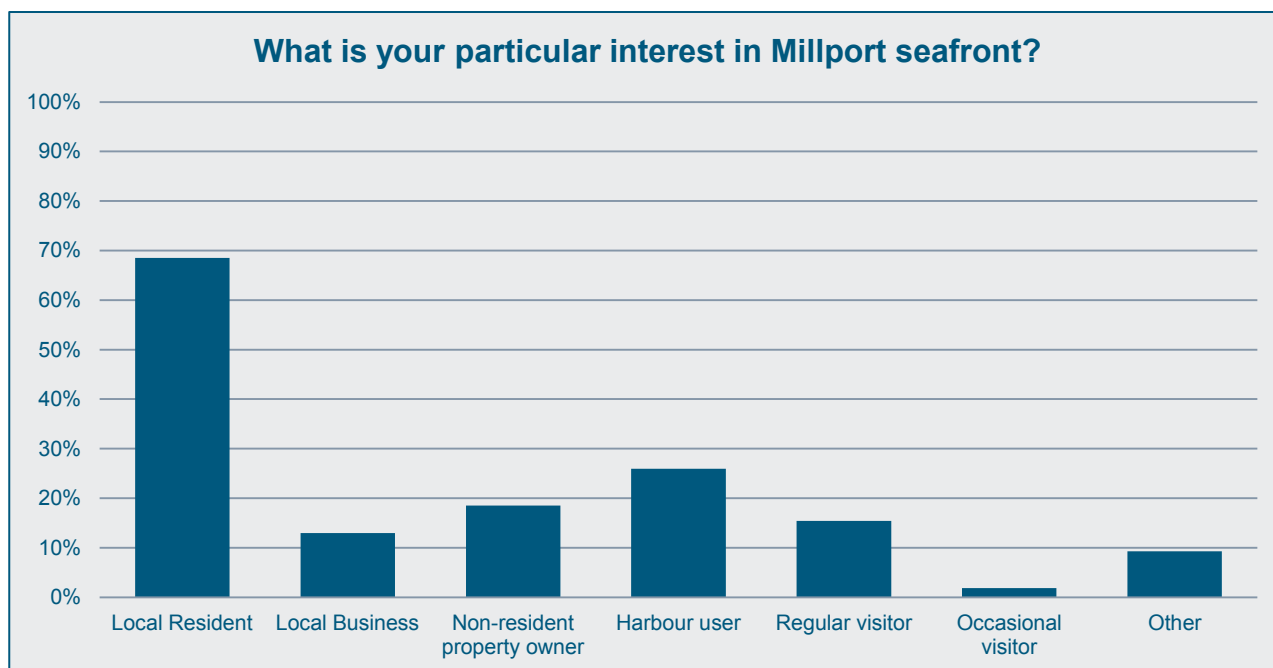


Figure 4.1: Showing the connection of respondents to Millport

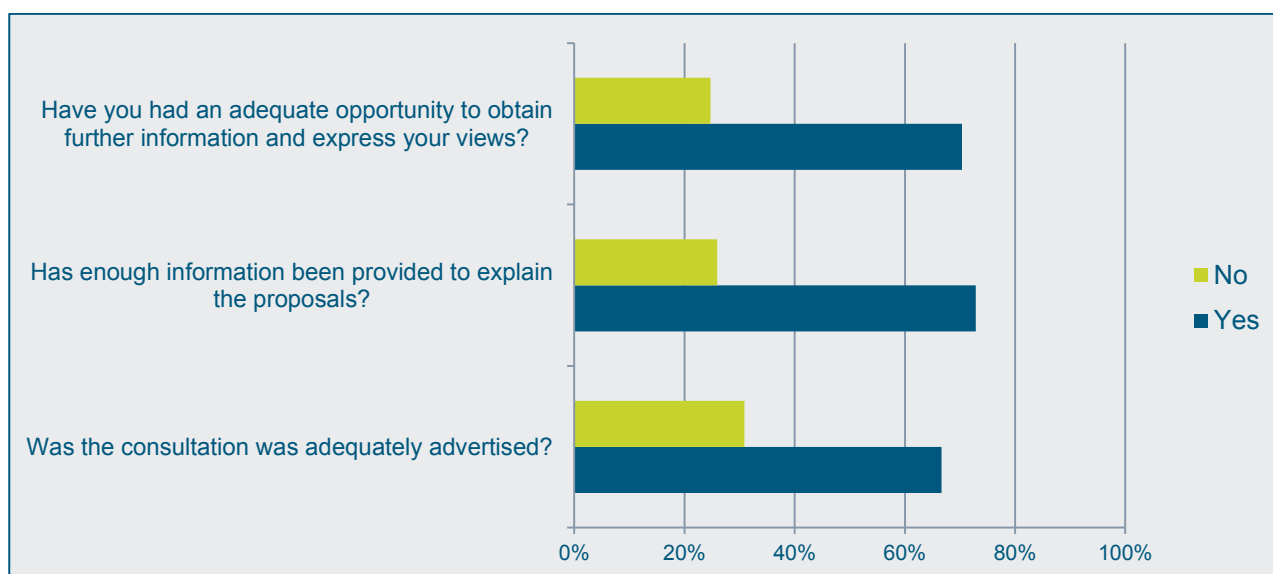


Figure 4.2: Showing opinions on the consultation process

When asked to comment on the consultation process the majority response was positive. However, some concerns were raised about the timing of the public exhibitions and how this effected people's engagement (18 comments). It was pointed out that many people concerned with the scheme proposals couldn't attend for the following reasons:

- They were at work and as the exhibition was during the day they couldn't attend;
- They were immobile due to age or disability and couldn't attend;
- They were unaware of the event taking place as they had not seen advertisements and/or did not have internet access; and
- The event was held outside of tourist season so holiday home owners were not in the area.

Concerns were expressed (7 comments) about the format of the online survey, which required a 'concern' to be selected for a proposal even if the respondent had previously indicated that they fully approved of the proposal.

## 4.2 Opinions about the scheme proposals

The Questionnaire responses demonstrated quite clear preferences in the potential solutions presented (Figure 4.3).

- The majority of respondents agree with the proposals to protect the Old Town (West Bay Road to Clyde Street), but with some concerns expressed.
- A number of issues have been raised in relation to the proposals to protect Glasgow Street, Kames Bay and Marine Parade.
- There is strong opposition to Option 1 (extension of Millport Pier using rock armour), with greater preference for an offshore breakwater solution (Options 2 and 3).

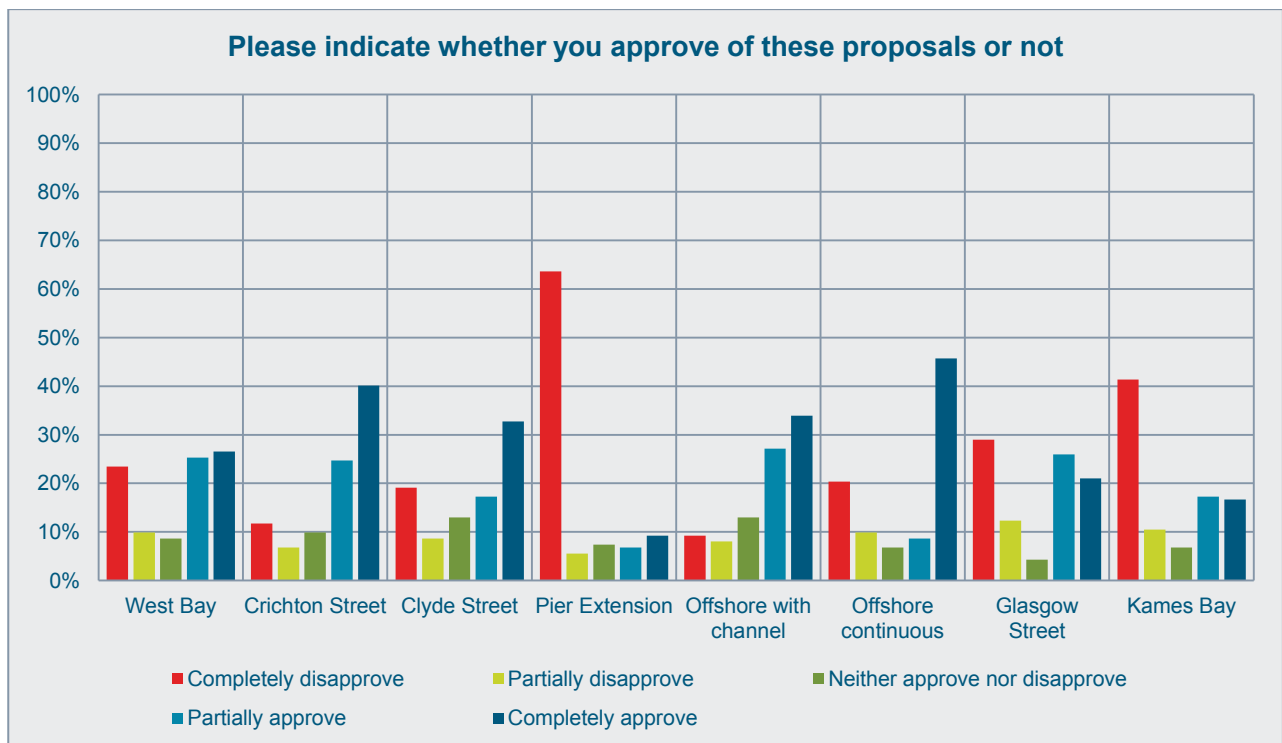


Figure 4.3: Opinions on the potential solutions

### 4.3 Concerns about the scheme

Respondents had the opportunity to select as many of the “concerns” as were relevant for each option. This gives an indication of the strength of concern for each potential solution (Figure 4.4). In correlation with Figure 4.3 the greatest concern is with the option to extend the pier.

In general respondents are concerned about the effect that the scheme will have on beach access, visual appearance, and subsequent impacts on the tourism industry.

For all options and locations, there were responses giving the opinion that a scheme is not needed. In particular, there is a strong belief that the proposed scheme is not needed for Kames Bay and Marine Parade (>40% of responses).

In correlation with the general approval of offshore coast protection options for Stuart Street, respondents showed the least concern about these proposals.

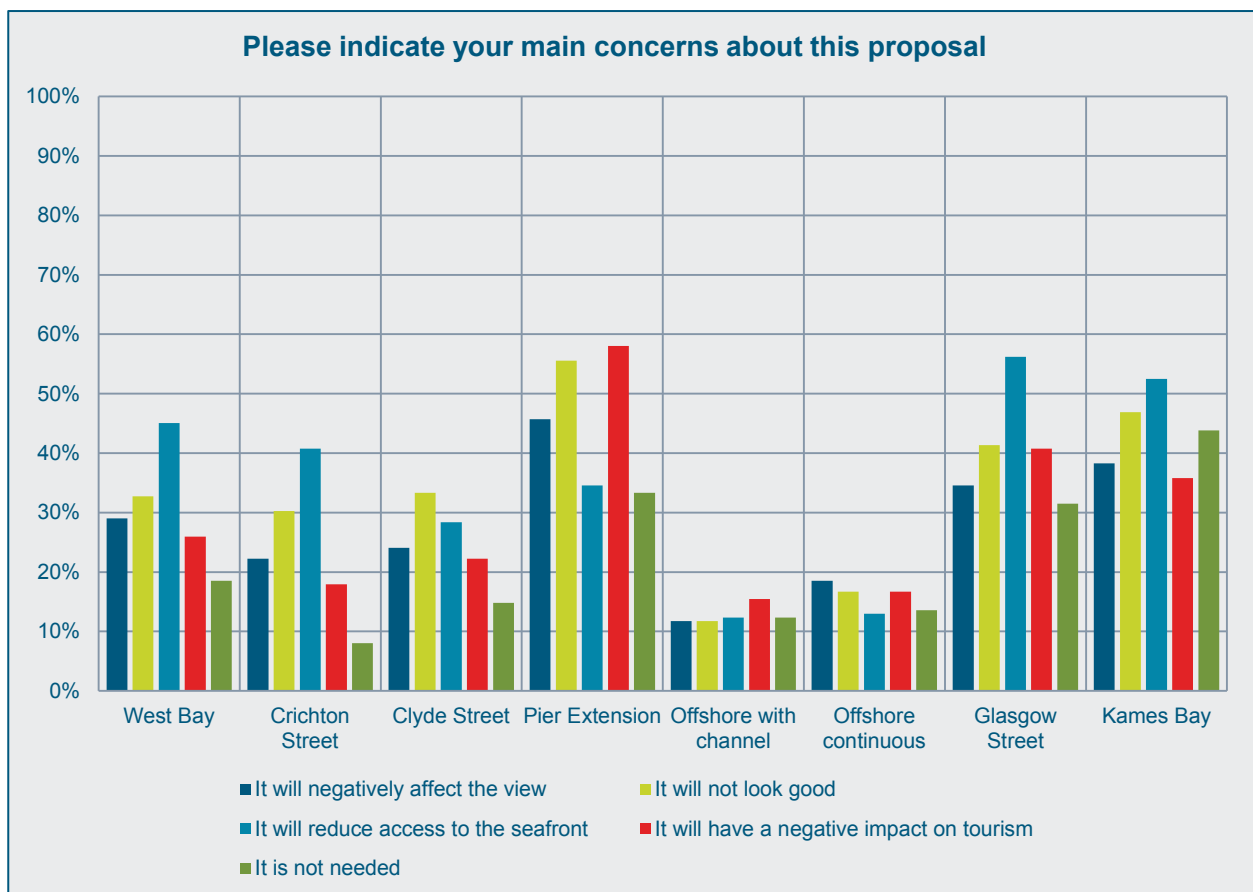


Figure 4.4: Concerns about each potential solution

### 4.4 Comments on the scheme proposals

#### West Bay Road and Millburn Street

The comments on the proposals for this area related to the need for the scheme, concern about the appearance of flood walls and the need to maintain access. Comments recognised that Millburn Street was vulnerable (8 comments) but other comments considered the flood risk to West Bay Road to be limited (14 comments).

#### Crichton Street

Comments generally recognised a need for flood protection in this area (26 specific comments on the need for protection to this area). Concerns were raised about the height and appearance of flood walls, including the impact on views from properties (15 comments). The need to maintain access to the foreshore is a key issue here (7 comments), as is a requirement for adequate drainage through any walls (3 comments)..

#### Clyde Street

Conflicting views were stated in relation to the flood risk in this area, with most responses recognising a flood risk (17 comments) here but with 6 comments stating that the proposed revetment was not necessary or wouldn't work. Two comments on this option referred to the proposed offshore breakwaters, considering that those proposals would mean that a rock revetment would not be necessary. Concerns were raised that access to Knox Port would be affected (4 comments). The potential negative impact on natural habitats was also noted (4 comments).

#### Stuart Street

Strong opinion was voiced (50 comments) about the potential negative impact of extending the pier (Option 1). Comments expressed a strong desire to maintain the function currently provided by the timber part of the pier. Issues raised about the proposed rock armour extension included visual impact, navigation constraints and harbour access, potential risk of sediment loss from Newtown beach, impact on natural environment.

Four respondents preferred this option over the offshore breakwaters, and 9 comments recognised that this option could potentially be acceptable if there was berthing for boats on the inshore side of the breakwater.

Comments preferring Option 2 (offshore breakwaters with navigation channel) mainly referred to a preference to maintain the existing navigation channel. Comments preferring Option 3 (continuous breakwater) recognised the increased shelter provided for vessels. However, negative comments on Option 3 highlighted the impacts on navigation, particularly for larger vessels (16 comments).

A few comments were made about the visual impact of offshore breakwaters, with more negative comments about Option 3 (6 comments) than Option 2 (3 comments).

For all of the Stuart Street options there were comments made about whether the extent of the proposed works was necessary in relation to the level of flood risk. This issue was raised most often in relation to Option 3 (6 comments).

#### Glasgow Street

Comments recognised the need for a flood wall near to the Cross House (19 comments). However, many comments questioned whether a flood wall was necessary to other parts of Glasgow Street (23 comments). Concerns were raised about the reduction in access along this part of the seafront and the appearance of flood walls. The need to maintain drainage through any walls was highlighted.

#### Kames Bay

The proposed flood wall was considered to be unnecessary in this area (39 comments), with the grass area recognised as mitigating against the risk of flooding to properties and the road. Concerns were raised about the potential impact on the SSSI, flood walls creating a barrier to the beach, and the visual impact of walls.

#### Marine Parade

A flooding risk was recognised for the northern part of Marine Parade (9 comments). However, 10 comments highlighted that properties are not at risk of flooding. Drainage through any walls was noted as a concern.

#### General comments and issues

Comments on the proposals for West Bay Road, Crichton Street, Clyde Street and Glasgow Street suggest that the proposed works would not be needed if an offshore breakwater solutions was implemented. This highlights that more communication is needed regarding the performance of an offshore breakwater.

Varying opinion was voiced about the level of flooding experienced at different points in Millport Bay. Opinions stated were often contradictory, with as many people claiming flooding was a problem in certain areas as commented the contrary. Some respondents questioned the need for walls if drainage was not improved at the same time.

Various comments noted a lack of maintenance of the existing coastal structures and the promenade.

Strong concerns about access to and views of the seafront were as evident as they were in the previous survey. It is noted that access elements of the scheme have not yet been developed or communicated to the public, and recognised that these concerns will continue until this issue is addressed through consultation.

## **5 Conclusions**

The questionnaire respondents were predominantly local residents. Whilst flood risk and a need for flood protection was recognised for parts of Millport, many residents question the need for the scheme and have significant concerns about certain scheme elements. In particular, the need for flood walls at Kames Bay was questioned by many respondents.

Particular opposition was voiced against the proposal for extending Millport Pier with rock armour and relatively stronger support was voiced in favour of an offshore breakwater, but without a very clear preference for either Option 2 or Option 3.

It is noted that the higher level of support for Options 2 or 3 may be influenced by discussions about the potential for marine development inshore of an offshore breakwater. However, these proposals have not yet been clarified. The project team is working to clarify this issue and other assumptions about the potential solutions before the next consultation event.

Strong concerns persist regarding access, visual impact, and impact on the view. These concerns feed in to wider concerns about impacts on tourism and about how the flood protection scheme will connect with parallel issues relating to investments in drainage and tourism.



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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 6**

**14 November 2017**

#### **Cabinet**

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**Title:** **B714 Upgrade between A737 and A78**

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**Purpose:** To seek approval of a wider strategic approach to upgrading the B714.

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**Recommendation:** That Cabinet agree to pause local realigning of the B714 pending the development of a Regional Transport Appraisal as part of the developing Ayrshire Growth Deal.

---

#### **1. Executive Summary**

- 1.1 The Council has allocated capital funds towards the cost of realigning a small section of the B714 between Yonderhouses and Girthill Farms as part of a longer term plan to improve the B714. The B714 provides an increasingly well used link between the A737 and the A78 Trunk roads and this usage is expected to continue to increase after the opening of the A737 Dalry Bypass, which is currently under construction and due for completion by the end of Winter 2019.
- 1.2 In addition to the increased usage arising from the bypass the B714 is considered a key route in supporting economic growth in the Three Towns and North Coast. Discussion have been held with Scottish Government and Transport Scotland to seek support for improvements and potential trunking designation. In line with Transport Scotland requirements an appraisal in accordance with the Scottish Transport Appraisal Guidance (STAG) has commenced. The STAG Report (Pre-Appraisal and Part 1 Appraisal phases) has been completed and identified the B714 as an option to be taken forward for consideration at further stages of the STAG process.
- 1.3 To confirm its commitment to this ambition the Council committed capital funding to implement improvements to the B714, identifying and initial stretch between Girthill and Yonderhouses. Unfortunately poor ground conditions identified during the final technical design stage have increased the cost estimates considerably beyond the allocated budget.

- 1.4 The preferred and longer term ambition of the Council is that a more holistic approach be taken to the upgrade of the B714 with it being eventually adopted as a Trunk Road providing a link between the A737 and the A78. The developing Ayrshire Growth Deal currently includes a bid to undertake a Regional Transport Appraisal which will inform strategically important transport opportunities across Ayrshire to support economic growth. A Transport Summit, with Scottish Government and other stakeholders, is currently being arranged to develop this further.
- 1.5 Given the opportunity to seek major improvements to the B714 through the Regional Transport Appraisal it is considered more appropriate, at this time, that the current improvements be held in abeyance pending the outcome of the appraisal along with any financial commitments required by the Council.

## **2. Background**

- 2.1 The B714 is a single carriageway road linking the A737 at the west of Dalry with Saltcoats via the A78 Trunk road at Sharphill roundabout. It was noted in a previous Cabinet paper of 26 November 2013 that the road is attracting increasing levels of traffic using the route as a link between the A737 and the A78 in an effort to avoid the A737 and A738 through Kilwinning.
- 2.2 The B714 is a 6 mile long section of rural road which has a narrow bridge at the east end of the route which is traffic signal controlled. There are also a number of areas with poor vertical and horizontal alignments which contribute to slower journey times and which increase the risk of accidents along the route. These constraints detract from the attractiveness of the route as a direct link to and from the A78 at Sharphill roundabout. Currently, the majority of traffic wishing to access the North Coast area, choose to travel south along the A737 through Kilwinning to Pennyburn roundabout then north along the A78.
- 2.3 The current construction of the new Dalry Bypass will eliminate the restrictions at Dalry and will attract traffic to use the A737 between the A78 and the M8 putting additional pressure both on the route through Kilwinning and Pennyburn roundabout and also on the B714. The new Dalry bypass is currently expected to be completed by the end of Winter 2019.

- 2.4 A holistic approach whereby comprehensive improvements on the B714 are carried out as opposed to minor realignment works would reduce journey times, would reduce accident rates and would provide a more direct route between North Ayrshire and the M8. There would also be a benefit that an improved B714 would attract traffic away from the alternative route through Kilwinning, reducing congestion and accident rates there.
- 2.5 The improved connectivity between the North Coast area of Ayrshire and the Glasgow area would increase the potential for tourism and economic growth and provide enhanced links to the Arran Ferry and Hunterston - which has been identified within the National Planning Framework (NPF) as a key deepwater resource with significant potential to support both transport and energy sectors. The NPF acknowledges the need to support a National Development at Hunterston with infrastructure improvements, in particular the A78/A737. Upgrading of the B714 would help to meet both national and local development aspirations by providing an upgraded link between the A78 and A737 strategic routes and therefore improve overall connectivity of the road network with key strategic locations.
- 2.6 Discussions took place a number of years ago with representatives from Transport Scotland in relation to the effect that the new Dalry Bypass will have on the local road network including the B714. It was agreed then that North Ayrshire Council would arrange for an appraisal of transportation issues associated with the strategic road network within North Ayrshire utilising the Scottish Transport Appraisal Guidance (STAG) process. This would also examine the wider routing of trunk road traffic. This was required by Transport Scotland before approval or funding for a link to the proposed roundabout at the west end of the bypass, would be considered and to support the case for Government investment in improving the B714.
- 2.7 The STAG process provides a framework to identify potential transport interventions. The following phases of the STAG appraisal are carried out: Pre-Appraisal; Initial Appraisal - Part 1 Appraisal; Detailed Appraisal - Part 2 Appraisal; and then the STAG Report through to Project Implementation. Only options which emerge from the STAG process are considered for government funding, support or approval for changes to the transport system. A STAG involves the appraisal of options which could potentially address problems and opportunities against a range of criteria - Environmental, Safety, Economy, Integration and Accessibility/Social inclusion.

The STAG Report (Pre-Appraisal and Part 1 Appraisal phases) dated 3 November 2016 noted the following:

Option 4a - the B714 between the A737 (south of Dalry) to the A78 at Sharpill Roundabout would be upgraded to provide a Kilwinning Bypass. The B714 would potentially be adopted as trunk road, with the A737/ A738 through Kilwinning downgraded to non-trunk status.:

'Option 4a scored positively against all the study Transport Planning Objectives and scored Moderately positive against all STAG criteria other than environmental (where the option scored Moderately negative). The option favours well when assessed against the Established Policy Directives given the economic benefits the scheme could achieve. While Option 4a has been awarded an overall medium deliverability risk rating, the scheme is not considered prohibitive due to cost and as such is considered for selection at this stage in the STAG process.'

- 2.8 The proposals are not presently on Transport Scotland's Strategic Transport Project Review (STPR). However, the developing Ayrshire Growth Deal currently includes a bid to undertake a Regional Transport Appraisal which will inform strategically important transport opportunities across Ayrshire to support economic growth. A Transport Summit, with Scottish Government and other stakeholders, is currently being arranged to develop this further.
- 2.9 To confirm the Council's commitment to Scottish Government to secure improvements to the B714 as part of a proposed programme of upgrade works North Ayrshire Council developed a capital scheme to address poor alignment issues between Girthill and Yonderhouses, but poor ground conditions identified during the site investigation have increased the cost estimate of the scheme to a point that is considerably in excess of the available budget. A Cabinet meeting held on 14 February 2017 placed the scheme on hold until the affordability could be considered as part of the Council's overall priorities for investment. As part of that consideration a more holistic approach to the upgrading of the route should be considered. The current unspent budget balance of the scheme on hold is £1.62m.

### **3. Proposals**

- 3.1 That the local realigning of the B714 be paused pending the development of a Regional Transport Appraisal as part of the developing Ayrshire Growth Deal. This approach may result in significant improvements to the B714 and will allow the Council to direct its funding in a more strategic manner to support a holistic scheme.

#### 4. Implications

<b>Financial:</b>	There is £1.62m capital budget remaining from the current B714 realignment project currently on hold.
<b>Human Resources:</b>	There are no human resource implications.
<b>Legal:</b>	No legal obstacles to the proposal are envisaged.
<b>Equality:</b>	Nil.
<b>Environmental &amp; Sustainability:</b>	Upgrading the route will provide improved access to and from North Ayrshire and in particular the North coast towns, Ardrossan, Saltcoats, Stevenston, Fairlie and Largs.
<b>Key Priorities:</b>	Upgrading the route will tie into priorities to grow the economy, increase employment and regenerate towns. Safety will also be improved by an upgrade of the route.
<b>Community Benefits:</b>	Upgrading the B714 will improve road safety and improve the quality of road linking the M8 to the A78 via the A737, improving access to both the South and North coast areas. Improvements to this route would also create more direct links from Glasgow and the rest of Scotland to Hunterson, which has been identified as a national development site, strategic business location and energy hub.

#### 5. Consultation

- 5.1 Consultation as taken place with Economy and Communities regarding the opportunities to seek major improvements to the B714 as part of the developing Ayrshire Growth Deal.



CRAIG HATTON  
Executive Director (Place)

Reference : RM/AC/JA

For further information please contact Arthur Cowley, Team Manager -  
Structures, Flooding and Design on Ext 4872

**Background Papers**

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## NORTH Ayrshire Council

### Agenda Item 7

14 November 2017

#### Cabinet

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**Title:** Local Government Benchmarking Framework (LGBF) 2015/16

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**Purpose:** To advise Cabinet of the Directorates' priorities identified following the publication of the latest LGBF report.

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**Recommendation:** That Cabinet notes (a) the LGBF priorities identified by Directorates and that the Framework is continuing to be developed by the Improvement Service and (b) Cabinet agrees to submit the report to the Audit and Scrutiny Committee.

---

#### 1. Executive Summary

1.1. This report presents the Directorates' **priorities** following the publication of the latest LGBF report. The report also highlights the Improvement Service's areas for development that will enable us to make further use of the Framework.

#### 2. Background

2.1 The LGBF brings together a wide range of information about the performance of Scottish councils. The LGBF is designed to:

- help councils better understand why they achieve their current performance levels
- build understanding of where council performance varies
- build understanding of why council performance varies
- help identify and share good practice across councils

2.2 The LGBF forms part of our performance management arrangements in terms of driving improvements in key areas. During the past five years, we, along with the other Scottish councils, have been working with the Improvement Service to develop and improve the LGBF. The following actions have been identified by the Improvement Service as priorities to strengthen the LGBF across the next period:

- i. Develop a wider suite of children's and young people's measures which reflect a more holistic picture of children's services
- ii. Strengthen the link with outcomes to support the wider Community Planning reform agenda
- iii. Provide a focus on non-prioritised and non-protected service areas to capture innovation in response to budget constraints, and monitor changes in expenditure and performance over time. The growth of collaborative, joint arrangements will be monitored and the structure of LGBF itself modified over time to accommodate that
- iv. Develop a wider range of measures that allow demand, spend, capacity and impact across the social care system to be monitored.

2.3 A performance update on the latest LGBF report was circulated to Elected Members in October 2017 through North Ayrshire News. Analysis of the national data highlights that some of our performance has decreased slightly. Some of this decrease is undoubtedly related to reductions in local government funding. Following the publication of the LGBF data work has been undertaken with Directorates to highlight key measures where we want to drive improvements. The identified priorities and other measures are highlighted in **Appendix 1**. The appendix provides an explanation and details of improvement activity focusing in particular on the priority measures. Directorates will continue to identify improvement activity in these areas including leading and participating in LGBF Family Groups. We will continue to use the Framework to help support our improvement journey.

### **3. Proposals**

- 3.1 It is proposed that Cabinet notes (a) the LGBF priorities identified by Directorates and that the Framework is continuing to be developed by the Improvement Service and (b) Cabinet agrees to submit the report to the Audit and Scrutiny Committee.



#### 4. Implications

<b>Financial:</b>	The aim of benchmarking activity is to learn from best practice. In many cases this will enable an improved service to be delivered at the same cost, or the same level of service to be delivered at lower cost.
<b>Human Resources:</b>	Some of the indicators detailed in the LGBF, such as that on absence levels, deal specifically with matters relating to Human Resources.
<b>Legal:</b>	Effective benchmarking can be seen not only as a means of improving performance or lowering cost, but of complying with the Council's legal obligation to deliver Best Value.
<b>Equality:</b>	Some of the indicators detailed in the LGBF, such as that relating to the % of the highest paid 5% of employees who are women and gender pay gap, deal specifically with equality. Others show a clear link between performance and deprivation and equality in its wider sense.
<b>Environmental &amp; Sustainability:</b>	Numerous indicators relate to environmental issues.
<b>Key Priorities:</b>	Implementation of effective benchmarking practices across the Council will help support the Council's strategic priorities and our journey from Good to Great.
<b>Community Benefits:</b>	There are no community benefit implications.

## **5. Consultation**

- 5.1 The Executive Leadership Team discussed this report on the 13 September 2017.

ELMA MURRAY  
Chief Executive

Reference :

For further information please contact Margaret Davison, Senior Manager  
Democratic Services on 01294 324138









### **Background Papers**











None



## Appendix 1 - North Ayrshire Council LGBF Indicators

Directorate Priorities have been highlighted in yellow.













### Health and Social Care Partnership











Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
CHN9	Balance of Care for looked after children: % of "Looked After Children" being cared for in the Community	2	2			The % of children being looked after in the community in 2015-16 was 90.2% just below the Scottish average of 90.4%. This was a decrease of 1.5% on the previous year but across the 5 reporting years there was no change. We ranked 14th overall and 5th out of our family group of 8. This indicator is calculated using all children looked after in the community including Kinship and Fostering.	This indicator is calculated using all children looked after in the community including Kinship and Fostering. When the data is analysed looking at the balance between only those kept at home compared to those with kinship or foster carers, we perform really well, in fact 6th best in Scotland.	A Challenge fund project has been developed focussing on two Irvine schools where vulnerable children and young people have been identified. intensive support is being provided to them and their families to prevent needs escalating and reducing the requirement for statutory measures such as looked after.
SW1	Older Persons (Over 65) Home Care Costs per Hour	2	3			The cost of providing home care to older people in North Ayrshire has risen substantially by 18.5% from £17.94 per hour to £22 per hour between 2014/15 and 2015/16. This has led to a drop in cohort ranking from 2nd to 6th of 8 and from 9th to 20th nationally. The impact of the living wage now being paid to our private providers has had an incremental impact on the cost of Home Care per hour.	Three local authorities reduced the cost of home care and only one had a larger rise incost than us (this was Inverclyde with a 35.2% increase). The rise in cost does not compare favourably with the national average rise of 6.3%.	Our new Models of Care projects will develop further preventative and early intervention services to help reduce the number of people on long-term Home Care and also reduce the size of care packages by reabling people to be as independent as safely possible.
SW2	Self Directed Support (Direct Payments + Managed Personalised Budgets) spend on adults 18+ as a % of total social work spend on adults 18+	3	4			SDS gained slightly on the previous year rising from 2.05% to 2.07% of the total Social Care budget. Despite this we dropped in both the family group and national rankings, (5th to 7th and 24th to 28 <sup>th</sup> respectively). Despite the small increase it compares positively with the national average which was a decrease in spend of 0.2%.	Within our cohort there were 3 local authorities that had reduced spending, albeit one of these still had an overall spend of 27.59% on SDS, while the majority of the remainder had shown sufficient increases with the exception of Dundee City which was similar to our own.	Our Challenge fund project to increase the number of people choosing SDS should see imprved performance in future years through the promotion of choice and control. Front line staff will be supported to develop their practice to deliver this.
SW3	% of people aged 65+ with intensive needs (plus 10 hours) receiving care at home.	2	3			This has dropped 7.14% percentage points from 41.37% to 34.23%. This decrease has also affected the ranking, dropping 3rd to 5th in our family group and 9th to 18th nationally. Due to changes in collection of some of the data comparison to previous years cannot be made Although the figures have shown a significant decrease North Ayrshire is still only marginally below the Scottish average of 34.78%.	We had been ranked 7 <sup>th</sup> in 2014/15 but this was amended during a data refresh in February 2017 when East Dunbartonshire figures were changed.	Our New Models of Care projects will move services to more of a preventative and Reablement model of care and this, coupled with the roll out of new technologies to support independent living would result in a reduction in large care packages and those that do will be for shorter periods of time.











Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
SW5	The Net Cost of Residential Care Services per Older Adult (+65) per Week	1	2			The average weekly cost per resident in residential care in North Ayrshire has risen by 5.52% from £337.66 to £357.36 in the last year. Our ranking has dropped to 12th nationally and from 2nd to 3 <sup>rd</sup> in our family group. Despite this, the overall cost is still significantly lower than most of our cohort. We are still £11.49 per week below the national average. Costs have increased across Scotland due to the National Care Home contract increases to cover the living wage.		Our new models of care aims to support more people to stay home for longer so use of Care Home capacity will be seen as normal only for a minority of cases where needs are particularly complex. For these individuals the cost of this support is likely to be higher.
CHN8a	The Gross Cost of "Children Looked After" in Residential Based Services per Child per week	2	3			In 2015-16 our average cost for a child looked after in residential based services was £3037.48, a decrease of 10.12% from 2014-15. This is the third year we have reduced costs. We ranked 19th overall. We performed 10.8% better than the Scottish average (£3405.85). When compared to our family group North Ayrshire ranked 5th out of 8.	No further information	A review of child/residential based care is underway for North Ayrshire which will see improvement in care environment, experience of young people and cost efficiencies.
CHN8b	The Gross Cost of "Children Looked After" in a Community Setting per Child per Week	3	2			Our costs for Looked after children in the community were £281.57, a 16.5% increase from 2014/15. We ranked 14th overall. We also performed better than the Scottish average at £291.57. In our family group we had the second highest costs, next to Dundee. Across the 5 years of reporting our cost per child has increased by 47.5% from £190 in 2010/11, just above the Scottish average of 42.39%.	No further information	Along with our partners we continue to focus on early intervention, investing in parental support and parenting programmes to help families care for their children and reduce the need for looked after provisions.
SW4	% of Adults satisfied with social care or social work services	2	2			No longer reported – this has been replaced by the two measures below.		
SW4a	% of adults receiving any care or support who rate it as excellent or good.	4	3			In 2015/16, at 79.29% we performed poorer than the Scottish average of 81% and ranked 24 <sup>th</sup> . In our family group we ranked 7th out of 8. This performance was also a decrease on the previous period by 0.31.	Compliments received on LAGAN from service users indicated that they are extremely happy with the Care at Home service. Satisfaction rates recorded in our Reablement Exit Questionnaire and ICES survey are regularly above 90%	We are fully committed to improving the experience of our service users and to responding positively to the choices and preferences they express. The planned approach to develop practice in line with SDS will support this as will the continuous review of feedback through Locality For a, service user surveys and Care opinion

Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
SW4b	% of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life.	4	3			We were the worst performer in our family group at 82.46%. Our performance was also lower than the Scottish average of 84% and we ranked 22 <sup>nd</sup> . Our performance across the two reporting years has improved by 2.22 but is still lower than other areas.	Compliments received on LAGAN from service users indicated that they are extremely happy with the Care at Home service provided. Satisfaction rates of excellent or good recorded in our Reablement Exit Questionnaire and ICES exit survey are regularly above 90%	We are fully committed to improving the experience of our service users and to responding positively to the choices and preferences they express. The planned approach to develop practice in line with sds will support this as will the continuous review of feedback through Locality Fora service user surveys and Care opinion



### Education and Youth Employment













Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
CHN1 1	Proportion of Pupils Entering Positive Destinations	1	2			We out performed other Challenge authorities. As performance approaches 100%, any variation from one year to another will be subject to unavoidable random factors affecting a very small number of school leavers with specific personal circumstances.	This indicator is likely to be replaced in the future with SG Participation Measure statistics.	We aim to maximise the proportion of pupils entering initial positive destinations. Over time, we expect this rate to average at around 95%, with minor annual fluctuations.
CORP 6a	Sickness Absence Days per Teacher	1	2			The process for recording Teachers' Sickness absence was improved so latest figures are likely to be more accurate. The re-launch of the Maximising Attendance policy in 2015 had an impact, making that year's sickness absence much lower, due to the increased focus at corporate level. Further analysis will be done to inform future areas of focus areas.	By Q2 of 2017-18, teacher absence in year to date is lower than at same point in previous year and currently exceeding target.	Improve maximising attendance performance. Maintain position in Quartile 1 or 2.
CHN1	Cost per primary school pupil	2	3			These indicators are used as "for information only", as it is unclear whether a higher or a lower cost per pupil is desirable. The ratio is influenced by too many factors. In addition, CHN3 has increased significantly in the past two years with the new 600 hours provision per year and will continue to rise as the free hour entitlement increases. We have successfully absorbed this increase through better management of capacity in local authority or private/voluntary partner providers.	No further update.	No further update.
CHN2	Cost per secondary school pupil	3	3				No further update.	No further update.
CHN3	Cost per Pre-School Education Registration	4	4				No further update.	No further update.
CHN4	% pupils achieving 5 or more awards at SCQF Level 5 or higher	3	4			At 52.4%, this is our second highest performance in the last 5 years and the trend is positive, although still below the national average. There are differences between the LGBF and INSIGHT statistics	Ongoing focus on maximising attainment outcomes as part of a rigorous system of quality improvement. Overall success is	Schools will set targets for this measure and design actions and interventions to further improve performance.

Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
						for this measure. LGBF indicates a drop in performance between 2015 and 2016, while INSIGHT shows an improvement.	increasingly being measured through a broader set of indicators than number of awards at SCQF levels 5 & 6.	
CHN5	% pupils achieving 5 or more awards at SCQF Level 6 or higher	4	4			Our performance of 24.4% is our second highest performance in the last 5 years. Again, the trend is positive, although below national performance levels. LGBF indicates a drop in performance from 26.5% to 24.4% 2015 and 2016, while INSIGHT shows an improvement in performance from 2015 to 2016 (from 27.0% to 28.4%).		Secondary Head Teachers will be given further advice on improving this area of focus. Schools will set targets for this measure and design actions and interventions to further improve performance.
CHN6	% pupils in lowest 20% SIMD achieving 5 or more awards at SCQF Level 5 or higher	1	2			We have seen a five year improvement, although there was a one percentage point drop in 2015/16 from 40% to 39%.	No further update.	To continue to improve in line with or above national performance in this measure.
CHN7	% pupils in lowest 20% SIMD achieving 5 or more awards at SCQF Level 6 or higher	1	3			We have seen a five year improvement, although there was a two % point drop from 15% to 13% in 2015/16. This performance may also be partially accounted for through the increased range of other qualifications available to our learners at SCQF Level 5, allowing for greater lateral progression. Further focus on tracking performance in secondary schools throughout the academic year will assist in maximising performance.	No further update.	To maximise performance in this measure, reinforcing our work to significantly reduce the poverty-related attainment gap.
CHN10	% of Adults Satisfied with Local Schools	3	2			The improvement in this indicator reflects the increasing positive public perception of the Education service in North Ayrshire. We have moved up 10 positions in the rankings since 2010. We hope to build on this and continue to celebrate the successes of our schools, young people and staff.	No further update.	To maintain our performance in this measure.
CHN12a	Overall Average Total Tariff	3	4			The Overall Average Total Tariff score in 2016 is our second best performance in the last 5 years. While this score has gone down between 2015 and 2016 for the S6 North Ayrshire pupils from 818 to 795, it has <b>increased</b> for the 2016 school leavers (S4, S5 and S6 pupils) compared with the previous year from 865 in 2016 from 837 in 2015.	No further update.	To focus on maximising attainment for all through a curriculum which meets needs of all. We aim to make further improvements in this measure.

Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
CHN1 2b	Average Total Tariff SIMD Quintile 1	1	2			SIMD Quintile 1 pupils are the focus of closing the poverty-related attainment gap as part of the Scottish Attainment Challenge . After 4 consecutive years of rapid 2015/2016 has seen a slight dip from 620 to 607. The general trend is still positive and still above national performance. This will continue to be a major focus for our schools going forward.	No further update.	To focus on maximising attainment for all through a curriculum which meets needs of all and a specific focus on reducing the poverty-related attainment gap. We aim to make further improvements in this measure.
CHN1 2c	Average Total Tariff SIMD Quintile 2	2	3			North Ayrshire S6/School Leavers in Quintiles 2, 3, and 4 have registered increases in performance in 2015/16 compared to previous years. Because of this the gap in attainment with respect to school leavers from Quintile 1 has not diminished. Further work is required in ensuring excellence and equity for all children and young people in North Ayrshire.		
CHN1 2d	Average Total Tariff SIMD Quintile 3	3	3					
CHN1 2e	Average Total Tariff SIMD Quintile 4	1	1					
CHN1 2f	Average Total Tariff SIMD Quintile 5	2	3			Quintile 5 pupils (a much smaller segment in North Ayrshire) have performed less well in 2015/16 compared to the previous year. Nevertheless, the gap between them and Quintile 1 S6/School Leavers continues to be lower than the corresponding national gap. This will continue to be a major focus for our schools going forward.		
<b>Explanatory Note: CHN4-CHN7 – Methodology</b> Insight is an online benchmarking tool designed to help bring about improvements for learners in the senior phase (S4 to S6). It is a professional tool for secondary schools and local authorities to identify areas of success and where improvements can be made. The system is updated twice a year (September for attainment results, and February for school leavers' data). It should be noted that the LGBF indicators and the national benchmarking tool, INSIGHT, interpret pupil performance data in different ways and therefore it is important to reference results from both.								

### **Finance and Corporate Support**















Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
CORP 4	The cost per dwelling of collecting Council Tax	2	3			Our cost have increased by 2.4% from £10.19 in 2014/15 to £10.43 in 2015/16. This unit cost increase was due to a decrease in income in relation to statutory additions. Further work will be carried out to analyse the unit cost which will help us understand why the unit cost is increasing each year and identify improvement actions. Benchmarking activity is also being carried out via the family group.	Introduction of a new structure and automation of software in Council Tax will reduce the cost of collection, estimated projections are £10.10 for 2017/18 and £9.75 for 2018/19. Work continues with Finance to model the impact of changes on the cost of collection.	2017/18 – 3 <sup>rd</sup> quartile 2018/19 – 2 <sup>nd</sup> quartile















Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
CORP 7	% of income due from Council Tax received by the end of the year	3	4			North Ayrshire Council's collection rate has improved slightly from 94.63% in 2014/15 to 94.68% in 2015/16, the ranking has moved from 24th to 25th. The Council continues to participate in the LGBF benchmarking group in relation to this indicator. Further work is being undertaken by the Debt Recovery Team to increase the collection rate.	Estimated collection levels 17/18 94.8% and 18/19 94.85%. A review of debt recovery is underway and this will set structured targets for improvement. This work is expected to be completed by April 2018.	2017/18 – 4 <sup>th</sup> quartile 2018/19 – 4 <sup>th</sup> quartile
CORP 6b	Sickness Absence Days per Employee (non-teacher)	1	2			Our sickness absence increased by 0.39 days per FTE from 9.48 days in 2014/15 to 9.87 days in 2015/16. Our ranking declined from 6th to 9th and we moved down to the 2 <sup>nd</sup> quartile. All services are responsible for improving performance through rigorous application of the Maximising Attendance policies.		2017/18 – 1 <sup>st</sup> quartile 2018/19 – 1 <sup>st</sup> quartile
CORP 8	% of invoices sampled that were paid within 30 days	2	3			The Council's performance has declined from 93.64% in 2014/15 to 92.50% in 2015/16. The procurement team has been working with services to review processes and a Lean review was carried out with Education. It is envisaged that the introduction of the new Financial Management System, with integrated purchasing and payment functionality, will help support improved performance.	Performance has declined further but improvements are targeted for the second half of 17/18 to keep performance within the 3 <sup>rd</sup> quartile.	2017/18 – 3 <sup>rd</sup> quartile 2018/19 – 2 <sup>nd</sup> quartile
CORP 1	Central Support Services (External to Services) as a Proportion of Council Running Costs	1	1			We retained top ranking for the third year. It should be recognised that, while this is excellent performance, the % across Councils will be affected by the degree of centralisation or otherwise of support services. Further analysis will be carried out to determine trends within individual services across the Council to assist with future savings targets.		2017/18 – 1 <sup>st</sup> quartile 2018/19 – 1 <sup>st</sup> quartile
CORP 3b	The % of the highest paid 5% of employees who are women	1	1			No action planned. The Council has policies, procedures and guides in place to ensure the Council conducts a fair and safe selection process.		2017/18 – 1 <sup>st</sup> quartile 2018/19 – 1 <sup>st</sup> quartile
CORP 3c	The gender pay gap	N/A	2			No action planned. The Council has a range of policies in place including flexible working, which support women into employment. It is envisaged that the gender pay gap will reduce year on year.	All posts have been job evaluated and recruitment process ensures the right person for the job, regardless of gender.	2017/18 – 2 <sup>nd</sup> quartile 2018/19 – 2 <sup>nd</sup> quartile
Econ4	% of procurement spent on local	3	4			Further work is being carried out to review the accuracy of this indicator which was calculated by	CPU disagree IS calculation method. IS use invoice address rather than local	No target set as this would breach procurement rules

















Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
	small/medium enterprises					the Improvement Service (IS) using information from the Spikes database. Work is underway to ensure that spend with local enterprises is maximised.	business address and small spend under £1k is not included, much of which will be local.	

### Place



Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
C&L5 b	% of adults satisfied with parks and open spaces	2	3			Actions arising from budgetary pressures has realised a fall in satisfaction. New approach seeks to utilise participatory budgeting (PB) which will enable greater community engagement and influence over maintenance standards.	PB process is being developed as a trial within the Three Towns. <i>(Economy and Communities have an input into this indicator and continue to monitor performance)</i>	To improve satisfaction through greater community involvement in maintenance provision /standard.
ENV3 a	Net cost of street cleaning per 1,000 population	3	3			Overall costs are reducing in response to budgetary pressures. National studies have identified a direct correlation between littering and deprivation. This means our costs are greater some other Councils. The quartile ranking does not appear to reflect recent efficiencies within the service and a review of how this indicator is calculated is underway to ensure a consistent interpretation between Councils.	Review of costs is ongoing.	To reduce in line with Council budgetary constraints.
ENV3 c	Street cleanliness score	3	2			The Litter, Fly-tipping and Dog Fouling Strategy sets down an approach to reduce the impact of budgetary pressures upon this service.	The Environmental Enforcement Team continue to make a good impact on environmental crime in communities.	To maintain position reflecting budgetary constraints offset by other initiatives.
ENV7 b	% of adults satisfied with street cleaning services	2	1			The approach taken through the Litter, Fly-tipping and Dog Fouling Strategy appears to be having a positive impact despite the reduction in resources due to budget pressures.	No further update	Maintain position although impact of budgetary constraints will offset.
ENV6	The % of total waste arising that is recycled	1	1			Upper quartile performance maintained, but slight fall in ranking as other Councils have introduced new methodologies. A new waste strategy is being devised to help us improve performance.	No further update	Maintain position in the upper quartile
ENV7 a	% of adults satisfied with refuse collection services	2	2			Above average levels of satisfaction maintained.	New methodologies may impact upon rankings.	
HSN1 b	Gross rent arrears as at 31 March as a % of rent due for the reporting year	1	1			High levels of performance maintained. Welfare reforms present a large risk to minimising rent arrears. A cross Council approach is in place to help residents manage the impacts of the reforms.	Our plan to maintain ~13,000 houses is dependent on rental income each year. Close scrutiny of rent collection and arrear levels is therefore critical. New initiatives such as text messaging and	The Rent Arrears Working Group and HRA Welfare Reform Advice Team will continue to work together and with tenants and the Department of Work and Pensions to ensure that

Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
							'Pay Your Rent First' marketing have recently been rolled out.	our high rent collection levels are maintained.
HSN2	% of rent due lost through properties being empty during the last year	1	1			High levels of performance maintained		The Voids and Allocations Working Group will continue to monitor performance and ensure our top performance is maintained.
HSN3	% of stock meeting the Scottish Housing Quality Standard (SHQS).	1	1			High levels of performance maintained. Refresh of 30 year business plan has ensured our stock meets the highest standards.	The Housing Business Plan includes investment to ensure we reach 100% by 31/3/ 2018.	100% SHQS compliance is targeted for 31 March 2018.
HSN5	% of properties at or above the NHER (National Home Energy Rating) or SAP (Standard Assessment Procedure) ratings in element 35 of the SHQS, as at 31 March each year.	2	2			An action plan has been drawn together to ensure all properties, where practicable, meet the standard. A small number of properties due to the nature of their construction cannot achieve the standard. Different approaches to the reporting of these by Councils may impact upon ranking.	The Housing Business Plan includes investment to ensure 99.64% is achieved by 31 March 2018.	99.64% compliance is targeted for 31 March 2018.
HSN4 b	Average length of time taken to complete non-emergency repairs.	2	2			A new housing repairs policy introduced in 2016 along with a review of the approach to repairs will help improve performance.	The new Repairs policy, introduced in September 2016, includes a target of 7 days.	2017/18 performance continues to be monitored to ensure the 7 day target is achieved
Corp Asset 1	Proportion of operational buildings that are suitable for their current use	1	2			Performance has been affected by withdrawal from a number of buildings that met the performance criteria.	The ongoing accommodation review seeks to ensure that we are able to maintain and improve this performance by having less, but suitable and well maintained, buildings.	The asset rationalisation work being undertaken by the Strategic Property Assets Group (SPAG) will enable us to improve performance.
Corp Asset 2	Proportion of internal floor area of operational buildings in satisfactory condition	1	1			High levels of performance maintained through effective use of asset management principles.	The ongoing accommodation review seeks to ensure that we are able to maintain this performance by having less, but suitable and well maintained, buildings	The asset rationalisation work being undertaken by the Strategic Property Assets Group (SPAG) will enable the current performance to be maintained.
C&L4	Net Cost of Parks and Open Spaces	4	4			Overall costs are reducing in response to budgetary pressures. However the quartile ranking does not		







Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
	per 1,000 of the Population					appear to reflect recent efficiencies and a review of how this indicator is calculated is underway to ensure a consistent interpretation between Councils.		
ENV1 a	Net cost of Waste collection per premise	2	2			Overall costs are reducing in response to budgetary pressures. The new waste strategy being developed will include proposals for further cost reductions. However the ranking does not appear to reflect recent efficiencies within the service and a review of how this indicator is calculated is underway to ensure a consistent interpretation between Councils.	No further update	Reduce costs.
ENV2 a	Net cost per Waste disposal per premise	4	4			Overall costs are reducing in response to budgetary pressures. A historic one-off landfill tax payment negatively affected performance. Costs can be relatively high due to additional expense transferring waste from island communities. Quartile ranking does not appear to reflect recent efficiencies and a review of how the indicator is calculated is underway		
ENV4 a	Cost of maintenance per kilometre of roads	2	3			Overall costs are reducing in response to budgetary pressures. However quartile ranking does not appear to reflect recent efficiencies. A review of how this indicator is calculated is underway.		
ENV4 b	% of A class roads that should be considered for maintenance treatment	4	4			Minor reduction in performance due to prioritisation of works following asset management principals required to maintain overall network improvement with available budget. This has resulted in improvement of the overall condition of the network and other 3 road classifications.		
ENV4 c	% of B class roads that should be considered for maintenance	3	3			Condition improved.		
ENV4 d	% of C class roads that should be considered for maintenance	4	4			Condition improved		
ENV4 e	% of unclassified roads that should	3	2			Condition improved		









Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
	be considered for maintenance							







### Democratic Services







Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
CORP 2	Cost of Democratic Core per 1,000 population	2	3			In 2015/16 along with Financial Services we undertook a review of this indicator and removed certain entries which previously appeared	This measure has been removed from the 2016/17 LGBF set of measures. This is due to continuing methodological inconsistencies	

### Economy and Communities

Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
CORP 5b2	(Domestic Noise) Ave. time (hours) between time of complaint and attendance on site, for those requiring attendance on site	1	1			Response times are monitored to ensure that an effective service is provided with the resource available at the time. This has resulted in a reduction from 0.62 to 0.5 hours leading to an improvement in performance.	We remain amongst the top performing authorities, however the numbers of complaints are small and changes in performance represent only a matter of minutes.	We will continue to monitor all responses to complaints and optimise risk against available resource.
C&L1 a	The Net Cost per attendance of sport and leisure facilities (including swimming pools)	2	2			Costs have fallen from £3.71 to £2.07 in a 5 year period.	A combination of widening the appeal of sports and leisure facilities, broader programmes to include more focus on activity as well as sport, investment in new equipment and facilities and keeping costs under control have combined to provide cost-effective and well-attended programmes.	KAL works closely with us, NHS and community sports clubs to provide a diverse range of sports and physical activities for all abilities. Our target is a 10% increase in physical activity by 2026. We have a particular interest in mental health and wellbeing and have just secured £25,000 from the Sporting Equality Fund to engage girls and young women in physical activity to improve physical and mental wellbeing.
C&L5 d	% of adults satisfied with leisure facilities	2	3			While the decline in customer satisfaction from 81.67% in the period 2012/15 to 75% in 2013/16 is disappointing, the Council has recently opened new leisure facilities at Garnock Campus and The Portal in Irvine. Further significant investment has taken place at the Largs Campus. We continue to work closely with KA Leisure, Active Schools and	KA Leisure manage 4 Leisure Centres, 6 Campus leisure facilities and 3 golf courses on our behalf.	Improved facilities at Garnock and Irvine as well as the new Largs campus will impact customer satisfaction. KAL have a number of innovative health partnerships including for example, recovery from Heart/Stroke, Mind and Be Active

Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
						community sports organisations. The Active Communities Strategy encourages participation.		etc.). The DrEAM (Drop Everything and Move) event attracted significant social media engagement.
C&L2 a	Net Cost per visit to libraries	1	1			The Net cost per visit to libraries has been consistently the fourth lowest in Scotland for the last three years. Libraries continue to benchmark with 8 local authorities and have been successful in winning a number of national awards.	There are 17 static and 2 mobile libraries. There is an average of 11,600 physical visits to libraries every week. Irvine is the busiest. The first phase roll-out of Universal Credit in North Ayrshire saw computer issues dramatically increase in 2014 and a similar pressure is expected with phase two in November 2017.	A full programme of primary school visits and events from author visits to seasonal craft sessions, together with award-winning programmes like DigiDabble and Appiness keep the library services relevant to public needs and stimulate footfall. Virtual visits are increasing with 24/7 access to library ebooks, magazines and music. Creating 3 MakerSpaces for creativity and innovation in the Garnock Valley and Workary drop-in business space are planned.
C&L5 a	% of adults satisfied with libraries	1	1			Library customer satisfaction has been consistently second highest in Scotland for a 3 year period. This is currently 92.33% for 2013/16.	In 2015 a programme of 13 public consultation meetings were held to agree reduced library opening hours and to work with communities to set the most convenient opening hours for them. This has resulted in strong community pride in their local services and sustained uptake of service despite reduced hours.	Library services are striving to provide a high-quality range of library services normally only available in affluent city-centres, within a tight budget. Aspirations are to sustain high satisfaction levels with a blend of innovative and traditional services, delivered by well trained staff.
C&L3 a	Net Cost per visit to museums and galleries	1	1			The Net cost of visits to museums and galleries is the lowest in Scotland and has also fallen in monetary terms from £0.38 to £0.31.	The net cost is likely to rise in the short term. The net effect of the recent investment in the Heritage Centre roof coupled with closure during the work will mean higher costs / lower footfall. This will be offset in part by the increased footfall at the Townhouse, which offers genealogical services and reduced staff costs due to savings.	A full programme of exhibitions, classes and events has been launched with the new Townhouse. The Heritage Centre roof repairs have taken longer than anticipated and merged with other scheduled restoration work.
C&L5 c	% of adults satisfied with museums and galleries	1	2			Customer satisfaction with museums and galleries has dropped from 86% in 2012/15 to 76.67% in 2013/16. The Council has recently invested in a new roof for the Heritage Centre and the £3.5m	The closure of The Heritage Centre and delay in the delivery of the Townhouse meant that for a period the community had no base to access heritage,	The Creative Scotland Place Partnership will fund a Creative Connector - Place Partnership Officer to carry out research, capacity

Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
						refurbishment of the Irvine Town House as a heritage, cultural and arts venue.	museum or research services. This disruption was unplanned and unavoidable. The Townhouse opened in July 2017 and has hosted a number of exhibitions. The Scottish Diaspora tapestry in October attracted over 1000 visitors and was enabled through a partnership with The Irvine Burns Club volunteers. The HAC continues to run a varied programme showing local art as well as supporting the Open Art volunteers. We work hard to support our partner independent museums sector through the Museums Forum.	building and audience & participation development. Future plans include more co-curated community exhibitions as well as bringing high – profile national touring exhibitions into North Ayrshire and making better use of community spaces for museums, arts and galleries interpretative work.
ENV5a	Cost of trading standards per 1,000 population	2	2			The cost of Trading Standards has fallen from 5433.8 in 2013/14 to 4936.5 in 2015/16 mainly due to a reduction in staffing levels. There was a decrease in 2014/15 due to a number of vacancies within the team.	Further investigation is taking place in relation to the comparators. Gross cost will rise for 3 years from 17/18 onwards due to the addition of one FTE dealing with Nicotine Vapour Product legislation., although funding is being received from the Scottish Government for this.	Various reviews on the future of Trading Standards are taking place at national level and any outcomes will be monitored and implemented as required to meet local and national priorities.
ENV5b	Cost of environmental health per 1,000 population	1	2			The four year trend for the cost of Environmental Health shows a fall in costs from £13739 in 2012/13 to £13289 in 2015/16. However, 2014/15 was an anomalous year with significantly reduced costs of £11836. This was due to a number of staff vacancies which took time to fill, which is why the 2015/16 LGBF data shows a drop in performance from the previous year.	Further investigation is taking place in relation to the comparators. The majority of the cost of the service relates to staff costs.	All expenditure will be monitored to ensure costs are balanced with the risks.
Econ1	% Unemployed People accessing jobs via Council Funded/ Operated Employability Programmes	1	3			This measures the scale of local authority employability operations not the effectiveness or appropriateness. The indicator will vary greatly during the funding cycle. To score highly on this measure we would need to choose a high volume and potentially non targetted approach that focused on inputs and not outcomes.	14/15 was the last year of a funding cycle so services were operating at full capacity. 15/16 was a transition year as new grant was received and tenders were issued – hence the drop in relative performance.	While we have doubts about the efficacy of the measure, we would expect performance to improve in 16/17, as this year saw the main contracted delivery bed in and deliver to full capacity, so we started supporting bigger numbers again.

Ref	Description	2014/15 Quartile	2015/16 Quartile	Quartile -/+	Performance -/+	Directorate Comments and Feedback	Additional Background Information	Future Aspirations
Econ2	Cost per planning application	3	2			The cost of planning applications has reduced resulting in an improvement from 22nd to 14th in a 4 year period. This represents a fall from 5869.6 in 2012/13 to 4270.9 in 2015/16. Satisfaction with planning service currently sits at 100%.	Further investigation is required on the basis of this criterion as it does not wholly reflect the current situation	
Econ3	Average time taken to deliver a commercial planning application decision	1	1			The average time taken to deliver a Commercial Planning Application decision is currently the lowest in Scotland. This represents a fall from 6.1 weeks in 2013/14, when it was also the lowest in Scotland, to 5.3 weeks in 2015/16.	We remain among the top performing authorities in all categories of applications.	
Econ5	No. of business gateway start-ups per 10,000 population	2	3			The dip in performance in 2015/2016 is a reflection of the change from contractor model to in house provision. The contractor stats dropped significantly due to resources once the contract was cancelled. Since the move in house there has been a 30% uplift in new start activity for 2016/2017	Business Gateway statistics have only been recorded for LGBF this year. Trends throughout Scotland show decreases in Business Gateway start up activity however most recent figures show an increase in 2017. In comparison with neighbours East and South, our performance is ahead.	It is hoped that start-ups can continue to rise. There is a focus on high value starts to help increase the impact on the local economy.

Improving	No change	Worsening
		

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## NORTH AYRSHIRE COUNCIL

### Agenda Item 8

14 November 2017

#### Cabinet

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**Title:** Extending Smoke Free Grounds in North Ayrshire Council

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**Purpose:** To provide the Cabinet with a progress update on the implementation of Smoke-Free Grounds across Council premises.

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**Recommendation:** That the Cabinet agree a phased approach to implementation of smoke free grounds, with schools and playparks to go smoke-free in January 2018, followed by Offices in March 2018, with further review and consideration of depots/care at home establishments at a later date.

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#### 1. Executive Summary

- 1.1 This report provides Cabinet with a progress update on the implementation of Smoke-Free Grounds across Council premises, and recommends a phased approach to implementation.

#### 2. Background

##### 2.1 Education and Playparks

It is proposed the whole school estate and playparks are smoke-free from January 2018. To support this, schools would be encouraged to consider raising smoking related issues within the school curriculum from September 2017 onwards. It is intended that the area of the school gate is also designated as no smoking, to avoid children having to run through a gauntlet of smoke when leaving. In discussion with Headteachers, signage will be erected in both school playgrounds and playparks to support this.

##### 2.2 Union Consultation

Following earlier engagement with Unions in October 2016, the initial response from 'Unite' was supportive of a smoke free approach to Council premises. They also suggest that this should be used to support staff who wish to use the opportunity to stop smoking as a consequence of the Council going smoke-free. There will be further engagement with Unions, particularly in relation to issues raised in the following paragraph.



### 2.3 Health and Safety Concerns

In relation to depots and care establishments, there can be safety issues of staff leaving the grounds, and public image of staff moving to public areas to smoke. Further work will be undertaken to weigh-up these issues, against the certainty which a smoke-free approach provides. It should be noted that East Ayrshire Council went completely smoke-free in all their grounds at the end of 2016, with no reported incidents to their health and safety team since that time.

## 3. **Proposals**

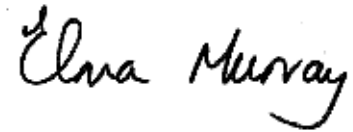
- 3.1 A phased approach is recommended, with schools and playparks to go smoke-free in January 2018, followed by Offices in March 2018, with further review and consideration for depots/care at home establishments at a later date. In relation to these latter premises, consideration will need to be given to the issue of whether smoking areas within depots can be identified, to avoid smokers having to leave the perimeter of the site.

## 4. **Implications**

<b>Financial:</b>	There are financial implications for signage. Funding for some of this will come from the property health and safety budget, with the rest to be met by Services involved.
<b>Human Resources:</b>	There are Human Resource implications arising from promotion of any changes to the policy and potentially breaches of the policy by North Ayrshire Council employees. Implementation of this also provides an opportunity to support staff who wish to stop smoking.
<b>Legal:</b>	There are no legal implications arising from this report.
<b>Equality:</b>	The reduction of school pupils to passive smoke has a positive equalities impact. Otherwise this is no significant impact on any protected characteristic.
<b>Environmental &amp; Sustainability:</b>	Smoke-Free Grounds send out a strong message about the general acceptability of smoking on Council properties, there could be additional cleaning issues regarding displacement of people and cigarette ends.
<b>Key Priorities:</b>	Extending smoke-free grounds will support the SOA Outcome 'Health Inequalities have reduced' and the supporting action to implement the Ayrshire and Arran Tobacco Strategy
<b>Community Benefits:</b>	There are no Community Benefit implications.

**5. Consultation**

- 5.1 There has been consultation with Council services and unions, as set out in this report.

A handwritten signature in black ink, reading 'Elma Murray' in a cursive style.

ELMA MURRAY  
Chief Executive

Reference : AF/AH/jm

For further information please contact Andrew Hale, Equality and Health  
Policy Officer on (01294) 324148

**Background Papers**

None

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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 9**

**14 November 2017**

#### **Cabinet**

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<b>Title:</b>	<b>Revenue Budget 2017/18 : Financial Performance to 30 September 2017</b>
<b>Purpose:</b>	To advise Cabinet of the financial performance for the Council at 30 September 2017.
<b>Recommendation:</b>	That Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) approve the utilisation of the General Fund in-year underspend as part of the 2018/19 Budget strategy; (c) note the current financial projection for the Health and Social Care Partnership, and (d) approve the virements detailed in Appendix 10.

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#### **1. Executive Summary**

- 1.1 The Council's General Fund and Housing Revenue budgets for 2017/18 were approved at a special meeting of the Council held on 1 March 2017.
- 1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, financial performance reports are presented on a regular basis. This is the second report for 2017/18 and covers the period to the end of September 2017 (Period 6). Projections of the year-end position have been made. As the year progresses these projections will become more robust.
- 1.3 At Period 6 the General Fund is forecasting a net in-year underspend of £1.496m (0.4%) after transferring resources to other funds, an increase of £0.704m from that reported at Period 4.
- 1.4 The Housing Revenue Account is forecasting a break even position which is a decrease from the underspend of £0.276m reported at Period 4.

- 1.5 The Health and Social Care Partnership is forecasting an overspend of £5.326m at the end of September 2017. The Council services element of the projected overspend is £2.912m and is after the application of £1.4m from the Challenge Fund to mitigate demand pressures within Community Care and Health and Mental Health Services. This represents a net increase after the use of the Challenge Fund of £1.355m.
- 1.6 The General Fund forecast position includes the impact from delays in the realisation of savings previously approved by Council in relation to:
- Place, where slippage on savings is being met from within the core budget; and
  - The Health and Social Care Partnership, where a number of savings on Council commissioned services require further action to secure delivery. The forecast position includes an assumption that £1.261m of savings will not be delivered during 2017/18, contributing to the overspend within the Partnership.
- 1.7 The General Fund Revenue budget for 2017/18 approved by Council on 1 March 2017 included indicative funding gaps for 2018/19 and 2019/20. It is proposed that the General Fund net in-year underspend for 2017/18 is utilised as part of the budget strategy for 2018/19 to address the identified gaps.

## **2. Background**

### **General Fund**

- 2.1 The Council has set a break-even budget for 2017/18. In addition to the budget approved on 1 March 2017, earmarked funds of £14.742m have been carried forward from 2016/17 for service expenditure in 2017/18 and are reflected in the figures within the 2017/18 financial performance reports as they are drawn down.
- 2.2 Current financial projections indicate that a net in-year surplus of £1.496m, net of transfers to reserves, is anticipated for the year to 31 March 2018. This represents 0.4% of the Council's total budget.

2.3 Details of the current financial projections are summarised in the following table:

	Appendix No	Annual Budget £000's	Projection to 31 March 2018 £000's	Projected Variance for year (Fav)/Adv £000's	Projected Variance @ Period 4 (Fav)/Adv £000's	Movement £000's	Note
Service Expenditure							
Chief Executive and Democratic Services	1	3,775	3,724	(51)	(10)	(41)	
Finance & Corporate Support	2	14,478	14,007	(471)	(321)	(150)	(i)
Education and Youth Employment	3	111,474	110,907	(567)	(302)	(265)	(ii)
Place	4	56,546	56,352	(194)	(155)	(39)	
Economy and Communities	5	19,080	18,943	(137)	(160)	23	
Other Corporate Services	6	19,377	18,881	(496)	(196)	(300)	(iii)
Sub Total		224,730	222,814	(1,916)	(1,144)	(772)	
Health and Social Care Partnership	7,8	88,434	88,434	-	-	-	2.6
Balance for Services		313,164	311,248	(1,916)	(1,144)	(772)	
Financing Charges *	9	20,190	17,474	(2,716)	(2,608)	(108)	
Total Planned Expenditure		333,354	328,722	(4,632)	(3,752)	(880)	
Planned Income							
Aggregate External Finance	9	(271,045)	(271,045)	-	-	-	
Council Tax	9	(52,431)	(52,011)	420	340	80	(iv)
Use of Change Fund	9	(415)	(415)	-	-	-	
Use of Earmarked Funds	9	(9,463)	(9,463)	-	12	(12)	
Total Planned Income		(333,354)	(332,934)	420	352	68	
Net Expenditure/ (Income)		-	(4,212)	(4,212)	(3,400)	(812)	
Carried Forward Funds *		-	2,716	2,716	2,608	108	
Revised Net Expenditure/(Income)		-	(1,496)	(1,496)	(792)	(704)	

\* Financing Charges underspend transferred to Loans Fund Reserve in accordance with agreed policy

## 2.4 Commentary on Significant Movements from the Forecast at Period 4

The Council's overall financial forecast against the previous underspend is an increase of £0.704m. A brief explanation of the significant movements from Period 4 is outlined below.

### (i) Finance and Corporate Support - underspend of £0.471m, an increase in underspend of £0.150m

There has been an increase in underspends across services primarily related to vacancy management.

(ii) **Education and Youth Employment - underspend of £0.567m, an increase in underspend of £0.265m**

Within Early Years an increased underspend of £0.074m is related to reduced employee costs at the new Largs campus. Within ASN, a £0.166m reduction in the previously reported overspend is primarily related to a reduction in the number of children in external residential placements.

(iii) **Other Corporate Services - underspend of £0.496m, an increase in underspend of £0.300m**

The increased underspend relates to centrally held funds in relation to the mitigation of the revised benefits cap which are not anticipated to be fully drawn down.

(iv) **Council Tax - under recovery of £0.420m, an increase in under recovery of £0.080m**

The increased under recovery relates to reduced recovery from prior years.

## 2.5 **2018/19 Budget Strategy**

The General Fund Revenue Budget for 2017/18 approved by Council on 1 March 2017 included indicative funding gaps for 2018/19 and 2019/20 of £16.438m and £14.891m respectively. The revenue budget exercise for 2018/19 is ongoing and includes a full review of the previous projections for 2018/19 and 2019/20 together with analysis of the indicative gap for 2020/21. As part of the strategy to address the identified funding gap for 2018/19 it is proposed to utilise the General Fund net in-year underspend for 2017/18. This will provide temporary funding for 2018/19 with a sustainable solution required for 2019/20.

## Health and Social Care Partnership

2.6 The Health and Social Care Partnership is forecasting an overspend of £5.326m at the end of September 2017. The Council services element of the projected overspend is £2.912m and is after the application of £1.4m from the Challenge Fund to mitigate demand pressures within Community Care and Health and Mental Health Services. This represents a net increase after the use of the Challenge Fund of £1.355m. The main areas of movement since period 4 are :-

- **Children's Services and Criminal Justice - an increase of £0.688m**

Residential Schools and community packages for children continue to experience an increase in demand for services, with a total of 13 new placements this year including 5 in secure residential accommodation. This has resulted in the overspend increasing by £0.436m. The non delivery of savings linked to the reconfiguration of Children's Homes has increased this overspend by a further £0.340m.

- **Mental Health Services - an increase of £0.733m**

This increase in overspend is as a result of an out of authority charge for a care package which has been backdated for 5 years at a cost of £0.392m, the service has only become aware of this charge in 2017/18, combined with the non delivery of Learning Disability savings and mitigation actions. A strategy for the delivery of the savings has been agreed, however, this will only deliver part year savings for the current year.

A full explanation for the total overspend is provided below:-

- **Community Care and Health - £0.454m underspend**

Within Community Care Services there is an underspend of £0.267m mainly related to an underspend within employee costs as a result of vacancies within the service. These are currently being recruited. Locality Services are underspent by £0.171m and this reflects additional income which has been secured from charges to users in line with the Council's charging policy.

- **Children's Services and Criminal Justice - £1.763m overspend**

Within Children's Services, Looked After and Accommodated Children are projecting an overspend of £1.873m. Within this Residential Schools and Community Placements are projecting an overspend relating to increased costs of new and existing placements and this is reflective of demand within this service. An overspend within Residential Units has arisen due to previously identified savings being delivered later in the year than originally planned. In addition, Looked After Children placements are projecting an overspend related to an increase in the number of Fostering placements.

- **Mental Health Services - £1.638m overspend**

Within Learning Disability, the projected overspend relates to increased demand and costs of packages within Learning Disability and Mental Health, backdated charges from another Local Authority and the non delivery of previously identified savings and mitigation actions.

Work continues to implement £2.6m of Challenge Fund proposals and this is projected to secure a saving of £0.992m in 2017/18. In 2018/19 the net saving, after funding the continued investment in the projects, is estimated to be £1.8m and this forms part of the Health and Social Care Partnership's budget submission. A recovery plan of £1.5m has been identified for 2017/18 and approved by the Integrated Joint Board. This leaves a balance of £1.4m to be identified for Council commissioned services. Further mitigations are being developed for consideration by the Integrated Joint Board.

A summary of projections is included within Appendices 7 and 8 and members can be provided with copies of the full Integration Joint Board report if required. The Health and Social Care Partnership was targeted with delivering £2.071m of savings on Council commissioned services in 2017/18. Latest projections show that £1.589m of these are at Amber or Red status and require action to secure delivery in 2017/18. The projections at Period 6 assume that £1.261m of these savings will not be delivered this financial year. Failure to deliver on savings will increase this overspend further.

Application of the Integration Scheme to the projected overspend of £5.326m would result in a share of £2.903m for North Ayrshire Council and £2.423m for NHS Ayrshire & Arran.

### **Budget Transfers/Virements**

- 2.7 A schedule of the budget transfers, or virements, requested by Services which require to be approved by Cabinet is attached at Appendix 10 for Members' consideration and approval.



## Housing Revenue Account

- 2.8 The Housing Revenue Account budgeted for a break even position in 2017/18. A break even position is currently projected which is a movement of £0.276m from the underspend reported at Period 4. This is summarised in the table below with further details provided in Appendix 11.

	Annual Budget £000's	Projection to 31 March 2018 £000's	Projected Variance for year (Fav)/Adv £000's	Projected Variance @ Period 4 (Fav)/Adv £000's	Movement £000's	Note
Employee Costs	4,628	4,510	(118)	(288)	170	(i)
Property Costs	16,924	16,404	(520)	(418)	(102)	(ii)
Supplies and Services	261	231	(30)	10	(40)	
Transport and Plant Costs	37	35	(2)	(2)	-	
Administration Costs	1,576	1,553	(23)	(12)	(11)	
Other Agencies and Bodies	1,387	1,392	5	40	(35)	
Transfer Payments	121	121	-	-	-	
Other Expenditure	403	419	16	-	16	
Capital Financing	22,920	22,291	(629)	(637)	8	
Gross Expenditure	48,257	46,956	(1,301)	(1,307)	6	
Income	(48,257)	(46,956)	1,301	1,031	270	(iii)
Net Expenditure	-	-	-	(276)	276	

## 2.9 Commentary on Significant Movements from the Forecast at Period 4

A brief explanation of the significant movements from period 4 is outlined below.

(i) **Employee Costs - underspend of £0.118m, a reduction in underspend of £0.170m**

The reduction in the underspend is related to additional staff costs not included at period 4.

(ii) **Property Costs - underspend of £0.520m, an increase in underspend of £0.102m**

The increase in underspend is primarily related to reductions in the value of Void and Planned Repairs, partly offset by additional expenditure on Aids and Adaptations.

(iii) **Income - under recovery of £1.301, an increase in under recovery of £0.270m**

The projected increase in the under recovery has resulted from updated rent shortfall projections of £0.458m, partly offset by additional income from Offices and Depots.

### 3. Proposals

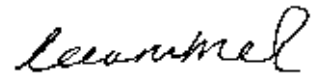
- 3.1 That Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) approve the utilisation of the General Fund in-year underspend as part of the 2018/19 Budget strategy; (c) note the current financial projection for the Health and Social Care Partnership, and (d) approve the virements detailed in Appendix 10.

### 4. Implications

<b>Financial:</b>	<b>General Services</b> The net projection for the year as at 30 September 2017 is a surplus for the year of £1.496m.  <b>Housing Revenue Account</b> The net projection for the year as at 30 September 2017 is a break even position.  The position for both the General Fund and Housing Revenue Account revenue budgets will continue to be monitored closely for the remainder of the financial year
<b>Human Resources:</b>	None
<b>Legal:</b>	None
<b>Equality:</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	This budget monitoring report directly supports the Council Plan 2015 to 2020 by "making the best use of all resources" and ensuring a "sound financial position".
<b>Community Benefits:</b>	None

## **5. Consultation**

- 5.1 Executive Directors have been consulted as part of the review of financial performance and have approved the projected variances contained in this report.



LAURA FRIEL  
Executive Director (Finance and Corporate Support)

### **Reference :**

For further information please contact David Forbes, Senior Manager  
(Strategic Business Partner) on 01294 324551

### **Background Papers**

Revenue Budget 2017/18 : Financial Performance to 31 July 2017 - Cabinet  
- 26 September 2017

**CHIEF EXECUTIVE SERVICE**  
**FINANCIAL PERFORMANCE 2017/18**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Legal	459	477	18	4%	1
Policy, Performance & Community Planning	969	1,001	32	3%	2
Communications	484	424	(60)	(12%)	3
Civil Contingencies	69	69	-	-	
Committee Services	701	655	(46)	(7%)	4
Members Services	1,093	1,098	5	0%	
Totals	3,775	3,724	(51)	(1%)	

Subjective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	3,134	3,018	(116)	(4%)
Property Costs	7	7	-	-
Supplies and Services	121	178	57	47%
Transport and Plant Costs	14	14	-	-
Administration Costs	1,034	1,034	-	-
Other Agencies & Bodies	394	394	-	-
Transfer Payments	-	-	-	-
Other Expenditure	-	-	-	-
Gross Expenditure	4,704	4,645	(59)	(1%)
Income	(929)	(921)	8	(1%)
Net Expenditure	3,775	3,724	(51)	(1%)

**CHIEF EXECUTIVE SERVICE**  
**FINANCIAL PERFORMANCE 2017/18**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Budget £000	Outturn Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Legal</b>
			Movement - The overspend has decreased by £0.025m since Period 4 due to further anticipated vacancies
1,056	(11)	(1%)	Employee costs - There is a projected underspend of (£0.011m) due to anticipated vacancy
38	21	55%	Supplies and Services - There is a projected overspend of £0.021m for replacement of IT equipment
(775)	8	(1%)	Income - There is a projected under-recovery of income of £0.008m. This is due to anticipated debt write offs of £0.033m partly offset by anticipated over-recovery of licensing income streams
<b>18</b>			
<b>Note 2</b>			<b>Policy, Performance &amp; Community Planning</b>
			No significant movement
906	15	2%	Employee costs - There is a projected overspend of £0.015m due to turnover target not being achieved
20	17		Supplies and Services - There is a projected overspend of £0.017m for replacement of new IT equipment
<b>32</b>			
<b>Note 3</b>			<b>Communications</b>
			No significant movement
455	(76)	(17%)	Employee costs - There is a projected underspend of (£0.076m) due to two vacant posts which will be partly used to meet the costs of replacing IT Equipment across Democratic Services
12	16		Supplies and Services - There is a projected overspend of £0.016m for replacement of IT equipment
<b>(60)</b>			
<b>Note 4</b>			<b>Committee Services</b>
			Movement - The underspend has increased by £0.023m since Period 4 due to additional vacancies
587	(46)	(8%)	Employee costs - There is a projected underspend of (£0.046m) due to a vacant posts
<b>(46)</b>			

**FINANCE & CORPORATE SUPPORT**  
**FINANCIAL PERFORMANCE 2017/18**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Directorate</b>	22	24	2	9%	
<b>Audit &amp; Risk</b>	411	435	24	6%	
<b>Finance</b>					
Financial Services	1,723	1,749	26	2%	
Corporate Procurement	672	671	(1)	(0%)	
<b>People &amp; Transformation</b>					
Change Programme	322	300	(22)	(7%)	
Human Resources	1,878	1,829	(49)	(3%)	
<b>Customer &amp; Digital Services</b>					
ICT	2,773	2,743	(30)	(1%)	
Customer Services & Registration	1,795	1,713	(82)	(5%)	1
Business Support	1,864	1,685	(179)	(10%)	2
Revenues & Benefits	3,018	2,858	(160)	(5%)	3
<b>Totals</b>	<b>14,478</b>	<b>14,007</b>	<b>(471)</b>	<b>(3%)</b>	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	13,533	13,093	(440)	(3%)
Property Costs	1	3	3	388%
Supplies and Services	1,669	1,700	31	2%
Transport and Plant Costs	45	43	(2)	(5%)
Administration Costs	1,234	1,198	(36)	(3%)
Other Agencies & Bodies	1,677	1,677	(0)	(0%)
Transfer Payments	51,525	51,505	(21)	(0%)
Other Expenditure	-	-	-	-
<b>Gross Expenditure</b>	<b>69,684</b>	<b>69,218</b>	<b>(466)</b>	<b>(1%)</b>
<b>Income</b>	<b>(55,206)</b>	<b>(55,211)</b>	<b>(5)</b>	<b>0%</b>
<b>Net Expenditure</b>	<b>14,478</b>	<b>14,007</b>	<b>(471)</b>	<b>(3%)</b>

**FINANCE & CORPORATE SUPPORT**  
**FINANCIAL PERFORMANCE 2017/18**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Customer Services</b>
			No significant movement
1,630	(84)	(5%)	Employee Costs - There is an underspend of £0.081m due to vacancy management.
<b>2</b>			<b>Other Minor Movements</b>
<b>(82)</b>			
<b>Note 2</b>			<b>Business Support</b>
			Movement - The underspend has increased by £0.021m since Period 4 due to further vacancies
1,961	(181)	(9%)	Employee Costs - There is an underspend of £0.158m due to vacancy management.
<b>2</b>			<b>Other Minor Movements</b>
<b>(179)</b>			
<b>Note 3</b>			<b>Revenues &amp; Benefits</b>
			Movement - The underspend has increased by £0.048m since Period 4 due to vacancy management and Sheriff Officer commission
2,091	(140)	(7%)	Employee Costs - There is a underspend of £0.140m due to vacancy management.
375	(19)	(5%)	Admin Costs - Underspend of £0.017m within Sherriff Officer Commission
<b>(1)</b>			<b>Other Minor Movements</b>
<b>(160)</b>			

**EDUCATION AND YOUTH EMPLOYMENT**  
**FINANCIAL PERFORMANCE 2017/18**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Early Years Education	11,504	11,140	(364)	(3%)	1
Primary Education	37,785	37,810	25	0%	2
Secondary Education	49,760	49,760	-	-	
Additional Support Needs	7,693	7,565	(128)	(2%)	3
Education - Other	4,732	4,632	(100)	(2%)	4
Totals	111,474	110,907	(567)	(1%)	

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	85,819	85,534	(285)	(0%)
Property Costs	304	304	-	-
Supplies and Services	18,895	18,818	(77)	(0%)
Transport and Plant Costs	179	179	-	-
Administration Costs	945	945	-	-
Other Agencies & Bodies	6,346	6,240	(106)	(2%)
Transfer Payments	580	580	-	-
Other Expenditure	-	-	-	-
Capital Financing	65	65	-	-
Gross Expenditure	113,133	112,665	(468)	(0%)
Income	(1,659)	(1,758)	(99)	6%
Net Expenditure	111,474	110,907	(567)	(1%)



**EDUCATION AND YOUTH EMPLOYMENT**  
**FINANCIAL PERFORMANCE 2017/18**

REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Early Years Education</b>
			Movement - the underspend has increased by £0.074m due to further underspends in employee costs.
1,776	(286)	(16%)	Employee Costs - Underspends in Early Years Teachers of £0.170m. This is due to the difficulty in recruitment of teachers. Further underspends of £0.074m from delays in recruitment for the new early years centre in the new Largs campus.
1,209	(48)	(4%)	Payments made to Private Partner Providers currently projected to be underspent due to lower than anticipated uptake of services.
-	(30)		Income from Wraparound Care charges
	<b>(364)</b>		
<b>Note 2</b>			<b>Primary Education</b>
			Movement - the overspend has decreased by £0.025m due to a reduction in employee costs.
1,692	25	1%	Employee Costs - ASN response hours budget has been remodelled to bring expenditure in line with budget. However the new model has been put in place from August 17 and so an overspend has accrued for expenditure prior to this time.
	<b>25</b>		
<b>Note 3</b>			<b>ASN</b>
			Movement - the previously reported overspend has decreased by £0.166m due to a reduction in the number of children in external residential placements.
1,102	43	4%	Overspend on external specialist residential placements.
1,022	(84)	(8%)	Underspend on external day placements
(264)	(69)	26%	Income - Projected over recovery of income due to increased number of pupils placed in North Ayrshire schools and units by other local authorities.
-			Other minor variances
	<b>(128)</b>		
<b>Note 4</b>			<b>Education Other</b>
			No significant movement
629	(100)	(16%)	Employee Costs - Underspend is due to Senior Managers vacancies and changes to work patterns.
	<b>(100)</b>		

**PLACE**  
**FINANCIAL PERFORMANCE 2017/18**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
<b>Directorate and Support</b>	(46)	(46)	-	-	
<b>Physical Environment</b>					
Head of Physical Environment	(242)	(242)	-	-	
Building Services	(1,906)	(1,906)	-	-	1
Property Management & Investment	1,291	1,291	-	-	2
Housing Assets & Investment	(870)	(870)	-	-	
Property Running Costs	4,886	5,051	165	3%	3
Energy and Sustainability	3,716	3,716	-	-	
Property Maintenance	3,901	3,901	-	-	
Facilities Management	11,289	11,289	-	-	
Other Housing	4,591	4,528	(63)	(1%)	4
<b>Commercial Services</b>					
Head of Commercial Services	(2)	(2)	-	-	
Roads	6,777	6,777	-	-	
Streetscene	4,973	4,982	9	0%	
Internal Transport	9,913	9,913	-	-	
Waste Services	8,275	7,970	(305)	(4%)	5
<b>Total</b>	<b>56,546</b>	<b>56,352</b>	<b>(194)</b>	<b>(0%)</b>	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	41,421	41,392	(29)	(0%)
Property Costs	16,490	16,624	134	1%
Supplies and Services	10,216	10,238	22	0%
Transport and Plant Costs	10,049	10,034	(15)	(0%)
Administration Costs	2,639	2,638	(1)	(0%)
Other Agencies & Bodies	13,734	13,212	(522)	(4%)
Transfer Payments	1,738	1,738	-	-
Other Expenditure	341	339	(2)	(1%)
Capital Financing	-	-	-	-
Gross Expenditure	96,628	96,215	(413)	(0%)
Income	(40,082)	(39,863)	219	(1%)
Net Expenditure	56,546	56,352	(194)	(0%)

**PLACE**  
**FINANCIAL PERFORMANCE 2017/18**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Building Services</b>
			No significant movements
8,949	(194)	(2%)	Employee Costs - There is a projected underspend as a result of the management of vacancies .
(17,729)	212	(1%)	Income - This is mainly due to the Void Costs budget being based on the 15/16 outturn which was a higher value and a reduction in the average Void repair cost by 13% in 17/18. There is also a reduction in the number of void properties for the year.
	(18)		Other minor movements
	0		
<b>Note 2</b>			<b>Property Management &amp; Investment</b>
			No significant movements
2,316	(70)	(3%)	Employee Costs - There is a projected underspend in Employee costs of £0.070m, this is offset by a reduction in capital fees recovered
(509)	70	(14%)	Income - There is a projected under recovery in fees recovered from capital of £0.070m.
	0		
<b>Note 3</b>			<b>Property Running Costs</b>
			No significant movements
162	165	102%	Other Property Costs - costs incurred due to slippage in the property rationalisation programme.
	165		
<b>Note 4</b>			<b>Other Housing</b>
			No significant movements
1,581	(33)	2%	Third party payments - there is an underspend of £0.038m for grants paid to third parties in respect of services for Rough Sleepers.
	(30)		Other minor movements
	(63)		
<b>Note 4</b>			<b>Waste Services</b>
			Movement - the underspend has increased by £0.044m since P4 mainly due to additional Commercial Refuse Collection income.
4,295	235	5%	Employee Costs - there is a projected overspend of £0.235m mainly due to a requirement to supplement current resources to reflect operational demands. Also there is a six month delay in the efficiency saving re reduced hours at HWRCs.
846	(485)	(57%)	Payments to Contractors - there is an underspend on the Blue Bin contract of £0.485m as a result of an increase in the market values for recyclates.
(1,646)	(55)	3%	Commercial Refuse Collection - there is additional income of £0.055m projected mainly due to a net increase in uptake of the service by external businesses
	0		Other Minor Movements
	(305)		

**ECONOMY AND COMMUNITIES**  
**FINANCIAL PERFORMANCE 2017/18**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Management	554	554	-	-	
<b>Economic Growth</b>					
Planning & Protective Services	1,614	1,569	(45)	(3%)	1
Economic Development	5,298	5,178	(120)	(2%)	2
<b>Connected Communities</b>	11,614	11,642	28	0%	3
	19,080	18,943	(137)	(1%)	

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	11,763	11,661	(102)	(1%)
Property Costs	309	310	1	0%
Supplies and Services	1,043	1,064	21	2%
Transport and Plant Costs	153	153	0	0%
Administration Costs	300	302	2	1%
Other Agencies & Bodies	9,062	8,826	(236)	(3%)
Transfer Payments	-	-	-	-
Other Expenditure	-	-	-	-
Gross Expenditure	22,630	22,317	(313)	(1%)
Income	(3,550)	(3,374)	176	(5%)
Net Expenditure	19,080	18,943	(137)	(1%)

**ECONOMY AND COMMUNITIES**  
**FINANCIAL PERFORMANCE 2017/18**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Planning &amp; Protective Services</b>
			Movement - the underspend has increased by £0.028m from period 4 as result of further vacancies within Planning
1,639	(70)	(4%)	Employee Costs - There is an underspend in Planning Services of £0.053m due to vacancies.
	25		Other minor variances
	(45)		
<b>Note 2</b>			<b>Economic Development</b>
			No significant movement
1,631	(12)	(1%)	Employee Costs - there is an underspend of £0.012m due to vacancies at the beginning of the year
2,111	(110)	(5%)	Underspends appear in relation to Employer Recruitment Incentives but the demand led nature of this budget means this position could quickly change as the year progresses. This spend is related to 2 ESF programmes which the Council have committed match funding that needs to be kept available to be compliant with programme rules.
	2		Other minor variances
	(120)		
<b>Note 3</b>			<b>Connected Communities</b>
			Movement - the underspend at period 4 of £0.022m has moved by £0.050m and is now an overspend as a result of additional employee costs within community facilities
6,049	28	0%	Employee Costs - there is an overspend in Community Facilities of £0.060m due to use of casual employees offset against an underspend in Libraries of £0.030m.
	28		

**OTHER CORPORATE SERVICES**  
**FINANCIAL PERFORMANCE 2017/18**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Objective Summary	Annual Budget	Final Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,409	2,365	(44)	(2%)	1
SPT Concessionary Fares	283	277	(6)	(2%)	
Ayrshire Joint Valuation Board	780	760	(20)	(3%)	2
<b>Other Corporate Costs</b>					
Pension Costs	1,854	1,762	(92)	(5%)	3
Non-Distributed Costs	-	-	-	-	
Central Telephones	86	86	-	-	
Other Corporate Items (incl Additional Resources from Council decisions on 1 March 2017)	13,965	13,546	(419)	(3%)	4
Insurance Account	-	85	85	-	5
	19,377	18,881	(496)	(3%)	

**OTHER CORPORATE SERVICES**  
**FINANCIAL PERFORMANCE 2017/18**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Budget £000	Outturn Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Strathclyde Passenger Transport</b>
			No significant movement
2,409	(44)	(2%)	The projected underspend of £0.044m is due to a reduction in the requisition charge
	(44)		
<b>Note 2</b>			<b>Ayrshire Valuation Joint Board</b>
			No significant movement
780	(20)	(3%)	The projected underspend of £0.020m is due to a reduction in the requisition charge
	(20)		
<b>Note 3</b>			<b>Pension Costs</b>
			No significant movement
1,874	(92)	(5%)	The projected underspend of £0.092m is due to reduced pension costs relating to the period before local government reorganisation
	(92)		
<b>Note 4</b>			<b>Other Corporate Items</b>
			No significant movement
11,851	(412)	(3%)	Centrally held funds in respect of the revised Benefits Cap are not anticipated to be fully drawndown following additional provisions within the 2017/18 Local Government Finance Settlement combined with lower than anticipated take up rates. Other previously identified pressures related to fuel, utility and pension costs are now not anticipated to be fully drawndown. Provision has been included for the payment of the national Living Wage from November 2017.
	(7)		Other minor movements
	(419)		
<b>Note 5</b>			<b>Insurance Account</b>
			No significant movement
	85		The increase in insurance costs has been greater than anticipated due to increased excesses.
	85		

## 2017/18 Budget Monitoring Report – Period 6 Objective Summary

Partnership Budget - Objective Summary	2017/18 Budget									
	Council			Health			TOTAL			
	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COMMUNITY CARE AND HEALTH	54,233	53,779	(454)	10,524	10,803	279	64,757	64,582	(175)	
: Locality Services	26,129	25,958	(171)	3,441	3,483	42	29,570	29,441	(129)	
: Community Care Service Delivery	25,571	25,304	(267)	-	-	-	25,571	25,304	(267)	
: Rehabilitation and Reablement	744	792	48	1,837	2,097	260	2,581	2,889	308	
: Long Term Conditions	1,342	1,335	(7)	2,962	2,946	(16)	4,304	4,281	(23)	
: Integrated Island Services	447	390	(57)	2,284	2,277	(7)	2,731	2,667	(64)	
MENTAL HEALTH SERVICES	21,840	23,478	1,638	49,275	49,490	215	71,115	72,968	1,853	
: Learning Disabilities	17,198	18,447	1,249	373	373	-	17,571	18,820	1,249	
: Community Mental Health	3,808	4,183	375	1,743	1,743	-	5,551	5,926	375	
: Addictions	834	848	14	1,077	1,077	-	1,911	1,925	14	
: Lead Partnership Mental Health NHS Area Wide	-	-	-	46,082	46,297	215	46,082	46,297	215	
CHILDREN'S SERVICES AND CRIMINAL JUSTICE	29,957	31,720	1,763	4,455	4,443	(12)	34,412	36,163	1,751	
: Intervention Services	3,816	3,723	(93)	295	314	19	4,111	4,037	(74)	
: Looked After & Accomodated Children	15,205	17,078	1,873	-	-	-	15,205	17,078	1,873	
: Fieldwork	6,497	6,546	49	-	-	-	6,497	6,546	49	
: CCSF	424	450	26	-	-	-	424	450	26	
: Criminal Justice	2,902	2,902	-	-	-	-	2,902	2,902	-	
: Early Years	311	246	(65)	1,738	1,740	2	2,049	1,986	(63)	
: Policy & Practice	802	775	(27)	-	-	-	802	775	(27)	
: Lead Partnership NHS Children's Services Area Wide	-	-	-	2,422	2,389	(33)	2,422	2,389	(33)	
PRIMARY CARE	-	-	-	47,575	48,172	597	47,575	48,172	597	
MANAGEMENT AND SUPPORT COSTS	4,544	4,667	123	(40)	1,163	1,203	4,504	5,830	1,326	
CHANGE PROGRAMME		(158)	(158)	2,177	2,177	-	2,177	2,019	(158)	
LEAD PARTNERSHIP AND SET ASIDE	-	-	-	-	132	132	-	132	132	
TOTAL	110,574	113,486	2,912	113,966	116,380	2,414	224,540	229,866	5,326	



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**MISCELLANEOUS ITEMS**  
**FINANCIAL PERFORMANCE 2017/18**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	20,190	17,474	(2,716)	(13%)	1
Aggregate External Finance	(271,045)	(271,045)	-		
Council Tax	(52,431)	(52,011)	420	(1%)	2
Use of Change Fund	(416)	(416)	-		
Use of Earmarked Funds	(9,463)	(9,463)	-		
Totals	(313,165)	(315,461)	(2,296)	1%	
Less Carry Forward to Loans Fund Reserve	-	2,716	2,716		
Net Total	(313,165)	(312,745)	420	(4%)	

**Note 1 Financing Charges**

Capital Financing charges are forecasting an underspend of £2.716m based on the latest cash flow and interest rate projections. This reflects the under borrowed position combined with a change in the share of interest from the HRA. The underspend has been earmarked and transferred to the Loans Fund Reserve to enable future costs linked to capital expenditure and borrowing to be managed through the reserve.

**Note 2 Council Tax**

Income from Council Tax is forecasting to under recover by £0.420m. This is an increase of £0.080m from that reported at period 4 and is related to reduced recovery from prior years.

## Budget Management - 30 September 2017

## Virement/Budget Adjustment Requests

		2017/18	
	Perm (P) / Temp(T)	Virement £m	Directorate Total £m
1) Budget Virements			
Place			
PMI - Employee Cost Vacancies	T	-0.157	
PMI - Payment to Other Bodies	T	0.157	
			0.000

**HOUSING REVENUE ACCOUNT**  
**FINANCIAL PERFORMANCE 2017/18**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Employee Costs	4,628	4,510	(118)	(3%)	1
Property Costs					
Responsive Repairs	1,535	1,535	-	-	2
Void Repairs	2,919	2,277	(642)	(22%)	
Planned & Cyclical maintenance	7,244	7,316	72	1%	
Estate Based Projects	210	210	-	-	
Roads & Lighting Maintenance	186	186	-	-	
Aids & adaptations	1,655	1,855	200	12%	
Other property costs	3,175	3,025	(150)	(5%)	
Supplies and Services	261	231	(30)	(11%)	
Transport and Plant Costs	37	35	(2)	(5%)	
Administration Costs	1,576	1,553	(23)	(1%)	
Other Agencies & Bodies	1,387	1,392	5	0%	
Transfer Payments	121	121	-	-	
Other Expenditure	403	419	16	4%	
Capital Financing	22,920	22,291	(629)	(3%)	3
Gross Expenditure	48,257	46,956	(1,301)	(3%)	
Income					
Council House Rents	(47,185)	(45,938)	1,247	(3%)	4
Other Rents	(374)	(412)	(38)	10%	
Recharges	(595)	(512)	83	(14%)	
Other Income	(103)	(94)	9	(9%)	
Net Expenditure	-	-	-		

**HOUSING REVENUE ACCOUNT**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE SIX MONTHS TO 30 SEPTEMBER 2017**

Budget £000	Variance £000	Variance as % of budget	Section
Note 1			Employee Costs
			The projected underspend in employee costs has decreased by £0.170m since P4 as a result of correcting an omission of staff costs in P4
4,628	(118)	(3%)	There is an underspend on employee costs of £0.118m due to effective vacancy management.
(118)			
Note 2			Property Costs
			Movement - The projected underspend in property costs has increased by £0.102m from P4 due to increased underspends on Void Works, Planned and Other Property Costs offset by increased costs for Aids and Adaptions.
16,923	(520)	(3%)	The underspend of £0.520m is comprised of an underspend on Voids of £0.642m due to lower volume and an average 13% price decrease. There is also a decrease in the overspend in planned repairs of £0.083m due to a reduction in Timber and Damp repairs. This is offset by a projected overspend for Aids and Adaptions of £0.200m.
(520)			
Note 3			Capital Financing
			No significant movement
22,920	(629)	(3%)	Capital Financing charges are forecasting an underspend of £0.629m based on the latest cash flow and interest rate projections. This reflects the strategy of taking temporary borrowing rather than permanent borrowing to maximise the financial savings as a result of current market conditions and a reduction in the borrowing required for this year's capital programme.
(629)			
Note 4			Income
			Movement - The projected under-recovery has increased by £0.270m since P4 due to updated rent shortfall projections of £0.458m. This is partly offset by additional income from Offices and Depots.
(48,257)	1,301	(3%)	There is an under-recovery of Council house rent income of £1.247m mainly due to increased council house sales. There was also slippage and amendments to new build properties available to rent and 23 protracted voids from sheltered housing decants. There is also a shortfall in tenant charges of £0.083m.
1,301			

HRA reserves and balances	B/fwd from 2016/17	Period 6 Revenue	Use of Earmarked sums	Earmarking of in year surplus	Funding of Capital Projects	Balance at 31/03/17
	£m	£m	£m		£m	£m
Council House Building Fund	8.082	-	-	-	-	8.082
Welfare Reform	3.000	-	-	-	-	3.000
Contingency Balance	1.000	-	-	-	-	1.000
Sheltered Housing Unit Works	0.156	-	-	-	-	0.156
Infrastructure Improvements	0.613	-	-	-	-	0.613
Major Refurbishment Works	0.762	-	-	-	-	0.762
Tarryholme	1.091	-	-	-	-	1.091
Uncommitted Balance	-	-	-	-	-	-
	14.704	-	-	-	-	14.704

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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 10**

**14 November 2017**

#### **Cabinet**

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**Title:** **Capital Programme Performance to 30 September 2017**

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**Purpose:** To advise Cabinet of progress in delivering the Capital Investment Programme as at 30 September 2017.

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**Recommendation:** Agree to (a) approve the revisions to budgets outlined in the report; and (b) note (i) the General Services and HRA expenditure and revised budgets to 30 September 2017; and (ii) the forecast of expenditure to 31 March 2018.

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#### **1. Executive Summary**

- 1.1 The General Services and Housing Revenue Account (HRA) capital budgets were approved at a special meeting of the Council on 1 March 2017. The General Services capital programme approval covered a revised capital investment programme to 2025/26. The HRA approved capital budget for 2017/18 sits within the 30 years Housing Business Plan.
- 1.2 This report identifies the current programme for 2017/18, taking account of adjustments made to the initial budgets. The report advises of actual expenditure to 30 September 2017 and forecast expenditure to 31 March 2018.
- 1.3 At Period 6 the General Fund is forecasting a projected outturn of £43.394m against a budget of £44.758m, a reduction £0.308m from that reported at Period 4. HRA is forecasting a projected outturn of £29.163m against a budget of £29.826m, a reduction of £0.848m from that reported at Period 4. The movements relate to the latest programme information from services and are reflected in proposed revisions to the budgets for increased carry forwards.

## 2. Background

### **General Services**

- 2.1 The table below outlines the movements in the 2017/18 General Services budget :-

	2017/18 £m
Budget approved as at 31 July 2017	43.967
a) Additional Funding	1.181
Revised Programme Budget	45.148
a) Alterations to phasing of projects:-	
2017/18 to 2018/19	(0.452)
2018/19 to 2017/18	0.066
c) Revisions to the Programme	(0.004)
Budget as at 30 September 2017	44.758

### 2.2 (a) **Additional Funding**

The capital programme has been updated to reflect a number of awards of external/additional funding, including:

- SPT funding of £0.270m in respect of Bus Route Congestion and Bus Corridor Improvements;
- SPT funding of £0.275m and ERDF funding of £0.236m in respect of the Irvine Active Travel Hub; and
- ERDF funding of £0.240m in respect of Quarry Road phase 2.

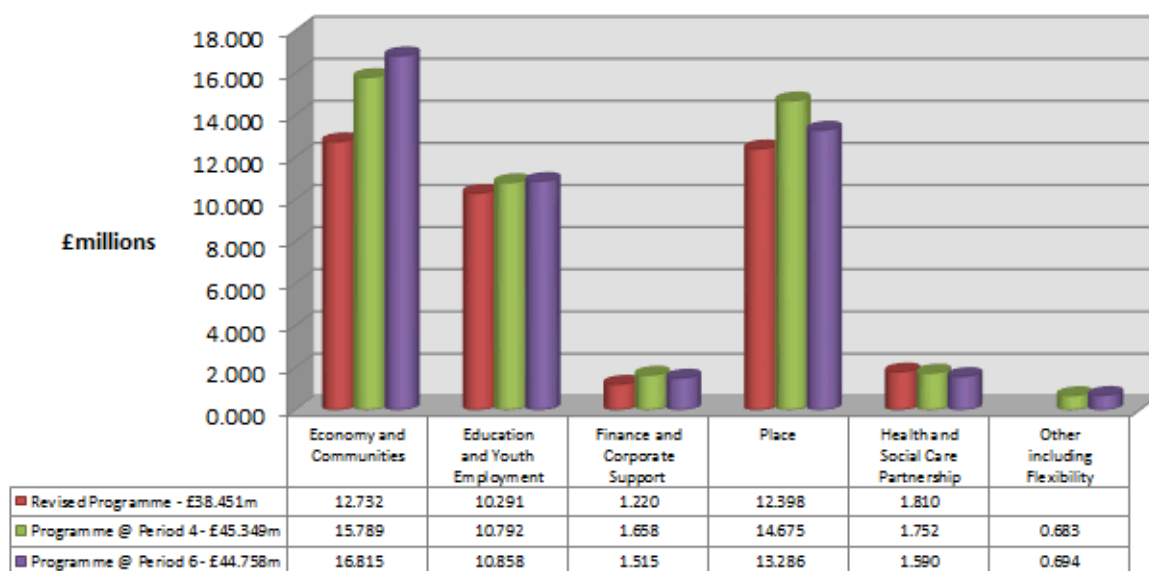
### (b) **Alterations to the Phasing of Projects**

Projects have been reprofiled into future years to reflect the revisions to budgets approved by Cabinet on 26 September 2017. In addition, a number of projects have been reprofiled into future years to reflect current programme plans, including Bridges Infrastructure (£0.254m).

(c) **Revisions to the Programme**

The capital programme has been updated to reflect minor adjustments to planned capital funded from current revenue, including £0.800m in respect of Ardrossan Harbour Car Park approved by Council on 1 March 2017 which has been profiled across future years in line with the current project plan.

2.3 The graph below illustrates the movement in each programme on a service basis compared to the revised programme.



2.4 Capital Expenditure to 30 September 2017

Actual expenditure to 30 September 2017 (Period 6) amounted to £12.741m or 28.5% (compared to anticipated expenditure of £11.849m or 26.5%) of the revised annual budget for 2017/18 of £44.758m.



The projections are summarised by service in the table below:

	Revised Budget 2017/18	Projected Expenditure / Income to 31 March 2018	Projected Variance Over / (Under)	True Over / (Under) Spend	Net Carry Forward to 2018/19
	£000's	£000's	£000's	£000's	£000's
<u>Service</u>					
<u>Expenditure</u>					
Economy and Communities	16,815	17,129	314	339	(25)
Education and Youth Employment	10,858	9,938	(920)	-	(920)
Finance and Corporate Support	1,515	1,515	-	-	-
Place	13,286	13,292	6	4	2
Health and Social Care Partnership	1,590	1,520	(70)	-	(70)
Other including Flexibility	694	-	(694)	(694)	-
Total Expenditure	44,758	43,394	(1,364)	(351)	(1,013)
<u>Income</u>					
General Capital Grant	(31,189)	(31,189)	-	-	-
Specific Capital Grant	(2,927)	(2,927)	-	-	-
Use of Reserve Funds	(2,466)	(1,899)	567	-	567
Capital Funded from Current Revenue	(974)	(848)	126	-	126
Capital Receipts	(1,892)	(1,945)	(53)	-	(53)
Other Grants & Contributions	(4,541)	(4,545)	(4)	-	(4)
Prudential Borrowing	(769)	(41)	728	351	377
Total Income	(44,758)	(43,394)	1,364	351	1,013

2.5 An underspend of £1.364m is projected within the programme of which £1.013m is required to be carried forward to 2018/19. The approved budget will be updated to reflect these changes. The overspend within Economy and Communities is related to additional costs arising from settlement of the agreed final account in relation to the Portal, £0.564m. This is partly offset by an underspend in relation to the Largs Masterplan (£0.225m), reflecting a reduced scope of work. Within Education and Youth Employment the underspend is related to Largs Academy (£0.920m), reflecting infrastructure and security works scheduled to be completed in 2018/19. This reflects the latest programme information from services. A true underspend of £0.351m is currently forecast within the programme. These movements result in a revised capital programme at 30 September 2017 of £43.745m for 2017/18.

2.6 Information on the progress of all projects and explanations for the carry forwards can be found in Appendix 1.

2.7 The current projections on funding, elements of which are related to the profile of expenditure reported above, is summarised below;

- The utilisation of £0.567m of Capital Fund reserves being deferred to future years; and
- Reduced Prudential Borrowing of £0.728m with £0.377m being deferred to future years.

### ***Housing Revenue Account***

2.8 The table below outlines the movements in the 2017/18 HRA Capital budget:

	2017/18 £m
Budget approved as at 31 July 2017	30.091
Revisions to the Programme	(0.265)
Budget as at 30 September 2017	29.826

2.9 The programme has been updated to reflect adjustments to planned capital funded from current revenue of £0.265m in respect of Infrastructure Improvement works reclassified as revenue.

### **Capital Expenditure**

2.10 Actual expenditure to 30 September (Period 6) amounted to £9.637m or 32.3% (compared to anticipated expenditure of £14.372m or 50.0%). Current projections are forecasting a reduction to expenditure of £0.663m at 31 March 2018 of which £0.417m is required to be carried forward to 2018/19 and is linked to slippage in the new build programmes at Canal Court and Watt Court. A true underspend of £0.246m is currently forecast within the programme and is primarily as a result of being unable to secure access to properties to enable work to be progressed, combined with an underspend on the new build programme at Fencedyke. These are partly offset by a projected overspend on the kitchen programme following an increase in uptake by tenants. This net underspend is available to support other projects within the HRA Capital Investment Programme. These movements result in a revised capital programme at 30 September 2018 of £29.409m for 2017/18.

	Revised Budget 2017/18	Projected Expenditure / Income to 31 March 2018	Projected Variance Over / (Under)	True Over / (Under) Spend	Net Carry Forward to 2018/19
	£000's	£000's	£000's	£000's	£000's
<u>Service</u>					
Expenditure					
Housing Revenue Account	29,826	29,163	(663)	(246)	(417)
Total Expenditure	29,826	29,163	(663)	(246)	(417)
<u>Income</u>					
Sale of Council Houses	-	(882)	(882)	(882)	-
Sale of Assets	-	-	-	-	-
CFCR	(15,081)	(15,081)	-	-	-
Capital Grants	(4,150)	(4,150)	-	-	-
Contribution from House Build Fund	(494)	(494)	-	-	-
Other Capital Income - House Building	(212)	(212)	-	-	-
Affordable Housing Contribution	(838)	(838)	-	-	-
Prudential Borrowing	(9,051)	(7,506)	1,545	1,128	417
Total Income	(29,826)	(29,163)	663	246	417

2.11 The current projections on funding, elements of which are related to the profile of expenditure reported above, is summarised below;

- Additional Capital Receipts from the sale of Council Houses, (£0.882m); and
- Reduced Prudential Borrowing of £1.545m with £0.417m being deferred to future years.

### 3. Proposals

3.1 It is proposed that:-

*In General Services -*

The Cabinet is invited to (a) approve the further revisions to budgets outlined at Section 2.1, 2.2 and 2.5 and Appendix 1; and (b) note (i) the actual expenditure and revised budget to 30 September 2017 and (ii) the forecast of expenditure to 31 March 2018.

*In the H.R.A. -*

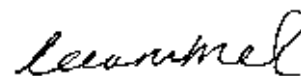
The Cabinet is invited to (a) approve the further revisions to the budget outlined at Section 2.8, 2.9 and 2.10 and Appendix 2; and (b) note the actual expenditure and revised budget to 30 September 2017 and (ii) the forecast of expenditure to 31 March 2018.

#### 4. Implications

<b>Financial:</b>	The financial implications are as outlined in the report. Expenditure will continue to be closely monitored to ensure early action is taken regarding any projected underspends or overspends.
<b>Human Resources:</b>	None
<b>Legal:</b>	None
<b>Equality:</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	A delay in completion of projects could affect the delivery of services and have implications for revenue budgets and service planning.
<b>Community Benefits:</b>	None

#### 5. Consultation

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



LAURA FRIEL  
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact David Forbes, Senior Manager (Financial Management) on 01294 324551

#### Background Papers




Capital Programme Performance to 31 July 2017 - Cabinet 26 September 2017

North Ayrshire Council  
Capital Statement 2017/18  
Year Ended 31st March 2018

Period 6

Project Description	TOTAL PROJECT				CURRENT YEAR 2017/18						
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2017/18	Year to Date Budget 2017/18	Actual Expenditure to 30 September 2017	Projected Expenditure to 31st March 2018	Actual Over/ (Under) Spend for 2017/18	True Over/ (Under) Spend	Carry Forward to 2018/19
	£	£	£	£	£	£	£	£	£	£	£
<b>EXPENDITURE</b>											
<b>Economy &amp; Communities</b>											
Regeneration	37,744,022	8,124,549	37,519,648	(224,374)	12,805,650	4,057,215	5,132,224	12,556,276	(249,374)	(224,374)	(25,000)
Strategic Planning & Infrastructure	9,157,817	4,898,707	9,157,817	0	3,363,670	224,033	152,560	3,363,670	0	0	0
Sport & Activity	21,771,207	21,032,151	22,335,168	563,961	225,395	(538,161)	(513,661)	789,356	563,961	563,961	0
Information & Culture	825,141	186,111	825,141	0	268,412	97,677	104,382	268,412	0	0	0
Completed Projects	1,579,989	1,476,059	1,579,989	0	151,561	86,059	89,842	151,561	0	0	0
<b>SUB TOTAL</b>	<b>71,078,175</b>	<b>35,717,578</b>	<b>71,417,762</b>	<b>339,587</b>	<b>16,814,688</b>	<b>3,926,823</b>	<b>4,965,347</b>	<b>17,129,275</b>	<b>314,587</b>	<b>339,587</b>	<b>(25,000)</b>
<b>Education &amp; Youth Employment</b>											
Nursery Education	5,490,021	95,310	5,490,021	0	752,448	1,005	4,455	752,448	0	0	0
Primary Schools	14,174,100	11,063,685	14,174,100	0	128,939	(7,856)	(7,856)	128,939	0	0	0
Secondary Schools	88,281,571	43,102,226	88,281,571	0	9,263,167	1,088,700	1,181,404	8,343,167	(920,000)	0	(920,000)
Special Education	25,056,000	49,462	25,056,000	0	233,125	0	2,587	233,125	0	0	0
Completed Projects	1,753,674	1,573,559	1,753,674	0	480,550	312,962	300,435	480,550	0	0	0
<b>SUB TOTAL</b>	<b>134,755,366</b>	<b>55,884,242</b>	<b>134,755,366</b>	<b>0</b>	<b>10,858,229</b>	<b>1,394,811</b>	<b>1,481,024</b>	<b>9,938,229</b>	<b>(920,000)</b>	<b>0</b>	<b>(920,000)</b>
<b>Finance &amp; Corporate Support</b>											
Financial Services	647,599	484,059	647,599	0	280,039	134,000	116,500	280,039	0	0	0
Information Technology	2,393,899	1,436,047	2,393,899	0	582,966	161,686	125,114	582,966	0	0	0
Council IT Strategy	2,979,970	1,381,822	2,979,970	0	652,098	280,657	278,950	652,098	0	0	0
<b>SUB TOTAL</b>	<b>6,021,468</b>	<b>3,301,929</b>	<b>6,021,468</b>	<b>0</b>	<b>1,515,103</b>	<b>576,343</b>	<b>520,564</b>	<b>1,515,103</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Health &amp; Social Care</b>											
Management & Support	683,919	418,467	683,919	0	290,945	0	25,493	220,945	(70,000)	0	(70,000)
Housing Non HRA	949,046	299,297	949,046	0	949,046	392,800	299,297	949,046	0	0	0
Older People	3,356,000	77,935	3,356,000	0	350,000	2,773	13,135	350,000	0	0	0
<b>SUB TOTAL</b>	<b>4,988,965</b>	<b>795,698</b>	<b>4,988,965</b>	<b>0</b>	<b>1,589,991</b>	<b>395,573</b>	<b>337,924</b>	<b>1,519,991</b>	<b>(70,000)</b>	<b>0</b>	<b>(70,000)</b>
<b>Place</b>											
Roads	34,941,679	6,836,894	34,941,679	0	5,915,924	1,743,478	1,717,525	5,915,924	0	0	0
Office Accommodation	1,620,163	1,311,432	1,620,163	0	1,620,163	1,391,764	1,311,432	1,620,163	0	0	0
Other Property	1,212,081	619,295	1,212,081	0	854,874	276,062	262,088	854,874	0	0	0
Housing Non HRA	33,800	13,800	33,800	0	20,000	0	0	20,000	0	0	0
Streetscene	1,084,342	268,143	1,088,434	4,092	1,084,342	282,077	268,143	1,088,434	4,092	4,092	0
Transport	2,076,045	1,404,504	2,076,045	0	2,076,045	1,401,000	1,404,504	2,076,045	0	0	0
Waste Services	14,402,485	13,428,270	14,402,485	0	617,943	106,251	155,729	617,943	0	0	0
Renewable Energy	229,669	51,018	229,669	0	178,651	0	0	178,651	0	0	0
Completed Projects	24,332,147	23,730,816	24,332,147	0	918,074	354,981	316,743	919,827	1,753	0	1,753
<b>SUB TOTAL</b>	<b>79,932,411</b>	<b>47,664,172</b>	<b>79,936,503</b>	<b>4,092</b>	<b>13,286,016</b>	<b>5,555,613</b>	<b>5,436,163</b>	<b>13,291,861</b>	<b>5,845</b>	<b>4,092</b>	<b>1,753</b>
<b>Other</b>											
Other	694,456	0	0	(694,456)	694,456	0	0	0	(694,456)	(694,456)	0
<b>SUB TOTAL</b>	<b>694,456</b>	<b>0</b>	<b>0</b>	<b>(694,456)</b>	<b>694,456</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(694,456)</b>	<b>(694,456)</b>	<b>0</b>
<b>Total Project Expenditure</b>	<b>297,470,840</b>	<b>143,363,618</b>	<b>297,120,063</b>	<b>(350,777)</b>	<b>44,758,483</b>	<b>11,849,163</b>	<b>12,741,023</b>	<b>43,394,459</b>	<b>(1,364,024)</b>	<b>(350,777)</b>	<b>(1,013,247)</b>
<b>Total Project Income</b>					<b>(44,758,483)</b>	<b>(17,864,767)</b>	<b>(17,864,767)</b>	<b>(43,394,459)</b>	<b>1,364,024</b>	<b>350,777</b>	<b>1,013,247</b>
<b>Total Net Expenditure</b>					<b>0</b>	<b>(6,015,604)</b>	<b>(5,123,744)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The following classifications have been used to highlight financial performance against budget

-  On Target (+0.5% of budget)
-  Slightly off target (+ 0.5% to 2% of budget, or £0.125m, whichever is less)
-  Significantly off target (+2% or more of budget, or £0.500m, whichever is less)

The following classifications have been used to highlight delivery performance against original timescales set



## Capital Programme Funding 2017/18

Funding Description	Approved Budget	Carry Forward from 2016/17	Additional Funds Awarded 2017-18	Approved Revisions to Programme	Total Revised Budget 2017/18	Actual Income to 30 September 2017	Projected Income to 31st March 2018
	£	£		£	£	£	£
<b>CAPITAL BORROWING</b>							
Prudential Borrowing	2,889,745	729,586	0	(2,850,429)	768,902	0	41,360
<b>SUB TOTAL</b>	<b>2,889,745</b>	<b>729,586</b>	<b>0</b>	<b>(2,850,429)</b>	<b>768,902</b>	<b>0</b>	<b>41,360</b>
<b>SCOTTISH GOVERNMENT FUNDING</b>							
<b>Specific Capital Grants</b>							
Chargeplace Scotland Network			0		0	(15,520)	0
Cycling / Walking /Safer Streets	188,000	150,000		0	338,000	150,000	338,000
Vacant & Derelict Land Funding	1,750,000	839,065	0		2,589,065	839,065	2,589,065
<b>Capital Grants</b>						0	
General Capital Grant	30,448,000	0	741,000	0	31,189,000	15,966,000	31,189,000
<b>SUB TOTAL</b>	<b>32,386,000</b>	<b>989,065</b>	<b>741,000</b>	<b>0</b>	<b>34,116,065</b>	<b>16,939,545</b>	<b>34,116,065</b>
<b>OTHER INCOME TO PROGRAMME</b>							
<b>Use of Funds :-</b>							
Capital Fund	450,000	1,617,309	0	0	2,067,309	0	1,500,354
Change & Service Redesign Fund	142,320	31,904	0	224,490	398,714	0	398,714
CFCR	453,058	94,123	191,000	235,620	973,801		847,801
Grants & Contributions	1,290,000	1,642,793	3,438,822	-1,830,000	4,541,615	186,676	4,545,619
Capital Receipts	840,000	1,043,077	0	9,000	1,892,077	738,546	1,944,546
<b>SUB TOTAL</b>	<b>3,175,378</b>	<b>4,429,206</b>	<b>3,629,822</b>	<b>-1,360,890</b>	<b>9,873,516</b>	<b>925,222</b>	<b>9,237,034</b>
<b>TOTAL CAPITAL PROGRAMME FUNDING</b>	<b>38,451,123</b>	<b>6,147,857</b>	<b>4,370,822</b>	<b>(4,211,319)</b>	<b>44,758,483</b>	<b>17,864,767</b>	<b>43,394,459</b>

## CAPITAL MONITORING 2017/18

## ECONOMY &amp; COMMUNITIES

Project Description	TOTAL PROJECT				CURRENT YEAR 2017/18						DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2017/18	Actual Expenditure to 30 September 2017	Projected Expenditure to 31 March 2018	Actual Over/ (Under) Spend for 17/18	True Over/(Under) Spend	Carry Forward to 2018/19	Delivery Status Financial	Delivery Status Physical	
	£	£	£	£	£	£	£	£	£	£			
ECONOMIC GROWTH													
Regeneration													
IRVINE ENTERPRISE AREA *	3,807,593	3,975,305	3,807,593	0	3,807,593	3,975,305	3,807,593	0		0			
TOWN CENTRE REGENERATION	1,837,643	704,448	1,837,643	0	0	9,232	0	0		0			
IRVINE HIGH STREET	2,920,000	35,387	2,920,000	0	490,000	35,387	490,000	0		0			
LARGS MASTERPLAN	566,000	26,729	341,626	(224,374)	559,374	20,103	335,000	(224,374)	(224,374)	0			Reduced scope of work.
KILBIRNIE CARS (KNOX INST)	240,000	0	240,000	0	240,000	0	240,000	0		0			
MILLPORT CARS	400,000	0	400,000	0	50,000	0	50,000	0		0			
MONTGOMERIE PARK MASTERPLAN	4,619,300	1,505,517	4,619,300	0	144,153	3,990	144,153	0		0		On Hold	Project on hold at present - part of Capital Plan Refresh
PENNYBURN ROUNDABOUT	2,000,000	0	2,000,000	0	0	0	0	0		0			
Ayrshire Growth Deal	9,000,000	0	9,000,000	0	0	0	0	0		0			
Quarry Road Phase 1	2,977,098	1,501,881	2,977,098	0	2,334,626	859,410	2,334,626	0		0			
Lochshore, Kilbirnie	298,000	12,500	298,000	0	293,000	7,500	268,000	(25,000)		(25,000)			2017-18 VDLF Funding now added to 16-17 Funding. £0.025m SE Funding requested to be carried forward to 18-19
Irvine Kyle Road Site Prep	955,642	97,698	955,642	0	907,203	49,259	907,203	0		0			2017-18 VDLF Funding now added to 16-17 Funding.
Moorpark Road West	430,946	265,068	430,946	0	337,901	172,023	337,901	0		0			VDLF Funding 16-17- SG confirmed carry forward of funds to 17-18
COMMUNITY INVESTMENT FUNDS	2,162,000	0	2,162,000	0	2,162,000	0	2,162,000	0		0			
ARDROSSAN HARBOUR	800,000	0	800,000	0	200,000	0	200,000	0		0			
STONEYHOLM MILL	70,800	0	70,800	0	70,800	0	70,800	0		0			
Ardrossan North Shore	50,000	0	50,000	0	50,000	0	50,000	0		0			VDLF Funding 17-18
Quarry Road Phase 2	4,440,000	0	4,440,000	0	990,000	0	990,000	0		0			
Gas Works (Dalry)	90,000	0	90,000	0	90,000	0	90,000	0		0			VDLF Funding 17-18
McDowall Place, Ardrossan	79,000	0	79,000	0	79,000	0	79,000	0		0			VDLF Funding 17-18
Total Regeneration	37,744,022	8,124,549	37,519,648	(224,374)	12,805,650	5,132,224	12,556,276	(249,374)	(224,374)	(25,000)			

## CAPITAL MONITORING 2017/18

## ECONOMY &amp; COMMUNITIES

Project Description	TOTAL PROJECT				CURRENT YEAR 2017/18						DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2017/18	Actual Expenditure to 30 September 2017	Projected Expenditure to 31 March 2018	Actual Over/ (Under) Spend for 17/18	True Over/(Under) Spend	Carry Forward to 2018/19	Delivery Status Financial	Delivery Status Physical	
<u>Strategic Planning &amp; Infrastructure</u>													
CYCLING/WALKING/SAFER STREETS	1,219,796	83,796	1,219,796	0	338,000	0	338,000	0		0	✓	✓	
ACCESS PATH NETWORK PROGRAMME	6,829,367	4,718,010	6,829,367	0	2,014,890	153,533	2,014,890	0		0	✓	✓	
CAR PARK STRATEGY	327,253	103,142	327,253	0	229,379	5,268	229,379	0		0	✓	✓	
IRVINE ACTIVE TRAVEL HUB	511,401	0	511,401	0	511,401	0	511,401	0		0	✓	✓	
BUS CORRIDOR IMPROVEMENTS	70,000	(6,241)	70,000	0	70,000	(6,241)	70,000	0		0	✓	✓	
BUS ROUTE CONGESTION	200,000	0	200,000	0	200,000	0	200,000	0		0	✓	✓	
<u>Total Strategic Planning &amp; Infrastructure</u>	<b>9,157,817</b>	<b>4,898,707</b>	<b>9,157,817</b>	<b>0</b>	<b>3,363,670</b>	<b>152,560</b>	<b>3,363,670</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<u>CONNECTED COMMUNITIES</u>													
<u>Sports &amp; Activity</u>													
IRVINE LEISURE CENTRE	21,771,207	21,032,151	22,335,168	563,961	225,395	(513,661)	789,356	563,961	563,961	0	●	Complete	Additional costs of the Portal including settlement of the agreed final account.
<u>Total Sports &amp; Activity</u>	<b>21,771,207</b>	<b>21,032,151</b>	<b>22,335,168</b>	<b>563,961</b>	<b>225,395</b>	<b>(513,661)</b>	<b>789,356</b>	<b>563,961</b>	<b>563,961</b>	<b>0</b>			
<u>Information &amp; Culture</u>													
CASTLES & HISTORIC MONUMENTS	563,132	0	563,132	0	88,132	0	88,132	0		0	Holding Code	Holding Code	To be reviewed as part of capital refresh September 2017
ABBAY TOWER	85,000	4,859	85,000	0	84,712	4,572	84,712	0		0	✓	✓	
ST BRIDE'S CHAPEL, ARRAN	177,009	181,251	177,009	0	95,568	99,810	95,568	0		0	✓	✓	
<u>Total Information &amp; Cultural</u>	<b>825,141</b>	<b>186,111</b>	<b>825,141</b>	<b>0</b>	<b>268,412</b>	<b>104,382</b>	<b>268,412</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<u>Completed Projects</u>													
PURCHASE OF STRATEGIC ASSETS	1,113,417	1,071,207	1,113,417	0	1,280	1,280	1,280	0		0	Complete	Complete	
Biomass Supply Chain	28,000	21,888	28,000	0	27,960	21,848	27,960	0		0	✓	Complete	
Greenwood Interchange	139,295	84,875	139,295	0	119,380	64,960	119,380	0		0	✓	Complete	
HAWKHILL ROUNABOUT *	0	(1,187)	0	0	0	(1,187)	0	0		0	Complete	Complete	
LARGS SPORTS DEVELOPMENT	299,276	299,276	299,276	0	2,941	2,941	2,941	0		0	Complete	Complete	
<u>Total Completed Projects</u>	<b>1,579,989</b>	<b>1,476,059</b>	<b>1,579,989</b>	<b>0</b>	<b>151,561</b>	<b>89,842</b>	<b>151,561</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<u>Total Economy &amp; Communities</u>	<b>71,078,175</b>	<b>35,717,578</b>	<b>71,417,762</b>	<b>339,587</b>	<b>16,814,688</b>	<b>4,965,347</b>	<b>17,129,275</b>	<b>314,587</b>	<b>339,587</b>	<b>(25,000)</b>			

\* These projects are rolling programmes. Total budget only reflects current programmes



**CAPITAL MONITORING 2017/18****EDUCATION & YOUTH EMPLOYMENT**

Project Description	TOTAL PROJECT				CURRENT YEAR 2017/18						DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2017/18	Actual Expenditure to 30 September 2017	Projected Expenditure to 31 March 2018	Actual Over/ (Under) Spend for 17/18	True Over/(Under) Spend	Carry Forward to 2018/19	Delivery Status Financial	Delivery Status Physical	
	£	£	£	£	£	£	£	£	£	£			
<b>Nursery Education</b>													
EARLY LEARNING & CHILDCARE	2,250,314	0	2,250,314	0	751,443	0	751,443	0		0	Holding Code	Holding Code	
DYKESMAINS PRIMARY SCHOOL NURSERY ADAPTS	1,239,707	94,305	1,239,707	0	0	3,450	0	0		0	✓	On hold	Project on hold at present - part of Capital Plan Refresh
ANNICK PRIMARY EXT - EARLY YRS PROVISION	2,000,000	1,005	2,000,000	0	1,005	1,005	1,005	0		0	✓	✓	
<b>Total Nursery Education</b>	<b>5,490,021</b>	<b>95,310</b>	<b>5,490,021</b>	<b>0</b>	<b>752,448</b>	<b>4,455</b>	<b>752,448</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>Primary Schools</b>													
ELDERBANK PS	11,174,100	11,037,305	11,174,100	0	126,795	(10,000)	126,795	0	0	0	✓	✓	
MOORPARK PRIMARY EXTENSION	3,000,000	26,380	3,000,000	0	2,144	2,144	2,144	0		0	✓	On Hold	Project on hold at present - part of Capital Plan Refresh
<b>Total Primary Education</b>	<b>14,174,100</b>	<b>11,063,685</b>	<b>14,174,100</b>	<b>0</b>	<b>128,939</b>	<b>(7,856)</b>	<b>128,939</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>Secondary Schools</b>													
KILWINNING ESTATE SECONDARY PITCH	758,241	498,563	758,241	0	713,488	453,810	713,488	0		0	✓	✓	
AUCHENHARVIE SECONDARY ESTATE LEARNING ENVIRONMENT	4,524,822	66,147	4,524,822	0	1,562,625	19,772	1,562,625	0		0	✓	✓	
KILWINNING LEARNING ENVIRONMENT	2,591,759	0	2,591,759	0	0	0	0	0		0	✓	✓	
IRVINE ROYAL/COLLEGE ADAPTS	2,269,412	1,371,514	2,269,412	0	948,869	50,970	948,869	0		0	✓	✓	
GARNOCK CAMPUS	41,835,067	39,463,184	41,835,067	0	2,872,496	500,613	2,872,496	0		0	✓	Complete	
LARGS ACADEMY	4,712,270	1,702,819	4,712,270	0	3,165,689	156,239	2,245,689	(920,000)		(920,000)	✓	✓	E0.920k requested to be carried forward to 18-19 for infrastructure / roads, utilities, security and SQA arrangements
ARDROSSAN NEW BUILD	31,590,000	0	31,590,000	0	0	0	0	0			✓	✓	
<b>Total Secondary Education</b>	<b>88,281,571</b>	<b>43,102,226</b>	<b>88,281,571</b>	<b>0</b>	<b>9,263,167</b>	<b>1,181,404</b>	<b>8,343,167</b>	<b>(920,000)</b>	<b>0</b>	<b>(920,000)</b>			
<b>Special Education</b>													
NEW BUILD ASN SCHOOL	25,056,000	49,462	25,056,000	0	233,125	2,587	233,125	0		0	✓	✓	
<b>Total Special Education</b>	<b>25,056,000</b>	<b>49,462</b>	<b>25,056,000</b>	<b>0</b>	<b>233,125</b>	<b>2,587</b>	<b>233,125</b>	<b>0</b>	<b>0</b>	<b>0</b>			

**CAPITAL MONITORING 2017/18****EDUCATION & YOUTH EMPLOYMENT**

Project Description	TOTAL PROJECT				CURRENT YEAR 2017/18						DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2017/18	Actual Expenditure to 30 September 2017	Projected Expenditure to 31 March 2018	Actual Over/ (Under) Spend for 17/18	True Over/(Under) Spend	Carry Forward to 2018/19	Delivery Status Financial	Delivery Status Physical	
<u>Completed Projects</u>													
HAYOCKS PRIMARY SCHOOL NURSERY ADAPTS	208,862	207,138	208,862	0	2,062	338	2,062	0		0	✓	Complete	
GLENCAIRN PRIMARY SCHOOL NURSERY ADAPTS	101,273	100,573	101,273	0	700	0	700	0		0	✓	Complete	
LOUDON MONT PRIMARY SCHOOL NURSERY ADAPTS	734,330	584,932	734,330	0	449,416	300,018	449,416	0		0	✓	Complete	
WEST KILBRIDE PRIMARY SCHOOL NURSERY ADAPTS	29,011	28,295	29,011	0	716	0	716	0		0	✓	Complete	
WHITLEES COMM CTR NURSERY ADAPTS	151,820	147,736	151,820	0	4,194	110	4,194	0		0	✓	Complete	
Castlepark primary - remodelling	122,334	104,721	122,334	0	23,462	5,850	23,462	0		0	Complete	Complete	
LEARNING ACADEMY AUCHENHARVIE	406,045	400,164	406,045	0	0	(5,881)	0	0		0	Complete	Complete	
<b>Total Completed Projects</b>	<b>1,753,674</b>	<b>1,573,559</b>	<b>1,753,674</b>	<b>0</b>	<b>480,550</b>	<b>300,435</b>	<b>480,550</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<u>Total Education &amp; Skills</u>	<b>134,755,366</b>	<b>55,884,242</b>	<b>134,755,366</b>	<b>0</b>	<b>10,858,229</b>	<b>1,481,024</b>	<b>9,938,229</b>	<b>(920,000)</b>	<b>0</b>	<b>(920,000)</b>			

\* These projects are rolling programmes. Total budget only reflects current programmes

## CAPITAL MONITORING 2017/18

## FINANCE &amp; CORPORATE SUPPORT

Project Description	TOTAL PROJECT				CURRENT YEAR 2017/18						DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2017/18	Actual Expenditure to 30 September 2017	Projected Expenditure to 31 March 2018	Actual Over/ (Under) Spend for 17/18	True Over/(Under) Spend	Carry Forward to 2018/19	Delivery Status Financial	Delivery Status Physical	
	£	£	£	£	£	£	£	£	£	£			
<a href="#">Financial Services</a>													
DEFIBRILLATORS	157,231	143,329	157,231	0	19,491	5,590	19,491	0		0	✓	⬮	Original project complete. Additional new streams now coming online.
FMS SYSTEM	369,690	256,110	369,690	0	224,490	110,910	224,490	0		0			
CAREFIRST IT SYSTEM	120,678	84,620	120,678	0	36,058	0	36,058	0		0	✓	✓	Budget carried forward to 17-18 for work on integration with new FMS System
<b>Total Financial Services</b>	<b>647,599</b>	<b>484,059</b>	<b>647,599</b>	<b>0</b>	<b>280,039</b>	<b>116,500</b>	<b>280,039</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<a href="#">Information Technology</a>													
PC REPLACEMENT/VIRTUAL DESKTOP *	182,235	10,916	182,235	0	182,235	10,916	182,235	0		0	✓	✓	
MICROSOFT OFFICE UPGRADE *	70,000	73,254	70,000	0	70,000	73,254	70,000	0		0	✓	✓	
WINDOWS SERVER MIGRATION	840,059	815,689	840,059	0	39,246	14,876	39,246	0		0	✓	✓	Budget will be spent on Virtual Server Environment enhancement
DATA RATIONALISATION & STORAGE	809,617	161,712	809,617	0	147,905	0	147,905	0		0	✓	✓	
PSN COMPLIANCE	384,000	354,234	384,000	0	35,591	5,825	35,591	0		0	✓	✓	Initial compliance audit has highlighted an issue requiring further investigation. Spend will be required for resolution.
AGILE WORKING *	107,989	20,243	107,989	0	107,989	20,243	107,989	0		0	✓	✓	
<b>Total Information Technology</b>	<b>2,393,899</b>	<b>1,436,047</b>	<b>2,393,899</b>	<b>0</b>	<b>582,966</b>	<b>125,114</b>	<b>582,966</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<a href="#">Council IT Strategy</a>													
WIRELESS ACCESS IN SCHOOLS	480,984	468,524	480,984	0	15,849	3,389	15,849	0		0	✓	✓	Budget will be utilised for Arran schools WiFi
MANAGED WAN SERVICES	773,583	640,280	773,583	0	135,846	2,543	135,846	0		0	✓	✓	Currently under review. Work to be re-prioritised and budget will be re-phased
SCHOOLS ICT INVESTMENT *	415,970	266,137	415,970	0	415,970	266,137	415,970	0		0	✓	✓	
BUSINESS CONTINUITY	400,000	0	400,000	0	0	0	0	0		0	✓	✓	
INFRASTRUCTURE ENHANCEMENTS *	84,433	6,881	84,433	0	84,433	6,881	84,433	0		0	✓	✓	
Microsoft Enterprise Agreement	825,000	0	825,000	0	0	0	0	0		0	✓	✓	Part of Capital Plan Refresh
<b>Total IT Strategy</b>	<b>2,979,970</b>	<b>1,381,822</b>	<b>2,979,970</b>	<b>0</b>	<b>652,098</b>	<b>278,950</b>	<b>652,098</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>Total Finance &amp; Corporate Support</b>	<b>6,021,468</b>	<b>3,301,929</b>	<b>6,021,468</b>	<b>0</b>	<b>1,515,103</b>	<b>520,564</b>	<b>1,515,103</b>	<b>0</b>	<b>0</b>	<b>0</b>			

\* These projects are rolling programmes. Total budget only reflects current programmes

## CAPITAL MONITORING 2017/18

## HEALTH &amp; SOCIAL CARE

Project Description	TOTAL PROJECT				CURRENT YEAR 2017/18						DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/(Under) Spend	Total Revised Budget 2017/18	Actual Expenditure to 30 September 2017	Projected Expenditure to 31 March 2018	Actual Over/(Under) Spend for 17/18	True Over/(Under) Spend	Carry Forward to 2018/19	Delivery Status Financial	Delivery Status Physical	
	£	£	£	£	£	£	£	£	£	£			
<a href="#">Management &amp; Support</a> HOME CARE SYSTEM	433,918	331,598	433,918	0	102,320	0	102,320	0		0	✓	✓	In discussion with providers to purchase interface requirements. Expenditure will be between November 2017 and March 2018.
HSCP ICT Investment to Support Integration	250,000	86,868	250,000	0	188,625	25,493	118,625	(70,000)		(70,000)	✓	✓	£0.070m requested to be carried forward to 2018/19 to reflect revised programme plan.
<a href="#">Total Management &amp; Support</a>	683,919	418,467	683,919	0	290,945	25,493	220,945	(70,000)	0	(70,000)			
<a href="#">Housing Non HRA</a>													
IMPROVEMENT GRANTS *	934,046	209,436	934,046	0	934,046	209,436	934,046	0		0	✓	✓	
CARE & REPAIR	15,000	89,861	15,000	0	15,000	89,861	15,000	0		0	✓	✓	
<a href="#">Total Housing Non HRA</a>	949,046	299,297	949,046	0	949,046	299,297	949,046	0	0	0			
<a href="#">Older People</a> TARRYHOLME	3,356,000	77,935	3,356,000	0	350,000	13,135	350,000	0		0	✓	✓	
<a href="#">Total Older People</a>	3,356,000	77,935	3,356,000	0	350,000	13,135	350,000	0	0	0			
<a href="#">Total Health &amp; Social Care</a>	4,988,965	795,698	4,988,965	0	1,589,991	337,924	1,519,991	(70,000)	0	(70,000)			

\* These projects are rolling programmes. Total budget only reflects current programmes

## CAPITAL MONITORING 2017/18

PLACE

Project Description	TOTAL PROJECT				CURRENT YEAR 2017/18						DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2017/18	Actual Expenditure to 30 September 2017	Projected Expenditure to 31 March 2018	Actual Over/ (Under) Spend for 17/18	True Over/ (Under) Spend	Carry Forward to 2018/19	Delivery Status Financial	Delivery Status Physical	
	£	£	£	£	£	£	£	£	£	£			
<b>PHYSICAL ENVIRONMENT</b>													
<b>Roads</b>													
ROADS IMPROVE/RECONSTRUCTION *	2,999,843	917,770	2,999,843	0	2,999,843	917,770	2,999,843	0		0			
B714 UPGRADE	2,065,092	444,789	2,065,092	0	167,129	17,129	167,129	0		0		On Hold	Project on hold - part of capital refresh
LIGHTING *	958,160	594,423	958,160	0	958,160	594,423	958,160	0		0			
STREET LIGHTING MAINLAND	3,727,999	3,198,159	3,727,999	0	559,210	29,370	559,210	0		0			Last few packages carried over from 16/17.
UPPER GARNOCK FPS	17,400,001	1,119,463	17,400,001	0	368,177	33,721	368,177	0		0			
BANNOCH BURN KILW'G FLOOD WORK	225,000	145,510	225,000	0	88,369	8,879	88,369	0		0			Property flood protection work carried forward from 16/17
MILLPORT COASTAL FPS	6,970,000	332,506	6,970,000	0	179,453	31,959	179,453	0		0			
GARDEN WEIR FISH PATH	35,583	17,331	35,583		35,583	17,331	35,583	0		0			
BRIDGES INFRASTRUCTURE PROG *	560,000	66,943	560,000	0	560,000	66,943	560,000	0		0			
<b>Total Roads</b>	<b>34,941,679</b>	<b>6,836,894</b>	<b>34,941,679</b>	<b>0</b>	<b>5,915,924</b>	<b>1,717,525</b>	<b>5,915,924</b>	<b>0</b>	<b>0</b>	<b>0</b>			
										0			
<b>Office Accommodation</b>													
PROPERTY LIFECYCLE INVESTMENT *	1,620,163	1,311,432	1,620,163	0	1,620,163	1,311,432	1,620,163	0	0	0			
<b>Total Office Accommodation</b>	<b>1,620,163</b>	<b>1,311,432</b>	<b>1,620,163</b>	<b>0</b>	<b>1,620,163</b>	<b>1,311,432</b>	<b>1,620,163</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>Other Property</b>													
INDUSTRIAL PORTFOLIO *	212,081	3,972	212,081	0	212,081	3,972	212,081	0		0			
SALTCOATS PUBLIC REALM	1,000,000	615,323	1,000,000	0	642,793	258,116	642,793	0	0	0			
<b>Total Property</b>	<b>1,212,081</b>	<b>619,295</b>	<b>1,212,081</b>	<b>0</b>	<b>854,874</b>	<b>262,088</b>	<b>854,874</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>Housing Non HRA</b>													
CCTV GENERAL	33,800	13,800	33,800	0	20,000	0	20,000	0		0			
<b>Total Housing Non HRA</b>	<b>33,800</b>	<b>13,800</b>	<b>33,800</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>0</b>			

## CAPITAL MONITORING 2017/18

PLACE

Project Description	TOTAL PROJECT				CURRENT YEAR 2017/18						DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2017/18	Actual Expenditure to 30 September 2017	Projected Expenditure to 31 March 2018	Actual Over/ (Under) Spend for 17/18	True Over/ (Under) Spend	Carry Forward to 2018/19	Delivery Status Financial	Delivery Status Physical	
<a href="#">Streetscene</a> CEMETERY EXTNS, WALLS & INFRA *	712,376	6,882	712,376	0	712,376	6,882	712,376	0		0	Holding Code	Holding Code	
KNADGERHILL CEMETERY	117,658	77,783	117,658	0	117,658	77,783	117,658	0	0	0	✓	✓	
BEITH AULD KIRK	254,308	179,387	254,308	0	254,308	179,387	254,308	0		0	✓	✓	
KILBIRNIE CEMETERY	0	4,092	4,092	4,092	0	4,092	4,092	4,092	4,092	0			
<a href="#">Total Streetscene</a>	1,084,342	268,143	1,088,434	4,092	1,084,342	268,143	1,088,434	4,092	4,092	0			
<a href="#">Transport</a>													
VEHICLES *	2,076,045	1,404,504	2,076,045	0	2,076,045	1,404,504	2,076,045	0		0	✓	✓	
<a href="#">Total Transport</a>	2,076,045	1,404,504	2,076,045	0	2,076,045	1,404,504	2,076,045	0	0	0			
<a href="#">Waste Services</a>													
SHEWALTON LANDFILL	14,402,485	13,428,270	14,402,485	0	617,943	155,729	617,943	0		0	✓	✓	
<a href="#">Total Waste Services</a>	14,402,485	13,428,270	14,402,485	0	617,943	155,729	617,943	0	0	0			
<a href="#">Renewable Energy</a>													
RENEWABLE ENERGY PROGRAMME	109,669	51,018	109,669	0	58,651	0	58,651	0		0	Holding code	Holding code	
SOLAR PV RETROFIT EXTENSION	120,000	0	120,000	0	120,000	0	120,000	0		0	✓	✓	
<a href="#">Total Renewable Energy</a>	229,669	51,018	229,669	0	178,651	0	178,651	0	0	0			

## CAPITAL MONITORING 2017/18

PLACE

Project Description	TOTAL PROJECT				CURRENT YEAR 2017/18						DELIVERY STATUS		Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2017/18	Actual Expenditure to 30 September 2017	Projected Expenditure to 31 March 2018	Actual Over/ (Under) Spend for 17/18	True Over/ (Under) Spend	Carry Forward to 2018/19	Delivery Status Financial	Delivery Status Physical	
<a href="#">Completed Projects</a>													
BRIDGEGATE HOUSE REFURB	9,614,276	9,604,920	9,614,276	0	10,627	1,270	10,627	0		0	✓	Complete	
CUNNINGHAME HOUSE PHASE 2	1,177,471	1,176,278	1,177,471	0	1,193	0	1,193	0		0	✓	Complete	
CUNNINGHAME HOUSE PHASE 3-4	2,138,040	2,059,635	2,138,040	0	54,045	(24,360)	54,045	0		0	✓	Complete	
RECORDS UNIT REPLACEMENT	252,919	252,918	252,919	0	4,058	4,058	4,058	0		0	Complete	Complete	
CUNNINGHAME HOUSE PHASE 5	665,530	658,530	665,530	0	7,067	67	7,067	0		0	✓	Complete	
CORP ASSET MANAGEMENT SYSTEM	86,392	86,973	86,392	0	10,257	10,838	10,257	0		0	Complete	Complete	
SALTCOATS TOWN HALL	3,770,148	3,417,489	3,770,148	0	178,475	(174,185)	178,475	0		0	✓	Complete	
MACKINTOSH PLACE	450,000	464,550	450,000	0	450,000	464,550	450,000	0		0	Complete	Complete	
SKELMORLIE CEMETERY WALL	132,648	131,940	132,648	0	3,158	2,449	3,158	0		0	Complete	Complete	
LAMLASH CEMETERY EXTENSION	21,088	21,928	21,088	0	5,257	6,097	5,257	0		0	Complete	Complete	
KILWINNING CEMETERY	50,169	47,385	50,169	0	46,319	43,535	46,319	0		0	✓	Complete	
ARDROSSAN CEMETERY WORKS	146,461	145,466	146,461	0	995	0	995	0		0	✓	Complete	
DREGHORN CEMETERY	2,145	2,145	2,145	0	2,145	2,145	2,145	0		0	Complete	Complete	
OLD BARONY CEMETERY WORKS	66,541	60,836	66,541	0	5,705	0	5,705	0		0	✓	Complete	
LYCH GATE, LOCHRANZA, ARRAN	32,230	27,100	32,230	0	7,616	2,486	7,616	0		0	✓	Complete	
SOLAR PV RETROFIT PROGRAMME	1,862,763	1,855,328	1,862,763	0	9,623	2,188	11,376	1,753		1,753	✓	Complete	
BIOMASS RETROFIT PROGRAMME	3,383,870	3,340,805	3,383,870	0	14,308	(28,757)	14,308	0	0	0	✓	Complete	
SOLAR ARRAYS	200,001	187,704	200,001	0	12,297	0	12,297	0		0	✓	Complete	
ICT WASTE MANAGEMENT SYS	184,454	184,454	184,454	0	0	0	0	0		0	Complete	Complete	
LAMLASH GREEN COASTAL PROTECTION	95,000	4,433	95,000	0	94,929	4,362	94,929	0		0	✓	Complete	
<a href="#">Total Completed Projects</a>	24,332,147	23,730,816	24,332,147	0	918,074	316,743	919,827	1,753	0	1,753			
<a href="#">Total Place</a>	79,932,411	47,664,172	79,936,503	4,092	13,286,016	5,436,163	13,291,861	5,845	4,092	1,753			

\* These projects are rolling programmes. Total budget only reflects current programmes

Other Budgets								
Project Description	TOTAL PROJECT				CURRENT YEAR 2017/18			
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2017/18	Actual Expenditure to 30 September 2017	Projected Expenditure to 31 March 2018	Over/ (Under) Spend for 17/18
	£	£	£	£	£	£	£	£
FLEXIBILITY	694,456	0	0	(694,456)	694,456	0	0	(694,456)
<a href="#">Total Other Budgets</a>	694,456	0	0	(694,456)	694,456	0	0	(694,456)



**North Ayrshire Council**  
**HRA Capital Statement**  
**For Year Ended 31 March 2018**

Description	Budget Approved 01 March 2017	Budget B/Fwd/ (C/Fwd)	Approved Revisions to programme	Revised budget 2017/18	Year to Date Budget	Actual expenditure to 30th September 2017	Year to Date Variance	Projected Spend to 31/03/2018	Year end Variance	Carry forward to 18/19	True underspend	Comments
COUNCIL HOUSE BUILDING GENERAL	8,832,000	(1,772,506)	(6,483,000)	576,494	288,247	3,616	(284,631)	576,494	-	-	-	
CAP EXP BOURTREEHILL CAR PARKING PILO	-	-	-	-	-	2,900	2,900	-	-	-	-	
ACQUISITION OF HOUSES ON OPEN MARKET	400,000	483,446	-	883,446	441,723	459,459	17,736	883,446	-	-	-	
NEW BUILD FENCEDYKE	-	1,703,211	-	1,703,211	851,606	1,295,450	443,845	1,489,904	(213,307)	-	(213,307)	Account now being finalised and projected underspend noted.
WINDOW REPLACEMENT	158,895	363,844	-	522,739	261,370	2,817	(258,553)	522,739	-	-	-	
BATHROOM PROGRAMME	1,944,259	-	1,425,651	3,369,910	1,684,955	979,535	(705,420)	3,369,910	-	-	-	
KITCHEN PROGRAMME	2,199,502	-	(1,425,651)	773,851	386,926	472,336	85,411	1,051,541	277,690	-	277,690	Overspend reflects costs of take up following the letters to tenant at start of the year. The budget assumes a 55% take up but currently achieving 85%
OTHER CAPITAL WORKS	273,182	534,375	-	807,557	403,779	157,599	(246,179)	807,557	-	-	-	
NEW BUILD DICKSON DRIVE PHASE 1	-	-	-	-	-	(198,867)	(198,867)	-	-	-	-	
NEW BUILD MONTGOMERY COURT	-	-	-	-	-	(23,012)	(23,012)	-	-	-	-	
NEW BUILD GLENCAIRN HOUSE SHU	3,540,000	848,920	-	4,388,920	2,194,460	1,627,727	(566,733)	4,388,920	-	-	-	Project will complete 17/18
NEW BUILD CANAL COURT SHU	6,300,000	(165,705)	(1,814,295)	4,320,000	2,160,000	433,947	(1,726,053)	4,012,000	(308,000)	(308,000)	-	Project was due to start in April 17 and complete March 18, slipped to start date of Aug 17 and completion Oct 18
NEW BUILD DICKSON DRIVE PHASE 2	-	501,300	-	501,300	250,650	-	(250,650)	501,300	-	-	-	
NEW BUILD WATT COURT	4,908,724	(1,640)	(4,557,084)	350,000	175,000	15,720	(159,280)	136,000	(214,000)	(214,000)	-	Slipped from 2017/18 completion to March 2019 due to change in development plan from Refurb to New Build
NEW BUILD SHELTERED HOUSING	5,021,276	-	(5,021,276)	-	-	-	-	-	-	-	-	
CORSILLHEAD KILWINNING	-	-	-	-	-	460	460	-	-	-	-	
CENTRAL HEATING	1,080,840	407,468	-	1,488,308	744,154	309,378	(434,776)	1,338,308	(150,000)	-	(150,000)	No Access issues causing Underspend in Programme
INSULATED RE-RENDERING	1,063,861	(40,476)	-	1,023,385	511,693	512,127	435	1,023,385	-	-	-	
ELECTRICAL REWIRING	518,924	66,669	-	585,593	292,797	290,288	(2,509)	424,963	(160,630)	-	(160,630)	No Access issues causing Underspend in Programme
REFURBISHMENT SCHEMES	3,526,000	(2,673,040)	(852,960)	-	-	-	-	-	-	-	-	
REFURB MONTGOMERY COURT	-	-	-	-	-	(32,997)	(32,997)	-	-	-	-	
ROOFING & RENDERING	3,681,331	(2,502)	-	3,678,829	1,839,415	1,873,843	34,429	3,678,829	-	-	-	
DOOR ENTRY SYSTEMS	-	-	-	-	-	-	-	-	-	-	-	
INFRASTRUCTURE IMPROVEMENTS	265,302	(265,302)	-	-	-	-	-	-	-	-	-	
REFURB - ROBERT W SERVICE CT SH	-	1,643,385	-	1,643,385	821,693	1,234,792	413,100	1,643,385	-	-	-	
REFURB - DICKSON COURT	340,000	1,395,173	(1,038,613)	696,560	348,280	11,234	(337,046)	802,000	105,440	105,440	-	Initial start date of March 2017 slipped to October 2017 as Window replacement has taken precedence.. Completion slippage from January 2018 to October 2018
KILWINNING HOUSING OFFICE	212,000	-	-	212,000	106,000	1,426	(104,574)	212,000	-	-	-	
Connell Court	-	1,366,120	(1,266,120)	100,000	50,000	-	-	100,000	-	-	-	Only initial Fees anticipated in 17/18. Slippage on start date from March 2018 to June 2018.
ENERGY EFFICIENCY STANDARD	1,061,208	-	-	1,061,208	530,604	207,560	(323,044)	1,061,208	-	-	-	
PROFESSIONAL MANAGEMENT CHARGES	1,138,942	-	-	1,138,942	569,471	-	(569,471)	1,138,942	-	-	-	
<b>TOTAL EXPENDITURE</b>	<b>46,466,246</b>	<b>4,392,740</b>	<b>(21,033,348)</b>	<b>29,825,638</b>	<b>14,912,819</b>	<b>9,637,338</b>	<b>(5,225,481)</b>	<b>29,162,831</b>	<b>(662,807)</b>	<b>(416,560)</b>	<b>(246,247)</b>	
SALE OF COUNCIL HOUSES	-	-	-	-	-	(882,398)	(882,398)	(882,398)	(882,398)	-	(882,398)	Capital receipts are still being received from the final council house sales in 16/17. This will reduce required borrowing in 17/18
SALE OF ASSETS	-	-	-	-	-	-	-	-	-	-	-	
CFOR	(15,345,556)	265,302	-	(15,080,254)	(7,540,127)	-	7,540,127	(15,080,254)	-	-	-	
OTHER INCOME - HOUSE BUILDING	-	-	-	-	-	11,079	11,079	-	-	-	-	
CAPITAL GRANTS - HOUSE BUILDING	(10,146,000)	(683,932)	6,679,932	(4,150,000)	(2,075,000)	(1,136,060)	938,940	(4,150,000)	-	-	-	
CAPITAL GRANTS - ENERGY FUNDING	-	-	-	-	-	(69,733)	-	-	-	-	-	
AFFORDABLE HOUSING CONTRIBUTION	(838,202)	-	-	(838,202)	(419,101)	-	419,101	(838,202)	-	-	-	
INFRASTRUCTURE IMPROVEMENT RESERVE	(212,000)	-	-	(212,000)	(106,000)	-	-	(212,000)	-	-	-	
COUNCIL HOUSE BUILD FUND	-	(494,000)	-	(494,000)	(247,000)	-	247,000	(494,000)	-	-	-	
PRUDENTIAL BORROWING	(19,924,488)	(3,480,110)	14,353,416	(9,051,182)	(4,525,591)	-	4,525,591	(7,505,977)	1,545,205	416,560	1,128,645	Decrease in borrowing requirement due to the net underspend identified above and increased capital receipts
<b>TOTAL INCOME</b>	<b>(46,466,246)</b>	<b>(4,392,740)</b>	<b>21,033,348</b>	<b>(29,825,638)</b>	<b>(14,912,819)</b>	<b>(2,077,112)</b>	<b>12,729,707</b>	<b>(29,162,831)</b>	<b>662,807</b>	<b>416,560</b>	<b>246,247</b>	

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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 11**

**14 November 2017**

#### **Cabinet**

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<b>Title:</b>	<b>Treasury Management Mid-Year Report 2017/18</b>
<b>Purpose:</b>	To provide Cabinet with a Treasury Management update for the period 1 April to 30 September 2017.
<b>Recommendation:</b>	Agree to (a) endorse the contents of the Mid-Year Treasury Management Report for 2017/18 (Appendix 1); (b) note the Prudential and Treasury Indicators contained therein; (c) approve the introduction of the methodology for repaying advances to mirror income streams for projects where this is appropriate and (d) note the new methodology for allocating interest and expenses effective from 2017/18.

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#### **1. Executive Summary**

- 1.1 The Treasury Management Strategy Statement and treasury management indicators provide a framework for the Council's treasury activities to ensure the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.
- 1.2 This mid-year review report;
  - provides an update on performance to 30 September 2017;
  - updates the annual prudential indicators to reflect the latest information available to the Council;
  - demonstrates that the treasury management activities carried out during the period 1 April to 30 September 2017 have been consistent with the Treasury Management Strategy Statement 2017/18 and have complied with the treasury management indicators set out in the strategy statement.
- 1.3 The report also recommends the introduction of new methodology for repaying advances when projects have income streams which can be reasonably associated with the borrowing and asks cabinet to note a new methodology for the allocation of interest and expenses which better reflects the borrowing decisions taken each year.

## **2. Background**

- 2.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2011) requires that Elected Members are provided with regular monitoring reports on treasury management activities. The Treasury Management Strategy for 2017/18 was approved by Council on 1 March 2017.

This report is the Mid-Year Report, providing Cabinet with an update on treasury management activities for the period 1 April to 30 September 2017. Council will receive an annual report after the end of the financial year.

These reports ensure that the Council is meeting best practice in accordance with CIPFA's Code of Practice.

- 2.2 The 2017/18 Mid-Year Report is attached at Appendix 1 and covers:

- Prudential and treasury indicators;
- Borrowing and associated rates; and
- Investments and associated rate of return.

- 2.3 This report provides an update on performance to 30 September 2017 and the annual prudential indicators to reflect the latest information. It is a statutory duty for the Council to determine and keep under review its approved borrowing limits and prudential indicators. Details within the report demonstrate that during the period 1 April to 30 September 2017 the Council has operated within the authorised and operational limits and prudential indicators as set out in the Council's 2017/18 Annual Treasury Management Strategy Statement (TMSS).

- 2.4 The Executive Summary of the Mid-Year Report provides a high level overview of treasury management and performance, with more detail provided in the body of the report. Key points to note are:

- the re-profiling of capital expenditure into future years and continued use of internal resources have had an impact on all of the prudential indicators;
- it continues to be more cost effective to use internal funds in lieu of borrowing due to investment rates on offer; this has resulted in no long-term borrowing being undertaken to date in 2017/18;
- investment returns are below budgeted returns and is reflective of the lower bank rate and our decision to minimise investment balances reducing our need to borrow.

- 2.5 In April 2016 the Scottish Government issued statutory guidance in relation to Loans Fund Advances. The Loans Fund Advance, the amount charged to the General Fund and Housing Revenue Account, is effectively the repayment of the 'principal' linked to capital expenditure which is required to be funded from borrowing. The Council's current policy is to repay loans fund advances on an annuity basis which is similar to the repayment of a mortgage where principal payments are lower at the start of the mortgage and build up to deliver full repayment over the term of the mortgage. This method is suitable for the majority of the projects undertaken by the Council. However moving forward there are some projects, such as Ayrshire Growth Deal, where income streams are attached to the project which can be reasonably associated with the borrowing which will be undertaken. In these circumstances it is more appropriate for the advances to be repaid on a profile which matches this income. It is therefore recommended for these unique projects that loans fund advances are profiled for repayment to match the income and not on the annuity basis. This complies with the options available under the statutory guidance.
- 2.6 A review has been undertaken of the apportionment of interest between General Fund and the Housing Revenue Account(HRA). This review changes the current method of allocation which is based on each services share of Loans Fund Advances at the 31st March each year which results in interest and expenses being allocated based on a cumulative position. The new methodology will result in interest and expenses being allocated based on borrowing taken in year and an allocation which is more reflective of the borrowing decisions take each year by the General Fund and the HRA.

### **3. Proposals**

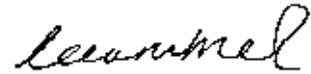
- 3.1 It is proposed that Cabinet (a) endorse the contents of the Mid-Year Treasury Management Report for 2017/18 (Appendix 1); (b) note the Prudential and Treasury Indicators contained therein; (c) approve the introduction of the methodology for repaying advances to mirror income streams for projects where this is appropriate and (d) note the new methodology for allocating interest and expenses effective from 2017/18.

#### 4. Implications

<b>Financial:</b>	<p><b>General Services</b></p> <p><b>Capital Financing Costs</b> - the Council budgeted £19.176m for financing costs and expenses on debt for 2017/18. It is currently estimated that actual costs will total £16.460m. This underspend, which has been transferred to the Loans Fund Reserve in line with the previously agreed policy to support delivery of the capital investment programme.</p> <p><b>Housing Revenue Account</b></p> <p><b>Capital Financing Costs</b> - the Council budgeted £7.840m for financing costs and expenses for debt in 2017/18. It is currently estimated that actual costs will total £7.210m.</p> <p>In both cases, the main reasons for the underspends are a) the current strategy to use short-term external borrowing as well as utilising cash balances, resulting in savings on external interest costs and b) realignment of capital income which reduces the need for borrowing, resulting in savings on loans fund principal and interest payments.</p>
<b>Human Resources:</b>	None
<b>Legal:</b>	None
<b>Equality:</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	Treasury Management activities for the period 1 April to 30 September 2017 helped support outcome 15b - "Public services are more efficient and effective".
<b>Community Benefits:</b>	None

## **5. Consultation**

5.1 No consultation has taken place on the contents of this report.



LAURA FRIEL  
Executive Director (Finance and Corporate Support)

Reference : None

For further information please contact Margaret Hogg, Head of Finance on  
01294 324560

### **Background Papers**

Annual Treasury Management and Investment Strategy 2017/18, Council 1  
March 2017



**North Ayrshire Council**  
Comhairle Siorrachd Àir a Tuath

# Mid-Year Treasury Management Report

2017/18



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# Mid-Year Treasury Management Review 2017/18

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## 1. Purpose

The Council is required by regulations issued under the Local Government in Scotland Act 2003 and the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2011) to produce a mid-year review of treasury management activities. The purpose of this mid-year review is to report the performance of the Council's treasury operation and how this measures up against the Council's Annual Treasury Strategy. This is done through the publication of updated prudential and treasury indicators for 2017/18.

This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2017/18 the minimum reporting requirement was that the following reports should be submitted to Elected Members:

- an annual treasury strategy (submitted to the Council on 1 March 2017 )
- a mid-year treasury update report (this report)
- an annual review following the end of the year describing the activity compared to the strategy (will be submitted to Council in June 2018)

Regulations place responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of treasury activities for the six months to 30 September 2017 and highlights performance against the Council's policies previously approved by members.

## 2. Executive Summary

During the six month period to 30 September 2017, the Council complied with its legislative and regulatory requirements.

The **key prudential and treasury indicators** for 2017/18 have been updated based on the latest available information and will be used to assess performance at the end of the year.

**TABLE 1**

Prudential and treasury indicators	2017/18 Original Estimate £m	2017/18 Revised Estimate £m
<b>Capital expenditure (Indicator 1)</b>		
· Non-HRA	35.899	45.359
· HRA	53.105	29.163
· <b>Total</b>	<b>89.004</b>	<b>74.522</b>
<b>Capital Financing Requirement (CFR):</b>		
· Non-HRA	174.039	175.639
· HRA	140.288	122.426
· <b>Total</b>	<b>314.327</b>	<b>298.065</b>
<b>Gross borrowing (Indicator 4)</b>	303.741	288.010
<b>Operational Boundary (Indicator 5)</b>	329.171	320.118
<b>Authorised Limit (Indicator 6)</b>	362.089	352.130
<b>Investments (Indicator 8)</b>		
· Longer than 1 year	-	-
· Under 1 year	10.000	10.000
· <b>Total</b>	<b>10.000</b>	<b>10.000</b>

A summary of performance is provided below with more detailed information provided in the body of the report.

**Capital Expenditure** for both the General Fund and HRA vary from original estimates due to changes in the profile of projects and the receipt of new external funding.

The **Capital Financing Requirement (CFR)** is the underlying borrowing requirements of the Council. The reduction to the requirement during 2017/18 reflects the change in profile of the capital programme as well as changes in estimates of external funding.

**Gross Borrowing** reflects the actual borrowing which has been undertaken, this is projected to be lower than anticipated due to the revised profile of capital projects, lower temporary borrowing rates and the use of internal funds, the latter being a key element of the Treasury Management Strategy to minimise costs.

The **Operational Boundary** is the maximum we would anticipate borrowing to fund the current year capital programme building in flexibility for the timing of the different funding streams and principal repayments. The in-year variance is linked to the use of internal funds and the re-profiling of the capital programme.

The **Authorised Limits** is set at 10% above the Operational Boundary to give some flexibility to raise funds for future year capital investment.

The Council has a strategy of taking temporary borrowing rather than permanent borrowing to maximise the financial savings as a result of market conditions. In the period 1 April to 30 September 2017, there were a number of instances of temporary borrowing and at 30 September the value amounted to £22m, due to be repaid at various dates between now and 12 April 2018.

**Affordability** of borrowing is measured by a number of indicators, including the impact of:

- Borrowing on the Council Tax and Housing Rent; and
- Percentage of financial costs relative to the net revenue stream of the General Fund and Housing Revenue Account.

These will be updated as part of our annual report.

The **average investment** rate to 30 September was 0.12%, compared to a budget of 0.50% and actual in 2016/17 of 0.31%. The lower return secured this year to date by North Ayrshire Council reflects the sector-wide reduction in investment rates offered as a result of the 0.25% base rate.

Other prudential and treasury indicators and supporting information can be found in the main body of this report.

### **Conclusion**

The Executive Director (Finance and Corporate Support) confirms that long-term borrowing is only undertaken for a capital purpose and the statutory borrowing limit (the authorised limit) has not been breached.

### 3. Prudential and Treasury Indicators for 2017/18

The Prudential Code establishes a framework to ensure Councils demonstrate effective control over levels of, and decisions relating to, capital investment activity including borrowing. The Treasury indicators are used to ensure that risk is managed and controlled effectively. Together the Prudential and Treasury Indicators consider the affordability and impact of capital expenditure decisions and set out the Council's overall capital framework.

These indicators help the Council to demonstrate public accountability in relation to borrowing and investments. As part of this accountability this report will summarise the following: -

- Capital activity during the year (section a);
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement) (section b);
- The actual prudential and treasury indicators (section a – e);
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances (section e);
- Detailed debt activity (section e); and
- Summary of interest rate movements in the year (section 4);
- Detailed investment activity (section 6).

#### (a) The Council's Capital Expenditure and Financing 2017/18 (Prudential Indicator 1)

The Council incurs capital expenditure when it invests in its long term assets. Capital Expenditure can be funded in two main ways:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply other resources, the capital expenditure will give rise to borrowing, which is approved as part of the Council's investment plans.

The tables below show the planned capital expenditure for 2017/18 and the latest forecast alongside the amount estimated to be financed in year and the amount which will give rise to borrowing.

**TABLE 2**

General Fund	2017/18 Original Estimate £m	2017/18 Revised Estimate £m
<b>Capital expenditure (Indicator 1)</b>	<b>35.899</b>	<b>45.359</b>
Financed in year from external funding and reserves	34.349	44.590
<b>Unfinanced capital expenditure</b>	<b>1.550</b>	<b>0.769</b>

HRA	2017/18 Original Estimate £m	2017/18 Revised Estimate £m
<b>Capital expenditure (Indicator 1)</b>	<b>53.105</b>	<b>29.163</b>
Financed in year from external funding and reserves	27.588	21.657
<b>Unfinanced capital expenditure</b>	<b>25.517</b>	<b>7.506</b>

## (b) The Council's Overall Borrowing Need (the Capital Financing Requirement) (Prudential Indicators 2 and 3)

This indicator outlines the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not been paid from either a capital or revenue resource and therefore needs to be funded from borrowing. It is essentially a measure of the Council's underlying borrowing need.

Part of the Council's treasury activity is to meet the funding requirements for this borrowing need. The treasury management section organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government through the Public Works Loan Board [PWLB], or the money markets), by utilising temporary cash resources within the Council or through temporary borrowing from other local authorities.

The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. The Council is required to make an annual revenue charge, called the Loan Fund Principal Repayment. This is effectively a repayment of the borrowing need and it is charged to revenue over the life of the asset. This charge reduces the CFR each year. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources (such as unapplied capital receipts); or
- increasing the annual revenue charge

The Council's CFR for the year is shown in the following table and is a key prudential indicator. The opening balance includes the PPP scheme on the balance sheet, which increases the Council's borrowing need, this is shown to give a complete picture of the Council's debt, however no borrowing is actually required against these schemes as a borrowing facility is included in the contract, and as such this is removed from the bottom line.

Table 3 shows that based on historic capital expenditure and this year's capital expenditure the Council has a cumulative underlying need to borrow of £298.065m forecast at 31 March 2018. This is lower than the original estimate as a result of changes in the profile of capital projects and the receipt of new external funding.

**TABLE 3**

CFR	2017/18 Original Estimate £m	2017/18 Revised Estimate £m
<b>Opening Balance</b>	<b>299.130</b>	<b>300.918</b>
Add unfinanced capital expenditure (General Fund and HRA per Table 2)	27.067	8.275
Less Loans Fund Principal Repayments	(11.870)	(11.128)
<b>Closing balance (Indicator 2)</b>	<b>314.327</b>	<b>298.065</b>
<b>Annual Change (Indicator 3)</b>	<b>15.197</b>	<b>(2.853)</b>

### (c) Limits to Borrowing Activity (Prudential Indicators 4 - 6)

Borrowing activity is constrained by the prudential indicators for CFR, gross borrowing and by the authorised limit to ensure the Council operates its activities within well-defined limits.

#### Gross borrowing and the CFR

There is a need to ensure that gross debt does not, except in the medium term, exceed the total CFR (i.e. the Council does not borrow more than it needs to fund its capital programme). In exceptional circumstances Councils are allowed to borrow to cover the current financial year plus the next two financial years (i.e. to 2019/20). This provides some flexibility to borrow in advance where this is appropriate.

Table 4 highlights the Council's forecast gross borrowing position against the CFR and confirms that at 30 September 2017 the Council has complied with this prudential indicator as gross borrowing is currently within its CFR. The Council is currently under-borrowed by £68.485m due to the continuing strategy to delay long-term external borrowing by utilising internal cash balances.

**TABLE 4**

	2017/18 Original Estimate £m	2017/18 Revised Estimate £m	30 September 2017 Actual £m
Gross borrowing position ( <b>Indicator 4</b> )	303.741	288.010	229.580
CFR	314.327	298.065	298.065
<b>(Under)/Over Borrowed Position</b>	<b>(10.586)</b>	<b>(10.055)</b>	<b>(68.485)</b>

As part of its Annual Treasury Management Strategy the Council sets limits for external borrowing which it is not normally expected to exceed. These limits are explained below.

#### The Operational Boundary

The operational boundary is the expected maximum borrowing position of the Council during the year, taking account of the timing of various funding streams and the recharge of principal repayments from the revenue account. Periods where the actual position varies from the boundary is acceptable subject to the authorised limit not being breached.

#### The Authorised Limit

The authorised limit represents a limit beyond which external debt is prohibited. This limit is set by Council and can only be revised by Cabinet approval. It reflects the level of external borrowing which,

while not desirable, could be afforded in the short term, but is not sustainable in the longer. The current limit is set at 10% of the Operational Boundary.

Table 5 demonstrates that between 1 April and 30 September 2017 the Council's gross borrowing was within both the operational boundary and its authorised limit, by a very significant margin due to the continuing strategy to delay new external borrowing by utilising internal cash balances and changes in the capital programme that have resulted in a reduced borrowing requirement.

**TABLE 5**

	Actual £m	Revised £m
Average gross borrowing position 1 April to 30 September 2017	238.778	
Maximum gross borrowing position 1 April to 30 September 2017	266.569	
Operational boundary per Treasury Strategy 2017/18 (Indicator 5)	329.171	320.118
Authorised limit per Treasury Strategy 2017/18 (Indicator 6)	362.089	352.130

## (d) Treasury Position at 30 September 2017 (Prudential Indicators 7 - 11)

The Council's debt and investment position is organised by the treasury management service to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within agreed parameters. Procedures and controls to achieve these objectives are well established both through Member reporting and through the Council's Treasury Management Practices.

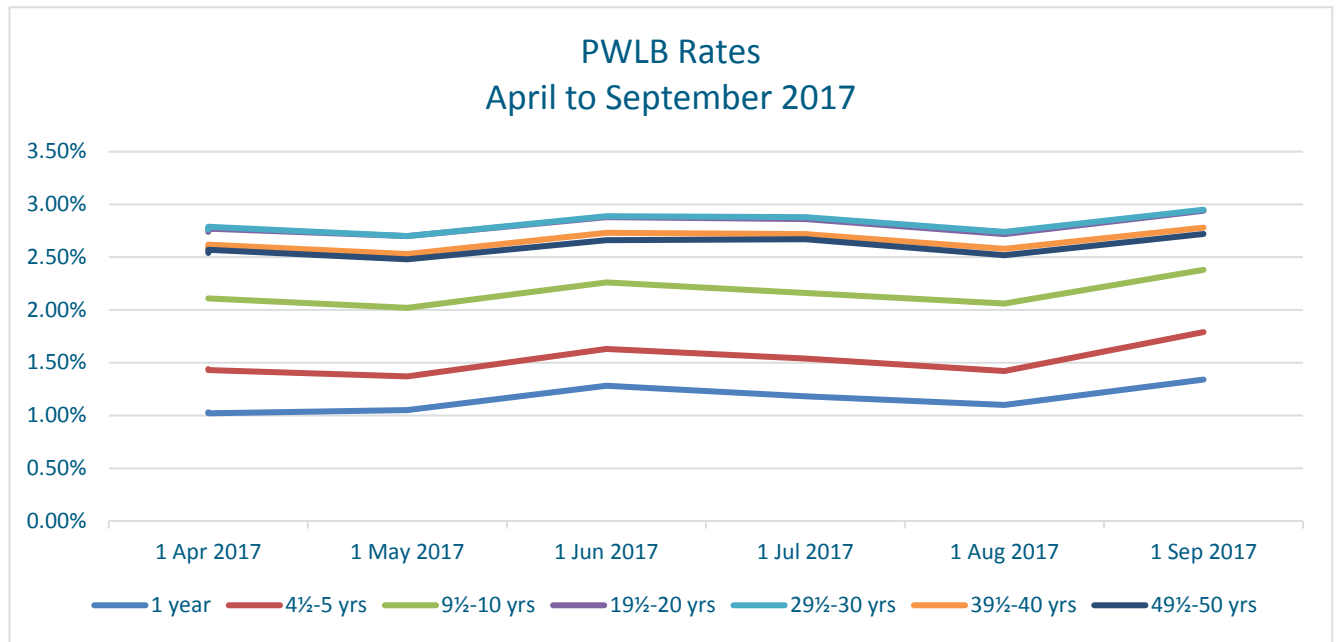
### Borrowing Strategy for 2017/18

The Borrowing Strategy for 2017/18 anticipated low bank interest rates and gradual rises in medium and longer term fixed borrowing rates during 2017/18 and 2018/19. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

In this scenario, the treasury strategy is to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Both consumer and business confidence remain subdued. Savings rates are at an all-time low and real earnings growth (i.e after inflation) struggles in the face of higher inflation

The graph below demonstrates that the general trend has seen slight increase in PWLB rates during the period April to September 2017.



## Borrowing Position for 2017/18

To date in 2017/18, the Council has undertaken only temporary borrowing. Due to investment concerns, both in terms of counterparty risk and low returns on investment, the Council has also used internal short-term cash reserves to temporarily fund its capital borrowing requirement to 30 September 2017.

In terms of outlook for the remainder of the year, based on current capital plans and replacement borrowing requirements, it is estimated that the Council will borrow £30.147m this financial year, with a forecasted planned under borrowed position of £10.055m at the end of March 2018.

### Rescheduling

No rescheduling has taken place between 1 April 2017 and 30 September 2017 as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

The Council's treasury position (excluding borrowing by PPP and finance leases) at the 31 March 2017 and 30 September 2017 was as follows:



TABLE 6

	31 March 2017 Principal £m	Rate/ Return %	30 September Principal £m	Rate/ Return %
Fixed rate funding:				
-PWLb*	154.379	5.59%	154.379	5.59%
-Other Local Authorities	50.000	0.42%	21.753	0.31%
-Market	0.384	0.00%	0.348	0.00%
Variable rate funding:				
-Market	53.100	5.35%	53.100	5.35%
<b>Total debt (Indicator 7)</b>	<b>257.863</b>	<b>4.53%</b>	<b>229.580</b>	<b>5.03%</b>
<b>CFR</b>	<b>300.916</b>		<b>298.065</b>	
<b>Over / (under) borrowing</b>	<b>(43.053)</b>		<b>(68.485)</b>	
Investments:				
- internally managed	15.450	0.31%	11.950	0.12%
<b>Total investments (Indicator 8)</b>	<b>15.450</b>		<b>11.950</b>	

\* PWLB Rate at 31st March 2017 has been restated

All investments at 30 September 2017 mature within one year in line with the Treasury Management Strategy **(Indicator 9)**.

The maturity structure of the debt portfolio **(Indicator 10)** at 30 September is shown below and shows the period when the Council is required to repay and/or refinance debt. It is important to ensure a reasonable spread of debt to mitigate against high exposure levels in respect of refinancing. The current profile ensures this:

TABLE 7

<b>Maturity Profile of Borrowing (Indicator 10)</b>	31 March 2017 Actual £m	30 September 2017 Actual £m
Under 12 months	85.986	57.739
12 months and within 24 months	0.036	10.587
24 months and within 5 years	27.168	16.591
5 years and within 10 years	1.161	1.150
10 years and within 20 years	20.000	20.000
20 years and within 30 years	-	-
30 years and within 40 years	72.012	83.013
40 years and within 50 years	51.500	40.500
50 years and above	-	-
<b>Total Borrowing</b>	<b>257.863</b>	<b>229.580</b>

The next indicator is used to manage risk and reduce the impact of adverse movement in interest rates. This sets a limit on the Council's exposure to fixed and variable interest rates **(Indicator 11)**. The Council approved a limit on variable borrowing of £60.000m in the Treasury Management Strategy 2017/18.

TABLE 8

	2017/18 Original Limits £m	30 September 2017 Actual £m
Limits on fixed interest rates based on net debt <b>(Indicator 11)</b>	302.088	176.480
Limits on variable interest rates based on net debt <b>(Indicator 11)</b>	60.000	53.100

## (e) Affordability Prudential Indicators (Prudential Indicator 12 - 14)

These Prudential Indicators assess the affordability of capital investment plans and provide an indication of the impact of capital investment plans on the Council's overall finances. The three indicators are

- incremental impact of capital investment decisions on council tax (**Indicator 12**)
- incremental impact of capital investment decisions on housing rents (**Indicator 13**)
- financing costs as a proportion of net revenue stream (**Indicator 14**)

The first two indicators can only be updated at 31 March 2018 once final figures are known. An estimate of the third indicator is shown below:

**TABLE 9**

Estimate of ratio of financing costs to net revenue stream (Indicator 14)	2017/18 Original Estimate £m	2017/18 Revised Estimate £m
General Services	5.7%	5.1%
HRA	16.6%	15.1%

## 4. Investment Rates in 2017/18

Bank Rate has remained at 0.25% since August 2016 however the Bank of England's Monetary Policy Committee has implied a rise in bank rate in "the coming months". The Council's treasury advisors are not convinced that the UK's economic outlook justifies a rate increase at this time and as such are maintaining their central case for Bank Rate at 0.25%.

## 5. Investment Position for 2017/18

### Investment Policy

The Council's investment policy is governed by Scottish Government investment regulations, which have been implemented in the annual investment strategy approved by the Council on 1 March 2017. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

All investments in 2017/18 have complied with our investment policy.

### Resources

The Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's cash resources were as follows at 30 September 2017:

**TABLE 10**

Cash Balances	2017/18 Actual £m
1 April 2017	15.450
30 September 2017	11.950
<b>Change within 6 months</b>	<b>(3.500)</b>

### **Investments held by the Council**

The Council has maintained an average balance of £12.319m of invested funds and utilised cash balances during the year in support of the under-borrowed position.

The Council's treasury management advisors, Arlingclose Limited, have six Scottish unitary authorities in their client group and provide regular investment benchmarking information to the Council. In terms of investment performance at 30 September 2017, North Ayrshire Council's average weighted rate of return on investments was 0.12% (0.31% 2016/17) compared to the group average rate of 0.26%.

The target investment rate for 2016/17 was 0.50% and the lower rate achieved can be attributed to the reduction in investment rates across the sector linked to the current bank rate.

Emphasis will continue to be placed on investing with approved counterparties in accordance with the approved strategy.

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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 12**

**14 November 2017**

#### **Cabinet**

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**Title:** **Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013**

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**Purpose:** That Cabinet reviews its decision of 1 September 2015 to impose a council tax levy on unoccupied dwellings having regard to the Scottish Government's 2013 Guidance and 2015 Supplementary Guidance.

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**Recommendation:** That Cabinet has regard to the Scottish Government's 2013 Guidance and 2015 Supplementary Guidance and makes no change to the modification to Regulation 3 of the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 agreed on 1 September 2015.

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#### **1. Executive Summary**

- 1.1 The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 gives Council power to modify the amount of Council tax discount which would otherwise be available for unoccupied dwellings. Cabinet agreed on 1 September 2015 to amend regulation 3 of the Regulations to replace the standard 50% discount for a long term empty property with a council tax levy of 150% from 1 April 2016 and 200% from 1 April 2017 where a property is empty for over 12 months, or 2 years where marketed for sale or rent. The principal reason for this decision was to encourage owners of empty property to bring properties back into use.

- 1.2 The Scottish Public Services Ombudsman (SPSO) on 18 August 2017 determined a customer complaint relating to the implementation of the amended regulation. The SPSO found that the Council's decision did not accurately reflect the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 and the Scottish Government's 2015 Supplementary Guidance. The latter Guidance stated that the modified regulation should be applied on a case by case basis. The SPSO has asked for the Council's policy to be reviewed. The Council believes that the Ombudsman's decision is based on facts which are not correct and has asked the Ombudsman to review her decision. This review has still to be determined. However, as it is accepted that the Cabinet decision on 1 September 2015 did not have regard to the 2013 and 2015 Guidance, the Ombudsman's recommendation to review the decision taken on 1 September 2015, to have regard to the Guidance has been accepted. Accordingly Cabinet is asked to review its decision of 1 September 2015 to modify Regulation 3 of the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 and to have regard to the 2013 and 2015 Guidance when doing so. A copy of the Council's revised regulation 3 is to be provided to the SPSO by 17 November 2017
- 1.3 While Cabinet is asked to consider the 2013 and 2015 Guidance, for reasons set out in the report, Cabinet is recommended not to follow the 2015 Guidance and continue with the existing amendment to regulation 3 of the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013. To achieve certainty, consistency and fairness, it is important that the same rules apply to everyone, rather than applying Regulation 3 on a case by case basis.

## **2. Background**

- 2.1 Regulation 3 of the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 (the "Regulations") state that a chargeable dwelling with no residents is subject to a 50% council tax discount.
- 2.2 The Council has discretionary power under Regulation 4 (1) to modify Regulation 3. To do so, encourages owners of empty property to bring properties back into use. To support the Empty Homes Strategy, Cabinet agreed on 1 September 2015 to replace the 50% discount with a council tax levy of 150% from 1 April 2016 and 200% from 1 April 2017 where a property has been empty for over 12 months, or 2 years where marketed for sale or rent. A copy of the report to Cabinet of 1 September 2015, giving further information on the change is attached as Appendix 1.

- 2.3 An owner of an empty property lodged a complaint with the Council regarding the imposition of the council tax levy. He bought his property in June 2014 and although it was habitable, the property required work to bring it up to modern standards before moving into the property in November 2016. The owner believed that the Council did not take into account discretion available in the Regulations and raised this matter with the Scottish Public Services Ombudsman (SPSO). The SPSO found that the Cabinet's decision of 1 September 2015 did not accurately reflect the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 and should have had regard to the Scottish Government's 21 May 2013 Guidance and 31 March 2015 Supplementary Guidance when modifying Regulation 3. The 2015 Guidance advised that once a Council had amended regulation 3, it should be applied on a case by case basis having regard to an individual's circumstances. The 2013 Guidance is attached at Appendix 2 and the 2015 Supplementary Guidance at Appendix 3.
- 2.4 Regulation 4(2) of the Regulations states that power to modify Regulation 3 may be exercised to make different modifications for different cases or different classes of case, including for different areas. This allows a Local Authority to avoid charging an increase in council tax where it considers there are reasons why an owner is justified in leaving their property unoccupied and / or reasons why a dwelling cannot be lived in, sold or let. Regulation 4(2) permits, but does not require a Council to modify regulation 3 in a way which has regard to individual circumstances. It is still open to a Council to modify regulation 3 in a standard manner which then applies to all cases. Indeed the original wording of the unmodified regulation 3 takes this approach.
- 2.5 Cabinet of 1 September 2015 chose not to exercise the power available under Regulation 4(2) when deciding to modify Regulation 3 and agreed no discretion would be applied with no right of appeal against this decision.

- 2.6 The Cabinet report of 1 September 2015 made no specific reference to the Scottish Government's 2013 Guidance or the 2015 Supplementary Guidance and there is no evidence that the Council's decision to modify Regulation 3 had regard to this guidance. This makes the Cabinet decision to modify Regulation 3 open to challenge. The recent Supreme Court decision in *Aberdeen v Elsick*, quoting a previous decision, summarises the legal position as "the law has always made "a clear distinction between the question of whether something is a material consideration and the weight which it should be given". The former is a question of law; the latter is a matter for the planning judgement of the planning authority. Accordingly, a failure by a planning authority to have regard to relevant guidance as a material planning consideration would be an error of law. A decision, after considering the guidance, not to follow it, would (absent another ground of challenge in administrative law) be a matter of planning judgement, in which the courts have no role." While this case related to planning, the principle is the same. It is an error of law for a Council not to have regard to Ministerial Guidance before making a decision. However, the weight to be given to that Guidance or whether to follow it, is then a matter for Cabinet.
- 2.7 While the Council decision of 1 September 2015 remains valid until overturned by the Courts, it is recommended that the Cabinet should review this to have regard to the Scottish Government's Guidance of 2013 and 2015. As regards the 2013 Guidance, this accord with the Regulations and the modification of regulation 3 made by Cabinet on 1 September, and permits a standard approach to be taken to the application of the modified regulation 3. Unlike the 2015 Guidance, it does not require the amended regulation 3 to be applied on a case by case basis. Accordingly there are no issues in following the 2013 Guidance.
- 2.8 As regards the 2015 Supplementary Guidance, this advised that once a Council had modified regulation 3, it should be applied on a case by case basis having regard to an individual's circumstances. Sections 6 to 8 of the Supplementary Guidance state:-

6. Regulation 4 of the “Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013” includes provision for local authorities to apply additional exemption from the levy, or to charge a reduced level of increase, in addition to the mandatory exemption from the increase for those properties being marketed. This flexibility is referred to in paragraph 6.3 of the 21 May 2013 guidance and can be applied on a case by case basis. It could include charging different rates according to: the area the dwelling is in; the length of time that the dwelling has been unoccupied and such other types or characteristics of dwelling, or circumstances relating to why they are unoccupied, as a local authority considers appropriate.
7. The legislation provides adequate flexibility to ensure that individual owners are not unfairly penalised. The circumstances of individual owners should be taken into account when applying the increase. This flexibility was included so that local authorities can modify provision by not charging a council tax increase, charging a reduced level of increase or offering a higher level of discount, though this is subject to the limits in the Regulations and exemptions from council tax. This allows a local authority to avoid charging a council tax increase (or charge a lower level of council tax than for other unoccupied dwellings) where it considers there are reasons why the owner is justified in leaving the dwelling unoccupied and/or reasons why the dwelling could not be lived in, sold or let.
8. This level of flexibility could be used in a wide range of scenarios and it would not be possible for Scottish Government to provide an exhaustive list. However, based on feedback to date, the following circumstances would merit flexibility in terms of not charging the council tax increase where the property has been empty for over a year and:
  - The owner is finishing renovations prior to moving in/selling/letting and can demonstrate that these works are progressing.
  - A long-term second home where the owner was unable to meet the 25 day occupancy criteria in the previous 12 months due to personal circumstances but where a history of 25 day occupancy can be shown in previous years.
  - A property that is taking a long time to sell/let in a stagnant market despite being priced appropriately.
  - Any other circumstances where the owner has agreed with an Empty Homes Officer to take positive steps to re-occupy their property and it is in the view of the Empty Homes Officer that a time-limited council tax increase “holiday” would encourage the property to be brought back into use sooner.



2.9 While Cabinet needs to have regard to the Guidance when modifying regulation 3, it does not necessarily need to follow the Guidance if there is good reason not to do so. The weight to be given to the Guidance, or whether to follow it is a matter for Cabinet to determine. In considering the weight to be given to the 2015 Supplementary Guidance, the following factors are relevant:-

- The 2013 Regulations are made under sections 33(1) to (4) of the Local Government in Scotland Act 2003. While at various points, notably under Best Value, the Act gives Ministers power to make statutory guidance to which local authorities should have regard, there is no such provision relating to section 33. Accordingly, this guidance does not have any enhanced status
- Such guidance can explain or supplement Regulations but cannot change them. The 2015 Supplementary Guidance purports to restrict the powers which Parliament has granted to local authorities under the 2013 Regulations. It states that a case by case basis should be applied in all cases. This is not what regulation 4(2) says. The word 'may' in regulation 4(2), shows that it is discretionary not mandatory, for a local authority to take such an approach. Regulation 4(2) does not preclude a local authority from taking a standard approach.
- The 2015 Supplementary Guidance is flawed as it proceeds from a misinterpretation of paragraph 6.3 of the original 2013 guidance, by stating that the flexibility which regulation 4(2) of the 2013 Order provides was the only way that this power could be exercised. The 2015 Guidance says at paragraph 6 "this flexibility is referred to in paragraph 6.3 of the 21 May 2013 guidance and can be applied on a case by case basis". The word 'can' is then misinterpreted to mean 'must'. This is not what paragraph 6.3 says. 6.3 says "The new legislation also gives local authorities power to vary the Council tax charged for different cases". The 2013 Guidance accords with regulation 4(2) by indicating that this is an option available to local authorities, not a requirement

- If a local authority has chosen to apply a standard approach in modifying regulation 3 that becomes the new regulation. The wording of that modified regulation then applies. Ministerial Guidance cannot alter the terms of a regulation, either the modified or original regulation. Guidance cannot insert the words 'only to be exercised on a case by case basis' if that is not the wording of the modified regulation. Indeed it could be argued that the 2015 Supplementary Guidance is itself an attempt to restrict or fetter the discretion which Parliament has given to local authorities. From that perspective, local authorities could face challenge of any decisions taken in reliance of the 2015 Guidance.
- Guidance can only explain or supplement regulations and cannot change them. Had Ministers wished to change the terms of the Regulations by restricting powers given to local authorities, they required to amend the Regulations. A key principle of administrative law is that Ministers have no power to bypass proper parliamentary scrutiny by changing primary or secondary legislation through guidance

In all of these circumstances it is recommended that no weight should be given to the 2015 Supplementary Guidance when deciding how to modify regulation 3 and how to apply that modified regulation to individual cases.

- 2.10 It is also important to have transparency and certainty in the application of regulations. Applying discretion on a case by case may result in subjective decisions and is likely to result in regular challenge by applicants who feel that their personal circumstances merit discretion; this would make administration of the Council's policy complex. Application of the modified regulation 3 in a standard and consistent manner provides certainty and avoids the risk that subjective decisions are made; this also works well in practice. Before modification by the Cabinet on 1 September 2015, the original regulation 3 also operated in this manner.

### **3. Proposals**

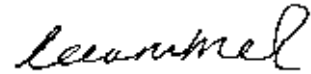
- 3.1 That Cabinet does not follow the Scottish Government's 2015 Supplementary Guidance when modifying Regulation 3 of the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 and agrees to continue with its current modification to regulation 3, approved on 1 September 2015.

#### 4. Implications

<b>Financial:</b>	There will be financial implications should Cabinet agree a different modification of regulation 3 from that made on 1 September 2015, or should Cabinet agree to follow the 2015 Supplementary Guidance and apply a modified regulation on a case by case basis.
<b>Human Resources:</b>	None
<b>Legal:</b>	While Cabinet needs to have regard to the Guidance when modifying regulation 3, it does not necessarily need to follow the Guidance if there is good reason not to do so. The weight to be given to the Guidance is a matter for Cabinet to determine. As the 2015 Guidance contradicts the wording of the Regulations no weight should be attached to it. It is open to the Council to modify and apply the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 in a standard consistent manner.
<b>Equality:</b>	None
<b>Environmental &amp; Sustainability:</b>	A reduction in long term unoccupied properties may have positive environmental benefits.
<b>Key Priorities:</b>	Contributes towards protecting and enhancing the environment for future generations.
<b>Community Benefits:</b>	None

## **5. Consultation**

5.1 Discussion held with Head of Democratic Services.



LAURA FRIEL  
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Stephen Humphries Senior Manager  
Revenues and Benefits on 01294 310106

### **Background Papers**

Appendices:

Appendix 1 Cabinet report 1 September 2015;

Appendix 2 Scottish Government Guidance 21 May 2013; and

Appendix 3 Scottish Government supplementary guidance 31 March 2015.

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**NORTH AYRSHIRE COUNCIL**

**Agenda Item 6**

**1 September 2015**

**Cabinet**

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**Subject:** **Council Tax (Variation for Unoccupied Dwellings)  
(Scotland) Regulations 2013**

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**Purpose:** To seek Cabinet approval to encourage owners of long term empty dwellings to bring properties back into use by increasing council tax.

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**Recommendation:** That the Cabinet agrees to

- a. apply a council tax levy on empty property that has been unoccupied for 12 months or more; or for property marketed for sale or let and is unoccupied for a minimum 2 years of 150% from 1 April 2016; and 200% from 1 April 2017; and
- b. to apply a civil penalty of up to £500 where an owner of a long term empty property fails to engage with the Council.

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**1. Introduction**

- 1.1 The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013, which came into effect on the 1 April 2013, widen the Council's discretionary powers to increase council tax by up to 100% for long term empty properties which have been empty for 12 months or more; or for property marketed for sale for a minimum 2 years, conditional on the home being genuinely marketed for sale or let at a realistic market price.
- 1.2 Cabinet agreed at its meeting of 28 May 2013 to retain the current 10% discount for long term empty property and to defer any decision to increase council tax until Housing Service's Empty Homes strategy, to bring empty property back into use, had been operational for at least 6 months.

## **2. Current Position**

- 2.1 The North Ayrshire Empty Homes Strategy was adopted by Cabinet on 16 July 2014. Thereafter, various actions described in the strategy were undertaken, with the intention of reducing the number of empty homes within North Ayrshire.

### Scheme of Assistance

- 2.2 The Council's Scheme of Assistance outlines the advice and assistance available to all private sector owners, including empty home owners, to assist them in bringing their home back into the viable housing supply. Since the introduction of the Empty Homes Strategy, the Council has received three requests for assistance from empty home owners.

### Referrals

- 2.3 'Empty Home' referrals can be made to the Council in a number of ways, including referrals from Shelter Scotland, and from members of the public who can call, email, write or use the 'contact us' option on the Council's website. The Council seeks to engage with owners of referred properties to provide them with information on a range of options as outlined in the Scheme of Assistance and Empty Homes Strategy. Since the introduction of the strategy 24 referrals have been received. Housing Services contacted all of the referred owners offering advice, assistance, information etc, but to date none have chosen to engage with us.

### Empty Homes Loan

- 2.4 The Council successfully bid for £200,000 of Scottish Government loan funding, which could be used to offer 0% interest loans to empty home owners, to allow them to repair and upgrade their homes. It was a condition of the funding that the property be utilised as an affordable private rented property for a minimum of 5 years following receipt of the loan.
- 2.5 In 2013, Housing Services wrote to all 1624 home owners in receipt of an empty home council tax discount and advised them of this mechanism. The Service continues to write to empty home owners in the area reminding them of the availability of loan funding. Posters and leaflets have also been widely disseminated across North Ayrshire.
- 2.6 To date, only 2 loan applications have been received. The first was refused due to the number of outstanding loans on the property, the other application is currently being processed.
- 2.7 It should be noted that this very low rate of take-up is typical across Scotland.

- 2.8 Mindful that there may be reluctance from empty homes owners to become private landlords, the Council sought permission from the Scottish Government to amend the loan terms, to allow owners to carry out repairs and offer the property for sale. The loan would then be repaid to NAC upon point of sale. Written permission to proceed was received from the Scottish Government in July 2015 and an advertising campaign to promote this change is currently being finalised.

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#### Purchasing Empty Homes

- 2.9 In July 2015 the Council also received Scottish Government approval that part of the Empty Homes Loan fund could be used to purchase empty properties. It is anticipated that 2 units could be secured this way.
- 2.10 Furthermore, provision has been made within the Strategic Housing Investment Plan 2015-2020 (SHIP), which will allow a further 2 units to be purchased with the assistance of Scottish Government grant funding.
- 2.11 The process to identify and purchase all 4 units will commence in Autumn 2015. Units which have the most significant detrimental impact on the surrounding neighbourhood, and which are located within existing Council estates, will be targeted.

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#### Exceptional Case Meetings

- 2.12 The Empty Homes Strategy outlines the role of a multi-discipline corporate working group which convenes where 'exceptional' empty properties are identified. These are predominately properties which are causing significant problems in surrounding neighbourhoods and/or local environments, and where the owner is unwilling to engage with the Council or is unresponsive.
- 2.13 To date, two 'exceptional' referrals have been received. Following discussion, the first property was traced to a development company, who agreed to secure and tidy the site before demolishing the building within 8 weeks.
- 2.14 The second case was more complex and involved the estate of an owner who had died overseas. However, such was the condition of the property that it was agreed a Demolition Order should be served.

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#### Matchmaking Scheme

- 2.15 The Strategy refers to a scheme where owners of empty homes who wish to sell their home agree that the Council may pass their contact details to other property owners in the area.
- 2.16 Housing Services have recently, as part of a small concentrated pilot exercise, initiated such an intervention. The result was that one empty home was purchased by an investor who already had stock in the pilot area. This solution will both improve the prospects for the individual unit, and contribute to making a maintenance plan more viable.

### Best Practice

- 2.17 Housing Services continue to participate on the national Empty Homes Partnership's Best Practice Group which researches, collates and disseminates good practice and lessons learned from empty homes work undertaken across Scotland, the wider UK and beyond.
- 2.18 In addition to the information above, a further two properties have been brought back into use through intervention by the Private Sector Advice Team. These were the result of linking empty home owners who contacted the Council with colleagues working in the Council's Rent Deposit Guarantee Scheme.
- 2.19 Despite the range of interventions being utilised, it is very difficult to encourage empty home owners to engage. This is because broadly speaking, there are three types of empty homes, each with their own reasons for not engaging with the Council.

Homes which do not impact on surrounding neighbourhoods as they are being looked after (for example owners in hospital and family won't sell, or currently being offered for sale). People living in area may not be aware they are empty.	Owners are either i) temporarily absent and not interested in selling, ii) actively trying to sell and thereafter have a clear idea of the price they wish their asset to achieve, or iii) currently improving the condition of the property.
Empty properties which were purchased as 'projects', and will be redeveloped in time and then inhabited or sold on.	
Much less frequent 'exceptional' empty homes - multiple departments are aware of these properties, they have a visual and social impact on the surrounding environment (likely to be subject to disrepair, vandalism, fly tipping etc)	Owners unlikely to engage



- 2.20 An increase in council tax on these empty properties of up to 100% would supplement the Empty Homes Strategy and may encourage owners to sell or let or to bring their unoccupied property back into use or engage with the Council regarding a interest free loan.
- 2.21 It is proposed that a council tax charge be imposed on long term empty property, across all areas of North Ayrshire, on the following incremental basis:
- 150% from 1 April 2016; and  
200% from 1 April 2017.
- 2.22 There is no right of appeal against the amount of the charge and the date it is imposed and no discretion will be applied; the charge will be imposed when 12 months for empty properties or 2 years for marketed properties is reached.
- 2.23 A phased approach will enable all empty property owners to be contacted prior to 1 April 2016, and notified of the increased charge and give the owner an opportunity to take action before the charge is applied.
- 2.24 A recent review of empty properties identified 1,519 empty properties made up as follows:

**Eligible for charge from 1 April 2016**

614 properties empty for more than 12 months including 55 marketed for sale or let in excess of 2 years.

**Not currently eligible for charge**

738 empty for less than 12 months and not marketed for sale or let; and  
167 are currently been marketed for sale or let but have been empty for less than 2 years.

- 2.25 The properties have been empty since 1993 to 2014 with around 460 (75%) covering 2010 to 2014 and 470 (76%) in Valuation Bands A to C.
- 2.26 While the majority of the properties are band A or B these are unoccupied and surplus to the owners requirements in most instances. This change is expected to increase available housing within North Ayrshire and reduce the number of vacant properties. It is not anticipated that the change would cause financial hardship as it is a charge on a surplus asset which can be sold or let to generate income.

- 2.27 All new empty properties would enter the long term empty scheme with immediate effect and be charged the appropriate levy when the 12 month period or 2 years for marketed property has elapsed.
- 2.28 Increasing council tax by up to 100% will increase the Council's income, but there may be an increased risk of evasion and inappropriate property classifications by owners, for example second homes, which would reduce the benefit to be achieved from bringing homes back into use. This will be monitored through inspections and scrutiny of supporting evidence by Housing Services and Finance and Corporate Support.
- 2.29 To mitigate these risks, the Council Tax (Administration and Enforcement) (Scotland) Amendment Regulations 2012 (SSI 2012/338) came into force on 9 February 2013 and owners are required within 21 days to provide information requested by the Council in relation to whether or not their home is occupied, and owners are required to notify the Council of any change in circumstances relating to whether or not a home is occupied and which has led to them being undercharged council tax. A civil penalty of up to £500 may be charged if the owner fails to provide the information required. It is proposed that these powers be used as required to bring property back into use. Fraudulent activity will be referred to the Council's Corporate Fraud Team for investigation.
- 2.30 Increasing council tax charge may increase personal debt and the Council Tax Debt Recovery Team will provide debt advice, guidance and agree sustainable repayment plans with taxpayers, as required.

#### **Exclusions from the council tax increase**

- 2.31 Increased council tax does not apply to second homes.
- 2.32 Purpose built holiday homes and second homes for persons living in job related accommodation are exempt per Regulations and will continue to receive a 50% discount.
- 2.33 Owners eligible for a council tax exemption cannot be charged council tax during the exemption period for example where the owner is:
- In long term residential care or hospital;
  - In prison; and
  - Deceased and an executor has been appointed.
- 2.34 No increase will apply where a dwelling has been repossessed by a lender.

- 2.35 Where a dwelling is undergoing or requires major work to render it habitable or which is undergoing structural alteration for up to 1 year, a minimum 50% discount is awarded during the first 6 months beginning on the day the owner purchased the dwelling where applicable.

### **3. Proposals**

- 3.1 That the Cabinet agrees:

- (a) to impose a council tax levy on empty property that has been unoccupied for 12 months or more; or for property marketed for sale or let and is unoccupied for a minimum 2 years of:

150% from 1 April 2016; and  
200% from 1 April 2017 onwards; and

- (b) to apply a civil penalty of up to £500 where an owner of a long term empty property fails to engage with the Council.

### **4. Implications**

#### Financial Implications

- 4.1 By way of an illustration and based on 2014/15 council tax charges the 614 empty properties would increase council tax by £594k over two years with an estimated £463k collected and estimated arrears of £131k, this is based on the current collection level of 78% for long term empty properties. Although additional income is collected, council tax collection levels may fall by around 0.1% over the two years.

#### Human Resource Implications

- 4.2 Increasing council tax is expected to increase the amount of resource required to engage with owners, administer empty properties and to recover any unpaid council tax and to progress the Council's Empty Homes Strategy. It is proposed to meet the cost of this resource from the income that is received from the increased council tax charge.

#### Legal Implications

- 4.3 The Council will comply with the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013.

#### Equality Implications

4.4 None

Environmental and Sustainability Implications

4.5 A reduction in long term unoccupied properties may have positive environmental benefits.

Implications for Key Priorities

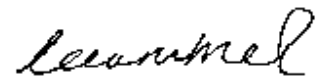
4.6 Contributes towards protecting and enhancing the environment for future generations.

**5. Consultations**

5.1 Discussion held with the Executive Director (Place).

**6. Conclusion**

6.1 The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013, give the Council discretion to increase the council tax by up to 100% for long-term empty properties that have been unoccupied for 12 months or 2 years where marketed for sale or let. Imposing a 150% charge from 1 April 2016 and 200% from 1 April 2017 will contribute towards achieving the Council's commitment of bringing empty properties back into use.



LAURA FRIEL

Executive Director (Finance and Corporate Support)

Reference : SH

For further information please contact Stephen Humphries. Senior Manager  
Revenues and Benefits on 01294 310106

**Background Papers**

Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013;  
and  
Housing Services Empty Homes strategy

*Last updated By : Hayley Clancy on 27/08/2015*

Directors of Finance of Scottish Local Authorities

21 May 2013

Dear Sir/Madam

**GUIDANCE ON LOCAL AUTHORITY DISCRETION TO:**

- **REDUCE COUNCIL TAX DISCOUNT ON SECOND AND LONG-TERM UNOCCUPIED HOMES; AND**
- **APPLY AN INCREASE TO LONG-TERM UNOCCUPIED HOMES**

**1. Introduction**

This note provides guidance for Local Authorities to cover the new powers enabled by the [Local Government Finance \(Unoccupied Properties etc.\) \(Scotland\) Act](#), and related regulations:

- The [Council Tax \(Variation for Unoccupied Dwellings\) \(Scotland\) Regulations 2013](#)
- [The Council Tax \(Administration and Enforcement\) \(Scotland\) Amendment Regulations 2012](#)
- [The Council Tax \(Exempt Dwellings\) \(Scotland\) Amendment Order 2012](#)

The provisions can be applied from 1 April 2013.

This guidance note replaces that issued on [5 February 2009](#) by the Scottish Government on local authority discretion to reduce council tax discount on second homes and long-term empty properties.

It will be kept under review. Comments, questions and suggestions can be provided by email at [Council\\_Tax\\_Empty\\_Homes@scotland.gsi.gov.uk](mailto:Council_Tax_Empty_Homes@scotland.gsi.gov.uk).

References in this guidance to “Council Tax Increase” relate to the new provision to allow a maximum 100% additional council tax increase on certain long-term empty homes.

## **2. Background**

The legislative changes provide local authorities with a discretionary power to remove the empty property discount or set a council tax increase of 100% on certain properties which have been empty for 1 year or more. Previously, local authorities were only able to vary the level of discounts, with a minimum discount of 10% for empty and second homes.

It is important to note that the provision only applies to long-term unoccupied properties. Properties which are second homes will continue to be entitled to a discount which authorities may set at between 10% and 50%.

This greater flexibility is intended as an additional tool to help local authorities encourage owners to bring empty properties back into use, both to increase the supply of housing for those who need homes and to reduce the blight on communities caused by houses being left empty and allowed to fall into disrepair. The council tax increase could be used as part of a wider approach to tackle long-term empty homes including support and guidance to owners and provision of loans or grants if available.

For eligible unoccupied properties, local authorities can set a discount of between 50% and 0% or an increase of up to 100%. The provision also gives local authorities discretion to vary the council tax charged for different circumstances, and to apply discounts or increases in all or part of their areas. This can be done by using either postcode boundaries, council wards or datazones. This could include charging different rates for a variety of different reasons as a local authority considers appropriate, and is intended to recognise that different pressures and factors will affect different areas.

### **2.1. Relationship with sums passed to Scottish Water**

The additional income from reducing the council tax discount or applying an increased level of council tax payable remains council tax income, and as such should be factored into the ABCD formula in full. So for the purposes of calculating the amount of money to be passed to Scottish Water, in the “ABCD” formula, A will be the total amount paid to a local authority as council tax or water services charges including the amount paid as a consequence of properties that are subject to a reduced discount or council tax increase, and D will be the total amount of council tax payable in that particular year including any amounts that are due as a consequence of the reduced discount or council tax increase.

### **2.2. Strategic Planning**

When determining policy in relation to discounts or increases, local authorities may refer to their Housing Need and Demand Assessments and their Local Housing Strategy (LHS) to determine the effect of second home ownership and long-term empty properties in their areas. This will allow them to decide whether increased levels of council tax would help to address any problems arising from these types of properties.

### **3. How the money can be used**

Council tax income generated from second and unoccupied homes falls into 2 categories:

- Existing powers where income is received from reducing the discount anywhere between 50% and 10% for both long-term empty homes and second-homes. Income generated in this category will continue to be ring-fenced for affordable housing and should be used in accordance with section 4 of this guidance below.
- Any new income received from the new legislation through reducing the discount on long-term empty properties below the previous 10% limit or increasing council tax. This income is not ring-fenced and can be used as the local authority sees fit on housing or other priorities.

### **4. Housing projects to be funded or supported from reduced discounts**

Income that is received under the previous flexibility of reducing long-term empty and second-homes discount between 50% and 10% will remain subject to existing arrangements.

This means that local authorities may continue to use this income themselves and have flexibility to disburse these funds to other organisations and individuals including RSLs. This income can be used by local authorities to support revenue and capital expenditure related to a range of affordable housing activity including (but not limited to):

- providing new-build affordable housing through Registered Social Landlords (RSLs) or new council house building
- funding of specified elements of water and sewerage infrastructure for new homes,
- Bringing empty properties back into affordable housing use – including topping up or establishing an Empty Homes Loan Fund;
- Land acquisition for affordable housing development;
- Purchasing off-the-shelf houses from private developers for affordable housing use – including the purchase of developers part-exchange properties.

Advice on a proposed project's suitability for funding can be sought from [Council\\_Tax\\_Empty\\_Homes@scotland.gsi.gov.uk](mailto:Council_Tax_Empty_Homes@scotland.gsi.gov.uk).

#### **4.1. Use of income on existing Council or RSL houses**

Scottish Government does not expect local authorities to use the income to pay for routine maintenance and refurbishment of existing social rented stock, including improvement made towards meeting the Scottish Housing Quality Standard (SHQS).

Both local authorities and RSLs, as responsible landlords, should have robust programmes in place to ensure that their stock is maintained and refurbished to a high standard expected by tenants.

The income could, however, be used towards a particularly innovative scheme involving existing stock. An example could be to fund a scheme which sought to improve the energy efficiency of homes significantly beyond the SHQS. Such a scheme would contribute toward climate change targets, reduce utility bills for tenants and potentially lift some tenants out of fuel poverty. Advice on a project's suitability can be sought from Scottish Government at [Council\\_Tax\\_Empty\\_Homes@scotland.gsi.gov.uk](mailto:Council_Tax_Empty_Homes@scotland.gsi.gov.uk).

#### 4.2. Diligence in relation to potential projects

In making decisions on the funding of organisations and individuals, local authorities will clearly wish to assess the financial viability of projects and issues related to security of tenure and affordability.

Local Authorities may use the additional income to fund or support discrete projects or top up funding from other sources and will need to ensure that expenditure complies with European Commission State Aid rules.

A local authority may use this income to support prudential borrowing for new council house building and any of the housing activities listed above is permitted. This could mean a local authority taking on long term commitments that it will need to be able to service even if the additional income from reducing council tax discount disappears. It is for local authorities to administer this in line with the prudential code for capital finance.

#### 4.3. Strategic Planning

Local Authorities should set out future plans for expenditure of the income in their Strategic Housing Investment Plans, which reflect the key objectives set out in their Local Housing Strategies.

### **5. Council Tax Increase**

#### 5.1. Unoccupied dwellings

The council tax increase can be applied to homes which have been unoccupied for 1 year or more. An unoccupied dwelling is any dwelling which is not someone's sole or main residence, but does not fall within the definition of a second home as shown below. An unoccupied dwelling may be either furnished or unfurnished but is either not lived in at all or is lived in for less than 25 days in any twelve month period.

#### 5.2. Second Homes

The council tax increase will not apply to second-homes. In general, second-homes are maintained well and are occupied for periods of the year when their owners contribute to the local economy.

Under the new legislation, a second home is defined as being furnished and lived in for at least 25 days in any twelve month period, but not as someone's sole or main residence. This aims to ensure that only homes which are likely to be reasonably well maintained and which the owner is likely to visit regularly (and therefore make some contribution to the local economy) can qualify as a second home. Local authorities will not be able to charge a council tax increase for second homes but will, as was previously the case, have flexibility to set a discount level of between 10-50%.

It will be for owners to prove that their property is a genuine second home and local authorities will need to decide what evidence that they require to see. Decisions may include evidence in the form of utility bills, TV license and anything else that a local authority deems



appropriate. Visiting officers may be utilised to follow up on individual properties. It is important to note that local authorities are free to use income generated by any increase or further reduced discount (from the 10% level) to fund enforcement and identification work. An empty homes officer (or other officers who maintain empty homes databases), for example, can assist in monitoring the distinction between long-term empty homes and second homes.

## **6. Exclusions from the increase**

### **6.1. Existing Mandatory Discounts and Exemptions**

The new flexibility will not affect an owner's eligibility to claim council tax exemptions under the [Council Tax \(Exempt Dwellings\) \(Scotland\) Order 1997](#) ('the 1997 Order'). There are a number of exemptions in place for unoccupied dwellings, such as where the owner is:

- in long-term residential care,
- in hospital long term,
- in prison,
- where a dwelling has been repossessed by a lender,
- where a dwelling is being structurally repaired (for up to one year after it becomes unoccupied)
- where the owner has died (in which case the exemption is for up to six months after the owner's estate has settled).

As long as an owner is eligible for an exemption, they would not be charged any council tax, regardless of how long the dwelling has been unoccupied. However, where a dwelling becomes no longer eligible for the exemption, but remains unoccupied, it will become eligible for the council tax increase after the property has been empty for 1 year.

### **6.2. Homes actively being marketed for sale or rent**

Homes being marketed for sale or let will be exempt from the council tax increase until they have been unoccupied for 2 years or more, these homes will remain liable for council tax and will attract a discount of between 50% and 10%. New build properties can also qualify for this exemption from the increase. This exemption is conditional on the home being genuinely marketed for sale or let at a realistic market price. In considering whether a home is genuinely being marketed for sale or let, local authorities can have regard to any unduly restrictive conditions being attached to the sale or let as well as the sales price/ rent level. In coming to their decision on whether or not the property is being genuinely marketed for sale or let, local authorities can request and take into account evidence including:

#### ***6.2.1. Home Report***

If the property is being marketed for sale, does it have a valid home report? Most houses for sale in Scotland require a home report which also includes a valuation of the property. If the home report valuation is significantly below the advertised price, it may be that the owner is not making a genuine attempt to sell their property.

#### ***6.2.2. Marketing***

Is the owner's marketing efforts providing adequate exposure to the market? Is the property being actively marketed by an agent and/or property sale/letting website?

### 6.3. Additional flexibility to vary discount/increase

The new legislation also gives local authorities discretion to vary the council tax charged for different cases. This could include charging different rates according to, for example, the area the dwelling is in; the length of time that the dwelling has been unoccupied and other circumstances as a local authority considers appropriate.

This additional flexibility is included so that local authorities can modify provision by

- not charging a council tax increase,
- charging a reduced level of increase,
- offering a higher level of discount.

This allows a local authority to avoid charging a council tax increase, or to charge a lower level of council tax than for other unoccupied dwellings, where it considers there are reasons why the owner is justified in leaving the dwelling unoccupied and/or reasons why the dwelling could not be lived in, sold or let.

For all cases, the maximum discount of 50% and a maximum increase of 100% as set in the legislation must not be exceeded. Under the legislation, local authorities are prevented from using their discretion to vary council tax charges in a way that gives more favourable treatment to unoccupied social rented dwellings just because they are owned by a social landlord. It is important that all owners take steps to bring unoccupied homes back into use as soon as possible, rather than leaving them empty.

## **7. Treatment of Additional Income**

### 7.1. Effect on central Government grant

The council tax base is used in calculating local authorities' grant from the Scottish Government. As second homes and long-term empty properties are counted as half a dwelling in the calculation of the council tax base, regardless of what a local authority does with setting a discount or increase the level of central government grant is not affected as a result of local authorities reducing the level of discount or charging an increase.

### 7.2. Accounting for income received through reduced discounts

Local Authorities are required to ensure that a sum equal to the additional income, collected as a result of reducing discount between 50% and 10% for second-homes and long-term empty properties is used in accordance with the broad outline as set out under section 4 above. The funds can either be transferred to an RSL, another organisation, individual or used by the local authority itself. In calculating the amount to be spent, authorities are required to take into account all income received as a result of reducing the level of discount, irrespective of the year to which the income relates.

Where resources are being allocated to RSLs, they will need a firm commitment regarding funding levels due to the fact that once project costs are legally committed, they cannot be withdrawn. It may be difficult for local authorities to be certain of the amounts to be allocated at the beginning of any financial year. This being the case, local authorities can wait until the following financial year, when actual funding levels are known, before allocating this funding to RSLs, in partnership with their housing colleagues and the Scottish Government Housing

Supply Division. The deadline for finalising the levels of funding each local authority will provide from previous years is no later than 30 June after the end of the preceding financial year.

Nothing in the above precludes local authorities from allocating funding to relevant projects at any point during the course of the year within which it is being collected.

## **8. Accounting**

Accounting for reduced discount should be on an income and expenditure basis. Any payments to RSLs or other organisations/individuals should be treated as General Fund expenditure in accordance with proper accounting practice.

A sum equal to the additional income collected but not yet spent by the local authority or paid to RSLs or other organisations/individuals should form part of the annual accounts. Any sum not represented by a year-end creditor or provision will be required to be held as an earmarked reserve in the General Fund. All accounting entries relating to the additional income collected but not yet spent by the local authority or paid to RSLs or other organisations/individuals should be in accordance with proper accounting practice.

Where reduced discount money has not been spent, it should accrue interest from the start of the financial year following the year of collection. Interest should accrue at the same rate applied to other savings held by local authorities.

## **9. Monitoring**

### *9.1. Broad Policy*

Each local authority will be required to submit a CTAS return to Scottish Government in March each year. CTAS will include details of the local authorities policy in relation to the discounts (second-homes and/or long-term empty) and increases (long-term empty only) for the forthcoming year.

### *9.2. Notification of Income*

Local Authorities will be required to provide details of the additional income collected on an annual basis to the Scottish Government through the March CTRR return. Where this resource is being allocated to RSLs or other organisations/individuals, this will allow the project planning and housing approval processes to be agreed as early as possible between local authorities, the Scottish Government Housing Supply Division and other strategic partners.

The income collected from reducing the long-term empty homes discount below 10% or charging an increase is not ring fenced for housing and can be used at the discretion of local authorities. As this income is treated separately from that received by reducing the discount between 50% and 10%, it will be recorded in a separate column on the March CTRR return.

Each authority will be required to provide, on the March CTRR return, details of the amount billed and amount received through the additional revenue generated by reducing the discount and applying the council tax increase; and, on an amended Local Financial Return,

the amount designated either for local authority expenditure and/or transfer to RSLs, and other organisations or individuals.

### **9.3. *Numbers of Properties***

The CTAXBASE return will be amended to capture the number of properties being charged an increase and the number of properties being provided with exemption to the increase for property being marketed for sale or let. As stated above, homes in receipt of a reduced discount, or a council tax increase will still be counted as half a dwelling for Revenue Support Grant calculation purposes.

## **10. Enforcement**

By the end of August each financial year, the Scottish Government will compare reported expenditure against reported additional income which local authorities expect to generate from reducing the discount between 50% and 10%. If the two amounts do not match, an explanation will be sought from the local authority concerned. If, following this explanation, the Scottish Government considers the money has not been directed, or will not be in the future, towards the housing activities set out under section 4 then this will be reflected within that local authority's grant via a re-determination within the following financial year's Local Government Finance Order, which sets out grant levels for local authorities. The money taken from the grant will then be provided to the Scottish Government Housing Supply Division for housing projects with the area of the local authority concerned.

## **11. Publicity**

Local Authorities should consider how they will publicise their policy in relation to the council tax variation for second-homes and long-term empty, prior to the financial year to which the policy relates. One way of doing this would be to announce the policy alongside the announcement regarding council tax levels, however this is left at the discretion of each local authority.

## **12. Enquiries**

If you have any questions or comments regarding this guidance, please e-mail [Council\\_Tax\\_Empty\\_Homes@scotland.gsi.gov.uk](mailto:Council_Tax_Empty_Homes@scotland.gsi.gov.uk).

Yours faithfully,

Ross Lindsay

Minister for Housing and Welfare  
Margaret Burgess MSP

Minister for Local Government and Community Empowerment  
Marco Biagi MSP



Directors of Finance of Scottish Local  
Authorities



31 March 2015

## **SUPPLEMENTARY GUIDANCE ON LOCAL AUTHORITY DISCRETION TO:**

- **REDUCE COUNCIL TAX DISCOUNT ON SECOND AND LONG-TERM UNOCCUPIED HOMES; AND**
- **APPLY AN INCREASE TO LONG-TERM UNOCCUPIED HOMES**

### **Introduction**

1. This note provides clarification on local authorities ability to exercise flexibility in applying a council tax increase on long-term empty homes.

2. On 1 April 2013 the powers contained in the [Local Government Finance \(Unoccupied Properties etc.\) \(Scotland\) Act 2012](#) and related regulations ([Council Tax \(Variation for Unoccupied Dwellings\) \(Scotland\) Regulations 2013](#); [Council Tax \(Administration and Enforcement\) \(Scotland\) Amendment Regulations 2012](#) and [Council Tax \(exempt Dwellings\) \(Scotland\) Amendment Order 2012](#)) became active. This legislation allows local authorities to charge increased council tax on certain homes that have been empty for 1 year or more.

### **Purpose of the legislation**

3. The power is intended as an additional tool to help local authorities encourage owners to bring empty properties back into use, both to increase the supply of housing for those who need homes and to reduce the blight on communities caused by houses being left empty and allowed to fall into disrepair.

4. We issued guidance to councils on 21 May 2013 (<http://www.scotland.gov.uk/Topics/Government/local-government/17999/counciltax/Secondhomes/guidanceSecondhomes>) and indicated that it would be kept under review. Based on feedback received to date, we are issuing additional guidance in relation to the allowable flexibility available to authorities in charging the increase to exempt properties to not unfairly penalise owners who are justified in leaving their dwelling unoccupied or where there are reasons why the dwelling could not be lived in, sold or let.

### **Mandatory exemption from the increase**

5. The legislation includes provision for a mandatory exemption from the increase for those owners who are actively trying to bring their property back into use for sale or rent, this exemption from the increase applies for 2 years since the date that the property became vacant.

### **Discretionary exemptions from the increase**

6. Regulation 4 of the “Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013” includes provision for local authorities to apply additional exemption from the levy, or to charge a reduced level of increase, in addition to the mandatory exemption from the increase for those properties being marketed. This flexibility is referred to in paragraph 6.3 of the 21 May 2013 guidance and can be applied on a case by case basis. It could include charging different rates according to: the area the dwelling is in; the length of time that the dwelling has been unoccupied and such other types or characteristics of dwelling, or circumstances relating to why they are unoccupied, as a local authority considers appropriate.

7. The legislation provides adequate flexibility to ensure that individual owners are not unfairly penalised. The circumstances of individual owners should be taken into account when applying the increase. This flexibility was included so that local authorities can modify provision by not charging a council tax increase, charging a reduced level of increase or offering a higher level of discount, though this is subject to the limits in the Regulations and exemptions from council tax. This allows a local authority to avoid charging a council tax increase (or charge a lower level of council tax than for other unoccupied dwellings) where it considers there are reasons why the owner is justified in leaving the dwelling unoccupied and/or reasons why the dwelling could not be lived in, sold or let.

8. This level of flexibility could be used in a wide range of scenarios and it would not be possible for Scottish Government to provide an exhaustive list. However, based on feedback to date, the following circumstances would merit flexibility in terms of not charging the council tax increase where the property has been empty for over a year and:

- The owner is finishing renovations prior to moving in/selling/letting and can demonstrate that these works are progressing.
- A long-term second home where the owner was unable to meet the 25 day occupancy criteria in the previous 12 months due to personal circumstances but where a history of 25 day occupancy can be shown in previous years.
- A property that is taking a long time to sell/let in a stagnant market despite being priced appropriately.
- Any other circumstances where the owner has agreed with an Empty Homes Officer to take positive steps to re-occupy their property and it is in the view of the Empty Homes Officer that a time-limited council tax increase “holiday” would encourage the property to be brought back into use sooner.

9. Scottish Government officials are happy to discuss application of the increase, including full or partial exemptions. E-mails can be directed to [Council Tax Empty Homes@scotland.gsi.gov.uk](mailto:Council Tax Empty Homes@scotland.gsi.gov.uk).

10. The Scottish Empty Homes Partnership (funded by Scottish Government and hosted by Shelter Scotland) is happy to provide advice on engaging with empty home owners [http://scotland.shelter.org.uk/housing\\_policy/empty\\_homes](http://scotland.shelter.org.uk/housing_policy/empty_homes) and there a Scottish Empty Homes community on the Knowledge Hub includes a forum on applying the powers.

**MARGARET BURGESS MSP**

**MARCO BIAGI MSP**

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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 13**

**14 November 2017**

#### **Cabinet**

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<b>Title:</b>	<b>Chief Social Work Officer Annual Report</b>
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<b>Purpose:</b>	To provide the report of the Chief Social Work Officer to Cabinet as required by the Scottish Government's Guidance
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<b>Recommendation:</b>	That Cabinet note and endorse the report set out at Appendix 1
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#### **1. Executive Summary**

- 1.1 There is a requirement for every Local Authority to appoint a professionally qualified Chief Social Work Officer (CSWO) and this is contained within Section 3 of the Social Work (Scotland) Act 1968 as amended by Section 45 of the Local Government etc. (Scotland) Act 1994.
- 1.2 In line with the legislation and guidance, the CSWO is required to prepare an annual report for the Council, on all statutory, governance and leadership functions of their CSWO role.
- 1.3 Given all social work and social care functions have been formally delegated to the Integrated Joint Board, it is vital that the Board and Council are sighted on the CSWO annual report and are aware of the key issues.
- 1.4 This is the eighth annual report covering the period of April 2015 to March 2016. It is attached as Appendix 1.

#### **2. Background**

- 2.1 In 2014, the Office of the Chief Social Work Adviser, following consultation with CSWOs across Scotland, SOLACE, the then ADSW and others, identified a more standardised approach to prepare the annual reports.



- 2.2 The report provides an overview by the CSWO of the partnership structures, robust governance arrangements and the performance of social services in the context of the demographic landscape of North Ayrshire and the delivery of Social Services. It looks more closely at the statutory functions of the service and the quality and workforce development within our services. The report is also forward looking, reviewing the preparation for key legislative changes that will impact on our delivery and reviewing the key challenges the service will be facing in the forthcoming year.
- 2.3 The report highlights the range of Social Work activity throughout the year and places that in the context of the socioeconomic challenges faced locally. Of particular note, the following three areas should be highlighted:
- The most recent SIMD figures (2016) show a worsening position in North Ayrshire in the domains of Income, Employment, Education and Housing. All of these domains are likely to impact on the demands for Social Work interventions and this appears to be borne out particularly in relation to increased Adult Protection activity, Mental Health, Disabilities and Destitution presentations. There are significant challenges due to a combination of the financial pressures, demographic changes and the cost of implementing new legislation and policy.
  - The Audit Scotland Report of 2016 on 'Social Work in Scotland' concluded that *"Current approaches to delivering Social Work Services will not be sustainable in the long term. There are risks that reducing costs further could affect the quality of services. Councils and Integration Joint Boards (IJBs) need to work with the Scottish Government, which sets the overall strategy for Social Work across Scotland, to make fundamental decisions about how they provide services in the future. They need to work more closely with service providers, people who use Social Work Services and carers to commission services in a way that makes best use of resources and expertise available locally. They also need to build communities' capacity to better support vulnerable people to live independently in their own homes and communities"* .
  - The new Health and Social Care Partnership structures create possibilities to take a whole system approach to delivery of services and the Social Work role and function within this environment will remain a vital one if these possibilities are to be realised. Throughout this annual report, examples are given of new and innovative approaches to the delivery of Social Work Services.

### 3. Proposals

- 3.1 It is proposed that Cabinet note and endorse the report set out as Appendix 1.

### 4. Implications

<b>Financial:</b>	None
<b>Human Resources:</b>	None
<b>Legal:</b>	None
<b>Equality:</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	This report covers matters which contribute to the key priorities around vulnerable children and adults within the North Ayrshire IJB Strategic Plan.
<b>Community Benefits:</b>	Anticipated greater community and service user involvement in the design, commissioning and reviewing of Social Work Services.

### 5. Consultation

- 5.1 Members of the Partnership Senior Management Team and Senior Managers across the partnership have been consulted on this report.



STEPHEN BROWN  
Director (North Ayrshire Health and Social Care Partnership)

Reference : DMcR/WH

For further information please contact David McRitchie, Chief Social Work Officer on 01294 317781

### Background Papers

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North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

# North Ayrshire Council Chief Social Work Officer Report 2016-17



Version: 4.02 draft

**David MacRitchie**

**Chief Social Work Officer – North Ayrshire**

**30<sup>th</sup> September 2017**

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## Introduction

In April 2015, Integration Joint Boards were established and Health and Social Care Partnerships (HSCPs) formed across Scotland. All Local Authority Social Work responsibilities were delegated by North Ayrshire Council to the North Ayrshire Integration Joint Board (IJB) which was fully established in 2015 by the Public Bodies (Joint Working) (Scotland) Act 2014 with responsibility for the strategic, operational and financial oversight of the North Ayrshire Health & Social Care Partnership (NAHSCP).

The NAHSCP is one of the three Ayrshire partnerships formed with the NHS Ayrshire and Arran and has lead Partnership responsibility for Mental Health and Learning Disability Services as well as Child Health Services.

In 2015 NAHSCP published its first strategic plan, refreshed in 2016. Our vision and priorities were endorsed through extensive consultation with the public. They are aligned to that of the Council and those of the Single Outcome Agreement.

**“All people who live in North Ayrshire are able to have a safe, healthy and active life “**

### **North Ayrshire Health & Social Care Partnership Priorities**

- **Tackling inequalities**
- **Engaging communities**
- **Bringing services together**
- **Prevention & early Intervention**
- **Improving mental health and well-being**

The partnership has an integrated management structure, with Heads of Service and Senior Managers having line management responsibility for both health and social work staff.

The year 2016/17 saw the secondment of our Chief Officer and Director to the post of Chief Social Work Advisor to the Scottish Government. The then CSWO, who had been in the role for three years and was Head of Service for Children and Families and Justice Services, was appointed as Interim Director and I, as his deputy CSWO, succeeded to this role on an interim basis. I am the Senior Manager for Justice Services. The appointment of CSWO is not delegated to the Integration Joint Board. The CSWO is one of the five statutory officers to the council, appointed by the Chief Executive, and gives professional governance, leadership and accountability for the delivery of safe and effective social work and social care services, both provided directly by the HSCP and those commissioned or purchased from the voluntary and private sectors.<sup>1</sup>

<sup>1</sup> Section 3 of the Social Work Scotland Act 1968, as amended by Section 45 of the Local Government (Scotland) Act 1994

## 1. Key challenges, developments and improvements during 2016/17

The transformational change in the delivery of health and social care can in no small way be traced back to the seminal review report of Social Services in 2006, “Changing Lives”. The report highlighted the cross cutting nature of social services, supporting and protecting vulnerable individuals and improving the well-being of communities and people. Changing Lives influenced many other policy developments and legislation including the Public Services (Reform) (Scotland) Act 2010, Self -Directed (Support) (Scotland) Act 2013 and the Public Bodies (Joint working) (Scotland) Act 2014. Changing Lives and subsequent policies and legislation have highlighted that people who need health and social care support should be at the centre, able to exercise choice and control over the services they receive which are delivered efficiently, effectively, and seamlessly from the point of view of the user. The quality of those services requires to be assured externally and internally through appropriate governance and quality control.

This legislative backdrop sets the framework and expectations of the delivery of social work and health services. It sits alongside the current financial constraints on both Local Authority and Health Board funding, the UK Government’s ongoing austerity programme and significant changes in Welfare Reform.

In reviewing the content of this report, there are many areas where I can highlight the contribution and at times, leading role, of our social work teams in supporting the NAHSCP in taking forward a significant change agenda. These are:

- Service user engagement and involvement – with many examples of effectively working together on an individual and collective basis.
- Commitment to early intervention and prevention – with a range of initiatives across services that have been established by re-organisation of our workforce rather than separate funding.
- Motivation - to do things differently, and our readiness to work with partners to achieve better outcomes for the people who use our services.

The context that social work and social care currently operates within is challenging. Issues of austerity; public sector reform; higher demand for care and support; and increased expectation from the public about what that care and support can be. Audit Scotland stated in their 2016 report on social work, that social work services are not sustainable in their current form.

The significant challenges we are facing are:

- Financial constraints - impacting on the sustainability of current models of service delivery in the face of rising demand and complexity.
- Time and capacity - to establish sustainable and effective alternative models of care that require to be supported to achieve the desired outcomes.

Social work services are needed now perhaps more than ever. North Ayrshire Council, working with the Partnership, has established a Challenge Fund which will be accessed by the Partnership to undertake transformation projects in 2017/18. This fund will deliver significant investment targeted at transforming the way in which services are delivered in order to deliver savings. It will be used to pilot new models for delivery which will seek to provide innovative services for the local community, within a community setting, whilst also delivering a service which is financially sustainable moving forward.

Throughout this report I will give examples of how we are addressing the issues of demand and sustainability by evidencing our adoption of new and innovative ways to deliver services.

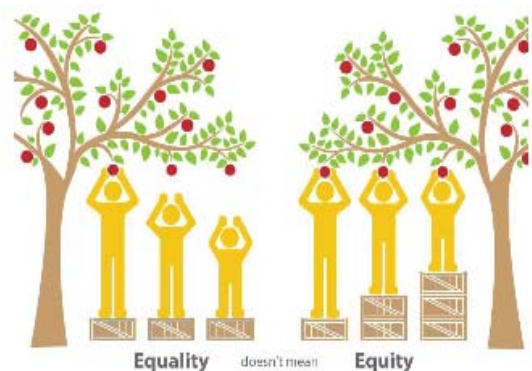
## 2. Partnership Structures/Governance Arrangements

North Ayrshire has a population of 135,890 living across a mix of town and rural communities on the mainland and two island communities, Arran and Cumbrae.

In North Ayrshire 39% of residents live in 20% of the most deprived areas of Scotland, the fourth highest incidence of deprivation in Scotland; a third of our children live in poverty, a situation second only to Glasgow. Deprivation is directly linked to a higher prevalence of complex individual problems such as mental ill health, increased drug and alcohol problems, criminality, lower life expectancy, illness in later life and poorer outcomes for children.

Fundamental to social work values is a commitment to address social injustice and we play an active role in strategic partnerships both of the Council and the Integration Joint Board to address both the cause and outcome of deprivation on people's lives. Local Authorities have a statutory responsibility to promote social welfare, and partnership working is key to providing high quality and effective support and services.

**North Ayrshire Community Planning Partnership** has published a strategy to 'tackle the root causes of poverty and address its impact to create a better life for local people'. The ["Fair for All"](#) Strategy makes clear the need for targeting support proportionately to provide equity of access to services and equality of opportunity. It reflects the Council ethos of continued partnership initiatives, for example, that between Social Work, Place, Economy and Communities and Police Scotland in the provision of school meals and activities during school holidays for children in North Ayrshire, free to those in receipt of benefits. This initiative is a first in Scotland, and is now being replicated in other local authorities.



**The Children's Services Strategic Partnership** has overseen the Improving Children's Outcomes agenda and is responsible for the strategic direction of children's services across



North Ayrshire. Our [Children's Services Plan 2016-20](#) makes promises to the children of North Ayrshire and we are meeting those promises through partnership working and the development of supporting strategies and actions to realise the intended outcomes.

The **Corporate Parenting Strategy** places responsibility on partners for working together to meet the needs of Looked After Children and young people. The Leader of North Ayrshire Council signed the Care Leavers' Covenant which was witnessed by two Care Leavers in February 2017. The pledge is made that all our Looked After Children and young people's needs should be identified, assessed and met by breaking down barriers to support and services through Corporate Parents collaborating and working together. For this to happen a three year Corporate Parenting Plan has been developed and has been approved by Ayrshire and Arran Health Board, North Ayrshire Integration Joint Board the the North Ayrshire Cabinet. At the time of writing, the plan awaits final approval from the Community Planning Partnership. The plan sets out desired outcomes for our young people around their needs in relation to health, access to activities, education and training and employment.

Progress in delivering on this plan is evidenced by the outcomes of young people involved in our *Throughcare* Team. The team facilitated an agreement whereby five Local Authority Modern Apprenticeships were ring fenced for care leavers in 2017/18. This target was surpassed with the team supporting a further two care leavers to achieve appointment to these posts. An excellent initiative, aligned with Fair for All, and providing equity of opportunity to disadvantaged young people. In February 2017, Throughcare was awarded the first HSCP award of Team of the Year. This was in recognition of the efforts made to ensure that care leavers were well supported by ensuring that other services were made aware of, and fulfilled, their duties as Corporate Parents.

The **Positive Family Partnership Strategy 2016-20** has built on the previous strategy which realised positive outcomes from evidence based programmes delivered by the *Youth Support Team* such as the CEDAR programme (children experiencing domestic abuse), and our 2016 COSLA Bronze Award winning SNAP (Stop Now and Plan), a programme aimed at 8-11 year olds and their parents to improve children's resilience and their ability to deal with their emotions. All children involved in SNAP in 2016/17 maintained attendance at school, a significant achievement given the challenges they faced.

The **Alcohol and Drug Partnership (ADP)** has also realised initiatives delivered jointly with North Ayrshire Drug and Alcohol Recovery Service (NADARS). NADARS is an integrated health and social work team focusing on recovery. The ADP has promoted engagement, consultation and peer support ahead of the Community Empowerment legislation and has supported the training of service users in the role of peer researchers.

Within the partnerships described above, there are particular responsibilities which fall on statutory social work services in the exercise of individual and public protection and decisions taken or recommendations made can affect personal lives, individual rights and liberties.



I am an adviser to North Ayrshires Chief Officers Group for Public Protection and am a member of the Child and Adult Protection Committees. I am also a member of the Multi Agency Public Protection Arrangements (MAPPA) Strategic Oversight Group. In this way, a comprehensive overview is maintained of all issues relating to public protection and of risk management arrangements.

The Scottish Government's Publication "Recorded Crime in Scotland, 2015-2016" shows that between 2014-2015 and 2015-2016 North Ayrshire saw a 6% reduction in recorded crime, with East Ayrshire showing a 2% reduction and South Ayrshire a 4% reduction. The Scottish average reduction was 4%. Working together is seeing successful outcomes in North Ayrshire.

Justice social work services are long-versed in using an evidence based approach to risk assessment and management. They utilise accredited assessment tools such as the level of Service/Case Management Inventory (LS/CMI) to inform Court disposals and onward planning. In 2016, a standardised format of evaluating Risk of Serious Harm (ROSH), part of the LS/CMI, has also been utilised. The reason for this is that on 15th December 2015 Ministers commenced section 10(1) (e) of the Management of Offenders (Scotland) Act 2005 which took effect on 31<sup>st</sup> March 2016. This extended the scope of MAPPA to include other risk of serious harm offenders managed in the community, where the responsible authorities assess that a risk of serious harm to the public exists and which requires an active multi-agency response.

As CSWO, I have a direct line of accountability to the Chief Executive in North Ayrshire, meeting quarterly. I also appraise Elected Members and Senior Officers in the council on any issues, risk and developments within the service. This regular communication and information flow supports close working links with other local authority services and a consistent approach adopted by the Council to address cross-cutting issues.

As CSWO, I have a non-voting but advisory role to the IJB. The challenge presented is one of operating in an environment of cultural differences and experience of employing bodies. As integration progresses and teams develop together this should ameliorate this situation.

As CSWO I am charged with assuring that social work services meet national standards, comply with inspection, regulation and registration requirements and provide best value.

We must continue to ensure that there are appropriate arrangements in place for professional social work supervision outwith line management arrangements as health and social care teams are integrated. The landscape of governance and scrutiny is certainly more complex. Our Social Work Governance Board is now one of several governance groups in the HSCP which reports to the IJB. We are currently looking at the possibility of streamlining these arrangements and reducing the number of governance groups across the partnership.

### 3. Social Services Delivery Landscape

Social Services provision in North Ayrshire is a mix of in-house services and those commissioned from the Third and Independent Sectors. Over 2016/17, the HSCP Social Work Teams commissioned social care services from 217 different providers at a cost of £50M across the full range of service user groups. We have an established Quality Management Framework in place used to both support providers and ensure that any service delivery issues are addressed in an agreed and managed way.

The Third and Independent sectors in North Ayrshire have a well-established seat on the Integration Joint Board, and Strategic Planning Group which is involved in developing the [HSCP Strategic Plan](#). We have a Providers Forum that was formed eight years ago by social services and has developed into a robust self-managed group. This forum is a further means to share market information, to communicate and consult regularly, share best practice and discuss opportunities for joint working across sectors.

However, the market for social care provision is also being adversely effected by the increasingly significant challenge presented by the ongoing financial constraints on public services and the UK government's austerity programme that continues to compound the difficulties already experienced by our service users. We shall see in the following section that the NAHSCP has considerable overspends to address in addition to savings targets to be made. As alluded to above, these financial issues are set against a backdrop of increasing demand for statutory services as the complexity of health and social care situations faced by people who need our services increases.

We are going through a very conflicting time as we strive to change the 'balance of care' from residential care to community care. Shifting to prevention and early intervention is difficult because resources are locked into service delivery meeting existing demands. The lasting benefits from any models of early intervention and prevention, that are already showing positive outcomes and have social value, will take time to materialise.

As resources are threatened due to budgetary demands we are having to review our eligibility criteria for social care services, focussing on high risk and substantial need. The Third Sector is pivotal to an early intervention and prevention approach that can mitigate many of the effects of poverty and deprivation on health and well-being. They have a largely local workforce with intimate knowledge of localities and are well placed to support groups and communities.

The Third and Independent Sectors have been afforded monies from the Integration Care Fund (ICF) over the past three years and have established some successful initiatives such as "**Food Train**", with a growing group of volunteers (28 at last count) who run grocery shopping and a delivery service to people aged 65 and over and have 128 customers. "**On Yer Bike**" is another successful community project running cycling outings and bike maintenance and has had over 300 participants.

However, as the demand and pressure for mainstream services grows, so the share of monies afforded to the Third and Independent Sectors from the ICF has fallen from £1.25M representing 43% of the fund to £0.686M or 23% of this budget.

It is clear that the Third and Independent Sectors are facing similar financial challenges and the uncertainties about funding do not sit easily with future planning to realise market opportunities. The market for services is set within the legislative context of the Self Directed Support (Scotland) Act 2013 (SDS). SDS aims to improve the lives of people with social care needs by empowering them to be equal partners in decisions about their care and support.

A recent Audit Scotland Report highlighted the 'poor uptake' of SDS across Scotland, some three years after the implementation of the Act, with the overwhelming number of service users still choosing the local authority to deliver their services. Our experience in promoting SDS is compromised both by a lack of choice within the market and a reluctance by service users to take responsibility to control their care. This is less evident in the uptake of alternative options noted by our Children with Disabilities Team, where parents of the child welcome such responsibility and engage well with the SDS process.

During the past year we have been negotiating with the Third and Independent Sector providers in relation to increased rates for their staff due to the living wage legislation. This has been supported by ourselves as a Fair Work Practices employer. However, there have been tensions in achieving agreement with some Independent providers. We have experienced particular difficulties in agreeing increased costs for 'rural' areas and huge difficulties in securing relatively small packages of care as our providers have to consider their economies of scale.

At times, changes in funding and difficulties in operations of a partner organisation has resulted in the withdrawal of services. This has inevitably had an impact on social work services who are required to fulfil statutory obligations to these service users. Two examples are given below:

- Money Matters during 2016/17 had significant demands on its service following the decision taken by North Ayrshire Citizens Advice Service to no longer provide an Appeals service to non HSCP clients. Money Matters, since September 2016, now represents both HSCP and non HSCP appellants at Social Security appeals. The team had to train additional advisers into the Welfare Rights Officer's role and review service delivery to enable this area of work to be prioritised. Since that time, the team have provided advice and representation at over 350 appeals and have achieved a 70% success rate so far. Plans for 2017/18 are in place to redress this situation so that Money Matters continues to focus on those most vulnerable and advice and representation services are also available to others in North Ayrshire.
- We had previously seen the impact of the financial difficulties on external Home Care Services in 2015 when five independent providers suddenly folded. We maintained service continuity through TUPE of staff to our own services. Over 2016/17 we evaluated how the service as a whole could be sustainable in the future and, working with our partner providers, we have identified that a change in the balance of provision is required such that a maximum balance would be 70% of home care services provided in-house and 30% by independent providers. In 2018 we will be establishing a framework tender to support this.

## 4. Resources

Financial information is part of our performance management framework, with regular reporting of financial performance to the Integration Joint Board (IJB). Strong financial planning and management underpins everything that we do to ensure that our limited resources are targeted to maximise the contribution to our objectives. The ability to plan based on the totality of resources across the health and care system to meet the needs of local people is one of the hallmarks of integrated care. In December 2016, the Scottish Government published the Health and Social Care Delivery Plan which sets out the programme for further enhancing health and social care services. Critical to this is shifting the balance of care and support from hospital to community care settings, and to individual homes when that is the best thing to do. This provides a clear impetus to the wider goal of 50% of the health budget being spent in the community by 2021.

Our [annual accounts](#) provide full detail of revenue expenditure 2016-17.

In summary, Partnership services experienced a continued growth in demand, particularly in Community Care services for older people and in Children and Families services. This has led to in-year overspends on commissioned services against the original approved 2016–17 funding. Unachieved savings also contributed to the overspend, particularly within Mental Health and Learning Disability Services.

A number of services experienced significant in-year budget pressures during 2016/17:

- **Community Care and Health – Overspend of £1.318m** – This overspend mainly relates to demand in Care Homes, Respite and Care at Home. Care at home experienced a 30% increase in demand and service users had to be placed on a waiting list.
- **Mental Health Services – Overspend of £0.792m** - This overspend is related to Community Packages and Direct Payments within Learning Disability services and reflects the current packages commissioned. Part of this overspend (£0.251m) is linked to the non-delivery of savings in 2016/17.
- **Children and Families and Justice Services – Overspend of £1.262m** - This overspend is mainly within Children's Services and reflects an increased requirement to place children within Residential Schools.

The partnership will continue to face high levels of demand for services, however, it is imperative that services are commissioned within the resources made available and this will be the highest priority during 2017/18.

We are undertaking reviews of our current models of care to establish more sustainable approaches to allow us to meet our statutory duties. This is evident in all service areas as follows:

## 4.1 Mental Health Services and Community Care

The Learning Disability Social Work team commissions care and support packages according to the level of need and complexity of the individual's situation. They have a service user group ranging from 494 to 526 over 2016/17. The team also provides Day Services to 90 service users in premises that are not flexible enough to accommodate changes in practice and models.

The Mental Health Social Work team works in the same way and have a service user group that has ranged between 183 and 229 over 2016/17. The increase in complexity of mental health problems presented to in patient and community services is reflected in the need for larger care packages of support to facilitate discharge from hospital.

For both learning disability and mental health services, the current model of support is largely being provided to service users in dispersed and individual tenancies with a significant number of these service users being assessed as needing responsive care, available on a 24/7 basis. The current model is overly intrusive in that carers are 'ever-present' in the person's home. This does not facilitate the desired personal outcomes for service users and it is also very costly.

The newly launched Learning Disability Strategy and the evolving Mental Health Strategy in North Ayrshire focusses on service users and carers being partners in arranging care and person centred planning focussed on outcomes and pursuing the maximisation of independence.

A small pilot project commenced during 2016/17 and worked with service users, carers and providers to assess whether a care support worker was required overnight and, if not required, to introduce a telecare option as appropriate. We worked closely with a seconded care at home manager to look closely at all telecare options and initiatives that have proved successful to other care groups.

We have met with significant concerns and resistance from family carers to change any aspect of support packages and it is clear that we need to engage further and highlight that this can be a safe and effective option.

In 2016/17 the opportunity to take forward the agenda to establish new models of care came unexpectedly when a large care home in Irvine came on the market. The footprint and, for its time, innovative design of the resource lent itself to development and refurbishment to realise many goals. The Tarryholme Drive Project will allow for:

- The development of a new Learning Disability Day Centre with strong community links and flexible use of space.
- A pathway for people recovering from acute mental health problems to rehabilitate out with a hospital setting leading to improved outcomes and avoiding the unintended negative consequence of long-term hospitalisation.
- A range of supported living options, 20 tenancies and a small care home for people with complex and significant learning disabilities.

Capital funding for the purchase and refurbishment of the site was supported by North Ayrshire Council and Ayrshire and Arran Health Board and demonstrates a joint commitment to establish new models of working. The refurbishment of the site will be complete by spring 2019.

However, to continue to meet current demand and the forecast increases, the models of care have to develop alongside alternative models of accommodation available to Community Care, Mental Health, Learning Disabilities and Children with Disabilities.

We have seen the success of a core supported housing model at Castlecraigs Court in Ardrossan. Thirteen housing tenancies for adults with learning disabilities and/or mental health problems who would otherwise require a care worker in their home on a 24/7 basis have this support provided by on-site care staff on both a planned and responsive basis. The residents enjoy greater independence, but have the benefit of accessible support. The cost of packages is practically half that of delivering this care and support in individual dispersed tenancies.

To this end we have been working in partnership with Housing to develop housing models which will see a programme of developments across North Ayrshire of extra care housing and core supported housing models. Sheltered care housing models, such as Vennel Court and Montgomery Court are being further planned as extra care, providing an opportunity to deliver a core model of 24/7 responsive care to adults who have physical disabilities as well as those termed 'older people'. Delivery of these models is expected in 2020/21.

## **4.2 Children and Families and Justice Services**

We continue to experience high incidences of children subject to legislation. We had 601 children and young people subject to a Compulsory Supervision Order, or Looked After during 2016/17. Of these, 389 were accommodated away from their parental home. We had 112 children who were placed on an order with a kinship carer. Impending implementation of further Welfare Reform changes presents yet another financial challenge to the Partnership and communities in North Ayrshire. Changes being implemented in November 2017 to universal credit will see the removal of amounts paid to kinship carers for a child if newly placed/ or when the claimant's circumstances change. The resulting shortfall for a carer for one child is £63.94, a sum that the Local Authority would require to make up in allowances to prevent further financial hardship.

Mitigating these circumstances, we have continued to work to reduce the number of children who are accommodated in external, and more expensive, foster placements that are often out with the local authority and as such away from the child's community. We have reduced numbers of external foster placements in 2016/17 from 30 to 13 with plans to reduce further next year. We have successfully increased our in-house foster parents to 100, to ensure that our young people are cared for close to their home communities. We had projected a demand for 122 foster placements, but the numbers of children requiring to be accommodated increased beyond our estimate and led to a rise in foster placements to 141. This increase in accommodated children has also resulted in an increased demand for residential school placements as well as placements in our own children's homes, which were accommodating younger children and at times going over their registered numbers.



In 2017/18 we plan to use some of the Challenge Fund monies to develop a project utilising existing services to focus on robust care plans that will enable young people to return to the community from expensive and outwith area residential placements. In effect, the bespoke virtual team will wrap around the young person and facilitate a return to the local community.

Justice Social Work Services engage with approximately 450 service users at any given time. This past year has been a particularly challenging year for us in terms of our core Justice Services being able to respond to the needs of service users. In 2015/16 we saw an increase of 31% in the number of Community Payback Orders (CPO's) from the previous year. In the Scottish Government Justice Statistics for 2015/16, published in February 2017, it showed that North Ayrshire had the highest number of CPO's in Scotland per 10,000 population. There has been no increase in the budget to reflect this demand.

From the evidence above, it is clear that as we move into 2017/18, we need to continue to address proactively the funding challenges presented while, at the same time, providing quality services for the people of North Ayrshire.

## 5. Service Quality and Performance including delivery of statutory functions

The [Annual Performance Report](#) reflects the overall progress in meeting National Outcomes. As our strategic priorities are designed to further this progress I shall consider the performance of social work in achieving these priorities. The priorities are as follows:

### 5.1 Tackling Inequalities

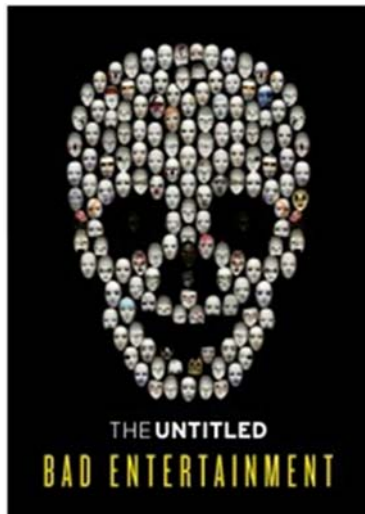
The demographics of North Ayrshire present additional challenges in contributing to the National Outcomes. It is no surprise that the incidence of people presenting to social work services for support from the most deprived areas represent the majority, 59% of the 5,757 individuals referred into our generic 'intake' team, Service Access, over 2016/17. Approximately 10% of these referrals were classified as destitution referrals requiring short term financial support or referral to food banks.

Examples from our social work teams in tackling inequalities in 2016/17 are:

1. **Money Matters** - the Money Matters team works across service boundaries and achieved £8.2m in Income Generation for North Ayrshire residents.
2. **Activity Agreement Programme** - established by our Rosemount Project working with looked after young people who are leaving school to help clarify and support future planning for them. The programme assisted 83.5 % of the young people referred to them to transition to a positive destination. These positive destinations included college



placements and full time employment, with one young person securing a Modern Apprenticeship place.



The Activity Agreement's "Bad Entertainment" exhibition was displayed at the National Portrait Gallery in Edinburgh from January 2016 until May 2016 and then presented locally at the Harbour Arts Centre in June 2016. Bad Entertainment opened to critical acclaim and started as an exploration for young people to use art to address their own lives and sketch out what kind of society could exist if the future was in their hands. Our partnership and work with the National Gallery continues to feature in our Activity Agreement Programmes with young people working on a conceptual skill project called "Art of the Future".

3. **Employability Project** - The Justice Social Work team are in the process of setting up an employability project linked to our Unpaid Work Service. One of the Council's priorities is to grow our economy, increasing employment and regenerating towns. This project is a key element of this, considering how to help those furthest from the labour market in the hardest to reach communities back to work. North Ayrshire Economic Development Team have secured funding from the European Social Fund to provide two Peer Mentor Employability Workers to support staff and service users in Unpaid Work. These posts will look at the employability prospects and signpost service users to better employment opportunities within North Ayrshire or surrounding areas. The Project has made links with local employers and Third Sector organisations to further its objectives.

## 5.2 Bringing Services Together

Our workforce is our major resource and the reconfiguration of teams has been geared towards the goals of moving towards a focus on early intervention and prevention and ensuring that intervention is by the right person, in the right place, at the right time and that it is doing the right thing.

Reconfiguration of teams and partnership working can both help realise the desired outcomes for service users and also ensure that social work resources are used efficiently and effectively. Some examples of this from across the services are given below:

1. **Multi Agency Assessment Screening Hub (MAASH)** - We have spoken in previous reports of the development of the Multi Agency Domestic Abuse and Response Team (MADART). This partnership model, working with police, housing, social workers and third sector organisations (Women's Aid and Assist) has undoubtedly helped better support victims of domestic abuse in a more effective and timeous way. The MADART team, alongside social work justice services (notably the Caledonia Programme working



with perpetrators of domestic violence) has been a major contributor to reducing levels of domestic abuse in North Ayrshire. The most recent Police Scotland figures relating to Domestic Violence in North Ayrshire demonstrate a 21.7% reduction on last year's figures. This is the third year in a row that the number of domestic abuse incidents in North Ayrshire has reduced after many years of continual rises.

A further development of this type of successful partnership model is evidenced in the establishment of MAASH (Multi-Agency Assessment and Screening Hub) during 2016/17 within which MADART now sits. MAASH deals with all concerns referred to and by the Police. North Ayrshire has higher numbers of children referred to the Scottish Children's Reporter Administration (SCRA) than other areas of Scotland at 2.3% of all children compared to 1.5% nationally. The highest number of referrals to SCRA were from the police, but by establishing MAASH, this has helped to reduce the number of police referrals to SCRA by 46% this year. MAASH screens and assesses referrals, and support is offered at the earliest time to avert situations escalating to the point where statutory intervention may be required. This kind of approach is in the best interests of families and also averts unnecessary work for our limited registered Social Worker resource.

We will be looking to expand the role of the Hub to include Adult Support and Protection referrals which similarly see a high incidence of referrals from our Police colleagues.

- 2. Building Teams around the Child** -The latest census information showed the number of children (0-15yrs) in North Ayrshire as 24,283. A third of these children live in poverty. Evidence shows that negative experiences in the early years can result in poor social and health outcomes over the life span. There are strong links between childhood trauma and the adult onset of chronic disease, poor mental health and biomechanical coping mechanisms, such as drugs or alcohol misuse. The study of Adverse Childhood Experiences (ACEs) shows how adversity impacts on how people respond to stress, resilience and the ability to form lasting relationships.

Currently our social work Children and Families Teams are involved with 2626 individual young people, with 68% coming from an area of significant deprivation. The Children and Families (Disabilities) team caseload has increased over the years as has complexity of these disabilities.

We are establishing teams around children and families, based within our six identified localities. The locality model of the teams around Children and Families will ensure that children and families get the right support from the right person at the right time, and delivered within their own community. It is anticipated that the multi-disciplinary approach to Children and Families Services will include; teaching staff, educational psychologists, social workers, school nurses, health visitors, child and adolescent mental health specialists, and intervention specialist services. The HSCP continues to engage with the Tapestry Partnership, connecting schools with communities within the Three Towns locality and there is consideration of extending this approach to include the Kilwinning locality.

While in some localities these teams will be co-located, this will not always be the case due largely to logistical and accommodation issues. We will however develop Locality Resource Groups (LRG) in all six localities, to ensure that there is a locality approach to meeting the needs of Children and Families within their own communities. These forums

will be attended by some of the above named agencies as well as others who are identified as key participants and who will contribute to developing robust multi-disciplinary plans for children and their families.

We believe that this approach is required to enhance the existing partnerships that already are evident within local communities. The building upon existing professional relationships within a locality, utilises local knowledge and experience of that locality and will contribute towards better informed plans for children and families. This will put Children and Families Services at the heart of the Health and Social Care Partnership and utilise resources to maximum effect.

The locality team around children and families should ensure that it is more likely that services will be delivered by professionals whom children and their families are more familiar with and who are known in the community for their particular role. There will also be improved information sharing across services as the locality teams share concerns in order to develop well informed plans to meet identified needs.

There will be benefits to creating those teams in terms of the enhanced partnership working around early intervention which will reduce unnecessary referrals and bottle necks in children and families accessing services.

- 3. Early Years Leadership Team** - Locality based Early Years Leadership Teams are fundamentally planning forums, in all the North Ayrshire localities. These Teams are attended by Managers from across the Health and Social Care Partnership, Education and Partnership nurseries. They are focused on building professional networks and relationships as well as identifying local priorities that they can progress in their area.
- 4. Care at Home** - Fundamental to achieving the National Outcomes of care delivered in a person's own home is the work of our Care at Home staff group. We have increasing demands commensurate with the rise in the older persons' population who are living longer, but also coping with chronic physical problems. Currently, we provide support to over 1,874 service users across North Ayrshire and/or provide a telecare solution to over 4,500.

The current priority for Care at Home is to keep people in their own homes and communities and also facilitate early discharge from hospital to home where appropriate. We have developed a single point of contact system for professionals where early assessment and decision taking as to the focus on the outcomes for the service user is paramount. Here an assessment is made by an Occupational Therapist as to the Reablement potential of anyone referred. Reablement is a service that focuses on helping a person maximise their independence by learning or re-learning the skills necessary for daily living and enhancing confidence to live at home. It is a person-centred, goals-based approach designed to reduce long term reliance on statutory services.

During the year 2016/17 there were 2067 referrals made to the Reablement Service of which 645 individuals (31.2%) were deemed suitable to be reabled. The remaining individuals were referred onto or were already in receipt of mainstream care at home services. Of those individuals, 386 (18.67%) were requiring permanent increases to their provision; 655 of those individuals (31.68%) had ongoing provision and did not

have potential to increase independence and the remaining 381 individuals (18.45%) required palliative and/or end of life care.

The Reablement Service achieved 47.5% successful outcomes in that service users were either fully reabled - requiring no further service or had a reduction in Care at Home services as a result of the intervention. However, we have also seen our waiting list for this service increase. Evaluating the reason for this, it was evident that, in part, this was due to the lack of capacity to complete social work assessments by community care teams in order to review the service user and avoid having packages continuing for longer than necessary.

To mitigate this we are reconfiguring our Hospital Social Work team and will from May 2017 have five Social Work Assistants joining the Reablement Team. Instead of assessing someone within a hospital setting they will carry out the assessment of the individual at home and, working alongside the OT's and OTA's in the person's home, it is envisaged that the reduction of care packages and the timeous cessation of care packages will increase.

From the Challenge Fund pot of money that the Council has made available to the Partnership there will be money allocated for three additional Occupational Therapists to sit within the care at home Reablement service. This will allow the mainstream care at home service to be involved in Reablement and will further prevent unnecessary admissions to other establishments.

**5. Community Alarm and Scottish Ambulance Service** – Following a successful pilot that ran from December 2015 to December 2016 in the Irvine area where 999 calls were responded to by social care workers from our Community Alarm service alongside the Scottish Ambulance service the service is being rolled out to other North Ayrshire localities. The pilot evidenced that 74.56% of people who called an ambulance via telecare remained in their own home with support of carers and recorded 7,670 hospital 'bed days' saved.

**6. Creating Multi- Disciplinary Teams around Primary Care** - It is well documented that GP's are under pressure. Over the past year we have had three GP practices resigning their contracts with NHS Ayrshire and Arran as of August 2017.

Given the level of patient need in North Ayrshire and the known workforce and financial pressures being experienced locally, General Medical Services are becoming increasingly fragile and there is a need to act now to ensure high quality care is sustained into the future.

We are intending to mitigate these circumstances by creating two types of Multi-Disciplinary Team working.

- **Enhanced Practice Teams** comprising Advanced Nurse Practitioners, Mental Health Workers, Physiotherapists and Clinical Pharmacists.
- **Complex Care teams** to support GPs by offering alternative supports which can divert patients from GP appointments. This core group may include an: AHP, Social Worker, Pharmacist, Care co-ordinator, Mental Health Worker and District Nurse.

- 7. Addiction Services** - In 2016, across Ayrshire, there were 85 drug related deaths. This represents a 97.6% increase on the 2015 figure of 43 and accounts for 10% of all drug related deaths in Scotland. North Ayrshire accounted for 35 of those deaths, with this representing a 113% increase on 2015.

North Ayrshire has a high incidence of drug and alcohol misuse. The increase across Scotland of drug related deaths was reflected in this area, where it doubled over the course of last year. The North Ayrshire Drugs and Alcohol Recovery Service (NADARS) was the first of the Partnership teams to provide an integrated Health and Social Care response in North Ayrshire and have developed a single point of contact system with multiple referral routes, including self-referral, with a daily response service offering joint assessments.

However, the development of this service had to overcome many challenges, not least being one of information sharing and setting up joint recording systems.

The forthcoming challenge will be in sustaining and building on success in the face of reduced Blood Borne Virus and Sexual Health related funding and pressures on the local Alcohol and Drug Partnership (ADP) funding, a portion of which part funds social work posts in North Ayrshire.

- 8. Mental Health and Learning Disabilities** - Both teams have an integrated management structure, but face challenges in finding accommodation to enable them to be co-located with the NHS teams. The mental health team have seconded a team manager to the Change Programme to take forward the visioning, integration and development of the service for the future.

### 5.3 Early Intervention and Prevention

Early intervention and prevention is at the centre of shifting the balance of care. Social work is the lead agency in a range of intervention services that are designed to provide the right level of support to prevent an escalation of problems across all service areas. Without adopting the kind of approach, we will not be able to provide sustainable services. A few examples of our progress on this are detailed below:

- 1. Pathways to a Positive Future** – One of our goals is to minimise the number of times a child has to move placement when they become accommodated. We know that multiple placement moves leads to attachment difficulties and social and emotional problems for children that can result in mental ill health, and behaviours that can place children or others at risk. This is most pronounced if occurring in infancy. To avert this, we established Pathways to a Positive Future, a dedicated resource based in Dreghorn that works with parents over a 12 week period, providing parenting capacity assessments which contribute to timeous decision making about a child's future. Early indications of success are in line with the project's intended purpose and a full evaluation has been carried out and the report will be produced in early 2017-18.

2. **Universal Early Years** - The Early Years Social Workers are part of the enhanced Universal Early Years Home Visiting Service team. This team is made up of Health Visitors, Assistant Nurse Practitioners, Health Care Support Workers, Employability Officers and Money Matters workers. We plan to recruit through the Challenge Fund, a Speech and Language Therapist, a peri-natal Mental Health Nurse and three Family Nurturers. The work of this team will be evaluated throughout next year.

Steps have been taken to re-define our Early Years Social Workers' role which will enable the development of a quality assurance framework around tasks and outcomes. Initial discussions have taken place with Strathclyde University with a view to evaluating their impact of focusing on early intervention with individual children and their families.

3. **Youth Support Team** supports young people aged 8 to 16 who are experiencing difficulties with school behaviour and family relationships. The team delivers the CHARLIE programme over 30 weeks to young people aged 8 to 11 who are living with parents with substance use issues. The programme has evidenced positive outcomes for children and young people including a decrease in anxiety and increase in ability to control their emotional response to their situation. This enables them to talk more openly about their circumstances and set themselves positive goals for their future.
4. **Early and Effective Interventions** The delivery of a wide range of early and effective interventions to young people involved in offending continues to realise the aims of preventing these young people from an escalation of behaviours and thereby avoiding their involvement in the adult justice system and being placed in secure accommodation. The success of this is reflected in the fact that only one young person was placed in secure accommodation last year.
5. **Rosemount Project** successfully supported **91%** of the young people involved with the crisis intervention intensive support service to remain within their families on a long term basis.

This was achieved via the delivery of creative intensive support packages tailored to meet individual need that include parenting programmes, individual counselling sessions and issue based group work. The approach of supporting the parents as well as the child has been successful with over 80% of parents leaving the programme with greater confidence in dealing with their children's behaviour, 90% feeling less stressed, and 100% reporting increased peer support from other parents.

6. **Throughcare** - 2016/17 has been a great year for the Throughcare service. For the second year running the team have received a grade 6 (Excellent) from the Care Inspectorate in their inspection of the Supported Carer Scheme. This has been in the area of care and support to young people and the Care Inspectorate acknowledged the "exceptional" outcomes achieved by the scheme. At the end of 2016, a CAMHS nurse was located within the Throughcare office. This is a joint venture between CAMHS and Throughcare in recognition of the barriers to good emotional well-being facing care leavers.



A joint event with the Ayrshire College in Kilwinning was held in 2016 to celebrate National Care Leavers Week. Over thirty young people attended the event to receive certificates from the NAHSCP Director and the Leader of the Council to recognise their efforts in education and training. The young people also brought their friends, partners and, in some cases, even their children.

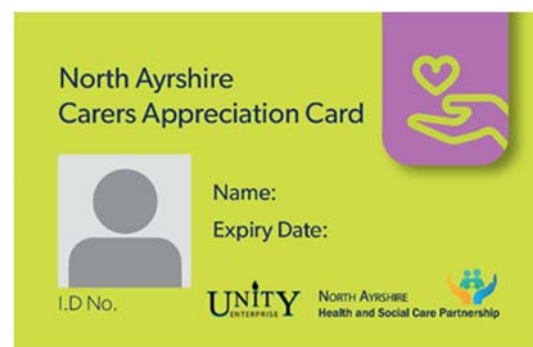
- 7. Community Connectors** - we have expanded our Community Connectors service and are linking in with the Scottish Government programme to develop and fund an expansion of Community Link Workers for areas of high deprivation. Currently ICF funding has enabled five HSCP workers and two Third Sector workers to operate in 17 out of the 20 general practices in North Ayrshire.

## 5.4 Improving Mental Health & Well-being

This priority was identified as the most important for the people of North Ayrshire and endorsed by the Locality Forums over the course of 2016/17. Examples of what we have done so far are as follows:

- 1. Flexible Intervention Service** – This scheme commenced in 2015 for people experiencing mental ill-health or living with a learning disability, offering a responsive support service to avert problems escalating that would require greater resources and possibly, statutory interventions. The service is commissioned from an independent provider and its success has led to our being able to secure mainstream funding to allow it to continue.
- 2. Palliative and End of Life Care** - We seek to improve mental health and well-being throughout the life course, recognising the importance of dignity and choice at all times. We have established a Palliative and End of Life Partnership Education Sub-Group with membership from Health, Social Work, Local Care Homes, the Ayrshire Hospice and Scottish Care. We plan to develop and deliver modular training across all sectors in North Ayrshire where people require Palliative and End of Life Care.
- 3. Carers** - North Ayrshire's Carers' Strategy (2014-2018) aims to recognise and raise awareness of the commitment and valuable contribution our unpaid carers show every day to their families, friends and loved ones across North Ayrshire. The strategy underpins how the NAHSCP will continue to support local carers to continue in their caring role. It is recognised that a failure to fully support carers could result in even greater demands on services. Without appropriate support, carers could become overwhelmed by their caring responsibilities possibly leading to both poorer physical and mental health.

The North Ayrshire Carers Appreciation Card entitles carers to discounts, concessions and offers at a growing range of local shops and businesses. The card



can also be used to identify an individual as a carer to their doctor, when visiting their pharmacy or even in school or at university.

Currently we have 378 carers registered (29% of all those registered) and 39 local businesses supporting the card.

## 5.5 Engaging Communities

In line with the Christie Commission Report (2011) on the reform of public services, we know that effective services must be designed 'with and for people' and we recognise that meaningful engagement takes us nearer to this goal and will lead to the successful co-production of services.

Throughout our HSCP social work teams we can demonstrate the value of an inclusive and consultative approach with carers and service users involved in strategy and service redesign development, team development and, on an individual basis, in regard to their care plan. A few examples are given below of this:

1. **Learning Disability** the newly launched Learning Disability Strategy was widely consulted about and the Head of Service for Mental Health signed the Charter of Involvement for Learning Disabilities confirming the centrality of the service user in taking forward the strategy.
2. **Mental Health** The mental health social work team facilitated the creation of the "Involved!" group with service users and carers demonstrating strengthened relationships and engagement of people who use the service. The team continue to deliver the 'Safe to be Involved' event in partnership with service users and carers that highlights activities that are undertaken throughout the year. In 2016/17 members of the Involved! Group joined the steering group for the community mental health service review and will be leading on the vision consultation work as the review progresses.
3. **Community Care** social work services have undertaken a substantial review. They asked for the views of carers and service users in formulating a new model. Community Care Services have historically been organised by age, with a Physical Disabilities team and an Older Peoples team. Both can suffer significant mobility and functional problems impacting on daily living. These age demarcations were not perceived as relevant anymore as we seek to place a greater emphasis on creating a range of relevant local services that are responsive to needs, regardless of age. Reflecting this, the service is re-organising to provide unified Locality Teams as of August 2017.
4. **Children and Families** teams regularly consult, and involve children and young people, with representatives from Who Cares? the national voluntary organisation working with care experienced children and care leavers across Scotland. Children and Families teams have helped give a voice to young people, for example, young people are involved in recruitment panels for residential care workers. In addition, support is provided for children and young people at 'Looked After and Accommodated

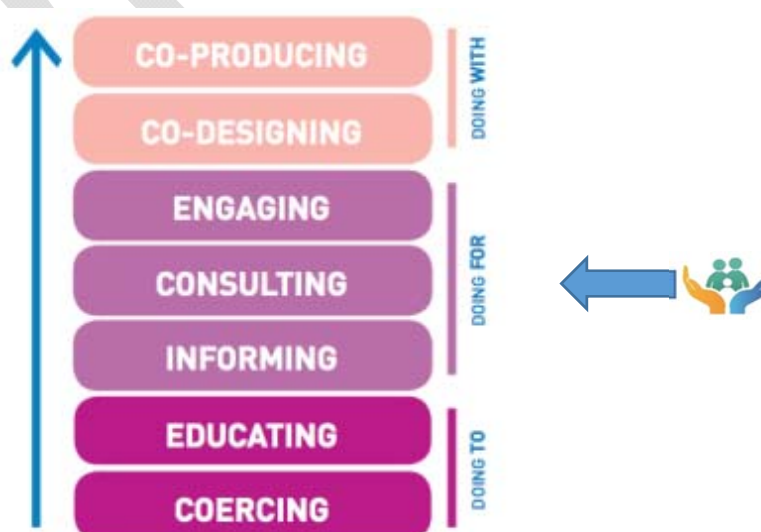
Reviews' and "Child Protection Meetings" to enable them to express their views, whether this be verbal, or written or via an Advocacy Worker.

5. **Justice Services** - The Social Work team has been involved with Strathclyde University in setting up a User Engagement Council. Justice Services is a challenging area in which to build up effective partnerships with service users and engage them meaningfully in the design, review and shaping of Justice Services. The team have embraced this challenge enthusiastically and have set up a range of mechanisms and forums to engage service users meaningfully to ensure that their voices, views and opinions are heard and valued.
6. **Recovery at Work**, a constituted community group led by people in recovery from alcohol or drug problems has been fundamental to the delivery of family support (SMART programme). The group has a full health and well-being agenda, for example, forming walking groups, singing groups and organising film making courses. (Funky Films)

The Café Solace initiative demonstrates what we would all hope to achieve through engagement with service users and co-production. The first Café Solace was established in Ardrossan in 2015 and is now extended to a further two localities in North Ayrshire, providing nutritious meals for less than £3 to 4,745 people attending. I am also happy to report Café Solace are currently placed as COSLA 2017 silver award winners.



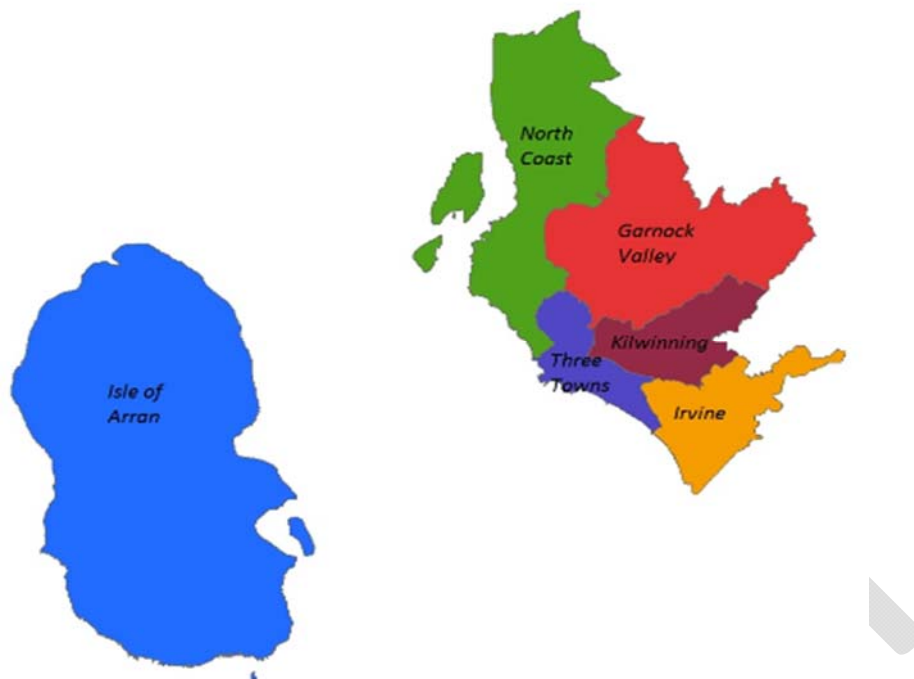
It is clear that we have the direction set, and indeed, have achieved notable success in establishing meaningful and productive partnerships with service users, carers and communities. However, on the whole, we have a lot of work still to do as we estimate our position on the ladder of engagement below:



Source: new economics foundation



**7. Locality Planning Forums** - The development of Locality Planning Forums (LPF's) is integral to achieving true engagement.



Their purpose is to become a direct route for both the public and staff to inform about the provision, design and delivery of health and social care services. Core to the LPFs is local community representation, including Elected Members, people with lived experience, Carers, Third Sector representatives and Senior Managers from the partnership. Over 2016/ 17 the LPF's:

- Held "Local Connections Better Outcomes" events to enable community groups and local agencies find out what was happening in the community and develop conversations about what is good and what could be better.
- Identified local priorities for inclusion in the refreshed strategic plan.

All localities identified the need for services for low level mental health problems. In recognition of this, we match funded monies made available from Scottish Government and on "Decision Day" in February 2017 we held a vibrant conclusion to a Participatory Budgeting process where £50,000 was distributed among 42 projects whose mental health projects were voted as winners by over 250 local people.

For sustained benefits for communities, evidence highlights the effectiveness of co-production as a means of building capacity in communities, increasing self-management of long term conditions and reducing social isolation, whilst creating significant cost savings across the public sector system. In February 2017 a skilled Engagement Officer joined the HSCP and a strategy is being established that will take us further up the ladder towards co-production. The inter-relationship of the LPF's and the Community Planning Partnership's Locality Partnerships is evolving and provides further opportunities for partnership working with communities to achieve better outcomes.

## 6. Statutory Duties – Protection

We have a workforce that numbers 3, 252 split NAC (53%) and NHS (47%). Of these staff, just 5% are registered social workers (163). Only registered social workers can undertake certain statutory roles, often ones which require to balance competing needs, risks and rights. We have seen a large volume and pace of legislative change within our statutory framework. Many social workers specialise in particular areas of service and become experts in a particular sphere, but, as we have seen this resource is limited.

### 6.1 Child Protection

There has been significant activity around improving our approach to Child Protection within our area teams. This has resulted in work streams to embed improvement within the whole system. In particular we are currently establishing a dedicated Child Protection team which will be made up of existing social workers from area teams and managed by an existing team manager. This team will focus specifically on dealing with all new child protection concern referrals and carrying out all new child protection investigations. There is an emphasis on improving timescales, listening to the voice of the child and ensuring that families are very much part of the child protection process. We are also reviewing our administrative processes, and taking a fresh look at the way in which we organise Child Protection Conferences, to engage better with children and their families. (see Appendix 1 for statistical table)

### 6.2 Adult Support and Protection (ASP)

Whilst the legislation stipulates that actions in ASP require to be undertaken by a Council Officer, this role is delegated to social workers.



A stated aim of the North Ayrshire Adult Protection Committee has been to increase the number of ASP referrals which come from agencies other than Police Scotland or the Health and Social Care Partnership. The percentage of 'other' organisations who made ASP referrals during 2016 - 2017 continued its incremental increase from 49% to 62%. This increased awareness of the ASP Act and the need to refer has been supported by a programme of training and awareness raising events by ASP staff. In North Ayrshire, every ASP referral receives a formal ASP Inquiry and the increase in awareness and referral numbers does impact on the staff responsible for carrying out inquiries and investigations and providing support and protection under the Act. It has also been important during 2016 - 2017 to ensure that agencies make 'appropriate' referrals. The level of referrals from Care Homes, for example, has been very high and not all referrals have been legitimate ASP referrals.

Several events and meetings have taken place with Care Homes to address the issue of inappropriate ASP referrals, in addition to a change to the ASP referral paperwork and

process and this has resulted in the level of 'inappropriate' referrals from Care Homes decreasing. This work will be consolidated during 2017 - 2018.

Together with proposals to incorporate screening of ASP referrals into MAASH we intend to ensure that the limited social work expertise is properly and effectively aligned to enacting the legislation as it should be and to ensuring that resources and interventions are properly directed at adults at risk of harm who meet the three point test for ASP.

The work undertaken in relation to the ASP Stakeholder's Evaluation exercise, highlighted that referrers feel that the process and paperwork in relation to making ASP referrals in North Ayrshire is simple and concise and they would continue to make referrals and encourage their colleagues to do so. The same exercise also highlighted that service users and carers interviewed felt that their wishes had been central to the ASP process and that they (or their loved one) were safer as a result of the actions taken under ASP legislation.

A multi-agency Case File Audit will take place during 2017 - 2018. North Ayrshire are the only local authority to have put themselves forward to be considered for the pilot of a new Care Inspectorate model of inspection specifically designed for Adult Support and Protection.

### 6.3 Mental Health Officer (MHO) Service

The MHO service is co-ordinated and managed by our social work Mental Health Team. MHOs are experienced social workers who have completed further training at post-graduate level and have a particular role and responsibility in legislation relating to individuals with mental disorders. The MHO role is supplementary to their primary designation and currently the service has MHOs who also work as care managers in Mental Health, Learning Disability and Community care services. They practice across three pieces of legislation that significantly impact on individual liberty – their key role is to ensure that alternatives to the use of legislation are provided where possible, and to safeguard the person's legal rights through the process. (Activity on these legislations is available at Appendix 3)

In North Ayrshire, the need for the MHO service continues to grow (in line with trends across Scotland). Due to unpredictable 'peaks' in the use of mental health legislation which places a real pressure on MHO capacity, it is challenging to predict demand in relation to workforce planning. The increasing complexity of statutory work is also apparent in the range of individual situations which are presented to the service.

During 2016/17 the MHO service provided temporary backfill for MHO trainees, two trainees completed the qualification and three trainees commenced the course in 2016/17. The service also made a successful bid for pressure monies to develop an exclusive MHO post with a focus on the training of new MHOs in 2017/18. The quality of work done by the service is reflected in 81% completion rate for Social Circumstances Reports following Short Term Detention Certificates – the highest completion rate for local authorities in Scotland. Furthermore, there has been good feedback from the Mental Health Tribunal Service for the quality of information contained in North Ayrshire MHO reports.

However, since 2015, the service has been operating a waiting list for Private Guardianship applications with the service prioritising CSWO Welfare Guardianship applications and

renewals. To address this in 2016/17 the MHO service employed three recently retired MHOs one day per week to specifically concentrate on the Guardianship waiting list. This has made a real difference. However, as noted, the demands on the service still required the waiting list process to be in place. We have implemented a new administrative process for the management of the AWIA waiting list, including updating solicitors during the waiting period.

The Adults with Incapacity legislation does not allow the Local Authority to act as Financial Guardians and we are met with a reducing list of solicitors willing to take on Financial Guardianships on our behalf. This, in turn, has led to an increase of Financial Intervention Orders, which can be undertaken by the Local Authority, but places additional pressure on the capacity of the finance service in North Ayrshire to manage these.

## 6.4 Public Protection

On 15th December 2015 Ministers commenced section 10(1)(e) of the Management of Offenders etc. (Scotland) Act 2005 which took effect on 31<sup>st</sup> March 2016. This extended the scope of MAPPA to include other Risk of Serious Harm (ROSH) offenders managed in the community, where the responsible authorities assess that a risk of serious harm to the public exists and which requires an active multi-agency response. New paperwork was also produced which helped focus on the ROSH and the risk management plan required to manage the identified risks effectively. This closer adherence to ROSH has resulted in a clearer understanding and agreement of thresholds of risk, and has led to a reduction in MAPPA Level 2 cases and a corresponding increase in MAPPA Level 1's. (See Appendix)

There have been initial teething problems in regard to the responsibility for the completion of the ROSH and the new paperwork. The ROSH is part of the LS/CMI, which is the main Justice Social Work risk assessment and case/risk management tool. The responsibility for completing the ROSH and the new paperwork has now been clarified by the issuing of interim guidance by Social Work Scotland which has been approved by Chief Social Work Officers.

**ViSOR** - (Violent and Sex Offender Register) is a database of records of those required to register with the police under the Sexual Offences (Scotland) Act 2009. The vetting required by the UK National ViSOR Standards for access to this database has changed, and has resulted in a significant proportion of Justice Social Workers who are not vetted at the new required levels of NPPV2/3. (Non-Police Personnel Vetting). This creates a risk regarding Police Scotland's compliance with Home Office data protection requirements. A lack of vetting means Justice Social Workers are not permitted to access ViSOR training, contributing to poor levels of ViSOR use in social work offices across Scotland. Social Work Scotland are currently seeking legal advice on contractual obligations for employees in regard to being vetted for using ViSOR.

## 7. Workforce

The three Ayrshire Health and Social Care Partnerships were the first to employ dedicated workforce planning resources, with these new roles coming online between September and

November 2016. The main focus of the first few months for the NAHSCP postholder has been on establishing the workforce baseline for the H&SCP including, numbers, grade mix, profiling the full workforce etc. There has been engagement with key stakeholders, as well as the provision of workforce planning input to key projects and responding to the Scottish Government consultation on a national approach to workforce planning across health and social care.

The NAHSCP will produce a strategic workforce plan for 2018-2021 as part of wider strategic planning.

The main challenge moving forwards will be providing a comprehensive plan across the partnership that takes into account the needs of all the partners. Priorities for the year ahead will be further engagement with the Independent and Third Sectors (including the collation of detailed workforce information), implementing the Scottish Government's National Workforce Planning model, continued engagement with further and higher education establishments and developing workload planning and management approaches that support managers at an operational level.

A well- motivated and engaged staff group is key to delivering safe, effective and efficient services. This is clearly demonstrated by the Dirrans Centre, (focussing on rehabilitation from head injury, neurological long term conditions) operated with a core staff of social care support workers and occupational therapists. They achieved Platinum Employer of the Year Award from Investors in People for the work done in 2016/17 in maintaining a motivated, skilled team.

## 7.1 Professional Development

Continuous Professional Development increases skills and confidence in delivering quality services. We have 65 different course titles that are available to staff through the Health and Social Care Partnership Learning and Development calendar. Based on demand and identified learning needs, 54 of these titles were delivered between April 2016 and March 2017 to 1872 staff.

Staff continue to access other social services' training such as Moving and Handling, CALM, Adult Support and Protection and the North Ayrshire Council corporate calendar for Policies and Procedures, Management and Leadership training, the Child Protection Committee Training, GIRFEC, Women's Aid and NHS training for other specialist learning and development input.

Twenty staff have undertaken post graduate courses that provide an integrated academic and professional approach which develops the intellectual and practice skills necessary for practice in areas such as child protection, mental health, and permanency planning for children, social policy and the psychology of dementia care.

In addition, many staff have attended short-term courses, seminars and conferences including; the neuroscience of adoption and fostering, supporting teens who internalise distress, working with young parents, mental health first aid and life-story work with troubled children and teenagers. Staff have also received training to maintain their general first aid licence.



From consultation with managers, the Learning and Development section has been able to source and contribute to the development of specific training including; Working with Adults with Autism within Justice Services, Child Protection within the Family and an Introduction to working with Refugees and Asylum seekers.

## 7.2 Qualifying the Workforce

The North Ayrshire Social Services Scottish Vocational Qualifications Assessment Centre (NASSAC) delivers awards ranging from six months to three years duration. One hundred and twenty two staff and seven Modern Apprentices completed their award this year and a further fifty one candidates are currently working towards completion. Future candidates will be prioritised to meet the Scottish Social Services Council (SSSC) registration requirements.

Good progress is continuing in relation to qualifying the residential and Care at Home workforce in line with the SSSC registration requirements. Targets set for both adults and children and young people care groups have been reached during 2016/2017.

At April 2016, 79.6% of staff in residential care homes for adults had achieved the qualifications required for registration. At 31 March 2017 this figure had decreased to 75.6%. A number of factors such as staff redeployment, promotion to new roles requiring additional or different qualifications and staff turnover have been key influences.

At April 2016, 89% of staff in residential care homes for children and young people achieved the qualifications required in order to register with the Scottish Social Services Council. At 31 March 2017 this figure had decreased slightly to 88.3%. The same factors influencing figures for care homes for adults are also evident within residential child care.

We have worked with our in-house Care at Home service to map out the route and timescales for staff groups to attain their qualifications in line with the SSSC regulatory requirements. During 2016/2017 two Team Managers and one hundred and two Care at Home Assistants commenced their awards.

From March 2016 until April 2017 the NASSAC has delivered one workshop for the Professional Development Award in Supervision.

The Scottish Qualifications Authority (SQA) carried out an annual inspection within the NASSAC as part of their inspection process. Each inspection pertained to a different award delivered within the centre including Adult Care Awards, Childcare Awards and the Professional Development Award in Supervision. NASSAC received a glowing report and scored "significant strengths in all categories" of the process with particular reference made to the high standard of assessment and the quality of evidence provided by candidates.

## 7.3 Practice Teaching

Practice Learning is an essential component of social work training and the HSCP is committed to providing Practice Learning Opportunities (PLO) for social work students via the Learning Network West (LNW). North Ayrshire Health and Social Care Partnership is well regarded as a source of good quality learning opportunities and we value the partnership working and knowledge exchange activities with our colleagues from the

relevant universities, the LNW, Institute for Research and Innovation in Social Services (IRISS), the Social Work Scotland Learning and Development subgroup and the SSSC.

We have increased link worker training to twice per year prior to students coming out on placement and at the most recent event, we recruited 11 new link workers from a broad variety of settings which will provide a host of different learning opportunities for students. During the academic year 2016/2017 we provided 15 Practice Learning Opportunities for student social workers with another 10 students, at different stages of learning and from various universities, coming out on placement from August 2016. The Practice Development Award in Practice Learning (PDAPL) has recently been revised and will come into effect from the autumn cohort 2016. We also offer ongoing support to the standardisation and internal verification of this Award.

We have continued to promote and facilitate the Practitioners Forums for Practice Teachers and Link Workers to encourage a learning exchange culture across North, South and East Ayrshire. We have also facilitated monthly student groups on a Pan-Ayrshire basis during the peak placement period of September to May where a variety of speakers give input.

#### 7.4 Post Qualifying Support

The forum for Newly Qualified Social Workers was relaunched on 22<sup>nd</sup> August 2016 in order to develop and promote good practice and to meet their SSSC Post Registration Training and Development requirements and this is currently being revised in order to support NQSW with a robust mandatory programme.

We have made considerable efforts over the past year to work on team development and in improving team work and staff morale. Sessions have been held with staff and managers and they have been productive in building a strong and motivated team

#### 7.5 Recruitment and Retention

We continue to experience difficulties in recruiting care at home workers and are working with local colleges and schools to promote a career pathway in social care. Despite there being high levels of unemployment in North Ayrshire, care work is not an option suitable to everyone as it requires skills, resilience and dedication to complete what can be very demanding work both physically and emotionally.

## Appendix

### Adults with Incapacity Act (Scotland) 2000

<i>Mental Health (Care and Treatments) 2003</i>	<i>2013/14</i>	<i>2014/15</i>	<i>2015/16</i>	<i>2016/17</i>
Emergency Detentions	30	29	24	44
Short Term Detentions	71	72	75*	87
Compulsory Treatment	48	40	54	25
Warrants undertaken	2	1	3	1

<i>Criminal Justice Act Scotland 1995</i>	<i>2013/14</i>	<i>2014/15</i>	<i>2015/16</i>	<i>2016/17</i>
Compulsion Order and a Restriction Order (CORO)	4	4	4	4
Compulsion orders	4	4	6	5
Hospital Directions	1	1	1	1
Assessment Orders	4	1	2	2
Treatment Orders	2	1	1	2
Transfer for Treatment	1	0	3	3

<i>Adults with Incapacity Act (Scotland) 2000</i>	<i>2013/14</i>	<i>2014/15</i>	<i>2015/16</i>	<i>2016/17</i>
Private Welfare Guardianships *	204	291	255 (60)	287 (67)
CSWO Guardianships **	44	47	59 (19)	52 (21)
Financial Intervention Order (LA) ***	42	58	53	41 & 21 in process
MHO report: PWG application	79	86	68	96

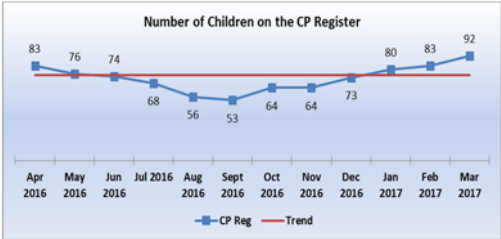
### Adult Protection

	<i>2013/14</i>	<i>2014/15</i>	<i>2015/16</i>	<i>2016/17</i>
ASP Referrals	631	812	697	654
ASP Case Conferences	24	44	73	48
Protection Orders	9	7	6	1*
Adult Concern Reports	0	1039	1349	1446

### Child Protection

	<i>2013/14</i>	<i>2014/15</i>	<i>2015/16</i>	<i>2016/17</i>
Child Protection Concerns	885	858	901	835
Child Protection Investigations (CP1s)	578	526	430	469



Child Protection Initial Conferences	81	176	162	133
Pre Birth Conferences	26	32	31	16
<div style="text-align: center;">  <p>Number of Children on the CP Register</p> <p>Apr 2016: 83, May 2016: 76, Jun 2016: 74, Jul 2016: 68, Aug 2016: 56, Sept 2016: 53, Oct 2016: 64, Nov 2016: 64, Dec 2016: 73, Jan 2017: 80, Feb 2017: 83, Mar 2017: 92</p> <p>Legend: CP Reg (blue line with squares), Trend (red line)</p> </div> <p>Trend in Number of Children on CP Reg (Graph)</p>				

## Looked After Children

	2013/14	2014/15	2015/16	2016/17
Children Newly Accommodated in North Ayrshire	100	91	81	64

	2013/14	2014/15	2015/16	2016/17
Foster Carers		85	97	100

<i>Permanency Planning</i>	2013/14	2014/15	2015/16	2016/17
Number of Permanency Plans Approved	25	38	22	37
Adoption - Approved and Placed	3	15	13	10
Adoptions Granted	9	3	15	13*
Permanence Orders Approved	27	7	11	16
Permanence Ordered Granted	12	14	6	9

## Emergency Placements

	2015/16	2016/17
Child Protection Orders	13	12
S143 of the Children's Hearing (Scotland) Act 2011	21	24

## Secure Placements

	2015/16	2016/17
Number of Secure Placements	3	1

## Criminal Justice

2016/17	
Reports Submitted to the courts	<b>844</b> (CJSW Reports – 768, Section 203 – 22, Short Notice CJSW – 27, Supplementary CJSW – 27)
Reports Submitted	<b>118</b> (Leave Reports - 64 Background Reports – 54)

## Multi-Agency Public Protection Arrangements (MAPPA)

	2014/15	2015/16	2016/17
Level 1 Mappa	130	142	155
Level 2 Mappa	10	14	4
Level 3 Mappa	1	1	1

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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 14**

**14 November 2017**

#### **Cabinet**

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<b>Title:</b>	<b>Housing Revenue Account Rent Structure Review</b>
<b>Purpose:</b>	To seek Cabinet approval to implement a revised Housing Revenue Account rent structure.
<b>Recommendation:</b>	That Cabinet note the outcome of the tenant consultation and approve the implementation of a new rent structure from April 2018.

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#### **1. Executive Summary**

- 1.1 North Ayrshire Council has 259 different rent levels within the Housing Revenue Account (HRA) and this structure incorporates significant disparities in charging rates. As a result, the current structure is not as fair as it could be for our tenants. Following Cabinet approval in June 2017, a tenant wide consultation was carried out on the current rent structure and options for revised charging models.
- 1.2 The consultation was carried out over two phases. The first phase was to test the appetite for a review amongst our tenants and for their thoughts on factors to be included in any forthcoming review. The second stage, which incorporated the feedback from stage one, presented two charging models for the tenants' consideration.
- 1.3 Strong support for a review was evident from both phases of the consultations and the response rate for the second stage was significantly higher than any previous consultation. The comments received were supportive of both our approach and objectives.
- 1.4 The outcome from the tenant consultation confirmed the principle of the rent structure and Model 2 was subsequently selected as the preferred model, for implementation over a two year period from April 2018. Members are therefore invited to approve the implementation of the rent structure on this basis.

#### **2. Background**

- 2.1 The current HRA rent charging structure is based loosely on size, type of property and the type of heating system installed. Under this structure there are examples of tenants in smaller sized properties paying a higher rental charge than tenants of a larger sized property. There are also examples of neighbours with the same size of property

paying different rent charges. In order to address these issues and to make the rent charges fair and transparent, a review of the rent structure was undertaken.

2.2 In June 2017 Cabinet gave approval to undertake formal consultation with tenants and develop revised rent structure proposals. The original objectives of the revised rent structure were to:

- Provide a method of calculating rent which is consistent for all properties;
- Ensure the method of calculation is transparent and easily understood;
- Ensure that rent levels remain affordable;
- Ensure that rent levels are sufficient to provide quality services that offer value for money; and
- Ensure comparability with other social landlords in the area.

2.3 Recognising the importance and scale of this consultation and any subsequent changes, a two stage consultation was developed:

- Stage 1: Principle of the Rent Restructure - 28th June - 21st July 2017
- Stage 2: Options for Implementation of Rent Structure - 18th August - 17th September 2017

Copies of the consultations documents for each phase are provided for information at Appendix 1.

### **Stage 1 Outcome**

2.4 The first stage of the consultation explored whether there was an appetite for a rent restructure amongst our tenants, as well as the key factors for consideration should a review of the structure be undertaken. The results of the consultation are shown below:

- 95% of tenants agreed that a fair and consistent approach was required for setting rent levels
- 87% of tenants agreed with introducing changes over a two year period
- 88% of tenants agreed that the changes should be implemented from April 2018
- 82% of tenants agreed with using size and type to determine the rent charge level

2.5 The first stage of this consultation attracted almost 400 responses.

- 2.6 The outcome clearly demonstrated strong support for fair and consistent rent charges and, as a result, confirmed the case for development of a revised rent structure. When considering factors to use as a basis for any new model, it was important to agree on those which would not be influenced by any future investment in order to future proof the proposed rent structure. Research has also been carried out to examine the factors considered by other landlords during the implementation of their rent restructures. A common theme has been 'fixed factors', which in the main have been property size and type. The likelihood of any future investment or other external influences affecting these factors is remote.
- 2.7 During the consultation, some suggestions regarding other factors for consideration included household income, facilities within the town or area, transport links and age of the property. Our Council Plan outlines the aspirations for investment in regenerating communities and growing the local economy. The Council's ongoing transformation programme will therefore continue to improve the area, meaning that linking the structure to any of these factors would require future review. Aligning new build housing into a new structure supports the future proofing approach as well as making these properties affordable to all of our tenants.
- 2.8 Some additional comments received relate to the difference between the fixed factors. For example, several responses stated that, as a house is usually larger both inside and outside than a flat, it should not actually have a higher rent as there is more of a financial burden on the tenant in a house in terms of decorating and maintaining gardens. There was also the suggestion that an upstairs flat should attract a cheaper rent charge than a lower flat.
- 2.9 During the consultation it was proposed to implement the new structure over a two year period and this was supported by 87% of our tenants. A small number of tenants commented that they wanted the structure to be implemented in one year, however none of the respondents commented that a longer period was necessary.

## Stage 2 Outcome

- 2.10 When considering the modelling for a restructured rent charge it was important to bear in mind that North Ayrshire Council's average rent charge compares well nationally and is lower than the neighbouring local authorities and significantly lower than the local registered social landlords. Many of the 259 current rent levels are the result of small value differences between rent charges which simply require to be realigned. It was also important to consider the comments raised in the first stage of the consultation relating to the difference between flats and houses and the additional burden which could be placed on tenants with larger houses or those who are required to accept a larger property due to restrictions in the stock profile for smaller properties. As a result, fairly flat rent structure models were progressed using the current average rent for a three bedroom house as the starting point as this is the most common house size and type.
- 2.11 The Council's current average rent charge is £68.38 per week, therefore it was important to maintain a charge of a similar level. When developing revised models it was also important to maintain the integrity of the Housing Revenue Account's 30 year Business Plan. The Plan incorporates the annual strategic ambitions of the Council and translates these details into income and expenditure budgets for both revenue spend and capital investment. The business plan is funded by the rental income from the housing stock, therefore the overall income level cannot be significantly compromised.
- 2.12 The second stage of the consultation presented the models developed based on the factors agreed at stage one, as well as taking cognisance of the comments received from tenants. As stated above, the models presented fairly flat rent structures which used the current average stock figures as a basis to maintain the income and deliverability of the Business Plan. Both proposed models will not compromise the deliverability of the Business Plan or affect service delivery. The proposed models are shown below.

Table 1: Proposed Rent Restructure Options

		<b>Model 1</b>		<b>Model 2</b>	
	No. of Units	Flat	House	Flat	House
0 Beds	95	£56.08	£56.08	£56.08	£56.08
1 Beds	2824	£66.95	£67.73	£67.00	£67.40
2 Beds	5815	£67.77	£68.55	£67.99	£68.39
3 Beds	3822	£68.59	£69.37	£68.98	£69.38
4 Beds	407	£69.41	£70.19	£69.97	£70.37
5 Beds	2	N/A	£71.01	N/A	£71.36
6 Beds	1	N/A	£71.83	N/A	£72.35

- 2.13 Bedsits currently have a higher weekly rent charge than is shown in the table above. The Council has an extensive redevelopment programme and one of its aims of this is to remove this type of accommodation. It is therefore proposed to set the rent charge at £56.08 to reflect our aspirations of delivering high quality desirable homes (£56.08 is based on the current lowest 0 bed rate as at 2017/18).
- 2.14 Model 1 focused on the three most common house sizes i.e. one, two and three bedroom properties. The difference between the current average charges for these properties was then equally divided to give a fixed differential to be applied between the house sizes. This equates to £0.82 as at 2017/18 rates. When considering the charge for flats, again a fixed differential was set between the current house charges and the flats of equal size. A two bedroom flat was used as this is the most common flat size. The difference equates to £0.78 as at 2017/18 rates. 52% (circa 6,700 households) of tenants would see a decrease in their rent charge under this model. Of the 52% who are increasing, 87% will see a maximum increase of £1.00 in Model 1 (before the annual rent increase is applied).
- 2.15 Model 2 widens the scope of the current rent charges used as a base, to include four house types i.e. one, two, three and four bedroom properties. Again the difference between the current average charges for these properties was then equally divided to give a fixed differential of £0.99 to be applied. A slightly different method was used for a revised charge for flats under this model than used for Model 1. This time, for the flats the average charge for the three most common flat sizes was used to apply a fixed rate between flats and houses of £0.40. 60% (circa 7,800 households) of tenants would see a decrease in their rent charge under this model. Of the 40% who are increasing, 78% will see a maximum increase of £1.00 in Model 2 (before the annual rent increase is applied).
- 2.16 The consultation gave tenants the opportunity to choose their preferred model and provide comments. This stage of the consultation returned a 12% response rate which is considerably higher any other consultation of this nature and demonstrates the strength of feeling amongst our tenants for a change in charging structure.
- 2.17 The voting results for the model options are shown below:
- Model 1 43% in favour
  - Model 2 57% in favour

- 2.18 Model 2 was voted the most preferred model and this may be aligned to the fact that under this model more tenants will see a decrease in their weekly rent charge. The general comments received have been supportive of the rent structure and resulting models. Some of the comments from the consultations are provided below.

“This would help me as I am affected by the benefit cap”

“The system looks fair and easier for everyone to understand”

“I find it good that you give this information”

“Seems fair and well structured”

“Very impressive consultation”

“Thank you for the opportunity to give feedback”

“Keeping things simple makes more sense and it is more likely to result in greater efficiency”

“Thank you for helping me take part in housing changes”

- 2.19 Those tenants eligible for a reduction would have their new rate applied from April 2018, allowing them to benefit from the changes earlier.

- 2.20 Although the vast majority of tenants facing an increase are impacted by small values, there are some properties where there are larger charging anomalies, resulting in higher increases. Analysis of the levels of increases was carried out to determine a reasonable cap on increases to be applied in Year 1. The cap recognised that the majority of tenants were increasing by small percentages and also balanced effective implementation of the new model for those with higher increases. As a result, an increase cap of £5 has been set, which is the maximum amount any rent will increase by when applying the new model in 2018. This allows 94% of the tenants facing an increase to be implemented in year 1. Of those tenants, around 60% are in receipt of full or partial housing benefit (based on current information). Those facing an increase of above £5, which equates to 275 tenants (2%), are eligible for transitional relief and will see the remainder of their rent increase applied in year 2. This cap is a similar level considered for other organisations when undertaking a rent restructure. Some organisations however, did not implement any eligible reductions immediately and instead opted to freeze the rent charge or implement a phased or capped reduction.



- 2.21 The Welfare Reform Advice Team would play a key role in the implementation of this structure in order to identify and support those most in need. The highly trained team members include welfare rights officers and debt advisors, who can carry out detailed analysis of tenants' circumstances and any benefits they are receiving to assist those who may require additional support.

### **3. Proposals**

- 3.1 The revised models offer a fairly flat rent structure and incorporate all properties, including new build houses. It is proposed that Cabinet approve the implementation of a revised rent structure for the Housing Revenue Account and that Model 2 is approved, as chosen by our tenants. It is also proposed that the new structure would commence in April 2018 with a two year implementation plan as detailed in paragraph 2.20.

### **4. Implications**

<b>Financial:</b>	Implementing the new model will enable rent collection levels to be maintained and support the ongoing delivery of the HRA Business Plan.
<b>Human Resources:</b>	There are no Human Resources implications arising from this report.
<b>Legal:</b>	Due to the scale and manner of the proposed changes, there was a statutory requirement for formal consultation with tenants.
<b>Equality:</b>	No equality group will be adversely affected by any new proposals.
<b>Environmental &amp; Sustainability:</b>	There are no Environmental & Sustainability implications arising from this report.
<b>Key Priorities:</b>	Providing a fairer and more robust basis for rent levels within the HRA Business Plan results in a more credible and secure platform for the continued service delivery and subsequent investment in existing and future homes in the community, therefore contributing to the Council Plan strategic priority of supporting all of our people to stay safe, healthy and active.
<b>Community Benefits:</b>	There are no Community Benefits implications arising from this report.

## **5. Consultation**

- 5.1 Tenants have a statutory right to be consulted about proposals to changes in rent charges. This has more recently been reinforced through the Scottish Social Housing Charter outcomes. Additionally, the Customer Involvement and Empowerment Strategy (Housing Services) 2014-2017 outlines the service standards in relation to customer involvement and engagement. For both stages of this review, a tenant wide consultation was held and response rates are detailed within this report.
- 5.2 The proposed rent structure has also been discussed with the HRA Business Plan Implementation Group as well as the North Ayrshire Network which is the strategic group of tenants and residents.
- 5.3 A Rent Review Board was set up which was chaired by the Head of Physical Environment and consisted of representatives across different Services including Housing, Finance, Legal Services and Communications. This allowed the group members to consider the impact of any changes on their service area and offer comment and feedback on the review as it progressed.



CRAIG HATTON  
Executive Director (Place)

Reference : YB/DH

For further information please contact David Hammond, Senior Manager (Strategic Housing & Corporate Sustainability) on 01294 324764.

### **Background Papers**

0

**Physical Environment**Housing Rent Restructure  
Consultation

# Your Rent Your Views

## Getting Tenants Involved

### Rent Structure Review

Get Involved for a chance  
to win a decoration  
pack for your home.

COMPLETE  
QUESTIONNAIRE  
TO WIN!

North Ayrshire Council's current rent structure is based on  
a number of different rent setting mechanisms.

As a result of this, there are currently 259 different rent levels, which range from £56.08 to £91.75 per week. In some cases, the tenant of a 3 bedroom flat can be paying a higher weekly rent charge than someone in a 3 bedroom house. Others may pay more than someone in a similar property in a different town. The current rent structure lacks transparency and has many inconsistencies, which might be seen as unfair.

North Ayrshire Council would like to replace the current rent structure. This review is not about trying to raise extra money, it's about making

the way we charge rent fairer for everyone. Our aim is to introduce a system which tenants view as **simple, fair and easy** to understand. We also want to ensure our rents remain affordable.

The proposal is to introduce any agreed change over a 2 year period.

If agreed, a new rent structure will be implemented from April 2018.



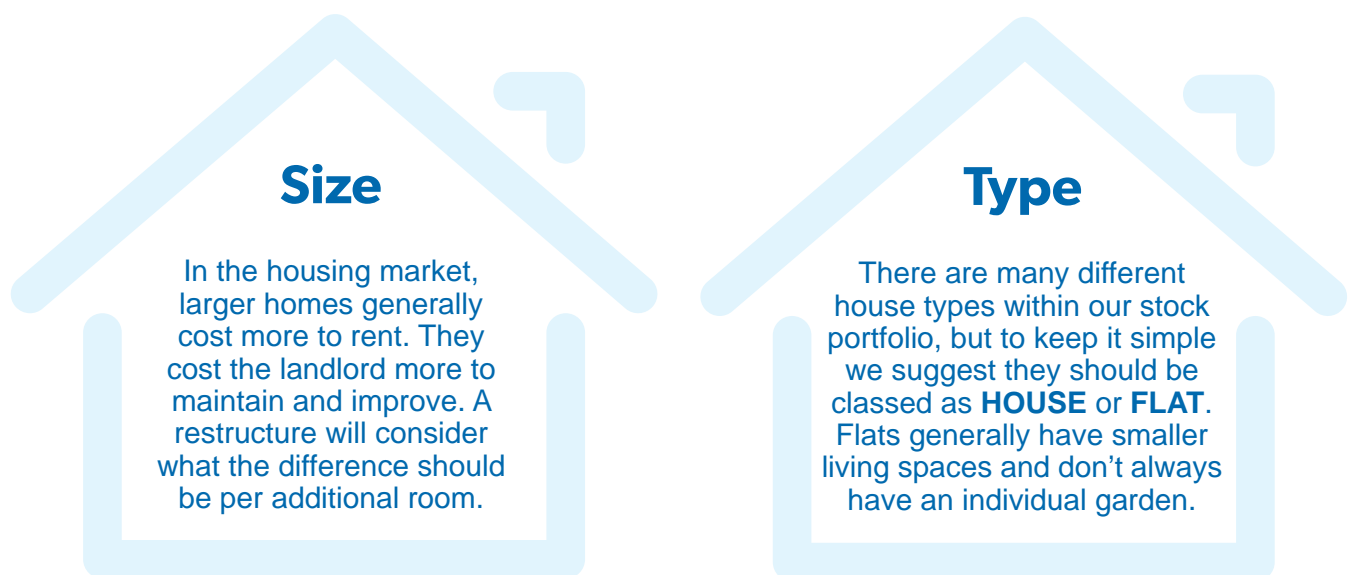
North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

# Creating a New Rent Structure

The first step in setting up a new rent structure is to decide on the factors which will determine the rent charges.

A number of options can be considered, however the more factors involved, the more complicated the structure becomes.

The factors we think would help to make the structure more transparent are:



We have had discussions with the North Ayrshire Network to get some early thoughts on proposals, but we want to know what you think.

**Further consultation will take place in the Autumn.**

COMPLETE  
TO ENTER  
PRIZE DRAW!

## How can you help?

We need your views to help us get it right. Your comments and opinions are important to us. Please take the time to consider the information provided, and complete the questionnaire below.

- 1** Do you agree that a consistent and fair approach to setting rents is needed?
- 2** Do you agree with the proposal being introduced over a 2 year period?
- 3** Do you agree with the proposal to introduce the new changes from 1 April 2018?
- 4** If no, what alternative would you suggest?
- 5** Do you agree with the proposal of using the size and type of property to determine the rent charge? e.g the rent for a 2 bedroom flat should be less than a 2 bedroom house.
- 6** Are there any additional factors you think should be included in the restructure?
- 7** Do you have any other comments relating to this consultation?



North Ayrshire Council  
Comhairle Siorrachd Air a Tuath

Please complete and return the questionnaire by Friday 21 July 2017 in the freepost envelope or fill out our on-line questionnaire at: [www.north-ayrshire.gov.uk](http://www.north-ayrshire.gov.uk)

**Name** \_\_\_\_\_

**Address** \_\_\_\_\_

\_\_\_\_\_

**Postcode** \_\_\_\_\_ **Telephone** \_\_\_\_\_

**Email** \_\_\_\_\_

**What is your current house size?** \_\_\_\_\_  
eg one bedroom, two bedroom

**What is your current house type?** \_\_\_\_\_  
eg flat, house

**As a thank  
you for taking  
the time to assist  
us, we will enter  
your name into a  
prize draw to win  
a decoration pack.**



# Your Rent Is Changing

## Rent Structure Review

Get involved for a chance to win £100 worth of shopping vouchers

### Get Involved!

In July we asked for your views on revising our current rent structure. **384** tenants responded to our consultation, **95%** of whom agreed that a fair approach to setting rents is needed. **87%** agreed that the proposal should be introduced over a two year period. **88%** agreed with the proposal by introducing the new changes from 1st April 2018. Finally, **82%** agreed with the proposal of using type and size of property to determine rent changes. Thank you to all who took the time to respond.

As a result of this, we are now asking for your views on proposals for the new structure.

## Why change?

The current structure incorporates 259 different rent levels. As a result, our rent charging structure is difficult to explain to tenants. There are many examples of people in a flat paying more than someone in a house with the same number of bedrooms. There are also differences in rent charges between the same size and type of properties in different streets and towns. Changing the structure will ensure no-one pays more or less than they should for the size and type of property they live in. It will be a system which will be **simple, fair and easier** to understand for all.

## New Proposals

We think it's important to base the new structure on factors which will not change over time. We suggested using property size and type to determine the rent charge. This was **supported by you** in the initial consultation.

Based on these fixed factors, we have two models we would like you to consider. Please take time to look over these and select the model you prefer.

- As a starting point both models use our current average rent for a three bedroom house, as this is the most common house size and type
- All new build properties will be included in this restructure, which will ensure these homes are affordable for everyone

- If your rent charge is decreasing you will receive a reduction as soon as the new structure is implemented
- In both models the majority of tenants will see a decrease in their weekly rent
- North Ayrshire Council offers the lowest rents locally and compares well nationally. The two options presented will maintain that position

**No additional income will be generated from any of these proposals.**



North Ayrshire Council

Comhairle Siorrachd Àir a Tuath

# Model 1 as at 2017/2018 rates

- Houses - this option looks at the difference between the average charges for the **three most common** house sizes (one bed, two bed and three bed).
- The difference is divided by the three property sizes to give a fixed value between each size of house.
- Flats - the starting point is the current two bed flat (most common size).
- The current structure was used to **set the difference between a two bed house and a two bed flat**. This was then applied to this model.
- The majority of tenants will see a decrease in their weekly rent

	Flat	House
0 beds	£66.13	£66.91
1 bed	£66.95	£67.73
2 beds	£67.77	£68.55
3 beds	£68.59	£69.37
4 beds	£69.41	£70.19
5 beds	n/a	£71.01
6 beds	n/a	£71.83

Under this model, **52%** of tenants would see a decrease in their weekly rent. Of those increasing, **87%** will increase by a maximum of £1 per week (before annual rent increase on 1st April 2018)

# Model 2 as at 2017/2018 rates

- Houses - this option looks at the current difference between the average charges for the **four most common** house sizes (one bed, two bed, three bed and four bed).
- The difference is divided by the four property sizes to give a fixed value between each size of house.
- Flats - the starting point is the current two bed flat (most common size).
- Looks at the difference between **the current rent charges for the three most common flat sizes**. This is then applied to all flat sizes.
- The majority of tenants will see a decrease in their weekly rent

	Flat	House
0 beds	£66.01	£66.41
1 bed	£67.00	£67.40
2 beds	£67.99	£68.39
3 beds	£68.98	£69.38
4 beds	£69.97	£70.37
5 beds	n/a	£71.36
6 beds	n/a	£72.35

244

Under this model, **60%** of tenants would see a decrease in their weekly rent. Of those increasing, **78%** will increase by a maximum of £1 per week (before annual rent increase on 1st April 2018)

The small number of tenants affected by an increase of over £5 per week, will have this change introduced over a two year period. Additional support and advice will be available.

# We Need Your Help

We want you to decide which model should be implemented. Please take the time to consider the models proposed and let us know your thoughts by completing the questionnaire below.

1 Which model do you prefer?

MODEL 1

MODEL 2

2 What is your current house size? e.g. 1 bedroom, 2 bedroom

3 What is your current property type?

HOUSE

FLAT

4 Is your home a new build property?

YES

NO

5 Do you have any other comments relating to this consultation?

6 Would you like to be added to our Interested Tenants Register?

YES

NO

This is a register to ensure that individuals who are not attached to a Tenants and Residents Association are able to have their voice heard. The register is used regularly to consult with tenants and other customers on a variety of housing issues, policies and strategies.

Please complete and return the questionnaire by **17 September 2017** using the freepost envelope or fill out our online questionnaire at: [www.north-ayrshire.gov.uk](http://www.north-ayrshire.gov.uk)

Remember, the annual rent increase for 2018-2019 has still to be applied to the examples shown on page two. You will receive the normal rent increase consultation in your Tenancy Matters edition in October 2017.





Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Postcode \_\_\_\_\_

Telephone \_\_\_\_\_

Email \_\_\_\_\_

## Struggling to pay your rent?

It is important that you pay your rent on time and in full. You should contact your Housing Officer immediately if you are in arrears and have not made an arrangement to clear them.

The Welfare Reform Team can help if you are experiencing financial difficulties, but you must get in touch quickly. Call them on **0300 999 4606**.



Pay your  
rent **first**

Don't risk losing your home

**As a thank you for taking the time to assist us, your name will be entered into a prize draw to win £100 worth of shopping vouchers.**

Congratulations to Mrs Robertson from Stevenston who won the decor pack for taking part in our Phase one consultation.



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 15**

**14 November 2017**

#### **Cabinet**

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<b>Title:</b>	<b>Customer Connections: Housing Services' Tenant Participation Strategy 2017-22</b>
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<b>Purpose:</b>	To provide Cabinet with details of the draft Tenant Participation Strategy 2017/22 for approval
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<b>Recommendation:</b>	That Cabinet approves the content of the draft Tenant Participation Strategy 2017-22.
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#### **1. Executive Summary**

- 1.1 Customer Connections - Housing Services' draft Tenant Participation Strategy for 2017-22 - sets out the strategic priorities for Housing Services over the next five years to actively develop and support tenant participation. The Strategy has been developed in consultation with tenants and residents and other stakeholders, and in line with Scottish Government guidance and good practice from specialist organisations and other landlords.
- 1.2 The Cabinet is invited to approve the draft Tenant Participation Strategy at Appendix 1, as Housing Services' plan for developing tenant involvement over the next five years.

#### **2. Background**

- 2.1 The Housing (Scotland) Act 2001 introduced a legal requirement for landlords to actively develop and support tenant participation. As part of this, landlords must have a strategy, to enable continuous improvement in performance to support and empower tenants to participate. The current 2014-17 Customer Involvement and Empowerment Strategy was developed in partnership with tenants and approved by Cabinet in May 2014.
- 2.2 The Scottish Housing Regulator assesses and reports on how social landlords are performing through the Scottish Social Housing Charter (SSHC). Tenant scrutiny and landlord self assessment are key priorities on the national agenda for customer engagement.

2.3 Over the last several years, Housing Services has made significant progress in engaging with and involving our tenants and customers. Key achievements through the life of the current strategy include:

- The continued development of our Business Plan Implementation Group, a key strategic forum to involve tenants in decision making and shaping services;
- The introduction of a Tenant Scrutiny Panel to inspect and improve our services;
- The development of our annual tenant event, encouraging engagement and participation with a wide range of our tenants.

### Strategic Priorities

2.4 The Tenant Participation Strategy 2017-22 aims to shape tenant participation work around three priorities:

- **Engage** - ensuring two way communication with our tenants and customers, and providing opportunities for customers to take part in ways that meet their needs;
- **Empower** - developing the skills and confidence of our tenants to shape the services we provide;
- **Evolve** - continually improving our services to meet the needs of our customers.

2.5 This framework seeks to create a balanced approach to involvement, recognising the need to move away from the traditional method of solely consulting with formal tenant and resident groups.

2.6 The objectives within each priority are reflected in the actions detailed in the Strategy Action Plan. Progress towards this will be reviewed regularly and reported to tenants.

### Consultation

2.7 Consultation on the draft Strategy was undertaken with a number of stakeholders, in three stages.

2.8 Initially, a review of the current Strategy was undertaken with involvement from tenant representatives. This part of the process considered how objectives were developed, what was achieved, and what areas were relevant to take forward to the new Strategy.

2.9 The second phase of consultation aimed to develop the priorities and objectives of the Strategy. This was carried out through an event involving tenants, residents, and Council Officers from Housing and other services. Feedback from this event formed the basis of the Strategy Action Plan.

- 2.10 Lastly, the draft Tenant Participation Strategy 2017-22 was issued for wider consultation through August and September 2017. A survey was issued alongside the draft to encourage feedback on specific areas of content. In total, 73 responses were received from a range of tenants and stakeholders. Overall, the consultation responses were positive, with 94% of respondents liking Engage, Empower and Evolve as the key priorities. 88% of respondents agreed that the Strategy read well and was easy to understand.

### 3. Proposals

- 3.1 It is proposed that Cabinet approves the content of the draft Tenant Participation Strategy 2017-22.

### 4. Implications

<b>Financial:</b>	There are no financial implications of the Tenant Participation Strategy 2017-22.
<b>Human Resources:</b>	There are no human resources implications of the Tenant Participation Strategy 2017-22.
<b>Legal:</b>	Development of the Tenant Participation Strategy 2017-22 fulfils our legal responsibilities as a landlord under the Housing (Scotland) Act 2001.
<b>Equality:</b>	The Tenant Participation Strategy 2017-22 has been subject to an Equality Impact Assessment. The commitment to overcoming barriers to involvement, and developing our approach to engaging with the under-represented will have a positive impact on those groups.
<b>Environmental &amp; Sustainability:</b>	There are no environment and sustainability implications of the Tenant Participation Strategy 2017-22.
<b>Key Priorities:</b>	The Tenant Participation Strategy 2017-22 supports the Council Plan priority ' <i>working together to develop stronger communities</i> '.
<b>Community Benefits:</b>	There are no community benefit implications of the Tenant Participation Strategy 2017-22.

## **5. Consultation**

5.1 The following stakeholders were involved or consulted with during development of the strategy:

- North Ayrshire Network (constituted group which allows tenant representatives and other customers to discuss issues that affect them jointly, whilst also encouraging networking between tenant group representatives from different communities);
- Tenants and residents;
- Council Officers from Housing, Streetscene, Building Services, PMI, Waste, Roads, Connected Communities and the Health and Social Care Partnership;
- The Community Planning Partnership Community Engagement Reference Group and Community Engagement Network;
- The Scottish Government.



CRAIG HATTON  
Executive Director (Place)

Reference : CH/YB/JC

For further information please contact Jacqueline Cameron on 01294 485652

### **Background Papers**

Appendix 1 - Customer Connections: Housing Services' Tenant Participation Strategy 2017-22



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

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**It gives me great pleasure as Cabinet Member for Place to introduce Housing Services' Tenant Participation Strategy 2017-2022.**

Since the introduction of our first Strategy in 2003 and subsequent strategies, we have made great steps in developing a service that involves and consults customers in a range of different ways. We believe that by listening to, working in partnership with, and providing good information for our customers, we can provide excellent housing services.

The Scottish Social Housing Charter gives tenants and customers more opportunities to have an active and meaningful role in the performance and management of Housing services.

In 2016, the Council received two gold accreditations, for embracing the Charter commitment and our approach to customer involvement and scrutiny. Both accreditations recognise the commitment to placing customers at the heart of the organisation, ensuring customers are influencing decisions and scrutinising the service, enabling us to continually strive to improve performance in all service areas.

We welcome the contribution that the North Ayrshire Network, Inspection Panel, Service Improvement Groups and customers have made to the development of this Strategy and encourage everyone to take part, be heard and make a difference in their communities.

**Councillor Jim Montgomerie**  
Cabinet Member for Place





**Working in partnership with tenants and customers is core to delivering excellent Housing Services to the people of North Ayrshire. We have worked closely with tenants and other customers to produce this Strategy, which sets out how we will develop our approach to tenant participation over the next five years.**

This is the fifth Tenant Participation Strategy for North Ayrshire Housing Services, developed in consultation with a range of partners and stakeholders. We have made significant progress in engaging with and involving our customers through our previous strategies, and have developed a range of tools and services to enable and empower participation in North Ayrshire.

**Over the last three years, some of our key achievements through the life of our previous Strategy include:**

- ✓ The development of our Business Plan Implementation Group, a key strategic forum to involve tenants in decision making and shaping services
- ✓ The introduction of a Tenant Scrutiny Panel to inspect and improve our services
- ✓ The development of our annual tenant event, encouraging engagement and participation with a wide range of our tenants

This Strategy is underpinned by a recognition and commitment to working with and listening to tenants, to continue to provide excellent services that meet our customers' needs.

## National Context

### Housing (Scotland) Act 2001

**The Housing (Scotland) Act 2001 introduced a legal requirement for landlords to actively develop and support tenant participation. As part of this we must have a strategy, to enable continuous improvement in performance to support and empower tenants to participate.**

Under this legislation, landlords are required to consult with registered tenant organisations and individual tenants on a range of housing and related issues which may affect them, including:

- Our Tenant Participation Strategy
- Changes to rent and service charges
- Some changes to policy which are likely to have a significant impact on tenants, residents and service users
- Our standards of service in housing management, repairs and maintenance

Housing Services has well established methods of consultation and feedback. More information on this is provided in Appendix 2.

### Housing (Scotland) Act 2010

**The Housing (Scotland) Act 2010** created two fundamental influences in the social housing sector in Scotland.

The **Scottish Housing Regulator (SHR)** is an independent regulator, directly accountable to the Scottish Parliament. Its statutory objective is to safeguard and promote the interests of current and future tenants, homeless people and others who use the services provided by social landlords. The Regulator assesses and reports on how social landlords are performing their housing services through **the Scottish Social Housing Charter (SSHC)**. The Charter sets out the standards and outcomes that all social landlords should aim to achieve when performing their housing activities. The Charter was revised in 2017. Tenant scrutiny and landlord self-assessment are key priorities on the national agenda for customer engagement.

Together, they have created a new environment in which the Council and our customers must work in partnership to achieve positive outcomes for communities.







### Annual Return on the Charter (ARC)

We are required to provide an annual return to the Housing Regulator on our progress in achieving the Scottish Social Housing Charter outcomes and standards. We report to tenants on performance against the charter annually, outcomes linked to this Strategy are those relating to the customer/ landlord relationship.

#### Outcome 1 – Equalities

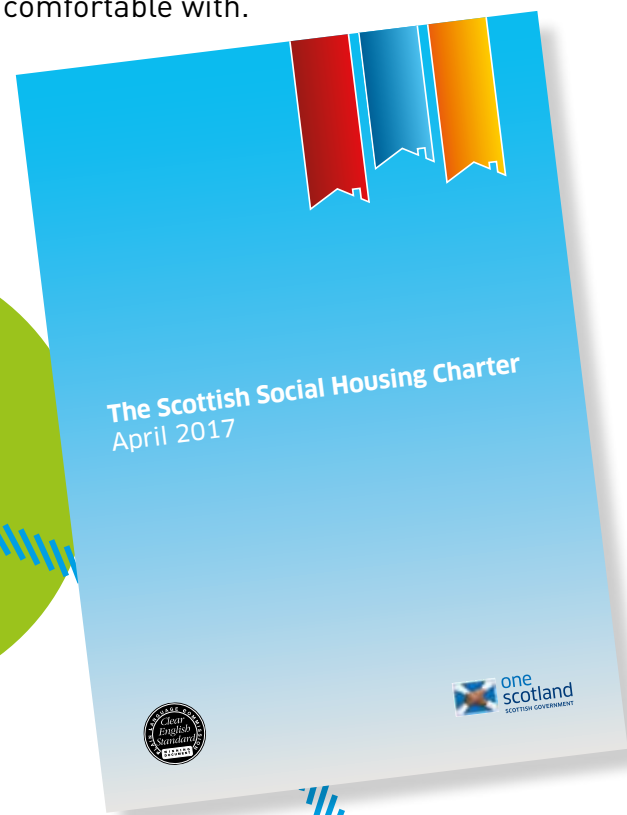
Every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.

#### Outcome 2 – Communication

Tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions, and the services it provides.

#### Outcome 3 – Participation

Tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.



### Community Empowerment (Scotland) Act 2015

The Community Empowerment (Scotland) Act 2015 focuses on promoting real engagement and participation, to facilitate communities achieving more influence and control in decisions and circumstances that affect them. The National Standards for Community Engagement set out the values that provide the basis for successful community engagement. The standards act as a good practice guideline, and a means to benchmark. They were reviewed and re-launched in 2016 in response to the Community Empowerment Act, and to build on established good practice.

#### The revised standards are:



## Local Context

The North Ayrshire Community Planning Partnership's (CPP) **Single Outcome Agreement** describes how all partners will work together to provide better services with the aim of making sure the people and communities of North Ayrshire are working, healthier, safe and secure. The CPP's Community Engagement Network facilitates partnership working to share good practice, experience and opportunities in North Ayrshire, and contribute to the Partnership's Community Engagement Strategy.

The **Council Plan** sets out the ambitions and priorities in North Ayrshire over a five year period. One of these priorities is '*working together to develop stronger communities*'. The Council continues to help people and communities to get involved in local decisions and to reach their full potential.

The **Locality Planning Approach** is key to improving outcomes for local communities. It ensures public sector resources are targeted at those local areas most in need in North Ayrshire. The approach is based around six locality planning areas: Arran; Irvine; Kilwinning; Three Towns; Garnock Valley and the North Coast.

Housing Services' approach to tenant participation supports these strategic priorities. This Strategy has been developed to ensure working with tenants and customers remains a core part of our business. It also underpins the approach to customer involvement in developing plans, such as the **Local Housing Strategy (LHS)** and **Antisocial Behaviour Strategy**.



North Ayrshire  
Community Planning Partnership

## Housing Service Standards

We have a range of service standards, which were developed in consultation with staff and tenant representatives, including tenants on our gypsy travellers' site. These standards cover each area of service, including customer involvement. We report performance in these areas on a six monthly basis.

A copy of these standards is available at [www.north-ayrshire.gov.uk](http://www.north-ayrshire.gov.uk).



**The Housing (Scotland) Act 2001 introduced responsibilities for landlords relating to equal opportunities and tenant participation/customer involvement. Specifically, landlords are required to:**

- Consider the needs of equalities groups, proactively involving under-represented groups
- Ensure any barriers to participation are taken into consideration
- Ensure Registered Tenant Organisations (RTOs) promote equal opportunities, and the criteria for registration makes it accessible to all tenants (see Appendix 4 for information on RTOs and the current Register of Tenant Organisations in North Ayrshire)

There is also a requirement for RTOs to promote equal opportunities in their communities and pursue the involvement of excluded groups. This should be reflected in their constitution.

Housing Services is committed to treating people respectfully, fairly and equally across all areas of our business, and tackling discrimination and harassment in all of our activities. Inclusive involvement underpins the objectives within the strategy, and engaging with hard to reach groups continues to be a priority within the service. Housing Services embed the Equality Act 2010 protected characteristics firmly in service delivery.

An equality impact assessment has been completed for this Strategy in consultation with tenant representatives on North Ayrshire Network. No adverse impact or affect was identified on particular group(s) or people.





## Involving all customers

Some groups of tenants and other customers are often under-represented in community involvement, including:

- Young people
- Refugees & ethnic minority groups
- Gypsy travellers
- People with accessibility needs
- Lesbian, gay, bisexual and transgender people
- Homeless service users
- The digitally excluded

We already have great examples of how we are involving under-represented groups:

### Redburn Record

North Ayrshire Council has a dedicated Coordinator based at our Redburn Traveller Site who works closely with the tenants and site visitors on a daily basis.

Tenants of the site contribute to the 'Redburn Record', a newsletter containing information about relevant calendar events, service performance and information from partners across a number of services, including education, health, welfare rights and housing support. The Coordinator also has responsibility for gathering tenants' views, suggestions and insights to inform our policy and practice.

### Digital Inclusion

Universal Credit (UC) is part of the Government's welfare reform programme, and is replacing six existing legacy benefits. It is currently being rolled out across the UK, and is due to be fully implemented by 2022. All UC claims will be encouraged to be made and managed online, to support the Government's digital by default strategy.

In our preparations for implementation, it has become apparent that some of our tenants do not have, or have limited, digital skills, and many do not have access to computers.

Housing Services is part of a corporate group exploring other ways to more widely support North Ayrshire residents to have digital access and support. To date, public access computers have been installed in Area Housing Offices in Dalry and Kilbirnie. Tenants can use these during office hours to claim benefits, complete job searches, etc., with support available if required. We have also installed WiFi at our gypsy travellers' site in Irvine.

**Housing Services aims to offer all tenants the opportunity to become involved. We are committed to removing barriers to involvement, and do this by:**

- ✓ Providing crèche facilities during meeting hours free of charge, or making child minding allowances available to enable people to attend participation meetings
- ✓ Providing transport for customers to attend events hosted by Housing Services where requested
- ✓ Holding meetings in venues that are accessible, convenient and secure for everyone, including people with mobility issues
- ✓ Establishing meeting times to take account of the needs and preferences of local communities
- ✓ Providing training to give tenants, residents and service users the appropriate knowledge, and provide specialist assistance as required. This training includes awareness of equality issues
- ✓ Providing Council contact numbers charged at local rates
- ✓ Providing opportunities for all customers and age groups to get involved
- ✓ Ensuring all information is provided in accordance with our accessibility policy to ensure that complex statistical information doesn't lead to non-participation. We can also provide documents in other languages and formats. Interpreting facilities are available, and hearing loops are available in all local housing offices
- ✓ Ensuring adequate funds are provided to develop the key issues agreed with tenants, residents and all service users, and considering appropriate ways of enhancing resources, including the provision of a Freepost address to eliminate postal expenditure



## But we want to do more

We aim to build on our approach to involving under-represented groups to gain their views on services. An example of areas we will focus on during the life of this Strategy is:

### Engaging Young People

Whilst we have a range of different methods and levels of participation available in North Ayrshire, the core group of tenants who actively participate regularly have an older age profile. Diversity in the age of our involved tenants will give us a better understanding of their needs and aspirations.

We know the majority of our young people are digitally skilled and active on social media. Developing our approach to this will increase the age range of our involved customers.

### Engaging Refugees

In 2015, North Ayrshire Council made a humanitarian commitment to support the resettlement and integration of 100 refugees into local communities as part of the Syrian Resettlement Programme. The programme of resettlement has commenced, and over the next three years the Council will continue to provide homes and support refugees into the local community.

We can support our involved tenants and residents groups to embrace these new Scots, helping to integrate them into local communities and offering Refugees opportunities for involvement.

This 2017-22 Strategy builds on previous tenant involvement strategies, and has been developed in consultation with a range of stakeholders, including our tenants. Our strategic development process was as follows:

We reviewed the 2014-17 Customer Involvement and Empowerment Strategy, considering how we developed our objectives, what we achieved, and what areas were still relevant to take forward.

We researched other landlords' Tenant Participation and Customer Involvement Strategies, to determine good practice, and learn from their objectives and achievements.

We reviewed the legislation and guidance available from the Scottish Government and other tenant participation organisations, to ensure our strategy was built around these foundations.

We consulted with a number of stakeholders, including our tenants and residents, staff, other Council departments, partner organisations and Elected Members. To do this we held an event, held discussions, made the draft strategy available on our website and held public roadshows.

We used the feedback from our various methods of consultation and desktop research to develop our Tenant Participation Strategy 2017-22.

Development of the strategy, and the various consultations, formed the basis of our Action Plan, which is incorporated in the Strategy.





Based on the information gathered during the research and consultation phases of developing this Strategy, our tenant participation work will be shaped around three key priorities:

## Engage

Ensuring two way communication with our tenants and customers, and providing opportunities for customers to take part in ways that meet their needs.

## Empower

Developing the skills and confidence of our tenants to shape the services we provide.

## Evolve

Continually improving our services to meet our customers' needs.

This framework seeks to create a balanced approach to involvement, recognising the need to move away from the traditional method of solely consulting with formal tenant and resident associations.

Our Customer Connections Circle demonstrates how these priorities link with our established methods of involvement in North Ayrshire. Our Action Plan in Appendix 1 highlights the timescales for each priority.





Our first priority, 'Engage', focuses on communicating with, consulting, and including our customers.

## Our objectives

We effectively engage with our tenants in a way that suits them. In order to achieve this, we will ensure that:

**Customers are well informed and can communicate with us easily**

**Opportunities are provided to obtain feedback**

**Involvement is accessible and inclusive**

**There are a range of opportunities to take part and get feedback**

## What we know

In order to participate effectively, communication is essential. Tenants need to have all the information necessary to consider issues properly, within the limits of confidentiality. This includes providing information about our strategies, decision making processes, policies and procedures, tenants' rights, and proposals for change.

Offering different methods and levels of involvement allows tenants to choose how actively they participate to suit their lifestyle and commitments. For some, this may be attending meetings and events, whilst others may prefer to take part from their own home. Providing diversity in this makes participation accessible to more customers.

## Customer Connections

**We already have great examples of how we engage with our customers:**

## Newsletters

'Tenancy Matters' is a quarterly newsletter sent to all North Ayrshire Council tenants. It is developed by an editorial panel of staff, tenants and other stakeholders. Tenants are encouraged to contribute articles, and the panel oversees the writing of each newsletter to encourage a sense of ownership of the final product. Tenancy Matters is used as a method of communicating service developments and changes to tenants, and as a method of consultation on topics such as annual rent increases. It is also used to provide information on wider issues that may interest or affect tenants.

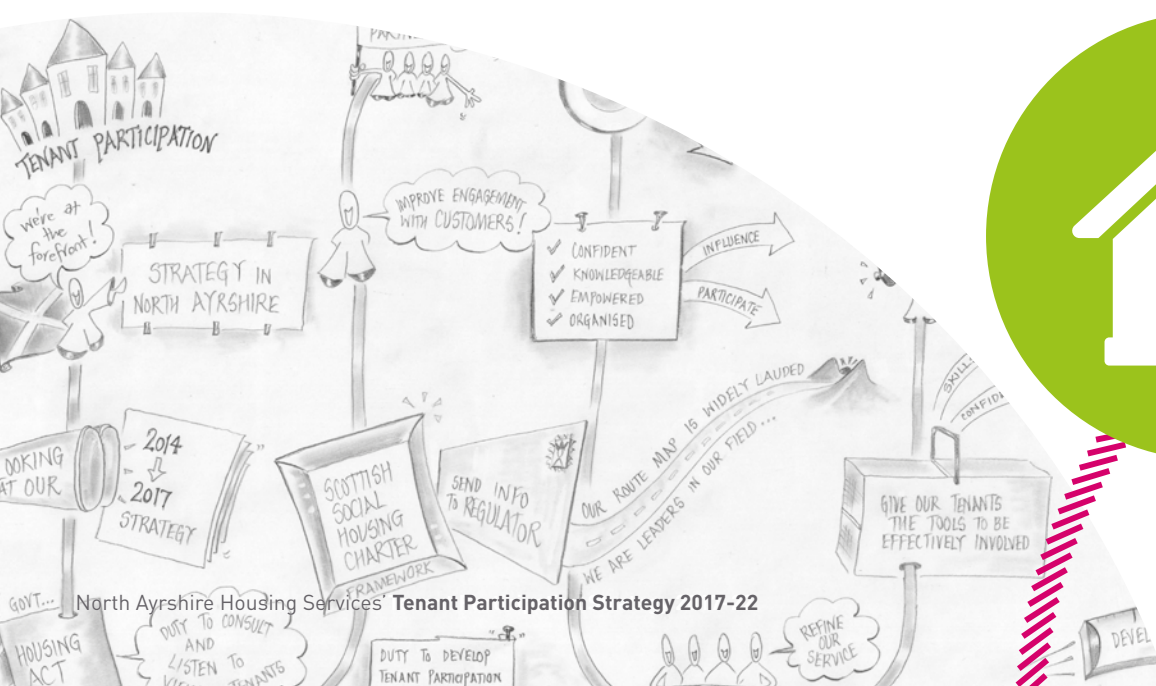
An annual newsletter is also produced for applicants of the North Ayrshire Housing Register.

## Interest registers

We hold registers of interested tenants, applicants and other customers to allow individuals the opportunity to have their voice heard on topics that are important to, or affect them. People can select which subjects they would like to be informed or consulted on, and choose to take part when it suits them. The registers are used regularly to consult on a variety of housing issues, policies and strategies.

## Annual fun day

Housing Services reviewed the approach to our annual tenant event in 2013. Attendees at the previous conference style format did not fully represent our diverse group of tenants, and it was not always well attended. Following consultation with various stakeholders and review of good practice, our annual tenant fun day was launched. The summer event is free and open to everyone, providing information stands, opportunities for consultation and fun activities for all ages. The events are very well attended, and are organised and facilitated by tenants, staff and other customers and organisations.





### Our popular methods of engagement include:

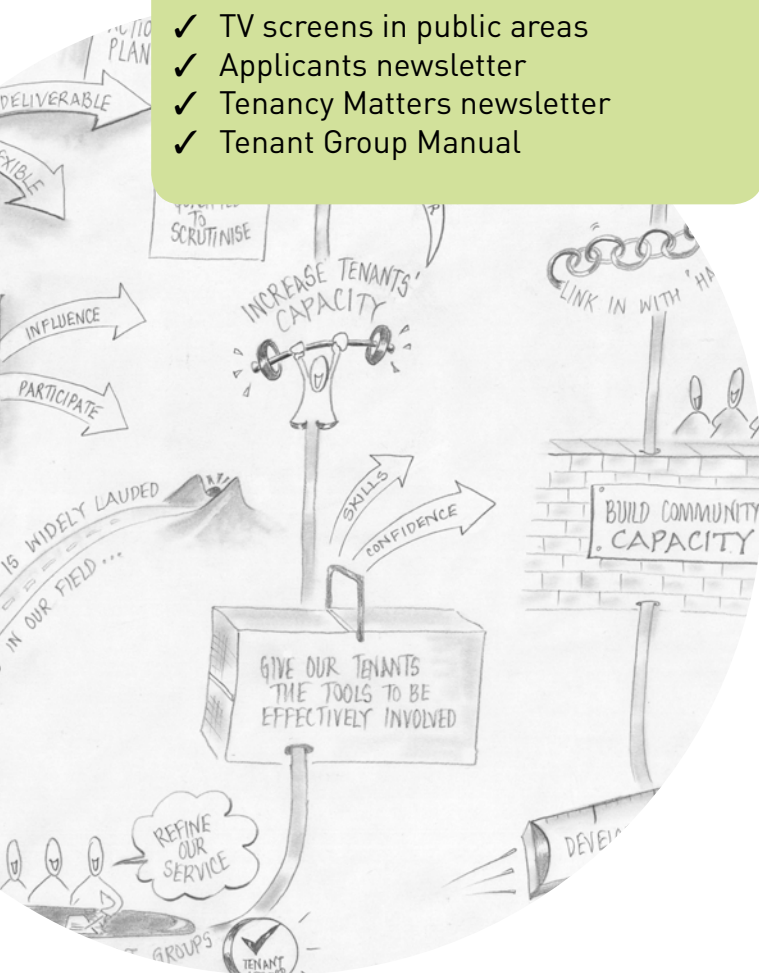


- ✓ Registered tenant organisations
- ✓ Sheltered housing local groups
- ✓ Satisfaction surveys
- ✓ Housing forum
- ✓ High flats forum
- ✓ Chips and chat meetings
- ✓ Social media

### We regularly inform tenants through various methods including:



- ✓ Information leaflets
- ✓ Tenants' and sheltered tenants' handbooks
- ✓ Our new tenant DVD
- ✓ TV screens in public areas
- ✓ Applicants newsletter
- ✓ Tenancy Matters newsletter
- ✓ Tenant Group Manual



### But we want to do more

In order to achieve the key objectives under this priority, our areas of development include:

#### Digital engagement

North Ayrshire Council is currently developing its approach to digital services, as part of the aim to provide exceptional customer service whilst embedding digital methodologies. Within Housing Services we have also begun that journey with Housing Facebook, access to rent accounts and payments via the internet, online surveys and our North Ayrshire Housing Register web application system.

In this Strategy we aim to make advances in our approach to digital engagement, embedding an 'e-participation' strand to our methods of involvement. As part of this, we will develop our social media brand on Facebook and consider other social media platforms such as Twitter and Instagram. We will also establish more interactive online communications such as live chats, online polling and more communication via email and our online rent account.

#### Understanding customer needs

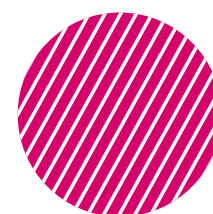
Our current processes include asking tenants to contribute to publications, such as Tenancy Matters, and gaining their approval on our strategies, leaflets and publications.

We would like to develop our approach to this, by gauging tenant interest on various areas of our service, and providing them with information that matters to them. This can be progressed through the current forums and social media, and would provide a more interactive, two-way communication. We can also use this to ensure we have appropriate representation from tenants on the issues most pertinent to them.

Our actions under the 'Engage' priority are:

- Provide good quality information that meets the needs of our customers
- Provide opportunities for customers to tell us types of information they are interested in receiving
- Use a range of communication methods, including digital participation to communicate with customers
- Consider ways to improve communication digitally, through better use of social media, email, text messaging and smart phone apps
- Ask tenants about their preferred methods of contact and participation through various channels
- Develop new methods of engagement with harder to reach groups, such as young people
- Ensure involvement methods are promoted and barriers are mitigated
- Provide support for under-represented groups
- Provide varied involvement opportunities so tenants can take part in a way that suits them
- Review our approach to consultation to identify any areas for improvement
- Offer a range of opportunities to gain feedback on the services we provide

Timescales and how we will measure progress against actions are included in our Action Plan in Appendix 1.





## Priority 2: **Empower**

Our second priority, 'Empower', focuses on building community capacity, encouraging and supporting customers to take part, and helping them to influence decision-making.

## Our objectives

We aim to empower our communities to help shape our services. In order to achieve this, we will ensure that:

**Customer involvement influences service delivery**

**Customers are supported to build their capacity and confidence**



### What we know

Service improvement and change is most effective when influenced and driven by its customers. Engagement is essential, in order to identify and deal with problems, and deliver services that meet customers' needs.

Communities must have the capacity to take part in the engagement process, to enable them to deal more effectively with services in identifying solutions, opportunities and improvements. In order to build this capacity, the provision of support to develop confidence, abilities and skills is fundamental.

Establishing that base will enable and empower people to take more ownership, and support and encourage each other to take part.

**We already have great examples of how we work with tenants to ensure their voice is heard:**

### Tenant Scrutiny

The North Ayrshire Inspection Panel is an independent function of the participation structure in Housing Services. Members receive ongoing training, initially developed by an independent organisation, which has been continued and enhanced in-house. An Inspection Panel Toolkit has been established to identify the skills and techniques used in the scrutiny process.

This method of taking part has developed the knowledge base of the tenants involved, and given them the ability and confidence to analyse performance and ask relevant questions. Following an inspection, the Panel produce a report providing a suite of recommendations for improvement, which are used to develop our areas of service.





### Mystery shopping

Mystery shopping is a well-established method of quality control within Housing Services, providing our customers with the opportunity to evaluate the service we provide. Specialist training and support from the Tenant Participation Team enables those involved to develop their organisational and interview skills.

Exercises are structured around specific parts of the service to allow results to be collated and analysed. It allows tenants to take part in service reviews from their own home, and at a time that suits their needs and commitments.

### We empower our tenants to be involved in making decisions about service delivery through:



- ✓ Approval of all our strategies, information leaflets and publications
- ✓ The North Ayrshire Inspection Panel
- ✓ Ongoing Mystery Shopping
- ✓ Our Annual Performance Report to tenants, in the Autumn Edition of Tenancy Matters
- ✓ Estate Based Projects, giving tenants the opportunity to improve their communities by suggesting and prioritising projects
- ✓ Estate Management Inspections
- ✓ Tenant and Resident self-assessments
- ✓ Tenant representation on regional networks at national level

### But we want to do more

In order to achieve the key objectives under this priority, our areas of development include:

#### Peer support

Introducing a 'peer support' element to involvement promotes tenant-to-tenant communication and engagement. It also removes the formality of exclusively working with housing professionals, which may be a barrier to some people. Individuals may have similar experiences as tenants, and are able to give and receive help and information based on shared responsibility and a mutual agreement of what is important and helpful.

This can help build confidence, and help to build capacity within our communities to deal with local issues effectively.

#### Participatory budgeting

Our Estate Budgeting Projects initiative, which has been in place for 10 years in North Ayrshire, allows tenants the opportunity to determine how resources are spent to improve our housing estates.

Reviewing this process will allow us to measure how well the initiative incorporates participatory budgeting principles, whilst ensuring the improvements we make to our estates are benefiting tenants.

Our actions under the 'Empower' priority are:

- Measure the impact of participation on service delivery
- Develop our approach to reporting feedback on customer views
- Improve information on customer feedback, and how this has impacted service planning and delivery
- Provide support to tenants to build their capacity
- Develop our training programme for tenants and other customers
- Introduce and develop an approach to peer support

Timescales and how we will measure progress against actions are included in our Action Plan in Appendix 1.





### Priority 3: **Evolve**

Our third priority, 'Evolve' focuses on the continuous improvement and development of our service to best meet the needs of our customers.

## Our objectives

We aim to continually improve on the services we provide, changing and evolving to meet customers' needs in the best way possible. In order to achieve this, we will ensure that:

**A culture of participation is embedded in Housing Services**

**The Service continually adapts to meet changing needs**



### What we know

Real participation and involvement can only be achieved if it is embedded in the culture of an organisation. Key to this is the empowerment of our tenants, and individuals within our organisation, to identify areas for development. A focus on our customers is core to embedding these behaviours in our organisation.

Our motivation is to continue to provide a high performing, value for money service to our customers. In order to do so, we have to focus on making our services easier and faster to access, and achieve the outcomes our customers want from us. We need to keep up-to-date on legislative and policy changes and emerging trends, to ensure our service continues to meet the needs of its users.

**We already have great examples of how we are proactive in our approach to developing our service, and are early adopters of good practice.** We do this to facilitate continuous progression using innovative approaches in the development and delivery of our strategic objectives.



### Service Improvement Groups

We have a number of working groups in operation throughout the service, some of which have tenant representation, to promote a 'hands on' approach to service development for tenants. We have tenant membership on our:

- Business Plan Implementation Group
- Repairs/Major Works Service Improvement Group
- Communication and Information Improvement Group
- Tenant Event Working Group
- Value for Money Group
- Housing Support Improvement Group

Physical representation on these groups allows customers to impact on service delivery in real time, and gain an understanding of our policies and procedures. It provides a strategic dimension to our methods of participation, and the groups we have focus on topics we know are important to our tenants.

Our Rent Arrears, Void and Allocations, Estate Management and Customer Care Working Groups, which do not have tenant representation, link closely with these groups to ensure tenant involvement in all areas of service improvement.



### Business Plan Implementation Group (BPIG)

The BPIG was formed in May 2010 to work alongside tenant representatives to develop our 30 year Housing Revenue Account Business Plan. The remit of the group has since been extended to monitor implementation of the Business Plan. The group provides an opportunity for tenants to discuss issues and provide input at a strategic level. To date, three tenant representatives have participated in the group, alongside Council staff and Elected Members.

### We currently promote continuous improvement in tenant participation by:



- ✓ Developing our relationship with organisations who specialise in tenant participation
- ✓ Applying for accreditations and awards, to develop our service through the assessment criteria
- ✓ Learning from other landlords and authorities on established good practice methods
- ✓ Sharing our good practice with other organisations

### North Ayrshire Network

North Ayrshire Network (NAN) is a constituted group comprising tenant representatives from different communities across North Ayrshire. The current role of the Network is to provide an independent examination of the work of Housing Services, and be responsible for ensuring Housing Services continually improves the way it delivers services to tenants and other customers.

There is an inherent understanding throughout all sections of the service that any areas we intend to consult on are taken to the Network for initial comments, before consulting more widely with our tenants and residents. This promotes consistency, and ensures the principles of participation are embedded in all sections of service.



### But we want to do more

In order to achieve the key objectives under this priority, our areas of development include:

#### Process review

In order to ensure methods of participation remain relevant and fit for purpose, they need to be reviewed and evaluated regularly. This helps focus our efforts on the topics most important to our customers, and to ensure certain opportunities are available for customers to be involved.

Reviewing our approach to tenant participation will allow us to ensure services are appropriate, efficient and effective. It provides benefits for the Council and our customers, such as higher quality service provision, a more systematic approach to understanding customer needs, and a more engaged community.

#### Improved joint working

Our Connected Communities Service is developing a locality approach, including participation and empowerment, which is essential to ensuring that communities play a central role in shaping local priorities. They will play a key role in the development of community networks to ensure full local participation.

Developing a stronger working relationship will allow both services to learn from the other's good practice, and provide the opportunity to engage with established groups in communities. This could help Housing Services to involve harder to reach groups, such as young people.

Our actions under the 'Evolve' priority are:

- Develop an in-house training programme on tenant participation
- Review consultation undertaken across the service to identify good practice and areas for improvement
- Develop links between local offices / teams and tenants / tenant groups
- Agree the consultation approach taken by partner services (such as Property Management and Investment) to ensure this fits with our approach
- Keep abreast of any legislative or policy changes relating to tenant participation and customer involvement
- Research good practice examples and consider their development in North Ayrshire
- Ensure engagement and consultation with tenants and other customers reviews their needs from the service

Timescales and how we will measure progress against actions are included in our Action Plan in Appendix 1.



**Monitoring and review of this Strategy is as important as setting the strategic objectives. It ensures the service is following the direction established during the planning process. Our efforts don't stop with the publishing of this Strategy. We will look to continuously improve and find more imaginative and innovative ways of developing services.**

We see this Strategy as being a living document, informing the work we plan to do over the next five years. It is flexible to allow us to adapt to any changes in policy, legislation or external factors, such as technology changes.

Responsibility for the monitoring and review of this Strategy lies with the Housing Senior Manager (West), with the Action Plan (see Appendix 1) being implemented by the Tenant Participation Team.

We will review progress on the action plan quarterly, and ensure this information is communicated to our tenants.

For more information on the resources and support available to deliver our Tenant Participation Strategy, see Appendix 3.

## Strategy Action Plan 2017-2022

Progress towards the objectives in this Strategy will be reviewed regularly through this action plan, and reported to tenants. The action plan will be reviewed quarterly to ensure work undertaken to achieve the objectives in this Strategy continues to address changing national and local policies and priorities.

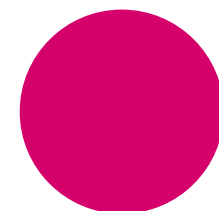
### Priority 1: Engage

Objective	Actions	How we will measure it	Timescale	Lead responsibility
Customers are well informed and can communicate with us easily	<ul style="list-style-type: none"> <li>Provide good quality information that meets the needs of our customers</li> <li>Provide opportunities for customers to tell us types of information they are interested in receiving</li> <li>Use a range of communication methods, including digital participation to communicate with customers</li> <li>Consider ways to improve communication digitally, through better use of social media, email, text messaging and smart phone apps</li> <li>Ask tenants about their preferred methods of contact and participation through various channels</li> </ul>	Tenancy Matters to continue to be issued quarterly	Annually	TP Manager
		Customer involvement leaflet to be produced	2018/19	Customer Care Working Group
		Tenant and sheltered handbooks to be reviewed	2017/18	Customer Care Working Group
		Produce an Annual Performance Report in line with the SHR requirements and SSHC	Annually	Head of Service
		Interactive voting through social media to be introduced for posts and Tenancy Matters articles	2017/18	TP Manager
		Housing Facebook page developed to include live chats and more interactive communication	2017/18	TP Manager
		'Tenant Vlog' for Service Improvement Groups to be introduced	2018/19	TP Team
		Text messaging to be introduced	2018/19	Rent Arrears Working Group
		Twitter and Instagram to be considered as an addition to Facebook	2018/19	TP Team
		Number of likes on Facebook to be increased	Annually	TP Team
		Number of tenants using online rent accounts to be increased	Annually	Rent Arrears Working Group

Objective	Actions	How we will measure it	Timescale	Lead responsibility
Involvement is accessible and inclusive	<ul style="list-style-type: none"> <li>Develop new methods of engagement with harder to reach groups, such as young people</li> <li>Ensure involvement methods are promoted and barriers are mitigated</li> <li>Provide support for under-represented groups</li> </ul>	<ul style="list-style-type: none"> <li>'Youth Connections', a forum to engage with young people, to be introduced</li> <li>Participation forum for Refugees to be introduced</li> <li>Mobile technology to be piloted in Welfare Reform Advice Team to support digital inclusion</li> </ul>	2018/19  2018/19 2017/18	TP Manager  TP Manager / Refugee Support Manager Welfare Reform Manager
There are a range of opportunities to take part in and get feedback	<ul style="list-style-type: none"> <li>Provide varied involvement opportunities so tenants can take part in a way that suits them</li> <li>Review our approach to consultation to identify any areas for improvement</li> <li>Offer a range of opportunities to gain feedback on the services we provide</li> </ul>	<ul style="list-style-type: none"> <li>Social media engagement to be included as participation method</li> <li>Consultation methods to be reviewed in partnership with tenants</li> <li>Tri-annual Tenant Satisfaction Survey to be undertaken</li> </ul>	2017/18  2018/19 2018/19	TP Manager  TP Manager TP Manager

Priority 2: **Empower**

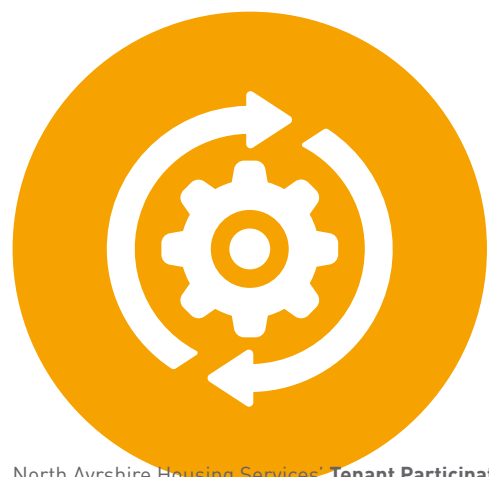
Objective	Actions	How we will measure it	Timescale	Lead responsibility
Customer involvement impacts service delivery	<ul style="list-style-type: none"> <li>Measure the impact of participation on service delivery</li> <li>Develop our approach to reporting feedback on customer views</li> <li>Improve information on customer feedback, and how this has impacted service planning and delivery</li> </ul>	<ul style="list-style-type: none"> <li>Tenant suggestions to be collated centrally and reported on quarterly to North Ayrshire Network</li> <li>You said, we did to be re-introduced to Tenancy Matters and social media</li> </ul>	2017/18  2017/18	TP Manager  TP Manager
Customers are supported to build their capacity and confidence	<ul style="list-style-type: none"> <li>Provide support to tenants to build their capacity</li> <li>Develop our training programme for tenants and other customers</li> <li>Introduce and develop an approach to peer support</li> </ul>	<ul style="list-style-type: none"> <li>Training and support to new people taking part to be provided</li> <li>Peer support (buddy) programme to be introduced</li> <li>Recruitment programme for new participants to be undertaken</li> </ul>	2018/19  2017/18 2017-19	TP Team  TP Team TP Team





Priority 3: **Evolve**

Objective	Actions	How we will measure it	Timescale	Lead responsibility
A culture of participation is embedded in Housing Services	<ul style="list-style-type: none"> <li>Develop an in-house training programme on tenant participation</li> <li>Review consultation undertaken across the service to identify good practice and areas for improvement</li> <li>Develop links between local offices / teams and tenants / tenant groups</li> <li>Agree the consultation approach taken by partner services (such as Property Management and Investment) to ensure this fits with our approach</li> </ul>	<ul style="list-style-type: none"> <li>TP training to be delivered to all Housing Services staff</li> <li>All Area Housing Offices to be provided with a TP Link Officer</li> <li>TP Officers to attend all Estate Inspections</li> <li>'Good Neighbour' programme to be introduced</li> <li>Calendar of Housing Events collated centrally and disseminated to all staff</li> <li>Calendar of social media posts collated centrally and disseminated to all staff</li> </ul>	2017-19 2017/18 2017/18 2018/19 2017/18 2017/18	TP Team TP Team TP Team TP Manager TP Team TP Team
The service continually adapts to meet changing needs	<ul style="list-style-type: none"> <li>Keep abreast of any legislative or policy changes relating to tenant participation and customer involvement</li> <li>Research good practice examples and consider their development in North Ayrshire</li> <li>Ensure engagement and consultation with tenants and other customers reviews their needs from the service</li> </ul>	<ul style="list-style-type: none"> <li>Good practice in other areas to be a standing NAN agenda item</li> <li>Estate Based Projects process to be reviewed</li> <li>Private Sector and Value For Money service improvement groups to be introduced</li> <li>Formal link between Housing and locality partnerships to be developed</li> <li>Tenant participation involving other services within Place Directorate to be reviewed</li> <li>TPAS re-accreditation to be sought</li> <li>TIS re-accreditation to be sought</li> </ul>	2017/18 2017/18 2018/19 2017/18 2018/19 2018/19 2019/20	TP Team Senior Manager – West TP Team / Business Planning Team / Private Sector Team TP Manager TP Manager TP Manager TP Manager

**Consultation and Feedback**

Consultation involves asking for peoples' views in order to consider them before reaching decisions, with time built in for tenants to make decisions, and landlords to consider them, and agree to the outcome together. Effective consultation helps to design and deliver services people want. It's also a good way to measure service delivery and effectiveness.

Housing Services is committed to improving service delivery and increasing customer satisfaction by making sure that we meet our customers' needs. We have developed a range of options to ensure participation is maximised, supported by an annual calendar of consultation events. We will consult on a number of topics, for some of which we have a statutory duty to do so. We also carry out large scale surveys, such as our tenant satisfaction survey, to gain views on the services we provide.

In order to continually improve our services, we recognise that we need to regularly collect and use feedback from customers, which is then utilised to improve service delivery. It is also important that we feedback to those who have participated, so that they know that their views have been listened to and are being acted on. We have a number of methods of doing this, including producing an annual consultation report, and sending information to Registered Tenants' Organisations, and the North Ayrshire Network.

We know from our tenant satisfaction surveys that 'Tenancy Matters' is a popular way of providing feedback to tenants, residents and all service users, and we will use this forum to highlight how tenant engagement has shaped or improved our service.

**Customer Comments, Compliments and Complaints**

If customers have a comment, compliment or complaint about any part of the Housing Service, they can report it easily to any member of staff.

North Ayrshire is committed to providing high-quality customer services. We value complaints and use information from them to help us improve our services.

An easy to understand leaflet outlining the process on how to complain, comment or compliment a service or staff member is available at most local Council offices, customer contacts centres, online and in local libraries.

## Resources and Support

Resources are required to effectively develop our tenant participation approach, and ensure it is embedded throughout the service. These can be financial, physical, or staff support. North Ayrshire Housing Services has the following resources dedicated to involving our tenants:

### Financial

An annual budget of £100,000 (excluding staff salaries) from our Housing Revenue Account (our Council landlord account funded through rental income from our housing stock) is allocated to tenant participation. This is reviewed annually in consultation with North Ayrshire Network. The budget funds activities such as:

- Consultation exercises, such as our tenant satisfaction survey
- Information for tenants, including our Tenancy Matters newsletter
- Mystery shopping exercises
- Tenant events
- Independent advice and assistance from specialists
- Training and attendance at events, for both staff and tenants
- Administration
- Tenant expenses, such as transport to events
- Field trips and study visits

All eligible Tenants & Residents Associations (TARAs) can apply to the Tenant Participation (TP) Team for an annual grant of £150 to support the development and running of their group. They must provide information with the application, including current audited accounts, a constitution, contact details and minutes of their meetings.

The grant can be used to pay for expenses such as postage, stationery, advertising, and travel. Additional funding can be requested, and will be considered by the TP Team.

External grant funding is also available for TARAs. More information on this is available through the Tenant Participation Team.

### Staffing

The Tenant Participation Team comprises a Manager, two Officers and an Administration Assistant. They support and develop tenant participation throughout North Ayrshire. Their functions include:

- Co-ordinating tenant consultation
- Working with other services to enhance involvement
- Providing specialist advice within the service and to tenants
- Training and developing staff and tenants
- Facilitating tenant and resident meetings
- Encouraging participation with under represented groups
- Facilitating North Ayrshire Network, North Ayrshire Inspection Panel and Service Improvement Groups

Aside from this dedicated resource, various parts of the service engage with our customers on a regular basis, and consult on a number of topics in their specialist areas. The Tenant Participation Team support them in these activities.

## Registered Tenants' Organisations

### Tenants and Residents Associations (TARAs)

Tenants & Residents Associations are groups of people representing tenants and residents living in an area or street. Their aim is to put forward views and concerns about their housing, community and local areas to the Council, so they can take part in the decision-making processes. We currently provide support to the eight TARAs in North Ayrshire.

### Registered Tenants' Organisations

Registered Tenants' Organisations (RTOs) are key to tenant involvement. The Housing (Scotland) Act 2001 (Registration of Tenant Organisations) Order 2002 sets out the criteria for registration as set by Scottish Ministers. As a landlord, we can provide information on the criteria for both registration and de-registration of groups, and how this is implemented in North Ayrshire.

All of the TARAs we currently support are registered with us.

**Our current Register of Tenant Organisations is as follows:**

Registered Tenant Organisation	Date Re-registered
Blair Residents Association, Dalry	Dec 2016
Broomlands & Bourtreehill Tenants & Residents Association, Irvine	March 2016
Castlepark & Eglinton Tenants & Residents Group, Irvine	Dec 2016
Fullarton Tenants Association, Irvine	March 2016
Hayocks Tenants & Residents Association, Stevenston	March 2016
John Galt Tenants Association, Irvine	June 2016
Meadowfoot Tenants & Residents Association, West Kilbride	October 2014
Saltcoats High Flats Tenants & Residents Association, Saltcoats	August 2016



## Useful Contact Numbers

### Tenant Participation Team

01294 324878

### Antisocial Behaviour Investigation Team

01294 314640

### Benefits Service

01294 310000

### Repairs Contact Line

01294 310000

### Tenant Priorities Team, Scottish Government

0131 244 5568

### Tenants Information Service (TIS)

0141 248 1242

### Tenant Participation Advisory Service (TPAS) Scotland

0141 552 3633

### Scottish Housing Regulator

0141 271 3810

### Scottish Public Services Ombudsman

0800 377 7330

### Equal Opportunities Commission (Scotland)

0845 601 5901

## Headquarters

Housing Services  
North Ayrshire Council  
Cunninghame House  
Irvine KA12 8EE  
T: 01294 324600 (General enquiries)

### Local offices

#### Dalry/Beith Area Office

Townend House  
2 Townend Street  
Dalry KA24 4AA  
T: 01294 835355  
E: dalryhousing@north-ayrshire.gov.uk

#### Irvine Area Office

Bridgegate House  
Bridgegate  
Irvine KA12 8BD  
T: 01294 310150  
E: irvinehousing@north-ayrshire.gov.uk

#### Kilbirnie Area Office

Housing Department  
34-36 Main Street  
Kilbirnie KA25 7BY  
T: 01505 685177  
E: kilbirniehousing@north-ayrshire.gov.uk

#### Kilwinning Area Office

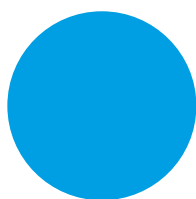
32-34 Howgate  
Kilwinning KA13 6EJ  
T: 01294 552261  
E: kilwinninghousing@north-ayrshire.gov.uk

#### Largs Area Office

Brooksby Medical & Resource Centre  
31 Brisbane Road  
Largs KA30 8LH  
T: 01475 687590  
E: largshousing@north-ayrshire.gov.uk

#### Three Towns Housing Office

Countess Street  
Saltcoats KA21 5HW  
T: 01294 310005  
E: 3TownsHousing@north-ayrshire.gov.uk



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath



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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 16**

**14 November 2017**

#### **Cabinet**

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**Title:** **Roads Winter Service and Weather Emergencies Plan 2017/18**

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**Purpose:** To seek approval from Cabinet for the Roads Winter Service and Weather Emergencies Plan 2017/18.

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**Recommendation:** That the Cabinet agrees to (a) approve the Roads Winter Service and Weather Emergencies Plan 2017/18 and (b) note the preparations and developments contained in the Winter Action Preparation Plan.

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#### **1. Executive Summary**

- 1.1 North Ayrshire Council has a statutory obligation, under Section 34 of the Roads (Scotland) Act 1984, to take such steps as it considers reasonable to prevent snow and ice endangering the safe passage of pedestrians and vehicles over public roads which by definition includes carriageways, footways, footpaths, pedestrian precincts, etc.
- 1.2 The Council is also responsible for the management and operation of the coastal flood prevention schemes at Largs and Saltcoats. The Council will close the flood gates on the promenades and erect the flood barriers at Largs Pier in advance of predicted severe weather with minimum disruption to promenade users and the Largs to Cumbrae ferry. Coastal flooding can occur at any time and, accordingly, the Council provides this service throughout the year.
- 1.3 A review of the Council's Winter & Weather Emergencies Service was undertaken over the summer months. A 2017/18 Winter Action Preparations Plan has been developed to ensure adequate preparations and effective arrangements are in place for 2017/18. The Winter Action Preparation Plan is included at Appendix 1.
- 1.4 The Roads Winter Service and Weather Emergencies Plan 2017/18 is contained at Appendix 2.

## **2. Background**

- 2.1 In its statutory role as the local Roads Authority, the aim of North Ayrshire Council in respect of its winter service and weather emergencies is to:-
- provide a standard of service on public roads which will permit safe movement of vehicular and pedestrian traffic appropriate to the prevailing weather conditions;
  - establish a pattern of working which will keep delays, diversions or road closures to a minimum during adverse weather conditions;
  - conduct operations having regard to the requirements of the Health & Safety at Work Act 1974 and any other relevant enactments.
- 2.2 Separately, the Trunk Road Network is the responsibility of Transport Scotland and their management contractor, Scotland TranServ. The Trunk Road network includes the A78, the A737 from Kilwinning to the Renfrewshire Boundary and A738 from the Pennyburn Roundabout to the A737 Dalry Road Kilwinning.
- 2.3 All winter gritting and snow clearing operations on the Trunk Road Network are therefore the responsibility of Scotland TranServ. The Council's Roads Team do however liaise on a regular basis with the trunk road operator during periods of adverse weather in order to provide the best possible seamless service to the travelling public.
- 2.4 The Council's current updated Winter Action Preparation Plan 2017/18 highlights a number of key areas where change and/or improvement is ongoing or planned:-
- route prioritisation/levels of service (including footways);
  - salt supply resilience, storage and capacity;
  - fleet and equipment requirements;
  - grit bins/community resilience;
  - communications;
  - operational controls;
  - performance management.

- 2.5 Whilst the Council's primary focus is on our Priority Network, our communities have an expectation of wider assistance during extreme weather, for example in and around schools, in residential streets, car parking areas, etc. There are approximately 450 grit bins provided on the road network. Salt is also available from a number of supply points throughout the Council area. An information leaflet has been published and has been distributed throughout the Council area. Weather forecast information and details of planned winter treatments are posted on the Council's website. In addition details of disruption to the road network caused by adverse weather are also posted on the website.
- 2.6 Priority 1 and Priority 2 routes were reviewed and rationalised prior to the 2013/14 winter season and remain unchanged for 2017/18 covering 66% of the total network.
- 2.7 The remaining 34% of the road network, comprising of minor rural and residential roads is covered by Priority 3 routes. Details of our priority gritting routes are available on the Council's website at:-
- <http://www.north-ayrshire.gov.uk/resident/roads-and-travel/winter-gritting.aspx>
- 2.8 Priority 1 routes will be treated on receipt of an adverse weather forecast as detailed in the decision making matrix contained in Appendix C of the Winter Service and Weather Emergencies Plan 2017/18.
- 2.9 Priority 2 routes will be treated in addition to Priority 1 routes when sub-zero temperatures are forecast to extend beyond midday and will be treated following completion of Priority 1 routes. Generally the treatment of Priority 2 routes will commence at 8.00am however appropriate treatment may be instructed at any time depending on conditions.
- 2.10 Priority 3 routes will generally only be treated following severe weather or when sub-zero conditions are forecast to continue over an extended period. They will be treated as resources permit only after all Priority 1 and Priority 2 routes are clear unless identified as an emergency.
- 2.11 Arrangements have been made with Streetscene to assist with the treatment of priority footways over the winter season. Stand-by arrangements are also in place with Streetscene to cover at weekends from 25 November 2017 through to 11 February 2018 and over the Festive Holiday period

- 2.12 Last winter season the Roads Service used approximately 5500 tonnes of salt treating the road network, compared to approximately 6600 tonnes of salt during the winter of 2015/16. 7000 tonnes of salt will be stored at our Goldcraigs Depot and 1200 tonnes at our Market Road depot on Arran, complying with the salt stock levels agreed with the West of Scotland Regional Resilience Partnership (WoSRRP). In addition salt will be distributed to Streetscene Depots to assist with the treatment of footways. Salt usage will be monitored weekly and stocks will be augmented if necessary.
- 2.13 Grit bins will be replenished to allow communities to self-help during periods of adverse weather and these will be replenished when necessary within available resources over the winter period.
- 2.14 Similar to last winter, information on weather forecasts, winter treatment decisions and any road closures due to adverse weather will be provided on the Council's website.
- 2.15 A pre-winter planning meeting was held on 2 October 2017 with Managers from across Council Services. This meeting was held to ensure all Services are taking the necessary steps to prepare for the severities of winter weather.
- 2.16 A planning exercise known as the 'dry run' was carried out on the mainland on 6<sup>th</sup> October 2017 and on Arran on 24<sup>th</sup> October 2017 to check our readiness for the forthcoming winter season.
- 2.17 The weather station on the A760 at Catburn, between Largs and Kilbirnie, was upgraded for winter season 2015/16 and a camera was installed to assist Winter Controllers and Supervisors in monitoring weather conditions. The Weather Station on The B880 String Road on Arran was upgraded during winter season 2016/17 and a camera was also installed. Images from the cameras are available through the Council's website.
- 2.18 As part of our preparations for 2017/18, a review of the gritter fleet resulted in the replacement of 4 gritter vehicles, which will allow the continued delivery of winter weather gritting as effectively as possible.
- 2.19 Each year, a Winter Preparation Action Plan is created to ensure adequate and appropriate arrangements are being put in place for the forthcoming winter. The 2017/18 Action Plan detailed at Appendix 1 confirms all planned actions are either complete or are on target.

### **3. Proposals**

- 3.1 Cabinet is asked to approve the Roads Winter Service and Weather Emergencies Plan 2017/18 and note the preparations undertaken as detailed in the attached 2017/18 Winter Action Preparation Plan.

#### 4. Implications

<b>Financial:</b>	A budget £768,220 has been allocated for 2017/18.
<b>Human Resources:</b>	There are no significant human resource implications at this time.
<b>Legal:</b>	The Council has a statutory obligation under Section 34 of the Roads (Scotland) Act 1984 "to take such steps as they consider reasonable to prevent snow and ice endangering the safe passage of pedestrians and vehicles over public roads".
<b>Equality:</b>	There are no equality implications.
<b>Environmental &amp; Sustainability:</b>	There are no environmental implications.
<b>Key Priorities:</b>	Delivery of the winter service supports a range of priorities in the single outcome agreement.
<b>Community Benefits:</b>	Delivery of the winter service supports a range of priorities in the single outcome agreement.

#### 5. Consultation

- 5.1 Consultation regarding preparations for the forthcoming winter season and the development of the Winter Action Plan was undertaken with The Ayrshire Civil Contingencies Team, Transport, Streetscene, Waste Services, Communications, Customer Services, North Ayrshire Health and Social Care Partnership, Education, Housing, Criminal Justice, suppliers and external organisations.



CRAIG HATTON  
Executive Director (Place)

Reference : CD/RM  
For further information please contact Campbell Dempster, Team Manager (Roads) on 01294 324845

#### Background Papers

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## COMMERCIAL SERVICES - 2017/18 WINTER PREPARATION ACTION PLAN

Service Improvement Action	Existing Operation	Proposed Action	Timescale	Progress
<b>1.0 Policies, Procedures &amp; Guidance</b>				
1.1 Review Existing Policy and Procedures document	Winter and Weather Emergencies Procedures and Resources Document reviewed on annual basis	Review annually after each Winter Period	October 2017	Complete
<b>2.0 Review of Existing Winter Maintenance Operations</b>				
2.1 Existing Priority Gritting Routes	Priority 1 route rationalised in 2013 to 49% of network, approximately 500km.	Monitor gritting routes as part of move to route base forecasting.	October 2018	Ongoing
2.2 Non-Priority Routes	The network is divided into 3 priorities. Priority 1 routes are treated as a precautionary measure. Priority 2 routes which cover an additional 17% of road network are treated when freezing conditions are forecast to extend beyond midday. Priority 3 routes are only treated following an extended cold spell or following severe weather.	Monitor gritting routes as part of move to route base forecasting.	October 2018	Ongoing
2.3 Footway Gritting	Formal arrangement with Streetscene for assisting with reactive delivery of the winter service.	Review annually.	October 2017	Complete
2.4 Assistance from outside parties.	Formal arrangement in place with local contractors and farmers to assist in the event of extreme weather condition.	Review annually	October 2017	Complete

Service Improvement Action	Existing Operation	Proposed Action	Timescale	Progress
2.5 Gritting of other Council locations.	Education and Housing have arrangements in place with Streetscene and Community Justice for assistance with snow clearing.	Review arrangements annually.	October 2017	Complete
<b>3.0 Winter Gritting Fleet</b>				
3.1 Winter Gritting Fleet	The gritting fleet comprise 14 No. 18 tonne Econ Uni-Bodies and 2 No 7.5 Tonne Econ Uni-Bodies and 1 Trailer Gritter.	Review fleet requirements annually. Vehicles to be serviced and gritter units to be calibrated. Replaced 4 Gritters for this winter season.	October 2017	Complete
<b>4.0 Operational Controls</b>				
4.1 Weather forecast provision	The Council's weather forecast service is currently procured by means of a collaborative contract with 12 other Local Authorities in the South West of Scotland.	A new contract has been awarded to MeteoGroup for 4 years + 2 year extension option, from September 2017.	October 2017	Complete
4.2 Ice Prediction methods	North Ayrshire Council has two weather stations installed on the road network and has access to a further two weather stations in the Council area, provided by Transport Scotland, on the trunk road network. We also have access to a number of additional weather stations on our neighbouring authorities' road network.	A760 Catburn Weather Station upgraded for winter 2015/16. The weather station on the B880 String Road Arran was upgraded and a camera fitted during winter 2016/17. Stations to be serviced and calibrated for start of winter season.	October 2017	Complete

Service Improvement Action	Existing Operation	Proposed Action	Timescale	Progress
4.3 Winter Gritting Records	Records of winter instructions and operations recorded on Manager - Winter Roads Management System during 2016/17.	Continue to record roads winter actions on Manager - Winter Roads Management System. Introduce record keeping for footway treatments undertaken.	October 2017	Complete
4.4 Business Continuity	The provision of Winter and Weather Emergencies Procedures and Resources document is included within the Business Continuity Plan.	Review Business Continuity Plan.	Review Annually	Complete
<b>5.0 Salt</b>				
5.1 Salt Storage	Ensure salt stock complies with Scottish Government resilience levels prior to the onset of the winter season.	7000 Tonnes of salt to be stored at Goldcraigs Depot and 1200 tonnes to be stored on Arran for start of winter season.	Review Annually	Complete
5.2 Salt Distribution	Procedure implemented for salt distribution throughout Council Services in place at Depot.	Review and ensure all staff know procedures annually.	Review Annually	Complete
<b>6.0 Communication</b>				
6.1 Information available to Members, Council Services, general public and other stakeholders	Weather forecasts and winter decisions distributed across Services.	Issue report to Locality Committees for information.	Nov/Dec 2017	On target
	Roads winter gritting decision posted on Council Website.	Continue to provide information on the council website.	Review Annually	On target
	Details of any road closures due to adverse weather posted on Website.	Monitor effectiveness of information provided on the Council website.	Review Annually	On target
	Provide Winter Advice Leaflet at Council Offices	Promote Roads Winter Service during Customer Services Week and Ready for Winter campaign.	October 2017	On target
		Provide information on Facebook.	October 2017	On target



<b>Service Improvement Action</b>	<b>Existing Operation</b>	<b>Proposed Action</b>	<b>Timescale</b>	<b>Progress</b>
<b>7.0 Measuring Performance</b>				
7.1 Monitor performance of winter actions	Performance is currently measured using APSE Performance indicators which measure efficiency in relation to documented procedures.	Review annually	October 2017	On target
7.2 Monitor performance on individual routes	Routes reviewed to optimise efficiency.	Monitor existing routes as part of move to route based forecasting.	October 2018	On target
7.3 Introduce route based forecasting to improve efficiency.	Existing forecasts and decision making is based on 3 geographical domains, Coastal, Inland and Arran.	Trial route based forecasting this winter to improve efficiencies in gritting operations.	October 2018	On target
<b>8.0 Training</b>				
8.1 Winter Service Training	Staff trained in delivery of winter service.	Identify training needs of personnel involved with the provision of the winter maintenance service. Arrange appropriate training.	Review Annually	Complete
<b>9.0 Health &amp; Safety</b>				
9.1 Toolbox Talks	Toolbox talks are delivered to all personnel engaged in the delivery of the winter maintenance service.	Provide toolbox talk at the start of each winter.	Annually	Complete



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

# **Commercial Services**

## **Roads Winter Service and Weather Emergencies Plan**

### **2017 – 2018**

Cunninghame House  
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Ayrshire KA12 8EE  
Tel: 01294-310000

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## 1. INTRODUCTION

North Ayrshire Council has a statutory obligation, under Section 34 of the Roads (Scotland) Act 1984, to take such steps as it considers reasonable to prevent snow and ice endangering the safe passage of pedestrians and vehicles over public roads which by definition includes carriageways, footways, footpaths, pedestrian precincts, etc.

In its statutory role as the local Roads Authority, the aim of North Ayrshire Council in respect of its winter service and weather emergencies is to:-

- (i) provide a standard of service on public roads which will permit safe movement of vehicular and pedestrian traffic appropriate to the prevailing weather conditions;
- (ii) establish a pattern of working which will keep delays, diversions or road closures to a minimum during adverse weather conditions;
- (iii) conduct operations having regard to the requirements of the Health & Safety at Work Act 1974 and any other relevant enactments.

This Plan only relates to the Council's duties as Roads Authority and does not cover the wider response of the Council during winter and other weather emergencies.

North Ayrshire Council has no responsibility for the treatment of trunk roads. From 1<sup>st</sup> April 2001, the contract for management and maintenance of the trunk roads in Scotland has been awarded by the Scottish Government to the private sector. The successful contractor for the South West of Scotland is Scotland TranServ and the roads involved in North Ayrshire are as follows:-

A78 full length from Meadowhead roundabout, Dundonald to Inverclyde boundary at Skelmorlie;

A737 Dalry Road, Kilwinning to Renfrewshire boundary;

A738 Byres Road, Kilwinning to Pennyburn roundabout.

All winter gritting and snow clearing operations on these roads will be the responsibility of Scotland TranServ. North Ayrshire Council's Commercial Services (Roads & Transportation) and Scotland TranServ liaise on a regular basis during periods of adverse weather in order to provide the best possible service to the travelling public.

North Ayrshire Council is also responsible for the management and operation of the coastal flood prevention schemes at Largs and Saltcoats. The Council will close the flood gates on the promenade and erect the flood barriers at Largs Pier in advance of predicted severe weather with minimum disruption to promenade users and the Largs to Cumbrae ferry. Coastal flooding can occur at any time and, accordingly, the Council will provide this service throughout the year.

In the event of extreme weather similar to that which was experienced on Arran late March 2013 where major disruption affects large parts of the community, a coordinated response is adopted by the Council to ensure public safety. In dealing with such emergencies, the Police initially lead the emergency or response stage of the emergency. Thereafter, the Council leads the recovery stage. Generally, there are 3 levels of Civil Contingencies response. There is a strategic group at National or Strathclyde wide level, a tactical group at North Ayrshire level and an operational group at local level.

The Ayrshire Civil Contingencies Team (ACCT) act as lead for the Council and implement the Civil Contingencies Plan liaising with all relevant Stakeholders identified within the Plan.

A key role of the Council as a Category 1 responder is to plan for such Civil Contingencies. In August 2014, the ACCT undertook Exercise Ayrshire Polar Storm to test the resilience within the relevant emergency plans.

## **2. PRIORITIES FOR WINTER TREATMENT**

North Ayrshire Council has defined the priorities for carriageway and footway/footpath treatment as follows:

### **2.1.1 Carriageway Priorities**

Where slush is formed, this shall be removed as soon as practicable to avoid the risk of rutting should there be a further significant fall in road temperatures which might result in freezing conditions.

### **2.1.2 Carriageway Routes for Proactive Treatment**

Priority 1 – Strategic, Main Distributor and Distributor routes, bus routes and certain pre-determined Secondary Distributor routes identified from the Local Transport Strategy (LTS) will be treated when it is forecast that snow or ice is likely to be present on road surfaces.

Due to the various climatic domains within North Ayrshire the Priority 1 routes may be adjusted to cover either the four pre-determined Inland Routes or two pre-determined High Routes which all currently form part of our existing Priority Network.

Priority 1 gritting routes are available on the Council website (See Appendix A).

### **2.1.3 Carriageway Routes for Reactive Treatment**

- a) **Priority 2** – Remaining Secondary Distributor, local access and residential distributor roads.

Given the presence of ice and snow Priority 2 routes may be treated during normal working hours as resources permit when sub-zero temperatures are forecast to continue beyond midday following completion of Priority 1 routes.

- b) **Priority 3** – The remaining road network including minor rural unclassified routes and remaining residential areas not already covered

Priority 3 routes will be treated as resources permit when sub-zero conditions are forecast to continue over an extended period only after all Priority 1 and Priority 2 routes are clear unless it is identified as an emergency.

#### 2.1.4 Carriageway Routes for Snow Clearance

On receipt of a weather warning predicting medium (25 - 100 mm deep) or heavy (over 100 mm deep) snowfalls, the Senior Manager (Network) where appropriate, will recall to depots such vehicles capable of being equipped with snowploughs.

While snow is still falling the Strategic and Main Distributor Network will be prioritised for ploughing and treatment in order to target resources and to keep these routes open for traffic.

After snow has stopped falling but is lying, the remaining Priority 1 precautionary routes will be ploughed and treated before commencing ploughing and treatment on Priority 2 and Priority 3 routes as resources and conditions permit.

#### 2.1.5 Cumbrae

There are no Roads Operatives based on the Isle of Cumbrae, however arrangements have been made with Streetscene to carry out gritting operations on the Island.

### 2.2 Footway/Footpath Priorities

With limited resources available footways and footpaths will only be treated when considered necessary (e.g. heavy snowfall or extensive icing). They will normally only be treated during normal working hours, but arrangements are in place to undertake emergency work out of normal working hours, weekends and public holidays in extreme circumstances.

Generally, treatment of footways and footpaths will be reactionary and not pre-planned, and where possible work will be undertaken during normal working hours.

When treatment is instructed the following priorities will apply:-

Priority 1 Routes will be considered for treatment if it is forecast that ice or snow is likely to be present or where surfaces are wet with temperatures forecast to remain below zero until 10:00am the next working day.

**Priority 1 Routes** - Urban shopping areas and precincts, footway access to schools, emergency facilities including fire and rescue, police and ambulance services, hospitals, sheltered housing, doctors surgeries and health centres etc;

Priority 2 routes will be treated if it is forecast that ice or snow is likely to be present with temperatures forecast to remain below zero for a prolonged period only after priority 1 routes are clear.

**Priority 2 Routes** - Steep hills on main distributor and residential distributor routes, routes to bus stops etc, only after all Priority 1 have been cleared;

Priority 3 routes will be treated if it is forecast that ice or snow is likely to be present with temperatures forecast to remain below zero for a prolonged period only after priority 1 and 2 routes are clear.

**Priority 3 Routes** - Other areas of high pedestrian concentration.

Streetscene staff will assist with the treatment of footways.

In order to maximise coverage on footways, generally only one side of a road will be initially treated.

It is not possible for the Council to treat all footways and footpaths within North Ayrshire. As such the Council encourages the community to participate in self help, through the use of grit bins which can be requested through the grit bin application process. Grit bins will only be allocated where it has been assessed and deemed as an appropriate location by the Council.

## **2.3 Cycle Routes**

With limited manpower resources no treatment will be carried out on off road cycle routes.

## **2.4 Response and Treatment Times**

Routine precautionary salting of priority 1 carriageway routes should be completed within 3 hours of the planned start time. For emergency or unplanned salting the start time from leaving the depot shall be no more than 1 hour.

## **3. ORGANISATION**

The Head of Commercial Services is responsible for specifying the level of winter service required based on approval from the Council. The Senior Manager (Network) is responsible for implementing this service.

A duty Winter Controller and Winter Supervisor will be appointed by the Senior Manager (Network) for the whole of the winter period covered by these procedures (mid-October to early April)

## **4. NORTH AYRSHIRE COUNCIL RESOURCES (ROADS)**

### **4.1 General**

Following approval from the Council, it is the responsibility of the Head of Commercial Services to define the level of service to be provided within their sphere of operations and to issue appropriate instructions to the Senior Manager (Network) to provide the necessary labour and plant for winter operations. This level of service will be based on the national Code of Practice for Well Maintained Highways (see Appendix B).

The level of winter treatment is established utilizing the weather forecasts provided by MeteoGroup UK Limited in accordance with the winter treatment matrix (Appendix C).

The Senior Manager (Network) shall thereafter be responsible for advising the Head of Service of any matters which may affect his ability to deal with adverse weather conditions e.g. labour disputes, extensive plant breakdowns etc.

Labour resources from Commercial Services (Roads) will be provided for the Winter and Weather Emergencies Service. The stand-by period will be 26th October 2017 until 12<sup>th</sup> April 2018. This period may be extended beyond the given dates if conditions warrant such action. These arrangements include home stand-by which is activated by the designated Winter Supervisor when instructed by the Winter Controller or as the result of hazardous road conditions being reported.

### **4.2 Labour**

A proportion of the roads labour force will be on stand-by for winter service operations out of normal working hours, with the remainder on call out as necessary. This allows evening and early morning precautionary salting to be carried out on our priority carriageway network to treat dangerous roads before the morning rush hour.

In determining the labour resources required for the winter service, cognisance is taken of the key objective to treat all priority routes before the commencement of the morning peak period.

### **4.3 Vehicle Plant and Equipment**

Prior to commencement of winter service operations, the Senior Manager (Network) will ensure that all equipment for salting roads and snow clearing is in working order and, where appropriate, that ancillary items can be fitted to vehicles without difficulty, e.g. ploughs set up on blocks to facilitate assembly. The above procedure should also be applied to vehicles and plant available under contract for the winter service.

The Senior Manager (Network) will ensure that all vehicles engaged in the winter service are equipped with radios or other appropriate communication devices to allow contact to be maintained between the depot and operators. Superintendents



have mobile telephones. There is also vehicle tracking system fitted and operational in all vehicles to reduce the risk associated with gritting operations.

A summary of labour, vehicles, plant, and equipment available for the winter service work is detailed in Appendix D.

Once per year the Senior Manager (Network), will organise a trial closure of the flood gates and erection of the de-mountable barriers at the Largs and Saltcoats Flood Prevention Schemes. This is to ensure that the gates and barriers remain in full working order and that all staff are familiar with the process.

#### **4.4 Salt**

Salt is purchased through a Scotland Excel annual purchase contract. Mainland salt deliveries are stored in the salt barn within the Goldcraigs Depot. Salt on Arran is stored in the open at the Roads Depot in Market Road, Brodick.

During the season, the Senior Manager (Network) will arrange for a weekly check to be made on the amount of salt used and for stocks to be augmented as necessary. There is a procedure in place at the depot to strictly control salt distribution. All vehicles are tagged and must cross the weighbridge to accurately record salt usage. This includes salt distributed to Streetscene and contractors assisting with winter service delivery.

Small quantities of salt are available for issue free of charge to the public, subject to residents supplying a suitable container. Details of locations of community grit bins where small quantities of salt are available are given in Appendix E

The planned salt stock level at commencement of winter is given in Appendix F.

In the event of prolonged severe weather the Council has a salt resilience plan (Appendix G), which will be implemented if conditions require.

### **5. OTHER RESOURCES**

During adverse weather conditions, the Senior Manager (Network), (after consultation with the Head of Commercial Services), shall, if necessary, augment his resources by the use of personnel from Streetscene and external contractors at rates agreed prior to engagement through a framework contract. The Head of Commercial Services should be advised, as soon as practicable, of external resources engaged as a result of decisions made outwith normal working hours.

The Senior Manager (Network) will provide a supply of salt to Streetscene and external contractors where appropriate to permit the treatment of agreed footways/footpaths. This will be managed through a salt management system based at Goldcraigs Roads Depot.

## **6. WEATHER FORECASTING**

North Ayrshire Council, through a collaborative contract led by South Lanarkshire Council, has appointed MeteoGroup, as their weather forecast provider. During the winter service period MeteoGroup will provide a weather forecasting service and monitor road and weather conditions.

The forecasters receive, monitor and interpret, climatic, ice prediction and weather radar information on a continuous basis and provide detailed weather forecasts on a daily basis during the whole winter period.

SEPA operate a coastal flood warning system for the Firth of Clyde. If storm surges and coastal flooding are predicted, SEPA provide advance warning to the Council by e-mail and also through their Floodline service which is available on their website or by phone. This service is available all year round.

## **7. DECISION MAKING**

The Senior Manager (Network) will appoint suitably trained and experienced personnel as Winter Controllers.

During the winter season the Winter Controller will receive the weather forecast around 12.00 hours and decide on the treatment to be carried out. The Winter Controller will check the treatment decision of neighbouring authorities for consistency and reconsider if necessary. The weather forecast provider will provide an evening forecast around 19.00 hours and if this update indicates any change in the forecast the Winter Controller will amend the decision accordingly and advise the Winter Supervisor.

For out of office hours, Saturdays, Sundays and public holidays the Senior Manager (Network) shall provide the weather forecast provider with contact telephone numbers of the on duty Winter Controller. If the forecast conditions change from good to adverse at any time, then the weather forecast provider will phone the Winter Controller either at work or at home as appropriate. Thereafter, it is the responsibility of the Winter Controller to take action including the calling out of stand-by squads to undertake salting/snow clearing.

Winter Controllers have the facility at any time to contact the weather forecast provider for advice or clarification of forecasts. These arrangements will be in place from 12 October 2017 until 12 April 2018 and these dates can be extended if required.

The decision making process is illustrated in Appendices B & C.

The Head of Commercial Services will appoint suitably trained staff and experienced personnel to manage the coastal flood prevention schemes at Largs and Saltcoats. During the winter season, this will be the Winter Controller.

## **8. ICE PREDICTION**

In addition to the weather forecast information, the Council has available further information from sensors which have been installed at the locations listed below:-

- A78 Ardrossan
- A737 Highfield
- A760 Catburn
- A735 Near Dunlop
- B880 Arran, summit of The String

The sensors provide current details of road and air temperatures and indicate the presence of moisture, thereby identifying locations that icing has occurred or where there is a risk that icing will occur.

By utilising the data from these sensors the weather forecast provider is able to supplement their forecast by producing site specific forecasts. The above information is available to the Winter Controller via computer link 24 hours a day throughout the winter period.

## **9. ROAD CONDITION REPORTS**

During periods of adverse weather, the Senior Manager (Network) shall receive reports on road conditions from the Winter Supervisor by 09.45 hours. These reports should be updated as necessary depending on changing circumstances.

## **10. COMMUNICATIONS**

The Head of Commercial Services or nominated senior manager will deal with statements to the Press, Radio and Television regarding road conditions throughout the area. The Council's Communication team will assist, and may take the lead role depending on the nature of any significant event.

General advice and information, along with timeous service updates, will be placed on the Council's website.

The Head of Commercial Services (or nominated senior officer) will ensure that all staff involved in communication with members of the public are fully briefed with consistent and accurate information.

The Senior Manager (Network) will produce and distribute the Winter Maintenance Advice leaflet that will contain general information for members of the public on the Winter Service. The advice leaflets will be available to the public at selected locations throughout North Ayrshire, such as libraries etc.

A formal protocol has been agreed by the former West of Scotland Regional Resilience Partnership (WoS RRP) and Ayrshire Civil Contingencies Team (ACCT) for the transfer of information in relation to Winter and Weather Emergencies.

The Council's daily winter decisions are available for the public and can be accessed via the Council's website. Any winter and weather emergencies can be reported to North Ayrshire Council and the Trunk Road Operators using the contact information contained within Appendix H.

The distribution list for winter weather emergencies can be found under Appendix I.

## **11. ROAD CLOSURES**

Where it is considered that a road is rendered unsafe due to adverse winter conditions then the Police or persons acting on behalf of the Chief Constable will arrange to have the road closed and advise the on-duty Winter Supervisor as soon as possible of their actions. The Winter Supervisor will advise the Winter Controller/Senior Manager (Network) of any road closures. Appropriate measures will also be taken to re-direct traffic and to ensure that the necessary signs are put in place. When the road affected is a through route the adjoining Councils will be kept informed. Police will advise the other emergency services (Ambulance & Fire) of the closures.

Prior to signing diversionary routes, the capacity of the roads and the headroom and weight restrictions of structures should be checked with the Winter Controller to ensure that they are adequate (see Appendix J).

## **12. LIAISON WITH THE POLICE**

Commercial Services (Roads) will ensure close liaison with the Police, particularly during periods of severe weather.

Where practicable, the Police will be informed in advance of North Ayrshire Council's proposed operations. Similarly arrangements have been made for exchanging information on proposed actions with neighbouring authorities and the trunk road operating company.

Where necessary the service will request appropriate assistance from the Police when moving equipment, arranging road closures and dealing with abandoned vehicles.

Reports from the Police regarding dangerous road conditions should be acted upon by the Winter Supervisor as soon as practicable, having regard to priorities in this document and the conditions pertaining throughout the area.

## **13. CROSS BOUNDARY ARRANGEMENTS**

Because the Council boundaries do not always coincide with convenient turning points at the end of gritting routes, arrangements have been drawn up with all adjacent authorities for the gritting routes to be continued short distances to appropriate turning points. See (Appendix K).

## **14. VEHICLE ROUTES**

From local knowledge and the resources available, routes are drawn up by the Roads Service on the basis of the priorities listed in Section 2. However, in order to minimise unproductive mileage, some roads in a lower category may be treated out of sequence. This may also occur when conditions vary throughout the area.

A complete set of route cards will be kept in the Commercial Services (Roads) offices, with a duplicate set being held in Goldcraigs Depot.

Treatment of precautionary carriageway salting routes should be completed within three hours of planned start time under routine conditions. When the Winter Controller instructs immediate winter service operations, the response time to start treatment should be within one hour.

It should be noted that gritting routes are either at or close to capacity and it is unlikely that any additions to routes could be considered without additional finance and human resources.

## **15. PRECAUTIONARY SALTING**

On receipt, within normal working hours, of a forecast from the weather forecast provider warning of frost, freezing or snow conditions, the Winter Controller in consultation with the Senior Manager (Network), shall give consideration to precautionary salting of main roads.

Where such a warning is received out with normal working hours, the Winter Controller has delegated authority to activate call-out procedures as indicated in Section 7.

Extensive and accurate records of weather forecasts, winter treatment decisions and actions taken will be kept to demonstrate our compliance to our Winter and Weather Emergencies Plan.

## **16. GRIT BINS**

There are approximately 450 grit bins distributed across North Ayrshire. These are located at areas of particular difficulty e.g. dangerous bends, steep gradients etc. The policy and procedures for siting of grit bins, and requests for additional bins is shown in Appendix L.

Grit bins will be refilled prior to the start of winter and as considered necessary during the winter season and following periods of severe weather when resources are available.

The locations of Community Grit Bins are listed in Appendix E.

## **17. LARGS AND SALTCOATS FLOOD PREVENTION SCHEMES**

On receipt of a severe weather warning predicting a combination of strong winds, high tides or tidal surges the Winter Controller will, when necessary, instruct the closure of the flood gates on the promenade at Largs and/or the erection of the flood barriers at the Largs Pier and/or Saltcoats promenade.

## **18. SANDBAG PROCEDURES**

The deployment of sandbags to prevent or contain floodwaters can be an effective way of mitigating the effect of a flood, however the lead time for filling and deployment can be lengthy, as a large number of bags cannot be filled in advance due to storage problems. Therefore, an early decision must be taken to sandbag, to avoid a subsequent waste of time and effort. The deployment of sandbags will be decided with regard to the following priorities:

1. To prevent loss of life or serious injury
2. Maintenance of access for the emergency services
3. Protection of vital facilities within the community
4. Protection of transportation routes
5. Protection of NAC property
6. Protection of private dwelling houses

The decision to deploy sandbags will be made by the Winter Controller / Supervisor or appropriate officers in Building Services, Cleansing or the Island Officer on Arran in accordance with the Services' callout/emergency procedures.

Notes:

1. Sandbags will not normally be deployed to protect commercial property;
2. Appropriate stocks of empty and filled sandbags will be held by the Services mentioned above, based on previous usage and experience.

The above procedure mainly relates to tidal, fluvial and watercourse flooding. Where flooding occurs as a result of a blocked, damaged or ineffective Council owned drainage systems, sandbags will be deployed as required to mitigate the effects of flooding (and reduce the likelihood of claims against the Council) including the protection of commercial property.

***Priority 1 Carriageway Gritting Routes  
Policy & Procedure***

Priority 1 Gritting Routes can be viewed on the Council's website using the following address:-

<http://www.north-ayrshire.gov.uk/resident/roads-and-travel/winter-gritting.aspx>

## LEVEL OF SERVICE

Road Surface Temperature	Precipitation	Predicted Road Conditions		
		Wet	Wet Patches	Dry
Temperature Forecast between +1.5°C And +0.5°C	No Rain No Hoar Frost No Fog	High Route Patrols		No action likely
Temperature Forecast below +0.5°C	No Rain No Hoar Frost No Fog	(Priority 1 Routes)		
	Expected Hoar Frost Expected Fog	Salt before frost		
	Expected rain BEFORE freezing	(Priority 1 Routes)  Salt after rain stops		
	Expected rain DURING freezing	(Priority 1 Routes)  Salt before frost, as required during rain and after rain stops		
	Possible rain Possible hoar frost Possible fog	(Priority 1 Routes)  Salt before frost	Monitor weather conditions	
Expected Snow Fall		(Priority 1 Routes and footways)  Salt before snow fall		
The decision to undertake precautionary treatments should be adjusted, where appropriate, to take account of residual salt.				
All decisions should be evidence based, recorded and continuously monitored and reviewed.				



**DECISION MAKING**

**WINTER TREATMENT SPREAD RATE MATRIX SCOTS WINTER SERVICE SUBGROUP ADVICE - AUGUST 2015**

Salt Type	Precautionary Treatment for frost / ice	Variation of Well Maintained Highways Appendix H - September 2013					
		Column C	Column D	Column G	Column H	Column K	Column L
		Poor Cover Medium Traffic Normal Loss	Poor Cover Medium Traffic High Loss	Fair Cover Medium Traffic Normal Loss	Fair Cover Medium Traffic High Loss	Good Cover Medium Traffic Normal Loss	Good Cover Medium Traffic High Loss
Dry Salt	RST at or above -2 Degrees and dry or damp road conditions (Table H9 of Code - where the road surface is dry no action is needed even when conditions are below zero)	10 (8)	10 (8)	10 (8)	10 (8)	10 (8)	10 (8)
Pre-wet Salt		10 (8)	10 (8)	10 (8)	10 (8)	10 (8)	10 (8)
Treated Salt		10 (7)	10 (7)	10 (7)	10 (7)	10 (7)	10 (7)
Dry Salt	RST at or above -2 Degrees and wet road conditions	15 (13)	20 (16)	10 or 15 (11)	15 (13)	10 (8)	10
Pre-wet Salt		15 (12)	15 (14)	10 (10)	15 (12)	10 (8)	10 (9)
Treated Salt		10 (10)	10 or 15 (11)	10 (8)	10 (10)	10 (7)	10 (7)
Dry Salt	RST below -2 deg C and above -5 deg C and damp road conditions	15 or 20 (17)	20	10 or 15 (14)	20 (17)	10 or 15 (11)	15 (13)
Pre-wet Salt		15 or 20 (16)	20 (18)	15 (14)	15 (16)	15 (11)	15 (12)
Treated Salt		15 (12)	15 (14)	10 or 15 (11)	15 (12)	10 (8)	10 (10)
Dry Salt	RST below -2 deg C and above -5 deg C and wet road conditions	1 x 20 then monitor & treat as required (2x17)	1 x 20 then monitor & treat as required (2x20)	1 x 20 then monitor & treat as required (2x28)	1 x 20 then monitor & treat as required (2x17)	20(20)	1 x 20 then monitor & treat as required (25)
Pre-wet Salt		1 x 20 then monitor & treat as required (2x16)	1 x 20 then monitor & treat as required (2x18)	1 x 20 then monitor & treat as required (27)	1 x 20 then monitor & treat as required (31)	1 x 20 then monitor & treat as required (21)	1 x 20 then monitor & treat as required (24)
Treated Salt		1 x 20 then monitor & treat as required (24)	1 x 20 then monitor & treat as required (28)	1 x 20 then monitor & treat as required (21)	1 x 20 then monitor & treat as required (24)	1 x 20 then monitor & treat as required (16)	1 x 20 then monitor & treat as required (19)
Dry Salt	RST at or below -5 deg C and above -10 deg C and damp road conditions	1 x 20 then monitor & treat as required (2x16)	1 x 20 then monitor & treat as required (2x19)	1 x 20 then monitor & treat as required (27)	1 x 20 then monitor & treat as required (2x16)	20	1 x 20 then monitor & treat as required (24)
Pre-wet Salt		1 x 20 then monitor & treat as required (2x16)	1 x 20 then monitor & treat as required (2x18)	1 x 20 then monitor & treat as required (27)	1 x 20 then monitor & treat as required (31)	1 x 20 then monitor & treat as required (21)	1 x 20 then monitor & treat as required (24)
Treated Salt		1 x 20 then monitor & treat as required (23)	1 x 20 then monitor & treat as required (27)	1 x 20 then monitor & treat as required (20)	1 x 20 then monitor & treat as required (23)	1 x 20 then monitor & treat as required (15)	1 x 20 then monitor & treat as required (18)
Dry Salt	RST below -5 deg C and above -10 deg C and wet road conditions	1 x 20 then monitor & treat as required (2x32)	1 x 20 then monitor & treat as required (2x39)	1 x 20 then monitor & treat as required (2x27)	1 x 20 then monitor & treat as required (2x32)	1 x 20 then monitor & treat as required (2x20)	1 x 20 then monitor & treat as required (2x24)
Pre-wet Salt		1 x 20* then monitor & treat as required (2x31)	1 x 20 then monitor & treat as required (2x36)	1 x 20 then monitor & treat as required (2x27)	1 x 20 then monitor & treat as required (2x31)	1 x 20 then monitor & treat as required (2x21)	1 x 20 then monitor & treat as required (2x24)
Treated Salt		1 x 20 then monitor & treat as required (2x23)	1 x 20 then monitor & treat as required (2x27)	1 x 20 then monitor & treat as required (2x20)	1 x 20 then monitor & treat as required (2x23)	1 x 20 then monitor & treat as required (30)	1 x 20 then monitor & treat as required (2x18)

( ) = Appendix H rates in brackets

Please see H10.25 regarding effectiveness of sodium chloride at low temperatures.

Salt Type	Precautionary Treatments Before Snow or Freezing rain		
		Light or Medium Traffic	Heavy Traffic
Dry Salt	Light Snow Forecast	20g/m <sup>2</sup>	20g/m <sup>2</sup>
Pre-wet Salt		20g/m <sup>2</sup>	20g/m <sup>2</sup>
Treated Salt		15g/m <sup>2</sup>	15g/m <sup>2</sup>
Dry Salt	Moderate/Heavy Snow Forecast	20g/m <sup>2</sup>	40g/m <sup>2</sup>
Pre-wet Salt		20g/m <sup>2</sup>	40g/m <sup>2</sup>
Treated Salt		15g/m <sup>2</sup>	30g/m <sup>2</sup>
Dry Salt	Freezing rain Forecast	1 x20g/m <sup>2</sup> then monitor	
Pre-wet Salt		1 x20g/m <sup>2</sup> then monitor	
Treated Salt		1 x15g/m <sup>2</sup> then monitor	

**Note:**

- Rate of spread for precautionary treatments may be adjusted to take account of local variations along the routes such as residual salt, temperature variations, surface moisture (air or road surface) road alignment and traffic density.
- All decisions should be evidence based, recorded and require continuous monitoring and review.

- Ice refers to all ice on the road surface, including black ice.
- The level of service generally complies with the recommendations laid down in “Well Maintained Highways” the UK Code of Practice for Highway Management and is summarised above.
- Appendix H of “Well Maintained Highways” which covers winter maintenance operations and treatments underwent a complete revision in November 2013. The SCOTS winter Subgroup has been in consultation with the National Winter Service Research Group (NWSRG) concerning the implementation of Appendix H of Well Maintained Highways. The Subgroup made a number of suggestions to implement Appendix H that have been commented on by the NWSRG. Having considered the comments from the NWSRG on the review of Appendix H the SCOTS Winter Service Subgroup provided advice that Scottish Local Roads Authorities adopt variations to Appendix H of Well Maintained Highways that North Ayrshire Council are following.

## SUMMARY OF AVAILABLE LABOUR & PLANT

TYPE OF PLANT	GOLDCRAIGS	ARRAN	OTHER NAC	TOTAL
<b>Gritters</b>				
18 Tonne Uni-body	11	3		14
7.5 Tonne Uni-body	2	0		2
Trailer Gritter	0	0	1	1
Footway Gritter	1	1	7	9
<b>Lorries</b>				
18 Tonne Uni-body	11	3		14
26 Tonne Multilift	1	0		1
7.5 Tonne Uni-body	2	0		2
Loading Shovel	1	0		1
JCB 2CX	0	1		1
Telehandler	0	1		1
<b>Ploughs</b>				
Fixed V	3	2		5
Small Blade	3	0		3
Large Blade	13	3		16
<b>LABOUR</b>				
Drivers	24	6	7	37
Operatives	11	3	36	50
<b>Other Equipment</b>				
Muck Truck + plough (For footways)			2	2

### **Note**

When necessary labour, vehicles, plant and equipment from other Council Departments, farmers, plant hirers and contractors will be used to supplement above resources.

This also applies for non-winter related emergency responses.

**COMMUNITY GRIT BINS**

Small quantities of salt are available for issue free of charge to members of the public, subject to their supplying a suitable container from the Community Grit Bins sited at the following locations.

<b>Town</b>	<b>Location</b>
Irvine	Bartonholm Civic Amenity, Site.
Kilwinning	Goldcraigs Roads Depot.
Dalry	Car Park, Kirk Close.
Kilbirnie	Civic Amenity Site, Paddockholm Road.
Beith	Community Centre, Kings Road.
West Kilbride	Corse Street.
Fairlie	Car Park, Pier Road.
Largs	Cleansing Depot, Alexander Avenue.
Skelmorlie	Toward View (opposite Fire Station).
Stevenston	Car Park, Garnock Road.
Saltcoats	Streetscene Depot, Sorbie Road.
Ardrossan	Carpark, North Crescent Road.

**SUMMARY OF AVAILABLE MATERIALS**

The following salt, grit and sand stocks will be in place at commencement of winter:-

<b>DEPOT</b>	<b>TONNAGE SALT</b>	<b>TONNAGE SAND (for Sandbags)</b>
Goldcraigs (salt barn)	7000	100
Arran	1200	300
Cumbræ	20	(500 filled sandbags)

Approximately 4000 sandbags are located at Goldcraigs, and 500 on Arran.

## **Salt Resilience Plan (Mainland)**

### **Level 1 (Green) Service – Stock Levels 2500 Tonnes and above**

- Service levels as detailed in NAC Winter and Weather Emergencies Plan.
- Typical daily salt usage (snow conditions) 470T – **resilience 5 days**  
or
- Typical daily salt usage (frost & ice only) 235T – **resilience 10 days**

### **Level 2 (Amber 1) Service – Stock Levels 1800 Tonnes – 2500Tonnes**

- Only Priority 1 carriageway routes treated with pure salt, remaining priority carriageway routes reduced to half the normal spread rate or salt/grit mix at 50/50
- All footway routes reduced to salt/sand mix at 50/50
- Grit bins replenished with salt/sand mix at 50/50.
- Typical daily salt usage (snow conditions) 330T – **resilience 2 days.**  
or
- Typical daily salt usage (frost & ice only) 165T – **resilience 4 days**

### **Level 3 (Amber 2) Service – Stock Levels 1000 Tonnes – 1800 Tonnes**

- All carriageway routes reduced to half the normal spread rate or salt/grit mix at 50/50
- Priority 1 footway routes treated with salt/sand mix at 50/50
- Remaining footway routes treated with sand/grit mix at 50/50
- Grit bins replenished with sand/grit mix at 50/50
- Typical daily salt usage (snow conditions) 150T – **resilience 5 days.**  
or
- Typical daily salt usage (frost & ice only) 75T – **resilience 10 days**

### **Level 4 (Red) Service – Stock Levels less than 1000Tonnes**

- Priority 1 carriageways reduced to half the normal spread rate or salt/grit mix at 50/50
- Treat remaining carriageway routes with sand/grit mix at 50/50
- All footway routes treated with sand/grit mix at 50/50
- Grit bins replenished with sand/grit mix.
- Typical daily salt usage (snow conditions) 100T – **resilience 10 days**  
or
- Typical daily salt usage (frost & ice only) 50T – **resilience 20 days**

Assuming 4,500 tonnes in stock at start of winter our total resilience would be either

- **Total Resilience during periods of heavy snow - 22 days**  
or  
**Total Resilience during periods of frost & ice conditions - 44 days**

## **Salt Resilience Plan (Arran)**

### **Level 1 (Green) Service – Stock Levels 1000 Tonnes and above**

- Service levels as detailed in NAC Winter and Weather Emergencies Plan.
- Typical daily salt usage (snow conditions) 52T – **resilience 10 days**  
or
- Typical daily salt usage (frost & ice only) 26T – **resilience 20 days**

### **Level 2 (Amber 1) Service – Stock Levels 550 Tonnes – 1000Tonnes**

- Only Priority 1 carriageway routes treated with pure salt, remaining priority carriageway routes reduced to half the normal spread rate or salt/grit mix at 50/50
- All footway routes reduced to salt/sand mix at 50/50
- Grit bins replenished with salt/sand mix at 50/50.
- Typical daily salt usage (snow conditions) 44T – **resilience 10 days**.  
or
- Typical daily salt usage (frost & ice only) 22T – **resilience 20 days**

### **Level 3 (Amber 2) Service – Stock Levels 250 Tonnes – 550 Tonnes**

- All carriageway routes reduced to half the normal spread rate or salt/grit mix at 50/50
- Priority 1 footway routes treated with salt/sand mix at 50/50
- Remaining footway routes treated with sand/grit mix at 50/50
- Grit bins replenished with salt/sand mix at 50/50
- Typical daily salt usage (snow conditions) 30T – **resilience 10 days**.  
or
- Typical daily salt usage (frost & ice only) 15T – **resilience 20 days**

### **Level 4 (Red) Service – Stock Levels less than 250 Tonnes**

- Priority 1 carriageways reduced to half the normal spread rate or salt/grit mix at 50/50
- Treat remaining carriageway routes with sand/grit mix at 50/50
- All footway routes treated with sand/grit mix at 50/50
- Grit bins replenished with sand/grit mix.
- Typical daily salt usage (snow conditions) 20T – **resilience 12 days**  
or
- Typical daily salt usage (frost & ice only) 10T – **resilience 25 days**

Assuming 1,500 tonnes in stock at start of winter our total resilience would be either

- **Total Resilience during periods of heavy snow - 42 days**  
or  
**Total Resilience during periods of frost & ice conditions - 85 days**



## NORTH AYRSHIRE COUNCIL

### **CONTACT ADDRESS & TELEPHONE NUMBERS**

During Normal Working Hours	Outwith Normal Working Hours
<p style="text-align: center;"><b>MAINLAND</b></p> <p style="text-align: center;">Commercial Services Roads and Transportation Cunninghame House IRVINE KA12 8EE</p> <p style="text-align: center;">Tel: 01294-310000</p>	<p style="text-align: center;"><b>NORTH AYRSHIRE COUNCIL CALL CENTRE</b></p> <p style="text-align: center;">Road &amp; Lighting Faults</p> <p style="text-align: center;">24 hours, 7 days per week</p> <p style="text-align: center;">Tel: 01294 310000</p>
<p style="text-align: center;"><b>ARRAN</b></p> <p style="text-align: center;">Arran Local Office Lamlash Isle of Arran KA27 8JY</p> <p style="text-align: center;">Tel: 01770-600338 Fax: 01770-600028</p>	
<p style="text-align: center;"><b>TRUNK ROADS A78, A737 &amp; A738</b></p> <p>Scotland TranServ <b>Network Control Centre</b> 150 Polmadie Road Glasgow G5 OHD <b>Tel 0141 218 3999</b> <b>Email</b> <a href="mailto:southwestcontrol@scotlandtranserv.co.uk">southwestcontrol@scotlandtranserv.co.uk</a></p>	

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ACCT	1
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<b>East Renfrewshire Council – Head of Roads &amp; Planning</b>	1
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<b>Contact Centre, Building Services, Stevenston</b>	1
<b>Contact Centre, Bridgegate House, Irvine</b>	1

**BRIDGES WITH WEIGHT OR HEIGHT RESTRICTIONS****HEIGHT RESTRICTIONS**

Bridge Location	Grid Reference	Signed Height	
		Metric	Imperial
A737/110 : Dalry, Railway Bridge	229960 649702	3.8	12' – 6"
B706/40 : Barrmill	236834 651392	4.0	13' – 0"
B7047/10 : Meadowfoot Road, West Kilbride	220791 647032	4.7	15' – 3"
C6/10 : West Balgray	235333 642491	3.8	12' – 9"
C26/10 : South Kilruskin	220541 650473	4.4	14' – 6"
C26/20 : North Kilruskin	220423 650868	5.1	16' – 6"
U67/10 : Dubbs	228508 642006	3.0	9' – 9"
U67(A78 280) : Todhill (Dubbs Road, under A78, Kilwinning Bypass)	229175 642250	4.0	13' – 0"
U67/30 : Nethermains	230059 642199	3.6	12' – 0"
C56/30 : Moor Road	220639 652980	4.5	15' – 0"
C67/20 : Tandelhill	238174 651683	4.3	14' – 3"
C99/20 : Cockenzie	230694 646241	3.0	9' – 9"
Unc.TG/230 : Garnock View, Glengarnock	231875 653191	3.8	12' – 6"
Unc.TI/70 : Old Church Street, Irvine	213571 638800	4.1	13' – 3"

**WEIGHT RESTRICTIONS**

Bridge Location	Grid Reference	Signed Weight
B781/30 : West Kilbride, Dalry Road	221015 649062	7.5T
C5/30 : Drumbuie near Barrmill	235571 650404	7.5T
C129/20 : Floors, north of Kilmaurs	240866 641921	17T
C99/30 : Dusk Bridge, near Dalry	230599 646882	7.5T
Unc.TL/30 : Largs, May Street	220711 658602	7.5T
U16/10 : Dalgarnen Mill Bridge, north of Kilwinning, (formerly Unc.NC/30)	229571 645847	26T
Unc.NT/10 : Barrmill	236472 650997	3T
U54/30 : seven Acres Mill Bridge	233123 643810	18T

## ARRANGEMENTS WITH OTHER AUTHORITIES

ROADS TO BE TREATED BY ADJACENT AUTHORITIES	ROADS TO BE TREATED BY NORTH AYRSHIRE COUNCIL
<p style="text-align: center;"><b>Ayrshire Roads Alliance (East Ayrshire)</b></p> <p>A71 – from boundary westwards to Corsehill roundabout.</p> <p>A735 – that section within North Ayrshire boundary.</p> <p>B769 – from boundary south westwards to Chapeltoun junction.</p> <p>C129 – that section within North Ayrshire boundary.</p> <p>C20 – that section within North Ayrshire boundary.</p> <p>B706 - from boundary to A736</p> <p>C117 From Chapeltoun Bridge to Wheatrig Bridge</p> <p style="text-align: center;"><b>Roads to be Treated by Ayrshire Roads Alliance (South Ayrshire)</b></p> <p>B730 from the North Ayrshire Council boundary at the railway bridge south of Drybridge to junction Shewalton Road, Drybridge.</p>	<p style="text-align: center;"><b>South Ayrshire</b></p> <p>U107 from the South Ayrshire Council boundary at the railway bridge to A759 Auchengate Interchange.</p>
	<p style="text-align: center;"><b>East Ayrshire</b></p> <p>A736 – from Caldwell Bridge southwards to Lugton.</p> <p>A736 – from B778 junction south eastwards to Torranyard.</p> <p>C24 - from Greenhill Terrace, Knockentiber to boundary at Plann Bridge.</p> <p>C126 From Montgreenan Bridge to North Lodge.</p> <p>Knockentiber Road from boundary near Springside to junction with C24</p>
	<p style="text-align: center;"><b>Renfrewshire Council</b></p> <p>A760 – from boundary to Kerse Road junction,</p> <p>Kerse Road – from boundary to A760 junction</p>

**Note:** There are no cross boundary arrangements with East Renfrewshire Council.

**GRIT BIN POLICY & PROCEDURE**

1. North Ayrshire Council shall provide grit bins for self-help by members of the public. These shall be sited locally in accordance with this policy.
2. Grit bins shall only be located where the following criteria are met: -
  - The location is not on a precautionary carriageway route;
  - The gradient is greater than 1 in 10, or at a junction with a known history of accidents;
  - The location shall not obstruct the passage of pedestrians, a minimum of 1.5m clearance on the footway is required;
  - The location shall not obstruct sight lines;
  - The location is not within 200m of another grit bin location;
  - The location is within an urban area;
  - The location is within the boundary of the public road. Infrastructure and Design will not provide grit bins in private areas or car parks for internal use by either the Council or any other public or private property such as schools, parks, hospitals, old people's homes, etc. unless a service level agreement is in place.
3. Grit bins will only be located where they can be filled from a lorry. The grit bins shall be replenished at the start of the winter period and on a monthly cycle during the winter period, as resources permit.
4. Grit bins will generally be left in place during the summer months, unless there is a history of vandalism at a particular location.
5. The location of grit bins will be recorded in an electronic database, which will be made available on the North Ayrshire Council website.
6. Only written requests on the Council's Grit Bin Application Form will be considered, these are available from the Head of Physical Environment, Cunninghame House, Irvine, KA12 8EE, and on the Council's website.
7. A request will not be accepted unless a location to site the grit bin has been agreed. Therefore, even if the criterion for locating a grit bin is met, a grit bin will not be provided if the adjacent residents cannot agree a position. The signed agreement of adjacent residents must be included on the submitted application form, otherwise the application will not be considered.
8. Grit Bin Application forms are available on the Council's website at <http://www.north-ayrshire.gov.uk/resident/roads-and-travel/winter-gritting.aspx>

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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 17**

**14 November 2017**

#### **Cabinet**

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<b>Title:</b>	<b>Interim Ayrshire Development Board- Membership and Remit</b>
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<b>Purpose:</b>	To agree the membership and terms of reference of the Interim Ayrshire Development Board
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<b>Recommendation:</b>	It is recommended that Cabinet agrees to 3 Senior Elected Members who are appointed to the North Ayrshire Economic Development and Regeneration Board (the Leader of the Council, the Economic Portfolio holder and the Leader of the Opposition) to serve on the Interim Ayrshire Development Board; (b) to allow the Board to develop its own remit in relation to the development and governance of the Ayrshire Growth Deal, the Regional Pathfinder, the Regional Partnership for Economic Development Services and the Ayrshire Economic Strategy/Inclusive Growth Diagnostic.
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#### **1. Executive Summary**

- 1.1 On 26 September Cabinet agreed to explore options for a Regional Partnership for Economic Development Services. To support this work it was agreed to set up an Interim Ayrshire Development Board comprising senior Members of the three Ayrshire Councils. South Ayrshire Council agreed this report on 6 October 2017 and East Ayrshire Council agreed their report on 25 October 2017. This report addresses the membership and remit of this interim body.

## **2. Background**

- 2.1 As set out in the report to Cabinet of 26 September 2017, there are a number of drivers behind the creation of a Regional Partnership for Economic Development Services. These include:-
- The Ayrshire economy functions as a whole, rather than three distinct parts. To grow the economy requires closer working in an integrated manner, by the three Councils, all public agencies involved in economic development and the private sector ;
  - The Ayrshire Growth Deal will require such joint integrated working, both in terms of its governance and because a number of its component parts are pan-Ayrshire;
  - Following the Scottish Government's review of enterprise and skills, Ayrshire was selected to be a Regional Pathfinder. The review stressed the importance of all regional and regulatory bodies involved in economic development and enterprise working together in a coordinated and integrated manner;
  - Regionalisation provides economies of scale. In turn these allow the team to develop expertise in specialist areas, provides it with resilience and helps deliver financial efficiencies required to meet the scale of the impending budget challenge.
- 2.2 The development and governance of the Ayrshire Growth Deal, the Regional Pathfinder and the Regional Partnership for Economic Development Services can be complex and fast moving. Experience from other Growth Deals has been that at certain stages, Council agreement is required at short notice to enable it to progress. It is therefore important that senior Members are fully sighted on the direction of travel. The proposed Interim Ayrshire Development Board serves the purpose of ensuring that senior Members of the three Councils are aware of proposals, allows them to act as a sounding board and maximises the chances of getting consensus amongst the three Councils. The Interim Board would not have powers and any decisions would still have to be made by the three Councils.
- 2.3 As set out in the previous report, it is proposed the Interim Ayrshire Development Board comprises three Members from each of the three Ayrshire Councils. It is important that the Members serving on the Board have a sufficient level of seniority to enable it to act as a sounding board and to maximise the chances of eventual consensus.

2.4 In governance terms, the Board functions as a Working Group or Sounding Board, without any delegated powers. Accordingly, it is proposed that the Board be allowed to develop its own remit. However in broad terms, its remit would be to oversee and review the development of the following:-

- The governance arrangements for the Ayrshire Growth Deal;
- An Ayrshire Economic Strategy and/or the Inclusive Growth Diagnostic;
- The governance of the Regional Partnership for Economic Development Services- what services are included, its funding arrangements, its legal and governance structure, etc.;
- The development of integrated working with other economic and enterprise stakeholders and the private sector as part of the Regional Pathfinder.

### **3. Proposals**

3.1 It is recommended that Cabinet agrees to 3 Senior Elected Members who are appointed to the North Ayrshire Economic Development and Regeneration Board (the Leader of the Council, the Economic Portfolio holder and the Leader of the Opposition) to serve on the Interim Ayrshire Development Board; (b) to allow the Board to develop its own remit in relation to the development and governance of the Ayrshire Growth Deal, the Regional Pathfinder, the Regional Partnership for Economic Development Services and the Ayrshire Economic Strategy/Inclusive Growth Diagnostic.



#### 4. Implications

<b>Financial:</b>	To be determined at the next stage of work.
<b>Human Resources:</b>	Depending on the option chosen and the governance structure, there may be human resources and TUPE implications. These will be investigated as part of future work.
<b>Legal:</b>	A number of significant Legal and Governance issues will need to be fully addressed, including the governance structure, the most appropriate delivery vehicle, the statutory responsibility for regulatory functions etc. The Interim Ayrshire Development Board would in governance terms function as a working group or sounding board without any delegated powers. Any recommendations would still require to be approved by the three Ayrshire Councils.
<b>Equality:</b>	There are no significant equalities impact of this report.
<b>Environmental &amp; Sustainability:</b>	To be fully examined at a future stage of work.
<b>Key Priorities:</b>	<p>The proposals aim to grow a stronger Ayrshire economy, which promotes the following Council key priorities:-</p> <ul style="list-style-type: none"> <li>● Growing our economy, increasing employment and regenerating our towns;</li> <li>● Working together to develop stronger communities</li> <li>● Ensuring people have the right skills for learning, life and work.</li> </ul>
<b>Community Benefits:</b>	There are no community benefits payable in respect of this report.

## **5. Consultation**



**KAREN YEOMANS**  
Executive Director (Economy and Communities)

Reference :

For further information please contact Karen Yeomans, Executive Director on 324030

**Background Papers**

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**NORTH AYRSHIRE COUNCIL****Agenda Item 18****Cabinet****14 November 2017**

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**Title: Tax Incremental Finance**

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**Purpose:** To seek approval for the submission of a Business Case to the Scottish Government for investment in the Irvine Enterprise Area through the Tax Incremental Finance mechanism.

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**Recommendation:** Cabinet agrees that:

- a) an application for investment through a Tax Incremental Finance business case is submitted to the Scottish Government; and,
- b) authority is delegated to the Chief Executive to conclude negotiations and a legal agreement on the Tax Incremental Finance investment.

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**1. Executive Summary**

- 1.1 Officers responded to a Scottish Government request through Scottish Futures Trust for bids for Tax Incremental Finance (TIF) pilot project status in February 2017 and were subsequently informed of the success of this bid in March. TIF allows a proportion of any additional business rates income generated by the initial investment to be retained by the Council (75% proposed), to repay the capital investment required to stimulate regeneration and economic growth. At the end of the TIF period the additional rates are returned to the national pool.
- 1.2 Cabinet of 20th June 2017 was informed of the success of the TIF bid, and agreed to the development of a business case for £5M for infrastructure investment through TIF at Irvine Enterprise Area. The business case now drafted considers the financial implications, benefits and risks to the Council of additional borrowing undertaken for this investment.

- 1.3 Officers have worked with Scottish Futures Trust (SFT) to develop a financial proposal which seeks to minimise any pressure on existing Council budgets. The proposal will make a significant contribution to the next phase of i3 and IEA development and has the potential to attract new jobs to North Ayrshire. North Ayrshire has one of the lowest job density rates (0.54 jobs per person of working age) in Scotland which is a key contributor to the high levels of deprivation that exist. A TIF deal has the potential to provide a mechanism to attract and develop our strategic investment sites without existing Council resources having to be committed.

## **2. Background**

- 2.1 Tax Incremental Financing (TIF) is a means of funding public sector infrastructure considered necessary to unlock regeneration in an area, and which may otherwise be unaffordable to local authorities. The overarching goal is to support and guide the increasingly limited public finances available for assisting regeneration and to help lever in additional private sector capital.
- 2.2 When a public project is implemented within a specific area and new property and business investment occurs, this generates additional tax revenues. TIF uses additional revenue from taxes to finance the costs of the borrowing required to fund the public infrastructure improvements, that will in turn create those additional revenues. In Scotland, these additional tax revenues come from Non Domestic Rates (NDR) within a defined or 'red line' area.
- 2.3 Scottish Government (SG) Ministers are supportive of a maximum of six pilot projects to test the applicability of TIF to Scottish circumstances. There are currently four pilot projects, and SG announced in early 2017 that the remaining two TIF pilot spaces would be made available to local authorities. Officers submitted a bid for pilot project status to allow investment in the Irvine Enterprise Area in late February, and were advised of the success of this bid in March.

- 2.4 The draft business case (a summary of which is attached at Appendix 1) envisages £5M of investment in infrastructure at the IEA Strategic Investment Campus (SIC). This would build upon previous infrastructure investment undertaken by the Council and Irvine Bay Regeneration Company and would complement investment proposed through the Ayrshire Growth Deal. It would see :
- The construction of an eastern distributor road;
  - Mineshaft remedial works;
  - The creation of development platforms to piling platform specification;
  - The installation of a new gas main;
  - The installation of a new water main;
  - The installation of fibre ducts; and,
  - The extension of the gravity foul sewer main.
- 2.5 It is proposed that the investment is implemented in phases over a five year period, which will minimise risk and allow investment to be further tailored to future investment enquiries. A plan of the proposed red line area within which investment would be undertaken and rate income ring fenced, is included within Appendix 1.
- 2.6 Continued growth in the life, chemical and biotechnology manufacturing sectors is likely to see continued demand for readily developable land and there are a number of live enquires for investment in IEA. The investment required reflects the scale of market failure evident in respect of Commercial Property, as a result of which developers are unable to fund or contribute to site infrastructure.
- 2.7 IEA represents North Ayrshire's premier business location capable of facilitating inward investment and job creation in the area. Demand for space is demonstrated by recent take up of over 300,000 sq ft over a five year period within IEA, however there is a lack of modern property or serviced development plots capable of satisfying additional demand. Without public sector intervention to fund additional road and site infrastructure requirements at the SIC, speculative development is not viable and development will not take place meaning the demand for business space in the region will not be met.

2.8 Any proposal for a TIF project must demonstrate to Scottish Ministers that:

- the enabling infrastructure will unlock regeneration and sustainable economic growth;
- it will generate additional (or incremental) public sector revenues (net of a displacement effect); and
- it is capable of repaying, over an agreed timescale, the financing requirements of the enabling infrastructure from the incremental revenues

2.9 In summary the financial and economic analysis presented in the business case:

- Suggests that between 132-219 net national jobs and additional GVA of £11m-£23m per annum could be unlocked by the TIF, which would unlock or enable much needed employment and development opportunities in the area;
- Proposes a displacement rate of 25% which recognises the nature of enquiries for space at IEA. Entrants tend to be of a specialised nature, coming primarily from the life sciences industry or large start-ups arising from SDI enquiries and these are unlikely to result in any significant displacement of activity from elsewhere within North Ayrshire or Scotland.
- Presents three scenarios, a realistic, optimistic and pessimistic case. The first two show cumulative financial surpluses from the TIF investment, however the pessimistic case would result in a financial deficit. The pessimistic case represents a risk to the Council and would require any remaining borrowing costs to be funded by the Council. This is summarised as follows:

Summary outputs (30 years)	Realistic Case £'000	Optimistic Case £'000	Pessimistic Case £'000
Gross NDR income	10,842	15,533	6,043
Displacement deduction	(2,710)	(3,883)	(1,511)
<b>Net NDR income</b>	<b>8,132</b>	<b>11,650</b>	<b>4,532</b>
Infrastructure Costs funded from NDR	147	133	30
Financing cost	(6,932)	(6,924)	(7,118)
<b>Cumulative surplus (deficit) after financing</b>	<b>1,053</b>	<b>4,591</b>	<b>(2,616)</b>
Max funding requirement to support borrowings in early years	219	177	237

- There will be a requirement for additional funding in the early years of this project and it is proposed that the revenues from commercial and industrial developments at i3 and currently under construction be used to off-set any requirement. This will be subject to securing tenants and achieving the projected income.
- Further financial information are considered in section 4 of the report and in Appendix 1 and 2 of the report.

2.10 The Council has worked closely with SFT to present a viable TIF proposal to the Scottish Government. The TIF includes a series of assumptions including a timeframe of 30 years which is greater than the standard 25 years typically adopted for TIF, a 1% NDR growth rate and a 25% displacement rate, both rates being at the low end of the typical scale for TIF. The proposal, and in particular these assumptions, will be subject to Scottish Government review after which the Council, SFT and Scottish Government will work towards a final TIF agreement that suits all parties.

2.11 It is proposed that authority to conclude negotiations on the business case is delegated to the Chief Executive, unless there are material changes to the financial assumptions presented to Cabinet. Should the TIF Business Case be approved, the investment would require to be commenced within a period of six months of SG approval. Officers would continue to work to optimise the timing of infrastructure spend to reflect circumstances going forward.

### **3. Proposals**

3.1 It is proposed that Cabinet agree that:

- a) an application for investment through a Tax Incremental Finance business case is submitted to the Scottish Government; and,
- b) authority is delegated to the Chief Executive to conclude negotiations and a legal agreement on the Tax Incremental Finance investment.

#### 4. Implications

<b>Financial:</b>	<p>The investment proposed by this project will be funded by borrowing, on the assumption that the additional non domestic rates income secured from this site will be used to fund any financing costs. The ability to fully fund this from additional non domestic rates is dependent on the level of new build investment on the site. The business case provides sensitivity analysis for three scenarios which identify the risks to the viability of the TIF and the risk to the Council. This is summarised in the table at 2.9.</p> <p>The project will require revenue funding in the early years to support borrowing costs until sufficient income streams are generated. The maximum shortfall required for each scenario is outlined below and this would be repaid by the project in later years under the optimistic and realistic scenario, but not in the pessimistic scenario. It is proposed to fund this revenue contribution from the additional rental income which is due to be secured from the developments at Annickbank and Riverside Way within the IEA. The total estimated rental value of these units if c.£300,000 per annum. It is proposed that any annual funding shortfall is funded by income received from these units, thus avoiding any impact on other revenue budgets.</p> <table><tr><th><u>Scenario</u></th><th><u>Early Years Deficit Funding</u></th><th><u>Maximum Annual Deficit</u></th></tr><tr><td>Realistic</td><td>£1,349,000 over 14 years</td><td>£219,000</td></tr><tr><td>Pessimistic</td><td>£2,616,000 over 24 years</td><td>£237,000</td></tr><tr><td>Optimistic</td><td>£462,000 over 8 years</td><td>£177,000</td></tr></table>	<u>Scenario</u>	<u>Early Years Deficit Funding</u>	<u>Maximum Annual Deficit</u>	Realistic	£1,349,000 over 14 years	£219,000	Pessimistic	£2,616,000 over 24 years	£237,000	Optimistic	£462,000 over 8 years	£177,000
<u>Scenario</u>	<u>Early Years Deficit Funding</u>	<u>Maximum Annual Deficit</u>											
Realistic	£1,349,000 over 14 years	£219,000											
Pessimistic	£2,616,000 over 24 years	£237,000											
Optimistic	£462,000 over 8 years	£177,000											
<b>Human Resources:</b>	<p>There are no Human Resource implications arising from the report</p>												
<b>Legal:</b>	<p>Should the business case be approved by Scottish Government, the implementation of the TIF investment would be governed by a legal agreement between the Council and Scottish Government. This would provide the Council with the ability to ring fence non domestic rate income from an agreed area within which capital investment is undertaken, and compel the Council to monitoring and reporting procedures.</p>												



<b>Equality:</b>	There are no equality implications arising from the report
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	This proposal supports the Council Plan core priority 1 – 'Growing our economy, increasing employment and regenerating towns'
<b>Community Benefits:</b>	Any construction contracts let will see the provision of appropriate community benefit in line with the Council's community benefit policy.

## 5. Consultation

- 5.1 Consultation has been undertaken with the Council's Finance section and officers at Scottish Futures Trust.



KAREN YEOMANS  
Executive Director (Economy and Communities)

### Reference :

For further information please contact John Adam, Enterprise Area Manager on 01294 324705

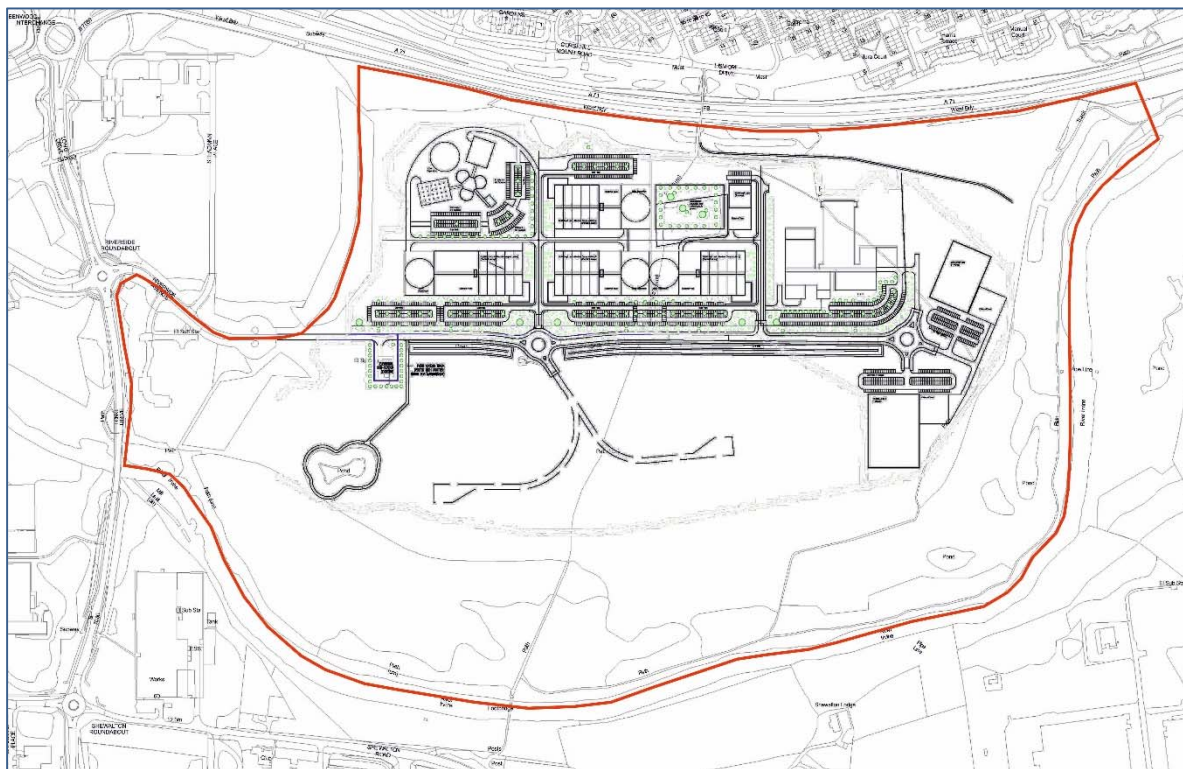
### Background Papers

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## Appendix 1 – Principles of Business Case

The TIF proposals are set within the i3 Irvine Enterprise Area's Strategic Investment Campus and align with its associated masterplan. The Campus comprises some 37 ha (90 Acres) of flat development land with road access along its length as illustrated below.

### NAC Ownership/Proposed TIF 'red line'



Prior to being owned by North Ayrshire Council the site was overgrown with scrub and trees, undulating in nature and inaccessible. Understandably the site had attracted no interest from potential investors over a considerable period of time, given its lack of physical infrastructure or active promotion. However, since Irvine Bay URC and North Ayrshire Council have invested in the area by levelling and clearing the site and providing a 600m access road there has been tentative interest from a number of potential occupiers.

Although the works carried out to date have assisted in bringing the site to the notice of SDI, SE and a number of potential occupiers, there is still work to do to make the site commercially attractive. The works we intend to carry out under TIF will be designed to create developable building plots that are capable of delivering an immediate site start. This combined with Enterprise Area status and the planning protocol is an attractive offer to a section of the market. Consequently the works will de-risk the site and reduce timescales by addressing constraints and bringing services into the site. The works will fall into a number of phases as indicated below:

1. Design and detailed planning phase
2. Consultation with utility providers
3. Procurement phase
4. Implementation phase

and, include the following works;

- Construction of an eastern distributor road
- Mineshaft remedial works
- Create development platforms to piling platform specification
- Install new gas main
- Install new water main
- Install fibre ducts
- Extend new gravity foul sewer main

The Strategic Investment Campus (SIC) is capable of accommodating some 700,000 to 900,000 sf. ft. of single storey development. NAC recently commissioned a property market assessment report from Ryden, property consultants, whose findings determine there is demand for modern high quality business space in Ayrshire as follows;

*It is evident that there is demand within Ayrshire for modern, high quality business space from occupiers within the sectors mentioned above. Based on existing property requirements, we forecast a potential requirement, over five years, for:*

- 48,000 sq m of general industrial space
- 42,000 sq m of life sciences space
- 50,000 sq m of aerospace space

Source: Ayrshire Growth Deal Property Market Assessment (Ryden, Aug 2017)

Consequently, there is evidence to suggest that there will be substantial remaining demand for private development within the land area outlined by the TIF. However, this demand is for ready to occupy buildings with demand for development land considered to be notably less and likely to be driven by inward investment.

### **Additional Development/Investment Created by TIF**

The proposed TIF red line area, at some 21ha (52 acres), is capable of accommodating the projected level of demand evident within the recent Ryden property market assessment report.

Demand is expected from the life science and biotechnology manufacturing sectors. Currently there is evidence of demand from these sectors. A schedule of current active enquiries is illustrated below.

Origin	Description	Size m2	Comments
MMIC	Medicines innovation centre	4,000 to 6,000	i3 shortlisted as one of three potential Scottish Locations
Scottish start-up with foreign funding	Life Science manufacturing	3,000	Exclusivity offered on 3,000 m2 Gateway building
Scottish start-up with foreign funding	Biotechnology manufacturing	5,000	Currently considering GSK site within Enterprise Area
SDI enquiry North American	Life science manufacturing	20,000	Chose i3 as preferred option after European search - ongoing

Data Centre 1 Developer enquiry	Speculative space for third party use	5,000 – 15,000	Recent enquiry by developer active in UK
Data Centre 2 UK Agent	Owner occupier enquiry	5,000 – 25,000	Agent search for west central Scotland site

It is evident that the SIC is capable of attracting initial interest. However, it currently fails to convert these interests into investment due to the cost and timescale associated with removing the constraints to development. The TIF will allow NAC to invest in removing these constraints and so convert current private sector interest into private sector development.

### Infrastructure Investment Plan

We have presented three scenarios for consideration within the business case. In all three scenarios, the infrastructure costs are assumed to be £5m in total. The table below shows the assumed phasing of the infrastructure costs shown by the three scenarios.

Scenario	2018	2019	2020	2021	2022	Total
Realistic Case (£000)	231	1,655	1,212	993	764	<b>4,855</b>
Optimistic Case (£000)	231	1,891	1,212	1,490		<b>4,824</b>
Pessimistic Case (£000)	231	1,182	1,212	1,490	764	<b>4,879</b>

### Financial Case/Programme

At this stage, cost estimates have been provided by the contractor who built the existing access road and who is currently bringing drainage infrastructure to the edge of the site. Consequently the costs are current and have been developed in light of the circumstances of the site. Detailed costs will be developed in light of our chosen procurement strategy on completion of design. At this stage the costs reflect the risks and characteristics of the current construction market.

The programme for development is phased over 5 years to allow for design development and to mitigate the potential early investment proposed in the Ayrshire Growth Deal. However, if this fails to materialise then the TIF programme could be accelerated.

The employment opportunities for local people and the Gross Value Added (“GVA”) to the Scottish economy makes a case for investment in the NAC TIF. The different options have the potential to deliver over the lifetime of the project.

Scenario	Additional gross jobs No.	Net national job impact No.	GVA £000
Realistic	581	219	18,849
Optimistic	735	278	23,369
Pessimistic	348	132	11,070

We assume that initial demand for build on the TIF site would be pushed out within the 30 year period, and may require to be built out at a slower pace. For this reason, we have identified three possible build out scenarios.

The total build out proposed is set-out below.

Scenario	Business Space
Realistic Case	18,116 sqm
Optimistic Case	23,690 sqm
Pessimistic Case	10,684 sqm

## Financial outputs

A comparison of key aspects of the three build out options is shown below.

Summary outputs (30 years)	Realistic Case £'000	Optimistic Case £'000	Pessimistic Case £'000
Gross NDR income	10,842	15,533	6,043
Displacement deduction	(2,710)	(3,883)	(1,511)
<b>Net NDR income</b>	<b>8,131</b>	<b>11,650</b>	<b>4,532</b>
Financing cost	(6,932)	(6,924)	(7,118)
<b>Cumulative surplus (deficit) after financing</b>	<b>1,053</b>	<b>4,590</b>	<b>(2,616)</b>

The scenarios modelled demonstrate that cumulative surpluses are expected within the Realistic and Optimistic Cases, however, there are cash shortfalls in the earlier years of the TIF. As such, we will budget to provide financial support over and above the infrastructure debt financing to cover the shortfalls with surpluses then returned in the later years. However, we highlight that should the SFT agree to our TIF proposal in principle, further work is required to refine the financial projections and minimise any shortfall.

All funding will be provided by North Ayrshire Council through PWLB borrowing. At this stage, we have not identified any other potential funding sources such as s.75. This represents a potential upside for the TIF which may materialise in due course.

There will be no request for underwriting or guarantees at a Government level. All funding will be provided by North Ayrshire Council through PWLB borrowing. We do not anticipate further support will be requested from government.

The TIF has potential to attract significant investment and consequently potential to attract NDR beyond what is required to make the investment viable. Should this situation arise then NAC would be required to share any surplus income with Scottish Government through the TIF agreement.

## Appendix 2 TIF cashflow extract

### 1. Updated assumptions, showing i3 income (NDR growth at 1%, Displacement at 25%, 30 year TIF period)

	Year Total £'000	1 Mar-18 £'000	2 Mar-19 £'000	3 Mar-20 £'000	4 Mar-21 £'000	5 Mar-22 £'000	6 Mar-23 £'000	7 Mar-24 £'000	8 Mar-25 £'000	9 Mar-26 £'000	10 Mar-27 £'000	11 Mar-28 £'000	12 Mar-29 £'000	13 Mar-30 £'000	14 Mar-31 £'000	15 Mar-32 £'000
<b>Scenario A TIF Realistic financing</b>																
Infrastructure capital cost	(4,854)	(231)	(1,655)	(1,212)	(993)	(764)	-	-	-	-	-	-	-	-	-	-
Infrastructure funding requirement	(4,854)	(231)	(1,655)	(1,212)	(993)	(764)	-	-	-	-	-	-	-	-	-	-
<b>TIF Revenue</b>																
Gross NDR income	10,842	-	-	-	78	118	119	160	162	204	206	250	253	298	301	347
Displacement	(2,710)	-	-	-	(19)	(29)	(30)	(40)	(40)	(51)	(52)	(63)	(63)	(74)	(75)	(87)
Net NDR income	8,131	-	-	-	58	88	89	120	121	153	155	188	190	223	226	260
Total Revenue	8,131	-	-	-	58	88	89	120	121	153	155	188	190	223	226	260
Cash flow prior to funding	3,277	(231)	(1,655)	(1,212)	(935)	(675)	89	120	121	153	155	188	190	223	226	260
Debt drawn down	(4,707)	(231)	(1,655)	(1,212)	(935)	(675)	-	-	-	-	-	-	-	-	-	-
Cash flow after funding	7,985	-	-	-	-	-	89	120	121	153	155	188	190	223	226	260
Total financing payments	(6,932)	-	(12)	(100)	(166)	(219)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(257)
Cash flow post funding	1,053	-	(12)	(100)	(166)	(219)	(168)	(137)	(136)	(104)	(103)	(70)	(68)	(34)	(32)	3
Other income (i3 income)	3,395	20	105	235	270	305	305	305	305	305	305	285	120	70	230	230
Cash flow post funding incl i3 income	4,448	20	93	135	104	86	137	168	169	201	202	215	52	36	198	233
Revenue gap excl i3 income (peak cashflow shortfall)	(1,348)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue gap incl i3 income (peak cashflow shortfall)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Scenario B TIF Optimistic financing</b>																
Infrastructure capital cost	(4,823)	(231)	(1,891)	(1,212)	(1,490)	-	-	-	-	-	-	-	-	-	-	-
Infrastructure funding requirement	(4,823)	(231)	(1,891)	(1,212)	(1,490)	-	-	-	-	-	-	-	-	-	-	-
<b>TIF Revenue</b>																
Gross NDR income	15,533	-	-	39	143	223	278	321	324	368	372	417	421	468	473	521
Displacement	(3,883)	-	-	(10)	(36)	(56)	(69)	(80)	(81)	(92)	(93)	(104)	(105)	(117)	(118)	(130)
Net NDR income	11,650	-	-	29	107	167	208	240	243	276	279	313	316	351	355	391
Total Revenue	11,650	-	-	29	107	167	208	240	243	276	279	313	316	351	355	391
Cash flow prior to funding	6,827	(231)	(1,891)	(1,183)	(1,383)	167	208	240	243	276	279	313	316	351	355	391
Debt drawn down	(4,688)	(231)	(1,891)	(1,183)	(1,383)	-	-	-	-	-	-	-	-	-	-	-
Cash flow after funding	11,514	-	-	-	-	167	208	240	243	276	279	313	316	351	355	391
Total financing payments	(6,924)	-	(12)	(113)	(177)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)
Cash flow post funding	4,590	-	(12)	(113)	(177)	(88)	(46)	(14)	(12)	21	24	58	61	96	100	136
Other income	3,395	20	105	235	270	305	305	305	305	305	305	285	120	70	230	230
Cash flow post funding incl i3 income	7,985	20	93	122	93	217	259	291	293	326	329	343	181	166	330	366
Revenue gap excl i3 income (peak cashflow shortfall)	(462)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue gap incl i3 income (peak cashflow shortfall)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Scenario C TIF Pessimistic financing</b>																
Infrastructure capital cost	(4,878)	(231)	(1,182)	(1,212)	(1,490)	(764)	-	-	-	-	-	-	-	-	-	-
Infrastructure funding requirement	(4,878)	(231)	(1,182)	(1,212)	(1,490)	(764)	-	-	-	-	-	-	-	-	-	-
<b>TIF Revenue</b>																
Gross NDR income	6,043	-	-	-	-	39	40	80	81	95	96	125	126	156	158	188
Displacement	(1,511)	-	-	-	-	(10)	(10)	(20)	(20)	(24)	(24)	(31)	(32)	(39)	(39)	(47)
Net NDR income	4,532	-	-	-	-	29	30	60	61	72	72	94	95	117	118	141
Total Revenue	4,532	-	-	-	-	29	30	60	61	72	72	94	95	117	118	141
Cash flow prior to funding	(346)	(231)	(1,182)	(1,212)	(1,490)	(734)	30	60	61	72	72	94	95	117	118	141
Debt drawn down	(4,848)	(231)	(1,182)	(1,212)	(1,490)	(734)	-	-	-	-	-	-	-	-	-	-
Cash flow after funding	4,503	-	-	-	-	-	30	60	61	72	72	94	95	117	118	141
Total financing payments	(7,118)	-	(12)	(75)	(141)	(224)	(267)	(267)	(267)	(267)	(267)	(267)	(267)	(267)	(267)	(267)
Cash flow post funding	(2,616)	-	(12)	(75)	(141)	(224)	(237)	(207)	(206)	(195)	(194)	(173)	(172)	(150)	(148)	(126)
Other income	3,395	20	105	235	270	305	305	305	305	305	305	285	120	70	230	230
Cash flow post funding incl i3 income	779	20	93	160	129	81	68	98	99	110	111	112	(52)	(80)	82	104
Revenue gap excl i3 income (peak cashflow shortfall)	(2,861)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue gap incl i3 income (peak cashflow shortfall)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Year Total £'000	16 Mar-33 £'000	17 Mar-34 £'000	18 Mar-35 £'000	19 Mar-36 £'000	20 Mar-37 £'000	21 Mar-38 £'000	22 Mar-39 £'000	23 Mar-40 £'000	24 Mar-41 £'000	25 Mar-42 £'000	26 Mar-43 £'000	27 Mar-44 £'000	28 Mar-45 £'000	29 Mar-46 £'000	30 Mar-47 £'000
<b>Scenario A TIF Realistic financing</b>																
Infrastructure capital cost	(4,854)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure funding requirement	(4,854)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TIF Revenue</b>																
Gross NDR income	10,842	351	398	402	452	456	507	512	564	570	623	630	685	692	748	756
Displacement	(2,710)	(88)	(100)	(101)	(113)	(114)	(127)	(128)	(141)	(142)	(156)	(157)	(171)	(173)	(187)	(189)
Net NDR income	8,131	263	299	302	339	342	380	384	423	427	467	472	514	519	561	567
<b>Total Revenue</b>	<b>8,131</b>	<b>263</b>	<b>299</b>	<b>302</b>	<b>339</b>	<b>342</b>	<b>380</b>	<b>384</b>	<b>423</b>	<b>427</b>	<b>467</b>	<b>472</b>	<b>514</b>	<b>519</b>	<b>561</b>	<b>567</b>
Cash flow prior to funding	3,277	263	299	302	339	342	380	384	423	427	467	472	514	519	561	567
Debt drawn down	(4,707)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow after funding	7,985	263	299	302	339	342	380	384	423	427	467	472	514	519	561	567
Total financing payments	(6,932)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(257)	(257)
<b>Cash flow post funding</b>	<b>1,053</b>	<b>6</b>	<b>41</b>	<b>44</b>	<b>81</b>	<b>85</b>	<b>123</b>	<b>127</b>	<b>166</b>	<b>170</b>	<b>210</b>	<b>215</b>	<b>256</b>	<b>261</b>	<b>304</b>	<b>309</b>
Other income (i3 income)	3,395	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash flow post funding incl i3 income</b>	<b>4,448</b>	<b>6</b>	<b>41</b>	<b>44</b>	<b>81</b>	<b>85</b>	<b>123</b>	<b>127</b>	<b>166</b>	<b>170</b>	<b>210</b>	<b>215</b>	<b>256</b>	<b>261</b>	<b>304</b>	<b>309</b>
Revenue gap excl i3 income (peak cashflow shortfall)	(1,348)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue gap incl i3 income (peak cashflow shortfall)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Scenario B TIF Optimistic financing</b>																
Infrastructure capital cost	(4,823)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure funding requirement	(4,823)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TIF Revenue</b>																
Gross NDR income	15,533	526	576	581	632	639	691	698	752	760	815	823	880	889	948	957
Displacement	(3,883)	(132)	(144)	(145)	(158)	(160)	(173)	(175)	(188)	(190)	(204)	(206)	(220)	(222)	(237)	(239)
Net NDR income	11,650	395	432	436	474	479	518	524	564	570	611	617	660	667	711	718
<b>Total Revenue</b>	<b>11,650</b>	<b>395</b>	<b>432</b>	<b>436</b>	<b>474</b>	<b>479</b>	<b>518</b>	<b>524</b>	<b>564</b>	<b>570</b>	<b>611</b>	<b>617</b>	<b>660</b>	<b>667</b>	<b>711</b>	<b>718</b>
Cash flow prior to funding	6,827	395	432	436	474	479	518	524	564	570	611	617	660	667	711	718
Debt drawn down	(4,688)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow after funding	11,514	395	432	436	474	479	518	524	564	570	611	617	660	667	711	718
Total financing payments	(6,924)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)	(255)
<b>Cash flow post funding</b>	<b>4,590</b>	<b>140</b>	<b>177</b>	<b>181</b>	<b>220</b>	<b>224</b>	<b>264</b>	<b>269</b>	<b>309</b>	<b>315</b>	<b>357</b>	<b>363</b>	<b>406</b>	<b>412</b>	<b>456</b>	<b>463</b>
Other income	3,395	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash flow post funding incl i3 income</b>	<b>7,985</b>	<b>140</b>	<b>177</b>	<b>181</b>	<b>220</b>	<b>224</b>	<b>264</b>	<b>269</b>	<b>309</b>	<b>315</b>	<b>357</b>	<b>363</b>	<b>406</b>	<b>412</b>	<b>456</b>	<b>463</b>
Revenue gap excl i3 income (peak cashflow shortfall)	(462)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue gap incl i3 income (peak cashflow shortfall)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Scenario C TIF Pessimistic financing</b>																
Infrastructure capital cost	(4,878)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure funding requirement	(4,878)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TIF Revenue</b>																
Gross NDR income	6,043	190	221	224	256	258	292	295	329	332	368	371	408	412	449	454
Displacement	(1,511)	(47)	(55)	(56)	(64)	(65)	(73)	(74)	(82)	(83)	(92)	(93)	(102)	(103)	(112)	(113)
Net NDR income	4,532	142	166	168	192	194	219	221	247	249	276	278	306	309	337	340
<b>Total Revenue</b>	<b>4,532</b>	<b>142</b>	<b>166</b>	<b>168</b>	<b>192</b>	<b>194</b>	<b>219</b>	<b>221</b>	<b>247</b>	<b>249</b>	<b>276</b>	<b>278</b>	<b>306</b>	<b>309</b>	<b>337</b>	<b>340</b>
Cash flow prior to funding	(346)	142	166	168	192	194	219	221	247	249	276	278	306	309	337	340
Debt drawn down	(4,848)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow after funding	4,503	142	166	168	192	194	219	221	247	249	276	278	306	309	337	340
Total financing payments	(7,118)	(267)	(267)	(267)	(267)	(267)	(267)	(267)	(267)	(267)	(267)	(267)	(267)	(267)	(267)	(267)
<b>Cash flow post funding</b>	<b>(2,616)</b>	<b>(124)</b>	<b>(101)</b>	<b>(99)</b>	<b>(75)</b>	<b>(73)</b>	<b>(48)</b>	<b>(46)</b>	<b>(20)</b>	<b>(17)</b>	<b>9</b>	<b>12</b>	<b>39</b>	<b>42</b>	<b>70</b>	<b>73</b>
Other income	3,395	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash flow post funding incl i3 income</b>	<b>779</b>	<b>(124)</b>	<b>(101)</b>	<b>(99)</b>	<b>(75)</b>	<b>(73)</b>	<b>(48)</b>	<b>(46)</b>	<b>(20)</b>	<b>(17)</b>	<b>9</b>	<b>12</b>	<b>39</b>	<b>42</b>	<b>70</b>	<b>73</b>
Revenue gap excl i3 income (peak cashflow shortfall)	(2,861)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue gap incl i3 income (peak cashflow shortfall)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-