



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

## North Ayrshire Council

A Special Meeting of the **North Ayrshire Council** of North Ayrshire Council will be held in the **Council Chambers, Ground Floor, Cunninghame House, Irvine, KA12 8EE** on **Wednesday, 28 February 2018** at **11:30** to consider the undernoted business.

**Please note: It is anticipated that a recess will take place during item 3 to allow Elected Members the opportunity for consideration of the budget options available to them.**

**1 Apologies**

**2 Declarations of Interest**

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

**3 General Services Revenue Estimates 2018/19 to 2020/21**

Submit report by the Executive Director (Finance and Corporate Support) on the Council's revenue spending requirements and anticipated funding for 2018/19 to 2020/21; the level of reserves and fund balances held by the Council; and options to address the funding gap (copy enclosed).

**4 Capital Investment Programme 2018/19 to 2027/28**

Submit report by the Executive Director (Finance and Corporate Support) on the draft Capital Investment Programme to 2027/28 (copy enclosed).

**5 Treasury Management and Investment Strategy 2018/19**

Submit report by the Executive Director (Finance and Corporate Support) on the proposed Strategy for Treasury Management and Investment activities within the Council for the financial year 2018/19 (copy enclosed).

**6 Revenue Estimates 2018/19 – Common Good Funds and Trusts**

Submit report by the Executive Director (Finance and Corporate Support) on the anticipated annual income and expenditure of the Common Good Funds and Trusts administered by North Ayrshire Council (copy enclosed).

**Webcasting**

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## North Ayrshire Council Sederunt

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Ian Clarkson (Provost)  
Robert Barr (Depute Provost)  
John Bell  
Timothy Billings  
Joy Brahim  
Marie Burns  
Joe Cullinane  
Scott Davidson  
Anthea Dickson  
John Easdale  
Todd Ferguson  
Robert Foster  
Scott Gallacher  
Alex Gallagher  
Margaret George  
John Glover  
Tony Gurney  
Alan Hill  
Christina Larsen  
Shaun Macaulay  
Jean McClung  
Ellen McMaster  
Ronnie McNicol  
Louise McPhater  
Davina McTiernan  
Tom Marshall  
Jimmy Miller  
Jim Montgomerie  
Ian Murdoch  
Donald Reid  
Donald L Reid  
Angela Stephen  
John Sweeney

Chair:

Apologies:

Attending:

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**NORTH AYRSHIRE COUNCIL**
**28 February 2018**
**North Ayrshire Council**


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<b>Title:</b>	<b>General Services Revenue Estimates 2018/19 to 2020/21</b>
<b>Purpose:</b>	To advise Council on (a) the Council's revenue spending requirements and anticipated funding for 2018/19 to 2020/21; (b) the level of reserves and fund balances held by the Council and (c) options to address the funding gap.
<b>Recommendation:</b>	That Council: <ul style="list-style-type: none"> <li>a) notes the anticipated funding available to meet expenditure requirements;</li> <li>b) approves the Council's expenditure requirements for 2018/19 and notes the indicative requirements for 2019/20 and 2020/21;</li> <li>c) notes the level of reserves and fund balances held by the Council and approves any contributions to / from these;</li> <li>d) agrees the contribution to the IJB subject to the condition noted at 1.10;</li> <li>e) agrees efficiencies and savings to ensure a balanced budget for 2018/19, consequentials and new proposals in future years;</li> <li>f) agrees increases to Council fees and charges;</li> <li>g) determines the level of Council Tax for 2018/19;</li> <li>h) notes the anticipated funding gap for 2019/20 and 2020/21;</li> <li>i) considers the equality impact of any proposed service changes;</li> <li>j) approves the budget matrix for 2018/19.</li> </ul>

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**1. Executive Summary**

- 1.1 Section 93 of the Local Government Finance Act 1992 requires Councils to determine the levels of expenditure to be incurred in the forthcoming financial year, and thereafter to set a level of council tax sufficient to cover any unfunded balance. Accordingly Council is obliged by statute to set a budget to ensure that it is able lawfully to set its council tax by 11 March.
- 1.2 This report provides Members with an overview of the Council's anticipated financial position on the General Fund revenue budget for the next three financial years, 2018/19 to 2020/21. It also sets out the information required to enable the Council to set its budget for 2018/19.

- 1.3 A number of Members' seminars were held between December 2017 and February 2018. This allowed officers to provide Members with information on the financial pressures faced by the Council and options to reduce expenditure to ensure priority services are delivered within available resources.

### **Revenue Budget**

- 1.4 When the Council set its budget for 2017/18 on 1 March 2017 the decisions taken resulted in a balanced budget for 2017/18 with indicative funding gaps of £20.173m and £15.270m for 2018/19 and 2019/20 respectively, based on an anticipated reduction of 3.5% to core grant.
- 1.5 The Long Term Financial Outlook (LTFO) was presented to Council at its meeting on 4 October 2017. The LTFO set out the anticipated financial challenge that the Council could face over the ten year period 2018/19 to 2027/28.
- 1.6 The Medium Term Financial Plan for 2018/19 to 2020/21 builds on the analysis within the LTFO. The proposal in this report provides a balanced budget for 2018/19 with indicative funding gaps remaining for 2019/20 and 2020/21 of £15.380m and £9.371m respectively. A summary of the assumptions underpinning this is provided at 2.11.2.
- 1.7 Detail is provided at 2.5 on the anticipated level of earmarked and unearmarked reserves with unearmarked reserves remaining at the minimum level of 2% equal to £6.624m and earmarked reserves of £17.199m aligning with anticipated future commitments. This represents a reduction of £8.226m on reserves relative to the position as at March 2017
- 1.8 The report notes the main financial risks that require to be kept under review to ensure the Council remains financially sustainable, a key focus for the Council's external auditors.

### **Health and Social Care Partnership**

- 1.9 The Director of the Health and Social Care Partnership (HSCP) has provided Members with information on pressures and potential savings options to inform the proposed net investment in the Partnership. This information is not detailed within the Council's budget proposal on the basis that the final position will be determined by the Integration Joint Board (IJB). The proposed contribution for 2018/19 is £3.775m with further additional Scottish Government funding of £1.858m to meet new policy commitments being passported through to the Partnership. Indicative contributions for 2019/20 and 2020/21 are £2.523m and £3.263m respectively.
- 1.10 The Integration Scheme approved by Scottish Ministers states that following determination of the Council and NHS payment to the IJB, the IJB will refine its Strategic Plan to take account of the totality of resources available. Accordingly, in making the contributions noted above, Council requires the IJB to confirm it will align its Strategic Plan to available funding and take steps to ensure no further overspend occurs in 2018/19.

## **2. Background**

### **2.1 Financial Context**

2.1.1 The Long Term Financial Outlook for the Council for the 10 year period 2018/19 to 2027/28 was considered by Council at its meeting on 4 October 2017. The report outlined;

- the strategic financial framework;
- global and national economic performance;
- factors affecting Scottish Government funding and funding for Local Government;
- local and national issues for North Ayrshire including the current and anticipated demographic profile, employment, levels of deprivation and the impact of these on the Council's income and cost base;
- the financial outlook for North Ayrshire including funding anticipated from Government Grant and Council Tax;
- a review of the Council's balance sheet including assets, debt, future liabilities and reserves;
- the strategic response required by the Council to ensure future financial sustainability.

2.1.2 The Council's medium term financial plan 2018/19 to 2020/21 aligns with the Long Term Financial Outlook.

2.1.3 Recent Bank of England commentary suggests that UK growth is expected to slow further in 2018 as public spending cuts and Brexit-related uncertainty weigh on the economy. Unemployment is expected to remain close to its equilibrium rate of around 4.5 percent in the near term although wage growth is likely to remain low, resulting in falling real wages. CPI inflation is forecast to fall towards the Bank of England's 2% target over the next year, easing the squeeze on households' finances. Business investment and exports are likely to be supported by the pickup in global growth with interest rates set to rise slowly.

2.1.4 In addition to economic performance, other factors which influence the availability of funding for core local government services include:

- Protection of Health (above inflation) and Police (in line with inflation)
- Lifting the 1% public sector pay cap;
- Planned introduction of free personal care for under 65s;
- Education Governance Review; and
- Expansion of Early Learning and Child Care.

### **2.2 Funding**

#### **Local Government Settlement**

2.2.1 The Draft Scottish Government (SG) Budget for 2018/19 was published on 14 December 2017. The Local Government Settlement included baselining the £130m of the additional funding made available in 2017/18. The allocation is for a single year only, impacting on

the ability of the Council to develop robust medium and longer term financial plans. Funding support from the Scottish Government comprises:

- general revenue grant;
- non domestic rate income; and
- specific grant.

Additional resources to support health and social care are available from the SG Health portfolio with specific grant for the expansion of Early Learning and Childcare included within the SG Education and Skills portfolio.

- 2.2.2 Following publication of the Finance Circular an error was identified in the calculation of the Floor, the mechanism which ameliorates significant change in the allocation of resources to individual local authorities. A revision to the Floor was issued on 23 January with North Ayrshire's grant being reduced by a further £1.398m,
- 2.2.3 On 31 January 2018, as part of the first stage debate of the Finance Bill, the Scottish Government announced an additional £159.5m for Local Government, North Ayrshire's share of this was £4.278m. Projections for 2019/20 and 2020/21 assume that these additional funds are recurring and will form part of the base settlement.
- 2.2.4 The provisional settlement is subject to Parliamentary approval. Stage 3 of the Scottish Budget Bill was approved on the 21<sup>st</sup> February with the Local Government Order being debated on the 6<sup>th</sup> March.
- 2.2.5 North Ayrshire Council's anticipated Scottish Government funding support for 2018/19, including the adjustments noted above is £272.001m and is subject to the requirements outlined in 2.2.8.
- 2.2.6 The initial Settlement was a reduction of £4.140m (1.5%) in the core funding when compared to the 2017/18 settlement. This has been offset by the additional funding of £4.278m, giving an overall increase of £0.138m (0.05%). In addition to the core funding, £3.208m has been received to meet the cost of new national expenditure requirements including;
- Health and Social Care Partnership to extend the living wage to sleepovers, uplift free personal and nursing care payments and implement the Carers Act;
  - Meeting the full year cost of the 1% Teachers Pay uplift, effective from 1 January 2018;
  - Final tranche of funding to support the expansion of Early Learning and Child Care to 600 hours;
  - Support for Homeless Services.

A number of resource allocations have not yet been confirmed. The expected funding for North Ayrshire is:

- £0.734m in respect of the teachers induction scheme;
- £1.339m in respect of Discretionary Housing Payments. As in previous years, it is assumed that the cost of under occupation will be met in full by the Scottish Government;

- The share of £52.2m available for the expansion of Early Learning and Childcare.

2.2.7 The Council will also receive allocations in respect of a number of ring fenced funds which have not yet been distributed including;

- Community Justice (£86.450m);
- the expansion of early learning and childcare to 1,140 hours (£52.2m).

2.2.8 The Scottish Government's grant offer is based on the assumption that Councils will raise council tax by a maximum of 3%. While it is stated to be sanction free, the Minister has indicated that any Council not agreeing to certain priorities, particularly priorities which have received extra funding, would receive a lesser settlement. The financial impact, should the Council choose not to accept these measures, is not known. The measures which authorities are required to agree to in return for the full funding outlined in the Settlement include:

- nationally maintaining the overall pupil : teacher ratio at 13.7, excluding teachers funded through the Attainment Fund and Pupil Equity Fund, with £88m being contained within the Settlement in support of this; consideration is being given on how data on vacancies and unfilled posts can be measured as part of this commitment, places are also required for all relevant probationers; and
- continuing to prioritise financial support for social care.

2.2.9 For 2019/20 the assumption is that the level of core grant support will reduce by 3% with flat cash in 2020/21 with reductions anticipated in both years in respect of distribution, total reductions of £9.377m and £4.468m respectively. Each 1% shift in core grant equates to £2.700m.

## **2.3 Council Tax**

2.3.1 For the second year, local authorities have discretion to increase Council Tax. The Scottish Government's financial settlement is based on an assumption that Councils will increase council tax by a maximum of 3%. Section 74 of the 1992 Act sets the proportions payable by each council tax band. Accordingly while Council can apply a standard percentage increase across all Council tax bands, it cannot vary the percentage increase between bands.

2.3.2 Based on budgeted collection rates of 96.5%, the total estimated Council Tax Income, excluding Council Tax for second homes, for 2018/19 is £52.552m, after applying the council tax reduction scheme. Further increases of 3% per annum and other adjustments in 2019/20 and 2020/21 will increase Council Tax income to £54.411m and £56.333m, respectively. The additional income includes:

- Anticipated growth in the Council Tax base of £0.097m for 2018/19, £0.289m for 2019/20 and £0.297m for 2020/21;
- The proposed increase in Council Tax of 3% resulting in an additional £1.593m for 2018/19, £1.566m for 2019/20 and £1.621m for 2020/21;
- Increase in backdated claims for Council Tax Reduction in 2018/19 of £0.478m, with incremental change in future years.

2.3.3 The proposed budget is based on a 3% increase in Council tax. This will result in the following Council Tax charges in 2018/19 for each property band (excluding charges for water and sewage):

Band	Valuation (at 1991 levels)	2017/18 Council Tax	3% Increase	2018/19 Council Tax
A	Under £26,999	£791.04	£23.73	£814.77
B	£27,000 to £34,999	£922.88	£27.68	£950.56
C	£35,000 to £44,999	£1,054.72	£31.64	£1,086.36
D	£45,000 to £57,999	£1,186.56	£35.60	£1,222.16
E	£58,000 to £79,999	£1,559.01	£46.77	£1,605.78
F	£80,000 to £105,999	£1,928.16	£57.85	£1,986.01
G	£106,000 to £211,999	£2,323.68	£69.72	£2,393.40
H	Over £212,000	£2,907.07	£87.22	£2,994.29

2.3.4 Comparative information on Band D is provided within the Council Tax leaflet that is issued with Council Tax Bills. The comparative information for 2017/18 is as follows;

Scotland                                    £1,173  
North Ayrshire Council    £1,186.56

## 2.4 Probable Outturn 2017/18

2.4.1 Based on the revenue financial performance report for 2017/18 at the end of November 2017, adjusted to take account of more recent projections including release of an element of the equal pay provision, a year-end underspend of £2.5m (0.7%) is forecast. The factors contributing to this were reported to Cabinet on 14<sup>th</sup> November 2017.

## 2.5 Reserve and Fund Balances

### 2.5.1 General Fund Balance

The projected accumulated balances on the Council's Funds and Reserves at 31 March 2018 are outlined in the table below, with the majority of these being earmarked for specific purposes. As can be seen from the table below the value of reserves is anticipated to decrease during 2017/18, a reduction of £8.226m compared to the position as at 31 March 2017. The continued risk and uncertainty beyond 2018/19 and the challenge in delivering future efficiencies in the context of the level of savings which have been delivered to date, emphasises the importance of the Council maintaining a sufficient level of reserves.

North Ayrshire Council was identified in the 2016/17 Audit Scotland Overview of Local Government report as one of the local authorities using reserves to balance its budget, risking running out of reserves over the next two / three years. Whilst the Council did use reserves in 2017/18, elements of this supported non recurring investment and establishment of the challenge fund for the HSCP. Financial sustainability continues to be a key focus area for Councils' external auditors.

	Balance At 31 March 2017	Transfer Approved at Cabinet 23 Jan 2018	Transfer Included in Budget Paper	Revised Balance	Projected Balance at 31 March 2018	Anticipated Future Spend	Projected Future Balance
	£m	£m	£m	£m	£m	£m	£m
<b>General Fund Not Earmarked</b>	<b>6.380</b>	<b>2.500</b>	<b>(2.256)</b>	<b>6.624</b>	<b>6.624</b>	<b>-</b>	<b>6.624</b>
<u>General Fund Earmarked</u>							
Education DMR	0.713			0.713	0.713	0.713	-
Affordable Housing	4.329			4.329	4.329	4.329	-
Project Specific Funds	14.742	(9.498)	(1.233)	4.011	4.011	4.011	-
Prudential Investment Fund	0.874	2.706		3.580	3.580	3.580	-
Equal Pay	1.011		(1.011)	-	-	-	-
Change and Service Redesign Fund	3.949	(0.434)	1.000	4.515	4.515	4.515	-
Commonwealth and Commemorative Fund	0.051			0.051	0.051	0.051	-
<b>Total Earmarked Fund</b>	<b>25.669</b>	<b>(7.226)</b>	<b>(1.244)</b>	<b>17.199</b>	<b>17.199</b>	<b>17.199</b>	<b>-</b>
<b>Total General Fund Balance</b>	<b>32.049</b>	<b>(4.726)</b>	<b>(3.500)</b>	<b>23.823</b>	<b>23.823</b>	<b>17.199</b>	<b>6.624</b>

## 2.5.2 Unearmarked Reserve

At 31 March 2017, the Council had unearmarked reserves of £6.380m. Taking account of the probable outturn at 2.4 and the proposed allocation of this to support the 2018/19 budget, it is anticipated that the unearmarked reserve would remain unchanged as at 31 March 2018. To ensure the unearmarked reserve remains at the previously approved minimum of 2%, £0.244m has been released from earmarked reserves no longer required. On this basis unearmarked reserves will continue to be at the lower end of the recommended range of 2% - 4% (£6.624m - £13.248m) for general reserves and the Council's approved minimum of 2%.

## 2.5.3 Earmarked Reserves

Comments on the key earmarked funds are as follows:

- Affordable Housing – accumulated from Council Tax collected from second homes and supporting the development of new affordable housing and the purchase of houses on the open market;
- Project-specific funds - these funds were carried forward as part of the closure of the Accounts for 2016/17 to allow for the completion of specific projects after 31 March 2017. £1.233m of reserves have been released with £1.000m transferred to the Change and Service Redesign Fund and £0.244m to maintain unearmarked reserves at the previously approved minimum of 2%;

- Prudential Investment Fund - resources to smooth the revenue implications of loan charges supporting the Capital Investment Programme;
- Equal Pay - significant progress is being made in settling equal pay claims allowing the full reserve to be released;
- Change and Service Redesign Fund – the current uncommitted balance is £0.409m, additional resources have been earmarked to meet the costs of implementing the Council's Transformation Programme, in particular workforce resizing.

## 2.5.4 Specific Reserves

Specific Reserves	Balance At 31 March 2017	Transfer Approved at Cabinet 23 Jan 2018	Revised Balance	Projected Balance at 31 March 2018	Anticipated Future Spend	Projected Future Balance
	£m	£m	£m	£m	£m	£m
Repairs and Renewals Fund	0.286		0.286	0.286	0.286	-
Insurance Fund	2.599		2.599	2.599	2.599	-
Capital Fund	7.662	(1.270)	6.392	6.392	6.392	-
<b>Total</b>	<b>10.547</b>	<b>(1.270)</b>	<b>9.277</b>	<b>9.277</b>	<b>9.277</b>	<b>-</b>

Comments on the specific reserves are as follows;

- Repairs and Renewals Fund - the remaining balance is required to support works in relation to PPP Schools.
- Insurance Fund - the current balance on this Fund aligns with the 2015 actuarial valuation, provision for uninsured claims and outstanding liabilities insured through Municipal Mutual Insurance pre-local government reorganisation.
- Capital Fund - the projected balance on the Capital Fund supports the proposed capital investment programme.

## 2.6 Income Summary

2.6.1 Total funding available to the Council to finance its expenditure plans is as follows:

	2018/19	2019/20	2020/21
	£m	£m	£M
Aggregate External Finance	272.001	262.624	258.156
Additional Aggregate External Finance due:			
Teachers' Induction Scheme	0.734	0.734	0.734
Discretionary Housing Payments	1.339	1.339	1.339
Council Tax	52.552	54.411	56.333
Additional Council Tax Income from Second homes	1.087	1.120	1.153
Contribution from Earmarked Reserves	3.500	-	-
<b>Total</b>	<b>331.213</b>	<b>320.228</b>	<b>317.715</b>

## **2.7 Expenditure Requirement**

2.7.1 The revised expenditure requirements for 2018/19 is £335.801m and is summarised in Appendix 1. This is the 2017/18 base budget adjusted to reflect the outcome of a full review of service pressures, previously approved savings, operational budget adjustments, national expenditure requirements and the proposed funding contribution to the Health and Social Care Partnership. The main assumptions and pressures are noted below;

- costs of continuing the current level of service;
- significant inflationary pressures, including pay, pressures linked to pension auto enrolment, contractual commitments and utilities;
- the financial implication of decisions already taken by the Council including the operational costs of the new Largs Campus;
- Significant socio economic and demographic pressures including:
  - a growing older population;
  - increased demand for support for adults;
  - increased demand for support for vulnerable children and young people; and
- support for the capital investment programme.

In establishing the expenditure requirements, no provision has been made for general non pay inflation.

2.7.2 Operational budget adjustments, reflecting decisions already taken or reductions not impacting on policy or current service levels, are detailed in Appendix 2.

2.7.3 As part of the 2017/18 revenue budget, savings were approved for 2018/19, these are detailed at Appendix 3.

2.7.4 The expenditure requirements identified for 2018/19 to 2020/21 are summarised in Appendix 1, with further details provided in Appendix 4. Based on this, savings of £4.589m / £19.603m / £9.810m are required for 2018/19, 2019/20 and 2020/21 respectively.

## **2.8 Health and Social Care Partnership**

2.8.1 £357m of funding provided through the SG Health Budget during 2016/17 and 2017/18 has been included within the Health base line for 2018/19 and will be passported to Integrated Joint Boards via local authorities. This funding was allocated to meet demand and demographic pressures; the cost of the Living Wage for all social care workers; support disregard of the value of war pensions from social care financial assessments and pre-implementation work in respect of the new carers legislation. North Ayrshire HSCP's estimated share of this additional funding is £10.200m.

2.8.2 A further £66m (NAC £1.847m) has been made available within the 2018/19 local government Settlement to support the cost of the living wage associated with sleepovers, implementation of the Carers Act and uplift to Free Personal and Nursing Care payments.

2.8.3 In recognition of the role of the Council vis a vis the Integrated Joint Board, the financial information presented in this report is limited to the proposed contribution the Council will make to the IJB, recognising that final distribution of resources is a matter for the IJB.

2.8.4 The Integration Scheme approved by Scottish Ministers states that following determination of the Council and NHS payments to the IJB, the IJB will refine its Strategic Plan to take account of the totality of resources available. Accordingly, the proposed additional financial contribution to the IJB of £3.775m / £2.523m / £3.263m in financial years 2018/19, 2019/20 and 2020/21 respectively requires the IJB to ensure that the Strategic Plan reflects available resources and that the Directions issued to the Council align with the financial envelope.

## **2.9 Efficiencies and Savings Proposals**

2.9.1 Proposals for efficiencies and savings have been made which can deliver a balanced budget for 2018/19, after applying the 2017/18 anticipated underspend of £2.500m and £1.000m of earmarked reserves. There are estimated budget shortfalls of £15.380m and £9.371mm in 2019/20 and 2020/21. Proposed efficiencies and savings, excluding the HSCP, are summarised at Appendix 5.

2.9.2 As outlined in the Long Term Financial Outlook the Council plans to undertake a more fundamental review of the services it provides and its partnership with Communities and other key stakeholders. Planning for this is being put in place. In advance of this some early work streams have been identified to help bridge the anticipated funding gaps in 2019/20 and 2020/21 including;

- determination of the most effective staff mix and structures to deliver the best outcomes across the education service;
- support for Better Off North Ayrshire including the Money Matters service;
- development of alternative models and funding streams for the school music service;
- development of alternative models for residential placements for older people;
- review of psychological services; and
- development of a proposal to introduce charging for Car Parking.

2.9.3 The Council's corporate policy for charging for Council services has a presumption that charges will be increased annually at least in line with inflation unless there is a clear case for not doing so. The revenue budget savings identified in Appendix 5 reflect the additional income which will be secured through these proposals. In some areas service charges are proposed which are based on the recharge of actual cost

2.9.5 Appendix 6 contains a list of the charges which are proposed to be increased on 1 April 2018 in line with inflation. Inflationary increases are based on the Consumer Price Index (CPI) at October of each preceding year. Some statutory charges are set at a national level and are, therefore, outwith the scope of this report.

## **2.10 Revenue Budget • Objective and Subjective Analysis**

2.10.1 The Codes of Financial Practice outline categories of service delivery, known as the Objective Analysis, and categories of expenditure type, known as the Subjective Analysis. Based on the budget presented within this report the budget matrix for 2018/19 is attached in Appendix 7.

2.10.2 Once this matrix is approved, services must spend in line with this and any subsequent significant and planned variation to this budget (i.e. virement) must be approved by Cabinet.

2.10.3 All North Ayrshire Council functions relating to health and social care are entirely delegated to the Integrated Joint Board, subject to a few statutory exceptions and subject to appropriate reporting throughout the year to the Council.

## **2.11 Local Government in Scotland Financial Overview 2016/17**

2.11.1 Audit Scotland's report titled Local Government in Scotland Financial Overview 2016/17 was reported to Council on 20 December 2017. Some of the key messages from the report and specific issues for North Ayrshire when setting the budget are noted below:

- signs of increasing financial stress emerging as councils find it more difficult to identify and deliver savings with more evidence of reserves being drawn down;
- the need for an appropriate level of unearmarked reserves, recognising the uncertainty and significant financial challenge that Councils face;
- the need for robust budget setting including developing medium term financial strategies;
- effective leadership taking a proactive approach to making difficult decisions;
- the need for a collaborative approach with partners, stakeholders and local communities;
- the need for Councils to develop transformation programmes noting that incremental change will not be sufficient or sustainable in bridging the anticipated funding gap ;
- the need for continued robust financial discipline across services;
- essential for the Health and Social Care Partnership to deliver outcomes within an agreed financial envelope.

## **2.12 Summary**

The estimated financial position as set out in this proposal is based on;

- Continued uncertainty in the performance of global and UK economies and the impact of the UK's withdrawal from the EU;
- An assumption that the additional £159.5m of Scottish Government Grant in 2018/19, announced on 31 January 2018, is available on a recurring basis;
- A 3% reduction in Scottish Government grant for 2019/20 and flat cash in 2020/21 adjusted to reflect anticipated distribution changes in both years, resulting in reductions of £9.377m and £4.468m respectively;
- Application of the anticipated 2017/18 underspend of £2.500m, including £0.500m released from the provision for equal pay, and £1.000m from previously earmarked both providing non-recurring funding in 2018/19 with a sustainable solution required for 2019/20;
- A 3% increase in Council Tax for 2018/19, 2019/20 and 2020/21;
- Anticipated pressures, including the net contribution to the HSCP, of £14.378m (£3.208m with additional funding), £9.704m and £7.494m over financial years 2018/19, 2019/20 and 2020/21;
- Operational adjustments of £1.978m, £0.883m and £0.117m in 2018/19, 2019/20 and 2020/21 respectively;

- Delivery of previously approved savings of £0.786m for 2018/19, £0.203m for 2019/20 and £0.080m for 2020/21;
- Approval of savings, excluding the HSCP, of £4.589m in 2018/19 and consequential and new savings of £4.223m in 2019/20 and £0.439m in 2020/21;
- Additional funding of £3.775m to the HSCP in 2018/19, subject to the IJB confirming that services delivered in 2018/19 will be contained within budget;
- Passporting of £1.858m of new monies to the IJB to fund new requirements; and
- Proposed increases in charging as outlined at Appendix 6.

### **3. Proposals**

#### 3.1 That Council:

- a) notes the anticipated funding available to meet expenditure requirements;
- b) approves the Council's expenditure requirements for 2018/19 and notes the indicative requirements for 2019/20 and 2020/21;
- c) notes the level of reserves and fund balances held by the Council and approves any contributions to / from these;
- d) agrees the contribution to the IJB subject to the condition noted at 1.10;
- e) agrees efficiencies and savings to ensure a balanced budget for 2018/19, consequentials and new proposals in future years;
- f) agrees increases to Council fees and charges;
- g) determines the level of Council Tax for 2018/19;
- h) notes the anticipated funding gap for 2019/20 and 2020/21;
- i) considers the equality impact of any proposed service changes;
- j) approves the budget matrix for 2018/19.

#### 4. Implications

<p><b>Financial:</b></p>	<p>The financial implications are as outlined in the report. Members require to approve a package of efficiencies and savings, excluding any decision taken by the IJB in respect of social care services, totalling £4.589 m for 2018/19. The recommendations are based on a 3% increase to Council Tax. Any increase in net expenditure above that outlined in the draft budget, or any increase in council tax below 3% will require to be funded.</p> <p>Failure to agree to the measures outlined in the Scottish Government's grant offer as outlined at 2.2.8 may result in a less favourable settlement.</p> <p>The significant risks around the Council budget relate to:</p> <ul style="list-style-type: none"> <li>• the potential impact of the current economic climate;</li> <li>• the wider financial environment including uncertainty around future funding levels;</li> <li>• inequalities, including poverty, poor health and the impact of ongoing welfare reforms;</li> <li>• impact of demographic changes;</li> <li>• future workforce costs including the cost of resizing;</li> <li>• delivery of all approved savings;</li> <li>• the financial sustainability of the Health and Social care Partnership and</li> <li>• managing service delivery within approved resources.</li> </ul>
<p><b>Human Resources:</b></p>	<p>The impact of the proposed budget for 2018/19 is an anticipated net reduction of 48 wte with new jobs arising from the planned expansion of ELC and the additional investment in the HSCP</p> <p>Any reduction to the work force will be management through vacancies, redeployment, voluntary early retirement and voluntary redundancy. This will be effected by engagement and participation with the Trade Unions on a Service by Service basis to develop and agree implementation plans.</p>

<b>Legal:</b>	The Council is obliged by the Local Government Finance Act 1992 to set a budget for 2018/19 and to do so in a manner and at such a time as to ensure that it is able lawfully to set its council tax by 11 March. Failure to do so could result in a number of legal and financial consequences, for both Council and Members, and on which Members received a full confidential briefing on 14 <sup>th</sup> February 2018
<b>Equality:</b>	Where the Council is making decisions in relation to its spending priorities, it is obliged to comply with the public sector equality duty set out in the Equalities Act 2010. To meet this requirement, the Council must assess the impact of applying a new policy or decision against equalities groups. All budget proposals have been screened to assess whether there is any significant impact on any equalities group. If so, a full equalities impact assessment (EIA) has been undertaken. It is not sufficient that officers have undertaken this work. As decision makers, Elected Members also need to satisfy themselves as to any equalities impact. To enable Members to do so, a summary of the equality impact of all efficiencies and savings is provided at the following link.  <a href="http://naconnects.north-ayrshire.gov.uk/elected-members/eia-for-budget-proposal/eia-for-budget-proposal.aspx">http://naconnects.north-ayrshire.gov.uk/elected-members/eia-for-budget-proposal/eia-for-budget-proposal.aspx</a>  Hard copies of the Equality Impact Assessments and a summary of screenings, have also be placed in the Members Lounge.
<b>Children and Young People:</b>	The budget proposals presented offer significant protection to those services linked directly to the delivery of outcomes for children and young people.
<b>Environmental &amp; Sustainability:</b>	While setting of the budget has no direct environmental or sustainability impacts, the resultant impact on individual services may have impacts.
<b>Key Priorities:</b>	The draft budget supports delivery of the outcomes outlined in the Council Plan 2015-2020.
<b>Community Benefits:</b>	No specific implications.

## 5. Consultation

- 5.1 The key issues within this report have been presented to Members, relevant officers and the Trade Unions.



Laura Friel  
Executive Director (Finance & Corporate Support)

For further information please contact **Laura Friel** on **01294 324554**.

**Background Papers**

N/A

**North Ayrshire Council**  
**Revenue Budget 2018/19**  
**Revenue Budget Summary Position**

<b>Funding</b>	<b>2018/19</b> <b>£000's</b>	<b>Consequential</b> <b>£000's</b>	<b>2019/20</b> <b>Rephased/New</b> <b>£000's</b>	<b>Total</b> <b>£000's</b>	<b>Consequential</b> <b>£000's</b>	<b>2020/21</b> <b>Rephased/New</b> <b>£000's</b>	<b>Total</b> <b>£000's</b>
Aggregate external finance	272,001	262,624		262,624	258,156		258,156
Additional aggregate external finance due :							
Teachers' Induction Scheme	734	734		734	734		734
Discretionary Housing Payments	1,339	1,339		1,339	1,339		1,339
Council Tax Income	52,552	54,411		54,411	56,333		56,333
Council Tax Income from 2nd homes	1,087	1,120		1,120	1,153		1,153
Contribution from General Reserves	3,500	-		-			-
<b>Total Funding Available</b>	<b>331,213</b>	<b>320,228</b>	<b>-</b>	<b>320,228</b>	<b>317,715</b>	<b>-</b>	<b>317,715</b>
<b>Expenditure</b>							
<b>Base Budget</b>	<b>331,158</b>	<b>331,214</b>		<b>331,214</b>	<b>320,228</b>		<b>320,228</b>
<b>Operational Budget Adjustments</b>							
Protecting and enhancing the environment for future generations	(836)	(587)	(50)	(637)	(150)	-	(150)
Helping all of our people to stay safe, healthy and active	(360)	-	-	-	-	-	-
Ensuring people have the right skills for learning, life and work	(204)	(28)	(150)	(178)	-	-	-
Working together to develop stronger communities	-	-	-	-	-	-	-
Growing our economy, increasing employment and regenerating towns	-	-	-	-	-	-	-
Underpinning our priorities	(578)	-	(68)	(68)	33	-	33
<b>Total Operational Budget Adjustments</b>	<b>(1,978)</b>	<b>(615)</b>	<b>(268)</b>	<b>(883)</b>	<b>(117)</b>	<b>-</b>	<b>(117)</b>
<b>Savings Previously Approved</b>							
Protecting and enhancing the environment for future generations	(155)	-	-	-	-	-	-
Helping all of our people to stay safe, healthy and active	(255)	-	-	-	-	-	-
Ensuring people have the right skills for learning, life and work	(41)	-	-	-	-	-	-
Working together to develop stronger communities	-	-	-	-	-	-	-
Growing our economy, increasing employment and regenerating towns	(335)	-	-	-	-	-	-
Underpinning our priorities	-	(203)	-	(203)	(80)	-	(80)
<b>Total Savings Previously Approved</b>	<b>(786)</b>	<b>(203)</b>	<b>-</b>	<b>(203)</b>	<b>(80)</b>	<b>-</b>	<b>(80)</b>

**North Ayrshire Council**  
**Revenue Budget 2018/19**  
**Revenue Budget Summary Position**

	2018/19	2019/20		2020/21			
	£000's	Consequential £000's	Rephased/New £000's	Total £000's	Consequential £000's	Rephased/New £000's	Total £000's
<b>Investments - Contractual/Unavoidable</b>							
Protecting and enhancing the environment for future generations	518		160	160		(104)	(104)
Helping all of our people to stay safe, healthy and active	65		68	68		75	75
Ensuring people have the right skills for learning, life and work	1,286		393	393		365	365
Growing our economy, increasing employment and regenerating towns	-		-	-		-	-
Underpinning our priorities	373		504	504		(15)	(15)
Corporate Investment	4,848		4,892	4,892		1,817	1,817
<b>Total Contractual / Unavoidable</b>	<b>7,090</b>		<b>6,016</b>	<b>6,016</b>		<b>2,138</b>	<b>2,138</b>
<b>Investments - National/Local Pressures</b>							
Protecting and enhancing the environment for future generations	45		22	22		(68)	(68)
Ensuring people have the right skills for learning, life and work	-		-	-		-	-
Working together to develop stronger communities	27		-	-		-	-
Growing our economy, increasing employment and regenerating towns	19		-	-		-	-
Underpinning our priorities	351		142	142		161	161
Unidentified Pressures			1,000	1,000		2,000	2,000
<b>Total National / Local Pressures</b>	<b>442</b>		<b>1,165</b>	<b>1,165</b>		<b>2,093</b>	<b>2,093</b>
<b>New National Expenditure Requirements</b>							
Protecting and enhancing the environment for future generations	(46)		-	-		-	-
Helping all of our people to stay safe, healthy and active	220		-	-		-	-
Ensuring people have the right skills for learning, life and work	1,038		-	-		-	-
Underpinning our priorities	-		-	-		-	-
<b>Total National Expenditure Requirements</b>	<b>1,212</b>						
<b>Total Expenditure Requirements (excl HSCP)</b>	<b>8,745</b>		<b>7,181</b>	<b>7,181</b>		<b>4,231</b>	<b>4,231</b>
<b>Health and Social Care Partnership</b>							
HSCP Net Expenditure Requirements	3,775	(722)	3,245	2,523	-	3,263	3,263
New HSCP National Expenditure Requirements	1,858		-	-		-	-
<b>Total Health and Social Care Partnership</b>	<b>5,633</b>	<b>(722)</b>	<b>3,245</b>	<b>2,523</b>		<b>3,263</b>	<b>3,263</b>
<b>Total Expenditure Requirements</b>	<b>14,378</b>	<b>(722)</b>	<b>10,426</b>	<b>9,704</b>		<b>7,494</b>	<b>7,494</b>

**North Ayrshire Council**  
**Revenue Budget 2018/19**  
**Revenue Budget Summary Position**

	2018/19 £000's	Consequential £000's	2019/20 Rephased/New £000's	Total £000's	Consequential £000's	2020/21 Rephased/New £000's	Total £000's
<b>Additional Investment</b>							
Non recurring investment 2017/18	(6,970)			-			-
<b>Total Provision for Flexibility</b>	<b>(6,970)</b>						
<b>Total Adjustments</b>	<b>4,643</b>	<b>(1,540)</b>	<b>10,158</b>	<b>8,618</b>	<b>(197)</b>	<b>7,494</b>	<b>7,297</b>
<b>Total Expenditure Requirement</b>	<b>335,801</b>	<b>329,674</b>	<b>10,158</b>	<b>339,832</b>	<b>320,031</b>	<b>7,494</b>	<b>327,524</b>
<b>(Surplus)/Deficit for Year</b>	<b>4,589</b>	<b>9,446</b>	<b>10,158</b>	<b>19,604</b>	<b>2,316</b>	<b>7,494</b>	<b>9,810</b>
<b>New Savings Proposed</b>							
Protecting and enhancing the environment for future generations	(645)	(96)	(250)	(346)	-	(250)	(250)
Helping all of our people to stay safe, healthy and active	(895)	(165)	-	(165)	(189)	-	(189)
Ensuring people have the right skills for learning, life and work	(2,143)	(2,020)	-	(2,020)	-	-	-
Working together to develop stronger communities	(78)	(463)	-	(463)	-	-	-
Growing our economy, increasing employment and regenerating towns	(405)	(748)	-	(748)	-	-	-
Underpinning our priorities	(422)	(481)	-	(481)	-	-	-
<b>Total Savings Proposed</b>	<b>(4,588)</b>	<b>(3,973)</b>	<b>(250)</b>	<b>(4,223)</b>	<b>(189)</b>	<b>(250)</b>	<b>(439)</b>
<b>Revised Expenditure Requirement</b>	<b>331,213</b>	<b>325,701</b>	<b>9,908</b>	<b>335,609</b>	<b>319,842</b>	<b>7,244</b>	<b>327,085</b>
<b>Revised (Surplus)/Deficit for Year if all Savings Proposals are Accepted</b>	<b>(0)</b>	<b>5,473</b>	<b>9,908</b>	<b>15,381</b>	<b>2,127</b>	<b>7,244</b>	<b>9,371</b>
<b>Net Contribution to the HSCP</b>							
<b>Net Adjustments to the Contribution to the HSCP</b>	<b>3,775</b>	<b>(722)</b>	<b>3,245</b>	<b>2,523</b>	<b>-</b>	<b>3,263</b>	<b>3,263</b>

**North Ayrshire Council**  
**Revenue Budget 2018/19**  
**Revenue Budget Operational Budget Adjustments**

Council Objective/Service	Operational Budget Adjustment	Reference	2018/19 £	2019/20 £	2020/21 £
<b>Protecting and enhancing the environment for future generations</b>					
Place	LED Lighting Energy Efficiencies	SP-PL-18-02	(20,000)		
Place	Supply and management of fleet stores	SP-PL-18-06	(75,000)		
Place	Roll out of Car Share scheme	SP-PL-18-07	(12,500)	(12,500)	
Place	Implementation of Zero Waste Strategy	SP-PL-18-11	(113,600)	(674,000)	(150,000)
Place	Restructure within Streetscene.	SP-PL-18-20	-	(50,000)	
Place	Implement revised recharge to HRA for Streetscene costs	SP-PL-18-21	(350,000)		
Place	Reduce Energy Consumption through Behaviour Change.	SP-PL-18-28	(30,000)	(75,000)	
Place	Utilise a one off underspend in the Carbon Reduction Commitment	SP-PL-18-30	(175,000)	175,000	
Place	Recovery of Streetscene Maintenance charges from Common Good	SP-PL-18-43	(59,902)		
Total			<u>(836,002)</u>	<u>(636,500)</u>	<u>(150,000)</u>
<b>Helping all of our people to stay safe, healthy and active</b>					
Place	Baseline review of Homelessness and Community Safety budgets	SP-PL-18-36	(60,000)		
Finance and Corporate Support	Lower than anticipated demand for DHP from revised Benefits Cap	SP-FCS-18-01	(300,000)		
Total			<u>(360,000)</u>	-	-
<b>Ensuring people have the right skills for learning, life and work</b>					
Education and Youth Employment	Introduce 1.5% staff turnover in Early Years Centres	SP-EY-17-05	(41,838)		
Education and Youth Employment	Align budget for Childminders and Private Providers to Actual Expenditure	SP-EY-17-07	(38,461)		
Education and Youth Employment	Review of PPP contracts to identify unitary charge reductions	SP-EY-18-06		(150,000)	
Education and Youth Employment	Reduce CPD (training) budgets by 30%	SP-EY-18-14	(45,539)	(28,461)	
Education and Youth Employment	Reduction of 1 fte senior manager	SP-EY-18-16	(78,400)		
Total			<u>(204,238)</u>	<u>(178,461)</u>	-

**North Ayrshire Council**  
**Revenue Budget 2018/19**  
**Revenue Budget Operational Budget Adjustments**

Council Objective/Service	Operational Budget Adjustment	Reference	2018/19 £	2019/20 £	2020/21 £
<b>Underpinning our priorities</b>					
Place	Revised apportionment of salary costs between the GF and HRA	SP-PL-18-29	(13,000)		
Place	Review budget lines within Facilities Management	SP-PL-18-32	(67,000)	(9,000)	
Chief Executive and Democratic Services	Executive Office Restructure	SP-CX-18-02	(53,210)		
Chief Executive and Democratic Services	Alignment of Election budget with requirements	SP-CX-18-03	(53,500)		
Chief Executive and Democratic Services	Policy and Performance restructure	SP-CX-18-07		(11,675)	
Chief Executive and Democratic Services	Legal and Licensing restructure	SP-CX-18-04		(21,810)	
Chief Executive and Democratic Services	Restructure of Communications Team	SP-CX-18-06a	(91,000)		
Chief Executive and Democratic Services	Rationalise non-payroll budgets	SP-CX-18-05	(5,381)	(44,044)	
Chief Executive and Democratic Services	Increase Payroll Turnover to 2.5%	SP-CX-18-08		(14,829)	
Finance and Corporate Support	Revised recharges to Common Good and Trusts	SP-FCS-18-08	(10,900)		
Finance and Corporate Support	Rationalise structure and non employee budgets within People	SP-FCS-18-02	(253,222)		
Finance and Corporate Support	Reduced staffing in Revenues and Benefits service	SP-FCS-18-03	(90,000)		
Finance and Corporate Support	Baseline budget adjustments to reflect reduced spend in Finance	SP-FCS-18-04	(80,255)		
Finance and Corporate Support	Software Licences budget adjustments to reflect reduced spend	SP-FCS-18-05	(20,000)		
Council Wide	Contribution to Affordable Housing Reserve		160,000	33,000	33,000
Total			(577,468)	(68,358)	33,000
<b>TOTAL OPERATIONAL BUDGET ADJUSTMENTS</b>			<b>(1,977,708)</b>	<b>(883,319)</b>	<b>(117,000)</b>

**North Ayrshire Council**  
**Revenue Budget 2018/19**  
**Revenue Budget Savings Already Approved**

Council Objective/Service	Saving	Reference	2018/19 £	2019/20 £	2020/21 £
<b>Protecting and enhancing the environment for future generations</b>					
Place	Winter Maintenance - introduction of route based forecasting	SP-PL-17-07	(50,000)		
Place	Organic Waste - introduction of fortnightly collection	SP-PL-17-15	(105,000)		
Total			(155,000)	-	-
<b>Helping all of our people to stay safe, healthy and active</b>					
Place	Rough Sleepers - phased reduction of budget	SP-PL-17-34	(105,000)		
Economy and Communities	Reduced operational costs of the Portal	SP-ES-12-23	(150,000)		
Total			(255,000)	-	-
<b>Ensuring people have the right skills for learning, life and work</b>					
Education and Youth Employment	Reduce various budgets across Education	SP-EY-17-04	(16,163)		
Place	Review of School Transport	SP-PL-17-12	(25,000)		
Total			(41,163)	-	-
<b>Growing our economy, increasing employment and regenerating towns</b>					
Economy and Communities	Non recurring funding IBRC wind down	SP-EC-16-06	(55,100)		
Economy and Communities	Non recurring funding Scottish Open		(280,000)		
Total			(335,100)	-	-
<b>Underpinning our priorities</b>					
Place	Property Rationalisation	SP-PL-18-40		(110,851)	(80,000)
Place	Restructure teams within PMI	SP-PL-17-27		(92,000)	
Total			-	(202,851)	(80,000)
<b>TOTAL SAVINGS PREVIOUSLY APPROVED</b>			<b>(786,263)</b>	<b>(202,851)</b>	<b>(80,000)</b>

**North Ayrshire Council**  
**Revenue Budget 2018/19**  
**Revenue Expenditure Requirements**

Council Objective/Service	Investment	Category	Reference	2018/19 £	2019/20 £	2020/21 £
<b>Protecting and enhancing the environment for future generations</b>						
Place	Electrical power - street lighting - Inflationary increases	Contractual/Unavoidable	BID-PL-17-06	39,595	46,194	54,046
Place	Site disposal fees	Contractual/Unavoidable	BID-PL-17-08	7,500	7,500	7,500
Place	Organic Waste Contract Inflation	Contractual/Unavoidable	BID-PL-18-03		15,200	16,692
Place	Landfill Tax / Energy from Waste costs	Contractual/Unavoidable	BID-PL-18-04	471,172	91,044	(182,462)
Sub Total		Contractual/Unavoidable		518,267	159,938	(104,224)
Place	Replacement Skip Containers	National/Local Pressures	BID-PL-18-02	45,460	22,406	(67,866)
Sub Total		National/Local Pressures		45,460	22,406	(67,866)
Economy and Communities	Building Warrant Fees Income	New National Expenditure Requirements		(46,000)		
Sub Total		New National Expenditure Requirements		(46,000)	-	-
Total				517,727	182,344	(172,090)
<b>Helping all of our people to stay safe, healthy and active</b>						
Place	Food price inflation	Contractual/Unavoidable	BID-PL-18-06	65,000	68,000	75,000
Sub Total		Contractual/Unavoidable		65,000	68,000	75,000
Place	Temporary Accommodation	New National Expenditure Requirements		220,000		
Sub Total		New National Expenditure Requirements		220,000	-	-
Total				285,000	68,000	75,000

**North Ayrshire Council  
Revenue Budget 2018/19  
Revenue Expenditure Requirements**

<b>Council Objective/Service</b>	<b>Investment</b>	<b>Category</b>	<b>Reference</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>
<b>Ensuring people have the right skills for learning, life and work</b>						
Education and Youth Employment	PPP annual indexation	Contractual/Unavoidable	BID-EY-18-01	322,764	297,857	276,364
Education and Youth Employment / Place	Largs Campus - Operating Costs	Contractual/Unavoidable	BID-EY-18-02	901,038	30,592	22,610
Place	SPT Contract Inflation	Contractual/Unavoidable	BID-PL-18-01	62,497	64,372	66,304
Sub Total		Contractual/Unavoidable		<u>1,286,299</u>	<u>392,821</u>	<u>365,278</u>
Education and Youth Employment	Early Learning & Childcare	New National Expenditure Requirements		361,000		
Education and Youth Employment	Pupil Equity Fund	New National Expenditure Requirements		18,000		
Education and Youth Employment	Teachers Pay	New National Expenditure Requirements		659,000		
Sub Total		New National Expenditure Requirements		<u>1,038,000</u>	<u>-</u>	<u>-</u>
Total				<u>2,324,299</u>	<u>392,821</u>	<u>365,278</u>
<b>Working together to develop stronger communities</b>						
Chief Executive and Democratic Services	Locality Planning Assistant	National/Local Pressures	BID-CX-17-01	26,546		
Sub Total		National/Local Pressures		<u>26,546</u>	<u>-</u>	<u>-</u>
Total				<u>26,546</u>	<u>-</u>	<u>-</u>
<b>Growing our economy, increasing employment and regenerating towns</b>						
Economy and Communities	Bus Route Congestion Signal Costs	National/Local Pressures	BID-EC-18-02	19,000		
Sub Total		National/Local Pressures		<u>19,000</u>	<u>-</u>	<u>-</u>
Total				<u>19,000</u>	<u>-</u>	<u>-</u>

**North Ayrshire Council**  
**Revenue Budget 2018/19**  
**Revenue Expenditure Requirements**

Council Objective/Service	Investment	Category	Reference	2018/19 £	2019/20 £	2020/21 £
<b>Underpinning our priorities</b>						
Chief Executive and Democratic Services	Legal Services Income	Contractual/Unavoidable	BID-CX-18-02	18,000		
Finance and Corporate Support	Microsoft Enterprise SQL Licensing	Contractual/Unavoidable	BID-FCS-18-01	45,000		
Finance and Corporate Support	Mailmeter Licensing	Contractual/Unavoidable	BID-FCS-18-03	15,000		(15,000)
Other Corporate Items	Implement Office 365	Contractual/Unavoidable	BID-OCI-18-01	295,000	504,000	
Sub Total		Contractual/Unavoidable		373,000	504,000	(15,000)
Finance and Corporate Support	Financial & Corporate Support Income	National/Local Pressures	BID-FCS-18-04	36,500		
Finance and Corporate Support	Cyber Security	National/Local Pressures	BID-FCS-18-02	15,000		
Finance and Corporate Support	Benefit Admin Subsidy Reduction	National/Local Pressures	BID-FCS-18-06	74,790	67,228	60,506
Finance and Corporate Support	IT Applications Refresh	National/Local Pressures	BID-FCS-18-05	225,000	75,000	100,000
Sub Total		National/Local Pressures		351,290	142,228	160,506
Total				724,290	646,228	145,506
<b>Corporate Inflationary Pressures</b>						
Council Wide	Loan charges	Contractual/Unavoidable				(2,267,000)
Council Wide	Joint Board requisitions	Contractual/Unavoidable		(95,131)	-	(19,881)
Council Wide	Pay Award	Contractual/Unavoidable		3,807,982	3,177,348	3,283,169
Council Wide	Living Wage	Contractual/Unavoidable		-	52,888	127,147
Council Wide	Pension Fund Auto Enrolment	Contractual/Unavoidable		381,628	1,055,243	
Council Wide	Corporate issues (energy, fuel, NDR)	Contractual/Unavoidable		753,405	606,155	693,486
Total				4,847,884	4,891,634	1,816,921
<b>Unidentified Pressures</b>						
Unidentified Pressures	Unidentified Pressures	National/Local Pressures			1,000,000	2,000,000
Total				-	1,000,000	2,000,000
<b>TOTAL REVENUE EXPENDITURE REQUIREMENTS</b>				<b>8,744,746</b>	<b>7,181,027</b>	<b>4,230,615</b>

**North Ayrshire Council**  
**Revenue Budget 2018/19**  
**Revenue Budget Savings to be Approved**

Council Objective/Service	Saving	Reference	2018/19 £	2019/20 Consequential £	2019/20 New £	2020/21 Consequential £	2020/21 New £
<b>Protecting and enhancing the environment for future generations</b>							
Economy and Communities	Reduce Countryside Ranger team	SP-EC-18-49	(31,856)				
Economy and Communities	Reduce contribution to Clyde Muirshiel Regional Park	SP-EC-18-50	(60,000)				
Economy and Communities	Remove contribution to Brodick Country Park	SP-EC-18-51	(40,000)	(38,344)			
Economy and Communities	Increased Income for Pest Control Service	SP-EC-18-53	(5,400)	(10,000)			
Place	Reduction of dark lamp night spotting.	SP-PL-18-01	(7,000)				
Place	Introduction of Car Parking charges and Decriminalised Parking Enforcement.	SP-PL-18-03	-		(250,000)		(250,000)
Place	Increase Roads Permit and service charge by 8%	SP-PL-18-04	(7,720)				
Place	Remove subsidy from Special Uplift Charges	SP-PL-18-10	(47,500)	(47,500)			
Place	Remove subsidy from burial charges	SP-PL-18-15	(175,000)				
Place	Introduce a fee for additional memorial stoneworks permits	SP-PL-18-16	(20,000)				
Place	Reduce grounds maintenance service	SP-PL-18 - 42/3	(250,000)				
Total			(644,476)	(95,844)	(250,000)	-	(250,000)
<b>Helping all of our people to stay safe, healthy and active</b>							
Economy and Communities	Cease Nurturing Excellence in Sport programme	SP-EC-18-43	(26,000)				
Place	Align Housing Association Sheltered Housing Units with North Ayrshire Council service provision	SP-PL-18-22	(208,802)				
Place	Review Catering Options	SP-PL-18-34	(55,000)	(165,000)		(189,000)	
Place	Increase the price of a school meal by 10p (5%)	SP-PL-18-35	(71,000)				
Place	Increase Temporary Furnished property rents	SP-PL-18-09	(334,358)				
Place	Establish standard charge for hostels accommodation	SP-PL-18-37	(200,147)				
Total			(895,307)	(165,000)	-	(189,000)	-

**North Ayrshire Council**  
**Revenue Budget 2018/19**  
**Revenue Budget Savings to be Approved**

Council Objective/Service	Saving	Reference	2018/19	2019/20	2019/20	2020/21	2020/21
			£	Consequential £	New £	Consequential £	New £
<b>Ensuring people have the right skills for learning, life and work</b>							
Economy and Communities	Review Community Learning & Development service	SP-EC-18-40	(135,000)	(497,757)			
Economy and Communities	Review Public Library Services	SP-EC-18-45a	(87,291)	(336,049)			
Economy and Communities	Review School Library Services	SP-EC-18-45b	(90,000)	(36,870)			
Education and Youth Employment	Reduce payments to parent councils	SP-EY-18-03	(3,470)	(2,168)			
Education and Youth Employment	Remove supported study budgets from secondary schools	SP-EY-18-04	(30,964)	(19,353)			
Education and Youth Employment	Remove secondary school determined to succeed (DTS) budgets	SP-EY-18-05	(49,719)	(31,075)			
Education and Youth Employment	Review school technician services.	SP-EY-18-13	(73,231)	(45,769)			
Education and Youth Employment	Cease payments for supervisory meals in all schools	SP-EY-18-15	(29,845)	(18,653)			
Education and Youth Employment	Phase 1 music service redesign including increased music charges by 10% and introduce for S3 pupils	SP-EY-18-02	(170,425)				
Education and Youth Employment	Reduce school non payroll budgets	SP-EY-18-07	(61,538)	(38,462)			
Education and Youth Employment	Revisit the management structure of all primary schools	SP-EY-18-09	(123,077)	(76,923)			
Education and Youth Employment	Review resource allocation formula for primary and secondary schools	SP-EY-18	(583,853)	(364,908)			
Education and Youth Employment	Review staff mix within Early Years Service	SP-EY-18-11	(184,615)	(115,385)			
Education and Youth Employment	Review allocation of support teachers across all service areas. Education	SP-EY-18-12	(400,000)	(250,000)			
and Youth Employment	Review of central staffing team	SP-EY-18-20	(120,000)	(187,692)			
Total			(2,143,028)	(2,021,064)	-	-	-
<b>Working together to develop stronger communities</b>							
Economy and Communities	Reduce support for Community Centres	SP-EC-18-48	(70,000)	(462,649)			
Economy and Communities	Reduce Arts Budget	SP-EC-18-52	(8,415)				
Total			(78,415)	(462,649)	-	-	-

**North Ayrshire Council**  
**Revenue Budget 2018/19**  
**Revenue Budget Savings to be Approved**

Council Objective/Service	Saving	Reference	2018/19	2019/20	2019/20	2020/21	2020/21
			£	Consequential £	New £	Consequential £	New £
<b>Growing our economy, increasing employment and regenerating towns</b>							
Economy and Communities	Ayrshire Regional Partnership for Economic Growth	SP-EC-18-59	(80,000)	(748,217)			
Economy and Communities	Maximise in kind contribution to Employability projects	SP-EC-18-54	(100,000)				
Economy and Communities	Reduce budgets for town centres   physical regeneration	SP-EC-18-55	(75,000)				
Economy and Communities	Cease funding The Hatchery	SP-EC-18-56	(50,000)				
Economy and Communities	Reduce Early Stage Growth Fund	SP-EC-18-57	(50,000)				
Economy and Communities	Delete Business Development Post	SP-EC-18-58	(50,000)				
Total			(405,000)	(748,217)	-	-	-
<b>Underpinning our priorities</b>							
Place	Develop additional income streams from Catering and Transport	SP-PL-18-33	(60,000)	(75,000)			
Finance and Corporate Support	Reduction of Learning and Organisational Development Team	SP-FCS-18-06	(76,902)				
Finance and Corporate Support	Cessation of cheque payments across the Council.	SP-FCS-18-07	-	(5,600)			
Finance and Corporate Support	Reduced staffing in Benefits Service due to Universal Credit	SP-FCS-18-10	(50,000)	(150,000)			
Finance and Corporate Support	Digital Strategy Transformational Projects	SP-FCS-18-11	(235,000)	(250,000)			
Total			(421,902)	(480,600)	-	-	-
<b>TOTAL SAVINGS TO BE APPROVED</b>			<b>(4,588,128)</b>	<b>(3,973,374)</b>	<b>(250,000)</b>	<b>(189,000)</b>	<b>(250,000)</b>

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
			£	£	£	£	
Democratic Services	Legal - Licensing	Amendment (due to Licence Partnership)	£110.00	£113.00	£116.00	£119.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Amendment or Duplicate Licence	£30.00	£31.00	£32.00	£33.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Animal Boarding Licence (1 to 10 Animals)	£75.00	£77.00	£79.00	£81.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Animal Boarding Licence (11 to 20 Animals)	£100.00	£103.00	£106.00	£109.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Animal Boarding Licence (21 to 30 Animals)	£130.00	£134.00	£138.00	£142.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Animal Boarding Licence (31 to 50 Animals)	£190.00	£195.00	£200.00	£205.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Animal Boarding Licence (51 to 70 Animals)	£245.00	£252.00	£259.00	£266.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Animal Boarding Licence (Over 70 Animals)	£310.00	£318.00	£327.00	£336.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Booking Office (with public access)	£300.00	£308.00	£316.00	£325.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Booking Office (without public access)	£200.00	£205.00	£211.00	£217.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Breeding of Dogs Licence (Breeding of Dogs Act 1973) - New	£420.00	£431.00	£443.00	£455.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Breeding of Dogs Licence (Breeding of Dogs Act 1973) - Renewal	£185.00	£190.00	£195.00	£200.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Cinema Licence - grant or renewal for one year	£245.00	£252.00	£259.00	£266.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Cinema Licence - grant or renewal for under a year - per month (total not to exceed the one year fee)	£82.00	£84.00	£86.00	£88.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Cinema Licence - Transfer	£49.00	£50.00	£51.00	£52.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Dangerous Wild Animals - New & Renewal (maximum duration of 12 months, and renewable)	£265.00	£272.00	£279.00	£287.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Duplicate Licence	£30.00	£31.00	£32.00	£33.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Fireworks Storage Licence (under 250 kg)	Various fees for £105 to £229 depending on term and renewal or new	Various fees for £105 to £229 depending on term and renewal or new	Various fees for £105 to £229 depending on term and renewal or new	Various fees for £105 to £229 depending on term and renewal or new	Fees are fixed by statute
Democratic Services	Legal - Licensing	House in Multiple Occupation Licence (New)	£840.00	£863.00	£886.00	£910.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	House in Multiple Occupation Licence (Already Licenced)	£630.00	£647.00	£664.00	£682.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Indoor Sports Entertainment Licence (Temporary)	£600.00	£616.00	£633.00	£650.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Indoor Sports Entertainment Licence (when another NAC Licence is held)	£150.00	£154.00	£158.00	£162.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Indoor Sports Entertainment Licence (when no other NAC Licences are held)	£300.00	£308.00	£316.00	£325.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Knife Dealers Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£300.00	£308.00	£316.00	£325.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Late Hours Catering Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£160.00	£164.00	£168.00	£173.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Market Operators Licence	£340.00	£349.00	£358.00	£368.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Metal Dealers Licence (Premises & Itinerant)	£105.00	£108.00	£111.00	£114.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Pet Shop Licence (Pet Animals Act 1951) New or Renewal - (maximum duration of 12 months, and renewable)	£175.00	£180.00	£185.00	£190.00	CPI @ 2.7% per annum

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Democratic Services	Legal - Licensing	Private Hire Car Driver Licence - Full licence (maximum duration of 3 years, and renewable)	£175.00	£180.00	£185.00	£190.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Private Hire Car Licence (Operator) - Full Licence (1 year, and renewable)	£310.00	£318.00	£327.00	£336.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Private Hire Car Licence (Operator) - Full Licence (maximum duration of 3 years, and renewable)	£520.00	£534.00	£548.00	£563.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Public Entertainment Licence (Commercial or Community Premises)	£230.00	£236.00	£242.00	£249.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Public Entertainment Licence (Commercial Premises with Fairground)	£350.00	£359.00	£369.00	£379.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Public Entertainment Licence - Full Licence (maximum duration of 3 years, and renewable)	£320.00	£329.00	£338.00	£347.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Public Entertainment Licence - Temporary Licence (maximum duration of 6 weeks, and not renewable)	£285.00	£293.00	£301.00	£309.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Public Entertainment Licence (Major Event - Pop Concert etc)	Total fee is £2430 + variable dependent upon proposed size of the event and number of persons proposed to attend.	Total fee is £2496 + variable dependent upon proposed size of the event and number of persons proposed to attend.	Total fee is £2563 + variable dependent upon proposed size of the event and number of persons proposed to attend.	Total fee is £2632 + variable dependent upon proposed size of the event and number of persons proposed to attend.	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Registration to sell non medical poisons (new)	£22.00	£23.00	£24.00	£25.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Registration to sell non medical poisons (retention)	£11.00	£11.30	£11.60	£11.90	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Replacement Door Sign	£15.00	£15.40	£15.80	£16.20	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Replacement Licence resulting from change of address	£12.00	£12.30	£12.60	£12.90	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Replacement Plate	£30.00	£30.80	£31.60	£32.50	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Replacement Tariff Card	£12.00	£12.30	£12.60	£12.90	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Replacement Taxi I Private Hire Car Driver Badge	£17.00	£17.50	£18.00	£18.50	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Replacement Window Stickers	£17.00	£17.50	£18.00	£18.50	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Request to be added to waiting list (for a Taxi Licence)	£7.00	£7.20	£7.40	£7.60	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Riding Establishment Licence (1 year, New & Renewal)	£420.00	£431.00	£443.00	£455.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Riding Establishment Licence (One year, If already licenced)	£315.00	£324.00	£333.00	£342.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Second Hand Dealers Licence - New (Full - maximum suration of 3 years, and renewable)	£210.00	£216.00	£222.00	£228.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Second Hand Dealers Licence - Already Licenced (Full - maximum duration of 3 years, and renewable)	£110.00	£113.00	£116.00	£119.00	CPI @ 2.7% per annum

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Democratic Services	Legal - Licensing	Sex Shop Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£1,785.00	£1,833.00	£1,882.00	£1,933.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Skin Piercing or Tattooing Licence (with Premises)	£315.00	£324.00	£333.00	£342.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Skin Piercing or Tattooing Licence (without Premises)	£265.00	£272.00	£279.00	£287.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Street Trader Employee Licence - Full licence (maximum duration of 3 years, and renewable)	£120.00	£123.00	£126.00	£129.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Street Trader Employee Licence - Temporary Licence (maximum duration of 3 years, and renewable)	£90.00	£92.00	£94.00	£97.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Street Trader Operator - Substitute Vehicle	£105.00	£108.00	£111.00	£114.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Street Trader Operator Licence - Full Licence (maximum duration of 3 years, and renewable)	£240.00	£246.00	£253.00	£260.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Street Trader Operator Licence - Temporary Licence (maximum duration of 6 weeks, and not renewable)	£165.00	£169.00	£174.00	£179.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Substitution of Vehicle (Taxi or Private Hire Car)	£187.00	£192.00	£197.00	£202.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Taxi Driver's Licence - Full Licence (1 year, and renewable)	£75.00	£77.00	£79.00	£81.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Taxi Driver's Licence - Full Licence (maximum duration of 3 years, and renewable)	£175.00	£180.00	£185.00	£190.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Taxi Licence (1 year)	£335.00	£344.00	£353.00	£363.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Taxi Licence (Operator) - Full Licence (maximum duration of 3 years, and renewable)	£580.00	£596.00	£612.00	£629.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Variation of a Licence	£50.00	£51.00	£52.00	£53.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Zoo Licence (New - maximum duration of 4 years, and renewable. Vet inspections are charged in addition)	£265.00	£272.00	£279.00	£287.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Zoo Licence (Renewal - maximum duration of 6 years, and renewable. Vet inspections are charged in addition)	£265.00	£272.00	£279.00	£287.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Venison Dealer	£110.00	£113.00	£116.00	£119.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Venison Employee / Agent	£60.00	£62.00	£64.00	£66.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Game Dealers	£4.20	£4.30	£4.40	£5.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Poisons alteration	£5.60	£5.80	£6.00	£6.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Private Hire Car Driver's Licence - Full Licence (1 yr, and renewable)	£75.00	£77.00	£79.00	£81.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Inspection of Vehicle (Taxi or Private Hire Car)	£77.00	£79.00	£81.00	£83.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Re-inspection of Vehicle (Taxi or Private Hire Car)	£42.00	£43.00	£44.00	£45.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Re-seal of Taximeter	£20.00	£21.00	£22.00	£23.00	CPI @ 2.7% per annum
Democratic Services	Legal - Licensing	Civic Government (Scotland) Act 1982 - Temporary Licence (duration specified in Licence, maximum 6 weeks, and not renewable) (unless specifically mentioned in this table)	£150.00	£154.00	£158.00	£162.00	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Community Facilities)	Hire of table linen	£5.40	£5.55	£5.70	£5.85	CPI @ 2.7% per annum

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Economy & Communities	Connected Communities (Community Facilities)	Hire of twinkle curtain	£68.25	£70.09	£71.98	£73.92	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Community Facilities)	Hire of Red Carpet	£33.85	£34.76	£35.70	£36.66	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Community Facilities)	Store Requests, hires and deliveries	£30.00	£30.00	£30.00	£30.00	No change
Economy & Communities	Connected Communities (Community Facilities)	Stores hire of tables go pack	£5.00	£5.14	£5.28	£5.42	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Community Facilities)	Stores hire of tables round	£10.00	£10.00	£10.00	£10.00	No change
Economy & Communities	Connected Communities (Community Facilities)	Inflatable hire package	£120.00	£120.00	£123.24	£126.57	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Community Facilities)	Party Package Civic Centre	£143.00	£147.00	£151.00	£155.00	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Community Facilities)	Wedding packages - Ceremony and Reception	£750.00	£770.25	£791.05	£812.41	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Community Facilities)	Wedding packages - Reception only	£538.00	£552.53	£567.45	£582.77	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Holidays 3 days/2 nights (4 people)	£410.00	£410.00	£410.00	£410.00	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Holidays 4 days/3 nights (4 people)	£614.00	£614.00	£614.00	£614.00	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Holidays 5 days/4 nights (4 people)	£819.00	£819.00	£819.00	£819.00	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Bed and breakfast (adult)	£40.97	£40.97	£40.97	£40.97	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Bed and breakfast (child)	£20.48	£20.48	£20.48	£20.48	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Dinner, bed and breakfast (adult)	£51.21	£51.21	£51.21	£51.21	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Dinner, bed and breakfast (child)	£25.60	£25.60	£25.60	£25.60	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Half day activity (adult)	£51.21	£51.21	£51.21	£51.21	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Half day activity (child)	£35.84	£35.84	£35.84	£35.84	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Full day activity (adult)	£97.29	£97.29	£97.29	£97.29	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Full day activity (child)	£71.69	£71.69	£71.69	£71.69	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	NAC School Group 5 days/4 nights (per person)	£165.91	£165.91	£165.91	£165.91	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Other school Group 5 days/4 nights (per person)	£331.82	£331.82	£331.82	£331.82	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	NAC School Group 3 days/2 nights (per person)	£87.05	£87.05	£87.05	£87.05	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Other school Group 3 days/2 nights (per person)	£174.10	£174.10	£174.10	£174.10	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Commercial large classroom	£36.87	£36.87	£36.87	£36.87	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Family Function large classroom	£21.51	£21.51	£21.51	£21.51	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire NAC large classroom	£19.46	£19.46	£19.46	£19.46	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire general meeting large classroom	£11.88	£11.88	£11.88	£11.88	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Childcare large classroom	£6.45	£6.45	£6.45	£6.45	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Disabled/charity large classroom	£4.30	£4.30	£4.30	£4.30	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Commercial small chartroom	£18.43	£18.43	£18.43	£18.43	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Family Function small chartroom	£10.75	£10.75	£10.75	£10.75	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire NAC small chartroom	£9.73	£9.73	£9.73	£9.73	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire genral meeting small chartroom	£5.94	£5.94	£5.94	£5.94	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Childcare small chartroom	£3.28	£3.28	£3.28	£3.28	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Disabled/charity small chartroom	£2.15	£2.15	£2.15	£2.15	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arts)	Studio 1 - Commercial	£22.50	£23.11	£23.73	£24.37	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arts)	Studio 1 - Non-Commercial	£15.50	£15.92	£16.35	£16.79	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arts)	Studio 2 - Commercial	£16.50	£16.95	£17.41	£17.88	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arts)	Studio 2 - Non-Commercial	£6.25	£6.42	£6.59	£6.77	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arts)	Theatre Hire - Commercial	£61.00	£62.65	£64.34	£66.08	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Arts)	Theatre Hire - Non-Commercial	£36.25	£37.23	£38.24	£39.27	CPI @ 2.7% per annum

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 1 user (eg Commercial Activities) - SMALL ROOM	£18.50	£19.00	£19.50	£20.00	NAFCA agreed rates. Currently hall lets are under recovering and this range of increases will not generate additional income. It is designed to generate interest which in turn may generate increased levels of income.
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 1 user (eg Commercial Activities) - LARGE ROOM	£37.05	£38.00	£39.00	£40.00	
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 2 user (eg Family Functions) - SMALL ROOM	£10.80	£11.10	£11.40	£11.70	
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 2 user (eg Family Functions) - LARGE ROOM	£21.60	£22.20	£22.80	£23.40	
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 3 user (eg Agency Letting) - SMALL ROOM	£6.00	£6.15	£6.30	£6.50	
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 3 user (eg Agency Letting) - LARGE ROOM	£12.00	£12.30	£12.60	£13.00	
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 5 user (eg Pre 5 groups) - SMALL ROOM	£3.30	£3.30	£3.30	£3.30	
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 5 user (eg Pre 5 groups) - LARGE ROOM	£6.45	£6.45	£6.45	£6.45	
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 6 user (eg Disabled org's) - SMALL ROOM	£2.30	£2.50	£2.90	£3.30	
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 6 user (eg Disabled Org's) - LARGE ROOM	£4.35	£5.00	£5.70	£6.45	
Economy & Communities	Connected Communities (Country Parks)	Shop Stock	£1.70	£1.75	£1.80	£1.85	
Economy & Communities	Connected Communities (Country Parks)	Campsite	£7.73	£7.93	£8.14	£8.36	No change
Economy & Communities	Connected Communities (Country Parks)	Cottage Lets	£400.67	£411.49	£422.60	£434.01	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Country Parks)	Events Fields	£95.79	£98.38	£101.04	£103.77	CPI @ 2.7% per annum
Economy & Communities	Connected Communities (Country Parks)	Fishing Permits	£27.81	£28.56	£29.33	£30.12	CPI @ 2.7% per annum
Economy & Communities	Economic Growth (Planning Services)	Planning Search fees	£86.80	£89.00	£91.00	£93.00	CPI @ 2.7% per annum
Economy & Communities	Economic Growth (Planning Services)	Press Adverts Arran	£80.00	£82.00	£84.00	£86.00	CPI @ 2.7% per annum
Economy & Communities	Economic Growth (Planning Services)	Press Adverts Mainland	£175.00	£180.00	£185.00	£190.00	CPI @ 2.7% per annum
Economy & Communities	Economic Growth (Planning Services)	All Planning Application fees:					
Economy & Communities	Economic Growth (Planning Services)	Operations:					
Economy & Communities	Economic Growth (Planning Services)	eg Construction of buildings - planning permission in principle	£401.00	£401.00	£401.00	£401.00	Fees are fixed by statute
Economy & Communities	Economic Growth (Planning Services)	eg The erection of buildings - planning permission in principle	£401.00	£401.00	£401.00	£401.00	Fees are fixed by statute
Economy & Communities	Economic Growth (Planning Services)	eg The erection of buildings - where the area of gross floor space to be created does not exceed 40 sq metres	£202.00	£202.00	£202.00	£202.00	Fees are fixed by statute
Economy & Communities	Economic Growth (Planning Services)	Uses of land:					
Economy & Communities	Economic Growth (Planning Services)	eg The change of use of a building	£401.00	£401.00	£401.00	£401.00	Fees are fixed by statute
Economy & Communities	Economic Growth (Transportation)	Construction Consent Amendments	£281.50	£289.10	£296.91	£304.93	CPI @ 2.7% per annum
Economy & Communities	Economic Growth (Transportation)	Supply of Traffic Count data	£173.50	£178.18	£182.99	£187.93	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy pre 1874 - one line of family tree	£41.00	£42.11	£43.25	£44.42	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy pre 1874 - two lines of family tree	£82.00	£84.21	£86.48	£88.81	CPI @ 2.7% per annum

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Economy & Communities	Heritage	Genealogy pre 1874 - three lines of family tree	£117.00	£120.16	£123.40	£126.73	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy pre 1874 - four lines of family tree	£158.00	£162.27	£166.65	£171.15	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy pre 1900 - one line of family tree	£47.00	£48.27	£49.57	£50.91	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy pre 1900 - two lines of family tree	£94.00	£96.54	£99.15	£101.83	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy pre 1900 - three lines of family tree	£136.00	£139.67	£143.44	£147.31	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy pre 1900 - four lines of family tree	£183.00	£187.94	£193.01	£198.22	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy pre 1920 - one line of family tree	£48.00	£49.30	£50.63	£52.00	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy pre 1920 - two lines of family tree	£96.00	£98.59	£101.25	£103.98	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy pre 1920 - three lines of family tree	£139.00	£142.76	£146.61	£150.57	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy pre 1920 - four lines of family tree	£187.00	£192.04	£197.23	£202.56	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy post 1935 - one line of family tree	£54.00	£55.45	£56.95	£58.49	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy post 1935 - two lines of family tree	£108.00	£110.92	£113.91	£116.99	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy post 1935 - three lines of family tree	£157.00	£161.24	£165.59	£170.06	CPI @ 2.7% per annum
Economy & Communities	Heritage	Genealogy post 1935 - four lines of family tree	£211.00	£216.70	£222.55	£228.56	CPI @ 2.7% per annum
Economy & Communities	Libraries	Hessian Bags	£2.00	£2.05	£2.11	£2.17	CPI @ 2.7% per annum
Economy & Communities	Libraries	Magnifying Sheets	£1.80	£1.85	£1.90	£1.95	CPI @ 2.7% per annum
Economy & Communities	Libraries	Scotlands People Start up Vouchers	£7.00	£7.19	£7.38	£7.58	CPI @ 2.7% per annum
Economy & Communities	Libraries	Scotlands People top vouchers	£5.60	£5.75	£5.91	£6.07	CPI @ 2.7% per annum
Economy & Communities	Libraries	USB Pens	£5.00	£5.14	£5.28	£5.42	CPI @ 2.7% per annum
Economy & Communities	Libraries	Tea/Coffee	£1.00	£1.03	£1.06	£1.09	CPI @ 2.7% per annum
Economy & Communities	Libraries	Street Plans	£2.50	£2.57	£2.64	£2.71	CPI @ 2.7% per annum
Economy & Communities	Libraries	Posters	£1.50	£1.54	£1.58	£1.62	CPI @ 2.7% per annum
Economy & Communities	Libraries	4 Posters	£5.00	£5.14	£5.28	£5.42	CPI @ 2.7% per annum
Economy & Communities	Libraries	Late charges - 6p per book per day adult max £3	£0.06	£0.06	£0.06	£0.06	No change
Economy & Communities	Libraries	Late charges - 1p per book per day for young adult max 0.50p	£0.01	£0.01	£0.01	£0.01	No change
Economy & Communities	Libraries	Late charges - CD's 6p per day max £3	£0.06	£0.06	£0.06	£0.06	No change
Economy & Communities	Libraries	Late charges - DVD's £1.50 for every week late max £7.50	£1.50	£1.54	£1.58	£1.62	CPI @ 2.7% per annum
Economy & Communities	Libraries	Late charges - Day 1 (new release) DVD's £1.75 every 2 days max £8.75	£1.75	£1.80	£1.85	£1.90	CPI @ 2.7% per annum
Economy & Communities	Libraries	Lost and Damaged Books					Charge is based on actual cost of the item
Economy & Communities	Libraries	Lost and Damaged Audio					Charge is based on actual cost of the item
Economy & Communities	Libraries	Book Sales (NAC Stock)					Charge is based on actual cost of the item
Economy & Communities	Libraries	Photocopying - A3/A4 first 30 sheets.	£0.10	£0.10	£0.10	£0.10	CPI @ 2.7% per annum
Economy & Communities	Libraries	Black and White Photocopying/Printing A4 or A3 double-sided	£0.20	£0.21	£0.22	£0.23	CPI @ 2.7% per annum
Economy & Communities	Libraries	Black and White Photocopying/Printing Multiple Copies A4 or A3 single-sided Quantity 1-30	£0.10	£0.10	£0.10	£0.10	CPI @ 2.7% per annum
Economy & Communities	Libraries	Black and White Photocopying/Printing Multiple Copies A4 or A3 single-sided Quantity 31-100	£0.07	£0.07	£0.07	£0.07	CPI @ 2.7% per annum
Economy & Communities	Libraries	Black and White Photocopying/Printing Multiple Copies single-sided A4 or A3 Quantity 101+	£0.05	£0.05	£0.05	£0.05	CPI @ 2.7% per annum

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Economy & Communities	Libraries	Black and White Photocopying/Printing Multiple Copies double-sided A4 or A3 Quantity 1-30	£0.20	£0.21	£0.22	£0.23	CPI @ 2.7% per annum
Economy & Communities	Libraries	Black and White Photocopying/Printing Multiple Copies double-sided A4 or A3 Quantity 31-100	£0.10	£0.10	£0.10	£0.10	CPI @ 2.7% per annum
Economy & Communities	Libraries	Black and White Photocopying/Printing Multiple Copies double-sided A4 or A3 Quantity 101+	£0.07	£0.07	£0.07	£0.07	CPI @ 2.7% per annum
Economy & Communities	Libraries	Colour Photocopying/Printing A4 single-sided	£0.30	£0.31	£0.32	£0.33	CPI @ 2.7% per annum
Economy & Communities	Libraries	Colour Photocopying/Printing A3 single-sided	£0.60	£0.62	£0.64	£0.66	CPI @ 2.7% per annum
Economy & Communities	Libraries	Colour Photocopying/Printing A4 double-sided	£0.60	£0.62	£0.64	£0.66	CPI @ 2.7% per annum
Economy & Communities	Libraries	Colour Photocopying/Printing A3 double-sided	£1.20	£1.23	£1.26	£1.29	CPI @ 2.7% per annum
Economy & Communities	Libraries	Colour Photocopying/Printing A4 Multiple Copies single-sided Quantity 1-30	£0.30	£0.31	£0.32	£0.33	CPI @ 2.7% per annum
Economy & Communities	Libraries	Colour Photocopying/Printing Multiple Copies A4 single-sided Quantity 31-100	£0.20	£0.21	£0.22	£0.23	CPI @ 2.7% per annum
Economy & Communities	Libraries	Colour Photocopying/Printing Multiple Copies single-sided A4 o Quantity 101+	£0.10	£0.10	£0.10	£0.10	CPI @ 2.7% per annum
Economy & Communities	Libraries	Colour Photocopying/Printing A4 Multiple Copies double-sided Quantity 1-30	£0.60	£0.62	£0.64	£0.66	CPI @ 2.7% per annum
Economy & Communities	Libraries	Colour Photocopying/Printing Multiple Copies double-sided A4 o Quantity 101+	£0.10	£0.10	£0.10	£0.10	CPI @ 2.7% per annum
Economy & Communities	Libraries	Fax Charges - Outward to UK	£0.50	£0.51	£0.52	£0.53	CPI @ 2.7% per annum
Economy & Communities	Libraries	Fax Charges - Outward to Europe & USA first sheet	£1.20	£1.23	£1.26	£1.29	CPI @ 2.7% per annum
Economy & Communities	Libraries	Fax Charges - Outward to Europe & USA 2 sheets or more.	£0.60	£0.62	£0.64	£0.66	CPI @ 2.7% per annum
Economy & Communities	Libraries	Fax Charges - Outward to Rest of the world per sheet.	£1.50	£1.54	£1.58	£1.62	CPI @ 2.7% per annum
Economy & Communities	Libraries	Fax Charges - to receive a fax per sheet	£0.50	£0.51	£0.52	£0.53	CPI @ 2.7% per annum
Economy & Communities	Libraries	DVD Lending Service - DVD's per Week hire.	£1.50	£1.54	£1.58	£1.62	CPI @ 2.7% per annum
Economy & Communities	Libraries	DVD Lending Service - Day ones (New releases) 2 nights hire.	£1.75	£1.80	£1.85	£1.90	CPI @ 2.7% per annum
Economy & Communities	Libraries	Audio Charges - CD	£0.25	£0.26	£0.27	£0.28	CPI @ 2.7% per annum
Economy & Communities	Libraries	Room Hire - business purpose per hour	£6.00	£7.00	£7.50	£8.00	
Economy & Communities	Libraries	Room Hire - community purpose per hour	£3.00	£3.00	£3.00	£3.00	No change
Economy & Communities	Libraries	Room Hire - charity purpose per hour	£1.00	£1.00	£1.00	£1.00	No change
Economy & Communities	Libraries	Charges Computer Printout - black and white per sheet	£0.10	£0.10	£0.10	£0.10	CPI @ 2.7% per annum
Economy & Communities	Libraries	Charges Computer Printout - black and white per sheet double sided	£0.14	£0.14	£0.14	£0.14	CPI @ 2.7% per annum
Economy & Communities	Libraries	Charges Computer Printout - colour per sheet	£0.30	£0.31	£0.32	£0.33	CPI @ 2.7% per annum
Economy & Communities	Libraries	Charges Computer Printout - students and pupils to allow free use for homework	£1.00	£1.03	£1.06	£1.09	CPI @ 2.7% per annum
Economy & Communities	Libraries	Workshops	£2.00	£2.05	£2.11	£2.17	CPI @ 2.7% per annum
Economy & Communities	Protective Services (Building Standards)	Clearance Certificates	£235.10	£235.10	£235.10	£235.10	No change
Economy & Communities	Protective Services (Building Standards)	Searches	£86.90	£89.00	£91.00	£93.00	CPI @ 2.7% per annum
Economy & Communities	Protective Services (Building Standards)	Section 50 Certificates	£107.40	£107.40	£107.40	£107.40	No change
Economy & Communities	Protective Services (Building Standards)	Section 89 Certificates	£408.80	£408.80	£408.80	£408.80	No change
Economy & Communities	Protective Services (Environmental Health)	Bacteriological Swimming Pool Sampling	£34.60	£36.00	£37.00	£38.00	CPI @ 2.7% per annum
Economy & Communities	Protective Services (Environmental Health)	Chemical Swimming Pool Sampling	£79.50	£82.00	£84.00	£86.00	CPI @ 2.7% per annum

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Economy & Communities	Protective Services (Environmental Health)	Pest Control - Fumigations/Sprays for heavy infestations e.g. bedbugs, fleas includes survey and revisit. £30 refund payable if no treatment required following initial survey.	£68.70	£58.33	£60.00	£62.00	Increase to full cost recovery over 2 years
Economy & Communities	Protective Services (Environmental Health)	Pest Control Charge - Insects (Domestic)	£34.30	£37.50	£39.00	£40.00	Increase to full cost recovery over 2 years
Economy & Communities	Protective Services (Environmental Health)	Pest Control Charge - Rates/Mice/Insects (Commercial)	£55.80	£58.33	£60.00	£62.00	Increase to full cost recovery over 2 years
Economy & Communities	Protective Services (Environmental Health)	Pest Control Charge - Rats/Mice/Squirrels (Domestic) includes up to 3 visits. £30 refund payable if no treatment is required following initial survey.	£55.80	£58.33	£60.00	£62.00	Increase to full cost recovery over 2 years
Economy & Communities	Protective Services (Environmental Health)	Pest Control Charge - Wasp Nests/Bees	£34.30	£37.50	£39.00	£40.00	Increase to full cost recovery over 2 years
Economy & Communities	Protective Services (Environmental Health)	Food Hygiene Training Delegate Charge	£25.50	£26.00	£27.00	£28.00	CPI @ 2.7% per annum
Economy & Communities	Protective Services (Environmental Health)	Section 50 Certificates	£107.40	£110.00	£113.00	£116.00	CPI @ 2.7% per annum
Economy & Communities	Protective Services (Environmental Health)	Health Certificate for export to China	£30.70	£32.00	£33.00	£34.00	CPI @ 2.7% per annum
Economy & Communities	Protective Services (Trading Standards)	Liquid fuel measuring instruments - first meter tested	£137.20	£141.00	£145.00	£149.00	CPI @ 2.7% per annum
Economy & Communities	Protective Services (Trading Standards)	Liquid fuel measuring instruments - each additional meter tested during same visit	£84.80	£87.00	£89.00	£91.00	CPI @ 2.7% per annum
Economy & Communities	Protective Services (Trading Standards)	All other weighing and measuring equipment - one officer on site (per hour)	£74.20	£76.00	£78.00	£80.00	CPI @ 2.7% per annum
Economy & Communities	Protective Services (Trading Standards)	All other weighing and measuring equipment - two or more officers on site (per hour)	£118.60	£122.00	£125.00	£128.00	CPI @ 2.7% per annum
Education and Youth Employment	Early Years	Wraparound Charges	£3.70	£4.00	£4.00	£4.00	
Education and Youth Employment	Music Services	Tuition Fee	£180.00	£180.00	£180.00	£180.00	No change
Finance & Corporate Support	Registration Services	Private Citizenship Ceremonies - during office hours with 4 or less guests attending	£120.00	£123.00	£126.00	£129.00	CPI @ 2.7% per annum
Finance & Corporate Support	Registration Services	Private Citizenship Ceremonies - during office hours with more than 4 guests attending	£220.00	£226.00	£232.00	£238.00	CPI @ 2.7% per annum
Finance & Corporate Support	Registration Services	Civil Marriages / Partnerships at Registration Office outwith office hours	£395.00	£406.00	£417.00	£428.00	CPI @ 2.7% per annum
Finance & Corporate Support	Registration Services	Civil Marriages / Partnerships at Registration Office during office hours	£240.00	£246.00	£253.00	£260.00	CPI @ 2.7% per annum
Finance & Corporate Support	Registration Services	All Ceremonies at approved venues - fee for attendance of a Registrar during office hours	£385.00	£395.00	£406.00	£417.00	CPI @ 2.7% per annum
Finance & Corporate Support	Registration Services	All Ceremonies at approved venues - fee for attendance of a Registrar outwith office hours	£435.00	£447.00	£459.00	£471.00	CPI @ 2.7% per annum
Finance & Corporate Support	Registration Services	Guest Supplement: during office hours when more than 4 guests attend a marriage/civil partnership at Registration offices	£115.00	£118.00	£121.00	£124.00	CPI @ 2.7% per annum
Finance & Corporate Support	Registration Services	Naming & Renewal of Vows Ceremonies conducted at Registration Offices during office hours	£250.00	£257.00	£264.00	£271.00	CPI @ 2.7% per annum

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Finance & Corporate Support	Registration Services	Naming & Renewal of Vows Ceremonies conducted at Registration Offices outwith office hours	£300.00	£308.00	£316.00	£325.00	CPI @ 2.7% per annum
Finance & Corporate Support	Registration Services	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Registration Offices outwith office hours	£515.00	£529.00	£543.00	£558.00	CPI @ 2.7% per annum
Finance & Corporate Support	Registration Services	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Approved Venues outwith office hours	£575.00	£591.00	£607.00	£623.00	CPI @ 2.7% per annum
Finance & Corporate Support	Registration Services	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Approved Venues during office hours	£500.00	£514.00	£528.00	£542.00	CPI @ 2.7% per annum
Finance & Corporate Support	Registration Services	Guest supplement: during office hours when more than 4 guests attend a Civil Marriage/Partnership & Naming Ceremony at Registration Offices	£210.00	£216.00	£222.00	£228.00	CPI @ 2.7% per annum
Health & Social Care	Adults	Care at Home Adults	£11.70	£12.00	£12.30	£13.00	CPI @ 2.7% per annum
Health & Social Care	Adults	Day Care (purchased and provided)	£11.70	£12.00	£12.30	£13.00	CPI @ 2.7% per annum
Health & Social Care	Adults	Day Care (charges to Other Las)	£210.00	£215.70	£221.50	£227.00	CPI @ 2.7% per annum
Health & Social Care	Adults and Older People	Guest Room Charges at Sheltered Housing Accommodations	£5.00	£5.10	£5.20	£5.00	CPI @ 2.7% per annum
Health & Social Care	Adults and Older People	Community Alarms service - mainland	£4.30	£4.40	£4.50	£5.00	CPI @ 2.7% per annum
Health & Social Care	Adults and Older People	Community Alarms service - Arran	£2.10	£2.20	£2.30	£2.00	CPI @ 2.7% per annum
Health & Social Care	Adults and Older People	Meals on Wheels	£2.80	£2.90	£3.00	£3.00	CPI @ 2.7% per annum
Health & Social Care	Older People	Care at Home Older People per hour	£11.70	£12.00	£12.30	£13.00	CPI @ 2.7% per annum
Health & Social Care	Older People	Day Care (purchased and provided) Older People	£11.70	£12.00	£12.30	£13.00	CPI @ 2.7% per annum
Place	E&RS - Bereavement Service	Internment of Sixteen and Over	£570.00	£585.00	£601.00	£617.00	CPI @ 2.7% per annum
Place	E&RS - Bereavement Service	Purchase of Exclusive Right of Burial (New Lair)	£570.00	£585.00	£601.00	£617.00	CPI @ 2.7% per annum
Place	E&RS - Bereavement Service	Purchase of Exclusive Right of Burial (Woodland Area)	£570.00	£585.00	£601.00	£617.00	CPI @ 2.7% per annum
Place	E&RS - Bereavement Service	Internment of Cremated Remains	£201.00	£206.00	£212.00	£218.00	CPI @ 2.7% per annum
Place	E&RS - Bereavement Service	Memorial Foundation	£152.00	£156.00	£160.00	£164.00	CPI @ 2.7% per annum
Place	E&RS - Bereavement Service	Dis-internments	£838.00	£861.00	£884.00	£908.00	CPI @ 2.7% per annum
Place	E&RS - Bereavement Service	Internment on common ground	£218.00	£224.00	£230.00	£236.00	CPI @ 2.7% per annum
Place	E&RS - Bereavement Service	Purchase of Exclusive Right of Burial - Cremated Remains Only (New Lair)	£201.00	£206.00	£212.00	£218.00	CPI @ 2.7% per annum
Place	E&RS - Bereavement Service	Purchase of Exclusive Right of Burial - Cremated Remains Only in Garden of Remembrance(New Lair)	£201.00	£206.00	£212.00	£218.00	CPI @ 2.7% per annum
Place	E&RS - Bereavement Service	Purchase of Exclusive Right of Burial - Private Baby Lair	£201.00	£206.00	£212.00	£218.00	CPI @ 2.7% per annum
Place	E&RS - Bereavement Service	Internment of Sixteen and Over (Saturdays and Public Holidays)	£855.00	£878.00	£902.00	£926.00	CPI @ 2.7% per annum
Place	E&RS - FM	Secondary School meals	£2.00	£2.20	£2.20	£2.30	5% increase
Place	E&RS - FM	Primary School meals	£2.00	£2.10	£2.10	£2.20	5% increase
Place	E&RS - Largs Car Park	Car park Charges - up to 1 hour	£1.00	£1.00	£1.00	£1.00	CPI @ 2.7% per annum
Place	E&RS - Largs Car Park	Car park Charges - over 1 hour up to 3 hours	£3.00	£3.00	£3.00	£3.00	CPI @ 2.7% per annum
Place	E&RS - Largs Car Park	Car park Charges - over 3 hours	£4.00	£4.00	£4.00	£4.00	CPI @ 2.7% per annum
Place	E&RS - Streetscene Services	Grass Cutting Scheme	£61.00	£63.00	£65.00	£67.00	CPI @ 2.7% per annum
Place	E&RS - Transport Services	Car Inspection	£26.70	£27.00	£28.00	£29.00	CPI @ 2.7% per annum
Place	E&RS - Transport Services	MOT Class 4	£48.20	£50.00	£51.00	£52.00	CPI @ 2.7% per annum

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Place	E&RS - Transport Services	MOT Class 5	£64.40	£66.00	£68.00	£70.00	CPI @ 2.7% per annum
Place	E&RS - Transport Services	MOT Class 7	£53.70	£55.00	£56.00	£58.00	CPI @ 2.7% per annum
Place	E&RS - Transport Services	Tachograph Calibration	£49.30	£51.00	£52.00	£53.00	CPI @ 2.7% per annum
Place	E&RS - Transport Services	Tachograph 2 year Inspection	£34.30	£35.00	£36.00	£37.00	CPI @ 2.7% per annum
Place	E&RS - Transport Services	Tachograph 6 year Inspection	£49.30	£51.00	£52.00	£53.00	CPI @ 2.7% per annum
Place	E&RS - Transport Services	Per hire charge for transport hires to external groups.	£20.00	£21.00	£22.00	£23.00	CPI @ 2.7% per annum
Place	E&RS - Transport Services	Vehicle Inspections - Taxi	£79.70	£79.70	£79.70	£79.70	no change
Place	E&RS - Transport Services	Vehicle Inspections - Taxi Retest	£47.80	£47.80	£47.80	£47.80	no change
Place	Roads	Section 56 Roads Opening Permit Vehicle Access Crossing	£60.00	£65.00	£70.00	£72.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Section 56 Road Opening Permit Other works involving excavation in the public road	£170.00	£184.00	£198.00	£203.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Section 56 Road Opening Permit Other works involving excavation in the public road. Duration charge for additional week.	£80.00	£87.00	£93.00	£96.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Section 58 Road Occupation Permits Builders Materials - for up to 4 weeks	£70.00	£76.00	£82.00	£84.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Section 58 Road Occupation Permits Cranes - for up to 4 weeks	£70.00	£76.00	£82.00	£84.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Section 58 Road Occupation Permits Scaffolding - for up to 4 weeks	£70.00	£76.00	£82.00	£84.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Section 85 Skip Permits - for up to 4 weeks	£42.00	£46.00	£49.00	£50.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Temporary Traffic Signal Permit (three way or more only). This would be in addition to Section 56 charge.	£100.00	£108.00	£116.00	£119.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Temporary Traffic Signal Permit (three way or more only). This would be in addition to Section 56 charge. Duration charge for additional week.	£100.00	£108.00	£116.00	£119.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Property Enquiry Adoption Plan	£30.00	£33.00	£35.00	£36.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	NRSWA Section 109 Permission	£260.00	£281.00	£302.00	£310.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	NRSWA Public Utility Sample Inspections	£36.00	£36.00	£36.00	£36.00	Fees are fixed by statute
Place	Roads	5 day Temporary Traffic Order (by notice)	£350.00	£378.00	£406.00	£417.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Emergency Temporary Traffic Order (by notice)	£350.00	£378.00	£406.00	£417.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Temporary Traffic Orders (advertised in press). Advertising costs are extra.	£540.00	£584.00	£627.00	£644.00	8% 18/19 & 8% 19/20, CPI in 20/21

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Place	Roads	Supply of Traffic Count Data. Price per site.	£170.00	£184.00	£198.00	£203.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Supply / Use of information from the Saturn Traffic Model	£1,100.00	£1,188.00	£1,276.00	£1,310.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Neighbourhood Watch Signs	£30.00	£33.00	£35.00	£36.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Switching off Traffic Signals for third parties	£120.00	£130.00	£140.00	£144.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Amendments to Approved Road Construction Consents	£300.00	£324.00	£348.00	£357.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Temporary signs for events.	£80.00	£87.00	£93.00	£96.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	Signs for new Housing Developments	£310.00	£335.00	£360.00	£370.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Roads	H Bar Markings (Access protection markings)	£50.00	£54.00	£58.00	£60.00	8% 18/19 & 8% 19/20, CPI in 20/21
Place	Commercial Services - Waste Resources	New/Replacement of Waste Bins Domestic 240 Litre	£39.30	£40.36	£41.45	£42.57	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	New/Replacement of Waste Bins Commercial 360 Litre	£64.80	£66.55	£68.35	£70.20	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	New/Replacement of Waste Bins Commercial 1100 Litre	£330.10	£339.01	£348.16	£357.56	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	New/Replacement of Waste Bins Commercial 1280 Litre	£384.10	£394.47	£405.12	£416.06	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Uplift Commercial White Goods per item	£42.90	£44.06	£45.25	£46.47	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Bin Repair - standard lock supply & fitting	£19.62	£20.15	£20.69	£21.25	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Bin Repair - new forest lock supply & fitting	£28.50	£29.27	£30.06	£30.87	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Bin Repair - push to lock supply & fitting	£39.60	£40.67	£41.77	£42.90	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Bin Repair - lid supplied & lock fixed cost	£122.10	£125.40	£128.79	£132.27	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	BIN Repair - front wheels supplied and fitted cost	£63.80	£65.52	£67.29	£69.11	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Bin Repair - back wheels supplied and fitted cost	£69.10	£70.97	£72.89	£74.86	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Replacement of Waste Bins Commercial 240 litre	£39.30	£40.36	£41.45	£42.57	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	New/Replacement of Waste Bins Commercial 140 litre	£27.00	£27.73	£28.48	£29.25	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	New/Replacement of Waste Bins Commercial 660 Lite	£276.00	£283.45	£291.10	£298.96	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Special Uplift Charges	£13.50	£13.86	£14.23	£14.61	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Special Uplift individual item Charges	£2.70	£2.77	£2.84	£2.92	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 240 Litre Bin	£5.12	£5.27	£5.43	£5.59	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 360 Litre Bin	£7.67	£7.90	£8.13	£8.37	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 660 Litre Bin	£14.08	£14.49	£14.92	£15.36	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Place	Commercial Services - Waste Resources	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 1100 Litre Bin	£23.47	£24.16	£24.87	£25.60	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 1280 Litre Bin	£27.38	£28.18	£29.01	£29.87	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Sub-Contracted Commercial Collection Residual Waste 240 Litre bin	£5.53	£5.69	£5.86	£6.03	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Sub-Contracted Commercial Collection Residual Waste 360 Litre bin	£8.28	£8.53	£8.78	£9.04	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Sub-Contracted Commercial Collection Residual Waste 660 Litre bin	£15.19	£15.63	£16.09	£16.56	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Sub-Contracted Commercial Collection Residual Waste 1100 Litre bin	£25.34	£26.08	£26.85	£27.64	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Sub-Contracted Commercial Collection Residual Waste 1280 Litre bin	£29.55	£30.42	£31.32	£32.24	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Commercial Refuse Scheduled Bin Uplift Food/Organic 140 Litre Bin	£4.20	£4.31	£4.43	£4.55	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Commercial Refuse Scheduled Bin Uplift Food/Organic 500 Litre Bin	£15.01	£15.41	£15.83	£16.26	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Subcontractor Commercial Refuse Scheduled Bin Uplift Food/Organic 140 Litre Bin	£5.33	£5.47	£5.62	£5.77	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Subcontractor Commercial Refuse Scheduled Bin Uplift Food/Organic 500 Litre Bin	£19.01	£19.52	£20.05	£20.59	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Charity Refuse Scheduled Bin Uplift Residual Waste Service 240 Litre Bin	£2.56	£2.64	£2.72	£2.80	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Charity Refuse Scheduled Bin Uplift Residual Waste Service 360 Litre Bin	£3.84	£3.96	£4.08	£4.20	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Charity Refuse Scheduled Bin Uplift Residual Waste Service 660 Litre Bin	£7.04	£7.25	£7.46	£7.68	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Charity Refuse Scheduled Bin Uplift Residual Waste Service 1100 Litre Bin	£11.73	£12.08	£12.44	£12.81	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Charity Refuse Scheduled Bin Uplift Residual Waste Service 1280 Litre Bin	£13.69	£14.09	£14.51	£14.94	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Charity Scheduled Bin Uplift Mixed Recyclate Service 240 Litre Bin	£1.94	£1.99	£2.04	£2.10	CPI @ 2.7% per annum

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Place	Commercial Services - Waste Resources	Charity Scheduled Bin Uplift Mixed Recyclate Service 360 Litre Bin	£2.91	£2.99	£3.07	£3.15	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Charity Scheduled Bin Uplift Mixed Recyclate Service 660 Litre Bin	£5.34	£5.49	£5.64	£5.79	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Charity Scheduled Bin Uplift Mixed Recyclate Service 1100 Litre Bin	£8.88	£9.12	£9.37	£9.62	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Charity Scheduled Bin Uplift Mixed Recyclate Service 1280 Litre Bin	£10.33	£10.61	£10.90	£11.19	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Charity Scheduled Bin Uplift Food/Organic 140 Litre Bin	£2.10	£2.16	£2.22	£2.28	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Charity Scheduled Bin Uplift Food/Organic 500 Litre Bin	£7.50	£7.71	£7.92	£8.13	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 240 Litre Bin	£3.87	£3.98	£4.09	£4.20	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 360 Litre Bin	£5.82	£5.97	£6.13	£6.30	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 660 Litre Bin	£10.65	£10.94	£11.24	£11.54	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 1100 Litre Bin	£17.77	£18.25	£18.74	£19.25	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 1280 Litre Bin	£20.67	£21.22	£21.79	£22.38	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub-Contracted Commercial Collection Residual Waste 140 Litre bin	£3.23	£3.33	£3.43	£3.53	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Charity Refuse Scheduled Bin Uplift Residual Waste Service 140 Litre Bin	£1.49	£1.53	£1.58	£1.63	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Sub-Contracted Charity Residual Waste 140 Litre bin	£1.62	£1.67	£1.72	£1.77	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 140 Litre Bin	£2.99	£3.08	£3.17	£3.26	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Direct Disposal inclusive of Scottish Landfill tax (external customers) PER Te	£131.79	£135.68	£139.68	£143.80	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Sack Sales Pre-Paid - Trade Recycling per 100	£108.55	£111.48	£114.49	£117.58	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sack Sales Pre-Paid - Trade Waste per 50	£107.30	£110.47	£113.73	£117.09	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Special Uplift - uplift confidential waste	£5.37	£5.51	£5.66	£5.81	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub contract Sack Sales Pre-Paid - Trade Recycling per 100	£115.88	£119.01	£122.22	£125.52	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub contract Sack Sales Pre-Paid - Trade Waste per 50	£117.23	£120.69	£124.25	£127.92	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Place	Commercial Services - Waste Resources	Sub-Contracted Charity Residual Waste 240 Litre bin	£2.77	£2.85	£2.93	£3.02	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Sub-Contracted Charity Residual Waste 360 Litre bin	£4.15	£4.27	£4.40	£4.53	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Sub-Contracted Charity Residual Waste 660 Litre bin	£7.60	£7.82	£8.05	£8.29	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Sub-Contracted Charity Residual Waste 1100 Litre bin	£12.67	£13.04	£13.42	£13.82	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Sub-Contracted Charity Residual Waste 1280 Litre bin	£14.77	£15.21	£15.66	£16.12	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Sub-Contracted Charity Mixed Recycling Waste 240 Litre bin	£2.10	£2.16	£2.22	£2.28	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub-Contracted Charity Mixed Recycling Waste 360 Litre bin	£3.14	£3.23	£3.32	£3.41	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub-Contracted Charity Mixed Recycling Waste 660 Litre bin	£5.75	£5.91	£6.07	£6.23	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub-Contracted Charity Mixed Recycling Waste 1100 Litre bin	£9.59	£9.85	£10.12	£10.39	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub-Contracted Charity Mixed Recycling Waste 1280 Litre bin	£11.15	£11.45	£11.76	£12.08	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub-Contracted Charity Food/Organic Waste 140 Litre bin	£2.66	£2.74	£2.81	£2.89	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub-Contracted Charity Food/Organic Waste 500 Litre bin	£9.51	£9.77	£10.03	£10.30	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub-Contracted Commercial Collection Mixed Recyclate 240 Litre bin	£4.19	£4.30	£4.42	£4.54	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub-Contracted Commercial Collection Mixed Recyclate 360 Litre bin	£6.27	£6.44	£6.61	£6.79	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub-Contracted Commercial Collection Mixed Recyclate 660 Litre bin	£11.50	£11.81	£12.13	£12.46	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub-Contracted Commercial Collection Mixed Recyclate 1100 Litre bin	£19.18	£19.70	£20.23	£20.78	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Sub-Contracted Commercial Collection Mixed Recyclate 1280 Litre bin	£22.30	£22.90	£23.52	£24.16	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Arran Yellow Tip Permit	£51.70	£53.23	£54.80	£56.42	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Arran Blue Tip Permit	£86.09	£88.63	£91.24	£93.93	2.95% increase reflects 3.3% increase in landfill tax and 2.7% CPI on other costs
Place	Commercial Services - Waste Resources	Commercial White Goods Collection	£42.90	£44.06	£45.25	£46.47	CPI @ 2.7% per annum

## Proposed Fees &amp; Charges

Directorate	Service	Charge Description	Current Charge (2017/18)	Proposed Charge (2018/19)	Proposed Charge (2019/20)	Proposed Charge (2020/21)	Basis of increase
Place	Commercial Services - Waste Resources	Skip Charges 15cyd - no treatment	£75.30	£77.33	£79.42	£81.56	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Skip Charges 35cyd - no treatment	£179.56	£184.41	£189.39	£194.50	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Landfill Tax Active per Te	£86.10	£88.95	n/a	n/a	3.3% increase in landfill tax
Place	Commercial Services - Waste Resources	Landfill Tax Inactive per Te	£2.70	£2.80	n/a	n/a	3.3% increase in landfill tax
Place	Commercial Services - Waste Resources	Landfill Tax No charge per Te	£0.00	£0.00	n/a	n/a	3.3% increase in landfill tax
Place	Commercial Services - Waste Resources	Green - Treatment per Te	£50.00	£51.35	£52.74	£54.16	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	General - Treatment per Te	£44.81	£46.02	£47.26	£48.54	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Soil - Treatment per Te	£30.00	£30.81	£31.64	£32.49	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Scrap - Treatment per Te	£30.00	£30.81	£31.64	£32.49	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Wood - Treatment per Te	£30.00	£30.81	£31.64	£32.49	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Plastics - Treatment per Te	£50.00	£51.35	£52.74	£54.16	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Bricks/rubble - Treatment per Te	£30.00	£30.81	£31.64	£32.49	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Lampheads - Treatment per Te	£30.00	£30.81	£31.64	£32.49	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Void Uplift bin charge (Up to full set)	£43.39	£44.56	£45.76	£47.00	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Event container delivery & uplift	£60.00	£61.62	£63.28	£64.99	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Special Uplift Squad - 30 min	£43.39	£44.56	£45.76	£47.00	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Special Uplift Squad - 60 min	£86.77	£89.11	£91.52	£93.99	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Special Uplift - disposal landfill- 1/4te	£32.95	£33.92	£34.92	£35.95	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Special Uplift - disposal landfill- 1/2te	£65.90	£67.84	£69.84	£71.90	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Special Uplift - disposal landfill - Te	£131.79	£135.68	£139.68	£143.80	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Container retrieval - 140/240/360 ltr bins	£15.00	£15.41	£15.83	£16.26	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Container retrieval - 500/660/1100/1280 ltr bins	£35.00	£35.95	£36.92	£37.92	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Special uplift - Confidential waste per bag	£5.37	£5.51	£5.66	£5.81	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Contamination charge - 140/240/360 ltr bins	£15.00	£15.41	£15.83	£16.26	CPI @ 2.7% per annum
Place	Commercial Services - Waste Resources	Contamination charge - 500/660/1100/1280 ltr bins	£35.00	£35.95	£36.92	£37.92	CPI @ 2.7% per annum

North Ayrshire Council General Services Revenue Budget 2018-19											
Summary by Directorate											
Subjective Analysis											
Directorate	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
Chief Executive Service Finance	2,805	7	133	14	906	340	0	0	0	(510)	3,696
& Corporate Support Education	13,470	1	1,933	45	603	1,591	51,525	0	0	(53,194)	15,973
& Youth Employment Health &	86,319	215	19,584	178	875	5,582	580	0	65	(1,831)	111,567
Social Care Partnership Place	45,600	389	2,265	485	639	63,291	2,816	0	0	(24,710)	90,776
Economy & Communities	42,526	17,326	10,127	7,611	2,056	13,667	1,708	346	0	(37,876)	57,491
Other Corporate Items	11,374	301	1,022	152	306	6,904	0	0	0	(2,072)	17,986
	1,832	610	9,093	476	948	3,860	0	0	19,199	(2,294)	33,724
<b>Total Expenditure</b>	<b>203,926</b>	<b>18,848</b>	<b>44,159</b>	<b>8,961</b>	<b>6,332</b>	<b>95,235</b>	<b>56,629</b>	<b>346</b>	<b>19,264</b>	<b>(122,487)</b>	<b>331,213</b>

## Funded by:

AEF	0	0	0	0	0	150	0	0	0	(274,074)	(273,924)
Council Tax	0	0	0	0	0	0	12,080	0	0	(65,869)	(53,789)
Contribution from Reserves	0	0	0	0	0	0	0	0	0	(3,500)	(3,500)
<b>Total Funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150</b>	<b>12,080</b>	<b>0</b>	<b>0</b>	<b>(343,443)</b>	<b>(331,213)</b>

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2018-19										
	Chief Executive Service										
	Subjective Analysis										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Payments to other Bodies £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Legal	1,065	0	37	9	-20	0	0	0	0	-388	702
Policy, Performance & Community Planning	688	0	20	4	30	32	0	0	0	0	773
Communications	370	0	12	1	18	4	0	0	0	0	406
Committee & Member Services	683	6	63	1	878	236	0	0	0	-122	1,745
Civil Contingencies	0	0	0	0	1	68	0	0	0	0	69
<b>Total</b>	<b>2,805</b>	<b>7</b>	<b>133</b>	<b>14</b>	<b>906</b>	<b>340</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(510)</b>	<b>3,696</b>

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2018-19										
	Finance & Corporate Support										
	Subjective Analysis										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Payments to other Bodies £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Director & Heads of Service	482	0	4	2	7	23	0	0	0	0	518
Financial Services	1,710	0	89	1	30	2	0	0	0	-117	1,715
Corporate Procurement	925	0	15	2	11	96	0	0	0	-342	708
Audit & Risk	765	0	11	7	10	0	0	0	0	-170	623
Human Resources	1,569	0	79	3	126	277	0	0	0	-290	1,763
Change	-55	0	-1	0	0	0	0	0	0	2	-54
Revenues & Benefits	2,010	0	166	3	333	1,153	51,280	0	0	-51,972	2,973
ICT	2,258	0	1,417	17	22	10	0	0	0	-5	3,720
Customer Services & Registration	1,985	0	131	9	45	30	245	0	0	-295	2,149
Business Support	1,438	0	22	0	16	0	0	0	0	-7	1,470
Information Governance	384	0	1	0	3	0	0	0	0	0	388
<b>Total</b>	<b>13,470</b>	<b>1</b>	<b>1,933</b>	<b>45</b>	<b>603</b>	<b>1,591</b>	<b>51,525</b>	<b>0</b>	<b>0</b>	<b>(53,194)</b>	<b>15,973</b>

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2018-19										
	Education & Youth Employment										
	Subjective Analysis										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Payments to other Bodies £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Early Years Primary	9,242	9	1,078	15	110	1,702	0	0	0	-519	11,637
Education Secondary	34,259	19	3,141	40	360	167	0	0	0	-55	37,930
Education Additional	34,953	35	14,374	67	232	1,017	0	0	0	-320	50,358
Support Needs Education	4,817	0	673	38	46	2,495	0	0	0	-267	7,801
- Other	3,048	152	318	18	127	201	580	0	65	-669	3,840
<b>Total</b>	<b>86,319</b>	<b>215</b>	<b>19,584</b>	<b>178</b>	<b>875</b>	<b>5,582</b>	<b>580</b>	<b>0</b>	<b>65</b>	<b>(1,831)</b>	<b>111,567</b>

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2018-19										
	Health & Social Care Partnership										
	Subjective Analysis										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Payments to Other Bodies £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Management & Support Services	3,336	18	278	16	206	1,052	0	0	0	-761	4,144
Change Programme	0	0	0	0	0	0	0	0	0	-326	-326
<u>Community Care and Health</u>											
Locality Services	3,420	0	159	48	26	19,796	944	0	0	-4,472	19,921
Community Care Service Delivery	17,054	25	1,255	66	80	8,364	452	0	0	-6,193	21,104
Long Term Conditions	936	4	12	0	24	310	1	0	0	-337	949
Rehabilitation And Reablement	776	1	7	9	4	15	0	0	0	-49	764
Integrated Island Services	445	1	6	3	1	0	0	0	0	-22	434
<u>Children, Families and Criminal Justice</u>											
Intervention Services	3,287	185	130	79	10	131	48	0	0	0	3,870
Fieldwork	3,916	0	51	97	34	2,160	392	0	0	-1,351	5,298
Looked After & Accom Children	4,677	33	211	37	96	12,536	2	0	0	-842	16,750
Changing Childrens Services Fund	263	0	44	14	29	22	0	0	0	-11	361
Early Years	190	0	2	3	4	117	0	0	0	0	316
Policy & Practice	654	0	9	10	91	0	0	0	0	-15	749
Criminal Justice	2,972	104	61	66	19	114	0	0	0	-438	2,898
<u>Mental Health and Learning Disabilities</u>											
Community Mental Health	848	0	4	13	4	3,041	141	0	0	-2,192	1,858
Learning Disabilities	1,850	17	25	12	10	15,145	834	0	0	-6,942	10,951
Addictions	977	1	13	11	1	488	1	0	0	-758	734
<b>Total</b>	<b>45,600</b>	<b>389</b>	<b>2,265</b>	<b>485</b>	<b>639</b>	<b>63,291</b>	<b>2,816</b>	<b>0</b>	<b>0</b>	<b>-24,710</b>	<b>90,776</b>

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2018-19										
	Place										
	Subjective Analysis										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Payments to other Bodies £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Director & Heads of Service	399	0	50	10	36	0	0	0	0	0	495
<u>Physical Environment</u>											
Property Management & Investment	2,157	0	61	25	22	42	0	0	0	-639	1,668
Housing Assets & Investments	1,216	0	77	19	26	10	0	0	0	-2,372	(1,023)
Property Running Costs	0	6,640	1	0	157	2	0	0	0	-1,549	5,251
Energy & Sustainability	291	3,568	3	1	3	293	0	0	0	-620	3,539
Property Maintenance	0	4,348	0	0	0	0	0	0	0	0	4,348
Roads	3,866	18	1,792	71	263	1,591	0	209	0	-1,097	6,714
Streetscene	5,938	254	414	119	67	266	0	0	0	-2,716	4,342
Other Housing	3,588	1,512	194	53	102	1,258	1,708	58	0	-4,431	4,041
<u>Commercial Services</u>											
Internal Transport	1,444	28	133	6,856	17	2,221	0	0	0	-898	9,801
Waste Services	4,376	6	588	147	1,026	6,089	0	78	0	-3,555	8,756
Facilities Management	10,187	799	2,715	20	102	11	0	1	0	-2,525	11,309
Building Services	9,062	154	4,100	291	233	1,884	0	0	0	-17,473	(1,749)
<b>Total</b>	<b>42,526</b>	<b>17,326</b>	<b>10,127</b>	<b>7,611</b>	<b>2,056</b>	<b>13,667</b>	<b>1,708</b>	<b>346</b>	<b>0</b>	<b>(37,876)</b>	<b>57,491</b>

North Ayrshire Council General Services Revenue Budget 2018-19											
Economy & Communities											
Subjective Analysis											
Objective Analysis	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Payments to other Bodies £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
Connected Communities	5,643	255	790	76	205	4,140	0	0	0	(669)	10,439
Economic Growth	5,730	46	233	77	101	2,764	0	0	0	(1,403)	7,547
<b>Total</b>	<b>11,374</b>	<b>301</b>	<b>1,022</b>	<b>152</b>	<b>306</b>	<b>6,904</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,072)</b>	<b>17,986</b>

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2018-19										
	Other Corporate Items										
	Subjective Analysis										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Payments to other Bodies £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Joint Boards	0	0	0	0	0	3,376	0	0	0	0	3,376
Pension Costs	1,832	0	0	0	0	0	0	0	0	0	1,832
Loan Charges & Capital Charges	0	0	0	0	0	0	0	0	19,199	-58	19,142
Central Telephones	0	0	0	0	86	0	0	0	0	0	86
Other Corporate Items	0	0	9,093	0	0	0	0	0	0	198	9,292
Insurance	0	610	0	476	862	484	0	0	0	-2,435	-3
<b>Total</b>	<b>1,832</b>	<b>610</b>	<b>9,093</b>	<b>476</b>	<b>948</b>	<b>3,860</b>	<b>0</b>	<b>0</b>	<b>19,199</b>	<b>(2,294)</b>	<b>33,724</b>

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**NORTH AYRSHIRE COUNCIL**
**28 February 2018**
**North Ayrshire Council**


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<b>Title:</b>	<b>Capital Investment Programme 2018/19 to 2027/28</b>
<b>Purpose:</b>	To advise Council on the draft Capital Investment Programme to 2027/28
<b>Recommendation:</b>	That Council (a) approves the draft Capital Investment Programme to 2027/28 (b) notes that the programme will be reviewed on an on-going basis with the next major review within 3 years and (c) approves the Capital Investment Strategy.

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**1. Executive Summary**

- 1.1 This report outlines the recommendations of the full review of the capital investment programme which was undertaken during 2017/18.
- 1.2 A key element of the review was an assessment of all funding sources over the 10 years of the plan. Given high levels of uncertainty no assumptions has been made about external funding, however all appropriate funding sources will be explored. The review identified additional funding of £58.686m.
- 1.3 The review considered the current capital programme and prioritised projects in line with the Council Plan objectives. The criteria used to rank the projects were those set out in the Council's Corporate Asset Strategy approved by Cabinet on 25 October 2016. These are set out in paragraph 2.7.2.
- 1.4 The proposed capital programme attached in Appendix 3 will deliver a total programme of £245.670m, including £58.686m of new investment over the next 10 years.
- 1.5 Compliance with Regulation and the Prudential Code requires assurance to be provided on affordability and sustainability of the capital investment programme, this is provided in the Treasury Management and Investment Strategy (TMIS) which follows this report on the Council agenda. The TMIS recognises that this will require to be kept under review to ensure the underlying assumptions continue to apply.
- 1.6 In addition to the above there is a requirement for the first time for the Council to publish a Capital Investment Strategy. Minor modification has been made to the Council's previous Capital Asset Strategy to ensure compliance with requirements. This is attached at Appendix 4.

1.7 The revenue consequences of the Capital Investment Programme are highlighted in Appendix 2.

1.8 The capital programme will continue to be reviewed on an on-going basis by Cabinet with any additional funding brought forward for approval as appropriate. Major reviews will be undertaken on a 3-year basis.

## **2. Background**

### **2.1 Capital Investment Programme 2018/19 to 2027/28**

At its meeting on 1 March 2017 Council approved the current Capital Investment Programme for the period to 2017/18 to 2025/26. A comprehensive review of the Programme was undertaken during 2017/18. This report contains the outcome of that review.

### **2.2 Capital Grant Funding**

2.2.1 The Finance Settlement 5/2017 confirmed the level of general capital grant as £12.650m for 2018/19, a reduction of £0.458m from that previously anticipated. Grant in respect of future years has not been provided, as such this allocation has been applied across the full programme, adjusted in 2019/20 only to take account of the deferred grant from 2016/17. The impact of this is a total reduction of £3.664m over that anticipated previously in the period to 2025/26.

2.2.2 The 2018/19 core grant has been reduced to zero reflecting advance payment in 2017/18 of funding for the Council's flood prevention projects, with £6.325m being re-profiled into both 2019/20 and 2020/21.

2.2.3 The assumption is that the current core annual grant will be available in the final two years of the programme providing £25.300m to support the extension of the Programme to 2027/28.

2.2.4 Over the 10 year plan, the total general capital grant is expected to increase by an additional £21.636m.

2.2.5 In addition to the core grant the Council will receive three specific grants:

- £1.709m to tackle Vacant and Derelict Land with work underway to develop projects which will require Cabinet and Scottish Government approval;
- £0.185m, a reduction of £0.03m, to fund cycling, walking and safer streets (CWSS)
- a share of the £150m of capital grant which has been set aside for the expansion of Early Learning and Childcare. The proposed distribution methodology for this will be considered at a future Leaders' meeting.

## 2.3 Capital Receipts

The review of capital receipts projects an estimated net increase of £8.003m over the 10 year period. The two components of this are:

- an anticipated £10.725m of additional capital receipts in respect of the proposed development at Montgomerie Park;
- a reduction on the previous estimate for general capital receipts of £2.722m.

## 2.4 External Funding

The current draft capital investment programme does not include any external funding given the high level of uncertainty around securing this. Any funding secured, including Schools for the Future, could reduce prudential borrowing, creating flexibility within the revenue budget, or support earlier delivery of the proposed programme in respect of school investment.

## 2.5 Prudential Borrowing

The difference between the Council's capital investment programme and funding from the above sources is met through prudential borrowing. The proposed revision to the capital investment programme will be delivered within the current loan charges revenue budget and the Prudential Investment Fund. The Prudential Investment Fund, previously the Loans Fund Reserve, allows the Council to smooth the revenue implications of funding its long term capital investment programme. Review of the Fund has identified the opportunity to deliver an additional £27.337m in the Capital Investment Programme.

## 2.6 A summary of the changes to available funding is noted below;

- General capital grant support reflecting the value and profile as outlined in Finance Circular 5/2017, £21.636m;
- Specific funding of £1.709m to address issues with vacant and derelict land;
- A further £8.003m of capital receipts;
- £27.337m supported by the Prudential Investment Fund.

## 2.7 Development of the Capital Investment Programme to 2027/28

### 2.7.1 The approach to develop the proposed Capital Investment Programme to 2027/28 included:

- A full review of the current programme to 2025/26;
- Identification of opportunities to reprioritise uncommitted projects;
- Review of the phasing of projects from a delivery and affordability perspective;
- Options appraisal of new requirements;
- Consideration of lifecycle investment to protect core assets.

## Uncommitted Projects

2.7.2 The current capital investment programme to 2025/26, as reported to cabinet on 23 January 2018, is attached at appendix 1. A full review of the programme has been undertaken as noted above. The review has been undertaken in line with the criteria set out in the Council's Corporate Asset Strategy approved at Cabinet on 25 October 2016. The criteria are as follows;

- Invest to Save
- Statutory Duty
- Business Continuity
- Cost avoidance
- Alignment to Council Plan outcomes

2.7.3 This has resulted in proposed reductions to the current capital investment programme of £10.831m as follows:

Defer investment as noted below;

- B714, as reported to Cabinet on 14 November 2017;
- Pennyburn Roundabout to be reconsidered when infrastructure investment is required to support planned housing development;
- Town Centre investment recognising the opportunity to fund this through pro-actively securing external funding.

2.7.4 Diversion of funds previously identified for the development of Early Years to support the more significant proposed investment in the wider Education estate.

2.7.5 A shift in the classification of expenditure from capital to revenue in respect of software licensing freeing up capital investment, but creating a revenue pressure as the market offering shifts to Software as a Service.

2.7.6 A number of projects have been identified as having a lower priority when compared to the priorities emerging from the review;

- Castles and Historic Monuments;
- Improvement grants with a proposed reduction in the annual value from £0.700m to £0.500m

## Re-phasing of Projects

2.7.7 As part of the review an assessment was undertaken of the anticipated delivery of projects and the overall profile of the programme to ensure affordability within available resources. The main changes are noted below:

- Ayrshire Growth Deal reflecting delays in the announcement of specific funding from both the UK and Scottish Governments;

- Millport Flood Protection has been re-profiled in line with anticipated programme to deliver the full scheme and also requires £1.870m of additional funding;
- Ardrossan Academy has been re-profiled to the latter years of the programme to ensure the total programme is deliverable within available resources. Should funding become available from the Scottish Government's Schools for the Future programme this could facilitate earlier delivery of Ardrossan Academy which has low ratings in terms of condition and suitability, with a number of key components nearing end of economic life.

#### Montgomerie Park Developments

2.7.8 An options appraisal was carried out to assess the most cost effective way of meeting projected education need in Irvine over the medium term. Consideration was given to a significant extension to Annick Primary School or a new build facility at Montgomerie Park. As part of this review consideration was given to the planned housing development at Montgomerie Park and the options for the Council to deliver this at pace.

2.7.9 The appraisal identified the following proposed net additional investment of £5.033m to deliver both outcomes:

- Investment of £4.600m in core infrastructure to support housing development at Montgomerie Park and generate anticipated capital receipts of £10.725m;
- £0.950m for the development of PE facilities at Annick Primary School to ensure the school is able to deliver on its curricular commitment, this being in addition to the £0.548m in the current capital plan to support a 3 class extension;
- £9.660m for a new school at Montgomerie Park;
- Partially funded by the additional capital receipts of £10.725m.

#### Moorpark Primary School

2.7.10 The current capital programme provides £2.975m for the extension of Moorpark Primary School, more recent assessment of the school has confirmed that £6.750m would be required to address the lifecycle issues arising at the facility. Given the age of the school and the potential for further costs to arise as the refurbishment is being undertaken, the assessment is that a better value for money option, and one which ensure the condition and suitability of the school for the long term, is a new build requiring additional funding of £6.621m. This will deliver a new school in 2021/22.

#### Residential and respite unit for children

2.7.11 The proposed £5.720m investment will deliver respite and residential services co-located with the new ASN school providing modern fit for purpose local services to meet the health and social care needs of the young people and their families, supporting their overall development and educational potential.

## Lifecycle Investment

2.7.12 A number of the proposed projects extend current lifecycle investment into the final two years of the draft Programme, this includes vehicle replacement (£2m per annum) and lighting investment (£1m per annum). Improvement Grants have been extended to year 10 but at a reduced value of £0.500m. In addition investment of £0.700m is required to carry out essential repairs to stabilise the Largs promenade seawall.

2.7.13 Significant additional investment is proposed in property and roads lifecycle, £10.500m and £16.200m respectively. A brief narrative on the planned investment is noted below:

- Property – the proposal will enable high priority cyclical and statutory investment to extend the life of the Council's core assets ensuring they remain fit for purpose, supporting delivery of core front line services;
- Roads – the additional investment is required to maintain the condition of the Council's roads over the next ten years, the profile of this investment aligns with the overall affordability of the total proposed programme.

## Other Projects

2.7.14 There are a number of other proposed projects within the Programme, a brief summary of these is provided below;

- Investment of £0.300m in infrastructure to support the introduction of charging for parking with the potential for this to deliver future revenue savings;
- £1.500m investment to introduce an enhanced recycling and waste collection service from April 2019 as part of the Council's Zero Waste Strategy 2018 - 2022 approved by Cabinet on 12 December 2017;
- £0.426m investment in infrastructure to support the proposed ICT applications refresh and implementation of the Digital Strategy;
- Reinstatement of £0.120m investment in solar energy, deferred from the current programme to support early delivery of the Annick Primary School extension.

2.7.15 £1.351m of resource remains unallocated, this provides flexibility to support any variation on the value, including construction inflation, and timing of the total Programme.

2.7.16 A full analysis of the changes to the programme is included at Appendix 2.

2.8 A summary of the proposed investment aligned to the Council Plan outcomes is provided below.

2.8.1 £88m ensuring people have the right skills for learning, life and work.

- Development of the Primary School Estate including PE facilities at Annick Primary and new schools at Montgomerie Park and Moorpark;

- New additional supports needs school at Auchendarvie;
- New build Ardrossan Academy.

2.8.2 £22m growing our economy, increasing employment and regenerating towns.

- Investment in our Town Centres;
- Infrastructure works to support development of Montgomerie Park;
- Ayrshire Growth Deal;
- Development of Vacant and Derelict Land.

2.8.3 £26m helping our people to stay safe, healthy and active.

- Developing state of the art residential and respite unit for children and young people with disabilities;
- Investment at Tarryholme and in Improvement Grants supporting independent living for adults and older people;
- Lifecycle investment in lighting infrastructure.

2.8.4 £105m protecting and enhancing the environment for future generations.

- Flood Protection at Millport and Upper Garnock;
- Investment in core assets including roads, property, cemeteries, bridges and vehicles to ensure the Council continues to make essential investment in its existing asset base to meet all statutory requirements, ensure no disruption to delivery of core services and minimise risk;
- Investment to support delivery of the Zero Waste Strategy.

## 2.9 Revenue Implications

2.9.1 A number of the projects have revenue implication in future years totalling £1.218 m. The analysis of expenditure requirements is provided in Appendix 2.

## 2.10 Conclusion

2.10.1 The proposed capital investment programme for the period 2018/19 to 2027/28 is attached at Appendix 3. This confirms additional investment of £58.686m, delivering a £245.670m programme of investment over this period which aligns with the Council's key priorities and core asset management plans.

2.10.2 The programme is affordable based on the estimated funding streams set out in the 2018/19 to 2020/21 revenue budget, the Long Term Financial Outlook considered at Council on 4 October 2017 and the Prudential Investment Fund. The long term affordability of the Programme is highlighted in the Treasury Management and Investment Strategy reported elsewhere on the Agenda.

2.10.3 The updated Capital Investment Strategy, alongside the Treasury Management and Investment Strategy, ensures that the Council complies with the new regulatory requirements.

### 3. Proposals

- 3.1 That Council (a) approves the draft Capital Investment Programme to 2027/28 (b) notes that the programme will be reviewed on an on-going basis with the next major review within 3 years and (c) approves the Capital Investment Strategy.

### 4. Implications

<b>Financial:</b>	<p>The revised capital programme is based on a number of assumptions around the availability of finance including capital grant and capital receipts. Given the forward projection for 10 years it is essential that these and the cost of projects is kept under review.</p> <p>The revenue consequences are £1.218m with the analysis of this provided in Appendix 2. £0.450m of savings from the development of the new ASN school underpin future year prudential borrowing.</p> <p>There are a number of assumptions underpinning the current revenue projection including; the level of loans fund support, the level of future interest rates, delivery of the programme within the timelines outlined in the programme and application of the Prudential Investment Fund to smooth the revenue implications across the life of the plan.</p>
<b>Human Resources:</b>	No direct implications.

<b>Legal:</b>	No direct implications.
<b>Equality:</b>	Where the Council is making decisions in relation to its spending priorities, it is obliged to comply with the public sector equality duty set out in the Equalities Act 2010. To meet this requirement, the Council assesses the impact of applying a decision against key groups to ensure that certain groups are not disadvantaged by those decisions.  A number of the projects within the revised capital programme, will make a positive contribution to the Council's commitment to equalities.
<b>Children and Young People:</b>	More than £94m of the proposed programme aligns with the Council's commitment to children and young people.
<b>Environmental &amp; Sustainability:</b>	All projects within the revised plan will be delivered to minimise the impact on the environment and maximise sustainability.
<b>Key Priorities:</b>	The programme will support delivery of outcomes outlined the Council Plan 2015-2020
<b>Community Benefits:</b>	The Council will maximise delivery of community benefits from its investment programme

## 5. Consultation

- 5.1 A full consultation has taken place with all Executive Directors to identify capital investment that has the maximum impact on the communities of North Ayrshire. The draft programme has been shared with all Elected Members as the programme has been developed.



Laura Friel  
Executive Director (Finance & Corporate Support)

For further information please contact Laura Friel, (Executive Director) on 01294 324554.

### Background Papers

None

- Appendix 1 Current programme 2018/19 to 2025/26
- Appendix 2 Proposed Changes 2018/19 to 2027/28
- Appendix 3 Revised programme 2018/19 to 2027/28
- Appendix 4 Capital Asset Strategy 2018 2028

North Ayrshire Council Current Capital Programme 2018/19 - 2025/26												
Project Description		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total Budget
EXPENDITURE	OUTCOME	£	£	£	£	£	£	£	£	£	£	£
<b>Economy &amp; Communities</b>												
Town Centre Regeneration	1	587,753	503,000	50,000	50,000	50,000						1,240,753
Irvine High Street	1	2,230,000	200,000									2,430,000
Millport Cars	1	200,000	200,000									400,000
Pennyburn Roundabout	1			1,000,000	1,000,000							2,000,000
Purchase of Strategic Assets	1	42,210										42,210
Ayrshire Growth Deal	1	1,000,000	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000			9,000,000
Lochshore, Kilbirnie	5	25,000										25,000
Ardrossan Harbour	1	600,000										600,000
Quarry Road Phase 2	1	1,760,000	1,690,000									3,450,000
Cycling / Walker / Safer Streets	4	8,000	226,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	1,714,000
Access Paths Network Programme	4	50,000	50,000	50,000	50,000	50,000						250,000
Castles & Historic Monuments	5	75,000	100,000	100,000	100,000	100,000						475,000
<b>Sub Total</b>		<b>6,577,963</b>	<b>4,969,000</b>	<b>2,385,000</b>	<b>2,385,000</b>	<b>1,385,000</b>	<b>1,185,000</b>	<b>1,185,000</b>	<b>1,185,000</b>	<b>185,000</b>	<b>185,000</b>	<b>21,626,963</b>
<b>Education &amp; Youth Employment</b>												
Dykesmains Primary School nursery adapts	3	1,148,852										1,148,852
Early Learning & Childcare	3	1,498,871										1,498,871
Annick early years	3	998,995	1,000,000									1,998,995
Moorpark Primary - extension	3	2,473,620	500,000									2,973,620
Schools ICT investment	3	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000			2,800,000
Kilwinning Estate Learning Env't	3	1,752,359	907,500									2,659,859
Auchenharvie Secondary Estate Learning Env't	3	1,278,843	34,033									1,312,876
Auchenharvie PE Works	3	1,868,010										1,868,010
Largs Academy	3	920,000										920,000
Ardrossan New Build	3					5,733,000	10,000,000	9,629,000	6,228,000			31,590,000
New Build - ASN School	3	1,720,000	10,000,000	8,148,000	4,908,000							24,776,000
<b>Sub Total</b>		<b>14,009,550</b>	<b>12,791,533</b>	<b>8,498,000</b>	<b>5,258,000</b>	<b>6,083,000</b>	<b>10,350,000</b>	<b>9,979,000</b>	<b>6,578,000</b>	<b>0</b>	<b>0</b>	<b>73,547,083</b>
<b>Finance &amp; Corporate Support</b>												
PC replacement/virtual desktop	6	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000			800,000
Microsoft office upgrade	6	396,140	275,000									671,140
Data rationalisation & storage	6	50,000	150,000	50,000	50,000	50,000	50,000	50,000	50,000			500,000
Agile working	6	75,000	50,000	25,000	25,000	25,000	25,000	25,000	25,000			275,000
Business continuity	6	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000			400,000
Infrastructure enhancements	6	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000			400,000
Microsoft enterprise agreement	6					275,000	275,000	275,000				825,000
<b>Sub Total</b>		<b>721,140</b>	<b>675,000</b>	<b>275,000</b>	<b>275,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>275,000</b>	<b>0</b>	<b>0</b>	<b>3,871,140</b>
<b>Health &amp; Social Care Partnership</b>												
Carefirst IT Development	6	36,058										36,058
Tarryholme	4	3,343,200										3,343,200
Tarryholme Drive - Warrix Avenue	4	721,000										721,000
HSCP ICT investment to support integration	6	70,000										70,000

**North Ayrshire Council  
Current Capital Programme 2018/19 - 2025/26**

Project Description		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total Budget
		£	£	£	£	£	£	£	£	£	£	£
<b>Sub Total</b>		<b>4,170,258</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,170,258</b>						
<b>Place</b>												
Roads Improvement / Reconstruction	5	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000			16,800,000
B714 upgrade	1	186,674			1,283,629							1,470,303
Lighting	4	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000			8,000,000
Upper Garnock FPS	5	700,000	8,600,000	6,646,082								15,946,082
Millport Coastal FPS	5	200,000	6,070,000	220,000								6,490,000
Bridges infrastructure programme	5	814,143	560,000	560,000	560,000	560,000		170,000				3,224,143
Property lifecycle investment	5	2,719,857	3,000,000									5,719,857
Industrial portfolio	1	200,000	200,000	200,000								600,000
Improvement grants	4	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000			5,600,000
Cemetery extns, walls & infra	5	1,311,583	960,000	384,000	339,000	62,000	112,000	35,000	200,000			3,403,583
Knadgerhill Cemetery	5	2,575										2,575
Vehicles	5	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000			16,000,000
Shewalton landfill	5	512,000										512,000
<b>Sub Total</b>		<b>12,446,832</b>	<b>25,190,000</b>	<b>13,810,082</b>	<b>7,982,629</b>	<b>6,422,000</b>	<b>5,912,000</b>	<b>6,005,000</b>	<b>6,000,000</b>	<b>0</b>	<b>0</b>	<b>83,768,543</b>
<b>TOTAL EXPENDITURE</b>		<b>37,925,743</b>	<b>43,625,533</b>	<b>24,968,082</b>	<b>15,900,629</b>	<b>14,440,000</b>	<b>17,997,000</b>	<b>17,719,000</b>	<b>14,038,000</b>	<b>185,000</b>	<b>185,000</b>	<b>186,983,987</b>
<b>INCOME</b>												
Prudential Borrowing		12,685,286	23,771,533	9,517,526	176,826	-393,000	4,204,000	3,926,000	245,000			54,133,171
Specific Capital Grants - cycling, walking & safer streets		185,000	226,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	1,891,000
General Capital Grant		13,108,000	15,843,000	13,108,000	13,108,000	13,108,000	13,108,000	13,108,000	13,108,000			107,599,000
Capital Fund		3,753,955			890,803							4,644,758
Change & Redesign Fund		36,058										36,058
CFCR		1,112,000										1,112,000
Grants & Contributions		2,978,000										2,978,000
Capital Receipts		4,067,444	3,785,000	2,157,556	1,540,000	1,540,000	500,000	500,000	500,000			14,590,000
<b>Total Income</b>		<b>37,925,743</b>	<b>43,625,533</b>	<b>24,968,082</b>	<b>15,900,629</b>	<b>14,440,000</b>	<b>17,997,000</b>	<b>17,719,000</b>	<b>14,038,000</b>	<b>185,000</b>	<b>185,000</b>	<b>186,983,987</b>

NORTH AYRSHIRE COUNCIL												
Proposed Changes to Capital Programme 2018/19 - 2025/26												
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
		£	£	£	£	£	£	£	£	£	£	£
EXPENDITURE	OUTCOME											
<b>UNCOMMITTED FUNDS (PROJECTS RECOMMENDED TO BE REMOVED FROM CURRENT PLAN)</b>												
Children & Young People Act	3	689,000										689,000
Early Learning & Childcare holding code	3	809,871										809,871
Dykesmains primary school nursery adapts	3	1,148,852										1,148,852
Castles & Historic monuments	5	75,000	100,000	100,000	100,000	100,000						475,000
Town Centre Regeneration	1	489,000	503,000	50,000	50,000	50,000						1,142,000
Pennyburn Roundabout	1			1,000,000	1,000,000							2,000,000
B714 Re-alignment	1	186,674			1,283,629							1,470,303
Microsoft office upgrade	6	396,140	275,000	0		275,000	275,000	275,000				1,496,140
Improvement Grants	4	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000			1,600,000
<b>TOTAL UNCOMMITTED FUNDS</b>		<b>3,994,537</b>	<b>1,078,000</b>	<b>1,350,000</b>	<b>2,633,629</b>	<b>625,000</b>	<b>475,000</b>	<b>475,000</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>10,831,166</b>
<b>Rephased Projects</b>												
Ardrossan New Build	3					-5,733,000	-10,000,000	-2,196,000	3,401,000	8,228,000	6,300,000	0
Auchenharvie Academy	3	264,178										264,178
Kilwinning Academy	3											0
Millport Flood Prevention	5		-3,000,000	3,000,000								0
Ayrshire Growth Deal	1	-1,000,000	-1,000,000							1,000,000	1,000,000	0
Mobile Working	6	225,000	-50,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000			25,000
<b>Total Rephased Projects</b>		<b>-510,822</b>	<b>-4,050,000</b>	<b>2,975,000</b>	<b>-25,000</b>	<b>-5,758,000</b>	<b>-10,025,000</b>	<b>-2,221,000</b>	<b>3,376,000</b>	<b>9,228,000</b>	<b>7,300,000</b>	<b>289,178</b>
<b>Proposed New Projects</b>												
Digital Strategy	6	317,000	109,000									426,000
Parking Charges & DPE	1	150,000	150,000									300,000
Solar Energy	5	120,000										120,000
Waste Collection Review	5	1,500,000										1,500,000
Annick Primary PE facilities	3	150,000	800,000									950,000
Montgomerie Park School	3				344,999	4,024,987	5,289,982					9,659,968
Montgomerie Park Infrastructure	1		1,150,000	1,150,000		1,150,000	1,150,000					4,600,000
Moorpark primary school	3	-2,253,885	-161,947	4,529,917	4,507,380							6,621,465
Largs Promenade seawall	5	700,000										700,000
Property Lifecycle	5				1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	10,500,000
Roads Investment Plan	5	1,400,000	1,700,000		1,200,000	1,600,000	3,800,000	2,700,000	1,200,000	1,300,000	1,300,000	16,200,000
Vehicle Replacement	5					-500,000	500,000			2,000,000	2,000,000	4,000,000
Lighting Lifecycle	5									1,000,000	1,000,000	2,000,000
Millport Flood Prevention Scheme	5			1,130,000	740,000							1,870,000
Improvement Grants	4								500,000		500,000	1,000,000
Vacant & Derelict Land Funding (VDLF) 2018-19	5	1,709,000										1,709,000
Residential & respite unit for children	4			2,920,000	2,800,000							5,720,000

**NORTH AYRSHIRE COUNCIL**  
**Proposed Changes to Capital Programme 2018/19 - 2025/26**

		2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Improvement Fund	6	486,674		50,000	50,000	50,000	345,773	24,185			344,474	1,351,106
<b>Total New Projects</b>		<b>4,278,789</b>	<b>3,747,053</b>	<b>9,779,917</b>	<b>11,142,379</b>	<b>7,824,987</b>	<b>12,585,755</b>	<b>4,224,185</b>	<b>2,700,000</b>	<b>6,300,000</b>	<b>6,644,474</b>	<b>69,227,539</b>
<b>TOTAL NEW EXPENDITURE / REPHASED PROJECTS / UNCOMMITTED FUNDS</b>		<b>-226,570</b>	<b>-1,380,947</b>	<b>11,404,917</b>	<b>8,483,750</b>	<b>1,441,987</b>	<b>2,085,755</b>	<b>1,528,185</b>	<b>5,876,000</b>	<b>15,528,000</b>	<b>13,944,474</b>	<b>58,685,551</b>
<b>INCOME</b>												
General Capital Grant		13,108,000	-5,867,000	-5,867,000	458,000	458,000	458,000	458,000	458,000	-12,650,000	-12,650,000	-21,636,000
Specific Capital Grants - VDLF		-1,709,000										-1,709,000
Capital Receipts		217,443	2,355,000	967,556	-817,700	1,000,000				-500,000	-500,000	2,722,299
Montgomerie Park Capital Receipts			-370,755	-979,851	-979,851	-1,244,676	-1,853,773	-1,986,185	-1,456,536	-1,059,299	-794,474	-10,725,400
Prudential Investment		-11,389,873	5,263,702	-5,525,622	-7,144,199	-1,655,311	-689,982		-4,877,464	-1,318,701		-27,337,450
<b>TOTAL INCOME</b>		<b>226,570</b>	<b>1,380,947</b>	<b>-11,404,917</b>	<b>-8,483,750</b>	<b>-1,441,987</b>	<b>-2,085,755</b>	<b>-1,528,185</b>	<b>-5,876,000</b>	<b>-15,528,000</b>	<b>-13,944,474</b>	<b>-58,685,551</b>
<b>REVENUE CONSEQUENCES OF PROPOSED PROGRAMME</b>												
Moorpark primary school					138,576							138,576
Montgomerie Park						1,079,639						1,079,639
<b>TOTAL REVENUE CONSEQUENCES</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>138,576</b>	<b>1,079,639</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,218,215</b>

**Key to Outcomes**

1. Growing our economy, increasing employment and regenerating towns
2. Working Together to develop stroger communities
3. Ensuring people have the right skills for learning, life and work
4. Helping all of our people to stay safe, healthy and active
5. Protecting and enhancing the environment for future generations
6. Underpinning our priorities

**North Ayrshire Council**  
**Revised Capital Programme 2017/18 - 2025/26**

Project Description		2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
<b>EXPENDITURE</b>	<b>Outcome</b>											
<b>Economy &amp; Communities</b>												
Town Centre Regeneration	1	98,753										98,753
Irvine High Street	1	2,230,000	200,000									2,430,000
Millport Cars	1	200,000	200,000									400,000
Montgomerie Park Masterplan	1		1,150,000	1,150,000		1,150,000	1,150,000					4,600,000
Purchase of Strategic Assets	1	42,210										42,210
Ayrshire Growth Deal	1		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	9,000,000
Vacant & Derelict Land Funding (VDLF) 2018-19	5	1,709,000										1,709,000
Lochshore, Kilbirnie	5	25,000										25,000
Ardrossan Harbour	1	600,000										600,000
Quarry Road Phase 2	1	1,760,000	1,690,000									3,450,000
Cycling / Walker / Safer Streets	4	8,000	226,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	1,714,000
Access Paths Network Programme	4	50,000	50,000	50,000	50,000	50,000						250,000
<b>Sub Total</b>		<b>6,722,963</b>	<b>4,516,000</b>	<b>2,385,000</b>	<b>1,235,000</b>	<b>2,385,000</b>	<b>2,335,000</b>	<b>1,185,000</b>	<b>1,185,000</b>	<b>1,185,000</b>	<b>1,185,000</b>	<b>24,318,963</b>
<b>Education &amp; Youth Employment</b>												
Annick early years	3	998,995	1,000,000									1,998,995
Moorpark Primary - new build	3	219,735	338,053	4,529,917	4,507,380							9,595,085
Schools ICT investment	3	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000			2,800,000
Kilwinning Estate Learning Envt	3	1,752,359	907,500									2,659,859
Auchenharvie Secondary Estate Learning Envt	3	1,543,021	34,033									1,577,054
Auchenharvie PE Works	3	1,868,010										1,868,010
Largs Academy	3	920,000										920,000
Ardrossan New Build	3							7,433,000	9,629,000	8,228,000	6,300,000	31,590,000
New Build - ASN School	3	1,720,000	10,000,000	8,148,000	4,908,000							24,776,000
Annick Primary PE Facilities	3	150,000	800,000									950,000
Montgomerie Park School	3				344,999	4,024,987	5,289,982					9,659,968
<b>Sub Total</b>		<b>9,522,120</b>	<b>13,429,586</b>	<b>13,027,917</b>	<b>10,110,379</b>	<b>4,374,987</b>	<b>5,639,982</b>	<b>7,783,000</b>	<b>9,979,000</b>	<b>8,228,000</b>	<b>6,300,000</b>	<b>88,394,971</b>
<b>Finance &amp; Corporate Support</b>												
PC replacement/virtual desktop	6	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000			800,000
Data rationalisation & storage	6	50,000	150,000	50,000	50,000	50,000	50,000	50,000	50,000			500,000
Agile working	6	300,000										300,000
Business continuity	6	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000			400,000
Infrastructure enhancements	6	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000			400,000

**North Ayrshire Council**  
**Revised Capital Programme 2017/18 - 2025/26**

Project Description		2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
Digital Strategy	6	317,000	109,000									426,000
<b>Sub Total</b>		<b>867,000</b>	<b>459,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>			<b>2,826,000</b>
<b>Health &amp; Social Care Partnership</b>												
Carefirst IT Development	6	36,058										36,058
Tarryholme	4	3,343,200										3,343,200
Tarryholme Drive - Warrix Avenue	4	721,000										721,000
HSCP ICT investment to support integration	6	70,000										70,000
Residential & Respite Unit for Children	4			2,920,000	2,800,000							5,720,000
<b>Sub Total</b>		<b>4,170,258</b>		<b>2,920,000</b>	<b>2,800,000</b>							<b>9,890,258</b>
<b>Place</b>												
Roads Improvement / Reconstruction	5	3,500,000	3,800,000	2,100,000	3,300,000	3,700,000	5,900,000	4,800,000	3,300,000	1,300,000	1,300,000	33,000,000
Lighting	4	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	10,000,000
Upper Garnock FPS	5	700,000	8,600,000	6,646,082								15,946,082
Millport Coastal FPS	5	200,000	3,070,000	4,350,000	740,000							8,360,000
Bridges infrastructure programme	5	814,143	560,000	560,000	560,000	560,000		170,000				3,224,143
Property lifecycle investment	5	2,719,857	3,000,000		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	16,219,857
Industrial portfolio	1	200,000	200,000	200,000								600,000
Improvement grants	4	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,000,000
Cemetery extns, walls & infra	5	1,311,583	960,000	384,000	339,000	62,000	112,000	35,000	200,000			3,403,583
Knadgerhill Cemetery	5	2,575										2,575
Vehicles	5	2,000,000	2,000,000	2,000,000	2,000,000	1,500,000	2,500,000	2,000,000	2,000,000	2,000,000	2,000,000	20,000,000
Shewalton landfill	5	512,000										512,000
Parking Charges & DPE	1	150,000	150,000									300,000
Solar Energy	5	120,000										120,000
Waste Collection Review	5	1,500,000										1,500,000
Largs Promenade Seawall	5	700,000										700,000
Improvement Fund	6	486,674		50,000	50,000	50,000	345,773	24,185			344,474	1,351,106
<b>Sub Total</b>		<b>16,416,832</b>	<b>23,840,000</b>	<b>17,790,082</b>	<b>9,989,000</b>	<b>8,872,000</b>	<b>11,857,773</b>	<b>10,029,185</b>	<b>8,500,000</b>	<b>6,300,000</b>	<b>6,644,474</b>	<b>120,239,346</b>
<b>TOTAL EXPENDITURE</b>		<b>37,699,173</b>	<b>42,244,586</b>	<b>36,372,999</b>	<b>24,384,379</b>	<b>15,881,987</b>	<b>20,082,755</b>	<b>19,247,185</b>	<b>19,914,000</b>	<b>15,713,000</b>	<b>14,129,474</b>	<b>245,669,538</b>
<b>INCOME</b>												
Prudential Borrowing		24,075,159	18,507,831	15,043,148	7,321,025	1,262,311	4,893,982	3,926,000	5,122,464	1,318,701		81,470,621
Specific Capital Grants - cycling, walking & safer streets		185,000	226,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	1,891,000
Specific Capital Grants - VDLF		1,709,000										1,709,000

**North Ayrshire Council**  
**Revised Capital Programme 2017/18 - 2025/26**

<b>Project Description</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>Total</b>
	<b>£</b>										
General Capital Grant		21,710,000	18,975,000	12,650,000	12,650,000	12,650,000	12,650,000	12,650,000	12,650,000	12,650,000	129,235,000
Capital Fund	3,753,955			890,803							4,644,758
Change & Redesign Fund	36,058										36,058
CFCR	1,112,000										1,112,000
Grants & Contributions	2,978,000										2,978,000
Montgomerie Park Capital Receipts		370,755	979,851	979,851	1,244,676	1,853,773	1,986,185	1,456,536	1,059,299	794,474	10,725,400
Capital Receipts	3,850,001	1,430,000	1,190,000	2,357,700	540,000	500,000	500,000	500,000	500,000	500,000	11,867,701
<b>Total Income</b>	<b>37,699,173</b>	<b>42,244,586</b>	<b>36,372,999</b>	<b>24,384,379</b>	<b>15,881,987</b>	<b>20,082,755</b>	<b>19,247,185</b>	<b>19,914,000</b>	<b>15,713,000</b>	<b>14,129,474</b>	<b>245,669,538</b>



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

# Capital Investment Strategy

## 2018-2028



## 1. PURPOSE

The Council is required by regulation, to have regard to CIPFA's Prudential Code (revised 2017) under Part 7 of the Local Government in Scotland Act 2003.

The prudential code requires authorities to have a Capital Investment Strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk, reward and impact on the achievement of priority outcomes.

This Capital Investment Strategy (CIS) is a high level framework for the management of the Council's core assets and infrastructure and sets out broad principles for the development of the Council's capital strategies and plans. It sits alongside;

- The Council's Treasury Management and Investment Strategy; and
- The Council's Asset Management Plans.

The Council makes a clear distinction between capital investments, where the achievement of strategic outcomes are considered, and treasury management investments which are made for the purpose of cash flow management.

These strategies and plans support the Council's 10 year capital investment programme.

## 2. INTRODUCTION

The Council recognises that a longer term financial plan for assets is vital to secure best value, this reflects the high value of these assets together with the longer time frame to secure, develop or dispose of assets. By carefully planning investment and taking a longer term approach the Council ensures that scarce resources are applied in a sustainable way that supports Council and partner priorities.

To assist the Council in achieving its key objectives it requires to ensure that its assets align with the broader priorities and plans of the Council and the Single Outcome Agreement. The strategic approach focusses on best value and improvement, ensuring the council complies with best practice by:

- Having sound governance arrangements to improve corporate asset management;
- Ensuring the Council only retains assets which support its strategic objectives;
- Having a corporate approach to prioritisation of investment founded on a clear business case and clear criteria, with due consideration to whole-life costing;
- Delivering better public services through improved assets and appropriate colocation of services;
- Ensuring assets are fit for purpose, deliver best value in terms of investment, running costs, maintenance and environmental impact;
- Maximising usage of all assets;
- Maintaining the condition of core assets through life cycle investment;
- Complying with all statutory requirements;

- Having appropriate financial and performance measures, including benchmarking, demonstrating improved performance over time;
- Embedding post-project evaluation; and
- Ensuring effective procurement.

### 3. GOVERNANCE

The specific roles and responsibilities within the Council are detailed below:

The **Council** approves the corporate framework and the medium and longer term capital investment programme.

**Cabinet** receives regular progress reports and approves amendments to the capital investment programme.

The **Executive Leadership Team**, the **Capital Programme and Assets Group (CPAG)** and the **Strategic Property Assets Group (SPAG)** ensure officer co-ordination of corporate asset management and support the Council and Cabinet at chief officer and senior management levels.

The **Executive Leadership Team** is responsible for advising Members on the relative priorities of the Council's long term investment needs and ensuring all major capital projects deliver anticipated benefits on time and within budget.

**CPAG** is chaired by the Executive Director (Finance and Corporate Support) with representation from senior officers across all Services. It meets on a monthly basis with the remit of:

- ensuring a strategic and corporate overview of the capital investment programme;
- developing and monitoring the Council's capital investment programme, tracking slippage on delivery of the programme and expenditure against approved budget;
- developing clear criteria for investment of Council resources on asset matters and assessing all investment business cases;
- developing a capital receipts strategy.

The **Strategic Property Assets Group (SPAG)** provides a strategic focus on the Council's operational assets, ensuring that the use of these assets is optimised through cross directorate working, developing and delivering the Asset Management Plans.

The key objective of the Strategic Assets Group is the effective utilisation of Council assets to reduce the public sector's building footprint and deliver improved services from a smaller, more efficient, better managed and fit for purpose retained estate. The Group is developing a strategy for implementing the vision for each Neighbourhood.

**Chief Officers and Senior Managers** are responsible for:

- working together to ensure a corporate approach to asset management is in place and delivering the Council's asset management plans and associated investment programme;
- contributing to the development and delivery of asset strategies and plans;

- ensuring consultation on asset management is undertaken with all relevant stakeholders.

**Service Project Boards** chaired by Executive Directors with representation from relevant Services, are responsible for ensuring robust project management is in place to deliver projects on time and within budget.

The **Business Plan Implementation Group (BPIG)** oversees the development and delivery of the HRA Business Plan, which underpins the capital investment strategy. This group is not a decision making body and requires Committee approval for any proposals.

**Financial Services** is responsible for effective management of the Loans Fund and in partnership with Services, for ensuring availability of timely and accurate financial information.

### Asset Plans

In line with the CIPFA “Guide to Asset Management and Capital Planning in Local Authorities” North Ayrshire has classified its assets into six categories;

Asset Plan	Directorate	Chief Officer
Property (including Common Good assets)	Place	Head of Physical Environment
Housing		
Roads including structures, lighting and water infrastructure		Head of Commercial Services
Open Space		
Fleet including vehicles, plant and equipment		
ICT	Finance and Corporate Support	Head of Customer and Digital

Development of the asset management plans reflects best practice and North Ayrshire Council’s commitment to sound asset management.

The Asset Plans aim to ensure that the Council holds the right assets and that they are fit for purpose in terms of condition, suitability, sufficiency and accessibility. They follow a broadly similar structure establishing the Council’s current asset base and are the vehicle for identifying future investment across all asset classes. The Plan set out clear actions for each asset plan, with the Action Plan updated on annual basis.

Lifecycle investment costs are identified for relevant asset classes to ensure there is a clear understanding of the cost of maintaining assets and infrastructure, to a standard that supports current service delivery.

In addition to the assets captured in the core asset plans, there is a range of initiatives, including town centre regeneration which do not sit within any of the core asset plans as the assets are not Council owned. The need for investment in these assets is recognised in the Council's capital investment programme.

To ensure Members are fully apprised of progress on development of the Council's approach to the management of its assets, update reports are submitted to Cabinet.

## **4. CAPITAL INVESTMENT PROGRAMME**

### **4.1 Approach**

The Council takes a long term approach to capital investment covering a 10-year period. The 10-year plan is updated annually, with a full refresh every third year.

Expenditure is classified as capital when it is incurred on the purchase or improvement of assets that have a long-term value to the Council, such as land and buildings and where benefit from the investment in the assets is for a long period of time. It is the Council's policy to capitalise any expenditure, over a total value of £10,000, which fulfils this criteria.

This strategy outlines the framework in which those capital expenditure decisions are made, and the principles to which the Council adheres.

### **4.2 Project Business Cases**

For the capital programme the business case provides the framework for developing capital proposals. Information, advice and training on the requirements of this is available for officers and Members. For any project seeking capital expenditure approval, a business case must be produced, covering:

- Aims and objectives
- Approach
- Scope
- Benefits
- Risks, constraints and dependencies
- Implications for Stakeholders
- Critical success factors
- Evaluation criteria and scoring mechanism
- Capital costs, funding profile, revenue impact and affordability

Investment is then prioritised using the following criteria;

- invest to save;
- statutory duty;
- business continuity;
- cost avoidance;
- Alignment to Council outcomes.

All Business Cases are considered by CPAG and the Executive Leadership Team, with a recommendation being made to Cabinet, for inclusion of new projects into the Capital programme.

### **4.3 10-Year Capital Programme**

The Council's capital investment programme covers a 10 year period. The longer term approach is desirable due to:

- the longer time frame required to define need and develop sound plans / business cases;
- the need to ensure that all investment fits with the longer term Council mission;
- the high cost of acquiring, developing and using assets and the need to ensure these are in use for the longest time period.

The longer term programme may be affected by a number of factors; the economy, inflation, availability of Scottish Government Grants, value and timing of capital receipts; and market condition impacting on the tenders submitted by contractors. The Programme is reviewed on an annual basis to ensure projects can continue to be delivered within available resources.

The approach to development of the proposed Capital Investment Programme includes;

- A full review of the current programme;
- Identification of opportunities to reprioritise projects for which there is no current commitment;
- Review of the phasing of projects from a delivery and affordability perspective;
- Options appraisal of emerging Business Cases;
- The need to extend lifecycle investment to protect core assets.

In developing proposals, lifecycle investment in current assets, requires to be considered to sustain these assets for future service delivery.

Investment priorities are assessed against available resources, including additional prudential borrowing.

Given the longer term nature of the 10-year programme it is inevitable that high level estimates will be used for the schemes later in the programme. Following approval of the programme, these require to be developed to full schemes.

### **4.4 Lifecycle Investment and Asset Maintenance Strategy**

There is a requirement for the Council to continue to invest in its core assets and infrastructure to sustain these for future service delivery. This includes:

- ensuring key properties are fit for purpose, as far as possible, in terms of condition, inclusion and suitability;
- minimising deterioration in the condition of the Council's roads network and ageing lighting columns,
- replacing vehicles which are essential to the delivery of a range of services including Education, Health and Social Care and Waste Services,

- replacing some of the Council's ageing ICT equipment to allow the Council to maximise use of technology and operate as efficiently as possible; and
- continuing investment to ensure our cemeteries meet the needs of our communities.

In addition to capital funding, the Council has revenue funding available for major and recurring maintenance and statutory compliance of the property estate.

## **5 FUNDING STRATEGY**

### **5.1 Funding Principles**

In developing the Council's corporate 10-year capital investment programme it is important to ensure the investment proposals are affordable now and in future. As such a number of broad principles are applied:

- As far as possible initiatives are funded from the Scottish Government Grant;
- Where there is a clear business case and efficiencies or significant contribution to strategic objectives can be demonstrated, investment may be funded via additional prudential borrowing;
- Where external funding, grants or partner contributions, can be secured for a key Council priority and match funding is required by the Council;
- Where capital receipts have been confirmed, this can be used to enhance the core investment programme, recognising the risk around value and timing of capital receipts.

Outwith the above, additional prudential borrowing will only be supported where provision is specifically made within the Council's medium / long term revenue financial plan. Charges to the General Fund will comply with relevant legislation and regulations ensuring a prudent approach is deployed.

An annual review of the Loans Fund is carried out aligning the Council's borrowing decisions with investment decisions, the Council's debt profile and its revenue budget.

The Council has a Prudential Investment Fund to smooth the funding requirements of its 10-year capital investment programme.

### **5.2 Restrictions around funds**

- The Housing Revenue Account (HRA) is a restricted fund, and funding from the HRA can only be used to fund capital expenditure on HRA assets.
- Grants received will be used for the specific purpose intended, even if the terms of such grants are not restrictive, unless alternative use promotes the same aims.

### **5.3 Funding Sources**

In determining the affordability of its capital investment programme, an estimate is made of available resources, giving due consideration to the inter-dependencies between the capital and revenue budgets. Capital investment may generate, avoid or reduce cost pressures on the revenue budgets depending on the nature of the investment. Similarly,

revenue investment in asset maintenance may avoid or delay the need for capital expenditure.

The main sources of funding are Scottish Government Grant and prudential borrowing. Other sources include; revenue contributions; earmarked funds; contributions from other organisations and capital receipts.

#### **5.4 Prudential Borrowing**

The Prudential Code for Capital Finance in Local Authorities enables councils to set their own borrowing limits with a requirement to ensure that investment plans are affordable, prudent and sustainable. The Council can borrow over a number of years to augment its capital income, provided the resultant annual debt repayments can be accommodated within future years' revenue budgets. The Council's annual Treasury Management and Investment Strategy sets out the prudential indicators and parameters, with regular reporting to Members.

#### **5.5 Capital Grants**

Scottish Government general capital grant is a significant funding source for the General Services capital programme. Like other sources of funding this is subject to change.

Forecasts of government grant for future years require to be closely monitored and spending plans adjusted as appropriate, particularly recognising the long lead time associated with capital projects and the limited ability to reduce spending once projects have been initiated.

#### **5.6 Capital Receipts**

The economic downturn had an adverse impact on the Council's ability to generate capital receipts from the disposal of surplus land, buildings and other assets. The capital receipts plan is kept under review to ensure the value and timing of capital receipts continue to align with the assumptions in the capital investment programme.

#### **5.7 Other Sources of Funding**

The Council seeks to secure funding from other organisations where this fits with delivery of outcomes. Opportunities include Strathclyde Passenger for Transport (SPT) and the Scottish Government Capital Regeneration Fund.

### **6. SUMMARY**

North Ayrshire continues to develop its approach to asset management to ensure it complies with best practice and delivers best value. This is achieved through keeping the governance arrangements under review, including the Capital Investment Strategy (CIS) and implementing the Action Plans around its six Asset Plans.

The CIS and the Asset Plans inform the development of the 10 year capital investment programme. A longer term Capital Investment Programme ensures the Council has more effective plans around its core assets.

The Capital Investment Strategy and Capital Investment Programme will continue to develop via:

- An annual review of the investment programme to update for any significant matters with a full review every third year;
- Regular progress reports on the development and implementation of the six asset management plans
- Regular two-monthly capital monitoring reports to Cabinet
- Learning from Best Practice, including Audit Scotland reports.

Laura Friel  
Executive Director (Finance and Corporate Support)  
February 2018

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**NORTH AYRSHIRE COUNCIL**
**28 February 2018**
**North Ayrshire Council**


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**Title:** **Treasury Management and Investment Strategy 2018/19**
**Purpose:** To seek approval for the proposed Strategy for Treasury Management and Investment activities within the Council for the financial year 2018/19

**Recommendation:** That the Council (i) approves the Treasury Management and Investment Strategy for 2018/19 as attached at Appendix 1.

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**1. Executive Summary**

- 1.1 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 2017) to approve a Treasury Management Strategy before the start of each financial year. The Council is also required by regulation to have regard to CIPFA's Prudential Code (revised 2017) under Part 7 of the Local Government in Scotland Act 2003. In addition, the Consent by Scottish Ministers for the Investment of Money by Scottish Local Authorities Regulation (April 2010) requires the Council to approve an Investment Strategy before the start of each financial year.
- 1.2 The Treasury Management and Investment Strategy attached to this report complies fully with these requirements and provides;
- a summary of the Council's capital plans;
  - outlines the Treasury Management Strategy in relation to borrowing and the impact of council plans on borrowing;
  - outlines the Investment Strategy including the instruments available for investments and permitted counterparties.
- 1.3 The strategy provides key prudential and treasury indicators to 2027/28 which clearly articulate the operational parameters associated with Treasury Management and Investment as well as offering assurance in relation to the affordability and sustainability of capital investment plans.

#### 1.4 Significant changes in the updated Strategy include;

- the expectation that the Council's historic "under borrowed" position will end in 2018/19;
- financial commentators predicting that the UK Bank Rate will rise from 0.50% to 1.00% during 2018-19;
- regulatory changes classifying the Local authorities as "Retail Clients" with the Council opting up to a "Professional Client" ensuring continued access to lower fees and a greater range of investment products and firms;
- from 1 January 2019 UK banks will separate their activity into retail and investment, with the retail sector being ring fenced offering more protection to customers, the impact of this on the Council is not clear;
- bail in risk exposure via the Council's operational bank account, mitigated by minimising deposits;
- inclusion of information on Material investments, Guarantees and Liabilities for the first time, in line with new requirements.

## 2. Background

### 2.1 CIPFA defines treasury management as:

*'The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'*

2.2 The Local Government Scotland Act 2003 and the Prudential Code requires the Council to approve an annual Treasury Management and Investment Strategy which outlines the Council's strategy in relation to borrowing and the Council's strategy for managing investments giving priority to the security and liquidity of those investments.

2.3 The Treasury Management and Investment Strategy 2018/19 is attached at Appendix 1. The overall objectives of the strategy are as follows:

#### Borrowing

- to minimise the revenue cost of borrowings;
- to manage the Council's cash flow;
- to manage the borrowing repayment profile;
- to assess interest rates' movements and borrow/invest accordingly;
- to monitor and review the level of variable rate loans held in order to take advantage of interest rate movements; and
- to identify and evaluate opportunities for debt rescheduling.

## Investments

- to protect capital security of the invested funds;
- to obtain the best market return whilst recognising that security and liquidity are key priorities;
- to specify criteria for identifying creditworthy counterparties; and
- to specify the types of investments permitted and appropriate limits for each.

2.4 The strategy provides detailed key prudential and treasury indicators over a 10 year period which clearly articulate the operational parameters associated with Treasury Management and Investment as well as offering assurances in relation to the affordability and sustainability of capital investment plans;

- the General Services capital plan to 2027/28 and
- the one-year programme for the Housing Revenue Account, with investment requirements for future years outlined within the HRA 30-year Business Plan.

and links with the key objectives of the Prudential Code that capital investment programmes should be set at a level that delivers the Council's strategic priorities and is affordable in terms of the impact of the resultant debt repayments on revenue budgets.

2.5 The Treasury Management and Investment Strategy includes prudential indicators which are critical in assessing the affordability of capital investment plans and their impact on the Council's overall finances. The indicator used to demonstrate affordability is the ratio of financing costs to the net revenue stream (for both General Fund and Housing Revenue Account).

2.6 There are a number of other key indicators designed to ensure that the Council operates within well-defined limits. The strategy, therefore, specifies :-

- limits we do not expect external debt to exceed;
- appropriate levels of fixed rate borrowing versus variable rate borrowing;
- upper and lower limits on the maturity of the debt portfolio, which reduces the Council's exposure to large sums falling due for refinancing at any one time;
- limits on investments placed for more than 365 days.

2.7 The Council expects to hold an 'under-borrowed' position at 31 March 2018. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded by debt, due to the level of the Council's internal funds. The use of internal funds instead of borrowing will continue due to the low level of investment rates in the market and the saving which can be made in borrowing costs. This under-borrowed position is expected to end in 2018/19.

## 3. Proposals

3.1 That the Council agrees to approve the Treasury Management and Investment Strategy for 2018/19 as attached at Appendix 1.

#### 4. Implications

<b>Financial:</b>	Financial implications are detailed in the report attached at Appendix 1.
<b>Human Resources:</b>	None
<b>Legal:</b>	The Local Government in Scotland Act 2003 and supporting regulations require the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy. The Local Authority (Capital Financing and Accounting) (Scotland) Regulations 2016 require the Council to set a policy for the repayment of loans fund advances.
<b>Equality:</b>	None
<b>Children and Young People:</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	The Treasury Management Strategy aligns with the Council Plan by contributing to “a sound financial position” and “making the best use of all resources” as referred to under the banner of Underpinning our Priorities.
<b>Community Benefits:</b>	None

#### 5. Consultation

- 5.1 The Council's treasury advisors, Arlingclose Ltd, were consulted in the preparation of the Strategy.



Laura Friel  
Executive Director (Finance and Corporate Support)

For further information please contact **Alan Dunsmore, Team Manager (Business Partnering)** on **01294 324596**.

#### Background Papers

None



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

# Treasury Management and Investment Strategy

2018/19



## Table of Contents

<b>1</b>	<b>Purpose</b>	<b>2</b>
<b>2</b>	<b>Executive Summary</b>	<b>4</b>
<b>3</b>	<b>Capital and Prudential Indicators 2018/19 – 2020/21</b>	<b>6</b>
	(a) Capital Expenditure and Financing	6
	(b) The Council’s Overall Borrowing Need (the Capital Financing Requirement)	6
	(c) Limits to borrowing activity	7
	Affordability Prudential Indicators	8
<b>4</b>	<b>Treasury Management Strategy</b>	<b>9</b>
	Interest rate forecast	9
	Current portfolio position	10
	Controls on borrowing activity	10
	Policy on borrowing in advance of need	11
	Debt rescheduling	11
	Borrowing Sources	11
	Policy on Use of Financial Derivatives	12
	Policy on Repayment of Loans Fund Advances	12
<b>5</b>	<b>Investment Strategy</b>	<b>13</b>
	Current Portfolio Position	13
	Creditworthiness policy	13
	Bail-in Risk	14
	Investment Strategy and Permitted Investments	14
	Monitoring of Investment Strategy	16
	<b>Appendix 1: Prudential Indicators 2022 to 2028</b>	<b>17</b>
	<b>Appendix 2: Treasury Risk Register</b>	<b>20</b>
	<b>Appendix 3: Permitted Investments, Risks and Mitigating Controls</b>	<b>22</b>
	<b>Appendix 4: Policy on Repayment of Loans Fund Advances</b>	<b>26</b>
	<b>Appendix 5: Counterparty Limits</b>	<b>28</b>
	<b>Appendix 6: Economic Background – Arlingclose’s View January 2018</b>	<b>32</b>

# 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 2017) to approve a Treasury Management Strategy before the start of each financial year. The Council is also required by regulation to have regard to CIPFA's Prudential Code (revised 2017) under Part 7 of the Local Government in Scotland Act 2003.

In addition, the Consent by Scottish Ministers for the Investment of Money by Scottish Local Authorities, which came into force in April 2010, requires the Authority to approve an Investment Strategy before the start of each financial year.

This strategy meets these requirements fully.

Three main reports on Treasury Management activity are presented to Members each year, incorporating a variety of policies, estimates and actuals. These are:

- **Annual Treasury Management and Investment Strategy** (this report), which is submitted to full Council before the start of each financial year.
- **Mid-Year Treasury Management and Investment Report**, submitted to Cabinet as soon as possible following 30 September each year.
- **Annual Treasury Management and Investment Report**, submitted to full Council annually by the 30 June following the end of each financial year.

## Responsibilities

Regulations place responsibility on Members for the review and scrutiny of treasury management policy and activities. The following Scheme of Delegation has been adopted by the Council:

### Full Council

- to receive and review reports on treasury management policies, practices and activities;
- to approve annual Treasury Strategy.

### Cabinet

- to approve amendments to the treasury management policy statement and treasury management practices;
- to approve the division of responsibilities;
- to receive and review regular monitoring reports and act on recommendations.

### Section 95 Officer

The Executive Director (Finance & Corporate Support) is the Council's S95 officer and is required:

- to recommend treasury management policies / practices, review these regularly and monitor compliance;
- to submit regular treasury management updates;
- to receive and review management information;
- to review the performance of the treasury management function;
- to ensure the adequacy of treasury management resources and skills and the effective division of responsibilities within the treasury management function; and
- to approve the appointment of external service providers.

## **External Treasury Advisers**

The Council recognises that there is value in employing external providers of treasury management services, in order to access specialist skills and resources.

However it recognises that the responsibility for treasury management decisions remains with the Council at all times and officers will ensure that undue reliance is not placed upon external advice.

The Council's current external treasury management advisors are Arlingclose Limited. The contract started on 1 January 2016 and is in place for an initial 3-year period. The Council will ensure that the terms of their appointment and the methods by which their value is assessed are properly agreed, documented and subject to regular review.

## 2 Executive Summary

The treasury management function ensures that the Council's funds are managed in accordance with the the relevant professional codes, so that sufficient cash is available to meet service activity. This involves both the organisation of the cashflow and where capital plans require, the organisation of appropriate borrowing facilities.

CIPFA defines treasury management as:

*“The management of the local authority’s investments and cashflows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

This document outlines the Council's Annual Treasury Management Strategy and Annual Investment Strategy providing:-

- a summary of the Council's capital plans
- an outline of the treasury management strategy in relation to borrowing and the impact of capital plans on this borrowing
- an outline of the investment strategy including the type of instruments available for investment and our permitted counterparties

**Key prudential and treasury indicators** are provided throughout this strategy which clearly articulate the operational parameters in relation to Treasury Management and Investment, as well as provide assurances in relation to the affordability and sustainability of capital investment plans. Table 1 below contains the key prudential and treasury indicators within the report.

**Table 1**

Prudential and Treasury Indicators	2017/18 Probable Outturn £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Capital Expenditure:				
General Services	45.586	37.674	42.206	35.863
HRA	27.246	35.809	24.557	71.001
<b>Total</b>	<b>72.832</b>	<b>73.483</b>	<b>66.763</b>	<b>106.864</b>
Loans Capital Financing Requirement (CFR):				
General Services	174.870	190.114	199.351	207.652
HRA	120.244	132.574	130.908	151.472
<b>Total</b>	<b>295.114</b>	<b>322.689</b>	<b>330.260</b>	<b>359.124</b>
Gross Borrowing	285.112	322.687	330.258	359.122
Operational Boundary for Borrowing	319.407	344.670	347.182	375.537
Authorised Limit for Borrowing	351.348	379.137	381.900	413.090
Total Operational Boundary (Including PPP/NPD)	429.558	452.203	452.155	478.274
Total Authorised Limit (Including PPP/NPD)	461.499	486.670	486.873	515.827
Investments:				
Longer than 1 year	-	-	-	-
Under 1 year	10.000	15.000	15.000	15.000
<b>Total</b>	<b>10.000</b>	<b>15.000</b>	<b>15.000</b>	<b>15.000</b>

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

**Capital Expenditure** for the General Fund (GF) reflects the capital investment programme for 2018/19 to 2027/28 and Housing Revenue Account (HRA) reflects the capital investment programme for 2018/19 and the capital investment included in the latest Business Plan. To ensure the financial consequences of the new programme are fully transparent, all relevant indicators have been projected to 2027/28 and these can be found in Appendix 1.

The **Capital Financing Requirement (CFR)** is the underlying borrowing requirements of the Council.

**Gross Borrowing** reflects the actual borrowing which has been undertaken. This is projected to be lower than the CFR as the Council continues with its strategy to use internal funds, however, this is forecast to end in 2018-19.

The **Operational Boundary** is the maximum borrowing and other long-term liabilities to fund previous years' and the current year capital programme, building in flexibility for the timing of the different funding streams and principal repayments. The operational boundary includes any other long-term liabilities (e.g. PPP schemes, finance leases) however no borrowing is actually required against these schemes as a borrowing facility is included in the contract.

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

**Affordability** of borrowing is measured by the percentage of financial costs relative to the net revenue stream of the GF and HRA.

Full details of these can be found on page 8.

The **average investment** rate set for 2018/19 is 0.35% and is reflective of the Council's appetite for risk, the short term nature of investments and the permitted instruments and counterparties selected.

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

## **Regulatory Change**

The introduction of the second Market in Financial Instruments Directive (MiFID II) in January 2018, classifies Local Authorities as "retail clients" unless it chooses opt-up to "professional client". Professional client status has the advantages of lower fees and access to a greater range of products and investment firms. The Council has therefore chosen to opt-up to professional client status. In order to meet the professional client criteria, the Council must hold a £10m investment portfolio at all times and have at least one officer with the necessary level of experience and knowledge to understand the risks involved in the management of the investments.

From 1 January 2019, Ring Fencing Legislation will come into place and large UK banks will have to separate their essential banking services (Retail Bank, which will be the ring-fenced bank) from the rest of their banking group (Investment Bank). This ringfencing means that customers investing in the retail bank are less likely to be affected by a failure in the riskier parts of the business such as investment banking. The Council will closely monitor the position of the UK banks and how local authority deposits are treated.

### 3 Capital and Prudential Indicators 2018/19 – 2020/21

In exercising its power to borrow, the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 require the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code). The Prudential Code is 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.

#### (a) Capital Expenditure and Financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously and those forming part of the 2018/19 budget setting.

The estimated capital expenditure aligns with the proposed revised 10-year Capital investment programme for General Services and updated investment plans for the HRA for 2018/19 and outlined in the latest Business Plan. All projects within the Capital programme are linked to the Council's key strategic priorities. To ensure the financial consequences of the new programme are fully transparent, all relevant indicators have been projected to 2027/28 and these can be found in Appendix 1. The table 2 below show the capital expenditure plans and how they are being financed by capital or revenue resources over the next three years. Borrowing is the difference between the total capital programme and other funding sources.

**Table 2**

Estimates of Capital Expenditure and Income	2017/18 Probable Outturn £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
General Services Capital expenditure	45.586	37.674	42.206	35.863
Funded by:				
Borrowing	-	24.050	18.469	14.533
Receipts / Grants	43.061	8.722	23.737	21.330
Funded from Revenue	0.809	1.112	-	-
Funded from Reserves	1.716	3.790	-	-
<b>Total</b>	<b>45.586</b>	<b>37.674</b>	<b>42.206</b>	<b>35.863</b>
HRA Capital expenditure	27.246	35.809	24.557	71.001
Funded by:				
Borrowing	5.324	14.770	1.119	23.822
Receipts / Grants	5.236	8.155	5.133	25.783
Funded from Revenue	15.080	12.766	15.201	16.644
Funded from Reserves	1.606	0.118	3.104	4.752
<b>Total</b>	<b>27.246</b>	<b>35.809</b>	<b>24.557</b>	<b>71.001</b>

#### (b) The Council's Overall Borrowing Need (the Capital Financing Requirement)

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 a 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), or utilising temporary cash resources within the Council.

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 the payment of capital commitments on an ongoing basis. 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 is shown below, and is a key prudential indicator. The opening balances include the PPP/NPD 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. The CFR is forecast to rise over the next few years, as capital expenditure financed by borrowing increases.

**Table 3**

<b>Capital Financing Requirement (CFR)</b>	<b>2017/18 Probable Outturn £m</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>	<b>2020/21 Estimate £m</b>
General Services	285.021	297.647	304.324	310.389
HRA	120.244	132.574	130.908	151.472
<b>Sub-total</b>	<b>405.265</b>	<b>430.222</b>	<b>435.233</b>	<b>461.861</b>
Less PPP/NPD long-term liability	(110.151)	(107.533)	(104.973)	(102.737)
<b>Sub-total</b>	<b>295.114</b>	<b>322.689</b>	<b>330.260</b>	<b>359.124</b>
<b>Movement in CFR</b>				
General Services	(8.930)	15.244	9.237	8.301
HRA	3.128	12.331	(1.666)	20.563
<b>Annual Change</b>	<b>(5.802)</b>	<b>27.575</b>	<b>7.571</b>	<b>28.864</b>

### (c) Limits to borrowing activity

#### 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 are acceptable, subject to the authorised limit not being breached.

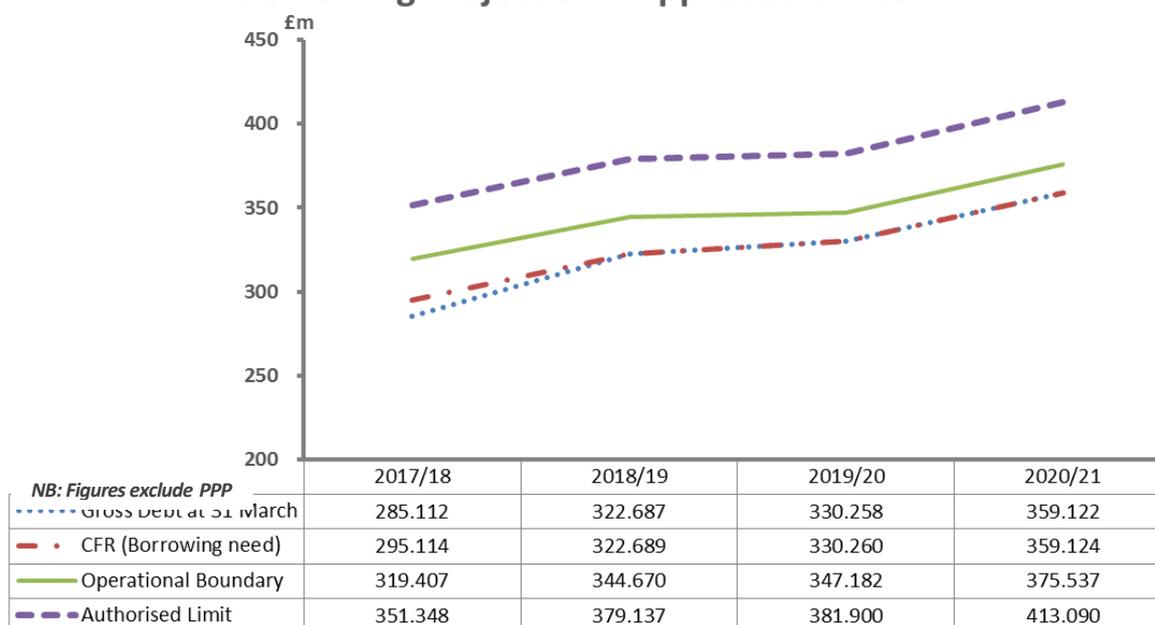
#### The Authorised Limit

The authorised limit represents a limit beyond which external debt is prohibited. This limit is set by Council and can only be revised by Council 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% above the Operational Boundary.

The graph below shows the projected levels of the Operational Boundary and Authorised Limit, compared with the Council's CFR and gross debt position. CIPFA's Prudential Code for Capital Finance in Local Authority's recommends that the Council's total debt should not exceed the highest forecast CFR over the next three year. This provides Councils with some flexibility to borrow to meet future capital investment

requirements but provides a balance to ensure debt is not held for long periods of time without an underlying need to fund capital investment. The graph below confirms that the Council expects to comply with this recommendation.

### Borrowing Projection v Approved Limits



### Affordability Prudential Indicators

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 cost impact of borrowing decisions are reflected in the Council’s budget as loan charges. These have been projected over the next 10 years in line with the capital plan and will be used to update the Council’s Long Term Financial Outlook.

#### Actual and estimates of the ratio of financing costs to net revenue stream.

This indicator identifies the trend in the cost of capital (borrowing and other long-term liabilities net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and those arising from the capital programme. The HRA costs are aligned with the 30-year business plan.

Ratio of financing costs to net revenue stream	2017/18 Probable Outturn £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
General Services	5.0%	5.2%	5.6%	4.8%
HRA	15.9%	16.9%	17.4%	18.3%

The previously reported prudential indicators showing the incremental impact of capital investment decisions on both Council Tax and Housing rents are no longer required under the 2017 Prudential Code. As a result these are no longer reported.

## 4 Treasury Management Strategy

The treasury management function ensures that the Council's funds are managed in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity. This involves both the organisation of the cashflow and where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

The primary objectives of the Council's borrowing strategy is to minimise the revenue impact of borrowing and to effectively manage the repayment profile of the debt.

The treasury strategy aligns with the Council Plan by contributing to "a sound financial position" and "making the best use of all resources" as referred to under the banner of "Underpinning our Priorities". The Council Plan can be found on the Council's website at: [www.north-ayrshire.gov.uk](http://www.north-ayrshire.gov.uk).

### Economic Outlook

#### Interest rate forecast

Interest rate forecasts are key to estimating the costs of future borrowing. The Council's treasury advisor, Arlingclose, projects that the Bank of England will raise interest rates this calendar year and in 2019 following the Bank's strong intent conveyed in its February 2018 Inflation Report, taking Bank Rate from 0.5% to 1.25% in 2019. Although Bank Rate will be higher than witnessed in recent years, it will still be low when viewed against historic levels. The projected rates are shown in the graph below alongside an assessment of PWLB borrowing rates to March 2021:



## Current portfolio position

The Council's treasury portfolio position at 31 March 2018, with forward projections, are summarised below. The table shows the actual external debt against the underlying capital borrowing need (the CFR), highlighting any over or under borrowing. Both the external debt and CFR exclude the Council's liabilities in respect of the PPP/NPD schemes.

Current Portfolio Position (excluding PPP/NPD)	2017/18	2018/19	2019/20	2020/21
	Probable Outturn £m	Estimate £m	Estimate £m	Estimate £m
Gross Debt at 31 March	285.112	322.687	330.258	359.122
CFR	295.114	322.689	330.260	359.124
<b>(Under)/Over Borrowed Position</b>	<b>(10.002)</b>	<b>(0.002)</b>	<b>(0.002)</b>	<b>(0.002)</b>

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council's gross debt should not, except in the short term, exceed the total of the CFR. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The Council is currently under-borrowed. This means that the capital borrowing need (the CFR), has not been fully funded with loan debt because the cash supporting the Council's internal balances and cashflow is being used as a temporary measure. This strategy is currently prudent, as investment returns are low and counterparty risk is high. Where possible, the Council will continue to use internal funds, but will balance this strategy against movements in interest rates as outlined above.

Against this background and the risks within the economic forecast, caution will be adopted within 2018/19 treasury operations. The Executive Director of Finance and Corporate Support will monitor interest rates and adopt a pragmatic approach to changing circumstances. For example:

- if it is felt that there is a significant risk of a sharp fall in long and short-term rates, then long-term borrowings will be postponed and potential rescheduling from fixed rate funding into short-term borrowing will be considered.
- if it is felt that there is a significant risk of a sharp rise in long and short-term rates than that currently forecast, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they are expected to be in the next few years.

Any such decisions will be reported to the Cabinet as part of the mid-year report. A summary of treasury risks and mitigating controls can be found at Appendix 2.

## Controls on borrowing activity

The purpose of these controls is to manage the risk and impact of any adverse movement in interest rates. However, if they are set to be too restrictive they will impair any opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates.

	2017/18 Probable Outturn £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Limits on fixed interest rates based on net debt	298.248	319.14	321.900	353.090
Limits on variable interest rates based on net debt	53.100	60.000	60.000	60.000

- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing; both upper and lower limits are required.

Maturity Profile of Borrowing	2017/18 Probable Outturn £m	2017/18 Probable Outturn %	Lower Limit %	Upper Limit %
Under 12 months	75.517	31%	0%	40%
12 months and within 24 months	11.867	5%	0%	25%
24 months and within 5 years	15.166	6%	0%	50%
5 years and within 10 years	1.350	1%	0%	75%
10 years and above	140.512	57%	25%	90%
<b>Total Borrowing</b>	<b>244.412</b>	<b>100%</b>		

\*Note the Under 12 months figure in the above table includes £38.950m LOBOs which have call options in year.

### LOBOs

The Council holds £53.1m of Lender's Option Borrower's Option (LOBO) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

### Policy on borrowing in advance of need

The Council will not borrow more than, or in advance of its needs, purely to profit from the investment of the extra sum borrowed. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any advance borrowing activity will be subject to appraisal and subsequent reporting in either the mid-year or annual treasury report.

### Debt rescheduling

As short-term borrowing rates are considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long-term to short-term debt. However, these savings will need to be considered in the light of the current treasury position and the cost of any premiums incurred on early debt repayment.

Potential reasons for debt rescheduling include:

- the generation of cash savings and / or discounted cashflow savings;
- the enhancement of the portfolio balance (amend the maturity profile and / or risk).

All debt rescheduling proposals will be reported to Cabinet / full Council as part of the annual or mid-year report.

### Borrowing Sources

Approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- Any institution approved for investments (see Appendix 3)
- Any other bank or building society authorised to operate in the UK
- UK public and private sector pension fund (except Strathclyde Pension Fund)
- Capital market bond investors
- Special purpose companies created to enable local authority bond issues

In addition, capital finance can be raised by the following methods that are not borrowing, but are classed as other debt liabilities:

- Operating and finance leases
- Hire purchase
- Private Finance Initiatives
- Sale and leaseback arrangements

North Ayrshire Council raises the majority of its long-term borrowing from the PWLB, but continues to investigate other sources of finance that may be available with terms that are more favourable.

### **Policy on Use of Financial Derivatives**

A financial derivative is a contract, which derives its value from the performance of an underlying entity. They are used for a number of purposes, including insuring against price movements. In the absence of any explicit legal power to do so, the Authority will not use standalone financial derivatives (such as swaps, forwards, future and options). Derivatives embedded into loans and investments, including pooled funds and forward starting transactions, may be used, and the risks that they present will be managed in line with the overall treasury risk management strategy.

### **Policy on Repayment of Loans Fund Advances**

In July 2016, the Scottish Government confirmed new Loans Fund accounting arrangements, under the provisions of The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016, which apply retrospectively from 1 April 2016.

This Regulation requires the Council to outline its policy on the repayment of loans fund advances. The Loans Fund Advance is effectively the repayment of the 'principal' linked to the capital expenditure which is required to be funded from borrowing.

The broad aim of prudent repayment is to ensure that the Authority's unfinanced capital expenditure, is financed over the period of years which, that expenditure is expected to provide a benefit and that each year's repayment amount, is reasonably commensurate with the period and pattern of the benefits.

For the majority of projects undertaken by the Council the 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. However, there are some projects, such as the Ayrshire Growth Deal, where income streams are attached to the project, 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. Therefore for these unique projects, 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. The policy is outlined in full in Appendix 4 of the strategy.

## 5 Investment Strategy

The Council's investment strategy has regard to the Local Government Investment (Scotland) Regulations (and accompanying finance circular) and the 2017 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and of receiving unacceptably low investment income. Where balances are expected to be invested for more than one year, the Authority will maximise returns, without increasing additional risk, in order to maintain the spending power of the sum investment.

The aim of the Investment Strategy is to provide security of investment and minimisation of risk by generating a list of high creditworthy counterparties which will enable diversification. Investment instruments identified for use in the financial year along with their associated risks and controls can be found in Appendix 3.

Counterparty limits are set through the Council's Treasury Management Practices. The maximum that will be lent to any one organisation (other than the UK Government) will be £10 million. A group of banks under the same ownership, will be treated as a single organisation for limit purposes.

The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's revenue budget and cash flow forecast.

Given the risk of bail-in (which is defined below) and continued low returns from short-term unsecured bank investments, the Council will take opportunities, as cash flows permit, to further diversify into more secure asset classes during 2018/19. This is especially the case for longer-term investment. This diversification will mitigate further risks associated with investments.

### Current Portfolio Position

Current Portfolio Position	2017/18 Probable Outturn £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Investments at 31 March	10.000	15.000	15.000	15.000
<b>Net Debt at 31 March</b>	<b>275.112</b>	<b>307.687</b>	<b>315.258</b>	<b>344.122</b>

### Creditworthiness policy

In accordance with the above and in order to minimise risk, the Council has clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on its lending list. The Council uses Arlingclose's Approved Counterparties List (see Appendix 5) which takes full account of the ratings, outlooks and watches published by all three ratings agencies, with ratings monitored on a real time basis and knowledge of any changes notified electronically, once published by the agencies.

Investment decisions are made by reference to the lowest published long-term credit rating from Standard & Poor's, Fitch and Moody's. The Council considers high credit quality organisations and investments as those having a credit rating of A- or higher that are domiciled in the UK, or in a foreign country with a sovereign rating of AA+ or higher. For money market funds that are more diversified, "high credit quality" is defined as those having a credit rating of A- or higher.

All credit ratings are monitored on a weekly basis by the Treasury Team who are alerted to changes in ratings of all three agencies through Arlingclose's weekly updates and following credit developments. Where a downgrade

results in the counterparty or investment scheme no longer meeting the Council's minimum criteria, any investment will be withdrawn immediately, where breakage costs are not excessive.

It should be noted that where deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In such circumstances, the Council will restrict its investment activity to those organisations of higher credit quality and will reduce the maximum duration of its investments to maintain the required level of security. If this leads to a restricted number of organisations, funds will be placed with the UK government, via the Debt Management Office, treasury bills, or investment in other local authorities.

The Council recognises that credit ratings are good, but not comprehensive, indicators of investment default. Full regard is therefore given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on government support and reports in the financial press. No investment will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

### **Bail-in Risk**

Since the financial crisis, global authorities have embarked on a wide ranging review of the banking sector to ensure that the cost to the public purse of any future crises is contained. One of the most significant changes has arisen from the Financial Services (Banking Reform) Act 2013 which added the bail-in of certain unsecured creditors to the Special Resolution Regime (SRR) granted to the Bank of England under the Banking Act 2009. Bail-in is the opposite of bail-out and requires certain creditors to bail-in funds from existing investments if a bank requires it to remain financial sustainable.

Local authority deposits in banks are unsecured and because other previously unsecured creditors have become preferred under EU Directives it means that the risks associated with local authority unsecured investments in banks have risen. Bail-in risk does not discriminate and applies to RBS and Lloyds Banks even where they retain an albeit reducing level of UK Government ownership.

There are a number of steps that can be taken to mitigate against bail-in risk. Clearly, investing with high quality and credit worthy institutions continues to be the best solution and the identification of these institutions remains a key objective of the investment strategy. Ensuring diversification of investment counterparties is also an effective risk management approach and needs to be reflected in investment counterparty limits. But the best way to manage the onset of bail-in risk is to invest in ways that avoid it altogether and this can be achieved by not investing in banks and building societies on an unsecured basis but on a secured basis where any exposure to a bank is specifically exempt from bail-in risk altogether; the Council is working with our advisers to progress this route, as cash flows permit.

### **Investment Strategy and Permitted Investments**

The Investment Regulations (Code on the Investment of Money by Local Authorities) require the Council to approve all types of investments to be used and to set appropriate limits for the amount that can be held in each investment type. In determining its permitted investments, the Council must identify the treasury risks associated with each type of instrument and the controls put in place to limit risk on each investment type. Full details can be found in Appendix 3.

### Investment returns expectations

Bank Rate is forecast to increase from 0.5% to 1.25% between March 2018 and March 2021. Bank Rate forecasts for financial year ends (March) are:

- 2018/19 1.00%
- 2019/20 1.25%
- 2020/21 1.25%

Estimated budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next three years are as follows:

- 2018/19 0.35%
- 2019/20 0.35%
- 2020/21 0.35%

These are lower than previous levels and are reflective of the current rates available within the financial market.

### Investment treasury indicator and limit

This is a control on the total principal funds invested for greater than 365 days. This limit is set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and is based on the availability of funds after each year-end.

Maximum principal sums invested for more than 365 days	2017/18 Probable Outturn	2018/19 Limit	2019/20 Limit	2020/21 Limit
Principal sums invested for more than 365 days	0%	40%	40%	40%

For cashflow management, the Council will seek to utilise its 15 and 30 day notice accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

### Summary of Material Investments, Guarantees and Liabilities

In line with the new requirements in respect of the Council's Capital Investment Strategy information is provided on material Investments, Guarantees and Liabilities. Reporting of this fits better within the TMIS. Information is provided in the table below;

The Council has the current historic investments on the balance sheet as at 31st March 2017:

	Value as at 31 March 2017 £m
Long-term Debtors	1.205
Long-term Investments	0.350
<b>Total</b>	<b>1.555</b>

The long-term debtors represent loan finance provided by the Council to other parties, and include the loans to North Ayrshire Ventures Trust Ltd (£0.996m) and Advances for House Rents (£0.147m).

The long-term investment relates to a joint venture to develop land at North Shore, Ardrossan.

## **Monitoring of Investment Strategy**

An update on the investment position of the Council will be reported to Cabinet in the 2018/19 Mid-Year Treasury report and the Annual Treasury Report will be submitted to the Council after the end of the financial year.

## Appendix 1: Prudential Indicators 2022 to 2028

Estimates of Capital Expenditure and Income	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
General Services Capital expenditure	23.832	15.357	19.393	19.247	19.914	15.713	14.129
Funded by:							
Borrowing	6.768	0.737	4.204	3.926	5.122	1.319	-
Receipts / Grants	16.173	14.620	15.189	15.321	14.792	14.394	14.129
Funded from Revenue	-	-	-	-	-	-	-
Funded from Reserves	0.891	-	-	-	-	-	-
<b>Total</b>	<b>23.832</b>	<b>15.357</b>	<b>19.393</b>	<b>19.247</b>	<b>19.914</b>	<b>15.713</b>	<b>14.129</b>
HRA Capital expenditure	36.534	9.781	10.172	10.498	10.820	11.168	11.528
Funded by:							
Borrowing	6.256	-	-	-	-	-	-
Receipts / Grants	9.735	-	-	-	-	-	-
Funded from Revenue	17.071	9.781	10.172	10.498	10.820	11.168	11.528
Funded from Reserves	3.471	-	-	-	-	-	-
<b>Total</b>	<b>36.533</b>	<b>9.781</b>	<b>10.172</b>	<b>10.498</b>	<b>10.820</b>	<b>11.168</b>	<b>11.528</b>

Capital Financing Requirement (CFR)	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
General Services	309.153	300.762	295.609	290.015	284.841	277.387	267.950
HRA	153.314	148.070	142.320	135.829	128.562	121.022	115.797
<b>Sub-total</b>	<b>462.467</b>	<b>448.832</b>	<b>437.930</b>	<b>425.844</b>	<b>413.403</b>	<b>398.409</b>	<b>383.747</b>
Less PPP/NPD long-term liability	(100.793)	(98.614)	(96.019)	(93.548)	(90.880)	(87.857)	(84.324)
<b>Sub-total</b>	<b>361.674</b>	<b>350.218</b>	<b>341.911</b>	<b>332.296</b>	<b>322.523</b>	<b>310.552</b>	<b>299.423</b>
<b>Movement in CFR</b>							
General Services	0.708	(6.212)	(2.558)	(3.123)	(2.506)	(4.431)	(5.904)
HRA	1.842	(5.243)	(5.750)	(6.492)	(7.267)	(7.540)	(5.225)
<b>Annual Change</b>	<b>2.550</b>	<b>(11.455)</b>	<b>(8.308)</b>	<b>(9.614)</b>	<b>(9.773)</b>	<b>(11.971)</b>	<b>(11.129)</b>

A negative annual change in CFR reflects a reduction in the need to finance capital investment from borrowing.

Ratio of financing costs to net revenue stream	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
General Services	4.9%	5.2%	5.1%	5.2%	5.4%	4.7%	4.7%
HRA	20.1%	20.9%	21.1%	21.7%	22.3%	21.8%	17.4%

Current Portfolio Position (excluding PPP/NPD)	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Gross Debt at 31 March	361.672	350.216	341.909	332.294	322.521	310.550	299.422
CFR	361.674	350.218	341.911	332.296	322.523	310.552	299.423
<b>(Under)/Over Borrowed Position</b>	<b>(0.002)</b>	<b>(0.002)</b>	<b>(0.002)</b>	<b>(0.002)</b>	<b>(0.002)</b>	<b>(0.002)</b>	<b>(0.001)</b>

Current Portfolio Position	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Investments at 31 March	15.000	15.000	15.000	15.000	15.000	15.000	15.000
<b>Net Debt at 31 March</b>	<b>346.672</b>	<b>335.216</b>	<b>326.909</b>	<b>317.294</b>	<b>307.521</b>	<b>295.550</b>	<b>284.422</b>

Operational Boundary	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Anticipated borrowing	379.847	364.194	356.774	348.321	339.373	325.399	311.845
PPP/NPD long-term liability	100.793	98.614	96.019	93.548	90.880	87.857	84.324
<b>Operational Boundary</b>	<b>480.640</b>	<b>462.808</b>	<b>452.793</b>	<b>441.869</b>	<b>430.253</b>	<b>413.256</b>	<b>396.169</b>

Authorised Limit	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Operational Boundary + 10%	417.832	400.613	392.452	383.153	373.310	357.939	343.029
PPP/NPD long-term liability	100.793	98.614	96.019	93.548	90.880	87.857	84.324
<b>Authorised Limit</b>	<b>518.625</b>	<b>499.227</b>	<b>488.471</b>	<b>476.701</b>	<b>464.190</b>	<b>445.796</b>	<b>427.353</b>

### Borrowing Projection v Approved Limits



	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
••••• Gross Debt at 31 March	361.672	350.216	341.909	332.294	322.521	310.550
—•— CFR (Borrowing need)	361.674	350.218	341.911	332.296	322.523	310.552
— Operational Boundary	379.847	364.194	356.774	348.321	339.373	325.399
—•— Authorised Limit	417.832	400.613	392.452	383.153	373.310	357.939

## Appendix 2: Treasury Risk Register

Risk Title	Description	Consequence of Risk	Current Controls	RAG Status
Credit and Counterparty Risk	This is the risk of failure by a counterparty (bank or building society) to meet its contractual obligations to the organisation particularly due to the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources. There are no counterparties where this risk is zero although AAA rated organisations have a very high level of creditworthiness.	That investment funds will not be returned in full to the Council as per the contractual obligation of the counterparty.	The Council sets minimum credit criteria to determine which counterparties and countries are of sufficiently high creditworthiness to invest securely. The RAG status is Amber because this risk will never be fully eliminated.	Amber
Liquidity Risk	This is the risk that cash will not be available when it is needed. Whilst it could be said that all counterparties are subject to at least a very small level of liquidity risk, in this document, liquidity risk has been treated as whether or not instant access to cash can be obtained from each form of investment instrument. While some forms of investment e.g. gilts, Certificates of Deposit, corporate bonds can usually be sold immediately if the need arises, there are two caveats: - a) cash may not be available until a settlement date up to three days after the sale; and b) there is an implied assumption that markets will not freeze up and so the instrument in question will find a ready buyer.	That the Council has insufficient access to cash to enable it to carry out its activities.	The Council has a cash flow forecasting model to enable it to determine how long investments can be made for and how much can be invested. This has a high level of assurance around regular cash inflows and outflows. Some of the Council's cashflow related investments are invested in Money Market Funds which provide very high daily liquidity.	Green

Risk Title	Description	Consequence of Risk	Current Controls	RAG Status
Market Risk	This is the risk that, through adverse market fluctuations in the value of the sums that the Council borrows and invests, there is a detrimental impact on the Council.	That investment funds will not be returned in full to the Council as per the contractual obligation of the counterparty due to market variations.	Only a proportion of the Council's investments will be invested in instruments whose value are subject to market movements. The proportion will not exceed the maximum percentage the Council will invest in investments over 365 days.	Green
Interest Rate Risk	This is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately. The Council has set limits for its fixed and variable rate exposure in its Treasury Indicators in this report	That the Council will be faced with unexpected higher interest costs due to market variations.	The Council manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which aims to maximise investment earnings consistent with control of risk or alternatively, seeks to minimise expenditure on interest costs on borrowing.	Green
Legal and Regulatory Risk	This is the risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, including failure to comply with the CIPFA Codes and that the organisation suffers losses accordingly.	That investment funds will not be returned in full to the Council due to the failure of the counterparty to comply with their contractual obligations	The Council will not undertake any form of investing until it has ensured that it has all necessary powers and has complied with all regulations.	Green

## Appendix 3: Permitted Investments, Risks and Mitigating Controls

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
<b>Banks unsecured</b>	These are accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks, which are established by more than one country e.g. European Investment Bank. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.	Diversifying investments is crucial to managing bail-in risk, in addition to determining proportionate counterparty and maturity limits. Certificates of Deposit, which are tradable on the secondary market and which can be sold prior to maturity, will also assist in managing credit risk.	The combined secured and unsecured investments in any one bank will not exceed £10m.
<b>Banks Secured</b>	These are covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. Reverse purchase agreements involve the purchase of securities with the agreement to sell at a future date at a higher price. Collateralised arrangement are an investment with collateral such as properties or debt.	These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits.	The combined secured and unsecured investments in any one bank will not exceed £10m.
<b>Operational Bank Accounts</b>	The Council will incur operational exposures to its banking services provider, Clydesdale Bank, through current accounts. The bank is not currently on the Council's lending list as its credit ratings are below the investment credit rating criteria of A-. These balances are not classed as investments but are still subject to the risk of bail-in and balances will therefore be minimised.	The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion (which applies to Clydesdale Bank) are more likely to be bailed in than made insolvent, increasing the chance of the Council maintaining operational continuity. .	The Council monitors its operational accounts on a daily basis, transferring any surplus funds to investment accounts and therefore minimising the amount held in the operational bank account at any time.
<b>Government</b>	These are loans, bonds and bills issued or guaranteed by national governments, regional and	These investments are not subject to bail-in, and there is an insignificant risk of insolvency.	Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
	local authorities and multilateral development banks. Includes the UK Debt Management Office.		
<b>Registered Social Landlords</b>	These are loans and bonds issued by, guaranteed by or secured on the assets of Registered Social Landlords (Housing Associations). These bodies are regulated by the Scottish Housing Regulator and by the Homes and Communities Agency for Registered Providers of Social Housing in England.	As providers of public services, they retain the likelihood of receiving government support if needed and are therefore considered low risk.	Policy driven, managing all associated risks.
<b>Money Market Funds</b>	These are diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a management fee.	Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts.	It is recommended that no more than 10% of the Council's total investments are invested in any one MMF and that the amount invested is no more than 0.5% of the size of a MMF used for liquidity purposes. For pooled investment vehicles that invest in bonds, equities and property, all of which operate on a variable net asset value (VNAV) it is recommended that no more than 10% of the Council's total investments are invested in each fund. These investments will be held for periods greater than 1 year.
<b>Other types of investments</b>			
<b>Investment Properties</b>	These are non-operational properties that are being held pending disposal, or for a longer-term rental income stream. They are highly illiquid assets with high risk to value (the potential for property prices to fall or for rental voids).	In larger investment portfolios, some small allocation of property-based investment may counterbalance/complement the wider cash portfolio. Property holding will be re-valued regularly and reported annually with gross and net rental streams.	Policy driven, managing all associated risks.

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
		Member approval required and each application must be supported by the service rationale behind the loan and the likelihood of partial or full default.	
<b>Loans to third parties, including soft loans</b>	These are service investments either at market rates of interest, or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each third party loan requires Member approval and each application must be supported by the service rationale behind the loan and the likelihood of partial or full default. Interest payments and loan repayments will be monitored and the likelihood of partial or full default re-assessed regularly.	Policy driven, amount and loan maturity limit will be determined on a case-by-case basis.
<b>Loans to a local authority company</b>	These are service investments either at market rates of interest, or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each loan to a local authority company requires Member approval and each application must be supported by the service rationale behind the loan and the likelihood of partial or full default.  Interest payments, loan repayments, and their timeliness will be monitored and the likelihood of partial or full default reassessed regularly.	Policy driven, amount and loan maturity limit determined on a case-by-case basis, managing all associated risks.
<b>Shareholdings in a local authority company</b>	These are service investments, which may exhibit market risk and are likely to be highly illiquid.	Each equity investment in a local authority company requires Member approval and each application must be supported by the service rationale behind the investment and the likelihood of loss. Service investments will be subject to scrutiny by Financial Services on a regular basis, and will include scrutiny of	Policy driven, amount determined on a case-by-case basis, managing all associated risks.

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
		financial statements issued by the local authority company.	
<b>Non-local authority shareholdings</b>	These are non-service investments, which may exhibit market risk, will only be considered for longer term investments and are likely to be liquid.	Any non-service equity investment will require separate Member approval and each application must be supported by the service rationale behind the investment and the likelihood of loss. Non-service investments will be subject to scrutiny by Financial Services on a regular basis, reported to Members, and will include scrutiny of financial statements issued by the company.	Policy driven, amount and anticipated time frame for shareholding determined on a case-by-case basis, managing all associated risks.

## Appendix 4: Policy on Repayment of Loans Fund Advances

The purpose of the Loans Fund is to record advances from the loan fund for expenditure incurred, or loans made to third parties, which a local authority has determined are to be financed from borrowing as set out in Regulation 2 of The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 [“the Regulations”]. The Council is also statutorily required to repay Loans Fund advances and to therefore prudently determine the periods over which it will repay Loans Fund advances as well as the amount of repayment in any financial year.

Loans Fund advances comprise several items and the estimated opening balances for 2018/19, where applicable for this Authority, are shown below:-

- The Authority’s capital expenditure (£295.113m),
- grants to third parties and expenditure on third party assets which would be classified as capital expenditure by a local authority (£0m), and
- loans to third parties (£0m), and
- expenditure for which a borrowing consent has been issued by the Scottish Government (£0m).

### **Prudent repayment of Loans Fund advances**

The Loans Fund Advance is effectively the repayment of the ‘principal’ linked to the expenditure classified above which is unfinanced and is required to be funded from borrowing. Repayment of Loans Fund advances are required to be made in line with Scottish Government statutory guidance on Loans Fund Accounting. The Authority’s annual accounts require to include a disclosure of details of Loans Fund transactions. The HRA Loans Fund advances and associated annual repayments are identified separately from that of the General Fund.

The broad aim of prudent repayment is to ensure that the Authority’s unfinanced capital expenditure is financed over the period of years which that expenditure is expected to provide a benefit and that each year’s repayment amount is reasonably commensurate with the period and pattern of the benefits.

The statutory guidance requires the Authority to approve a policy on Loans Fund repayments each year, and recommends a number of options for calculating prudent repayments. The Authority’s policy is as follows:

For the majority of projects undertaken by the Council the 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. However 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. Therefore for these unique projects, 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.

The repayment of Loans Fund advances will therefore be equal to the annual amount determined in accordance with Schedule 3 of the Local Government (Scotland) Act 1975.

### Estimates of prudent Loans Fund repayment

The Authority's latest estimates of its Loans Fund account information are as follows:

Year	Opening Balance £m	Advances to GF £m	Advances to HRA £m	Repayment by GF £m	Repayment by HRA £m	Closing Balance £m
2016/17 actual	288.566	23.253	0.000	-8.929	-1.973	300.917
2017/18	300.917	0.000	5.323	-8.931	-2.197	295.113
2018/19 - 22/23	295.113	64.558	45.968	-37.279	-18.140	350.219
2023/24 - 27/28	350.219	14.571	0.000	-33.093	-32.274	299.423
2028/29 - 32/33	299.423	0.000	0.000	-29.415	-31.483	238.526
2033/34 - 37/38	238.526	0.000	0.000	-37.414	-28.891	172.221
2038/39 - 42/43	172.221	0.000	0.000	-36.828	-18.590	116.803
2043/44 - 47/48	116.803	0.000	0.000	-31.185	-12.311	73.307
2048/49 - 52/53	73.307	0.000	0.000	-26.564	-11.824	34.919
2053/54 - 57/58	34.919	0.000	0.000	-19.006	-9.657	6.256
2058/59 - 62/63	6.256	0.000	0.000	-2.857	-3.040	0.359
2063/64 & later	0.359	0.000	0.000	-0.359	0.000	0.000

### Policy on Apportioning Interest to the HRA

Interest and expenses are allocated to the HRA based on borrowing taken in year.

## Appendix 5: Counterparty Limits

The status of counterparties is monitored regularly. The Council receives credit rating and market information from Arlingclose Limited, including when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately and, if required, new counterparties which meet the criteria will be added to the list. The list of local authorities in the table are those, which are credit rated; however, the Council may lend to rated and unrated UK local authorities.

The Council may invest its funds with any of the counterparties detailed below, subject to the cash limits (per counterparty) and time limits shown. This list reflects the current (January 2018) counterparty list and will be updated throughout the year based on information received by our Treasury Adviser.

Counterparty	Fitch Long-term	Moody's Long-term	S & P Long-term	Banking Group	COUNCIL SPECIFIC LIMITS		
					Individual Cash Limit (£/%)	Group Cash Limit (£/%)	Max Investment period
<b>UNITED KINGDOM: BANKS</b>							
BANK OF SCOTLAND PLC	A+	Aa3	A	Lloyds Banking Group		£10,000,000	6 months
LLOYDS BANK PLC	A+	Aa3	A				6 months
BARCLAYS BANK PLC	A *+	A1	A		£10,000,000		100 days
CLOSE BROTHERS LTD	A	Aa3					6 months
GOLDMAN SACHS INT'L BANK	A	A1	A+		£10,000,000		100 days
HSBC BANK PLC	AA-	Aa3	AA-		£10,000,000		6 months
NATIONAL WESTMINSTER BANK	BBB+ *+	A3	BBB+	RBS Group		£10,000,000	35 days
ROYAL BANK OF SCOTLAND PLC/T	BBB+	A3	BBB+				35 days
ABBEY NATIONAL TREASURY SERV	A *+			Santander Group		£10,000,000	6 months
SANTANDER UK PLC	A *+	Aa3	A		£10,000,000		£10,000,000

Counterparty	Fitch Long-term	Moody's Long-term	S & P Long-term	Banking Group	COUNCIL SPECIFIC LIMITS		
					Individual Cash Limit (£/%)	Group Cash Limit (£/%)	Max Investment period
<b>UK: BUILDING SOCIETIES</b>							
COVENTRY BUILDING SOCIETY	A	A2					6 months
DARLINGTON BUILDING SOCIETY					£1,000,000		100 days
FURNESS BUILDING SOCIETY					£1,000,000		100 days
HINCKLEY & RUGBY BUILDING SOCIETY					£1,000,000		100 days
LEEDS BUILDING SOCIETY	A-	A3					100 days
LEEK UNITED BUILDING SOCIETY					£1,000,000		100 days
MANSFIELD BUILDING SOCIETY					£1,000,000		100 days
MARSDEN BUILDING SOCIETY					£1,000,000		100 days
MELTON MOWBRAY BUILDING SOCIETY					£1,000,000		100 days
NATIONAL COUNTIES BUILDING SOCIETY					£1,000,000		100 days
NATIONWIDE BUILDING SOCIETY	A+	Aa3	A		£10,000,000		6 months
NEWBURY BUILDING SOCIETY					£1,000,000		100 days
SCOTTISH BUILDING SOCIETY					£1,000,000		100 days
TIPTON & COSELEY BUILDING SOCIETY					£1,000,000		100 days
<b>UK: LOCAL AUTHORITIES</b>							
CORNWALL COUNCIL		Aa2		-			4 years +
GREATER LONDON AUTHORITY			AA	-			4 years +
GUILDFORD BOROUGH COUNCIL		Aa2		-			4 years +
LANCASHIRE COUNTY COUNCIL		Aa3		-			4 years +
TRANSPORT FOR LONDON	AA-	Aa3	AA	-			10 years
WANDSWORTH BOROUGH COUNCIL	AA			-			4 years +
WARRINGTON BOROUGH COUNCIL		A1		-			4 years +

Counterparty	Fitch Long-term	Moody's Long-term	S & P Long-term	Banking Group	COUNCIL SPECIFIC LIMITS		
					Individual Cash Limit (£/%)	Group Cash Limit (£/%)	Max Investment period
<b>UK: OTHER INSTITUTIONS</b>							
LCR FINANCE PLC	AA	Aa2	AA				15 years
NETWORK RAIL INFRASTRUCTURE	AA	Aa2					15 years
UK GOVERNMENT	AA	Aa2	AAu				50 years
WELLCOME TRUST FINANCE PLC		Aaa	AAA				20 years
<b>COMMONWEALTH OF AUSTRALIA</b>							
AUST AND NZ BANKING GROUP	AA-	Aa3	AA-		£10,000,000		6 months
COMMONWEALTH BANK OF AUSTRAL	AA-	Aa3	AA-		£10,000,000		6 months
NATIONAL AUSTRALIA BANK LTD	AA-	Aa3	AA-		£10,000,000		6 months
NEW SOUTH WALES TREASURY COR		Aaa	AAA				25 years
WESTPAC BANKING CORP	AA-	Aa3	AA-		£10,000,000		6 months
<b>GOVERNMENT OF CANADA</b>							
BANK OF MONTREAL	AA-	A1	A+		£10,000,000		6 months
BANK OF NOVA SCOTIA	AA-	A1	A+		£10,000,000		6 months
CAN IMPERIAL BK OF COMMERCE	AA-	A1	A+		£10,000,000		6 months
EXPORT DEVELOPMENT CANADA		Aaa	AAA				25 years
ROYAL BANK OF CANADA	AA	A1	AA-		£10,000,000		6 months
TORONTO-DOMINION BANK	AA-	Aa2	AA-		£10,000,000		6 months
<b>KINGDOM OF DENMARK</b>							
DANSKE BANK A/S	A	A1	A				100 days
KOMMUNEKREDIT		Aaa	AAA				25 years
<b>REPUBLIC OF FINLAND</b>							
MUNICIPALITY FINANCE PLC		Aa1	AA+				15 years
OP CORPORATE BANK PLC	WD	Aa3	AA-				6 months

Counterparty	Fitch Long-term	Moody's Long-term	S & P Long-term	Banking Group	COUNCIL SPECIFIC LIMITS		
					Individual Cash Limit (£/%)	Group Cash Limit (£/%)	Max Investment period
FEDERAL REPUBLIC OF GERMANY	AAA	Aaa	AAAu				
FMS WERTMANAGEMENT	WD	Aaa	AAA				25 years
KREDITANSTALT FUER WIEFERAUF	AAA		AAA				25 years
LANDESBANK HESSEN-THURINGEN	A+	A1	A		£10,000,000		6 months
LANDESKRED BADEN-WUERTT FOER	AAA	Aaa	AAA				25 years
LANDWIRTSCHAFTLICHE RENTENBA	AAA	Aaa	AAA				25 years
LAND SACHSEN-ANHALT	AAA	Aa1	AA+				15 years
KINGDOM OF THE NETHERLANDS	AAA	Aaa	AAAu				
BANK NEDERLANDSE GEMEENTEN	AA+	Aaa	AAA				5 years
COOPERATIEVE RABOBANK UA	AA-	Aa2	A+		£10,000,000		13 months
ING BANK NV	A+	Aa3	A+		£10,000,000		100 days
NEDERLANDSE WATERSCHAPSBANK			AAA				5 years
KINGDOM OF NORWAY	AAA	Aaa	AAA				
KOMMUNALBANKEN AS		Aaa	AAA				5 years
REPUBLIC OF SINGAPORE	AAA	Aaa	AAAu				
DBS BANK LTD	AA-	Aa1	AA-		£10,000,000		13 months
OVERSEA-CHINESE BANKING CORP	AA-	Aa1	AA-		£10,000,000		13 months
TEMASEK FINANCIAL I LTD		Aaa	AAA				10 years
UNITED OVERSEAS BANK LTD	AA-	Aa1	AA-		£10,000,000		13 months
KINGDOM OF SWEDEN	AAA	Aaa	AAAu				
NORDEA BANK AB	AA-	Aa3	AA-		£10,000,000		13 months
SVENSK EXPORTKREDIT AB		Aa1	AA+				5 years
SVENSKA HANDELSBANKEN-A SHS	AA	Aa2	AA-		£10,000,000		13 months
SWISS CONFEDERATION	AAA	Aaa	AAAu				
CREDIT SUISSE AG	A	A1	A		£10,000,000		100 days

## Appendix 6: Economic Background – Arlingclose’s View January 2018

The major external influence on the Authority’s treasury management strategy for 2018/19 will be the UK’s progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018/19.

Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. Unemployment continued to fall and the Bank of England’s Monetary Policy Committee judged that the extent of spare capacity in the economy seemed limited and the pace at which the economy can grow without generating inflationary pressure had fallen over recent years. With its inflation-control mandate in mind, the Bank of England’s Monetary Policy Committee raised official interest rates to 0.5% in November 2017.

In contrast, the US economy is performing well and the Federal Reserve is raising interest rates in regular steps to remove some of the emergency monetary stimulus it has provided for the past decade. The European Central Bank is yet to raise rates, but has started to taper its quantitative easing programme, signalling some confidence in the Eurozone economy.

### Credit outlook

High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.

The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however remain very low.

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**NORTH AYRSHIRE COUNCIL****28 February 2018****North Ayrshire Council**

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**Title:** **Revenue Estimates 2018/19 – Common Good Funds and Trusts**

**Purpose:** To advise Council of the anticipated annual income and expenditure of the Common Good Funds and Trusts administered by North Ayrshire Council and seek approval for the level of grant funding to be made available for disbursement in 2018/19.

**Recommendation:** That Council:

- (a) approves the 2018/19 revenue estimates for the Common Good Funds and registered charitable Trusts noted at 2.12,
- (b) approves the amounts available for disbursement noted at 2.12;
- (c) agrees to capital spend from the dormant and low value Trusts.

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**1. Executive Summary**

- 1.1 The Council is the custodian of Common Good Funds for the former burghs of Ardrossan, Irvine, Largs, Millport, Saltcoats and Stevenston. The purpose of the Common Good Funds is to benefit the general population within the defined areas of each of their respective towns. The Council also administers a number of Trusts, largely composed of bequests, made many years ago. Of these Trusts, there are only two which accrue significant levels of income; the Spier's Trust and the Margaret Archibald Trust. There are also a number of trusts established for each town for which the Council holds funds together with the North Ayrshire Council Trust which incorporates a further seven smaller funds.
- 1.2 This report summarises the 2018/19 budgets for the Common Good Funds and Trusts, summarised at 2.12.

## 2. Background

- 2.1 Each year, the Council is required to approve the level of expenditure from the Common Good Funds and Trusts with the authority to approve individual disbursements delegated to the Locality Partnerships, provided that the spend is contained within the in year budget.
- 2.2 Both the Common Good Funds and the Trusts make annual disbursements to groups and individuals based on approved criteria. While Common Good Funds and Trusts are often restricted to a defined location, all Members are responsible for ensuring that they are properly administered within the terms of the relevant trust deed or common good criteria.
- 2.3 The Spier's Trust was founded by Mrs Margaret Spier in 1936, for the administration of Spier's School, Beith and for the provision of certain educational grants and bursaries with the local area of benefit comprising the parishes of Beith, Dalry, Dunlop, Kilbirnie, Lochwinnoch and Neilston.
- 2.4 The purpose of the Margaret Archibald Trust is "to apply the capital and income from time to time, at the discretion of the Council, for the charitable purpose of persons in need who have attained sixty five years of age, living in the Parish of Dalry, Ayrshire".
- 2.5 The purpose of the town trusts is to provide assistance to persons in need within the defined area of each fund, as specified by the original bequest.
- 2.6 The remaining smaller trusts are administered by the Council.
- 2.7 The Common Good Funds (CGF) have historically been charged an administration fees for the work carried out on their behalf by the Council, the Registered Charitable Trusts (RCT) have not. Since 2014/15 Trust Accounts have been audited by the Council's External Auditors incurring a separate audit fee, which to date has been absorbed by the Council. In accordance with recognised accounting practice the administration cost and external audit fees are now been allocated to all Funds
- 2.8 The levels of grant available for disbursement is the net annual income after meeting all expenditure commitments. In previous years it has generally been recommended that only the net income is available for trustees to disburse, ensuring that capital balances are left intact. For a number of reasons this may no longer be the best option for certain Trusts and Common Good funds.
- 2.9 There are four trusts which have not disbursed any grants over the last few years; Kilbirnie and Glengarnock and Largs town Trusts; the Douglas Sellers Trust and the Anderson Park Trust. These are referred to as 'dormant trusts'. The Office of the Scottish Charity Regulator (OSCR) is keen that charities fulfil their charitable purposes and External Audit has previously expressed concern about continued lack of activity in these trusts. If no other action is taken, the annual external audit fee and administrative charges will eventually exhaust these trusts. As such it may be better to exhaust the Trust through a particular project with any disbursement complying with the trust purposes. Any disbursement that will result in the winding up of a registered trust must be approved by the Office of the Scottish Charity Regulator (OSCR) before the relevant Locality Partnership agrees the grant.

- 2.10 In addition, the other trusts, excluding Spier's, Margaret Archibald and North Ayrshire Council Trusts and the Largs Common Good Fund will start to erode capital as a result of administrative and other charges, and before distributing grants. .
- 2.11 Some of these Trusts and Funds have been making community grants for many years, as such, if there is no distribution this may impact on community groups. The Council's decision in December 2017 to create a Festivals and Events Fund will help to mitigate the impact of this. However to ensure resources are available at a local level and to ensure compliance with Trust deeds the proposal is that distribution from these Funds is set based on previous levels, notwithstanding this will reduce the capital in these funds.
- 2.12 The following table summarises the anticipated income and expenditure and proposed disbursement for the Common Good Funds and major Trusts.

	Estimated Balance as at 1 April 2018	Estimated Income 2018/19	Estimated Re-charge to Finance 2018/19	Estimated Other Expenditure 2018/19	Estimated Grants Available for Disbursements 2018/19	Estimated Balance as at 31 March 2019
<b>Common Good Funds</b>						
Ardrossan	188,158	39,500	(733)	(12,000)	(26,767)	188,158
Irvine	1,028,706	72,100	(4,748)	(40,595)	(26,757)	1,028,706
Largs	497,092	15,472	(1,995)	(33,407)	(13,355)	463,807
Millport	72,702	12,811	(279)	-	(12,532)	72,702
Saltcoats	17,031	94	(79)	-	(15)	17,031
Stevenston	155,271	15,100	(667)	(250)	(14,183)	155,271
<b>Total Common Good Funds</b>	<b>1,958,960</b>	<b>155,077</b>	<b>(8,501)</b>	<b>(86,252)</b>	<b>(93,609)</b>	<b>1,925,675</b>
<b>Registered Charitable Trusts</b>						
Beith & Gateside	9,841	54	(405)	-	(100)	9,390
Dalry	5,764	30	(406)	-	(600)	4,788
Irvine	23,050	126	(466)	-	(120)	22,590
Kilbirnie & Glengarnock	5,013	27	(385)	-	-	4,655
Kilwinning	131,579	724	(961)	-	(1,000)	130,342
Largs	18,159	100	(443)	-	-	17,816
Speir's Trust	42,759	3,645	(301)	(224)	(3,120)	42,759
Margaret Archibald Trust	181,210	9,175	(530)	-	(8,645)	181,210
Douglas Sellers Trust	1,818	10	(368)	-	-	1,460
Anderson Park Trust	807	4	(364)	-	-	447
North Ayrshire Council Charitable Trust (excluding Spiers Trust)	38,734	2,043	(355)	-	(1,688)	38,734
<b>Total Trusts</b>	<b>458,733</b>	<b>15,938</b>	<b>(4,984)</b>	<b>(224)</b>	<b>(15,273)</b>	<b>454,190</b>

\* These trusts were identified as dormant by Audit Scotland in their audit report of 23 September 2016.

### 3. Proposals

#### 3.1 That Council

- (a) approves the 2018/19 revenue estimates for the Common Good Funds and registered charitable trusts noted at 2.12;
- (b) approves the amounts available for disbursement noted at 2.12;
- (c) agrees to capital spend from the dormant and low value Trusts.

### 4. Implications

<b>Financial:</b>	Approval of the budgets outlined in paragraph 2.13 will allow each Locality Partnership to disburse individual grants up to the value of the approved levels.  As noted in the Festivals and Events report approved by Council on 20 December 2017, financial rules are clear that all income and expenditure which relates to common good properties must be charged to the relevant common good.
<b>Human Resources:</b>	None
<b>Legal:</b>	All expenditure from trusts and common goods must be for the trust purposes or meet the common good criteria of benefitting the inhabitants of the common good area
<b>Equality:</b>  <b>Children and Young People:</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	The proposals contained in this report link to the following strategic priorities : <ul style="list-style-type: none"><li>• Helping all of our people to stay safe, healthy and active;</li><li>• Working together to develop stronger communities; and</li><li>• Protecting and enhancing the environment for future generations.</li></ul>
<b>Community Benefits:</b>	Grants will be disbursed to people or groups within the community who meet the necessary criteria.

## 5. Consultation

5.1 None



Laura Friel  
Executive Director (Finance & Corporate Support)

For further information please contact Laura Friel, (Executive Director) on 01294 324554 .

## Background Papers

None

## Index of Common Good and Trust Funds

<b>Common Good Funds</b>	<b>Page</b>
Ardrossan	1
Irvine	2
Largs	3
Millport	4
Saltcoats	5
Stevenson	6
<b>Trusts</b>	
North Ayrshire Council (Beith & Gateside) Charitable Trust	7
North Ayrshire Council (Dalry) Charitable Trust	8
North Ayrshire Council (Irvine) Charitable Trust	9
North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust	10
North Ayrshire Council (Kilwinning) Charitable Trust	11
North Ayrshire Council (Largs) Charitable Trust	12
Speir's Trust	13
Margaret Archibald Trust	14
Douglas Sellers Trust	15
Anderson Park Trust	16
North Ayrshire Council Charitable Trust	17

Budget 2017/18 £	Projected Outturn 2017/18 £	<b>COMMON GOOD FUND - ARDROSSAN</b>	Proposed Budget 2018/19 £
157,924	157,924	<b>Projected Common Good Balance Brought Forward at 1 April</b>	188,158
		<b><u>INCOME</u></b>	
38,500	38,500	Rental - Ardrossan Civic Centre	38,500
650	869	Loans Fund Interest (on cash balances)	1,000
<b>39,150</b>	<b>39,369</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>39,500</b>
		<b><u>EXPENDITURE</u></b>	
		<b>Property Costs</b>	
12,000	-	External Property Repairs - Ardrossan Civic Centre	12,000
		<b>Others</b>	
140	140	Administration - Charge from Finance	733
<b>12,140</b>	<b>140</b>	<b>SUB TOTAL OF EXPENDITURE</b>	<b>12,733</b>
<b>27,010</b>	<b>39,229</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>26,767</b>
27,010	8,995	Disbursement of Grants	26,767
<b>-</b>	<b>30,234</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>-</b>
<b>157,924</b>	<b>188,158</b>	<b>COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>188,158</b>

Budget 2017/18 £	Projected Outturn 2017/18 £	COMMON GOOD FUND - IRVINE	Proposed Budget 2018/19 £
1,023,733	1,023,733	<b>Projected Common Good Balance Brought Forward at 1 April</b>	1,028,706
		<b>INCOME</b>	
		<b>Property Rentals</b>	
25,000	25,000	Woodlands Centre (Education & Youth Employment)	25,000
11,500	11,500	Bank Street (Church of Latter Day Saints)	11,500
4,000	4,000	Redburn Community Centre (Education & Youth Employment)	4,000
11,000	11,600	Fairground (Marymass)	11,000
13,000	13,000	Ground East Road (McConnachies)	13,000
2,000	2,000	East Road New Car Park	2,000
		<b>Other Income</b>	
4,950	5,630	Loans Fund Interest (on cash balances)	5,600
<b>71,450</b>	<b>72,730</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>72,100</b>
		<b>EXPENDITURE</b>	
		<b>Property Costs</b>	
500	233	General Repairs	500
10,600	9,541	Rates on vacant properties (36/38 Bank Street)	10,000
700	600	Electricity	600
-	-	Legal Fees	-
-	-	Grounds Maintenance*	28,995
333	333	Other Property Costs	500
12,133	10,707		40,595
		<b>Others</b>	
1,050	1,050	Administration - Charge from Finance	4,748
1,050	1,050		4,748
<b>13,183</b>	<b>11,757</b>	<b>SUB TOTAL OF EXPENDITURE</b>	<b>45,343</b>
<b>58,267</b>	<b>60,973</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>26,757</b>
58,267	56,000	Disbursement of Grants	26,757
-	4,973	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	-
<b>1,023,733</b>	<b>1,028,706</b>	<b>COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>1,028,706</b>

\* For the upkeep of ground at the Moor, Low Green, Recreational Parks, Galt Avenue, Old Parish Church, Redburn Community Centre, Berry Drive

Budget 2017/18 £	Projected Outturn 2017/18 £	COMMON GOOD FUND - LARGS	Proposed Budget 2018/19 £
429,988	429,988	Projected Common Good Balance Brought Forward at 1 April	497,092
		<b>INCOME</b>	
		<b>Property Rentals (Including Insurance Premiums)</b>	
4,500	1,294	Routenburn Golf Club	-
7,312	7,312	Haylie House	7,312
1,250	1,250	Douglas Park Bowling Club	1,250
210	210	Douglas Park Grazings	210
4,000	4,000	Douglas Park Tennis Club & Children's Nursery	4,000
		<b>Sale of Property</b>	
-	62,000	Routenburn Golf Club	-
		<b>Other Income</b>	
2,715	2,365	Loans Fund Interest (on cash balances)	2,700
<b>19,987</b>	<b>78,431</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>15,472</b>
		<b>EXPENDITURE</b>	
		<b>Property Costs</b>	
-	782	Legal Fees	-
3,000	2,000	Electricity	2,000
-	-	Grounds Maintenance*	30,907
500	(434)	Other Property Costs	500
		<b>Others</b>	
925	925	Administration - Charge from Finance	1,995
<b>4,425</b>	<b>3,273</b>	<b>SUB TOTAL OF EXPENDITURE</b>	<b>35,402</b>
<b>15,562</b>	<b>75,159</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>(19,930)</b>
15,562	8,054	Disbursement of Grants	13,355
<b>-</b>	<b>67,104</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>(33,285)</b>
<b>429,988</b>	<b>497,092</b>	<b>COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>463,807</b>

\* For the upkeep of ground at Douglas Park.

Budget 2017/18 £	Projected Outturn 2017/18 £	COMMON GOOD FUND - MILLPORT	Proposed Budget 2018/19 £
60,113	60,113	Projected Common Good Balance Brought Forward at 1 April	72,702
		<b>INCOME</b>	
80	24	Sale of published materials	36
12,375	12,375	Rental - Millport Town Hall	12,375
288	331	Loans Fund Interest (on cash balances)	400
<b>12,743</b>	<b>12,729</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>12,811</b>
		<b>EXPENDITURE</b>	
		<b>Property Costs</b>	
3,600	-	External Property Repairs	-
		<b>Others</b>	
140	140	Administration - Charge from Finance	279
<b>3,740</b>	<b>140</b>	<b>SUB TOTAL OF EXPENDITURE</b>	<b>279</b>
<b>9,003</b>	<b>12,589</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>12,532</b>
9,003	-	Disbursement of Grants	12,532
<b>-</b>	<b>12,589</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>-</b>
<b>60,113</b>	<b>72,702</b>	<b>COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>72,702</b>

Budget 2017/18 £	Projected Outturn 2017/18 £	<b>COMMON GOOD FUND - SALTCOATS</b>	Proposed Budget 2018/19 £
17,028	17,028	<b>Projected Common Good Balance Brought Forward at 1 April</b>	17,031
93	94	<b><u>INCOME</u></b> Loans Fund Interest (on cash balances)	94
<b>93</b>	<b>94</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>94</b>
90	90	<b><u>EXPENDITURE</u></b> Administration - Charge from Finance	79
<b>90</b>	<b>90</b>	<b>SUB TOTAL OF EXPENDITURE</b>	<b>79</b>
<b>3</b>	<b>4</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>15</b>
3	-	Disbursement of Grants	15
<b>-</b>	<b>4</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>-</b>
<b>17,028</b>	<b>17,031</b>	<b>COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>17,031</b>

Budget 2017/18 £	Projected Outturn 2017/18 £	COMMON GOOD FUND - STEVENSTON	Proposed Budget 2018/19 £
143,759	143,759	Projected Common Good Balance Brought Forward at 1 April	155,271
		<b>INCOME</b>	
		<b>Property Rentals</b>	
14,250	14,250	New Street (Health & Social Care)	14,250
		<b>Other Income</b>	
-	850	Repayment of Grants	-
1,075	791	Loans Fund Interest (on cash balances)	850
<b>15,325</b>	<b>15,891</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>15,100</b>
		<b>EXPENDITURE</b>	
		<b>Property Costs</b>	
250	(221)	Property Repairs	250
		<b>Others</b>	
140	140	Administration - Charge from Finance	667
<b>390</b>	<b>(81)</b>	<b>SUB TOTAL OF EXPENDITURE</b>	<b>917</b>
<b>14,935</b>	<b>15,972</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>14,183</b>
14,935	4,460	Disbursement of Grants	14,183
<b>-</b>	<b>11,512</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>-</b>
<b>143,759</b>	<b>155,271</b>	<b>COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>155,271</b>

Budget 2017/18	Projected Outturn 2017/18	NAC (BEITH & GATESIDE) CHARITABLE TRUST	Proposed Budget 2018/19	Proposed Budget 2018/19	Proposed Budget 2018/19
Total	Total		Poverty	Education	Total
£	£		£	£	£
9,787	9,787	Projected Trust Balance Brought Forward at 1 April	7,078	2,763	9,841
55	54	<u>INCOME</u> Loans Fund Interest (on cash balances)	39	15	54
<b>55</b>	<b>54</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>39</b>	<b>15</b>	<b>54</b>
-	-	<u>EXPENDITURE</u> Administration - Charge from Finance	290	115	405
<b>-</b>	<b>-</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>290</b>	<b>115</b>	<b>405</b>
<b>55</b>	<b>54</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>(251)</b>	<b>(100)</b>	<b>(351)</b>
55	-	Disbursement of Grants	70	30	100
<b>-</b>	<b>54</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>(321)</b>	<b>(130)</b>	<b>(451)</b>
<b>9,787</b>	<b>9,841</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>6,757</b>	<b>2,633</b>	<b>9,390</b>

Budget 2017/18	Projected Outturn 2017/18	<b>NAC (DALRY) CHARITABLE TRUST</b>		Proposed Budget 2018/19
£	£			Poverty £
9,193	9,193	<b>Projected Trust Balance Brought Forward at 1 April</b>		5,764
		<b><u>INCOME</u></b>		
54	51	Loans Fund Interest (on cash balances)		30
<b>54</b>	<b>51</b>	<b>TOTAL INCOME FOR THE YEAR</b>		<b>30</b>
		<b><u>EXPENDITURE</u></b>		
-	-	Administration - Charge to Finance		406
<b>-</b>	<b>-</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>		<b>406</b>
<b>54</b>	<b>51</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>		<b>(376)</b>
54	3,479	Disbursement of Grants		600
<b>-</b>	<b>(3,428)</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>		<b>(976)</b>
<b>9,193</b>	<b>5,764</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>		<b>4,788</b>

Budget 2017/18	Projected Outturn 2017/18	NAC (IRVINE) CHARITABLE TRUST	Proposed Budget 2018/19	Proposed Budget 2018/19	Proposed Budget 2018/19
Total	Total		Poverty	Age/ Ill Health/ Disability	Total
£	£		£	£	£
22,924	22,924	Projected Trust Balance Brought Forward at 1 April	10,816	12,234	23,050
124	126	<u>INCOME</u> Loans Fund Interest (on cash balances)	59	67	126
<b>124</b>	<b>126</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>59</b>	<b>67</b>	<b>126</b>
-	-	<u>EXPENDITURE</u> Administration - Charge from Finance	218	248	466
<b>-</b>	<b>-</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>218</b>	<b>248</b>	<b>466</b>
<b>124</b>	<b>126</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>(159)</b>	<b>(181)</b>	<b>(340)</b>
124	-	Disbursement of Grants	56	64	120
<b>-</b>	<b>126</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>(215)</b>	<b>(245)</b>	<b>(460)</b>
<b>22,924</b>	<b>23,050</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>10,601</b>	<b>11,989</b>	<b>22,590</b>

Budget 2017/18	Projected Outturn 2017/18	NAC (KILBIRNIE & GLENGARNOCK) CHARITABLE TRUST	Proposed Budget 2018/19	Proposed Budget 2018/19	Proposed Budget 2018/19
Total	Total		Recreation	Age/ Ill Health/ Disability	Total
£	£		£	£	£
5,482	5,482	Projected Trust Balance Brought Forward at 1 April	3,704	1,309	5,013
		<b>INCOME</b>			
30	30	Loans Fund Interest (on cash balances)	20	7	27
<b>30</b>	<b>30</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>20</b>	<b>7</b>	<b>27</b>
		<b>EXPENDITURE</b>			
-	-	Administration - Charge from Finance	285	100	385
<b>-</b>	<b>-</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>285</b>	<b>100</b>	<b>385</b>
<b>30</b>	<b>30</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>(265)</b>	<b>(93)</b>	<b>(358)</b>
30	500	Disbursement of Grants	-	-	-
<b>-</b>	<b>(470)</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(265)</b>	<b>(93)</b>	<b>(358)</b>
<b>5,482</b>	<b>5,013</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>3,439</b>	<b>1,216</b>	<b>4,655</b>

Budget 2017/18	Projected Outturn 2017/18	<b>NAC (KILWINNING) CHARITABLE TRUST</b>	Proposed Budget 2018/19	Proposed Budget 2018/19	Proposed Budget 2018/19
Total	Total		Poverty	Age/ Ill Health/ Disability	Total
£	£		£	£	£
130,470	130,470	Projected Trust Balance Brought Forward at 1 April	130,855	724	131,579
-	1,095	<b>INCOME</b>	-	-	-
704	718	Cancelled Cheque - Issued 2008 from Woodgreen Trust	720	4	724
		Loans Fund Interest (on cash balances)			
<b>704</b>	<b>1,813</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>720</b>	<b>4</b>	<b>724</b>
-	-	<b>EXPENDITURE</b>			
		Administration - Charge from Finance	955	6	961
<b>-</b>	<b>-</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>955</b>	<b>6</b>	<b>961</b>
<b>704</b>	<b>1,813</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>- 235</b>	<b>- 2</b>	<b>- 237</b>
704	704	Disbursement of Grants	990	10	1,000
<b>-</b>	<b>1,109</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>- 1,225</b>	<b>- 12</b>	<b>- 1,237</b>
<b>130,470</b>	<b>131,579</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>129,629</b>	<b>712</b>	<b>130,342</b>

Budget 2017/18	Projected Outturn 2017/18	<b>NAC (LARGS) CHARITABLE TRUST</b>		Proposed Budget 2018/19
£	£			Poverty £
18,060	18,060	<b>Projected Trust Balance Brought Forward at 1 April</b>		18,159
98	99	<b><u>INCOME</u></b>		
		Loans Fund Interest (on cash balances)		100
<b>98</b>	<b>99</b>	<b>TOTAL INCOME FOR THE YEAR</b>		<b>100</b>
		<b><u>EXPENDITURE</u></b>		
-	-	Administration - Charge from Finance		443
<b>-</b>	<b>-</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>		<b>443</b>
<b>98</b>	<b>99</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>		<b>(343)</b>
98	-	Disbursement of Grants		-
<b>-</b>	<b>99</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>		<b>(343)</b>
<b>18,060</b>	<b>18,159</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>		<b>17,816</b>

Budget 2017/18 £	Projected Outturn 2017/18 £	<b>SPIER'S TRUST</b>	Proposed Budget 2018/19 £
41,290	41,290	<b>Projected Trust Balance Brought Forward at 1 April</b>	42,759
		<b><u>INCOME</u></b>	
825	738	Share dividends	750
159	161	Loans Fund Interest (on cash balances)	235
2,660	2,660	Rent	2,660
<b>3,644</b>	<b>3,559</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>3,645</b>
		<b><u>EXPENDITURE</u></b>	
140	140	Insurance	140
-	135	Registration Fees - London Stock Exchange	84
-	-	Administration - Charge from Finance	301
<b>140</b>	<b>140</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>525</b>
<b>3,504</b>	<b>3,419</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>3,120</b>
3,504	1,950	Disbursement of Grants	3,120
<b>3,504</b>	<b>1,469</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>-</b>
<b>44,794</b>	<b>42,759</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>42,759</b>

Budget 2017/18 £	Projected Outturn 2017/18 £	MARGARET ARCHIBALD BEQUEST	Proposed Budget 2018/19 £
180,537	180,537	Projected Trust Balance Brought Forward at 1 April	181,210
		<b><u>INCOME</u></b>	
8,750	8,950	Share dividends	8,950
200	223	Loans Fund Interest (on cash balances)	225
<b>8,950</b>	<b>9,173</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>9,175</b>
		<b><u>EXPENDITURE</u></b>	
-	-	Administration - Charge from Finance	530
<b>-</b>	<b>-</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>530</b>
<b>8,950</b>	<b>9,173</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>8,645</b>
8,950	8,500	Disbursement of Grants	8,645
<b>-</b>	<b>673</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>-</b>
<b>180,537</b>	<b>181,210</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>181,210</b>

Budget 2017/18	Projected Outturn 2017/18	DOUGLAS SELLERS TRUST	Proposed Budget 2018/19  Recreation
£	£		£
1,808	1,808	Projected Trust Balance Brought Forward at 1 April	1,818
10	10	<u>INCOME</u> Loans Fund Interest (on cash balances)	10
<b>10</b>	<b>10</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>10</b>
-	-	<u>EXPENDITURE</u> Administration - Charge from Finance	368
-	-	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>368</b>
<b>10</b>	<b>10</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>(358)</b>
10	-	Disbursement of Grants	-
-	<b>10</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(358)</b>
<b>1,808</b>	<b>1,818</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>1,460</b>

Budget 2017/18	Projected Outturn 2017/18	ANDERSON PARK TRUST	Proposed Budget 2018/19  Recreation
£	£		£
803	803	Projected Trust Balance Brought Forward at 1 April	807
7	4	<b>INCOME</b> Loans Fund Interest (on cash balances)	4
<b>7</b>	<b>4</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>4</b>
-	-	<b>EXPENDITURE</b> Administration - Charge from Finance	364
-	-	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>364</b>
<b>7</b>	<b>4</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>(360)</b>
7	-	Disbursement of Grants	-
-	4	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>(360)</b>
<b>803</b>	<b>807</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>447</b>

Budget 2017/18	Projected Outturn 2017/18	<b>NORTH AYRSHIRE COUNCIL CHARITABLE TRUST (excluding SPIERS TRUST)</b>	Proposed Budget 2018/19	Proposed Budget 2018/19	Proposed Budget 2018/19	Proposed Budget 2018/19
£	£		Education £	Recreation £	Other £	Total £
37,377	37,377	Projected Trust Balance Brought Forward at 1 April	10,996	27,252	486	38,734
		<b>INCOME</b>				
1,790	1,839	Dividends	330	1,500	-	1,830
188	198	Loans Fund Interest (on cash balances)	60	150	3	213
<b>1,978</b>	<b>2,037</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>390</b>	<b>1,650</b>	<b>3</b>	<b>2,043</b>
		<b>EXPENDITURE</b>				
-	-	Administration - Charge from Finance	115	237	3	355
<b>-</b>	<b>-</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>115</b>	<b>237</b>	<b>3</b>	<b>355</b>
<b>1,978</b>	<b>2,037</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>275</b>	<b>1,413</b>	<b>-</b>	<b>1,688</b>
1,978	680	Disbursement of Grants	275	1,413	-	1,688
<b>-</b>	<b>1,357</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>37,377</b>	<b>38,734</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>10,996</b>	<b>27,252</b>	<b>486</b>	<b>38,734</b>

### Sundry Bequests

Name of Funds	Original Investment	Projected Income 2017/18	Projected Disbursement 2017/18	Purpose of Bequest
	£	£	£	
Isabella McPhee Memorial Fund	2,724	15	-	Largs - Annual Putting Competition (Mackerston)
N Stewart	1,546	8	-	Provision of Liberty at Rothesay and Arran
Sturrock	2,788	15	-	Upkeep of Springside Community Centre
Clark Trophy	522	3	-	Road Safety Competition
Ayrshire Accident Relief	3,686	20	-	Accident Relief
Cast/Florist/N Child	267	1	-	No information available
Miss Hanslip Bequest	1,098	6	-	No information available
<b>Total</b>	<b>12,631</b>	<b>68</b>	<b>-</b>	