

Cunninghame House,  
Irvine.

22 September 2016

## **Cabinet**

You are requested to attend a Meeting of the Cabinet of North Ayrshire Council to be held in the Council Chambers, Cunninghame House, Irvine on **TUESDAY 27 SEPTEMBER 2016** at **3.15 p.m.** to consider the undernoted business.

Yours faithfully

Elma Murray

Chief Executive

**PLEASE NOTE THE CHANGE TO THE START TIME OF THE MEETING ON THIS OCCASION**

**1. Declarations of Interest**

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

**2. Minutes (Page 7)**

The accuracy of the Minutes of meeting of the Cabinet held on 13 September 2016 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

## **GENERAL BUSINESS FOR DECISION**

### **Reports by the Executive Director (Finance & Corporate Support)**

- 3. Revenue Budget 2016/17 : Financial Performance to 31 July 2016 (Page 11)**  
Submit report by the Executive Director (Finance & Corporate Support) on the financial performance for the Council at 31 July 2016 (copy enclosed).
- 4. Capital Programme Performance to 31 July 2016 (Page 39)**  
Submit report by the Executive Director (Finance & Corporate Support) on the Capital Investment Programme as at 31 July 2016 (copy enclosed).
- 5. Submission of Evidence: A Scottish Approach to Taxation (Page 63)**  
Submit report by the Executive Director (Finance & Corporate Support) on North Ayrshire's submission to the Scottish Government's Call for Evidence on A Scottish Approach to Taxation (copy enclosed).
- 6. Submission of Evidence on the Council Tax (Substitution of Proportion) (Scotland) Order 2016 (Page 71)**  
Submit report by the Executive Director (Finance & Corporate Support) on North Ayrshire's submission to the Scottish Government's Call for Evidence on the Council Tax (Substitution of Proportion) (Scotland) Order 2016 (copy enclosed).
- 7. Sundry Write Off (Page 77)**  
Submit report by the Executive Director (Finance & Corporate Support) on the sundry debtor write off (copy enclosed).

### **Reports by the Executive Director (Economy & Communities)**

- 8. North Ayrshire Economic Development and Regeneration (EDR) Strategy Refresh (Page 83)**  
Submit report by the Executive Director (Economy & Communities) on the refreshed Economic Development and Regeneration Strategy and associated 2 year action plans (copy enclosed).
- 9. Public Realm Improvements Associated with Largs Masterplan (Page 115)**  
Submit report by the Executive Director (Economy & Communities) on the proposals for the implementation of the Largs Masterplan (copy enclosed).
- 10. Ayrshire Growth Deal (Page 121)**  
Submit report by the Executive Director (Economy & Communities) on the development of the Ayrshire Growth Deal (copy enclosed).

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

**11. Upper Garnock Valley Flood Protection Scheme (Page 159)**

Submit report by the Executive Director (Place) on the flood protection scheme for the Upper Garnock Valley (copy enclosed).

**12. Widening Asylum Dispersal (Page 165)**

Submit report by the Executive Director (Place) on the UK Governments plans to widen Asylum Dispersal in Scotland (copy enclosed).

### **CONTRACTS**

**13. Procurement EU Tender Plan - 2016/17 and 2017/18 (Page 173)**

Submit report by the Executive Director (Finance & Corporate Support) on the EU procurement tender plan for the remainder of Financial Year 2016/17 and requirements identified for 2017/18 and 2018/19 (copy enclosed).

**14. Award of Framework - Print Services (Page 177)**

Submit report by the Executive Director (Finance and Corporate Support) on the result of the tender for the Framework Agreement for Print Services and seek approval to award (copy enclosed).

**15. Award of Contract - Saltcoats Public Realm Improvement Works (Page 181)**

Submit report by the Executive Director (Finance and Corporate Support) on the outcome of the tender exercise and award of contract for Saltcoats Public Realm Improvement Works, Countess Street, Saltcoats (copy enclosed).

**16. Urgent Items**

Any other items which the Chair considers to be urgent.





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## Cabinet

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Sederunt: **Elected Members**

Joe Cullinane (Chair)  
John Bell (Vice-Chair)  
Alex Gallagher  
Peter McNamara  
Louise McPhater  
Jim Montgomerie

Chair:

Attending:

Apologies:

Meeting Ended:



Cabinet  
13 September 2016

**IRVINE, 13 September 2016** - At a Meeting of the Cabinet of North Ayrshire Council at 2.30 p.m.

**Present**

Joe Cullinane, John Bell, Alex Gallagher, Peter McNamara, Louise McPhater and Jim Montgomerie.

**Also Present**

Donald Reid

**In Attendance**

E. Murray, Chief Executive; J. Butcher, Executive Director and P. Gosnay, Senior Manager (Education and Youth Employment); C. Hatton, Executive Director, Y. Baulk, Head of Physical Environment and L. Hardy, Asbestos Officer (Place); M. Hogg, Head of Finance, M. McTeague, Category Manager/Team Leader - Supplies and Services and S. Paisley, Business Development Manager (Finance and Corporate Support); A. Fraser, Head of Democratic Services, M. Sugden, Communications Officer (Media and Internal Communications) and D. McCaw, Committee Services Officer (Chief Executive's).

**Chair**

Councillor Cullinane in the Chair.

**1. Declarations of Interest**

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

**2. Minutes**

Submitted the Minutes of the meeting of the Cabinet held on 16 August 2016.

Noted.

**3. Child Poverty Bill for Scotland**

Submitted report by the Chief Executive on the response to the Scottish Government's consultation on a Child Poverty Bill for Scotland, with the 10 consultation question responses detailed at Appendix 1 to the report.

Members discussed additions to question responses as follows:-

- question 1 response - an addition to highlight the difficulty in tackling child poverty while subject to the current austerity regime faced by cuts to Local Government funding; and
- question 6 response - that the final sentence of the response be firmed up to stress the need to ensure that newly tax devolved powers are used to reduce child poverty.

The Cabinet agreed to approve the response for submission to the Scottish Government as detailed in Appendix 1 to the report, subject to the additions detailed in relation to the responses to questions 1 and 6.

#### **4. North Ayrshire Council Youth Champion**

Submitted report by the Chief Executive on the appointment of the Youth Champion for North Ayrshire Council, which supports the work of the North Ayrshire's Youth Council Executive.

The Cabinet agreed to appoint Councillor Peter McNamara as Youth Champion.

#### **5. Management of Asbestos in Weir Properties**

Submitted report by the Executive Director (Place) on the proposed strategy for managing asbestos in the Council's Weir properties including progression of a programme of inspection and removal.

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

- whether only the Council's Weir house type properties are affected by the asbestos insulation debris;
- any obligation which the Council has in connection with owner occupiers/tenants of ex Council house properties;
- the health risk in relation to different types of asbestos; and
- that an independent expert has confirmed that the risk to health as a result of exposure to this asbestos is extremely low.

The Cabinet agreed to approve the proposed strategy for managing asbestos in the Council's Weir properties as outlined in the report.

#### **6. Award of Contract - Leachate Removal and Disposal at Shewalton Landfill**

Submit report by the Executive Director (Finance and Corporate Support) on the result of the tender exercise for the Framework Agreement for Leachate Removal and Disposal at Shewalton Landfill.

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

- who designs any community benefit courses offered as part of the contract;
- that consultation takes place with Education and Economic Growth prior to any course being delivered in schools; and
- the effect bad weather has on leaching into the soil and methods to prevent this.

Members were further advised that a report on Community Benefits will be submitted to a future meeting of the Cabinet.

The Cabinet agreed to approve the award of the contract to Scottish Water Horizons for an initial period of three years with an option to extend for up to one year at a cost of £363,004 over the maximum duration of the contract.

The meeting ended at 3.00 p.m.



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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 3**

**27 September 2016**

#### **Cabinet**

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**Title:** **Revenue Budget 2016/17 : Financial Performance to 31 July 2016**

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**Purpose:** To advise the Cabinet of the financial performance for the Council at 31 July 2016.

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**Recommendation:** That the Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) approve the transfer of £1.756m to the Loans Fund Reserves as noted at 2.3 (vi); (c) approve the carry forward of £0.189m identified at 2.3 (viii), (d) note the current financial projection for the Health and Social Care Partnership and (e) approve the virements detailed in Appendix 11.

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

- 1.1 The Council's General Fund and Housing Revenue budgets for 2016/17 were approved at a special meeting of the Council held on 17 February 2016.
- 1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, financial performance reports are presented on a regular basis. This is the first report for 2016/17 and covers the period to the end of July 2016 (Period 4). Projections of the year-end position have been made. As the year progresses these projections will become more robust.
- 1.3 At Period 4 the General Fund is forecasting a net in-year surplus of £3.032m (1.0%) after transferring resources to other funds.
- 1.4 The Housing Revenue Account is forecasting an in-year surplus of £1.166m.

## 2. Background

### General Fund

- 2.1 The Council has set a break-even budget for 2016/17. In addition to the budget approved on 17 February 2016 earmarked funds of £8.299m have been carried forward from 2015/16 for service expenditure in 2016/17 and are reflected in the figures within the 2016/17 financial performance reports as they are drawn down.
- 2.2 Current financial projections indicate that a net in-year surplus of £3.032m, net of transfers to reserves, is anticipated for the year to 31 March 2017. This represents 1.0% of the Council's total budget. This is summarised in the table below.

	Appendix No	Annual Budget £000's	Projection to 31 March 2017 £000's	Projected Variance for year (Fav)/Adv £000's	Note
Service Expenditure					
Chief Executive and Democratic Services	1	3,868	3,924	56	
Finance & Corporate Support	2	15,525	15,255	(270)	(i)
Education and Youth Employment Place	3	106,747	106,404	(343)	(ii)
Economy and Communities	4	59,086	58,917	(169)	(iii)
Other Corporate Services	5	20,580	20,121	(459)	(iv)
	6	9,670	7,883	(1,787)	(v)
Sub Total		215,476	212,504	(2,972)	
Health and Social Care Partnership	7	82,356	82,356	-	2.4
Balance for Services		297,832	294,860	(2,972)	
Financing Charges	8	18,656	16,900	(1,756)	(vi)
Transfer to Earmarked Reserves		816	816	-	
Total Planned Expenditure		317,304	312,576	(4,728)	
Planned Income					
Aggregate External Finance	8	(267,879)	(267,879)	-	
Council Tax	8	(48,050)	(48,299)	(249)	(vii)
Use of Change Fund	8	(505)	(505)	-	
Use of Earmarked Funds	8	(870)	(870)	-	
Total Planned Income		(317,304)	(317,553)	(249)	
Net Expenditure/ (Income)		-	(4,977)	(4,977)	
Carried Forward Funds		-	189	189	(viii)
Transfer to Earmarked Reserves			1,756	1,756	(vi)
Revised Net Expenditure/(Income)		-	(3,032)	(3,032)	

### 2.3 Commentary on Significant Movements from the Original Budget

The Council's overall financial forecast against the original budget is an improvement of £3.032m. A brief explanation of the significant movements from original budget is outlined below.



(i) **Finance and Corporate Support - underspend of £0.270m**

The variance primarily relates to underspends arising from vacancies across the services and is aligned to the delivery of future year savings. Proposals to carry forward £0.105m to meet the costs of future year savings and a Business Improvement Team within Customer and Digital Support is noted at 2.3 (viii).

(ii) **Education and Youth Employment - underspend of £0.343m**

The main reasons for the forecast position include underspends within Early Years Education of £0.464m resulting from delays in appointing staff and payments to Partner Providers reflecting the incremental growth in uptake of services throughout the session. Within Secondary Education an underspend of £0.098m is anticipated due to lower PPP unitary charges as the result of lower than projected inflation rates. Additional Support Needs is underspending by £0.170m based on the number of pupils placed in external specialist residential schools and day placements. This is partly offset by staff costs for the Astra Base within Ardrossan Academy, development of the Astra Base is consistent with the objectives set out in the Council's Inclusion Strategy and National Policy objectives. It supports a move away from the use of high cost, purchased provision to meeting young people's needs locally in their own communities. Resources require to be vired from externally purchased services to fund this Base.

The underspends are partly off-set by a projected overspend in employee costs within Primary Education of £0.433m due to the increased number of pupils with additional support needs within mainstream schools. A further £0.100m of overspend reflects the cost of replacement teachers including maternity cover.

(iii) **Place - underspend of £0.169m**

Within Place underspends are forecast within Facilities Management of £0.337m, which is mainly as a result of increased income derived from the uptake of school meals and improved commercial activity combined with lower food costs arising from reduced wastage, and Internal Transport of £0.121m, resulting from lower than anticipated fuel costs and improved utilisation of resources. The underspends are off-set by an anticipated overspend in Waste Services of £0.327m, mainly arising from projected Landfill Tax costs based on current waste projections. Full details are contained in Appendix 4.

(iv) **Economy and Communities - underspend of £0.459m**

The underspend primarily relates to underspends in employee costs within Connected Communities. Within Children's Services £0.192m relates the early realisation of previously approved future years' savings and an underspend of £0.140m within Libraries is offset by £0.223m of redundancy costs. Employee cost underspends of £0.162m across the other services will be the subject of future savings proposals. Within Economic Development an underspend of £0.178m is projected within Employee Costs due to vacant posts while £0.084m of an underspend within Employability has resulted from lower than anticipated uptake across a number of projects. This is part of a match funding commitment to EU programmes and a proposal to carry forward this underspend is noted at 2.3 (viii).

(v) **Other Corporate Items - underspend of £1.787m**

The projected underspend mainly results from additional funding received as part of the 2016/17 Finance Settlement in respect of Additional Early Learning and Childcare for 2 year olds which is not anticipated to be fully drawn down during 2016/17, resulting in an underspend of £0.899m, together with centrally held funds in respect of previously identified pressures relating to fuel costs, free school meals uptake and the recycle blue bins contract which are now not anticipated to be drawn down.

(vi) **Financing Charges - underspend of £1.756m**

Financing Charges are forecasting an underspend of £1.756m based on the latest cash flow and interest rate projections. This reflects a revised strategy of taking temporary borrowing rather than permanent borrowing to maximise the financial savings as a result of market conditions. In line with the budget strategy approved at Council in February 2016, £0.816m requires to transfer to the Loans Fund Reserve. The underspend relates to an additional £1.756m which will be realised. It is proposed that this transfers this to the Loans Fund Reserve to support the Capital Investment Programme.

(vii) **Council Tax - over recovery of £0.249m**

Income from Council Tax is forecasting to over recover by £0.249m. This is mainly due to the value of council tax reductions awarded being less than the budget available. This is partially offset by additional net discounts and reliefs for prior years and the virement of £0.150m to offset the Council's contribution to the costs of discretionary NDR reliefs as noted in Appendix 11. The Scottish Government has indicated that a review of the current distribution of Council Tax Reduction funding will be carried out as part of the 2017/18 Finance Settlement.

(viii) **Requests to Carry Forward**

Within Finance and Corporate Support it is proposed to carry forward £0.105m from the overall underspend to 2017/18 to meet the costs of a Business Improvement Team within Customer and Digital Services. Within Economy and Communities it is proposed to carry forward the underspend within Economic Development's Employability projects of £0.084m to 2017/18 to provide future match funding for ESF projects.

**Health and Social Care Partnership**

- 2.4 The Health and Social Care Partnership is forecasting an overspend of £1.852m as at the end of July 2016. The Council services element of the projected overspend is £0.800m which is primarily comprised of overspend on Community Care and Health, £0.439m, and Children's Services and Criminal Justice, £0.366m, partially off-set by an underspend within Mental Health Services of £0.081m.

The overspend within Community Care and Health is mainly linked to increased demand for services within Care at Home and Community Alarms, as well as unbudgeted additional costs arising from taking services in-house.

Children's Services and Criminal Justice are experiencing additional costs linked to two new secure placements within residential schools. These placements were made after every other option for care provision had been exhausted.

A summary of projections is included within Appendices 7 and 8 and members can be provided with copies of the full Integration Joint Board report if required. A full mitigation plan, Appendix 9, is in place to recover the overspend position and the position will be monitored on an ongoing basis throughout the financial year.

Delivery of services within available resources is essential to comply with the Cabinet decision on 24 May 2016 that no further Council funding would be made available to the Health and Social Care Partnership in 2016/17.

## Budget Transfers/Virements

- 2.5 Requests for budget transfers, or virements, have been identified since the start of the financial year. As per the Council's Codes of Financial Practice, where the amount transferred from a budget is over £100,000 (either as a single transfer or the sum of transfers within a financial year) or where the transfer of any amount would affect existing Council policy, the approval of the Cabinet is required. A schedule of the virements requested by Services above the £100,000 threshold is attached at Appendix 11 for Members' consideration and approval.

## Housing Revenue Account

- 2.6 The Housing Revenue Account budgeted for a break-even position in 2016/17 with an underspend of £1.166m currently projected compared to the original budget. This is summarised in the table below with further details provided in Appendix 12:

	Annual Budget £000's	Projection to 31 March 2017 £000's	Projected Variance for year (Fav)/Adv £000's	Note
Employee Costs	4,624	4,446	(178)	(i)
Property Costs	16,300	16,394	94	(ii)
Supplies and Services	228	245	17	
Transport and Plant Costs	42	42	-	
Administration Costs	1,340	1,340	-	
Other Agencies and Bodies	1,303	1,303	-	
Transfer Payments	151	151	-	
Other Expenditure	820	827	7	
Capital Financing	21,603	20,712	(891)	(iii)
Gross Expenditure	46,411	45,460	(951)	
Income	(46,411)	(46,626)	(215)	(iv)
Net Expenditure	-	(1,166)	(1,166)	

## 2.7 Commentary on Significant Movements from the Original Budget

The HRA's overall financial forecast against the original budget is an improvement of £1.166m. A brief explanation of the significant movements from original budget is outlined below.

### (i) Employee Costs - underspend of £0.178m

This projected underspend is as a result of effective vacancy management.

**(ii) Property Costs - overspend of £0.094m**

The projected overspend is mainly as a result of overspends in response repairs and grounds maintenance charges which are partly off-set by an underspend in void repairs arising from a reduction in the number of void properties for the year to date.

**(iii) Capital Financing - underspend of £0.891m**

The underspend of £0.891m is based on the latest cash flow and interest rate projections. This reflects a revised strategy of taking temporary borrowing rather than permanent borrowing to maximise the financial savings as a result of market conditions.

**(iv) Recharges - over recovery of £0.215m**

The over recovery of recharges is primarily related to improved arrears collection and insurance recoveries.

- 2.8 Note that the above underspend will contribute to proposals for new house building which will be the subject of a future Cabinet report.

**3. Proposals**

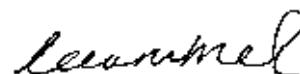
- 3.1 That the Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) approve the transfer of £1.756m to the Loans Fund Reserves as noted at 2.3 (vi); (c) approve the carry forward of £0.189m identified at 2.3 (viii), (d) note the current financial projection for the Health and Social Care Partnership and (e) approve the virements detailed in Appendix 11.

#### 4. Implications

<b>Financial:</b>	<b>General Services</b> The net projection for the year as at 31 July 2016 is a surplus for the year of £3.032m.  <b>Housing Revenue Account</b> The net projection for the year as at 31 July 2016 is a surplus for the year of £1.166m.  The position for both the General Fund and Housing Revenue Account revenue budgets will continue to be monitored closely for the remainder of the financial year.
<b>Human Resources:</b>	None
<b>Legal:</b>	None
<b>Equality:</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	This budget monitoring report directly supports the Council Plan 2015 to 2020 by "making the best use of all resources" and ensuring a "sound financial position".
<b>Community Benefits:</b>	None

#### 5. Consultation

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



LAURA FRIEL  
Executive Director (Finance and Corporate Support)

#### Reference :

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

#### Background Papers

None

**CHIEF EXECUTIVE SERVICE**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Legal	632	682	50	8%	1
Policy, Performance & Community Planning	1,014	995	(19)	-2%	2
Communications	485	485	-	0%	
Civil Contingencies	70	70	-	0%	
Committee Services	651	673	22	3%	3
Members Services	1,016	1,019	3	0%	
Totals	3,868	3,924	56	1%	

Subjective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	3,131	3,134	3	0%
Property Costs	7	7	-	0%
Supplies and Services	120	122	2	2%
Transport and Plant Costs	15	16	1	7%
Administration Costs	855	874	19	2%
Other Agencies & Bodies	362	362	-	0%
Transfer Payments	-	-	-	-
Other Expenditure	2	2	-	0%
Capital Financing	-	-	-	-
Gross Expenditure	4,492	4,517	25	1%
Income	(624)	(593)	31	-5%
Net Expenditure	3,868	3,924	56	1%

**CHIEF EXECUTIVE SERVICE**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Budget £000	Outturn Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Legal</b>
			Movement - There is a projected variance of £0.050m from the budget agreed for 2016/17
1,031	19	-2%	Employee costs - There is a projected overspend Of £0.019m mainly due to turnover target not being achieved
(490)	31	6%	Income - There is a projected under-recovery of income of £0.031m due a reduced demand for service and anticipated debtor account write offs
<b>50</b>			
<b>Note 2</b>			<b>Policy, Performance &amp; Community Planning</b>
			Movement - There is a projected variance of (£0.019m) from the budget agreed for 2016/17
938	(22)	-2%	Employee Costs - There is a projected underspend of £0.022m mainly due to an employee secondment to Corporate Procurement
76	3	4%	Other minor variances
<b>(19)</b>			
<b>Note 3</b>			<b>Committee &amp; Member Services</b>
			Movement - There is a projected variance of £0.022m from the budget agreed for 2016/17
546	6	1%	Employee Costs - There is a projected overspend of £0.006m due to efficiency savings not achieved offset partly by a vacant Elections Officer post
8	16	200%	Admin Costs - There is a projected overspend of £0.016m relating to external printing within Committee Services as a result of a delay in the implementation of electronic agendas. It is planned to move towards a paperless service.
<b>22</b>			



**FINANCE & CORPORATE SUPPORT**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Directorate</b>	142	143	1	1%	
<b>Audit &amp; Risk</b>	476	467	(9)	-2%	
<b>Finance</b>					
Head of Service	120	118	(2)	-2%	
FMS Project	86	86	-	0%	
Financial Management	1,675	1,653	(22)	-1%	
Corporate Procurement	696	655	(41)	-6%	1
<b>People &amp; Transformation</b>					
Head of Service	109	109	-	0%	
Change Programme	679	634	(45)	-7%	2
Human Resources	1,811	1,852	41	2%	3
<b>Customer &amp; Digital Services</b>					
Head of Service	106	90	(16)	-15%	
ICT	2,841	2,849	8	0%	
Customer Services & Registration	1,896	1,818	(78)	-4%	4
Business Support	2,117	2,030	(87)	-4%	5
Revenues & Benefits	2,771	2,751	(20)	-1%	
<b>Totals</b>	<b>15,525</b>	<b>15,255</b>	<b>(270)</b>	<b>-2%</b>	
Less Carry Forward			105		
<b>Net Total</b>	<b>15,525</b>	<b>15,255</b>	<b>(165)</b>	<b>-4%</b>	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	13,791	13,441	(350)	-3%
Property Costs	1	1	-	0%
Supplies and Services	1,536	1,568	32	2%
Transport and Plant Costs	41	41	-	0%
Administration Costs	738	774	36	5%
Other Agencies & Bodies	1,575	1,597	22	1%
Transfer Payments	51,552	51,551	(1)	0%
Other Expenditure	1	1	-	0%
Capital Financing			-	-
Gross Expenditure	69,235	68,974	(261)	0%
Income	(53,710)	(53,719)	(9)	0%
Net Expenditure	15,525	15,255	(270)	-2%

**FINANCE & CORPORATE SUPPORT**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Corporate Procurement</b>
			Movement - There is a projected variance of (£0.041m) from budget agreed for 2016/17
597	(36)	-6%	Employee Costs - There is a projected underspend of £0.036m due to vacancies, long term absence and maternity leave.
(20)	(8)	40%	Income - There is a projected over recovery of £0.008m due to supplier rebates received exceeding target
3	-		Other Minor Movements
(41)			
<b>Note 2</b>			<b>Change Programme</b>
			Movement - There is a projected variance of (£0.045m) from budget agreed for 2016/17
677	(45)	-7%	Employee Costs - There is a projected underspend of £0.045m due to vacancies
(45)			
<b>Note 3</b>			<b>HR</b>
			Movement - There is a projected variance of £0.041m from budget agreed for 2016/17
1,572	5	0%	Employee costs - There is a projected overspend Of £0.005m due to turnover target not being achieved
95	30	32%	Supplies - There is a projected overspend of £0.030m within supplies & services due to expected cost of a Strathclyde Pension Fund Interface
88	6	7%	Other Minor Movements
41			
<b>Note 4</b>			<b>Customer Services And Registration</b>
			Movement - There is a projected variance of (£0.078m) from budget agreed for 16/17
1,714	(78)	-5%	Employee Costs - There is a projected underspend of £0.078m due to early realisation of savings. Within Customer & Digital Support, a Business Improvement team has been set up for a fixed period of two years. The purpose is to drive and deliver projects that will secure future year savings. Approval is therefore requested to earmark £0.105m to fund the team for 2017/18 from the overall underspend across Finance & Corporate Support.
(78)			
<b>Note 5</b>			<b>Business Support</b>
			Movement - There is a projected variance of (£0.087m) from budget agreed for 2016/17
2,003	(87)	-4%	Employee Costs - There is a projected underspend of £0.087m due to early realisation of savings
(87)			

**EDUCATION AND YOUTH EMPLOYMENT**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Early Years Education	11,042	10,578	(464)	-4%	1
Primary Education	36,260	36,683	423	1%	2
Secondary Education	47,704	47,606	(98)	0%	3
Additional Support Needs	6,371	6,201	(170)	-3%	4
Education - Other	5,370	5,336	(34)	-1%	5
Totals	106,747	106,404	(343)	0%	

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	87,413	87,623	210	0%
Property Costs	298	298	-	0%
Supplies and Services	14,964	14,899	(65)	0%
Transport and Plant Costs	220	220	-	0%
Administration Costs	904	904	-	0%
Other Agencies & Bodies	7,337	6,875	(462)	-6%
Transfer Payments	580	580	-	0%
Other Expenditure	-	-	-	-
Capital Financing	71	71	-	0%
Gross Expenditure	111,787	111,470	(317)	0%
Income	(5,040)	(5,066)	(26)	1%
Net Expenditure	106,747	106,404	(343)	0%

**EDUCATION AND YOUTH EMPLOYMENT**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Early Years Education</b>
			Movement - There is a projected variance of (£0.464m) from the budget agreed for 2016/17
1,966	(330)	-17%	Underspend on salary costs due to delays in appointing non Teaching staff and problems recruiting teachers. The early years population increases incrementally throughout the session and, therefore, staff are employed on a phased basis to reflect the requirement to secure appropriate ratios.
1,533	(134)	-9%	Payments made to Private Partner Providers currently projected to be underspent due to lower than anticipated uptake of services.
			Early Years services are currently subject to review. An Early Years Programme Board is to be set up that will oversee current and future provision.
	(464)		
<b>Note 2</b>			<b>Primary Education</b>
			Movement - There is a projected variance of £0.423m from the budget agreed for 2016/17
33,814	433	1%	Employee Costs - overspend (£0.433m) is due to the increased number of pupils with additional support needs, to allow these pupils to remain within mainstream schools they require classroom assistant support. Additional expenditure at this stage, including on children with enhanced support needs, is reducing the need for the Authority to purchase high cost external placements.
	(10)		Other minor variances
	423		
<b>Note 3</b>			<b>Secondary Education</b>
			Movement - There is a projected variance of (£0.098m) from the budget agreed for 2016/17
11,294	(78)	-1%	PPP unitary charge underspend mainly as a result of lower than expected RPI.
(60)	(20)	33%	PPP contract deductions due to penalties. The service is now in formal discussions with the contractor to ensure that the level of service delivered matches the contract specifications.
	(98)		
<b>Note 4</b>			<b>ASN</b>
			Movement - There is a projected variance of (£0.170m) from the budget agreed for 2016/17
3,704	130	4%	Staff costs for Astra Base (Communication and Autism Support Base), located within Ardrossan Academy. The development of this base will support autistic children and young people more appropriately within a mainstream environment.
1,246	(240)	-19%	Underspend on external specialist residential placements
1,089	(80)	-7%	Underspend on external day placements
	20		Other minor variances
	(170)		
<b>Note 5</b>			<b>Education Other</b>
			Movement - There is a projected variance of (£0.034m) from the budget agreed for 2016/17
914	100	11%	Expected overspend on the corporately held Teachers cover budget. Maternity allowances are a core component of this overspend.
0	(134)		For the Teacher Refresh Scheme in 2015/16 it was expected that there would be a one off payment required to release the employees. A year end accrual of £0.134m to cover this expenditure was made. The decision to make the one-off payment was not taken and subsequently the payments to the pension scheme for the Teachers in question will now be paid for annually. This means the accrued amount is now no longer required.
	(34)		

**PLACE**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
<b>Directorate and Support</b>	99	99	-	0%	
<b>Physical Environment</b>					
Building Services	(2,364)	(2,364)	-	0%	1
Property Management & Investment	2,641	2,641	-	0%	
Housing Assets & Investment	(780)	(780)	-	0%	
Property Running Costs	8,115	8,115	-	0%	
Property Maintenance	4,349	4,349	-	0%	
Facilities Management	11,807	11,470	(337)	-3%	2
Other Housing	5,256	5,211	(45)	-1%	
<b>Commercial Services</b>					
Management and Admin	22	22	-	0%	
Roads	6,699	6,699	-	0%	
Streetscene	5,256	5,263	7	0%	
Internal Transport	9,872	9,751	(121)	-1%	3
Waste Services	8,114	8,441	327	4%	4
<b>Total</b>	<b>59,086</b>	<b>58,917</b>	<b>(169)</b>	<b>0%</b>	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	41,130	41,062	(68)	0%
Property Costs	15,739	15,744	5	0%
Supplies and Services	10,813	10,560	(253)	-2%
Transport and Plant Costs	10,193	10,269	76	1%
Administration Costs	1,756	1,758	2	0%
Other Agencies & Bodies	16,025	16,231	206	1%
Transfer Payments	1,738	1,719	(19)	-1%
Other Expenditure	339	339	-	0%
Capital Financing	-	10	10	-
Gross Expenditure	97,733	97,692	(41)	0%
Income	(38,647)	(38,775)	(128)	0%
Net Expenditure	59,086	58,917	(169)	0%

**PLACE**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Building Services</b>
			Movement from the budget agreed for 2016/17 - None
4,103	(161)	-4%	Supplies and Services - There is a projected underspend of £0.161m mainly relating to a reduction in materials costs as a result of the types of work undertaken during the year.
1,801	160	9%	Other Agencies - There is a projected overspend of £0.160m mainly relating to payment to contractors cost as a result of the types of work undertaken during the year and this is offset by an underspend on materials.
(3,780)	(530)	14%	Response Repairs Income - There is a projected over recovery of income of £0.530m. This is a result of an increase in the number and cost of routine repairs. This is however offset by the projected under-recovery in void repairs income and there is therefore no net impact on overall expenditure.
(3,120)	539	-17%	Void Income - There is a projected under-recovery in income of £0.539m due to a reduction in the number of void properties for the year to date. This is offset by projected over-recovery in response repairs income and there is therefore no net impact on overall expenditure.
	(8)		Other minor movements
0			
<b>Note 2</b>			<b>Facilities Management</b>
			Movement - There is a projected variance of (£0.337m) from the budget agreed for 2016/17
3,095	(92)		Supplies and Services - There is a projected underspend of £0.092m based on lower food production costs resulting from reduced wastage.
(2,379)	(208)		Income - there is a projected over-recovery of income of £0.208m due to the increased uptake in School meals and additional income as a result of improved commercial activity.
	(37)		Other minor movements
(337)			
<b>Note 3</b>			<b>Internal Transport</b>
			Movement - There is a projected variance of (£0.121m) from the budget agreed for 2016/17
1,996	(71)		Fuel Costs - there is a projected year end underspend on fuel as a result of the current lower cost of fuel.
4,392	(50)		Transport Provision Costs - there is a projected underspend as a result of improved utilisation of internal resources.
(121)			
<b>Note 4</b>			<b>Waste Services</b>
			Movement - There is a projected variance of £0.327m from the budget agreed for 2016/17
5,750	258		Payments to Other Bodies - There is a projected £0.258m overspend largely relating to £0.305m Landfill tax based on current waste arisings projection. This is partially offset by a projected underspend on the Blue Bin contract of (£0.045m)
(3,498)	35		Income - there is a projected shortfall of Commercial Collection income of £0.120m which is partially offset by an expected over recovery of Income for Waste gas extraction of £0.085m.
	34		Other minor movements
327			

**ECONOMY AND COMMUNITIES**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Management	675	681	6	1%	
<b>Economic Growth</b>					
Planning & Protective Services	1,547	1,519	(28)	-2%	1
Economic Development	6,384	6,118	(266)	-4%	2
<b>Connected Communities</b>	11,974	11,803	(171)	-1%	3
	20,580	20,121	(459)	-2%	
Less Carry Forward	-	84	84		
Net Total	20,580	20,205	(375)	-2%	

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	12,424	12,002	(422)	-3%
Property Costs	285	331	46	16%
Supplies and Services	1,175	1,126	(49)	-4%
Transport and Plant Costs	168	168	-	0%
Administration Costs	310	310	-	0%
Other Agencies & Bodies	8,801	8,644	(157)	-2%
Transfer Payments	-	-	-	-
Other Expenditure	1	3	2	200%
Capital Financing	-	-	-	-
Gross Expenditure	23,164	22,584	(580)	-3%
Income	(2,584)	(2,463)	121	-5%
Net Expenditure	20,580	20,121	(459)	-2%

**ECONOMY AND COMMUNITIES**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Planning &amp; Protective Services</b>
			Movement - There is a projected variance of (£0.028m) from the budget agreed for 2016/17
67	(30)	-45%	Planning - Other Supplies and Services: The projected underspend is partly due to a delay in the recruitment of a Strategic Planning Manager following a recent scheme of delegation report. Additional underspends are due to the cyclical nature of the Local Development Plan.
	2		Other minor variances
	(28)		
<b>Note 2</b>			<b>Economic Development</b>
			Movement - There is a projected variance of (£0.266m) from the budget agreed for 2016/17
1,926	(178)	-9%	Employee Costs - The projected underspend is due to vacancies
1,122	(84)	-7%	Employability - The £0.084m underspend is part of match funding committed to the EU programmes and it is requested that this is earmarked for the future match funding of ESF projects.
	(4)		Other minor variances
	(266)		
<b>Note 3</b>			<b>Connected Communities</b>
			Movement - There is a projected variance of (£0.171m) from the budget agreed for 2016/17
6,930	(249)	-4%	Employee Costs - overspend in Libraries of £0.083m which includes redundancy costs of £0.223m is offset against an underspend in Childrens Services (£0.192m), Arts (£0.022m), Community Development (£0.047m) and Active Communities (£0.093m). Childrens Services underspend is the early realisation of approved future savings. All other employee costs underspends are the subject of future savings proposals.
1,310	125	10%	Income - £0.093m relates to Active Communities Grant under-recovery of due to underspends in employee costs (see above).
3,734	(47)	-1%	Other minor variances
	(171)		



**OTHER CORPORATE ITEMS**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Objective Summary	Annual Budget	Final Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,409	2,411	2	0%	
SPT Concessionary Fares	283	283	-	0%	
Ayrshire Joint Valuation Board	780	780	-	0%	
<b>Other Corporate Costs</b>			-		
Pension Costs	1,830	1,807	(23)	-1%	
Other Corporate Items			-	-	
Non-Distributed Costs	-	-	-	-	
Central Telephones	86	86	-	0%	
Other Corporate Items (incl Procurement Savings, Cash in Transit & External Audit Fees)	4,282	2,516	(1,766)	-41%	1
Insurance Account	-	-	-	-	
Funds to be Allocated (incl Termination Costs)			-	-	
	9,670	7,883	(1,787)	-18%	

**OTHER CORPORATE ITEMS**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Budget £000	Outturn Variance £000	Variance as % of budget	Section
	<b>Note 1</b>		<b>Other Corporate Items</b>
			Movement - There is a projected variance of (£1.787m) from the budget agreed for 2016/17
4,282	(1,766)	41%	Additional funding received as part of the 2016/17 Finance Settlement in respect of Additional Early Learning and Childcare for 2 year olds is not anticipated to be fully drawn down during 2016/17 resulting in an underspend of £0.899m. Work is ongoing on developing new service provision at a number of sites which will be completed over the course of 2016/17 and 2017/18. In addition, centrally held funds in respect of previously identified pressures related to fuel costs, free school meals uptake and the recycle blue bins contract are now not anticipated to be drawndown.
5,388	(21)	0%	Other minor variances
	<b>(1,787)</b>		

## 2016/17 Budget Monitoring Report – Period 4 Objective Summary

Partnership Budget - Objective Summary	2016/17 Budget								
	Council			Health			TOTAL		
	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>COMMUNITY CARE AND HEALTH</b>	<b>48,833</b>	<b>49,492</b>	<b>659</b>	<b>10,436</b>	<b>10,560</b>	<b>124</b>	<b>59,269</b>	<b>60,052</b>	<b>783</b>
: Locality Services	24,308	24,214	-94	3,415	3,488	73	27,723	27,702	-21
: Community Care Service Delivery	22,319	22,996	677	0	0	0	22,319	22,996	677
: Rehabilitation and Reablement	635	758	123	1,778	1,848	70	2,413	2,606	193
: Long Term Conditions	1,146	1,085	-61	3,009	2,971	-38	4,155	4,056	-99
: Integrated Island Services	425	439	14	2,234	2,253	19	2,659	2,692	33
<b>MENTAL HEALTH SERVICES</b>	<b>20,977</b>	<b>20,896</b>	<b>-81</b>	<b>46,924</b>	<b>48,066</b>	<b>1,142</b>	<b>67,901</b>	<b>68,962</b>	<b>1,061</b>
: Learning Disabilities	16,011	15,770	-241	482	480	-2	16,493	16,250	-243
: Community Mental Health	3,589	3,754	165	1,789	1,790	1	5,378	5,544	166
: Addictions	1,377	1,372	-5	982	979	-3	2,359	2,351	-8
: Lead Partnership Mental Health NHS Area Wide	0	0	0	43,671	44,817	1,146	43,671	44,817	1,146
<b>CHILDREN'S SERVICES AND CRIMINAL JUSTICE</b>	<b>26,741</b>	<b>27,107</b>	<b>366</b>	<b>3,484</b>	<b>3,757</b>	<b>273</b>	<b>30,225</b>	<b>30,864</b>	<b>639</b>
: Intervention Services	4,037	3,677	-360	275	274	-1	4,312	3,951	-361
: Looked After & Accommodated Children	15,020	15,480	460	0	0	0	15,020	15,480	460
: Fieldwork	6,186	6,466	280	0	0	0	6,186	6,466	280
: CCSF	469	455	-14	0	0	0	469	455	-14
: Criminal Justice	-15	-15	0	0	0	0	-15	-15	0
: Early Years	263	236	-27	1,611	1,605	-6	1,874	1,841	-33
: Policy & Practice	781	808	27	0	0	0	781	808	27
: Lead Partnership NHS Children's Services Area Wide	0	0	0	1,598	1,878	280	1,598	1,878	280
<b>PRIMARY CARE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47,876</b>	<b>47,876</b>	<b>0</b>	<b>47,876</b>	<b>47,876</b>	<b>0</b>
<b>MANAGEMENT AND SUPPORT COSTS</b>	<b>4,001</b>	<b>3,857</b>	<b>-144</b>	<b>1,056</b>	<b>1,128</b>	<b>72</b>	<b>5,057</b>	<b>4,985</b>	<b>-72</b>
<b>CHANGE PROGRAMME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,557</b>	<b>2,998</b>	<b>-559</b>	<b>3,557</b>	<b>2,998</b>	<b>-559</b>
<b>OTHER LEAD PARTNERSHIP SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>200</b>	<b>0</b>
<b>TOTAL</b>	<b>100,552</b>	<b>101,352</b>	<b>800</b>	<b>113,533</b>	<b>114,585</b>	<b>1,052</b>	<b>214,085</b>	<b>215,937</b>	<b>1,852</b>

## 2016/17 Budget Monitoring Report

## Period 4 Subjective Summary

Partnership Budget Subjective Summary	2016/17 Budget								
	Council			Health			TOTAL		
	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employee Costs	43,965	45,198	1,233	52,037	53,264	1,227	96,002	98,462	2,460
Property Costs	500	374	-126	16	18	2	516	392	-124
Supplies and Services	2,081	2,048	-33	6,069	6,058	-11	8,150	8,106	-44
Prescribing Costs	0	0	0	30,809	30,809	0	30,809	30,809	0
Primary Medical Services	0	0	0	17,068	17,068	0	17,068	17,068	0
Transport and Plant	552	606	54	0	0	0	552	606	54
Admin Costs	1,120	1,097	-23	1,820	1,728	-92	2,940	2,825	-115
Other Agencies & Bodies	74,630	74,636	6	6,505	6,380	-125	81,135	81,016	-119
Transfer Payments	2,489	2,526	37	0	0	0	2,489	2,526	37
Other Expenditure	87	94	7	0	0	0	87	94	7
<b>GROSS EXPENDITURE</b>	<b>125,424</b>	<b>126,579</b>	<b>1,155</b>	<b>114,324</b>	<b>115,325</b>	<b>1,001</b>	<b>239,748</b>	<b>241,904</b>	<b>2,156</b>
Income	-24,872	-25,227	-355	-791	-740	51	-25,643	-25,947	-304
<b>TOTAL NET EXPENDITURE</b>	<b>100,552</b>	<b>101,352</b>	<b>800</b>	<b>113,533</b>	<b>114,585</b>	<b>1,052</b>	<b>214,085</b>	<b>215,937</b>	<b>1,852</b>

## Mitigating action required to bring the budget on-line

Objective Heading	Service Area	£ 000'S	Action	Council	Health	Lead Partnership
Community Care and Health	: Care at Home	270	Review and develop eligibility criteria with a view to managing demand.	270	0	0
	: Community Alarms	50	Review and develop eligibility criteria with a view to managing demand. Review the call volumes for potential areas of reduction.	50	0	0
	: Care Homes	167	Work is underway to bring forward the plans to reduce spending on care placements with savings being agreed for 2017/18 being brought forward. This reflects the success of the reablement service and specifically pavilion 3.	167	0	0
	: Inpatient wards	40	Management of sickness absence and vacancies to reduce use of bank and agency nursing	0	40	0
	: Care Packages	32	Management of sickness absence and vacancies to reduce use of bank and agency nursing. Use of staff in redeployment from other packages to cover on a straight time basis rather than going to Bank / Agency	0	32	0
<b>TOTAL – Community Care and Health</b>		<b>559</b>		<b>487</b>	<b>72</b>	<b>0</b>
Mental Health	: Lead partnership - adult Inpatients	433	<ul style="list-style-type: none"> <li>• 1% reduction in total sickness absence levels across unit</li> <li>• 20 % reduction in staff hours associated with enhanced observations</li> <li>• Review of IPCU model to include function of crisis admission for those from acute required significantly enhanced care for a short period</li> <li>• Introduce Mental Health specific bank nursing system to support short notice needs in Mental health inpatient services reducing spend on expensive agency nursing</li> <li>• Reducing requirement for whole shift cover to meet short notice &amp; term needs through allocation/movement of staff across Woodland View site and as per discussion at Daily Huddle</li> <li>• Review of the nursing workforce tool</li> </ul>	0	0	433

## Mitigating action required to bring the budget on-line

Objective Heading	Service Area	£ 000'S	Action	Council	Health	Lead Partnership
	: Lead Partnership - elderly inpatients	210	<ul style="list-style-type: none"> <li>• 1% reduction in total sickness absence levels across unit</li> <li>• Introduce Mental Health specific bank nursing system to support short notice needs in Mental health inpatient services reducing spend on expensive agency nursing</li> <li>• Reducing requirement for whole shift cover to meet short notice &amp; term needs through allocation/movement of staff across Ailsa site and as per discussion at Daily Huddle</li> <li>• Continuing reduction in Band 2/3 posts as per agreed adjustment to skill mix/numbers as existing surplus staff leave</li> <li>• Review of the nursing workforce tool</li> </ul>	0	0	210
	: Lead Partnership – adult community	81	Continue to pursue additional funding from the NHS for out of hours liaison cover at Crosshouse	0	0	81
	: Lead Partnership – addictions ward	85	Continue to pursue additional funding from the NHS for this detox ward	0	0	85
<b>TOTAL – Mental Health</b>		<b>809</b>		<b>0</b>	<b>0</b>	<b>809</b>
<b>Children's Services and Criminal Justice</b>	: Adoption	8	Review of adoption fees to identify opportunities for reduction. This assumes a 3% reduction.	8	0	0
	: Residential Units	20	Review of respite provision.	20		
	: Care Packages	35	Expand the pilot project on Self Directed Support across all service users where appropriate. This assumes a 2.5% saving over and above savings already approved.	35	0	0
	: Health Visitors	349	Continue to pursue the NHS for adequate funding to support this initiative. This is the amount being requested in the report being considered by the NHS (£0.349m).	0	0	349
<b>TOTAL – Children's Services and Criminal Justice</b>		<b>412</b>		<b>63</b>	<b>0</b>	<b>349</b>
<b>Management and Support Costs</b>	: Unfunded post	72	Review existing vacant posts with a view to deleting them and funding this post on a recurring basis.	0	72	0
<b>TOTAL – Management and Support Costs</b>		<b>72</b>		<b>0</b>	<b>72</b>	<b>0</b>
<b>GRAND TOTAL</b>		<b>1,852</b>		<b>550</b>	<b>144</b>	<b>1,158</b>
REALLOCATION OF ICF SLIPPAGE		-		250	-250	0
<b>REVISED TOTAL</b>		<b>1,852</b>		<b>800</b>	<b>-106</b>	<b>1,158</b>

**MISCELLANEOUS ITEMS**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	19,472	17,716	(1,756)	-9%	1
Transfer to Earmarked Reserves	(816)	(816)	-	-	
Aggregate External Finance	(267,879)	(267,879)	-	-	
Council Tax	(48,050)	(48,299)	(249)	1%	2
Use of Change Fund	(505)	(505)	-	-	
Use of Earmarked Funds	(54)	(54)	-	-	
Totals	(297,832)	(299,837)	(2,005)	1%	

**Note 1 Financing Charges**

Financing Charges are forecasting an underspend of £1.756m based on the latest cash flow and interest rate projections. This reflects a revised strategy of taking temporary borrowing rather than permanent borrowing to maximise the financial savings as a result of current market conditions. In line with the budget strategy, it is proposed to transfer this underspend to the Loans Fund Reserve.

**Note 2 Council Tax**

Income from Council Tax is forecasting to over recover by £0.249m. This is mainly due to the value of council tax reductions being £0.429m less than the budget provided. This is partially offset by additional net discounts and reliefs for prior years and the virement of £0.150m to offset the Council's contribution to the costs of discretionary NDR reliefs as noted in Appendix 11. The Scottish Government has indicated that a review of the current distribution of Council Tax Reduction funding will be carried out as part of the 2017/18 Finance Settlement .

Carried Forward Funds to 2017-18	
	£000
Match Funding for ESF Projects	84
Business Improvement Team	105
Totals	189

**Budget Management - 31 July 2016**  
**Virement/Budget Adjustment Requests**

	Perm (P) / Temp(T)	2016/17	
		Virement £m	Directorate Total £m
<b>1) Budget Virements</b>			
<b>Place</b>			
Increase income recharge budget in Roads due to additional in-year work from Housing / PMI and Education (Garnock Campus Footway Improvements)	T	-1.175	
Increase expenditure budgets in Roads due to additional in-year work from Housing / PMI and Education (Garnock Campus Footway Improvements)	T	1.175	
Increase income recharge budget in Roads due to additional in-year work from Planning as a result of grants awarded from SPT for Bus Corridor Improvements, improvements to Footway at Brodick Castle and to extend the Sea Wall	T	-0.300	
Increase expenditure budgets in Roads due to additional in-year work from Planning as a result of grants awarded from SPT for Bus Corridor Improvements, improvements to Footway at Brodick Castle and to extend the Sea Wall	T	0.300	
Reduce Employee Budget in Roads and increase Payment to Contractors budget to support the completion of the Roads Works Programme for 16/17	T	-0.200	
Increase Payment to Contractors budget in Roads through a reduction to the manual workforce employee budget, this is to support the completion of the Roads Works Programme for 16/17	T	0.200	
			<b>0.000</b>
<b>Education &amp; Youth Employment</b>			
Increase income budget from other local authorities for classroom assistant costs	T	-0.199	
Increase expenditure budgets for other local authorities for classroom assistant costs	T	0.199	
Increase income budget for Post 16 & Activity Agreements - grant from Opportunities for All	T	-0.122	
Increase expenditure budgets for Post 16 & Activity Agreements - grant from Opportunities for All	T	0.122	
Increase income budget for Youth Music Initiative - grant from Creative Scotland	T	-0.212	
Increase expenditure budget for Youth Music Initiative - grant from Creative Scotland	T	0.212	
Reduce budget for external placements (day and residential)	P	-0.150	
Create budget for new Astra Base at Ardrossan Academy	P	0.150	
			<b>0.000</b>
<b>Connected Communities</b>			
Increase income for Active Communities initiative - grant from Sportscotland	T	-0.376	
Increase expenditure budget for Active Communities initiative - grant from Sportscotland	T	0.376	
			<b>0.000</b>
<b>Aggregate External Finance and Council Tax</b>			
Decrease income from Non Domestic Rates - contribution to discretionary NDR reliefs	T	0.150	
Increase income from Council Tax - contribution to discretionary NDR reliefs	T	-0.150	
			<b>0.000</b>



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

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Employee Costs	4,624	4,446	(178)	-4%	1
Property Costs					
Responsive Repairs	3,813	4,342	529	14%	2
Void Repairs	3,165	2,627	(538)	-17%	
Planned & Cyclical maintenance	5,586	5,689	103	2%	
Estate Based Projects	412	412	-	0%	
Roads & Lighting Maintenance	182	182	-	0%	
Aids & adaptations	1,624	1,624	-	0%	
Other property costs	1,518	1,518	-	0%	
Supplies and Services	228	245	17	7%	
Transport and Plant Costs	42	42	-	0%	
Administration Costs	1,340	1,340	-	0%	
Other Agencies & Bodies	1,303	1,303	-	0%	
Transfer Payments	151	151	-	0%	
Other Expenditure	820	827	7	1%	
Capital Financing	21,603	20,712	(891)	-4%	3
Gross Expenditure	46,411	45,460	(951)	-2%	
Income					
Council House Rents	(45,507)	(45,507)	-	0%	
Other Rents	(362)	(362)	-	0%	
Recharges	(542)	(757)	(215)	40%	4
Net Expenditure	0	(1,166)	(1,166)		

**HRA**  
**FINANCIAL PERFORMANCE 2016/17**

**REPORT FOR THE FOUR MONTHS TO 31 JULY 2016**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Employee Costs</b>
4,624	(178)	-4%	There is an underspend on employee costs of £0.178m due to effective vacancy management
	(178)		
<b>Note 2</b>			<b>Property Costs</b>
16,300	94	1%	There is a projected overspend in property costs of £0.094m. This comprises of an overspend in Responsive repairs of £0.530m as a result of an increase in the number and cost of routine repairs. This is largely offset by an underspend in void repairs of £0.539m due to a reduction in the number of void properties for the year to date. In addition there is a projected overspend in relation to Grounds Maintenance as a result of increased charges.
	94		
<b>Note 3</b>			<b>Capital Financing</b>
21,603	(891)	-4%	Capital Financing charges are forecasting an underspend of £0.891m based on the latest cash flow and interest rate projections. This reflects a revised strategy of taking temporary borrowing rather than permanent borrowing to maximise the financial savings as a result of current market conditions.
	(891)		
<b>Note 5</b>			<b>Recharges</b>
(45,507)	(215)	0%	There is an over-recovery of income of £0.215m mainly due to improved collection of tenant arrears (£0.110m) and
	(215)		

HRA projected reserves and balances	B/fwd from 2015/16	Period 4 Revenue	Use of Earmarked sums	Earmarking of in year surplus	Funding of Capital Projects	Estimated Bal at 31/03/16
	£m	£m	£m		£m	£m
Council House Building Fund	5.774	-	-	-	-	5.774
Welfare Reform	3.000	-	-	-	-	3.000
Contingency Balance	1.000	-	-	-	-	1.000
Sheltered Housing Unit Works	0.439	-	(0.283)	-	-	0.156
Infrastructure Improvements	0.653	-	-	-	-	0.653
Major Refurbishment Works	1.300	-	-	-	-	1.300
Uncommitted Balance	0.057	0.994	-	-	-	1.051
	<b>12.223</b>	<b>0.994</b>	<b>(0.283)</b>	-	-	<b>12.934</b>

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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 4**

**27 September 2016**

#### **Cabinet**

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**Title:** **Capital Programme Performance to 31 July 2016**

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**Purpose:** To advise the Cabinet of progress in delivering the Capital Investment Programme as at 31 July 2016.

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**Recommendation:** Agree to (a) approve the revisions to budgets outlined at Sections 2.1, 2.2, 2.5 and 2.7 of the report; (b) note (i) the General Services and HRA expenditure and revised budgets to 31 July 2016; and (ii) the forecast of expenditure to 31 March 2017.

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

- 1.1 The General Services and Housing Revenue Account (HRA) capital budgets were approved at a special meeting of the Council on 17 February 2016. The General Services capital programme approval covered a firm plan for the period from 1 April 2015 to 31 March 2021 and an indicative plan for the years from 2021/22 to 2025/26. The HRA approved capital budget for 2016/17 sits within the 30 years Housing Business Plan.
- 1.2 The appendices to the performance report have been improved to give a clearer picture of financial performance.
- 1.3 This report identifies the current programme for 2016/17, taking account of adjustments made to the initial budgets. The report advises of actual expenditure to 31 July 2016 and forecast expenditure to 31 March 2017. Delivery of the capital programmes in line with original approvals is a key focus of Audit Scotland, as outlined in the Audit Scotland's External Audit of the Council's Accounts.
- 1.4 At Period 4 the General Fund is forecasting a projected outturn of £67.602m against a budget of £72.166m and HRA is forecasting a projected outturn of £26.151m against a budget of £26.201m.

## 2. Background

### **General Services**

- 2.1 The table below outlines the movements in the 2016/17 General Services budget :-

	2016/17 £m
Budget approved as at 17 February 2016	64.087
Carried forward from 2015/16	1.603
a) Additional Funding	9.243
<b>Revised Programme Budget</b>	<b>74.933</b>
b) Alterations to phasing of projects:-	
2016/17 to 2017/18	(4.558)
2017/18 to 2016/17	5.128
c) Reclassified to Revenue	(3.337)
<b>Budget as at 31 July 2016</b>	<b>72.166</b>

### 2.2 (a) **Alterations to the Phasing of Projects**

A number of projects have been reprofiled into future years to reflect current programme plans, including Town Centre Regeneration (£0.836m), Moorpark Primary Extension (0.970m), where work is due to start in 2017/18, Property Lifecycle Investment (£0.480m) and the Learning Disability Day Centres (£1.128m).

This slippage is off-set by the acceleration of Largs Academy (£3.512m), Shewalton Landfill (£0.426m) and the Biomass Retrofit Programme (£0.600m) from future year programmes.

### (b) **Additional Funding**

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

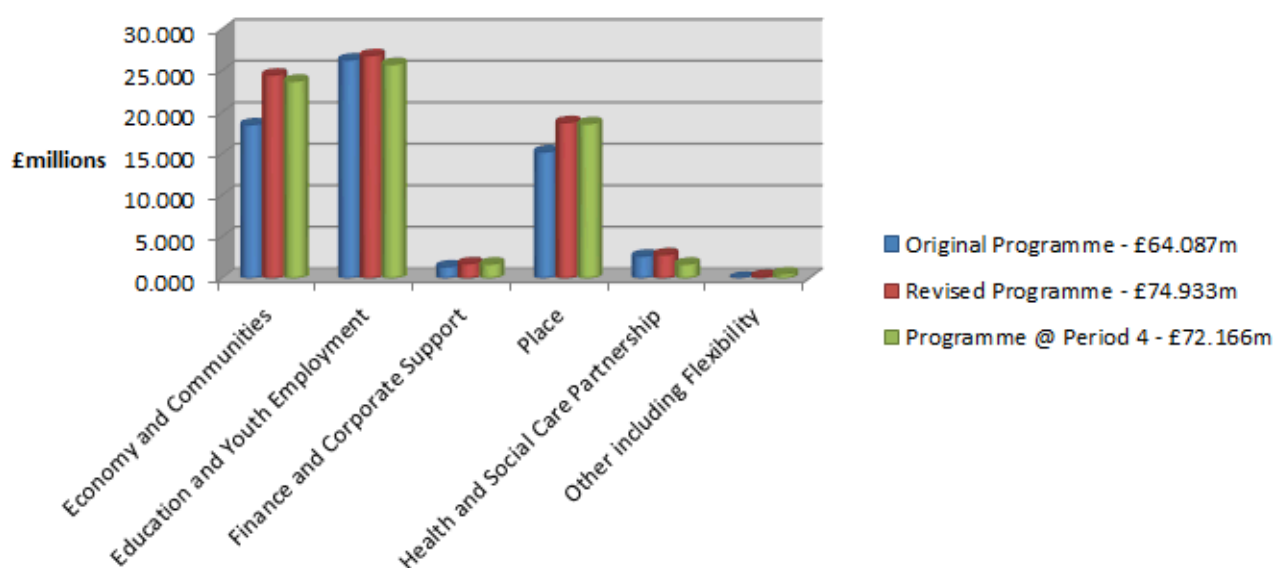
- Garnock Valley Flood Prevention Scheme, (£1.400m);
- Children and Young People Act, (£0.689m);
- Additional Scottish Government Specific Grant for Quarry Road, (£0.965m);
- Vacant and Derelict Land funding for Quarry Road, (£0.400m);
- Balance of Vacant and Derelict Land funding in respect of a range of minor projects, (£1.027m);
- Sustrans funding for the Access Path Network Programme, (£0.904m); and
- Enhancing the School Environment Programme (£2.973m), as agreed by Council at its February 2016 meeting.

In addition Largs Academy has been awarded a higher level of SFT funding (£0.403m) than originally anticipated. These papers have been produced on the basis that borrowing will fall, reducing pressure on future year revenue budgets .

(c) **Reclassified to Revenue**

Costs of £3.337m in relation to demolition and relocation at Largs Academy and the Garnock Campus have been reclassified as revenue and will be funded through the use of existing reserves which are already committed to fund the capital programme.

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



## 2.4 Capital Expenditure to 31 July 2016

Actual expenditure to 31 July 2016 (Period 4) amounted to £11.986m or 16.6% (compared to anticipated expenditure of £12.224m or 16.9%) of the revised annual budget for 2016/17 of £72.166m. Details of projected expenditure by project against the revised budget for 2016/17 can be found in Appendix 1.

The appendices to the Performance Reports have been improved to give a clearer picture of financial performance for projects which span financial years. Flags have been added to the report to show clearly where projects are in line with budgets or where slippage has occurred. Work is underway to develop a similar classification for physical delivery, this will be included in future performance reports.

The projections are summarised by service in the table below:

	Projected Expenditure			Net Carry Forward	
	Revised Budget 2016/17	/ Income to 31 March 2017	Projected Variance Over / (Under)	True Over / (Under) Spend	Forward to 2017/18
<u>Service</u>	£000's	£000's	£000's	£000's	£000's
Expenditure					
Economy and Communities	23,760	22,575	(1,185)	-	(1,185)
Education and Youth Employment	25,782	25,752	(30)	4	(34)
Finance and Corporate Support	1,727	1,727	-	-	-
Place	18,634	15,834	(2,800)	-	(2,800)
Health and Social Care Partnership	1,714	1,714	-	-	-
Other including Flexibility	549	-	(549)	(549)	-
Total Expenditure	72,166	67,602	(4,564)	(545)	(4,019)
<u>Income</u>					
General Capital Grant	(12,550)	(12,550)	-	-	-
Specific Capital Grant	(2,542)	(2,542)	-	-	-
Use of Reserve Funds	(8,895)	(8,195)	700	-	700
Capital Funded from Current Revenue	(182)	(182)	-	-	-
Capital Receipts	(5,294)	(4,267)	1,027	-	1,027
Other Grants & Contributions	(3,582)	(3,582)	-	-	-
Prudential Borrowing	(39,121)	(36,284)	2,837	545	2,292
Total Income	(72,166)	(67,602)	4,564	545	4,019

- 2.5 An underspend of £4.564m is projected within the programme of which £4.019m is required to be carried forward to 2017/18. A true underspend of £0.545m is currently forecast within the programme. These movements result in a revised capital programme at 31 July 2016 of £68.147m for 2016/17.

- 2.6 Information on the progress of all projects and explanations for the carry forwards can be found in Appendix 1. This reflect the latest programme information from services. The main areas of slippage are within Place (£2.800m), in relation to the Garnock Valley Flood Prevention Scheme and the Flood Risk Management Plan and the B714 upgrade, and Economy and Communities (£1.185m), in relation to Quarry Road. This reprofiling of expenditure largely reflects the receipt of additional Scottish Government grant funding.

## 2.7 Funding

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

- reprofiling of £1.027m of capital receipts beyond 2016/17;
- lower than budgeted draw down from the Capital Fund of £0.700m;
- £2.837m of prudential borrowing being deferred to future years.

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

- 2.8 The table below outlines the movements in the 2016/17 HRA Capital budget:

	2016/17 £m
Budget approved as at 17 February 2016	25.998
Brought Forward from 2015/16	0.720
Other Adjustments	(0.517)
Budget as at 31 July 2016	26.201

- 2.9 The budget has been adjusted to reflect a reduction in the management charges from the Property Management Investment team during 2016/17.

## Capital Expenditure

- 2.10 Actual expenditure to 31 July 2016 (Period 4) amounted to £3.142m or 12% (compared to anticipated expenditure of £6.550m or 25%) of the revised annual budget of £26.201m. A budget re-phasing exercise is currently being undertaken to realign budgets to the anticipated programme of work. Current projections are forecasting an underspend of £0.050m at 31 March 2017 and are shown in the table.

	Revised Budget 2016/17	Projected Expenditure / Income to 31 March 2017	Projected Variance Over / (Under)	True Over / (Under) Spend	Net Carry Forward to 2017/18
	£000's	£000's	£000's	£000's	£000's
<u>Service</u>					
Expenditure					
Housing Revenue Account	26,201	26,151	(50)	(50)	-
Total Expenditure	26,201	26,151	(50)	(50)	-
<u>Income</u>					
Sale of Council Houses	(1,263)	(1,695)	(432)	(432)	-
Sale of Assets	(17)	(20)	(3)	(3)	-
CFCR	(13,151)	(13,151)	-	-	-
Capital Grants	-	-	-	-	-
Contribution from House Build Fund	(3,447)	(3,447)	-	-	-
Other Capital Income - House Building	-	(23)	(23)	(23)	-
Affordable Housing Contribution	(1,008)	(1,008)	-	-	-
Prudential Borrowing	(7,315)	(6,807)	508	508	-
Total Income	(26,201)	(26,151)	50	50	-

### **3. Proposals**

- 3.1 It is proposed that:-

#### *In General Services -*

The Cabinet is invited to (a) approve the further revisions to budgets outlined at Section 2.1, 2.2 and 2.5 and Appendix 1; and (b) note (i) the actual expenditure and revised budget to 31 July 2016 and (ii) the forecast of expenditure to 31 March 2017.

#### *In the H.R.A. -*

The Cabinet is invited to (a) approve the further revisions to the budget outlined at Section 2.7 and (b) note the actual expenditure and budget to 31 July 2016 and (ii) the forecast of expenditure to 31 March 2017.

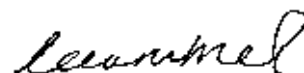


#### 4. Implications

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

#### 5. Consultation

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



LAURA FRIEL  
Executive Director (Finance and Corporate Support)

Reference : None

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

#### Background Papers

None



North Ayrshire Council  
Capital Statement 2016/17  
Year Ended 31st March 2017

## Period 4

Project Description	TOTAL PROJECT				CURRENT YEAR 2016/17							
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2016/17	Year to Date Budget 2016/17	Actual Expenditure to 31 July 2016	Year to Date Variance 2016/17	Projected Expenditure to 31st March 2017	Projected Over/ (Under) Spend for 2016/17	True Over/ (Under) Spend	Carry Forward to 2017/18
	£	£	£	£	£	£	£	£	£	£	£	£
<b>EXPENDITURE</b>												
<b>Economy &amp; Communities</b>												
Regeneration	31,958,803	4,862,824	31,958,803	0	11,342,684	840,000	353,127	(486,873)	10,157,684	(1,185,000)	0	(1,185,000)
Strategic Planning & Infrastructure	8,881,335	3,817,246	8,881,335	0	3,569,250	50,000	181,642	131,642	3,569,250	0	0	0
Sport & Activity	22,071,207	16,687,782	22,071,207	0	8,326,451	3,061,342	2,943,026	(118,316)	8,326,451	0	0	0
Information & Culture	2,278,498	1,175,318	2,278,498	0	521,649	0	18,469	18,469	521,649	0	0	0
<b>SUB TOTAL</b>	<b>65,189,843</b>	<b>26,543,170</b>	<b>65,189,843</b>	<b>0</b>	<b>23,760,034</b>	<b>3,951,342</b>	<b>3,496,263</b>	<b>(455,079)</b>	<b>22,575,034</b>	<b>(1,185,000)</b>	<b>0</b>	<b>(1,185,000)</b>
<b>Education &amp; Youth Employment</b>												
Nursery Education	6,326,404	850,613	6,326,404	0	2,274,769	0	33,415	33,415	2,219,557	(55,212)	0	(55,212)
Primary Schools	15,698,004	12,321,155	15,702,234	4,230	383,617	0	(21,156)	(21,156)	387,847	4,230	4,230	0
Secondary Schools	85,921,241	28,591,112	85,921,241	0	23,123,236	6,160,965	6,331,084	170,119	23,144,249	21,013	0	21,013
Special Education	25,175,628	117,096	25,175,628	0	0	0	(2,532)	(2,532)	0	0	0	0
<b>SUB TOTAL</b>	<b>133,121,277</b>	<b>41,879,976</b>	<b>133,125,507</b>	<b>4,230</b>	<b>25,781,622</b>	<b>6,160,965</b>	<b>6,340,811</b>	<b>179,846</b>	<b>25,751,653</b>	<b>(29,969)</b>	<b>4,230</b>	<b>(34,199)</b>
<b>Finance &amp; Corporate Support</b>												
Financial Services	157,231	133,857	157,231	0	26,515	0	3,141	3,141	26,515	0	0	0
Information Technology	3,954,418	2,000,721	3,954,418	0	635,286	86,860	72,729	(14,131)	635,286	0	0	0
Council IT Strategy	3,739,625	1,447,763	3,739,625	0	1,065,185	0	73,323	73,323	1,065,185	0	0	0
<b>SUB TOTAL</b>	<b>7,851,273</b>	<b>3,582,341</b>	<b>7,851,273</b>	<b>0</b>	<b>1,726,986</b>	<b>86,860</b>	<b>149,194</b>	<b>62,334</b>	<b>1,726,986</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Health &amp; Social Care</b>												
Management & Support	554,596	388,303	554,596	0	166,524	0	231	231	166,524	0	0	0
Older People	12,888,948	6,900,264	12,888,948	0	1,547,882	84,161	134,936	50,775	1,547,882	0	0	0
<b>SUB TOTAL</b>	<b>13,443,544</b>	<b>7,288,567</b>	<b>13,443,544</b>	<b>0</b>	<b>1,714,406</b>	<b>84,161</b>	<b>135,167</b>	<b>51,006</b>	<b>1,714,406</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Place</b>												
Roads	16,560,298	3,854,870	16,560,298	0	9,454,314	1,081,890	1,028,598	(53,292)	6,654,314	(2,800,000)	0	(2,800,000)
Office Accommodation	17,835,461	14,596,044	17,835,461	0	3,769,360	504,899	529,943	25,044	3,769,360	0	0	0
Other Property	4,056,540	3,443,958	4,056,540	0	457,259	22,237	(155,323)	(192,140)	457,259	0	0	0
Housing Non HRA	841,740	183,849	841,740	0	827,940	175,000	170,049	(4,951)	827,940	0	0	0
Streetscene	1,305,055	1,211,338	1,305,055	0	103,719	0	10,001	10,001	103,719	0	0	0
Transport	2,002,358	130,848	2,002,358	0	2,002,358	0	130,848	130,848	2,002,358	0	0	0
Waste Services	15,093,085	13,489,220	15,093,085	0	570,911	0	2,046	2,046	570,911	0	0	0
Building Services	111,092	110,712	111,092	0	380	0	0	0	380	0	0	0
Renewable Energy	5,615,002	4,378,822	5,615,002	0	1,279,682	52,597	43,502	(9,095)	1,279,682	0	0	0
Cleaning Client	300,000	236,623	300,000	0	167,792	104,475	104,415	(60)	167,792	0	0	0
<b>SUB TOTAL</b>	<b>63,720,630</b>	<b>41,636,285</b>	<b>63,720,630</b>	<b>0</b>	<b>18,633,715</b>	<b>1,941,098</b>	<b>1,864,080</b>	<b>(91,598)</b>	<b>15,833,715</b>	<b>(2,800,000)</b>	<b>0</b>	<b>(2,800,000)</b>
<b>Other</b>												
Other	549,576	0	0	(549,576)	549,576	0	0	0	0	(549,576)	(549,576)	0
<b>SUB TOTAL</b>	<b>549,576</b>	<b>0</b>	<b>0</b>	<b>(549,576)</b>	<b>549,576</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(549,576)</b>	<b>(549,576)</b>	<b>0</b>
<b>Total Project Expenditure</b>	<b>283,876,144</b>	<b>120,930,339</b>	<b>283,330,798</b>	<b>(545,346)</b>	<b>72,166,339</b>	<b>12,224,426</b>	<b>11,985,515</b>	<b>(253,491)</b>	<b>67,601,794</b>	<b>(4,564,545)</b>	<b>(545,346)</b>	<b>(4,019,199)</b>
<b>Total Project Income</b>					<b>(72,166,339)</b>	<b>(6,353,753)</b>	<b>(6,353,753)</b>	<b>0</b>	<b>(67,601,794)</b>	<b>4,564,545</b>	<b>545,346</b>	<b>4,019,199</b>
<b>Total Net Expenditure</b>					<b>0</b>	<b>5,870,673</b>	<b>5,631,762</b>	<b>(253,491)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The following classifications have been used to highlight financial performance :-

✓ On Target (+0.5% of budget)

⚠ Slightly off target (+0.5% to 2% of budget, or £0.125m, whichever is less)

✗ Significantly off target (+2% or more of budget, or £0.500m, whichever is less)

## Capital Programme Funding 2016/17

Funding Description	Approved Budget	Carry Forward from 2015/16	Additional Funds Awarded 2016/17	Approved Revisions to Programme	Total Revised Budget 2016/17	Actual Income to 30 June 2016	Projected Income to 31st March 2017
	£	£		£	£	£	£
<b>CAPITAL BORROWING</b>							
Prudential Borrowing	37,703,251	-937,496	(53,314)	2,408,732	39,121,173	0	36,283,495
SUB TOTAL	37,703,251	-937,496	(53,314)	2,408,732	39,121,173	0	36,283,495
<b>SCOTTISH GOVERNMENT FUNDING</b>							
Specific Capital Grants							
Cycling / Walking /Safer Streets	150,000				150,000	(207,000)	150,000
Vacant & Derelict Land Funding			1,426,981		1,426,981		1,426,981
Quarry Road			965,000		965,000		965,000
Capital Grants							
General Capital Grant	10,403,000		2,147,000	0	12,550,000	3,623,332	12,550,000
SUB TOTAL	10,553,000	0	4,538,981	0	15,091,981	3,416,332	15,091,981
<b>OTHER INCOME TO PROGRAMME</b>							
Use of Funds							
Capital Fund							
General	3,680,000			(3,680,000)	0	0	0
Secondary Estate Learning Env't				1,973,000	1,973,000		1,973,000
Largs Campus	5,829,181	-440,909		(206,815)	5,181,457	0	5,181,457
Montgomerie Park Masterplan	158,416				158,416	0	158,416
B714 Upgrade	1,137,000			(303,719)	833,281	0	133,281
Shewalton Waste				426,012	426,012		426,012
Change & Service Redesign Fund							
Managed WAN Services		91,866		0	91,866	0	91,866
IPT Telephony		63,372		0	63,372	0	63,372
Streetscene Scheduling	1,279			0	1,279	0	1,279
Care First Development / CM2000		64,204		0	64,204	0	64,204
Home Care System	99,000	3,320		0	102,320	0	102,320
<b>CFCR</b>							
Defibrillators		26,284		0	26,284	0	26,284
Records Unit Replacement	129,187				129,187	0	129,187
Access Paths Network				10,000	10,000		10,000
Castles & Historic Monuments				(28,000)	-28,000	0	-28,000
Kilbirnie Library Employability Hub		44,642			44,642	0	44,642
<b>Grants &amp; Contributions</b>							
SFT Funding Learning Academy Auchanharvie		-1,802	400,000	0	398,198	0	398,198
West Kilbride Community Nursery				10,000	10,000	10,000	10,000
Restoration Grant - Saltcoats Town Hall					37,412	0	37,412
Big Coastal Communities Grant - Tourism Infrastructure					10,893	0	10,893
Town Centre Regeneration					0	(12,187)	0
Highlands & Islands - Millport Field Centre					68,464	0	68,464
Montgomerie Park Masterplan						653	653
Access Paths - Sustrans		1,673,224	903,654		2,576,878	431,029	2,576,878
SFT Funding - A841 Brodick to Lochranza			150,000		150,000	0	150,000
SFT Funding -Hawthill Roundabout			255,000		255,000	(1,515)	255,000
SFT Funding - Arran Bridges Signage	30,000	-30,000			0	0	0
SFT Funding - Irvine Town Centre Bus			5,000		5,000	0	5,000
SFT Funding -Bus Corridor Improvements			70,000	0	70,000	0	70,000
<b>Capital Receipts</b>							
Sale of Land and Buildings	4,366,848	927,172	0	0	5,294,020	2,509,441	4,266,500
Sale of Land and Buildings	3,800,000	1,454,020			5,254,020	1,861,363	3,610,363
Sale of Vehicles	40,000				40,000	31,942	40,000
Insurance Recoveries (Vehicles)					0	14,849	14,849
Montgomerie Park Masterplan	526,848	-526,848		0	0	601,288	601,288
SUB TOTAL	15,830,911	2,539,821	1,783,654	-2,201,201	17,953,185	2,937,421	16,226,318
<b>TOTAL CAPITAL PROGRAMME FUNDING</b>	<b>64,087,162</b>	<b>1,602,325</b>	<b>6,269,321</b>	<b>207,531</b>	<b>72,166,339</b>	<b>6,353,753</b>	<b>67,601,794</b>

## CAPITAL MONITORING 2016/17

## ECONOMY &amp; COMMUNITIES

Project Description	TOTAL PROJECT				CURRENT YEAR 2016/17					DELIVERY STATUS	Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2016/17	Projected Expenditure to 31 March 2017	Projected Over/ (Under) Spend for 16/17	True Over/(Under) Spend	Carry Forward to 2017/18	Delivery Status Financial	
	£	£	£	£	£	£	£	£	£		
<b>ECONOMIC GROWTH</b>											
<b>Regeneration</b>											
TOURISM INFRASTRUCTURE	310,666	299,768	310,666	0	10,898	10,898	0		0	✓	
IRVINE ENTERPRISE AREA *	3,972,011	1,008	3,972,011	0	3,972,011	3,972,011	0	0	0	✓	
TOWN CENTRE REGENERATION	5,137,643	681,221	5,137,643	0	620,000	620,000	0		0	✓	
MILLPORT FIELD CENTRE	3,000,823	2,856,985	3,000,823	0	93,340	93,340	0		0	✓	
MONTGOMERIE PARK MASTERPLAN	1,645,680	976,512	1,645,680	0	1,024,454	1,024,454	0		0	✓	
PENNYBURN ROUNDABOUT	2,000,000	0	2,000,000	0	0	0	0		0	✓	
IRVINE BAY REGEN CO ASSETS	3,000,000	0	3,000,000	0	3,000,000	3,000,000	0		0	✓	
MILLPORT PIER	500,000	0	500,000	0	0	0	0		0	✓	
Ayrshire Growth Deal	9,000,000	0	9,000,000	0	0	0	0		0	✓	
Quarry Road	2,365,000	47,331	2,365,000	0	1,595,000	410,000	(1,185,000)		(1,185,000)	✓	Spend this year for demolition, set servicing & set up and steel works. Carry forward requested.
Biomass Supply Chain	120,000	0	120,000	0	120,000	120,000	0		0	✓	
Lochshore, Kilbirnie	30,000	0	30,000	0	30,000	30,000	0		0	✓	
Ardeer, Stevenston Masterplan	30,000	0	30,000	0	30,000	30,000	0		0	✓	
Ardrossan North Shire	30,000	0	30,000	0	30,000	30,000	0		0	✓	
Irvine Kyle Road Site Prep	352,000	0	352,000	0	352,000	352,000	0		0	✓	
Greenwood Interchange	65,000	0	65,000	0	65,000	65,000	0		0	✓	
Moorpark Road West	399,981	0	399,981	0	399,981	399,981	0		0	✓	
<b>Total Regeneration</b>	<b>31,958,803</b>	<b>4,862,824</b>	<b>31,958,803</b>	<b>0</b>	<b>11,342,684</b>	<b>10,157,684</b>	<b>(1,185,000)</b>	<b>0</b>	<b>(1,185,000)</b>		

## CAPITAL MONITORING 2016/17

## ECONOMY &amp; COMMUNITIES

Project Description	TOTAL PROJECT				CURRENT YEAR 2016/17					DELIVERY STATUS	Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2016/17	Projected Expenditure to 31 March 2017	Projected Over/ (Under) Spend for 16/17	True Over/(Under) Spend	Carry Forward to 2017/18	Delivery Status Financial	
Strategic Planning & Infrastructure											
CYCLING/WALKING/SAFER STREETS	1,399,796	83,796	1,399,796	0	150,000	150,000	0		0		
ACCESS PATH NETWORK PROGRAMME	6,674,285	3,645,816	6,674,285	0	2,760,111	2,760,111	0		0		
CAR PARK STRATEGY	327,253	45,757	327,253	0	179,139	179,139	0		0		
A841 BRODICK TO LOCHRANZA *	150,000	0	150,000	0	150,000	150,000	0	0	0		
HAWKHILL ROUNDABOUT *	255,000	0	255,000	0	255,000	255,000	0	0	0		
IRVINE TOWN CENTRE BUS *	5,000	0	5,000	0	5,000	5,000	0		0		
BUS CORRIDOR IMPROVEMENTS	70,000	41,877	70,000	0	70,000	70,000	0		0		
Total Strategic Planning & Infrasturture	8,881,335	3,817,246	8,881,335	0	3,569,250	3,569,250	0	0	0		
CONNECTED COMMUNITIES											
Sports & Activity											
LARGS SPORTS DEVELOPMENT	300,000	227,751	300,000	0	72,249	72,249	0		0		
IRVINE LEISURE CENTRE	21,771,207	16,460,031	21,771,207	0	8,254,202	8,254,202	0	0	0		
MAGNUM CENTRE DEMOLITION	0	0	0	0	0	0	0		0		Reclassified as revenue. Budget moved
Total Sports & Activity	22,071,207	16,687,782	22,071,207	0	8,326,451	8,326,451	0	0	0		



## CAPITAL MONITORING 2016/17

## ECONOMY &amp; COMMUNITIES

Project Description	TOTAL PROJECT				CURRENT YEAR 2016/17					DELIVERY STATUS	Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/(Under) Spend	Total Revised Budget 2016/17	Projected Expenditure to 31 March 2017	Projected Over/(Under) Spend for 16/17	True Over/(Under) Spend	Carry Forward to 2017/18	Delivery Status Financial	
<u>Information &amp; Culture</u>											
COMMUNITY DEVELOPMENT FUND	251,223	0	251,223	0	251,223	251,223	0		0	✓	
CASTLES & HISTORIC MONUMENTS	646,287	0	646,287	0	171,287	171,287	0	0	0	✓	
WEST KILBRIDE CC GYMNASIUM	668,465	668,465	668,465	0	0	0	0	0	0	✓	
ARDROSSAN CASTLE	161,649	159,804	161,649	0	3,045	3,045	0	0	0	✓	
KERELAW CASTLE	83,367	83,367	83,367	0	153	153	0	0	0	✓	
EGLINTON PARK CAR PARK WORKS	220,000	218,701	220,000	0	1,299	1,299	0		0	✓	
ST BRIDE'S CHAPEL, ARRAN	175,000	9,666	175,000	0	50,000	50,000	0		0	✓	
KILBIRNIE LIBRARY HUB	44,910	7,718	44,910	0	44,642	44,642	0		0	✓	
<u>Total Information &amp; Cultural</u>	2,278,498	1,175,318	2,278,498	0	521,649	521,649	0	0	0		
<u>Total Economy &amp; Communities</u>	65,189,843	26,543,170	65,189,843	0	23,760,034	22,575,034	(1,185,000)	0	(1,185,000)		

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

## CAPITAL MONITORING 2016/17

## EDUCATION &amp; YOUTH EMPLOYMENT

Project Description	TOTAL PROJECT				CURRENT YEAR 2016/17								DELIVERY STATUS	Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/(Under) Spend	Total Revised Budget 2016/17	Year to Date Budget 2016/17	Actual Expenditure to 31 July 2016	Year to Date Variance 2016/17	Projected Expenditure to 31 March 2017	Projected Over/(Under) Spend for 16/17	True Over/(Under) Spend	Carry Forward to 2017/18	Delivery Status Financial	
	£	£	£	£	£	£	£	£	£	£	£	£		
<u>Nursery Education</u>														
EARLY YEARS CHILDRENS BILL	64,516	68,742	64,516	0	0	0	4,226	4,226	0	0	0	0	✓	
HAYOCKS PRIMARY SCHOOL NURSERY ADAPTS	209,323	206,800	209,323	0	2,523	0	0	0	2,523	0	0	0	✓	
GLENCAIRN PRIMARY SCHOOL NURSERY ADAPTS	103,472	100,573	103,472	0	2,899	0	0	0	2,899	0	0	0	✓	
LOUDON MONT PRIMARY SCHOOL NURSERY ADAPTS	734,330	15,483	734,330	0	625,608	0	11,216	11,216	569,166	(56,442)		(56,442)	✓	Programme of works to span into April 2017
ST JOHN OGILVIE PRIMARY SCHOOL NURSERY ADAPTS	248,994	243,918	248,994	0	5,076	0	0	0	5,076	0	0	0	✓	
EARLY LEARNING & CHILDCARE	819,167	0	819,167	0	819,167	0	0	0	819,167	0		0	✓	Further meetings to be held to discuss future proposals on projects to be undertaken
DYKESMAINS PRIMARY SCHOOL NURSERY ADAPTS	1,239,707	68,240	1,239,707	0	43,387	0	1,902	1,902	44,617	1,230		1,230	✓	
WEST KILBRIDE PRIMARY SCHOOL NURSERY ADAPTS	29,011	28,295	29,011	0	0	0	(716)	(716)	0	0	0	0	✓	
WHITLEES COMM CTR NURSERY ADAPTS	152,502	118,461	152,502	0	50,727	0	16,686	16,686	50,727	0	0	0	✓	
ARRAN QUIET ROOM	4,230	0	4,230	0	4,230	0	0	0	4,230	0	0	0	✓	
ANNICK PRIMARY EARLY YEARS	2,000,000	0	2,000,000	0	0	0	0	0	0	0		0	✓	
WEST KILBRIDE COMMUNITY NURSERY	32,152	100	32,152	0	32,152	0	100	100	32,152	0	0	0	✓	
CHILDREN & YOUNG PEOPLE ACT	689,000	0	689,000	0	689,000	0	0		689,000	0		0	✓	Further meetings to be held to discuss future proposals on projects to be undertaken
<u>Total Nursery Education</u>	<u>6,326,404</u>	<u>850,613</u>	<u>6,326,404</u>	<u>0</u>	<u>2,274,769</u>	<u>0</u>	<u>33,415</u>	<u>33,415</u>	<u>2,249,557</u>	<u>(55,212)</u>	<u>0</u>	<u>(55,212)</u>		



## CAPITAL MONITORING 2016/17

## EDUCATION &amp; YOUTH EMPLOYMENT

Project Description	TOTAL PROJECT				CURRENT YEAR 2016/17								DELIVERY STATUS	Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2016/17	Year to Date Budget 2016/17	Actual Expenditure to 31 July 2016	Year to Date Variance 2016/17	Projected Expenditure to 31 March 2017	Projected Over/ (Under) Spend for 16/17	True Over/(Under) Spend	Carry Forward to 2017/18	Delivery Status Financial	
Primary Schools														
CORRIE PS ANNEXE - STRUCTURAL	192,679	181,698	192,679	0	10,981	0	0	0	10,981	0		0	✓	Final account still to be agreed
ST LUKES PS-EXTENSION PHASE 2	929,312	917,277	929,312	0	0	0	(12,035)	(12,035)	0	0	0	0	✓	Complete but retention still outstanding - not to be moved to flexibility as final account could change
FREE SCHOOL MEALS P1 - P3	56,822	0	56,822	0	56,822	0	0	0	56,822	0		0	✓	
SKELMORLIE PS KITCHEN WORKS	11,974	11,188	11,974	0	0	0	(786)	(786)	0	0		0	✓	
WEST KILBRIDE PS KITCHEN WORKS	174,889	174,889	174,889	0	0	0	0	0	0	0	0	0	✓	
ELDERBANK PS	11,174,100	11,034,438	11,178,330	4,230	129,662	0	(10,000)	(10,000)	133,892	4,230	4,230	0	✓	Overspend only projected - may change next month - no transfer from flexibility yet
Castlepark primary - remodelling	158,228	1,665	158,228	0	156,152	0	1,665	1,665	156,152	0	0	0	✓	Scope of works less than initially anticipated. £2,076 required in 17/18 for retention
Moorpark Primary - extension	3,000,000	0	3,000,000	0	30,000	0	0	0	30,000	0		0	✓	Site investigation works & PMI professional fees only in 2016/17. Works not due to start until 17-18
Total Primary Education	15,698,004	12,321,155	15,702,234	4,230	383,617	0	(21,156)	(21,156)	387,847	4,230	4,230	0		
Secondary Schools														
Secondary Estate / Enhancing the school environment	5,775,103	0	5,775,103	0	2,775,103	0	0	0	2,775,103	0	0	0	✓	
GARNOCK CAMPUS	41,819,547	25,786,492	41,819,547	0	18,367,724	5,108,927	5,125,987	17,060	18,367,724	0		0	✓	£384,124 reclassified as revenue - budget moved
IRVINE ROYAL/COLLEGE ADAPTS	1,598,132	877,524	1,598,132	0	728,719	0	8,111	8,111	728,719	0	0	0	✓	
LARGS ACADEMY	4,691,256	1,555,611	4,691,256	0	806,289	819,339	827,302.74	7,964	827,302	21,013		21,013	✓	£2,952,691 reclassified as revenue. Budget moved
LEARNING ACADEMY AUCHENHARVIE	447,203	371,484	447,203	0	445,401	232,699	369,683	136,984	445,401	0	0	0	✓	
Ardrossan New Build	31,590,000	0	31,590,000	0										
Total Secondary Education	85,921,241	28,591,112	85,921,241	0	23,123,236	6,160,965	6,331,084	170,119	23,144,249	21,013	0	21,013		

CAPITAL MONITORING 2016/17

## EDUCATION &amp; YOUTH EMPLOYMENT

Project Description	TOTAL PROJECT				CURRENT YEAR 2016/17									DELIVERY STATUS	Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2016/17	Year to Date Budget 2016/17	Actual Expenditure to 31 July 2016	Year to Date Variance 2016/17	Projected Expenditure to 31 March 2017	Projected Over/ (Under) Spend for 16/17	True Over/(Under) Spend	Carry Forward to 2017/18	Delivery Status Financial		
Special Education															
STANECastle SCH REMEDIAL WORKS	119,628	117,096	119,628	0	0	0	(2,532)	(2,532)	0	0	0	0	✓		
New Build - ASN School	25,056,000	0	25,056,000	0	0	0	0	0	0	0	0		✓		
Total Special Education	25,175,628	117,096	25,175,628	0	0	0	(2,532)	(2,532)	0	0	0	0	✓		
Total Education & Skills	133,121,277	41,879,976	133,125,507	4,230	25,781,622	6,160,965	6,340,811	179,846	25,751,653	(29,969)	4,230	(34,199)			

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

## CAPITAL MONITORING 2015/16

## FINANCE &amp; CORPORATE SUPPORT

Project Description	TOTAL PROJECT				CURRENT YEAR 2016/17					DELIVERY STATUS	Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/(Under) Spend	Total Revised Budget 2016/17	Projected Expenditure to 31 March 2017	Projected Over/(Under) Spend for 16/17	True Over/(Under) Spend	Carry Forward to 2017/18	Delivery Status Financial	
	£	£	£	£	£	£	£	£	£		
<u>Financial Services</u>											
DEFIBRILLATORS	157,231	133,857	157,231	0	26,515	26,515	0		0	✓	
<u>Total Financial Services</u>	157,231	133,857	157,231	0	26,515	26,515	0	0	0		
<u>Information Technology</u>											
PC REPLACEMENT/VIRTUAL DESKTOP *	245,836	3,110	245,836	0	245,836	245,836	0		0	✓	
MICROSOFT OFFICE UPGRADE	1,579,912	838,772	1,579,912	0	41,860	41,860	0		0	✓	
WINDOWS SERVER MIGRATION	827,368	732,725	827,368	0	101,879	101,879	0		0	✓	
DATA RATIONALISATION & STORAGE	809,617	161,712	809,617	0	0	0	0		0	✓	
PSN COMPLIANCE	384,000	274,381	384,000	0	138,025	138,025	0	0	0	✓	
AGILE WORKING *	107,686	(9,978)	107,686	0	107,686	107,686	0		0	✓	
<u>Total Information Technology</u>	3,954,418	2,000,721	3,954,418	0	635,286	635,286	0	0	0		
<u>Council IT Strategy</u>											
WIRELESS ACCESS IN SCHOOLS	480,984	448,219	480,984	0	32,765	32,765	0		0	✓	
MANAGED WAN SERVICES	773,583	585,075	773,583	0	191,866	191,866	0		0	✓	
IP TELEPHONY (IPT)	410,058	395,907	410,058	0	65,554	65,554	0		0	✓	
SCHOOLS ICT INVESTMENT *	500,000	18,562	500,000	0	500,000	500,000	0		0	✓	
BUSINESS CONTINUITY	400,000	0	400,000	0	0	0	0		0	✓	
INFRASTRUCTURE ENHANCEMENTS *	100,000	0	100,000	0	100,000	100,000	0		0	✓	
Microsoft Enterprise Agreement	825,000	0	825,000	0	0	0	0		0	✓	
HSCP ICT Investment to Support Integration	250,000	0	250,000	0	175,000	175,000	0		0	✓	
<u>Total IT Strategy</u>	3,739,625	1,447,763	3,739,625	0	1,065,185	1,065,185	0	0	0		
<u>Total Finance &amp; Corporate Support</u>	7,851,273	3,582,341	7,851,273	0	1,726,986	1,726,986	0	0	0		

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

## CAPITAL MONITORING 2016/17

## HEALTH &amp; SOCIAL CARE

Project Description	TOTAL PROJECT				CURRENT YEAR 2016/17					DELIVERY STATUS	Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2016/17	Projected Expenditure to 31 March 2017	Projected Over/ (Under) Spend for 16/17	True Over/(Under) Spend	Carry Forward to 2017/18	Delivery Status Financial	
	£	£	£	£	£	£	£	£	£		
<u>Management &amp; Support</u>											
CAREFIRST IT DEVELOPMENT	120,678	56,705	120,678	0	64,204	64,204	0		0	✓	
HOME CARE SYSTEM	433,918	331,598	433,918	0	102,320	102,320	0	0	0	✓	
<u>Total Management &amp; Support</u>	554,596	388,303	554,596	0	166,524	166,524	0	0	0		
<u>Older People</u>											
PURCHASE OF RED CROSS HOUSE	1,451,775	50,775	1,451,775	0	1,451,775	1,451,775	0	0	0	✓	Budget moved for settlement costs from WDDA49 LD Day Centre
MONTROSE HSE REDESIGN FACILIT	5,741,854	5,733,284	5,741,854	0	8,570	8,570	0		0	✓	Remedial works still to be done
LARGS OLDER PEOPLE RES CTRE	947,094	943,718	947,094	0	3,376	3,376	0	0	0	✓	Retention still to be paid
LD DAY CENTRES	4,748,225	172,487	4,748,225	0	84,161	84,161	0	0	0	✓	Project on hold at present. £1,451,775 budget moved to WDDA21 for settlement costs for purchase of Red Cross House
<u>Total Older People</u>	12,888,948	6,900,264	12,888,948	0	1,547,882	1,547,882	0	0	0		
<u>Total Health &amp; Social Care</u>	13,443,544	7,288,567	13,443,544	0	1,714,406	1,714,406	0	0	0		

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

## CAPITAL MONITORING 2016/17

PLACE

Project Description	TOTAL PROJECT				CURRENT YEAR 2016/17					DELIVERY STATUS	Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2016/17	Projected Expenditure to 31 March 2017	Projected Over/ (Under) Spend for 16/17	True Over/(Under) Spend	Carry Forward to 2017/18	Delivery Status Financial	
	£	£	£	£	£	£	£	£	£		
<b>PHYSICAL ENVIRONMENT</b>											
<b>Roads</b>											
ROADS IMPROVE/RECONSTRUCTION *	1,754,458	577,937	1,754,458	0	1,754,458	1,754,458	0		0		Project delay due to procurement & implementation of Ground Investigation Contract. Main tender award now expected late Jan 2017. Project completion August 2017.
B714 UPGRADE	2,065,092	233,539	2,065,092	0	1,300,000	600,000	(700,000)		(700,000)		
LIGHTING *	1,072,747	99,322	1,072,747	0	1,072,747	1,072,747	0		0		
STREET LIGHTING MAINLAND	3,525,000	1,745,924	3,525,000	0	1,999,817	1,999,817	0		0		
GARNOCK VALLEY FLOOD PREV	6,400,001	1,072,930	6,400,001	0	1,900,000	100,000	(1,800,000)		(1,800,000)		
BANNOCH BURN KILW'G FLOOD WORK	225,000	66,233	225,000	0	159,292	159,292	0		0		Project delayed due to trying to resolve objections to the scheme. Cabinet report to be tabled on 27th Sept after which the project will be submitted to Scottish Govt for consideration. Likely hearing / enquiry will be held. Min 6 mths to conclude.
FLOOD RISK MANAGEMENT PLAN	830,000	50,415	830,000	0	580,000	280,000	(300,000)		(300,000)		
FLOODING	128,000	0	128,000	0	128,000	128,000	0		0		Programmes now confirmed for Lamlash Green Coastal Defence and Glenclay Bank Repairs
BRIDGES INFRASTRUCTURE PROG *	560,000	8,570	560,000	0	560,000	560,000	0		0		
Total Roads	16,560,298	3,854,870	16,560,298	0	9,454,314	6,654,314	(2,800,000)	0	(2,800,000)		
<b>Office Accommodation</b>											
BRIDGEGATE HOUSE REFURB	9,614,276	9,563,617	9,614,276	0	56,254	56,254	0		0		Proposals / spend profiles currently being agreed .
CUNNINGHAME HOUSE PHASE 1	1,531,013	1,531,013	1,531,013	0	0	0	0		0		
CUNNINGHAME HOUSE PHASE 2	1,176,278	1,160,781	1,176,278	0	0	0	0		0		
CUNNINGHAME HOUSE PHASE 3-4	2,123,182	2,069,792	2,123,182	0	338,977	338,977	0	0	0		
PROPERTY LIFECYCLE INVESTMENT *	2,472,797	0	2,472,797	0	2,472,797	2,472,797	0		0		
RECORDS UNIT REPLACEMENT	257,074	225,037	257,074	0	241,319	241,319	0	0	0		
Cunninghame Hse Phase 5	660,841	45,803	660,841	0	660,013	660,013	0		0		
Total Office Accommodation	17,835,461	14,596,044	17,835,461	0	3,769,360	3,769,360	0	0	0		



## CAPITAL MONITORING 2016/17

PLACE

Project Description	TOTAL PROJECT				CURRENT YEAR 2016/17					DELIVERY STATUS	Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/(Under) Spend	Total Revised Budget 2016/17	Projected Expenditure to 31 March 2017	Projected Over/(Under) Spend for 16/17	True Over/(Under) Spend	Carry Forward to 2017/18	Delivery Status Financial	
<u>Other Property</u>											
CORP ASSET MANAGEMENT SYSTEM	86,392	56,921	86,392	0	35,421	35,421	0		0	✓	
SALTCOATS TOWN HALL	3,770,148	3,372,457	3,770,148	0	221,838	221,838	0	0	0	✓	
INDUSTRIAL PORTFOLIO *	200,000	0	200,000	0	200,000	200,000	0		0	✓	Proposals for spend awaited
SALTCOATS PUBLIC REALM	0	14,580	0	0						✓	Funded by Irvine Bay
<u>Total Property</u>	4,056,540	3,443,958	4,056,540	0	457,259	457,259	0	0	0		
<u>Housing Non HRA</u>											
IMPROVEMENT GRANTS *	792,940	140,970	792,940	0	792,940	792,940	0		0	✓	
CARE & REPAIR	15,000	29,079	15,000	0	15,000	15,000	0		0	✓	
CCTV GENERAL	33,800	13,800	33,800	0	20,000	20,000	0		0	✓	Review currently ongoing re CCTV
<u>Total Housing Non HRA</u>	841,740	183,849	841,740	0	827,940	827,940	0	0	0		
<u>Streetscene</u>											
STREETSCENE SCHEDULING SYSTEM	95,500	94,221	95,500	0	1,279	1,279	0		0	✓	
SKELMORLIE CEMETERY WALL	132,648	129,490	132,648	0	3,158	3,158	0	0	0	✓	
CEMETERY WALLS & INFRASTRUCTURE	713,432	713,712	713,432	0	0	0	0		0	✓	
CEMETERY EXTNS, WALLS & INFRA *	88,742	8,570	88,742	0	88,742	88,742	0		0	✓	
LAMLASH CEMETERY EXTENSION	6,052	6,132	6,052	0	0	0	0	0	0	✓	
ARDROSSAN CEMETERY WORKS	149,230	145,466	149,230	0	3,764	3,764	0		0	✓	
OLD BARONY CEMETERY WORKS	66,541	60,836	66,541	0	5,705	5,705	0	0	0	✓	
HIGH KIRK CEMETERY WORKS	52,911	52,911	52,911	0	1,071	1,071	0		0	✓	
<u>Total Streetscene</u>	1,305,055	1,211,338	1,305,055	0	103,719	103,719	0	0	0		
<u>COMMERCIAL SERVICES</u>											
<u>Cleaning Client</u>											
CASHLESS CATERING SYSTEM	300,000	236,623	300,000	0	167,792	167,792	0		0	✓	
<u>Total Cleaning Client</u>	299,999.50	236,622.50	299,999.50	0.00	167,792	167,792	0	0	0		
<u>Transport</u>											
VEHICLES *	2,002,358	130,848	2,002,358	0	2,002,358	2,002,358	0		0	✓	
<u>Total Transport</u>	2,002,358	130,848	2,002,358	0	2,002,358	2,002,358	0	0	0		


## CAPITAL MONITORING 2016/17

PLACE

Project Description	TOTAL PROJECT				CURRENT YEAR 2016/17					DELIVERY STATUS	Comments
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/(Under) Spend	Total Revised Budget 2016/17	Projected Expenditure to 31 March 2017	Projected Over/(Under) Spend for 16/17	True Over/(Under) Spend	Carry Forward to 2017/18	Delivery Status Financial	
<u>Waste Services</u>											
SHEWALTON LANDFILL	14,828,497	13,238,658	14,828,497	0	560,365	560,365	0		0	✓	Estimated budgets now set
ICT WASTE MANAGEMENT SYS	195,000	184,454	195,000	0	10,546	10,546	0		0	✓	
BARTONHOLM HWRC	69,587	66,108	69,587	0	0	0	0	0	0	✓	
<u>Total Waste Services</u>	15,093,085	13,489,220	15,093,085	0	570,911	570,911	0	0	0		
<u>Building Services</u>											
BUILDING SERVICES IT SYSTEM	111,092	110,712	111,092	0	380	380	0	0	0	✓	
<u>Total Building Services</u>	111,092	110,712	111,092	0	380	380	0	0	0		
<u>Renewable Energy</u>											
RENEWABLE ENERGY PROGRAMME	198,024	51,018	198,024	0	147,006	147,006	0		0	✓	
BIOMASS RETROFIT PROGRAMME	3,284,042	2,460,561	3,284,042	0	785,593	785,593	0		0	✓	
SOLAR PV RETROFIT PROGRAMME	1,787,936	1,706,486	1,787,936	0	154,090	154,090	0		0	✓	
SOLAR ARRAYS	200,001	170,758	200,001	0	57,993	57,993	0		0	✓	
NETHERMAINS WIND TURBINE	0	0	0	0	0		0		0	✓	
IRVINE DISTRICT HEATING SYSTE	15,000	0	15,000	0	15,000	15,000	0		0	✓	
SOLAR PV RETROFIT EXTENSION	120,000	0	120,000	0	120,000	120,000	0		0	✓	
<u>Total Renewable Energy</u>	5,615,002	4,378,822	5,615,002	0	1,279,682	1,279,682	0	0	0		
<u>Total Place</u>	63,720,630	41,636,284.51	63,720,630.41	0	18,633,715	15,833,715	(2,800,000)	0	(2,800,000)		

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

**CAPITAL MONITORING 2016/17**

Other Budgets								
Project Description	TOTAL PROJECT				CURRENT YEAR 2016/17			DELIVERY STATUS
	Total Project Budget	Cumulative Expenditure to date	Total Project Forecast	Projected Over/ (Under) Spend	Total Revised Budget 2016/17	Projected Expenditure to 31 March 2017	Over/ (Under) Spend for 16/17	Delivery Status Financial
	£	£	£	£	£	£	£	
FLEXIBILITY	549,576	0	0	(549,576)	549,576	0	(549,576)	
<a href="#">Total Other Budgets</a>	549,576	0	0	(549,576)	549,576	0	(549,576)	



**North Ayrshire Council**  
**HRA Capital Statement**  
**For Year Ended 31 March 2017**

Description	Budget Approved 17 February 2016	Budget B/Fwd/ (C/Fwd)	Approved Revisions to programme	Revised budget 2016/17	Year to Date Budget	Actual expenditure to 31 July 2017	Year to Date Variance	Projected Expenditure to 31 March 2017	Over/(Under) Spend for 2016/17	Carry Forward to 2017/18	True (Under)/Over spend	Comments
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
MORTGAGE TO RENT						616	616		0			
COUNCIL HOUSE BUILDING GENERAL	1,110,707	0	0	1,110,707	277,677	20,644	(257,033)	1,110,707	0			0 Relates to Dickson Crt
NEW BUILD REDSTONE AVENUE	0	0	0	0	0	(70,468)	(70,468)	0	0			0 Retention
ACQUISITION OF HOUSES ON OPEN MARKET	400,000	0	0	400,000	100,000	1,600	(98,400)	400,000	0			0 Buy backs - George Aitken £80k, Holehouse Rd £53K due to conclude in Sept. 5 others being explored. Empty homes - 2 offers imminent: Maree Pl £36k & Burnlea £16k
NEW BUILD - JOHN GALT SITE	0	0	0	0	0	(127,236)	(127,236)	0	0			0 Retention
NEW BUILD FENCEDYKE	3,876,364	42,737	0	3,919,101	979,775	4,000	(975,775)	3,919,101	0			0
WINDOW REPLACEMENT	598,482	(22,879)	0	575,603	143,901	78,943	(64,958)	575,603	0			0
BATHROOM PROGRAMME	1,787,109	(70,011)	0	1,717,098	429,275	311,367	(117,908)	1,717,098	0			0
KITCHEN PROGRAMME	2,068,948	148,506	0	2,217,454	554,364	226,450	(327,914)	2,217,454	0			0
OTHER CAPITAL WORKS	265,225	191,508	0	456,733	114,183	260,947	146,764	456,733	0			0
NEW BUILD STEVENSON INSTITUTE	0	0	0	0	0	(750)	(750)	(750)	(750)			(750) Credits from RACE WIP netted with consultants invoice.
NEW BUILD DICKSON DRIVE	0	0	0	0	0	(29,659)	(29,659)	0	0			0 The ytd credit relates to accruals
REGENERATION - DICKSON DRIVE	0	0	0	0	0	(164,750)	(164,750)	0	0			0 The ytd credit relates to accruals
NEW BUILD MONTGOMERY COURT	390,000	448,240	0	838,240	209,560	198,808	(10,752)	838,240	0			0
REGENERATION - MONTGOMERY COURT	403,000	30,810	0	433,810	108,453	177,757	69,304	433,810	0			0
NEW BUILD KILN COURT	0	9,000	0	9,000	2,250	(37,345)	(39,595)	9,000	0			0 The ytd credit relates to accruals
NEW BUILD GLENCAIRN HOUSE SHU	1,500,000	(57,608)	0	1,442,392	360,598	86,751	(273,847)	1,442,392	0			0
NEW BUILD CANAL COURT SHU	150,000	(29,150)	0	120,850	30,213	24,312	(5,901)	120,850	0			0
CENTRAL HEATING	1,777,523	(26,764)	0	1,750,759	437,690	262,458	(175,232)	1,750,759	0			0
INSULATED RE-RENDERING	1,416,505	208,302	0	1,624,807	406,202	1,082,180	675,978	1,624,807	0			0
ELECTRICAL REWIRING	760,532	(129,338)	0	631,194	157,799	83,639	(74,160)	631,194	0			0
REFURBISHMENT SCHEMES						2,443	2,443	2,443	2,443			2,443
ROOFING & RENDERING	3,781,854	44,863	0	3,826,717	956,679	364,180	(592,499)	3,826,717	0			0
DOOR ENTRY SYSTEMS						3,390	3,390	3,390	3,390			3,390
SHELTERED HOUSING UNITS	1,200,100	24,789	0	1,224,889	306,222	0	(306,222)	1,224,889	0			0
REFURB - ROBERT W SERVICE CT SH	1,800,000	(52,150)	0	1,747,850	436,963	9,255	(427,708)	1,747,850	0			0
RETENTION ON COMPLETED PROJEC						3,979	3,979	3,979	3,979			3,979
ENERGY EFFICIENCY STANDARD	1,040,400	(40,178)	0	1,000,222	250,056	368,540	118,484	1,000,222	0			0
PROFESSIONAL MANAGEMENT CHARGES	1,611,536	(516,800)	0	1,094,736	273,684	0	(273,684)	1,094,736	0			0
CEILINGS	21,848	0	0	21,848	5,462	0	(5,462)		(21,848)			(21,848) Move to revenue
COMMUNAL FLOORS	37,454	0	0	37,454	9,364	0	(9,364)		(37,454)			(37,454) Move to revenue
<b>TOTAL EXPENDITURE</b>		<b>203,877</b>		<b>26,201,464</b>	<b>6,550,370</b>	<b>3,142,053</b>	<b>(3,408,317)</b>		<b>(50,240)</b>			<b>(50,240)</b>
SALE OF COUNCIL HOUSES	(1,263,462)	0	0	(1,263,462)	(315,866)	(703,268)	(387,400)	(1,695,000)	(431,538)			(431,538) Projected income from RTB sales, based on applications in progress. Right to apply to buy your own home ends 31 July 2016.
SALE OF ASSETS	0	(16,680)	0	(16,680)	(2,780)	(20,000)	(17,220)	(20,000)	(3,320)			(3,320) Projection based on further property sales anticipated by Estates
CFRC	(13,668,194)	516,800	0	(13,151,394)	0	0	0	(13,151,394)	0			0
OTHER INCOME - HOUSE BUILDING	0	0	0	0	0	16,754	16,754	(23,154)	(23,154)			(23,154) Fencedyke income £39k less accrual
CAPITAL GRANTS - HOUSE BUILDING	(3,754,000)	306,768	0	(3,447,232)	0	(92,504)	(92,504)	(3,447,232)	0			0 Estimate £2.21m in grant from F/dyke, Glencairn & Canal
CAPITAL GRANTS - ENERGY FUNDING	0	0	0	0	0	275,486	275,486	0	0			0 The ytd balance relates to the accrual of Energy grants in 2015/16
AFFORDABLE HOUSING CONTRIBUTION	(1,008,000)	0	0	(1,008,000)	0	0	0	(1,008,000)	0			0
PRUDENTIAL BORROWING	(6,303,931)	(1,010,765)	0	(7,314,696)	0	0	0	(6,806,444)	508,252			508,252 Requirement to borrow will be reduced due to increased income from other sources
<b>TOTAL INCOME</b>	<b>(25,997,587)</b>	<b>(203,877)</b>	<b>0</b>	<b>(26,201,464)</b>	<b>(318,848)</b>	<b>(523,529)</b>	<b>(204,883)</b>	<b>(26,151,224)</b>	<b>50,240</b>	<b>0</b>		<b>50,240</b>



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## NORTH AYRSHIRE COUNCIL

### Agenda Item 5

27 September 2016

#### Cabinet

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<b>Title:</b>	<b>Submission of Evidence : A Scottish Approach to Taxation</b>
<b>Purpose:</b>	To advise Cabinet of the Call for Evidence and propose North Ayrshire's submission.
<b>Recommendation:</b>	Cabinet agrees to submit Appendix 1 as North Ayrshire's submission to the Scottish Government's Call for Evidence.

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#### 1. Executive Summary

- 1.1 The Scottish Government is calling for evidence on "A Scottish Approach to Taxation". This report summarises the main questions contained in the call for Evidence alongside North Ayrshire's response. The proposed full response is attached at Appendix 1.

#### 2. Background

- 2.1 The Scottish Government is calling for evidence on the Scottish Approach to Taxation. The Call for Evidence centres around 7 main questions with responders having the opportunity to make any supplementary comments.
- How can the Scottish Government's four principles to underpin Scottish taxation policy best be achieved?
  - How does the current taxation regime and proposals for newly devolved taxes align against these four principles?
  - Is there scope for a fundamentally different approach to taxation in Scotland?
  - Should future tax changes be ring fenced and if so, how? If not, why?
  - To what extent do potential behavioural responses limit options for tax changes in Scotland?
  - To what extent do the mechanisms for administering the Scottish income tax system via HMRC limit the scope for a different tax system in Scotland to develop?
  - Are there any other administrative limitations to the emergence of a Scottish tax system?

2.2 The key elements of North Ayrshire's response include;

- the need for transparency, clarity and simplicity, including the use of reliefs, to ensure those liable to pay fully understand their liability;
- cost effective to administer with high levels of collection and be difficult to avoid;
- clear accountability between raising taxes and spending public funds;
- the need for a certain and sustainable funding for Scottish Government and Local Government ambitions in the short, medium and long term;
- clarity between the taxation and welfare systems;
- clarity of the objectives of each devolved tax;
- securing the right balance between local and national taxation, respecting each sphere of government;
- recognising the relationship between Scottish and UK taxes given the potential impact on the Block Grant;
- no ring fencing of taxes.

2.3 In establishing these principles there needs to be effective audit and scrutiny of the alignment of taxation with the principles and the policy drivers, and the forecast of revenues against actual performance, and how this supports Scotland's overall financial sustainability.

### **3. Proposals**

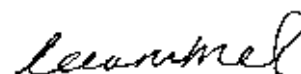
3.1 Cabinet agrees to submit appendix 1 as North Ayrshire's submission to the Scottish Government's Call for Evidence.

#### 4. Implications

<b>Financial:</b>	There are no direct financial implications arising from the report.
<b>Human Resources:</b>	None.
<b>Legal:</b>	None.
<b>Equality:</b>	None.
<b>Environmental &amp; Sustainability:</b>	None.
<b>Key Priorities:</b>	None.
<b>Community Benefits:</b>	No.

#### 5. Consultation

5.1 Consultation has taken place with the Chief Executive.



LAURA FRIEL  
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Laura Friel 01294-324554 on 01294-324554

**Background Papers**

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## **CALL FOR EVIDENCE: A SCOTTISH APPROACH TO TAXATION**

### **1. How can the Scottish Government's four principles to underpin Scottish taxation policy best be achieved?**

The principles outlined in the consultation are noted below;

- Be proportionate to the ability to pay
- Provide certainty to the taxpayer
- Provide convenience / ease of payment, and
- Be efficient

Some elements require to be developed further, proposals are noted below;

- Provide certainty for the tax payer – requires to capture transparency, clarity and simplicity – it is not possible to achieve certainty unless taxes are understood by those liable to pay; a further element of this relates to stability and predictability – constant change adds to complexity and can undermine certainty; Clarity is also required re tax reliefs, keeping it simple and ensuring relief don't become avoidance mechanisms.
- Be efficient - requires to capture efficiency, cost effectiveness of administering and securing high levels of collection. Allied to this is fairness – taxes should be administered and collected fairly and be difficult to avoid.
- Provide convenience/ease of payment – requires simplicity, including point of payment recognising different taxpayers expectations of how this can operate

Further matters for consideration include;

- Clear accountability, connecting decision making and spending of public funds with taxes raised
- The need for a buoyant tax base
- In addition to certainty for the taxpayers it needs to provide certainty for Scottish Government and Local Government - providing adequate and sustainable funding over the medium and longer term aligned with future needs, policies, priorities and performance levels.
- Clarity of the relationship between the taxation and welfare systems.

### **2. How does the current taxation regime and proposals for newly devolved taxes align against these four principles?**

- There is a need for further articulation of “proportionate to the ability to pay”
- Is there sufficient certainty, including simplicity and stability, for tax payers? Is this then blurred when considering the links with welfare benefits?
- Efficient collection by HMRC for national taxation and by local government for local taxation.

### **3. Is there scope for a fundamentally different approach to taxation in Scotland?**

- Provide clarity on the overall objective of each of the devolved taxes (raise funds, drive the economy, drive particular behaviours, provide accountability, support specific policies, redistribute resources)
- The balance between national and local taxation requires to be redressed with clear boundaries between national and local taxes, being cognisant of local democracy and community empowerment and providing flexibility to raise local taxation
- Respect each sphere of government and do not erode local discretion by directing spend - nationally set taxation should be raised for Scottish Government priorities with local taxation, including discretionary taxes, being raised to meet local priorities
- There needs to be a broad balanced tax base to help manage potential volatility across individual taxes
- When considering taxation the Scottish Government needs to establish a fiscal framework underpinned by medium and long term financial plans, including revenue raising powers, borrowing and spending plans (also noted in question 1 as one of the underpinning principles)
- The approach to taxation in Scotland needs to consider the impact of any deviation from the UK and the impact this may have on the Block Grant (and vice versa). This will require sound intergovernmental relationships to fully understand the consequences of any tax competition
- Take a holistic view of tax and welfare. In devolving further tax and welfare powers to Scotland, it is essential to keep the taxpayer and claimant in mind. It should be straightforward for taxpayers and benefits claimants to deal with their affairs and negotiate the tax and benefits systems. These systems must be easy to understand with obligations on the taxpayer and claimant clear.
- The impact on businesses, especially employers, needs to be considered. It is important not to lose sight of the overall burden, as administration costs are almost guaranteed to increase as more taxes are devolved.
- There is confusion in the public understanding of tax devolution. This requires to be addressed. A wider public awareness campaign would be helpful to ensure greater understanding and accountability.
- Need for clear messages on long term taxation to minimise loss of investment through uncertainty, potentially more important as a result of Brexit.

### **4. Should future tax changes be ring-fenced and if so, how? If not, why?**

- Taxation is about the common good rather than paying for a specific service which ring-fencing undermines
- From an operational perspective ring fencing creates complexity and is likely to have a greater administrative overhead – if tax take falls how will expenditure commitments be impacted?
- Ring fencing by its nature restricts flexibility to meet local need
- Locally raised taxes shouldn't be ring fenced to deliver national priorities e.g. CT band changes being used to fund for educational attainment, additional local income should be a matter for local determination



**5. To what extent do potential behavioural responses limit options for tax changes in Scotland?**

- Increasing local accountability for raising taxation to fund local services may expand rather than limit options
- Tax competitiveness allied to the principle of “no detriment” and the link to UK grant funding has the potential to reduce total overall resources
- Need to scenario plan alternative options to ensure there is a clear understanding of the revenue implications and risks of any changes to taxation (e.g. APD reduction, tourism not increasing)
- Need to ensure scope for tax avoidance is minimised

**6. To what extent do the mechanisms for administering the Scottish income tax system via HMRC limit the scope for a different tax system in Scotland to develop?**

- Scottish taxation should be administered in the most efficient way using existing infrastructure, including local government, where possible
- Current arrangements via HMRC are efficient – although there is unlikely to be significant flexibility for a different Scottish approach
- Need to consider administrative burden on employers which has increased significantly in the last few years. The changes have included the introduction of Real Time Information (RTI) for PAYE, the administration of the national minimum wage and pensions auto-enrolment. Care is required not to overburden businesses.

**7. Are there any other administrative limitations to the emergence of a Scottish tax system?**

- Avoiding investment in new infrastructure, diverting tax from front line service delivery
- Administrative ease is all-important
- Frequent changes should be avoided to minimise uncertainty and avoid complexity
- Working closely with the UK authorities is vital to ensure that tax is kept as streamlined as possible whilst implementing the devolved tax powers.
- If income tax rates and thresholds in Scotland diverge from those elsewhere in the UK from April 2017 onwards, clear explanations and guidance will be needed to reassure taxpayers, provide transparency and certainty, and discourage unintended behaviours.

**Other comments;**

In establishing these principles there needs to be effective audit and scrutiny of the alignment of taxation with the principles and the policy drivers, the forecast of revenues against actual performance, and how this supports Scotland’s overall financial sustainability.

When hearing evidence it would be helpful to understand the research, including any international experience that has been carried out on the key aspects of an effective taxation system.

Laura Friel  
Executive Director Finance and Corporate Support  
16 September 2016

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## NORTH AYRSHIRE COUNCIL

### Agenda Item 6

27 September 2016

#### Cabinet

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<b>Title:</b>	<b>Submission of Evidence on the Council Tax (Substitution of Proportion) (Scotland) Order 2016</b>
<b>Purpose:</b>	To advise Cabinet of the Call for Evidence and propose North Ayrshire's submission
<b>Recommendation:</b>	Cabinet agrees to submit Appendix 1 as North Ayrshire's submission to the Scottish Government's Call for Evidence

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#### 1. Executive Summary

- 1.1 The Scottish Government is calling for evidence on the above Order. This report summarises the changes proposed by the order, the main questions contained in the call for Evidence alongside North Ayrshire's response.

#### 2. Background

- 2.1 The Scottish Government is calling for evidence on the Council Tax (Substitution of Proportion) (Scotland) Order 2016. The changes proposed by the Order relate to;
- the increase in the ratios of Band E to H relative to Band D, with Bands E to H increasing by 7.5%, 12.5%, 17.5% and 22.5% respectively, with no changes to the ratios from Band A to D;
  - the additional income raised from the changes to the ratios will be ring fenced for investment in schools with the proposed distribution being based on free school meals;
  - additional relief will be available for low income households in Bands E to H;
  - the child premium will increase by 25%, providing further relief from Council Tax;
  - the end of the Council tax freeze, with future rises being capped at 3%.

2.2 The Call for Evidence centres around 4 main questions with responders having the opportunity to make any supplementary comments.

- Whether respondents support the principles of the Government's plans to reform Council Tax;
- The extent to which the Government's proposed reforms will make the system of Council Tax fairer;
- The extent to which the changes will be straightforward for local authorities to implement;
- Whether respondents support the Government's planned changes to Council Tax reductions.

2.3 The key elements of North Ayrshire's response include;

- concern that the valuation basis that underpins the Council Tax is 25 years out of date;
- the lost opportunity to make Council tax even more progressive by introducing more bands and making further changes to the relationships between bands;
- concern about the impact of the proposed changes on the local democratic process including; limiting any future increases in council tax by 3%; redistributing across Scotland the additional council tax raised through the changes to the ratio between bands to deliver a national policy initiative;
- welcoming the additional reliefs in support of "ability to pay";
- proposals not taking the opportunity to strengthen the relationship between local taxation for the delivery of local priorities.

### **3. Proposals**

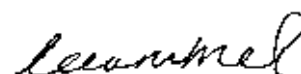
3.1 Cabinet agrees to submit appendix 1 as North Ayrshire's submission to the Scottish Government's Call for Evidence.

#### 4. Implications

<b>Financial:</b>	There are no direct financial implications from the responses to the Call for Evidence. The proposed changes will result in the additional council tax from band changes being applied to meet a national policy initiative. Future council tax increases will be limited to 3%. There will be a requirement for the additional reliefs to be fully funded to ensure no further pressures on local government budgets.
<b>Human Resources:</b>	No direct implications.
<b>Legal:</b>	No direct implications.
<b>Equality:</b>	No direct implications.
<b>Environmental &amp; Sustainability:</b>	None.
<b>Key Priorities:</b>	No direct implications.
<b>Community Benefits:</b>	None.

#### 5. Consultation

Consultation has taken place with the Chief Executive.



LAURA FRIEL  
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Laura Friel on 01294-324554

#### Background Papers

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## **Call for Evidence on the Council Tax (Substitution of Proportion) (Scotland) Order 2016**

### **Introduction**

The Call for Evidence is based on 5 questions. North Ayrshire's responses are noted below.

#### **1. Overall, do you support the principles of the Government's plans to reform Council Tax?**

There are a number of areas which were explored by The Commission on Local Tax Reform that are not being progressed via the proposed changes. Progression of these issues would help address a number of the underlying deficiencies of the current Council Tax system, these are noted below;

- It is important that the tax base is current and supported by regular revaluation. The current valuation basis is more than 25 years old, based on 1991 property values. North Ayrshire recognises the challenge of revaluation, however transitional arrangements could be put in place to mitigate the full impact of revaluation. Over time increasingly out of date valuations erode the underpinning logic and rationale of council tax.
- Council Tax could be made more progressive through the introduction of more bands across the full range. Prior to the change tax payers in Band H had a potential liability 3 times greater than a tax payer in Band A despite the property value being 8 times greater, the potential liability only moves to 3.7 with the proposed changes.
- The level of increase of council tax should be a matter for local authorities, the proposed ceiling of 3% increase erodes the local democratic process.
- Local taxation should not be ring-fenced for national policies (the issue of ring-fencing of tax receipts is also highlighted within the Council's response to the "Call for Evidence: A Scottish Approach to Taxation").
- North Ayrshire welcomes the development of further reliefs supporting the principle that taxation should be linked to ability to pay, however concerned that this adds a further layer of complexity to the reliefs already in place. Assurance is required that additional reliefs will be fully funded to avoid putting further pressures on local government finances

To ensure local accountability it is essential that local taxes are set and raised locally without intervention by the Scottish Government.

#### **2. To what extent will the Government's proposed reforms make the system of Council Tax fairer?**

The proposed changes to an extent make the tax more progressive through the change in proportions at band E to H and the introduction of further reliefs. As noted

above the purposed reforms do not go far enough. Fairness is further eroded through a valuation basis that is more than 25 years old.

**3. To what extent will the changes be straightforward for local authorities to implement?**

Our general feeling is that the changes should be fairly easy to implement. There will be a longer lead in time, essential to allow software companies to rewrite the parameters to allow the various banding changes to be made. This should not be complex, but will incur additional cost, and require a greater level of testing than would otherwise have been the case with the present parameters.

Given the significant funding pressures on Councils it would be reasonable to expect that any one off and recurring costs associated with these changes are met by extra Government funding.

**4. Do you support the Government's planned changes to Council Tax reductions?**

North Ayrshire welcomes the establishment of additional reliefs, as noted above it is essential that these are fully funded to avoid further additional pressures on local government finances

**5. Please add any other comments on any aspect of the proposed reforms.**

As part of the wider reform of local government there are a number of missed opportunities;

- Broadening the range of local discretionary tax powers available to local authorities.
- Increasing the value of taxation raised locally, enhancing local democratic accountability between income raised and services delivered.
- The Council completely disagrees with the Government's proposal to use Council Tax funding for national priorities and request the Scottish Government to commit through statute that local tax will be raised solely for the delivery of local priorities and therefore reaffirming that importance and value of local government and the services it delivers.

Laura Friel  
Executive Director (Finance and Corporate Support)  
17 September 2016



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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 7**

**27 September 2016**

#### **Cabinet**

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**Title:** **Sundry Write Off**

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**Purpose:** To advise the Cabinet of sundry debtor write off.

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**Recommendation:** Agree to authorise the write off of balances over £10,000 as set out in Appendix 1.

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### **1. Executive Summary**

- 1.1 Council Services raise invoices through the Council's debtors system for goods or services provided to the general public or to businesses. The Finance Debt Recovery Team manages and recovers these debts. If a debt is unpaid then a reminder and a final reminder are issued before the debt is passed to Legal Services to recover the debt through legal processes.
- 1.2 During the recovery process cases are identified by Legal Services where it appears unlikely that there will be further recoveries of monies due, or where continued recovery action would be inappropriate. These cases are referred back to Services for their approval to write off the debts under delegated powers or, where appropriate, to seek Members' approval for the write-off.
- 1.3 The Financial Regulations provide that sums due to the Council may be written off when all avenues for recovery have been exhausted and where the sums are considered to be irrecoverable.
- 1.4 Write-off of amounts below £10,000 is delegated to the Executive Director of Finance and Corporate Support.

### **2. Background**

- 2.1 All accounts recommended for write off have followed the procedures outlined at 1.1 and 1.2.
- 2.2 Appendix 1 shows that 1,433 accounts of less than £10,000 with a total value of £249,627.84 have been written off under delegated powers

- 2.3 A further 19 accounts relating to two customers totalling £41,093.21 require Cabinet approval for write off; invoices were issued between 2012 and 2014 and Legal Services recommend write off after exhausting all recovery procedures.
- 2.4 The total amount of sundry income debt to be written off under delegated powers and by the Cabinet is £249,627.84 and £41,093.21 respectively, totalling £290,721.05. This compares to £189,345.51 written off at the same point last year.
- 2.5 Although it is proposed that the accounts be written off as irrecoverable, further attempts will be made to recover the debts through Stirling Park sheriff officers, where possible.
- 2.6 Full lists detailing the accounts for write off are available in Finance for inspection by Members.

### **3. Proposals**

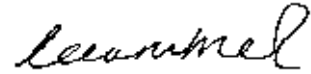
- 3.1 That the Cabinet authorises the write off of balances over £10,000 as set out in Appendix 1.

### **4. Implications**

<b>Financial:</b>	The write off of sundry debtor accounts results in a financial loss to the Council. Adequate provision for bad debts has already been made in the Council's accounts.
<b>Human Resources:</b>	None
<b>Legal:</b>	None
<b>Equality:</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	None
<b>Community Benefits:</b>	None

## **5. Consultation**

- 5.1 All services that raise invoices through the sundry debtors system were consulted on the proposal. Legal Services have also been involved in the recovery process.



LAURA FRIEL  
Executive Director (Finance and Corporate Support)

Reference : SH

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

### **Background Papers**

Sundry Debtor write off list 2016/17



## Appendix 1

### North Ayrshire Council - Debtors Control System - Write off summary 2016

Value of invoices	General Fund		H.R.A.		Total	
	Number	Value	Number	Value	Number	Value
<b>Delegated powers less than £10,000</b>	714	£86,370.00	719	£163,257.84	1433	£249,627.84
<b>Cabinet approved over £10,000</b>	19	£41,093.21	0	£0.00	19	£41,093.21
	<b>733</b>	<b>£127,463.21</b>	<b>719</b>	<b>£163,257.84</b>	<b>1452</b>	<b>£290,721.05</b>



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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 8**

**27 September 2016**

#### **Cabinet**

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**Title:** **North Ayrshire Economic Development and Regeneration (EDR) Strategy Refresh**

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**Purpose:** To seek Cabinet approval for the refreshed Economic Development and Regeneration Strategy and associated 2 year action plans.

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**Recommendation:** It is recommended that the Cabinet approves the refreshed North Ayrshire Economic Development and Regeneration (EDR) Strategy and the 2 year action plans.

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

- 1.1 The EDR Strategy was first launched in 2010 and has now been refreshed by the Council and its partners. The refreshed strategy sets a mission to ensure "North Ayrshire is the most improved local economy in Scotland by 2025". 4 Strategic Outcomes of Investment, Innovation, Internationalisation and Inclusive Growth are outlined along with 6 Strategic Objectives around - business infrastructure, connectivity, place, inclusive growth, skills and productivity and addressing long term unemployment.

#### **2. Background**

- 2.1 North Ayrshire's first Economic Development and Regeneration Strategy was launched in 2010 and set out a vision to take us to 2020. A strategic board was created to be responsible for ensuring the strategy's vision, goals, objectives and projects were delivered. Membership of the board has consisted of North Ayrshire Council, Scottish Enterprise, Skills Development Scotland, Department for Work and Pensions, Ayrshire College, 4 representatives from the private sector and 1 representative of the third sector.
- 2.2 Since the strategy was launched, significant progress has been made with key projects such as Team North Ayrshire, the development of Irvine the vision and Employability Hubs. However, key challenges remain and in 2015, the EDR Board embarked on a process to review and refresh the strategy that had been launched in 2010.

- 2.3 The EDR Board through this process of review, quickly agreed that the key aspects of the strategy remained relevant and reflective of our ambitions - therefore a re-fresh rather than a re-write of the strategy was agreed. There was consensus that the refreshed strategy should be updated to reflect the latest strategies including the new Scottish Government Economic Strategy and where possible objectives should be rationalised in order to provide more clarity and focus.
- 2.4 Several workshops were held with the EDR Board, where partners agreed on a Mission, Strategic Outcomes and Strategic Objectives.
- 2.5 The agreed Mission is - "By 2025 to become the most improved local economy in Scotland".
- 2.6 The strategic outcomes agreed mirror those of the Scottish Government's Economic Strategy and set a vision of a North Ayrshire economy that is characterised by increased levels of -
- Investment
  - Innovation
  - Internationalisation
  - Inclusive Growth
- 2.7 In order to achieve this vision, 6 strategic objectives have been set which focus on -
- Conditions for business
  - Connectivity both transport and digital
  - The economic and social potential of our islands and towns
  - Inclusive Growth
  - Skills and Productivity
  - Tackling long term unemployment and raising incomes
- 2.8 The mission, strategic outcomes and objectives were approved in principle by Cabinet in March 16.
- 2.9 In recent months, the EDR Board has agreed on the structure and format of the strategy to be published and Council officers produced a draft strategy which was considered at the EDR Board on 8th June. The EDR Board approved the content of the strategy in principle, accepting that some final adjustments would be required to both design and content prior to being finalised for publication.
- 2.10 A pdf copy of the designed strategy document is now presented at appendix 1 for Cabinet approval (copy to follow).



- 2.11 All EDR partners agree that the refreshed strategy document is only a starting point - ensuring there is a common vision for the area and consensus on the joint activity required to progress this agenda. Perhaps more important than the strategy document itself are the 2 year Action Plans which have been developed by partners to show in detail how we will work jointly to progress the 6 Strategic Objectives. These plans will be "live" documents, regularly reviewed and monitored by the EDR Board. At the meeting on 8th June, the EDR Board approved these action plans in principle subject to final amendments by partners. The draft final action plan is attached as appendix 2.

### **3. Proposals**

- 3.1 On 8th June, the EDR Board approved the draft design and content of the refreshed EDR Strategy and also the associated action plans. It is proposed that Cabinet approve the design and content of the EDR Strategy refresh and of its associated action plans. It is proposed that the Council host a launch event to promote the refreshed strategy and to which stakeholders would be invited so that their commitment and support for the strategy would be acknowledged.

### **4. Implications**

<b>Financial:</b>	The EDR Strategy and associated action plans should guide the allocation of resources in coming years. Many projects in the strategy and action plans have already secured resources.
<b>Human Resources:</b>	None
<b>Legal:</b>	None
<b>Equality:</b>	The refreshed strategy has an increased focus on inclusive growth
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	The EDR strategy directly responds to Council priorities around creating more and better jobs in the area, giving people the skills to access employment and developing North Ayrshires physical and business infrastructure.
<b>Community Benefits:</b>	None

## **5. Consultation**

- 5.1 All relevant partners are members of the EDR Board and as such have input to the refreshed strategy through workshop sessions. In addition, "straight talking" events have been held over the past year to consult with key stakeholders. This along with regular input from groups such as the Local Employability Partnership Team North Ayrshire has envisaged that all partners have had opportunities to input to the refreshed strategy.



KAREN YEOMANS  
Executive Director (Economy and Communities)

### **Reference :**

For further information please contact Greig Robson, Senior Manager, Employability & Skills on 01294 324951

### **Background Papers**

Full colour PDF copies and a mock up of the document will be available at Cabinet.

# Economic Development & Regeneration Strategy Refresh North Ayrshire 2016 – 2025



North Ayrshire Council  
Comhairle Siorrachd Air a Tuath

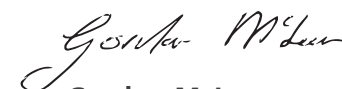


# Investment Innovation Internationalisation Inclusive Growth

## Joint Statement on behalf of Economic Development & Regeneration Board and North Ayrshire Council

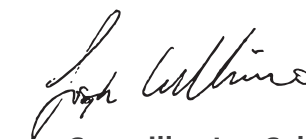
The first Economic Development & Regeneration Strategy for North Ayrshire was launched in 2010. The strategy was launched in the eye of the storm of recession but set out an ambitious vision for the area and outlined a collective will amongst partners to deliver a step change in the performance of the North Ayrshire economy. There have been many changes since 2010, but one thing that has not changed is our resolve to make a difference. Our clear mission is to make North Ayrshire the most improved local economy in Scotland.

Our refreshed strategy sets out our vision for the next 10 years. North Ayrshire Council has developed this strategy in partnership with the Economic Development & Regeneration Board (EDR Board). The board is one of the clear success stories of the past five years. Our board drives forward this agenda, challenges the status quo and holds partners to account. The board has flourished due to the commitment of our members from the public, private and third sector. In launching this refreshed strategy, we would like to acknowledge the commitment shown by the EDR board over the past five years and we know that commitment remains one of our key tools to delivering new opportunities and economic growth locally.

A handwritten signature in black ink, appearing to read 'Gordon McLean'.

**Gordon McLean**

Chair of North Ayrshire Economic Development & Regeneration Board

A handwritten signature in black ink, appearing to read 'Joe Cullinane'.

**Councillor Joe Cullinane**

Leader of North Ayrshire Council

# 1

## The journey since 2010

The economy, both national and local, has improved somewhat since 2010. Unemployment in North Ayrshire has fallen from a peak of 19.2 percent in 2010, to 14.8 percent in 2016. (percentage working age population on any out-of-work benefits)

During the recession, job losses were felt both nationally and locally but not to the extent of previous recessions – to an extent, we weathered the storm.

However, different impacts have been experienced. Wages have been stagnant, in real terms often falling. Work has become less secure – zero hour contracts have become a part of the economy. And those unfortunate enough not to be in work or on low incomes have experienced Welfare

Reforms which have put massive pressures on household budgets. The recession may technically be over – but those legacy challenges remain.

Since 2010, the squeeze on public sector budgets has hardened, meaning tougher choices are being made. There is less resource overall but the importance of a strong local economy and employment for our residents is perhaps more recognised than ever before, which has meant partners in North Ayrshire have continued to invest significant resources into regeneration activity.

And finally, the policy context in which North Ayrshire partners operate has changed. A new Scottish Government Economic Strategy focusing on the 4 I's (Investment, Innovation, Internationalisation and Inclusive Growth) has offered new emphasis which this strategy now reflects. North Ayrshire partners are signed up to that new emphasis –



**We want growth through investment, innovation and internationalisation but we want that growth to be inclusive for all.**



Isle of Arran Distillery exports to 35 countries world-wide generating £3.5 million of sales



UPM Caledonian produces over 260,000 tonnes of paper every year

As we launch this refreshed strategy, the Council along with our partners in South and East Ayrshire have an opportunity to develop plans for long term transformational change. The “Ayrshire Growth Deal” proposals will be submitted to both UK and Scottish Governments during 2016. If the proposals are accepted, it will see significant new investment across Ayrshire over a 20 year period.

It is not just about resources – the Growth Deal creates the platform for new collaboration, the opportunity to think long term and to develop Ayrshire’s unique offer. We are confident these proposals on an Ayrshire basis, combined with the momentum and ambitions set out in our refreshed strategy will ensure that North Ayrshire truly is the place to be.



# 2

## Continuing challenges

The first EDR strategy outlined a number of key economic and social indicators where North Ayrshire was not performing well. Some progress has been made in recent years in terms of getting back to pre-recession levels – however, the fundamental gap between North Ayrshire and the Scottish averages remains. We understand that changing this will take time and we believe we have begun to put the right measures in place to tackle this. Given this, our refreshed strategy is not about a change of direction; it's about re-focusing, re-energising and making sure as a partnership that we are clear on the joint work that needs to happen.



**We have worked hard with our partners and businesses to make a fantastic start on tackling the barriers to sustainable economic growth in North Ayrshire and building a more resilient economy. The Council and our partners are all absolutely committed to making North Ayrshire the 'place to be' for business, residents, and visitors**

Chief Executive Elma Murray,  
North Ayrshire Council

Our key challenges remain –



### High unemployment

12,530 people are claiming “out-of-work” benefits



### Lack of jobs

employment rate of 64.1%



### Deprivation

a quarter of our area is in Scotland's 15% most disadvantaged



### Low skills

12% of our population have no qualifications



### Population decline

3.6% projected population decline to 2026





# 3

## Our successes and strengths



Often strategies focus on weaknesses that need to be addressed but we believe as much focus should be on our successes and strengths from which we can build.

### Employment

North Ayrshire Council and its partners have invested significantly in employability services over the past six years, and there is some evidence of impact. Youth unemployment has fallen to historic lows. Through our investments we made sure that young people were not left behind as in previous recessions. We believe our economy and young people will reap the benefits of that for years to come.

### Young people

North Ayrshire schools have the third highest rates of positive outcomes for leavers in Scotland. All the evidence shows that a negative outcome on leaving school most often leads to poorer outcomes over a lifetime. By getting our approach to transitions from school right, we again believe we will see the benefits for years to come.

Irvine Town Centre

### Partnerships are stronger

When the EDR strategy was launched in 2010, we made private sector involvement in the governance of the strategy key. We are very proud and grateful that our private sector board members who joined us on this journey have maintained their commitment and provide valuable insight and feedback on a daily basis. We believe we have the strongest partnership with the private sector in Scotland.

North Ayrshire has pioneered a new approach to support business. Team North Ayrshire sees all the main agencies come together to deliver co-ordinated, focused support to our businesses. It's partnership working in action, on the ground and it works.



**To work on common goals, is in my view the certain route to deliver better economic opportunity for the people of this community**

John Swinney, MSP

### Investments

It's vital that North Ayrshire has the physical infrastructure to make it attractive and provide the facilities required in a modern economy. We know the area suffers from market failure – in that the private sector often won't invest in capital as the risk of not achieving a return is deemed too much. Therefore it's important the public sector makes key strategic investments which will unlock investment from the private sector.

Our investments have supported new housing developments – with infrastructure work to support the Montgomerie Park, Irvine development. Our investments in town centres continue, with a new Leisure Centre in Irvine nearing completion. We have a £750,000 award to implement a Conservation Area Regeneration Scheme for Millport on the Isle of Cumbrae, and we have secured external funding to complement our own investments in the Brodick Harbour on the Isle of Arran. Only some examples of investments we have made to ensure North Ayrshire is an attractive place to invest.

### High profile international companies delivering skilled jobs for local people

We are fortunate as an area to have outstanding international businesses such as pharmaceutical giant GlaxoSmithKline and we must build on it, through developing effective supply chains and ensuring they can access highly skilled workers locally.

### Indigenous growth business

Our business support offer puts focus on supporting local growth companies such as telecommunications company VOCA. Through our Team North Ayrshire approach, we are ensuring that such companies can access joined up support to meet their growth needs.

### Sectoral strengths

We have historic strengths in manufacturing and engineering, which leaves us well placed to respond to the national policy focus on hi-tech industries and how they can drive Scotland's economic growth.

We have strengths in life sciences, in particular bio-medical manufacturing which again ensures we are well placed to respond to national and international growth sectors.

And we have a tourism offer and natural assets that are the envy of many areas. North Ayrshire is known for its coastline, its islands, its golf and other leisure facilities. We have a clear strength to build upon to exploit the tourism market further.



**Team North Ayrshire have been phenomenal. They have supported us with a Graduate Programme and Modern Apprenticeships and have helped us relocate in Irvine.**

Victoria Edwards, Managing Director,  
VOCA Telecommunications

# 4

## Our opportunities



We know we have current strengths in our economy but what opportunities do we have to exploit those strengths and develop new ones?

### The Ayrshire Growth Deal

In a time of reduced public sector budgets, the opportunity to bid for significant new funding to deliver on key regeneration projects could help us to deliver on the aims of our strategy. However, it's about more than just resourcing. The Ayrshire Growth Deal provides an opportunity and framework to do things differently, collaborating across local authority boundaries to develop sectors of national importance and creating new synergies between the tiers of government and with academia. We believe our Growth Deal will be unique in its focus on Inclusive Growth, ensuring that our people can benefit fully from the investments we make.

### Strategic infrastructure projects

Outwith the planned 20 year Ayrshire Growth Deal, we have significant infrastructure investments on the horizon that will present significant economic opportunities.

### Inclusive Growth diagnostic

Economic Growth in Scotland and North Ayrshire has too often in the past not benefitted all sections of our communities. We are determined to change this but need to understand how best we can make it happen.

The Scottish Government is piloting a new Inclusive Growth diagnostic with North Ayrshire Council. The objective of using this diagnostic is to work out what the key factors are that prevent many in our communities from benefitting from economic growth, and therefore where our priorities should lie in terms of investment. We are determined to use this exciting partnership with Scottish Government to inform spending priorities at a local and national level and inform new approaches to tackling the root causes of inequality. The results of the diagnostic will be available in autumn of 2016 and will directly inform this strategy's action plan.

- » Dalry Bypass
- » Quarry Road – Irvine
- » New schools – Largs and Ardrossan
- » i3 – Irvine
- » URC legacy plan
- » Ardrossan North Shore
- » Brodick Ferry Terminal and Arran Economic Plan

# 5

## Our refreshed approach

Since the EDR Strategy was launched in 2010 many things have changed, but in reviewing the strategy, the EDR Board quickly concluded that the mission set out in 2010 still represents our collective vision for the area now. We have refreshed the strategy not as a result of a change of direction but to reflect any changes in the environment in which we operate and to focus our objectives and action plans to ensure we are concentrating on those areas where we believe we can make a difference.

## Mission

To have created the most improved economy in Scotland by 2025

### Strategic Outcomes

#### Investment

An area with a high level of investment in businesses, people, infrastructure and other assets

#### Innovation

An economy where there are high levels of research and development activity and entrepreneurship

#### Internationalisation

An economy where there are large numbers of businesses trading internationally and new companies located in the area

#### Inclusive Growth

An area where all sections of the community aspire to achieve and benefit significantly from economic growth

### Strategic Objectives

1

Provide the best conditions for business, creating a diverse & inclusive economy

2

Develop our transport and digital connectivity to support business growth and link people and opportunity

3

Maximise the economic and social potential of our islands and towns

4

Build the capacity of all sections of our communities to promote inclusive growth

5

Improve the productivity of our people and workforce through top class education and skills services

6

Reduce significantly long term unemployment and low incomes in working households



## Our mission

“To have created the most improved local economy by 2025”

This mission accepts that there are global and national economic forces where our influence is limited but we can and should aim to be improving quicker than other local economies.

## Strategic outcomes

In order to realise our mission, we have 4 strategic outcomes that we believe need to be achieved. We have mirrored the Scottish Governments focus on the 4 I’s – not for the sake of being in line with national policy but because we genuinely believe these 4 I’s are the right outcomes for us to strive for.



### The support from Team North Ayrshire has enabled us to double our workforce in the last two years

Lorraine Murray, Sercon

# Investment

An area with a high level of investment in businesses, people, infrastructure and assets

# Innovation

An economy where there are high levels of research and development activity and entrepreneurship

# Internationalisation

An economy where there are large numbers of businesses trading internationally and new companies located in the area

# Inclusive Growth

An area where all sections of the community aspire to achieve and benefit significantly from economic growth



## Strategic objectives

We have re-focused our strategic objectives to six that we believe are absolutely key.

### “Provide the best conditions for business, creating a diverse and inclusive economy”

Team North Ayrshire has been a great example of what can be achieved in partnership. By taking Business Gateway delivery in-house and integrating into the Team North Ayrshire approach, we are strengthening our support to those local companies that have the greatest ambitions for growth and providing more intensive early stage growth services. We will develop new facilities to support local enterprise and introduce new resources that will support the growth of the social enterprise sector. We will further develop our strategic locations to attract new inward investment.

### “Develop our transport and digital connectivity to support business growth and link people and opportunity”

The importance of North Ayrshire’s connectivity cannot be underestimated. Partners are focused on delivering key infrastructure projects such as the Dalry Bypass, supplemented by improvements to local routes such as the B714 Dalry to Saltcoats, A738 Hawkhill Roundabout and the A841 Brodick to Lochranza Ferry Route. Improving public transport infrastructure is also a priority, with investments in Irvine Town Centre Bus infrastructure and the Brodick Ferry Terminal Redevelopment planned.

Digital connectivity is of massive and growing importance to our economy. There will be focus on this through Ayrshire Growth Deal proposals but the council, in partnership with Scottish Government, is investing in the roll-out of superfast broadband in 2016-2018.

### “Maximise the economic and social potential of our islands and towns”

Our town centres have faced severe challenges over the past decade but their continued importance as economic and social focus points is clear to see. Our islands face their own unique challenges but also offer great potential, particularly as part of our tourism offer. We are focused on creating places where economic and social value is maximised. We recognise the demographic challenges that exist for many of our communities and importance of attracting new and young families to live in North Ayrshire.

Our priorities under this objective are to bring unproductive land back into economic use through the vacant and derelict land fund (£1.4M planned for this years), promotion of our strategic sites at Ardrossan Harbour and North Shore, Hunterston, Lochshore and Ardeer, investments in key Irvine sites – Quarry Road, High Street and Harbourside. Significant investments at i3 investment park.

### “Build the capacity of our communities to promote inclusive growth”

A key aspect of this refreshed strategy is the underpinning focus on taking action to ensure that all sections of our community can benefit from economic growth. Key initial priorities will be to implement our locality planning approach resulting in six locality plans. We will also shortly launch a new social enterprise strategy with significant new resources to develop the sector. And longer term, we are working with the Scottish Government on an Inclusive Growth diagnostic, which identifies constraints in the local economy preventing communities and people benefitting from economic growth.

### “Improve the productivity of our people and workforce through top class education and skill services”

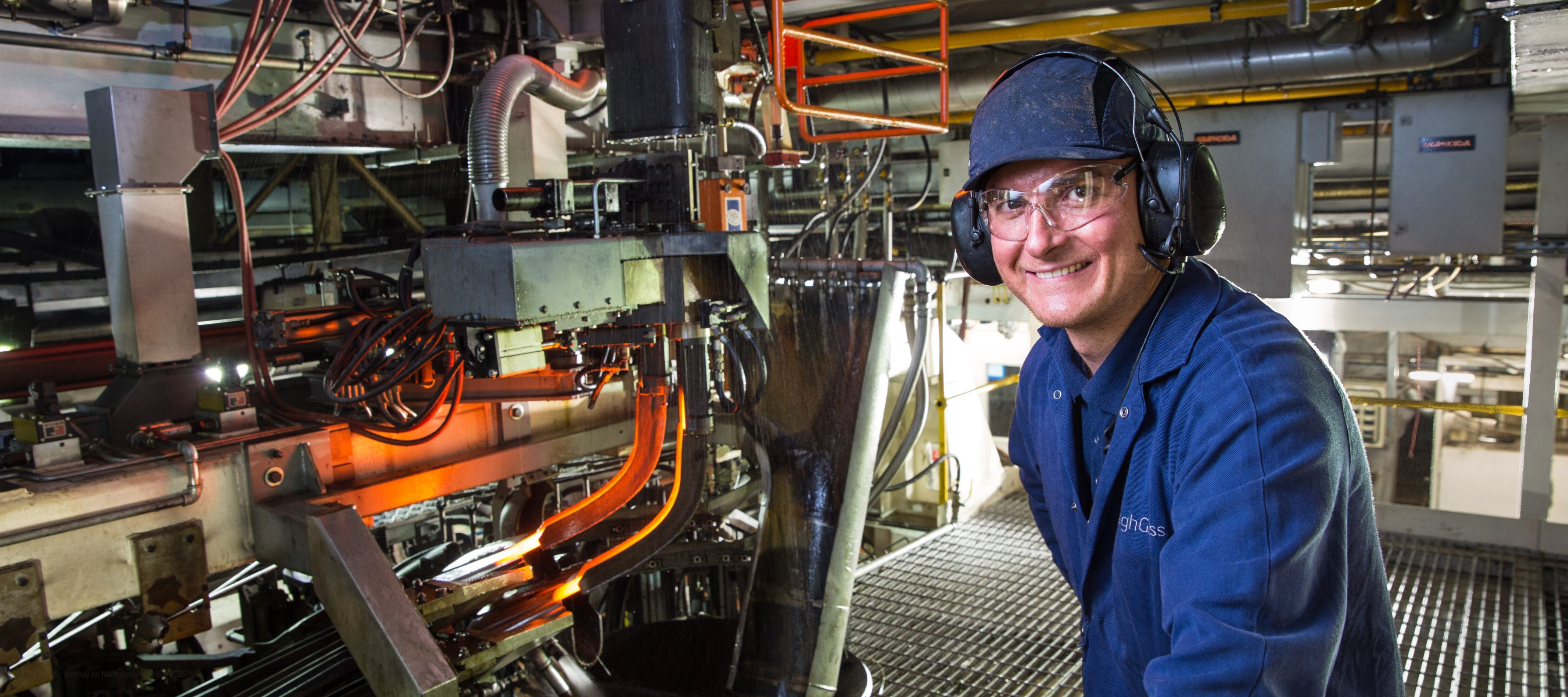
The productivity of our workforce and businesses holds the key to attracting and retaining more and better jobs. The partnership is prioritising focused interventions with key sectors where there is some evidence of market failure. It is vital that we build better links between industry, our schools, our colleges and deliver on the aspirations of Developing Ayrshire’s Young Workforce. New capital investments in schools in Largs and Ardrossan and continuing to build on our joint campus development with Ayrshire College in Irvine, will be key to progressing this agenda.

And we are focused on continuing to promote apprenticeships, with new foundation apprentices available in schools.

### “Reduce significantly long term unemployment and low incomes in working households”

Too many of our residents experience poverty and we want to address the root causes. Our priorities as a partnership include developing a network of six employability hubs, further developing our employability pipeline, implementing the Financial Inclusion North Ayrshire strategy; including reducing costs for those on low incomes. We also want to address low pay by upskilling workers and supporting employers to be more productive.





# 6

## How will we deliver?

Two year action plans have been developed across the six strategic objectives outlined previously. These action plans are intended to be “live” documents which are not only reviewed regularly but amended and added to.

The Economic Development & Regeneration Board is the driving force and governance structure for this strategy. The board will review progress against the action plans bi-annually and approve new action plans every two years.

Our key performance measures are –

- » **Unemployment**
- » **Employment rates**
- » **Start up businesses**
- » **Gross Value Added**
- » **Qualification levels**
- » **Deprivation**
- » **Wage levels**



“

To continue to drive this change requires a multi-faceted approach, which goes beyond our economic and regeneration work and considers our people, our places and how we are perceived.

Chief Executive Elma Murray, North Ayrshire Council





For more information about business opportunities available in North Ayrshire - or details on the support we can offer your business - contact our Economic Growth team on 01294 449944

**[www.north-ayrshire.gov.uk](http://www.north-ayrshire.gov.uk)**  
**[www.northayrshireforbusiness.com](http://www.northayrshireforbusiness.com)**





## Appendix 2 - Refreshed EDR Strategy – 2 Year Action Plans

Objectives 1: <u>Provide the best conditions for business, creating a diverse and inclusive economy</u>					
<b>Council Lead – Matt Strachan</b> <b>Key Groups/Strategies – Team North Ayrshire Group,</b> <b>Lead partners – Scottish Enterprise, North Ayrshire Council</b>					
<b>Outputs</b> <ul style="list-style-type: none"> <li>• Business Gateway Start Ups</li> <li>• Number of Businesses Supported through Business Development Activities</li> <li>• Number of jobs created by business in North Ayrshire supported from Business Development</li> <li>• Number of businesses accessing new markets outside Scotland</li> <li>• Number of enquiries for inward investment</li> <li>• Number of businesses actively supported through Innovation activities</li> <li>• Number of businesses supported through NAC Account Management</li> <li>• Business Barometer Outputs (to be developed)</li> </ul>					
Action	Who?	When	Resources	Progress	Commentary
The Team North Ayrshire Partners have agreed the following areas of focus to develop the offer for business for 16/17					
<b>Mentoring</b> Development of the mentoring offer to allow every business in North Ayrshire access to a mentor if beneficial to business growth plan	Lead: Chamber Support: TNA Partners	Q1 2016	TBC from Chamber proposition	Chamber currently scoping offer and developing proposals	The metrics associated with mentoring will be developed as part of Chamber proposals

<b>International</b> Development of the offer for inward investment and exporting activities	Lead: NAC/ IBRC? SDI	Q2 2016: Development: Delivery upon recruitment	NAC: Investment in 1 FTE: grant pot TBC	International Strategy complete: NAC/ IBRC? SDI developing single operating principles	The resource allocated to International will support Inward Investment and Export activities locally. Will also support IBRC transition.
<b>Innovation</b> Increase provision to support innovation in business: build on pilot SE/ NAC	Lead NAC/ SE	Q2 2016 Delivery upon recruitment	NAC: 1 FTE: grant pot c £100k annually	Pilot with SE concluded: proposals to further develop submitted to NAC Cabinet	
<b>Skills and Education</b> Alignment of offer for business support/ engagement	Lead: Ayrshire College	Q1 2016	TBC	College developing proposals	
<b>Communications</b> Development and delivery of TNA messages	Lead : NAC	Q2 2016: Ongoing	TBC	NAC: Communications group formed	
<b>Insights</b> Supporting business intelligence in North Ayrshire	Lead : SE	TBC	TBC		
<b>Business Barometer</b> Business engagement to gauge support offer and help develop TNA actions	Lead : NAC Support : TNA partners	Annual survey TBC	NA	Qs and survey being developed	

<b>Sectors</b> Develop and implement sector specific offering for the identified key sectors of Engineering, Food and Drink, Life Sciences and Tourism	Lead : NAC Support : TNA partners	Q2 2016	Existing NAC Budgets	TNA partners creating sector groups to create local offer which complements Ayrshire position.	The local sector initiatives will help increase North Ayrshire input to current Ayrshire provision and secure more support locally.
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**Objectives 2: Develop our transport and digital connectivity to support business growth and link people and opportunity**

**Council Lead – Alasdair Laurenson**

**Local Transport Strategy, Town Centre Car Parking Strategy, Core Paths Plan, Naturally Active North Ayrshire**

**Lead partners – North Ayrshire Council (NAC), Strathclyde Partnership for Transport (SPT), Transport Scotland (TS), North Ayrshire Outdoor Access Forum (NAOAF), Sustrans Scotland (SS), Scottish Enterprise (SE)**

**Outputs**

- External funding secured
- Key infrastructure projects delivered
- Broadband coverage
- 4G coverage

<b>Action</b>	<b>Who?</b>	<b>When</b>	<b>Resources</b>	<b>Progress</b>	<b>Commentary</b>
<b>Implementation of Trunk Route Improvements</b> <ul style="list-style-type: none"> <li>• A737(T) Dalry Bypass, The Den Realignment &amp; Beith Bypass Improvements</li> </ul>	TS	Dalry Bypass. March 2017 start, 18month contract. The Den, date TBC.	Funded by Scottish Government	Progressing to tender stage for Dalry Bypass.	Dalry Bypass and The Den realignment are committed projects and require to be delivered for the Scottish Government

Action	Who?	When	Resources	Progress	Commentary
		Beith Bypass at preliminary design stage			
<b>Implementation of funded Local Route Improvements</b> <ul style="list-style-type: none"> <li>• B714 Dalry to Saltcoats</li> <li>• A738 Hawkhill Roundabout</li> <li>• A841 Brodick to Lochranza Ferry Link</li> </ul>	NAC Roads, NAC Active Travel & Infrastructure, SPT	B714 – 2016/2017 A738 Hawkhill Roundabout – September/Oct 2016 A841 – During off peak tourist season	B714 – NAC Capital £2m A738 Hawkhill Roundabout - SPT Capital Grant of £255,000 A841 – SPT Capital Grant of £150,000	B714 – Detailed design stage A738 Hawkhill Roundabout - Finalisation of Design A841 – Establishing extent of anticipated works	The infrastructure proposals will improve public transport and improve access to areas of high deprivation
<b>Implementation of Local Transport Strategy</b>	All lead partners	Ongoing	General revenue, NAC Capital allocations and SPT Capital grants assist with funding actions.	The local Transport Strategy was approved on the 27 <sup>th</sup> October 2015. Draft implementation programme being prepared.	The strategy provides a vision for an integrated transport network that supports sustainable economic growth and reduces economic inequality. The strategy contains upwards of 90 actions to meet this vision.
<b>Town Centre Car Parking Strategy</b>	NAC Roads, NAC Active Travel & Infrastructure	Implementation plan for the 166 actions has been developed. The actions have commenced and will continue throughout the duration of the strategy	Funding has been allocated from NAC Capital Investment as follows 2015/16 - £46,000 2016/17 - £177,000 2017/18 - £104,300	The local Transport Strategy was approved on the 14 <sup>th</sup> July 2014. Actions being carried out in line with resource allocations indicated in implementation plan.	The strategy ensures a consistent and coherent approach to parking that:- <ul style="list-style-type: none"> <li>• Enhances and supports local economies;</li> <li>• Improves traffic flows and reduces congestion;</li> <li>• Manages parking spaces to ensure adequate availability</li> <li>• Reduces carbon emissions and improves air quality; and</li> </ul>



Action	Who?	When	Resources	Progress	Commentary
					<ul style="list-style-type: none"> <li>Promotes alternative modes of travel.</li> </ul>
<b>Implement the North Ayrshire Core Paths Plan and Naturally Active North Ayrshire Strategy</b>	NAC Active Travel & Infrastructure, NAOAF, SPT and SS	On-going	Access Path Network Revenue and Capital Allocations matched with external funding from SS, SPT and other partner organisations	Funding applications have been prepared for the 2016/17 phases of implementation. This includes capital infrastructure improvements and revenue behaviour change activities as identified in both documents.	The Naturally Active North Ayrshire strategy outlines the Council's strategic approach for active travel. This includes an Action Plan for implementation. The Core Paths Plan (CPP) identifies the basic framework of paths for everyday journeys. The implementation phase aims to improve the accessibility and condition of the Core Paths.
<b>Improving Public Transport Infrastructure</b> <ul style="list-style-type: none"> <li>Irvine Town Centre Bus Infrastructure Improvements (ITC)</li> <li>Brodick Ferry Terminal Redevelopment (BFT)</li> </ul>	NAC, SPT and CMAL	Brodick ferry terminal completion by July 2017 ITC – Will be included within the public realm improvements to commence 2017	BFT - SPT Capital Grant of £500,000 for 2016/17 with a further £500,000 anticipated 2017/18. NAC funding of £1.2m ITC - £3m project. It is anticipated that SPT Capital Grant of £490,000 for 2017/18 and £500,000 for 2018/19	ITC - Irvine High Street public realm – approval of transportation proposals October 2015 BTF works have commenced	Irvine Town Centre bus infrastructure improvements are part of the overall regeneration public realm improvements for the Irvine Vision. Refer to Objective 3 for further information relating to Irvine Town Centre bus infrastructure improvements.
<b>Carry out/Finalise Transportation Studies</b>	NAC (Roads), NAC, TS, SPT	During 2016	Resources by both NAC staff and consultants	A draft strategic routeing study has been passed to TS for comment. Additional supplementary work to	Strategic Routeing Study; to investigate potential improvements to the strategic road network throughout North Ayrshire. Mainly

Action	Who?	When	Resources	Progress	Commentary
<ul style="list-style-type: none"> <li>Strategic Routeing Study</li> <li>Appraise the potential transportation impacts of Local Development Plan (LDP)</li> <li>Ayrshire Freight Study</li> <li>Impacts of RET on Arran</li> <li>Feasibility Study for the Development of Community Transport in North Ayrshire</li> </ul>				<p>inform the Ayrshire Growth Deal will be issued to consultant in April.</p> <p>An assessment of the impacts of the LDP has yet to commence.</p> <p>The Ayrshire freight study is out to public consultation.</p> <p>The impacts of RET on Arran will commence on the publication of the TS study.</p>	<p>focused on the potential to improving the B714. Requires Transport Scotland buy-in.</p> <p>The other studies are used to inform other aspects of the work carried out by the Council</p>
<b>Improving Digital connectivity</b> <ul style="list-style-type: none"> <li>Superfast broadband roll-out</li> </ul>	UK Government, Scottish Government (SG), NAC(Planning), BT Openreach, Virgin Media, Community Broadband Scotland, Highlands and Islands Enterprise,	SG aspiration for 95% of premises to have access across mainland Scotland by end March 2018. Highlands and Islands area is 84% by end 2016.	<p>Nationally, the programme is a private and public sector investment of £410M</p> <p>The Council is investing £1.1M over three financial years in the programme.</p>	Significant engineering works have been undertaken including the laying of new fibre optic cables, and the installation of new green broadband cabinets as well as upgrades to existing cabinets and exchanges in the last 12 months. More connections, including Arran, due 2016	Work is on-going at the moment to determine the best way to invest additional government money (£42 million) to deliver improved broadband connectivity in hard to reach areas.
<b>Mobile coverage</b>	UK Government, Scottish	On-going	£5 billion investment programme for	Mobile operators are rolling out the 4G network.	A Scotland-wide Mobile Action Plan is currently being drafted by the Scottish

Action	Who?	When	Resources	Progress	Commentary
	Government, Scottish Futures Trust, Highlands and Islands Enterprise, Mobile Operators, NAC		improving coverage across the UK.	In 2014, the UK Government secured agreement from the four major mobile networks to deliver a £5 billion investment programme by 2017, improving voice and text coverage to 90% of the UK and halving the areas with no coverage.	Government's in collaboration with HIE, Scottish Futures Trust and the industry. This Plan will identify a number of high level actions to improve mobile coverage.

### Objectives 3: Maximise the economic and social potential of our islands and towns

**Council Lead – Alasdair Laurenson**

**Key Groups - Arran Economic Group, Ardrossan Harbour Task Force, Working for Irvine together, Largs BID, Locality Planning**

**Lead partners – North Ayrshire Council**

#### Outputs

- External Funding Secured
- Town Centre Footfall
- Commercial space created
- Vacant and derelict land remediated/brought into use

Action	Who?	When	Resources	Progress	Commentary
Implementation of Vacant and Derelict Land Strategy	NAC with SG	Ongoing	£1.43M allocated to NA in 2016/17	NAC Cabinet approval for 2016/17 expenditure 15 <sup>th</sup> March 2016.	Officers successfully sought a change to the criteria by which funding is allocated and NA now

					has access to funding for the first time since it was launched in 2008. SG to confirm expenditure in June 2016.
Delivery of IBRC Legacy Business Plan and confirmation of transition arrangements	IBRC transformation board led by NAC Chief Executive	Wind down of IBRC March 2017	£1.5M NAC contribution to IBRC in 2016/17. Business plan also funded by asset sales and other grant income	IBRC focus on IEA has delivered a number of positive interventions including <ul style="list-style-type: none"> <li>- Increase in employment</li> <li>- £3m investment in Strategic Investment site</li> <li>- Proposals for £7m investment in Annickbank and Riverside Way approved by NAC Cabinet February 2016.</li> <li>- Coordinated approach to marketing and inward investment</li> </ul>	
Promotion of Strategic Regeneration Sites: <ul style="list-style-type: none"> <li>- Ardrossan Harbour</li> <li>- Ardrossan North Shore</li> <li>- Hunterston</li> <li>- Lochshore</li> <li>- Ardeer</li> </ul>	Various	Ongoing	Various	Ardrossan Harbour – Formation of a Ministerial task force and workshop to promote case for change and explore future of area	Ardrossan North Shore – need to confirm NAC role in future of site and mechanism for delivery given wind down of IBRC (who have 50% JV share in site). Hunterston – work with Peel Ports, SE, SDI to explore potential uses for site. Lochshore – need to confirm future of area with major landowners SE. Ardeer – need to confirm future of area with mjr Indowners NPL Estates, Chemring and Clowes.
Irvine Vision incorporating projects at: Quarry Road; Irvine	Working Together for Irvine	Quarry Road and Irvine High street to	Quarry Road – Cabinet approval to support project	Approval of Irvine Vision June 2015.	Workshops to explore future of Harbourside area to commence March 2016.

High Street; Harbourside	Community Group, SPT, SG, SportScotland, Irvine Gymnastics Club, etc.	commence 2017.	with up to £3.5M. SG funding award of £1M. High street - £3M project to be funded by SPT (£1M), IBRC (£1.8M) and NAC (£0.6M)	Approval of principle of proposals for land at Quarry Road, July 2015. Award of SG funding of £1M March 2016. Irvine High Street public realm – approval of transportation proposals October 2015. £1M allocation of SPT funding. Montgomerie Park – investment of £1.5m in roundabout, access road and SUDS commenced February 2-16.	
Irvine – Irvine Enterprise Area	SDI, SE, Private Sector	Ongoing	£3M investment in Strategic Investment Site £7M investment in Annickbnk and Riverside Way	See above under IBRC. including: - an increase of 360 in the number of employees - take up of over 100,000 sq ft of commercial space - £3m investment in development platforms and access at the Strategic Investment Site - Improvements to signage and landscaping IBRC also dealing with some major inward investment enquiries.	
Establish Local Economic Groups (Irvine Vision, Arran Economic Group,	Working Together for Irvine, Arran Economic Group, Millport	Ongoing	Various	Approval of Irvine Vision June 2015. Formation of Arran Economic Group and	Irvine Vision – above. Arran – actions include the development of proposals for a phase 2 at Brodick Harbour, and the completion of a Housing Study.

Millport Economic Group).	Economic Group.			agreement on Economic Action Plan April 2015. Consultation on Millport Economic Action Plan October 2015.	Millport – need to confirm chair and constitution/scope of Economic Group, and role in projects such as the Millport CARS, investment in the Pier and the review of the Garrison Grounds and public buildings.
Promotion of Islands and Coast	Scottish Government, Highlands & Islands Enterprise, NAC and local partners	Ongoing	Various	NAC asked to join Ministerial Islands Group	Work with Marine Biological centre/HIE to explore opportunities.  Partnership development between Arran and Cumbrae.

**Objectives 4: Build the capacity of all sections of our communities to promote inclusive growth**

**Council Lead – Audrey Sutton**

**Locality plans, Local Employability Partnership, Social Enterprise Strategy**

**Lead partners – North Ayrshire Council, TACT**

**Outputs**

Inclusive Growth Pilot completed

Locality plans implemented

Participatory budgeting implemented

Social enterprises supported

<b>Action</b>	<b>Who?</b>	<b>When</b>	<b>Resources</b>	<b>Progress</b>	<b>Commentary</b>
Pilot the Scottish Governments Inclusive Growth diagnostic tool	NAC	Final report by end of September 2016	SG is providing most of the resources. Some staffing resource from NAC	Baselining research has begun and initial findings will be available at end of June.	The diagnostic has the potential to impact on government policy and spending. There are plans to look at childcare policy in light of findings. NAC intend to use the local pilot findings to inform EDR Action Plans and Ayrshire Growth Deal submissions.
Implement our locality planning approach, to ensure that communities are involved in decision making, by establishing 6 locality partnerships	NAC	April 2016	Resources provided by the Community Planning Partners	The proposals for Locality Partnerships and their governance, along with reform of Community Councils were approved by the Council in March 2016.	The Chairs of the Locality Partnerships, Senior Lead Officers from each of the core CPP member organisations and a Lead Connected Communities Officer and Support Officer from Connected Communities have been identified and the Locality

					Partnerships will commence operation May 2016.
Develop 6 locality plans	NAC	April 2017	Resources provided by the Community Planning Partners	The Locality Partnership have commenced work on identifying priorities for these plans, using the Scottish Government's Place Standard tool to open up debate about local needs.	The Community Empowerment (Scotland) Act 2015 requires the development of Locality Outcome Improvement Plans for each locality.
Introduce participatory budgeting	NAC	15/16	Resources provided by the Community Planning Partners	The first of six pilot Participatory Budgeting events in Kilwinning in March 2016 attracted 52 community groups' applications for a share of £12,000 of CPP investment in local projects.	The pitches were made, similar to the TV series "Dragon's Den" for things from children's activities to a community cinema. The funding decisions were made by popular vote on the day. The next PB is scheduled for the Three Towns on 21 <sup>st</sup> May.
Launch and implementation of new social enterprise strategy	NAC	Launch summer 2016	2 specialised support officers for the sector. £??? Grants available.	Strategy received Cabinet approval in May 2016.	The development work behind the strategy revealed that North Ayrshire has a lack of indigenous social enterprises and those that do exist need support to sustain and grow.



**Objectives 5: Improve the productivity of our people and workforce through top class education and skills services**

**Council lead – Greig Robson**

**Curriculum for Excellence, Regional Skills Plans, Local Employability Partnership**

**Lead partners – North Ayrshire Council, Ayrshire College, SDS**

**Outputs**

- Number of Modern Apprenticeship starts in North Ayrshire
- Foundation apprenticeships implemented
- STEM Academy developed
- Sectoral approaches developed
- Employability Fund utilised

Action	Who?	When	Resources	Progress	Commentary
<p><i>Develop local approaches to key sectors –</i></p> <p><i>Care</i> <i>Hospitality</i> <i>Engineering</i></p>	NAC/DWP/SDS/Ayrshire College			<p>DWP campaigns Nov 15 – care <a href="http://www.aquestionofcare.org.uk/home-page">http://www.aquestionofcare.org.uk/home-page</a></p> <p>Mar 16 – “build your future” campaign for construction sector</p> <p>Sector based work academies for Marstens, VOCA, SimpsonInns</p> <p>Roll out of Foundation Apprenticeships in Engineering, Care and IT</p> <p>Hold Employer Skills Forums throughout the year to gain feedback on industry</p>	

				requirements (Life and Chemical Science Forum took place on 22 April)  Skills seminar for engineering employers during Scottish Apprenticeship Week	
<i>Increase number of MA starts in North Ayrshire</i>	NAC – 85 starts Ayrshire College - 185	March 2017	NAC/SDS		
Implement the Developing Ayrshires Young Workforce Action Plan	NAC/SDS/AC/Chamber			SDS Early Engagement offer rolled out from August 2016 in all secondary schools(including S7 in transition) and MYWOW resources	
Introduce Foundation Apprenticeships for senior phase pupils	Ayrshire College/SDS	August 2016	Delivery costs from college funding. Travel costs provided by SDS to enable pupils to take part in FAs on different campuses	In agreement with EAC, NAC and SAC, Ayrshire College will offer three Foundation Apprenticeships for 2016-17: <ul style="list-style-type: none"> <li>• Engineering – based at the Skills Centre of Excellence in Irvine</li> <li>• Information Technology: Software Development - based at the Kilmarnock Campus</li> <li>• Social Service (Children and Young People) – based at the Ayr Campus</li> </ul>	
Work in partnership with NAC to establish a college STEM facility in North Ayrshire	Ayrshire College/NAC	2017-18	To be identified	Discussions underway	

Develop STEM capacity amongst young people					
Increase number of college students starting their own business	Ayrshire College, North Ayrshire Council, Business Gateway  Ayrshire College	Apr-Jun 2016  2016-18	In kind  College new campus community benefit funding	Pilot Pitches for Riches programme for college leavers to business plan, manage finances, understand the market and pitch a plan  Range of enterprise programmes to enable students	
Maximise uptake of employability fund provision in the area	SDS/DWP/AC/NAC	April 16 – March 17	? places available in NA	LEP meetings held to allocate and discuss with providers and referrals agencies.	

**Objectives 6: Reduce significantly long term unemployment and low incomes in working households**

**Council lead – Greig Robson**  
**Local Employability Partnership, Inequalities Strategy**  
**Lead partners – DWP, North Ayrshire Council**

**Outputs**

- Number of employability hubs
- Numbers accessing and getting employment through ESF pipeline
- Lottery Financial Inclusion resources secured and programme implemented – associated targets

<b>Action</b>	<b>Who?</b>	<b>When</b>	<b>Resources</b>	<b>Progress</b>	<b>Commentary</b>
<i>Development of 6 employability hubs in North Ayrshire</i>	<i>NAC</i>	<i>April 2017</i>	<i>Allocated budget. Staffing resources required from partners.</i>	<i>1 hub established. 1 will open in May. 1 more likely to be operational by April 2016. 1 planned but wouldn't be operational until 2017.</i>	
<i>Implementation of ESF pipeline</i>	<i>NAC</i>	<i>Now – 2018</i>	<i>ESF Pipeline funding (£5M to 18/19)</i>	<i>Contracts issued – Case Management Job Brokerage Volunteering STRIVE pre-employment</i>	
<i>Implementation of Youth Employment Initiative</i>	<i>NAC</i>	<i>Now – 2018</i>	<i>£3M to 17/18</i>	<i>STRIVE ERIs</i>	
<i>Bid for Lottery Financial Inclusion resources and if successful implement new services</i>	<i>CPP</i>	<i>Autumn 2016</i>	<i>£3M to 2018/19?</i>	<i>Tender to be submitted Sep.</i>	

### Overarching

Development of Ayrshire Growth Deal	NAC with SAC, EAC, SE, ACC, UWS, AC, SDS	May 2017 – agreement on Ayrshire Growth deal	£100k contribution to staff and consultancy costs. Additional resource required to develop projects/business cases	March 2016 – submission of prospectus to Scottish and UK Governments	May 2016 – Outline Business Case March 2017 – Submission of Detailed Business Case
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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 9**

**27 September 2016**

#### **Cabinet**

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**Title:** **Public Realm Improvements associated with Largs Masterplan**

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**Purpose:** To present the outcome of a review of proposals for the implementation of the Largs Masterplan.

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**Recommendation:** That Cabinet agrees to:

- a. Note the outcome of the review of priorities for implementation of the Largs Masterplan;
- b. Agree to the proposed improvements utilising funds from the town centre regeneration capital budget; and
- c. Note the additional improvement works that require to be funded from an alternative source of funding such as Largs Car Park.

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

- 1.1 The Largs Masterplan was approved by Cabinet in September 2015, along with a decision to prioritise works to Gallowgate Square. This decision was later called in by the Scrutiny and Petitions Committee, who recommended that a review of priorities be carried out.
- 1.2 This review of priorities has seen further analysis of the proposals by the appointed landscape architect, alongside a condition survey of the Promenade. Consideration has been given, in association with local Members, to how available budgets can best be utilised to allow improvements to both Gallowgate Square and the Promenade between the ferry terminal and Aubery Park. This would require funds from both the Town Centre Regeneration Capital Budget, and an additional source of funds such as the Largs Car Park fund to be utilised.

## **2. Background**

- 2.1 Largs is considered to be one of North Ayrshire's main tourist assets. The Largs Masterplan was developed through 2014 and 2015 and proposed a range of improvements to public areas between Aubrey Park to the north, Broomfields to the south and incorporating the Promenade, Main Street and Gallowgate Square. The masterplan sought to identify improvements aimed at maintaining the town as a key coastal visitor destination.
- 2.2 The Largs Masterplan was approved by Cabinet on 15th September 2015. Cabinet also agreed to prioritise the redevelopment of Gallowgate Square during the 2015/16 financial year utilising available budgets. This decision was later called in by the Scrutiny and Petitions Committee of 7th June 2016. The Committee agreed to recommend to the Cabinet that activity and expenditure on the Gallowgate Square project be suspended until a review of the Master Plan priorities was carried out by North Coast Councillors and Council Officers.
- 2.3 This review has since been carried out through:
  - Analysis of how available budgets may be utilised to allow improvements not only to Gallowgate Square but also to the Promenade between the ferry terminal and Aubrey Park by the Tenant Garmory Partnership (Landscape Architects); and
  - The preparation of a condition survey on the seawall and Promenade which identifies locations where repairs are required.
- 2.4 North Coast Members have been involved in considering the outcome of the above. This has resulted in the prioritisation of the following work utilising available budgets from the town centre regeneration capital budget.



**Table 1: Proposed Improvements**

	<b>Proposal</b>	<b>Cost Estimate</b>
1	Promenade North. Improvements including a linear strip through the existing surface to lift or brighten the Promenade and to encourage people to walk to Aubrey Park (£110,000); and, New feature shelter at Aubrey Park, repairs to the promenade shelter, planter/seating and signage along the Promenade (£136,000).	£246,000
2	Gallowgate Square. Improvements and the creation of a flexible event space including: the removal of planters; resurfacing in natural stone and new seating.	£186,000
	<b>Total budget cost</b>	<b>£432,000</b>

- 2.5 The review of priorities has also recognised both the outcome of the condition survey of the promenade, and the aspiration to provide high quality materials for Gallowgate Square. Local Members are agreed and supportive of proposals to improve the promenade surface. These additional works would require further confirmation of the implementation of the condition survey and also require additional sources of funding to be identified, such as the Largs car park fund which is administered by local Members.

**Table 2: Additional Items**

	<b>Proposal</b>	<b>Cost Estimate</b>
3	Additional resurfacing of selected areas of the promenade where the surface has deteriorated / has been 'patched'. These works require to take cognisance of the findings of the condition survey of the seawall. Repairs to the structure of the sea wall or promenade require further consideration before being presented to the Locality Planning Partnership.	£126,000
	<b>Additional budget cost</b>	<b>£126,000</b>

### 3. Proposals

3.1 The Cabinet is asked to:

- a) Note the outcome of the review of priorities for implementation of the Largs Masterplan;
- b) Agree to the proposed improvements utilising funds from the town centre regeneration capital budget; and
- c) Note the additional improvement works which would reflect the views of local Members but which would require to be funded from an alternative source of funding such as the Largs car park fund.

### 4. Implications

<b>Financial:</b>	<p>Cabinet of 15th September 2015 approved the allocation of funds of £440,000 from the Town Centre Regeneration Capital budget for work on the Largs Masterplan. The proposals set out in Table 1 above would see the expenditure of this budget.</p> <p>In addition, local Members have expressed a collective desire to see the works set out in Table 2 also implemented. This would require an additional source of funding to be identified. Local Members have suggested that the Largs Car Park Fund may provide funds to allow these works to be implemented. This fund is administered by local Members through the Locality Partnership. It is estimated that the fund has a reserve of £238k and an annual income of £120k.</p>
<b>Human Resources:</b>	<p>There are no human resource implications arising from the report.</p>
<b>Legal:</b>	<p>There are no legal implications arising from this report.</p>
<b>Equality:</b>	<p>There are no equality implications arising from this report.</p>
<b>Environmental &amp; Sustainability:</b>	<p>All design work will be advanced in line with best practice environmental sustainability guidelines.</p>
<b>Key Priorities:</b>	<p>The implementation of the revised priorities in the Masterplan will contribute to the key priority contained within the Council Plan of regenerating our towns and increasing employment.</p>
<b>Community Benefits:</b>	<p>There are no community benefit implications arising from this report.</p> <p>Any works implemented would require to consider the Council's policy on community benefit from procurement.</p>

## **5. Consultation**

- 5.1 The four local Councillors have received three briefings in reviewing the Masterplan priorities since June 2016. The earlier preparation of the Largs Masterplan included public consultation as previously reported to Cabinet.



KAREN YEOMANS  
Executive Director (Economy and Communities)

Reference :

For further information please contact Elaine Troup, Regeneration Manager on 01294 324742

### **Background Papers**

None



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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 10**

**27 September 2016**

#### **Cabinet**

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**Title:** **Ayrshire Growth Deal**

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**Purpose:** To provide an update on the development of the Ayrshire Growth Deal.

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**Recommendation:** That Cabinet agrees to the submission of the Ayrshire Growth Deal Strategic Business Case to the Scottish and UK Governments.

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

- 1.1 The Cabinet of 1st September 2015 approved a proposal to prepare a bid for an Ayrshire Growth Deal (AGD) in conjunction with South and East Ayrshire Councils and other partners. An AGD would provide the Ayrshire authorities and partners with the opportunity to focus on the major interventions which would grow the economy and create employment within the region. Critical to any 'deal' with the Scottish and UK Governments will be the ability to demonstrate positive outcomes derived from investment in terms of uplifts in taxation; non domestic rates, personal tax and council tax, and/or a reduction in welfare claims.
- 1.2 Significant development work has been undertaken to develop the bid to its current stage for submission to the Scottish and UK Governments. This is the first part of a 3 stage process that works towards negotiating and securing a financial deal with government. If ultimately successful, the bid would see major investment in North Ayrshire including through Ardrossan Harbour/North Shore, the A737 Corridor, Irvine Harbourside/Ardeer, and Marine Infrastructure. The deal would also see investment in Ayrshire wide programmes such as Digital Infrastructure and Community Hubs.
- 1.3 Alongside the development of the bid, further work will be undertaken to identify the appropriate delivery model for the AGD. Consideration is being given to the creation of an Ayrshire wide delivery agency which would lead on the implementation of the Growth Deal. This will also consider the Scottish Government commitment to Regional Economic Forums, and the outcome of the ongoing Enterprise & Skills Agency Review.

- 1.4 This paper seeks approval for the submission of the AGD Strategic Business Case (SBC) to Scottish and UK Governments, including proposals for a range of projects within North Ayrshire, copy attached in Appendix 1.

## **2. Background**

- 2.1 An AGD would provide the Ayrshire authorities and partners with the opportunity to focus on major interventions which would grow the economy and create employment within the region. The development of the AGD has involved the following main stages and will include the next steps outlined:

- September 2015 - Workshop with the Ayrshire Economic Partnership which helped to inform the initial development of the bid and agree the aim for the AGD;
- October 2015 to December 2015 - Officer working groups which established the potential interventions or projects which may be included within the bid. Five groups were identified: business architecture, physical infrastructure, skills and education, inclusive growth and digital infrastructure;
- January 2016 - Agreement at Cabinet on the AGD aim 'To create a growing, innovative, smart, more productive and inclusive economy by developing Ayrshire's core strengths, particularly those of science, engineering and manufacturing, and by ensuring our communities benefit from economic growth';
- March 2016 - Submission of a bid prospectus to Scottish and UK Governments; and,
- April to August 2016 - Development of business cases for specific interventions or projects. This is on-going.
- September to December 2016 - subject to approval by the 3 Ayrshire Councils the Strategic Business Case will be submitted to Government in September/early October, and this will be followed up with an Outline Business Case in December 2016.
- 2017 - A period of project refinement and government negotiation would commence in early 2017 and continue until a final Programme Business Case is approved and a Deal with governments agreed.

- 2.2 The development of the AGD has emerged through the above process, and through a group of senior officers comprising representation from the three Local Authorities, Scottish Enterprise, Skills Development Scotland, Ayrshire College, the Ayrshire Chamber of Commerce and the University of the West of Scotland.

2.3 Partnership with businesses and communities will be critical in ensuring the long term success of a Growth Deal. The preparation of the Growth Deal to this stage has involved consultation across the public, private and social economy sectors, including communities through Community Planning Partnerships. Engagement events have raised awareness and gathered feedback on key themes and the ambitions of businesses operating in the region.

2.4 Since the submission of an AGD Prospectus in March, project teams drawn from across the Ayrshire partners have worked to further develop the proposals that will unlock the potential for growth in the Ayrshire economy. Individual business cases for all of the project proposals have been prepared following the Treasury's Green Book Appraisal Model. These business cases have been reviewed, assessed and refined to form an Programme Business Case which is attached at Appendix 1. The interventions selected are those which have emerged from the scoring process agreed by Cabinet on 1st March 2016, and which can best demonstrate:

- Fit with regional and national policy;
- Fiscal impacts (business rates, corporation tax, rental income, reduction in benefit claims, land values and developer contributions, etc); and,
- Economic impacts (jobs, Gross Value Added, private sector leverage, business floor space created, reduction in journey times, etc).

2.5 The projects included within the Strategic Business Case are a list of policy interventions and capital projects, some of which are particular to North Ayrshire and some of which are Ayrshire wide. The full list of projects to be submitted are included in the table below:

Theme	Geography	Funding Intervention Sought
<b>Innovation and Internationalisation Framework</b>		
Innovation and Internationalisation Business Support	Ayrshire Wide	£5M
<b>Aerospace and Space</b>		
Spaceport	South Ayrshire	£30M
Aerospace – National Aerospace Supply Chain Centre	South Ayrshire	£20M
Aerospace speculative build	South Ayrshire	£18M
Aerospace Infrastructure (internal)	South Ayrshire	£16.4M

Aerospace low carbon infrastructure	South Ayrshire	£2.5M
<b>Life Sciences</b>		
MMIC (Medicines Manufacturing Innovation Centre)	North Ayrshire	£5M
Industrial biotech - upscaling facility	North Ayrshire	£5M
i3 speculative build	North Ayrshire	£20M
<b>Manufacturing</b>		
Ayrshire Engineering Park (Moorfield)	East Ayrshire	£68M
AMEQ (Ayrshire Manufacturing Engineering Quarter, Diageo site)	East Ayrshire	£43.5M
Halo (Diageo site)	East Ayrshire	£10M
<b>Coastal</b>		
Marine Tourism	North/South Ayrshire	£15M
Ardrossan Coastal Regeneration	North Ayrshire	£22M
Irvine Harbourside Ardeer (including Housing Infrastructure)	North Ayrshire	£53M
<b>Communities</b>		
Ayrshire Connected Classroom	Ayrshire Wide	£3.2M
CoHubs	Ayrshire Wide	£6.7M
Fairwork Ayrshire	Ayrshire Wide	£11M
Working for a Healthy Economy	Ayrshire Wide	£5.5M
<b>Total</b>		<b>£359.8M</b>

- 2.6 Further details on the nature and ambitions of these projects are presented in the Outline Business Case attached. These will continue to develop following feedback from government and additional development work that is on-going. These will inform the next stage of the process which will be the outline business case which is expected to be submitted by December 2016.
- 2.7 This will then be the subject of further dialogue with the Scottish and UK Governments as the AGD moves to the final business case stage. It is envisaged that this could lead to approval and implementation of an AGD from mid 2017.



- 2.8 The development of the Growth Deal has been led by a Programme Director (seconded from the Irvine Bay Regeneration Company), with support from the Scottish Futures Trust, Scottish Council for Development and Industry and Ernst and Young consultants. Their responsibility has been to oversee the development of the bid, liaise with all stakeholders and appraise project proposals to ensure that the overall programme aims can be achieved. These resources are in place until March 2017 although beyond that new options for a Programme Management Office will require to be considered.
- 2.9 Consideration is also required on the delivery model for AGD projects should it be approved. This includes consideration of a new Ayrshire agency that would lead on economic development for all of Ayrshire. This could impact on all Economic Growth services, beyond the AGD projects and would also be influenced by the outcome of the review of national skills and enterprise agency reviews. Discussions are at an early stage but outline proposals may be available for Cabinet consideration by the end of the year.

### **3. Proposals**

- 3.1 It is proposed that Cabinet agree to the submission of the Ayrshire Growth Deal Outline Business Case document (attached at Appendix 1) to the Scottish and UK Governments.
- 3.2 Further reports will be brought to Cabinet on the outcome of discussions with Government, on progress with the development of projects, and governance mechanisms for the delivery of the AGD.

### **4. Implications**

<b>Financial:</b>	<p>The Council meeting of 17th February 2016 approved the provision of capital funding of £10m to support the delivery of the AGD.</p> <p>Cabinet of 1st March 2016 approved the provision of finance of up to £200,000 to support the preparation of an Ayrshire Growth Deal within the financial year 2016/17. £79,167 of this commitment has been spent to date. The service intends to continue to resource the costs for the development of the proposals within its own budgets, alongside some external funding support and government funding.</p>
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<b>Human Resources:</b>	<p>An officer group involving all three Councils and other partners is driving the AGD work forward alongside support from partner agencies and external support procured to help create the bid document.</p> <p>The programme office will also be supported by staff secondments from the three Ayrshire Councils. It is envisaged that these will be in place for a 12 month period from December 2016.</p>
<b>Legal:</b>	There are no legal implications arising from the report. Subject to approval to proceed, proposals for a formal governance structure to oversee the further development of the deal will be brought to a future Cabinet.
<b>Equality:</b>	There are no equality implications arising from the report.
<b>Environmental &amp; Sustainability:</b>	There are no environmental or sustainability implications arising from the report
<b>Key Priorities:</b>	<p>This proposal supports our corporate priority of growing our economy, increasing employment and regenerating our towns. It also has potential to contribute to other priorities including:-</p> <ul style="list-style-type: none"> <li>● Working together to develop stronger communities;</li> <li>● Ensuring people have the right skills for learning, life and work;</li> <li>● Protecting and enhancing the environment for future generations.</li> </ul>
<b>Community Benefits:</b>	There is an obligation to provide Community Benefit on all contracts in excess of £100,000. Appropriate clauses will be inserted in any contracts awarded as a result of this work.

## **5. Consultation**

- 5.1 The preparation of the Growth Deal to Strategic Business Case stage has involved consultation across the public, private and social economy of sectors, including communities through Community Planning Partnerships. Business engagement events have raised awareness and gathered feedback on key themes and ambitions from businesses operating in the region.



KAREN YEOMANS  
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Reference :

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### **Background Papers**

None



## The AGD Strategic Business Case

### Introduction

The Ayrshire Growth Deal (AGD) strategic business case builds upon the Prospectus approved by the three Ayrshire Local Authorities and submitted to the Scottish and UK Governments in March 2016 and should be read alongside that document.

Since the submission of the Prospectus, project teams drawn from across the Ayrshire Partners have worked to develop the proposals that will unlock the potential for significant growth in the Ayrshire economy and support our communities to participate in that economic growth.

Individual strategic business cases for all of the project proposals have been prepared following the Treasury's Green Book 5-case appraisal model. These individual SBC's have been reviewed, assessed and refined to form the overall programme business case.

These business cases together with the overall programme case will form the basis of discussions with Governments. This dialogue will continue with Governments over the coming months as the Growth Deal moves from strategic to outline and final business case.

### Vision and objectives:

#### **'Unlocking potential for Ayrshire, Scotland and the UK'**

The Ayrshire Growth Deal (AGD) represents a major opportunity to strengthen the Ayrshire, Scottish and UK economies. Targeted investment, coordinated throughout Ayrshire, will act as a powerful catalyst stimulating growth and resulting in increased prosperity for local people, for Scotland and for the UK as a whole.

Economic baseline analysis shows that the Ayrshire economy has been underperforming for many years. Our proposals aim to reshape our economic development interventions and overcome the barriers to growth by:

- Attracting and developing more innovative and internationally focussed companies that are more likely to have higher levels of productivity through developing key infrastructure and targeted business support programmes
- Positioning Ayrshire as the 'go-to' region for smart manufacturing and digital skills
- Improving key elements of strategic transport and digital infrastructure to help businesses get goods to market and people to work (physically and virtually)
- Working with our communities to raise aspiration and ambition, provide employment and skills support, and improve access to jobs through innovative community empowerment and employability programmes.

***The vision is for Ayrshire to be a vibrant, outward looking, confident region, attractive to investors and visitors, making a major contribution to Scotland's growth and local well-being, and leading the implementation of digital technologies and the next generation of manufacturing.***

To achieve this Ayrshire will play a greater role in the regional, Scottish and UK economies. Ayrshire will be recognised for leading the successful implementation of key technologies in manufacturing sectors that are important to Scotland, for its world class digital and physical infrastructure and the quality of life it can provide. Our ambition is to see this happen through targeted investment, greater collaboration with the public sector stakeholders and partnership with the private sector.

### **Ayrshire's manufacturing strengths**

The ambition for Ayrshire is to build on our strengths particularly in the key sectors of life sciences, engineering, aerospace and space. Manufacturing within these sectors can lead the way for Ayrshire's economy to become more productive, innovative, international and inclusive.

Ayrshire has particular strengths in aerospace and life sciences manufacturing that offer growth and productivity gains that are significant at the Scottish and at the UK level. Ayrshire has:

- 4000 jobs in aerospace, over 50% of the Scottish total
- 30% of Scotland's industrial biotechnology output

Both these sectors are forecast to grow substantially. Further investment at Prestwick in aerospace and related to the site becoming the UK's first Spaceport; and at Irvine i3, one Scotland's leading life science's manufacturing areas, extends the potential still further.

Ayrshire's strong manufacturing base, heritage, infrastructure, and skills together with sectors that provide important local employment, such as tourism and food and drink are major assets which will form the foundation for growth.

### **Ayrshire's Coastal Corridor**

Ayrshire's coast is a key asset for the attraction for tourists, business opportunities, trade and a vital link for access to the islands and Argyll. Ayrshire's harbours and ports provide superb opportunities to develop a cluster of marine activities, tourism and business, linked to the potential expansion of marina infrastructure and associated regeneration. Coastal investment can significantly improve desirability of Ayrshire as a place to invest, work and live helping to provide employment entry and progression routes.

### **International connections**

Ayrshire is already home to a number of globally recognised organisations such as Magnox, EDF, UPM, GSK, DSM, Merck, BAe Systems, Spirit, GE Aviation, William Grant & Sons, Nestle UK, Wabtec, Hyspec and PRA, demonstrating that the area has a great deal to offer as a location for international businesses. International travel and freight options are available via Prestwick and Glasgow airports and further connectivity through the ports of Ayr, Troon, Hunterston, and Brodick. As part of developing the Outline Business Case for the AGD a review of freight connections for business will be undertaken to better understand how to improve connections to existing and new markets.

## **Digital and Transport**

Connecting businesses to markets, to make Ayrshire more accessible to investors and visitors, and to connect communities to employment and training is critical to securing Ayrshire's economic growth. Digital and transport infrastructure underpins the Growth Deal proposals and is being developed to support the proposals as specified in the project SBC's.

Digital infrastructure and skills are also critical to address Ayrshire's productivity gap, provide the infrastructure and labour force required for indigenous and inward investing companies, regardless of sector, alike, and present opportunities for all of communities to participate in the economy through enhanced access to employment, education and services.

Making the most of the opportunities offered by the digital economy will be a significant source of productivity gains for the Ayrshire economy. To maximise the opportunity afforded by the emerging digital economy Ayrshire must become a region of world class digital infrastructure, where businesses can embrace digital technology to improve performance, where our people have the skills to increase productivity and become skilled digital creators.

Ayrshire's key transport routes (road, rail, sea and air) are critical for businesses to get goods to market and our communities to employment and training opportunities. A number of key route improvements have been identified to support the AGD and it is now proposed to work with Transport Scotland to develop a Regional Transport Appraisal to assess and prioritise these to ensure that investment is targeted to support the aims and objectives of the Growth Deal.

### **Wider impact of our proposals**

All sectors in the Ayrshire economy have a role to play; many of the interventions we propose will build on the current successes of the existing global, national and regional businesses. In an interlinked global economy, Ayrshire businesses need to become more innovative and outward facing to remain competitive and enhance the productivity of the region and Scotland as a whole.

The AGD will contribute to this regional vision, creating a growing, innovative, smart, more productive and inclusive economy, by developing Ayrshire's core strengths and ensuring our communities benefit from economic growth.

Ayrshire is a coherent economy where investment and growth will provide opportunities for all communities. The projects proposed will provide jobs across all of Ayrshire and importantly open up progression routes into employment for those communities currently disconnected from the labour market.

### **Inclusive growth: a guiding principle**

For Ayrshire to be successful and to build on its current strengths we must reduce the disparities across communities and make full use of the Ayrshire's opportunities. This is why the partners have agreed that inclusive growth should be a key cross-cutting priority of the AGD. Successful economies are inclusive economies and tackling inequality will help ensure that the region is competitive in the global market and resilient to emerging trends and technologies in the economy.

Tackling inequality is a priority for the Scottish Government and the recently released SIMD data for 2015 shows a significant gap in terms of deprivation between Ayrshire and Scotland as a whole.

Critical to Ayrshire's future prosperity is a virtuous circle of growth: growth in businesses, leading to growth in employment and growth in individual and household prosperity. Economic growth and reductions in inequalities are bound together. Ayrshire's ambitious vision of the future will only be achieved if communities are better connected to the economy and have the opportunity to prosper.

Inclusive growth is not new to the Ayrshire partners. It is already the mainstay of current work: whether supporting businesses, improving access to education, or developing skills and employability initiatives. It is reflected in the work of all Community Planning Partnerships and will continue to be a major focus throughout Ayrshire. North Ayrshire is currently working with the Scottish Government on an Inclusive Growth Pilot, learning from this will be shared and feed into the next stage of project development.

The principle of inclusive growth runs right through our proposals for the Ayrshire Growth Deal and will form a key component of business case development as we move from Strategic to Outline business cases.

## The AGD process – partnership, project development and assessment

### Partnership

The three Ayrshire authorities have been working together through the Ayrshire Economic Partnership to develop the aim and themes for the Ayrshire Growth Deal. The partners come from both the public and private sectors and represent the key stakeholders in Ayrshire: local knowledge of Ayrshire College, the UWS and the Ayrshire Chamber of Commerce has been fused with the national expertise of SE, SDS, SFT and SCDI. Working groups have collaborated to assess the inhibitors to economic growth and participation, and to develop the SBC's for the specific interventions that will unlock Ayrshire's potential.

Partnership with businesses and communities is critical to ensure the long term success of the AGD. Preparation of project proposals has involved consultation across the public, private and social economy of Ayrshire, including communities, through the respective Community Planning Partnerships. Business engagement events have been run to raise awareness and gather feedback on key themes and ambitions from local, national and global businesses operating in the region. Local communities will be engaged with, recognising that they will provide the workforce to ensure the success of the AGD and will be impacted by the measures to generate growth. Dialogue with businesses and communities is a process that will continue into the outline business case phase of the AGD. Proactive partnership with the private sector will be critical in both the development and delivery of AGD projects.

### Project development, refinement and challenge

For the first phase of AGD project refinement and challenge, completed in March 2016, project groups completed a simple template that sought to capture the key information known about the project at that stage. These project ideas were generated through a series of workshops reflecting the available data and building on previous work. Projects were then scored by the programme team, with recommendations on which projects should proceed to the next stage of development. These projects were incorporated into the themes and ideas articulated in the Prospectus.

The project review at that stage was primarily a qualitative assessment, reflecting the information available at that time. The four funders of the development of the AGD (Ayrshire Authorities and Scottish Enterprise) reviewed these recommendations and agreed on the final group of projects to



proceed to strategic business case development and to be presented to Councils to approve for submission. A process of project development and appraisal based on business cases was agreed: moving from Strategic Business Case (SBC), through Outline Business Case (OBC) and to Final Business Case (FBC). At each stage a gateway approval process will be used, whereby projects will be further assessed and refined, with the agreed priority projects proceeding to the next iteration of the business case.

Based on Treasury green-book good practice, this approach is intended to provide a level of rigour and transparency in support of project development and ultimately of project delivery.

## **Modelling**

High level, gross, economic modelling based on data provided by Project Teams has been undertaken for SBC review. Modelling was conducted at project level only by the AGD programme team to ensure consistency and to provide input to the prioritisation process. It is however recognised that it is only when projects are fully developed that the outcomes be entirely understood. The AGD will use an iterative approach, building up the data available as we progress through project and programme delivery.

In particular as projects move to the OBC stage, it is proposed to move from gross to net modelling ensuring additionality is clearly articulated. For commercial development and business interventions, a regional demand appraisal will form part of this analysis, to moderate project assumptions and to consider issues such as displacement, leakage and substitution for the Ayrshire economy. Tax-take data will be developed at this stage. This will therefore be a more quantitative assessment building upon the approach taken at SBC whereby outcome modelling was primarily moderated via a qualitative appraisal process.

Programme-level modelling will be developed at the OBC stage as greater information will be available to facilitate the rigor required for this level of modelling. It is recognised there is no programme-level model available which has been endorsed by the Scottish Government. Scottish Government request that standard appraisal approaches are used to model outcomes; alongside making the clear link between projects and strategic objectives. The approach therefore to programme modelling is still being considered.

## **Interdependencies**

The AGD proposes a set of projects that sit alongside each other and are reinforcing in their impact and contribution to the shared vision for Ayrshire. A case of the whole being greater than the sum of the parts. In this important respect the AGD needs to be seen as a cohesive programme sitting alongside partners' day to day delivery both supporting and enhancing that activity. It has been identified there is a need to understand project interdependencies, both to assess the anchor projects within the AGD and also to aid discussion with Governments and partners. While some level of programme modelling is anticipated at OBC and FBC to facilitate this, it is considered there is insufficient data available at SBC to achieve this aim through modelling at this stage.

For the SBC a mapping of projects has been undertaken based on the strength of relationships between projects, to identify a scale of strong to low interdependencies. This was fed into the project assessment and refinement process. This mapping of interdependencies has allowed the partners to clearly understand the role of each project to support the whole AGD proposal.

For example the Connected Classroom project both requires enhanced digital infrastructure and contributes to the development of the future skills base for many of the target growth sectors within the AGD, and the Aerospace and Space projects at Prestwick link directly to the work proposed in the Innovation and Internationalisation Framework.

## Project assessment

Table 1 below shows the methodology applied in the projects in the assessment process. All projects underwent this assessment before being approved to move forward for submission to the Scottish and UK Governments for consideration as part of the AGD. Assessed projects will now move forward to the next stage of development the outline business case (OBC). The percentages were weightings applied to the different criteria shown to allow an overall assessment of projects.

**Table 1: Project assessment methodology (SBC)**

<b>Deal Principles</b>	<b>Policy Fit</b>	<b>Deliverability</b>	<b>Value for Money</b>	<b>Tangible Outcomes – Project</b>	<b>Tangible Outcomes - Programme</b>
<ul style="list-style-type: none"> <li>• Collaborative i.e. cross-authority</li> <li>• Not business-as-usual i.e. new, change of scale or pace</li> <li>• Fit with economic geography i.e. regional supply chain</li> </ul>	Fit with Policy e.g. Scottish Economic Strategy, Scottish Government planning or other relevant strategy, SDI, SDS, SE (sectoral strategies etc.)	Ability to deliver e.g. commitment and skills; timeframe is achievable, any ownership issues etc.	Benefit Cost Ratio (as appropriate) e.g. project cost compared to economic output	Modelled Outcomes (including impact/displacement matrix at SBC) e.g. identified outcomes assessed for local and national impact	Modelled Outcomes where available, or mapped project interdependencies where not available (SBC) e.g. an assessment of how the project supports the overall AGD
15%	15%	15%	20%	25%	10%

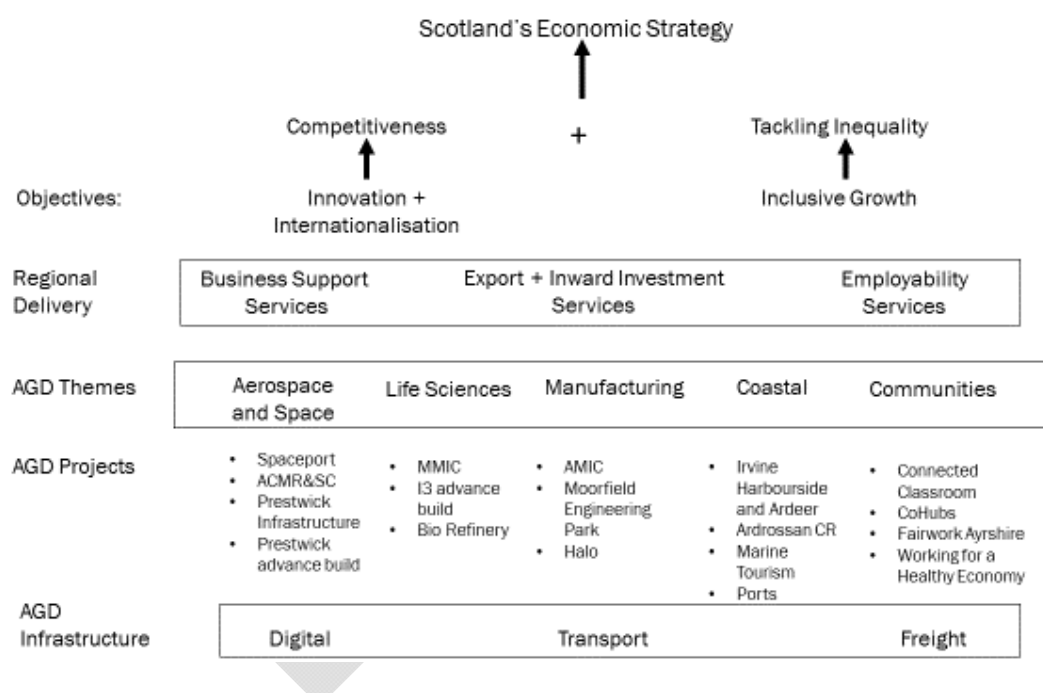
## The Ayrshire Growth Deal programme

### How Investment in Ayrshire can Increase Scotland's and the UK's Economic Prosperity

Figure 1 illustrates how the AGD programme links to Governments' objectives of increased growth and prosperity. The programme is based on the achievement of economic growth and inclusive growth with a clear focus on addressing the issues of innovation and productivity, and inequality across the regional economy.

Linking to the Regional Vision (see above) assessed projects are grouped into 5 themes which have been developed from the Prospectus' 'Frameworks for Growth' and 'Connecting Communities to Growth' with infrastructure proposals developed from 'Connections for Growth'. These themes focus on the high growth, high value sectors that Ayrshire has real opportunities in, linking to Ayrshire's general manufacturing strength, distinctive coastal opportunities and to communities. The AGD aim is to marry business growth opportunities to employment progression, developing the future workforce and community development, ensuring all communities benefit from economic growth.

Figure 1.



## Themes and projects

The AGD themes reflect the strengths and opportunities of the Ayrshire economy.

### Innovation and Internationalisation

Critical to the success of the AGD and its aspiration to raise productivity is to provide businesses with the support to enable them become more innovative and international in their outlook the **Innovation and Internationalisation Framework** will to provide enhanced business support services for existing Ayrshire investors and potential investors. The business support will link to projects such as the NASCC, MMIC, AMIC and the Ayrshire Engineering Park (see below) to ensure that these realise their full benefits in terms of business and employment growth whilst addressing key issues of innovation and productivity. Specifically the Framework seeks to improve Ayrshire businesses' access to innovation and internationalisation support, help ensure supply chain opportunities can be secured within the local economy and target support to help companies become internationally focussed with interventions geared around company needs.

This will be achieved by increasing business participation in innovation and internationalisation programmes, scaling up provision and the development of new programmes. These programmes will be a key component of the enhanced regional delivery for economic growth with a joining up of local and national services.

### Aerospace and space

Ayrshire has over 50% of Scotland's aerospace employment and a cluster of global companies including BAE Systems, GE Aviation, Spirit, UTC and Woodward. Increasing demand combined with re-shoring supply work, provides an opportunity for significant growth. This is also an opportunity for suppliers in other sectors, such as oil and gas to diversify. The ambition is to grow this sector through improvements to infrastructure, provision of new business space, and the establishment of a **National Aerospace Supply Chain Centre using funding from both private and public sources and linked to the proposed National Manufacturing Institute for Scotland.**

**Glasgow Prestwick Airport** is a key enabler for this work and an opportunity in its own right. It plans to grow a range of services including freight, as well as increasing passenger routes and connectivity. The airport is essential for aircraft maintenance, repair and overhaul work (MRO), which supports several hundred jobs, with more in the pipeline.

Prestwick has a unique combination of attributes to establish itself as the UK's first **Spaceport** - latitude, take off over the sea, meteorological conditions plus the strong cluster of aerospace companies already here means that the economic benefits from Spaceport development will be greater in Ayrshire than anywhere else in the UK. AGD proposals include the provision of specialist infrastructure and high quality business space together with improvement of road and rail connectivity to maximise the potential growth opportunities.

### Life Sciences

The Scottish Government has set a target of doubling turnover in the life sciences sector from £3 billion in 2005 to £6 billion in 2020. Scotland has world renowned research capabilities in its universities yet needs to do more to translate that research into manufacture.

The provision of testing and scale up facilities is a critical step in the growth of manufacturing. Irvine is home to i3, Scotland's largest life sciences enterprise area and has the land and infrastructure to facilitate this. With GSK, Sigma Aldrich, DSM, Bioforce and a host of supply chain and support companies Ayrshire is an ideal location for life sciences manufacture. Irvine is being considered as a location for the UK's **Medicines Manufacturing Innovation Centre** which would provide a focus and impetus to build on the strengths we have in the sector. Ayrshire is working with the Industrial Biotech Innovation Centre to secure its ambition of establishing Scotland's first **Bio refinery** which could be based in Irvine creating new business and employment opportunities. The provision of new business space is essential to meet the growing demand from companies expressing interest in locating in Ayrshire's Life Science Enterprise Area.

## **Manufacturing**

The ambition for Ayrshire is to build on our manufacturing strengths, particularly in the key sectors of aerospace and life sciences, but also engineering, textiles and food and drink and contribute to the delivery of the Scottish Government's Manufacturing Action Plan. Manufacturing can lead the way for Ayrshire's economy to become more productive, innovative, international and inclusive providing a range of employment opportunities directly and through its linkages and supply chain.

The **Ayrshire Manufacturing Investment Corridor (AMIC)** adjacent to the A77/A76/A71 interchange seeks to establish a regionally significant development that serves the manufacturing sector across Ayrshire and to provide a Centre of Excellence on site which, combined with on-site support and start-up units, will allow Advanced Manufacturing sector businesses to start-up and grow, as well as enabling the growth of existing businesses.

The **Ayrshire Engineering Park** seeks to build upon the success of Moorfield particularly in attracting high quality engineering business investment by the provision of new infrastructure and business space building upon Ayrshire's industrial heritage, infrastructure and skills.

The Scottish Government's Manufacturing Action Plan (MAP) is an opportunity for Ayrshire to support Scotland, and the UK's, ambitions to rebalance the economy. Ayrshire can play a key role in the delivery of the MAP with the potential to be the test bed for key technologies and business support.

The Ayrshire Economic Partnership has supported the development of the private sector grouping, the Ayrshire Engineering Alliance (AEA). Their work offers the opportunity to support companies to diversify from oil and gas markets into aerospace and other sectors, and explore opportunities to re-shore work. They are developing an exciting and innovative approach to securing more work in Ayrshire through increased collaboration, and using a top slicing of successful tenders to fund further work in skills and business development. This private sector group, with public sector support offers a catalyst for growth in engineering firms of all sizes, and can offer employment to people throughout Ayrshire. The work of the AEA is a central component of the AGD focus on both modern manufacturing and inclusive growth.

**The Halo Kilmarnock** is an inspirational and innovative regeneration project that seeks to revitalise Kilmarnock and bring far-reaching economic, social and employment benefits to the town and to Ayrshire and the West of Scotland. Positioned at the heart of Kilmarnock, adjacent to the new Ayrshire College the HALO has strong associations with Ayrshire's manufacturing history being the site of the former Johnnie Walker Scotch whisky bottling plant.

Building upon these historical links the proposals are for a high quality mixed use scheme with space for enterprise, manufacturing skills and an innovation centre for entrepreneurs providing facilities and resources to stimulate creative business initiatives.

## Coastal

Ayrshire's coast is a key asset for the attraction for tourists, business opportunities, trade and a vital link for access to the islands and Argyll. Since the introduction of the Road Equivalent Tariff Ardrossan has become Scotland's busiest passenger port with an estimated 1 million journeys a year. The **Ardrossan Coastal Regeneration** project will deliver investment that will transform the port as a regional transport interchange serving SW Scotland. Essential life-line services connect Arran and Campbeltown with the port surrounding a diverse range of port commercial/leisure activity with 1million+ passengers and key freight links. Scotland's largest and busiest ferry terminal has a key role in delivering wider benefits to communities and businesses across Ayrshire.

The **Ayrshire Marine Tourism** programme will capitalise on the superb opportunities that Ayrshire's harbours and ports provide to develop a cluster of marine activities, tourism and business, linked to marine infrastructure with potential works supporting an Ayrshire marine proposition.

The **Irvine Harbourside and Ardeer** regeneration project will deliver the infrastructure required for the development of Irvine Harbourside-Ardeer as a major regeneration project, potentially the largest in the West of Scotland. Public investment in infrastructure is required to connect the core site to Irvine and create market conditions for investment. The project is a partnership between North Ayrshire Council, NPL Developments, National Maritime Museum (based in Irvine), Irvine Bay URC and the communities based in the area.

Our coastal projects will make a major contribution to the delivery national tourism strategies such as 'Awakening the Giant' (marine tourism) as well as providing opportunities to address issues such as the provision of land for the development of new housing.

## Communities

Initiatives are proposed to support start up, innovation and employment opportunities in Ayrshire's towns and villages, and programmes to ensure our communities have the skills to participate in the increased job opportunities that a growing economy will bring. The AGD proposes a holistic approach to tackle some of Scotland's most deep-rooted areas of deprivation (as confirmed in the most recent SIMD data) and provide routes out of poverty through accessible job opportunities, social enterprises, business start-ups, and supporting the development of established micro-businesses, building upon work the Authorities have been leading and learning from the Scottish Government's Inclusive Growth pilot in North Ayrshire.

The **CoHubs**, 'Communities Working Together', initiative will offer a co-ordinated approach, delivering a step change in reducing inequality in access to employment. These will link to comprehensive employment support for those entering employment, to help sustain work and to encourage 'fair work'. The **Fair work Ayrshire** project will target long-term unemployed and low-paid individuals to promote sustainable employment and inclusive growth together with a health intervention programme, **Working for a Healthy Economy** will support people with health problems, and potential employers, make the transition to become more economically active and return to work.

Preparing young people for the world of work is critical to securing long term sustainable growth. Ayrshire is making a substantial investment in new schools, seeking to raise educational standards and positive outcomes for pupils. The **Ayrshire Connected Classroom programme** will help provide young people with skills to become digital innovators and creators and has the ambition for Ayrshire to be recognised to be a centre of excellence for digital skills. This will be achieved through a transformation of the utilisation of digital technology in schools, ensuring that technology becomes part of the everyday learning experience, ensuring that Ayrshire's young people will have a high quality digital learning experience, equipping them with the skills to embrace digital disruption and enhance the productivity of the region and helping to address the 'attainment challenge' of Ayrshire's schools. Appendix 1 provides summaries of the AGD projects by theme together with the list of infrastructure projects to be appraised.

### **Infrastructure.**

Our themes are underpinned by proposals to strengthen our infrastructure (transport, freight and digital) as an enabler for growth and to ensure the success of anchor projects. Whilst Ayrshire is close to Glasgow there are significant improvements to be made to better connect businesses and communities to markets, employment opportunities, the regional economy and to the rest of the UK.

Work is continuing to ensure that the AGD infrastructure proposals are guided by the requirements of our priority projects. The infrastructure 'asks' will be developed from the proposals identified in the Prospectus, refined in the SBC work and alongside the development of project OBC's during the next phase of the AGD. Discussions are underway with Transport Scotland about the development of a Regional Transport Appraisal that will help identify and assess key transport improvements to underpin our AGD ambitions.

Similarly working with SFT and SE, together with external technical support will put in place the proposals for digital infrastructure, skills and engagement programmes to support the AGD's aspirations.

### **Regional delivery**

The Ayrshire local authorities recognise that as well as asking government for powers and resources through the AGD, there is a need to set out how economic growth services will be delivered differently to ensure effective and efficient implementation of the Growth Deal and strengthen Ayrshire's overall approach to economic development activities. This proposed new approach is evolving and will be subject to discussion with Ministers and senior officials at the Scottish Government and UK Governments.

In the Ayrshire's response to the Enterprise & Skills Review it has been confirmed that – as part of the Ayrshire Growth Deal discussions – the three Councils are working to establish the potential for a single Ayrshire agency that would increase shared service arrangements and help strengthen local economic development services.

### **Finance**

Initial costs for projects have been put together as part of the SBC process. These cost estimates are necessarily high level at this stage and will need to be revalidated and refined in the OBC and FBC stages.

During the next stage of development cost assumptions will be tested and there will greater specification of project design and delivery. Options to increase private sector investment will be explored alongside understanding issues of scale via regional demand analysis. In particular four key area of demand analysis are proposed: commercial property, freight, scope for enhanced business support services and scope for enhanced employability services.

Where necessary external advice will be sought to provide regional analysis, but where possible data already available to partners will be brought together and analysed.

The indicative project costs proposed in the programme SBC are shown in table 2 below. These will be subject to change as the AGD develops and should be viewed as indicative at this stage.

These estimates exclude the costs of infrastructure projects which will be developed alongside the Regional Transport Appraisal and digital workstream.

Table 2



<b>Innovation and Internationalisation Framework</b>	
Innovation and Internationalisation Business Support	£ 5,000,000
<b>Aerospace and Space</b>	
Spaceport	£ 30,000,000
Aerospace – National Aerospace Supply Chain Centre	£ 20,000,000
Aerospace speculative build	£ 18,000,000
Aerospace Infrastructure (internal)	£ 16,400,000
Aerospace low carbon infrastructure	£ 2,500,000
<b>Life Sciences</b>	
MMIC	£ 5,000,000
Industrial biotech - upscaling facility	£ 5,000,000
i3 speculative build	£ 20,000,000
<b>Manufacturing</b>	
Ayrshire Engineering Park (Moorfield)	£ 68,000,000
AMIC	£ 43,500,000
Halo (Diageo)	£10,000,000
<b>Coastal</b>	
Marine Tourism	£ 15,000,000
Ardrossan Coastal Regeneration	£ 22,000,000
Irvine Harbourside Ardeer (including Housing Infrastructure)	£ 53,000,000
<b>Communities</b>	
Ayrshire Connected Classroom	£ 3,200,000
CoHubs	£ 6,700,000
Fairwork Ayrshire	£ 11,000,000
Working for a Healthy Economy	£ 5,500,000
<b>Total</b>	<b>£359 ,800,000</b>

To ensure the delivery of a Regional Growth Deal, the three Ayrshire local authorities are committed to establishing a strong, open, transparent and accountable governance structure that strengthens the existing partnership arrangements across the region.

A robust governance framework is already in place between the partners for this proposal phase and the Ayrshire region partners will continue to develop a full governance and delivery framework that will oversee the long term delivery of the deal.

A fundamental component of the governance and delivery framework will be collaborative working with co-investment partners from the university and college sectors and government agencies. Strong links to the private sector, building upon existing engagement with business groups such as the AEA and the Prestwick Aerospace Operations Group, will demonstrate our commitment to the vision and objectives of this deal.

The partners will also draw on the range of best practice and lessons learned from local authority colleagues across the UK and Scotland who have already been awarded a City Deal or City Region Deal.

During the Outline Business Case phase work will be undertaken to agree the governance arrangements including complementary arrangements with the UK Government and Scottish Government that facilitate joint and regional delivery working and provide a suitable mechanism to ensure all parties are meeting their commitments as part of the AGD.

### **Our commitment**

The commitments the three Ayrshire local authorities set out in our initial Prospectus remain in place. We are united in a determination to develop and deliver the Ayrshire Growth Deal.

We recognise that we must improve collaboration, building on both the similarities and unique strengths across our authorities. We will work together to enhance the opportunities for our businesses and communities to build an inclusive, resilient and confident Ayrshire economy. We are committed and determined to work together across the region and with Scottish and UK Governments to achieve these goals.

- ⇒ We commit to working together, to exploring new forms of collaboration with national agencies and the private sector. This will include governance arrangements for the AGD with key roles for the private sector and stakeholders.
- ⇒ We will look at our capital and revenue programmes to identify how we can make investment alongside Government to unlock the potential of the Ayrshire economy.
- ⇒ We will identify new ways of joint working that will drive efficiencies, focussed on the needs of the economy.
- ⇒ We will aim to make Ayrshire the most open and accessible environment for business investment in Scotland.

Our commitment to Government is to work in partnership to deliver a growing, inclusive economy that makes a positive and significant contribution to Scotland's future.

### **Appendix 1 - Ayrshire Growth Deal project summaries**

## **Innovation and Internationalisation**

### ***Innovation & Internationalisation Framework***

The Framework proposes to provide enhanced business support services for existing Ayrshire investors and potential investors. The business support will link to projects such as the NASCC, MMIC, AMIC and the Ayrshire Engineering Park (see below) to ensure that these realise their full benefits in terms of business and employment growth whilst addressing key issues of innovation and productivity. Specifically the Framework seeks to:

- Improve Ayrshire businesses' access to innovation and internationalisation support and the capacity to scale production. To facilitate access to the UK Catapult Network and the proposed National Manufacturing Institute for Scotland.
- Ensure supply chain opportunities can be effectively handled within the local economy and supporting companies to recognise these both locally and beyond. This will create opportunities both within the region and also across Scotland and learn from best practice globally (e.g. EEN, Global Access Programme). In addition, help develop consortia which can tackle a wider range of problems and share risk. [Link to AEA here?](#)
- Targeted support to help companies become internationally focussed with interventions geared around company needs. Building on existing support offered by bodies such as SDI and UKTI, there is a specific need to invest in skills and management expertise to address challenges and opportunities in the international marketplace.

This will be achieved by increasing business participation in innovation and internationalisation programmes, scaling up provision and the development of new programmes. These programmes will be a key component of the enhanced regional delivery for economic growth with a joining up of local and national services.

## **Aerospace and Space**

### ***Spaceport***

This project will establish a Spaceport at Glasgow Prestwick Airport (GPA). This project would see the creation of a truly transformational Spaceport located in Scotland, which would benefit the local, Scottish and UK economies.

The estimates from the Spaceport UK report (2014) shows that a spaceport has the potential to cumulatively realise a baseline of £320m of additional economic activity. The development of Spaceport at Prestwick is an exciting opportunity which could transform the economic prospects for the area and the contribution of space and aerospace to the Scottish Economy.

A spaceport at Prestwick will play a key role in achieving the growth forecasts for the UKSA and has the potential to deliver a wide range of positive economic impacts to the local, regional and national economy beyond the direct impacts on the main site. This will include the introduction of new activities and high value manufacturing and provide significant inward investment potential.

The objectives of this project are to:

- Create high value jobs and increase GVA to the Scottish economy
- Safeguard existing jobs supported by GPA

- Create the conditions for private investment to achieve sustainable economic growth and regeneration development
- Enable the development of a space cluster in Ayrshire and attract mobile investment
- To provide the strategic asset required to secure Scotland's and the UK's success in the global upstream space sector

Recent developments have meant that the Prestwick site is no longer part of a bid selection process as the UK Government has opted instead for a licensing system whereby suitable sites can apply for a licence. Industry interest is very high in Prestwick for a number of reasons, particularly the existing skills and industry capability on site, and because the site is likely to be the first to be licensed within the UK because it is the closest currently to the likely licensing requirements.

This project will provide the essential infrastructure required to ensure the establishment of a successful Spaceport and establish a competitive space port operation at Prestwick including propellant storage and loading areas, Spaceport infrastructure and terminal facilities with the potential to lever in significant private sector investment.

### ***National Aerospace Supply Chain Centre (NASCC)***

This project aims for Ayrshire to expand further from its current position as one of a handful of significant aerospace clusters in the UK and to consolidate its position as the premier aerospace location in Scotland. The Centre offers aerospace companies and those in the supply chain could the ability to train staff in the latest technologies and make Prestwick home to aerospace related FE/HE and Innovation / R&D activity. Ayrshire would also be the hub for the development, incubation and industrialization of innovative aerospace and space related technology and practices, increasing the overall productivity of the sector and the region.

The NASCC brings together Aerospace prime businesses engaged in new technology R&D with SME's, skills providers and expertise in manufacturing excellence. This collaborative approach will enable the centre to better capitalise on the high value add advantages that exist within the Scottish/UK supply chain to deliver reduced industrialisation cycle times and increase local supply chain content in aerospace Tier 1 suppliers.

The Centre aims to:

- Provide supply chain entry points to new and existing SME Aerospace Suppliers through the collaborative development of unique capabilities on new technologies.
- Provide industrial scale manufacturing facilities and rapid manufacturing processes capable of building manufacturing prototypes.
- Enable the diversification on non-aerospace suppliers into the sector, capitalising on skills and capabilities from other sectors including oil and gas.
- Support the integration of composite materials expertise into the existing engineering sector.
- Develop manufacturing excellence in the Aerospace supply chain.
- Develop Industry 4.0 supply-chain solutions, through integration and knowledge sharing in the industrialisation of new technologies process.
- Support the development of automation, robotics and technological integration across the supply chain.

- Provide training centre in conjunction with Ayrshire College and other training providers, to support the development of the skill base required to meet changing industrial and technological demands.

The centre which will include 25,0000 Sq. Ft. of collaborative space will work in partnership with Ayrshire College, higher education institutions and business support agencies to support the development of related technologies, supply chain capabilities and a developed skills base. The centre will focus on utilising the principles of Industry 4.0 to develop supply chains of the future and workforces of the future.

### ***Aerospace – Speculative Build***

The existing Prestwick Aerospace Enterprise Area provides scope for speculative development informed by the needs of, and to meet future demand of, the Aerospace and Space Sector. Existing commercial units within the Enterprise Area are fully occupied leaving the area poorly positioned to attract investment from the Space or Aerospace Sector.

Global aviation markets are forecast to grow on a sustained, year-on-year basis over the long-term. The global aerospace industry, which supports both civil and military aviation sectors, is likewise facing a positive long-term outlook. Combined with increasing transport costs, rising employment costs in low cost economies and increased dual sourcing by OEM's there are increasing opportunities to further develop and re-shore Aerospace supply chain activities to Prestwick.

The current amount and quality of commercial and industrial property stock is a barrier to the area in capturing inward investment opportunities in the Aerospace and space sectors.

The project would see the creation of an additional 160,000 sq. ft. of high quality industrial/commercial accommodation on the existing Aerospace Enterprise Area, aimed at meeting the growth demand of the Aerospace and Space Sectors. This would include flexible commercial space and specialist hangar space, built to regulatory requirements, with aerospace hard standing areas.

The investment objectives for this project are to:

- Create new high value jobs in the Aerospace Sector through the provision of high quality commercial space
- Provide the commercial accommodation able to attract mobile investment
- Attract inward investment from organisations requiring runway access.
- Create the conditions for private investment to achieve sustainable economic growth and regeneration development
- Maximise the economic benefits of Prestwick Spaceport by stimulating the development of a Space Cluster at Prestwick

### ***Prestwick Road Infrastructure (internal)***

There are currently a number of proposals to develop the Prestwick Aviation and Aerospace Hub and there is a requirement to upgrade / construct a number of new roads / road improvements which will

act as an enabler for the wider development. Current infrastructure is out of date and there are a number of problem areas, difficulties and service gaps which are likely to be exacerbated by further development at the Prestwick site. Upgrading the internal infrastructure for the Prestwick Aerospace Park is a critical enabler for future development and links directly to the Spaceport, Prestwick speculative build, and the NASCC projects detailed elsewhere.

AECOM developed a Land Use Masterplan in 2015 and provided a number of recommendations to the road network which has resulted in the following proposals to be included as part of the AGD:

- Upgrading of the road network between the A79, Prestwick East Aerospace Park and Sandyford Toll for freight and commuter workforce traffic
- Road upgrades and services to unlock development sites, including those for Spaceport development
- Installation of service ducting

### ***Low Carbon Infrastructure Project***

This Strategic Business Case (SBC) is for infrastructure for a low carbon energy solution at the Prestwick Aerospace site to alleviate existing energy problems at the Prestwick site, e.g. high energy costs and inadequacy of supply. It is anticipated that as the Prestwick offering continues to grow, these problems will become worse. The programme offers both a reduction in carbon footprint and lower energy costs for companies based at the airport. This is a key incentive to attracting investors to Prestwick. This project is being developed for support under the Low Carbon Infrastructure Transition Programme (LCITP).

The project will provide a mix of both industrial waste heat and the most suitable low carbon energy generation technologies, including Solar PV, Solar Thermal and CHP to provide resilient supply of both electricity and heat, and also incorporating Geothermal energy and Fuel Cell utilisation. This option has the opportunity to be very flexible, with a phased development driven by the demand profiles of large users. It may also have the potential to include public assets ie social housing and schools and to accommodate future residential developments.

The investment objectives for this project are to:

- Create a low carbon energy solution and lower cost energy solutions at site
- Create a resilient power supply at site for existing and future tenants at the Prestwick Aerospace site
- Create high value jobs and increase GVA to the Scottish economy
- Support the attraction of mobile investment

## **Life Sciences**

### ***Medicines Manufacturing Innovation Centre (MMIC)***

The UK's medicines industry is one of the Country's leading manufacturing sectors, with exports worth over £22bn and generating a trade surplus of £5bn in 2013. The UK Medicines Manufacturing Industry

Partnership wants to ensure that the UK continues to be an attractive place for this high-value industry to secure exports, provide high skilled job opportunities and contribute to the country's productivity.

The project is currently searching for a site on which to construct the Centre and i3's Strategic Investment Campus is one of the short-listed sites in the selection process. The expectation is that infrastructure funding through the AGD would act as an incentive as part of this process. The project is proposed to commence construction in early 2017 and be completed by mid-year 2018.

This project comprises the establishment of a national Innovation Centre for the Life Science and Pharmaceutical industries; where post-research ideas and innovations can be developed or scaled up in advance of commercial manufacture or application.

The Innovation Centre will comprise quality office and industrial space extending to some 60,000 sq. ft. fitted with plant and equipment to enable scale-up and continuing research on a number of projects at the same time.

It is envisaged that the Centre will be a catalyst for further privately funded development on the site and in the region.

### ***Industrial Biotech Upscaling Facility***

Industrial Biotechnology and the development of a Bio-economy is central to the Scottish Government aims of reducing carbon footprint, generating a shift towards manufacturing and creating a sustainable industrial base built on renewable feedstocks locally available.

Industrial bio-refining is a growth sector, its growing contribution and impact will be felt within a wide range of business sectors from oil and gas to the food industry. Ayrshire's interest is focussed on timber as a feedstock for refining into a number of products for use in other industries. Timber is a source of cellulose, other carbon based derivatives and specialist chemicals which are currently recognised and used in industry.

In addition to those currently being used, there are potentially untapped alternatives being developed jointly by a variety of bio businesses in partnership with industry and assisted by the Industrial Biotechnology Innovation Centre (IBioIC). These efforts are aimed at finding economically viable alternative ingredients and new processes to drive innovation and reduce costs, thereby increasing productivity and competitiveness in global markets.

Ayrshire can be a location where bio-refining is established and can grow based on the synergy between our proximity to timber feedstock, our existing industrial base and the technical skills practised in the region.

An initial project is being worked up currently, involving Glaxo Smith Kline and the Forestry Commission assisted by IBioIC. This project involves finding a new feedstock for GSK's Irvine manufacturing plant which produces a significant proportion of the global supply of penicillin. It is feasible that timber and other feedstocks could be used to produce cellulose as a raw material in the production of penicillin at reduced cost.

In addition to the availability of timber from the Argyll forest there is scope to develop a long term timber feedstock in East Ayrshire, on derelict land associated with the area's historic coal extraction industry, and South Ayrshire's forests.

### ***i3 Irvine Enterprise Area Advance Manufacturing Space***

i3, Irvine Innovation and Industry, is a new business location with Enterprise Area status. It is located to the west of Irvine formerly known as Riverside Business Park on a site identified for industrial development by Irvine Development Corporation. The recently designated Irvine Enterprise Area offers a range of benefits to new occupiers but the site lacks business space ready for occupation, or the financial incentives sufficient to attract private sector development. Therefore requiring investors to procure their own buildings. This severely limits the potential range of occupiers both because of funding constraints and timescales. Our strategic objective is to create jobs and bring economic activity to Ayrshire. In order to do this we require to improve our offer to investors by including the provision of well serviced development sites and business space ready for occupation.

The project comprises the construction of 200,000 sq. ft. (18,580 m<sup>2</sup>) of business space to meet the demand identified from growth sectors in Life Science, Chemical Science, Engineering, IT and Food manufacturing.

The proposal is to build flexible, shell specification (without internal fit out) industrial and office space within the Irvine Enterprise Area at the Strategic Investment Campus, Irvine, adjacent to the A71. The Strategic Investment Campus comprises a large, level site with high capacity service connections and spine distributor road being the subject of recent investment designed to attract mobile investment projects.

## **Manufacturing**

### ***Ayrshire Manufacturing Investment Corridor***

The project seeks to establish a regionally significant development that serves the manufacturing sector across Ayrshire and to provide a Centre of Excellence on site which, combined with on-site support and start-up units, will allow Advanced Manufacturing sector businesses to start-up and grow,



as well as enabling the growth of existing businesses. It is anticipated that there will be a focus on textile and food and drink businesses building on Ayrshire's existing strengths in these sectors but not to the exclusion of other manufacturing activities.

The investment objectives for this project are to:

- create a regionally significant and distinctive Ayrshire Manufacturing development which creates opportunities for businesses and business growth.
- facilitate the spin-out, start-up and growth of advanced manufacturing and general manufacturing sector businesses in the region through access to academic and support excellence (built around a strong link to Ayrshire College's new state of the art campus in Kilmarnock).
- create an Innovation Hub and Manufacturing Centre of Excellence within the zone, combining access to kit (capital) equipment with high quality staff (revenue) support.
- generate a range of new employment opportunities for Ayrshire residents which helps to achieve inclusive growth for the region.

Ayrshire has a number of nationally and internationally renowned businesses in these sectors, including those breaking new ground in textile manufacture and applications, such as Culzean Fabrics developing fabrics and materials for the medical, healthcare, oil and gas and leisure sectors and Dunlop Dairy whose cheeses have gained the EU status of Protected Geographical Indication.

The project will reduce the cost of premises for growing manufacturing businesses, help to increase productivity (through better design and use of space, access to supply chain and academic/business support) and improve the quality (and effectiveness) of support.

It is envisaged that this investment corridor will demonstrate the highest standards of design excellence, including a high quality working and learning environment, complete with landscaping, active travel routes and a host of on-site facilities and links to academic excellence. The aim is to create an excellent and high quality working environment for manufacturing businesses.

It is proposed that this project is sited on land at Bellfield, adjacent to the A77 and with close proximity to Ayrshire's population centres of Kilmarnock, Ayr and Irvine and accessible for more rural communities on the A76 and A71. This site is at the heart of the A77/M77 corridor between Prestwick Airport and Glasgow and is easily accessible from the ports of Ayr and Troon as well as being adjacent to rail infrastructure from Kilmarnock to Carlisle and the north of England, affording the opportunity to link to and complement other Growth Deal projects and investments.

### ***Ayrshire Engineering Park, Moorfield***

This project proposes the expansion and development of Moorfield Park in Kilmarnock (an 18.3 hectare site, adjacent to the A71 and close to the junction with the A77) – a strategic site within Ayrshire with the potential to generate significant GVA for the Ayrshire economy. The project aims to create up to 61,000 sq.m. of serviced and high quality business space, with a range of units and sizes, to support the advanced manufacturing and light engineering sectors in Ayrshire.

There is currently a lack of high quality sites and premises in Ayrshire to support the growth ambitions of a number of local Ayrshire companies. Evidence (from EAC) suggests in East Ayrshire alone, there

is demand from a range of manufacturing and light engineering SMEs, amounting to some 40,000m<sup>2</sup> or so of floorspace, with similar levels of demand in North (as confirmed by Irvine Bay URC) and South Ayrshire. There is also a lack of good-sized investment-ready sites in the area, which acts as a barrier to attracting new mobile inward investment.

Providing high quality business space is key to unlocking potential in Ayrshire's strength industries of advanced manufacturing and light engineering. However, there is a clear market failure in the lack of private sector investment in employment land and business premises. Evidence (from recent developments) suggests that the value of newly built premises is typically around 30% of the value of total build cost, in spite of evident demand elsewhere in Ayrshire.

It is not currently viable for the private sector to invest in commercial build for business premises in Ayrshire. The AGD seeks to address this by public sector investment in directly providing high quality business space until the market in Ayrshire readjusts. Central to this approach is addressing the market failure through provision of fit-for-purpose investment-ready industrial parks and business premises.

Failure to invest in sufficient high-quality premises will inevitably result in the Ayrshire economy continuing to lag behind the rest of Scotland due to perceived unattractiveness as a location for business investment. As a key part of the portfolio of Ayrshire growth Deal (AGD) projects, the Moorfield Phase 3 project is key to helping unlock Ayrshire's development potential

The investment objectives for this project are to:

- create up to 61,000m<sup>2</sup> of serviced and high quality business space, with a range of units and sizes, to support the advanced manufacturing and light engineering sectors in Ayrshire
- unlock a key industrial development site in East Ayrshire to contribute to enhancing Ayrshire's key business locations, and attract new investment in the region
- address marketing failure evident in the lack of viability for private sector investment in commercial build for industry
- support the creation of a range of new employment opportunities for Ayrshire residents which helps to achieve inclusive growth for the region

### ***The HALO Kilmarnock***

The HALO is an inspirational and innovative regeneration project that will revitalise Kilmarnock and bring far-reaching economic, social and employment benefits to the town and to Ayrshire and the West of Scotland. Positioned at the heart of Kilmarnock, with strong connectivity to the strategic road network and the town centre, the HALO has strong associations with Ayrshire's manufacturing history being the site of the former Johnnie Walker Scotch whisky bottling plant.

Diageo PLC has, already, gifted part of the site extending to some 4 ha for the new Ayrshire College, which is due to open later this year. The remainder of the site extending to 9.3 ha, has been offered

to Klin Group (Klin), the Kilburn-based property company, to produce a viable plan to develop the site in a way that will generate lasting economic and social benefits for the local community.

The Klin Group has created a project development team with experienced Glasgow-based Ross Developments and Renewables Ltd to deliver a phased development of the site that will complement the adjoining, new, Ayrshire College and has created a delivery vehicle The Halo Kilburn Ltd. (THKL) to deliver the project.

The site sits alongside Kilburn Rail Station. The HALO is an extension of the town centre with its shops, restaurants and cafes, only a short walk away, with ample car parking and bus station nearby. The intention of the development team is to make The HALO as sustainable as possible. Part of this process will be the creation of a Green Energy centre to supply renewable energy to the whole site and potentially to the surrounding area as well. The development will be powered by a renewable energy district heating system and will be built to the highest environmental standards.

THKL are proposing to create a truly unique, multifaceted development which will meet Diageo's desire to leave a lasting community legacy. The intention is to create a unique commercial, leisure and lifestyle quarter with:

- Space for enterprise, manufacturing skills and an innovation centre for entrepreneurs
- A culture hub for small creative businesses and social enterprises in film, art, music, media, literature, marketing and technology
- Commercial offices to attract new employers to the town
- Health & Wellbeing premises, life-style shops and café
- A multi-functional space for a year-round water sports arena, featuring wave surfing and indoor leisure beach, with space for conferencing, concerts, sports and leisure activities
- Landscaped Public Plaza
- Affordable rented houses
- Energy centre
- Public realm including new road and footpath networks connecting to the Rail Station and Town Centre

The HALO proposal is a phased, but entirely integrated, development that will contribute to the following wider investment objectives:

- Increase Kilburn's appeal as a destination for commerce, leisure and shopping
- Strengthen the resilience of Kilburn town centre
- Complement and add value to the new adjoining Ayrshire College
- Create sustainable job opportunities

- Capitalise on the site's rail, bus and motorway links, and proximity to Prestwick and Glasgow Airports
- Contribute to the wider economic growth of Ayrshire

The development will provide facilities and resources to stimulate creative business initiatives and seek to ensure that Ayrshire has a meaningful place in the world's Fourth Industrial Revolution, in which the digital world is central to every consideration in planning and shaping The HALO and its uses and activities. 4G digital connectivity will be core, as will digitalisation of amenities and services.

## **Coastal**

### ***Ardrossan Coastal Regeneration***

Investment in Ardrossan will deliver investment that will transform the port as a regional transport interchange serving South West Scotland. Essential life-line services connect Arran and Campbeltown with a diverse range of port commercial/leisure activity with 1million+ passengers and key freight links. Scotland's largest and busiest ferry terminal has a key role in delivering wider benefits to communities and businesses across Ayrshire.

AGD funding will:

- Develop the Harbour infrastructure to ensure port/harbour offers are safe, ready access for the new Ardrossan-Arran Ferry Service and Ardrossan-Campbeltown Service
- Develop a new Ferry Terminal Facility and associated link spans to service the increasing volume and level of service
- Connect the Ferry Terminal to create a multi-modal Transport Interchange (sea/rail/road/cycle/pedestrian) with safe access and connectivity
- Develop the Ardrossan Marina with a 300 boat extension as part of the Mixed-Use Masterplan
- Develop the North Shore, part of the former Shell Refinery Site, providing a mix of homes/mixed-use activity in a prime waterfront location (300-350 homes).

The development enables a public-private partnership to develop the port to capture a range of opportunities (cruise/leisure/marine tourism/waterfront residential) whilst improving life-line services to the Isle of Arran.

### ***Irvine Harbourside – Ardeer***

The project will deliver the infrastructure required for the development of Harbourside-Ardeer as a strategic site. Public investment in infrastructure is required to connect the core site to Irvine and create market conditions for investment. The project is a partnership between North Ayrshire Council, NPL Developments, National Maritime Museum (based in Irvine), Irvine Bay URC and the communities based in the area.

The project addresses housing, business and leisure needs in Irvine. It will release investment in a mixed-use coastal developing facing and fronting the River Irvine Harbourside Waterfront and Ardeer Beach-Strand.

The infrastructure requirement to unlock the sites includes:

- An all-purpose bridge crossing the River Irvine and connected to North Ardeer
- Provision of strategic utilities and services
- Site preparation works associated with development of Harbourside-Ardeer including marine revetment (sea wall embankment), dredging, marine structures, footbridge relocation and site works
- Public realm, green network, environmental works and coastal connected routes/cycleways completing Ayrshire Coastal Path including public realm at Beach Park development in accordance with the SG Place Standard supporting active travel
- Development of National Maritime Museum (NMM) Waterfront – Maritime Quarter – ‘Your Special Heritage’ public realm including esplanade, riverside commercial quarter, harbour quay and public slipway adjacent to the Puffer Café
- A ‘Waterline-Deck’ creating a riverside frontage to development plots/sites with transit moorings and connected walkway cycleway public realm

A Combined Heat and Power Energy Centre around the Energetics Campus that will provide energy for new residential neighbourhoods and industrial/commercial operators. The Energy Centre has been designed to produce significant heat to meet the demands of all Ardeer neighbourhoods.

### ***Marine Tourism***

The project will deliver critical infrastructure to enable investment to secure the development of the Marine Tourism industry in Ayrshire thereby enhancing both Ayrshire’s and Scotland’s international profile. Marine Tourism offers sustainable growth in a sector that supports a more inclusive, digitally

connected economy, supporting enterprise and business start-ups and existing business activity associated with island and rural communities. Cruise and marina developments offer an international dimension with increased visitor spend and GVA outputs.

The focus of marine tourism project will be on securing infrastructure that supports key components of the sector: cruise tourism, sailing and boating, marine leisure, and recreation.

The project seeks to identify and secure:

- Opportunities for new marina development
- Extensions to existing marinas
- Additional transit facilities
- New business/enterprise opportunity associated with boat repair/boat servicing/sales/chandlery and marine support services at 4 centres
- Centres of excellence/enhanced sailing centres
- Enhancements to sailing club/facility to increase capacity and access
- Slipway enhancements to improve access and DDA improvements
- Cruise ship facilities at Troon through extension of East Pier terminal and channel deepening including the development of a new 1500m<sup>2</sup> cruise terminal building as part of the new cruise ship terminal

The Troon port is owned and operated by ABP with SAC owning several parcels of land surrounding the port with the potential for further development. Development at Troon will unlock a key port to further contribute to enhancing the tourism offer in Ayrshire and to attract new leisure and retail investment to the region.

## **Communities**

### ***Ayrshire's Connected Classroom***

Ayrshire's Connected Classroom has the ambition for Ayrshire to be recognised to be a centre of excellence for digital skills. This will be achieved through a transformation of the utilisation of digital technology in schools, ensuring that technology becomes part of the everyday learning experience.

In order for this to happen, Ayrshire's Connected Classroom will ensure that every pupil from 3-18 in Ayrshire will have access to a high level of appropriate technology by 2022, and teachers that will be able to fully utilise this technology to benefit the learning experience across the curriculum. This will require not only infrastructure implementation and policy change to allow guest wifi networks in all schools for Bring Your Own Device (BYOD) and for schools to supplement devices to ensure inclusivity, but also the upskilling of current teachers through CPD, and the development of a digital skills programme for students on the Initial Teacher Training Programme. There has been agreement from UWS to explore the final point. The project also includes the development of enhanced pathways to higher level digital technologies courses at colleges.

Ayrshire's Connected Classroom also views digital as a key enabler for STEM and will support a range of existing STEM activities taking place in the region.

Investment objectives for the project are to:

- Ensure every child and young person in educational establishments across the region can access Ayrshire's Connected Classroom by 2022
- Increase percentage of young people entering employment in the Digital Technologies sector by 40% from 2016 levels by 2022
- Increase percentage of young people undertaking STEM related vocational courses at Level 5 (SCQF) and above by 50% from 2016 levels by 2022
- Embed benchmarked level of digital skills as core component of PGDE/B.Ed in Ayrshire Initial Teacher Education Programmes by 2022

Ensure that 100% of teaching practitioners across Ayrshire can access a range of training and support to raise levels of digital skills by 2022.

### **Co –Hubs**

CoHubs will bridge the existing gaps between asset based community development, social enterprise, employability and business support, by reaching the most excluded through local, trusted networks, and by providing real, local opportunities to become, or to be more, economically active.

The project will develop the resilience and economic capacity of hard to reach individuals and communities through the development of community, pre-employment and enterprise networks, space and support, where the responses of partners will adapt significantly to deliver maximum benefit and impact.

Joint working between agencies and organisations building on community strengths will be the guiding principles and will build community networks to provide sustainability. This community economic development project will significantly change the current approach to how we encourage social entrepreneurship and entrepreneurship at a community level in Ayrshire, challenging current routes to employment options and opportunities for the economically inactive. This project will link to the Fairwork and Working for a healthy economy projects in the AGD.

CoHubs will adopt asset based social entrepreneurship principles, and will provide a pervasive, place based inclusive dimension to the significant opportunities provided by the Ayrshire Growth Deal. This proposal could significantly relate to, take advantage of, and add value to a number of

community and other projects within the AGD, such as the digital, construction and coastal and marine tourism initiatives by integrating economic opportunities and supply chain intelligence in relation to emerging local markets, supporting employment progression routes and providing a “smart regionalisation and innovation approach”.

The project will have close alignment to ongoing social enterprise strategy development in the Ayrshire local authorities. The purpose of this project is to identify and pursue economic opportunities for the most excluded communities

The investment objectives for this project are to:

- Identify and pursue realistic economic opportunities for our most excluded communities
- identify obstacles that prevent people playing a more active economic role in their communities and develop awareness of effective practices and local solutions
- To maximise growth opportunities across sectors to encourage inclusion and GVA growth by supporting communities to create their own businesses and jobs through aligning relevant community economic development support with existing and emerging economic opportunities
- Encourage aspiration, innovation, entrepreneurship and leadership at all levels, supported by peer and mentor networks, by creating an effective accessible support system and network for SMEs and social enterprises
- Develop and sustain local spaces which provide a tangible focus for inclusion and entrepreneurship, which add value to communities of geography and interest

The CoHub concept of ‘community economic development’ will bridge the existing gaps between asset based community development, social enterprise, employability and business support, by reaching the most excluded people in our communities through local, trusted networks, and providing real, local opportunities to become, or to be more economically active.

### ***Fair Work Ayrshire***

This project will create Fair Work in Ayrshire and will support business growth and improve employment opportunities. The project will include 3 key elements which will target growth areas by creating entry level employment opportunities and access to resources and services to improve employment within sectors where these challenges and opportunities exist; health, retail & customer service, manufacturing & production:

1. **Co-ordinated Recruitment Service - Co-ordinated Recruitment Service** - A coordinated approach across Ayrshire to support employers in job-growth sectors where recruitment and retention are major challenges, to recruit people with the right vocational and work-readiness skills.
2. **Integrated in-work and employer support** Employers will benefit from a range of in-work services designed to improve the skills and capacities of their existing workforce, supporting employees to increase their earning capacity and support the development of skills to meet future labour market demands. This integrated support will include HR support designed to assist employers to meet the Scottish Business Pledge.



3. **Aftercare and Employee retention service** - Aftercare support will improve retention in employment by offering a service which provides early intervention and on-going support for individuals in their transition from unemployment to employment where issues can arise. Coupled with support for employers to improve retention of their workforce and increase capacity to deliver Scotland Business Pledge this will establish a loyal and skilled workforce which will contribute to growth in Ayrshire.

### ***Working for a Healthy Economy***

The project proposes to establish a one stop health and disability support service across Ayrshire to maximise employment and job retention. It will support those unemployed with health issues to return to work and support those in work with health issues to retain employment. The preferred option for the project is provision of health case management by NHS Salus (a NHS based provider of occupational health, safety and return to work services) through a strategic partnership arrangement. NHS Salus have helped develop the proposal.

Ayrshire has 21,030 people claiming health related benefits. Of the JSA/UC claimant group of 7,500, it is estimated up to a third have health issues as a barrier to employment. Health is clearly a significant barrier to economic activity and productivity in Ayrshire, impacting not only the individual but increasing the reliance on health and social care services and putting additional costs onto business in terms of loss of productivity and lack of access to a flexible and wide pool of labour.

Three factors have driven development of project:

1. The need to ensure a wider group of people connect to and benefit from economic prosperity, and access work as a way to move out of poverty and sustainably improve the quality of their lives.
2. A recognition that a large number of people more distant from the labour market and are more likely to depend on social services. Moving into the right work opportunities could improve their health and reduce reliance on other services.
3. Employers are increasingly seeking staff, and future local economic development aspirations depend on the right workforce being available.

The investment objectives for the project are to:

- Reduce the number of people claiming benefits and the demand for public services
- Improve the productivity of the workforce by reducing health related absence
- Increase the number of people in work, increasing spend and incomes in the area, and
- Widen the available labour pool for?? business

### **Infrastructure Projects**

Infrastructure projects still being developed and will be considered within the Regional Transport Appraisal and the Digital workstream. Both these pieces of work will identify the infrastructure required to underpin the ambition and projects of the AGD to ensure the maximum economic benefit from investment. At this stage the project list should be viewed as being indicative and will be assessed in line with the investment objectives of the Growth Deal.

### ***Transport***

A70 to M74 link  
A737 corridor improvement  
A760 improvements  
A77/A77 Bellfield interchange  
A77 Ayr bypass  
A77 Maybole bypass  
Prestwick Aerospace park access link road  
Glasgow Prestwick Airport station upgrade  
Glasgow to Carlisle (via Kilmarnock) rail upgrades  
Ayrshire freight strategy (including ports)

### ***Digital***

Infrastructure business  
Infrastructure communities  
Digital engagement  
Digital skills

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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 11**

**27 September 2016**

#### **Cabinet**

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**Title:** **Upper Garnock Valley Flood Protection Scheme**

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**Purpose:** To update Cabinet on progress with the flood protection scheme for the Upper Garnock Valley.

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**Recommendation:** It is recommended that Cabinet agrees to take a preliminary decision to confirm the preferred scheme with unresolved objections and, notifies objectors and Scottish Government in line with the process detailed at 2.12 of this report.

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

- 1.1 The preferred option for the Upper Garnock Valley Flood Protection scheme was approved by Cabinet on 18 August 2015.
- 1.2 The scheme was then subject to a formal notification period between 28 September and 26 October 2015, allowing 28 days for any objections to be lodged.
- 1.3 A total of 5 objections to the scheme were lodged during this period from local landowners and SEPA.
- 1.4 There is a requirement to try to resolve these objections where possible before the Council either i) makes a preliminary decision to confirm the final scheme with unresolved objections before notifying Scottish Ministers or ii) if all objections are resolved, confirms the final scheme and publishes a notice of the final decision.
- 1.5 Officers and technical advisors have been endeavouring to resolve these objections in line with the guidance contained in the relevant legislation. However, it has not been possible to satisfactorily resolve the landowner objections. Discussions continue, however, given the length of time that these negotiations have taken, it is appropriate to request that Cabinet consider taking a "preliminary decision to confirm" the final scheme with unresolved objections before notifying Scottish Ministers.

- 1.6 On receiving a notification of "preliminary decision to confirm" the scheme with unresolved objections, Scottish Ministers will either decide to consider the scheme and hold a Public Local Inquiry or will revert the matter to North Ayrshire Council to hold a Public Hearing before determining whether the scheme will be confirmed, confirmed with modifications or rejected.

## **2. Background**

- 2.1 At its meeting of 18 August 2015, Cabinet agreed to confirm the preferred Flood Protection Scheme for the Upper Garnock Valley and commence the formal notification process.
- 2.2 In accordance with the procedure as set out in the Flood Risk Management (Scotland) Act, 2009, notification of the preferred scheme was published with a 28 day notification period, from 28 September until 26 October 2015.
- 2.3 Five objections to the scheme were lodged during the formal notification period. Since then officers and technical advisors have been endeavouring to resolve these objections in line with advice contained in the Flood Risk Management (Scotland) Act 2009 and Flood Risk Management (Flood Protection Schemes, Potentially Vulnerable Areas and Local Plan Districts)(Scotland) Regulations 2010.
- 2.4 There is a requirement to try to resolve these objections where possible before the Council either i) makes a preliminary decision to confirm the final scheme with unresolved objections before notifying Scottish Ministers or ii) if all objections are resolved, confirms the final scheme and publishes a notice of the final decision.
- 2.5 It is clearly preferable that all objections are satisfactorily resolved and negotiations are ongoing in this regard. However, to date, it has not been possible to satisfactorily resolve the issues which are causing the objections. The principal objectors to the scheme are landowners who are either directly affected by the proposals or who require to permit the Council access over their land.
- 2.6 In agreement with the objecting landowners in Kilbirnie an agricultural consultant was engaged to assess the impact of the flood protection scheme on their farms. This agricultural report took sometime to complete but has now been finalised and the Council's land agent continue to meet with the agent representing the objecting land owners to try to agree terms of compensation. However, it is unknown at this time whether compensation will be agreed and the objections satisfactorily resolved.

- 2.8 Dialogue also continues with an objecting landowner to gain access over his land. Although the Council's offer has been refused discussions are continuing and attempts are ongoing to try to reach mutual agreement and terms of compensation. It is however not known whether it will be possible to satisfactorily resolve this objection.
- 2.9 Given the length of time that these negotiations have taken, together with the fact that it is unknown whether the objections will be satisfactorily resolved, it is appropriate to request Cabinet to consider taking a "preliminary decision to confirm" the scheme with unresolved objections. If Cabinet agree, then once submitted to Scottish Government the Scottish Ministers must, within 28 days of receipt of the scheme, advise the local authority i) that they will not consider the proposed scheme, or ii) that they will consider the proposed scheme.
- 2.10 Scottish Ministers may extend this period by a further 28 days should they decide they need more time to consider their decision. Should the scheme be considered by Scottish Ministers without all the objections having been withdrawn, the Scottish Ministers will be required to hold a Public Local Inquiry.
- 2.11 Scottish Ministers may also however decide not to consider the scheme and alternatively revert matters to the local authority to hold a Public Hearing before determining whether the scheme will be confirmed, confirmed with modifications or rejected.
- 2.12 The following bullet points provide a summary of steps involved should Cabinet approve the preliminary scheme confirmation with unresolved objections:-
- i) Send notice of the preliminary scheme confirmation to the relevant objectors.
  - ii) Notify Scottish Ministers of the Council's decision and advise them that there are outstanding unresolved objections to the scheme.
  - iii) If the Scottish Ministers agree to consider the scheme, then they will hold a Public Local Inquiry, and make a decision on the scheme.
  - iv) If Scottish Ministers do not wish to consider the scheme, then the Council will require to hold a Public Hearing, before making a decision on the scheme.

- v) Depending on the outcome of the Inquiry or Hearing, then a notice of the final decision shall be published. If the scheme is confirmed, then members of the public have a 6 week period to appeal the decision. Any appeal is made to a Sheriff.
- vi) If there is no appeal or the Sheriff dismisses the appeal, then the scheme is deemed to have planning permission and is operative.

2.13 Detailed design of the required engineering measures has not commenced at the present time. It is not intended to commission this work until such time as the scheme has been confirmed.

### **3. Proposals**

- 3.1 It is proposed that Cabinet agrees to take a preliminary decision to confirm the preferred scheme with unresolved objections, and commences the process detailed at 2.12 of this report.

#### 4. Implications

<b>Financial:</b>	The construction costs of the scheme is currently estimated at £14.5m. A further £1m for studies, design fees etc is anticipated. Schemes confirmed by Scottish Government are eligible for grant funding of up to 80% of eligible costs. The Council has made provision within its capital plan to contribute 20% towards a confirmed scheme.
<b>Human Resources:</b>	There are no human resource implications.
<b>Legal:</b>	<p>The scheme must be developed in accordance with the Flood Risk Management (Scotland) Act 2009.</p> <p>The proposed flood storage option would result in the construction of a large raised reservoir under the Reservoirs Act (1975). The reservoir is an impounding structure and therefore will require a Complex Impoundment Licence under the Water Environment (Controlled Activities) (Scotland) Regulations 2011. In addition, Engineering Licences will be required for the construction of the storage structure and any flood walls. Any drainage works would be subject to the General Binding Rules set out in the Regulations.</p>
<b>Equality:</b>	An Equality Implication Assessment will be carried out during the detailed design stage of the project.
<b>Environmental &amp; Sustainability:</b>	On the basis of the collated Environmental Impact Assessment (EIA) screening data, and supporting discussions, an EIA is considered unnecessary to support the proposed on-line flood dam structure, centred on the River Garnock. However, further surveys and a construction environmental management plan would be required as recommended in the EIA screening report.
<b>Key Priorities:</b>	The project aligns with the Councils corporate objectives of protecting and enhancing the environment for future generations and supporting all of our people to stay safe, healthy and active.
<b>Community Benefits:</b>	The project will provide economic, cultural and physical benefits to the community.

## **5. Consultation**

- 5.1 Consultations have already taken place with landowners and other statutory bodies in relation to this scheme. Further discussions are ongoing with objectors to the scheme to try to resolve their objections and agree terms of compensation. A meeting is due to be held with the Scottish Government to update them on progress with the scheme.
- 5.2 The scheme is included within the national Flood Risk Management Plan.



**CRAIG HATTON**  
Executive Director (Place)

Reference : CH/RM/CF

For further information please contact Crawford Forsyth, Team Manager  
(Transportation) on 01294 324842

### **Background Papers**

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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 12**

**27 September 2016**

#### **Cabinet**

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**Title:** **Widening Asylum Dispersal**

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**Purpose:** To advise Cabinet of the UK Governments plans to widen Asylum Dispersal in Scotland.

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**Recommendation:** That Cabinet agrees to Officers developing proposals with the Home Office and COSLA, for further consideration, to disperse asylum seekers, including unaccompanied asylum seeking children, within North Ayrshire.

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

- 1.1 The crisis in Syria and events in the Middle East, North Africa and beyond have seen an unprecedented number of migrants and asylum seekers arriving in the UK. The UK Government intends to widen Asylum Dispersal. In Scotland this means beyond Glasgow which is currently the only dispersal area.
- 1.2 In order to ensure that the UK can continue to discharge its statutory obligations and provide the support that asylum seekers need the Home Office are exploring a number of options including the identification of additional housing market areas that maybe suitable for asylum dispersal.
- 1.3 The Asylum and Immigration Act 1999 makes direct provision for the Secretary of State to provide for those claiming asylum and to instruct the cooperation and support of local authorities. However, the Home Office has made it clear that they wish to enter into voluntary agreements with local authorities to widen dispersal.
- 1.4 The Home Office have made direct contact with the Council asking the Council to participate in the widening dispersal programme.
- 1.5 There has also been a sharp increase in the number of Unaccompanied Asylum Seeking Children in the UK with over 800 being cared for by Kent County Council. As a result the Home Office are developing, at this time, a voluntary dispersal scheme in Scotland.

## **2. Background**

- 2.1 The Council has made previous humanitarian commitments in response to global events and has successfully resettled six families via the Afghan Relocation Scheme that supported the resettlement of employees of the UK government following the drawdown of UK troops from Afghanistan. In addition, in support of UK and Scottish Government commitments, we have also participated in the Syrian Resettlement Programme by agreeing to accommodate up to 100 refugees over a four year period. To date, we have accommodated 8 Syrian families (39 refugees) and are well on track to meet the Council's commitment. These families are integrating well into North Ayrshire's communities. In both of these programmes funding is available from the Home Office.
- 2.2 A multi-agency Syrian Refugee Task Force has been established by the Council chaired by the Executive Director Place to develop a strategic response to the resettlement of Syrian refugees and to oversee the operational approach to refugee arrival and integration. Council services and other community planning partners are represented on this group including Housing, Education & Youth Employment, Economy and Communities, Finance & Corporate Services, Health & Social Care Partnership, Police Scotland, NHS, Voluntary Sector and Scottish Fire and Rescue Service.
- 2.3 The Asylum and Immigration Act 1999 and its provisions was introduced with the intention of sharing the impact of dispersals of asylum seekers across the UK and to ease the over reliance on any one area. Recent events have increased the number of people who have either become displaced or who require support and assistance. The Act makes direct provision for the Secretary of State to provide support for those claiming asylum and to instruct the cooperation and support of local authorities in doing so.
- 2.4 In December 2015 the Director General of UK Visas and Immigration wrote to all Scottish Local Authorities (excluding Glasgow given their current involvement in dispersal) seeking support for widening of asylum dispersal.
- 2.5 The Home Office provides funding to CoSLA to facilitate local and regional consultations that support a functioning sustainable national Government asylum dispersal policy. The Director General asked CoSLA to provide Councils with additional information regarding dispersal and to explore how Councils might support further dispersal areas within Scotland.

- 2.6 The key driver for the Home Office in seeking to expand dispersal is the growing number of people coming to the UK to seek asylum. Published national statistics on asylum show that main applications increased by 29% to 32,414 in 2015, the highest number of applications since 2004 (33,960). While this is significantly less than the peak number of applications in 2002 (84,132), numbers have been increasing year on year since 2010, with no sense that this pattern is going to end any time soon. Based on current estimates it is expected that numbers could rise to 45,000 in 2016.
- 2.7 Asylum seekers in the UK have no right to work, claim welfare benefits or to obtain social housing however, they do have a right to education and health care. There is no additional financial support or grant funding on offer to local authorities who accommodate adult asylum seekers. The majority of asylum seekers to the UK are young single men and in 2015 they originated mainly from Eritrea, Sudan, Pakistan, Iraq and Afghanistan.
- 2.8 The Home Office have contracted Serco for the provision of all accommodation and associated services for asylum seekers in Scotland. Serco has subcontracted the provision of accommodation under the contract to the property services group - Orchard & Shipman. Serco work closely with other organisations including the NHS and Migrant Help to ensure asylum seekers receive a medical check and have access to support for their asylum claim
- 2.9 Migrant Help is an independent charity who is contracted by the Home Office to provide advice and guidance to asylum seekers. This includes advice on the asylum process, finance, accessing health care and other asylum issues. It does not include legal advice and the Home Office are currently considering the capacity of immigration lawyers across the UK to cope with increasing demand. In Scotland, these services are mainly concentrated in Glasgow.
- 2.10 Destitute asylum seekers are entitled to claim asylum subsistence during the claim process, currently set at £36.62 per week for a single person aged over 18. The Home Office advise that it currently takes approximately 6 months to process an asylum claim. A right of appeal exists for unsuccessful applicants.
- 2.11 The Home Office are, at this stage, seeking voluntary participation for wider dispersal throughout the UK and are seeking an indication on the numbers each local authority could accommodate. However legislation currently in place allows the Home Office to place asylum seekers within local authority areas.

## Children and Young People

- 2.12 Due to the unprecedented number of migrants and asylum seekers arriving as a result of the crisis in Syria and events in the Middle East, North Africa and beyond the UK is also experiencing an increase in number of Unaccompanied Asylum Seeking Children (UASC). Kent County Council is under significant pressure currently caring for over 800 UASC, a four-fold increase since 2014. There is financial support available to local authorities who accommodate these unaccompanied children and this ranges from £33,215 per annum for a young person under 16 to £41,610 for those aged 16 – 17. This is to provide caring for the child, accommodation, health care and education.
- 2.13 On arrival in the UK the unaccompanied child is given discretionary leave to remain and a further asylum application is submitted as they reach 18. They tend to be resilient young people who may have suffered significant trauma. They may have been victims of human trafficking and have travelled considerable journeys to reach the UK. The majority are male aged 15 – 17 who are often subjected to tests to confirm their age. Accommodation models will require to be considered and will include fostering for those under 16 and a range of supported accommodation for those aged 16 – 17.
- 2.14 In the case of unsuccessful claims the young person will have no recourse to public funds but the Council will continue to have a responsibility to the young person as a previously looked after child up to the age of 25.
- 2.15 Legislation is not currently in place in Scotland to allow the Home Office to direct local authorities to accept transferred UASC, however amended legislation is being prepared. Any current transfer therefore would be on a purely voluntary basis. In the meantime, CoSLA's Strategic Migration Partnership has established a short life working group to develop a proposed approach for Scottish local authorities. The working group will also develop a National Transfer Protocol for UASC that meets Scottish requirements. The Health & Social Care Partnership in North Ayrshire is represented on this group.
- 2.16 The Home Office has indicated that they expect each nation/region within the UK to receive a maximum number of unaccompanied children based on a ceiling of 0.07% of their total child population. This proportion if distributed equitably across Scotland would for North Ayrshire equate to a maximum of 19 unaccompanied children, at any one time.

### **3. Proposals**

- 3.1 Humanitarian protection is a principle supported by the Council as has been demonstrated in our commitments to both the Afghan Relocation Scheme and the Syrian Refugee Resettlement Programme. In light of the Home Secretary's power to enforce dispersal and the increasing number of adults and unaccompanied children seeking asylum in the UK officers have entered into further discussion with the Home Office and its contractors supported by CoSLA's Strategic Migration Partnership. Early engagement will enable the Council to ensure that any proposals developed are manageable within the context of service demands within the area. This will involve discussion with our community planning partners and further consideration by the Cabinet.
- 3.2 Cabinet is asked to endorse that Officers work with the Home Office and COSLA to develop proposals, for further consideration, on how the Council can extend its humanitarian commitment by assisting in the widening of asylum dispersal of both adult asylum seekers and unaccompanied asylum seeking children.

#### 4. Implications

<b>Financial:</b>	There are no current financial implications arising from this report. However, should the Cabinet agree in future to participate in the widening dispersal programme there will be financial implications in supporting adult asylum seekers and financial support available for accommodating UASC.
<b>Human Resources:</b>	There are no current human resource implications arising from this report. However, should the cabinet agree in future there will be staffing implications to support both asylum seeking adults and UASC.
<b>Legal:</b>	There are legal implications as outlined in this report linked to the Asylum and Immigration Act 1999 and any subsequent legislation.
<b>Equality:</b>	There are equality implications arising from this report should the Council participate in widening of asylum dispersal and will have a positive impact on asylum seekers, unaccompanied asylum seeking children and refugees.
<b>Environmental &amp; Sustainability:</b>	There are no environmental & sustainability issues arising from this report.
<b>Key Priorities:</b>	Widening asylum dispersal could contribute to achieving the Single Outcome Agreement ambition 'of increasing the working age population' in North Ayrshire and will contribute to 'life chances of vulnerable children and young people are improved'.
<b>Community Benefits:</b>	There are no community benefit implications arising from this report.

## **5. Consultation**

- 5.1 The Council's Syrian Refugee Task Force has been kept abreast of the developing nature of the Home Officer's requirements regarding asylum seekers. The Health and Social Care Partnership and the Education and Youth Employment Directorate have been consulted on the content of this report.



**CRAIG HATTON**  
Executive Director (Place)

Reference : CH/CN/LB

For further information please contact Carol Nelson, Senior Manager (East Division) on 01294 310174

### **Background Papers**

nil





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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 13**

**27 September 2016**

#### **Cabinet**

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**Title:** **Procurement EU Tender Plan - 2016/17 and 2017/18**

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**Purpose:** To advise Cabinet of the EU procurement tender plan for the remainder of Financial Year 2016/17 and requirements identified for 2017/18 and 2018/19.

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**Recommendation:** That the Cabinet agrees to invite tenders for the supplies, services and works listed in the plan at Appendix 1.

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

- 1.1 It is a requirement of the Standing Orders Relating to Contracts that all tender requirements over the EU procurement threshold receive approval from Cabinet prior to being advertised.

#### **2. Background**

- 2.1 This report covers the known tenders required for the remainder of financial year 2016/17, financial year 2017/18 and requirements identified for the start of financial year 2018/19.
- 2.2 Approval is required for the tenders listed in the Appendix to the report. Of the 17 requirements, 4 are for supplies and 13 are for services. The total value of these contracts is estimated at £22.27M.

#### **3. Proposals**

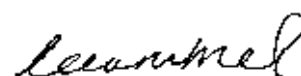
- 3.1 The Cabinet is requested to approve inviting tenders for the supplies and services listed at Appendix 1 to the report.

#### 4. Implications

<b>Financial:</b>	All future requirements will be budgeted for through General Services Revenue and the Housing Revenue Account. This is annotated on the appendix. Budgets will be verified prior to the commencement of the tendering activity.
<b>Human Resources:</b>	None
<b>Legal:</b>	Legal implications
<b>Equality:</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	Effective procurement practices support the Council Plan.
<b>Community Benefits:</b>	Community Benefits will be sought during the tender process in accordance with the Council's Community Benefits in Procurement Policy.

#### 5. Consultation

5.1 All Services have been consulted on their future requirements.



LAURA FRIEL  
Executive Director (Finance and Corporate Support)

Reference : CPU/AML

For further information please contact Anne Lyndon, Corporate Procurement Manager on 01294 324097

#### Background Papers

Appendix 1 - Corporate Procurement EU tender plan - Sep 16

**CORPORATE PROCUREMENT EU TENDER PROGRAMME TO MARCH 2017 and 2017-18**

Contract	Service	Type of Contract	Type of Expenditure	Estimated Value	Current Contract Expiry Date	New Contract Start Date	Contract Expiry Date (incl extensions)	Comments
Accommodation based housing support services for homeless people resident within hostel accommodation	Housing	Services	Revenue	£ 347,802.00	30/07/2017		30/07/2018	Option to extend for a further 1 year to 30/07/18
Advocacy and Early Intervention Education	Housing	Services	Revenue	£ 389,925.00	30/07/2017		30/07/2018	Option to extend for a further 1 year to 30/07/18
Delivery of Work Experience Programme and Employer Engagement Services	Education & Skills	Services	Revenue	£ 194,880.00	30/06/2017		30/06/2019	Option to extend for a further 2 x 1 year to 30/06/19
Housing Support and Children's Integration	Housing	Services	Revenue	£ 1,200,000.00	30/07/2017		30/07/2018	Option to extend for a further 1 year to 30/07/18
Housing Support Services to Women Experiencing or at Risk of Violence and/or Domestic Abuse	Housing	Services	Revenue	£ 1,350,000.00	30/07/2017		30/07/2018	Option to extend for a further 1 year to 30/07/18
IT Integrated Asset Management System for Roads	Roads	Services	Revenue	£ 255,000.00	N/A	01/04/2017	N/A	
Supply of a Managed Fleet Store (Re-tender)	Transport	Services	Revenue	£ 3,500,000.00	30/04/2017	01/05/2017	30/04/2017	
Supply of grp and upvc doors: UPVC and grp doors	Building Services	Supply	Revenue	£ 750,000.00	07/08/2016		07/08/2017	Option to extend for a further 1 year to 07/08/17
MTC Gas Soundness & Boiler Services	Building Services	Services	Revenue	£ 443,000.00	31/03/2017		31/03/2019	Option to extend for a further 2 x 1 year to 31/03/19
Annual Maintenance & Reactive Maintenance - Domestic Gas Central Heating & Ancillary Equipment	Property Management & Investment	Services	Revenue	£ 8,500,000.00	31/03/2017		31/03/2019	Option to extend for a further 2 x 1 year to 31/03/19
Installation & Maintenance of Alarms in Temp Accommodation	Property Management & Investment	Services	Revenue	£ 227,000.00	31/03/2017		31/03/2018	Option to extend for a further 1 year to 31/03/18
MTC Water Quality Management	Property Management & Investment	Services	Revenue	£ 488,000.00	31/07/2017		31/07/2019	Option to extend for a further 2 x 1 year to 31/07/19
Supply of Kitchens	Building Services	Supply	Revenue	£ 2,200,000.00	01/06/2017		01/06/2019	Option to extend for a further 2 x 1 year to 01/06/19
MTC Periodic Testing & Inspection of Fixed Electrical Installations	Property Management & Investment	Services	Revenue	£ 582,000.00	05/01/2017		05/01/2018	Option to extend for a further 1 year to 05/01/18
Framework Agreement for Architectural Services	Property Management & Investment	Services	Revenue	£ 340,000.00	07/09/2016		07/09/2018	Option to extend for a further 2 x 1 year to 07/09/18
Supply of uPVC Windows	Building Services	Supply	Revenue	£ 1,227,639.00	04/03/2017		04/03/2018	Option to extend for a further 1 year to 04/03/18
Hand & Arm Vibration Reporting System (HAVS)	Commercial	Supply	Revenue	£ 270,000.00	31/03/2016		31/03/2016	
<b>TOTAL</b>				<b>£22,265,246.00</b>				



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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 14**

**27 September 2016**

#### **Cabinet**

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**Title:** **Award of Framework - Print Services**

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**Purpose:** To advise the Cabinet of the result of the tender for the Framework Agreement for Print Services and seek approval to award.

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**Recommendation:** Agree to approve the award of the framework to Brown Bros (Irvine) Ltd, Fasprint Services (Irvine) Ltd, MacKay & Inglis Ltd, Potts Print (UK), Print Plus (UK) Ltd, Publicity Printing Group, The Kestrel Press (Irvine) Ltd and CG Print Ltd for a period of 4 years.

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

- 1.1 North Ayrshire Council has programmed to procure a framework for Print Services.
- 1.2 In order to comply with the Council's Standing Orders relating to Contracts and Contract Procedure Rules and Public Contracts (Scotland) Regulations 2015 (SSI 2015/446) (as amended) a formal open procedure tendering exercise was undertaken.
- 1.3 Following the evaluation process, the recommendation of the Tender Evaluation Panel is that a framework agreement be awarded to Brown Bros (Irvine) Ltd, Fasprint Services (Irvine) Ltd, MacKay & Inglis Ltd, Potts Print (UK), Print Plus (UK) Ltd, Publicity Printing Group, The Kestrel Press (Irvine) Ltd and CG Print Ltd for a period of 4 years.

#### **2. Background**

- 2.1 North Ayrshire Council published a formal contract notice on 3rd June 2016 under the Open Procedure in the Official Journal of the European Union (2016/S 102-181528) and Public Contracts Scotland Procurement Portal and this was linked to an electronic tender on the Bravo E-tendering System. The return date was 29th July 2016.

- 2.2 The contract notice attracted 50 expressions of interest from a wide range of potential suppliers of which 17 submitted Tender submissions, some for multiple lots, by the deadline and these were evaluated.

### 3. Proposals

- 3.1 The recommendation of the Tender Evaluation Panel is that the framework be awarded to Brown Bros (Irvine) Ltd, Fasprint Services (Irvine) Ltd, MacKay & Inglis Ltd, Potts Print (UK), Print Plus (UK) Ltd, Publicity Printing Group, The Kestrel Press (Irvine) Ltd and CG Print Ltd at a total estimated cost of £671,000 over the maximum duration of the contract. The suppliers to be included in each lot are noted in the table below.

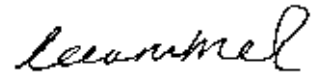
Supplier	Lot 1	Lot 2	Lot 3	Lot 4
<b>Brown Bros (Irvine) Ltd</b>	✓	✓	✓	✓
<b>CG Print</b>		✓	✓	
<b>Fasprint Services (Irvine ) Ltd</b>	✓	✓	✓	
<b>Potts Print UK</b>	✓	✓		
<b>Print Plus (UK) Ltd</b>	✓		✓	
<b>Publicity Printing Group</b>	✓	✓	✓	
<b>The Kestrel Press</b>	✓	✓	✓	✓
<b>Mackay + Inglis Ltd</b>	✓	✓	✓	✓

#### 4. Implications

<b>Financial:</b>	<p>Prior to the tender the estimated value of the framework based on historic usage was £910,000. A budget of £910,000 is available for this requirement with an annual budget of £227,500</p> <p>The total estimated value of the new contract is £671,000 with an annual expenditure of £167,750. This represents a total saving over the maximum duration of the contract of £239,080 or £59,750 per year. Some of the savings are as a result of a reduction in demand for printing of Committee Agendas due to the use of technology.</p>
<b>Human Resources:</b>	None
<b>Legal:</b>	The tender exercise has been undertaken in accordance with EU Procurement Directives. Public Contracts (Scotland) Regulations 2015 (SSI 2015/446) (as amended) and the Council's Standing Orders Relation to Contracts and Contract Procedure Rules for North Ayrshire Council.
<b>Equality:</b>	None
<b>Environmental &amp; Sustainability:</b>	Framework suppliers will maximise the use of recyclable and reusable materials in terms of both printed materials and packaging for the duration of the framework.
<b>Key Priorities:</b>	Supports delivery of North Ayrshire Council's Communications Strategy
<b>Community Benefits:</b>	<p>For each £50k of aggregate spend with a supplier one of the following Community Benefits will be delivered:</p> <ul style="list-style-type: none"> <li>● a STEM workshop for school pupils</li> <li>● a work placement for a school pupil for 5 days</li> <li>● a career talk in North Ayrshire schools</li> <li>● a programme of mock interviews for 3 days</li> </ul>

## **5. Consultation**

- 5.1 North Ayrshire Council met with 3 local suppliers to obtain expertise and input into the statement of requirements. Feedback was taken into account for the new tender.



LAURA FRIEL  
Executive Director (Finance and Corporate Support)

Reference : NAC/1051

For further information please contact Suzanne Quinn on 01294 324039

### **Background Papers**

Appendix 1 - Tender Outcome Report



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## **NORTH AYRSHIRE COUNCIL**

### **Agenda Item 15**

**27 September 2016**

#### **Cabinet**

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**Title:** **Award of Contract - Saltcoats Public Realm Improvement Works**

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**Purpose:** To advise Cabinet of the outcome of the tender exercise and award of contract for Saltcoats Public Realm Improvement Works, Countess Street, Saltcoats,

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**Recommendation:** Cabinet note the award of the Contract to Land Engineering (Scotland) Limited in line with the Council's Standing Orders Relating to Contracts clause 18.7.

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

- 1.1 North Ayrshire Council in conjunction with Irvine Bay Regeneration Company required to establish a contract for Public Realm Improvement Works, Countess Street, Saltcoats .
- 1.2 In order to comply with the Council's Standing Orders Relating to Contracts and Contract Procedure Rules and Public Contracts (Scotland) Regulations 2012 a formal tender exercise was advertised via the Public Contracts Scotland advertising portal.
- 1.3 Due to Cabinet recess and in line with the Council's Standing Orders Relating to Contracts clause 18.7, the approval to award this contract was authorised by the Chief Executive, Leader of the Council and the Cabinet portfolio holder for Place.
- 1.4 The contract was awarded to Land Engineering (Scotland) Limited on 4th August 2016. The contract term is for 26 working weeks.

#### **2. Background**

- 2.1 A formal notice was advertised on 26th October 2015 under the restricted procedure in Public Contracts Scotland procurement portal. The return date was 16th November 2015.
- 2.2 The contract notice attracted 24 expressions of interest from a wide range of potential suppliers of which 6 submitted Pre Qualification Questionnaires.

- 2.3 Following evaluation of Pre-Qualification Questionnaires the following 3 suppliers, were short-listed to receive Invitation to Tender documents: Land Engineering (Scotland) Limited, Rainton Construction Limited and Mackenzie Construction Ltd.
- 2.4 The return time and date for completed Invitations to Tender was 10th June 2016 at 12 noon at which point 3 submitted responses.
- 2.5 The 3 tenders received were evaluated against the stated evaluation criteria of 80% cost 20% quality.

### **3. Proposals**

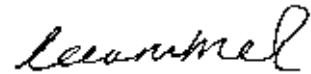
- 3.1 In line with the Council's Standing Orders Relating to Contracts clause 18.7, the recommendation to award to Land Engineering (Scotland) Limited was approved by the Chief Executive, Leader of the Council and the Cabinet portfolio holder for Place.

### **4. Implications**

<b>Financial:</b>	The total value of the overall contract is £818,902.04. A total budget of £1 million pounds is available for this project.
<b>Human Resources:</b>	None
<b>Legal:</b>	The tender exercise was conducted in accordance with the Council's Standing Orders Relating to Contracts.
<b>Equality:</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	This contributes to the Council Plan Priority 1: Growing our economy, increasing employment and regenerating towns, Priority 2: Working together to develop stronger communities and Priority 5: Protecting and enhancing the environment for future generations.
<b>Community Benefits:</b>	The successful tenderer will deliver the following Community Benefits during the contract period: 1 x new entrant Groundworker (26 weeks), 1 x new entrant Paver (26 weeks), 1 x School Project, 1 x Community Workshop, 1 x 5 day work experience for a pupil and 1 x programme of mock interviews

## **5. Consultation**

- 5.1 There was consultation with the Irvine Bay Regeneration Company, Property Management and Investment, Roads and Regeneration Services throughout the tender process.



LAURA FRIEL  
Executive Director (Finance and Corporate Support)

Reference : NAC/2058

For further information please contact Hazel Templeton, Acting Category Manager on 01294 324547

### **Background Papers**

Tender Outcome Report