North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Cunninghame House,
Irvine.

19 March 2015

Cabinet

You are requested to attend a Meeting of the Cabinet of North Ayrshire Council to be held in the Council Chambers, Ground Floor, Cunninghame House, Irvine on **TUESDAY 24 MARCH 2015** at **2.30 p.m.** to consider the undernoted business.

Yours faithfully

Elma Murray

Chief Executive

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

2. **Minutes (Page 7)**
    The accuracy of the Minutes of the meeting held on 10 March 2015 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

EDUCATION ITEMS FOR DECISION

3. **Education and Youth Employment: Accessibility Strategy 2015 - 2018 (Page 13)**
    Submit report by the Executive Director (Education & Youth Employment) on the development of Education and Youth Employment's Accessibility Strategy 2015 – 2018 (copy enclosed).

EDUCATION ITEMS FOR INFORMATION

4.   **Irvine Royal Academy: Education Scotland Continuing Engagement Report (Page 31)**
     Submit report by the Executive Director (Education & Youth Employment) on the Education Scotland Continuing Engagement Report on Irvine Royal Academy (copy enclosed).

5.   **Toilet Provision in North Ayrshire Council Schools (Page 39)**
     Submit report by the Executive Director (Education & Youth Employment) on the progress made to improve toilet provision in schools across North Ayrshire (copy enclosed).

GENERAL BUSINESS FOR DECISION

   Reports by the Chief Executive

6.   **Records Management Plan (Page 57)**
     Submit report by the Chief Executive on the Council and Licensing Board's combined Records Management Plan, in accordance with the Council's obligations under the Public Records (Scotland) Act 2011 (copy enclosed).

   Reports by the Executive Director (Finance and Corporate Support)

7.   **Revenue Budget 2014/15 : Budgetary Control Statement to 31 January 2015 (Page 87)**
     Submit report by the Executive Director (Finance and Corporate Support) on the revenue budgetary control position for the Council at 31 January 2015 (copy enclosed).

8.   **Capital Monitoring to 30 January 2015 (Page 131)**
     Submit report by the Executive Director (Finance and Corporate Support) on the progress in delivering the Capital Investment Programme as at 31 January 2015 (copy enclosed).

9.   **Local Governance (Scotland) Act 2004 (Remuneration and Severance Payments) Amendment Regulations 2015 (Page 151)**
     Submit report by the Executive Director (Finance and Corporate Support) on the 1% increase in Councillors' salaries contained in the Local Governance (Scotland) Act 2004 (Remuneration and Severance Payments) Amendment Regulations 2015 and to seek clarity on Senior Councillor salaries (copy enclosed).

Reports by the Executive Director (Economy & Communities)

10. **Review of Business Support (Page 155)**
Submit report by the Executive Director (Economy & Communities) on the current Business Gateway contract (copy enclosed).

Reports by the Executive Director (Place)

11. **Neighbourhood Vision – Remodelling of the Council's Operational Property Portfolio (Page 193)**
Submit report by the Executive Director (Place) on the principles to support rationalisation of the Council's Property Estate (copy enclosed).

12. **Draft Local Biodiversity Action Plan for North Ayrshire 2015-18 (Page 207)**
Submit report by the Executive Director (Place) on the Draft Local Biodiversity Action Plan for North Ayrshire 2015-18 for public consultation (copy enclosed).

GENERAL BUSINESS FOR INFORMATION

Reports by the Executive Director (Finance and Corporate Support)

13. **General Services Revenue Estimates 2015/16: Update (Page 239)**
Submit report by the Executive Director (Finance and Corporate Support) on the General Services Revenue Budget for 2015/16 (copy enclosed).

14. **Strategic Risk Register 2015/2016 (Page 251)**
Submit report by the Executive Director (Finance and Corporate Support) on the key strategic risks facing the Council (copy enclosed).

MINUTES

15. **Minutes of the Housing Revenue Account Business Plan Implementation Group: 12th February 2015 (Page 267)**
Submit report by the Executive Director (Place) on the minute of the minutes of the meeting of the Housing Revenue Account Business Plan Implementation Group held on 12th February 2015 (copy enclosed).

EXEMPT INFORMATION

16. **Exclusion of the Public**
    Resolve in terms of Section 50(A)4 of the Local Government (Scotland) Act 1973, to exclude from the Meeting the press and the public for the following items of business on the grounds indicated in terms of Paragraph 9 of Part 1 of Schedule 7A of the Act.

    Non Disclosure of Information
    In terms of Standing Order 17 (Disclosure of Information) the information contained within the following reports is confidential information within the meaning of Section 50A of the 1973 Act and shall not be disclosed to any person by any Member or Officer.

16.1 **Surplus Property - Perceton House complex, Irvine (Page 277)**
    Submit report by the Executive Director (Place) on the Perceton House complex, Irvine (copy enclosed).

17. **Urgent Items**
    Any other item which the Chair considers to be urgent.

Cabinet

Sederunt:	**Elected Members**	Chair:

Elected Members

Willie Gibson (Chair)
Alan Hill (Vice-Chair)
Marie Burns
John Bruce
Anthea Dickson
Tony Gurney
Ruth Maguire

Attending:

Church Representatives

Very Reverend Matthew Canon McManus
Ms Elizabeth H. Higton
Mr Mark Fraser

Teaching Representative

Apologies:

Mr Gordon Smith

Youth Council Representatives

to be advised

Meeting Ended:

Cabinet
10 March 2015

Irvine, 10 March 2015 - At a Meeting of the Cabinet of North Ayrshire Council at 2.30 p.m.

Present
Willie Gibson, John Bruce, Anthea Dickson, Tony Gurney; Very Reverend Matthew Canon McManus (Church Representative) (Agenda Item 4) and Courtney Gemmell and Erin McAuley (Youth Representatives) (Agenda Item 4).

Also Present
Alex Gallagher and Grace McLean.

In Attendance
E. Murray, Chief Executive; J. Butcher, Executive Director, L. Taylor, Senior Manager (Resources and Infrastructure) and G. Donaldson, Administrative Officer (Education and Youth Employment); Y. Baulk, Head of Service (Physical Environment) and D. Tate, Senior Manager (Property Management and Investment) (Place); K. Yeomans, Executive Director, A. Sutton, Head of Service (Connected Communities) and A. Laurenson, Team Manager (Regeneration) (Economy and Communities); I. Colvin, Director (Health and Social Care Partnership); L. Aird, Head of Finance, G. Macgregor, Head of Customer, People and Corporate Support, M. Hogg, Senior Manager (Financial Management) and T. Reaney, Procurement Manager (Finance and Corporate Support); D. Walkinshaw, Project Manager, R. Moore, Communications Officer (Media and Internal Communications), H. Clancy and E. Gray, Committee Services Support Officers and A. Little, Committee Services Officer (Chief Executive's).

Also In Attendance
G. Randall, Sportscotland.

Chair
Councillor Gibson in the Chair.

Apologies for Absence
Alan Hill, Marie Burns, Ruth Maguire and Mark Fraser (Church Representative).

1.   Chair's Remarks

The Chair, in terms of Standing Order 9.1, agreed to vary the order of business to allow earlier consideration of Agenda Item 7 (Report on the Consultation on the Future of Early Years, Primary and Secondary Education Provision in Largs.

The Chair further agreed, in terms of Standing Order 9.4, to accept an item of urgent business relating to the Icelandic Bank investment. This would be considered under item 13.

2.   Declarations of Interest

There were no declarations of interest by Members in terms of Standing Order 16 and Section 5 of the Code of Conduct for Councillors.

3.   Minutes

The accuracy of the Minutes of the meeting held on 24 February 2015 were confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

4.   Largs Campus

Submitted report by the Executive Director (Education & Youth Employment) which provided information on (a) the outcome of the statutory public consultation on the proposal to consider the future of early years, primary and secondary education provision in Largs; (b) the proposed partnership with Sportscotland to share sports facilities on their Inverclyde site; (c) the proposed site for the campus, including the costs of the land and legal agreement; and (d) the financial implications of the project.

The Cabinet viewed an animation on the proposed new modern learning facility that will build on strong links with Sportscotland and the Inverclyde Centre and received a presentation by Sportscotland on the design brief for the fully inclusive sports facility.

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

- the extended journey to and from school for young people travelling from Cumbrae and the reinstatement of free school transport on the mainland for these pupils;
- the availability of sporting facilities at the new campus after 5.00 p.m.;
- the additional revenue costs that can be met from resources in the current three year financial plan;
- consideration of the needs of all young people, including those who require specialist facilities;
- the three phase 30 year partnership agreement for access to two professional standard football pitches and one synthetic hockey pitch; and
- an open book renegotiation of the agreement after the first 11 year period and each subsequent 10 year period.

The Cabinet agreed to (a) consider the information contained in the Consultation Report; (b) approve the recommendation to develop a campus in Largs at Inverclyde Sports Centre, by relocating Largs Academy, amalgamating Brisbane and Kelburn Primary Schools, relocating St Mary's Primary School and creating a new early years centre; (c) approve the reinstatement of free school transport on the mainland for young people travelling from Cumbrae with effect from the date of opening of the new campus; (d) approve the revised project budget and agree to fund the additional capital costs as part of a fuller review of the capital plan during 2015/16; (e) approve a thirty year agreement with Sportscotland for staff and pupils to gain access to professional standard sports pitches within Inverclyde National Sports Centre; (f) the Council entering into a formal legal agreement to acquire development land at the National Sports Centre, Inverclyde that will be subject to a number of suspensive conditions; and (g) approve the allocation of additional revenue costs as outlined at 2.10.5 of the report.

5. Procurement EU Tender Plan - 2015/16 and 2016/17

Submitted report by the Executive Director (Finance and Corporate Support) on the EU procurement tender plan for the remainder of Financial Year 2015/16 and requirements identified for 2016/17.

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

- the re-let of the framework agreement for day education for children with additional support needs; and
- that the estimated value of this tender is based on the previous contract spend.

The Cabinet agreed to invite tenders for the supplies, services and works listed in the plan detailed in Appendix 1 to the report.

6. Write off of Tenant Rent Arrears

Submitted report by the Corporate Director (Finance and Corporate Support) which (a) advised of tenant rent arrears and court costs; and (b) sought approval to write-off irrecoverable amounts, including those that relate to under occupancy arrears for homeless temporary accommodation and rent write offs.

The Cabinet agreed to approve the write-offs totalling £105,944.09, as detailed in Section 2 of the report.

7.   1 Mid-Mayish Cottage and Farmyard Cottage, Mid-Mayish, Brodick, Isle of Arran

Submitted report by the Executive Director (Place) which advised of (a) a Closing Order previously served on 1 Mid-Mayish Cottage; (b) a recent inspection of Mid-Mayish Cottage and Farmyard Cottage, Mid-Mayish, Brodick; and (c) the proposed serving of a Demolition Order on both properties.

The Cabinet agreed to approve (i) the revocation of the Closing Order previously served on 1 Mid-Mayish Cottage; and (ii) the serving of a Demolition Order on both 1 Mid-Mayish Cottage and Farmyard Cottage, Mid-Mayish.

8.   Surplus Property - 36 Bank Street, Irvine

Submitted report by the Executive Director (Place) which advised (a) on the proposed disposal of the property at 36 Bank Street, Irvine and the alienation of the property from Irvine Common Good Fund.

The Cabinet agreed to approve (i) the disposal of the property at 36 Bank Street, Irvine; and (ii) Legal Services progressing the required steps to alienate the property from Irvine Common Good Fund.

9.   Brodick Harbour Redevelopment and Arran Economic Plan

Submitted report by the Executive Director (Economy and Communities) on (a) the progress of the proposed redevelopment of Brodick Harbour; and (b) a workshop event planned for April 2015 to produce an Arran Economic Plan and agree the constitution and priorities of the Arran Economic Group that will replace the Brodick Harbour Redevelopment Group.

The Cabinet agreed to (a) the formation of an Arran Economic Group to replace the Brodick Harbour Redevelopment Group; and (b) otherwise note the content of the report.

10. Maximising Attendance Performance - October to December 2014 (Quarter 3 Summary)

Submitted report by the Executive Director (Finance and Corporate Support) on analysis of sickness absence in Quarter 3 and the quarterly trend from April 2013.

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

● the profile of the duration of absences and absences by duration as a cumulative total; and
● the provision of reports to Cabinet on a quarterly basis.

The Cabinet agreed (a) that the Executive Director (Finance and Corporate Support) provide future reports on a 6-monthly basis; and (b) to otherwise note the report.

11.   North Ayrshire Shadow Integration Board

Submitted report by the Executive Director (Health and Social Care Partnership) on business dealt with by the North Ayrshire Shadow Integration Board during the period from August 2014 to February 2015 and the progress towards formal integration of health and social care.

The Cabinet commended officers and partners for the good work and progress made towards integration.

Noted.

12.   Award of Contract - Measured Term Contract (MTC) for Drainage and Sewerage Services

Submitted report by the Executive Director (Finance and Corporate Support) on the result of the tender exercise for the renewal of the Measured Term Contract (MTC) for Drainage and Sewerage Services.

Members asked questions and were provided with further information in relation to the Council's Standing Orders Relating to Contracts that provides all relevant information to interested parties, including the scoring criteria that is used.

The Cabinet agreed to approve the award of the contract to DAMM Environmental Ltd. at a cost of £740,000.

13.   Exclusion of the Public and Press

The Cabinet resolved, in terms of Section 50(A)4 of the Local Government (Scotland) Act 1973, to exclude from the Meeting the press and the public for the following items of business on the grounds indicated in terms of Paragraph 9 of Part 1 of Schedule 7A of the Act.

13.1 Icelandic Bank Investment

Submitted report by the Executive Director (Finance and Corporate Support) on the Council's Icelandic Bank investment.

The Cabinet agreed to delegate authority to the Chief Executive and the Corporate Director (Finance and Corporate Support) in terms of the recommendations of the report.

14. Urgent Item

14.1 Icelandic Bank Investment: Settlement of Overpayment   **12**

Cabinet was provided with information in relation to Icelandic Bank investment and the winding up of Glitnir.

The Cabinet agreed to delegate authority to the Chief Executive and the Corporate Director (Finance and Corporate Support) in terms of the recommendations of the verbal report.

The meeting ended at 4.10 p.m.

NORTH AYRSHIRE COUNCIL

Agenda Item 3

24 March 2015

Cabinet

Subject:	**Education and Youth Employment: Accessibility Strategy 2015 -2018**
Purpose:	To inform and update Cabinet on the development of Education and Youth Employment's Accessibility Strategy 2015 – 2018.
Recommendation:	It is recommended that Cabinet agrees (a) to note and approve the content of the draft Accessibility Strategy and; (b) that Officers continue to work to enhance the equality of access to education; and (c) that officers consult with key stakeholders, developing a revised Accessibility Strategy that takes into account the new guidance and meets legislative requirements.

1. Introduction

1.1 The Education (Disabilities Strategies and Pupils' Educational Records (Scotland) Act 2002 requires local authorities to develop and implement an Accessibility Strategy.

1.2 The draft strategy is designed to show how the authority will provide equality of access to all education services through:

- Access to the curriculum;
- Access to the physical environment; and
- Communication with children and young people and their parents and carers.

2. Current Position

2.1 The Scottish Government issued new guidelines in September 2014 in relation to this Act, entitled, 'Planning Improvements for disabled pupils' access to education'. Education Authorities are required to revise their existing strategies based on this guidance.

2.2 The existing Accessibility Strategy has been revised to consider how the authority will meet the requirements of the above Act. This is attached as a draft in Appendix 1.

13

2.3   A collaborative approach via consultation and engagement is planned, through working with all educational establishments, parents and carers and appropriate health professionals, to ensure that, over time, educational establishments are fully accessible.

2.4   The aim is to provide an integrated inclusive approach to delivering an accessible curriculum, enhanced educational environment and improved communications to children and young people with additional support needs.

2.5   This consultation will, it is anticipated, deliver a revised Accessibility Strategy, which will meet legislative requirements.

3.   Proposals

3.1   It is proposed that Cabinet agrees (a) to note and approve the content of the draft Accessibility Strategy and; (b) that Officers continue to work to enhance the equality of access to education; and (c) that officers consult with key stakeholders, developing a revised Accessibility Strategy that takes into account the new guidance and meets legislative requirements.

4.   Implications

Financial Implications

4.1   There may be financial implications for the Council if it is identified that there is a need for building adaptations or specialist equipment required. It is anticipated that any adaptations, requirements for specialist equipment or the need for additional support staff will be met from existing budgets.

Human Resource Implications

4.2   Following an individual pupils' assessment, there may be a requirement to provide additional staff to support a young person's access to the curriculum.

Legal Implications

4.3   The Accessibility Strategy is in place so that the planning and implementation processes meet the requirements of the following legislation:

- Education (Disabilities Strategies and Pupils' Educational Records) Act 2002
- Standards in Scotland's Schools etc. Act 2000
- Education (Additional Support for Learning)(Scotland) Act 2004
- The Disability Discrimination Act 2005
- The Equality Act 2010
- Children and Young People (Scotland) Act 2014.

Equality Implications

4.4   The Accessibility Strategy will ensure that the Authority promotes equality of opportunity, promotes positive attitudes and encourages greater participation by children and young people with additional support needs.

Environmental and Sustainability Implications

4.5   There are no environmental implications arising directly from this report.

Implications for Key Priorities

4.6   3a   Opportunities for lifelong learning have increased
       4   Our young people are successful learners, confident individuals, effective contributors and responsible citizens
       5   Our children have the best start in life and are ready to succeed
       6c   More vulnerable people are supported within the community
       7c   Disadvantage on the basis of race, disability, gender, age, religious belief or sexual orientation is reduced
       8   We have improved the life chances for children, young people and families at risk
       10   We live in well managed, sustainable places where we are able to access the amenities and services we need.

5.   **Consultations**

5.1   The Authority has in place an Accessibility Steering Group. This is a multi-agency group with a responsibility for promoting, managing and monitoring inclusion, accessibility and support for learning.

6.   Conclusion

6.1   Cabinet are asked to note the ongoing work and approve the further
        steps outlined in this report to develop an Accessibility Strategy.

                                              JOHN BUTCHER
                    Executive Director (Education and Youth Employment)

Reference : JB/DC/DR/JN
For further information please contact John Butcher, Executive Director on
01294 324411

Background Papers
-

17

Accessibility Strategy

2015 - 2018

1. Introduction:

1.1 This is the Accessibility Strategy for North Ayrshire for the period 2015 – 2018. It includes a brief review of the previous strategy and the impact it had in enhancing equality of access for children and young people with disabilities.

1.2 **The Education (Disability Strategies and Pupils' Educational Records) (Scotland) Act 2002** requires local authorities to develop and implement strategies for improving access to educational buildings, to the curriculum and to information for pupils with disabilities. There is also a need to take cognisance of **the Education (Additional Support for Learning) (Scotland) Act 2004** and as amended 2009; **the Equality Act 2010.**

In preparing this strategy, North Ayrshire Council must also consider the duties of the **Children and Young People (Scotland) Act 2014** when it comes into effect.

1.3 This strategy is by nature, anticipatory rather than reactive in response to individual needs. It relates to all educational establishments under the management of the authority.

2. What is an Accessibility Strategy?

2.1 The strategy demonstrates how the authority will provide equality of access to all education services through: -

- access to the curriculum;
- access to the physical environment;
- communication with pupils and parents/carers.

These are referred to as the 'three planning duties.'

3. Legislative Framework

3.1 The Accessibility Strategy is in place so that the planning and implementation processes of the local authority and Education and Youth Employment meet the requirements of sections 1 to 3 of the **Education (Disability Strategies and Pupils' Educational Records) Act 2002.**

There is a requirement in the Act for North Ayrshire Council to include school education outwith schools to disabled children who are:

- under school age; or
- to those who are school age and are travelling people. This may include children receiving education on Gypsy or Travellers sites or to families who are Showmen.

3.2 North Ayrshire Council must also ensure that there are mechanisms in place

for long-term strategic planning, to improve access in schools for all pupils with disabilities.

The Standards in Scotland etc. Act 2000 gives children and young people a right to a school education provided by an education authority and includes a presumption in favour of providing mainstream education for all children, except where education in a school other than a special school would:

- not be suited to the individuals' ability or aptitude;
- be incompatible with the provision of effective education for the individual; or
- result in unreasonable expenditure being incurred which would not normally be incurred.

The Accessibility Strategy will over the period 2015 - 18:

- improve access to education in mainstream schooling for present and prospective pupils with disabilities;
- improve visitor access to school buildings;
- improve communication, consultation and involvement of people with disabilities in the planning process
- streamline departmental lines of communication with respect to issues relating to accessibility, disability and inclusion;
- outline the planning, targets and expected outcomes over the next three years with regard to accessibility for pupils and staff across its education establishments;
- assist with the authority's obligations to provide equality of employment to disabled staff under the former Disability Discrimination Act (DDA) 1995, now the Equality Act 2010;
- assist Education and Youth Employment in meeting its general and specific duties under the 2010 Equality Act;
- ensure the requirements of the Children's and Young Peoples Act and the principles of GIRFEC are planned and met

3.3   Under the **Education (Disability Strategies and Pupils' Educational Records) Act 2002**, all authorities must have plans in place for pupils with disabilities to meet their duties under the legislation. The two key duties of this legislation are:

- not to treat disabled pupils less favourably; and
- to take reasonable steps to avoid putting disabled pupils at a substantial disadvantage.

3.4   These duties - not treating less favourably and making reasonable adjustments, are both anticipatory. That is, the authority should not wait until it is in the position of having to make such adjustments for a particular individual. The duties must be planned for in advance of individual needs arising.

3

The requirement to plan ahead to make all school and educational establishments fully accessible over time is reflected in the Accessibility Strategy and in the arrangements and mechanisms for implementing the strategy.

3.5   For pupils with complex education, health and/or social needs, Education and Youth Employment should aim for an integrated approach to delivering a fully accessible curriculum. A key principle of Getting it Right for Every Child is that better early intervention and prevention should enable more children to have their wellbeing needs met in a more inclusive way.

3.6   The **Disability Discrimination Act 2005,** built on previous requirements by imposing on public bodies, a positive duty to eliminate discrimination and harassment, and therefore, promote equality of opportunity for disabled people. It requires public bodies to move away from risk-avoidance activities to establishing practices which actively promote and support the diverse needs of people. It requires information-gathering on the effect of policies and practices on educational opportunities, attainment and achievement levels of disabled pupils.   It also requires service providers to make reasonable adjustments to make our service accessible to disabled people. These can be simple changes such as making sure that all lessons take place on ground floor classrooms for a class where one of the pupils uses a wheelchair and the school does not have a lift.

3.7   **The Equality Act 2010** repealed and replaced the Disability Discrimination Act 2005. The Equality Act harmonises discrimination law by providing a legislative framework to protect the rights of individuals and advance equality of opportunity for all. It also serves to update, simplify and strengthen previous legislation.

3.8   The specific duties will include responsibilities from the original 2005 Disability Discrimination Act. These are to: -

- promote equality of opportunity between disabled people and other people;
- eliminate discrimination that is unlawful under the Disability Discrimination Act;
- eliminate harassment of disabled people that is related to their disability;
- promote positive attitudes towards disabled people;
- encourage participation by disabled people in public life; and
- take steps to meet disabled people's needs, even if this requires more favourable treatment.

3.9   The legislation (DDA and Equalities Act) covers people with different types of disabilities. A person has a disability if s/he has a physical or mental impairment, which has a substantial and long-term adverse effect on his/her ability to carry out normal day-to-day activities.

4

It includes the following broad groups of disabilities:

- communication difficulties,
- hearing impairments,
- specific learning difficulties,
- visual impairments,
- specific language impairment,
- physical disabilities /motor impairments,
- autistic spectrum disorder,
- severe disfigurement and
- progressive conditions such as muscular dystrophy.

3.10 It is important to note that the day-to-day activities affected by disability include:

- mobility,
- manual dexterity,
- physical coordination,
- continence,
- ability to lift, carry or otherwise move everyday objects,
- speech, hearing or eyesight,
- memory or ability to concentrate, learn or understand; or
- perception of the risk of physical danger.

3.11 **The Education (Additional Support for Learning) (Scotland) Act 2004,** commenced in November 2005 and was revised in 2009. This has wide and far-reaching consequences on the way all pupils are supported by schools, education authorities and partner agencies and organisations and on how additional support needs are perceived.

There was a move to encompass and include social, emotional and behavioural additional support needs as well as those with a recognised medical disability. It fundamentally recognised that with the right support, at the right time, those additional support needs can reduce to an extent that support is no longer required.

It introduced new duties and responsibilities on local authorities to assess and plan to meet the additional support needs of children and young people.

3.12 The requirement for physical alterations to be made to schools, and the provision of an auxiliary aids and services, should be considered as part of the more strategic approach in the Education (Disability Strategies and Pupils' Educational Records) (Scotland) Act 2002 and the Education (Additional Support for Learning) (Scotland) Act 2004.

3.13 Appendix 1 sets out the relationship between the Equality Act and the Education (Additional Support for Learning) (Scotland) Act and sets out a number of factors which may contribute to an additional support need.

5

3.14 It should be noted that not all children who meet the definition of disability will have an additional support need. For example, those with severe asthma, arthritis or diabetes may not have an additional support need but may have rights under the Equalities Act, if their impairment has a substantial and adverse long-term effect on their ability to carry out normal day to day activities.

Similarly, not all children with additional support needs will meet the definition of disability under the Equality Act. Some children whose emotional and behavioural difficulties have origins in social or domestic circumstances may fall out with the definition but their needs would have to be met under the Additional Support for Learning Act.

3.15 Community Planning Partnerships, which includes local authorities, have been working to implement the GIRFEC approach since 2010. This approach should support the aim of improving access to education and outcomes for disabled children and young people. Aspects of this policy have been included in **The Children and Young People (Scotland) Act 2014.**

Well-being is a core element of GIRFEC and has been defined in this Act under eight indicators – safe, healthy, achieving, nurtured, active, respected, responsible and included. This is often shortened to SHANARRI. The Children and Young People (Scotland) Act:

- recognises that practitioners are key to promoting, supporting and safe guarding the well-being of all children and young people;
- places a duty on local authorities for every child to have a Named Person as a point of contact to support children, young people and families when there is a well-being need;
- introduces the concept of Child's Plan;
- provides new statutory functions for information sharing, where appropriate and necessary to support, promote and safe-guard the well-being of individuals;
- contains a requirement to report on outcomes and measure the impact of service planning and delivery at a school, authority and CPP level.

4. Disability/Access Reviews

4.1 North Ayrshire Council undertakes a regular review of additional support needs provision, including an annual survey of its pupil base. The gathered information provides the basis for the planning and decision making practices necessary to meet the requirements of Planning Duties.

5. The Planning Process

5.1 There three key Planning Duties are as follows: -

- Increasing the extent to which disabled children and young people are able to participate in the curriculum whilst enabling the fullest possible participation of all learners with disabilities in the full and broad curriculum experienced by learners without disabilities;
- Improving the physical environment of establishments to enable better access to education and associated services with the systematic and strategic removal of all barriers to the physical and sensory environment of the school;
- Improving communication and the delivery of education to disabled children and young people, ensuring that it is in an appropriate format to meet individual needs, at school and authority level, and improve those links with the pupils parents/carers

5.2 The combination of these three strands should work to improve access to education and associated services for disabled children and young people, including the following areas:

- learning and teaching;
- classroom and play room organisation;
- timetabling;
- grouping of children and young people;
- homework;
- transition arrangements between stages of education;
- access to fall facilities within the establishment;
- activities to supplement the curriculum – e.g. residential school visits Arran Outdoor Education Centre;
- school interval and lunch time activities including access to dining facilities;
- interaction with peers;
- assessment and exam arrangements;
- school discipline and sanctions;
- school clubs and activities – within and outwith the establishment
- educational trips;
- inclusion in any planned work with other agencies;
- preparation of pupils for the next phase of education.

Code of Practice for Schools: Disability Discrimination Act: Part 4 (Disability Rights Commission)

The list is not exhaustive but is meant to indicate the areas where discrimination and disadvantage can occur. The work of the Accessibility Strategy and Review Group is to ensure that, in all areas of education; pupils with a disability are not disadvantaged or treated unfairly.

7

23

6.   Access to the Curriculum

6.1   Curriculum for Excellence is the most extensive development in Scottish education for many years. This new framework contains elements from which every child in Scotland is entitled to benefit from:

- A coherent curriculum from age 3 to 18;
- A broad, general education, including experiences and outcomes which are well planned across all curriculum areas, from early years through to S3;
- The senior phase of education after S3 provides a range of educational pathways and opportunities to participate in and obtain qualifications in an increased choice of nationally recognised qualifications, as well as recognising a range of other achievements whilst continuing to develop the four capacities;
- Skills for learning, skills for life and skills for work, with a continuous focus on literacy, numeracy and health and well-being;
- Personal support;
- Support moving into a positive and sustained destination beyond school.

6.2   It aims to promote transformational change through:

- More flexibility for teachers;
- Greater choice and opportunity for pupils;
- A coherent curriculum for all young people aged 3 – 18; and the
- Early Years curriculum for under 3's.

6.3   When talking about access to the curriculum, we mean access to the new experiences and outcomes of Curriculum for Excellence and to the knowledge and understanding, skills and attributes that will equip every child and help them to achieve their full potential.

Children and young people of all ages may have long or short term needs. How this impacts on a child's learning and development will vary and will determine the level and nature of the required support. Prevention, early intervention and nurture are essential elements for a child's development and progression. For the best start and promotion of positive outcomes, there is a focus on under 3 education to develop four key principles: -

- Rights of the child
- Relationships
- Responsive care
- Respect

6.4   The Strategy also seeks to ensure that all children and young people affected by disability can access the full range of recreational, leisure and cultural activities available to their school-aged peers who are not affected by a disability.   These may include field trips, residential trips, educational excursions and after school clubs and activities.

6.5   North Ayrshire Council wants to remove barriers to learning through the provision of an accessible curriculum for all children and young people. This will be accomplished wherever possible through the processes of inter-agency working and of making reasonable adjustments to services.

North Ayrshire will work with others to ensure a coherent and unified approach is developed to enable more inclusive activities for service users who are disabled.

6.6   The availability of staff and physical resources, such as ICT equipment, specialist desks and chairs or specific equipment for practical subjects, to support a child or young person for long periods will need to be considered and resolved to allow participation.

Each establishment has a duty to ensure that all children and young people have equal access to the curriculum, supported, as appropriate to individual needs.

Staff training and personal development opportunities, as well as alternative approaches for teaching and learning must be considered to ensure full access to the curriculum for children and young people. Robust quality improvement processes will ensure that staff identify areas of good practice and collaborate on initiatives with other schools and agencies. This process will also inform the Accessibility Strategy Steering and Review Group about areas for improvement and also advise the group of areas that are effective and work well.

7.   Access to the Physical Environment

7.1   Children and young people's opportunities to achieve attain and become successful learners and effective citizens and understand about inclusion and equality will be improved in a learning environment that fosters quality teaching and learning.

7.2   Under the auspices of GIRFEC, North Ayrshire is committed to ensuring that children and young people have access to high quality learning environments. The authority maintains and seeks to improve the early years, primary school, secondary school and additional support needs schools. In addition, the Authority will continue to ensure that education establishments are physically accessible to disabled children, young people and visitors.

Any new build projects will be fully accessible in terms of access, teaching and ancillary facilities, decoration and amenities.

7.3   It is recognised that many of our schools are accessible for the majority of children and young people, however future adaptations may be required to meet the needs of future pupils coming into our schools. Officers in Education and Youth Employment will work with individual Head Teachers and other internal services and external agencies to provide recommendations for

adaptations and/or solutions to address those identified needs. These must be considered as far in advance as possible, as the Council has an 'anticipatory duty' to make reasonable adjustments before the pupil arrives, so that the child or young person is not placed at a substantial disadvantage.

7.4   This will include improvements to the physical environment of the school and physical aids to education. The environment includes: -

- Steps and stairways
- Kerbs, external surfaces, surface textures and parking areas
- Building entrances and exits
- Colours, acoustics, signage, air quality and temperatures.

There may also be a need to consider improvements to access routes, such as the installation of: -

- Ramps and handrails
- Lifts and hoists
- Fully accessible toilets and
- Widened doorways to allow wheelchair access

7.5   It is recognised that particular responsive arrangements will have to be made to meet the individual needs of the pupils and staff with sensory impairment. Where this is an issue, advice will be sought from the appropriate sensory agency.

7.6   Throughout the Disability Discrimination Act, there is a duty to take reasonable steps to undertake work as required. This may mean that there are some areas within an establishment that are legitimately defined as inaccessible, as it would not be reasonable to carry out adaptations to gain access to them. This could be because:

- it is replicated on an accessible floor;
- the building is listed; or
- adaptations would result in unreasonable expenditure.

8.   Improving Communication with Pupil and Parents/Carers

8.1   This part of the duty is a key component of the Education (Disability Strategies and Pupils Educational Records) Act 2002. It covers planning to make curricular and other information, normally provided by establishments to children and young people, available to disabled children and young people.

The information should take account of individual disabilities and their preferred format. Any information provided in alternative formats must be planned and provided within a reasonable timeframe and preferably at the same time as their peers.

8.2   This may include:
- information about educational activities and events;
- timetables;
- alternative assessment and examination arrangements;
- homework or classwork; or
- textbooks.

Information that is normally provided in writing must be made more accessible by providing it:

- in Braille;
- in large print;
- British Sign Language or Makaton;
- on audiotape;
- using a symbol system; and/or
- appropriate ICT software.

8.3   To improve communication and the delivery of information to the children and young people and parents, who have English as a second language, North Ayrshire Council will provide, on request or as required, copies of relevant documents in alternative languages.

In line with the Scottish Government's recommendations that there should be face to face translations, as these are preferred and more effective, North Ayrshire Council has appropriate arrangements in place to access telephone and face to face interpreting, as well as the translation of written text from one language to another when necessary.

Interpreting for people with a sensory impairment can be arranged through the Council's Social Services and Health Sensory Impairment Team.

Where there is need to provide information on audio CD's, tapes or braille, contact can be made with the Education and Youth Employment Pupil Support Base to make the necessary arrangements for the transcription of text into braille or audio format.

9.   Establishing Priorities

9.1   North Ayrshire Council will strive to do more than comply with legislation and ensure its educational establishments do likewise. It wishes to provide leadership and encouragement for the benefit if it's children and young people.

Through Education and Youth Employment, North Ayrshire Council will continue to develop and improve the quality of accommodation for its children and young people by considering:

11

- consultation with pupils, parents and employees to determine needs and gaps in provision;
- the results of recent strategic review of education establishments ;
- the aims and objectives of the Accessibility Strategy;
- the individual needs of pupils;
- how the planning for refurbishment of schools is presently undertaken ;
- how improvements to the physical access to establishments can be made; and
- how to provide centrally funded support staff to engage creatively and productively with schools to develop more inclusive environments.

Any physical improvements made to improve accessibility for pupils also results in improving access for staff and visiting members of the wider community.

9.2   The Accessibility Strategy has been developed in partnership with a range of our community planning partners including the third sector.

9.3   The local authority will continue to develop areas of best practice to support and sustain pupils with additional support needs in mainstream school placements. The planning and implementation of this strategy will greatly facilitate this process.

9.4   In order to streamline and to manage more efficiently the various duties under these statutory frameworks, Education and Youth Employment has drawn the duties together under the management of a single working group: The Accessibility Strategy Steering and Review Group.

10.   Monitoring and Evaluation

10.1   North Ayrshire Council proposes to monitor and evaluate the strategy, its implementation and outcomes on an on-going basis through two avenues:

- The Accessibility Strategy Steering and Review Group; and
- The Disability Equality Forum

10.2   The Accessibility Strategy Steering and Review Group is a multi- agency group, chaired by the Senior Manager with a responsibility for promoting and managing inclusion, the implementation of children's services, accessibility and support for learning.

The group consists of staff from:

- North Ayrshire Council – Officers from Education and Youth Employment and Social Services and Health
- NHS Ayrshire and Arran Nursing Co-ordinators
- NHS Ayrshire and Arran Allied Health Professionals – Occupational Health and Speech and Language Therapists)

- KA Leisure

10.3   The Disability Equality Forum would be involved in monitoring and evaluating the impact of the action plan and contribute to the development of the Accessibility Strategy as an ongoing dynamic process.

10.4   The Action Plan for the 2015 - 2018 Accessibility Strategy has been developed in line with the requirements of the strategic plan as it develops.

OVERLAP BETWEEN THE EQUALITY ACT AND THE ADDITIONAL SUPPORT FOR LEARNING ACT   **Appendix 1**

Equality Act	Additional Support for Learning Act
Pupils' needs which **may** meet definition of the disability under the Equality Act to whom education accessibility strategies apply: • Physical or mental impairment including: • Autism Spectrum Disorder • Dyslexia • Diabetes • Eating disorders (diagnosed) • Gross obesity • Disfigurement • ADHD • Incontinence • Epilepsy • Learning difficulties, including sever and complex needs • Hearing impairment • Some conditions may progress to have a substantial adverse effect: heart condition, sickle cell anaemia, rheumatoid arthritis Pupils' needs which **automatically** meet the definition of disability under the Equality Act and to whom education accessibility strategy applies: • Cancer • HIV • Multiple sclerosis • Certified/registered visual impairment • Severe long-term disfigurement	Pupils who **may** require additional support under the ASL Act have a barrier to learning as a result of one of the four factors giving rise to additional support needs: • Learning environment • Family circumstances • Disability or health need • Social or emotional factors These may include: • Have a motor or sensory impairment • Are being bullied • Are particularly able or talented • Have experienced a bereavement • Are interrupted learners • Have a learning disability • Are look after by the local authority • Have a learning difficulty, such as dyslexia • Are living with parents who are substance abusers • Are living with parents who have a mental health problem • Have English as a second or additional language • Are not attending school regularly • Have emotional or social difficulties • Are on the child protection register • Are young carers Or for any other reason

There may be overlap between the Acts e.g. a pupil may have a disability and may also have additional support needs

This list is not exhaustive and is intended to highlight the areas where discrimination and disadvantage can occur.

14

30

NORTH AYRSHIRE COUNCIL

Agenda Item 4

24 March 2015

Cabinet

Subject:	**Irvine Royal Academy: Education Scotland Continuing Engagement Report**
Purpose:	To inform Cabinet of the Education Scotland Continuing Engagement Report on Irvine Royal Academy.
Recommendation:	That Cabinet notes the steps that have been taken to address the key points for action in the original report.

1. Introduction

1.1 Irvine Royal Academy received a return visit by Her Majesty's Inspectors from Education Scotland in November 2014. The inspectors visited the school to see how much progress had been made since the original inspection in November 2013.

1.2 During the visit, the inspectors talked to the Chair of the Parent Council and young people. They also worked closely with the Head Teacher and staff.

1.3 HM Inspectors looked at the main areas for improvement that had been identified in the original inspection and at other aspects of the school's work.

2. Current Position

2.1 The Education Scotland Continuing Engagement Report was published on 10 February 2015, see Appendix 1.

2.2 The school is making very good progress towards addressing the main points for action, identified in the original inspection. As a result, good progress has been made in improving the quality of education. Under the Head Teacher's very effective leadership, staff are continuing to improve the curriculum and the quality of learning, teaching and attainment.

2.3   In particular, Education Scotland noted that:

- The ethos of the school has improved considerably and is now very positive. Young people now have a greater sense of identity and wear the new school uniform with pride.
- The school's revised vision, values and aims are underpinning the development of the curriculum and offering a clear sense of direction.
- An effective start has been made to developing the curriculum to provide a coherent and progressive learning experience for young people. Teachers and young people are actively shaping the curriculum through regular discussions and working groups.
- The school is making good progress towards improving how well young people learn and achieve.
- The Head Teacher continues to provide strong direction and motivation for staff and young people. Working well together, under the very effective leadership of the Head Teacher, staff are taking the necessary steps to address the key areas for improvement, identified within the original inspection.

2.4   The inspectors are confident that, under the leadership of the Head Teacher, the school has the capacity to secure further improvements. As a result, the authority's Area Lead Officer will continue to work with North Ayrshire Council, to build capacity for improvement and will maintain contact to support and monitor progress.

2.5   In light of the improvements noted by the inspection team, Education Scotland have a confidence to work in partnership with the authority to review the school's progress in the next year.

3.   Proposals

3.1   That Cabinet notes the very good steps that have been taken by the school towards addressing the main points for action identified in the original inspection.

4.   Implications

Financial Implications

4.1   The school's action points will be delivered within existing budgets.

Human Resource Implications

4.2   None have been identified.

Legal Implications

4.3   None have been identified.

Equality Implications

4.4 None have been identified.

Environmental and Sustainability Implications

4.5 None have been identified.

Implications for Key Priorities

4.6 North Ayrshire Council Plan. Core Objective 3: Improving Educational Attainment.

5. Consultations

5.1 The Head Teacher continues to discuss proposals with Head of Service, staff, parents and pupils.

6. Conclusion

6.1 This is a positive report from Education Scotland.

JOHN BUTCHER
Executive Director (Education and Youth Employment)

Reference : SQ
For further information please contact Steven Quinn, Head of Service (Schools). on 01294 324413.

Background Papers
-

**Education
Scotland**

Foghlam Alba

10 February 2015

Dear Parent/Carer

**Irvine Royal Academy
North Ayrshire Council**

In February 2014, HM Inspectors published a letter on your child's school. The letter set out a number of areas for improvement for the school that we agreed with staff and North Ayrshire Council. Recently, as you may know, HM Inspectors visited the school again to see how much progress the school has made. During our visit, we talked to the Chair of the Parent Council and young people and worked closely with the headteacher and staff. We heard about the steps the school has taken to improve. We looked at the main areas for improvement that had been identified in the original inspection and at other aspects of the school's work. As a result, we were able to find out about the progress the school has made and the impact this has had on young people's learning and achievements. This letter sets out what we found.

How well do young people learn and achieve?

The school is making good progress towards improving how well young people learn and achieve. Young people now have a greater sense of identity with their school and wear their new school uniform with pride. The ethos of the school has improved considerably and is very positive. In lessons observed, almost all young people behave well and continue to enjoy positive relationships with each other and their teachers. Teachers increasingly use young people's views to improve learning and teaching. As a result, young people now feel they have more of a say in making the way they learn in class better. They now receive better feedback from their teachers and are using this well to set learning targets. Young people, particularly at the senior stages, are now more aware of their strengths as learners and what they need to do to improve further. They would benefit from more challenging learning activities in lessons to help them develop their thinking. At all stages, there are improved leadership opportunities for young people which is resulting in greater account being taken of their views. For example, the recent S3 Arran leadership experience has supported young people to develop the skills and confidence to lead primary challenge days and organise careers events for their peers. Overall, young people demonstrate increasing responsibility and skills as they contribute to opportunities to make decisions about the life and work of the school. For example, S2 Curriculum champions are involved in the design of the curriculum. Senior pupils now demonstrate a more mature attitude to their learning. They continue to act as positive role models to their younger peers.

Transforming lives through learning

Young people's achievements are now celebrated well through assemblies, the House system and through the use of social media. The termly newsletter and telephone calls to parents are well received and effective in celebrating young people's successes. Young people are now gaining accredited awards in recognition of their efforts. The S6 Leadership Team are working well towards their Saltire Awards and the S1 to S3 pupil council are beginning to undertake work to gain a Participative Democracy award. These opportunities are helping young people to become more confident and independent in their learning. The school is improving the ways in which it monitors and tracks young people's progress from S1 to S3, including in literacy, numeracy and health and wellbeing. Senior managers are aware of the need to continue to work with subject staff to improve approaches to assessing young people's progress at these stages. Overall, across S4 to S6, young people's performance in national qualifications is improving. There has been a notable improvement in the number of young people achieving at least five awards at National 5 level by S4 and three or more Higher awards by S6.

How well does the school support young people to develop and learn?

Teachers are now planning tasks which engage young people more actively in their learning. We have asked teachers to plan more stimulating and interesting tasks to meet the needs of all learners better. The school's work on improving the curriculum is now more focussed on the needs of learners and firmly based on the principles of Curriculum for Excellence. The school's revised vision, values and aims underpin the development of the curriculum and provide a clearer sense of direction. An effective start has been made to developing the curriculum to provide a coherent and progressive learning experience for young people from S1 to S3. Teachers and young people are actively shaping the curriculum through regular discussions and working groups. Young people would benefit from a school wide focus on developing their literacy and numeracy skills. Department staff have worked well with colleagues in their own authority and beyond to implement the new National and Higher qualifications. Science and mathematics staff have made a positive start to working with primary colleagues to improve transition in learning from P7 to S1.

How well does the school improve the quality of its work?

The headteacher continues to provide strong direction and motivation for staff and young people. The remits of the senior leadership team have been revised ensuring clearer lines of responsibility and closer links with subject department staff. Principal teachers take greater responsibility for taking forward improvement within their subject areas and key school priorities such as improving attainment. Across the school, staff engage actively and enthusiastically in a range of professional learning opportunities designed to provide them with the skills to lead school improvement priorities and improve their practice. Working well together, under the very effective leadership of the headteacher, staff are taking the necessary steps to address the key areas for improvement identified within the original inspection. Collectively, they communicate a clearer vision and ambition for all young people. Overall, the school's approaches to self-evaluation and planning for improvement are now impacting positively on the quality of young people's experiences and achievements. Staff now have a better understanding of their individual and collective responsibility

for self-evaluation and improvement. Parents, young people and partners have an increased role in evaluating the life and work of the school.

What happens next?

Overall, the school is making very good progress towards addressing the main points for action identified in the original inspection. As a result, good progress has been made in improving the quality of education. Under the headteacher's very effective leadership staff are continuing to improve the curriculum and the quality of learning, teaching and attainment. Stronger teamwork within the school and better partnership working with the wider school community are supporting the school to realise its renewed vision for the young people of Irvine Royal Academy. We are confident that, under the leadership of the headteacher, the school has the capacity to secure further improvements. As a result, our Area Lead Officer will continue to work with North Ayrshire Council to build capacity for improvement and will maintain contact to support and monitor progress. In partnership with North Ayrshire Council, we will carry out a review of the school's progress within one year of publication of this letter and decide at that point whether a further inspection is required.

Fiona Robertson
HM Inspector

If you would like to receive this letter in a different format, for example, in a translation please contact the administration team on the above telephone number.

If you want to give us feedback or make a complaint about our work, please contact us by telephone on 0141 282 5000, or e-mail: complaints@educationscotland.gsi.gov.uk or write to us addressing your letter to the Complaints Manager, Denholm House, Almondvale Business Park, Livingston EH54 6GA.

37

NORTH AYRSHIRE COUNCIL

Agenda Item 5

24 March 2015

Cabinet

Subject:	**Toilet Provision in North Ayrshire Council Schools**
Purpose:	To update Cabinet on the progress made to improve toilet provision in schools across North Ayrshire.
Recommendation:	It is proposed that Cabinet (a) notes the progress made to date to improve toilet provision in schools; and (b) agrees to the further improvements outlined in this report.

1. Introduction

1.1 In December 2013, Cabinet was provided with information on the condition of school toilets across Scotland. This information was gathered from an Ipsos Mori poll of S1 – S6 pupils across Scotland and from the Scottish Children's Commissioner -Tam Baillie's 'Flushed with Success' campaign.

Following this publication, North Ayrshire Youth Council conducted a survey of secondary aged pupils to seek their views on toilet provision within schools. The results showed that school toilet provision in North Ayrshire schools needed to be improved, especially in areas such as general condition, cleanliness and accessibility.

1.2 Cabinet agreed to:

- pupils being involved in the design process for new school toilets and learning from good practice throughout the country;
- visits being arranged to schools to view the state of school toilets;
- receive copies of school policies covering the use of school toilets;
- a further report being presented to a future Cabinet meeting.

1.3 An officer working group and a pupil reference group were established to take forward these actions.

1.4 On 25 March 2014, an update was provided to Cabinet and the following was agreed:

- the implementation of a standard circular on school toilet provision which included a Facilities Management service charter;
- the on-going work of the cross service working group and pupil reference group in the shaping of the design and specification of future toilet refurbishment and new-build projects;
- the development of an investment plan to upgrade school toilets across the authority; and
- be kept up to date with developments.

2. Current Position

2.1 To date the following steps have been taken to improve school toilet provision:

- implementation of the standard circular on school toilet provision including the Facilities Management service charter for improved cleaning standards in school toilets;
- introduction of a day cleaner in secondary schools at key times during the school day that checks and restocks all consumables;
- a generic specification has been developed for the refurbishment of school toilets through consultation with the pupil reference group;
- a generic model of unisex toilets for new school build projects has been developed with the pupil reference group; and
- condition surveys have been undertaken across all schools and toilet provision has been assessed in order to formulate a priority list for any future investment.

2.2 The standard circular outlined the need for all pupil toilets to be open and available to children and young people at all times throughout the school day.

2.3 The standard of cleanliness in toilets has improved as a result of the introduction of day cleaners in secondary schools and the use of the cleaning charter across all schools. Soap dispensers have also been installed in all toilets.

2.4 The generic model of unisex toilets for new primary school build projects is based on the design used at Dreghorn Primary School. The pupil reference group met at the school and were taken on a tour by the Pupil Council representatives. Cubicles within the toilet area are designated for boys and girls, with shared hand washing facilities. The group liked the floor to ceiling design of the cubicles and felt this managed any concerns around dignity and respect. Pupils and staff from Glengarnock Primary School also visited Dreghorn Primary School in connection with the new campus.

2.5 A further meeting of the pupil reference group was convened at Garnock Academy and included pupils from Garnock Academy and Glengarnock Primary school. They were shown a presentation produced by the Scottish Futures Trust on best practice in school toilet design. The pupils liked the design at Lasswade Academy, Midlothian. This model has a shared unisex area for male and female toilets and a communal sink area in the middle of the space. The group liked this model and felt that a communal area such as this would reduce the risk of vandalism and bullying. However, rather than have a specified 'side' for male and female use, they would prefer the option of being able to use any available vacant toilet.

It has been agreed that at the design stage of any new build projects, and as part of the consultation process, pupils from any affected schools will be taken on visits to new build schools to allow them to provide feedback on the overall design and operation of the areas.

2.6 A standard specification for toilet refurbishment projects has been developed through consultation with the pupil reference group, taking on board their comments. Key aspects agreed are:

- cubicles will be of a floor to ceiling design to maintain levels of privacy;
- all cisterns, pipework and drainage outlets will be hidden behind decorative panels;
- wall tiles will be replaced with a vinyl wall cladding;
- hand driers will be installed;
- soap dispensers will be supplied at a ratio of one dispenser per two sinks;
- flooring, ceilings, mirrors and lighting will be replaced; and
- paintwork will be refreshed.

This specification is planned for use in all future refurbishment projects. However, there may be instances where space constraints do not allow this design to be fully implemented. Where such instances occur, further consultation will take place to ensure that the best solution can be designed to meet the needs of the school.

As part of the consultation process in refurbishment projects, Head Teachers will be advised which schools have recently undergone toilet upgrades to allow them to plan visits.

2.7   Based on the development of the refurbishment specification, the following toilet refurbishment projects are planned for completion by April 2015:

- Skelmorlie Primary School
- St Winning's Primary School
- St Palladius Primary School
- Ardrossan Academy

2.8   Condition surveys have been completed across the school estate and from this information, pupil toilets have been assessed within the condition categories as utilised by CIPFA.

These categories are as follows:

Condition A	Good	Performing as intended and operating efficiently
Condition B	Satisfactory	Performing as intended but exhibiting minor deterioration
Condition C	Poor	Exhibiting major defects and/or not operating as intended
Condition D	Bad	Life expired and/or serious risk of imminent failure

There are currently 77 individual sets of toilets affecting 29 schools across the school estate which have been assessed within category C. It is intended that each of these will become a future upgrade project, which when undertaken, will be completed using the agreed specification as outline above.

Category B toilets have not been included in the refurbishment programme. Nevertheless, they will be subject to ongoing reactive maintenance as required.

Where it is identified, through the condition survey reviews, that an area has deteriorated from condition B to condition C, these will then be considered for future refurbishment. There are no condition category D toilets within the school estate.

2.9   Areas within schools that require repairs and maintenance to be
        undertaken will continue to be reported via the Property Maintenance
        Log Book.

        At a Corporate level, a review is taking place of the current
        maintenance and repairs reporting procedures across the Council's
        operational property portfolio. This will be subject to discussion and
        consultation and once agreed will be rolled out to all properties for
        implementation.

2.10   A Business Case was presented to CPAG in December 2014. It noted
        the work that has been undertaken in identifying the affected toilets
        and the anticipated costs and outcomes associated with the proposed
        upgrades.

        It is currently anticipated that the budget required to upgrade the
        identified 77 sets of toilets categorised as condition C, will be in the
        region of £2.2 million, however this figure does not take account of
        inflation or Building Cost Information Service increases.

2.11   During 2013/14, £224,000 was spent undertaking toilet upgrades
        across the school estate. In 2014/15, PMB will have funded the
        upgrade of toilets within four schools at an estimated cost of
        £279,000.

        A further £600,000 has been made available to accelerate the
        investment programme during 2015/16.   The schools identified to
        benefit from upgrades are detailed below:

        ●   Corrie Primary School
        ●   Corsehill Primary School
        ●   Kilwinning Academy
        ●   Lamlash Primary School
        ●   Moorpark Primary School
        ●   Springside Primary School
        ●   St Bridget's Primary School
        ●   St Winning's Primary School
        ●   Whiting Bay Primary School

        Thereafter, the ongoing toilet refurbishment programme is dependent
        upon the funding allocation available within the Council's Property
        Maintenance Budget (PMB), and requires consideration alongside
        other Council wide property maintenance priorities.

        Education and Youth Employment intend to write to the Scottish
        Children's Commissioner to outline the progress and measures taken
        to improve school toilets across North Ayrshire schools.

3. Proposals

3.1   It is proposed that Cabinet (a) notes the progress made to date to improve toilet provision in schools; and (b) agrees to the further improvements outlined in this report.

4. Implications

Financial Implications

4.1   4.1   To refurbish all condition category C toilets, the cost is currently estimated at £2.2million, however £600,000 of revenue funding has been made available for the purpose of upgrading a number of category condition C toilets during 2015/16. Any other future major investment from the property maintenance budget will be considered on an annual basis by the Capital Programme and Assets Group (CPAG) within the budget setting and approval process.

Human Resource Implications

4.2   There are no human resource implications arising directly from this report.

Legal Implications

4.3   There are no legal implications arising directly from this report.

Equality Implications

4.4   There are no equality implications arising directly from this report.

Environmental and Sustainability Implications

4.5   There are no environmental implications arising directly from this report.

Implications for Key Priorities

4.6   This policy will contribute to the 'Healthier North Ayrshire' priority in the North Ayrshire Single Outcome Agreement 2013 – 2017. Better quality and more hygienic toilet facilities could help North Ayrshire reach the desired outcome that "Children and young people are safe, healthy, active, aspiring and achieving".

Community Benefit Implications

4.7   There are no community benefit implications arising directly from this report.

5.   Consultations

5.1   The following stakeholders have been consulted:

- Children and young people
- Head Teachers and staff
- Officers in Education and Youth Employment
- Officers in Place (Physical Environment)
- Place (Commercial)

6.   Conclusion

6.1   The Cabinet are asked to note the ongoing work and approve the further steps outlined in this report to improve toilet provision in schools across North Ayrshire.

JOHN BUTCHER
Executive Director (Education and Youth Employment)

Reference : JB/LT/JN
For further information please contact John Butcher on Executive Director (324411)

Background Papers
-

Business Case - Toilet Provision in North Ayrshire Schools

1. EXECUTIVE SUMMARY

1.1   Issue

(This section should briefly describe the business problem that the proposed project will address. This section should not describe how the problem will be addressed, only what the problem is.)

In 2013, the Scottish Children's Commissioner -Tam Baillie, organised an Ipsos Mori poll of S1 – S6 pupils across Scotland on the condition of school toilets.
North Ayrshire Youth Council subsequently conducted a survey of secondary aged pupils, to seek their views on toilet provision within schools across North Ayrshire. This survey highlighted a number of issues associated with toilet provision across the school estate. These issues included:

- young people often avoided using the school toilets during the day;
- toilets were often too dirty to use; and
- they were unable to wash or dry their hands.

The survey also indicated that school toilet provision in North Ayrshire requires to be improved in areas including general condition, cleanliness and accessibility.

Cabinet was provided with information in December 2013 and agreed to the formation of a cross service working group to consider the following issues:

- to develop a generic policy for the management and operation of school toilets;
- improved cleaning standards;
- improved condition of toilet facilities; and the
- development of a standardised specification for refurbishment and new build projects.

During the period 2012-2014, the Council commissioned and completed a stock condition survey of the school estate. This condition survey work followed CIPFA guidance and concluded that 77 individual sets of toilets, spread over 29 schools, were assessed as being within condition category C.

The definition of this categorisation is *"Poor: Exhibiting major defects and/or not operating as intended."*

1.2   Anticipated Outcomes

Should the proposal to refurbish toilet facilities be implemented, the toilets identified for upgrade from a condition C rating would be re-assessed on completion. It is anticipated that the toilets will be categorised as condition A.

The outcome of the proposal would contribute to the 'Healthier North Ayrshire priority in the North Ayrshire Single Outcome Agreement 2013 – 2017. Better quality and more hygienic toilet facilities could help the Council to reach the desired outcome that 'Children and young people are safe, healthy, active, aspiring and achieving'

1.3   Recommendation

A generic upgrade specification for existing school toilets has been developed through consultation with a pupil reference group comprising of primary and secondary aged young people. This agreed specification would be used across the school estate to upgrade those toilets identified through the condition survey.

It is recommended that the proposal to upgrade and refurbish the category condition C school toilets be approved in recognition of the positive benefits that this would have for young people across North Ayrshire.

As noted in section 1.1 above, there are 77 sets of toilets spread throughout the school estate that are categorised as condition category C. On analysing the costs associated with undertaking a limited number of upgrades to the revised specification, it has been estimated that the overall costs associated with this proposal are outlined as follows:

	£
Base upgrade construction costs	1,700,000
Contract preliminary costs and contingency	127,500
Professional fees	182,500
Statutory consent costs	100,000
Temporary toilet facilities	100,000
Anticipated project costs	**£2,210,000**

The above cost excludes inflationary or Building Cost Information Service (BCIS) increases.

1.4   Justification

The justification for proceeding with the project is that it has been recognised that the current condition of school toilets across North Ayrshire is not acceptable.

The results of the North Ayrshire Youth Council survey across secondary schools indicated that 86% of respondents sometimes or often avoid using the school toilets during the day, 54% noted that toilets were often too dirty to use, with 54% also reporting that they were unable to wash or dry their hands.

This investment would provide upgraded and enhanced facilities for pupils, as well as address the issues highlighted in the Scottish Children's Commissioner campaign – 'Flushed with Success'

The impact of not investing in schools toilets at this stage will result in further deterioration of the condition of current facilities.

2. BUSINESS CASE ANALYSIS TEAM

(This section describes the roles of the team members who developed the business case. It is imperative that participants and roles are clearly defined for the business case as well as throughout the life of the project.)

Role	Description	Name/Title
Executive	i). Responsible for the business case ii). Responsible for the benefits review iii). Oversees the development of a viable business case	Steven Quinn, Head of Service (Schools)
Senior User	i). Responsible for specifying the benefits upon which the business case is approved ii). Ensure the desired outcome of the project is specified iii). Ensures the desired benefits are realized	Lynn Taylor, Senior Manager
Senior Supplier	i). Responsible for the supplier's business case ii). Confirm the agreed project can be delivered within the expected cost	David Tate, Senior Manager
Project Manager(s)	i). Responsible for delivery of project once business case is approved. ii). Responsible for reporting milestone completion and project plan implementation.	Dave MacKay (minor works) Alan Martin (major works)

3. PROBLEM DEFINITION

3.1   Problem Statement

(This section describes the business problem that this project was created to address. The problem may be process, technology, or product/service oriented. This section should not include any discussion related to the solution.)

Condition Surveys have been undertaken across each toilet area within schools. They have been surveyed and assessed within the condition categories as utilised by CIPFA. These categories are as follows: -

Condition A   Good: Performing as intended and operating efficiently.
Condition B   Satisfactory: Performing as intended but exhibiting minor deterioration.
Condition C   Poor: Exhibiting major defects and/or not operating as intended.
Condition D   Bad: Life expired and/or serious risk of imminent failure.

It has already been noted that there are 77 individual sets of toilets affecting 29 schools which have been assessed within category condition C.

Toilet refurbishment programmes are currently dependent upon the funding allocation available within the Council's property maintenance budget (PMB). This budget covers a number of elements and is spent to undertake and ensure the following:

- statutory compliance;
- routine maintenance and repair;
- contractual maintenance; and
- planned maintenance.

Toilet refurbishments undertaken to date, have been completed as part of the Council's 'planned maintenance' activities, with funding being allocated against specific projects.

Projects that form part of the Council's 'planned maintenance' budget are prioritised primarily on condition. Properties or repairs requiring the most urgent attention are carried out in sequential order.

During 2013/14, £224,000 was spent on undertaking toilet upgrades across the school estate. In 2014/15, the 'planned maintenance' budget will fund the upgrade of toilets within five schools at an estimated cost of £292,000.

Given the competing pressures and demands being place upon the 'planned maintenance' budget, it is likely that moving forward; a limited number of toilet upgrades will be progressed in any one year.

3.2   Organisational Impact

(This section describes how the proposed project will modify or affect the organisational processes, tools, hardware, and/or software. It should also explain any new roles, which would be created, or how existing roles may change as a result of the project.)

It is envisaged that this project will impact the school estate as follows:

- Improved toilet facilities will place an additional responsibility on the school community to respect the new facilities;
- It will demonstrate the Council's commitment to comply with the 'Flushed With Success' campaign;

4. PROJECT OVERVIEW

(This section describes high-level information about the project to include a description, goals and objectives, performance criteria, assumptions, constraints, and milestones. This section consolidates all project-specific information into one chapter and allows for an easy understanding of the project since the baseline business problem, impacts, and recommendations have already been established.)

4.1   Project Description

(This section describes the approach the project will use to address the business problem(s). This includes what the project will consist of, a general description of how it will be executed, and the purpose of it.)

The main aim of this project is to upgrade school toilets classified as category condition C.

Existing school toilets identified through the condition surveys as category C will be dimensionally surveyed. Thereafter design proposals would be prepared and agreed.

As part of the design the following will be considered and incorporated where appropriate:

- room layouts to improve supervision and assist in combatting anti-social behaviour;
- sanitary ware to incorporate water efficient cisterns concealed behind laminate wall panels;
- wash basins with water saving taps and thermostatic controls inset in laminate vanity units which are highly durable, water and impact resistant;
- laminate finished toilet cubicles with high resistance to impact and water;
- soap dispensers and hand-dryers in lieu of soap-bars and paper towels;
- hygienic wall coverings that are impact resistant, grout-free and easy to clean which will minimise future maintenance requirements;
- new energy efficient lighting with motion detection;
- durable high impact, anti-slip flooring, which is easily cleaned and maintained;
- fully recyclable suspended ceiling tile system for ease of maintenance and replacement.

A programme is being developed to determine phasing of any funding approved.

4.2.1   Goals and Objectives

(This section lists the business goals and objectives, which are supported by the project and how the project will address them.)

Business Goal/Objective	Description
Improve school toilet facilities through a refurbishment programme to upgrade them from the current Category Condition C to Condition A.	Refurbish and upgrade existing toilet facilities to the generic specification and standard developed in consultation with the pupil reference group.
Provide the school community with improved facilities.	The school will have toilet facilities that are modern, bright and fit for the 21st century.
Ongoing commitment to maintain properties in the best condition possible	The Council retain extensive property asset management information and is committed to ensuring properties are maintained to the highest achievable standard. By addressing the condition of school toilets, it will assist with the delivery of this objective.

4.1. Project Performance

Key Resource/Process/Service	Performance Measure
Timescale (PMI)	Delivery of project against pre-determined timescale.
Budget (PMI)	Delivery of project against approved budget.
Stock condition (PMI)	Increase in the number of toilet facilities with 'category A' rating.
Compliance with 'Flushed With Success' (E & YE)	Assessment of completed toilet refurbishments that meet the criteria set.
Customer Satisfaction (E & YE)	Survey of school community following completion of the works.

4.2. Project Assumptions

It is assumed that: -

- No account has been made for inflationary or Building Cost Information Service (BCIS) increases;

4.3. Project Constraints

The constraints may include:-

- resourcing issues within Council Services to deliver an increase in the number of toilet refurbishments being undertaken on an annual basis;
- unforeseeable circumstances arising once an individual project has commenced, resulting in budget and/or timescale risk; and
- additional costs associated with hiring temporary toilet facilities, in order to ensure schools remain operational throughout the duration of the upgrade.

4.4. Major Project Milestones

Indicative Milestone	Target Date
Update to CMT on progress made with developing a proposed solution.	November 2014
Update to Cabinet on progress made with developing a proposed solution to the issues surrounding school toilets.	December 2014
Budget approval to the upgrade proposals.	January 2015
Development of master programme.	February 2015
Commence with the design of year-one works (approx. 7 schools).	February 2015
Commencement of on-site works for year-one works.	June 2015
Completion of year-one works	March 2016
Progression of year-two design and delivery of works.	March 2017
Progression of year-three design and delivery of works.	March 2018
Progression of year-four design and delivery of works.	March 2019

5. STRATEGIC ALIGNMENT

(All projects should support our organisation's strategy and strategic plans in order to add value and maintain executive and organisational support. This section provides an overview of the organisational strategic plans that are related to the project. This includes the strategic plan, what the plan calls for, and how the project supports the strategic plan.)

Plan	Goals/Objectives	Relationship to Project
Tam Baillie's 'Flushed with Success' Campaign	To improve toilet facilities in Scottish Schools	
Property Asset Management Plan	Utilise accurate stock condition information to direct future capital investment spend	Progressing with this project will ensure the school toilets most in need of upgrade will be invested in.

6. COST BENEFIT ANALYSIS

(It is important to quantify the financial benefits of the project as much as possible in the business case. The purpose of this section is to illustrate the costs of the project and compare them with the benefits and savings to determine if the project is worth pursuing.)

There is no financial benefit or revenue saving associated with this project; however, the Council will have taken positive steps to address the issues identified from the Condition Surveys. Pupil facilities will have improved. It is anticipated this will have a positive impact on the general physical well-being and pride in the facilities available to them.

The reputation of the Council will be improved, as it will have taken cognisance of national issues affecting its own internal service delivery and address them proactively.

7. ALTERNATIVES ANALYSIS

(All business problems may be addressed by any number of alternative projects. While the business case is the result of having selected one such option, a brief summary of considered alternatives should also be included—one of which should be the status quo, or doing nothing. The reasons for not selecting the alternatives should also be included.)

No Project (Status Quo)	Reasons For Not Selecting Alternative
	• Deterioration of current condition within school toilets • Does not address national and local concerns associated with school toilet provision •
Alternative Option 1	**Reasons For Not Selecting Alternative**
Refurbish to reduced specification	• Does not fit with school community expectations. •
Alternative Option	**Reasons For Not Selecting Alternative**
Reduce the scope of the project	• The proposed scope of the project intends to address the maintenance and repair issues associated with category C toilets. Reducing the scope of this project, will result in a number of category C toilets being left in their existing condition.

8. MAJOR RISKS

(This section should contain a summary of any major risks associated with the project, including an evaluation of their likely impact, and plans for dealing with their occurrence. These risks are taken into consideration by the Project Board when deciding whether to proceed with the project both when the project is starting up and also at the end of each management stage. If the project is deemed as too risky, then the Project Board may of course decide that it isn't sensible to proceed.)

Risk	Probability	Impact	Rating	Counter measure / Control
Unable to address all identified areas within financial limits	**3**	**3**	**9**	Early planning and formulation of the brief, identifying and prioritising individual needs
Unable to undertake programme within timescale due to limited physical resource	**3**	**3**	**9**	At early planning stages, have realistic expectations of what can be achieved in-house and identify what can be outsourced if necessary.

9. APPROVALS

(The business case is a document with which approval is granted or denied to move forward with the creation of a project. Therefore, the document should receive approval or disapproval from its executive review board)

Approver Name	Title	Signature	Date

NORTH AYRSHIRE COUNCIL

Agenda Item 6

24 March 2015

Cabinet

Subject:	**Records Management Plan**
Purpose:	To seek the approval of the Council and Licensing Board's combined Records Management Plan, in accordance with the Council's obligations under the Public Records (Scotland) Act 2011.
Recommendation:	That Cabinet (a) approves the Records Management Plan as outlined at Appendix 1; and (b) delegates authority to the Chief Executive to make such changes to the Plan as are required by the Keeper of the Records of Scotland prior to its approval

1.   Introduction

1.1   The purpose of this report is to seek approval from the Cabinet of the Council and Licensing Board's combined Records Management Plan, the draft of which is outlined at Appendix 1.

2.   Current Position

2.1   The Public Records (Scotland) Act 2011 requires named public authorities, including Councils and Licensing Boards, to have a Records Management Plan approved by the Keeper of the Records of Scotland, setting out proper arrangements for the management of their records. North Ayrshire Council and North Ayrshire Licensing Board are due to submit their finalised plan to the Keeper of the Records of Scotland by 31 March 2015.

2.2.   There is a rolling programme for the approval of Records Management Plans by the Implementation Team at the National Records of Scotland. So far six councils (Dumfries and Galloway, Falkirk, Glasgow City, Midlothian, Moray and West Lothian) have had their plans approved, and in most cases these are published on their respective web sites. The Keeper's staff have stressed that the use and adaptation of other councils' plans is actively encouraged, so the published plans have been used as a model for that of our Council and Licensing Board.

3.   Proposals

3.1   The finalised plan, with the supporting policies, procedures and protocols provided as evidence, will be submitted to the Keeper by the deadline of 31 March.

3.2   While there has been ongoing consultation with the Keeper regarding the terms of the draft plan, it is open to the Keeper to require further changes prior to granting final approval. In these circumstances it is proposed that the Chief Executive is granted delegated authority to make any changes to the final plan which may be required by the Keeper's staff after lodging of the plan.

4.   Implications

Financial Implications

4.1   None

Human Resource Implications

4.2   All staff will need to be made aware of their roles and responsibilities when managing information and records, and of the need to adhere to the relevant policies and guidelines. Appropriate awareness and training will require to be developed.

Legal Implications

4.3   Set out in the plan

Equality Implications

4.4   None

Environmental and Sustainability Implications

4.5   None

Implications for Key Priorities

4.6   The actions detailed in the report contribute to the Council priority of a more efficient and effective Council.

Community Benefit Implications

4.7   None

5.   Consultations

There have been consultations with the Keeper's staff. A first draft of the plan was sent to the Keeper's staff for comment in November 2014.   The comments received were generally favourable, and suggested amendments have been incorporated in the current draft plan.

6.   Conclusion

The Cabinet is asked to approve the Records Management Plan

Elma Murray

ELMA MURRAY
Chief Executive

Reference :

For further information please contact Richard Sharp, Information Governance Manager, richardsharp@north-ayrshire.gov.uk, on 01294 324161

Background Papers
0

[INTERNAL]

North Ayrshire Council and North Ayrshire Licensing Board

Records Management Plan

Setting out proper arrangements for the management of the Council's records under the Public Records (Scotland) Act 2011

Version: 6.0

Date: February 2015

CONTENTS   **PAGE**

1. Introduction

The Public Records (Scotland) Act 2011 ('The Act') came fully into force on 1 January 2013. The Act requires North Ayrshire Council, North Ayrshire Licensing Board and other public authorities to prepare and implement a Records Management Plan (RMP). The RMP sets out proper arrangements for the management of records in the Council and Licensing Board. The plan is agreed with the Keeper of the Records of Scotland and is reviewed by the Council on an annual basis.

A copy of the Act can be viewed on line at
www.legislation.gov.uk/asp/2011/12/part/1/enacted

More information about the Act can be found by visiting the National Records of Scotland web site at
www.nas.gov.uk/recordKeeping/publicRecordsActIntroduction.asp

In line with the Act, all records created in carrying out the Council's functions, whether directly or by third parties, are public records. Part 1, section 3.1 of the Act states that:

'…'public records' in relation to an authority, means-

    (a) records created by or on behalf of the authority in carrying out its functions,

    (b) records created by or on behalf of a contractor in carrying out the authority's functions,

    (c) records created by any other person that have come into the possession of the authority or a contractor in carrying out the authority's functions.'

Establishing effective records management arrangements helps to deliver a number of business benefits, e.g.:

- efficient and systematic control of the creation, storage, retrieval, maintenance, use and disposal of records

- faster, more accurate and reliable access to records

- compliance with legislative and regulatory requirements.

3

2. Records Management systems

The records of North Ayrshire Council constitute an auditable account of the authority's activities, which provides evidence of the business, actions, decisions and resulting policies formed by the Council.

Records represent a vital asset, which support the daily functions of the Council and protect the interests and rights of staff, and members of the public, who have dealings with the Council.

North Ayrshire Council uses two main types of records management systems:

- Manual Filing Systems, where it is necessary to keep paper and other physical records

- IT applications and databases (which process records for specific functions, e.g. HR, Purchasing, Council Tax, Revenues and Benefits, etc.).

All records management systems are subject to the procedures, guidelines and elements of the RMP.

3. Records Management Plan

North Ayrshire's RMP applies to all records in whatever format, paper or digital, including email, CCTV and digital media, however or wherever the information is stored and irrespective of the type of information created and retained.

The Plan applies to the Council and to its partners and third party service suppliers. It applies whether services are delivered in-house, through partnership arrangements or contracted out.

The Model Records Management Plan has 14 elements and each of these elements must be addressed in the records management plan submitted by an authority. The elements are:

1. Senior management responsibility

2. Records manager responsibility

3. Records management policy statement

4. Business classification

5. Retention schedules

6. Destruction arrangements

7. Archiving and transfer arrangements

8. Information security

9. Data protection

10. Business continuity and vital records

11. Audit trail

12. Competency framework for records management staff

13. Assessment and review

14. Shared information

North Ayrshire Council has provided the Keeper with evidence of policies, procedures, guidance and operational activity on all elements of the RMP.

5

4. Elements of the Plan

1. Senior Management Responsibility

The records management plan has the backing of the Corporate Management Team of the Council.

The person with overall responsibility for records management is:-

Elma Murray, Chief Executive of North Ayrshire Council

Contact: North Ayrshire Council, Council Offices, Cunninghame House, Friarscroft, Irvine KA12 8EE

Evidence:

- *Letter from the Chief Executive of North Ayrshire Council*

- *Information and Records Management Policy*

2. Records manager responsibility

It is essential that a member of staff has corporate responsibility for the implementation of the Records Management Plan

The person with corporate responsibility for records management for North Ayrshire Council is:-

Richard Sharp, Information Governance Manager

Contact: North Ayrshire Council, Council Offices, Cunninghame House, Friarscroft, Irvine KA12 8EE

Evidence:

- *Letter from the Chief Executive of North Ayrshire Council*

- *Information and Records Management Policy*

3. Records management policy statement

A records management policy statement underpins effective management of an authority's records and information. It demonstrates to employees and stakeholders that managing records is important to the authority and serves as a mandate for the activities of records management staff.

North Ayrshire Council's commitment to establishing and maintaining effective records management is set out in the corporate Information and Records Management Policy and the Information Management Strategy. Both are subject to ongoing monitoring/ review.

The Council also recognises the legal obligations to set out proper records management arrangements to ensure compliance with legislation such as the Public Records (Scotland) Act 2011, Freedom of Information (Scotland) Act 2002, Environmental Information (Scotland) Regulations 2004, Data Protection Act 1998 and Local Government (Scotland) Act 1994.

The following text appears in the Council's Information Governance Procurement Framework and relates to records created by contractors working on behalf of the Council.

Public Records (Scotland) Act 2011

Tenderers should note that as a Scottish Public Authority, the Council is bound by the provisions of the Public Records (Scotland) Act 2011. In terms of this legislation, all public records managed by the Council must be managed in accordance with our Records Management Plan (RMP), which has been approved by the Keeper of the Records of Scotland. The RMP can be accessed on the Council's website.

The RMP, and the guidance issued by the Keeper, indicate that certain records created by the successful tenderer(s) appointed under this tendering exercise are themselves likely to be considered as "public records" under section 3(1) of the Public Records (Scotland) Act 2011. The Council is accordingly obliged to take steps to ensure that these records will be managed properly during their operational lifetime, and that appropriate steps will be taken to ensure they are retained for a suitable period after they cease being operational (which may include identifying records for transfer to permanent archive).

All tenderers must therefore complete the section of the [Advert/PQQ/ITT] relating to records management policies and procedures to allow the Council to ascertain the extent to which the tenderer will comply with good records management practice in relation to public records created under the subject matter of this tender.

Additional guidance on records management issues generally, and on contractors' obligations under the Public Records (Scotland) Act 2011 in particular, can be found at http://www.nas.gov.uk/recordkeeping/PRSA/modelPlan.asp.

The documents listed below appear on the Council staff intranet, *Navigate*.

Evidence:

- *Information and Records Management Policy*

- *Information Management Strategy*

- *Information Governance Procurement Framework*

4. Business classification

A business classification scheme is a hierarchical representation of the business activity performed by the Council. It maps the functions of the Council to determine what classes of records are being created. This process allows the Council to make good retention and disposal decisions and also ensures appropriate security and access permissions are granted. It also ensures compliance with the legal requirements to safeguard personal, sensitive and confidential information.

Identifying records and business information by functions and activities, rather than by their provenance or subject matter, is a more stable method of classification. While the structure of an organisation may change many times, the functions an organisation carries out usually remain much the same over time.

- Level 1/Function – This is the starting point for users to commence navigation at document centre to find their documents.

- Level 2/Activity – This is the 2nd level of navigation and is at library level.

- Level 3/Transactions – This 3rd level of navigation is further filtering whereby users can now view their working processes and documents.

The Council uses the Local Government Classification Scheme (LGCS) as the basis of the business classification scheme for its Information Asset Register, which is available via *Navigate*, and which contains details of the Council's information assets. The LGCS was developed by the Information and Records Management Society, and details can be viewed on their web site at http://www.irms.org.uk/resources/information-guides/198-local-government-classification-scheme-v203.

It is the intention of the Council to implement a corporate Electronic Document and Records Management System (EDRMS). The LGCS will be the basis of the fileplan for the Council's records in the EDRMS.

Evidence:

- *Screenshot of Information Asset Register*

5. Retention and disposal schedules

The Council has a retention and disposal schedule in place, but is building a new schedule, based on the model retention and disposal schedules produced by the Scottish Council on Archives. Several have been approved following discussions with Services about their professional, legal, audit and business requirements.

The schedules are available for staff on *Navigate* under *Our Council/ Information Management/ Records Management/ Records Retention Schedule*.

The basic unit of record keeping is the electronic or paper document set, file or folder. These are hierarchical groupings bringing like information together related to a particular function, process or activity.

Decisions about records will be made about the file (in paper or electronic format) rather than individual records within the set, files or folders wherever possible. It is acknowledged that some files or electronic folders will contain records with different retentions, and Information Governance staff can provide advice where necessary.

Evidence:

- *Retention and disposal schedules*

6. Destruction arrangements

Records are destroyed (either in electronic or paper format) in line with the corporate Records Retention Schedule.

Advice on the appropriate methods for destroying records is given in the *Records Management Manual* under Managing Record Retention and Destruction. The Manual is available on *Navigate* under *Our Council/ Information Management/ Records Management.*

Heads of Service must make arrangements to ensure that, before a record is destroyed, they establish whether or not it is the subject of a request under the Freedom of Information (Scotland) Act 2002. Under Section 1(5) of the Act, if a record due for destruction is known to be the subject of a request, destruction should be delayed until disclosure has taken place and the review and appeal provisions of the Act have been exhausted.

Records not selected for permanent preservation in an archive, and which have reached the end of their administrative life, are destroyed in as secure a manner as is necessary for their level of classification, as outlined in the Council's *Information Classification Guidelines (*on *Navigate* under *Our Council/ Information Management).* These Guidelines classify records by identifying the sensitivity level of the data asset. The different levels of classification are based upon the severity of impact that unauthorised access to, destruction of, or loss of confidence in the reliability of the data would have on the Council, its employees and members of the public.

The Council's *Confidential Waste Guidelines* provide advice for Services and staff looking to develop a localised destruction policy specific to their own operating practice and information asset sensitivity.

Paper information assets

A relevant log of records destroyed is maintained at the Council's corporate Records Unit. Generally speaking, records are disposed of as confidential waste by a reputable external firm providing disposal services to BS8470 standard. The Council has a confidential paper waste destruction contract in place. The contract is currently held by Shred All (http://www.shredall.co.uk/home/). The Council's Commercial Services Waste section offers a confidential waste uplift to other internal Services.

Electronic information assets

The Council's ICT Disposal Guidelines provide advice to enable appropriate protection of information assets when ICT equipment is considered to be at the end of its life. The Guidelines confirm the Council's position that no ICT equipment is donated to any third party or sold. All ICT equipment is securely destroyed by IT Services who maintain a secure disposal contract.
The Council, in partnership with East and South Ayrshire Councils, maintains a secure hardware destruction contract which conforms to the relevant legislative requirements.

Evidence:
- *Records Management Manual*
- *Information Classification Guidelines*
- *Confidential Waste Guidelines for Services*
- *ICT Disposal Guidelines*

7. Archiving and transfer arrangements

North Ayrshire Council operates a shared archive service, Ayrshire Archives, in co-operation with East Ayrshire Council and South Ayrshire Council. Ayrshire Archives is based at Watson Peat, SAC Auchincruive, Ayr KA6 5HW (http://www.ayrshirearchives.org.uk/).

A document outlining the procedure for the transfer of records is available. A joint Archiving and Transfer Policy is being developed to confirm that appropriate arrangements are in place for the maintenance and management of records of enduring value.

The Council records retention schedule states which records are to be archived. This includes records held in electronic formats. There are procedures in place for the transfer of semi-current and non-current paper records to the corporate Records Unit, where they are retained for administrative and/ or legal reasons. These are available on *Navigate* under *Our Council/ Information Management/ Records Management/ Records Management Unit*. Archival records are also retained here prior to their transfer for permanent preservation to Ayrshire Archives. The Unit provides storage for inactive records in standard record boxes. It also stores a variety of material including plans, photographs, microfiche, plan chests and filing cabinets. The facility provides office accommodation for storing and managing records, storing record boxes and for reviewing records and plans.

Evidence:

- *Records Management Manual*

8. Information security

The Council is committed to preserving the confidentiality, integrity and availability of its information assets and to maintaining a stable, reliable information environment that protects the information of North Ayrshire Council, our customers, and our employees.

The Council's Information Security Policy is assisted by ensuring that staff are informed and aware in areas of IT and Information security, and by the implementation of an appropriate set of controls comprising policies, standards, procedures, guidance, structures and technology. The policy incorporates the following:

a) Governance and responsibility
b) Risk Management
c) Asset management and classification
d) Personnel security
e) Culture, education and awareness
f) Physical and environment security
g) Communications and operations management
h) Access control
i) Acquisition, development and maintenance
j) Information security management
k) Business continuity management
l) Regulatory compliance

The Council has adopted the principles of ISO 27001 and employs a full time ICT Security Officer, who is a member of the Data Protection Advisory Group and the Information Management Governance Group. Through the work of the ICT Security Officer and these groups, information security is integrated into the wider information management operations across the Council.

In addition to the Information Security Policy, the Council has in place a number of policies, procedures and guidelines governing the use of computing equipment and networks, remote working, and the security of storing and transferring paper records.

The Council has a mandatory Information Governance Training Framework which ensures staff who handle, process or have access to Council information assets are appropriately trained in all aspects of security and Council policy.

All staff agree and sign the Council's Acceptable Computer Use Policy on joining the authority and then periodically via an automated electronic policy tool.

Staff are periodically reminded of security requirements via targeted messaging using an electronic policy and compliance tool within which audit logs are maintained.

The Council has a Governance Procurement Framework to assist Services in ensuring that information risks are addressed at the procurement stage.

76

Evidence:

- *Information Security Policy*
- *IT Security Policy*
- *Acceptable Computer use Policy*
- *Working with 3rd Parties and Sharing Protocols*
- *Information Governance Procurement Framework*
- *Information Classification Guidelines*
- *Information Handling Guidelines*
- *Reporting Security Incidents*
- *IT Equipment Loss Guidelines*

9. Data protection

North Ayrshire Council is required by law to comply with the Data Protection Act 1998 (DPA), which was enacted to ensure the fair and lawful processing of personal data. The Council is registered as a Data Controller and the registration can be found on the ICO's Data Protection Public Register – Registration Number Z4840237. The

In July 2014 the Council appointed A Data Protection Officer and the role definition is to ensure that personal information held by the Council is managed securely and in accordance with the Data Protection requirements, recognising it as a key resource, to minimise the risk of regulatory or legal exposure.

North Ayrshire Council regards the lawful and correct treatment of personal information as important to its successful operations and to maintaining confidence between the Council and those with whom it carries out business.

The Council is committed to a policy of protecting the rights and privacy of individuals (this includes customers, staff and others) and fully endorses and adheres to the DPA.

In recognition of its data protection obligations the Council has in place a range of policies, procedures, and guidelines promoting compliance and best practice.

Data Protection Governance Arrangements

- Data Protection Advisory Group (DPAG) to support and ensure that regulatory and corporate compliance is achieved and to promote best practice and access to training, education and guidance. The Terms of Reference Document has been agreed at the inaugural meeting held on 6th January 2015.

- To ensure that the individual's right to privacy is respected, the Council has made members of the public aware of their rights to submit a subject access request on our website and in addition displays an appropriate privacy notice on the website.

- In line with the ICO recommended good practice, a Privacy Impact Assessment Framework was introduced in September 2014 to support the identification of privacy risks and the management of those risks when changing or implementing new processes and systems. This framework supports the data protection principles, including principle 5 that personal information must not be kept for longer than is necessary.

- The Council is currently undertaking a review of its Subject Access Request processes to ensure that there is commonality in terms of business processes across all Service areas.

Evidence:

- *Data Protection Policy*
- *DPAG Terms of Reference*
- *Subject Access Request process*
- *Privacy Notice*
- *Privacy Impact Assessment Information & Guidelines*

10. Business continuity and vital records

A business continuity and vital records plan is the main resource for the preparation for, response to, and recovery from, an emergency that might affect any crucial functions of the Council. The Council has in place business continuity arrangements and Vital Records Guidelines.

The Council's business continuity plan identifies key business activities and associated vital records that facilitate the operation of the authority. This applies whether the records kept are paper based, electronic or, most likely, a combination of formats. Advice on Business Continuity Planning is available on *Navigate* at *Our Council/ Information Management/ Information Security/ Business Continuity and Disaster Recovery.*

Services were asked to identify critical and vital records as part of the business impact analysis.

The Council's Information Asset Register identifies records which are vital to the Council's business.

Evidence:

- *Vital Records Guidelines*
- *Screenshot of Information Asset Register*
- *Service Business Continuity Plan*

11. Audit trail

An audit trail documents the movement and/or editing of a record resulting from activities by individuals, systems or other entities.

The requirements of this include:

- Procedures to ensure that the whereabouts of records is known at all times

- Movement of files is logged

- Electronic records should be subject to an audit trail mechanism that records the movement of records within the IT infrastructure or out of the IT infrastructure

- For all records a mechanism that monitors their movement and changes to content supports ensuring authenticity and supports legal admissibility.

The Council has records management procedures including *Version and Document Control Guidelines* and *File Naming Convention Guidelines* which support the provision of evidence that records are authentic and reliable.

Staff at the Records Unit operate a bespoke database (RecMan) to log, track and monitor the destruction or archiving of records.

Archive records are requested from the Records Unit using a standard request form (available on *Navigate* at *Our Council/ Information Management/ Records Management/ Records Management Forms*). This is passed to the delivery staff who collect the archived records from the store. Handling guidelines have been produced to ensure good practice in the handling of the records.

Evidence:

- *Version and Document Control Guidelines*
- *File Naming Convention Guidelines*
- *Records Management Manual*
- *Screenshot of RecMan database*

20

12. Competency framework for records management staff

The Council recognises that all staff have responsibilities relating to records and information management.

The Council's Information Management Training Framework includes training for all staff who create or use information. This includes Elected Members, the Corporate Management Team, the Information Governance Manager, business managers; contractors, partners and consultants; and staff with specialist skills relating to information.

To support effective information and records management, the Information Governance Manager is required to possess the following competencies.

- Sound knowledge of current records management theory and practice, including standards and best practice
- Applies and adapts records management standards and best practice effectively in the context of North Ayrshire
- Understands and can apply a range of records management tools and techniques
- Understands the legislative environment within which the Council operates
- Maintains awareness of implications of changes to legislation for records management
- Develops and implements the Council's response to changes in legislation and regulations
- Developed IT, Project Management and communication skills
- Develops and implements training and awareness to support all staff in their management of records and information
- Possess a relevant qualification in information management or records management.

The Information Governance Manager is a fully qualified records manager and archivist, and is a member of the Archives and Records Association. The Archivist for the three Ayrshire Councils (North, South and East Ayrshire) is also a fully qualified archivist, and oversees staff with the relevant qualifications for their roles.

There are three full-time members of staff at the Council's off-site corporate Records Unit. The Unit's Records Manager and the Records Management Assistant have been in post since before local government reorganisation in 1996.

The Information and Records Management Policy includes objectives to improve staff understanding and knowledge of records management and to make appropriate training available.

All staff within the Council must complete mandatory online training in Information Security Awareness and Data Protection. Access to council systems is revoked for staff who do not complete this training.

A reference library of advice, guidance and information is available for all staff on the Council intranet under *Our Council/ Information Management/ Records Management.*

82

Evidence:

- *Information and Records Management Policy*

- *Job Description- Information Governance Manager*

13. Assessment and review

In order to manage information and records effectively, **t**he Council is committed to undertaking a **r**egular assessment and review of records management systems. This will be achieved in a variety of ways.

The Council's Internal Audit and Risk Management section will incorporate information and records management assessments in their audit plans. They will undertake audits by using one of the recognised audit tools.

The Council has developed an Information Management Self-Assessment Workbook to enable Services to undertake an assessment of their compliance with Council Policy and Guidelines. The Information Governance Team will assist Services undertaking this review.

Following approval of the plan by the Keeper, an annual review of progress will be undertaken by the Information Governance Manager. Progress will be reported to the Corporate Management Team. In addition, one year after approval of the Plan by the Keeper, the Council will formally assess progress made relating to the Records Management Plan. This will be reported to the Scrutiny and Petitions Committee of the Council.

Evidence:

- *Information Management Self-Assessment Workbook*

14. Shared information

The Council's Information Management Strategy identifies the benefits of sharing information and the need to share information in line with legislation and good practice, particularly concerning Health and Social Services following the passing of the Public Bodies (Joint Working) Scotland Act 2014.

Successful partnership working depends on effective procedures and arrangements for sharing information. The Council has in place formal information sharing partnerships and participates in the Ayrshire Data Sharing Partnership Steering Group.

A number of processes to support the sharing of information have been developed. The Information Governance Procurement Framework on *Navigate* (*Our Council/ Information Management/ Information Governance Procurement Framework*) identifies steps for ensuring sharing in line with requirements such as the Data Protection Act, Public Records (Scotland) Act 2011, information sharing protocols, and compliance with information security standards.

Part 2 of the Information Governance Procurement Framework makes arrangements for records created by third parties who are delivering Council functions. This includes arrangements for:

- The third parties' arrangements for records management including creation, storage, retention/disposal and security of records

- Compliance with legislation including the Data Protection Act 1998

- The process for records being provided to the Council at the end of the contract

Information Sharing Procedures describe the chronological steps and considerations required after a decision to share information has been made, for example, the steps to be taken to ensure that information is shared securely. Information sharing procedures set out, in detail, good practice in sharing information. A training programme will ensure that these procedures are embedded across the Council.

Evidence:

- *Information Management Strategy*

- *Information Governance Procurement Framework*

- *Information Sharing Protocol for NHS Ayrshire & Arran and North Ayrshire Council*

24

- *The Ayrshire & Arran Protocol for Sharing Information between East Ayrshire Council, North Ayrshire Council, South Ayrshire Council, NHS Ayrshire & Arran and Police Scotland*

NORTH AYRSHIRE COUNCIL

Agenda Item 7

24 March 2015

Cabinet

Subject:	**Revenue Budget 2014/15 : Budgetary Control Statement to 31 January 2015**
Purpose:	To advise the Cabinet of the revenue budgetary control position for the Council at 31 January 2015.
Recommendation:	That the Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) note the action plan being developed by the Health and Social Care Partnership to bring expenditure in line with budgets for 2015/16; (c) approve the virements detailed in Appendix 10 (d) approve the new carry forwards identified at 2.3 (viii) and (e) approve the new charge proposed for Environmental Information Requests detailed at 2.9.

1. Introduction

1.1 The Council's General Fund and Housing Revenue budgets for 2014/15 were approved at a special meeting of the Council held on 11 December 2013.

1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, budgetary control reports are presented on a regular basis. This is the fourth report for 2014/15 and covers the period to the end of January 2015 (Period 10). A final report for 2014/15 will be submitted to the Cabinet in June informing Members of the financial position at the year-end. Projections of the year-end position have been made which, at this stage in the financial year, should be robust.

1.3 A new format for budget monitoring reports to Cabinet has been introduced. The report will now focus on the major movements in financial projections from the last report to Cabinet. Full details of all major variances will still be available within the appendices.

2. Current Position

General Fund

2.1 The Council has set a break-even budget for 2014/15. In addition to the budget approved on 11 December 2013 earmarked funds of £3.497m have been carried forward from 2013/14 for service expenditure in 2014/15 and are reflected in the figures within the 2014/15 budgetary control reports as they are drawn down.

2.2 Current financial projections indicate that a net in-year surplus of £2.518m net of carry forwards is anticipated for the year to 31 March 2015 compared to £1.424m at the end of November, a favourable movement of £1.094m since the previous report. This represents 0.76 % of the total Council's budget. This is summarised in the table below.

Service Expenditure	Appendix No	Annual Budget £000's	Projection to 31 March 2015 £000's	Projected Variance for year (Under)/Over £000's	Projected Variance @ Period 8 (Under)/Over £000's	Movement £000's	Note
Chief Executive	1	4,490	4,333	(157)	(219)	62	
Finance & Corporate Support	2	26,819	26,318	(501)	(560)	59	
Education and Youth Employment	3	103,236	102,695	(541)	(468)	(73)	(i)
Health and Social Care Partnership	4	81,125	83,883	2,758	3,020	(262)	(ii)
Place	5	59,664	59,574	(90)	429	(519)	(iii)
Economy and Communities	6	23,123	23,121	(2)	(78)	76	(iv)
Building Services	7	(148)	(269)	(121)	(392)	271	(v)
Other Corporate Services	8	11,474	10,600	(874)	(381)	(493)	(vi)
Balance for Services		309,783	310,255	472	1,351	(879)	
Loan Charges etc	9	20,777	18,916	(1,861)	(1,774)	(87)	
Contribution to Capital Fund	9	1,086	1,086	-	-	-	
Total Planned Expenditure		331,646	330,257	(1,389)	(423)	(966)	
Planned Income							
Aggregate External Finance	9	(270,268)	(270,181)	87	43	44	
Council Tax and Community Charge	9	(58,019)	(60,141)	(2,122)	(1,838)	(284)	(vii)
Use of Change Fund		(844)	(844)	-	-	-	
Use of Earmarked Funds		(2,515)	(2,515)	-	-	-	
Total Planned Income		(331,646)	(333,681)	(2,035)	(1,795)	(240)	
Net Expenditure/ (Income)		-	(3,424)	(3,424)	(2,218)	(1,206)	
Carried Forward Funds	9	-	906	906	794	112	(viii)
Revised Net Expenditure/(Income)		-	(2,518)	(2,518)	(1,424)	(1,094)	

2.3 **Commentary on Significant Movements Since Period 8**

The overall financial forecast improved by £1.094m. A brief explanation of the significant movements from Period 8 is outlined below.

(i) **Education and Youth Employment - underspend of £0.541m, increase in underspend of £0.073m**

A number of services are forecasting an increase in their underspend with the main areas being Education Other (£0.130m) mainly due to an over provision for VER costs in 2013/14, Secondary Education (£0.086m) due to increased letting income and deductions secured through the PPP contract and Additional Support Needs (£0.055m) due to a reduction in the number of placements requested. This has been off-set by an increase in expenditure forecast within Early Years (£0.203m) as a result of Early Year Practitioners being recruited to cover sickness, training and vacancies due to recruitment issues within teachers in this service. A request to carry forward funds to complete the works to refurbish parent rooms at Hayocks School and Glencairn School (£0.083m) which will now not start until April 2015 is also made.

(ii) **Health and Social Care Partnership - overspend of £2.758m, decrease in overspend of £0.262m**
The main movement is in Management and Support within Health and Social Care Partnership as a result of vacancies (£0.086m) and underspends in project based work including the community projects within Money Matters (£0.025m) and the Learning Portal (£0.050m). There is also an increase in the underspend within Mental Health (£0.068m) mainly due to a review of contract provision within this area and within Independent Services (£0.143m) due to direct payment recoveries. This is partially off-set by an increase in Children and Families (£0.150m) mainly due to an increase in the number of residential packages required.

(iii) **Place - underspend of £0.090m, decrease in spend of £0.519m**

The main change in forecast is an underspend in utility costs (£0.221m) as a result of reduced energy usage in Council buildings through the rationalisation of properties and the use of energy efficient technologies. An increase in the underspend in employee costs (£0.216m) is also forecast mainly due to early realisation of savings as a result of vacancy hours being reviewed pending completion of the cleaning and janitorial review. There is also a projected underspend of £0.066m within the Rough Sleepers Initiative budget due to the late recruitment of the PAN Ayrshire Mental Health Officer which North Ayrshire Council contributes. £0.029m is required to be carried forward to fund the commitment for a Mental Health Officer post in 2015/16.

(iv) **Economy and Communities - underspend of £0.002m, decrease in underspend of £0.076m**

Economic Development are forecasting an increase in their spend (£0.101m) mainly as a result of an overspend within modern apprentices(£0.049m) and the extension of the Community Employment Initiative (£0.032). Connected Communities are also forecasting an increase in spend (£0.079m) mainly due to an increase in costs for sickness and cover costs. This is partially off-set by an underspend in Planning and Protective Services (£0.106m) as a result of an increased underspend due to the level of vacant posts which remain unfilled.

(v) **Building Services - underspend of £0.121m, decrease in underspend of £0.271m**

The main reason for this movement is as a result of a reduction in the income forecast for Building Services (£0.384m)   mainly as a result of a reduction in the number of jobs being passed for delivery. Other agencies are also forecasting an increase to the overspend (£0.186m) due to the number of projects requiring specialised skills which are not held in-house. This has been partially off-set by a reduction in supplies and services (£0.334m) for materials.

(vi) **Corporate Items - underspend of £0.874m, increase in underspend of £0.493m**

The main movement this period is due to savings on inflationary assumptions in relation to utilities (£0.194m), a reduction in the budget requirements in relation to Auto Enrolment (£0.200m) and budget provisions for redeterminations of government grant which are not required directly by Services (£0.140m). An element of corporate items includes a provision for commitments against workforce resizing. This will continue to be monitored during the remainder of the financial year.

(vii) **Council Tax - over recovery of £2.122m, increase in over recovery of £0.284m**

Council Tax projections have been updated to reflect the latest update on Council Tax billing which has resulted in an increase in projections of £0.284m.

(viii) **Carried Forward Items - increase of £0.112m**

Funds have been requested to be carried forward for the Mental Health Officer (£0.029m) and funds to complete the works to refurbish parent rooms at Hayocks School and Glencairn School (£0.083m) which will now not start until April 2015.

Projected Overspends

2.4   Health and Social Care Partnership are forecasting an overspend of £2.758m at 31 March 2015 which is an improvement of £0.262m on period 8. The most significant projected overspend is within Older People's services (£2.480m). Care homes are projected to overspend by £1.217m based on current occupancy levels. Care at Home staff costs are projected to overspend by £0.589m and is mainly due to overtime to cover case load transferred back in house, long term sickness and staff training absence. A Purchased care at home services are also projecting an overspend of £0.559m. Work is ongoing to increase framework provider compliance levels and this should help to reduce the overspend. A care at home review is being undertaken to address the areas of overspend. review of care homes admissions is being undertaken which will see an increased focus on rehabilitation and reablement for older people and the Pavilion 3 at Ayrshire Central Hospital support the assessment of older people will be the first stage in this process.

2.5   Further overspends of £0.671m are anticipated within Children and Families mainly within Children With Disabilities community and residential packages (0.443m) and direct payments (£0.209m) reflecting the care packages which are currently in place and residential schools (£0.353m) based on the current number of placements.   This is off-set by underspends in employee costs (£0.196m) and remand schools (£0.098m) based on current placements.   Independent Services are overspending (£0.212m) on residential care packages, community care packages and direct payments and Learning Disabilities (£0.221m) for community care packages and direct payments.

2.6   Heath and Social Care Partnership had identified efficiencies of £0.830m by reducing care packages within Independent Services, Learning Disabilities and Mental Health of which £0.637m has been delivered to date.

2.7   The current level of overspend is likely to continue to the end of this financial year.   The Health and Social Care Partnership continue to develop proposals to bring expenditure into line for financial year 2015/16 and an action plan is being developed.   Regular meetings continue with the Chief Executive to discuss corrective action.

Budget Transfers/Virements

2.8   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 10 for Members' consideration and approval.

Introduction of New Charge

2.9   Place are proposing the introduction of a new charge for Environmental Information Requests.   Under Regulation 8 of the Environmental Information (Scotland) Regulations 2004 Council's are required to provide environmental information.   Annually the Council receives 70 requests per annum mainly from legal firms and it is proposed to introduce a charge for these requests to recover the costs associated with responding to these.   Each charge will be based on the cost of fulfilling the request, and based on research it is estimated that the average cost will be £189.   This new charge will come into effect from 1st April 2015.

Housing Revenue Account

2.10 The Housing Revenue Account budgeted for a break-even position in 2014/15 with an underspend of £3.861m currently projected compared to £3.121m at the end of November, a favourable movement of £0.740m since the previous report. This is summarised in the table below with further details provided in Appendix 11:

	Annual Budget £000's	Projection to 31 March 2015 £000's	Projected Variance for year (Under)/Over £000's	Projected Variance @ Period 8 (Under)/Over £000's	Movement £000's	Note
Supervision and Management	7,796	7,411	(385)	(342)	(43)	
Repairs and Maintenance	26,915	24,637	(2,278)	(1,581)	(697)	(i)
Short Stay Hostel	(67)	(116)	(49)	(41)	(8)	
Homelessness	(56)	(211)	(155)	(271)	116	(ii)
Loan Charges	9,452	8,463	(989)	(897)	(92)	
Rental Income	(44,040)	(44,045)	(5)	11	(16)	
Balance on Years Activities	-	(3,861)	(3,861)	(3,121)	(740)	

2.11 **Commentary on Significant Movements Since Period 8**

The overall financial forecast for HRA has improved by £0.740m. A brief explanation of the significant movements from Period 8 is outlined below.

(i) **Repairs and Maintenance - underspend of £2.278m - increase in underspend of £0.697m**

The main movement is an increase in the underspend forecast in responsive repairs and planned packages (£0.445m) and aids and adaptations (£0.075m) based on the current level of jobs raised. There is also an increase in the underspend on rent arrears write off (£0.111m).

(ii) **Homelessness - underspend of £0.155m - reduction in underspend of £0.122m**

There is a decrease in the underspend projected since period 8 which reflects the rent arrears which have been submitted for write off in the Cabinet report submitted on the 10th March.

3. Proposals

3.1 The Cabinet is invited to (a) note the information and financial projections outlined in the report; (b) note the action plan being developed by the Health and Social Care Partnership to bring expenditure in line with budget for 2015/16; (c) approve the virements detailed in Appendix 10 (d) approve the new carry forwards identified at 2.3 (viii) and (e) approve the new charge proposed for Environmental Information Requests detailed at 2.9.

4. Implications

Financial Implications

4.1 The net projection for the year as at 31 January 2015 for General Serv ices is a surplus for the year of £3.424.

4.1.1 The net projection for the year on the Housing Revenue Account is a surplus for the year of £3.861m.

4.1.2 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.

Human Resource Implications

4.2 There are no human resource implications.

Legal Implications

4.3 There are no legal implications.

Equality Implications

4.4 There are no equality implications.

Environmental Implications

4.5 There are no environmental implications.

Implications for Key Priorities

4.6 This budget monitoring report directly supports local outcome 15b - "Public Services are more efficient and effective" within the Single Outcome Agreement 2009/12.

5.   Consultations

5.1   Executive Directors have been consulted as part of the budgetary control process and have approved the projected variances contained in this report.
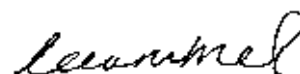
6.   Conclusion

General Services

6.1   Current financial projections indicate that a net in-year surplus of £3.424m is anticipated for the year to 31 March 2015.

Housing Revenue Account

6.2   Current financial projections indicate that a net in-year surplus of £3.861m is anticipated for the year to 31 March 2015.

LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :
For further information please contact Margaret Hogg, Senior Manager (Financial Management) on 01294 32455.

Background Papers
0

CHIEF EXECUTIVE SERVICE
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Legal	368	400	32	9%	1
Policy, Performance & Community Planning	1,377	1,201	(176)	-13%	2
Communications	443	478	35	8%	3
Committee & Member Services	1,458	1,440	(18)	-1%	4
Change Programme	740	706	(34)	-5%	5
Civil Contingencies	104	108	4	4%	
Totals	4,490	4,333	(157)	-3%	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	3,836	3,608	(228)	-6%
Property Costs	8	8	-	0%
Supplies and Services	127	130	3	2%
Transport and Plant Costs	15	16	1	7%
Administration Costs	946	982	36	4%
Other Agencies & Bodies	556	559	3	1%
Transfer Payments	-	-	-	-
Other Expenditure	7	7	-	0%
Capital Financing	-	-	-	-
Gross Expenditure	5,495	5,310	(185)	-3%
Income	(1,005)	(977)	28	-3%
Net Expenditure	4,490	4,333	(157)	-3%

CHIEF EXECUTIVE SERVICE
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			**Legal**
			Movement - there has been no significant movement since period 8.
1,019	4	0%	Employee costs - projected overspend due to turnover saving not achieved
-812	28	-3%	Income - projected under-recovery of Taxi license and other Licensing Board fees due to the uptake being lower than anticipated. In addition a shortfall in income relating to the recovery of legal costs is expected, due to bad debts written off.
207	**32**	15%	
Note 2			**Policy, Performance & Community Planning**
			Movement - there has been no significant movement since period 8.
1,377	-176	-13%	Employee Costs - projected underspend due to vacancies within Information Compliance (£0.062m) and Policy & Performance (£0.140m). Partly offset by overspend within other sections.
1,377	**-176**	-13%	
Note 3			**Communications**
			Movement - there is an increase in the projected overspend of £0.035m from period 8 mainly due to Recognised for Excellence costs
25	33	132%	Admin Costs - projected overspend due to anticipated Recognised for Excellence costs
418	2	0%	Other minor variances
443	**35**		
Note 4			**Committee & Member Services**
			Movement - there is a decrease in the projected underspend of £0.012m from period 8 due to employee changes
493	-14	-3%	Employee costs - projected underspend due to further delay in filling vacancies within the service; a staff restructure is currently being implemented and termination costs have arisen from this.
965	-4	0%	Other minor variances
1,458	**-18**		
Note 5			**Change Programme**
			Movement - there is a decrease in the projected underspend by £0.006m from period 8 due to the procurement of a temporary external resource.
740	-34	-5%	Employee costs are underspent due to one vacancy and one member of the team seconded to another team, offset by temporary external resource.
740	**-34**	-5%	
	(161)		**TOTAL**

FINANCE & CORPORATE SUPPORT
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Directorate	134	134	-	0%	
Finance					
Head of Finance	(119)	(83)	36	-30%	1
Financial Management	1,979	1,960	(19)	-1%	2
Revenues & Benefits	16,832	16,198	(634)	-4%	3
Audit & Risk	415	406	(9)	-2%	
Corporate Procurement	720	635	(85)	-12%	4
Customer, People & Corporate Support					
Head of Service	(55)	(51)	4	-7%	
Human Resources	1,770	1,724	(46)	-3%	5
ICT	1,791	1,890	99	6%	6
Customer Services & Registration	1,603	1,779	176	11%	7
Business Support	1,749	1,726	(23)	-1%	8
Totals	26,819	26,318	(501)	-2%	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	13,266	12,815	(451)	-3%
Property Costs	2	2	-	0%
Supplies and Services	926	1,070	144	16%
Transport and Plant Costs	47	48	1	2%
Administration Costs	898	933	35	4%
Other Agencies & Bodies	1,985	1,704	(281)	-14%
Transfer Payments	65,003	64,990	(13)	0%
Other Expenditure	6	7	1	17%
Capital Financing	-	149	149	-
Gross Expenditure	82,133	81,718	(415)	-1%
Income	(55,314)	(55,400)	(86)	0%
Net Expenditure	26,819	26,318	(501)	-2%

FINANCE & CORPORATE SUPPORT
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			**Head Of Service**
			Movement - there has been no significant movement since period 8.
99	-37	-37%	Employee Costs - projected underspend due to recent vacancy in Head of Finance post
3	16	533%	Admin costs - projected overspend due to recruitment advertising costs
55	57	104%	Agency Fees - projected overspend arising from interim recruitment of Head Of Service post, partially offset by vacancy above
	36		
Note 2			**Financial Management**
			Movement - there has been no significant movement since period 8.
2,134	-29	-1%	Employee costs - projected underspend is as a result of vacancies
55	10	18%	Other minor variances
	-19		
Note 3			**Revenues and Benefits**
			Movement - there is an increase in the projected underspend of £0.017m in relation to a delay in filling vacancies.
2,194	-203	-9%	Employee costs - projected underspend as a result of vacancies, maternity leave and long-term sickness absences, offset by projected overtime costs of £0.045m.
473	12	3%	Admin Costs - projected overspend of £0.020m arising from increased postage costs, offset by a projected underspend of £0.008m for NDR Sheriff Officer Commission.
1,478	-338	-23%	Payments to Others - the projected underspend in Discretionary Housing Payments of £0.352m is based on all eligible cases, however some applications remain outstanding. This underspend has been approved for carry forward for employability initiatives in 2015/16. A further underspend of £0.036m relating to Welfare Reform for software and admin costs is offset by £0.050m due to be paid to 1st Alliance Credit Union, following recent Cabinet approval.
-52,185	-105	0%	Income - £0.105m over-recovery is projected, mainly relating to Welfare Reform budget set aside to address the benefit cap on temporary accommodation.
	-634		
Note 4			**Corporate Procurement**
			Movement - there is a increase in the projected underspend by £0.010m mainly due to an increase in expected income.
692	-100	-14%	Employee costs - projected underspend as a result of vacancies
-79	13	-16%	Revenue income is expected to over-recover based on committed contract savings in the current year, however a shortfall of £0.054m in income from capital recharges is anticipated due to a lower level of capital work being undertaken.
5	2	40%	Other minor vacancies
	-85		

FINANCE & CORPORATE SUPPORT
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 5			**Human Resources**
			Movement - there is an increase in the projected underspend of £0.032m mainly within Occupational Health, Corporate Training and Employee Costs
1,448	-27	-2%	Employee costs - projected underspend due to delay in filling vacancies
285	-16	-6%	Payments to Other Bodies - projected underspend within Occupational Health based on previous year trend
38	-3	-8%	Other minor variances
	-46		
Note 6			**IT**
			Movement - there is an decrease in the projected overspend of £0.024m, due to a delay in the filling of vacancies and identification of supplies underspends
2,363	-10	0%	Employee costs - projected underspend due to delay in filling vacant posts
515	114	22%	Supplies & Services - the Council's Wide Area Network (WAN) is in the process of migrating from BT to Capita, a project which will continue into 2015/16. While there is expected to be no additional cost following full implementation, current indications are that £0.123m of up-front costs will be incurred in 2014/15 with no available budget at this time. This is offset by various small underspends amounting to £0.010m.
-1,087	-5	0%	Other minor variances
	99		
Note 7			**Customer Services**
			Movement - there is an increase in the projected overspend of £0.027m, relating to various small overspends throughout the service
1,701	-13	-1%	Employee costs - projected underspend due to delay in filling vacant posts
80	24	30%	Supplies and Services - projected overspend mainly due to Software Licences based on current commitments
30	16	53%	Payment to Other Bodies - projected overspend partly due to increased charge due to increased volume of calls and also due to spend relating to Customer Account Design Project
271	-13	-5%	Transfer Payments - projected underspend within Footwear & Clothing Grants
0	149	-	Capital Financing - as approved by Cabinet at period 6, £0.287m is required to upgrade of Contact Centre Technology. £0.149m will be spent this financial year, with the balance of £0.138m being carried forward to 2015/16
-479	13	-3%	Other minor variances
	176		
Note 8			**Business Support**
			Movement - there has been no significant movement since period 8, however the budget has increased due to the creation of new Directorate Support Teams.
1,918	-27	-1%	Employee Costs - projected underspend relates to employee costs as a result of vacancies, maternity leave and a career break. Increase in projection of £0.005m due to directorate support review and a new vacancy since period 8.
118	4	3%	Other minor variances
	-23		
-496			**TOTAL**

EDUCATION AND YOUTH EMPLOYMENT
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2015

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	**103** Note No
	£000	£000	£000		
Early Years Education	9,393	9,361	(32)	0%	1
Primary Education	35,022	35,129	107	0%	2
Secondary Education	47,361	46,949	(412)	-1%	3
Additional Support Needs	6,438	6,038	(400)	-6%	4
Education - Other	5,022	5,218	196	4%	5
Totals	103,236	102,695	(541)	-1%	

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	81,122	81,657	535	1%
Property Costs	309	315	6	2%
Supplies and Services	15,323	15,229	(94)	-1%
Transport and Plant Costs	202	202	-	0%
Administration Costs	1,025	1,100	75	7%
Other Agencies & Bodies	7,325	6,879	(446)	-6%
Transfer Payments	580	580	-	0%
Other Expenditure	-	-	-	
Capital Financing	4	4	-	
Gross Expenditure	105,890	105,966	76	0%
Income	(2,654)	(3,271)	(617)	23%
Net Expenditure	103,236	102,695	(541)	-1%

EDUCATION AND YOUTH EMPLOYMENT
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2015

Budget £000	Projected Variance £000	Variance as % of budget	Section
	Note 1		**Early Years**
			Movement - the underspend has reduced by £0.203m. This is due in the main to the cost of replacement cover costs of Early Years Practioners .
5,787	(153)	-3%	Teachers costs are expected to underspend by £153k. This is due to vacancies that arise and difficulties in recruiting replacements.
5,787	223	4%	Overall non Teachers employee costs is expected to overspend by £223K. Early Years Practitioners are expected to overspend by £370k with £260K of this being for replacement costs as a result of sickness or training. Temporary Early Years Practitioners have also been recruited to cover the difficulties in recruiting teachers in the line above. Offset against this is a projected £147K underspend against centrally held early years staffing budgets due to vacancies.
253	(52)	-21%	Payments to childminders expected to underspend by £52k due to less places being required.
331	(83)	-25%	Work to refurbish parent rooms at Hayocks School and Glencairn School has been delayed and will not now start until April. It is requested that this is carried forward to 2015/16.
	33		Other minor variances
	(32)		
	Note 2		**Primary Education**
			Movement - there is an decrease in the spend forecast of £0.002m.
4,780	173	4%	Employee Costs - an overspend (£0.039m) is projected due to redundancy, VER compensation and payments in lieu of notice for admin staff mainly due to the merging of 3 schools into the new Primary school at Elderbank. This is partially off-set by further savings (£0.040m) which have accrued due to Early Intervention staff moving into nurseries as part of the efficiency programme. There are also increased employee costs (£0.161m) due to increased no of pupils with additional support needs to allow these pupils to remain within mainstream schools. This service is related to the expenditure in note 4. Additional expenditure at this stage can avoid incurring much larger amounts by the time the pupil is in receipt of specialist services .
1,371	(12)	-1%	PPP unitary charge underspend due to reduced utilities costs and contract deductions
0	(55)		PPP insurance rebate. 11% is relative to Primary.
	1		Other minor variances
	107		
	Note 3		**Secondary Education**
			Movement - there is an increase in the underspend forecast of £0.086m. This due mainly to increased PPP contract deductions and increased let income.
30,263	302	1%	Employee Costs - an expected one-off cost in respect of the teacher refresh programme.
11,081	(98)	-1%	PPP unitary charge underspend mainly due to reduced utilities and cleaning costs.
0	(115)		PPP contract deductions received are currently at this level.
0	(445)		PPP insurance rebate. 89% is relative to Secondary.
(68)	(50)	74%	School Lets uptake better than expected.
0	(6)		Other minor variances
	(412)		
	Note 4		**Additional Support Needs**
			Movement - there is a increase in the underspend forecast of £0.055m. This is due mainly from a reduction in pupils in specialist residential schools based on current demand for placements
355	(79)	-22%	Pupils placed in other Local Authority schools outwith North Ayrshire.
936	115	12%	The number of pupils placed in external specialist day schools has exceeded expectations.
1,519	(432)	-28%	Pupils placed in external specialist residential schools.
(451)	28	-6%	Pupils placed in North Ayrshire schools by other authorities.
	(32)		Other minor variances
	(400)		

Budget £000	Projected Variance £000	Variance as % of budget	Section
	Note 5		**Education Other**
			Movement - there is an decrease in the spend forecast of £0.133m. This is due to the over provision of VER costs.
1,347	150	11%	Employee Costs - There is an anticipated overspend on teachers replacement costs in respect of accrued holidays while on Maternity and Long Term sick leave.
1,373	(62)	-5%	Employee Costs - Underspend in employee costs mainly in respect of the Director and Head of Service vacancies. This is offset against the cost of advertising for the posts.
0	(130)		An over provision was made at the end of 13/14 for anticipated VER costs. Now that all the invoices have been paid the residual is now recorded as an underspend.
592	100	17%	Supplies and Services - as approved by Cabinet on 23 September a £0.100m additional funding for the IT Computer Replacement programme for Primary Schools.
30	36	120%	PVG (Protection of Vulnerable Groups) checks across the whole of Education and Skills are expected to be overspent due to retrospective checks for all staff.
	102		Other minor variances
	196		
	(541)		**TOTAL**

105

SOCIAL SERVICES
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2015

Objective Summary	Annual Budget £000	Final Year End Outturn £000	Annual Variance Adverse or (Favourable) £000	% variance	Note No
Management & Support	6,201	5,931	(270)	-4%	1
Children and Families	23,672	24,343	671	3%	2
Older People's Services	32,686	35,166	2,480	8%	3
Independent Services	4,051	4,135	84	2%	4
Learning Disabilities	11,425	11,646	221	2%	5
Mental Health Needs	2,015	1,668	(347)	-17%	6
Criminal Justice	(25)	(25)	-	0%	
Addiction Services	599	570	(29)	-5%	
Change	14	14	-	0%	
Changing Children's Services Fund	487	435	(52)	-11%	
			-		
Totals	81,125	83,883	2,758	3%	

Objective Summary	Annual Budget £000	Final Year End Outturn £000	Annual Variance Adverse or (Favourable) £000	% variance
Employee Costs	40,830	40,467	(363)	-1%
Property Costs	502	486	(16)	-3%
Supplies and Services	2,178	2,348	170	8%
Transport and Plant Costs	502	528	26	5%
Administration Costs	1,182	1,173	(9)	-1%
Other Agencies & Bodies	51,913	54,933	3,020	6%
Transfer Payments	1,673	2,070	397	24%
Other Expenditure	300	87	(213)	-71%
Capital Financing				
Gross Expenditure	99,080	102,092	3,012	3%
Income	(17,955)	(18,209)	(254)	1%
Net Expenditure	81,125	83,883	2,758	3%

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2015

Budget £000	Projected Variance £000	Variance as % of budget	Service
	Note 1		Management and Support
			Movement - there has been a favourable movement of £172k from period 8 projection
6,201	(270)	-4%	**Employee costs** - projecting an underspend of £169k. A favourable movement of £86k from period 8 due to delays in recruiting for admin posts within business support, and Service Development Manager vacancy. **Payments to other bodies** - projecting an underspend of £75k, due to £25k underspend in community projects by the Money Matters team. Learning and Development project for the Learning Portal underspend of £50k, this project is under review by the Principal Manager Business Support. **Income** - an over recovery of income £25k to be received from Glasgow Caledonian University for services provided by Practice and Performance Team
6,201	**(270)**	**-4%**	
	Note 2		Children and Families
			Movement - there is a adverse movement of £150k from period 8 projection
11,665	(196)	-2%	**Employee costs** - projecting an underspend of £427k due to delays in recruiting vacancies for Early Intervention and Prevention initiatives, offset with expenditure in agency staff costs £231k. Agency costs of £153k have been incurred by assessment and care management team to cover vacancies and assessment demand. Agency workers costs of £78k have been incurred within the children with disabilities team and fostering to cover vacancies. A favourable movement of £40k from period 8 due to a support worker and social worker vacancy and social worker post moved to team manager post with no backfill .
341	(43)	-13%	**Throughcare costs** - for care leavers rents are currently projecting an underspend of £58k due to lower than anticipated level of demand and reduction in length of time care leavers are supported. Currently 19 service users a net decrease of 1 from period 8. **Care leavers weekly allowances** - projecting an overspend of £15k based on current demand forecasted to end of the year. A favourable movement of £10k from period 8, due to revision of projection.
2,467	353	14%	**Residential schools -** projecting an overspend of £353k based on current 23 placements . This is an adverse movement from Period 8 of £70k mainly due to an extension in an end date £21k and a new placement 49k. Placement end dates continue to be extended resulting in a continued increase in the projected overspend.
100	(98)	-98%	**Remand schools** - The budget for remand is currently projecting a favourable variance. This is based on no placements to the end of the year, should new placements be made, the favourable variance will reduce. No change from period 8.
4,636	(41)	-1%	**Internal fostering placements -** projecting an underspend of £123k based on a revised projection of 110 placements to the end of the year in line with current demand. A favourable movement of £51k from Period 8 is due to a net decrease of 2 packages. **Fostering Xtra Placements** - are projecting an underspend of £52k, based on a projection of 21 placements to the end of the year. At present there are 23 placements. The favourable movement of £3k to period 10 is due to a net increase of 1 package opposed to a projection of net increase of 2 packages at period 8. **Private fostering placements -** projecting an overspend of £124k based on current projection of 31 placements to the end of the year. This is an adverse movement of £11k from Period 8 due to one discharge projected in Period 9 not materialising. Fostering respite projecting an overspend of £10k, due to higher than anticipated demand than budgeted. A favourable movement of £6k from period 8 due to less than expected respite in period. Recruitment of North Ayrshire Council carers is being undertaken this will result in a reduction of more expensive private foster carers.
	Note 2		Children and Families
96	(53)	-55%	**Supported carers** are projecting an underspend of £53k based on difficulties in recruiting carers. There are 7 carers budgeted for, at present one carer in place. No movement since P8
0	45		**Legal expenses** have been incurred within the family placement teams mainly due to a contested residence order. A £15k favourable movement from period 8 due to reduction in projection of anticipated legal fees.
			Children with Disabilities
245	112	46%	**Community packages** projecting an overspend of £112k based on the current cost of care packages profiled to the end of the year. A favourable movement of £41k from period 8, due to a review of the projections and spend to date per package. Further work is required by the CDIS team to review packages. Regular resource allocation meetings have been set up with finance in attendance the objective of these meetings is to provide finance with accurate and timely information regarding approval of community packages this will enhance the accuracy of future projections.
145	331	228%	**Residential packages** - including sensory residential packages are projecting an overspend of £331k, this is an increase of £124k from period 8 due to two new residential packages.

Budget £000	Projected Variance £000	Variance as % of budget	Service
48	209	435%	**Direct payments** - projecting an overspend of £209k based on the current cost of care packages profiled to the end of the year. Currently there are 33 children in receipt of a Direct Payment. Direct payment balances have been forwarded to the CDIS Team Manager for review to identify potential recovery of funds. An adverse movement of £39k from period 8 due to an increase in 5 packages .
400	(47)	-12%	**Family Support Network** - projecting an underspend of £47k, due to lower than anticipated contract awarded. No change from period 8.
235	63	27%	**Standby Service** - expected overspend based on prior year. No change from period 8.
3,294	36	1%	**Other minor variances -** are projecting a £36k adverse variance mainly due to £13k adverse projection for section 22 payments, and £14k overspend in adoption and kinship placements
23,672	**671**	**3%**	

Budget £000	Projected Variance £000	Variance as % of budget	Service
	Note 3		Older People
			Movement - there is an adverse movement of £39k from the period 8 projection.
6,652	589	9%	**Care at Home Staff Costs** - projecting an overspend of £589k mainly due to overtime £545k to cover long term sickness and staff training absence. Casual staff employed to cover vacancies are projecting an overspend of £606k offset with favourable variance in basic salaries of £562k for vacant posts. A care at home review is being undertaken to address long term sick issues, move staff to 20 hours contracts, and transfer casual staff to permanent contracts to manage the service more efficiently. Favourable movement of £2k from period 8.
5,229	559	11%	**Purchased Care at Home** - projecting an overspend of £559k. Work is ongoing to increase framework providers compliance levels. Two framework providers will cease operations on the 31st of March 2015. Ayrshire Quality Care, a non framework provider have increased their provision of care and taken on 100 packages, plans are in place to implement CM2000 system in Ayrshire Quality Care with a go live date of 31st March 2015. An adverse movement of £43k from period 8 is due to an increase in non framework contract, Ayrshire Quality Care provision specifically in the Irvine area. Future efficiencies are expected with the implementation of CM2000.
1,132	42	4%	**Community alarm employees-** projecting an overspend of £42k. £3.8k adverse movement from period 8 . Due to casual employees providing an out of hours service due to increase in demand.
461	73	16%	**Direct Payments** - projecting an overspend of £73k based on the current packages profiled to the end of year. Currently 52 service users in receipt of a direct payment. Adverse movement from period 8 of £3k due to the net effect of 6 new packages of £18k offset by £15k reductions in existing packages. A virement exercise will be completed to reduce care at home budget and increase direct payment budget.
15,311	1,217	8%	**Residential and Nursing Care Homes -** projecting an overspend of £1.217m. At the start of the year care home placements were 36 greater than budget resulting in an overspend of £710k, to date nursing care discharges are 1 greater than planned and residential discharges 21 less than planned resulting in an adverse variance of £23k. Admissions to date are 15 greater than planned in nursing and 34 greater than planned in residential, resulting in an adverse variance of £302k. There is an adverse variance of £120k from period 8, mainly due to £116k projected overspend in respite care.
(5,742)	(225)	4%	**Income** - projecting an over recovery from service users charges in Montrose House and Anam Cara, based on current trends. Also projection of £4.7k per month for income received from care at home providers due to CM2000 non compliance. Favourable movement from P8 due to £150k over recovery of property disposal and charging orders received in the last two periods.
510	53	10%	**Voluntary Organisations -** projecting an overspend based on current and prior year outturn. No change from period 8. There is a review being conduction of voluntary organisations, this should achieve savings in some service areas.
9,133	172	2%	**Other minor variances** include CM2000 operational costs for the management of the system projected at £154k for the year expected to be funded from the savings generated through the implementation of CM2000 not yet materialised. Favourable movement of £32k from period 8, due to slippage in employee vacancies within assessment teams.
32,686	**2,480**	**8%**	
	Note 4		Independent Services
			Movement - there is a favourable movement of £143k from the period 8 projection
1,042	213	20%	**Residential care packages** - projecting an overspend of £213k based on the current level of projected demand. At present there are 38 placements, with projection based on a net decrease of 1 placement to the end of the year. An adverse movement of £41k from period 8, £20k due to two new admissions, compared to prior projection based on net decrease of 5 packages, forecasting a £21k decrease that not materialise.
820	64	8%	**Community packages** - projecting an overspend of £64k based on the current level of projected demand. At present there are 57 placements, with projection based to the end of the year. A favourable movement of £22k from period 8, due to a reduction in existing packages.

Budget £000	Projected Variance £000	Variance as % of budget	Service
703	(52)	-7%	**Direct Payment packages** - projecting an underspend of £52k based on current level of projected demand. There was a favourable movement of £122k from period 8, £128k of direct payment recoveries of unspent balances identified within the period through financial monitoring and review by Independent Services Team Manager offset with a new package of £6k, not previously projected .
1,486	(141)	-9%	**Other minor variances** include favourable variances of £114k for employee costs due to slippage in vacancies. Other favourable variances include £31k for respite care, and £11k over recovery of income received from other local authorities.
			The service was targeted with reducing care packages by £230k, to date £128k has been delivered, leaving £102k to be delivered. A favourable movement of £30k from period 8.
4,051	**84**	**2%**	
	Note 5		Learning Disabilities
			Movement - there is a favourable movement of £18k from period 8 projection
	(139)		Early achievement of future year efficiency savings.
2,427	(50)	-2%	**Residential care packages** - projecting an underspend of £50k based on current level of projected demand. At present there are 46 placements with projection based on 47 to the end of the year. An adverse movement of £586k from period 8 due to £600k budget virement to community packages and a £14k saving in from one discharge within the period.
9,645	295	3%	**Community care packages** - projecting an overspend of £295k based on current level of projected demand. At present there are 205 placements with projection based on 205 placements to the end of the year. A favourable movement of £518k from period 8 due to £600k budget virement from residential offset with a net increase in 5 placements compared to a projected net decrease of 4 placements.
287	118	41%	**Direct payment packages** - projecting an overspend of £118k based on current level of projected demand. At present there are 16 service users in receipt of a direct payment with projection based on 16 to the end of the year. Favourable movement of £4k from period 8 due to prior month projection based on 1 new package that did not materialise.
(934)	(3)	0%	**Other minor variances** include under recovery of income £24k and overspend of £39k projected for George Steven Centre and Toddhill based on current spend. Favourable movement of £92k from period 8 due to underspends in legal costs £22k, increased underspend in respite care £17k and employee costs £15k due to slippage in vacancies.
			The service was targeted with reducing care packages by £360k, to date £267k has been delivered, leaving £93k to be delivered. A favourable movement of £13k from period 8. From the targeted reviews 10 packages have been reviewed delivering savings of £145k. There are 9 targeted packages still to be reviewed before the end of the year. Other savings of £122k have been achieved through temporary decreases in packages due to change in circumstances and general reviews for other packages not included within the targeted reviews.
11,425	**221**		
	Note 6		Mental Health
			Movement - there is a favourable movement of £68k from the period 8 projection
690	(90)	-13%	**Employment costs-** projecting an underspend based on delays in recruiting for vacancies at start of year. £17k favourable movement from Period 8 due to vacancy slippage and removal of market force premium.
976	(112)	-11%	**Residential care packages** - projecting an underspend of £112k based on current level of projected demand. At present there are 27 placements with projection based on 29 to the end of the year. Adverse movement from Period 8 of £50k due to 3 new packages £31k, and an increase of £8k to two packages and the projected net decrease of 2 placements £10k in period 9 that did not occur.
17	55	324%	**Direct payment packages** - projecting an overspend of £55k based on current level of projected demand. At present there are 11 placements with projection based on 12 to the end of the year. An adverse movement of £2k from period 8 due to 1 projected discharge not materialising.
899	(72)	-8%	**Voluntary organisations** - projecting a favourable variance of £72k. £100k underspend due to under usage of Alzheimers and SAMH services, offset with a projected overspend of £38k for AIMS Advocacy Service. A favourable movement of £33k from period 8 due to a review of the SAMH contract resulting in an underspend this year.
2	14	700%	**Legal expenses** - projected overspend based on prior year outturn. No change from period 8
(569)	(142)	25%	**Other minor variances** - are mainly due to an overspend on care home respite costs. All Income lines appear in the budgeted figure, income is in line with budget.
			The service was targeted with reducing care packages by £240k, to date £242k has been delivered. A favourable movement of £16k from period 8. From the targeted reviews 0 packages have been reviewed delivering £0 savings 1 still to be reviewed, other savings of £242k have been achieved through temp decreases and general reviews
2,015	**(347)**		
1,075	(81)	-8%	Other budget lines with minor variances.
81,124	**2,758**	**3%**	**TOTAL**

PLACE
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2015

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Directorate	220	220	-	0%	
Physical Environment					
Property Management & Investment	2,069	2,005	(64)	-3%	
Housing Assets & Investment	(63)	(63)	-	0%	
Property Running Costs	7,889	7,651	(238)	-3%	1
Property Maintenance	4,328	4,328	-	0%	
Roads	7,065	7,060	(5)	0%	2
Streetscene	5,193	5,220	27	1%	3
Commercial Services					
Management and Admin	816	860	44	5%	4
Internal Transport	8,485	8,546	61	1%	5
Waste Services	6,839	7,248	409	6%	6
Facilities Management	9,837	9,666	(171)	-2%	7
Other Housing	6,986	6,833	(153)	-2%	8
Totals	59,664	59,574	(90)	0%	

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	29,534	29,117	(417)	-1%
Property Costs	13,905	13,592	(313)	-2%
Supplies and Services	6,946	7,178	232	3%
Transport and Plant Costs	9,326	9,487	161	2%
Administration Costs	2,235	2,197	(38)	-2%
Other Agencies & Bodies	18,116	18,570	454	3%
Transfer Payments	100	18	(82)	-82%
Other Expenditure	169	169	-	0%
Capital Financing	19	19	-	
Gross Expenditure	80,350	80,347	(3)	0%
Income	(20,686)	(20,773)	(87)	0%
Net Expenditure	59,664	59,574	(90)	0%

PLACE
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2015

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			**Property Management & Investment**
			Movement - There is £0.064m underspend projected since Period 8
2396	(42)	-2%	Employee Costs - vacancies not yet filled from the recent restructure have resulted in a projected underspend of £0.042m
539	(16)	-3%	Payment to Contractors - There is an underspend predicted in the Carbon Allowance payment due to a reduction in Energy Costs.
	(6)		Other minor budget movements.
	(64)		
Note 1			**Property Running Costs**
			Movement -The projected spend since period 8 has reduced by £0.361m largely due to underspends being predicted in Utility Cost budgets
5,310	60	1%	Rates - there is a projected overspend on Rates as a result of vacant properties and increased rateable values within the commercial estates portfolio. A budget pressure has been submitted to address this issue in future years
885	(177)	-20%	Water & Sewerage - There is a projected underspend on water and sewerage rates in line with previous year.
1,848	(109)	-6%	Electricity - Reduced energy usage in Council Buildings through the rationalisation of properties and use of energy efficient technologies has resulted in a projected underspend of £0.109m.
1,011	(112)	-11%	Gas - Reduced energy usage in Council Buildings through the rationalisation of properties and use of energy efficient technologies has resulted in a projected underspend of £0.112m.
(1,431)	113	-8%	Income - there is a projected under - recovery in rental income within the Commercial Portfolio due to vacant properties. A budget pressure has been submitted to address this issue in future years.
	(13)		Other minor budget movements
	(238)		
Note 2			**Roads**
			Movement - the projected underspend has reduced by £0.002m since period 8
3,445	(19)	-1%	Employee Costs - as a result of vacancies the service is projecting an underspend of £0.072m, however this is off-set by unbudgeted costs of £0.053m for additional holiday pay costs
10	6	60%	Rates - there is a projected overspend on the Rates charged for the Bus Shelter Advertising Boards
869	(63)	-7%	Electrical Power - the cost of electrical power has reduced, resulting in a saving to date of £0.063m.
46	67	146%	Payment to Contractors - essential survey work commissioned at Millport Pier will result in an overspend of £0.067m.
(1,715)	(9)	1%	Income - there is a projected shortfall of £0.030m in relation to income previously received for Bus Shelter advertising due to the contract coming to an end in November 2014. This will partially be off-set by an over-recovery in relation to the final payment of £0.021m received from Scotrail where all expenditure was incurred last year.
	13		Other minor budget movements
	(5)		
Note 3			**Streetscene**

112

Budget £000	Projected Variance £000	Variance as % of budget	Section
			Movement - the projected overspend has increased by £0.020m since period 8 largely due to costs incurred in relation to the commonwealth games and WW1 commemorative events.
5,442	9	0%	Employee Costs - there is an anticipated underspend of £0.011m due to vacancies however the Service have redundancy payments of £0.020m which they are unable to contain within existing budget.
522	24	5%	Property Costs - projected overspend of £0.024m largey due to additional plants & planting costs £0.009m and grounds maintenance client budget £0.008m as a result of the Commonwealth Games and WW1 commemorative events.
667	19	3%	Supplies & Services - projected overspend on materials £0.011m as a result of the Commonwealth Games and WW1 commemorative events. There will also be an overspend on the budget set for Christmas Lights £0.008m
(2,053)	(30)	1%	Income - the Service are expecting the income received for Interments to exceed budget by £0.030m which will help off-set overspends above.
	5		Other minor budget movements
	27		
Note 4			**Management and Admin**
			Movement - there has been no significant movement since period 8.
0	44		Employee Costs - There have been additional staffing costs incurred within the Streetscene service.
	44		
Note 5			**Internal Transport**
			Movement - there has been no significant movement since period 8
4,222	124	3%	Taxi Costs - there is a projected overspend in taxi costs of £0.124m which is largely due to an increase in demand for Social Services Clients. Officers are currently reviewing service level requirements.
1,148	(48)	-4%	Fuel Costs - There is a projected underspend on fuel which reflects the current lower cost of fuel.
	(15)		Other minor budget movements
	61		
Note 6			**Waste Services**
			Movement - the projected overspend has increased by £0.111m since period 8 largely due to an increased budget shortfall in relation to commercial refuse charges and £0.060m landfill tax cost for which the council will seek to recover the costs.
98	374	382%	Payment to Contractors - projected overspend is largely attributable to a projected £0.312m contractual costs incurred in relation to the treatment of excessive contamination being presented within blue bins.
2,515	60	2%	Landfill Tax - There is a projected £0.060m landfill tax cost in relation to materials used for site restoration. The Council has received independent advice that the material should be exempt from tax and will seek to recover these costs.
(1,450)	141	-10%	Commercial Refuse Charges - There is a projected shortfall of £0.141m. The service has reviewed its pricing strategy for 2015/16 to try and ensure full budget recovery in 15/16. The service is also carrying out a review to identify improved additional income streams.
(300)	(88)	29%	Blue Bin Contract Income - projected over recovery of income of £0.088m. Following the outcome of the independent review in relation to the blue bin contract dispute costs have been agreed for 2014/15 as detailed above. However it should be noted that discussions are ongoing with regard to the contract costs for 2015/16.
0	(120)		Income from Other Agencies - £0.120m has been received from HMRC in relation to a trade waste claim.
(91)	44	-48%	Sale of materials - Projected under-recovery of £0.044m in relation to sale of as materials including scrap, waste cardboard and paper. This is due to a combination of a drop in sale price and reduced tonnages.
	(2)		Other minor budget movements
	409		

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 7			**Facilities Management**
			Movement - there has been a projected increase in the underspend of £0.134m since P8. This is largely attributable to increased uptake in school meals.
9,308	(286)	-3%	Employee Costs - projected underspend of £0.354m due to early realisation of savings as a result of vacancy hours being reviewed, pending completion of the cleaning and janitorial review and also reduced overtime let costs. This is partially offset by an estimated unbudgeted cost of £0.068m in relation to holiday pay costs. A budget virement is requested to transfer £0.120m to supplies and services to offset overspend on provisions.
2,292	303	13%	Supplies and Services - Projected overspend in provisions and other supplies (£0.126m) but these are partially offset by an increase in income/sales. Projected overspend on provisions in relation to school milk due to an increase in organic milk costs to retain gold food for life award (£0.062m). A budget pressure has been submitted to address this issue in future years. There is also a projected overspend of £0.096m in relation to replacement kitchen equipment.
(2,797)	(174)	6%	Income - There is a projected additional income within catering (£0.150m) and a projected over-recovery of school meals income (£0.090m) due to extensive marketing of school meals. This is partially off-set by an under-recovery in janitorial lets (£0.070m.)
	(14)		Other Minor Budget Movements.
	(171)		
Note 8			**Other Housing**
			Movement - there has been a projected increase in underspend of £0.088m since P8
1,213	(22)	-2%	Employee Costs - projected underspend as a result of vacant posts.
26	(13)		Administration Costs - There is a projected £0.013m underspend in relation to the south west hub training toolkit which is funded from Scottish government grant. Approval has been received from Scottish Government to carry grant monies forward to 15/16.
60	(60)	-100%	Other Costs - Efficiency savings identified through a review of the budget.
385	(66)	-17%	Other Agencies - There is a projected underspend of £0.066m due to late recruitment of PAN Ayrshire Mental Health Officer's £0.037m which is funded through the Rough Sleepers Initiative. £0.029m is required to be carried forward to 15/16 to fund East Ayrshire Council's Mental Health Officer.
	8		Other Minor Budget Movements.
	(153)		
17,210	(90)	-1%	**TOTAL**

114

ECONOMY AND COMMUNITIES
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2015

2013/14 Outturn	Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
£000		£000	£000	£000		
98	Management	263	374	111	0%	1
	Economic Growth					
3,783	Planning & Protective Services	2,131	1,776	(355)	-17%	2
8,068	Economic Development	8,719	8,962	243	3%	3
19,939	**Connected Communities**	12,010	12,009	(1)	0%	4
31,888		23,123	23,121	(2)	0%	

2013/14 Outturn	Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
£000		£000	£000	£000	
12,382	Employee Costs	11,901	11,515	(386)	-3%
2,606	Property Costs	137	140	3	2%
1,566	Supplies and Services	1,241	1,282	41	3%
360	Transport and Plant Costs	154	153	(1)	-1%
2,577	Administration Costs	321	331	10	3%
12,400	Other Agencies & Bodies	12,667	13,230	563	4%
-	Transfer Payments	-	-	-	
39	Other Expenditure	1	11	10	1000%
3,838	Capital Financing	-	-	-	
35,768	Gross Expenditure	26,422	26,662	240	1%
(3,880)	Income	(3,299)	(3,541)	(242)	7%
31,888	Net Expenditure	23,123	23,121	(2)	0%

ECONOMY AND COMMUNITIES
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2015

Budget £000	Projected Variance £000	Variance as % of budget	Section
	Note 1		Management
			Movement - there is a increase in overspend of £2K.
263	77	29%	The current vacant post of Head of Service will generate savings of £0.047m which is offset by the costs of the Interim Head of Service (£0.107m) and advertising cost of £0.009m for the post. Also included is the costs of a temp PA (£0.011m) to the Director prior to a permanent appointment.
0	34		Other minor variances
	111		
	Note 2		Planning & Protective Services
			Movement - there is an increase of £0.106m on the underspend. This is mainly due to further vacancies and additional income.
2,638	(259)	-10%	Employee Costs - underspends are projected as result of vacancies. Part of this underspend is being used to fund the additional costs incurred in Economic Development shown in note 3.
(467)	(90)	19%	Building Warrants Income higher than estimated based on current trends however it should be noted that demand can vary.
	(6)		Other minor variances
	(355)		
	Note 3		Economic Development
			Movement - there is an increase of £0.101m on the overspend. This is mainly due to the overspend on Modern Apprentices.
2,338	225	10%	Employability and Business Development- £0.113m overspend in employee costs and £0.052m redundancy costs due to the implementation of the new structure. Also included is £0.077m in respect of the temporary Senior Manager of Employability and Skills post. In 2015/16 this cost will be met from a reallocation from the Business Development and Employability programmes as part of a strategic shift in the Council's economic growth activities. Offset partly by £0.017m turnover savings in Regeneration services.
120	131	109%	Community Employment Initiative and Equal Opportunities - A 6 month extension on these projects is partly offset by additional income from ERDF and ESF funding (£0.113m)
1,057	49	5%	Modern Apprentices - overspend in external Modern Apprentices £0.256m partly offset by underspend in internal Modern Apprentices £0.207m. This is mainly due to apprentices' preferred choice of employment however the projections also include the cost of Modern Apprentices who started in previous financial years.
260	(67)	-26%	Skills for Growth - savings identified to partly offset general overspends.
381	(30)	-8%	Graduate programme - underspend due to graduates leaving early to take up permanent posts elsewhere
87	(25)	-29%	Tourism - underspend in Payments to Contractors due to less new projects this year than originally forecast
	(40)		Other minor variances
	243		
	Note 4		Connected Communities
			Movement - there is a reduction in the underspend of £0.079m. This is mainly due to a reduction in the underspend in employee costs.
6,724	(67)	-1%	Employee Costs - underspends of £0.067m are projected as a result of vacancies. This projection has reduced in Community Facilities due to an increase in sickness & cover costs of £0.029m as a result of the now completed Facilities review.
1,060	51	5%	Supplies & Services - overspends across a number of lines within the Community Development amounting to £0.021m and a reduction of £0.025m in Community Facilities due to implementation of new Hall Booking System.
152	(27)	-18%	Payments to Other Bodies - agreed reduction in payments to Clyde Muirshiel Regional Park.
	42		Other minor variances
	(1)		
	(2)		TOTAL

BUILDING SERVICES
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2015

2013/14 Outturn	Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note no
£000		£000	£000	£000		
9,292	Employee Costs	8,684	8,853	169	2%	1
442	Property Costs	458	484	27	6%	5
5,193	Supplies and Services	4,584	4,849	265	6%	2
1,732	Transport and Plant Costs	1,299	1,460	161	12%	3
893	Administration Costs	786	792	6	1%	5
1,905	Other Agencies & Bodies	1,389	1,784	395	28%	4
-	Other Expenditure	81	-	(81)	-100%	5
99	Capital Financing	292	255	(37)	-13%	5
19,555	Gross Expenditure	17,573	18,477	904	5%	
	Income from :-					
(4,074)	Response	(3,960)	(3,841)	119	-3%	6
(3,195)	Voids	(2,810)	(3,311)	(501)	18%	6
(1,462)	Planned	(2,005)	(2,075)	(70)	3%	6
(1,686)	Non-Housing	(1,269)	(2,165)	(897)	71%	6
(8,069)	Projects	(5,844)	(5,844)	(0)	0%	
(1,069)	Aids & Adaptations	(1,300)	(1,050)	250	-19%	
(444)	Other	(535)	(461)	74	-14%	6
	Gross Income	(17,722)	(18,747)	(1,025)	6%	
19,555	Net Expenditure	(148)	(269)	(121)	81%	

BUILDING SERVICES
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2015

Budget £000	Projected Variance £000	Variance as % of budget	Section
	Note 1		**Employee Costs**
			Movement - there is a decrease in the overspend projected of £0.022m since period 8.
8,684	169	2%	Employee Costs - There is a projected overspend of £0.169m largely due to an overall increase in the income secured.
	Note 2		**Supplies and Services**
			Movement - there is a decrease in the overspend projected of £0.334m since period 8, this is mainly attributable to reduced materials spend.
4,302	254	6%	Materials - The projected overspend is based on the work anticipated at Period 10 however this will change should the level or type of work change significantly in the forthcoming periods. The reduction in projected material costs since period 8 reflects the reduction in income and the increased use of sub-contractors.
	11		Other Minor Movements
	265		
	Note 3		**Transport and Plant Costs**
			Movement - there is a increase in the overspend projected of £0.031m since period 8, this is mainly due to the estimated share of the corporate vehicle telematics system.
1041	126	12%	Recharge From Transport Hub - The projected overspend is mainly due to the increase in the number of responsive works requiring scaffolding and share of the estimated cost of the corporate vehicle telematics system.
220	37	17%	Hire of Skips - The projected overspend is mainly due to the increased volume of waste due to increase in voids.
	(2)		Other Minor Movements
	161		
	Note 4		**Other Agencies and Bodies**
			Movement - there is an increase in the overspend projected of £0.186m since period 8, mainly due to the increased use of sub-contractors as a result of the need to respond quickly to unplanned work requests such as works at Irvine Royal Academy.
1139	379	33%	Payment to Contractors - There is a projected increase in the use of sub-contractors due to a combination of a greater number of projects requiring specialised skills not held in house and the need to respond quickly to unplanned work requests.
	16		Other Minor Movement
	395		
	Note 5		**Other**
			Movement - there is a decrease in the underspend projected of £0.026m since period 8, mainly due to additional infrastructure around the IT system.
81	(81)	-100%	Other Costs - the projected underspend on other budget lines is largely due to efficiency savings of £0.081m.
	(5)		Other Minor Movements
	(86)		
	Note 6		**Income**
			Movement - there is an decrease of £0.384m in income forecast since period 8 due to the current levels of jobs being received.
(3,960)	119	-3%	Response Repairs - A virement was processed between the planned and the response lines to reflect a change in strategy for the categorising of repairs as agreed between PMI and housing. However there remains a projected under-recovery of income for response repairs and the position will continue to be monitored in the forthcoming periods and a further virement of budget carried out if necessary.

Budget £000	Projected Variance £000	Variance as % of budget	Section
(2,810)	(501)	18%	Voids - The number of voids has risen since the same period in 2013 which in turn is contributing to a projected over recovery in this budget line.
(2,005)	(70)	3%	Planned - There is a projected over-recovery of income for planned works due to a change in strategy for the categorising of repairs resulting in a greater number of works being transferred to the planned budget from response. The income projection is based on the current levels of jobs being raised as planned. See above.
(1,269)	(897)	71%	Non Housing - There is an anticipated additional income of £0.897m from non housing works which includes re-roofing Cumbrae Primary School, Lantern replacements on Millport & Arran, Phase 1 of Irvine Royal Academy and toilet refurbishments in various schools.
(1,300)	250	-19%	Aids & Adaptations - There is a projected £0.250m under-recovery of income due to a reduced number of referrals and a change in the type of works being required.
(535)	74	-14%	Other - There is a projected under-recovery of income largely as a result of reduced requirement for asbestos works.
	(1,025)		
	(121)		TOTAL

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No	Variance at P8
	£000	£000	£000			£000
Strathclyde Passenger Transport	2,417	2,408	-9	0%	1	-9
SPT Concessionary Fares	283	283	0	0%		0
Ayrshire Joint Valuation Board	808	808	0	0%		0
Other Corporate Costs						
Pension Costs	1,808	1,806	-2	0%		3
Central Telephones	80	80	0	0%		0
Other Corporate Items (incl Cash in Transit & External Audit Fees)	355	336	-19	-5%	3	-22
Insurance Account	0	0	0	-		0
Children and Young People Bill	504	504	0	0%		0
Dartington	400	400	0	0%		
Funds to be Allocated (incl Termination Costs)	4,819	3,975	-844	-18%	4	-353
	11,474	10,600	-874	-8%		-381

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			**Strathclyde Passenger Transport**
			Movement - there has been no movement since period 8.
2,417	(9)	0%	Payment to Other Bodies - underspend relating to bus shelters
	(9)		
Note 2			**Other Corporate Items (incl Cash in Transit & External Audit Fees)**
			Movement - there has been no significant movement since period 8.
355	(19)	-5%	Other Expenditure - projected underspend due to changes in the way bills are charged with Housing offices now picking up charges direct.
	(19)		
Note 3			**Funds to be Allocated (incl Termination Costs)**
			Movement - there has been no movement since period 8.
4,819	(844)	-18%	Funds to be Allocated - underspend in inflationary assumptions, including the National Care Home Contract, Utilities and the budget requirements for Auto Enrolment
	(844)		
	(872)		**TOTAL**

MISCELLANEOUS ITEMS
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2015

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	123 Note No
	£000	£000	£000		
Loan Charges	20,777	18,916	(1,861)	-9%	1
Contribution to Capital Fund	1,086	1,086	-	0%	
Aggregate External Finance	(270,268)	(270,181)	87	0%	2
Council Tax and Community Charge	(58,019)	(60,141)	(2,122)	4%	3
Use of Change Fund	(844)	(844)	-	0%	
Use of Earmarked Funds	(2,515)	(2,515)	-	0%	
Totals	(309,783)	(313,679)	(3,896)	1%	

Note 1 Loan Charges
Movement - the underspend has increased by £0.087m from period 8.
Savings of £1.861m are anticipated in Loan Charges as a result of slippage in the capital programme in recent years, combined with external borrowing falling below anticipated levels due to the short-term use of cash balances currently held by the Council. There has been no long term borrowing undertaken so far in 2014/15 due to Public Works Loans Board (PWLB) interest rates currently sitting at high levels compared with the low rates of return available on investments. This forecast assumes that borrowing will be undertaken in quarter 4 of this year.

Note 2 Aggregate External Finance
Revenue Support Grant is lower than anticipated by £0.043m and is reflective of the final government settlement anticipated this year. Future year budgets have been updated to reflect these revised allocations.

Note 3 Council Tax and Community Charge
Income from Council Tax is forecasting to over recover by £2.122m. This is mainly due to cash collected for older debt (£0.271m) which had previously been written off, an increase in the Council Tax Base (£0.336m) and a reduction in the amount of council tax reductions (£1.515m) being awarded. Savings of £0.754m in relation to Council Tax Reduction were approved by Council on 9 December as part of the 2015/16 revenue budget exercise.

Carried Forward Funds to 2015-16	
	£000
Irvine Leisure Centre	240
Employability Initiatives	416
Upgrade of Contact Centre Technology	138
Mental Health Officer	29
Refurbishment - Hayocks School and Glencairn School	83
Totals	906

Budget Management - 31 January 2015

Virement/Budget Adjustment Requests

	Perm (P) / Temp(T)	2014/15	
		Virement £m	Directorate Total £m
1) Budget Virements			
Place			
Roads - Reduce recharge to Capital budget to reflect reduced staff time spent on capital works.	P	0.390	
Roads - Reduce expenditure budgets to off-set the reduction in the recharge to capital.	P	-0.390	
Facilities Management - Employee cost underspend to be transferred to food provisions.	P	-0.120	
Facilities Management - Food provision budget increased through transfer from employee costs.	P	0.120	
			0.000
WAN Circuits			
Economy & Communities - circuit costs to be transferred to IT	P	-0.088	
Finance & Corporate Support - circuit costs to be transferred to IT	P	-0.031	
Health & Social Care Partnership - circuit costs to be transferred to IT	P	-0.060	
Place - circuit costs to be transferred to IT	P	-0.046	
Education & Youth Employment - circuit costs to be transferred to IT	P	-0.260	
Finance & Corporate Support - circuit costs to be transferred from services	P	0.485	
Economy and Communities			
Economic Growth - increase in employee costs (part year £0.113) per scheme of delegation no 03.09 - Economic Development restructure. Full year cost of £0.212. Scheme of delegations no 23.01 and 23.02 increase employee costs by a further £0.072 and £0.027 respectively (full year cost).	P	0.113	
Economic Growth - reduce expenditure (£0.113) on external programs. Full year reduction of £0.212. For scheme of delegations 23.01 and 23.02 expenditure reductions in external programs £0.043, supplies and services and training £0.014, increase in planning income £0.014, deletion of a part vacancy £0.014 and a reduction in payments to other bodies of £0.014 in Connected Communities.	P	-0.113	
2) Budgets to be increased as a result of external income			0.000
Economy and Communities			
LUPS/ ESF funding for extension of CEIS and Lookahead projects	T	0.113	
			0.000

HOUSING REVENUE ACCOUNT
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2015

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Supervision & Management	7,796	7,411	(385)	-5%	1
Repairs & Maintenance	26,915	24,637	(2,278)	-8%	2
Short Stay Hostel	(67)	(116)	(49)	73%	3
Homelessness	(56)	(211)	(155)	277%	4
Loan Charges	9,452	8,463	(989)	-10%	5
Rental Income	(44,040)	(44,045)	(5)	0%	
Supported Accommodation	-	-		0%	
Totals	-	(3,861)	(3,861)		

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	6,662	6,154	(508)	-8%
Property Costs	18,828	18,041	(787)	-4%
Supplies and Services	272	255	(17)	-6%
Transport and Plant Costs	80	80	0	0%
Administration Costs	1,494	1,523	29	2%
Other Agencies & Bodies	1,707	1,693	(14)	-1%
Transfer Payments	100	140	40	40%
Other Expenditure	10,088	8,543	(1,545)	-15%
Capital Financing	9,452	8,463	(989)	-10%
Gross Expenditure	48,681	44,892	(3,789)	-8%
Income	-48,681	(48,753)	(72)	0%
Net Expenditure	0	(3,861)	(3,861)	

HRA
BUDGETARY CONTROL 2014/15

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2015

Budget £000	Projected Variance £000	Variance as % of budget	Section
	Note 1		Supervision & Management
			Movement - there is an increase in the underspend projected from Period 8 of £0.043m mainly as a result of staff savings and reduced use of Consultants
4467	(279)	-6%	Employee Costs - There is a projected underspend of £0.279m as a result of vacant posts. The current staff budget has a 2.5% turnover applied. This has been reviewed as part of the 15/16 budget process and a 5% turnover has been approved.
110	(77)	-70%	Consultant Costs - Projects currently identified include Common Housing Register applicant survey, response repairs research and research to reduce the demand for larger properties at a cost of £0.033m resulting in an underspend of £0.077m.
36	(36)	-100%	Debtors accounts written off, as submitted to Cabinet on 7 October did not affect Supervision & Management therefore budget will not be used.
0	26	0%	Service charges associated with cash deposits at the bank not budgeted for at beginning of year. This was not charged to HRA in previous years and was identified this year when an increase in the number of collections was requested.
	(19)		Other minor movements
	(385)		
	Note 2		Repairs & Maintenance/Rental Income
			Movement - there is an increase in the underspend projected from Period 8 of £0.697m, mainly due to a decrease in revenue repairs.
6,694	(769)	-11%	Planned Repairs - There is a projected underspend mainly as a result of reduced requirement for asbestos works, lower levels of central heating repairs and no repairs on Sheltered Housing Unit Work
2,750	530	19%	Void Repairs - There is a projected overspend on void repairs based on current level of jobs raised and current average job costs. Senior officers are continuing to explore available options to reduce the cost of void repairs.
3,930	(131)	-3%	Response Repairs - There is a projected underspend based on current level of jobs raised and current average job costs.
1,750	(475)	-27%	Aids and Adaptations - There is a projected underspend as a result of reduced number of referrals and a change in the types of works being required.
124	(13)	-10%	Debtors accounts written off, as submitted to Cabinet on 7 October, were £0.013m less than budgeted.
1,730	(1,411)	-82%	Rent Arrears Write Off - There is a projected £1.411m underspend mainly due to the fact that Under Occupation rent arrears will be fully mitigated by increased funding for Discretionary Housing Payments. The projected underspend has increased following the recent rent arrears write off report to be submitted to Cabinet on the 10th March.
54	46	85%	Electricity - There is a projected overspend in Electricity due to the introduction of the Central Energy Management Team who identified properties which were not previously charged to the HRA. Housing Finance Team has since been working to identify all HRA properties to ensure charges are applied correctly.
188	(24)	-13%	Void Rent Loss - There is a projected underspend due to effective management of void properties which has resulted in lower levels of void rent loss
	(31)		Other minor movements
	(2,278)		

Budget £000	Projected Variance £000	Variance as % of budget	Section
	Note 3		Short Stay Hostel
			Movement - there is an increase in the underspend projected from Period 8 of £0.008m, mainly due to increased savings in employee costs.
598	(72)	-12%	Employee Costs - There is a projected underspend of £0.072m as a result of vacant posts. The current staff budget has a 2.5% turnover applied. This has been reviewed as part of the 15/16 budget process and a 5% turnover has been approved.
20	20	100%	Void Rent Loss - there has been reduced requirement to house people in hostel accommodation due to the effectiveness of Housing Options.
	3		Other minor movements
	(49)		
	Note 4		Homelessness
			Movement - there is a decrease in the underspend projected from Period 8 of £0.116m, mainly due the recent rent arrears write off report to be submitted to Cabinet on the 10th March.
183	(33)	-18%	Rent Arrears Write Off - There is a projected underspend mainly due to the fact that Under Occupation rent arrears will be fully mitigated by increased funding for Discretionary Housing Payments. The projected underspend has decreased following the recent rent arrears write off report to be submitted to Cabinet on the 10th March.
1,592	(183)	-11%	Employee Costs - There is a projected underspend of £0.183m as a result of vacant posts. The current staff budget has a 2.5% turnover applied. This is being reviewed as part of the 15/16 budget process and a 5% turnover is being proposed.
28	71	254%	Void Rent Loss - There has been a reduced requirement to house people in temporary accommodation (Homeless Furnished Units) due to the effectiveness of other options. This has resulted in an increase in void flats and therefore an increase in void rent loss. A review is being carried out to identify the ongoing requirement for temporary accommodation.
	(10)		Other minor movements
	(155)		
	Note 5		Loan Charges
			Movement - there is an increase in the underspend projected from Period 8 of £0.095m.
9,452	(989)	-10%	Loan Charges - There is a projected saving for 2014/15 largely due to external borrowing falling below anticipated levels due to the short-term use of cash balances currently held by the Council.
	(989)		
	(3,861)		**TOTAL**

Budget £000	Projected Variance £000	Variance as % of budget	Section					
HRA projected reserves and balances			**B/fwd from 2013/14**	**Period 10 Revenue**	**Use of Earmarked sums**	**Earmarking of in year surplus**	**Funding of Capital Projects**	**Estimated Bal at 31/03/15**
			£m	£m	£m		£m	£m
Council House Building Fund			4.270	-	0.000		(0.004)	4.266
Welfare Reform			3.000	-	0.000		0.000	3.000
Contingency Balance			0.400	-	0.000		0.000	0.400
Furnished Tenancies service			0.121	-	(0.121)		0.000	0.000
Estate Based Projects			0.356		(0.356)	0.040	0.000	0.040
Non Adopted Roads & Lighting			0.182		(0.182)		0.000	0.000
Sheltered Housing Unit Works			0.000		0.000	0.150	0.000	0.150
Major Refurbishment Works			0.000			1.300		1.300
Uncommitted Balance			0.394	3.861	0.000	(1.490)	0.000	2.765
			8.723	**3.861**	**(0.659)**	**0.000**	**(0.004)**	**11.921**

130

Agenda Item 8

24 March 2015

Cabinet

Subject:	Capital Monitoring to 31 January 2015
Purpose:	To advise the Cabinet of progress in delivering the Capital Investment Programme as at 31 January 2015.
Recommendation:	That the Cabinet agrees to (a) approve the revisions to budgets outlined at Sections 2.1 - 2.2 and 2.10 - 2.11 of the report; and (b) note (i) the actual General Services and HRA expenditure to 31 January 2015; and (ii) the forecast of expenditure to 31 March 2015.

1.   Introduction

1.1   The General Services and Housing Revenue Account (HRA) capital budgets were approved at a special meeting of the Council on 11 December 2013. The General Services capital programme approval covered a firm plan for period from 1 April 2014 to 31 March 2018 and an indicative plan for the years from 2018/19 to 2022/23. The HRA capital budget was approved for 2014/15 only.

1.2   This report identifies the current programme for 2014/15, taking account of adjustments made to budgets since the meeting outlined at 1.1. The report advises of actual expenditure to 31 January 2015 and forecast expenditure to 31 March 2015.

2.   Current Position

2.1   The table below outlines the movements in the 2014/15 General Services budget since the report to 30 November 2014 :-

	2014/15 £m
Budget approved as at 30 November 2014	37.510
a) Alterations to phasing of projects:-	
2014/15 to 2015/16	-1.497
2015/16 to 2014/15	0.775
b) Additional Projects funded by grants & contributions	0.878
Budget as at 31 January 2015	37.666

131

2.2 The major movements in the programme are as follows:-

(i) within Economy and Communities Millport Field Centre has slipped £0.630m reflecting the latest programme of works. Within Education, Irvine Royal has slipped £0.515m as plans are refined for Phase 2. Biomass/Solar PV within Place has also slipped by £0.364m mainly due to the re-design of the installation of the biomass system at Kilwinning Academy.

(ii) within Place works at Cunninghame House of £0.275m and Street Lighting (Mainland) of £0.500m have been brought forward from the 2015-16 programme due to acceleration of programmes.

(iii) additional funding of £0.878m has been identified since period 8 which is for Millport Field Centre from Scottish Government and Highlands and Islands Enterprise.

2.3 Capital Expenditure to 31 January 2015

Actual expenditure to 31 January 2015 (Period 10) amounted to £21.053m or 55.9% (compared to anticipated expenditure of £22.666m or 60.2%) of the revised annual budget for 2014/15 of £37.666m. Details of actual spend by project against the revised budget for 2014/15 alongside anticipated spend to 31 March 2015 can be found in Appendix 1.

The projections are summarised by service in the table below:

Service	Revised Budget 2014/15 £m	Projected Expenditure / Income to 31 March 2015 £m	Projected Variance Over / (Under) £m	True Over / (Under) Spend £m	Net Carry Forward to 2015/16 £m
Expenditure					
Economy and Communities	5,299	4,987	(312)	2	(314)
Education and Youth Employment	6,878	7,225	347	(9)	356
Finance and Corporate Support	2,582	2,148	(434)	1	(435)
Place	17,132	16,644	(488)	(9)	(479)
Health and Social Care Partnership	5,643	5,390	(253)	-	(253)
Other including Flexibility	132	50	(82)	(82)	-
Total Expenditure	37,666	36,444	(1,222)	(97)	(1,125)
Income					
General Capital Grant	14,770	14,770	-		
Specific Capital Grant	502	502	-		
Use of Reserve Funds	8,991	8,991	-		
Capital Funded from Current Revenue	2,313	2,313	-		
Capital Receipts	934	934	-		
Other Grants & Contributions	5,801	5,801	-		
Prudential Borrowing	4,355	3,133	1,222	97	1,125
Total Income	37,666	36,444	1,222	97	1,125

2.4 On 12 September 2014 land transferred to the Council at Eglinton Park. As part of this transfer the Council is legally bound to provide a car park on this site. It is currently estimated that this will cost £170,000 of which £95,000 can be funded from the Community Development Fund. It is proposed to fund the balance of £75,000 from the flexibility budget available within the programme.

2.5 An underspend of £0.070m is currently forecast on our contribution to the project being undertaken at the Millport Field Centre. It is proposed to utilise this contribution to increase our share of the Phase 1 project costs. This will allow the Field Studies Council to spend an equivalent amount on phase 2 and secure additional external funding of £1m in line with state aid regulations.

2.6 Cabinet is asked to note that in order to maximise the total funding being made available to the Council, the Garnock Campus project will now be delivered through a Design Build Development Agreement.

Housing Revenue Account

2.7 There has been no movement to the programme budget since the period 8 report to cabinet.

Capital Expenditure

2.8 Actual expenditure to 31 January 2015 (Period 10) amounted to £20.650m or 69.8% (compared to anticipated expenditure of £20.381m or 68.9 %) of the revised annual budget of £29.564m. Current projections are forecasting a variance of £0.606m at 31 March 2015 and are shown in the table.

Service	Revised Budget 2014/15 £m	Projected Expenditure / Income to 31 March 2015 £m	Projected Variance Over / (Under) £m	True Over / (Under) Spend £m	Net Carry Forward to 2015/16 £m
Expenditure					
Housing Revenue Account	29,564	28,958	(606)	(575)	(31)
Total Expenditure	29,564	28,958	(606)	(575)	(31)
Income					
Sale of Council Houses	760	1,456	(696)	(696)	-
Sale of Assets	-	188	(188)	(188)	-
CFCR	8,252	8,252	-	-	-
Capital Grants	5,228	5,340	(112)	(128)	16
Contribution from House Build Fund	60	5	55	55	-
Other Capital Income - House Building	-	82	(82)	(82)	-
Affordable Housing Contribution	1,973	1,973	-	-	-
Prudential Borrowing	13,291	11,662	1,629	1,614	15
Total Income	29,564	28,958	606	575	31

2.9 A true underspend of £0.575m has been forecast as a result of anticipated savings in the new build programme including John Galt and the Stevenson Institute.

2.10 Work has been accelerated from the 2015-16 programme totalling £0.330m for the new build programme at Dickson Drive and the Insulated Re-rendering programme. This has been partially off-set by £0.361m of slippage mainly within the regeneration project at Dickson Drive.

2.11 The acceleration of £0.330m from 2015/16 and the carry forward of £0.361m to 2015/16 outlined in 2.9 will result in a revised capital programme at 31 January 2015 of £29.533m for 2014/15.

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 Appendix 1; and (b) note (i) the actual expenditure to 31 January 2015 and (ii) the forecast of expenditure to 31 March 2015; and

In the H.R.A. -

The Cabinet is invited to (a) approve the further revisions to the budget outlined at Section 2.10 - 2.11; (b) note the actual expenditure to 31 January 2015 and (ii) the forecast of expenditure to 31 March 2015.

4. Implications

Financial Implications

4.1 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.

Human Resource Implications

4.2 There are no human resource Implications.

Legal Implications

4.3 There are no legal Implications.

Equality Implications

4.4 There are no equality Implications.

Environmental Implications

4.5 There are no environmental Implications.

Implications for Key Priorities
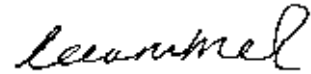
4.6 A delay in completion of projects could affect the delivery of services and have implications for revenue budgets and service planning.

5. Consultations

5.1 Consultations have taken place with all services in respect of their projects.

6.   Conclusion

6.1   The report invites the Cabinet to approve the revisions to capital budgets for General Services and the Housing Revenue Account, and note the level of capital expenditure to 31 January 2015 and projections to 31 March 2015.

LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :
For further information please contact Margaret Hogg, Senior Manager (Financial Management) on 01294 324551

Background Papers
0

North Ayrshire Council
Capital Statement
Year Ended 31st March 2015

Project Description	Approved Budget £	Carry Forward from 2013/14 £	Additional Funds Awarded 2014/15 £	Approved Revisions to Programme £	Total Revised Budget 2014/15 £	Year to Date Budget 2014/15 £	Actual Expenditure to 31 January 2015 £	Year to Date Variance 2014/15 £	Projected Expenditure to 31st March 2015 £	Projected Over/(Under) Spend for 2014/15 £	True Over/(Under) Spend £	Carry Forward to 2015/16 £	COMMENTS
EXPENDITURE													
Economy & Communities													
Regeneration	2,530,000	23,069	903,000	(986,710)	2,469,359	346,747	540,420	193,673	2,195,721	(273,638)	1,555	(275,193)	
Strategic Planning & Infrastructure	262,000	0	1,232,934	0	1,494,934	558,009	61,636	(496,373)	1,494,934	0	0	0	
Sport & Activity	14,626,641	547,389	0	(14,253,650)	920,380	404,612	400,344	(4,268)	881,096	(39,284)	0	(39,284)	
Information & Culture	925,397	(128,745)	14,645	(396,422)	414,875	123,812	107,471	(16,341)	415,341	466	0	466	
Education & Youth Employment													
Nursery Education	852,000	(54,516)	1,325,858	(891,369)	1,231,973	267,444	265,203	(2,241)	422,783	(809,190)	0	(809,190)	
Primary Schools	8,498,552	260,576	316,665	(5,653,068)	3,422,725	2,388,703	2,360,145	(28,558)	3,156,366	(266,359)	(9,205)	(257,154)	
Secondary Schools	0	3,117	0	2,071,862	2,074,979	1,633,965	1,632,789	(1,176)	3,497,644	1,422,665	0	1,422,665	
Special Education	298,318	(480)	0	(149,540)	148,298	146,989	150,830	3,841	148,298	0	0	0	
Finance & Corporate Support													
Financial Services	62,760	0	169,000	(65,760)	166,000	251	6,894	6,643	66,848	(99,152)	0	(99,152)	
Information Technology	588,000	(204,293)	0	399,070	782,777	351,654	377,955	26,301	552,330	(230,447)	0	(230,447)	
Council IT Strategy	1,669,580	573,991	0	(610,269)	1,633,302	1,431,146	1,487,820	56,674	1,529,582	(103,720)	973	(103,720)	
Health & Social Care													
Management & Support	158,000	24,258	0	150,272	332,530	148,507	149,394	887	242,146	(90,384)	0	(90,384)	
Older People	3,683,857	(123,024)	125,000	40,500	3,726,333	2,631,809	2,448,005	(183,804)	3,572,538	(153,795)	0	(153,795)	
Physical or Sensory Disabled	1,648,270	(21,867)	0	(42,321)	1,584,082	1,471,804	1,471,815	11	1,576,091	(7,991)	0	(7,991)	
Place													
Roads	8,547,000	276,936	1,140,000	(4,418,181)	5,545,755	3,690,396	3,621,405	(68,991)	5,546,743	988	0	988	
Office Accommodation	3,401,620	605,851	115,000	(400,595)	3,721,876	2,007,010	1,937,062	(54,948)	3,427,893	(293,983)	0	(293,983)	
Other Property	125,000	28,316	0	999,112	1,152,428	409,720	402,921	(6,799)	1,109,647	(42,781)	0	(42,781)	
Housing Non HRA	700,000	(17,777)	0	(20,382)	661,841	447,724	499,611	51,887	661,841	0	0	0	
Streetscene	718,467	76,739	0	(131,146)	664,060	122,725	106,103	(16,622)	566,985	(97,075)	0	(97,075)	
Transport	2,000,000	(1,342)	12,000	0	2,010,658	1,629,605	1,110,412	(519,193)	2,010,658	0	0	0	
Waste Services	1,378,000	219,404	0	(320,000)	1,277,404	1,371,555	957,878	(413,677)	1,267,959	(9,445)	(9,445)	0	
Renewable Energy	2,460,000	(8,315)	0	(353,440)	2,098,245	1,081,636	956,426	(125,210)	2,050,603	(47,642)	0	(47,642)	
Cleaning Client	0	0	0	0	0	0	0	0	0	0	0	0	
Other													
Other	140,667	192,640		(201,783)	131,524		0	0	50,000	(81,524)	(81,524)		
Total Project Expenditure	**55,274,129**	**2,271,927**	**5,354,102**	**(25,233,820)**	**37,666,338**	**22,665,823**	**21,052,537**	**(1,598,286)**	**36,444,047**	**(1,222,291)**	**(97,646)**	**(1,123,672)**	
Income	(55,274,129)	(2,271,927)	(5,354,102)	25,233,820	(37,666,338)	(15,283,878)	(15,283,878)	0	(36,444,047)	1,222,291	97,646	1,123,672	
Total Project Income	**(55,274,129)**	**(2,271,927)**	**(5,354,102)**	**25,233,820**	**(37,666,338)**	**(15,283,878)**	**(15,283,878)**	**0**	**(36,444,047)**	**1,222,291**	**97,646**	**1,123,672**	
Total Net Expenditure	**0**	**0**	**0**	**0**	**0**	**7,381,945**	**5,768,659**	**(1,598,286)**	**0**	**0**	**0**	**0**	

North Ayrshire Council
Capital Programme Funding

Funding Description	Approved Budget	Carry Forward from 2013/14	Additional Funds Awarded 2014/15	Approved Revisions to Programme	Total Revised Budget 2014/15	Actual as at 31 January 2015	Projected Income to 31st March 2015
	£	£	£	£	£	£	£
CAPITAL BORROWING							
Prudential Borrowing	28,583,375	538,007		-25,041,024	4,080,358		2,858,067
Salix Funding -Street Lighting - Arran				275,000	275,000	274,598	275,000
SUB TOTAL	28,583,375	538,007	0	-24,766,024	4,355,358	274,598	3,133,067
SCOTTISH GOVERNMENT FUNDING							
Specific Capital Grants							
Children & Young People (600 hours)							
Children & Young People (2 year olds)							
Free School Meals P1-3			290,000		290,000		290,000
Cycling / Walking /Safer Streets	212,000				212,000		212,000
Capital Grants							
General Capital Grant	13,464,000		1,305,858		14,769,858	12,525,858	14,769,858
SUB TOTAL	13,676,000	0	1,595,858	0	15,271,858	12,525,858	15,271,858
OTHER INCOME TO PROGRAMME							
Use of Funds							
Capital Fund							
General	5,536,636				5,536,636		5,536,636
B714 Upgrade	1,137,000			-1,137,000	0		0
Brodick Harbour Development					0		0
Dirrans Resource Centre	473,000				473,000		473,000
Garnock Academy							
Largs Campus							
Montrose House	237,000				237,000		237,000
Saltcoats Town Hall					0		0
Stanley PS Modular Accommodation	86,500				86,500		86,500
Change & Service Redesign Fund							
Capacity Planning (Storage)				77,000	77,000		77,000
Care First Development / CM2000				150,272	150,272		150,272
Cunninghame House - Time Clock System			55,000		55,000		55,000
E-Form System			12,000		12,000		12,000
IPT Telephony	203,468	200,487		-80,955	323,000		323,000
Local Area Network	310,824	300,150		-176,584	434,390		434,390
Managed WAN Services	571,183	179,191		-302,501	447,873		447,873
Streetscene Scheduling		7,161			7,161		7,161
Windows Server Migration		4,142			4,142		4,142
Wireless Access in Schools	190,400	176,700		-220,214	146,886		146,886
Repairs & Renewals Fund - Irvine Leisure Centre	1,000,000				1,000,000		1,000,000
CFCR							
General	1,868,000				1,868,000		1,868,000
Access Path Network			29,000		29,000		29,000
Bridgegate House			60,000		60,000		60,000
Community Development Fund				-109,814	-109,814		-109,814
Defibrillators			157,000		157,000		157,000
Dirrans	100,000				100,000		100,000
Montrose House			125,000		125,000		125,000
Purchase of Compactors			12,000		12,000		12,000
St Bridget's PS Nurery Adapts			20,000		20,000		20,000
St Luke's PS Extension			2,165		2,165		2,165
Stanley PS Accommodation			24,500		24,500		24,500
Town Centre Regeneration Kilbirnie CARS			25,000		25,000		25,000
Grants & Contributions							
Access Paths			5,734		5,734		5,734
Access Paths - CSGN			55,200		55,200		55,200
Access Paths - SPT			200,000		200,000		200,000
Access Paths - SUSTRANS			625,000		625,000		625,000
Access Paths - URC			130,000		130,000		130,000
Cultural Centre, Gaelic Provision	50,000			-50,000	0		0
Forestry Commission - Timber Transport			240,000		240,000		240,000
Historic Scotland - Saltcoats Town Hall		162,000		-37,000	125,000		125,000
Irvine Leisure Centre - AV Funding (application to be made)					0		
Irvine Leisure Centre - funding from 2014/15 Revenue							
Millport Field Centre			878,000		878,000		878,000
Saltcoats Town Hall - Regeneration Grant				1,100,000	1,100,000	700,633	1,100,000
SFT Enabling Funds - Garnock Campus	635,534	704,089			1,339,623	1,092,620	1,339,623
SFT Funding Garnock Campus & Largs Campus					0		0
Sport Scotland - Garnock Campus							
SPT Funding - Planning			70,000		70,000		70,000
SPT Funding - Plugged In Places			118,000		118,000		118,000
SPT Funding - Roads			900,000		900,000		900,000
West Kilbride CA - Gym extension			14,645		14,645	14,645	14,645
Capital Receipts						675,524	934,209
Sale of Land	525,209			319,000	844,209	609,035	844,209
Sale of Vehicles	40,000				40,000	36,748	40,000
Insurance Recovery					0	15,583	0
Montgomerie Park Masterplan	50,000				50,000	14,158	50,000
SUB TOTAL	13,014,754	1,733,920	3,758,244	-467,796	18,039,122	2,483,422	18,039,122
TOTAL CAPITAL PROGRAMME FUNDING	55,274,129	2,271,927	5,354,102	-25,233,820	37,666,338	15,283,878	36,444,047

ECONOMY & COMMUNITIES

	CURRENT YEAR 2014/15 EXPENDITURE												
Project Description	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 31 January 2015	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/ (Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	Comments
ECONOMIC GROWTH													
Regeneration													
MONTGOMERIE PARK SUDS POND					**0**	0	2,646	2,646	1,555	1,555	1,555		
TOURISM INFRASTRUCTURE	0	22,447		(19,162)	**3,285**	3,285	3,285	0	3,285	0		0	
IRVINE ENTERPRISE AREA	800,000			(460,000)	**340,000**	40,000	64,807	24,807	64,807	(275,193)		(275,193)	Construction start now dependant upon cabinet approval for heads of terms on joint venture agreement between NAC and Scottish Enterprise
TOWN CENTRE REGENERATION	1,680,000	622	25,000	(1,329,122)	**376,500**	217,838	384,057	166,219	376,500	0			
MILLPORT FIELD CENTRE	0		878,000	870,053	**1,748,053**	84,103	84,103	0	1,748,053	0			
BRODICK HARBOUR DEVELOPMENT	0				**0**	0	0	0	0	0			
MONTGOMERIE PARK MASTERPLAN	50,000			(48,479)	**1,521**	1,521	1,521	0	1,521	0			
PENNYBURN ROUNDABOUT					**0**	0	0	0	0	0			
IRVINE BAY REGEN CO ASSETS					**0**	0	0	0		0			
MILLPORT PIER					**0**	0	0	0					
Total Regeneration	**2,530,000**	**23,069**	**903,000**	**(986,710)**	**2,469,359**	**346,747**	**540,420**	**193,673**	**2,195,721**	**(273,638)**	**1,555**	**(275,193)**	
Strategic Planning & Infrastructure													
CYCLING/WALKING/SAFER STREETS	212,000			(212,000)	**0**	0	0	0	0	0			
SPT FUNDED PROJECTS - SP&I			70,000		**70,000**	0	6,286	6,286	70,000	0			
PLUGGED IN PLACES (PIP)			118,000		**118,000**	0	154	154	118,000	0			
ACCESS PATH NETWORK PROGRAMME	50,000		1,044,934	212,000	**1,306,934**	558,009	55,195	(502,814)	1,306,934	0			All projects are progressing on target with the exception of the i3 Active Travel link which has been delayed due to agreement requirements. It is however anticipated that this will be resolved in the near future and be brought back on track. There has been a slight delay in relation to invoices as a result of delays in the procurement process. The extent of the anticipated retentions and certification requirements will be confirmed in the next period.
Total S P & I	**262,000**	**0**	**1,232,934**	**0**	**1,494,934**	**558,009**	**61,636**	**(496,373)**	**1,494,934**	**0**	**0**	**0**	
CONNECTED COMMUNITIES													
Sports & Activity													
ARRAN OUTDOOR CENTRE SLIPWAY	0	8,337			**8,337**	4,075	4,320	245	8,337	0			
LARGS SPORTS DEVELOPMENT	63,383	8,866		(72,249)	**0**	0	0	0	0	0			
IRVINE LEISURE CENTRE	14,563,258	530,186		(14,181,401)	**912,043**	400,537	396,024	(4,513)	872,759	(39,284)		(39,284)	
Total Sports & Activity	**14,626,641**	**547,389**	**0**	**(14,253,650)**	**920,380**	**404,612**	**400,344**	**(4,268)**	**881,096**	**(39,284)**	**0**	**(39,284)**	
Information & Culture													
COMMUNITY DEVELOPMENT FUND	560,000	(127,945)		(160,607)	**271,448**	0	0	0	271,448	0			
CASTLES & HISTORIC MONUMENTS	100,000			(100,000)	**0**	0	0	0	0	0			
WEST KILBRIDE CC GYMNASIUM	88,646	13,345	14,645	(116,636)	**0**	0	(12,398)	(12,398)	0	0			
ARDROSSAN CASTLE	112,979	(7,579)		(34,751)	**70,649**	53,415	53,415	(0)	70,649	0			
ABBEY TOWER	0			200	**200**	200	200	0	200	0			
KERELAW CASTLE	63,772	(6,566)		15,372	**72,578**	70,197	66,254	(3,943)	73,044	466		466	
Total Information & Cultural	**925,397**	**(128,745)**	**14,645**	**(396,422)**	**414,875**	**123,812**	**107,471**	**(16,341)**	**415,341**	**466**	**0**	**466**	
Total Economy & Communities	**18,344,038**	**441,713**	**2,150,579**	**(15,636,782)**	**5,299,548**	**1,433,180**	**1,109,871**	**(323,309)**	**4,987,092**	**(312,456)**	**1,555**	**(314,011)**	

Project Description	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 31 January 2015	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/(Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	Comments
Nursery Education													
EARLY YEARS CHILDRENS BILL	122,000	(54,516)		(67,484)	0	0	0	0	0	0			
CHILDREN & YOUNG PEOPLE'S BIL	730,000			(691,744)	38,256	0	0	0	26,852	(11,404)			
ARDEER PS NURSERY ADAPTS	0			14,592	14,592	14,592	14,592	(0)	14,592	0			
BEITH PS NURSERY ADAPTS	0			77,054	77,054	63,121	63,123	2	77,054	0			
CALEDONIA PS NURSERY ADAPTS	0			31,885	31,885	13,065	13,065	0	36,385	4,500			
ST BRIDGETS PS NURSERY ADAPTS	0		20,000	46,057	66,057	49,678	49,678	0	66,057	0			
ST MARYS PS NURSERY ADAPTS	0			38,936	38,936	31,374	31,373	(1)	38,936	0			
WINTON PS NURSERY ADAPTS	0			68,805	68,805	68,805	68,806	1	68,805	0			
HAYOCKS PS NURSERY ADAPTS	0			7,720	7,720	874	874	0	12,874	5,154			
GLENCAIRN PS NURSERY ADAPTS	0			51,880	51,880	5,164	5,164	0	53,630	1,750			£68,375 budget required for 15/16
LAMLASH NURSERY ADAPTATIONS				2,331	2,331	2,331	2,331	0	2,331	0			
CORSEHILL PS NURSERY ADAPTS				6,041	6,041	1,941	5,977	4,036	6,041	0			
CUMBRAE PS NURSERY ADAPTS	0			757	757	757	(5,750)	(6,507)	757	0			
LOUDOUN-MONTG'Y PS NURSY ADAP				9,657	9,657	967	967	0	3,467	(6,190)		(6,190)	Fees only in 14/15
ST JOHN OGILVIE PS NURSY ADAP				14,202	14,202	14,202	14,202	0	14,202	0			
EARLY LEARNING & CHILDCARE			1,305,858	(502,858)	803,000	0	0	0	0	(803,000)		(803,000)	Programme being developed
KILWINNING COMM NURSERY ADAPT				227	227	0	227	227	227	0			
GARNOCK CAMPUS EY ADAPTS				0	0	0	0	0	0	0			
GARNOCK VALLEY EY ADAPTS				294	294	294	294	(0)	294	0			
PENNYBURN PS NURSERY ADAPTS				279	279	279	279	0	279	0			
Total Nursery Education	**852,000**	**(54,516)**	**1,325,858**	**(891,369)**	**1,231,973**	**267,444**	**265,203**	**(2,241)**	**422,783**	**(809,190)**	**0**	**(809,190)**	
Primary Schools													
WOODLANDS PS EXTENSION					0	0	1,642	1,642	1,642	1,642	1,642		
STANLEY PS MODULAR ACCOM	86,500		24,500		111,000	86,500	104,750	18,250	111,000	0			
PENNYBURN PS ROOF REPLACE	15,000	(300)		0	14,700	11,011	10,710	(301)	11,000	(3,700)	(3,700)		
CORRIE PS ANNEXE - STRUCTURAL	175,000	(1,247)		(2,945)	170,808	145,227	145,228	1	172,329	1,521		1,521	
ST LUKES PS-EXTENSION PHASE 2	765,500	2,254	2,165	(55,935)	713,984	401,298	401,299	1	670,206	(43,778)		(43,778)	
CUMBRAE PS ROOF	321,224	(354)		0	320,870	306,460	290,878	(15,582)	295,352	(25,518)	(25,518)		
FREE SCHOOL MEALS P1 - P3	0		290,000	(267,102)	22,898	0	0	0	57,213	34,315	34,315		
GLEBE PS KITCHEN WORKS				10,070	10,070	782	782	(0)	10,070	0			
HAYOCKS PS KITCHEN WORKS				6,666	6,666	4,566	4,566	0	6,666	0			
LOUDOUN-MONTG'Y PS KITCHN WRKS				10,586	10,586	620	620	0	10,586	0			
PENNYBURN PS KITCHEN WORKS				11,942	11,942	744	744	0	11,942	0			
SKELMORLIE PS KITCHEN WORKS				11,913	11,913	675	675	(0)	11,913	0			
ST LUKE'S PS KITCHEN WORKS				15,925	15,925	687	687	(0)	11,925	(4,000)		(4,000)	£4k required in 15/16 for flooring works which require the Easter Holiday period
WEST KILBRIDE PS KITCHEN WORKS				200,000	200,000	1,345	16,103	14,758	118,166	(81,834)	(34,315)	(47,519)	£47,519 required for WK in 15/16, remaining balance can be transferred back into the overall pot
ELDERBANK PS	1,528,228	273,135		0	1,801,363	1,428,788	1,362,997	(65,791)	1,637,985	(163,378)		(163,378)	Budget required in 15/16 for external works including off-site car parking to comply with planning regs
CASTLEPARK PS	0				0	0	18,371	18,371	18,371	18,371	18,371		PMI requested in 13/14 P12 that the projected underspend to be transferred into 14/15 for the roads/drainage requirements.
Total Primary Education	**8,498,552**	**260,576**	**316,665**	**(5,653,068)**	**3,422,725**	**2,388,703**	**2,360,145**	**(28,558)**	**3,156,366**	**(266,359)**	**(9,205)**	**(257,154)**	
Secondary Schools													
GARNOCK CAMPUS ENABLING FUNDS	0	3,117		1,567,405	1,570,522	1,284,944	1,283,749	(1,195)	3,093,167	1,522,645		1,522,645	Future years budget to be re-profiled as per monitoring sheet
IRVINE ROYAL/COLLEGE ADAPTS	0			484,457	484,457	329,457	329,477	20	384,477	(99,980)		(99,980)	
LARGS ACADEMY	0			20,000	20,000	19,564	19,563	(1)	20,000	0			

CURRENT YEAR 2014/15 EXPENDITURE

EDUCATION & YOUTH EMPLOYMENT

Project Description	CURRENT YEAR 2014/15 EXPENDITURE												Comments
	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 31 January 2015	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/ (Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	
Total Secondary Education	0	3,117	0	2,071,862	2,074,979	1,633,965	1,632,789	(1,176)	3,497,644	1,422,665	0	1,422,665	
Special Education													
STANECASTLE SCH REMEDIAL WORKS	159,418	(80)		(149,540)	9,798	9,798	9,798	0	9,798	0		0	
HAYSHOLM SCHOOL ADAPTATIONS	81,000			(42,020)	38,980	37,671	35,443	(2,228)	38,980	0			
JAMES MCFARLANE SCHOOL ADAPTS	57,900	(400)		42,020	99,520	99,520	105,589	6,069	99,520	0			
Total Special Education	298,318	(480)	0	(149,540)	148,298	146,989	150,830	3,841	148,298	0	0	0	
Total Education & Skills	9,648,870	208,697	1,642,523	(4,622,115)	6,877,975	4,437,101	4,408,967	(28,134)	7,225,091	347,116	(9,205)	356,321	

141

FINANCE & CORPORATE SUPPORT

Project Description	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 31 January 2015	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/ (Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	Comments
					CURRENT YEAR 2014/15 EXPENDITURE								
Financial Services													
FINANCIAL SYSTEMS	62,760			(62,760)	**0**	0	0	0		0			
E-FORM SYSTEM	0		12,000	**(3,000)**	**9,000**	251	251	(0)	3,000	(6,000)		(6,000)	
DEFIBRILLATORS			157,000		**157,000**	0	6,643	6,643	63,848	(93,152)		(93,152)	Training has been carried out. Delivery of equipment awaited.
Total Financial Services	**62,760**	**0**	**169,000**	**(65,760)**	**166,000**	**251**	**6,894**	**6,643**	**66,848**	**(99,152)**	**0**	**(99,152)**	
Information Technology													
PC REPLACEMENT/VIRTUAL DESKTOP	75,000	(36,096)		(30,000)	**8,904**	8,904	(21,021)	(29,925)	(21,021)	(29,925)		(29,925)	
MICROSOFT OFFICE UPGRADE	263,000	2,118		70	**265,188**	260,832	260,832	0	262,588	(2,600)		(2,600)	
SUN SERVER REPLACE PROG	200,000	(172,472)			**27,528**	27,528	19,385	(8,143)	27,528	0		0	
WINDOWS SERVER MIGRATION	0	40,774			**40,774**	14,890	14,890	0	35,774	(5,000)		(5,000)	
NEW COUNCIL ICT STRATEGY	50,000	(38,617)		3,000	**14,383**	9,500	5,995	(3,505)	14,383	0		0	
DATA RATIONALISATION & STORAGE	0			107,000	**107,000**	30,000	71,078	41,078	71,078	(35,922)		(35,922)	Reprofiling required as further information required with Infromation Governance
PSN COMPLIANCE				319,000	**319,000**	0	26,796	26,796	162,000	(157,000)		(157,000)	Reprofiling due to suppliers' resource availability
AGILE WORKING					**0**	0	0	0		0		0	
MICROSOFT ENTERPRISE AGREEMEN					**0**	0	0	0		0		0	
Total Information Technology	**588,000**	**(204,293)**	**0**	**399,070**	**782,777**	**351,654**	**377,955**	**26,301**	**552,330**	**(230,447)**	**0**	**(230,447)**	
Council IT Strategy													
WIRELESS ACCESS IN SCHOOLS	380,400	86,814		(220,214)	**247,000**	152,514	188,750	36,236	188,750	(58,250)		(58,250)	Delay due to asbestos survey completion in schools
MANAGED WAN SERVICES	524,888	229,104		(306,119)	**447,873**	347,873	361,430	13,557	401,430	(46,443)		(46,443)	Reprofiling requiring due to reprioritisation of sites. These sites have different financial profiles attached than the original sites.
IP TELEPHONY (IPT)	353,468	53,468		(83,936)	**323,000**	323,000	321,239	(1,761)	323,000	0		0	
LOCAL AREA NETWORK (LAN)	410,824	204,605		0	**615,429**	607,759	616,402	8,643	616,402	973	973	973	
Total IT Strategy	**1,669,580**	**573,991**	**0**	**(610,269)**	**1,633,302**	**1,431,146**	**1,487,820**	**56,674**	**1,529,582**	**(103,720)**	**973**	**(103,720)**	
Total Finance & Corporate Support	**2,320,340**	**369,698**	**169,000**	**(276,959)**	**2,582,079**	**1,783,051**	**1,872,669**	**89,618**	**2,148,760**	**(433,319)**	**973**	**(433,319)**	

Project Description	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 31 January 2015	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/ (Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	Comments
					CURRENT YEAR 2014/15 EXPENDITURE								
Management & Support													
CAREFIRST IT DEVELOPMENT				115,594	115,594	40,960	47,603	6,643	78,600	(36,994)		(36,994)	Development of some elements of the programme
HOME CARE SYSTEM	158,000	24,258		34,678	216,936	107,547	101,791	(5,756)	163,546	(53,390)		(53,390)	taking longer than expected. Reprofiling required.
Total Management & Support	**158,000**	**24,258**	**0**	**150,272**	**332,530**	**148,507**	**149,394**	**887**	**242,146**	**(90,384)**	**0**	**(90,384)**	
Older People													
MONTROSE HSE REDESIGN FACILIT	2,696,857	(123,024)	125,000		**2,698,833**	2,631,809	2,515,299	(116,510)	2,698,833	0			
LARGS OLDER PEOPLE RES CTRE	987,000				**987,000**	0	15,000	15,000	833,205	(153,795)	0	(153,795)	
CURRIE COURT CONVERSION	0				**0**	0	(82,295)	(82,295)	0	0	0		
LD DAY CENTRES	0			40,500	**40,500**	0	0	0	40,500	0			
Total Older People	**3,683,857**	**(123,024)**	**125,000**	**40,500**	**3,726,333**	**2,631,809**	**2,448,005**	**(183,804)**	**3,572,538**	**(153,795)**	**0**	**(153,795)**	
Physical or Sensory													
DIRRANS REHABILITATION CENTR	1,648,270	(21,867)		(42,321)	**1,584,082**	1,471,804	1,471,815	11	1,576,091	(7,991)		(7,991)	
Total Physical or Sensory	**1,648,270**	**(21,867)**	**0**	**(42,321)**	**1,584,082**	**1,471,804**	**1,471,815**	**11**	**1,576,091**	**(7,991)**	**0**	**(7,991)**	
Total Health & Social Care	**5,490,127**	**(120,633)**	**125,000**	**148,451**	**5,642,945**	**4,252,120**	**4,069,214**	**(182,906)**	**5,390,775**	**(252,170)**	**0**	**(252,170)**	

PLACE

<table>
<tr><td colspan="13" align="center">CURRENT YEAR 2014/15 EXPENDITURE</td><td></td></tr>
</table>

Project Description	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 31 January 2015	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/ (Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	Comments
PHYSICAL ENVIRONMENT													
Roads													
ROADS IMPROVE/RECONSTRUCTION	1,650,000	(149,127)		(208,635)	1,292,238	1,292,238	1,295,978	3,740	1,295,978	3,740		3,740	Programme of work now complete.
B714 UPGRADE	4,037,000	65,092		(4,037,000)	65,092	46,415	60,393	13,978	65,092	0			Two consultants engaged for design. SIAS - Strategic Routing work ongoing to complete phase 1, AECOM - Geometric Assessment (stage 1 now complete report received, moving onto stage 2 - new works programme approved).
LIGHTING	1,000,000	32,597		0	1,032,597	534,502	533,952	(550)	1,032,597	0			On-going programme of works for the year. On target to fully spend budget.
STREET LIGHTING ARRAN/MILLPORT				282,682	282,682	282,280	282,280	(0)	282,280	(402)		(402)	Programme of work now complete.
STREET LIGHTING MAINLAND				500,000	500,000	0	157	157	500,000	0			Mainland project started January 2015
IRVINE TOWN CENTRE CAR PARK	0	193,309		395,097	588,406	578,221	586,056	7,835	586,056	(2,350)		(2,350)	Work now complete.
CAR PARK STRATEGY	360,000			(360,000)	0	0	0	0	0	0			
GARNOCK VALLEY FLOOD PREV	1,500,000	92,261		(1,348,960)	243,301	243,301	147,230	(96,071)	243,301	0			Design solution finalised and approved. Compensation packages currently being prepared. Public consultation event held in January, currently anlysing feedback information.
COASTAL PROT-BALLOCHMARTIN BA	0	42,804			42,804	42,804	42,804	0	42,804	0			Work complete.
REDSTONE AVE KILW'G FLOOD WRK					0	0	0	0		0			
SPT FUNDED PROJECTS - ROADS	0		900,000		900,000	72,000	73,918	1,918	900,000	0			Design waiting for approval by Network Rail.
TIMBER TRANSPORT FUNDING	0		240,000	358,635	598,635	598,635	598,635	0	598,635	0			Work now complete.
BRIDGES INFRASTRUCTURE PROG	0				0	0	0	0	0	0			
Total Roads	**8,547,000**	**276,936**	**1,140,000**	**(4,418,181)**	**5,545,755**	**3,690,396**	**3,621,405**	**(68,991)**	**5,546,743**	**988**	**0**	**988**	
Office Accommodation													
BRIDGEGATE HOUSE REFURB	0	379,965	60,000	312,537	752,502	301,099	179,212	(121,887)	573,259	(179,243)		(179,243)	
TRINITY CHURCH REFURBISHMENT	0	117,586		0	117,586	18,318	42,698	24,380	117,586	0		0	
BRIDGEGATE PUBLIC REALM	0	122,999		0	122,999	8,608	12,759	4,151	122,999	0			
CUNNINGHAME HOUSE PHASE 1	1,416,411	(14,699)	55,000	281,515	1,738,227	1,451,314	1,453,175	1,861	1,652,875	(85,352)		(85,352)	Underspend to be transferred to Phase 2 budget
CUNNINGHAME HOUSE PHASE 2	1,063,831			(103,269)	960,562	212,671	245,026	32,355	931,174	(29,388)		(29,388)	
CUNNINGHAME HOUSE PHASE 3-6	921,378			(891,378)	30,000	15,000	0	0	30,000	0			
PROPERTY LIFECYCLE INVESTMENT					0	0	0	0	0	0			
Total Office Accommodation	**3,401,620**	**605,851**	**115,000**	**(400,595)**	**3,721,876**	**2,007,010**	**1,937,062**	**(54,948)**	**3,427,893**	**(293,983)**	**0**	**(293,983)**	
Other Property													
CORP ASSET MANAGEMENT SYSTEM	60,000	(1,158)		(58,842)	0	0	(6,800)	(6,800)		0			
SALTCOATS TOWN HALL	65,000	29,474		1,057,954	1,152,428	409,720	409,721	1	1,109,647	(42,781)		(42,781)	Two week delay in Contractor's programme
Total Property	**125,000**	**28,316**	**0**	**999,112**	**1,152,428**	**409,720**	**402,921**	**(6,799)**	**1,109,647**	**(42,781)**	**0**	**(42,781)**	
Housing Non HRA													
IMPROVEMENT GRANTS	700,000	(38,159)			661,841	447,724	290,622	(157,102)	661,841	0	0		
CARE & REPAIR	0				0	0	208,989	208,989		0			
CCTV GENERAL	0	20,382		(20,382)	0	0	0	0		0			
Total Housing Non HRA	**700,000**	**(17,777)**	**0**	**(20,382)**	**661,841**	**447,724**	**499,611**	**51,887**	**661,841**	**0**	**0**	**0**	
Streetscene													
STREETSCENE SCHEDULING SYSTEM	0	7,161		(4,179)	2,982	2,982	2,982	(0)	2,982	0			
WEST KILBRIDE CEMETERY EXTEN	(67,607)	33,377		39,401	5,171	5,171	1,732	(3,439)	5,171	0			
NEW STEVENSTON CEMETERY	0				0	0	(15,400)	(15,400)	0	0			
SKELMORLIE CEMETERY WALL	148,225			(145,962)	2,263	2,263	4,268	2,005	4,268	2,005		2,005	
CEMETERY WALLS &INFRASTRUCTURE	201,849	18,087		(138,271)	81,665	0	10,966	10,966	81,665	0			
CEMETERIES - EXTENSIONS	436,000	18,114		(144,222)	309,892	0	0	0	309,892	0			
WEST KILBRIDE CEMETERY PHASE				503	503	503	3,941	3,438	503	0			

PLACE

Project Description	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 31 January 2015	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/(Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	Comments
					CURRENT YEAR 2014/15 EXPENDITURE								
SANNOX CEMETERY EXTENSION				660	**660**	660	660	0	660	0			
ARDROSSAN CEMETERY WORKS	0			92,044	**92,044**	12,103	12,103	0	17,800	(74,244)		(74,244)	
BRODICK OLD CEMETERY WORKS	0			13,732	**13,732**	4,512	9,206	4,694	13,732	0			
KILMORY CEMETERY WORKS	0			13,732	**13,732**	4,512	9,206	4,694	13,732	0			
KILBRIDE CEMETERY WORKS	0			13,732	**13,732**	5,282	13,051	7,769	13,732	0			
ST BRIDE'S CEMETERY WORKS	0			13,735	**13,735**	4,512	9,206	4,694	13,735	0			
DREGHORN CEMETERY WORKS	0			2,450	**2,450**	2,450	2,450	0	2,450	0			
MILLPORT CEMETERY WORKS	0			3,090	**3,090**	3,090	3,090	0	3,090	0			
OLD BARONY CEMETERY WORKS	0			27,262	**27,262**	635	635	0	16,817	(10,445)		(10,445)	
ST MARGARET'S CEMETERY WORKS	0			17,265	**17,265**	17,265	11,346	(5,919)	15,270	(1,995)		(1,995)	
HIGH KIRK CEMETERY WORKS	0			63,534	**63,534**	56,437	26,661	(29,777)	51,138	(12,396)		(12,396)	
LARGS CEMETERY WORKS	0			348	**348**	348	0	(348)	348	0			
Total Streetscene	**718,467**	**76,739**	**0**	**(131,146)**	**664,060**	**122,725**	**106,103**	**(16,622)**	**566,985**	**(97,075)**	**0**	**(97,075)**	
COMMERCIAL SERVICES													
Cleaning Client													
CASHLESS CATERING SYSTEM					**0**	0	0	0					
Total Cleaning Client	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Transport													
VEHICLES	2,000,000	(1,342)	12,000		**2,010,658**	1,629,605	1,110,412	(519,193)	2,010,658	0			On target to spend in full
Total Transport	**2,000,000**	**(1,342)**	**12,000**	**0**	**2,010,658**	**1,629,605**	**1,110,412**	**(519,193)**	**2,010,658**	**0**	**0**	**0**	

PLACE

	CURRENT YEAR 2014/15 EXPENDITURE												
Project Description	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 31 January 2015	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/ (Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	Comments
Waste Services													
SHEWALTON LANDFILL	1,378,000	134,562		(320,000)	1,192,562	1,311,142	894,027	(417,115)	1,192,562	0			Depot improvement works are continuing through PMI and Phase 2 is nearly complete. A further £133k costs hit the ledger in February. Cell 5A construction is complete and the capping of Cell 4 is 50% complete. The remaining capping works were delayed due to weather and a revised programme to commence the works is being progressed with the contractor. The new wheel wash (£90k) will be re-scheduled to 2015/16 due to the organic waste contractor being delayed in vacating the site to their new facility at Ardeer, vacation is expected late 2015. PMI has been commissioned to create the temporary bulking station at area 2 (£230k) and a programme is currently being developed. There is a requirement to carry forward £320k from 2014/15 to 2015/16 in order to coincide with the revised time scales for the vehicle wash and temporary bulking station. Additional capital may be required to be carried forward to 2015/16 following agreement of the revised capping programme with the contractor.
ICT WASTE MANAGEMENT SYS	0	17,486			17,486	17,486	6,940	(10,546)	17,486	0			The Powersuite commercial system is now live and has been successfully integrated with Masterpiece. Some user acceptance testing of reports and functionality is expected to be fully complete by the end of February 2015. The remaining project expenditure should now be fully invoiced by the end of March 2015.
PADDOCKHOLM DEPOT	0	67,356		0	67,356	42,927	56,911	13,984	57,911	(9,445)	(9,445)		£1,952 retention due in 15/16
Total Waste Services	**1,378,000**	**219,404**	**0**	**(320,000)**	**1,277,404**	**1,371,555**	**957,878**	**(413,677)**	**1,267,959**	**(9,445)**	**(9,445)**	**0**	
Renewable Energy													
RENEWABLE ENERGY PROGRAMME	2,460,000	(8,315)		(2,451,685)	0	0	125,210.60	(125,211)	0	0			
BIOMASS RETROFIT PROGRAMME				1,048,912	1,048,912	571,133	571,132.71	(0)	1,141,586	92,674		92,674	
SOLAR PV RETROFIT PROGRAMME				1,049,333	1,049,333	510,503	510,503.44	0	909,017	(140,316)		(140,316)	
Total Renewable Energy	**2,460,000**	**(8,315)**	**0**	**(353,440)**	**2,098,245**	**1,081,636**	**956,426**	**(125,210)**	**2,050,603**	**(47,642)**	**0**	**(47,642)**	
Total Place	**19,330,087**	**1,179,812**	**1,267,000**	**(4,644,632)**	**17,132,267**	**10,760,371**	**9,591,817**	**(1,153,554)**	**16,642,329**	**(489,938)**	**(9,445)**	**(480,493)**	

CAPITAL MONITORING 2014/15

Year Ended 31st March 2015

Other Budgets

Project Description	CURRENT YEAR 2014/15 EXPENDITURE										Comments
	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Carry Forward to 2015/16	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Over/ (Under) Spend for 14/15	
FLEXIBILITY BUDGET	140,667	189,497		(248,640)	81,524	0		0	0	(81,524)	
PROCUREMENT TEAM	0	3,143		46,857	50,000	0			50,000	0	
	140,667	192,640	0	(201,783)	131,524	0	0	0	50,000	(81,524)	

North Ayrshire Council
HRA Capital Statement
For Year Ended 31 March 2015

Description	Budget Approved 11 December 2013	Budget B/Fwd/ (C/Fwd)	Approved Revisions to programme	Revised budget 2014/15	Year to Date Budget 2014/15	Actual expenditure to 31 January 2015	Year to Date Variance	Projected Expenditure to 31 March 2015	Projected over/(under) Spend for 14/15	Carry Forward to 2015/16	True (Under)/Over spend	Comments
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
HOUSING REVENUE ACCOUNT												
MORTGAGE TO RENT	565	167	0	732	549	692	143	813	81	0	81	There is an overspend against this programme as a result of two additional acquisitions being made through this scheme. This additional cost will be partly offset by extra Government Grant funding, with the balance accommodated from surplus capital income received during this year, as outlined below.
COUNCIL HOUSE BUILDING GENERAL	0	360	(360)	0	0	0	0	0	0	0	0	
NEW BUILD REDSTONE AVE	482	294	0	776	582	649	67	721	(55)	0	(55)	True underspend on completion of this house building project.
NEW BUILD COPELAND CRESCENT	0	0	0	0	0	(34)	(34)	0	0	0	0	Final invoice awaited to offset current credit in relation to accrued retentions.
ACQUISITION OF HOUSES ON OPEN MARKET	16	2	236	254	191	255	64	255	1	0	1	
NEW BUILD JOHN GALT	7,296	(271)	0	7,025	5,269	5,089	(180)	6,675	(350)	0	(350)	There is a projected underspend of £350,000 mainly as a result of procurement savings. This saving will reduce the requirement to borrow during 2014/15. Project due to be completed by March 2015.
NEW BUILD STEVENSON INSTITUTE	1,346	49	0	1,395	770	1,163	393	1,220	(175)	0	(175)	There is a projected underspend of £175,000 due to procurement savings. This saving will reduce the requirement to borrow during 2014/15. Project due to be completed by March 2015.
NEW BUILD DICKSON DRIVE	1,048	59	(532)	575	360	517	157	770	195	195	0	This programme has been accelerated to offset delays in the linked regeneration project.
NEW BUILD MONTGOMERY COURT	1,931	40	(1,726)	245	0	39	39	224	(21)	(21)	0	The projected spend for the year has been reduced marginally, with a carry forward into 2015/16 to allow for completion of the project. This does not affect the overall completion date.
NEW BUILD KILN COURT	1,910	46	(248)	1,708	550	1,093	543	1,708	0	0	0	
NEW BUILD FENCEDYKE	0	0	265	265	198	244	46	285	20	20	0	There are increased in year costs in relation to the emergency demolition of the school building.
CENTRAL HEATING	1,300	1	0	1,301	920	869	(51)	1,301	0	0	0	
INSULATED RE-RENDERING	2,284	(196)	2	2,090	1,888	2,257	369	2,265	175	115	60	There is a projected overspend on this programme due to a higher level of works being completed than previously forecast. This overspend is partially offset by additional ECO funding for this programme (noted below), the balance will be funded by accelerating budget from 2015/16.
WINDOW REPLACEMENT	1,400	151	0	1,551	1,285	1,073	(212)	1,551	0	0	0	
BATHROOM PROGRAMME	2,000	(81)	0	1,919	1,597	1,432	(165)	1,919	0	0	0	
KITCHEN PROGRAMME	2,500	(56)	0	2,444	1,938	1,700	(238)	2,444	0	0	0	
ELECTRICAL REWIRING	1,200	(4)	0	1,196	850	747	(103)	1,196	0	0	0	
REGENERATION - MONTGOMERY COURT	1,500	0	(1,259)	241	100	84	(16)	206	(35)	(35)	0	The projected spend for the year has been reduced marginally, with a carry forward into 2015/16 to allow for completion of the project. This does not affect the overall completion date.
REGENERATION - DICKSON DRIVE	1,332	0	(656)	676	383	235	(148)	518	(158)	(158)	0	There has been slippage on this programme due to legal issues in relation to the purchase of land.
REGENERATION/REFURBISHMENT GENERAL	0	17	0	17	0	35	35	17	0	0	0	
ROOFING & RENDERING	2,800	(38)	0	2,762	1,750	1,715	(35)	2,762	0	0	0	
DOOR ENTRY SYSTEMS	100	19	0	119	70	47	(23)	95	(24)	0	(24)	There is a true underspend on this programme line.
SHELTERED HOUSING UNITS	0	96	0	96	0	(27)	(27)	96	0	0	0	
OTHER CAPITAL WORKS	400	207	(202)	405	300	(17)	(317)	220	(185)	(147)	(38)	There is a true underspend against this programme as a result of procurement savings in relation to the replacement of water tanks at the high flats. The identified carry forward is to enable the completion of the water tank replacements and to complete works at North Vennel, Irvine.
ENERGY EFFICIENCY STANDARD	500	0	(300)	200	120	65	(55)	125	(75)	0	(75)	There is a true saving against this programme, as a result of planned insulation works being provided free as part of the ECO scheme.
PROFESSIONAL MANAGEMENT CHARGES	1,572	0	0	1,572	711	728	17	1,572	0	0	0	
			0									
TOTAL EXPENDITURE	**33,482**	**862**	**(4,780)**	**29,564**	**20,381**	**20,650**	**269**	**28,958**	**(606)**	**(31)**	**(575)**	
SALE OF COUNCIL HOUSES	(760)	0	0	(760)	(633)	(1,072)	(439)	(1,456)	(696)	0	(696)	There is a significant increase in RTB sales compared with the estimated level. There are 48 sales projected for 2014/15 compared with the budget estimate of 25 sales for the year.
SALE OF ASSETS	0	0	0	0	0	(58)	(58)	(188)	(188)	0	(188)	Unbudgeted income from the sale of other HRA assets during 2014/15.
CFCR	(8,252)	0	0	(8,252)	0	0	0	(8,252)	0	0	0	
CAPITAL GRANTS - MORTGAGE TO RENT	(124)	(19)	0	(143)	(119)	(132)	(13)	(164)	(21)	0	(21)	Additional Scottish Government grant in relation to further acquisitions through the Mortgage to Rent scheme as noted above.
CAPITAL GRANTS - HOUSE BUILDING	(6,394)	1,683	860	(3,851)	(3,210)	(3,720)	(510)	(3,835)	16	16	0	
CAPITAL GRANTS - ENERGY FUNDING	0	0	(1,234)	(1,234)	(1,028)	(1,175)	(147)	(1,341)	(107)	0	(107)	Increased ECO funding of £60k is anticipated projected in relation to Insulated Rendering project as noted above. There is also a sum of £47k which has been paid retrospectively by Centrica in relation to works completed at Currie Court in 2013/14.
CONTRIB FROM HOUSE BUILD FUND - SPECIFIC PROJECTS	(599)	56	483	(60)	0	0	0	(5)	55	0	55	The saving against Redstone Avenue project, as noted above, reduces the need to draw on House Building fund.
OTHER CAPITAL INCOME - HOUSE BUILDING	0	0	0	0	0	(97)	(97)	(82)	(82)	0	(82)	Unanticipated income paid retrospectively by Scottish Water in relation to infrastructure costs of house building projects.
AFFORDABLE HOUSING CONTRIBUTION	(2,005)	0	32	(1,973)	0	0	0	(1,973)	0	0	0	
PRUDENTIAL BORROWING	(15,348)	(2,582)	4,639	(13,291)	0	0	0	(11,662)	1,629	15	1,614	Reduced requirement for prudential borrowing, mainly as a result of capital receipts combined with contract savings on house building projects and income from Scottish Water, as noted above.
			0									
TOTAL INCOME	**(33,482)**	**(862)**	**4,780**	**(29,564)**	**(4,990)**	**(6,254)**	**(1,264)**	**(28,958)**	**606**	**31**	**575**	

I:\FSPUBLIC\Accountancy\1 Corporate Team\Capital General Fund\Cap\Capital Monitoring 2014-15\HRA\Period 10\Appendix 2 - Housing Revenue Account
24/02/2015

149

NORTH AYRSHIRE COUNCIL

Agenda Item 9

24 March 2015

Cabinet

Subject:	**Local Governance (Scotland) Act 2004 (Remuneration and Severance Payments) Amendment Regulations 2015**
Purpose:	To advise as to the 1% increase in Councillors' salaries contained in the Local Governance (Scotland) Act 2004 (Remuneration and Severance Payments) Amendment Regulations 2015 and to seek clarity on Senior Councillor salaries.
Recommendation:	That Cabinet (1) notes the terms of the Local Governance (Scotland) Act 2004 (Remuneration and Severance Payments) Amendment Regulations 2015 in relation to the level of Councillors' salaries; (2) agrees to set the Provost's salary at the level detailed in the regulations; (3) agrees to the same percentage increase to the Senior Councillor component of salary; and (4) agrees that implementation of the Councillor pay award should be made at the same point in time as the forthcoming local government employee pay award.

1.   **Introduction**

1.1   The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No.2007/183). The Regulations provide for the grading of councillors for the purposes of remuneration arrangements as either the Leader of the Council, the Civic Head, Senior Councillors or Councillors. These regulations place responsibility for determining councillors' remuneration with Scottish Ministers.

1.2   The Local Governance (Scotland) Act 2004 (Remuneration and Severance Payments) Amendment Regulations 2015 will come into force on 1 April 2015. These regulations provide for a 1% increase in the basic Councillor salary, the Leader's salary and the salary of the Civic Head or Provost.

2. Current Position

2.1 The basic Councillor salary has been determined by the 2015 regulations and all Councillors have a statutory entitlement to receive the 1% increase in the Councillor component of their salary. The same applies for the Leader's salary.

2.2 The Government consulted COSLA on the proposed increase and it is understood that the 1% increase recognises the need for continued pay restraint across the public sector to safeguard jobs and services, and that it would be wrong in the present financial climate for elected representatives to receive a larger pay increase than employees. COSLA has agreed to the increase to Councillors.

2.3 A 1% increase is in line with other areas of the public sector. For information, on 5 March 2015, a final pay award offer was made to all local government staff through the SJC and SNCT collective bargaining mechanisms offering a two year deal covering the period 1 April 2015 to 31 March 2017, at a value of 2.5%. It is proposed to implement the increase to Councillors at the same time as that for employees.

2.4 While Cabinet has no power to vary the terms of this increase, it remains for Council to determine whether, and to what extent the new amount is paid to the Civic Head and the amount of the Senior Councillor component of salary. It would be logical to apply the same increase of 1%, which avoids Senior Councillor and the Provost's salary lagging behind those of other authorities.

3. Proposals

3.1 That Cabinet note the terms of the Local Governance (Scotland) Act 2004 (Remuneration and Severance Payments) Amendment Regulations 2015 in relation to Councillors' salaries, and agrees to apply the same percentage increase to the Senior Councillor component of salary and the Provost's salary. Payments would be implemented at the same time as the employees pay deal.

4. Implications

Financial Implications

4.1 The financial implications of both Councillor pay awards and for all employees have already been provisioned for within revenue budget planning.

Human Resource Implications

4.2 As outlined within the report.

Legal Implications

4.3   The Scottish Statutory Instrument issued on 14 January 2015 provides the legal mechanism to effect this national pay award. This legal instrument gives contractual authority to incorporate the pay award to individual elected members.

Equality Implications

4.4   None.

Environmental and Sustainability Implications

4.5   None.

Implications for Key Priorities

4.6   This report does not directly impact on key Council priorities.

Community Benefit Implications
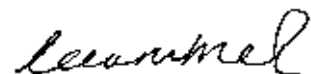
4.7   None.

5.   Consultations

5.1   As noted within the report through COSLA.

6.   Conclusion

6.1   Following issue of SSI   2015. No. 7, the pay award for elected members has been finalised at 1% from 1 April 2015.

Leanmel

LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :
For further information please contact Gavin Macgregor, Head of Customer, People & Corporate Support on 01294 324651

Background Papers
0

NORTH AYRSHIRE COUNCIL

Agenda Item 10

24 March 2015

Cabinet

Subject:	Review of Business Support
Purpose:	To update the Cabinet on the provision of business support in North Ayrshire and (a) approve bringing the Business Gateway service in-house from October 2015; (b) note the review of the Hatchery; and (c) develop the concept of North Ayrshire becoming an Entrepreneurial Hotspot.
Recommendation:	That Cabinet agrees to (a) the approval of bringing in-house the Business Gateway service; (b) notes review of The Hatchery; and (c) the development of the concept of North Ayrshire becoming an Entrepreneurial Hotspot.

1. **Introduction**

1.1 Support provision to North Ayrshire businesses has been significantly enhanced through the implementation of a targeted Account Managed approach and the formation of Team North Ayrshire. Both of these play an important part in supporting the achievement of the Council's Strategic Objective of 'Growing our economy, increasing employment and regenerating towns'.

1.2 Since the launch of the revised business support offer, significant investment has been seen with the recruitment of 5 experienced support professionals as Business Growth Managers (BGM) who have the responsibility to support a portfolio of businesses to grow and to help enhance the support offering in North Ayrshire. The team was completed in November 2014.

1.3 This has been shown already to be a powerful model with over 150 engagements seen in the last 3 months, 100+ companies actively involved, 70 active growth projects identified, which if aspirations are reached, will deliver more than 450 new jobs.

1.4   This has seen the creation of a solid platform for growth and now allows for a comprehensive review of support provision for the wider business base of circa 4,000 businesses. These businesses which comprise a wide range of start ups, small and medium sized businesses benefit from general business support provision through the Business Gateway and specialist start up support via the Hatchery. The latter was established with the involvement of high profile entrepreneurs including Sir Tom Hunter, Sir Willie Haughey and Anne Gloag to nurture and stimulate entrepreneurial start up activity with an initial focus on Ayrshire, Glasgow and Edinburgh. The three Ayrshire Local Authorities agreed to each support the initiative of £50,000 pa for 3 years. This agreement terminates in March 2015 and a review was instigated by East Ayrshire Council to assess the performance and future requirement of the Hatchery activity.

1.5   Business Gateway (BG) is delivered through a combination of national and local elements tailored to start up and early stage growth businesses. National elements include a dedicated website and Enquiry Service. The local element of the service delivery is carried out using a range of local advisory services, training workshops and local marketing currently delivered through a single contractor across Ayrshire.

1.6   North Ayrshire Council receives a grant of £936,320 (of which the North Ayrshire component is £312,106) from Scottish Government to deliver business support through the Business Gateway offering.

1.7   The current Business Gateway contract for Ayrshire has been outsourced to Lanarkshire Enterprise (LESL). North Ayrshire Council is the lead accountable body for this contract. The contract commenced in October 2012 and was agreed on a 3 year plus 1 year plus 1 year basis. The initial 3 year period will end on October 2015 and this will allow for the Council and it's partners, to review the contract and provision for business support in Ayrshire.

1.8   North Ayrshire Council, as lead authority, commissioned Ekosgen to provide an appraisal to assess the options for the Authorities collectively and from an individual Authority perspective.

2.   Current Position

Business Gateway

2.1   The current performance for the pan Ayrshire contract is noted in the table below.   Performance has gradually improved but is well below the targets identified at the onset of the contract. Currently in year 3, only 3 targets are likely to be met (Growth Advisory, Growth Pipeline, Account Management).

Table 1: Business Gateway Performance 2012/2013 - 2014/2015

	Year 1 Achievements 2012/13	Year 2 Achievements 2013/14	Q9 Totals 2014/15	Targets 2014/15	Actual v Targets
Volume Starts	565	746	**164**	847	**19%**
Potential Higher Value Starts	110	113	**29**	193	**15%**
Completed Higher Value Starts	16	62	**14**	193	**7%**
Growth Advisory Service	60	65	**18**	52	**35%**
Growth Pipeline	35	29	**8**	26	**31%**
Account Management	6	7	**4**	12	**33%**
Local Advisory Services	72	171	**26**	113	**23%**
Local Expert Services	108	132	**54**	262	**21%**

2.2 In Ayrshire, there are three Councils servicing the business base and three differing approaches to working with existing and growing businesses. Each LA also has a different service offer and varying financial packages of support available for local businesses.

North Ayrshire Council has the largest business adviser resource with 11 FTEs and adopts an account management approach to targeting and working with existing businesses with growth potential. East Ayrshire Council and to a lesser extent South Ayrshire Council, have a much smaller adviser resource but working with a similar size of business base.

2.3   Ekosgen researched a number of potential options for the delivery of the service and the following table shows the scores for those most appropriate. Scored out of five where 1= very poor and 5= very good.

The shortlist of options appraised are as follows:

- Option 1: Status Quo: Continue to contract out in current state

- Option 1a: Contract Out: New contract specifications

- Option 2: Bring service In-House

- Option 3: Bring Growth Service In-House and contract out Start-Up

- Option 4: Sub Contract events only

2.4   The full report is contained in Appendix 1.

Table 2: Business Gateway Delivery Options

BG Delivery Options					
Criteria	Option 1 Contract Out (Current)	Option 1a Contract Out (New)	Option 2 in - House	Option 3 GAS In - House	Option 4 Tied to Options 2/3
Strategic Fit	4	5	5	4	5
Quality	3	4	4	4	4
Integration	3	4	5	4	5
Impact	3	4	4	3.5	4
Management	4	5	3	3.5	3
Cost / Efficiency	3.5	3.5	3.5	3	4
Total Score (Out of 30)	20.5	25	24.5	22	25

2.5   The scoring identified the 2 main options of retendering or bring the service in house. It is noted that each Local Authority has the option to break away from the combined Ayrshire approach. Ekosgen identified that in the case of the individual Ayrshire Local Authorities, the in-house model would better suit North Ayrshire given the current business support delivery approach, team structure, adviser capacity, contract management experience and focus on high value start-ups and businesses with growth potential.

2.6 The preferred option 2 from a North Ayrshire perspective is scrutinised in the table:

Option 2 is to bring the Business Gateway programme delivery in-house.

Table 3 : Review of Preferred Option 2

Criteria	Strengths	Weaknesses/Risks
Strategic Fit	● Ability to align service with strategic priorities ● More flexibility with respect to local service need	
Quality/Advisers	● Better control over Business Adviser training and quality and improve knowledge of Ayrshire business base	● Need to train Business Advisers in BG procedures and other Programme requirements
Integration	● BG advisers fully integrated with rest of Business Support and Economic Development staff/offer ● De-clutter the landscape; one stop shop for LA support	● Requires a 6 months transition phase
Impact	● More joined up delivery should lead to better outcomes and impact	
Management	● Easier to manage resource and performance	
Cost/efficiency	● Efficiency savings with management, overheads etc ● More effective use of BG and LA adviser time	● TUPE costs/re-grading challenges ● Costs of transition

2.7　It is proposed that the North Ayrshire exercises its right to terminate the current contract with LESL and looks to bring the service in-house with effect from 1st October 2015. The option appraisal identified that the In-house Model will be a better fit for North Ayrshire.

2.8　It is envisaged that the move in-house will be a complex process. Work will be done to identify total costs and transition actions required to achieve the least amount of disruption to the business base whilst ensuring a more comprehensive support offer in North Ayrshire.

2.9　Both South Ayrshire Council and East Ayrshire Council are proposing to take the Business Gateway service in-house. It should be noted that North Ayrshire Council would continue in the lead role to secure future European funding.

The Hatchery

2.10　The Hatchery is designed to accelerate early stage and growing business ventures. At the Hatchery (as with the other two hatcheries in Glasgow and Edinburgh), ESpark provides a "collaborative office environment" for beneficiaries (termed 'chiclets'). This includes free access to IT and wifi, access to business advice and support, a pool of mentors, networking opportunities, workshops and pitch practice. A strong ethos of the programme is focusing on the individual, developing entrepreneurial mindsets and behaviours to enable acceleration and growth. A review of the Hatchery will be presented at a future cabinet.

Entrepreneurial Hotspot

2.11　The support framework in North Ayrshire has undergone significant change and an environment where growth businesses can flourish has started to develop. The model that has been developed is receiving significant interest and acclaim.

2.12　This gives a great platform to embed North Ayrshire to change the behaviours and mind-sets of businesses, residents and those looking to identify North Ayrshire as a place where ideas flourish and the environment stimulates growth. This concept has been initially defined as an Entrepreneurial Hotspot.

2.13 The work done to date goes some way to this. However, in order to truly be classed as an Entrepreneurial Hotspot then the complete offer needs to be addressed. Recent engagement with University of West of Scotland (UWS) and the Crichton Institute has stimulated discussion on the creation of this successful environment. UWS are currently looking at the concept of Entrepreneurial Ecosphere and have identified North Ayrshire as significantly advanced in this. UWS have expressed an interest on helping develop this more fully. In order to create the Entrepreneurial Hotspot, it is identified that a focus needs to be placed on the wider offer within North Ayrshire which extends to all c 4000 businesses.

2.14 In order to create an Entrepreneurial Hotspot, an ability to assess, influence, respond and shape the support to business is essential. Important providers within the wider market are Business Gateway and The Hatchery and in order to develop this concept the effectiveness of these partners are paramount. The recommendations above therefore are symbolic in the creation of the Entrepreneurial Hotspot.

3. Proposals

3.1 That Cabinet agrees to (a) the approval of bringing in-house the Business Gateway service; (b) notes review of The Hatchery; and (c) the development of the concept of North Ayrshire becoming an Entrepreneurial Hotspot.

4. Implications

Financial Implications

4.1 At this stage the full costs of bringing the Business Gateway service in-house is not known and will be established as part of the development plans to transition this service in-house. Once this has been completed a funding package will be developed which will be funded from within existing Economic Growth budgets.

Human Resource Implications

4.2 The transition to in-house will have potential TUPE issues as current Business Gateway staff delivering the service for Ayrshire will be allocated to each Local Authority.

Legal Implications

4.3 There are no legal implications arising from this report.

Equality Implications

4.4 There are no Equality implications arising from this report.

Environmental Implications

4.5 There are no Environmental implications arising from this report.

Implications for Key Priorities

4.6 The enhanced level of business support will have a significant impact on Strategic Priority 1: Growing our economy, increasing employment and regenerating towns.

5. Consultations

5.1 Ekosgen in their research conducted a number of interviews with Local Authorities, contractors and Team North Ayrshire partners as well as a number of businesses.

6. Conclusion

6.1 This is an opportunity to take more control over the development of the support offer in North Ayrshire and further enhance the Team North Ayrshire approach.

KAREN YEOMANS
Executive Director (Economy and Communities)

Reference : MS/AB
For further information please contact Matthew Strachan, Senior Manager Business Development on 01294 225165.

Background Papers
0

ekosgen

Ayrshire Business Gateway Options Appraisal

Draft Report for the Ayrshire Councils

December 2014

TABLE OF CONTENTS

164

TABLE OF CONTENTS

ekosgen

1   Introduction

1.1   This report presents the findings of a review of the available options for the delivery of the Business Gateway (BG) Programme in Ayrshire from October 2015 onwards conducted on behalf of North Ayrshire, South Ayrshire and East Ayrshire Councils.

Aims of the Study

1.2   The purpose of the overall study is to:

- Analyse the current contract agreement and identify the options available to all councils, including continuing current contract, bringing in–house, re-tender and informing on any other options identified;

- Identify the opportunities and potential cost impacts for each of the preferred option(s);

- Identify each council's current business support strategy and comment on the effectiveness of the current collaboration with the BG contractor Lanarkshire Enterprises Services Limited (LESL); and

- Comment on how current councils' business support strategies will be best supported by the potential options identified.

Method

1.3   The approach to this study has involved a desk based review of the current BG contract with LESL, the performance of the contractor to date against key performance indicators, and the efficacy of the contract management by Lead LA, North Ayrshire Council and LA partners.

1.4   A number of consultations were also undertaken with the three LAs' Head of Economic Development/Business Support and Business Advisers, the BG Contract Manager from North Ayrshire Council, the current BG contractor LESL (Manager and Head of Advisory Services), Chief Executive of Ayrshire Chamber of Commerce, Head of Ayrshire Economic Partnership, Business Gateway National, Scottish Enterprise, Fife Council, Borders Council and East Dunbartonshire Council.

1.5   A roundtable discussion with the clients was conducted to present an initial options assessment before the drafting of the final report.

Structure of the Report

1.6   The report is structured in the following way:

- Chapter 2 gives a brief overview of the current BG Programme delivery and funding arrangements; provides a high level analysis of contractor performance against contract targets during the period October 2012 to September 2014 and presents a narrative of challenges and issues currently affecting the effective delivery of the current BG contract;

- Chapter 3 presents an appraisal of the various delivery options identified as part of the study;

- Chapter 4 aims to develop a preferred option(s) by scoring each option against a range of criteria and examining the cost implications of the preferred option(s); and

- Chapter 5 presents our conclusions.

2   Current Business Gateway Programme Delivery

Introduction

2.1   The current BG Programme pan Ayrshire has been operational since October 2012 and runs for three years to September 2015. It is delivered under contract by LESL Limited, a provider of specialist business support services to SMEs across Scotland. Their core business activity is to facilitate the growth of local economies through the delivery of national and regional business support programmes and initiatives.

Current Business Context

2.2   There is a company base of some 9,000 businesses pan-Ayrshire, as shown in Table 2.1. The South Ayrshire Local Authority region has the highest number of businesses – over 3,000, or 36% of the pan-Ayrshire total, although each has a broadly similar number of businesses. The pan-Ayrshire business base accounts for 5.6% of the total number of enterprises in Scotland – a proportion which has gradually decreased over the four years since 2011.

Table 2.1

	Total Number of Enterprises			
	2011	**2012**	**2013**	**2014**
East Ayrshire	2,655	2,740	2,720	2,805
North Ayrshire	2,660	2,780	2,745	2,860
South Ayrshire	3,085	3,145	3,095	3,155
Pan-Ayrshire	**8,400**	**8,665**	**8,560**	**8,820**
Scotland	144,650	150,455	151,100	156,765
Ayrshire %	5.8%	5.8%	5.7%	5.6%

2.3   In 2014, approximately 87% of the business base in Ayrshire consisted of micro businesses, with only 2% being medium-sized companies or large businesses as Table 2.2 shows. Again each LA area has a similar profile of businesses by size.

Table 2.2

	2014			
	Micro	**Small**	**Med**	**Large**
East Ayrshire	2,465	290	45	10
North Ayrshire	2,500	310	40	10
South Ayrshire	2,740	345	60	15
Pan-Ayrshire	**7,705**	**945**	**145**	**35**

2.4   In recent times, the number of business start-ups in Ayrshire has fallen, and remains below the Scottish average. In all, 731 businesses were started up pan-Ayrshire in 2013, a fall of 11% from the previous year, although the first two quarters of 2014 show a slight rise in the number of new start-up businesses. The national picture showed a 16% decrease over the same period. However, each LA area is underperforming compared to the Scottish average as Table 2.3 shows.

Table 2.3

Area	2012				Y/E 2012	2013				Y/E 2013	2014	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2
East Ayrshire	76	72	62	48	258	65	61	54	40	220	66	72
North Ayrshire	99	73	62	72	306	75	56	85	61	277	80	76
South Ayrshire	76	70	53	58	257	66	69	60	39	234	70	75
Pan-Ayrshire	271	215	177	178	**821**	206	186	199	140	**731**	**216**	**223**
Scotland	4,365	3,684	3,091	2,716	**13,856**	2,974	3,143	3,097	2,465	**11,679**	3,326	3,179
Scottish Av.	136	115	97	85	**433**	93	98	97	77	**365**	104	99

2.5   The following table, Table 2.4, breaks down the number of businesses per sector for each of the three Ayrshire Local Authorities, with the three largest sectors (in terms of number of enterprises) for each area highlighted in green. Key sectors across Ayrshire are the 'Professional, scientific & technical' businesses, as well as 'Agriculture, forestry & fishing', 'Construction' and 'Retail' and again, each LA area has a similar sector profile.

Table 2.4

Sector	East Ayrshire	North Ayrshire	South Ayrshire
Agriculture, forestry & fishing	450	245	420
Production	190	225	155
Construction	345	360	310
Motor trades	105	85	105
Wholesale	100	85	130
Retail	300	330	340
Transport & Storage (inc. postal)	105	120	85
Accommodation & food services	220	310	300
Information & communication	80	85	120
Finance & insurance	15	20	50
Property	65	55	115
Professional, scientific & technical	325	460	430
Business administration & support services	160	135	155
Public administration & defence	0	0	0
Education	20	20	30
Health	110	110	115
Arts, entertainment, recreation & other services	215	215	295
Total	**2,805**	**2,860**	**3,155**

2.6   In summary, the business base across Ayrshire displays similar characteristics in that each LA area has a broadly similar number of businesses and has a similar profile of businesses by size. The predominant sectors in each area are also similar, namely, Professional, scientific & technical, Agriculture, forestry & fishing, Construction and Retail. In terms of business start-up rates again each LA area has displayed very similar annual business start-up rates of between 220 and 270 during 2013.

The Business Gateway Contract

Introduction

2.7   The BG contract in Ayrshire is managed by NAC as Lead Local Authority on behalf of the three Ayrshire Authorities. BG offers both direct support and a doorway to other services provided by the LAs and their partners. The policy rationale for the BG programme is that it addresses market failures in the information on business start-up and growth and in business support in general.

2.8   The BG programme is delivered through a combination of national and local elements. National elements include the BG website and BG Enquiry Service. The local element of the service delivery is carried out using a range of local advisory services, training workshops and local marketing currently delivered through a single contractor LESL across Ayrshire.

Services Overview

2.9   The contract consists of three key service areas which the contractor is required to deliver, namely:

- Start-up Advisory Service;

- Growth Advisory Service (GAS); and

- Business Gateway Local Services.

2.10   The **Start-Up Advisory Service** mainly involves training workshops and advisory services covering both pre-start businesses, and those at the start-up/early stage. The advisory service consists of one-to-one support and is heavily focused on higher value start-ups (those with the potential to employ staff and achieve £70,000 turnover within 18 months of trading). For those that do not meet this criteria, advisory support will be predominantly through online modes.

2.11   **GAS** also mainly involves training workshops and advisory services, and is available to existing businesses that have the potential to meet certain growth thresholds. One-to-one support is again given to customers to help them achieve their growth objectives through the delivery of an Action Plan for Growth.

2.12   Finally, the **Local Services** complement the above two services. The purpose of this service is to ensure that BG services are able to respond quickly and appropriately to changes in the needs of the local business base and accurately reflect the specific pressures felt by local businesses. This may include recovery/sustainability advisory support, expert help or specialist support, or networking events.

2.13   In addition to delivering these services, the contractor is expected to support NAC's BG contract manager in planning and delivering local marketing activities; participating in local and nationally organised promotional and networking events; providing advisory input to future online and other services; and providing a seamless link between BG national and local services with other business-facing LA services. The contractor is also responsible for premises, IT capacity, invoicing and record keeping.

Revenue and Expenditure

2.14   Table 2.5 below shows the current contract value of c. £3.4 million and its allocation of spend across the three service areas for the period October 2012 to October 2017. This profile was specified at the beginning of the contract and was a reflection of individual LA priorities at the time.

Table 2.5

BG Service Area	Total Contract Value	Annual Budget	% of Total
Start-up Advisory	£1,719,604	£343,920	50
GAS	£1,203,723	£240,745	35
Local Advisory	£515,881	£103,176	15
Total	**£3,439,208**	**£687,841**	**100**

2.15   There has been an under spend of some £93,000 over Years One and Two of the contract to date (October 2012- September 2014) as Table 2.6 below shows.

Table 2.6

BG Service Area	Budget (Oct 2012-Sept 2014)	Spend (Oct 2012-Sept 2014)	%
Start-up Advisory	£676,964	£630,429[1]	93
GAS	£473,875	£441,300[1]	93
Local Advisory	£203,089	£189,129[1]	93
Total	**£1,353,928**	**£1,260,858[2]**	**93**

1Pro-rata as actual figures by service area not readily available

2Actual total expenditure excluding £36,000 expenditure on special projects in March 2013

2.16   The actual under spend to date has actually been higher but some monies have been ploughed back into the BG programme to fund further Local Advisory and Expert Services including providing the match funding for BG Plus activities.

2.17   The reasons for the under spend in the main, are a result of the underachievement of volume start-up targets.

BG Programme Performance

Service Quality Standards and Performance Monitoring

2.18   **Figure 2.1 below** shows the four performance review elements of the BG contract which the contractor is measured against. The approach consists of four elements against which the Ayrshire LA partners must assess contractor performance on a quarterly basis:

- Delivery of standard service outputs;
- Provision of a customer-focused service;

- Learning and innovation; and

- Compliance with internal business processes.

Figure 2.1

Delivery of service outputs	Learning and innovation
•Review performance against service output targets •Meet required profile by client type	•Review evidence of advisor CPD plans •Review adviser involvement/attendance at product awareness sessions •Review evidence of contractor innovation and service improvement
Customer focused	**Internal business processes**
•Review of customer complaints and feedback •Asses performance against specific quality targets	•Review efficiency of response to LA requests •Review no. and quality of client referrals •Review performance agst specific data integrity targets

2.19   In addition to service output targets, the contractor is also expected to deliver a service to meet specific minimum quality standards and meet minimum requirements for contract compliance (including active referral of clients to partner services and meeting data integrity requirements).

2.20   The formal service output targets are encapsulated in eight key performance indicators as follows:

- Volume Starts

- Potential High Value Starts

- Completed High Value Starts

- GAS

- Growth Pipeline

- Account Management

- Local Advisory Service

- Local Expert Service

2.21   The performance of the BG programme in Ayrshire against the annual service output targets for Year 1 (October 2012 to September 2013) and Year 2 (October 2013 to September 2014) of the contract is discussed below.

2.22   Pan-Ayrshire BG is underperforming against start-up targets (volume starts, and high value starts (both potential and completed)), as shown by Tables 2.5 and 2.6. In Year One, only two thirds of the target for volume starts was achieved rising to almost 90% in Year two. Similarly, only 8% of the target number of Completed High Value Starts (CHVS) was achieved, rising to just 32% in Year Two. However, there has been a significant improvement in performance in Year Two across at least five of the eight target indicators. This is in part a reflection of a rise of some 67% in the number of enquiries to BG between year one and two. However, less than 10% of enquiries relate to existing businesses and obtaining referrals in this area continues to be a challenge for the contractor.

2.23   Despite this, BG Ayrshire has been exceeding targets for both the number of businesses supported through GAS and the number on the Growth Pipeline. The target number of businesses supported by the local advisory service was also exceeded in Year 2, however, the latter was a result of specific referral activity to BG by the NAC business support team.

Table 2.5

Indicator	Annual Target	Year 1 (Oct 12 – Sept 13)	Year 1 v Target	Year 2 (Oct 13 – Sept 14)	Year 2 v Target
Volume starts	847	565	67%	746	88%
Potential HV starts	193	110	57%	113	59%
Completed HV starts	193	16	8%	62	32%
GAS	52	60	115%	65	125%
Growth pipeline	26	35	135%	29	112%
Account management	12	6	50%	7	58%
Local advisory service	113	72	64%	171	151%
Local expert service	262	108	41%	132	50%

2.24   The following table breaks down the BG contract performance by LA area for the two year period. Two of the three targets for business start-ups have been achieved in South Ayrshire, though none in East and North Ayrshire. The GAS and Growth Pipeline targets have been exceeded by all three areas, while North Ayrshire has also achieved targets for the number of businesses supported through the local advisory and local expert service.

Table 2.6

Indicator	East v Target	North v Target	South v Target	Total Actual	Total v Target
Volume starts	60%	61%	165%	**1,311**	**77%**
Potential HV starts	57%	33%	130%	**223**	**99%**
Completed HV starts	14%	11%	59%	**78**	**20%**
GAS	112%	121%	128%	**125**	**120%**
Growth pipeline	125%	144%	105%	**64**	**123%**
Account management	50%	63%	50%	**13**	**54%**
Local advisory service	64%	227%	54%	**243**	**108%**
Local expert service	30%	138%	34%	**240**	**46%**

2.25   Whilst this performance has been disappointing for the Ayrshire Councils, this is a level of performance above the national level; BG nationally has failed to meet any of its key performance indicators.

2.26   As a result of this underperformance, primarily in achieving volume start-up numbers – which accounts for 50% of the contract value - there has been an annual under spend on the contract as highlighted earlier.

2.27   In term of the events which are run as part of the BG service offer, the last reported quarter's activity levels (July-Sept 2014), if we can assume they are representative of normal activity levels, are disappointing in terms of their reach. There were 22 pre-start/start-up events held over five topic areas; 11 growth events each on a different business topic, and 4 local events targeting the needs of local businesses. Some 37 events were run over 12 weeks with a total attendance of 209 delegates which is an average of only 5-6 delegates per event.

2.28   Current contract service targets are to hold 226 events annually with an average of 10 delegates attending each thereby reaching some 2,260 customers. Based on Quarter 8 figures it would appear that the contractor is delivering less than two thirds of this level of activity which will have affected the number of prospective high value start-ups and growth pipeline clients identified through this channel.

2.29   Given that there are poor levels of attendance (albeit over the summer months) and that the delivery of some three to five events per week (two thirds by BG business advisers) takes advisers away from other activities including client prospecting and one-to-one client advisory activity, the rationale, timing, format, location and marketing of these events should be reviewed. Comparable events run by the individual LAs over the last year are attracting significantly more delegates. It may be that this level of activity is no longer appropriate given the profile and scale of the business base.

Local Authority Economic Development Department Functions

Introduction

2.30   In Ayrshire there are three Councils servicing the business base and three differing approaches to working with existing and growing businesses. Each LA also has a different service offer and varying financial packages of support available for local businesses.

2.31   In theory the BG and LA business support services should be seamless thereby putting an onus on the BG contractor and its advisers to understand and have knowledge of each LA business support offer and how to access it on behalf of BG clients. Equally each LA business support team should have a working relationship with their BG adviser counterparts.

2.32   Table 2.7 below shows the approximate and differing scales of business support resources in each of the Ayrshire LAs.

Table 2.7

Local Authority	No. Business Advisers (FTEs)	Annual Budget (£)	Share of BG Budget (£)
EAC	2.5	366,000[1]	244,000
SAC	4.5	1,760,000[2]	177,000
NAC	11.0	1,200,000[3]	247,000
Total	**18.0**	-	**668,000[4]**

1: Excludes £70k for 16-24 yr old start-ups & includes additional £100k this year
2: Includes grant support; excludes 3 FTEs/£360k for events
3. Resource increases to 14 FTEs and £1.7m for 2015/16
4. Provides for 6 FTE advisers and 2 FTE admin staff

2.33   NAC has the largest business adviser resource with 11 FTEs and adopts an account management approach to targeting and working with existing businesses with growth potential. EAC and to a lesser extent SAC, have a much smaller adviser resource but working with a similar size of business base. Therefore, accessing their share of the BG adviser resource and other services are perhaps more critical to them than to NAC. Each LA has explicit new business formation targets as part of their strategic priorities and look to refer all start-up enquiries to BG.

2.34   In terms of business support budgets, each LA has approximately £100,000 per business adviser excluding the BG programme budget.

2.35   In addition to the BG services provided in Ayrshire, each council has a number of business support programmes and grants which they can offer businesses to further their growth objectives as can be seen in Table 2.8 below.

Table 2.8

LA	Strategic Objectives	Business Support
NAC	• Increase number of jobs through encouraging start-ups, supporting existing businesses and attracting businesses to the area • Encourage business base to move up the value chain	• Business Growth Programme • Skills for Growth programme • W of S Loan Fund • Inward Investment Service • Entrepreneurial Spark

SAC	• An area with an entrepreneurial culture - increase the rate of new business formation to 30 per 10,000 pop by 2016
	• A more diverse economy – restore employment numbers to 2006 levels by 2021
		• Ambition Programme includes:
		  o Start-up grants & incubation space
		  o Growth support – grants, loans, wage subsidy
		• Entrepreneurial Spark

EAC	• Facilitate economic restructuring including increasing rate of new business formation to 29 per 10,000 pop by 2017	• W of S Loan Fund • Entrepreneurial Spark

2.36   These various Council programmes have an obvious synergy with the BG service offer in that they build on the advisory services of BG by providing further, more specialist advice and importantly financial assistance to companies.

2.37   It is also worth noting that both NAC and SAC have recently evolved their business support function in terms of having a clear approach to delivering joined up support to businesses, i.e. Team North Ayrshire and the Ambition Programme respectively. In terms of delivering support more effectively, more flexibility around delivering BG services could allow for better and/or more alignment with council service delivery.

2.38   However, there have been challenges in fully integrating the Ayrshire BG service with the three individual LA business support offers and even wider Partners' offers. The next section comments on the effectiveness of the current collaboration of the LAs and the BG contractor LESL.

Current Challenges

2.39   There have been a number of challenges with the current BG contract. Some of these relate to the specification of the contract itself and others to managing the contract. LA partners, however, do agree that these current issues do not de facto invalidate the contractor delivery model.

2.40   It is agreed that **partnership working** at a senior LA level has not been as good as it might have been. Much of the day-to-day operational management of the BG contract has been left in the hands of the NAC BG Project Manager. However, without adequate senior support and input from each LA it has been difficult to influence an experienced contractor/manager as much as would have been liked. Going forward there needs to be a mechanism that ensures regular senior consultation and input to the monitoring of the contractor and its performance. It also may be that the LA BG Project Manager should be of a higher grade thereby having the authority to make key decisions around certain aspects of the contract delivery.

2.41   Partnership working from the contractor side is considered by the partners to be poor: Proactive marketing activity is critical for driving the number of BG enquiries and identifying prospects and it is felt that the contractor could be doing more in this respect. Engaging with the private sector e.g. Ayrshire Chamber of Commerce, banks, local law and accountancy firms, and other public sector organisations, e.g. Jobcentre Plus and the Ayrshire Engineering Forum, would help to secure those prospective business clients – especially high value start-ups and potential growth business pipeline – which have been harder to identify. The current level of referrals from LAs to BG is reasonable (20%) but could be better, but the level from the private sector to BG is less than 2% of all enquiries. The contactor needs to be better integrated into the local business and economic development landscape and this may take more proactive management and performance monitoring by LA partners to ensure that this happens.

2.42   With respect to the **staffing and resourcing** of the current contract, it is the view of partners that the adviser resource has been inadequate; its allocation across LA areas has been ad hoc at times, and appears to fall short of what is specified in the current contract. In theory there are 8 (6 FTEs) BG advisers which should be equally allocated across each of the three LAs. However, given that some of the advisers work part-time and also deliver the BG event programme, their presence in one-to-one client facing activity 'on the ground' is not always felt equally across each LA area. More recently there has been a high turnover of contractor staff and the latter has experienced recruitment difficulties.

2.43   The latter is also compounded by the fact that the current contract delivery is based around one geographic hub in South Ayrshire which is considered a good facility but is located on an industrial estate which is fairly remote. There are no drop-in BG branded facilities in North or East Ayrshire (as there was in the previous contract) although the current contract did specify other branded locations in Irvine and Kilmarnock and the use of a number of outreach (non-branded) locations, both of which have not really materialised to any great extent. Partners are of the view that a branded, 'High Street' presence is critical for the effective reach of all target audiences, both start-up and to a lesser extent, existing businesses.

2.44   There is also a view that if BG advisers were based across Ayrshire they would acquire a better knowledge of LA economic development priorities, and the local business bases and their differing needs. Whilst the BG advisers are considered to be very good, the start-up ones in particular, (although the growth advisers have improved more recently in linking to LA advisers) in their client facing dealings they are weaker with regard to knowledge of the Ayrshire business base and the extent of their relationships with local non-LA partners and the private sector.

2.45   The role of the BG administrative function, some 2 FTEs also needs to be reviewed. At present it is felt this is not an effective function, i.e. it is carrying out basic administrative tasks like

reception and advisers' diary management when it has the resource to also be involved in organising events, managing the BG CRM system and even gathering monitoring information thus freeing up valuable adviser time.

2.46   With the current BG contract there have also been challenges around achieving the **service output targets**. Since the current contract was specified in early 2012, there has been a shift in the local environment and it is now recognised that some of the targets, the volume start-ups in particular, are unrealistically high. The use of a unit cost model has also not helped drive activity levels to their maximum but instead the minimum numbers in the contract. As mentioned earlier there has been a resultant under spend on the contract which has been used to fund the Local Advisory and Expert services to bolster delivery activity levels and introduce more targeted support.

3   Options Appraisal

Introduction

3.1   This chapter presents a number of feasible delivery models for delivering the BG Programme going forward by looking at the strengths and weaknesses of each and considering the challenges and issues associated with each option.

3.2   In appraising each option we have considered the following key questions:

- Is there a case for the continued use of a contractor to deliver the BG services or is the programme better delivered wholly or partly in-house?

- However, if the programme is brought in-house, a consideration of the genuine opportunities for increased integration with existing Council services and alignment with Ayrshire priorities must be considered. As does whether the individual LAs have the capability and capacity to manage and deliver BG in-house.

- There are also the practical challenges to consider: of bringing the programme delivery in-house, including transitional phase considerations and developing (and monitoring) the service specification in-house as per BG National requirements.

- And finally, a consideration of how the new Ayrshire BG service, post October 2015, can be best designed to deliver other initiatives either wholly or in part e.g. SULCO Loans and advisory services, the National Digital Engagement Programme, and the new ERDF funded priorities.

- Another important question is to what extent resources to deliver BG services can be safeguarded/ring-fenced by the LAs if the service is brought in-house.

Overall the aim is to identify the delivery approach(s) which can maximise the potential to deliver impacts and support individual Council economic strategy objectives.

Option 1 – Status Quo

3.3   This option is the 'Do Nothing' option which is to continue to sub-contract all of the BG programme services to one contractor. Figure 3.1 below presents the strengths and weaknesses of the current delivery model.

Table 3.1

Criteria	Strengths	Weaknesses
Strategic Fit	•Focus and targets set by the three LAs	•Lack of in-contract flexibility (local services/ESIF/SULCO) as environment changes
Quality/Advisers	•Business Advisers' knowledge of BG products & tools	•Business Advisers' knowledge of wider LA offer X 3 •Consistent allocation of adviser resource across 3 areas •Delivery of some events
Integration	•Works well at Business Adviser level	•Harder to embed BG service into other core LA economic development services
Impact		•Output funding model drives activity – potential lack of client and strategic focus for individual LAs
Management	•Mgt process, monitoring and time stipulated in contract	•Level of senior, joined-up, LA, mgt time required •Detail of performance monitoring required
Cost/efficiency	•BG service delivery budget is ring fenced	•Less efficient due to duplication of some activities, admin functions/other overhead costs

Strengths and Weaknesses

3.4   There are a number of important advantages to a contracted out delivery model. These include a strategic focus and set of targets which are aligned to LA priorities and can be specified in the contract. Equally the contracted out model ensures that the BG delivery budget is ring fenced and available for the services intended for the duration of the contract – an important consideration in times of current public sector austerity. Similarly, the process for managing and monitoring activity under the contract will be clearly set out and roles and responsibilities clearly defined.

3.5   The current supply of contractors with the expertise and experience in delivering a BG contract and/or at the scale of Ayrshire BG is probably limited to 4/5 organisations nationally and their staff will be well acquainted with the BG portfolio of tools and products and BG processes and compliance requirements unlike mainstream LA staff.

3.6   Some of the weaknesses identified with the contracted-out model relate to failings in the current contract specification. Therefore, one could build in the required local flexibility and stipulate e.g. local adviser presence in each of the three LA areas and ensuring that there is an equal and fixed allocation of contractor staff resource to each LA area. This may alleviate the issue of a variable level of integration of BG staff with LA staff.

3.7   Another weakness or a more challenging aspect of the contracted out model is the level of management input required from LA partners to ensure that the BG service and delivery staff are developed and delivered in a way which aligns with local LA strategic priorities and maximises economic impact for new and existing businesses. Where this does not fit with the contracting organisation's priorities and/or business model, there can be a negative impact on aspects of the programme's ongoing development and delivery. In the current context there has been a lack of proactive senior management of the current contract which is critical to embed the contractor in the local area.

ekosgen

3.8   Finally of note is that the contracted out model necessarily makes payments which are output based. This tends to drive the focus and levels of activity rather than the activities being driven by client need or the strategic priorities of the LA.

Issues and Challenges

3.9   Some of the current issues that LA partners have with the contracted out model relate less to this particular delivery model and more to the specification of the current contract and in part, the efficacy of the current contractor. The Ayrshire LA partners could develop a better contract specification to address some of the above weaknesses; they could be eliminated at a future re-tendering process and there is still time to do this before the current contract break in October 2015 when there will be a contract re-tendering exercise as a result of new ERDF funding awarded to BG.

3.10   Partners could build in any new required flexibility e.g. physical walk-in BG locations in each of the three LA areas or at a minimum, an outreach programme in colleges or shopping centres for example.

3.11   Other areas of concern which could be addressed in a new contract is expanding the role of the BG administration function to include managing the BG CRM system and recognising that going forward six FTE Business Advisers are not enough to deliver effectively across Ayrshire. For example, partners' preference is to have nine FTEs located at a physical presence in each of the three LA areas. Costs may be higher but activities would be better aligned to local economic development strategies.

3.12   An alternative approach to the contracted out model would be the setting up of an **Arms Length External Organisation (ALEO)** which has a number of advantages over a fully contracted out model whilst retaining the strengths when delivery requirements and funding are clearly ring fenced and are the responsibility of an organisation separate from the LA.

3.13   An ALEO governed by a partnership of all three Ayrshire LAs would give LAs more control of the delivery of the BG programme Pan Ayrshire. It gives more ownership to LA partners at both a strategic and operational level as well as addressing the issues of poor integration of the service with core LA business support and economic development services. It can also result in efficiency improvements as a result of more joined up activities and administrative functions and the like. A ring-fenced budget can be managed to respond to market and LA strategic need. This approach can also improve partnership arrangements by encouraging the co-location of business support services and the sharing of facilities. An ALEO can also attract external investment to support its strategic objectives. Given that there is a shortage of qualified contractors nationally to deliver a contract of this complexity and scale it may be worth examining this delivery vehicle. More detail can be found on setting up an ALEO in Appendix A.

Option 2 – In-house Business Gateway Service

3.14   Option 2 is to bring the BG programme delivery in-house as part of the LA's existing business support/enterprise function.

Table 3.2

Criteria	Strengths	Weaknesses
Strategic Fit	•Ability to align service with strategic priorities •More flexibility w.r.t. local service need	
Quality/Advisers	•Better control over Business Adviser training and quality and improve knowledge of Ayrshire business base	•Ability to present the national BG brand consistently •Need to train Business Advisers in BG procedures & other programme requirements
Integration	•BG advisers fully integrated with rest of Business Support and Econ Dev staff/offer •De-clutter the landscape; one stop shop for LA support	•Requires a minimum 6 months transition phase
Impact	•More joined up delivery should lead to better outcomes and impact	•Ability to achieve service volumes especially start-ups •ESIF funding compliance/SULCO as a delivery partner
Management	•Potentially easier to manage resources and monitor progress	•Lead LA managing other LA partners – still and perhaps more of a challenge •Need to use new 2015 BG CRM system
Cost/efficiency	•Potential efficiency savings (mgt, admin, overheads) •More effective use of BG and LA Adviser time	•TUPE costs/re-grading challenges •Harder to ring fence front line BG resource •Initial cost of transition period

Strengths and Weaknesses

3.15   On the face of it there are a number of key advantages of this delivery model, which are detailed in Table 3.2 above. Notably, more flexibility with respect to local need as the environment changes, better integration of the BG delivery team and services with mainstream economic development LA staff and business support offers leading hopefully to better outcomes and economic impact. Potential cost savings and efficiency improvements are also a key attraction of this model.

3.16   However, this model or, in this case, moving away from the contracted out model to an in-house one has a number of weaknesses worthy of consideration which are outlined in the table above.

3.17   These include a number of factors relating to the knowledge required to comply with the service specification of the national BG programme, e.g. BG branding and marketing, adviser training, service improvement, and business processes such as CRM data integrity, and monitoring and reporting requirements. There would a significant transition/training phase required for each LA to get up to speed with, if not necessarily, the delivery aspects of the BG programme (advisory services and events) but the management and monitoring of the BG programme and all that that entails.

3.18   Other weaknesses to note are around the individual LA's capability to achieve the required service volumes, in particular for start-up businesses; they would be dependent in some respect on current experienced BG start-up advisers being transferred over to the LA payroll.

Issues and Challenges

3.19   A key challenge for the LA would be to ensure that it retains the core BG service. It could be argued however that some elements, if not all, in some LA cases, of the core service are already delivered by each economic development department anyway and the full BG service would simply be rolled out to the required specification.

3.20   The in-house model could address a number of the issues identified under Option 1 above e.g. the ability to get better referrals to support existing businesses whose first port of call for business support is in most cases their LA, thus the in-house model could drive the pipeline for GAS more effectively than is currently happening.

3.21   Another significant issue for this model is the requirement to resource a probable six month minimum transition phase to allow staff, systems and processes to get up to speed with BG national programme requirements. There would also be a TUPE transfer required which would require appropriate expertise to ensure a transfer of staff can take place with minimal disruption to the BG service.

3.22   Allied to this is the important point about Contract Management. The current BG contract manager (who is an NAC employee, as NAC is currently the lead LA) is paid for out of the BG contract. A move to an in-house model would still need some overall management Pan Ayrshire and a nominated BG Lead LA. This aspect has been problematic when managing a contractor; there is a danger that joined up partnership working and contract management becomes more of a challenge if each LA is delivering in-house to its own specific agenda.

Option 3 – Bring Growth Advisory Services Only In-house

3.23   A third option is to bring in-house the GAS component of the BG programme and contract out the start-up service.

Criteria	Strengths	Weaknesses
Strategic Fit	•Ability to align GAS service with strategic priorities •More flexibility w.r.t. local service need and sector specific businesses	•Pursuit of misaligned strategic priorities, start-up vs. GAS
Quality/Advisers	•BG advisers fully integrated with rest of Business Support and Econ Dev staff, and access to grant/loan products	•Business Advisers working in separate organisations •Stops knowledge transfer •Cannot interchange Business Adviser resource
Integration	•Minimises duplication of effort targeted to existing businesses	• Breaks the link in the start-up to growth pipeline; referral system could falter
Impact	•Maximises outcomes for both start-up and growth businesses	•Impact may be reduced if takes longer time to journey through the system
Management	•Potentially easier to manage resources and monitor progress for both in-house and external activities	•Proactive contract management still required pan Ayrshire
Cost/efficiency	•Potential efficiency savings (mgt, admin, overheads) •More effective use of BG and LA Adviser time	•TUPE costs/re-grading challenges •Overall higher costs as half of service still contracted out •Harder to ring fence front line BG resource •Initial cost of transition period

Strengths and Weaknesses

3.24   This option springs from the fact that BG's GAS offer has an obvious fit with the activities currently being carried out by existing LA business support advisers/managers. In reality these two sets of advisers are working alongside each other on a day-to-day basis already, e.g. appraising existing businesses for LA grants/loans. And as mentioned above, the LA seems to be the first port of call for an existing business which requires advice or support and unlike BG, has funds for supporting individual business growth.

3.25   Bringing GAS in-house would streamline the adviser team and service offer making better use of adviser resource and reducing duplication of effort and streamlining marketing activity and support targeted to existing businesses.

3.26   There are, however, a number of weaknesses that cannot be ignored. Although integration between LA and BG adviser teams overall would be better when compared to the current contracted out model, this approach still breaks the link between 'the high volume start-up to growth pipeline' process which underpins the BG rationale. The referral system could falter as it would have to feed

across organisations. Effective partnership working at an all adviser and operational level becomes a key success factor for this model.

3.27   Although there could be potential cost savings by bringing GAS in-house, there could be an overall higher cost of delivering the BG programme as half of the programme (as currently specified) would still be contracted out with the same management costs for a now smaller contract.

3.28   The points detailed at 3.21 above also applies to bringing the GAS service in-house regarding the cost of a transition phase and implementing the TUPE process.

Issues and Challenges

3.29   This option has the downside of still having fixed costs around the start-up service, and if LAs want a presence in each area as referred to earlier, then this would represent a higher percentage of the total BG programme cost currently.

3.30   However, there is nothing to say that a new contract specification cannot adjust the allocation of funds across start-up and GAS services; the former does not need to attract 50% of the total spend going forward.

Option 4 – Sub-contract Events Only

3.31   Option 4 is for partners to sub-contract the BG events programme only covering start-up, GAS and local/expert advisory services. This option has the same strengths and weaknesses as the in-house model but allows the LA partners to contract out the events part of the BG service.

3.32

Criteria	Strengths	Weaknesses
Strategic Fit	• As Option 2	
Quality	•Organised by experienced event managers • Delivered by experienced and specialist trainers	• Business Advisers potentially lose a source of prospects
Integration	•Better targeted events to align with LA strategy and priorities •Can be better co-ordinated / co-organised with other Partner events minimising duplication	
Impact	•As option 2	•Output driven funding
Management	• operational management by event specialists	•LA management time still required
Cost/efficiency	•Lower cost if minimises duplication •lower cost per attendee if better attended	

Strengths and Weaknesses

3.33   The obvious advantage of this approach is that a contractor with specialised expertise can be appointed to plan, organise and deliver the events required across the BG programme. A singular focus on ensuring events are well targeted and fit – in terms of content and timing -with other planned partner activity should ensure maximum attendance and better cost effectiveness. The quality of the delivery should also be improved if specialist trainers are employed rather than using BG advisers.

3.34   There will still be a degree of contract management required but this should be relatively straightforward. The key weakness is perhaps that BG advisers would lose the direct contact with events attendees which are a source of prospects for potential high volume starts and GAS. However, this could be overcome by ensuring that there is joined up follow-up between event organisers and BG contract management and ongoing relationships maintained with advisers directly.

Issues and Challenges

3.35   This approach would more than likely improve the quality of BG events.

3.36   However, even under Option 1, there could be better contract specification with respect to planning events which make it compulsory to work with and through each LA partner.

Other Options

3.37   There are a number of other options which could be further detailed here. For example the start-up service, GAS and events contracted to three different parties. However the issue of effective integration across three BG service streams further complicates the existing challenge of fully integrating one contracted out BG service with LA business support activities. Similarly, the management inputs and expertise required are more critical and the grade of the overall BG Contract Manager then becomes key for matters of decision making and control of three suppliers.

3.38   Another option could be the start-up service with its associated events programme sub-contracted to one supplier and GAS plus its event programme to another. This however, presents the same challenges around integration and management.

3.39   These options also become far more complicated if the same pan Ayrshire approach is not adopted by all three LA partners.

4   Developing the Preferred Option

Introduction

4.1   In this chapter we score each of the delivery options discussed in Chapter 3 then discuss the cost implications of the preferred option(s). We have included an extra option labelled Option 1a. It can be distinguished from Option 1, which reflects the current contracted out model and its current weaknesses (discussed earlier at 3.9-3.11). Option 1a reflects the core of a new contracted out model.

Scoring

4.2   The following table shows the scores for each of the options. The criteria of strategic fit, quality, integration, impact, management and cost/efficiency are weighted equally and scored out of five where 1= very poor and 5= very good. These scores are our best judgement based on our consultations and subsequent appraisal taking all factors into account as discussed in Chapter 3.

Table 4.1

Criteria	BG Delivery Options				
	Option 1- **Contract Out** **(current)**	**Option 1a-** **Contract** **Out (new)**	**Option 2** **In-house**	**Option 3** **GAS In-** **house**	**Option 4** **(tied to** **Options** **2/3)**
Strategic Fit	4	5	5	4	5
Quality	3	4	4	4	4
Integration	3	4	5	4	5
Impact	3	4	4	3.5	4
Management	4	5	3	3.5	3
Cost/efficiency	3.5	3.5	3.5	3	4
Total Score **(out of 30)**	**20.5**	**25**	**24.5**	**22**	**25**

4.3   As can be seen from the table above the preferred option would be to continue to **Contract Out** on the basis of *specifying a new contract* that meets the needs of LA partners and which has the required management time fully committed by LA partners.

4.4   However, Option 2 is a close contender, *with or without* the events programme contracted out.. Interestingly, early headline findings from the recently commissioned Interim Evaluation of BG National show that there is not a preferred delivery option between contracting out and delivering in-house, each has pros and cons.

4.5   In the case of the individual Ayrshire LAs, the in-house model would most probably better suit NAC given their current business support delivery approach, team structure, adviser capacity, contract management experience and focus on high value start-ups and businesses with growth potential. Three additional BG advisers could be easily incorporated into their team and the core BG service continued.

4.6   For SAC and EAC the issues of lack of capacity and the need to build a capability to manage the various compliance and systems elements of the BG service would most likely see them best supported by the contracted out delivery model albeit one which is better specified to their needs.

Important Considerations

4.7   In choosing the right option however, it is important that each LA recognises the impact of **fragmenting the BG delivery model geographically** on: customers, partners and quality of the service; we have already noted the similarities of each LA area's business base earlier in Chapter 2, and the importance of **integrating the BG service** effectively.

4.8   With regard to the business community, Ayrshire is a relatively small area and businesses and individuals may not readily recognise LA area boundaries and where they should source business support from. They will feel free to attend events/seminars held across the whole of Ayrshire and drop into any LA and/or BG location as they please. The 'one stop shop' or core service rationale underpins the delivery of the BG programme therefore different delivery models and BG branding approaches may serve to confuse some clients and/or make it more difficult for them to access the correct support. The promotion and branding of BG becomes a key consideration.

4.9   For other LA partners different contracting models may make it harder for them to engage consistently or in a cost effective way with BG, e.g. the Chamber of Commerce is pan Ayrshire as is the Ayrshire Economic Partnership and they have a pan Ayrshire approach in most of their undertakings and initiatives.

4.10   A key aspect of the BG approach is that it delivers direct business support in a consistent way across the country and to the same expected standards. With differing delivery models employed across Ayrshire, maintaining consistent quality standards in advisory services and events could be problematic and demand close monitoring and management of each LA partner by the Lead LA.

4.11   There may also be a loss of the benefits which come from the economies of scale gained by working pan Ayrshire, in both management and operational terms.

4.12   The overarching consideration, therefore, is to what extent a single delivery option can support each LA's business support strategies and delivery plan.

4.13   A key part of the rationale for greater local authority involvement in the BG is the ability of BG to be integrated to other services such as planning, property services, environmental services, trading standards, and skills inclusion. Assessing the benefits of this integration should be a be a key part of assessing final options.

4.14   Service integration, where it is working well, has the ability to bring considerable benefits to business customers and local economies. This requires local authorities to have clarity about the respective roles of BG, planning and other services, and systems and approaches that allow the various services to be joined up in a meaningful and practical way (customer tracking systems, referrals between departments, front-end filter services). Where approaches to service integration are less developed, or where there is less commitment to the role of BG as part of the suite of local authority services, there is the risk that the BG core service is eroded, or blurred with other council functions.

The Preferred Options

4.15   This section looks at the cost of a refined service specification (as desired by LA partners) for the contracted out model to improve the delivery and performance of the BG programme, and as far as possible, examines the cost implications of moving to a pan Ayrshire in-house model.

4.16   It also flags up other key considerations related to implementing each option.

A Re-specified Contract

4.17   The current average annual contract cost is £687,641[1] split across the three main service areas. Operationally the funding is expended on management, delivery and administrative staff salaries, rent, running costs (utilities and telephone), IT, marketing and other miscellaneous costs. Table 4.2 below shows the current contract cost for the period April 2016 to March 2017 (the first full year of a new contract) which is approximately £691,870.

Table 4.2

EXPENSE	COST (£000s)				
	Start up Advisory Service	Growth Advisory Service	Local Advisory Service	Total	%
Staff costs	275.2	192.7	82.58	**550.48**	79.6
Rent & rates for Main Office	23.4	16.4	7.0	**46.8**	6.8
Running costs	18.1	12.67	5.43	**36.2**	5.2
IT & consumables	12.5	8.74	3.75	**24.99**	3.6
Marketing	3.9	2.73	1.17	**7.8**	1.1
Sub-contracting & other costs	12.8	8.96	3.84	**25.6**	3.7
Total	**345.9**	**242.2**	**103.77**	**691.87**	**100**

4.18   Almost 80% of the contract costs are for management, delivery and administration staff which account for 11%, 81% and 8% of that cost accordingly.

4.19   A re-specified contract should include the following key components to improve the delivery and impact of the Ayrshire BG programme. Only some of these will have a direct cost implication.

---

[1] Source: LESL contract bid pricing schedules

- Align the service targets, spend and adviser resource across the three service delivery areas so each Council's business support strategies are best supported, e.g. SAC receive more resource for supporting and growing existing businesses, which would require a plan to ring fence adviser time for certain activities like prospecting and delivering GAS.

- Stipulate the need for a BG branded, walk-in facility in each LA area in the main towns of Ayr, Kilmarnock and Irvine to replace the main office currently at Heathfield Industrial Estate in the South Ayrshire area.

- The appointment of three additional delivery staff increasing the BG adviser resource to nine FTEs which are equally distributed across the three LA areas.

- The contractor must also include provision for the training of business advisers associated with the delivery of SULCO loan appraisals, the National Digital Engagement programme and the new ERDF funding allocated to BG, which focuses on refining the way BG works with growth businesses – introducing new BG products like mentoring, strategic planning and working with experts.

- From the Lead LA side careful consideration must be given to the salary grade of the BG Project Manager in that it must be a sufficiently senior position to be able to influence and vary contract delivery, e.g. NAC's Grade 13 or above, at least equivalent to the current Team Manager – Business Growth.

- A rationalised events programme and one which is better planned and executed, i.e. reaching the same number of participants with fewer events could save monies better utilised to finance other parts of the service.

4.20   The cost implications of adding in these components are shown below.

Table 4.3

COMPONENT	EXPENSE	Estimated Annual Cost (£000s)
BG walk in facility X 3	Rent & rates	60.0[1]
Business advisers X 3FTE	Staff	223.0[2]
LA BG Project Manager increase in grading	Staff	15.0[3]
Total		**298.0**

1 Offset against current annual cost of Heathfield facility of £46,800
2 Based on current delivery staff costs
3. Estimated cost of moving post Grade 10 to Grade 13

4.21   An additional estimated net annual cost of around £251,200 would be required to add the desired value to the current contract specification, some £500k over the remaining two years of the contract. It should be noted that this, however is in the context of a current, recurring annual under spend, approximately £70,000, on the existing contract as a result of underachievement of targets which as mentioned earlier may be too high for the current economic environment going forward. Targets which are revised downwards will cost less to achieve and these savings plus current under

spend could be used to finance some of these additional contract requirements. A rationalised events programme would also result in costs savings[2]. More detailed information would be required to fully cost a re-specified contracted out service.

The In-house Option

4.22   The option of bringing the BG service in-house, with or without events, has a number of cost implications as well as complexities relating to compliance and legal obligations. These include:

- There are firstly the issues relating to the TUPE process and transferring the existing BG staff (with their existing terms and conditions) to three different LA payrolls. This needs to be well planned to ensure key staff are not lost; there also needs to be continuity of service in perhaps, the midst of recruitment as well as a staff re-grading process and the time required to complete this. Our costing for this is based on previous estimates as detailed salary information for BG staff has not been made available to us at the time of writing. However, the cost may be higher for transferring staff into the LA compared to last time i.e. from one private sector contractor to another. The same would be the case for transfer to a council ALEO.

- Our consultations with other councils, which have brought the service in-house, suggest that the appointment of a Project Manager to specifically manage the transition of the service in-house would be essential for a minimum period of some six months. Bringing the BG service in-house will require support and guidance from the BG National Unit on how to effectively integrate BG with other services and how to maximise the value of BG within the suite of LA services. Other key areas to be managed would include the TUPE process as mentioned above: a staff skills audit, specification of job roles and the re-grading process; BG branding, and staff training in a number of areas e.g. the BG CRM system is not currently in use in SAC.

- There would also be a legal obligation by the lead LA to monitor and ensure that the funding for BG front line resource is ring fenced in all three LA budgets and that the core BG service is being maintained and delivered across all three LAs in a consistent manner.

- There would be the initial task of negotiating and splitting all elements of the contract three ways which would involve LA Finance and Procurement functions during the transition period. This would also necessarily involve a review of targets set overall for Ayrshire and each LA area.

- A rationalised events programme, delivered in-house or contracted out, and one which is better planned and executed, i.e. reaching the same number of participants with fewer events could save monies better utilised to finance other parts of the service.

4.23   Table 4.4 below shows the minimum costs involved in bringing the service in-house.

Table 4.4

COMPONENT	Estimated Annual Cost (£000s)
BG walk in facility X 3	60.0[1]

---

[2] Information on the cost of delivering the current annual events programme is not currently readily available

COMPONENT	Estimated Annual Cost (£000s) [1]
Business advisers X 3FTE	223.0[2]
LA BG Project Manager increase in grading	15.0[3]
TUPE process for 8 staff	50.0[4]
Total	**348.0**

1   Could be less if provided free by each LA and rates only offset against cost of Heathfield facility of £46,800
2. Based on current delivery staff costs
3   Estimated cost of moving post Grade 10 to Grade 13
A one-off cost based on previous TUPE costs

4.24   The net additional cost in year one if the BG service was brought in-house would be some £301,200 including one-off TUPE costs but excluding any increase in staff remuneration as a result of re-grading to council pay scales. (A very rough estimate for the latter for the minimum 8 FTEs could be in the region of £40,000[3]). The ongoing annual additional net cost would be £251,200 before any efficiency savings (estimated to be around 20% by other councils delivering in-house) and any savings relating to rent for BG walk-in premises. If we include these the net additional cost could be as low as £180,000 per annum or £220,000 if we include the estimate for staff re-grading, so some £350-400,000 over the last two years of the contract. As with the contracted out option, a rationalised, contracted out events programme could also present savings which could part finance the above costs.

Financing the Preferred Option(s)

4.25 The lead LA, NAC estimates that by the end of Year three of the current contract there could be an under spend of some £200,000. These monies could be used to help fund part of a re-specified contract. In the case of an in-house model it could be used to pay for a transition Project Manager and/or be ring fenced to cover the costs related to the TUPE process.

4.26 Alternatively, it could be used to fund increased LA activity. For example, where needed the (smaller) LAs could buy in additional/specialist advisers reflecting the needs of the business base i.e. suited to smaller businesses and/or reflecting the rural nature of Ayrshire and priority sectors.

4.27 If it was match funded against the new BG ERDF programme, this could amount to £300-£400k for years four and five of the current contract and fund a significant amount of GAS or local advisory service activity, which is the direction of travel for this part of the new BG service.

4.28 In order to determine the exact extent of the funding gap in years four and five of the BG service more detailed information is required on: a new BG service specification, revised service output targets, existing contractor staff salaries and event programme costs, to allow more analysis.

.

---

[3] Based on assumptions of staff moving one pay grade up and additional pension contributions.

5 Conclusions

Introduction

5.1   There are advantages and disadvantages to delivering the BG service in-house. Bringing the service in-house has been a key development in the current contract period, with a number of local authorities (almost half in lowland Scotland) bringing BG in-house rather than using a contractor to deliver the service. The experience of local authorities in doing so has been variable. Part of this is because there have been differing motivations for the local authority bringing the service in-house - from a greater desire to see alignment with local priorities to the desire to achieve cost savings or efficiencies.

5.2   Bringing the BG service in-house in Ayrshire will not be straightforward, given the length of time a LA-contractor relationship has been in place and given the resources at the disposal of the smaller EAC and SAC business support functions. In this respect, re-tendering a re-specified contract may be the easiest to implement given that there are three LAs in Ayrshire. However, it is the long-term, strategic needs of the Ayrshire economy that are the driver of the selecting the most appropriate delivery model. Deciding which option is best placed to deliver these economic benefits should be the deciding factor.

5.3   The introduction of local flexibilities in the 2012 contracts was an important recommendation from the last national evaluation of BG. These were designed to increase alignment of the BG service with local priorities allowing local authorities to tailor part of their service to their own particular local needs and opportunities, for example certain sector or market niches, to respond to challenges of rurality, and so on. The planning of and delivery of local advisory services is still in its early days and has the potential to be better targeted and monitored going forward. A key consideration is whether the contracting out model is the best way to achieve this alignment, or whether bringing the service in-house would result in better alignment and integration of BG's local services component with council services. Both of these preferred options have the potential to achieve this if managed correctly.

The Options Identified

5.4   **Option 1: continuing to sub-contract**, could work – but it would need much more formal arrangements for managing the contract than is currently happening. In fact, whichever option is finally opted for there needs to be better working together at a senior level and active, challenging management of the successful contractor or individual LA partners if the service is brought in-house. A workable and improved partnership arrangement between the three Ayrshire LAs at a strategic and operational level needs to be an early priority.

5.5   Embedding the contractor in the local economic development landscape is key and a critical part of the LA BG Project Manager's role is to facilitate this. A pan Ayrshire contracted out delivery model needs to build in flexibility to suit the different areas' local needs and approach. A re-specified contract has to build in a formal review mechanism to ensure that local advisory services specific to each LA's priorities can be revised and refined as and when required.

5.6   The contracted out model would work best for SAC and EAC given their current capacity and experience around managing the BG contract elements but it doesn't give NAC the control it needs to be able to work at the pace required with a larger business support team. The differences between each LA, however is mainly one of resources <u>not</u> strategic economic development priorities. There is a danger that by fragmenting the region by adopting different delivery models that the core BG service

will be eroded and/or or blurred with other council functions, the result being that the BG client experience is also negatively affected and local economic impact not maximised.

5.7   **Option 2: bringing the BG service in-house** could also work. There could be more flexible and efficient use of resources, better use of council and partner assets, potential better integration and alignment of services and access to wider council departments if managed correctly. But it may be harder to protect budgets in what are smaller LAs. The key challenge here will also be to keep a strong BG brand and maintain the core service across individual LAs.

5.8   Equally challenging would be managing the transition phase and the ongoing labour intensive requirements of service monitoring and compliance with BG national policy and delivery requirements across the three LAs.

5.9   It is our view that in the Ayrshire case, the ALEO approach, however, may an ideal half way house between contracting out and bringing the service in-house in its entirety. It could give LAs more control than with the contracted out model and experience shows that it can be more easily integrated with council services and staff as well as being able to adopt more of a client rather than a purely commercial focus. This version of a contracted out model is worthy of further investigation by LA partners as a next stage of this review.

In Summary

5.10   Whatever option is chosen all LA partners agree that they want more resource to support businesses in Ayrshire. This comprises of more adviser resource, especially important for EAC and SAC, and more geographical coverage, i.e. walk-in facilities and a programme of outreach in the more rural areas. This support must be fully aligned to LA and partner activities and the BG resource in particular, must be better embedded into each LA's business support portfolio.

APPENDIX A: Arms Length External Organisation (ALEOs)

Increasing budget pressures and service demands present risks and challenges to councils and the services they provide. This requires councils and councillors to review their services and consider options that may better meet the needs of service users and citizens, and offer improved value for money.

One option may be to set up and fund an arm's-length external organisation (ALEO). ALEOs may offer an alternative to more traditional 'in-house' or contract-based service delivery and usually take the form of companies or trusts. They are 'arm's-length' because the council retains a degree of control or influence, usually through a funding agreement, and 'external' because they have a separate identity to the council.

While the ALEO takes on responsibility for service delivery, the council remains responsible for ensuring that the ALEO uses the public funds the council provides to the ALEO properly and can demonstrate best value (the 'following the public pound' principle).

A range of advantages and disadvantages exist in opting to establish an ALEO. As follows, these are:

Advantages

- Clear identity and service focus/more independent of council decisions
- Scope for more responsive decision-making
- Opportunities to attract external investment
- Potential cost and business rates/tax advantages

Disadvantages

- May lose links with other council services
- Set-up costs may be high
- May lack a clear test to demonstrate best value
- Potential risks (e.g., governance and trading) remain with the council
- Tax advantages may be withdrawn

Governance

Governance for ALEOs can be complex; strong and effective governance is required from the outset. Councils need to assess the options that best meet their objectives. This requires an understanding of the options available including in-house provision, partnership and contracting options, as well as the option to use an ALEO if appropriate. Any decision to set up an ALEO should flow from an robust, rigorous options appraisal.

Sound governance is needed from the outset. While the use of arm's-length arrangements can offer innovative ways of delivering services, strong governance arrangements need to be in place to ensure that ALEOs contribute effectively to the delivery of the council's corporate objectives and priorities.

Clarity on roles and responsibilities is vital; Councils should set clear criteria for the skills and experience required of board members. They should also have a clear and transparent selection process to make appointments to boards.

 Click here for more information from Audit Scotland

NORTH AYRSHIRE COUNCIL

Agenda Item 11

24 March 2015

Cabinet

Subject:	**Neighbourhood Vision – Remodelling of the Council's Operational Property Portfolio**
Purpose:	To inform the Cabinet of the key principles identified to support remodelling of the Council's Property Estate.
Recommendation:	That the Cabinet approves the key principles to support remodelling of the Council's Property Estate.

1.   Introduction

1.1   The Council owns or leases in excess of 600 operational and non-operational properties. 372 operational properties support the delivery of Council services with the remaining 229 properties being non-operational and providing rental income to the Council.

1.2   In order to determine how the Council's operational property portfolio can be remodelled and improved to support service delivery, Property Management & Investment (PMI) has been working across all Council Services in order to understand:

- The property requirements of each service;
- What service delivery could look like based on a neighbourhood approach;
- What remodelling and 'right-sizing' opportunities exist; and
- How the Council can progress with implementing the proposed property remodelling strategy.

1.3   The Council's operational property portfolio comprises of 372 assets. 332 of these assets are owner occupied, with 40 properties being leased from private landlords. The owner occupied properties have an estimated asset register value of £300m. This value is based upon the depreciated replacement cost (DRC) method of valuation, which bases value on the cost of providing a modern day replacement of the facility.

1.4   The annual running costs of these operational properties is in the region of £10m. On a property-by-property basis, an analysis of these costs has been prepared and this information will be used to measure property running costs performance and will inform future property options appraisals.

1.5   Through portfolio 'remodelling' it is anticipated that operational efficiencies can be delivered, whilst effectively implementing the Council's neighbourhood vision for each of the six identified areas.

1.6   In order to fully analyse the stock condition information held on each asset, PMI is currently undertaking a further piece of work that seeks to assess the condition and suitability of each operational property. This condition and suitability matrix information will inform future options appraisals and will be considered alongside the property requirements of each service.

2.   Current Position

2.1   The future property requirements can be split into the following four categories.

- Office accommodation;
- Education/community facilities;
- Health, Social Care and Housing; and
- Operational depots.

2.2   In assessing the future of service delivery across the neighbourhoods a number of key principles and considerations affecting the remodelling proposals are outlined as follows:

2.3   Office Accommodation

2.3.1   Office Accommodation - Progress to Date

In 2010 the Council engaged in a study to review the status of its Estate and to establish whether efficiencies could be achieved across the portfolio. The report - 'Our Future Working Environment - Accommodation Strategy' - focussed on operational properties, covering both owner occupied and leased in buildings. The report concluded there were various initiatives to pursue to remodel the portfolio through: better utilisation of key centrally located buildings; exiting leased in properties where possible; improving staff's working environment; implementing opportunities for agile and flexible working; and achieving operational efficiencies through a smaller retained estate whilst still meeting the needs of service users.

This work focussed on the Council's office portfolio and since 2010 work has been ongoing to identify and develop remodelling opportunities across the Council's operational office portfolio. The initial focus of this work-stream has centred on the delivery of the refurbishment of Bridgegate House, the phased refurbishment of Cunninghame House and, more recently, the refurbishment of Saltcoats Town Hall.

The first phase of remodelling was Bridgegate House, where a refurbishment of the office accommodation has enabled flexible ways of working to be adopted by the Council. In addition to this the ground floor has been developed to provide a 'one-stop-shop' facility for service users.

Through efficient space planning, Bridgegate House has been able to significantly increase staff capacity. This has been achieved through the development of a hot-desk strategy, space efficient workstations and the creation of an open-plan working environment.

Phase two of the remodelling programme is the refurbishment of Cunninghame House. This project incorporates a number of the principles that are in place at Bridgegate House to create a space efficient open plan working environment. On completion of this phased refurbishment, it is anticipated that the building will have capacity to provide office accommodation for approximately 900 staff, an increase of 300 from the date of commencement of the refurbishment programme in March 2014.

The refurbishment of Cunninghame House is being delivered over a three-year period. Phase one included the delivery of a modern, fit-for-purpose Council chambers and one wing of refurbished office space on the second floor.

The third project that is progressing under the office accommodation work-stream is the refurbishment of Saltcoats Town Hall. This project will be completed in late 2015 and will provide a 'one-stop-shop' to service users within the Three Towns area. The building will also provide community and heritage space and will ensure a historically important building is brought back into community use.

This new customer 'hub' will bring teams together from Ardrossan, Saltcoats and Stevenston to provide an integrated service incorporating Housing Services, Registration Services, Customer Services and Social Services which will result in approximately 80 staff being relocated to this facility.

The successful delivery of the Saltcoats Town Hall project will result in five properties within the three towns area being declared surplus. These surplus properties will be marketed for disposal or for lease, generating capital receipts and/or rental income for the Council.

As a result of the office remodelling projects, surplus office accommodation is being created, thereby providing the opportunity to:

- Generate capital receipts through a property disposals programme;
- Reduce annual property running costs;
- Reduce the Council's carbon footprint; and
- Improve operational efficiency through reduced officer travel time between buildings.

Attached as Appendix I is further detail on the properties that have been or will be vacated by the Council as a result of the implementation of the current office rationalisation and modernisation programme. This appendix outlines the floor space efficiency being achieved, details of the annual revenue operating cost savings and the staff numbers relocated as part of this project.

2.3.2 Office Accommodation - Key Principles and Considerations

- Bridgegate House and Saltcoats Town Hall should be used as a model for customer facing service provision;

- Future service delivery should optimise the use of civic buildings. This could encourage the co-location of customer facing services, back-office services and community facilities within existing Council owned accommodation;

- Explore opportunities for co-location with other public services.

2.4 Education/Community Facilities

2.4.1 Education/Community Facilities – Progress To Date

The preferred model for the delivery of modern, fit-for-purpose educational facilities is best reflected in the vision being realised with the development of the Garnock campus. This campus will deliver state of the art education provision, as well as sports facilities that can be accessed and utilised by both the school and the wider community. The project plan reports that this development will be delivered by December 2016.

In addition to the above, the Council is developing proposals for an education campus in Largs. Consultation in relation to this project is ongoing, however it is anticipated that the opportunity that exists will allow the Council to deliver improved education accommodation together with sports facilities in a campus setting at the Inverclyde National Sports facility.

Developing fit for purpose education provision for children and young people with additional support needs (ASN) remains a priority for the Council. This strategy is being developed in conjunction with the wider educational review to ensure delivery of improved services to learners with additional support needs which will help equip them to benefit from the opportunities and meet the challenges of life in the 21st century.

Community facilities such as community centres, leisure facilities and libraries play an important role in our neighbourhoods. In developing the delivery model for each neighbourhood, opportunities should be explored to achieve greater integration of these facilities whilst recognising and embracing technology advancements to ensure the Council's estate is future proofed for further developments in technology, particularly in digital media.

The Council is committed to working with community groups and recognises the importance of managing and supporting community groups who are seeking to progress community asset transfers. The Community Asset Transfer Policy was updated in 2013, with 16 applications noted as currently being live. Four of these applications are approved in principle.

2.4.2 Education/Community Facilities - Key Principles and Considerations

- The outcomes of the education review that is currently underway requires to be considered within the context of the wider neighbourhood property portfolio review to ensure that the building structure, layout and quality of the built environment complements the aspirations for improved educational attainment;

- Where opportunities exist education provision should be considered in a campus setting that also incorporates 'community hub' space and leisure facilities; and

- The strategy should take cognisance of the outcomes of the Dartington Review. This Review adopts a needs led approach to the design of social services for children/young people and their families. The analysis can then be utilised in determining issues which can affect the delivery of educational services in a campus environment.

2.5   Health, Social Care and Housing

2.5.1 Health, Social Care and Housing – Progress To Date

The recent redevelopment of Currie Court Sheltered Housing Unit and Castlecraigs in Ardrossan is an example of securing better utilisation and integration of assets.

The completed development now provides a sheltered housing unit, an independent living unit and a day care centre on the same site.

Stevenson Day Care & Resource Centre and Stevenson Court, Largs will be complete during Spring 2015. This project will deliver a day-care centre and 11 flats to rent on the site of the former Stevenson Institute.

Further examples of integrated Housing and Social Services projects include the redevelopment of Kiln Court and Montgomerie Court sheltered housing units. These redevelopment projects will provide new living accommodation for elderly residents and will incorporate Social Services facilities that can be utilised by the residents and wider communities that they serve.

As part of the Council's Strategic Housing Investment Plan (SHIP), it is the intention to deliver improved sheltered housing provision within North Ayrshire. Plans to deliver this are being developed and will be consulted on during 2015. It is proposed that any identified major projects will recognise the need to provide social care facilities within the sheltered housing unit.

Where Council owned assets are declared surplus within town centres, consideration will be given to their suitability to be transferred to the HRA and converted into housing. Moving forward this will be considered as part of the brief for the Strategic Assets Group and Surplus Property Group.

In terms of the Health & Social Care Partnership (HSCP), there is a desire to seek greater co-location of Social Services provision within our communities. This should include other health related services such as Doctor's surgeries, Dentists, Physiotherapists, Pharmacies etc being located alongside Social Services provision. This proposal aligns with the national agenda for Health and Social Care integration. Work is already underway with the Health & Social Care Partnership to progress this agenda.

In addition to the above the Council is exploring the opportunity that exists with the HSCP, to locate their head office within a North Ayrshire Council owned property.

This co-location opportunity would promote and enhance the strong working relationship the Council is building with the HSCP.

The progression of a co-location arrangement between the Council and HSCP would also assist with the Council's long term objective of ensuring all office space is utilised in as an efficient manner as possible.

It is acknowledged that further consideration is required in relation to Criminal Justice Partnerships, field worker support services and young peoples' services.

2.5.2 Health, Social Care and Housing – Key Principles and Considerations

- The partnership's strategic plan is expected to be approved in April 2015. This plan will require to be taken account of in the service delivery;

- Where appropriate, partnership and co-location opportunities with other public sector bodies should be encouraged;

- Recognising the Health and Social Care Partnership between the Council and NHS Ayrshire & Arran, there is an opportunity to deliver increasingly integrated Housing/Social Services to the community. This could most notably be implemented through the work that is ongoing in relation to the delivery of the SHIP and Older People's Housing Strategy;

- The HSCP do not own any of the property assets they operate and manage in North Ayrshire. These assets are in the ownership of either the Council or NHS and therefore consideration requires to be given to the implications that this will have on funding, operational and management arrangements.

2.6 Operational Depots

2.6.1 Operational Depots – Progress To Date

As part of the creation of the Streetscene review in 2011, some 19 depots and storage/rest facilities were closed with the revised operational model delivered from 5 area Streetscene depots.

During the first quarter of 2014/15 a business case was developed, outlining a proposal to dispose of approximately five depots and replace with one new, state of the art super depot. Given the level of costs and payback period associated with this, it was determined that the project should not progress at that time.

The Council restructure that was implemented in 2014 brought together Streetscene, Building Services, Roads & Transportation, Waste Services and Facilities Management with the Directorate of Place. Each of the aforementioned services provides a range of differing functions with varying requirements for materials provision, storage and distribution arrangements.

In January 2015, a comprehensive options appraisal around the future delivery of material and stores provision commenced. The purpose of this project is to identify and consider the most effective options and opportunities for providing a new co-ordinated materials supply management and stores provision model, which would serve the needs of a number of frontline services.

The overall aim is to improve the management, governance, value for money, efficiency and effectiveness of materials, stores and logistics provision.

2.6.2 Operational Depots – Key Principles and Considerations

- Value for money is achieved in the supply, storage and distribution of materials and equipment;
- The supply, storage and distribution to point of use is on a timely basis and is effectively managed;
- Retained stock levels are commensurate with good governance and improve the service received by the Council's customers; and
- Opportunities, as they arise, will be explored to further rationalise depot provision.

2.7 Other Key Principles and Considerations

In addition to the service delivery specific proposals outlined above, a number of other key factors are considered as being vital to the remodelling of the Council's operational estate. These are outlined as follows:

- The current availability and location of sites and/or Council assets in any neighbourhood area could impact on the Council's ability to deliver the vision within any of the neighbourhoods;

- To inform the decision making process around the potential relocation and co-location of services consideration will be given to levels of space utilisation within the portfolio, the condition of individual buildings, the operational running costs of individual buildings, the accessibility to and the suitability of existing buildings;

- Energy performance of existing buildings will be a factor is determining future utilisation;

- The Council's commitment to sustainability will be recognised when undertaking extensive refurbishments of existing buildings or where new-build accommodation is created;

- It is recognised that each neighbourhood will have its own unique requirements and constraints. These require to be considered as part of the wider vision; and

- Co-location opportunities with the Department for Work and Pensions (DWP) are being delivered via the creation of employment hubs. With the provision of employment related services alongside finance, debt and Universal Credit related advice this could lead to greater integration of service provision within the Council.

2.8 Many of North Ayrshire's Neighbourhood areas and communities are developing and implementing their local vision for their areas therefore a key next stage of the work programme will be to develop a comprehensive strategy to ensure engagement and consultation with our communities and Elected Members.

2.9 The availability of funding is vital to ensure the successful delivery of the vision and will be considered as part of the Council's ten-year capital plan.

2.10 Over the last two years the Council has developed and implemented a surplus property strategy that has proven successful in delivering an increase in capital receipts. However there is a requirement to raise the visibility of this strategy, both within and out-with the Council.

3.   Proposals

3.1 That the Cabinet approves the key principles to support remodelling of the Council's Property Estate.

4.   Implications

Financial Implications

4.1 All proposals to be taken forward would require a detailed business case to be developed that clearly sets out both the capital and revenue financial implications, and the funding sources.

Human Resource Implications

4.2 The implementation of the proposals will result in the re-location of staff.

Legal Implications

4.3 Legal Services will advise on title and ownership issues and negotiate as appropriate on behalf of the Council.

Equality Implications

4.4 The re-modelled property estate will comply with Equalities legislation.

Environmental and Sustainability Implications

4.5 Any remodelling of the Council estate will consider the wider environmental implications as part of the business case or options appraisal development.

Implications for Key Priorities

4.6 This proposal supports all the Council Plan core objectives as follows:

1. Regenerating our communities and increasing employment;
2. Protecting vulnerable people;
3. Improving educational attainment; and
4. Operating more efficiently and effectively

Community Benefit Implications

4.7 There are no community benefit implications arising from this report.

5. Consultations

5.1 Consultation has taken place with the eCMT, Senior Managers from across Council Services, Development Planning Service, Legal Services and the Physical Environment Advisory Panel.

6. Conclusion

6.1 The work undertaken to date has identified the Council's vision to deliver services throughout the six neighbourhoods, whilst improving the condition and operational efficiency of the Council's property portfolio.

Cabinet is now asked to consider the contents of this report and approve the recommendations contained therein.

CRAIG HATTON
Executive Director (Place)

Reference : CH/DT/LB
For further information please contact David Tate, Senior Manager (Property Management & Investment) on 01294 225051

Background Papers
nil

Neighbourhood Vision
Remodelling of the Council's operational property portfolio.   **Appendix 1**

Project – Bridgegate House

Property Vacated	Relocating Services	Area (m2)	Annual Operating Cost Of Building (£)approx	Staff Relocated (No.)
Glencairn House, Stevenston (Mar/April 2014)	Care at Home	434	21,900	68
87-89 New Street, Stevenston (Nov 2014)	Temporary Accommodation Team	109	2,600	16
7 Glasgow Street, Ardrossan (Sept 2014)	Tenancy Support Team	105	3,000	11
Kiln Court, East Road Irvine (Mar/Apr 2014)	Programme Delivery Team	883	5,500	24
		1531	**33,000**	**119**

Project – Cunninghame House

Property Vacated	Relocating Services	Area (m2)	Annual Operating Cost Of Building (£)	Staff Relocated (No.)
Perceton House (vacant by June 2016)	Roads, Streetscene, Economic Development and Property Management	3799	462500	200
		3799	**462,500**	**200**

Project – Saltcoats Town Hall

Property Vacated	Relocating Services	Area (m2)	Annual Operating Cost Of Building (£)	Staff Relocated (No.)
17 Vernon Street, Saltcoats (Nov 2015)	Saltcoats Local Area Office	528	62400	33
27 Vernon Street, Saltcoats (Nov 2015)	Saltcoats Area Housing Office	223	2320	15
45 Ardrossan Road, Saltcoats (Nov 2015)	Saltcoats Registration Office	210	17500	5
1 Main Street, Stevenston (Nov 2015)	Stevenson Housing Office	241	6000	14
11, Glasgow Street, Ardrossan (Nov 2015)	Ardrossan Housing Office	60	2500	13
		1262	**90,720**	**80**

| Totals | | **6,592** | **589,220** | **399** |

NORTH AYRSHIRE COUNCIL

Agenda Item 12

24 March 2015

Cabinet

Subject:	Draft Local Biodiversity Action Plan for North Ayrshire 2015-18
Purpose:	To seek approval to publish the Draft Local Biodiversity Action Plan for North Ayrshire 2015-18 for public consultation.
Recommendation:	That Cabinet agrees to (a) approve the Draft Local Biodiversity Action Plan for North Ayrshire (Appendix 1) for public consultation; and (b) receive a report on the findings of the consultation at a future date.

1.   Introduction

1.1   The Nature Conservation (Scotland) Act 2004 places a statutory duty on public bodies to further the conservation of biodiversity and have regard to the Scottish Biodiversity Strategy and Convention on Biological Diversity. Biodiversity is an abbreviated term for "biological diversity" and includes all our species, habitats and ecosystems (or natural living systems). The common response by local authorities to these responsibilities is to prepare a Local Biodiversity Action Plan (LBAP).

1.2   To date, the delivery of the LBAP within Ayrshire was a joint project with the neighbouring authorities of South and East Ayrshire and led by the Ayrshire Joint Planning Unit (AJPU). With the closure of the AJPU in 2013, a revised approach is required to address the Council's statutory biodiversity duty and the Scottish Government's 2020 Challenge for the conservation of biodiversity in Scotland.

2.   Current Position

2.1   The first Ayrshire LBAP 2001-2005 provided a major assessment of Ayrshire's biodiversity and was a valuable tool directing conservation efforts. The Ayrshire LBAP included Habitat Action Plans for 26 habitat types and Action Plans for 11 species. Actions were aspirational, identifying what could be done for each habitat or species rather than detailing a committed work programme.

207

2.2 The Ayrshire LBAP was amended and updated in 2007. The Scottish Government and Scottish Natural Heritage commissioned a study to assess the progress with LBAPs nationally, and in parallel the Ayrshire Biodiversity Group commissioned an assessment of the Ayrshire LBAP to clarify how effective the process had been to date. Both reviews identified a series of shortcomings of the original LBAPs in failing to identify achievable actions, being unable to maintain momentum and not succeeding in refocusing organisations' own priorities.

2.3 As a result of the review, the 2007-2012 LBAP took into account changes in the wider biodiversity context and was more focused on priorities and included more realistic and measurable actions. Its content included work on priority species and habitats which were not already being acted on by the conservation orientated organisations operating in Ayrshire. The Plan became a working document allowing it to be updated regularly and to enable it to adjust to the progress towards the Plan's targets. Specifically the revised Action Plan was more flexible and had a reduced number of Actions - 2 habitat action plans for lowland raised bogs and coastal habitats and 2 species action plans for water vole and farmland birds were delivered - to ensure that it only covered priorities and local actions. Key projects delivered include the Irvine Green Network funded through the Central Scotland Green Network (CSGN) Development Fund; habitat improvements to amenity open space as part of the Kilbirnie Green Network funded by the CSGN Development Fund; Ayrshire Rivers Trust's EU Interreg funded invasive weeds project; and the development of the Garnock Valley Futurescape project led by RSPB to conserve and enhance its natural habitats (eg Bogside Flats in Irvine).

2.4 A further revision for 2012-17 was prepared in 2012 (but not approved due to the dissolution of the Ayrshire Joint Planning Unit). The methodology and data gathered within the 2007 and 2012 LBAPs, as updated, have been used to form the basis of the Draft North Ayrshire LBAP at Appendix 1, which is more focused on North Ayrshire based interests in comparison to the pan-Ayrshire approach of the previous LBAPs.

2.5 The proposed actions for the Council's new North Ayrshire LBAP are specifically habitat based rather than species based, in recognition that habitat protection and enhancement will in turn conserve and benefit species. The actions have emerged from consideration of the previous iterations of the Ayrshire LBAP, as well as knowledge from the various members of the Biodiversity Partnership comprising representatives from Scottish Natural Heritage, Scottish Wildlife Trust, Clyde Muirshiel Regional Park, RSPB, Ayrshire Rivers Trust and the Council. The LBAP is 'owned' by the Council, but is essentially a partnership document which reflects collaborative input and co-ownership of delivery actions. The action plan includes specific measures for the delivery of the following key priorities:

- Coordination and monitoring to ensure that governance arrangements are in place to secure delivery of LBAP actions and to ensure that actions are steered by best available data eg to set up a records centre and review our Local Nature Conservation Sites; and

- Practical delivery on habitat projects targeted at:

    o Coastal locations to help restore coastal habitats through improved management regimes such as improved management at Western Gailes SSSI and the restoration and enhancement of habitat within Bogside SSSI;

    o River corridors to restore and enhance their habitats through improved active management with a focus on the Garnock catchment;

    o Farmland locations to enhance their wildlife value with the roll out of a management regime on Council owned verges and working with landowners to achieve habitat improvements that benefits biodiversity;

    o Forests and woodlands to conserve and enhance existing woodland habitats and create new habitats;

    o Urban post-industrial sites to promote habitat enhancement of brownfield sites such as the provision of biodiversity measures in the Vacant and Derelict Land Strategy and the creation of wildlife opportunities through the re-use of stalled development sites via the Central Scotland Green Network (CSGN);

    o Urban and rural path networks to contribute to the delivery of the CSGN; and

    o Urban green space to support local biodiversity and community based conservation projects.

2.6   An annual monitoring report will be submitted to Cabinet to keep Members appraised in relation to the delivery of the LBAP.

3.   Proposals

3.1   That Cabinet agrees to (a) approve the Draft Local Biodiversity Action Plan for North Ayrshire (Appendix 1) for public consultation; and (b) receive a report on the findings of the consultation at a future date.

3.2   The proposed consultation would last for six weeks, with comments invited electronically and through written representations. The consultation document would be publicised on the Council's website and via members of the Biodiversity Partnership, who are directly engaged with community groups on biodiversity matters. Following the close of the consultation period, comments will be analysed and presented to Cabinet, along with any recommendations for revisals to the draft LBAP.

4.   Implications

Financial Implications

4.1   The actions within the LBAP that the Council would be responsible for delivery of can be met from existing revenue budgets.

Human Resource Implications

4.2   There are no human resource implications arising from this report.

Legal Implications

4.3   There are no legal implications arising from this report.

Equality Implications

4.4   There are no equality implications arising from this report.

Environmental and Sustainability Implications

4.5   The Draft LBAP will help to protect and enhance biodiversity within North Ayrshire. It contains a series of actions for direct environmental improvements, but will also provide a resource that can be used by a range of organisations and for various purposes. For example, it will be used by the Council when determining planning applications and will aid developers on what biodiversity interests we have in our area. It will also act as a guide and educational resource setting out what we can all contribute towards enhancing our local wildlife and help inform the local community about the habitats and species in their area and how they can contribute to their conservation. These various components will bring local environmental and community benefits which will actively contribute towards a more sustainable approach to our natural environment.

4.6   The Environmental Assessment (Scotland) Act 2005 requires the LBAP to undergo a 'screening' exercise, which includes statutory consultations with Scottish Natural Heritage, Scottish Environmental Protection Agency and Historic Scotland, to establish whether the LBAP requires full Strategic Environmental Assessment (SEA). The SEA Gateway have confirmed that an SEA for the LBAP is not required.

Implications for Key Priorities

4.7   The Council Plan notes that we need to reflect sustainability "in our decision making" by "ensuring that the environment is enhanced and protected and that we have environmental monitoring systems in place", The strategy at Appendix 1, once finalised and approved, will help meet this key priority.

5.   Consultations

5.1   Extensive consultation has been carried out with services in the Council and other bodies involved in the Biodiversity Partnership and informed preparation of the Draft LBAP at Appendix 1. The consultation included the exchange of information on current and planned activities by individual Council services together with our partner organisations, community groups and individuals.

6.   Conclusion

6.1   The Council's Draft Local Biodiversity Strategy for North Ayrshire 2015-18 (see Appendix 1) provides a more focused local North Ayrshire perspective and update to previous pan-Ayrshire LBAPs with actions being habitat based rather than species based. The LBAP includes actions on coordination and monitoring as well as practical delivery on habitat projects targeted at coastal, river, farmland, forests and woodland, urban post-industrial sites, urban and rural path networks and urban green space. In outlining specific habitat actions at the local level, the strategy provides a clear statement of intent to deliver biodiversity benefits which aligns with the Council's recently approved Environmental Sustainability & Climate Change Strategy.

CRAIG HATTON
Executive Director (Place)

Reference : B/05/10/RRH
For further information please contact Richard Henry, Planning Officer on 01294 324777

Background Papers
N/A

Draft Local Biodiversity Action Plan
for
North Ayrshire
2015-2018

North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Introduction

Welcome to the North Ayrshire Biodiversity Action Plan 2015-18, prepared by the Biodiversity Partnership comprising representatives from Scottish Natural Heritage, Scottish Wildlife Trust, Clyde Muirshiel Regional Park, RSPB, Ayrshire Rivers Trust and the Council. We hope that this document will have many different uses and a wide variety of readers. In the first instance it is a statement of the strategic and co-ordinated action that the Biodiversity Partnership, with support from a number of locally based Non-Governmental Organisations, community groups and individual recorders, intends to achieve over the next 3 years in order to protect and enhance biodiversity within North Ayrshire.

It is, however, also very important to the Partnership that the Local Biodiversity Action Plan (LBAP) for North Ayrshire can be used as a resource for a range of organisations and purposes:

- By the Council in delivering its Biodiversity Duty, for example as a resource when reviewing its Local Development Plan, determining planning applications, making decisions about land management, setting budgets and carrying out service planning for the Countryside Ranger Service and Streetscene Services;

- By developers as a source of technical information about what we have in our area that they need to be aware of;

- By local people who want to know more about the habitats and species in their area or how they can contribute to their conservation; and

- As a guide and educational resource setting out what we can all contribute towards enhancing our local wildlife.

What is Biodiversity? Biodiversity is an abbreviated term for "biological diversity" and includes all our varied species, habitats and ecosystems (or natural living systems).

Why does it matter?

The rich variety of life is essential for sustaining the ecosystems that provide us with food, fuel, health, wealth and other vital services. The term used to describe the benefits that we receive, many times unknowingly, from the environment we live in is "ecosystem services".

All life on earth, including our multi-billion pound economy, is linked to ecosystem services in numerous ways but it is difficult to place an economic value on them and they largely go unnoticed. For example, healthy ecosystems provide free "services" to human communities, such as water filtration; fresh water; ground water recharging; storm water/flood control; air purification; nutrient recycling; crop pollination and soil enrichment; wild foods; fisheries; genetic resources; wood fuel; bio-chemicals; regulation of pests, natural hazards, erosion, regional and local climate, genetic resources; and cultural services such as spiritual values, aesthetic values, recreation and of course tourism.

Every aspect of our life relies on ecosystem services and our place within an ecosystem. It is as simple as the air you breathe, the water you drink and the food you eat. Some of the ways in which the health of our ecosystems affects our quality

of life and the way North Ayrshire functions can be ably demonstrated by the following:

Habitat and Landscape Resource: glens provide freshwater; peatlands provide carbon storage; floodplains store flood water, hills provide places for recreation, tourism and spiritual resource; farmland provides food production; trees and woodland provide building materials, shelter, carbon storage, air purification, protection against river erosion and wood fuel.

Pollination – most flowering plants including many crops (fruit, beans, peas etc) need help from insect pollinators such as bees, beetles, moths, wasps, flies and butterflies.

Water Purification – streams, wetlands, lochs, estuaries and forests all play an important role in purifying water, providing clean water for drinking, industrial uses, recreation and wildlife habitat.

Carbon Storage – woodlands and bogs remove carbon dioxide from the atmosphere and store it in wood or peat respectively. Carbon dioxide is released back when woodlands are cut down and burned or when peat bogs are damaged or cut and burned. The protection of woodlands and bogs helps slow global warming and provide important conservation and eco benefits such as preserving watersheds and biodiversity.

Maintaining the balance and inter-relationships within ecosystems is vital for ensuring that we have healthy species and habitats and is also important for ensuring the on-going availability and benefits of "ecosystem services" to human life. Whilst our understanding of "ecosystems dynamics" will always be limited our challenge is to find an ecologically sustainable way of living in the world.

In order to protect the well-being of present and future generations we must give special consideration to what might be irreversible changes to our environment. In short we need to carefully evaluate the decisions we take every day and take a precautionary approach to avoid loss and damage.

Why is it important to protect biodiversity?

Loss of biodiversity relates to the extinction of species and whilst extinction is a normal part of life, the rate at which it is happening due to human activity is now causing concern and we recognise that we too are at risk if we allow this to continue. As human development has rapidly increased over the past 200 years, we have exploited natural resources and fragile ecosystems, damaging the ability of ecosystems to be self-sustaining and to maintain a healthy balance. Recognising that the natural environment faces many threats the UK Government in 1992 signed the Convention on Biodiversity at the Earth Summit in Rio. As a result we are committed to developing national strategies, plans and programmes for the conservation and sustainable use of biological diversity. Despite the international target to halt the loss of biodiversity by 2010, it has continued to decline. To tackle this on-going loss of biodiversity, we must plan for the protection and rehabilitation of our ecosystems. To do so, we need to take an "ecosystems approach". Such an approach is a "strategy for the integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way" (UN Convention on Biological Diversity 2000).

In North Ayrshire we are equally concerned with the local loss of species, reduction in populations of species and loss of quality or functionality of habitats. Such changes are not only of concern in terms of the wildlife itself but because of the disadvantages to North Ayrshire of becoming impoverished in terms of its natural heritage, with resulting loss of ecosystem services and quality of environment for its

residents. The protection of biodiversity and ecosystems is therefore very high on our list of priorities and this LBAP forms part of our strategy for conserving and enhancing North Ayrshire's biodiversity.

The Statutory and Policy Context 217

In addressing action for biodiversity at the local level, we need to be aware of statutory duties and policies at different levels. A summary of the relevant legislation and policy is provided below. Please note that this list is not exhaustive as many different areas of the law, policy and strategy can impact on biodiversity.

The Statutory Duties

Nature Conservation (Scotland) Act 2004 – this Act places a duty on public bodies to further the conservation of biodiversity and have regard to the Scottish Biodiversity Strategy and Convention on Biological Diversity. It applies to all public bodies.

The Habitats Regulations (2004) – the Conservation (Natural Habitats, & c.) Regulations 1994, commonly known as the "Habitats Regulations", transposed into law in the UK the 1992 European Commission Directive on the conservation of natural habitats and of wild flora and fauna. Amendments in Scottish law were made in 2004 and 2007.

The Birds Directive – the Birds Directive is EU Directive 2009/147/EEC on the conservation of wild birds. It gives EU Member states the power and responsibility to classify Special Protection areas (SPAs) to protect birds which are rare or vulnerable in Europe, as well as all migratory birds which are regular visitors.

Wildlife and Natural Environment (Scotland) Act 2011 – Part 5 (Section 36) requires that public bodies publish a report on their compliance with the Biodiversity Duty at least every 3 years. This can be a standalone report or can be incorporated into existing reporting mechanisms.

Climate Change (Scotland) Act 2009 – this Act places 3 duties on public bodies:
- Duty to act in the way best calculated to meet Scotland's greenhouse gas emissions reductions
- Duty to act in the way best calculated to help deliver Scotland's climate change adaptation programme
- Duty to act in the way that is considered most sustainable

Town and Country Planning (Scotland) Act 1997 as amended by the Planning Etc. (Scotland) Act 2006 – this Act contains provisions for the National Planning Framework, the production of Development Plans and the operation of Development Management. It contains details about what information developers must submit with applications for planning permission. Also, the system of "Section 75 Agreements" or "Planning Gain" sits beneath this legislation.

Water Environment and Water Services (Scotland) Act 2003 – this Act transposed the European Water framework Directive (WFD) into Scottish Law. The WFD established a new legal framework for the protection, improvement and sustainable use of surface waters, transitional waters, coastal waters and ground waters across Europe. Under the Directive, water status is determined not only by its chemical condition, but by the health of the animals and plants that live in it. The WFD looks at the water environment on a river basin scale rather than at rivers or lochs individually.

Flood Risk Management (Scotland) Act 2009 – sustainable flood risk management practices can involve new habitat creation.

National and International Policies and Strategies
International Convention on Biological Diversity – the Convention on Biological Diversity (CBD) is an international legally binding treaty with three main goals:
- Conservation of biodiversity
- Sustainable use of biodiversity
- Fair and equitable sharing of the benefits arising from the use of genetic resources

The CBD's governing body is the Conference of the Parties (COP). This ultimate authority of all governments (or Parties) that have ratified the treaty meets every 2 years to review progress, set priorities and commit to work plans. At the last meeting in Hyderabad, India in October 2012 a new global Strategic Plan for biodiversity was agreed.

European Biodiversity Strategy – the European Biodiversity Strategy was published in May 2012 and sets out how the EU will meet its obligations under the International Strategic Plan. It contains a target of "Halting the loss of biodiversity and the degradation of ecosystem services in the EU by 2020, and restoring them in so far as feasible, while stepping up the EU contribution to averting global biodiversity loss".

National Planning Framework 3: Central Scotland Green Network – NPF 3 is the Scottish Government's long term strategy for the development of Scotland over the next 20 to 30 years. It retains the Central Scotland Green Network (CSGN) from NPF 2 as one of only 14 nationally significant infrastructure developments that will be delivered during this time. To date, the CSGN has focused on being a strategic network of woodland and other habitats, active travel routes, greenspace links, watercourses and waterways providing an enhanced setting for development and other land uses and improved opportunities for outdoor recreation and cultural activity. However, in the coming years, the priorities for the lead organisations should include promoting active travel, addressing vacant and derelict land and focusing action in disadvantaged areas, to maximise community and health benefits. These step changes in environmental quality are required to address disadvantage and attract investment, whilst sustaining and enhancing biodiversity, landscape quality and wider ecosystems.

UK Biodiversity Strategy – the strategy is part of a national and international programme designed to maintain and enhance biodiversity globally. It includes a number of specific plans for species and habitats afforded priority conservation

action. Local Biodiversity Action Plans are seen as the means by which the national strategy can be delivered through local actions.

Scottish Biodiversity Strategy – the strategy "Scotland's Biodiversity: It's in Your Hands" sets out Scotland's approach to biodiversity conservation. The vision for 2030 is that "Scotland is recognised as a world leader in biodiversity conservation. Everyone is involved: everyone benefits. The nation is enriched".

The 2020 Challenge for Scotland's Biodiversity (2013) - this is a supplement to the Scottish Biodiversity Strategy (2004), focused on desired outcomes for 2020 and is a response to the targets set by the UN Convention on Biological Diversity 2010 and the EU's Biodiversity Strategy for 2020 (2011). These call for a step change in efforts to halt the loss of biodiversity and to restore the essential services that a healthy natural environment provides. In addition, investment in the natural assets of Scotland will contribute to sustainable economic growth and support well-being and wealth creation. The 2020 Challenge aims to:
- Protect and restore biodiversity on land and seas, and to support healthier ecosystems
- Connect people with the natural world, for their health and well-being and to involve them more in decisions about their environment
- Maximise the benefits for Scotland of a diverse natural environment and the services it provides, contributing to sustainable economic growth.

There are seven outcomes identified within the 2020 Challenge:
- Scotland's ecosystems are restored to good ecological growth so that they provide robust ecosystem services and build natural capital
- Natural resources contribute to stronger sustainable economic growth in Scotland and we increase our natural capital to pass onto the next generation
- Improve health and quality of life for the people of Scotland through investment in the care of green space, nature and landscapes
- The special value and the international importance of Scotland's nature and geodiversity is assured, wildlife is faring well and we have a highly effective network of protected places
- Nature is faring well and ecosystems are resilient as a result of sustainable land and water management
- Scotland's marine and coastal management are clean, healthy, safe, productive and biologically diverse, meeting the long term needs of people and nature
- A framework of indicators that we can use to track progress

Scottish Climate Change Adaptation Framework – this sets out how Scotland is going to adapt to the impacts of climate change which are now considered to be unavoidable. The framework (published in 2009) is accompanied by 12 Sector Action Plans one of which specifically relates to biodiversity and ecosystem resilience.

North Ayrshire Policies and Strategies

Local Development Plan (LDP) –The LDP identifies a number of topics for Supplementary Guidance including "Open Space and the Green Network". The North Ayrshire BAP can provide support for the LDP by identifying how planners and developers can contribute to protecting and enhancing biodiversity in the Council area.

Open Space Strategy (Draft) – the emerging strategy is due to be considered by the Council in 2015. An audit process has identified the quantity, quality and accessibility of open spaces and the strategy sets out a framework for protecting and improving it. Measures for improvement will include looking at how we can manage open spaces more effectively for biodiversity.

Council Plan (2015-20) – the forthcoming Council Plan is based on 5 strategic objectives which include working with our communities to make North Ayrshire an attractive, safe and sustainable place for people of all ages.

Single Outcome Agreement (2013-17) - under the national Performance framework each area is required to have a Single Outcome Agreement. This is an agreement between the North Ayrshire Community Planning Partnership and the Scottish Government to make improvements against priority outcomes. North Ayrshire's SOA 2013-17 does not contain an indicator relating to biodiversity but there is the potential for this to be added in subsequent years. However, the overall aim is to achieve sustainable development in our community and tackle worklessness, health inequalities and community safety.

Environmental Sustainability & Climate Change Strategy (2015-18) – the strategy responds to the current sustainability agenda by providing clarity in terms of the Council's vision for a sustainable North Ayrshire through various priorities for action across five separate workstreams. These workstreams are affordable warmth; a green economy; transport and travel; natural and built environment; and sustainable operations. This work recognises the value of biodiversity not only for its own sake but in terms of enabling us to adapt to climate change and lead more sustainable lives. Actions which the Council is committed to delivering include the preparation of a new North Ayrshire Local Biodiversity Action Plan and incorporating protection of the natural environment into the LDP through the preparation of Supplementary Guidance for Climate Change.

North Ayrshire Biodiversity Action Plan

To date, the delivery of the Local Biodiversity Action Plan (LBAP) within Ayrshire was a joint project with the neighbouring authorities of South and East Ayrshire and led by the Ayrshire Joint Planning Unit (AJPU). With the closure of the AJPU in the summer of 2013, a revised approach is required to address the Council's statutory biodiversity duty and address the Scottish Government's 2020 Challenge for Scotland's Biodiversity for the conservation and enhancement of biodiversity in Scotland.

The first Ayrshire LBAP 2001-2005 provided a major assessment of Ayrshire's biodiversity and was a valuable tool directing conservation efforts. The LBAP included Habitat Action Plans for 26 habitat types and Action Plans for 11 species. Actions were aspirational identifying what could be done for each habitat or species rather than detailing a committed work programme. The LBAP was amended and updated in 2007 with the publication of the Ayrshire Biodiversity Action Plan 2007-2010. This revision was made in light of the various changes that had taken place at a national level and as outlined above. The Scottish Biodiversity Strategy, its implementation plans and the Scottish Biodiversity List had all been published. In addition, the Nature Conservation (Scotland) Act 2004 had been issued.

During the same period the Ayrshire Biodiversity Group also had the benefit of working together implementing the plan and learning from the experience, including how other LBAP partnerships have been approaching similar problems. The Scottish Executive and SNH commissioned a study to assess the progress with LBAPs and in parallel the Ayrshire Biodiversity Group commissioned an assessment of the Ayrshire LBAP to clarify how effective the process had been to date. Both reviews identified a series of similar shortcomings of the original LBAPs in failing to identify achievable actions, being unable to maintain momentum and not succeeding in refocusing organisations' own priorities. Most of the LBAPs, including the Ayrshire LBAP were over ambitious in their scope, too comprehensive in the species and habitats they considered, yet too generalised in their prescriptions.

As a result the 2007-12 LBAP took into account changes in the wider biodiversity context and was more focused on priorities and included SMARTer actions. Its content included work on priority species and habitats which were not already being acted on by the conservation orientated organisations operating in Ayrshire. The Plan became a working document allowing it to be updated regularly and to enable it to adjust to the progress towards the Plan's targets. Specifically the revised Action Plan was more flexible and had a reduced number of actions (2 habitat action plans for lowland raised bogs and coastal habitats and 2 species action plans for water vole and farmland birds) to ensure that it only covered priorities and local actions. A further revision for 2012-17 was prepared in 2012 (but not approved). The 2012 revision used a similar methodology to the 2007 Plan with a slight adaptation to provide a more ecosystem focus known as an "ecosystem approach" and set out priority actions for:
- **Record centre development**
- **Co-ordination and development**
- **The coast**

221

- **Lowland raised bogs**
- **Water voles**
- **Farmland birds**

It is considered that the methodology and data gathered within the 2007 and 2012 LBAPs, as updated, can be used to form the basis of a North Ayrshire LBAP, which would be more focused on North Ayrshire based interests in comparison to the pan-Ayrshire approach of the previous LBAPs.

The proposed actions for the new North Ayrshire LBAP are specifically habitat based rather than species based, in recognition that habitat protection and enhancement will in turn conserve and benefit species. The actions have emerged from consideration of the previous iterations of the Ayrshire LBAP, as well as expert knowledge from the various members of the Biodiversity Partnership. The action plan includes actions on coordination and monitoring as well practical delivery on habitat projects targeted at coastal, river, farmland, forests and woodland, urban post-industrial sites, urban and rural path networks and urban green space. A project based approach will also make best use of limited resource, for example through the Garnock Valley Futurescape.

Abbreviations: AGN – Ayrshire Green Network, ART – Ayrshire Rivers Trust, CEIS – Community Enterprise in Scotland, CMRP – Clyde Muirshiel Regional Park, FCS – Forestry Commission Scotland, LEADER – Links Between Activities Developing the Rural Economy, part of the Scotland Rural Development Programme (SRDP), NAC – North Ayrshire Council, NAOAF – North Ayrshire Outdoor Access Forum, NPL – NPL Estates Ltd., RPID - The Rural Payments and Inspections Directorate (part of the Scottish Government's "Rural Affairs and Environment" portfolio), RSPB – Royal Society for the Protection of Birds, SEPA – Scottish Environment Protection Agency, SNH – Scottish Natural Heritage, SRUC – Scotland's Rural College, SWT – Scottish Wildlife Trust.

Draft LBAP Action Plan

Please note that the timescale for all actions is by the end of the Plan period (2018) unless otherwise stated.

Heading	Objective	Reference	Action	Target	Lead Partner	Other Delivery Agents
Co-ordination and Monitoring	To ensure that governance arrangements are in place to secure delivery of LBAP actions, and to ensure that actions are steered by best available data	1.1	Records Centre	Utilise a central database to allow upload and manipulation of data.	NAC	All
		1.2	Partnership meetings twice annually	Set up programme of meetings.	NAC	All
		1.3	Review North Ayrshire Local Nature Conservation Sites	Complete review of LNCS sites within North Ayrshire to identify baseline position and identify opportunities for improved management or other enhancement.	NAC	SWT, RSPB
		1.4	Undertake wildlife and habitat surveys	Undertake wildlife and habitat surveys within Eglinton Country Park (See Appendix 1).	NAC	All
		1.5	Set up a recording system and monitor progress	Set up an accessible North Ayrshire specific recording system. This will be done by creating an Excel spreadsheet for active and experienced recorders and utilising the National Biodiversity Network's (NBN) iRecord and iSpot for less active and inexperienced recorders. Create and promote web based information on the Council's website for the recording system to encourage participation.	NAC	All
Coastal Based Habitats	To restore our coastal habitats through improved management regimes	2.1	Implement improved management of Western Gailes SSSI beach cleaning operations	Improved management regime implemented (See Appendix 1).	NAC	NAC/CEIS

			through hand picking of litter and awareness raising programme		
		2.2	Prepare a management 'good practice note' for staff	Prepare a good practice guide to be issued to relevant staff on the management of Western Gailes SSSI. (By law the SSSI area of Western Gailes must not be cleaned by mechanical means. As such it was agreed between NAC and SNH that a good practice guide for relevant staff will be issued. This should be monitored on a regular basis).	NAC	SNH
		2.3	Implement a golf course advisory programme within the Garnock Valley Futurescape to support coastal habitat improvement	Install public interpretation explaining the reason for current management of the site. Work with green keepers and golf course managers to make habitat improvements for wildlife	RSPB	
		2.4	Take note of combined organisations intention to implement 'Nectar Network' Project.	Liaise with SWT Officer in support of this project to ensure that any outcomes are acknowledged by NAC and that similar complimentary works on neighbouring NAC lands utilise sympathetic plant mixes.	Not applicable	SWT

		2.5	Local Authority to take cognisance of planting and management regime of Nectar Network Project for vacant land sites and where possible close to coastal habitats such as beachparks etc.	Confirm areas of NAC managed lands for potential inclusion in complimentary project works. Carry out first phase of work on approved coastal areas at Irvine by Summer 2015 utilising council staff, project volunteers and local schools to carry out project works. Agree subsequent phased work on an annual basis. Agree to adjust cutting regimes as appropriate.	NAC	CEIS, Duke of Edinburgh, Schools
		2.6	To control *Rosa rugosa* in dune habitats	Removal of *Rosa rugosa* from Stevenston Dunes LNR to improve habitat quality for dune wildlife (See Appendix 1).	NAC	RSPB
	To restore and enhance habitat within Bogside SSSI	2.7	Implement positive management of Bogside racecourse	Agree and implement management plan as part of Garnock Valley Futurescape (See Appendix 1).	RSPB	NPL, SWT, SNH
		2.8	Management of RSPB Bogside Reserve to benefit estuarine habitats and species	Agree and implement management plan. (See Appendix 1).	RSPB	
		2.9	Implement coordinated management	Agree and implement management plan.	RSPB	SWT, NAC

			on supporting sites to enhance and strengthen core habitats and species			
River Corridors	To restore and enhance our river corridor habitats through improved active management	3.1	Enhance riparian habitats within the Garnock Valley Futurescape	Habitat creation and management options, beneficial for wildlife, are integrated into local diffuse pollution control mechanisms	SEPA	Community Groups; RPID; RSPB
		3.2	Map key Riparian sites in the Garnock catchment for use as a pilot in catchment management for the region	Produce a comprehensive map of the catchment by Summer 2015.	RSPB	NAC, ART, SWT
		3.3	Enhance and restore natural floodplain habitats for wildlife in the Garnock Valley Futurescape	Develop and implement plans for habitat restoration projects.	RSPB	SWT, ART
		3.4	Develop peatland restoration potential in the Garnock Catchment	Develop plan for peatland restoration project by Summer 2015.	RSPB	CMRP
		3.5	Continue programme of eradication of non-native	Non-native invasive (NNI) plants are controlled to prevent erosion of riverbanks. Where necessary set up Species Control	ART	TBC

			invasive species	Agreements (SCAs) or Species Control Orders (SCOs) through SNH who are the lead co-ordinating body.		
		3.6	Feasibility assessment for removal of weir at Seven Acres	To improve fish migration and reduce upstream water depth and give greater capacity for storing water during times of flood.	NAC	ART
		3.7	Integrate biodiversity requirements into local flood management	Kilbirnie Flood management plans are sustainable and support biodiversity enhancement	NAC	RSPB
Farmland Wildlife	To enhance the wildlife value of farmland	4.1	Roll out management regime for roadside verges and hedgerows	Roll out management regime on Council owned verges as part of new Open Space Strategy. Roll out education initiative for management of verges for private landowners. Monitoring of original pilot sites (previous LBAP) to evidence benefits.	NAC	
		4.2	Implement advisory program within the Garnock Valley to support habitat improvement	Work with landowners to identify and make habitat improvements that benefit biodiversity, and support voluntary groups to work with landowners.	RSPB	NAC
		4.3	Seek to improve habitat for breeding waders on key sites within the Garnock Catchment	Habitats for breeding waders within Garnock Valley Futurescape are improved.	RSPB	
Forests and	To conserve	5.1	Implement the	Woodlands are managed in a way that supports	NAC	FCS

Woodlands	and enhance existing forest and woodland habitats, and create new habitats		priority actions from the Ayrshire and Arran Woodland Strategy	biodiversity.		
		5.2	Reviewing the Council's management regimes for forest and woodlands against LBAP objectives	Woodlands are managed in a way that supports biodiversity.	NAC	FCS, Ayr College, SRUC (Eglinton)
Urban Post-Industrial Sites	To promote habitat enhancement of brownfield sites	6.1	Prepare and implement a Vacant and Derelict Land Strategy which integrates biodiversity measures in the Strategy	Implementation of Strategy.	NAC	
		6.2	Seek opportunities for reuse of stalled development sites for wildlife benefit through Central Scotland Green Network Projects	Identify opportunities through Ayrshire Green Network for pilot project site and deliver projects.	AGN	
		6.3	Prepare and adopt Supplementary	Adoption of guidance that includes biodiversity enhancement.	NAC	SNH

			Guidance on Open Space and Green Networks			
Urban and Rural Path Networks	To improve the biodiversity value of the Core Path network and contribute to the delivery of the Central Scotland Green Network (CSGN).	7.1	Implement a range of habitat and biodiversity improvements across the Core Path network	Work with partners to identify priority areas and recommendations for improvement to inform funding applications for implementation. Implement improvements through Intermediate Labour Market training programmes in partnership with local communities. Deliver training to build capacity and skills to enable community implementation of improvements.	NAC	FCS, SNH, Sustrans, LEADER and NAOAF
Urban greenspace	To improve the biodiversity and conservation value of greenspace and contribute to the delivery of the CSGN.	8.1	Provide support to community based conservation projects at strategic sites across North Ayrshire	Provide support to local biodiversity and conservation organisations Review and implement the Conservation Management Plan for Spier's School (See Appendix 1). Organise and participate in Bio Events across North Ayrshire	NAC	All

APPENDIX 1

Eglinton
Country Park

IRVINE

1:20,000

2.1 - WESTERN GAILES SSSI

Pipe Lines

Path

Pipe Line

Caravan Park

Broadhow Burn

Golf Course

MARINE DRIVE

Dunes

Mean High Water Springs

Mean Low Water Springs

Sand

Path

Gailes

Wildlife Reserve

SHEWALTON ROAD

Cemetery

11m

11m

Three Stanes Roundabout

Sport and Leisure Centre

Car Park

Hotel

9m

Club House

GAILES ROAD

Car Park

9m

Gailes

Path

Ppg Sta

Track

Golf Course

Track

8m

LC

Nature Reserve

8m

Track

8m

Path

8m

Club House

The Cottage

Montgomerie Burn

Dundonald (Loch Lomond) Golf Course

8m

Dundonald (Loch L Golf Cours

ay

Sand

MLW

Western Gailes Golf Course

1:10,000

Reproduced from the Ordnance Survey map with the permission of the controller
of Her Majesty's Stationery Office © Crown Copyright Licence No: 100023393

Produced by the Technical Section
Strategic Planning & Infrastructure

233

Auchenharvie
Academy

Moor

Playing Field

SALTCOATS ROAD

AILS

MUIR DRIVE

HILLSIDE STREET

6m

6m

Auchenharvie Park
Golf Course

Club
House

6m

MOORPARK ROAD WEST

Path

Path

Sandylands

GEO

NTL

Caravan Park

Saltcoats Campbell

FB

FB

U
FB

Path

Beach Park

Tidal Pond

Path

Path

Path

FB

East Shore

Dunes

Car Pa

Sand

Mean High Water Springs

Tidal Pond

Mean Low Water Springs

**2.6 - STEVENSTON BEACH
LOCAL NATURE RESERVE**

1:5,000

2.7 - GARNOCK VALLEY FUTURESCAPE

TROON to ◀▬▶ Larne   2 hrs
(summer only)

1:150,000

Produced by the Technical Section
Strategic Planning & Infrastructure

2.8 - RSPB BOGSIDE RESERVE

Golf Course

13m

Crooky's
Point

Salmon's
Hill

Cadgers
Racecourse
(disused)

Cycle Path

Cycle Path

Queen's
Bridge

Mud

Mud

Towns
Moor

Path

Pol Sta

Burns
Statue

Weir
Overflow

SI

NTL

Running
Track

Playing
Field

Pavilion

Gallows Knowes

MARRESS ROAD

WATERSIDE

FB

FB

ANNFIELD

CASTLE

Low
Green

WEST ROAD

MLWS

Mud

MHWS

Football
Ground

COCHRANE STREET

CHURCH ST

PW

PW

Marress
Rbt

LOW GREEN ROAD

El
Sub Sta

PW

Govt
Offs

Coun
Offs

Car
Park

NEW STREET

FULLARTON ST

A737

4m

MLWS

gside Flats

1:5,000

1m

Produced by the Technical Section
Strategic Planning & Infrastructure

Drain

106m
B777

Hall

WARDROP STREET

111m

ROWAN STREET

MONTGOMERY AVENUE

LARCH TERRACE

Drain

Netherhill

B706

Geilsland
School

PW
(Private)

BARRMILL ROAD

GLEBE RD

102m

A737

GEILSLAND ROAD

Playing Field

Path

Path

Paths

Tk

BARRMILL ROAD

94m

Track

Issues

Powgree Burn

Playing Field

1:4,000

Craighouse

NORTH AYRSHIRE COUNCIL

Agenda Item 13

24 March 2015

Cabinet

Subject:	General Services Revenue Estimates 2015/16: Update
Purpose:	To update Cabinet on the General Services Revenue Budget for 2015/16.
Recommendation:	That the Cabinet agrees to (a) note the 2015/16 General Services matrix outlined at Appendix 1; and (b) note the Non Domestic Rates poundage for 2015/16 .

1. Introduction

1.1 At its meeting on 9 December 2014, the Council approved a General Services Revenue budget of £320.330m.

1.2 At that time the detailed analysis of the budget by service and expenditure type was not available due to the requirement to allocate the efficiencies and pressures approved at that time over the services.

1.3 This report presents the General Services Revenue budget for 2015/16 by service and by expenditure type.

2. Current Position

2.1 The Codes of Financial Practice outline categories of service delivery, known as the Objective Analysis, and categories of expenditure type, known as the Subjective Analysis. Cabinet is asked to consider a budget matrix each year that presents the revenue budget for the year by objective and subjective analysis.

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

2.3 From 2015/16 Social Services will be delegated to the Integrated Joint Board with appropriate reporting throughout the year to North Ayrshire Council.

2.4 The non-domestic rate poundage for 2015/16 has been set by the Scottish Government at 48.0 pence (47.1 pence in 2014/15) with a large business supplement of 1.3 pence in the pound for properties with a rateable value over £35,000. The small business bonus scheme thresholds remains the same as 2014/15. Rates collected locally will contribute to the national non-domestic rates pool, from which North Ayrshire will receive £44.386m in 2015/16.

2.5 The Business Rates Incentivisation Scheme aims to incentivise councils to grow their local tax base. Local authorities are allowed to retain 50% of the rates income over the agreed target. Local authorities which do not meet their target will continue to be compensated up to the level of their non domestic rate distributable. The provisional target for North Ayrshire is growth of 1.3 %. At this stage the Council anticipates collecting domestic rate income in line with the target which has been set. The Council will, however, endeavour to exceed this, bringing additional resources into the Council.

3. Proposals

3.1 That the Cabinet agrees to (a) note the 2015/16 General Services matrix outlined at Appendix 1; and (b) note the Non Domestic Rates poundage for 2015/16 .

4. Implications

Financial Implications

4.1 Any significant variations in planned expenditure from the matrices attached in the appendix must receive Cabinet approval.

Human Resource Implications

4.2 There are no direct human resource implications as a result of this report.

Legal Implications

4.3 There are no direct legal implications as a result of this report.

Equality Implications

4.4 There are no direct equality implications as a result of this report.

Environmental Implications

4.5 There are no direct environmental implications as a result of this report.

Implications for Key Priorities
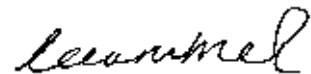
4.6   The proposals contained in this report will support the strategic aims of the Council.

5.   Consultations

5.1   The 2015/16 budget matrix reflects the decisions taken by the Council at its meeting on 9 December 2014.

5.2   All Services have been consulted on the proposals contained within this report.

6.   Conclusion

6.1   The Cabinet is asked to agree to note the 2015/16 base budget analysed by service and expenditure type.

LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :
For further information please contact Margaret Hogg, Senior Manager (Financial Management) on 01294 324551

Background Papers
0

DIRECTORATE	NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2015/16 SUMMARY BY DIRECTORATE SUBJECTIVE ANALYSIS									
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
CHIEF EXECUTIVE SERVICE	3,386	7	115	15	859	517	0	3	0	(880)	4,022
FINANCE & CORPORATE SUPPORT	12,798	1	952	44	846	1,453	63,000	20	0	(55,412)	23,702
EDUCATION & YOUTH EMPLOYMENT	80,106	345	14,553	185	1,140	7,290	580	0	0	(1,284)	102,915
HEALTH & SOCIAL CARE PARTNERSHIP	40,313	505	1,897	525	1,362	53,280	2,072	103	0	(16,843)	83,214
PLACE	40,437	16,813	11,299	8,544	2,804	17,337	100	372	110	(37,720)	60,096
ECONOMY & COMMUNITIES	11,705	203	1,095	152	339	10,597	0	2	0	(1,914)	22,179
OTHER CORPORATE ITEMS	1,852	580	340	387	876	3,890	0	12,670	19,444	(2,205)	37,834
TOTAL EXPENDITURE	190,597	18,454	30,251	9,852	8,226	94,364	65,752	13,170	19,554	(116,258)	333,962

FUNDED BY:

AEF	0	0	0	0	0	0	0	0	0	(275,497)	(275,497)
COUNCIL TAX	0	0	0	0	0	0	0	0	0	(58,465)	(58,465)
TOTAL FUNDING	0	0	0	0	0	0	0	0	0	(333,962)	(333,962)

OBJECTIVE ANALYSIS	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
				NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2015/16							
				CHIEF EXECUTIVE SERVICE							
				SUBJECTIVE ANALYSIS							
LEGAL	1,025	0	42	8	57	0	0	0	0	(690)	442
POLICY, PERFORMANCE & COMMUNITY PLANNING	1,049	0	25	4	27	196	0	0	0	(72)	1,229
COMMUNICATIONS	425	0	6	1	18	10	0	0	0	0	460
COMMITTEE & MEMBER SERVICES	536	6	41	1	751	311	0	3	0	(94)	1,555
CHANGE PROGRAMME	269	0	1	0	3	0	0	0	0	(24)	249
CIVIL CONTINGENCIES	82	1	0	1	3	0	0	0	0	0	87
TOTAL	3,386	7	115	15	859	517	0	3	0	(880)	4,022

OBJECTIVE ANALYSIS	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
					NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2015/16						
					FINANCE & CORPORATE SUPPORT						
					SUBJECTIVE ANALYSIS						
DIRECTOR & HEADS OF SERVICE	332	0	4	2	5	0	0	16	0	(281)	78
FINANCIAL MANAGEMENT	2,069	0	48	1	11	3	0	0	0	(249)	1,883
REVENUES & BENEFITS	2,034	0	133	6	433	1,054	62,729	0	0	(52,343)	14,046
AUDIT & RISK	549	0	5	3	3	0	0	0	0	(80)	480
CORPORATE PROCUREMENT	555	0	12	1	6	88	0	0	0	(224)	438
HUMAN RESOURCES	1,454	0	99	5	178	268	0	1	0	(385)	1,620
ICT	2,361	1	498	18	25	10	0	0	0	(1,093)	1,820
CUSTOMER SERVICES & REGISTRATION	1,511	0	131	8	58	30	271	2	0	(529)	1,482
BUSINESS SUPPORT	1,933	0	22	0	127	0	0	1	0	(228)	1,855
TOTAL	**12,798**	**1**	**952**	**44**	**846**	**1,453**	**63,000**	**20**	**0**	**(55,412)**	**23,702**

OBJECTIVE ANALYSIS	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
EARLY YEARS	7,677	17	282	16	119	2,115	0	0	0	(30)	**10,196**
PRIMARY EDUCATION	31,572	65	1,861	36	486	218	0	0	0	(67)	**34,171**
SECONDARY EDUCATION	33,896	61	11,987	72	345	1,322	0	0	0	(198)	**47,485**
ADDITIONAL SUPPORT NEEDS	3,571	2	70	30	30	2,769	0	0	0	(300)	**6,172**
EDUCATION - OTHER	3,390	200	353	31	160	866	580	0	0	(689)	**4,891**
TOTAL	**80,106**	**345**	**14,553**	**185**	**1,140**	**7,290**	**580**	**0**	**0**	**(1,284)**	**102,915**

NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2015/16

EDUCATION & YOUTH EMPLOYMENT

SUBJECTIVE ANALYSIS

OBJECTIVE ANALYSIS	NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2015/16 HEALTH & SOCIAL CARE PARTNERSHIP SUBJECTIVE ANALYSIS										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
MANAGEMENT & SUPPORT	4,913	16	408	31	482	543	0	4	0	(318)	6,079
CHILDREN AND FAMILIES	11,645	314	389	249	255	10,517	144	55	0	(159)	23,409
OLDER PEOPLE'S SERVICES	16,441	4	301	123	110	23,958	462	0	0	(5,709)	35,690
INDEPENDENT SERVICES	656	0	613	18	24	2,032	1,008	8	0	(273)	4,086
LEARNING DISABILITIES	2,154	16	82	17	17	12,725	438	1	0	(4,236)	11,214
MENTAL HEALTH NEEDS	660	0	2	16	3	2,378	18	0	0	(1,267)	1,810
CRIMINAL JUSTICE	2,871	155	61	49	430	1,043	1	0	0	(4,745)	(135)
ADDICTION SERVICES	696	0	2	7	0	0	1	0	0	(125)	581
CHANGE	0	0	0	0	0	0	0	0	0	0	0
CHANGING CHILDREN'S SERVICES FUND	277	0	39	15	41	84	0	35	0	(11)	480
TOTAL	40,313	505	1,897	525	1,362	53,280	2,072	103	0	(16,843)	83,214

OBJECTIVE ANALYSIS	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2015/16											
PLACE											
SUBJECTIVE ANALYSIS											
DIRECTOR & HEADS OF SERVICE	239	0	0	0	0	0	0	0	0	0	**239**
PHYSICAL ENVIRONMENT											
PROPERTY MANAGEMENT & INVESTMENT	2,455	0	66	32	26	547	0	0	0	(995)	**2,131**
HOUSING ASSETS & INVESTMENT	1,433	220	82	57	527	82	0	0	0	(2,402)	**(1)**
PROPERTY RUNNING COSTS	0	10,339	17	0	134	37	0	3	0	(2,315)	**8,215**
PROPERTY MAINTENANCE	0	3,181	0	0	0	1,702	0	0	0	(8)	**4,875**
ROADS	3,564	31	2,317	66	181	2,259	0	17	0	(1,559)	**6,876**
STREETSCENE	5,462	617	605	140	58	318	0	2	0	(2,267)	**4,935**
OTHER HOUSING	3,279	1,352	99	65	132	3,987	100	270	0	(2,342)	**6,942**
COMMERCIAL SERVICES											
MANAGEMENT AND ADMIN	508	0	68	11	37	0	0	1	0	0	**625**
INTERNAL TRANSPORT	1,135	26	132	6,653	18	2,494	0	2	0	(1,849)	**8,611**
WASTE SERVICES	4,183	0	725	148	857	4,478	0	57	0	(3,533)	**6,915**
FACILITIES MANAGEMENT	9,495	617	2,615	23	101	20	0	20	0	(2,771)	**10,120**
BUILDING SERVICES	8,684	430	4,573	1,349	733	1,413	0	0	110	(17,679)	**(387)**
TOTAL	**40,437**	**16,813**	**11,299**	**8,544**	**2,804**	**17,337**	**100**	**372**	**110**	**(37,720)**	**60,096**

OBJECTIVE ANALYSIS	NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2015/16 ECONOMY & COMMUNITIES SUBJECTIVE ANALYSIS										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
MANAGEMENT	368	0	0	2	0	0	0	0	0	0	370
ECONOMIC GROWTH											**0**
PLANNING & PROTECTIVE SERVICES	2,599	0	176	56	72	307	0	1	0	(1,206)	2,005
ECONOMIC DEVELOPMENT	2,261	1	39	22	46	5,833	0	1	0	(13)	8,190
CONNECTED COMMUNITIES	6,477	202	880	72	221	4,457	0	0	0	(695)	11,614
TOTAL	**11,705**	**203**	**1,095**	**152**	**339**	**10,597**	**0**	**2**	**0**	**(1,914)**	**22,179**

OBJECTIVE ANALYSIS	NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2015/16 OTHER CORPORATE ITEMS SUBJECTIVE ANALYSIS										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
JOINT BOARDS	0	0	0	0	0	3,540	0	0	0	0	3,540
PENSION COSTS	1,816	0	0	0	0	0	0	0	0	0	1,816
LOAN CHARGES AND CAPITAL CHARGES	0	0	0	0	0	0	0	0	19,444	(57)	19,387
CENTRAL TELEPHONES	0	0	2	0	87	0	0	0	0	(6)	83
OTHER CORPORATE ITEMS	0	0	338	0	0	0	0	0	0	0	338
INSURANCE ACCOUNT	36	580	0	387	789	350	0	0	0	(2,142)	0
FUNDS TO BE ALLOCATED	0	0	0	0	0	0	0	12,670	0	0	12,670
TOTAL	1,852	580	340	387	876	3,890	0	12,670	19,444	(2,205)	37,834

NORTH AYRSHIRE COUNCIL

Agenda Item 14

24 March 2015

Cabinet

Subject:	**Strategic Risk Register 2015/2016**
Purpose:	To ensure Elected Members are aware of the key strategic risks facing the Council.
Recommendation:	That the Cabinet agrees to note the Strategic Risks for the Council contained in Appendix 1 to the report.

1.   **Introduction**

1.1   North Ayrshire Council is committed to ensuring that it responds to and manages the risks impacting on the authority.   The Council recognises that a certain amount of risk is inevitable if the organisation is to achieve its objectives.   A Risk Management Strategy has been established to support Services in managing these risks ensuring that they are 'risk aware' rather than 'risk averse' and are able to identify opportunities that can enhance Service provision.

1.2   The Strategy provides a framework through which a consistent approach to the management of risk can be maintained.   The framework is embedded within the Service Planning and Budgeting process and allows Services, and the Council, to identify the significant risks impacting on the authority.

1.3   The most significant risks are identified through the Council's Strategic Risk Register.   The register identifies the Council's top risks, recognising the challenges facing the authority and demonstrating the arrangements in place to manage these risks.   The register forms part of a larger governance process with additional risks and issues identified through Service Plans, Audit Reports and Project Plans.

1.4   The aim of risk management is to reduce the likelihood and/or impact of risk by identifying and controlling risks to the Authority.   If risk is to be managed appropriately, and Services are aware of these risks, risk management can contribute positively towards the organisation's decision making processes, making the Council more innovative and effective in its approach to service delivery.

2.   Current Position

2.1   In line with the Risk Management Strategy, the Strategic Risk Register has been reviewed. For each of the risks detailed within the register a number of components are identified:

- current status (high/medium/low) and the risk score;
- senior officer(s) with lead responsibility for the risk;
- potential effect on the Council's priorities; and
- internal controls currently in place.

2.2   To assist in the assessment of each risk a risk matrix was used to ensure consistency across the Council. A copy of the matrix is included within Appendix 1.

2.3   The Strategic Risk Register is also attached at Appendix 1. The register has been reviewed by the Corporate Management Team with 6 Strategic Risks identified. The top risks for the Council relate to:

- Financial Environment (risk score 18); and
- Inequalities (risk score 18).

2.4   Since 2014/15, no new strategic risks have been identified. The previous risks relating to economic inequalities and health inequalities have been combined into a single risk following the review; these will now form strategic risk 'inequalities'.

2.5   The 'Information Governance' risk score has been decreased from 15 to 8 due to the additional controls put in place during 2014/15 and so it no longer features on the Strategic Risk Register for 2015/16.

2.6   The 'Sustainability, Energy and Waste Management' risk, which scored 9, no longer features on the Strategic Risk Register but remains a directorate risk for Place.

2.7   Council services have identified actions within their draft directorate plans for 2015/18 to help the Council mitigate against its strategic risks. Once the directorate plans have been approved by Cabinet, these actions will be linked to the strategic risks to assist with performance monitoring.

2.8   The Council's Internal Audit Plan 2015/16, which was approved by the Audit Committee on 16th February 2015, is risk-based and clear links are in place between the audit plan and the key risks the Council faces.

3. Proposals

3.1 That the Cabinet agrees to note the Strategic Risks for the Council contained in Appendix 1 to the report.

4. Implications

Financial Implications

4.1 None.

Human Resource Implications

4.2 None.

Legal Implications

4.3 None.

Equality Implications

4.4 None.

Environmental Implications

4.5 None.

Implications for Key Priorities
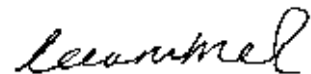
4.6 A successful risk management framework helps to underpin the delivery of the Council's strategic priorities in the Council Plan 2015-2020.

5. Consultations

5.1 The Strategic Risk Register has been produced in consultation with individual 'risk owners' and the Corporate Management Team.

6.   Conclusion

6.1   The Strategic Risk Register for 2015/16 identifies the key strategic risks and demonstrates the Council's commitment to the effective management of risk within the authority.

6.2   The risk management framework is embedded within the Directorate Planning and Budgeting Process ensuring that the management of risk is applied consistently across the authority.

Leanmel

LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :
For further information please contact Paul Doak, Senior Manager (Internal Audit, Risk and Performance) on 01294-324561.

Background Papers

None.

Strategic Risk Register 2015/16
Executive Summary

The Strategic Risk Register forms part of the Council's overall governance arrangements and contributes to the successful achievement of the Council's key priorities.

The Corporate Risk Management Group met on 2nd February to review the risk register and to ensure it still reflects the key challenges facing the authority. The Council's Risk Manager has also been involved in a benchmarking exercise with other local authorities across Scotland.

The Register identifies 6 Strategic Risks, with the table below summarising the assessments made for 2015/16 in comparison with the previous year:

2015/16:

Evaluation:	Low	Medium	High	Total
No. of Risks:	0	0	6	6

2014/15:

Evaluation:	Low	Medium	High	Total
No. of Risks:	0	1	8	9

The previous risks in relation to economic inequalities and health inequalities have been combined into one risk following the review. These will now form Strategic Risk 'Inequalities'.

The score for the risk 'Information Governance' has been reduced from 15 to 8 as a result of actions and controls implemented throughout 2014/15; as a consequence this risk no longer appears on the Strategic Risk Register. A new Information Governance team was created which has established a Council-wide group to drive the Information Governance strategy and also to provide support across all Council Services. In addition, the new team has also provided training across the Council to all Senior Information Risk Owners and Information Asset Owners to ensure they are fully aware of their roles in managing information.

The risk 'Sustainability, Energy and Waste Management' has been scored as 9 and also no longer appears on the Strategic Risk Register. This risk still appears within the 'Place' directorate plan for 2015/16 as a directorate risk.

The Strategic Risk Register is attached with the top risks of the Council relating to:

- Financial Environment (risk score 18); and
- Inequalities (18).

A summary of the key risks is outlined below:

<u>Financial Environment</u>

The risk is that due to the anticipated continuation of austerity the Council will be required to take increasingly difficult and challenging decisions, potentially operating with increasing levels of risk.

Government funding has been reducing since 2010/11 with indications that the resources available for service delivery will continue to diminish for the foreseeable future. This, together with the demographic pressures, in particular that of an ageing population, impacts on the ability of services to meet need with resources.

<u>Inequalities</u>

The risk to the Council is that residents of North Ayrshire will continue to experience an increase in the level of unemployment and number receiving key benefits. North Ayrshire residents also have persistently poorer health compared to Scotland as a whole and the gap is increasing.

Ongoing welfare reforms will exacerbate local needs placing greater demands upon Council Services at a time when budgets are under significant pressure. A focus on economic regeneration and effective targeting of resources is essential to maximise opportunity and minimise the impact of the current economic climate on our communities.

There are also significant differences in the health of people living in the wealthier parts of North Ayrshire compared to its more deprived areas. Life expectancy in the most deprived areas is 15 years less than the more affluent communities. Health inequality is closely linked to poverty, employment and people's earliest experiences as children. Drug and alcohol misuse is also a major factor.

This risk is very broad and ownership will be assigned based on the actions identified within Directorate Plans to the relevant Executive Director.

Review of the Strategic Risk Register

The actions identified in Service Plans to help mitigate the strategic risks will form the Council's Risk Management Mid-year report, which will be submitted to the Corporate Management Team in November 2015.

THE RISK MATRIX

Services will identify risks through a variety of means:

- Strategic Risks identified through the Corporate Management Team;
- Assurance and Improvement Plans;
- Service Plans;
- Risks identified through the Community Planning Partnership;
- Risks identified through Internal or External Audits;
- Risks identified through the Council's Change Programme;
- Risks associated with projects;
- Service delivery.

Once a risk is identified, the risk matrix allows the level of risk to be quantified by considering the likelihood and impact of the risk occurring. The assessment results in a prioritised list of risks, ensuring that limited resources can be allocated to those areas of greatest risk.

When considering the likelihood and impact Services must be able to demonstrate that the assessments undertaken can be justified and the priority allocated, reasonable. The purpose of the risk matrix is to ensure that assessments undertaken are consistent across Services.

As shown in the matrix below, Impact x Likelihood produces a risk rating.

Likelihood		1 Negligible	2 Marginal	3 Critical	4 Catastrophic
	6 very high	6	12	18	24
	5 High	5	10	15	20
	4 significant	4	8	12	16
	3 Low	3	6	9	12
	2 Very Low	2	4	6	8
	1 Almost Impossible	1	2	3	4

Impact
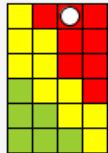
The scoring assessment provides an indication of the level of risk and identifies those risks where further review of the controls in place should be undertaken.

Green: There is confidence that the risk is being adequately managed and does not present a significant threat to the authority.

Yellow: There is uncertainty over the threat presented and additional consideration of the risk should be undertaken to determine any additional controls required.

Red: A significant level of risk exists and, where possible, additional controls should be established to minimise the likelihood and/or the impact of the risk occurring.

3
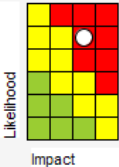
Title	Financial Environment				Current Risk Matrix
Risk Background	The risk is that due to the anticipated continuation of austerity the Council will be required to take increasingly difficult and challenging decisions, potentially operating with increasing levels of risk. Government funding has been reducing since 2010/11 with indications that the resources available for service delivery will continue to diminish for the foreseeable future. This, together with the demographic pressures, in particular that of an ageing population, impacts on the ability of services to meet need with resources. The Smith Commission, review of local government finance and the implementation of the Scotland Act (2012) contribute to future uncertainty. Elections are taking place in each of the next three years. This creates further uncertainty around government priorities, the longer term national financial plan and the availability of funding for local government.				
Risk Status	High Risk	Risk Traffic Light	🔴	Current Risk Score 18	Assigned To
Potential Effect	Reduced funding means that there will be a reduction in delivery of some service areas potentially resulting in higher risks for service users.				Laura Friel; Lesley Aird
Internal Controls	The Council continues to be proactive in responding to the financial challenge. Outcome Based Budgeting (OBB) provides a framework within which budget decisions can be taken in line with key priorities and will inform the Council's transformation programme. Robust monitoring of the Council's revenue and capital budgets. Regular refresh of the Council's long term Financial Strategy for both capital and revenue up to 2022/23. The Council agreed a balanced three year budget for 2015/16 to 2017/18. This three year budget allows for greater financial security and stability. It provides an opportunity for longer term service redesign plans to be implemented.			Risk Next Review Date	30/09/15

4
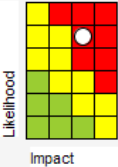
Title	Inequalities			Current Risk Matrix
Risk Background	The risk to the Council is that residents of North Ayrshire will continue to experience an increase in the level of unemployment and number receiving key benefits. North Ayrshire residents also have persistently poorer health compared to Scotland as a whole and the gap is increasing. Inequality in the local area may continue to increase unless the Council takes action, however this must be managed effectively due to the increase in demand for Council Services which may occur. Ongoing welfare reforms will exacerbate local needs placing greater demands upon Council Services at a time when budgets are under significant pressure. A focus on economic regeneration and effective targeting of resources is essential to maximise opportunity and minimise the impact of the current economic climate on our communities. There are also significant differences in the health of people living in the wealthier parts of North Ayrshire compared to its more deprived areas. Life expectancy in the most deprived areas is 15 years less than the more affluent communities. Health inequality is closely linked to poverty, employment and people's earliest experiences as children. Drug and alcohol misuse is also a major factor.			
Risk Status	High Risk	**Risk Traffic Light** 🔶	**Current Risk Score** 18	**Assigned To**
Potential Effect	Failure to address the current challenges will result in increased levels of deprivation, reduced health and wellbeing of our communities and higher demand for Council Services. Inequalities at an early age will impact adversely on children's social and emotional development, affecting their overall life chances. Children living in poverty and with poor health are more likely to require crisis interventions and have lower levels of educational attainment and achievement. Adults affected by drug and alcohol misuse and by chronic health problems are less likely to sustain employment and it is more likely that they will require support to ensure their own and their children's safety and wellbeing. Older people affected by long term health conditions are more likely to require service provision earlier, have a greater incidence of hospital admission and require long term care at a younger age.			Karen Yeomans; Iona Colvin; John Butcher
Internal Controls	The Council is currently engaged in pilot case study work led by Scottish Enterprise entitled 'Economic Geography' which is intended to bring together the relevant stakeholders to consider how North Ayrshire's physical and skills assets can be better utilised to reduce inequality. The outputs of this project work are expected in Spring 2015 and are anticipated to include a range of recommended interventions to improve economic activity levels and reduce our inequality gaps.		**Risk Next Review Date**	30/09/15

	The Council is committed to continued development of Team North Ayrshire and the Economic Development and Regeneration Strategy will continue to be a driver to mitigate this risk.

The Council is actively engaged in the development of an inter-agency network of family support workers, in partnership with Health, Education and Housing Services, to work directly with vulnerable families to improve early childhood experiences. A multi-agency domestic abuse team was established to offer an early response to domestic violence, including support for victims and children and prosecution of offenders. The Council is developing an evidence-based approach to prevention and early intervention. | | |
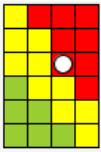
Title	**Welfare Reform**			**Current Risk Matrix**
Risk **Background**	There is a risk of inadequate resources to address the impacts of the Welfare Reform Act. The UK Government's Welfare Reform Act 2012 aims to improve work incentives, simplify the benefits system and reduce administration costs and the overall cost of welfare benefit. The Act contains a range of welfare reforms that are having significant consequences for all benefit claimants and for the delivery of Council Services. The introduction of Universal Credit in April 2015 poses a significant change to the way the Council manages benefit payments.			
Risk Status	High Risk	**Risk Traffic Light** 🔶	**Current Risk Score** 15	**Assigned To**
Potential Effect	The introduction of spare room subsidy, benefit cap, the Scottish Welfare Fund, the council tax reduction scheme and personal independence payments are all being managed effectively. The number of enquiries received by Council Services such as Social Services, Housing and Customer Services has increased due to claimants receiving less benefit. Rental income to the Council has been adversely affected, the levels of personal debt have gone up and the levels of homeless applications have increased. The Council's properties do not meet the DWP definition of supported accommodation, meaning they are not exempt from the under-occupation charge and creating challenges around service provision. The capacity to move benefit claimants into jobs in the current economic climate, including a reducing public sector is challenging. Welfare reforms have exacerbated local needs placing greater demands upon Council Services at a time when budgets are under significant pressure.			Lesley Aird; Stephen Humphries
Internal Controls	The Council's cross service Welfare Reform Working Group meets monthly with a remit to identify, co-ordinate and respond to the implications of the reforms, keeping Members and the CMT updated. The group also contains representatives from Jobcentre Plus. The Council's Welfare Reform Action Plan, outlines the key issues to be addressed and is being progressed. Specific actions have been identified around mitigation of those reforms that have been introduced in 2013, employability related issues and the implementation plan for Universal Credit, which will be implemented from April 2015.		**Risk Next Review Date**	30/09/15

7

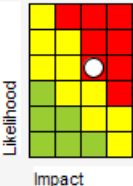| Transition to an Integrated Health and Social Care Service			

Title	**Transition to an Integrated Health and Social Care Service**		Current Risk Matrix
Risk **Background**	The risk is the failure of the Council, and its partner organisations, to achieve the objective of creating an effective, working Health & Social Care Partnership for North Ayrshire. From April 2015 all services currently managed within Social Services & Health will become the operational responsibility of the North Ayrshire Health & Social Care Partnership. This will entail a major change in the way that the Council works in partnership with NHS Ayrshire & Arran and other stakeholders and will have to be achieved at a time when demand is rising and resources are diminishing. Differences in culture, historic structures, priorities and systems will require to be addressed in order for the Health and Social Care Partnership to achieve significant improvements for service users and patients. The development of new integrated teams will require additional HR support and resources placing additional pressure on the existing resources to deliver support for integration and business as usual. The introduction of pooled budgets with Health presents a risk to the Council in terms of the ability to ensure financial discipline within the new Partnership and the potential burden of additional demographic/demand related costs.		

Risk Status	High Risk	**Risk Traffic Light** 🔴	**Current Risk Score**	15	**Assigned To**

			Iona Colvin; Janine Hunt; Lesley Aird
Potential Effect	A focus on the establishment of the partnership could result in a loss of focus on service quality and a reduction in performance with adverse impacts on patients, service users and carers. Compromises could be made in order to achieve agreement among partners that might not be the optimal decisions for service users and patients. A perceived failure to achieve an effective and efficient transition will result in negative publicity and adverse scrutiny of the authority and its partners. There is a potential adverse impact of integration on other Council Services and the maintenance of partnership working across existing Council Services. The demand for corporate services to support the new Health and Social Care Partnership may put additional pressure on corporate support teams which could lead to diminution of services or additional resource pressures.		

Internal Controls	The Shadow Integration Board has successfully steered the project plan. The Integration Scheme has been approved and submitted to the Scottish Government. The Strategic Plan for the partnership is subject to consultation and will be ready for the first meeting of the Integration Joint Board in April. The SIB has been meeting monthly and monitoring and mitigating any significant risks. Key staff from Finance and Corporate Services are involved in the planning and implementation for the new Partnership.	**Risk Next Review Date**	30/09/15

| | The SMT for the partnership has been established and Third Tier Management arrangements are being developed and will be implemented early in the new financial year. Work is underway to establish business processes including shared risk management.

Work will continue during 2015/16 to ensure effective financial stewardship for the Partnership and the Council, facilitate effective communication links and ICT access, support staff and management during the change process and deliver continued effective support services to the new Partnership once the Integration Joint Board has been formed. | | 263 |

Title	Strategic Workforce Issues				Current Risk Matrix
Risk **Background**	This risk relates to the on-going workforce context of; significant organisational change, pay restraint and budget efficiencies which may impact on employee engagement and the stability of employee relations which further impacts on our capacity to meet service requirements and deliver Council objectives There is an overarching corporate risk that change management activities which are core to the Council's future delivery models and long-term financial sustainability, fail to deliver and potentially disengage employees.				
Risk Status	High Risk	**Risk Traffic Light**	🔶	**Current Risk Score** 12	**Assigned To**
Potential Effect	Any gaps in workforce planning and organisational development arrangements may lead to difficulties in having a workforce with the appropriate knowledge, engagement levels and skills to meet service demand and achieve desired outcomes. It will further impact on the Council's ability to continue to deliver change, meet Council objectives and achieve the required efficiencies.				Laura Friel; Gavin Macgregor
Internal Controls	Continuing focus on implementing Organisational Development interventions through a new People Strategy which supports the Council's transformation, improves effectiveness and capability as well as develops an organisational culture which fosters involvement, engagement and high performance. Development of a corporate, co-ordinated approach to transformational change through the establishment of the Transformation Board. Mechanisms for consultation and engagement with Trades Unions have been reviewed to enable open dialogue with unions and elected members on key strategic workforce issues. Key strategic organisational change issues are developed through regular leadership team conferences. Better integration of workforce planning within the Service Planning and Budgeting Process allows early engagement with the workforce and trade unions where service redesign may impact upon workforce numbers. Ensuring that the Redeployment and VER programmes support service redesign and help manage workforce change.			**Risk Next Review Date**	30/09/15

Community Capacity Building and Empowerment

Title	Community Capacity Building and Empowerment			Current Risk Matrix
Risk **Background**	The risk facing the authority is that the community benefits expected from the implementation of the Community Empowerment (Scotland) Bill will not be developed as expected. Varying levels of support are required to empower community groups and organisations across the authority to achieve their aspirations. This support is being identified and resourced within the Council and the Community Planning Partnership. The development of community capacity and appropriate support mechanisms to allow local communities to determine their own objectives and have their voices heard in the planning and delivery of services is a key priority of North Ayrshire Council. The ability of communities and organisations to do this varies and the Council is committed to providing the appropriate support, according to local need, to ensure that communities are able to achieve their potential in this challenging economic climate.			
Risk Status	High Risk	**Risk Traffic Light** ⚠	**Current Risk Score** 12	**Assigned To**
Potential Effect	Where the risk is not managed effectively the potential benefits of community capacity building and empowerment may be lost. There remains a potential disconnect between those communities where levels of capacity and engagement with the empowerment agenda are high and those with less social capital where interest remains low. This could widen the gap between communities with the ability to influence the planning and delivery of more responsive services and those communities who do not. The potential also exists for a disconnect between what the Council wishes to see in terms of communities embracing the opportunities for increasing ownership of assets and what communities themselves feel able and prepared to commit to. In terms of the asset transfer agenda the potential remains for community assets to revert back to Council ownership due to ineffective community engagement/participation and a lack of effective business planning for sustainable use of community assets.			Karen Yeomans; Audrey Sutton
Internal Controls	North Ayrshire Council has made a public commitment to community capacity building and empowerment, through the Community Planning Partnership and through the Economy and Communities service plan. North Ayrshire Council has also identified that the value of continuing to support the community and voluntary sector to develop capacity is central to the well-being of the community and wishes to continue to fund activities which contribute to this. The Council has refined and enhanced its asset	**Risk Next Review Date**		30/09/15

	transfer guidance and support to community groups. In addition, the Council has also introduced new funding support for individuals and communities in relation to developing excellence in arts and culture and sports, whilst reviewing the way in which it awards community development grants and grants to the elderly to ensure that capacity building is a central feature of support to communities and voluntary organisations. It is also anticipated that groups will be supported to make a greater number of successful funding bids to external bodies. Additional resources will be available through ongoing projects with Creative Scotland and Sport Scotland with good practice being shared and promoted. The Community Development Fund is underpinning the ability of community organisations to undertake sustainable projects.	266

NORTH AYRSHIRE COUNCIL

Agenda Item 15

24 March 2015

Cabinet

Subject:	Housing Revenue Account Business Plan Implementation Group: 12th February 2015
Purpose:	To submit the minutes of the meeting of the Housing Revenue Account Business Plan Implementation Group held on 12th February 2015.
Recommendation:	That the Cabinet notes the minutes attached at Appendix 1.

1.   Introduction

1.1   The Housing Revenue Account Business Plan Implementation Group was set up in 2010 and consists of Elected Members, tenant representatives and Council officers from the Physical Environment and Finance Services.

1.2   The remit of the Housing Revenue Account Implementation Group is:

- To make recommendations to the Council's Cabinet and other bodies as appropriate;

- To carry out an annual review and report progress on the Business Plan;

- To assume responsibility for performance monitoring and reporting;

- To advise and provide recommendations on the setting and use of budgets and resources;

- To ensure the appropriate consultation is undertaken at key stages, and

- To agree and drive forward any key priorities identified in relation to the Housing Revenue Account.

2.   Current Position

2.1   The minutes of the meeting of the Housing Revenue Account Business Plan Implementation Group held on 12th February 2015 are attached at Appendix 1.

3.   Proposals

3.1   It is proposed that the Cabinet notes the minutes attached at Appendix 1.

4.   Implications

       Financial Implications

4.1   There are no implications arising from this report.

       Human Resource Implications

4.2   There are no implications arising from this report.

       Legal Implications

4.3   There are no implications arising from this report.

       Equality Implications

4.4   There are no implications arising from this report.

       Environmental and Sustainability Implications

4.5   There are no implications arising from this report.

       Implications for Key Priorities

4.6   There are no implications arising from this report.

       Community Benefit Implications

4.7   There are no implications arising from this report.

5.   Consultations

5.1   None required.

6.   Conclusion

6.1   The attached minutes are submitted for information.

CRAIG HATTON
Executive Director (Place)

Reference : CH/YB
For further information please contact Yvonne Baulk, Head of Physical
Environment on 01294 324542

Background Papers
None

	STATUS REPORT	
NORTH AYRSHIRE	**Business Plan Implementation Group**	

Date: 12th February 2015

Venue: Committee Room: Irvine & Kilwinning and Three Towns,
Cunninghame House, Irvine

Attendees:

Councillor I Clarkson	Elected Member
Councillor A Dickson	Elected Member
Councillor J Easdale	Elected Member
Councillor A Gurney	Elected Member (Chair)
Councillor J Hunter	Elected Member
Councillor C McMillan	Elected Member
Councillor T Marshall	Elected Member
Yvonne Baulk	Physical Environment
Ian Cathcart	Property Management & Investment
Alison Diamond	Property Management & Investment
Trudi Fitzsimmons	Housing Services
Carolyn Hope	Housing Services
Marianne McManus	Housing Services
Tracey Wilson	Housing Services
Keith MacDonald	Financial Management
Natalie Ainslie	Financial Management
Cate Weir	Tenant Representative
Gordon Taylor	Tenant Representative

Apologies:

Councillor J Ferguson	Elected Member
Councillor R McNicol	Elected Member
David Tate	Property Management & Investment
Alex Younger	Tenant Representative

Minuted by: Claire McCartney   Housing Services

Agenda Item	Notes and Actions	Who	Date
1. Welcome	Cllr Gurney opened the meeting by welcoming everyone and asked the members to introduce themselves as this was his first meeting. Apologies were noted.		
2. Minutes of Last Meeting & Matters Arising	The minutes of the previous meeting were approved.(Appendix 1)		

3. 2015/16 Approved HRA Budget	Yvonne Baulk (YB) delivered a presentation on the HRA 2015/16 budget (Appendix 2). YB confirmed that the rent increase for the coming year would be 2.1% following approval by the Council in December 2014. The 2.1% increase will allow for further investment in the Council's housing stock in line with SHQS & EESSH requirements. However, as a result of Option 2 (2.5%) not being chosen the Council will be unable to pursue the purchase of 15 ex local authority properties. YB also took the Group through the Capital Programme for 2015/16. Cllr Clarkson asked how the £4.4 million of revenue expenditure on employee costs compared with previous years. *(Post meeting note: Information sent by CH).* Cllr Clarkson also asked what effect the reduction in Estate Based Projects would have on Building Services and what government grants the Council get. CH advised that Building Services have been fully involved in the budget setting process. CH reminded the Group of the difficulty in spending the Estate Based Projects budget due to new HRA Guidance. YB also advised that Building Services were exploring other areas where there was the potential to increase their income. CH confirmed the government grant that the Council was currently receiving was for Council House Building. Cllr Easdale asked for clarification on the reduction of lifecycles on kitchens and bathrooms. CH confirmed that lifecycles are currently 30 and 40 years respectively, however these are both reducing by 10 years. Cllr Hunter asked how much the 2.1% rent increase equated to in monetary value. *(Post meeting note: Information sent by CH).*		
4. Strategic Housing Investment Plan 2015/2018	Trudi Fitzsimmons (TF) delivered a presentation on the forthcoming projects and developments being undertaken by the Council and its RSL partners in the coming period (Appendix 3). TF highlighted the main locations in North Ayrshire where a shortfall in housing demand is experienced: • North Coast (mainland) 9% • Three Towns 5% • Irvine/Kilwinning 3% • Arran 2% TF confirmed that there is no shortfall in affordable housing in Skelmorlie, Cumbrae or Garnock Valley. TF then showed the group some the new developments recently completed including Montgomery Court in Kilbirnie. TF gave details of existing and new projects for 2015-18. TF advised that all these projects were moving away from bedsit properties and the focus was on creating "21st Century Housing" that was accessible and created communities. Cllr Easdale asked TF to confirm her abbreviations – CHB (Council House Building and RGN (Regeneration).		

	Cllr Marshall asked why the proposed development in West Kilbride was missing from forthcoming projects, TF advised that this project is currently being assessed for viability by the Registered Social Landlord; the development would have appeared on the slippage table but there was currently some doubt over its financial viability and the projects on the table were projects that were ready to start up quickly should more funding become available from the Scottish Government or another project falls out.

Cllr Clarkson asked why the development at Tarryholme was in 2 phases – TF said this was requested by Irvine Housing Association.

Cllr Hunter asked TF if the Stanley Road project on the slippage table was the school site and the Ardrossan Harbour site was the one at the top of Montgomery Street – this was confirmed.

Cllr Dickson said that she felt the Council should be commended on the number of developments on the slippage list as the Council has previously been fortunate in securing additional grant funding which would allow these projects to be progressed quickly.

Cllr Easdale asked about the demolition of Towerlands Primary School and asked if part of it could be used for a community centre. YB advised that funding was being identified for demolition and confirmed that community development were not considering plans for its use as a community centre. | | |
| **5. Welfare Reform Update** | Marianne McManus (MM) took the Group through the current position on Welfare Reform (Appendix 4), the focus being on the acceleration of Universal Credit. This is due to be rolled out in North Ayrshire on 27th April 2015 for new claiming single people under jobseekers allowance.

MM advised the group of the new timescale, the potential impact it may have on the HRA budget and the recommendations of the Smith Commission. She confirmed that NAC have managed to minimise the impact of Welfare Reform and are currently a top performing local authority for rent arrears with a percentage of 3.2%. This is below the Scottish average which is currently 5.1%. However, arrears have been rising and the end of December they totalled £734,297.

MM also confirmed that under universal credit there is no allowance for "rent free weeks" - the Council currently has rent free weeks at Christmas and during the summer. A proposal has been made to charge rent over 52 weeks rather than 48. Initial discussions have taken place with the Tenants Network, however, a wider tenant consultation will be required.

Cllr Hunter asked what percentage of arrears will be written off as bad debt. Keith MacDonald (KM) advised the majority of write offs are from former tenants and if all processes are exhausted for recovery, then a decision is made to write off the debt.

Cllr Easdale asked for confirmation that the Council passed a motion agreeing that there would be no evictions in the first year due to arrears arising as a result of under occupancy – this was confirmed.

Cllr Clarkson asked what would happen if the outcome of the consultation was against 52 week rent charging. YB explained that the change was to align payments with Universal Credit therefore if it wasn't | | |

	aligned, then the tenant may find it difficult to budget their finances. However, no decision could made until the final decisions are made following the Smith Commission. Cllr Clarkson also asked what form this consultation would take – would tenants be contacted individually. It was confirmed that discussions will be held at Tenants Network Groups and information will be circulated in Tenancy Matters, similar to the approach taken when reviewing rent levels annually.		
6. HRA Operational Guidance – Update	Carolyn Hope (CH) delivered a presentation recapping HRA Operational Guidance and updating the Group on the current position (Appendix 5). CH went through the background, the aims of the guidance, the key principles and agreed actions as discussed in May 2014. She then updated the group on the progress made since May 2014. All the actions have been met and a paper has been submitted to the Corporate Management Team providing an overview of the Guidance. CH confirmed that David Tate will have a report on the Non Housing Portfolio ready for submission at the next meeting. Cate Weir (CW) raised concern over the reduction in estate based projects; she was asking if they would continue as she thinks they are beneficial to tenants. Cllr Dickson said that it was a problem having a mix of Council tenants and owner occupiers. She felt this could leave Council tenants at a disadvantage as work could not be carried out due to the mix of tenures. Cllr Easdale asked if Council Tax could be used. YB advised this would result in Council tenants paying twice i.e. via their rent and Council Tax charge and that there is legislation on the use of General Fund monies for HRA purposes.		
7. Sheltered Housing Charges	YB delivered a presentation expanding on the reasons behind the shortfall in the recovery of service charges (Appendix 6). YB explained that there is a historical shortfall in the level of service charges recovered in sheltered housing units. Annually, this equates to in excess of £200,000. HRA Guidance is clear that other rent payers should not bear the burden of this. In order to address this, proposals are being drafted and consultation will take place with tenants. YB confirmed that a final proposal would be presented to Cabinet in December as part of the 2016/17 budget.		
8. Revenue Repairs Improvement Plan	YB delivered a presentation to the Group regarding repairs costs and processes between Housing, Property Management & Investment and Building Services. (Appendix 7). YB advised that repairs costs have increased leading to a potential overspend in the budget. As the 3 services are now in the same directorate it presents a good opportunity to work closely to improve these processes.		

	Gordon Taylor (GT) said he felt that the Council could save money in void properties that were in a good condition by leaving them as they were rather than work being done to return them to Council standard. MM advised that in some cases properties are let as seen; however there are implications on health & safety and gas/electricity regulations all of which have to be checked to ensure they meet the Council's standard. There can also be an increased cost to the Service in maintaining non-standard items if left in the property. YB advised that a review would be carried out to improve the way we manage and implement repairs. Cllr Dickson asked Ian Cathcart (IC) if staff could see if there were multiple jobs in for a property but under different categories so that all repairs can be carried out a one time. IC confirmed that the IT system did allow for this. YB confirmed that Building Services will be looking at this type of information to improve processes and service delivery. Cllr McMillan raised the issue of one of her constituents being left for a period with a fan heater in her property for heating. She asked if there was someone who checked on vulnerable tenants and that they were not left to struggle. YB asked Cllr McMillan to forward her the details of this case.		
9. Future Meeting Schedule & Agenda Items	CH went through proposals for the future of the Business Plan Implementation Group (Appendix 8). A proposal was made to schedule 4 meetings per annum, aligning them to coincide with key dates in the year and agree on topics to be brought forward for discussion when updates were available: • February 2015 • April 2015 • June 2015 • September 2015 CH suggested standard agenda items for each meeting as well as a list of additional agenda items that will be presented to the Group at key stages in the year. Cllr Clarkson asked if an update on CCTV on housing (HRA properties) could be brought to the meeting – it was agreed this could be included for the next meeting. Cllr Easdale raised concern about there being 5 months between the September and February meetings. CH advised that a meeting was usually scheduled a month earlier, however it had been delayed this year. Also, following the September meeting, Officers are working on the budget papers for the December budget timetable therefore there is no update available at this time for the Group. Cllr Gurney asked the group if they agreed with the proposals – this was agreed and he asked they group to contact either Carolyn Hope or Yvonne Baulk if they had any items they wished to be discussed at future meetings.		
4. AOB	None		
5. Next Meeting	Wednesday 22nd April, 2.30pm-4.30pm.		