



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

## North Ayrshire Council

A Special Meeting of the **North Ayrshire Council** will be held in the **Council Chambers, Ground Floor, Cunninghame House, Irvine, KA12 8EE** on **Wednesday, 01 March 2023** at **14:00** to consider the undernoted business.

### **Meeting Arrangements - Hybrid Meetings**

This meeting will be held on a predominantly physical basis but with provision, by prior notification, for remote attendance by Elected Members in accordance with the provisions of the Local Government (Scotland) Act 2003. Where possible, the meeting will be live-streamed and available to view at <https://north-ayrshire.public-i.tv/core/portal/home>.

**1 Apologies**

**2 Declarations of Interest**

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

**3 General Services Revenue Estimates 2023/24 to 2025/26**

Submit report by the Head of Service (Finance) on the Council's revenue spending requirements and anticipated funding for 2023/24 to 2025/26, and the level of reserves and fund balance options to address the funding gap (copy enclosed).

**4 Capital Investment Programme 2023/24 to 2030/31**

Submit report by the Head of Service (Finance) on the Capital Investment Programme from 2023/24 to 2030/31 (copy enclosed).

- 5 Revenue Estimates 2023/24 - Common Good Funds and Trusts**  
Submit report by the Head of Service (finance) on the anticipated annual income and expenditure of the Common Good Funds and Trusts administered by North Ayrshire Council and to seek approval for the level of grant funding to be made available for disbursement in 2023/24 (copy enclosed).
- 6 Treasury Management and Investment Strategy 2023/24**  
Submit report by the Head of Service (Finance) on the proposed Strategy for Treasury Management and Investment activities within the Council for the financial year 2023/24 (copy enclosed).
- 7 Urgent Items**  
Any other items which the Provost considers to be urgent

### **Webcasting**

Please note: this meeting may be filmed/recorded/live-streamed to the Council's internet site and available to view at <https://north-ayrshire.public-i.tv/core/portal/home>, where it will be capable of repeated viewing. At the start of the meeting, the Provost/Chair will confirm if all or part of the meeting is being filmed/recorded/live-streamed.

You should be aware that the Council is a Data Controller under the Data Protection Act 2018. Data collected during the webcast will be retained in accordance with the Council's published policy, including, but not limited to, for the purpose of keeping historical records and making those records available via the Council's internet site.

Generally, the press and public seating areas will not be filmed. However, by entering the Council Chambers, using the press or public seating area or (by invitation) participating remotely in this meeting, you are consenting to being filmed and consenting to the use and storage of those images and sound recordings and any information pertaining to you contained in them for webcasting or training purposes and for the purpose of keeping historical records and making those records available to the public. If you do not wish to participate in a recording, you should leave the meeting. This will constitute your revocation of consent.

If you have any queries regarding this and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact [dataprotectionofficer@north-ayrshire.gov.uk](mailto:dataprotectionofficer@north-ayrshire.gov.uk).

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## North Ayrshire Council Sederunt

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John Bell  
Timothy Billings  
Marie Burns  
Eleanor Collier  
Joe Cullinane  
Scott Davidson  
Anthea Dickson  
Stewart Ferguson  
Todd Ferguson  
Robert Foster  
Scott Gallacher  
John Glover  
Tony Gurney  
Alan Hill  
Cameron Inglis  
Margaret Johnson  
Amanda Kerr  
Christina Larsen  
Shaun Macaulay  
Jean McClung  
Nairn McDonald  
Matthew McLean  
Louise McPhater  
Davina McTiernan  
Tom Marshall  
Jim Montgomerie  
Ian Murdoch  
Donald Reid  
Donald L Reid  
Chloe Robertson  
Ronnie Stalker  
Angela Stephen  
John Sweeney

Chair:

Apologies:

Attending:



**NORTH AYRSHIRE COUNCIL**

**1 March 2023**

**North Ayrshire Council**

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**Title:** **General Services Revenue Estimates 2023/24 to 2025/26**

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**Purpose:** To advise Council on (a) the Council's revenue spending requirements and anticipated funding for 2023/24 to 2025/26; (b) the level of reserves and fund balances held by the Council and (c) options to address the funding gap.

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**Recommendation:** That Council:

- a) notes the anticipated funding available to meet expenditure requirements and notes the financial risk to the Council from not maintaining teacher numbers at the levels outlined in the 2022 Census;
  - b) approves the Council's expenditure requirements for 2023/24 and notes the indicative requirements for 2024/25 and 2025/26;
  - c) notes the projected outturn position for 2022/23 and approves the earmarking of the balance of underspend to provide additional emergency support funding to citizens through the Council's Energy Smart Scheme;
  - d) notes the level of reserves and fund balances held by the Council and approves any use and contributions to and from these, including the proposed investments to support the Child Poverty and Cost-of-Living Board outlined in section 2.5.10 of the report;
  - e) approves the additional contribution to the HSCP noted at 1.9;
  - f) approves efficiencies and savings to ensure a balanced budget for 2023/24, consequential and new proposals in future years;
  - g) approves the schedule of Council fees and charges detailed in Appendix 6;
  - h) determines the level of Council Tax for 2023/24 as noted at 2.3;
  - i) notes the anticipated funding gap for 2024/25 and 2025/26;
  - j) considers the equality and children's rights impact of any proposed service changes;
  - k) notes the feedback from the community engagement sessions to help inform budget plans;
  - l) notes progress to date on the Council's Sustainable Change Programme and corporate Workforce Planning; and
  - m) approves the budget matrix for 2023/24.
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## 1. Executive Summary

### Introduction

- 1.1. Section 93 of the Local Government Finance Act 1992 requires Councils to determine the levels of expenditure in the forthcoming financial year, and thereafter to set council tax sufficient to cover any unfunded balance.
- 1.2. This report provides Members with an overview of the Council's anticipated financial position on the General Fund revenue budget for the next three financial years, 2023/24 to 2025/26. It also sets out the information required to enable the Council to set a balanced budget and its Council Tax for 2023/24 by 11 March as required by statute.
- 1.3. The Medium-Term Financial Outlook 2023/24 to 2025/26 report was presented to Council on 2 November 2022. In addition, regular Elected Member briefing sessions were held between November 2022 and February 2023, during which officers provided Members with information on the financial pressures faced by the Council and options to reduce expenditure within the context of the priorities within the Council Plan 2019-2024.

### Revenue Budget

- 1.4. When the Council set its budget for 2022/23 on 2 March 2022 the decisions taken resulted in a balanced budget for 2022/23 with indicative funding gaps of £10.781m and £8.785m for 2023/24 and 2024/25 respectively.
- 1.5. The Medium-Term Financial Plan (MTFP) for 2023/24 to 2025/26 builds on last year's MTFP and the analysis reflected in the Medium-Term Financial Outlook. The proposals in this report provide a balanced budget for 2023/24 with indicative funding gaps remaining for 2024/25 and 2025/26 of £17.126m and £10.834m respectively. This position continues to present a significant challenge to the sustainability of the Council's finances. A summary of the key components underpinning this is provided at section 2.7.
- 1.6. Detail is provided at section 2.5 on the anticipated level of earmarked, unearmarked and specific reserves with unearmarked reserves at the level of 2.0% equal to £8.053m, earmarked reserves of £98.038m and specific reserves of £11.939m aligning with anticipated future commitments. The Council meeting on 15 February 2023 has impacted the reserves position. Following an approved Motion for no car park charging as part of the planned Decriminalisation Parking Enforcement measures, the budgetary implications have resulted in a further £0.616m budget gap for 2023/24 which will be met on a non-recurring basis in 2023/24 from unearmarked reserves. The earmarked reserves position includes Service Concession flexibility of £21.546m approved at the same meeting. In overall terms this represents an increase of £20.187m in reserves relative to the position at 31 March 2022.

- 1.7. The MTFP includes a range of savings proposals required to deliver a balanced Budget position for 2023/24, a profiled use of reserves to help mitigate the significant financial challenges facing the Council and an assumed level of Council Tax increase which sits below current levels of inflation. Within this context however, the immediate needs of communities have also been considered from the current cost-of-living challenges. As such, non-recurring investment proposals to support the work of the Child Poverty and Cost-of-Living Board have been included in the Budget. Finally, although the position has still to be confirmed, the anticipated underspend in 2022/23 will also provide finance to supplement the Council's Energy Smart Scheme through additional emergency financial support to those citizens who qualify for support. Council is asked to consider these proposals.

#### Health and Social Care Partnership

- 1.8 The Director of the Health and Social Care Partnership (HSCP) has provided Members with information on pressures and areas of potential savings to inform the Council's proposed contribution to the Partnership. This information is not detailed within the Council's budget proposal on the basis that the final position will be determined by the Integration Joint Board (IJB).
- 1.9 The proposed additional contribution for 2023/24 is currently £8.934m. This reflects the requirements as set out in the local government finance settlement. This position also includes passporting to the HSCP a share of Scottish Government funding to support the 2022/23 pay award, i.e. through a recurring amount of £1.866m. Further funding in respect of the Adult Social Care Real Living Wage is anticipated but yet to be distributed.
- 1.10 The Integration Scheme approved by Scottish Ministers states that following determination of the Council and NHS payment to the IJB, the IJB will refine its Strategic Plan and planned service delivery to take account of the totality of resources available, delivering a balanced budget.
- 1.11 In addition to the resources noted above, the Council's core budget includes £1.486m to support annual repayment of the IJB £2.320m outstanding debt to the Council. Following approval by Cabinet on 29 November 2022 to earmark the sum of £0.834m, this will facilitate the full repayment of HSCP debt by 31 March 2023.

#### Chief Finance Officer Assurance

- 1.12 The 2023/24 annual budget and 2023/24 to 2025/26 MTFP has been informed by the Council's Long-Term Financial Outlook and previous MTFP. Significant scrutiny of the underlying assumptions and savings delivery has been undertaken to ensure the 2023/24 annual budget is robust. It is the responsibility of Chief Officers, including the HSCP, to manage any variance from the underlying assumptions.
- 1.13 The report notes at 2.14 the significant risks to the financial sustainability of service delivery. Allied to this is the requirement for the Council to hold a sufficient level of Reserves. The level of Reserves set out in the Budget aligns

with known future commitments. The Change and Service Redesign Fund will require to be kept under review to ensure sufficient resources are available to continue to support the Council's Sustainable Change programme. On 15 February 2023 the Council approved a report on the use of Service Concession flexibility. By bringing the accounting of PPP / DBFM contracts into alignment with the accounting for all other local authority assets the retrospective sum of £21.546m is available to support the significant pressures in the MTFP. A recurring financial benefit will also help address the cost pressures over the life of the current Capital programme.

- 1.14 Unearmarked reserves continue to remain at the lower level of recognised best practice and reflects 2% of the Council's revenue budget.
- 1.15 On the 21 February 2023 the Scottish Government announced further funding support to local authorities of £100m to support the 2023/24 non-teaching pay offer. Whilst this funding is welcome, pay agreements for this period have yet to be reached. The share for NAC has yet to be confirmed.

## **2. Background**

### **2.1 Financial Context**

- 2.1.1 The Long-Term Financial Outlook for the Council covering the 10-year period 2021/22 to 2030/31 was considered by Council at its meeting on 16 December 2020. This is the cornerstone of the Council's strategic financial planning framework. Following this, the Medium-Term Financial Outlook 2023/24 to 2025/26 was approved at Council on 2 November 2022. This has helped inform the development of the Medium-Term Financial Plan 2023/24 to 2025/26.
- 2.1.2 The economic outlook for the Scottish, UK and global economy continues to be influenced by the impact of global events, resulting in significantly high levels of inflation (CPI 10.1% Jan 2023) driven by high energy costs and commodities. This position has also influenced pay negotiations across several bargaining groups. The impact of inflation on the Council's cost base, coupled with an increased cost of borrowing to support the Capital programme, has placed significant strain on the sustainability of the Council's finances.

### **2.2 Scottish Government Funding**

- 2.2.1 The Local Government Finance Settlement for 2023/24 was published on 20 December 2022. Funding support from the Scottish Government comprises:
  - general revenue grant;
  - non domestic rate income; and
  - specific grant.
- 2.2.2 North Ayrshire Council's anticipated Scottish Government funding support, as distributed, for 2023/24 is £334.657m.

2.2.3 The Settlement resulted in an increase of £1.052m in core grant funding (+0.33%) when compared to the 2022/23 settlement. In addition to the core settlement, funding has been received to meet the cost of national expenditure requirements as well as areas of funding reduction. The main elements include;

- Additional HSCP funding of £7.068m with further distribution anticipated in respect of Adult Social Care Real Living wage;
- The continuation of £63.950m funding to support the provision of Free school meals to P4 and P5 and during holiday periods (NAC £1.702m), with an additional £17.5m to begin with the expansion of Free School Meals for P6 and P7 pupils aligned to those families in receipt of the Scottish Child Payment (NAC £0.570m);
- Other Cost of the School Day support includes an inflationary uplift in respect of school clothing grants (NAC £0.036m) and the continuation of funding of £12.0 million and £8.0 million for removal of instrumental music tuition charges and curriculum charges respectively and a continuation of Pupil Equity Funding at current levels;
- Funding of £145.5 million has been maintained in 2023/24 to support the School workforce. The NAC share was originally £3.786m, however, the impact of a falling pupil roll has reduced NAC's proportionate share of this funding by £0.312m. The Scottish Government confirmed on the 9 February 2023 that from the total funding for teaching and support staff, the sum of £1.184m will be held back and released at the end of 2023/24. This being conditional on the delivery of a number of expectations set out below in section 2.2.7 of the report;
- Funding to support the 2022/23 local government pay award totalling £3.744m revenue funding with a further £3.213m included in the 2023/24 capital grant settlement;
- The Early Learning and Childcare settlement takes account of declines in the eligible population in recent years. For 2023/24 this represents a reduction in funding of £9.1 million with NAC funding reduced by £1.198m;
- The majority of the Grant Aided Expenditure (GAE) reductions i.e. over £1.2m related to those GAE lines distributed through pupil numbers. This is reflective of North Ayrshire's falling pupil roll population relative to other local authorities.

2.2.4 Elements of funding have yet to be distributed across the education policy area. Specifically;

- Recurring funding to support the 2021/22 teacher pay award has been confirmed and will be distributed in the coming weeks. The national allocation is £32.8m, with NAC due to receive £0.870m;
- Additional recurring funding to support the 2022/23 teacher pay award. At the time of writing this has yet to be agreed by unions

2.2.5 From 1 April 2023 the new Non-Domestic Rates valuations will take effect. These reforms aim to align valuations with prevailing property market conditions in Scotland. The Budget freezes the poundage and acknowledges

the impact of the revaluation by introducing several transitional reliefs. In the case of valuation appeals from public bodies, Ministers plan to make administrative changes to the funding treatment of these appeals, including councils. With the Scottish Government view that the current system essentially sees the public sector challenge other parts of the public sector with private sector advisor fees effectively extracting resources from public services. Whilst the right to propose any appeal will remain where a property occupied by a public body is subject to a successful proposal or appeal, the financial benefit from the reduction in rateable value will result in a downward re-determination of revenue allocations at a subsequent Budget settlement.

2.2.6 The Non-Domestic Rates (Scotland) Act also had the effect of abolishing Empty Property Relief. Unoccupied properties will, therefore, be liable for full rates from 1 April 2023 if relief is not available under a local scheme. To effectively devolve responsibility for the relief to the council, the budget provides £105 million of General Revenue Grant (NAC £2.803m). It should be stressed however that this allocation is in line with the current levels of empty property relief in place. On 15 February 2023, Council approved the policy to re-instate the current Empty Property Relief.

2.2.7 Details of the Scottish Government's requirements as set out in the Settlement letter and the subsequent letter from the Scottish Government's Deputy Director: Workforce, Infrastructure and Digital dated 9 February 2023 include;

- The funding allocated to Integration Authorities should be additional and not substitutonal to each Council's 2022-23 recurring budgets and, therefore, Local Authority social care budgets for allocation to Integration Authorities must be at least £95 million greater than 2022-23 recurring budgets.
- Maintain teacher numbers at 2022 census levels, as published in the Summary School Statistics in December 2022 (NAC 1,434 teachers).
- Maintain pupil support staff numbers at 2022 census levels, which we will publish on 21 March 2023 based on the data collected from local authorities in September 2022.
- Ensure that places remain available for probationer teachers who need them through the Teacher Induction Scheme

2.2.8 The conditions around maintaining teacher numbers presents a significant financial risk to NAC, within the context of a falling pupil roll relative to other local authority areas and from the known reduction in Scottish Attainment Challenge funding (£1.1m in 2023/24). Although the policy intent is recognised, this limits the financial flexibility of the Council and places a disproportionate financial burden on the Council. The Council will continue to seek further clarity with Scottish Government around these conditions.

2.2.9 For 2024/25 and 2025/26 the current planning assumption is that the level of core grant support will reduce by 1% for each year. A 1% reduction in core grant equates to around £3.000m. This assumption is based on a broadly flat

cash funding position for local government, as reflected in the Scottish Government Spending Review published in May 2022, adjusted for the North Ayrshire demographic-based indicators which are likely to continue to negatively impact on the Grant Aided Expenditure allocations.

2.2.10 On the 21 February 2023 the Scottish Government announced further funding support to local authorities of £100m to support the 2023/24 non-teaching pay offer. Whilst this funding is welcome, pay agreements for this period have yet to be reached. The share for NAC has yet to be confirmed.

## 2.3 Council Tax

2.3.1 Local authorities have discretion to increase Council Tax. Section 74 of the 1992 Act sets the proportions payable by each council tax band. As such, Councils can only apply a standard percentage increase across all Council Tax bands, they cannot vary the percentage increase between bands.

2.3.2 Unlike 2021/22, the 2023/24 Settlement does not include any funding to support a Council Tax freeze, rather that Councils have full flexibility to set the Council Tax rate that is appropriate for their local authority area.

2.3.3 The MTFP includes a planning assumption for 2023/24 of a 5% increase to Council Tax followed by a 3% increase for 2024/25 and 2025/26. Council Tax income is a vital source of funding and represents around 17% of Council funding i.e. £65m per annum. With current inflation (Jan 2023) based on the CPI measure at 10.1%, this proposed increase sits below current inflation levels. To add further context, around 25% of households are in receipt of Council Tax Reduction (CTR) – 16,163 households from 67,143. A total of 20% of households (13,415) being in receipt of full CTR. On 15 February 2023 Council approved the HRA rent increase of an average of £4.99 per week, equating to a 6.42% for 2023/24.

2.3.4 The planning assumption of a 5% increase in Council Tax will result in the following Council Tax charges in 2023/24 for each property band (excluding charges for water and sewage).

Band	Valuation (at 1991 levels)	2022/23 Council Tax	5% Increase	2023/24 Council Tax
A	Under £26,999	£921.98	£46.10	£968.08
B	£27,000 to £34,999	£1,075.64	£53.78	£1,129.42
C	£35,000 to £44,999	£1,229.30	£61.47	£1,290.77
D	£45,000 to £57,999	£1,382.97	£69.15	£1,452.12
E	£58,000 to £79,999	£1,817.06	£90.86	£1,907.92
F	£80,000 to £105,999	£2,247.32	£112.37	£2,359.69
G	£106,000 to £211,999	£2,708.31	£135.42	£2,843.73
H	Over £212,000	£3,388.27	£169.42	£3,557.69

2.3.5 Comparative information on Band D is provided within the Council Tax leaflet that is issued with Council Tax Bills. The comparative information for 2022/23 is as follows;

Scotland	£1,338.01
North Ayrshire Council	£1,382.97

## **2.4 Probable Outturn 2022/23**

2.4.1 Based on the revenue financial performance report for 2022/23 at the end of November 2022, an underspend of £0.048m is forecast. The factors contributing to this were reported to Cabinet on 24 January 2023. The position reported at that time incorporated the impact of teacher industrial action for the period up to the end of December 2022. Due to subsequent industrial action in the period that followed, it is anticipated that the projected level of underspend for 2022/23 will likely increase towards the end of the financial year. Although not anticipated, this position could be subject to change as the Council continues to face significant inflationary cost pressures across a range of areas.

2.4.2 In recognising the on-going challenges facing citizens during the cost-of-living crisis and to build on the progress already made through the Council's Energy Smart Scheme, it is proposed that, in addition to the £450,000 previously secured to provide emergency support payments, this investment is supplemented by the Council's balance of anticipated underspend at the end of the 2022/23 financial year.

## **2.5 Reserves, Fund Balances and Investment**

### Introduction

2.5.1 Setting the General Fund Reserve is one of several related decisions in the formulation of the MTFP and the annual revenue budget. In setting its budget the Council must have a clear reserves policy that takes account of known commitments, potential liabilities and the risk profile of the Council and providing flexibility to deal with unforeseen circumstances. The right level of reserves supports financially sustainable service delivery. The Council's approach is in line with CIPFA's recommended practice as set out in the document "Local Authority Reserves and Balances".

### Application of Reserves

2.5.2 North Ayrshire Council has used reserves in setting its budget over several years. This has included a reduction in unearmarked reserves, release of earmarked reserves no longer required and application of in year underspends. Use of reserves provides a temporary solution but it is recognised that more sustainable approaches are required. A summary of application of reserves is noted below;

- In 2017/18 £8.782m funded the HSCP Challenge Fund and supported non-recurring expenditure;
- In 2018/19 and 2019/20 £3.500m and £3.880m respectively supported the core recurring budget.
- In 2020/21, following a review of earmarked reserves, a total of £0.548m was released to support the 2020/21 Budget.
- In 2021/22, following a review of corporate contingency funds, a total of £0.862m was released to support the 2021/22 Budget.
- In 2022/23, no use of reserves was required to support the Budget.

## Reserves Policy

### Unearmarked Reserve

- 2.5.3 This reserve is held to ensure the Council remains in a prudent financial position in 2023/24 and could respond to major unforeseen incidents or emergencies.
- 2.5.4 It is recognised that the Council will continue to face several financial challenges through 2023/24 and beyond. These include the legacy impact of pressures from the pandemic across Council services and budgets, significant inflationary pressures across revenue budgets and the capital programme and the risk of additional costs through delivery of new policy commitments.
- 2.5.5 One of the financial risks to the Council is the level of anticipated pay award that Councils would require to fund in 2023/24 and beyond. The current planning assumption included in the MTFP is 3% funding which sits at the limit of affordability. Although recent discussions between COSLA and Scottish Government have indicated that Councils would be expected to fund 3% of any pay award, this position has yet to be formally confirmed within the Budget and, at the time of writing this report, the 2022/23 teachers pay award has still to be agreed. To address this risk, it was planned that the sum of £3.262m is earmarked for a Workforce Planning Fund. Following an approved Motion at Council on 15 February 2023 for no car park charging as part of the planned Decriminalisation Parking Enforcement measures, the budgetary implications have resulted in a further £0.616m recurring budget gap for 2023/24 which will require to be met, initially, on a non-recurring basis in 2023/24 from unearmarked reserves. As such, the sum earmarked to support a Workforce Planning Fund is now proposed at £2.646m. Depending on the outcome of the 2023/24 pay award and funding implications, more sustainable funding solutions will require to be incorporated into the 2024/25 Budget.
- 2.5.6 It is anticipated at 31 March 2023 the balance of unearmarked reserves will be held at £8.053m which equates to 2.0% of the Council's net expenditure budget. This level of unearmarked reserve is at the lowest end of the recommended range of 2% - 4% for general reserves.

## Earmarked Reserves

2.5.7 These Funds have been approved for carry forward to meet known commitments or liabilities which will be settled in future years. Current earmarked funds include:

- Affordable Housing – accumulated from Council Tax collected from second homes and long-term empty properties;
- Project-specific funds - these funds will be carried forward from 2022/23 to allow for the completion of specific projects after 31 March 2023;
- Workforce Planning Fund – as noted in section 2.5.5 of the report;
- Prudential Investment Fund - resources to smooth the revenue implications of loan charges supporting the Capital Investment Programme;
- Change and Service Redesign Fund – supports delivery of the Council's sustainable change programme;
- Renewal Fund to support a range of projects across key themes identified through the experiences from the pandemic; and
- Investment Fund to support a number of sustainability, infrastructure and Community Wealth Building projects and initiatives.

2.5.8 On the 15 February 2023 Council approved the use of Service Concession flexibility to help mitigate the significant cost pressures and resultant revenue budget gaps over the medium-term and to help address the impact of construction cost volatility as part of delivering the Council's ambitious Capital programme. It is proposed that use of this flexibility, including a retrospective sum of £21.546m, will be applied in a limited and controlled manner across several financial years and, critically, that this runs in parallel with more sustainable measures to reduce the cost base of the Council in line with available funding. One of the key areas to help progress towards a sustainable budget includes planned investment to support workforce planning arrangements over the medium term.

2.5.9 How to balance the immediate needs of communities during the cost-of-living crisis against the backdrop of the financial challenges faced by the Council has been a key consideration in the production of the 2023/24 Budget. Allocated within the Service Concession flexibility for 2023/24 is the sum of £1.400m to support the work of the Child Poverty and Cost-of-Living Board through an:

## Early Intervention Fund: Child Poverty and Cost-of-Living

2.5.10 North Ayrshire Council has recently redoubled its efforts to listen to the views of its residents through recent budget engagement and more specifically through an ongoing series of mini-enquiries which are focusing on child poverty and the cost-of-living crisis. A number of themes have emerged as being important to participants, and one of these is the desire to have

influence and a sense of control over what matters to them. For that reason, this fund will be used to respond to what we hear from our communities:

- A recurring theme has been transport. As part of the £1.400m investment to support the work of the Child Poverty and Cost-of-Living Board, it is proposed that £0.100m of this fund is earmarked for a community transport pilot. The funds will be used to scope and develop a community transport service with a view to introducing a proof-of-concept pilot during the year.
- Another recurring theme has been financial inclusion, especially the need to maximise income from benefits and secure consistent information, including reliable debt advice. For this reason, it is proposed to allocate up to a further £0.100m to build on the previous investment of £0.258m to implement the review of financial inclusion services across the Council and to secure a level of support which is more commensurate with current need.
- Finally, it proposed to allocate a further £0.400m per annum for the next three years to provide early intervention support for children, young people, and families and to address ongoing cost-of-living challenges. This fund will provide flexibility to support the child poverty strategy and emerging requirements from local communities, including local community organisations as they work with the Council to respond to the cost of living. Again, building on previous investments and recognising further financial support from the Scottish Government in this area, this will include childcare and parental employability, transport, ongoing support for Cost of the School Day, including food, clothing and digital inclusion and support for third sector organisations who are delivering services within their communities. This fund will be overseen by the Child Poverty and Cost of Living Board and will respond to what people tell us through our ongoing engagement.
- It is also clear from the engagement with communities that there is a need to ensure that people get the information they need in a timely way from Council services and third and voluntary sector partners. Using the No Wrong Door approach, including through community hubs, there will be a focus on investing in consistent information and the use of correct channels, whether digital, telephone or face to face. This will reflect all the above developments and ensure that uptake of existing and new supports and opportunities is maximised for the benefit of our communities.

2.5.11 An overview of Service Concession flexibility resources is provided in the undernoted table. This includes both the planned use and the anticipated profile across each financial year. The annual profile may be subject to change. This will be dependent on the level of future finance settlements from Scottish Government and the annual level of cost pressures facing the Council. Council is asked to approve the planned use to support the MTFP.

<b>Service Concession One-Off Flexibility</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>Total £000</b>
Budget Programme Support	-1,858	-5,000	-4,000	-3,500	-1,788	-16,146
Spend to save - Workforce Planning Costs	-4,000					-4,000
Early Intervention Fund: Child Poverty and Cost-of-Living	-1,400					-1,400
	<b>-7,258</b>	<b>-5,000</b>	<b>-4,000</b>	<b>-3,500</b>	<b>-1,788</b>	<b>-21,546</b>

### Specific Reserves

2.5.12 Specific reserves are held as follows;

- Insurance Fund - the current balance on this Fund aligns with the most recent actuarial valuation, provision for uninsured claims and outstanding liabilities.
- Capital Fund – This supports delivery the proposed capital investment programme.

### Summary

2.5.13 The projected accumulated balances on the Council's Funds and Reserves at 31 March 2023 are outlined in the table below, with the majority of these being earmarked for specific purposes. The value of reserves is anticipated to increase during 2022/23 by £20.187m.

	<b>Balance at 31 March 2022 £m</b>	<b>Transfers Approved by Cabinet 24 Jan 2023 £m</b>	<b>Projected Transfers to 31 Mar 2023 £m</b>	<b>Transfers Included in Budget Paper £m</b>	<b>Projected Balance at 31 Mar 2023 £m</b>	<b>Anticipated Future Spend £m</b>	<b>Projected Future Balance £m</b>
<b>General Fund Unearmarked</b>	<b>11.315</b>	<b>-</b>	<b>0.048</b>	<b>(3.310)</b>	<b>8.053</b>	<b>-</b>	<b>8.053</b>
<b><u>General Fund Earmarked</u></b>							
Education DMR	0.007	-	-	-	0.007	(0.007)	-
Affordable Housing	1.964	(1.596)	1.119	-	1.487	(1.487)	-
Project Specific Funds	31.925	(6.280)	2.301	(0.981)	26.965	(26.965)	-
Prudential Investment Fund	10.866	3.612	2.765	-	17.243	(17.243)	-
Change and Service Redesign Fund	2.637	(0.111)	-	-	2.526	(2.526)	-
Renewal Fund	13.467	(0.018)	-	-	13.449	(13.449)	-
Investment Fund	13.723	0.667	(2.221)	-	12.169	(12.169)	-
Workforce Planning Fund	-	-	-	2.646	2.646	(2.646)	-
Service Concessions	-	-	21.546	-	21.546	(21.546)	-
<b>Total Earmarked Funds</b>	<b>74.589</b>	<b>(3.726)</b>	<b>25.510</b>	<b>1.665</b>	<b>98.038</b>	<b>(98.038)</b>	<b>-</b>
<b>Total General Fund Balances</b>	<b>85.904</b>	<b>(3.726)</b>	<b>25.558</b>	<b>(1.645)</b>	<b>106.091</b>	<b>(98.038)</b>	<b>8.053</b>
<b><u>Specific Reserves</u></b>							
Insurance Fund	3.352	-	-	-	3.352	(3.352)	-
Capital Fund	8.587	-	-	-	8.587	(8.587)	-
<b>Total Specific Reserves</b>	<b>11.939</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.939</b>	<b>(11.939)</b>	<b>-</b>
<b>Total General Fund Reserves</b>	<b>97.843</b>	<b>(3.726)</b>	<b>25.558</b>	<b>(1.645)</b>	<b>118.030</b>	<b>(109.977)</b>	<b>8.053</b>

2.5.14 Based on the current financial landscape and the risks the Council faces the current level of Reserves is considered prudent.

## 2.6 Income Summary

2.6.1 Total funding available to the Council to finance its expenditure plans in 2023/24 is noted in the table below. The main assumptions are as follows;

- 2023/24 Scottish Government Funding in line with the Finance Circular of 20 December 2022. A 1% reduction in core funding is projected for years 2 and 3, excluding anticipated adjustments in respect of loan charge support;
- An assumed Council Tax increase of 5% for 2023/24, with an appropriate adjustment for the number of households and further assumed increases of 3% per annum for 2024/25 and 2025/26 respectively;
- Funding from Scottish Government to support the 2022/23 pay award has been paid as a capital grant. This has released revenue resources previously earmarked to fund capital projects to now support the revenue position per agreement via COSLA and Scottish Government;
- Funding to support maintaining teacher numbers and support staff has been assumed at this time. There is a risk that this element of funding will be withheld if teacher numbers are not maintained at 2022 Census levels;
- The contribution from earmarked reserves includes resources from the recently approved Service Concessions flexibility across the MTFP;
- Funding to support Non Domestic Rates Empty Property Relief has now been devolved to local authorities from 2023/24; and
- Outwith specific proposals, fees and charges have been uplifted by 5% annually.

	2023/24 £m	2024/25 £m	2025/26 £m
Aggregate External Finance	334.657	331.299	327.975
Additional Aggregate External Finance due:			
22-23 Pay Award transfer from Capital	3.213	3.181	3.149
Teachers' Induction Scheme	0.734	0.734	0.734
Teacher Numbers Funding	1.184	1.184	1.184
Council Tax	64.501	66.763	69.103
Additional Council Tax Income from Second Homes	1.168	1.203	1.239
Contribution from Earmarked Reserves	3.503	5.000	4.000
Less NDR Empty Property Relief	(2.803)	(2.803)	(2.803)
<b>Total Funding Available</b>	<b>406.157</b>	<b>406.561</b>	<b>404.581</b>

## **2.7 Expenditure Requirement**

- 2.7.1 The revised expenditure requirement for 2023/24 is £407.793m and is summarised in Appendix 1. This is the 2022/23 base budget adjusted to reflect the outcome of a full review of service pressures, previously approved savings, operational budget adjustments, national expenditure requirements and the proposed funding contribution to the Health and Social Care Partnership. The main assumptions and pressures are summarised below;
- Costs of continuing the current level of service;
  - Inflationary pressures, including assumed pay awards, teachers pensions, contractual commitments and utilities;
  - The financial implication of decisions already taken by the Council;
  - Socio economic and demographic pressures;
- 2.7.2 It should be noted that in the absence of an agreed pay settlement to date through COSLA, the SJC and SNCT, the financial planning assumption for pay inflation for 2023/24 remains at 3% and further 3% increases for 2024/25 and 2025/26 respectively. This is on the basis of the limits of affordability rather than any prediction as to the level of actual agreement.
- 2.7.3 In establishing the expenditure requirements, no provision has been made for general non pay inflation resulting in a reduction in the purchasing power of the budgets affected.
- 2.7.4 Operational budget adjustments, including decisions already taken or reductions not impacting on policy or current service levels, are detailed in Appendix 2.
- 2.7.5 As part of the 2022/23 revenue budget, savings were approved for 2023/24 and 2024/25 and they are detailed at Appendix 3.
- 2.7.6 Full details of expenditure requirements identified for 2023/24 to 2025/26, including new national expenditure requirements and all contractual and inflationary related pressures, are detailed in appendix 4.
- 2.7.7 Based on this expenditure forecast and incorporating the savings achieved through operational adjustments and those savings previously approved, remaining savings of £1.636m / £17.126m / £10.834m are required for 2023/24, 2024/25 and 2025/26 respectively. This position presents a significant challenge over the medium-term plan. By applying a profiled use of Service Concession flexibility totalling £5.000m in 2024/25 and £4.000m in 2025/26 the remaining anticipated Budget gaps for 2024/25 and 2025/26 are £12.126m and £11.834m respectively.

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

- 2.8.1 Information on pressures and areas of proposed savings are shared with North Ayrshire Council to inform the allocation of resources delegated to the IJB. As part of the recent 2023/24 budget announcement the Council plans to

make a net contribution to the HSCP of £8.934m. It should also be noted that further resources have yet to be distributed in respect of the Adult Social Care Real Living Wage.

- 2.8.2 As a condition of the settlement, funding allocated to the HSCP should be in addition to the 2022/23 recurring baseline position.
- 2.8.3 In recognition of the role of the Council and the Integration Joint Board (IJB), the financial information presented in this report is limited to the proposed contribution the Council will make to the IJB, noting that final distribution of resources is a matter for the IJB.
- 2.8.4 The Integration Scheme approved by Scottish Ministers states that, following determination of the Council and NHS payments to the IJB, the IJB will refine its Strategic Plan to take account of the totality of resources available. Accordingly, the proposed financial contribution to the IJB of £8.934m in 2023/24 represents the full allocation required from the settlement for the HSCP to meet new and existing spending commitments. For years 2024/25 and 2025/26 the financial planning assumption from the Council is that the financial pressures facing the IJB will be fully met by savings.
- 2.8.5 The cumulative debt position to the Council on 31 March 2022 was £2.320m. The Council's core budget includes £1.486m to support repayment of the IJB outstanding debt. Following approval by Cabinet on 29 November 2022 to earmark the sum of £0.834m, this will facilitate the full repayment of HSCP debt by 31 March 2023.

## **2.9 Efficiencies and Savings Proposals**

- 2.9.1 Proposals for efficiencies and savings have been made which will deliver a balanced budget for 2023/24. There are estimated net budget shortfalls of £11.773m and £11.382m in 2024/25 and 2025/26. This position, however, assumes the profiled use of Service Concession flexibility totalling £5.000m in 2024/25 and £4.000m in 2025/26. Proposed savings, excluding the HSCP, are summarised at Appendix 5. The approach to the Budget Programme continues to focus on minimising the impact on communities, services, and the workforce. It is apparent that this approach will get more challenging over the medium-term.
- 2.9.2 With the exception of some internal charging arrangements, it is proposed that the Council's fees and charges in 2023/24 increase by 5%, with similar indicative increases in 2024/25 and 2025/26. This position will be reviewed in advance of the 2024/25 Budget. The schedule included in Appendix 6 contains the charges with effect from 1 April 2023. It is important to note that fees and charge levels in respect of the HSCP is for the IJB to consider. They are included within the schedule and reflect a 5% increase. Further, the schedule also contains some statutory charges which are set at a national level and are, therefore, not subject to the proposals outlined in this report.

## **2.10 Equality and Children's Rights Impacts of Budget Proposals**

- 2.10.1 The Council has a legal duty to consider the equalities and children's rights impact of proposals on groups with protected characteristics, being age, disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation. The Council also has a duty to assess the socio-economic impact of proposals (The Fairer Scotland Duty) and Island proofing. This requires an assessment of the impact of proposals on reducing inequalities.
- 2.10.2 Proposals contained in this report have been screened to assess whether there are any equalities and socio-economic impacts and, if so, the proposals have been equalities and children's rights impact assessed (ECRIA).
- 2.10.3 The purpose of the ECRIA is to ensure that Members are fully informed in advance of taking decisions. They do not prevent Members from making decisions. All ECRIAs have an assessment of risk alongside mitigating actions. This enables Council to consider if any detrimental impact can be minimised and any positive impact maximised.
- 2.10.4 A link to all the relevant assessments across the budget savings categories is provided below;
- <https://northayrshirecouncil.sharepoint.com/sites/ElectedMembers>
- 2.10.5 Any alternative proposals from Members will require to be screened and assessed to ensure Council is aware of impacts before making any decision.
- 2.10.6 Responsibility for the funding allocations within the HSCP rests with the Integration Joint Board which has responsibility for assessment of the impact of the decisions it takes.

## **2.11 Community Budget Engagement**

- 2.11.1 The Council carried out an extensive programme of community engagement during January 2023. This included 6 locality-based face to face sessions with citizens and community groups and through the release of an on-line questionnaire structured around the functions of the Council and the level of relative priority citizens place on them.
- 2.11.2 A total of 1,400 questionnaires were completed. All the feedback from the locality-based sessions and from the questionnaires have been consolidated and shared with elected members for consideration as part of the Budget setting process. The feedback was wide ranging with individual localities having differing local priorities. In overall terms the Council services which ranked highest in terms of priority included;
- Household waste collection.
  - Roads and paths investment and maintenance
  - Education services

- Streetscene services.
- Access to Council housing and repairs, and
- Social care services

## **2.12 Sustainable Change Programme**

2.12.1 Progress continues to be made in developing an ambitious Sustainable Change Programme aligned to the Council's priorities. It is important that a pipeline of activity continues to be identified, with a primary focus on generating financial efficiencies to help address the significant financial pressures across the MTFP.

2.12.2 The programme is subject to regular review and monitoring. The current workstreams include;

- Use of Land and Property Assets;
- Transport and Travel efficiencies and decarbonisation of fleet;
- Sustainability initiatives including major renewable energy investment; and
- Accessing Our Council and Financial Inclusion.

2.12.3 It is recognised that the more progress that can be made through delivery of the Council's Sustainable Change Programme, the less impact there could potentially be on the Council key services delivered to communities. It is currently anticipated that financial efficiencies generated from the Sustainable Change Programme will feature from 2024/25 and help address the budget gaps over the medium-term.

## **2.13 Workforce Planning**

2.13.1 The shape of the Council's workforce is critical to the delivery of efficient and effective services. It is a significant factor in how we transform our Council and deliver our financial challenges.

2.13.2 In order to be successful it is key for the workforce strategy, and the planning supporting this, to flow from the Council Plan and link to both people management and operational processes. To ensure the Council's priorities are met, workforce planning must be flexible enough to manage short term activity but ultimately be focused on medium to long-term needs, ensuring that sustainable long-term savings are delivered. The workforce strategy, linked to the Medium Term Financial Outlook, recognises and reflects significant external pressures and financial uncertainty.

2.13.3 Influenced by the scale of the financial challenges facing the Council over the coming years, there will be a significant degree of organisational change, both in terms of structures but also, importantly, about how we work. The extent of change and the pace required, cannot be underestimated.

2.13.4 North Ayrshire Council has a total of 6,220 employees at an annual cost of over £250m. Anticipated workforce implications associated with the MTFP over the next 3 years are summarised in the undernoted table. In 2023/24 the workforce is projected to reduce by 26.9 Full Time Equivalent posts (FTE's), with implications for 2024/25 also included. However, it should be stressed that all measures required to deliver a balanced budget for 2024/25 have not been included at this time. It is, therefore, anticipated that this position will change through further development of the Budget Programme in 2024/25.

<b>Category</b>	<b>2023/24 FTE</b>	<b>2024/25 FTE</b>	<b>2025/26 FTE</b>
Operational Budget Adjustments	(15.8)	+7.0	-
Previously Approved Savings	+5.5	-	-
Pressures and Growth	-	+15.0	-
New Savings Options	(16.5)	-	-
HSCP Net Position	(0.1)	-	-
<b>Total Workforce Implications</b>	<b>(26.9)</b>	<b>+22.0</b>	<b>-</b>

2.13.5 Through a corporate workforce planning approach, any reduction to workforce levels will continue to be managed through natural attrition, vacancy management, redeployment and voluntary early release.

## **2.14 Management of Risk**

2.14.1 North Ayrshire's financial framework is underpinned by strategic, operational and project risk registers. Given the significance of the financial risks the Council faces, this report sets out in the table below a number of the key risks associated with securing financial sustainability along with the likelihood and impact scoring. For all areas of material risk to the Council and mitigations, this is reported to Cabinet through the Council's Strategic Risk Register.

	<b>Likelihood Score</b>	<b>Impact Score</b>
<b>Financial Environment</b> – Funding not keeping pace with cost-of-service delivery. Impacted by inflationary pressures.	4	5
<b>Financial Sustainability of the HSCP</b>	3	4
<b>Delivery of sustainable change programme</b> - To address projected budget deficit, however, requires delivery at scale and pace.	4	4

## 2.15 Revenue Budget - Objective and Subjective Analysis

- 2.15.1 The Codes of Financial Practice outline categories of service delivery, known as the Objective Analysis, and categories of expenditure type, known as the Subjective Analysis. Based on the budget presented within this report, the budget matrix for 2023/24 is attached in Appendix 7.
- 2.15.2 Once this matrix is approved, services must spend in line with this and any subsequent significant and planned variation to this budget (i.e. virement) must be approved by Cabinet.
- 2.15.3 All North Ayrshire Council functions relating to health and social care are entirely delegated to the Integrated Joint Board, subject to appropriate reporting throughout the year to the Council.

## 2.16 Summary

- 2.16.1 The estimated financial position included in this report is set within the context of global, UK and national events. Through the recent increases in inflation, significant additional financial pressures have been incorporated in the Medium-Term Financial Plan.
- 2.16.2 The Council via COSLA continues to have dialogue with Scottish Government across a range of areas including fair funding, multi-year financial settlements, financial flexibility and the levels of funding ring fenced to meet policy commitments. Currently, however, conditions around funding remain, including the requirement to passport full funding to the IJB and the requirement to maintain teaching and support staff numbers at 2022 levels. This places a disproportionate burden on other areas of Council services as well as creating a financial risk to the Council. Based on the current funding and cost landscape, delivering balanced Budgets over the medium-term will be very challenging and will require a range of approaches, including reduced investment in services, further service reform / re-design, income generation, efficiencies from the Sustainable Change Programme, use of Council reserves and a level of Council Tax increase that considers the level of inflation as well as the impact on citizens.
- 2.16.3 The table below summarises the assumptions and financial implications of the budget proposals;

	<b>2023/24 £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>
Council Tax Increase	5.00%	3.00%	3.00%
SG Core Grant Movement	+0.33%	-1.00%	-1.00%
Operational Adjustments	-£3.484m	+£0.752m	+£0.239m

Previously Approved Savings	+£0.206m	-	-
Expenditure Requirements (exc new funding and HSCP)	+£20.744m	+£11.778m	+£9.615m
New Investment Proposals	+£1.400m	-	-
HSCP Funding	£8.934m	-	-
<b>Savings to be Approved</b>	<b>-£1.636m</b>	<b>-£0.353m</b>	<b>-£0.452m</b>

- 2.16.4 New investment of £1.400m is proposed from reserves to support the work of the Child Poverty and Cost-of-Living Board.
- 2.16.5 The additional funding to the HSCP in 2023/24 represents the full allocation required from the settlement for the HSCP to meet new and existing spending commitments. In addition, this also includes a proportionate share of Scottish Government funding to support the 2022/23 pay award which has been passported to the HSCP.
- 2.16.6 A total of £2.459m additional funding has been provided for 2023/24 to meet new national expenditure requirements.
- 2.16.7 Proposed levels of fees and charges are outlined at Appendix 6.

### 3 Proposals

That Council:

- a) notes the anticipated funding available to meet expenditure requirements and notes the financial risk to the Council from not maintaining teacher numbers at the levels outlined in the 2022 Census;
- b) approves the Council's expenditure requirements for 2023/24 and notes the indicative requirements for 2024/25 and 2025/26;
- c) notes the projected outturn position for 2022/23 and approves the earmarking of the balance of underspend to provide additional emergency support funding to citizens through the Council's Energy Smart Scheme;
- d) notes the level of reserves and fund balances held by the Council and approves any use and contributions to and from these, including the proposed investments to support the Child Poverty and Cost-of-Living Board outlined in section 2.5.10 of the report;
- e) approves the additional contribution to the HSCP noted at 1.9;
- f) approves efficiencies and savings to ensure a balanced budget for 2023/24, consequential and new proposals in future years;
- g) approves the schedule of Council fees and charges detailed in Appendix 6;

- h) determines the level of Council Tax for 2023/24 as noted at 2.3;
- i) notes the anticipated funding gap for 2024/25 and 2025/26;
- j) considers the equality and children's rights impact of any proposed service changes;
- k) notes the feedback from the community engagement sessions to help inform budget plans;
- l) notes progress to date on the Council's Sustainable Change Programme and corporate Workforce Planning; and
- m) approves the budget matrix for 2023/24.

## **4 Implications / Socio-economic Duty**

### **Financial**

- 4.1 The financial implications are as outlined in the report. Members require to approve a package of efficiencies and savings, excluding any decision taken by the IJB in respect of social care services, totalling £1.636m for 2023/24. The recommendations are based on a 5% increase to Council Tax. Any increase in net expenditure above that outlined in the draft budget will require to be funded. Failure to agree to the requirements outlined in the Scottish Government's grant offer as outlined at 2.2.7 may result in a less favourable settlement.

### **Human Resources**

- 4.2 The total anticipated impact on the workforce is a net reduction of 26.9 FTE posts in 2023/24. The new savings proposals for 2023/24 results in a reduction of 16.5 FTE posts. The Council has a robust workforce planning framework in place. In line with this any reduction to the workforce will be management through natural attrition, vacancies, redeployment and voluntary early retirement. This will be effected by engagement and participation with the Trade Unions on a Service by Service basis to develop and agree implementation plans.

### **Legal**

- 4.3 The Council is obliged by the Local Government Finance Act 1992 to set a budget for 2023/24 and to do so in a manner and at such a time as to ensure that it is able lawfully to set its Council Tax by 11 March. Failure to do so could result in several legal and financial consequences, for both the Council and Members.

### **Equality/Socio-economic**

- 4.4 Obligation in respect of equalities are set out at 2.10 of the report.

The Equality and Children's Rights Impact Assessments (incorporating Fairer Scotland Duty and Island Proofing) and a summary of screenings are available via the link provided below.

### **Environmental and Sustainability**

- 4.5 While setting of the budget has no direct environmental or sustainability impacts, there may be impacts on individual services.

### **Key Priorities**

- 4.6 The draft budget supports delivery of the outcomes as outlined in the Council Plan 2019-2024.

### **Community Wealth Building**

- 4.7 Recommendations included in the report support investment for Community Wealth Building for consideration by Council.

## **5 Consultation**

- 5.1 Significant scrutiny and challenge of the underlying assumptions of the proposed budget has taken place with the Executive Leadership Team prior to submission to Elected Members at several sessions between November 2022 and February 2023.
- 5.2 The key issues within this report have been presented to the Trade Unions.
- 5.3 Face to Face Community Budget engagement sessions have taken place during the month of January 2023 across all localities. In addition, responses totalling 1,400 have been received from the on-line questionnaire issued to support the Budget process and capture areas of prioritisation from citizens and communities. Full details of feedback have been issued to all members.

Mark Boyd  
Head of Service (Finance)

For further information please contact Mark Boyd, Head of Service (Finance) on 01294-324560.

### **Background Papers**

None

**North Ayrshire Council**  
**Revenue Budget 2023/24**  
**Revenue Budget Summary Position**

	2023/24	2024/25		Total £000's	2025/26		Total £000's
	£000's	Consequential £000's	Rephased/New £000's		Consequential £000's	Rephased/New £000's	
<b>Funding</b>							
Aggregate external finance	334,657		331,299	331,299		327,975	327,975
Additional aggregate external finance due :							
Scottish Government 22-23 Pay Award Funding from Capital	3,213		3,181	3,181		3,149	3,149
Teachers' Induction Scheme	734		734	734		734	734
Teacher Numbers Funding	1,184		1,184	1,184		1,184	1,184
Council Tax Income	64,501		66,763	66,763		69,103	69,103
Council Tax Income from 2nd homes	1,168		1,203	1,203		1,239	1,239
NDR Empty Property Relief	(2,803)		(2,803)	(2,803)		(2,803)	(2,803)
Contribution from General Reserves	3,503		5,000	5,000		4,000	4,000
<b>Total Funding Available</b>	<b>406,157</b>	<b>-</b>	<b>406,561</b>	<b>406,561</b>	<b>-</b>	<b>404,581</b>	<b>404,581</b>
<b>Expenditure</b>							
<b>Base Budget</b>	<b>380,660</b>		<b>406,157</b>	<b>406,157</b>		<b>406,561</b>	<b>406,561</b>
<b>Operational Budget Adjustments</b>							
Inspiring Places	(836)		174	174		180	180
Aspiring Communities	(591)		449	449		-	-
A Council for the Future	(2,057)		129	129		59	59
<b>Total Operational Budget Adjustments</b>	<b>(3,484)</b>	<b>-</b>	<b>752</b>	<b>752</b>	<b>-</b>	<b>239</b>	<b>239</b>
<b>Savings Previously Approved</b>							
Inspiring Places	(445)		-	-		-	-
Aspiring Communities	686		-	-		-	-
A Council for the Future	(35)		-	-		-	-
<b>Total Savings Previously Approved</b>	<b>206</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investments - Contractual/Unavoidable</b>							
Inspiring Places	191		-	-		-	-
Aspiring Communities	1,852		878	878		480	480
A Council for the Future	-		-	-		-	-
Corporate Investment	17,562		10,417	10,417		8,794	8,794
<b>Total Contractual / Unavoidable</b>	<b>19,605</b>	<b>-</b>	<b>11,295</b>	<b>11,295</b>	<b>-</b>	<b>9,274</b>	<b>9,274</b>
<b>Investments - National/Local Pressures</b>							
Inspiring Places	732		(76)	(76)		-	-
Aspiring Communities	393		559	559		341	341
A Council for the Future	14		-	-		-	-
<b>Total National / Local Pressures</b>	<b>1,139</b>	<b>-</b>	<b>483</b>	<b>483</b>	<b>-</b>	<b>341</b>	<b>341</b>

**North Ayrshire Council**  
**Revenue Budget 2023/24**  
**Revenue Budget Summary Position**

	2023/24	2024/25		Total £000's	2025/26		Total £000's
	£000's	Consequential £000's	Rephased/New £000's		Consequential £000's	Rephased/New £000's	
<b>New National Expenditure Requirements</b>							
Inspiring Places	75	-	-	-	-	-	-
Aspiring Communities	2,384	-	-	-	-	-	-
A Council for the Future	-	-	-	-	-	-	-
<b>Total National Expenditure Requirements</b>	<b>2,459</b>	-	-	-	-	-	-
<b>Total Expenditure Requirements (excl HSCP)</b>	<b>23,203</b>	-	<b>11,778</b>	<b>11,778</b>	-	<b>9,615</b>	<b>9,615</b>
<b>Health and Social Care Partnership</b>							
HSCP Net Expenditure Requirements	1,866	-	-	-	-	-	-
New HSCP National Expenditure Requirements - Recurring	7,068	-	-	-	-	-	-
<b>Total Health and Social Care Partnership</b>	<b>8,934</b>	-	-	-	-	-	-
<b>Total Expenditure Requirements</b>	<b>32,137</b>	-	<b>11,778</b>	<b>11,778</b>	-	<b>9,615</b>	<b>9,615</b>
<b>Additional Investment</b>							
Reversal of Prior Year Contribution to Reserves	(1,726)	-	-	-	-	-	-
New Investment	-	-	-	-	-	-	-
<b>Total Adjustments</b>	<b>27,133</b>	-	<b>12,530</b>	<b>12,530</b>	-	<b>9,854</b>	<b>9,854</b>
<b>Total Expenditure Requirement</b>	<b>407,793</b>	-	<b>418,687</b>	<b>418,687</b>	-	<b>416,415</b>	<b>416,415</b>
<b>(Surplus)/Deficit for Year</b>	<b>1,636</b>	-	<b>12,126</b>	<b>12,126</b>	-	<b>11,834</b>	<b>11,834</b>
<b>New Savings Proposed</b>							
Inspiring Places	(271)	(8)	-	(8)	-	(200)	(200)
Aspiring Communities	(1,171)	(105)	-	(105)	-	-	-
A Council for the Future	(194)	(240)	-	(240)	(252)	-	(252)
<b>Total Savings Proposed</b>	<b>(1,636)</b>	<b>(353)</b>	-	<b>(353)</b>	<b>(252)</b>	<b>(200)</b>	<b>(452)</b>
<b>Revised Expenditure Requirement</b>	<b>406,157</b>	<b>353</b>	<b>418,687</b>	<b>418,334</b>	<b>252</b>	<b>416,215</b>	<b>415,963</b>
<b>Revised (Surplus)/Deficit for Year if all Savings Proposals are Accepted</b>	<b>-</b>	<b>(353)</b>	<b>12,126</b>	<b>11,773</b>	<b>(252)</b>	<b>11,634</b>	<b>11,382</b>
<b>Net Contribution to the HSCP</b>							
<b>Expenditure Requirements</b>	<b>16,525</b>		<b>5,412</b>	<b>5,412</b>		<b>5,925</b>	<b>5,925</b>
<b>Proposed Savings</b>	<b>(7,591)</b>		<b>(5,412)</b>	<b>(5,412)</b>		<b>(5,925)</b>	<b>(5,925)</b>
<b>Net Adjustments to the Contribution to the HSCP</b>	<b>8,934</b>		<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>

**North Ayrshire Council**  
**Revenue Budget 2023/24**  
**Revenue Budget Operational Budget Adjustments**

Council Objective/Theme	Operational Budget Adjustment	Reference	Category	2023/24 £'s	2024/25 £'s	2025/26 £'s
<b>Inspiring Places</b>						
Charging for Services, Alternative Funding	Increased Employability Programme Funding	SP-PL-22-06	Green	250,000	-	-
Charging for Services, Alternative Funding	Additional Building Warrant Income	SP-PL-23-10	Green	(125,000)	-	125,000
Charging for Services, Alternative Funding	Increase Advertising Income (To fund Council motion approved 15/2/23)	SP-PL-23-21	Green	(100,000)	-	-
Charging for Services, Alternative Funding	Sub Total			25,000	-	125,000
Land, Property and Assets	Regeneration - Annickbank	SP-PL-21-14	Green	(35,000)	-	-
Land, Property and Assets	BMS temperature reduction	SP-PL-23-17	Amber	(70,000)	-	-
Land, Property and Assets	Property Maintenance Budget review	SP-PL-23-19	Amber	(100,000)	45,000	55,000
Land, Property and Assets	Flood Protection	SP-PL-23-22	Red	(30,000)	-	-
Land, Property and Assets	Play Facilities	SP-PL-23-26	Green	(50,000)	50,000	-
Land, Property and Assets	Sub Total			(285,000)	95,000	55,000
Service Delivery Models	Relocation of Homelessness Team	SP-PL-20-26	Green	(45,000)	-	-
Service Delivery Models	Review of Roads Revenue Budget	SP-PL-22-17	Amber	(35,000)	(35,000)	-
Service Delivery Models	Review of income for temporary furnished accommodation	SP-PL-22-08	Green	-	100,000	-
Service Delivery Models	Review of Key Holding Arrangements	SP-PL-23-03	Green	(12,090)	(36,270)	-
Service Delivery Models	Reduce Ardrossan Hostel staffing levels	SP-PL-23-05	Amber	(50,000)	-	-
Service Delivery Models	Reduce Anti-Social Behaviour Team staffing	SP-PL-23-06	Amber	(20,897)	-	-
Service Delivery Models	Increase Homeless service turnover targets	SP-PL-23-07	Green	(50,000)	50,000	-
Service Delivery Models	Contaminated Land Funding	SP-PL-23-11	Amber	(31,025)	-	-
Service Delivery Models	Review Facilities Management staffing	SP-PL-23-12	Green	(40,290)	-	-
Service Delivery Models	Facilities Management turnover	SP-PL-23-13	Green	(51,986)	-	-
Service Delivery Models	Reduce janitorial washroom costs	SP-PL-23-14	Green	(9,440)	-	-
Service Delivery Models	Regeneration Revenue Plan Budget Realignment	SP-PL-23-16	Green	(50,000)	-	-
Service Delivery Models	Coastal Assets	SP-PL-23-28	Green	(30,000)	-	-
Service Delivery Models	Employability Services Review	SP-PL-23-15	Amber	(150,000)	-	-
Service Delivery Models	Sub Total			(575,728)	78,730	-
Total				(835,728)	173,730	180,000
<b>Aspiring Communities</b>						
Children, Young People and Communities	Review of Halls, Centres and Libraries	SP-PL-22-04	Amber	(38,255)	(103,424)	-
Children, Young People and Communities	Non-recurring Savings from Early Learning and Childcare	SP-COM-23-05	Green	(552,863)	552,863	-
Children, Young People and Communities	Sub Total			(591,118)	449,439	-
Total				(591,118)	449,439	-

**North Ayrshire Council**  
**Revenue Budget 2023/24**  
**Revenue Budget Operational Budget Adjustments**

Council Objective/Theme	Operational Budget Adjustment	Reference	Category	2023/24 £'s	2024/25 £'s	2025/26 £'s
<b>A Council for the Future</b>						
Other	Contribution to Affordable Housing Reserve		Green	48,000	57,000	59,000
Other	Workforce Planning	SP-OCI-22-01, SP-CEX-22-11	Green	36,601	-	-
Other	HSCP Debt Repayment (£516,300 required to support Council Motion 15/2/2023)		Green	(1,486,311)	-	-
Service Delivery Models	Review non employee related budgets	SP-CEX-23-01	Green	(230,458)	71,619	-
Service Delivery Models	Workforce Reductions - Employee Services	SP-CEX-23-02	Green	(45,477)	-	-
Service Delivery Models	Workforce Reductions - OD Team	SP-CEX-23-04	Green	(80,812)	-	-
Service Delivery Models	Workforce Reductions - ICT	SP-CEX-23-09	Green	(110,366)	-	-
Service Delivery Models	Workforce Reductions - Customer Services	SP-CEX-23-10	Green	(100,275)	-	-
Service Delivery Models	Workforce Reductions - Policy, Performance & Elections	SP-CEX-23-15	Green	(11,603)	-	-
Service Delivery Models	Workforce Reductions - Communications	SP-CEX-23-15	Green	(8,223)	-	-
Service Delivery Models	Workforce Reductions - Information Governance	SP-CEX-23-20	Green	(18,248)	-	-
Service Delivery Models	Increase in level of Procurement Rebates	SP-CEX-23-23	Green	(50,000)	-	-
Other	Sub Total			<u>(2,057,172)</u>	<u>128,619</u>	<u>59,000</u>
Total				<u>(2,057,172)</u>	<u>128,619</u>	<u>59,000</u>
<b>TOTAL OPERATIONAL BUDGET ADJUSTMENTS</b>				<b><u>(3,484,018)</u></b>	<b><u>751,788</u></b>	<b><u>239,000</u></b>

**North Ayrshire Council**  
**Revenue Budget 2023/24**  
**Revenue Budget Savings Already Approved**

Council Objective/Theme	Saving	Reference	Category	2023/24 £'s	2024/25 £'s	2025/26 £'s
<b>Inspiring Places</b>						
Land, Property and Assets	Introduction of Car Parking charges and Decriminalised Parking Enforcement (Now replaced by Council motion approved 15/2/23)	SP-PL-20-03	Red	(220,000)	-	-
Land, Property and Assets	Grounds Maintenance Review & Community Planting	SP-PL-21-05	Green	(30,000)	-	-
Land, Property and Assets	Sub Total			(250,000)	-	-
Service Delivery Models	Waste Resource Service Review	SP-PL-20-09	Green	(95,000)	-	-
Service Delivery Models	Sub Total			(95,000)	-	-
Transport and Travel	Transformation Project - Council Transport	SP-PL-20-01	Green	(100,000)	-	-
Transport and Travel	Sub Total			(100,000)	-	-
Total				(445,000)	-	-
<b>Aspiring Communities</b>						
Children, Young People and Communities	Review of the Learning Community Librarians across Educational Establishments	SP-COM-22-07	Amber	(10,500)	-	-
Children, Young People and Communities	Sub Total			(10,500)	-	-
Service Delivery Models	Arran Outdoor Education Centre	SP-COM-21-10	Amber	(50,000)	-	-
Service Delivery Models	Review of Early Learning and Childcare service provision	SP-COM-21-12a	Green	746,538	-	-
Service Delivery Models	Sub Total			696,538	-	-
Total				686,038	-	-
<b>A Council for the Future</b>						
Land, Property and Assets	New Ways of Working	SP-OCI-21-06	Green	(35,000)	-	-
Land, Property and Assets	Sub Total			(35,000)	-	-
Total				(35,000)	-	-
<b>TOTAL SAVINGS PREVIOUSLY APPROVED</b>				<b>206,038</b>	-	-

North Ayrshire Council Revenue Budget 2023/24 Revenue Expenditure Requirements						
Council Objective/Theme	Investment	Category	Reference	2023/24 £'s	2024/25 £'s	2025/26 £'s
<b>Inspiring Places</b>						
Charging for Services	Shewalton Landfill Income	Contractual/Unavoidable	BID-PL-22-10	140,903	-	-
Land, Property and Assets	Rates liability for prescribed public open spaces	Contractual/Unavoidable	BID-PL-23-16	50,000	-	-
Sub Total		Contractual/Unavoidable		190,903	-	-
Land, Property and Assets	Compliance Review of CCTV	National/Local Pressures	BID-PL-23-11	39,867	-	-
Land, Property and Assets	Road Salt for Winter Maintenance Service	National/Local Pressures	BID-PL-23-16	75,766	(75,766)	-
Land, Property and Assets	DPE with no parking charges Budget Pressure-Council Motion 15/2/2023	National/Local Pressures		616,300	-	-
Sub Total		National/Local Pressures		731,933	(75,766)	-
Service Delivery Models	Local Energy Strategy	New National Expenditure Requirement		75,000	-	-
Sub Total		New National Expenditure Requirements		75,000	-	-
<b>Total</b>				997,836	(75,766)	-
<b>Aspiring Communities</b>						
Land, Property and Assets	PPP/DBFM annual indexation	Contractual/Unavoidable	BID-COM-21-01	1,678,556	804,444	404,993
Transport & Travel	SPT Annual Price Revision	Contractual/Unavoidable	BID-PL-23-05	173,934	73,227	75,423
Sub Total		Contractual/Unavoidable		1,852,490	877,671	480,416
Children, Young People and Communities	Islands Officer	National/Local Pressures	BID-PL-23-27	-	5,767	60,196
Children, Young People and Communities	Additional school running costs as a result of the capital programme	National/Local Pressures	BID-PL-21-01 & 23-01	31,700	553,925	280,646
Transport & Travel	Statutory Provision for Transport	National/Local Pressures	BID-PL-23-09	361,496	-	-
Sub Total		National/Local Pressures		393,196	559,692	340,842
Children, Young People and Communities	School Clothing Grants	New National Expenditure Requirements		36,000	-	-
Children, Young People and Communities	ELC Expansion	New National Expenditure Requirements		(1,198,000)	-	-
Children, Young People and Communities	Free School Meals Expansion	New National Expenditure Requirements		2,272,000	-	-
Children, Young People and Communities	Removal of Music Tuition Charges	New National Expenditure Requirements		283,000	-	-
Children, Young People and Communities	Removal of Curriculum Charges	New National Expenditure Requirements		201,000	-	-
Children, Young People and Communities	Pupil Equity Fund	New National Expenditure Requirements		(50,000)	-	-
Children, Young People and Communities	1 + 2 Languages	New National Expenditure Requirements		(30,000)	-	-
Children, Young People and Communities	21/22 SNCT Pay Award	New National Expenditure Requirements		870,000	-	-
Sub Total		New National Expenditure Requirements		2,384,000	-	-
<b>Total</b>				4,629,686	1,437,363	821,258

North Ayrshire Council Revenue Budget 2023/24 Revenue Expenditure Requirements						
Council Objective/Theme	Investment	Category	Reference	2023/24 £'s	2024/25 £'s	2025/26 £'s
<b>A Council for the Future</b>						
Service Delivery Models	GIS and Analytics Team Resource	National/Local Pressures	BID-CEX-22-02	13,812	-	-
Sub Total		National/Local Pressures		<u>13,812</u>	<u>-</u>	<u>-</u>
<b>Total</b>				<u><u>13,812</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Council Wide Pressures</b>						
Inflation	Joint Board requisitions	Contractual/Unavoidable		42,895	95,276	97,975
Inflation	22/23 Pay Award Addition	Contractual/Unavoidable		5,831,113	-	-
Inflation	Reversal of NI 1.25% Employer Increase	Contractual/Unavoidable		(1,179,001)	-	-
Inflation	Pay Award	Contractual/Unavoidable		5,873,940	6,076,014	6,258,052
Inflation	Pension Fund Auto Enrolment	Contractual/Unavoidable		167,371	313,447	322,850
Inflation	NDR Revaluation	Contractual/Unavoidable		226,885	226,885	226,885
Inflation	Corporate issues (energy, fuel, food, NDR)	Contractual/Unavoidable		5,011,703	2,781,900	1,302,620
Sub Total				<u>15,974,906</u>	<u>9,493,522</u>	<u>8,208,382</u>
Other	Loan charges	Contractual/Unavoidable		1,587,001	923,000	586,000
Sub Total				<u>1,587,001</u>	<u>923,000</u>	<u>586,000</u>
<b>Total</b>				<u><u>17,561,907</u></u>	<u><u>10,416,522</u></u>	<u><u>8,794,382</u></u>
<b>TOTAL REVENUE EXPENDITURE REQUIREMENTS</b>				<b><u><u>23,203,241</u></u></b>	<b><u><u>11,778,119</u></u></b>	<b><u><u>9,615,640</u></u></b>

North Ayrshire Council Revenue Budget 2023/24 Revenue Budget Savings to be Approved											
Council Objective / Reference Theme	Reference	Savings Proposal	Community Impact	Delivery Risk	2022/23 Current Budget £	2023/24		2024/25		2025/26	
						Proposed Saving £	Workforce implications £	Consequential Savings £	New Saving £	Consequential Savings £	New Saving £
<b>Inspiring Places</b>											
Children, Young People and Communities	SP-PL-23-02	Cessation of Food For Life accreditation	High Negative	Amber	2,469,669	(53,923)					
Charging for Services, Alternative Funding	SP-PL-23-08	Rent increases for Temporary furnished flats	Low Negative	Amber	4,305,840	(160,000)					
Land, Property and Assets	SP-PL-23-20	Office rationalisation	None	Amber							(200,000)
Children, Young People and Communities	SP-PL-23-25	Christmas lights	Low Negative	Amber	38,000	(35,000)					
Service Delivery Models	SP-PL-23-29	Cease free Food Waste Liners	Low Negative	Amber	124,150	(22,500)		(7,500)			
<b>Total</b>						<b>(271,423)</b>	<b>- -</b>	<b>(7,500)</b>	<b>-</b>	<b>-</b>	<b>(200,000)</b>
<b>Aspiring Communities</b>											
Service Delivery	SP-COM-23-23	Service Re design - Locality Hubs	High Negative	Amber	148,524	(40,000)					
Children, Young People and Communities	SP-COM-23-02	Review Early Learning and Childcare Staffing Entitlements	High Negative	Amber	13,594,246	(129,846)	(5.10)	(81,154)			
Children, Young People and Communities	SP-COM-23-03	Service Redesign of Early Learning and Childcare HQ Support Team	Low Negative	Green	1,259,007	(462,475)	(10.40)				
Children, Young People and Communities	SP-COM-23-04	Closure of Kilwinning Early Years Centre	Low Negative	Green	522,434	(38,769)	(1.00)	(24,231)			
Children, Young People and Communities	SP-COM-23-07	Replace Cost of the School Day Budget with a new Early Intervention Fund to support the Child Poverty and Cost of Living Board	None	Green	500,000	(500,000)					
<b>Total</b>						<b>(1,171,090)</b>	<b>(16.50) -</b>	<b>(105,385)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>A Council for the Future</b>											
Other		Fees & Charges Inflation	Low Negative	Green	(6,745,426)	(193,752)	-	(240,325)			(252,342)
<b>Total</b>						<b>(193,752)</b>	<b>- -</b>	<b>(240,325)</b>	<b>-</b>	<b>(252,342)</b>	<b>-</b>
<b>TOTAL SAVINGS TO BE APPROVED</b>						<b>(1,636,265)</b>	<b>(16.50)</b>	<b>(353,210)</b>	<b>-</b>	<b>(252,342)</b>	<b>(200,000)</b>

North Ayrshire Council  
Charges for 2023-24 to 2025-26

Directorate	Service	Manager	Charge Description	Current Approved Charge (2022/23) £	Proposed Charge (2023/24)	Indicative Charge (2024/25)	Indicative Charge (2025/26)	Basis of increase 23-24 %	Note
Chief Executives	Legal - Licensing	Raymond Lynch	Amendment (due to Licence Partnership)	£126.00	£132.00	£138.60	£145.53	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Amendment (consent to Material Change)	£35.00	£37.00	£39.00	£41.00	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Indoor Sports Entertainment Licence (when another NAC Licence is held)	£171.00	£180.00	£189.00	£198.45	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Indoor Sports Entertainment Licence (when no other NAC Licences are held)	£341.00	£358.00	£375.90	£394.70	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Public Entertainment Licence (Commercial Premises with Fairground)	£398.00	£418.00	£438.90	£460.85	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Public Entertainment Licence - Full Licence (maximum duration of 3 years, and renewable)	£364.00	£382.00	£401.10	£421.16	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Public Entertainment Licence - Temporary Licence (maximum duration of 6 weeks, and not renewable)	£323.00	£339.00	£355.95	£373.75	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Activity Licence - to sell pets (Activity A)	£199.00	£209.00	£219.00	£230.00	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Activity Licence - to rehome animals (Activity B)	£199.00	£209.00	£219.00	£230.00	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Activity Licence - To operate an "Animal welfare Establishment" (Activity C) If licence holder is OSCR registered no fee	£0.00	£0.00	£0.00	£0.00	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Activity Licence - to breed puppies (Activity D) Grant (one year renewable)	£477.00	£501.00	£526.00	£552.00	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Activity Licence - to breed puppies (Activity D) Renewal (one year)	£210.00	£221.00	£232.00	£244.00	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Activity Licence - to breed kittens (Activity E) Grant (one year renewable)	£477.00	£501.00	£526.00	£552.00	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Activity Licence - to breed kittens (Activity E) Renewal (one year)	£210.00	£221.00	£232.00	£244.00	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Activity Licence - to breed rabbits (Activity F) Grant (one year renewable)	£477.00	£501.00	£526.00	£552.00	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Activity Licence - to breed rabbits (Activity F) Renewal (one year)	£210.00	£221.00	£232.00	£244.00	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Boarding Licence (1 to 10 Animals)	£85.00	£89.00	£93.45	£98.12	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Boarding Licence (11 to 20 Animals)	£113.00	£119.00	£124.95	£131.20	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Boarding Licence (21 to 30 Animals)	£148.00	£155.00	£162.75	£170.89	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Boarding Licence (31 to 50 Animals)	£216.00	£227.00	£238.35	£250.27	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Boarding Licence (51 to 70 Animals)	£278.00	£292.00	£306.60	£321.93	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Animal Boarding Licence (Over 70 Animals)	£352.00	£370.00	£388.50	£407.93	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Registration - Performing Animals (Regulation) Act 1925	£50.00	£53.00	£55.65	£58.43	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Booking Office (with public access)	£341.00	£358.00	£375.90	£394.70	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Booking Office (without public access)	£228.00	£239.00	£250.95	£263.50	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Caravan Sites New system (relevant Permanenet sites - Residential sites) / Old system (Holiday and touring sites) - no fee	£647.00	£679.00	£713.00	£749.00	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Cinema Licence - grant or renewal for one year	£278.00	£292.00	£306.60	£321.93	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Cinema Licence - grant or renewal for under a year - per month (total not to exceed the one year fee)	£93.00	£98.00	£102.90	£108.05	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Cinema Licence - Transfer	£56.00	£59.00	£61.95	£65.05	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Dangerous Wild Animals - New & Renewal (maximum duration of 12 months, and renewable)	£301.00	£316.00	£331.80	£348.39	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Duplicate Licence	£35.00	£37.00	£38.85	£40.79	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Knife Dealers Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£341.00	£358.00	£375.90	£394.70	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Late Hours Catering Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£181.00	£190.00	£199.50	£209.48	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Market Operators Licence	£386.00	£405.00	£425.25	£446.51	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Metal Dealers Licence (Premises & Itinerant)	£119.00	£125.00	£131.25	£137.81	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Registration to sell non medical poisons (new)	£25.00	£26.00	£27.30	£28.67	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Registration to sell non medical poisons (retention)	£13.00	£14.00	£14.70	£15.44	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Second Hand Dealers Licence - New (Full - maximum duration of 3 years, and renewable)	£239.00	£251.00	£264.00	£277.00	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Second Hand Dealers Licence - Already Licenced (Full - maximum duration of 3 years, and renewable)	£126.00	£132.00	£138.60	£145.53	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Sex Shop or Sexual Entertainment Venue Licence - New & Renewal (Full - maximum duration of 3 years, and renewable)	£2,027.00	£2,128.00	£2,234.40	£2,346.12	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Skin Piercing or Tattooing Licence (with Premises)	£358.00	£376.00	£394.80	£414.54	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Skin Piercing or Tattooing Licence (without Premises)	£301.00	£316.00	£331.80	£348.39	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Street Trader Employee Licence - Full licence (maximum duration of 3 years, and renewable)	£136.00	£143.00	£150.15	£157.66	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Street Trader Employee Licence - Temporary Licence (maximum duration of 3 years, and renewable)	£103.00	£108.00	£113.40	£119.07	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Street Trader Operator - Substitute Vehicle	£119.00	£125.00	£131.25	£137.81	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Street Trader Operator Licence - Full Licence (maximum duration of 3 years, and renewable)	£273.00	£287.00	£301.35	£316.42	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Street Trader Operator Licence - Temporary Licence (maximum duration of 6 weeks, and not renewable)	£187.00	£196.00	£205.80	£216.09	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Zoo Licence (New - maximum duration of 4 years, and renewable. Vet inspections are charged in addition)	£301.00	£316.00	£331.80	£348.39	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Zoo Licence (Renewal - maximum duration of 6 years, and renewable. Vet inspections are charged in addition)	£301.00	£316.00	£331.80	£348.39	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Venison Dealer	£126.00	£132.00	£138.60	£145.53	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Venison Employee / Agent	£68.00	£71.00	£74.55	£78.28	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Game Dealers	£5.00	£5.00	£5.25	£5.51	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Poisons alteration	£6.00	£6.00	£6.30	£6.62	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Riding Establishment Licence (1 year, New & Renewal)	£477.00	£501.00	£526.05	£552.35	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Riding Establishment Licence (One year, If already licenced)	£358.00	£376.00	£394.80	£414.54	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Replacement Door Sign	£17.00	£18.00	£18.90	£19.85	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Replacement Licence resulting from change of address	£14.00	£15.00	£15.75	£16.54	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Replacement Plate	£34.00	£36.00	£37.80	£39.69	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Replacement Tariff Card	£14.00	£15.00	£15.75	£16.54	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Replacement Taxi / Private Hire Car Driver Badge	£19.00	£20.00	£21.00	£22.05	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Replacement Window Stickers	£19.00	£20.00	£21.00	£22.05	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Substitution of Vehicle (Taxi or Private Hire Car)	£212.00	£223.00	£234.15	£245.86	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Taxi Driver's Licence - Full Licence (1 year, and renewable)	£85.00	£89.00	£93.45	£98.12	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Taxi Driver's Licence - Full Licence (maximum duration of 3 years, and renewable)	£199.00	£209.00	£219.45	£230.42	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Private Hire Car Driver Licence - Full licence (maximum duration of 3 years, and renewable)	£199.00	£209.00	£219.45	£230.42	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Private Hire Car Licence (Operator) - Full Licence (1 year, and renewable)	£352.00	£370.00	£388.50	£407.93	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Private Hire Car Licence (Operator) - Full Licence (maximum duration of 3 years, and renewable)	£590.00	£620.00	£651.00	£683.55	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Taxi Licence (1 year)	£381.00	£400.00	£420.00	£441.00	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Taxi Licence (Operator) - Full Licence (maximum duration of 3 years, and renewable)	£658.00	£691.00	£725.55	£761.83	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Variation of a Licence	£58.00	£61.00	£64.05	£67.25	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Private Hire Car Driver's Licence - Full Licence (1 yr, and renewable)	£85.00	£89.00	£93.45	£98.12	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Inspection of Vehicle (Taxi or Private Hire Car)	£88.00	£92.00	£96.60	£101.43	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Re-inspection of Vehicle (Taxi or Private Hire Car)	£47.00	£49.00	£51.45	£54.02	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Re-seal of Taximeter	£23.00	£24.00	£25.20	£26.46	5.0%	

Directorate	Service	Manager	Charge Description	Current Approved Charge (2022/23) £	Proposed Charge (2023/24)	Indicative Charge (2024/25)	Indicative Charge (2025/26)	Basis of increase 23-24 %	Note
Chief Executives	Legal - Licensing	Raymond Lynch	Civic Government (Scotland) Act 1982 - Temporary Licence (duration specified in Licence, maximum 6 weeks, and not renewable) (unless specifically mentioned in this table)	£171.00	£180.00	£189.00	£198.45	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	House in Multiple Occupation Licence (New)	£954.00	£1,002.00	£1,052.10	£1,104.71	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	House in Multiple Occupation Licence (Already Licenced)	£716.00	£752.00	£789.60	£829.08	5.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Landlord Registration - Principal	£68.00	£68.00	£68.00	£68.00	0.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Landlord Registration - Property	£16.00	£16.00	£16.00	£16.00	0.0%	
Chief Executives	Legal - Licensing	Raymond Lynch	Landlord Registration - Late Application	£137.00	£137.00	£137.00	£137.00	0.0%	
Chief Executives	Registration Services	Elaine Nixon	Civil Marriages / Partnerships at Registration Office outwith office hours	£488.00	£504.65	£529.88	£556.37	5.0%	
Chief Executives	Registration Services	Elaine Nixon	Civil Marriages / Partnerships at Registration Office during office hours	£308.00	£315.65	£331.43	£348.00	5.0%	
Chief Executives	Registration Services	Elaine Nixon	All Ceremonies at approved venues - fee for attendance of a Registrar during office hours	£475.00	£491.00	£515.55	£541.33	5.0%	
Chief Executives	Registration Services	Elaine Nixon	All Ceremonies at approved venues - fee for attendance of a Registrar outwith office hours	£534.00	£552.95	£580.60	£609.63	5.0%	
Chief Executives	Registration Services	Elaine Nixon	Guest Supplement: during office hours when more than 4 guests attend a marriage/civil partnership at Registration offices	£153.00	£160.65	£168.68	£177.11	5.0%	
Chief Executives	Registration Services	Elaine Nixon	Naming & Renewal of Vows Ceremonies conducted at Registration Offices during office hours	£290.00	£304.50	£319.73	£335.72	5.0%	
Chief Executives	Registration Services	Elaine Nixon	Naming & Renewal of Vows Ceremonies conducted at Registration Offices outwith office hours	£348.00	£365.40	£383.67	£402.85	5.0%	
Chief Executives	Registration Services	Elaine Nixon	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Registration Offices outwith office hours	£626.00	£649.55	£682.03	£716.13	5.0%	
Chief Executives	Registration Services	Elaine Nixon	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Approved Venues outwith office hours	£696.00	£723.05	£759.20	£797.16	5.0%	
Chief Executives	Registration Services	Elaine Nixon	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Approved Venues during office hours	£609.00	£631.70	£663.29	£696.45	5.0%	
Chief Executives	Registration Services	Elaine Nixon	Guest supplement: during office hours when more than 4 guests attend a Civil Marriage/Partnership & Naming Ceremony at Registration Offices	£394.00	£413.70	£434.39	£456.11	5.0%	
Chief Executives	Registration Services	Elaine Nixon	Private Citizenship Ceremony, Registration Office, Office Hours	£139.00	£145.95	£153.25	£160.91	5.0%	
Chief Executives	Registration Services	Elaine Nixon	Private Citizenship Ceremony, Registration Office, Office Hours, plus Guest Supplement for more than 4 Guests	£255.00	£267.75	£281.14	£295.20	5.0%	
Chief Executives	Registration Services	Elaine Nixon	Civil Marriage/Partnership & Naming Ceremony booked together and conducted at Registration Offices during office hours	£549.00	£568.70	£597.14	£627.00	5.0%	
Health & Social Care	All	Eleanor Currie	Maximum Weekly Non-Residential Charge	£92.00	£96.60	£101.43	£106.50	5.0%	
Health & Social Care	Adults	Eleanor Currie	Care at Home Adults	£15.99	£16.79	£17.63	£18.51	5.0%	
Health & Social Care	Adults	Eleanor Currie	Day Care (purchased and provided)	£14.28	£14.99	£15.74	£16.53	5.0%	
Health & Social Care	Adults	Eleanor Currie	Day Care (charges to Other Las)	£231.53	£243.11	£255.27	£268.03	5.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Guest Room Charges at Sheltered Housing Accommodations	£5.25	£5.51	£5.79	£6.08	5.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Community Alarms service - mainland	£5.07	£5.32	£5.59	£5.87	5.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Community Alarms service - Arran	£2.48	£2.60	£2.73	£2.87	5.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Meals on Wheels	£3.20	£3.36	£3.53	£3.71	5.0%	
Health & Social Care	Older People	Eleanor Currie	Care at Home Older People per hour	£15.99	£16.79	£17.63	£18.51	5.0%	
Health & Social Care	Older People	Eleanor Currie	Day Care (purchased and provided) Older People	£14.28	£14.99	£15.74	£16.53	5.0%	
Health & Social Care	Adults	Eleanor Currie	Respite (for an individual's care need rather than to give the carer a break) Age 16-24	£66.25	£69.56	£73.04	£76.69	5.0%	This charge depends on the 23/24 Personal Allowance rate which will not be known until early March.
Health & Social Care	Adults	Eleanor Currie	Respite (for an individual's care need rather than to give the carer a break) Age 25 - 64	£82.50	£86.63	£90.96	£95.51	5.0%	This charge depends on the 23/24 Personal Allowance rate which will not be known until early March.
Health & Social Care	Older People	Eleanor Currie	Respite (for an individual's care need rather than to give the carer a break) Age 65+	£151.60	£159.18	£167.14	£175.50	5.0%	This charge depends on the 23/24 Personal Allowance rate which will not be known until early March.
Health & Social Care	Adults	Eleanor Currie	Sleepover	£12.55	£13.18	£13.84	£14.53	5.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Trindlemoss House - permanent placement	£1,080.00	£1,134.00	£1,190.70	£1,250.24	5.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Montrose House - permanent residential placement	£1,080.00	£1,134.00	£1,190.70	£1,250.24	5.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Montrose House - permanent nursing placement	£1,250.00	£1,312.50	£1,378.13	£1,447.04	5.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Blue Badge (charge for a three year period)	£20.00	£20.00	£20.00	£20.00	0.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Sleepover	£12.55	£13.18	£13.84	£14.53	5.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Direct Payments - Personal Assistants	£13.35	£14.02	£14.72	£15.46	5.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Direct Payments - Agency Rates	£15.99	£16.79	£17.63	£18.51	5.0%	
Health & Social Care	Adults and Older People	Eleanor Currie	Direct Payments - Sleepovers	£12.46	£13.08	£13.73	£14.42	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hire of table linen	£6.20	£6.50	£6.83	£7.17	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hire of twinkle curtain	£78.20	£82.10	£86.21	£90.52	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hire of Red Carpet	£38.80	£40.75	£42.79	£44.93	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Store Requests, hires and deliveries	£33.45	£35.10	£36.86	£38.70	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Stores hire of tables go pack	£5.75	£6.05	£6.35	£6.67	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Stores hire of tables round	£11.15	£11.70	£12.29	£12.90	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Party Package Civic Centre	£164.00	£172.20	£180.81	£189.85	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Wedding packages - Ceremony and Reception	£1,031.34	£1,082.90	£1,137.05	£1,193.90	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Wedding packages - Reception only	£739.80	£776.80	£815.64	£856.42	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Holidays 3 days/2 nights (4 people)	£592.00	£622.00	£653.10	£685.76	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Holidays 5 days/4 nights (4 people)	£1,176.00	£1,235.00	£1,296.75	£1,361.59	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Bed and breakfast (adult)	£41.00	£43.00	£45.15	£47.41	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Dinner, bed and breakfast (adult)	£52.00	£55.00	£57.75	£60.64	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Half day activity (adult)	£53.00	£56.00	£58.80	£61.74	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Half day activity (child)	£37.00	£39.00	£40.95	£43.00	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Full day activity (adult)	£106.00	£111.00	£116.55	£122.38	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Full day activity (child)	£74.00	£78.00	£81.90	£86.00	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Commercial large classroom	£37.00	£39.00	£40.95	£43.00	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Family Function large classroom	£22.00	£23.00	£24.15	£25.36	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire NAC large classroom	£20.00	£21.00	£22.05	£23.15	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire general meeting large classroom	£12.00	£13.00	£13.65	£14.33	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Childcare large classroom	£7.00	£7.00	£7.35	£7.72	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Disabled/charity large classroom	£5.00	£5.00	£5.25	£5.51	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Commercial small chartroom	£19.00	£20.00	£21.00	£22.05	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Family Function small chartroom	£11.00	£12.00	£12.60	£13.23	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire NAC small chartroom	£10.00	£11.00	£11.55	£12.13	5.0%	

Directorate	Service	Manager	Charge Description	Current Approved Charge (2022/23) £	Proposed Charge (2023/24)	Indicative Charge (2024/25)	Indicative Charge (2025/26)	Basis of increase 23-24 %	Note
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire genral meeting small chartroom	£6.00	£6.00	£6.30	£6.62	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Childcare small chartroom	£3.00	£3.00	£3.15	£3.31	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Room hire Disabled/charity small chartroom	£2.00	£2.00	£2.10	£2.21	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Instructor day rate	£220.00	£231.00	£243.00	£255.00	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	NAC School Group 5 days/4 nights (per person)	£208.00	£218.00	£228.90	£240.35	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	NAC School Group 5 days/4 nights (per person) Accompanying Staff	£104.00	£109.00	£114.00	£120.00	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Other school Group 5 days/4 nights (per person)	£418.00	£439.00	£460.95	£484.00	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Other school Group 5 days/4 nights (per person) Accompanying staff	£209.00	£219.00	£230.00	£242.00	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Other school Group 4 days/3 nights (per person)	£167.00	£175.00	£184.00	£193.00	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Other school Group 4 days/3 nights (per person) Accompanying staff	£84.00	£88.00	£92.00	£97.00	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	NAC School Group 3 days/2 nights (per person)	£110.00	£116.00	£121.80	£127.89	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	NAC School Group 3 days/2 nights (per person) Accompanying staff	£55.00	£58.00	£61.00	£64.00	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Other school Group 3 days/2 nights (per person)	£220.00	£231.00	£242.55	£254.68	5.0%	
Communities	Connected Communities (Arran Outdoor)	Angela Morrell	Other school Group 3 days/2 nights (per person) accompanying staff	£110.00	£116.00	£122.00	£128.00	5.0%	
Communities	Connected Communities (Arts)	Lesley Forsyth	Studio 1 - Commercial	£26.00	£27.00	£28.35	£29.77	5.0%	
Communities	Connected Communities (Arts)	Lesley Forsyth	Studio 1 - Non-Commercial	£18.00	£19.00	£19.95	£20.95	5.0%	
Communities	Connected Communities (Arts)	Lesley Forsyth	Studio 2 - Commercial	£19.00	£20.00	£21.00	£22.05	5.0%	
Communities	Connected Communities (Arts)	Lesley Forsyth	Studio 2 - Non-Commercial	£7.25	£8.00	£8.40	£8.82	5.0%	
Communities	Connected Communities (Arts)	Lesley Forsyth	Theatre Hire - Commercial	£71.00	£75.00	£78.75	£82.69	5.0%	
Communities	Connected Communities (Arts)	Lesley Forsyth	Theatre Hire - Non-Commercial	£42.00	£44.00	£46.20	£48.51	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 1 user (eg Commercial Activities) - SMALL ROOM	£21.40	£22.50	£23.63	£24.81	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 1 user (eg Commercial Activities) - LARGE ROOM	£43.25	£45.50	£47.78	£50.17	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 2 user (eg Family Functions) - SMALL ROOM	£12.65	£13.30	£13.97	£14.67	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 2 user (eg Family Functions) - LARGE ROOM	£25.30	£26.60	£27.93	£29.33	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 3 user (eg Agency Letting) - SMALL ROOM	£7.00	£7.35	£7.72	£8.11	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 3 user (eg Agency Letting) - LARGE ROOM	£14.00	£14.70	£15.44	£16.21	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 4 user (eg Pre 5 groups) - SMALL ROOM	£3.30	£3.30	£3.47	£3.64	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 4 user (eg Pre 5 groups) - LARGE ROOM	£6.45	£6.45	£6.77	£7.11	0.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 5 user (eg Disabled org's) - SMALL ROOM	£3.10	£3.25	£3.41	£3.58	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Hall lets, Letting Commission and School Letting - Category 5 user (eg Disabled Org's) - LARGE ROOM	£6.10	£6.40	£6.72	£7.06	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Astro Pitch Youth	£14.40	£15.10	£15.86	£16.65	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Astro Pitch Adult	£21.60	£22.70	£23.84	£25.03	5.0%	
Communities	Connected Communities (Community Facilities)	Donna Morrison	Stores hire Chairs (per item charge)	£0.00	£1.20	£1.26	£1.32	5.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Campsite	£9.00	£10.00	£10.50	£11.03	5.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Events Fields	£111.00	£117.00	£122.85	£128.99	5.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Campsite Field	£67.00	£70.00	£73.50	£77.18	5.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Visitor Facility Block - Full Day	£75.00	£79.00	£82.95	£87.10	5.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Visitor Facility Block - Half Day	£37.50	£39.50	£41.48	£43.55	5.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Portacabin Toilets	£19.00	£20.00	£21.00	£22.05	5.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Racquet Hall - NAC Group / School	£14.00	£14.70	£15.44	£16.21	5.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Racquet Hall - Non Commercial	£25.30	£26.60	£27.93	£29.33	5.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Racquet Hall - Commercial	£43.25	£45.50	£47.78	£50.17	5.0%	
Communities	Connected Communities (Country Parks)	Lesley Forsyth	Ranger Service - All Other Groups	£30.00	£32.00	£33.60	£35.28	5.0%	
Place	Economic Growth (Planning Services)	Jim Miller	Planning Search fees	£101.00	£106.05	£111.35	£116.92	5.0%	
Place	Economic Growth (Planning Services)	Jim Miller	Section 50 Certificates	£107.40	£112.77	£118.41	£124.33	5.0%	
Place	Economic Growth (Planning Services)	Jim Miller	Press Adverts Arran	£92.00	£96.60	£101.43	£106.50	5.0%	
Place	Economic Growth (Planning Services)	Jim Miller	Press Adverts Mainland	£203.00	£213.15	£223.81	£235.00	5.0%	
Place	Economic Growth (Planning Services)	Jim Miller	All Planning Application fees:						
Place	Economic Growth (Planning Services)	Jim Miller	Operations:						
Place	Economic Growth (Planning Services)	Jim Miller	eg Construction of buildings - planning permission in principle	£600.00	£600.00	£600.00	£600.00	0.0%	
Place	Economic Growth (Planning Services)	Jim Miller	eg The erection of buildings - planning permission in principle	£600.00	£600.00	£600.00	£600.00	0.0%	
Place	Economic Growth (Planning Services)	Jim Miller	eg The erection of buildings - where the area of gross floor space to be created does not exceed 40 sq metres	£300.00	£300.00	£300.00	£300.00	0.0%	
Place	Economic Growth (Planning Services)	Jim Miller	Uses of land:						
Place	Economic Growth (Planning Services)	Jim Miller	eg The change of use of a building	£600.00	£600.00	£600.00	£600.00	0.0%	
Place	Economic Growth (Transportation)	Claire Fitzsimmons	Construction Consent Amendments	£365.00	£383.25	£402.41	£422.53	5.0%	
Place	Economic Growth (Transportation)	Claire Fitzsimmons	Supply of Traffic Count data	£200.85	£210.89	£221.43	£232.50	5.0%	
Communities	Heritage	Lesley Forsyth	Genealogy research hourly charge. Any additional costs incurred as a result of the work e.g Scotland People Vouchers, printing etc to be charged at cost	£0.00	£20.00	£21.00	£22.05	5.0%	
Communities	Libraries	Lesley Forsyth	Magnifying Sheets	£2.00	£2.10	£2.21	£2.32	5.0%	
Communities	Libraries	Lesley Forsyth	Tea/Coffee	£1.20	£1.30	£1.37	£1.44	5.0%	
Communities	Libraries	Lesley Forsyth	Street Plans	£2.90	£3.00	£3.15	£3.31	5.0%	
Communities	Libraries	Lesley Forsyth	Lost and Damaged Audio	£0.00	£0.00	£0.00	£0.00	5.0%	
Communities	Libraries	Lesley Forsyth	Book Sales (NAC Stock)	£0.00	£0.00	£0.00	£0.00	5.0%	
Communities	Libraries	Lesley Forsyth	Black and White Photocopying/Printing A4 or A3 single-sided	£0.10	£0.10	£0.11	£0.12	5.0%	
Communities	Libraries	Lesley Forsyth	Black and White Photocopying/Printing A4 or A3 double-sided	£0.20	£0.20	£0.21	£0.22	5.0%	
Communities	Libraries	Lesley Forsyth	Colour Photocopying/Printing A4 or A3 single-sided	£0.35	£0.40	£0.42	£0.44	5.0%	
Communities	Libraries	Lesley Forsyth	Colour Photocopying/Printing A4 or A3 double-sided	£0.70	£0.80	£0.84	£0.88	5.0%	
Communities	Libraries	Lesley Forsyth	DVD Lending Service - DVD's per Week hire	£1.75	£1.80	£1.89	£1.98	5.0%	
Communities	Libraries	Lesley Forsyth	DVD Lending Service - Day ones (New releases) 2 nights hire	£2.00	£2.10	£2.21	£2.32	5.0%	
Communities	Libraries	Lesley Forsyth	Audio Charges - CD	£0.30	£0.30	£0.32	£0.34	5.0%	
Communities	Libraries	Lesley Forsyth	Room Hire - Category 1 user (eg Commercial Activities) - SMALL ROOM	£21.40	£22.50	£23.63	£24.81	5.0%	
Communities	Libraries	Lesley Forsyth	Room Hire - Category 2 user (eg Family Functions) - SMALL ROOM	£12.65	£13.30	£13.97	£14.67	5.0%	
Communities	Libraries	Lesley Forsyth	Room Hire - Category 3 user (eg Agency Letting) - SMALL ROOM	£7.00	£7.35	£7.72	£8.11	5.0%	
Communities	Libraries	Lesley Forsyth	Room Hire - Category 4 user (eg Pre 5 groups) - SMALL ROOM	£3.30	£3.30	£3.47	£3.64	0.0%	
Communities	Libraries	Lesley Forsyth	Room Hire - Category 5 user (eg Disabled org's) - SMALL ROOM	£3.10	£3.25	£3.41	£3.58	5.0%	
Place	Energy and Sustainability	Agnes Piatek-Badnerek	Electric Vehicle Charging Point - Destination/Kwh	£0.19	£0.19	£0.19	£0.19	0.0%	

Directorate	Service	Manager	Charge Description	Current Approved Charge (2022/23) £	Proposed Charge (2023/24)	Indicative Charge (2024/25)	Indicative Charge (2025/26)	Basis of increase 23-24 %	Note
Place	Energy and Sustainability	Agnes Piatek-Badnerek	Electric Vehicle Charging Point - Journey/Kwh	£0.30	£0.30	£0.30	£0.30	0.0%	
Place	Protective Services (Building Standards)	Scott McKenzie	Clearance Certificates	£235.10	£246.86	£259.20	£272.16	5.0%	
Place	Protective Services (Building Standards)	Scott McKenzie	Searches	£101.00	£106.05	£111.35	£116.92	5.0%	
Place	Protective Services (Building Standards)	Scott McKenzie	Section 50 Certificates	£125.00	£131.25	£137.81	£144.70	5.0%	
Place	Protective Services (Building Standards)	Scott McKenzie	Section 89 Certificates	£408.80	£429.24	£450.70	£473.24	5.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Bacteriological Swimming Pool Sampling	£51.00	£53.55	£56.23	£59.04	5.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Legionella Swimming Pool Sampling	£95.00	£99.75	£104.74	£109.98	5.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Food Hygiene Training Delegate Charge	£29.00	£30.45	£31.97	£33.57	5.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Chemical Swimming Pool Sampling	£70.00	£73.50	£77.18	£81.04	5.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control - Fumigations/Sprays for heavy infestations e.g. bedbugs, fleas includes survey and revisit.	£77.00	£80.90	£84.95	£89.20	5.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control Charge - Insects (Domestic)	£50.00	£52.50	£55.13	£57.89	5.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control Charge - Rats/Mice/Insects (Commercial)	£77.00	£80.90	£84.95	£89.20	5.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control Charge - Rats/Mice/Squirrels (Domestic) includes up to 3 visits.	£77.00	£80.90	£84.95	£89.20	5.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Pest Control Charge - Wasp Nests/Bees	£50.00	£52.50	£55.13	£57.89	5.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Section 50 Certificates	£125.00	£131.25	£137.81	£144.70	5.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Certificate of Compliance (not required as part of licence application)	£100.00	£105.00	£110.25	£115.76	5.0%	
Place	Protective Services (Environmental Health)	Scott McKenzie	Health Certificate for export to China	£36.00	£37.80	£39.69	£41.67	5.0%	
Place	Protective Services (Trading Standards)	Scott McKenzie	Liquid fuel measuring instruments - first meter tested	£159.00	£166.95	£175.30	£184.07	5.0%	
Place	Protective Services (Trading Standards)	Scott McKenzie	Liquid fuel measuring instruments - each additional meter tested during same visit	£98.00	£102.90	£108.05	£113.45	5.0%	
Place	Protective Services (Trading Standards)	Scott McKenzie	All other weighing and measuring equipment - one officer on site (per hour)	£86.00	£90.30	£94.82	£99.56	5.0%	
Place	Protective Services (Trading Standards)	Scott McKenzie	All other weighing and measuring equipment- two or more officers on site (per hour)	£138.00	£144.90	£152.15	£159.76	5.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Interment of Eighteen and Over	£806.00	£846.00	£888.30	£932.72	5.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Purchase of Exclusive Right of Burial (New Lair)	£859.00	£902.00	£947.10	£994.46	5.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Purchase of Exclusive Right of Burial (Woodland Area)	£859.00	£902.00	£947.10	£994.46	5.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Interment of Cremated Remains (Aged 18 and over)	£228.00	£239.00	£250.95	£263.50	5.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Memorial Foundation	£176.00	£185.00	£194.25	£203.96	5.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Dis-interments	£970.00	£1,019.00	£1,069.95	£1,123.45	5.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Interment in common ground	£252.00	£265.00	£278.25	£292.16	5.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Purchase of Exclusive Right of Burial - Cremated Remains Only (New Lair)	£471.00	£495.00	£519.75	£545.74	5.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Purchase of Exclusive Right of Burial - Cremated Remains Only in Garden of Remembrance (New Lair)	£471.00	£495.00	£519.75	£545.74	5.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Interment of Eighteen and Over (Saturdays and Public Holidays)	£1,209.00	£1,269.00	£1,332.45	£1,399.07	5.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Transfer of Title Deeds/Duplicate Title Deeds	£21.00	£22.00	£23.10	£24.26	5.0%	
Place	Bereavement Service	Wallace Turpie/ David Mackay	Memorial permit	£44.00	£46.00	£48.30	£50.72	5.0%	
School Meals	FM	Carolyn Hope	Secondary School meals	£2.05	£2.05	£2.15	£2.26	0.0%	
School Meals	FM	Carolyn Hope	Primary School meals	£2.05	£2.05	£2.15	£2.26	0.0%	
Place	Largs Car Park	Wallace Turpie/ David Mackay	Car park Charges - up to 1 hour	£1.00	£1.00	£1.00	£1.00	0.0%	
Place	Largs Car Park	Wallace Turpie/ David Mackay	Car park Charges - over 1 hour up to 3 hours	£3.00	£3.00	£3.00	£3.00	0.0%	
Place	Largs Car Park	David Hammond	Car park Charges - over 3 hours	£5.00	£5.00	£5.00	£5.00	0.0%	
Place	Streetscene Services	Wallace Turpie/ David Mackay	Abandoned Trolley Charge	£33.00	£35.00	£36.75	£38.59	5.0%	
Place	Streetscene Services	Wallace Turpie/ David Mackay	Grass Cutting Scheme	£70.00	£74.00	£77.70	£81.59	5.0%	
Place	Transport Services	Gordon Mitchell	Car Inspection	£30.00	£31.50	£33.08	£34.73	5.0%	
Place	Transport Services	Gordon Mitchell	MOT Class 4	£54.85	£54.85	£54.85	£54.85	0.0%	
Place	Transport Services	Gordon Mitchell	MOT Class 5	£59.55	£59.55	£59.55	£59.55	0.0%	
Place	Transport Services	Gordon Mitchell	MOT Class 7	£58.60	£58.60	£58.60	£58.60	0.0%	
Place	Transport Services	Gordon Mitchell	Tachograph Calibration	£58.00	£60.90	£63.95	£67.15	5.0%	
Place	Transport Services	Gordon Mitchell	Tachograph 2 year Inspection	£40.00	£42.00	£44.10	£46.31	5.0%	
Place	Transport Services	Gordon Mitchell	Tachograph 6 year Inspection	£58.00	£60.90	£63.95	£67.15	5.0%	
Place	Transport Services	Gordon Mitchell	Per hire charge for transport hires to external groups.	£23.00	£24.15	£25.36	£26.63	5.0%	
Place	Roads	Campbell Dempster	Section 56 Roads Opening Permit Vehicle Access Crossing	£74.00	£78.00	£81.90	£86.00	5.0%	
Place	Roads	Campbell Dempster	Section 56 Road Opening Permit Other works involving excavation in the public road	£208.00	£218.00	£228.90	£240.35	5.0%	
Place	Roads	Campbell Dempster	Section 56 Road Opening Permit Other works involving excavation in the public road. Duration charge for ad	£98.00	£103.00	£108.15	£113.56	5.0%	
Place	Roads	Campbell Dempster	Section 58 Road Occupation Permits Builders Materials - for up to 4 weeks	£86.00	£90.00	£94.50	£99.23	5.0%	
Place	Roads	Campbell Dempster	Section 58 Road Occupation Permits Cranes - for up to 4 weeks	£86.00	£90.00	£94.50	£99.23	5.0%	
Place	Roads	Campbell Dempster	Section 58 Road Occupation Permits Scaffolding - for up to 4 weeks	£86.00	£90.00	£94.50	£99.23	5.0%	
Place	Roads	Campbell Dempster	Section 85 Skip Permits - for up to 4 weeks	£51.00	£54.00	£56.70	£59.54	5.0%	
Place	Roads	Campbell Dempster	Temporary Traffic Signal Permit (three way or more only). This would be in addition to Section 56 charge.	£122.00	£128.00	£134.40	£141.12	5.0%	

Directorate	Service	Manager	Charge Description	Current Approved Charge (2022/23) £	Proposed Charge (2023/24)	Indicative Charge (2024/25)	Indicative Charge (2025/26)	Basis of increase 23-24 %	Note
Place	Roads	Campbell Dempster	Temporary Traffic Signal Permit (three way or more only). This would be in addition to Section 56 charge. Duration charge for additional week.	£122.00	£128.00	£134.40	£141.12	5.0%	
Place	Roads	Campbell Dempster	Property Enquiry Adoption Plan	£37.00	£39.00	£40.95	£43.00	5.0%	
Place	Roads	Campbell Dempster	NRSWA Section 109 Permission	£317.00	£333.00	£349.65	£367.13	5.0%	
Place	Roads	Campbell Dempster	NRSWA Public Utility Sample Inspections	£36.00	£36.00	£36.00	£36.00	0.0%	
Place	Roads	Campbell Dempster	5 day Temporary Traffic Order (by notice)	£426.00	£447.00	£469.35	£492.82	5.0%	
Place	Roads	Campbell Dempster	Emergency Temporary Traffic Order (by notice)	£426.00	£447.00	£469.35	£492.82	5.0%	
Place	Roads	Campbell Dempster	Temporary Traffic Orders (advertised in press). Advertising costs are extra.	£658.00	£691.00	£725.55	£761.83	5.0%	
Place	Roads	Campbell Dempster	Supply of Traffic Count Data. Price per site.	£208.00	£218.00	£228.90	£240.35	5.0%	
Place	Roads	Campbell Dempster	Supply / Use of information from the Saturn and ParamicsTraffic Models	£1,340.00	£1,407.00	£1,477.35	£1,551.22	5.0%	
Place	Roads	Campbell Dempster	Neighbourhood Watch Signs	£37.00	£39.00	£40.95	£43.00	5.0%	
Place	Roads	Campbell Dempster	Switching off Traffic Signals for third parties	£147.00	£154.00	£161.70	£169.79	5.0%	
Place	Roads	Campbell Dempster	Temporary signs for events.	£98.00	£103.00	£108.15	£113.56	5.0%	
Place	Roads	Campbell Dempster	Signs for new Housing Developments	£378.00	£397.00	£416.85	£437.69	5.0%	
Place	Roads	Campbell Dempster	H Bar Markings (Access protection markings)	£61.00	£64.00	£67.20	£70.56	5.0%	
Place	Roads	Campbell Dempster	Car Park Charges (Bellmans Close) - Up to 60 minutes	£1.50	£1.50	£1.50	£1.50	0.0%	
Place	Roads	Campbell Dempster	Car Park Charges (Bellmans Close) - Up to 120 minutes	£2.00	£2.00	£2.00	£2.00	0.0%	
Place	Roads	Campbell Dempster	Car Park Charges (Bellmans Close) - Up to 240 minutes	£3.50	£3.50	£3.50	£3.50	0.0%	
Place	Waste Resources	David Mackay	New/Replacement Waste Container 360 Litre	£75.01	£78.76	£82.70	£86.84	5.0%	
Place	Waste Resources	David Mackay	New/Replacement Waste Container 1100 Litre	£382.14	£429.91	£451.41	£473.98	12.5%	
Place	Waste Resources	David Mackay	New/Replacement Waste Container 1280 Litre	£444.65	£500.23	£525.24	£551.50	12.5%	
Place	Waste Resources	David Mackay	Collection and Disposal of Commercial White Goods per item	£150.12	£157.63	£165.51	£173.79	5.0%	
Place	Waste Resources	David Mackay	Bin Repair - standard lock supply & fitting	£22.71	£23.85	£25.04	£26.29	5.0%	
Place	Waste Resources	David Mackay	Bin Repair - new forest lock lock supply & fitting	£33.00	£34.65	£36.38	£38.20	5.0%	
Place	Waste Resources	David Mackay	Bin Repair - push to lock supply & fitting	£45.84	£48.13	£50.54	£53.07	5.0%	
Place	Waste Resources	David Mackay	Bin Repair - lid supplied & lock fixed cost	£141.35	£148.42	£155.84	£163.63	5.0%	
Place	Waste Resources	David Mackay	Bin Repair - Push to lock lid and lock supply & fitting	£164.48	£172.70	£181.34	£190.41	5.0%	
Place	Waste Resources	David Mackay	BIN Repair - one front wheel supplied and fitted cost	£73.86	£77.55	£81.43	£85.50	5.0%	
Place	Waste Resources	David Mackay	Bin Repair - one back wheel supplied and fitted cost	£80.00	£84.00	£88.20	£92.61	5.0%	
Place	Waste Resources	David Mackay	New/Replacement Waste Container 240 Litre	£45.50	£47.78	£50.17	£52.68	5.0%	
Place	Waste Resources	David Mackay	New/Replacement Waste Container 140 Litre	£31.26	£32.82	£34.46	£36.18	5.0%	
Place	Waste Resources	David Mackay	New/Replacement Waste Container 660 Litre	£319.50	£359.44	£377.41	£396.28	12.5%	
Place	Waste Resources	David Mackay	Special Uplift Charges	£25.20	£26.46	£27.78	£29.17	5.0%	
Place	Waste Resources	David Mackay	Special Uplift individual item Charges	£5.04	£5.29	£5.55	£5.83	5.0%	
Place	Waste Resources	David Mackay	Special Uplift Squad - 30 min	£50.23	£52.74	£55.38	£58.15	5.0%	
Place	Waste Resources	David Mackay	Special Uplift Squad - 60 min	£100.45	£105.47	£110.74	£116.28	5.0%	
Place	Waste Resources	David Mackay	Special Uplift - disposal - 1/4te	£37.40	£39.27	£41.23	£43.29	5.0%	
Place	Waste Resources	David Mackay	Special Uplift - disposal - 1/2te	£74.79	£78.53	£82.46	£86.58	5.0%	
Place	Waste Resources	David Mackay	Special Uplift - disposal - Te	£149.58	£157.06	£164.91	£173.16	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 240 Litre Bin	£5.81	£6.10	£6.41	£6.73	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 360 Litre Bin	£8.72	£9.16	£9.62	£10.10	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 660 Litre Bin	£15.97	£16.77	£17.61	£18.49	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 1100 Litre Bin	£26.64	£27.97	£29.37	£30.84	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 1280 Litre Bin	£31.07	£32.62	£34.25	£35.96	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 240 Litre bin	£6.27	£6.58	£6.91	£7.26	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 360 Litre bin	£9.41	£9.88	£10.37	£10.89	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 660 Litre bin	£17.23	£18.09	£18.99	£19.94	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 1100 Litre bin	£28.75	£30.19	£31.70	£33.29	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 1280 Litre bin	£33.54	£35.22	£36.98	£38.83	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Food/Organic 140 Litre Bin	£4.86	£5.10	£5.36	£5.63	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Garden Waste 240 Litre Bin	£8.33	£8.75	£9.19	£9.65	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Food/Organic 500 Litre Bin	£17.38	£18.25	£19.16	£20.12	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 240 Litre bin	£4.85	£5.09	£5.34	£5.61	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 140 Litre bin	£1.82	£1.91	£2.01	£2.11	5.0%	
Place	Waste Resources	David Mackay	Subcontractor Commercial Refuse Scheduled Bin Uplift Food/Organic 140 Litre Bin	£6.17	£6.48	£6.80	£7.14	5.0%	
Place	Waste Resources	David Mackay	Subcontractor Commercial Refuse Scheduled Bin Uplift Garden Waste 240 Litre Bin	£10.58	£11.11	£11.67	£12.25	5.0%	
Place	Waste Resources	David Mackay	SubcontractorCommercial Refuse Scheduled Bin Uplift Food/Organic 500 Litre Bin	£22.01	£23.11	£24.27	£25.48	5.0%	
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 240 Litre Bin	£2.91	£3.06	£3.21	£3.37	5.0%	
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 360 Litre Bin	£4.37	£4.59	£4.82	£5.06	5.0%	
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 660 Litre Bin	£7.99	£8.39	£8.81	£9.25	5.0%	
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 1100 Litre Bin	£13.31	£13.98	£14.68	£15.41	5.0%	
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 1280 Litre Bin	£15.53	£16.31	£17.13	£17.99	5.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 140 Litre Bin	£1.31	£1.38	£1.45	£1.52	5.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 240 Litre Bin	£2.25	£2.36	£2.48	£2.60	5.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 360 Litre Bin	£3.36	£3.53	£3.71	£3.90	5.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 660 Litre Bin	£6.18	£6.49	£6.81	£7.15	5.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 1100 Litre Bin	£10.29	£10.80	£11.34	£11.91	5.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Mixed Recyclate Service 1280 Litre Bin	£11.96	£12.56	£13.19	£13.85	5.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Food/Organic 140 Litre Bin	£2.44	£2.56	£2.69	£2.82	5.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Garden Waste 240 Litre Bin	£4.18	£4.39	£4.61	£4.84	5.0%	
Place	Waste Resources	David Mackay	Charity Scheduled Bin Uplift Food/Organic 500 Litre Bin	£8.68	£9.11	£9.57	£10.05	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 140 Litre Bin	£2.61	£2.74	£2.88	£3.02	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 240 Litre Bin	£4.48	£4.70	£4.94	£5.19	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 360 Litre Bin	£6.74	£7.08	£7.43	£7.80	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 660 Litre Bin	£12.34	£12.96	£13.61	£14.29	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 1100 Litre Bin	£20.57	£21.60	£22.68	£23.81	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Mixed Recyclate Service 1280 Litre Bin	£23.93	£25.13	£26.39	£27.71	5.0%	

Directorate	Service	Manager	Charge Description	Current Approved Charge (2022/23) £	Proposed Charge (2023/24)	Indicative Charge (2024/25)	Indicative Charge (2025/26)	Basis of increase 23-24 %	Note
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Residual Waste 140 Litre bin	£3.68	£3.86	£4.05	£4.25	5.0%	
Place	Waste Resources	David Mackay	Charity Refuse Scheduled Bin Uplift Residual Waste Service 140 Litre Bin	£1.69	£1.77	£1.86	£1.95	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 140 Litre bin	£1.84	£1.93	£2.03	£2.13	5.0%	
Place	Waste Resources	David Mackay	Subcontractor Charity Commercial Collection Garden Waste 240 Litre bin	£5.30	£5.57	£5.85	£6.14	5.0%	
Place	Waste Resources	David Mackay	Commercial Refuse Scheduled Bin Uplift Residual Waste Service 140 Litre Bin	£3.39	£3.56	£3.74	£3.93	5.0%	
Place	Waste Resources	David Mackay	Sack Sales Pre-Paid - Trade Recycling per 100	£125.66	£131.94	£138.54	£145.47	5.0%	
Place	Waste Resources	David Mackay	Sack Sales Pre-Paid - Trade Waste per 50	£121.79	£127.88	£134.27	£140.98	5.0%	
Place	Waste Resources	David Mackay	Sub contract Sack Sales Pre-Paid - Trade Recycling per 100	£134.15	£140.86	£147.90	£155.30	5.0%	
Place	Waste Resources	David Mackay	Sub contract Sack Sales Pre-Paid - Trade Waste per 50	£133.06	£139.71	£146.70	£154.04	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 240 Litre bin	£3.14	£3.30	£3.47	£3.64	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 360 Litre bin	£4.70	£4.94	£5.19	£5.45	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 660 Litre bin	£8.62	£9.05	£9.50	£9.98	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 1100 Litre bin	£14.37	£15.09	£15.84	£16.63	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Residual Waste 1280 Litre bin	£16.77	£17.61	£18.49	£19.41	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 240 Litre bin	£2.44	£2.56	£2.69	£2.82	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 360 Litre bin	£3.64	£3.82	£4.01	£4.21	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 660 Litre bin	£6.66	£6.99	£7.34	£7.71	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 1100 Litre bin	£11.10	£11.66	£12.24	£12.85	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Mixed Recycling Waste 1280 Litre bin	£12.92	£13.57	£14.25	£14.96	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Food/Organic Waste 140 Litre bin	£3.09	£3.24	£3.40	£3.57	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Charity Food/Organic Waste 500 Litre bin	£11.00	£11.55	£12.13	£12.74	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 240 Litre bin	£4.85	£5.09	£5.34	£5.61	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 360 Litre bin	£7.27	£7.63	£8.01	£8.41	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 660 Litre bin	£13.31	£13.98	£14.68	£15.41	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 1100 Litre bin	£22.21	£23.32	£24.49	£25.71	5.0%	
Place	Waste Resources	David Mackay	Sub-Contracted Commercial Collection Mixed Recyclate 1280 Litre bin	£25.81	£27.10	£28.46	£29.88	5.0%	
Place	Waste Resources	David Mackay	Event container delivery & uplift	£69.46	£72.93	£76.58	£80.41	5.0%	
Place	Waste Resources	David Mackay	Contamination charge - 140/240/360 ltr bins	£17.37	£18.24	£19.15	£20.11	5.0%	
Place	Waste Resources	David Mackay	Contamination charge - 500/660/1100/1280 ltr bins	£40.52	£42.55	£44.68	£46.91	5.0%	
Place	Waste Resources	David Mackay	Container retrieval - 140/240/360 ltr bins	£17.37	£18.24	£19.15	£20.11	5.0%	
Place	Waste Resources	David Mackay	Container retrieval - 500/660/1100/1280 ltr bins	£40.52	£42.55	£44.68	£46.91	5.0%	
Place	Waste Resources	David Mackay	Arran Yellow Tip Permit	£58.68	£61.61	£64.69	£67.92	5.0%	
Place	Waste Resources	David Mackay	Arran Blue Tip Permit	£97.71	£102.60	£107.73	£113.12	5.0%	
Place	Waste Resources	David Mackay	Green - Treatment per Te	£57.89	£60.78	£63.82	£67.01	5.0%	
Place	Waste Resources	David Mackay	Soil - Treatment per Te	£34.73	£36.47	£38.29	£40.20	5.0%	
Place	Waste Resources	David Mackay	Scrap - Treatment per Te	£34.73	£36.47	£38.29	£40.20	5.0%	
Place	Waste Resources	David Mackay	Wood - Treatment per Te	£34.73	£36.47	£38.29	£40.20	5.0%	
Place	Waste Resources	David Mackay	Plastics - Treatment per Te	£57.89	£60.78	£63.82	£67.01	5.0%	
Place	Waste Resources	David Mackay	Bricks/rubble - Treatment per Te	£34.73	£36.47	£38.29	£40.20	5.0%	
Place	Waste Resources	David Mackay	Lampheads - Treatment per Te	£34.73	£36.47	£38.29	£40.20	5.0%	
Place	Waste Resources	David Mackay	Void Uplift bin charge (Up to full set)	£50.23	£52.74	£55.38	£58.15	5.0%	
Place	Waste Resources	David Mackay	Special uplift - Confidential waste per bag	£6.22	£6.53	£6.86	£7.20	5.0%	
Place	Waste Resources	David Mackay	Direct disposal and treatment EFW per Te	£149.58	£157.06	£164.91	£173.16	5.0%	

North Ayrshire Council General Services Revenue Budget 2023-24											
Summary by Directorate											
Subjective Analysis											
Directorate	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
Chief Executives	16,861	68	3,035	25	1,330	1,948	853	0	0	(4,219)	19,901
Communities	135,442	1,355	25,100	137	268	12,665	580	0	78	(5,354)	170,271
Place	44,628	21,388	9,339	7,383	771	16,327	0	182	0	(46,513)	53,506
Other Corporate Items	1,895	355	19,069	302	2,202	4,778	34,074	516	17,321	(36,624)	43,888
<b>Total Expenditure</b>	<b>198,827</b>	<b>23,166</b>	<b>56,543</b>	<b>7,847</b>	<b>4,571</b>	<b>35,718</b>	<b>35,507</b>	<b>698</b>	<b>17,399</b>	<b>(92,710)</b>	<b>287,566</b>
Health & Social Care Partnership											118,591
<b>Revised Total Expenditure</b>	<b>198,827</b>	<b>23,166</b>	<b>56,543</b>	<b>7,847</b>	<b>4,571</b>	<b>35,718</b>	<b>35,507</b>	<b>698</b>	<b>17,399</b>	<b>(92,710)</b>	<b>406,157</b>

## Funded by:

AEF	0	0	0	0	0	0	2,803	0	0	(339,788)	(336,985)
Council Tax	0	0	0	0	0	0	12,930	0	0	(78,599)	(65,669)
Contribution from Reserves	0	0	0	0	0	0	0	0	0	(3,503)	(3,503)
<b>Total Funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,733</b>	<b>0</b>	<b>0</b>	<b>(421,890)</b>	<b>(406,157)</b>

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2023-24										
	Finance & Corporate Support										
	Subjective Analysis										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Chief Executive's Office	190	0	1	1	3	0	0	0	0	0	195
Change Programme	8	0	0	0	0	0	0	0	0	0	8
Audit,Fraud,Safety & Insurance	851	61	31	5	22	7	0	0	0	(297)	681
Corporate Procurement	1,004	0	11	2	6	108	0	0	0	(158)	974
Financial Services	1,427	0	165	1	29	2	0	0	0	(173)	1,450
Revenues	558	0	55	1	169	0	0	0	0	(1,289)	(506)
Employee Services	863	0	59	0	1	4	0	0	0	(31)	895
HR & OD	673	0	21	0	26	422	0	0	0	(65)	1,076
ICT	3,286	0	2,223	5	9	0	0	0	0	(239)	5,284
Business Support	1,385	0	6	0	2	0	0	0	0	(135)	1,258
Customer Services	2,624	0	247	2	48	1,153	853	0	0	(948)	3,977
Transformation Services	691	0	9	1	1	38	0	0	0	0	740
Legal & Licensing	1,156	0	32	5	38	0	0	0	0	(735)	496
Policy,Performance & Elections	447	0	20	1	12	7	0	0	0	0	488
Communications	463	0	8	1	4	0	0	0	0	(7)	469
Civil Contingencies	0	0	0	0	0	60	0	0	0	0	60
Committee Services	536	6	114	0	7	59	0	0	0	(112)	611
Member Services	275	0	31	0	948	88	0	0	0	(8)	1,333
Information Governance	425	0	2	0	3	0	0	0	0	(21)	410
<b>Total</b>	<b>16,861</b>	<b>68</b>	<b>3,035</b>	<b>25</b>	<b>1,330</b>	<b>1,948</b>	<b>853</b>	<b>0</b>	<b>0</b>	<b>(4,219)</b>	<b>19,901</b>

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2023-24										
	Education & Youth Employment										
	Subjective Analysis										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Early Years Education	13,975	9	353	4	36	4,536	0	0	0	0	18,913
Primary Education	37,995	0	2,307	9	0	77	0	0	0	(55)	40,333
Secondary Education	40,251	0	14,694	8	0	97	0	0	0	(63)	54,987
Additional Support Needs	14,762	0	53	50	30	1,958	0	0	0	(267)	16,586
Education - Other	3,764	156	342	10	86	1,239	580	0	78	(1,189)	5,066
Pupil Equity Fund	4,162	0	0	0	0	0	0	0	0	0	4,162
Facilities Management	13,626	952	6,531	22	23	10	0	0	0	(3,123)	18,041
Connected Communities	6,908	238	819	34	93	4,746	0	0	0	(656)	12,183
<b>Total</b>	<b>135,442</b>	<b>1,355</b>	<b>25,100</b>	<b>137</b>	<b>268</b>	<b>12,665</b>	<b>580</b>	<b>0</b>	<b>78</b>	<b>(5,354)</b>	<b>170,271</b>

Objective Analysis	North Ayrshire Council General Services Revenue Budget 2023-24										
	Place										
	Subjective Analysis										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing £000	Income £000	TOTAL £000
Directorate & Support	200	0	2	0	7	0	0	0	0	(23)	187
Building Services	9,164	113	5,623	547	11	2,152	0	0	0	(20,153)	(2,542)
Property Governance	688	5	41	3	103	61	0	0	0	(908)	(7)
Planning Services	775	0	101	4	21	30	0	0	0	(609)	322
Protective Services	2,012	0	59	20	15	148	0	0	0	(872)	1,383
Other Housing	4,504	2,543	122	51	56	1,943	0	104	0	(6,414)	2,908
Roads	4,569	28	2,211	31	79	1,098	0	0	0	(1,125)	6,891
Streetscene	7,204	200	316	129	21	148	0	0	0	(2,936)	5,082
Waste Resources	5,379	20	364	160	66	6,341	0	78	0	(2,725)	9,683
Economic Development	3,189	36	34	21	34	1,558	0	0	0	(514)	4,360
Growth & Investment	109	0	5	1	4	103	0	0	0	0	223
Property Management & Investment	4,474	13,205	332	52	338	81	0	0	0	(8,698)	9,784
Energy & Sustainability	412	5,211	4	1	4	217	0	0	0	(682)	5,167
Internal Transport	1,947	28	124	6,363	11	2,448	0	0	0	(856)	10,065
<b>Total</b>	<b>44,628</b>	<b>21,388</b>	<b>9,339</b>	<b>7,383</b>	<b>771</b>	<b>16,327</b>	<b>0</b>	<b>182</b>	<b>0</b>	<b>(46,513)</b>	<b>53,506</b>

North Ayrshire Council General Services Revenue Budget 2023-24											
Other Corporate Items											
Subjective Analysis											
Objective Analysis	Employee Costs	Property Costs	Supplies & Services	Transport Costs	Admin Costs	Other Agencies, Bodies & Persons	Transfer Payments	Other Expenditure	Capital Financing	Income	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Joint Boards	0	0	0	0	0	3,509	0	0	0	0	3,509
Pension Costs	1,895	0	0	0	0	0	0	0	0	0	1,895
Loan Charges & Capital Charges	0	0	0	0	0	0	0	0	17,321	(80)	17,241
Central Telephones	0	0	0	0	350	0	0	0	0	0	350
Other Corporate Items	0	0	19,069	0	1,588	0	0	316	0	0	20,972
Insurance	0	355	0	302	265	1,269	0	0	0	(2,191)	0
Housing Benefit	0	0	0	0	0	0	34,074	200	0	(34,353)	(78)
<b>Total</b>	<b>1,895</b>	<b>355</b>	<b>19,069</b>	<b>302</b>	<b>2,202</b>	<b>4,778</b>	<b>34,074</b>	<b>516</b>	<b>17,321</b>	<b>(36,624)</b>	<b>43,888</b>



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**NORTH AYRSHIRE COUNCIL**

**1 March 2023**

**North Ayrshire Council**

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<b>Title:</b>	<b>Capital Investment Programme 2023/24 to 2030/31</b>
<b>Purpose:</b>	To advise Council on the draft Capital Investment Programme to 2030/31
<b>Recommendation:</b>	That Council : <ul style="list-style-type: none"> <li>(a) approves the refreshed Capital Investment Programme to 2030/31 included in appendix 3;</li> <li>(b) notes that the programme will be reviewed on an on-going basis with the next major review in 2023/24; and</li> <li>(c) approves the refreshed Capital Investment Strategy included in appendix 4.</li> </ul>

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**1. Executive Summary**

- 1.1 The General Services Capital Investment Programme 2021/22 to 2030/31 was approved by Council on 4 March 2021. This report outlines the recommendations of the refresh of the Capital Investment Programme carried out during 2022/23. The next full review of the Programme will be carried out during 2023/24.
- 1.2 The refresh has incorporated all funding sources to 2030/31, including assumed levels of general capital grant, specific grants and a prudent assessment of the level of capital receipts over the period. Total available funding has been projected at £205.649m. The balance of funding required to deliver the capital programme will be met through prudential borrowing and this is anticipated at £228.422m.
- 1.3 The refresh considered the current Capital Investment Programme and takes cognisance of subsequent changes, including:
- The ongoing impact of construction industry inflation, cost volatility and supply chain issues across the overall Capital Investment Programme;
  - Changes to funding from core capital grants and other sources of income;
  - A review of spending profiles across key capital projects to support the Council's priorities; and
  - Revised levels of investment across projects, taking cognisance of Council priorities, external funding sources and investing in core assets through asset management plans.

- 1.4 The proposed refreshed Capital Investment Programme aligned to the Council Plan priorities, attached in Appendix 3, will deliver a total programme of £434.071m to 2030/31.
- 1.5 Compliance with Regulations and the Prudential Code requires assurance to be provided on affordability and sustainability of the Capital Investment programme, this is provided in the Treasury Management and Investment Strategy (TMIS) which follows this report on the Council agenda. The TMIS recognises that this will require to be kept under review to ensure the underlying assumptions continue to apply.
- 1.6 The longer term affordability of the current and future Capital Investment Programmes requires incremental increases the current General Fund financing budgets. As part of the next major review of the capital programme, due to be undertaken during 2023/24, a review of the available General Fund financing budgets will be carried out with a view to increasing the available funding to maintain these Programmes.
- 1.7 In addition to the TMIS, there is also a requirement for the Council to publish a Capital Investment Strategy (CIS). As part of the review of the Capital Investment Programme, a refresh of the current CIS has been undertaken during 2022/23. The refreshed Strategy is attached at Appendix 4.
- 1.8 The Capital Investment Programme will continue to be reviewed on an on-going basis with any additional funding requests brought forward for approval as appropriate. Major reviews will be undertaken on a 3-year basis, with the next due to be completed during 2023/24.

## **2. Background**

### **Capital Investment Programme 2023/24 to 2030/31**

- 2.1 North Ayrshire Council approved the current Capital Investment Programme for the period to 2021/22 to 2030/31 on 4 March 2021. A refresh of the programme was undertaken during 2022/23. This report contains the outcome of the refresh.

### **Review of Capital Funding**

#### Scottish Government General Capital Grants

- 2.2 Local Government Finance Circular 11/2022 confirmed the level of General Capital Grant as £35.704m for 2023/24. This includes £20.525m capital flood grant to support the ongoing schemes, £1.959m to support the expansion of Universal Free School Meals and £3.213m as a contribution towards the 2022/23 local government pay settlement. Excluding these elements, the General Capital Grant has been confirmed at £10.007m, which is an increase of £0.201m from that previously anticipated. Projected at this level to 2030/31, the total General Capital Grant for the period is forecast as £105.753m.

### Scottish Government Specific Capital Grants

2.3 In addition to the General Capital Grant, the Council will receive two Specific Grants:

- £1.506m to tackle Vacant and Derelict Land with projects requiring Scottish Government approval; and
- £0.586m, to fund Cycling, Walking and Safer Streets (CWSS).

The Vacant and Derelict Land funding has only been confirmed for 2023/24. However, the CWSS funding has been projected at current levels to 2030/31.

2.4 In addition, the programme includes previous Specific Grant allocations in relation to these programmes which have been carried over into 2023/24 in line with revised project plans, including:

- £2.351m from the 2022/23 Vacant and Derelict Land allocation; and
- £0.574m from the 2022/23 CWSS allocation.

2.5 A further Specific Grant allocation of £1.156m to support the Renewal of Play Parks programme has been confirmed outwith the Local Government Finance Settlement for the period 2023/24 to 2025/26. As a result, the total forecast Specific Grant income to 2030/31 is £10.275m.

### Levelling Up Fund

2.6 The UK Government previously confirmed that North Ayrshire Council has been awarded £23.693m from the Levelling Up Fund to support the upgrading of the B714 to improve connectivity between North Ayrshire and the wider motorway network. £22.481m of this award is anticipated for receipt during financial years 2023/24 to 2025/26. Although additional cost risks have been identified in relation to this project, it has been confirmed that no additional funding will be available from the UK Government. Appropriate value engineering will continue to be undertaken as part of the business case development.

2.7 The current award is subject to approval of a full business case and the provision of 10% match funding. This has been achieved through a £2.370m allocation from the Recovery and Renewal Fund, although this has been reduced to £1.235m to facilitate the transfer of the General Capital Grant support for the 2022/23 pay settlement to Revenue to align to the anticipated costs.

### Other Internal Funds

2.8 The programme includes a previously approved contribution of £2.078m from the Investment Fund to support the Solar PV project. However, this has been reduced to £nil to facilitate the transfer of the General Capital Grant support for the 2022/23 pay settlement to Revenue.

### Capital Receipts

2.9 A review of projected income from capital receipts has been undertaken during 2022/23. This is forecast to realise income of £4.143m over the period of the programme in relation to the sale of other Council owned assets.

### Other External Funding

- 2.10 The programme includes funding from the Scottish and UK Governments to support the Ayrshire Growth Deal. The total anticipated funding over the period is £58.792m. This has been aligned to the latest programme planning information. However, it is recognised that expenditure profiles and funding will be subject to ongoing review on a pan Ayrshire basis.
- 2.11 In relation to additional grant funding from other external bodies, given the level of uncertainty around securing these funds, only those funds which have been confirmed, but not yet drawn down, have been included at this time. These include:

<b>Funding Source</b>	<b>£m</b>	<b>Project</b>
ERDF	0.697	Low Carbon Hub
NAVT	0.800	Marine Tourism
NAVT	0.425	Annickbank Phase 3
NAVT	0.101	Irvine Enterprise Area
Sustrans	0.095	Access Paths Coastal Connections
Sustrans	0.033	B777 Corridor Improvements
Transport Scotland	0.523	Low Carbon Hub
Transport Scotland	0.296	A737 Dalry Trunk Road
	<b>£2.970m</b>	

### Prudential Borrowing

- 2.12 The difference between the Council's Capital Investment Programme and funding from the above sources is met through prudential borrowing of £228.422m. The proposed revisions to the Capital Investment Programme will be delivered within the approved loan charges revenue budget, utilising the balances held in the Prudential Investment Fund and Capital Fund to smooth the revenue implications of the borrowing costs associated with the revised programme.

### **Future Affordability**

- 2.13 The Prudential Investment Fund was created as part of the 2015/16 budget strategy to utilise short term underspends on General Fund financing budgets to offset longer term pressures to support Prudential Borrowing arising from the Capital Investment Programme.
- 2.14 Due to the significant investment planned by North Ayrshire Council over the period to 2030/31 combined with the additional cost pressures identified across a number of projects, it is projected that these funds will be exhausted by the end of the current 10 year Capital Investment Programme. In order to ensure the affordability of current and future capital investments beyond the term of the current programme, it will be necessary to incrementally increase the current General Fund financing budgets over the remaining period of the programme. Additional funding support to mitigate the significant cost increases and increased cost of borrowing includes the re-direction of the reversal of employers' national insurance contribution totalling £1.179m per annum from 2023/24 and the use of the recurring element of the Service Concession flexibility approved at Council on 15 February 2023, which results in an average contribution of £3.437m from 2022/23.

- 2.15 It is also necessary to include an indicative pressure within the Revenue Estimates 2023/24 to 2025/26. This includes an incremental contribution of £0.250m per annum across this period and, as part of the next major review of the capital programme due to be undertaken during 2023/24, a review of the available General Fund financing budgets will be carried out with a view to making appropriate provisions within future revenue budgets to maintain the affordability of the current and future capital programmes in the longer term. At this time the likely revenue contributions required total £0.340m per annum from 2026/27 to 2030/31. This will be subject to further review during 2023/24.

### **Refresh of the Capital Investment Programme to 2030/31**

- 2.16 The refresh of the Capital Investment Programme to 2030/31 incorporates the re-profiling of a number of projects to better reflect current projected timelines and revised levels of investment that take cognisance of the Council's key priorities, funding availability and lifecycle maintenance requirements informed through asset management plans.

#### Re-Profiling

- 2.17 A total of £77.874m of planned expenditure has been re-profiled from 2022/23 into 2023/24 to 2030/31 in line with updated project delivery timelines. Full details of individual projects re-phased from 2022/23 have been reported to Cabinet throughout the year.
- 2.18 A review of the latest programme planning information in relation to the Ayrshire Growth Deal (AGD) has resulted in a re-profiling of £3.201m of expenditure into 2023/24 to 2030/31.

#### Additional Investments linked to Revised Funding

- 2.19 Funding to support the Millport Coastal Flood Protection was previously approved based on 80% funding from the Scottish Government and 20% funding from North Ayrshire Council. Following a tender evaluation exercise, it was identified that the project had been significantly impacted by construction industry inflation arising from material shortages and uncertainty linked to several external factors, including the Covid-19 pandemic and the ongoing war in the Ukraine. As noted by Cabinet on 1 November 2022, the increased expenditure required to complete the scheme has been identified as £21.547m. The Scottish Government has approved an additional contribution of £17.237m with the balance of the additional investment to be supported by a £4.310m contribution from the current Flexibility budget. The additional Scottish Government contribution has been confirmed within the 2023/24 General Capital Grant.
- 2.20 Following a review of the Ardrossan Community Campus and associated delivery programmes, it has been identified that the international supply chain issues and significant levels of construction inflation, influenced by the above noted global events, have resulted in rising cost estimates for both the Ardrossan Community Campus and the Ardrossan North Shore enabling works. This has been further exacerbated by material and labour shortages and a reduction in overall contractor risk appetite. Following completion of a 10 point plan, including contractor engagement, options

appraisal workshops and additional value engineering, and based on the latest cost estimate information available, additional investment requirements of £14.767m for the Ardrossan North Shore project and £8.635m for the Ardrossan and Community Campus have been identified. Following engagement with the Scottish Futures Trust, they have confirmed that, subject to formal notification from the Scottish Government, additional revenue support totalling £14.916m will be provided over the 25-year funding cycle. These funds will be utilised to partly offset the additional borrowing costs associated with the additional investment noted above. It should also be noted that £0.520m of the additional investment on the Ardrossan North Shore project will be supported by a contribution from the 2022/23 Vacant and Derelict Land specific grant.

### Additional Investments

- 2.21 Following completion of the Stage 2 cost estimates in relation to the Montgomerie Park School and consideration of value engineering workshops, additional cost estimates of £8.979m have been identified, and this is linked to general construction industry inflation. Following the utilisation of £2.549m from the current Flexibility budget, it is proposed that an additional £6.430m is agreed. Options in relation to alternative sources of funding will continue to be explored and progressed to further mitigate this position, including further engagement with Scottish Futures Trust as it is recognised that current market conditions have increased the costs relative to the proportionate level of funding previously agreed.
- 2.22 Additional expenditure projections of £0.930m have been identified in relation to the Largs Promenade Seawall project. These are primarily related to ongoing construction industry inflation arising from material shortages and uncertainty linked to external global economic factors.
- 2.23 The construction industry has reported significant, ongoing inflationary pressures linked to a number of factors, including additional costs as an ongoing consequence of the Covid-19 pandemic; upward pressure on input costs linked to international externalities such as the war in Ukraine and its impact on global supply chains; material and labour shortages; and increased demand linked to reduced contractor availability. This has resulted in a number of increased cost risks being identified across the current Capital Investment Programme. Where the resultant cost pressures have been quantified, additional expenditure requirements have been identified in relation to specific projects. However, unquantified risks have also been identified, or are anticipated, across a number of other projects, including Upper Garnock Flood Protection Scheme, Moorpark Primary School and Ardrossan Harbour Landside works. In order to support the management of these risks, it is proposed that an additional £10.000m investment is included within the Flexibility budget over the next four years.
- 2.24 The current approved Capital Investment Programme to 2030/31 is attached at appendix 1. Full details of the proposed changes to the programme following the refresh, as outlined above, are included in appendix 2. The revised Capital Investment Programme covering the period from 2023/24 to 2030/31 is included in appendix 3. This will deliver a total programme of investment of £434.071m.

## **Revenue Implications**

- 2.25 The revenue implications of both the individual projects included within the draft Programme and the additional borrowing costs associated with the overall draft Programme have been incorporated within the Medium Term Financial Plan 2023/24 to 2025/26. Any further revenue implications associated with those projects which are still to be finalised will be reported once the detailed business cases have been finalised.

## **Treasury Management and Investment Strategy (TMIS)**

- 2.26 Compliance with Regulation and the Prudential Code requires assurance to be provided on affordability and sustainability of the Capital Investment Programme. This is provided in the Treasury Management and Investment Strategy (TMIS) which follows this report on the Council agenda. The TMIS recognises that this will require to be kept under review to ensure the underlying assumptions continue to apply.

## **Capital Investment Strategy**

- 2.27 In addition to the TMIS there is also a requirement for the Council to publish a Capital Investment Strategy (CIS) which provides the overarching framework under which the draft Capital Investment Programme has been developed. The current CIS was approved by Council on 4 March 2021. During 2022/23 this has been refreshed with the revised CIS included at Appendix 4.

## **Learning Estate Review**

- 2.28 A comprehensive review of North Ayrshire Council's learning estate is currently underway. This review will take account of the condition, suitability and sufficiency of the current learning estate in order to develop a strategy for key investment priorities. These priorities will be aligned to a locality approach which provides the right services in the right areas, addressing the requirements of the communities they serve by ensuring that capacity is available locally for the longer term, even within localities where the birth rate may be experiencing a decline in the short to medium term. It is anticipated that the outcomes of this review will be incorporated within the next major review of the capital programme, due for completion during 2023/24.

## **Conclusion**

- 2.29 The refreshed Capital Investment Programme 2023/24 to 2030/31, including proposed funding, is attached at Appendix 3. This confirms total investment of £434.071m over the period. The proposed investment aligns with the Council's key priorities, as set out in the Council Plan 2019-2024, core asset management plans and the refreshed Capital Investment Strategy, included at Appendix 4.

2.30 The programme is affordable based on the estimated funding streams set out in the 2023/24 to 2025/26 Medium Term Financial Plan and from the mitigating actions noted earlier in this report to supplement the Loans Fund. It is evident that through a combination of significant cost volatility impacting on major projects along with an increased cost of borrowing, this has contributed to a very challenging financial landscape. The affordability of the Programme is also highlighted in the Treasury Management and Investment Strategy reported elsewhere on the agenda and a further assessment will be undertaken as part of the next major review of the capital programme due for completion during 2023/24.

### **3. Proposals**

3.1 It is proposed that Council :

- (a) approves the refreshed Capital Investment Programme to 2030/31 included in appendix 3;
- (b) notes that the programme will be reviewed on an on-going basis with the next major review in 2023/24; and
- (c) approves the refreshed Capital Investment Strategy included in appendix 4.

### **4. Implications/Socio-economic Duty**

#### **Financial**

4.1 The revised capital programme is based on a number of assumptions around the availability of finance including capital grant and capital receipts. Given the forward projection for 10 years, it is essential that these and the cost of projects are kept under review.

There are a number of assumptions underpinning the current revenue projection including; the level of loans fund support, the level of future interest rates, delivery of the programme within the timelines outlined in the programme and application of the Capital Fund and the Prudential Investment Fund to smooth the revenue implications across the life of the plan.

Due to the long term nature of the borrowing required to support this programme, a review of available financing budgets will require to be undertaken with a view to increasing the available funding to maintain the future affordability of the current and future capital programmes.

#### **Human Resources**

4.2 Through investment in the Capital Investment Programme, it is anticipated there will be additional staffing requirements. This will be considered on a programme and project basis.

#### **Legal**

4.3 None.

## **Equality/Socio-economic**

4.4 Where the Council is making decisions in relation to its spending priorities, it is obliged to comply with the public sector equality duty set out in the Equalities Act 2010. To meet this requirement, the Council assesses the impact of applying a decision against key groups to ensure that certain groups are not disadvantaged by those decisions. A number of the projects within the revised capital programme, will make a positive contribution to the Council's commitment to equalities.

## **Environmental and Sustainability**

4.5 All projects within the revised plan will be delivered to minimise the impact on the environment and maximise sustainability. Further, specific projects within the plan will have a positive environmental impact.

## **Key Priorities**

4.6 The refreshed Capital Investment Programme 2023/24 to 2030/31 supports the delivery of the outcomes as outlined in the Council Plan 2019-2024.

## **Community Wealth Building**

4.7 The Council will aim to maximise opportunities within the context of the 5 pillars of Community Wealth Building from its investment programme. In particular, Ayrshire Growth Deal and growth and investment projects will make a positive contribution to economic regeneration across the region.

## **5. Consultation**

5.1 Executive Directors have been consulted as part of the review the current capital investment programme and the identification of the proposed revisions and additions to the programme detailed in this report.

**Mark Boyd**  
**Head of Service (Finance)**

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

## **Background Papers**

Capital Investment Programme 2022/23 to 2030/31 – North Ayrshire Council 2 March 2022

North Ayrshire Council										
Approved Capital Programme 2023/24 - 2031/32 (BASE)										
Project Description		Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Revised 28/29	Revised 29/30	Revised 30/31	Total £
<b>EXPENDITURE</b>	<b>Category</b>									
<b>Communities</b>										
Moorpark Primary	Specific Project									
Montgomerie Park School	Specific Project	5,058,458								5,058,458
Universal Free School Meals Expansion	Specific Project	1,128,000								1,128,000
Schools ICT Investment	Specific Project	752,000	752,000	752,000	752,000	752,000	752,000	752,000	752,000	6,016,000
Kilwinning Estate Learning Env't	Specific Project									
Ardrossan New Build	Specific Project	36,078,934	21,347,775	1,270,000						58,696,709
Abbey Tower	Specific Project									
<b>Sub Total</b>		<b>43,017,392</b>	<b>22,099,775</b>	<b>2,022,000</b>	<b>752,000</b>	<b>752,000</b>	<b>752,000</b>	<b>752,000</b>	<b>752,000</b>	<b>70,899,167</b>
<b>Chief Executive</b>										
ICT Investment Fund	Specific Project	255,000	288,400	282,600	702,600	297,600	282,600	282,600	297,600	2,689,000
WAN	Specific Project					500,000				500,000
LAN/WiFi	Specific Project					1,500,000				1,500,000
Telephony	Specific Project					650,000				650,000
<b>Sub Total</b>		<b>255,000</b>	<b>288,400</b>	<b>282,600</b>	<b>702,600</b>	<b>2,947,600</b>	<b>282,600</b>	<b>282,600</b>	<b>297,600</b>	<b>5,339,000</b>
<b>Health &amp; Social Care Partnership</b>										
Community Alarms - Analogue to Digital	Specific Project	333,000	333,000							666,000
Care First Replacement	Specific Project									
<b>Sub Total</b>		<b>333,000</b>	<b>333,000</b>							<b>666,000</b>

North Ayrshire Council										
Approved Capital Programme 2023/24 - 2031/32 (BASE)										
Project Description		Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Revised 28/29	Revised 29/30	Revised 30/31	Total £
<b>Place</b>										
Roads Improvement / Reconstruction	Recurring	4,300,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	30,900,000
A737 Dalry Bypass	Specific Project									
Traffic Calming	Specific Project									
Lighting	Recurring	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	8,000,000
Upper Garnock FPS	External Funding									
Millport Coastal FPS	External Funding	12,635,000	3,874,768							16,509,768
Millport Pier	Specific Project		349,920							349,920
Millburn FPS	External Funding	234,000								234,000
Bridges infrastructure programme	Recurring	560,000	560,000	560,000	560,000	560,000	560,000	560,000	460,000	4,380,000
Largs Promenade Seawall	Specific Project	2,725,532	42,000							2,767,532
B714 Improvements	Specific Project	8,305,898	16,702,478							25,008,376
Property lifecycle investment	Recurring	1,000,000	1,000,000	1,000,000	1,000,000	1,100,000	1,000,000	1,000,000	1,000,000	8,100,000
HOME	Specific Project									
Improvement grants	Recurring	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
Cemetery extns, walls & infra	Specific Project	437,681	300,000	268,162	23,042					1,028,885
Kilwinning Cemetery	Specific Project									
West Kilbride Cemetery	Specific Project									
Stevenston Cemetery	Specific Project									
Kilbirnie Cemetery	Specific Project	200,000	200,000							400,000
Ardrossan Cemetery	Specific Project	438,273	300,000							738,273
Brodick Cemetery	Specific Project									
Kilbirnie Cemetery Wall	Specific Project	4,003								4,003
Beith Cemetery-Wall Repairs	Specific Project	1,860								1,860
Abbey Tower Cemetery Wall	Specific Project	2,030								2,030
Hawkhill Cemetery-Wall Repairs	Specific Project	2,311								2,311
West Kilbride Cemetery Walls	Specific Project	2,115								2,115
Goldcraigs Refurbishment	Specific Project									
Renewal of Play Parks	External Funding									
Vehicles	Recurring	2,750,000	1,022,023	2,000,000	2,977,977	2,000,000	2,000,000	2,000,000	2,000,000	16,750,000
Fleet Decarbonisation										
Core Infrastructure, property and Vehicles Renewal Investment	Recurring									
Shewalton landfill	Specific Project					150,000				150,000
Solar PV Investment	Specific Project									
Dockhead Street Saltcoats	Specific Project									
Montgomerie Park Masterplan	Specific Project			50,000	100,000	850,000	350,000	490,000	500,000	2,340,000
VDLF 2023/24 Allocation	External Funding									
VDLF - Annickbank Ph 3	External Funding									
VDLF - Development Work	External Funding									
VDLF - Tree Planting	External Funding									
Cycling / Walker / Safer Streets	External Funding	588,000	588,000	588,000	588,000	588,000	588,000	588,000	588,000	4,704,000
Access Paths Network Programme	Specific Project	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	400,000
B777 Corridor Improvements	External Funding									

North Ayrshire Council										
Approved Capital Programme 2023/24 - 2031/32 (BASE)										
Project Description		Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Revised 28/29	Revised 29/30	Revised 30/31	Total £
<b>Growth &amp; Investment</b>										
<b>Ayrshire Growth Deal:</b>										
AGD - i3 DPMC Phase 1	External Funding	250,000	250,000							500,000
AGD - i3 DPMC Phase 2	External Funding	1,000,000	2,897,000	499,450						4,396,450
AGD - i3 Flexible Business Space	External Funding	2,319,964	2,946,078	3,506,500	2,305,000	1,873,500	90,000			13,041,042
AGD - Hunterston - Centre for Low Carbon Energy & Circular Economy	External Funding	200,000	338,000	3,400,000	3,400,000	3,400,000	3,400,000	3,384,504		17,522,504
AGD - Great Harbour	External Funding	2,050,000	6,578,000	4,170,784						12,798,784
AGD - IMSE	External Funding	250,000	250,000	3,200,000	3,250,000	3,252,759				10,202,759
AGD Marine Tourism - Ardrossan	External Funding	600,000	4,700,000	3,592,150	1,711,050	111,000				10,714,200
AGD Marine Tourism - Arran	External Funding									
AGD Marine Tourism - Cumbrae	External Funding									
Ardrossan Harbour & Landside	Specific Project	750,000	2,000,000	794,655						3,544,655
Irvine Enterprise Area	Specific Project									
Low Carbon Hub	Specific Project									
Ardrossan North Shore	External Funding									
VDLF - Harbour Masters Office	External Funding									
VDLF - I3 Irvine Enterprise	External Funding									
<b>Sub Total</b>		<b>43,156,667</b>	<b>50,248,267</b>	<b>28,979,701</b>	<b>21,265,069</b>	<b>19,235,259</b>	<b>13,338,000</b>	<b>13,372,504</b>	<b>9,898,000</b>	<b>199,493,467</b>
<b>Other</b>										
Flexibility / Infrastructure Fund	Specific Project	2,500,000	2,500,000	2,500,000		62,125			1,530,400	9,092,525
<b>Sub Total</b>		<b>2,500,000</b>	<b>2,500,000</b>	<b>2,500,000</b>		<b>62,125</b>			<b>1,530,400</b>	<b>9,092,525</b>
<b>TOTAL EXPENDITURE</b>		<b>89,262,059</b>	<b>75,469,442</b>	<b>33,784,301</b>	<b>22,719,669</b>	<b>22,996,984</b>	<b>14,372,600</b>	<b>14,407,104</b>	<b>12,478,000</b>	<b>285,490,159</b>
<b>INCOME</b>										
Prudential Borrowing		53,738,487	30,473,297	9,172,567	3,513,381	5,705,471	513,600	629,600		103,746,403
Specific Grants - AGD		6,177,174	14,001,667	14,218,734	8,813,288	6,898,513	3,466,000	3,384,504		56,959,880
Specific Grants - Cycling, Walking & Safer Streets		588,000	588,000	588,000	588,000	588,000	588,000	588,000	588,000	4,704,000
Specific Grants - Vacant & Derelict Funding										
Specific Grants - B714 Improvements		8,305,898	14,332,478							22,638,376
Specific Grants - Renewal of Play Parks										
General Capital Grant - Flooding		10,295,000	3,099,000							13,394,000
General Capital Grant		9,805,000	9,805,000	9,805,000	9,805,000	9,805,000	9,805,000	9,805,000	9,805,000	78,440,000
Investment Fund										
Renewal & Recovery			2,370,000							2,370,000
Grants & Contributions			800,000							800,000
Sale of land & buildings		352,500							2,085,000	2,437,500
<b>TOTAL INCOME</b>		<b>89,262,059</b>	<b>75,469,442</b>	<b>33,784,301</b>	<b>22,719,669</b>	<b>22,996,984</b>	<b>14,372,600</b>	<b>14,407,104</b>	<b>12,478,000</b>	<b>285,490,159</b>

North Ayrshire Council										
Revised Capital Programme 2022/23 - 2030/31										
Project Description		Changes 23/24	Changes 24/25	Changes 25/26	Changes 26/27	Changes 27/28	Changes 28/29	Changes 29/30	Changes 30/31	Total £
<b>EXPENDITURE</b>	<b>Category</b>									
<b>Communities</b>										
Moorpark Primary	Specific Project	4,948,634								4,948,634
Montgomerie Park School	Specific Project	1,941,542	15,413,953							17,355,495
Universal Free School Meals Expansion	Specific Project	(434,083)	122,420	1,538,830	2,090,270	1,944,294	333,087	3,067,241		8,662,059
Schools ICT Investment	Specific Project	(82,378)								(82,378)
Kilwinning Estate Learning Envnt	Specific Project	323,080								323,080
Ardrossan New Build	Specific Project	(31,430,814)	(6,164,537)	17,730,185	35,238,359	4,600,000				19,973,193
Abbey Tower	Specific Project	66,064								66,064
<b>Sub Total</b>		<b>(24,667,955)</b>	<b>9,371,836</b>	<b>19,269,015</b>	<b>37,328,629</b>	<b>6,544,294</b>	<b>333,087</b>	<b>3,067,241</b>		<b>51,246,147</b>
<b>Chief Executive</b>										
ICT Investment Fund	Specific Project	183,796	94,000	94,000						371,796
WAN	Specific Project									
LAN/WiFi	Specific Project	110,000								110,000
Telephony	Specific Project	250,000								250,000
<b>Sub Total</b>		<b>543,796</b>	<b>94,000</b>	<b>94,000</b>						<b>731,796</b>
<b>Health &amp; Social Care Partnership</b>										
Community Alarms - Analogue to Digital	Specific Project	323,810								323,810
Care First Replacement	Specific Project	100,000								100,000
<b>Sub Total</b>		<b>423,810</b>								<b>423,810</b>

North Ayrshire Council										
Revised Capital Programme 2022/23 - 2030/31										
Project Description		Changes 23/24	Changes 24/25	Changes 25/26	Changes 26/27	Changes 27/28	Changes 28/29	Changes 29/30	Changes 30/31	Total £
<b>Place</b>										
Roads Improvement / Reconstruction	Recurring	100,000								100,000
A737 Dalry Bypass	Specific Project	295,690								295,690
Traffic Calming	Specific Project	75,000								75,000
Lighting	Recurring									
Upper Garnock FPS	External Funding	300,000								300,000
Millport Coastal FPS	External Funding	13,365,000	16,160,232							29,525,232
Millport Pier	Specific Project									
Millburn FPS	External Funding	166,000	1,109,982							1,275,982
Bridges infrastructure programme	Recurring	340,000	394,564							734,564
Largs Promenade Seawall	Specific Project	972,000	(42,000)							930,000
B714 Improvements	Specific Project	(7,805,898)	(8,702,478)	16,351,443						(156,933)
Property lifecycle investment	Recurring	632,683								632,683
HOME	Specific Project	3,099,062	1,033,021							4,132,083
Improvement grants	Recurring									
Cemetery extns, walls & infra	Specific Project	(358,875)								(358,875)
Kilwinning Cemetery	Specific Project	198,328								198,328
West Kilbride Cemetery	Specific Project	7,506								7,506
Stevenston Cemetery	Specific Project	33,610								33,610
Kilbirnie Cemetery	Specific Project	189,227								189,227
Ardrossan Cemetery	Specific Project	161,727								161,727
Brodict Cemetery	Specific Project	4,979								4,979
Kilbirnie Cemetery Wall	Specific Project	94,367								94,367
Beith Cemetery-Wall Repairs	Specific Project	45,093								45,093
Abbey Tower Cemetery Wall	Specific Project	90,000								90,000
Hawkhill Cemetery-Wall Repairs	Specific Project	104,610								104,610
West Kilbride Cemetery Walls	Specific Project	95,000								95,000
Goldcraigs Refurbishment	Specific Project	484,000								484,000
Renewal of Play Parks	External Funding	231,000	347,000	578,000						1,156,000
Vehicles	Recurring	(1,250,000)								(1,250,000)
Fleet Decarbonisation	Specific Project	1,750,000								1,750,000
Core Infrastructure, property and Vehicles Renewal Investment	Recurring	608,000								608,000
Shewalton landfill	Specific Project					(150,000)				(150,000)
Solar PV Investment	Specific Project	6,224,560								6,224,560
Dockhead Street Saltcoats	Specific Project	100,000								100,000
Montgomerie Park Masterplan	Specific Project	250,000				(250,000)				
VDLF 2023/24 Allocation	External Funding	1,506,000								1,506,000
VDLF - Annickbank Ph 3	External Funding	948,959								948,959
VDLF - Development Work	External Funding	145,738								145,738
VDLF - Tree Planting	External Funding	40,000								40,000
Cycling / Walker / Safer Streets	External Funding	571,954	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	557,954
Access Paths Network Programme	Specific Project	444,603								444,603
B777 Corridor Improvements		33,600								33,600

North Ayrshire Council Revised Capital Programme 2022/23 - 2030/31										
Project Description		Changes 23/24	Changes 24/25	Changes 25/26	Changes 26/27	Changes 27/28	Changes 28/29	Changes 29/30	Changes 30/31	Total £
<b>Growth &amp; Investment</b>										
<b>Ayrshire Growth Deal:</b>										
AGD - i3 DPMC Phase 1	External Funding	150,000	144,551							294,551
AGD - i3 DPMC Phase 2	External Funding	(800,000)	(2,497,000)	1,500,550	2,150,030					353,580
AGD - i3 Flexible Business Space	External Funding	833,036	(1,968,078)	(1,087,500)	5,286,500	(1,461,682)	(90,000)			1,512,276
AGD - Hunterston - Centre for Low Carbon Energy & Circular Economy	External Funding		(3,000)	(3,065,000)	796,000	796,000	796,000	811,377		131,377
AGD - Great Harbour	External Funding	(1,645,000)	(2,553,000)	17,216	2,335,000	2,221,000	86,000	88,474		549,690
AGD - IMSE	External Funding	(250,000)	(250,000)	(2,950,000)	(2,976,260)	(52,759)	3,250,000	3,250,000		20,981
AGD Marine Tourism - Ardrossan	External Funding	(150,000)	(4,188,000)	907,850	(21,429)	(111,000)				(3,562,579)
AGD Marine Tourism - Arran		30,000	30,000	40,000	150,000	1,600,000	104,611			1,954,611
AGD Marine Tourism - Cumbrae		50,000	50,000	150,000	1,600,000	96,750				1,946,750
Ardrossan Harbour & Landside	Specific Project	(700,000)	(206,299)	999,047						92,748
Irvine Enterprise Area	Specific Project		103,079							103,079
Low Carbon Hub	Specific Project	1,219,518								1,219,518
Ardrossan North Shore	External Funding	26,086,977	10,912,238	1,694,804						38,694,019
VDLF - Harbour Masters Office	External Funding	136,778								136,778
VDLF - I3 Irvine Enterprise	External Funding	714,525								714,525
<b>Sub Total</b>		<b>49,969,357</b>	<b>9,872,812</b>	<b>15,134,410</b>	<b>9,317,841</b>	<b>2,686,309</b>	<b>4,144,611</b>	<b>4,147,851</b>	<b>(2,000)</b>	<b>95,271,191</b>
<b>Other</b>										
Flexibility / Infrastructure Fund	Specific Project	400,000	(2,500,000)	4,500,000	100,000	(62,125)			(1,530,400)	907,475
<b>Sub Total</b>		<b>400,000</b>	<b>(2,500,000)</b>	<b>4,500,000</b>	<b>100,000</b>	<b>(62,125)</b>			<b>(1,530,400)</b>	<b>907,475</b>
<b>TOTAL EXPENDITURE</b>		<b>26,669,008</b>	<b>16,838,648</b>	<b>38,997,425</b>	<b>46,746,470</b>	<b>9,168,478</b>	<b>4,477,698</b>	<b>7,215,092</b>	<b>(1,532,400)</b>	<b>148,580,419</b>
<b>INCOME</b>										
Prudential Borrowing		14,553,444	38,289,514	24,010,716	46,960,758	7,467,991	704,952	(7,664,658)	352,600	124,675,317
Specific Grants - AGD		(2,524,174)	(9,162,667)	(5,819,734)	(414,288)	1,500,487	3,572,746	14,679,750		1,832,120
Specific Grants - Cycling, Walking & Safer Streets		571,954	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	557,954
Specific Grants - Vacant & Derelict Funding		3,857,216								3,857,216
Specific Grants - B714 Improvements		(7,805,898)	(8,702,478)	16,351,443						(156,933)
Specific Grants - Renewal of Play Parks		231,000	347,000	578,000						1,156,000
General Capital Grant - Flooding		10,230,000	(3,099,000)							7,131,000
General Capital Grant		5,374,000	202,000	202,000	202,000	202,000	202,000	202,000	202,000	6,788,000
Investment Fund										
Renewal & Recovery			(1,134,820)							(1,134,820)
Grants & Contributions		2,068,411	101,099							2,169,510
Sale of land & buildings		113,055		3,677,000					(2,085,000)	1,705,055
<b>TOTAL INCOME</b>		<b>26,669,008</b>	<b>16,838,648</b>	<b>38,997,425</b>	<b>46,746,470</b>	<b>9,168,478</b>	<b>4,477,698</b>	<b>7,215,092</b>	<b>(1,532,400)</b>	<b>148,580,419</b>

North Ayrshire Council										
Revised Capital Programme 2023/24 - 2031/32										
Project Description		Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Revised 28/29	Revised 29/30	Revised 30/31	Total £
<b>EXPENDITURE</b>	<b>Category</b>									
<b>Communities</b>										
Moorpark Primary	Specific Project	4,948,634								4,948,634
Montgomerie Park School	Specific Project	7,000,000	15,413,953							22,413,953
Universal Free School Meals Expansion	Specific Project	693,917	122,420	1,538,830	2,090,270	1,944,294	333,087	3,067,241		9,790,059
Schools ICT Investment	Specific Project	669,622	752,000	752,000	752,000	752,000	752,000	752,000	752,000	5,933,622
Kilwinning Estate Learning Env't	Specific Project	323,080								323,080
Ardrossan New Build	Specific Project	4,648,120	15,183,238	19,000,185	35,238,359	4,600,000				78,669,902
Abbey Tower	Specific Project	66,064								66,064
<b>Sub Total</b>		<b>18,349,437</b>	<b>31,471,611</b>	<b>21,291,015</b>	<b>38,080,629</b>	<b>7,296,294</b>	<b>1,085,087</b>	<b>3,819,241</b>	<b>752,000</b>	<b>122,145,314</b>
<b>Chief Executive</b>										
ICT Investment Fund	Specific Project	438,796	382,400	376,600	702,600	297,600	282,600	282,600	297,600	3,060,796
WAN	Specific Project					500,000				500,000
LAN/WiFi	Specific Project	110,000				1,500,000				1,610,000
Telephony	Specific Project	250,000				650,000				900,000
<b>Sub Total</b>		<b>798,796</b>	<b>382,400</b>	<b>376,600</b>	<b>702,600</b>	<b>2,947,600</b>	<b>282,600</b>	<b>282,600</b>	<b>297,600</b>	<b>6,070,796</b>
<b>Health &amp; Social Care Partnership</b>										
Community Alarms - Analogue to Digital	Specific Project	656,810	333,000							989,810
Care First Replacement	Specific Project	100,000								100,000
<b>Sub Total</b>		<b>756,810</b>	<b>333,000</b>							<b>1,089,810</b>

North Ayrshire Council										
Revised Capital Programme 2023/24 - 2031/32										
Project Description		Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Revised 28/29	Revised 29/30	Revised 30/31	Total £
<b>Place</b>										
Roads Improvement / Reconstruction	Recurring	4,400,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	31,000,000
A737 Dalry Bypass	Specific Project	295,690								295,690
Traffic Calming	Specific Project	75,000								75,000
Lighting	Recurring	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	8,000,000
Upper Garnock FPS	External Funding	300,000								300,000
Millport Coastal FPS	External Funding	26,000,000	20,035,000							46,035,000
Millport Pier	Specific Project		349,920							349,920
Millburn FPS	External Funding	400,000	1,109,982							1,509,982
Bridges infrastructure programme	Recurring	900,000	954,564	560,000	560,000	560,000	560,000	560,000	460,000	5,114,564
Largs Promenade Seawall	Specific Project	3,697,532								3,697,532
B714 Improvements	Specific Project	500,000	8,000,000	16,351,443						24,851,443
Property lifecycle investment	Recurring	1,632,683	1,000,000	1,000,000	1,000,000	1,100,000	1,000,000	1,000,000	1,000,000	8,732,683
HOME	Specific Project	3,099,062	1,033,021							4,132,083
Improvement grants	Recurring	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
Cemetery extns, walls & infra	Specific Project	78,806	300,000	268,162	23,042					670,010
Kilwinning Cemetery	Specific Project	198,328								198,328
West Kilbride Cemetery	Specific Project	7,506								7,506
Stevenston Cemetery	Specific Project	33,610								33,610
Kilbirnie Cemetery	Specific Project	389,227	200,000							589,227
Ardrossan Cemetery	Specific Project	600,000	300,000							900,000
Brodick Cemetery	Specific Project	4,979								4,979
Kilbirnie Cemetery Wall	Specific Project	98,370								98,370
Beith Cemetery-Wall Repairs	Specific Project	46,953								46,953
Abbey Tower Cemetery Wall	Specific Project	92,030								92,030
Hawkhill Cemetery-Wall Repairs	Specific Project	106,921								106,921
West Kilbride Cemetery Walls	Specific Project	97,115								97,115
Goldcraigs Refurbishment	Specific Project	484,000								484,000
Renewal of Play Parks	External Funding	231,000	347,000	578,000						1,156,000
Vehicles	Recurring	1,500,000	1,022,023	2,000,000	2,977,977	2,000,000	2,000,000	2,000,000	2,000,000	15,500,000
Fleet Decarbonisation	Specific Project	1,750,000								1,750,000
Core Infrastructure, property and Vehicles Renewal Investment	Recurring	608,000								608,000
Shewalton landfill	Specific Project									
Solar PV Investment	Specific Project	6,224,560								6,224,560
Dockhead Street Saltcoats	Specific Project	100,000								100,000
Montgomerie Park Masterplan	Specific Project	250,000		50,000	100,000	600,000	350,000	490,000	500,000	2,340,000
VDLF 2023/24 Allocation	External Funding	1,506,000								1,506,000
VDLF - Annickbank Ph 3	External Funding	948,959								948,959
VDLF - Development Work	External Funding	145,738								145,738
VDLF - Tree Planting	External Funding	40,000								40,000
Cycling / Walker / Safer Streets	External Funding	1,159,954	586,000	586,000	586,000	586,000	586,000	586,000	586,000	5,261,954
Access Paths Network Programme	Specific Project	494,603	50,000	50,000	50,000	50,000	50,000	50,000	50,000	844,603
B777 Corridor Improvements	Specific Project	33,600								33,600

North Ayrshire Council										
Revised Capital Programme 2023/24 - 2031/32										
Project Description		Revised 23/24	Revised 24/25	Revised 25/26	Revised 26/27	Revised 27/28	Revised 28/29	Revised 29/30	Revised 30/31	Total £
<b>Growth &amp; Investment</b>										
<b>Ayrshire Growth Deal:</b>										
AGD - i3 DPMC Phase 1	External Funding	400,000	394,551							794,551
AGD - i3 DPMC Phase 2	External Funding	200,000	400,000	2,000,000	2,150,030					4,750,030
AGD - i3 Flexible Business Space	External Funding	3,153,000	978,000	2,419,000	7,591,500	411,818				14,553,318
AGD - Hunterston - Centre for Low Carbon Energy & Circular Economy	External Funding	200,000	335,000	335,000	4,196,000	4,196,000	4,196,000	4,195,881		17,653,881
AGD - Great Harbour	External Funding	405,000	4,025,000	4,188,000	2,335,000	2,221,000	86,000	88,474		13,348,474
AGD - IMSE	External Funding			250,000	273,740	3,200,000	3,250,000	3,250,000		10,223,740
AGD Marine Tourism - Ardrossan	External Funding	450,000	512,000	4,500,000	1,689,621					7,151,621
AGD Marine Tourism - Arran	External Funding	30,000	30,000	40,000	150,000	1,600,000	104,611			1,954,611
AGD Marine Tourism - Cumbrae	External Funding	50,000	50,000	150,000	1,600,000	96,750				1,946,750
Ardrossan Harbour & Landside	Specific Project	50,000	1,793,701	1,793,702						3,637,403
Irvine Enterprise Area	Specific Project		103,079							103,079
Low Carbon Hub	Specific Project	1,219,518								1,219,518
Ardrossan North Shore	External Funding	26,086,977	10,912,238	1,694,804						38,694,019
VDLF - Harbour Masters Office	External Funding	136,778								136,778
VDLF - I3 Irvine Enterprise	External Funding	714,525								714,525
<b>Sub Total</b>		<b>93,126,024</b>	<b>60,121,079</b>	<b>44,114,111</b>	<b>30,582,910</b>	<b>21,921,568</b>	<b>17,482,611</b>	<b>17,520,355</b>	<b>9,896,000</b>	<b>294,764,658</b>
<b>Other</b>										
Flexibility / Infrastructure Fund	Specific Project	2,900,000		7,000,000	100,000					10,000,000
<b>Sub Total</b>		<b>2,900,000</b>		<b>7,000,000</b>	<b>100,000</b>					<b>10,000,000</b>
<b>TOTAL EXPENDITURE</b>		<b>115,931,067</b>	<b>92,308,090</b>	<b>72,781,726</b>	<b>69,466,139</b>	<b>32,165,462</b>	<b>18,850,298</b>	<b>21,622,196</b>	<b>10,945,600</b>	<b>434,070,578</b>
<b>INCOME</b>										
Prudential Borrowing		68,291,931	68,762,811	33,183,283	50,474,139	13,173,462	1,218,552	(7,035,058)	352,600	228,421,720
Specific Grants - AGD		3,653,000	4,839,000	8,399,000	8,399,000	8,399,000	7,038,746	18,064,254		58,792,000
Specific Grants - Cycling, Walking & Safer Streets		1,159,954	586,000	586,000	586,000	586,000	586,000	586,000	586,000	5,261,954
Specific Grants - Vacant & Derelict Funding		3,857,216								3,857,216
Specific Grants - B714 Improvements		500,000	5,630,000	16,351,443						22,481,443
Specific Grants - Renewal of Play Parks		231,000	347,000	578,000						1,156,000
General Capital Grant - Flooding		20,525,000								20,525,000
General Capital Grant		15,179,000	10,007,000	10,007,000	10,007,000	10,007,000	10,007,000	10,007,000	10,007,000	85,228,000
Investment Fund										
Renewal & Recovery			1,235,180							1,235,180
Grants & Contributions		2,068,411	901,099							2,969,510
Sale of land & buildings		465,555		3,677,000						4,142,555
<b>TOTAL INCOME</b>		<b>115,931,067</b>	<b>92,308,090</b>	<b>72,781,726</b>	<b>69,466,139</b>	<b>32,165,462</b>	<b>18,850,298</b>	<b>21,622,196</b>	<b>10,945,600</b>	<b>434,070,578</b>



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

## Capital Investment Strategy 2023- 2031

### Introduction

The Capital Investment Strategy for North Ayrshire Council provides an overview of how capital expenditure plans, capital financing and treasury management activity contribute to the infrastructure and provision of services for the benefit of North Ayrshire communities and citizens. This refreshed strategy takes a long-term view and covers the period from 2023 to 2031. This is aligned to the Capital Investment Programme.

The Capital Investment Strategy is a reporting requirement of the CIPFA Prudential Code. Local authorities produce many plans and strategies in the course of their operations. However, it is recognised that within the context of capital planning, there is a need to produce an overarching view that addresses the following key considerations: -

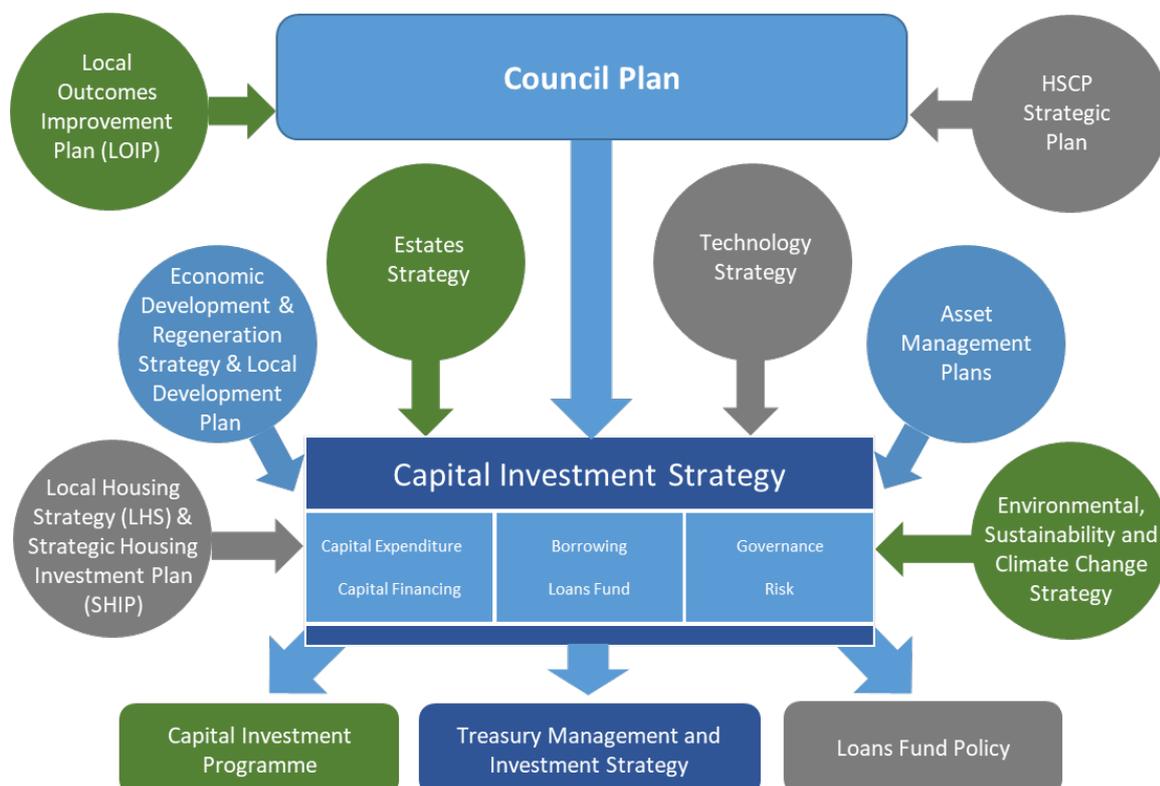
- Ensuring that capital plans are aligned to the strategic priorities as set out in the Council Plan.
- Ensuring that capital plans are affordable, prudent and sustainable.
- Demonstrating the linkage to local strategic planning and local asset management planning.
- Ensuring that financing decisions are taken in accordance with good professional practice and a full understanding of the risks involved.
- Demonstrating the Council has robust governance arrangements to support its capital planning activities

## Background

North Ayrshire Council has ambitious plans to deliver significant capital investment over the planning period across housing, schools, economic development and infrastructure. Working in partnership with East Ayrshire, South Ayrshire, the UK and Scottish Government, the Ayrshire Growth deal will see the regeneration of the region through investment in strategic infrastructure across various sectors, including life sciences, tourism, manufacturing and aerospace.

Throughout 2022/23 the wider construction industry has reported significant, ongoing inflationary pressures linked to a number of factors, including additional costs as an ongoing consequence of the Covid-19 pandemic; upward pressure on input costs linked to international externalities such as the war in Ukraine and its impact on global supply chains; material and labour shortages; and increased demand linked to reduced contractor availability. This has resulted in the identification of increased cost risks in relation to a number of our investment priorities.

The Capital Investment Strategy takes account of the Council's strategic priorities and considers any new investment within the context of outcomes, affordability or invest to save. Decisions made over the course of the programme for capital and treasury management will have financial consequences for the Council for many years in the future. There is also recognition of the need to balance investment between maintaining current assets and infrastructure against the ambitions for acquiring new assets. In addition to the Recovery and Renewal Strategy and Economic Recovery and Renewal Approach, North Ayrshire Council's Capital Investment Programme is shaped and influenced by various associated strategies and plans.



The primary purpose of the Capital Investment Strategy is to provide an overarching view of how various plans and strategies inform capital investment and to demonstrate that this is both affordable and sustainable. The associated plans and strategies each focus on specific priority areas and, through appropriate governance structures, ultimately shape and influence the investment plans delivered through the Capital Investment Programme. Underpinning the Capital Investment Programme is the Treasury Management and Investment Strategy and Loans Fund Policy. Both ultimately consider the delivery of the capital programme within the context of affordability and risk and apply a measurement of what this means against key prudential and treasury indicators. The aim being to demonstrate affordability and sustainability over the long term.

## Plans and Strategies

### Council Plan 2019-2024

The mission for North Ayrshire Council is **“Working together to improve well-being, prosperity and equity in North Ayrshire.”** To deliver on this mission key strategic priorities, outlined below, have been developed to direct plans now and into the future.

## Our Priorities

### Aspiring Communities

- ▶ Active and strong communities
- ▶ Children and young people experience the best start in life
- ▶ Inclusive, growing and enterprising local economy
- ▶ Residents and communities enjoy good life-long health and well-being
- ▶ Residents and communities are safe

### Inspiring Place

- ▶ Well connected with effective infrastructure
- ▶ Homes that meet residents' needs
- ▶ Vibrant, welcoming and attractive environment
- ▶ A sustainable environment

### A Council for the Future

- ▶ An accessible Council that puts residents and communities at the heart of what we do
- ▶ An efficient Council that maximises resources and provides value for money
- ▶ A valued workforce that delivers high quality services
- ▶ A powerful and respected voice

## Our Vision

A North Ayrshire  
that is 'Fair For All'

## Our Mission

Working together to  
improve well-being,  
prosperity and  
equality in  
North Ayrshire

Through appropriate governance frameworks all capital investment must demonstrate that it is aligned to the Council's strategic themes, with particular focus and priority given to capital investment opportunities that meet multiple strategic priorities.

With the current Council plan due to end in 2024, work is ongoing to create the new Council plan for beyond 2024.

## ***Community Planning Partnerships and Local Outcomes Improvement Plan***

The North Ayrshire Community Planning Partnership is a partnership across a wide range of organisations. The **Local Outcomes Improvement Plan (LOIP) 2022 – 2030** provides a commitment by all partners to North Ayrshire communities and citizens across three main priority areas:

### **WELLBEING**



**Health and Wellbeing - We will reduce inequalities by targeted support to improve individual, family and community health and wellbeing.**

### **WORK**



**Economy and Skills - We will address the causes and effects of poverty through a strong local economy and skills base.**

### **WORLD**



**Climate Change - We will work more closely and effectively together to reduce carbon emissions and mitigate the impacts of climate change.**

The Community Planning Partnership consists of 6 Locality Partnerships across North Ayrshire. Key to the success of the LOIP is working in partnership with a number of agencies to deliver better outcomes for citizens and communities. The partnership includes Scottish Government, Police Scotland, NHS Ayrshire and Arran, Skills Development Scotland, KA Leisure, Scottish Fire and Rescue and Scottish Enterprise. Through the Local Development Plan, one of the strategic policies is to deliver on local community priorities. Each Locality Partnership has agreed their own local priorities. The following diagram illustrates the links between the locality priorities and those in the LOIP:



## WELLBEING

- Improving our mental health and wellbeing
- Championing green health and the natural environment
- Improving access to financial services
- Increasing social inclusion
- Addressing social isolation
- Alleviating poverty and promoting equality of access to opportunities
- Improving community wellbeing
- Improving access to facilities and amenities/regenerating community facilities
- Increasing civic pride and community engagement
- Affordable housing



## WORK

- Alleviating poverty and promoting equality of access to opportunities
- Supporting skills and work opportunities
- Promoting the local economy and tourism
- Work and local community



## WORLD

- Improving our local environment
- Championing green health and the natural environment
- Moving around
- Transport

This framework of community engagement and structured partnership working is vital when planning capital investment. More importantly, that local priorities are considered as part of any strategic planning framework.

### ***Health and Social Care Partnership Strategic Commissioning Plan 2022-2030***

The North Ayrshire Health & Social Care Strategic Plan 2022-2030 was developed through engagement and collaboration with local people, service users, members of staff and other key stakeholders. It sets out our long-term ambitions for improving the health and wellbeing of everyone who lives in North Ayrshire.

The 2022-2030 plan continues the existing vision that **“all people who live in North Ayrshire are able to have a safe, healthy and active life”** and to achieve this the HSCP focuses on key priorities:



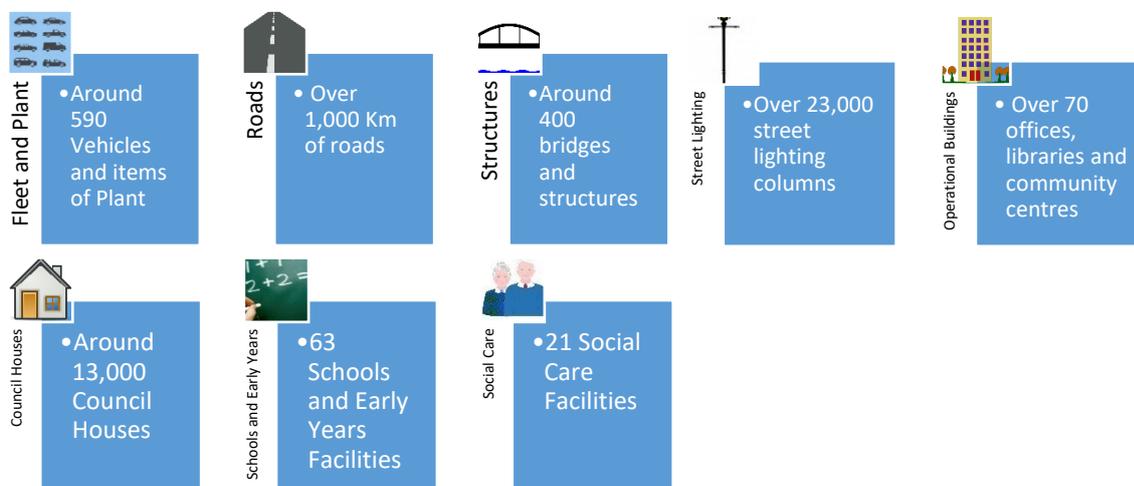
### ***Asset Management Plans***

Asset Management Plans aim to ensure that the Council holds the right assets and that they are fit for purpose in terms of condition, suitability and accessibility. The plans also provide the vehicle for identifying future investment needs across all asset classes. In line with the CIPFA “Guide to Asset Management and Capital Planning in Local Authorities” North Ayrshire has classified its assets into six categories:



The Council's assets play a key role in the delivery of a wide range of essential services to our local communities, contribute to regeneration and help drive economic growth. The plans set out clear actions and include details of lifecycle investment costs required to maintain assets and infrastructure to an appropriate standard that supports service delivery. The plans are updated on an annual basis and chief officers across all Directorates hold the responsibility for maintaining the plans and reporting progress to the Council's Cabinet on a bi-annual basis.

A snapshot of the asset portfolio for North Ayrshire Council includes:



Both capital and revenue financial resources across the General Fund and Housing Revenue Account are used to maintain the current asset base. From a capital perspective, planned investment which has been incorporated in the current Capital Investment Programme includes:

<p>Roads, Structures and Lighting</p>	<ul style="list-style-type: none"> <li>Planned investment of <b>£127.4m</b> to 2030/31 including improvements to the roads and street lighting network, flood prevention works at Upper Garnock and Millport and bridges infrastructure improvement.</li> </ul>
<p>Fleet, Plant and Equipment</p>	<ul style="list-style-type: none"> <li>Procurement and maintenance of all Council fleet vehicles and plant ensuring the fleet of 586 vehicles and heavy plant are maintained and operated in accordance with the Council's Operator's licences and Road Transport legislation. Prioritisation of emissions reductions through decarbonisation of vehicle fleet. Vehicle and plant capital investment is planned at <b>£17.3m</b> to 2030/31.</li> </ul>
<p>Property</p>	<ul style="list-style-type: none"> <li>To ensure Council properties meet all legislative requirements and they are sustainable, energy efficient and maintained to a high standard as well as ensuring the physical environment is able to support mobile and flexible work programmes, Investment is planned at <b>£19.6m</b> to 2030/31. It is also recognised that through the Estates Strategy further rationalisation and remodelling will continue to be progressed on a locality by locality basis, with capital receipts incorporated into the capital programme.</li> </ul>
<p>Housing</p>	<ul style="list-style-type: none"> <li>Underpinned by the Local Housing Strategy, the Strategic Housing Investment Plan and the 30 Year HRA Business Plan, responsibility for maintenance of around 13,000 council houses, ensuring legislative compliance and meeting the needs of tenants. In addition, delivery of an ambitious house building and improvement programme over the period 2023-2028 will see capital investment by the Council total <b>£319.9m</b>.</li> </ul>
<p>ICT</p>	<ul style="list-style-type: none"> <li>The Technology Strategy sets out how ICT supports service delivery and transformation. Significant changes to our ICT infrastructure have been reflected in the ICT Asset Management Plan. To deliver on the 6 key principles as outlined in the Technology Strategy <b>£6.1m</b> investment to 2030/31 is planned.</li> </ul>
<p>Open Spaces</p>	<ul style="list-style-type: none"> <li>The service maintains 2,410 hectares of public open space, a Country Park, 14 local parks, 44 cemeteries and burial grounds, 37 war memorials &amp; monuments, 366 hectares of woodlands, 3 allotments, 91 sports facilities and playing fields, 84 equipped play areas and 12 multi-use games areas, residential greenspace, 38 water courses and open water features, 5 promenades and 16 beaches, three of which are Sites of Special Scientific Interest. The majority of investment is delivered through the Place service revenue budget, however, specific capital investment of <b>£2.8m</b> is planned to 2030/31 for cemetery infrastructure.</li> </ul>

**Local Housing Strategy 2018-22 and Strategic Housing Investment Plan 2022-27**

The key strategic outcomes for the Local Housing Strategy 2018-2022 for North Ayrshire included ensuring the supply of housing meets the needs and aspirations of local people that they live in good quality homes which are located in strong, safe communities. The Draft Local Housing Strategy 2023-2028, currently being finalised following consultation and due to be approved in May 2023, maintains these same key outcomes. The Strategic Housing Investment Plan (SHIP) sets out the priorities for affordable housing investment in North Ayrshire over the next five years:

Health and Educational Benefits

Contribute to Regeneration of North Ayrshire

Sustainable Investment

Meet Local Demand and Aspirations

Maximise ROI and achieve VFM

Involve the local community

The SHIP will secure investment in a total of 1,652 properties across North Ayrshire and provide sustainable, affordable, accessible high-quality homes which will contribute to the wider regeneration aims for the area, taking the total investment for the period to £115.8m. Developments continue to be progressed across the five main housing market areas:

- Arran
- Garnock Valley
- Irvine / Kilwinning
- North Coast (Incorporating Cumbrae)
- Three Towns

In addressing projected demographic trends of an ageing population in North Ayrshire, the Local Housing Strategy sets a target of approximately 25% of new build homes being suitable for older people through amenity housing or sheltered housing with cognisance taken in the design stage for changing mobility needs. The SHIP supports the Health and Social Care Partnership to meet specialist housing need through dedicated supported accommodation projects.

The Council also recognises that bringing former social housing stock back into social ownership can assist with housing management and maintenance issues and increase the housing available. As such, a second hand and empty homes buy-back programme has been incorporated into the SHIP.

Making sustainable investment in housing is a key priority within the SHIP and this is achieved by incorporating energy efficiency measures and renewable technologies within the new build programme. The developments benefit from a range of sustainable measures including low carbon heat, solar photovoltaic panels and smart technologies. This investment aligns to the Council's Environmental, Sustainability and Climate Change Strategy in supporting affordable warmth to households across North Ayrshire.

The regeneration of North Ayrshire communities is a strategic priority within the Council Plan and the SHIP. The Scottish Index of Multiple Deprivation shows that 52 of North Ayrshire's 186 data zones are in the 15% most deprived areas in Scotland. Through housing led regeneration and the provision of high-quality homes, desirable communities are created where people want to live and which in turn can also attract private sector investment. The demolition of the Fullarton tower blocks in Irvine will see the replacement of all 275 of these homes within the Irvine locality.

## ***Economic Development & Regeneration Strategy and Local Development Plan***

The Economic Development and Regeneration Strategy has been produced in partnership with the Economic Development and Regeneration Board (EDR Board), consisting of council representation and membership from the public, private sector and third sector. The Strategy sets out the ambitious mission for North Ayrshire to create the most improved economy in Scotland by the year 2025.

Through Investment, Innovation and Internalisation the strategy aims to deliver Inclusive growth for North Ayrshire, focusing on six key strategic objectives:

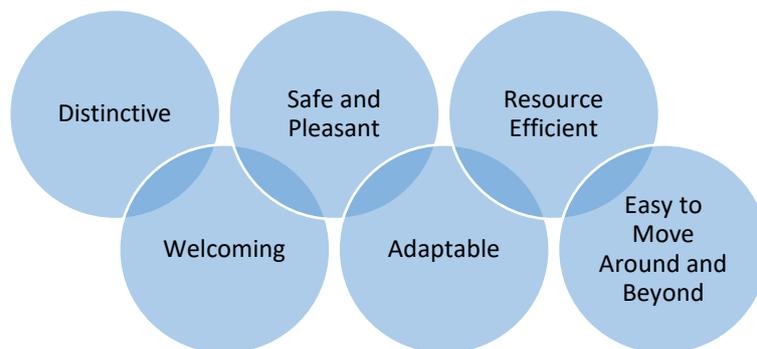


The Local Development Plan was adopted in November 2019 and aligns to the six strategic objectives as set out in the Economic Development and Regeneration Strategy, it brings a targeted local context in guiding development and investment in North Ayrshire over the next 20 years. The focus is supporting and growing the business base across key sectors including manufacturing, engineering, life sciences, tourism and hospitality and regenerating towns and communities. The overarching aim of the plan is to deliver the Community Planning Partnership vision of a “Better Life” to the citizens and communities of North Ayrshire. The plan outlines the land use strategy that supports delivery of the Local Outcomes Improvement Plan 2022 – 2030 and focuses on four key strategic policies:



The Spatial Strategy is an overarching policy for supporting the LOIP. This directs development to towns and villages to support communities, the economy and environment, while recognising the value that the countryside and coastal areas offer both as natural resources worthy of protection and as an economic driver. An example of directing investment to towns is evidenced by the Montgomerie Park development with Council investment in road and service infrastructure to facilitate large scale housing development and regeneration and using capital receipts from land sale as a key source of funding.

The Placemaking policy supports the LOIP by ensuring that all development contributes to making quality places. This is measured by six qualities that define a successful place:



Through the Local Development Plan eight strategic development areas have been identified:

Hunterston	North Shire - Ardrossan	i3 - Irvine	Montgomerie Park, Irvine
Klbirnie	Irvine Harbourside	Brodick Harbourside	Cumbræ-Millport

Working in partnership with the UK and Scottish Government and East Ayrshire and South Ayrshire councils, the Ayrshire Growth Deal will regenerate the region through investment in strategic infrastructure across various sectors, including life sciences, tourism, manufacturing and aerospace, with total investment of over £251.5m. From a North Ayrshire perspective and to support investment into the strategic development areas, including the Ayrshire Growth Deal and wider economic regeneration activity, the Capital Investment Programme to 2030/31 includes planned investment of £72.4m to 2030/31.

Finally, our Community Wealth Building Strategy introduced a new model to develop resilient, inclusive local economies, with more local employment and a larger and more diverse business base, ensuring that wealth is locally owned and benefits local people. All capital and revenue investment will be considered within the context of the Community Wealth Building Strategy, with maximising opportunities for local suppliers through procurement a key priority and pillar of the strategy.

### **Technology Strategy**

The Technology Strategy was approved by North Ayrshire Council in May 2018 and sets out the vision, principles and key technologies that will support transformational change across North Ayrshire Council. Solutions will be designed in partnership to improve processes, service delivery and collaboration and ultimately improve outcomes. The six key Technology Strategy principles are:

Deliberately designed	People at the core	Anytime, anywhere access	Cloud first	Data driven	Secure
<ul style="list-style-type: none"> <li>Holistic view of the business and design efficient, effective and agile solutions</li> </ul>	<ul style="list-style-type: none"> <li>Solutions built around the needs of customers and people</li> </ul>	<ul style="list-style-type: none"> <li>Access to systems, applications and information wherever they are</li> </ul>	<ul style="list-style-type: none"> <li>Utilise cloud based technologies wherever possible</li> </ul>	<ul style="list-style-type: none"> <li>Utilise data to effectively inform our decision making</li> </ul>	<ul style="list-style-type: none"> <li>Operate securely when taking advantage of technology innovations</li> </ul>

Key technologies include Office 365, a cloud platform based approach to business application delivery and virtual desktop infrastructure (VDI). The ICT Asset Management Plan incorporates the technology principles and, in terms of investment, a total of £6m is planned to 2030/31 to deliver technology solutions aligned to this strategy. From a financial planning perspective it is also recognised the shift from capital financing to revenue through software as a service, will lead to a remodelling of the way in which ICT investment is funded.

## ***Estates Strategy***

The key objective of North Ayrshire Council's Estate Strategy is to achieve rationalisation and remodelling of the Council's property portfolio on a locality basis. This neighbourhood approach focuses across three main areas of property provision and aims to:

Service Hubs	<ul style="list-style-type: none"> <li>• Provide fit-for-purpose and conveniently located service hubs that users can readily access.</li> </ul>
Education and Leisure	<ul style="list-style-type: none"> <li>• Provide fit-for-purpose and conveniently located education and leisure facilities for service users. Maximising any investment across multiple strategic priority areas through a community facilities approach incorporating education, leisure and health and social care facilities, therefore delivering wider economic regeneration benefits.</li> </ul>
Office Accommodation	<ul style="list-style-type: none"> <li>• Provide modern, flexible office accommodation for staff that is economically and environmentally efficient.</li> </ul>

The Estates Strategy plays a key role in maximising capital investment across multiple strategic priority areas, e.g. moving away from the traditional like for like school replacements to incorporating wider community campus facilities, including leisure and health and social care facilities. This approach was evidenced through the Largs campus facility which delivered primary, secondary and early years provision as well as community use sport, theatre and leisure facilities.

Through rationalisation of the Council's property portfolio, a key funding component to support the capital programme and provide flexibility in the Council's Revenue account, is the generation of capital receipts. Anticipated income from land and property capital receipts planned to support the capital programme totals £4.1m to 2030/31.

The neighbourhood approach outlined in the Estates Strategy also recognises community empowerment and, in particular, provides support to communities for asset transfers. This engagement is progressed through the Community Planning Partnerships.

## General Fund Capital Investment Programme

North Ayrshire Council takes a long-term approach to capital investment, covering a 10-year period. The plan is updated annually and 2023/24 represents year 3 of the 10-year plan. A full refresh is undertaken every 3 years. The current Capital Investment programme is aligned to the strategic priorities as set out in the Council Plan and is the product of the various plans and strategies which impact on the assets and infrastructure of North Ayrshire Council. Through the Community Planning Partnerships and the Local Development Plan there is also clear linkage to local strategic planning and local asset planning.

Total capital investment of £434.1m from the Council's General Fund is planned over the period from 2023/24 to 2030/31, supporting the 3 key strategic priorities from the Council Plan. This includes planned expenditure of £72.4m towards the Ayrshire Growth Deal to 2030/31. It is recognised that the total level of investment across Ayrshire will be in the region of £251.5m (including £103m commitments from both the UK and Scottish Governments).



The capital plan includes £122.1m planned investment in Education.

The major areas of education investment include;

Universal School meals Expansion - £9.8m	Ardrossan Campus- £78.7m	Montgomerie Park school £22.4m	Moorpark Primary School £4.9m
<ul style="list-style-type: none"><li>•Improvements to current kitchen and dining facilities across the school estate to create capacity for the anticipated uptake.</li></ul>	<ul style="list-style-type: none"><li>•New build project as part of an exciting wider community facility development</li></ul>	<ul style="list-style-type: none"><li>•New primary provision linked to Montgomerie park regeneration project and housing developments</li></ul>	<ul style="list-style-type: none"><li>•New primary provision</li></ul>

Investment in education reflects the Council's desire to ensure children and young people have access to high quality facilities which support and promote excellent learning and teaching. Well designed and well-equipped buildings also support the promotion of positive health and well-being.

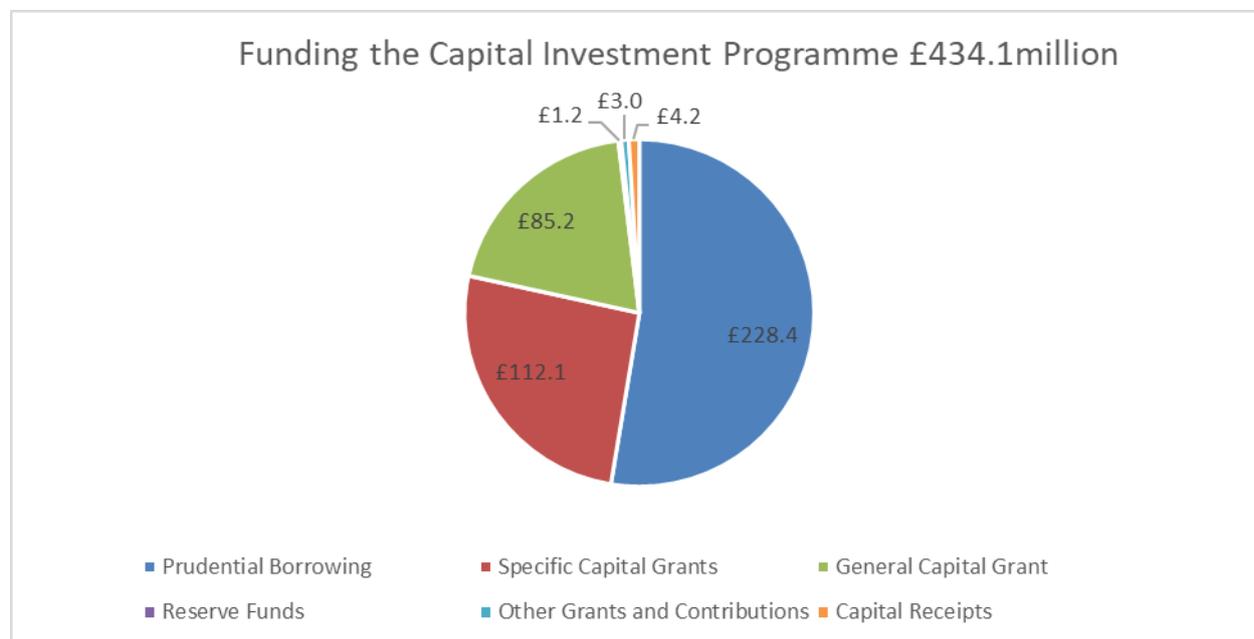
It is also recognised that investment in education contributes to and can be integrated within wider economic development and regeneration within the localities and this is reflected in the nature of the planned developments for Ardrossan Academy and Montgomerie Park school. Through stakeholder engagement, effective cross Directorate working within North Ayrshire Council and collaboration with other agencies including the Scottish Government, these new developments combine education provision with community facilities, residential, respite and housing provision as part of a wider focus on economic regeneration.

Investing in core assets and infrastructure is key to ensuring sustainability. A planned investment of £127.4m within Roads, Structures and Lighting includes £31.0m road improvements, £47.8m on flood prevention works and £24.9m on the upgrading of the B714 following a successful application to the UK Governments Levelling Up Fund. Property lifecycle investment of £8.7m, to support the property asset management plan, will ensure Council properties continue to be maintained to the appropriate standards in delivering services to citizens and communities. The plan includes investment in several key programmes of regeneration within North Ayrshire and, in respect of the Ayrshire Growth Deal, on a wider pan Ayrshire basis.

The Capital Investment Programme 2023/24 to 2030/31 sets out the ambition of North Ayrshire Council and supports the key strategic themes of the Council Plan. Through investment that supports regeneration and delivers first class education and community facilities, this strategic approach will help grow the population and the local economy. It is also recognised that key to a sustainable environment is the requirement to continue to invest in core assets and infrastructure.

## Funding the Capital Investment Programme

Funding the Capital Investment Programme requires to be planned in an affordable and sustainable manner. The funding sources to support delivery of the £434.1m capital investment programme to 2030/31 include;



The major sources of funding include assumptions on the level of general capital grant from Scottish Government to 2030/31 (£85.2m) and the level of prudential borrowing (£228.4m) required. The cost of borrowing is included within the Council's revenue budget process through the Medium-Term Financial Plan and the impact of borrowing is included as part of the Council's Treasury Management and Investment Strategy.

The Council takes a prudent approach when phasing the capital investment over the period, with the main objective to ensure general capital grant from Scottish Government is maximised.

Other income sources are also explored including external income, grants, partner contributions and capital receipts. The balance of funding is met from affordable prudential borrowing with annual loans fund repayments made to reduce the debt. This approach helps to ensure that investment in assets to deliver on the Council's strategic priorities is sustainable in the long term.

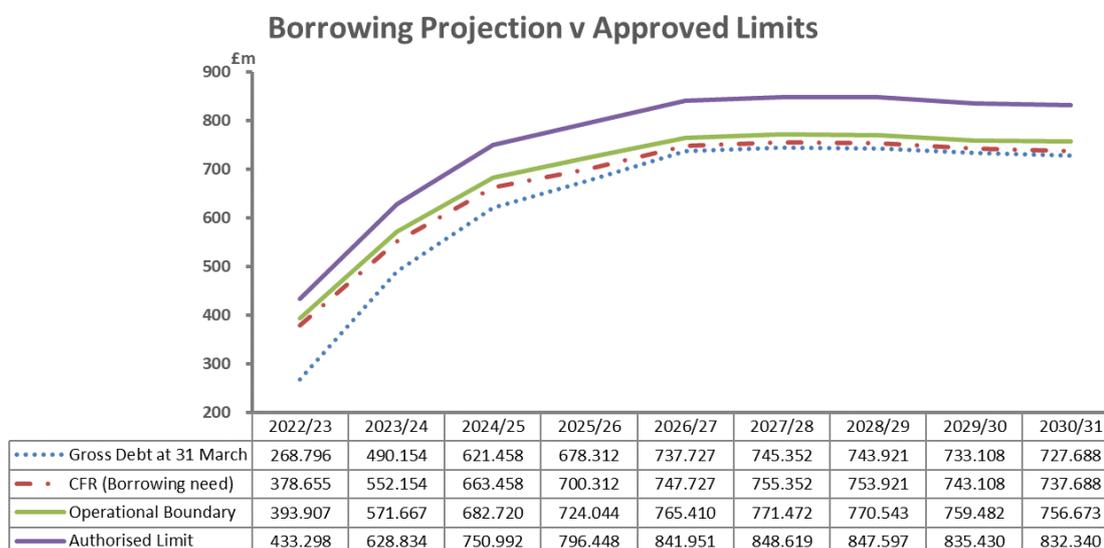
## Treasury Management Strategy and Loans Fund Policy

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

- Annual Treasury Management and Investment Strategy
- Mid-Year Treasury Update report
- Annual Report following the financial year end describing the activity compared to the strategy

The key prudential and treasury indicators include:

- Capital expenditure and financing
- The Council's overall borrowing need (the Capital Financing Requirement)
- Limits to borrowing activity through the Operational Boundary and the Authorised Limit.



As reflected in the Treasury Management Strategy for 2023/24, the analysis of the Capital Financing Requirement for North Ayrshire Council indicates that the borrowing needs to support delivery of the capital programme will increase to £745.352m by 2027/28 and then reduce annually to 2030/31. The analysis also indicates that this borrowing need continues to be within the parameters of both the Operational Boundary (the expected maximum borrowing position of the Council) and the Authorised limit (the limit beyond which external debt is prohibited).

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

Proportion of financing costs to net revenue stream	2022/23	2023/24	2024/25	2025/26
	Probable Outturn	Estimate	Estimate	Estimate
	%	%	%	%
General Services	2.9%	3.4%	4.6%	5.6%
HRA	20.9%	27.8%	36.8%	39.9%

The estimated ratio of debt to net revenue stream across the next 3 years averages at 4.5% for General Services and 34.8% for the HRA. From a General Fund perspective, the draft CIPFA Directors of Finance Performance Indicators 2021/22 show a Scottish Local Authority average 5.48%, therefore demonstrating a prudent borrowing policy. For the HRA, the indicative Scottish average in 2021/22 was 23.03%. The rising ratio within the HRA is indicative of the significant capital investment programme as outlined in the Strategic Housing Investment Plan. The level of loan charges is deemed prudent and affordable within the framework of the 30 year Housing business plan.

### ***Loans Fund Policy***

In July 2016, the Scottish Government confirmed the new Loans Fund accounting arrangements under the provisions of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016. This regulation requires the Council to outline its policy on the repayment of Loans Fund advances. The Loans Fund advance is effectively the repayment of the principal linked to the capital expenditure which is required to be funded from borrowing. The broad aim of prudent repayment is to ensure that the authority's unfinanced capital expenditure is financed over the expected life of the asset and that each year's repayment amount is reasonably commensurate with the period and pattern of the benefits.

From a governance perspective the Loans Fund policy of North Ayrshire Council is included as part of the Treasury Management and Investment Strategy and submitted for approval to the North Ayrshire Council committee on an annual basis.

## Governance

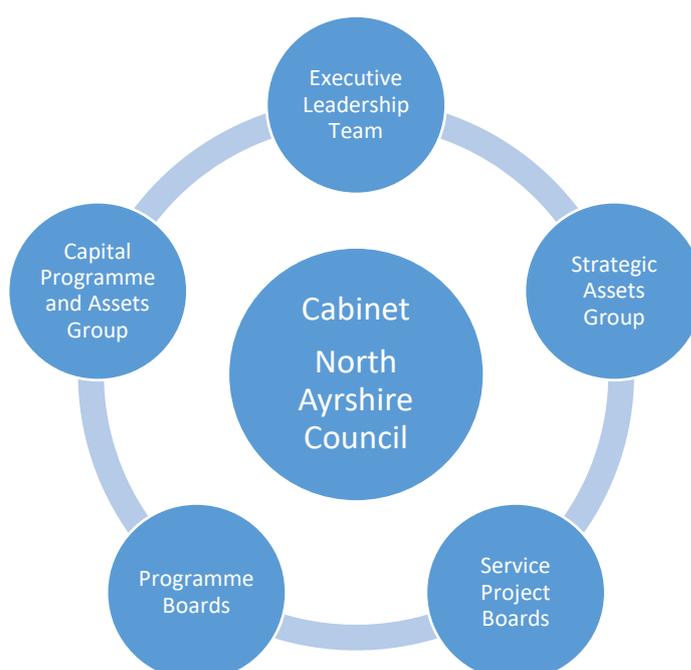
Having robust governance arrangements in place is key to ensuring effective strategic management of assets, from initial planning through to delivery, utilisation and disposal. North Ayrshire Council delivers a governance framework through a number of officer and member represented groups / committees.

To ensure a consistent approach is adopted when considering any new capital investment, a business case framework has been developed. The framework includes key criteria across:

- Aims and strategic objectives
- Scope and Benefits
- Options Appraisal,
- Risks, Constraints & Dependencies
- Procurement arrangements
- Monitoring of Key milestones
- Evaluation criteria & scoring
- Investment costs, funding and impact on revenue

All business cases are considered by the Capital Programme and Assets Group and the Executive Leadership Team, with a recommendation being made to Cabinet / Council, for inclusion of new projects into the Capital Investment Programme. A key focus when assessing potential capital investment is the alignment to the Council's strategic priorities, with the aim being to maximise opportunities where investment meets multiple strategic priorities and where there is the potential to lever in external funding.

The current governance framework is illustrated below:



The **Strategic Assets Group** provides a strategic focus on the Council's property assets. The key objective of the group is the effective utilisation of Council assets and to reduce the public sector's building footprint and deliver improved services from a smaller, more efficient and fit for purpose estate.

**Service Project Boards** are chaired by Executive Directors across each Directorate area with representation from relevant service managers. Following approval by North Ayrshire Council committee on the Capital Investment Programme, the Service Project Board is responsible for ensuring robust project management is in place to deliver projects on time and within budget.

**Programme Boards** provide a strategic focus at programme level and are chaired by the responsible Chief Officer. Each programme can include a number of individual projects across each Directorate which contribute to specific Council and programme objectives. To ensure the objectives are met the Chief Officer for the programme is responsible for strategic oversight including all projects that form part of the overall programme.

**The Capital Programme and Assets Group** is chaired by the Head of Service (Finance) and is responsible for:

- Ensuring a strategic and corporate overview of the Council's capital programme is in place.
- Developing and monitoring the Council's capital investment programme, tracking slippage on delivery and expenditure against approved budgets.
- Developing clear criteria for investment of Council resources on asset matters and assessing all investment business cases.
- Developing a prudent capital receipts programme for inclusion in the Council's Capital Programme.

The **Executive Leadership Team** consists of the Chief Executive, Executive Director Communities, Executive Director Place, Director of Growth and Investment, Head of Democratic Services, Head of People and ICT and Head of Finance and is responsible for advising members on the relative priorities of the Council's long term investment needs and plays a key monitoring role in ensuring the major capital projects deliver the anticipated benefits on time and within budget. The Executive Leadership Team also considers all business cases for new areas of capital investment as well as being the escalation point for any key strategic decisions across the Capital Investment Programme prior to consideration by Cabinet or Council.

**Cabinet** is chaired by the Leader of the Council and is the main decision-making body of the Council. It consists of member portfolio holders from the Administration. Cabinet receives regular progress reports and approves amendments to the Capital Investment Programme.

**North Ayrshire Council** consists of all elected members and is chaired by the Provost. The Council approves the corporate framework and the medium and longer term Capital Investment Programme.

## **Knowledge & Skills**

North Ayrshire Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.

The Head of Finance is a qualified accountant and holds the position of Section 95 officer for the Council. The Council's Section 95 Officer is responsible for the proper administration of the Council's financial affairs and is required:

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

Where the Council does not have the knowledge and skills required, use is made of external advisers that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers to ensure that we have access to specialist knowledge and skills if required.

Decisions to invest in land and property are overseen in accordance with Council policies and the priorities from our Council plan, to capitalise on its position, power and influence to deliver tangible improvements to the lives of people in North Ayrshire. These decisions are made by suitably qualified personnel including architects and surveyors.

## **Risk**

There are risks inherent across all capital planning and project delivery activity. Key planning risks are managed / mitigated through detailed business case development prior to any capital investment project getting approved. From a project delivery perspective, risk registers are maintained throughout the duration of the project and in accordance with standard project management practice. The long-term view to capital investment and the development of associated strategies also play a key role in risk management. Examples include:

- Development of a 10-year capital programme, considering funding and priorities in the long term
- Asset Management Plans and lifecycle maintenance which inform capital plans in the long term
- Treasury Management and Investment Strategy which considers borrowing levels in the long term.
- Local Housing Strategy and Strategic Housing Investment Plan takes a medium and long-term view of housing and regeneration priorities.

## **Conclusion**

The Capital Investment Strategy for North Ayrshire Council provides an overview of how capital expenditure plans, capital financing and treasury management activity contribute to the infrastructure and provision of services for the benefit of North Ayrshire communities and citizens. It is a reporting requirement of the CIPFA Prudential Code.

The Strategy takes account of the Council's strategic priorities and considers any new investment within the context of outcomes and affordability. There is also recognition of the need to balance investment between maintaining current assets and infrastructure against the ambitions for acquiring new assets.

The current capital programme demonstrates an innovative approach in maximising investment across multiple strategic priority areas, with developments that incorporate education provision, community facilities, health and social care services and housing. This approach, whilst providing key services that deliver positive outcomes to communities, also contributes to the wider economic regeneration of North Ayrshire, helping to grow the population and the local economy.

Working in partnership with the UK and Scottish Government and East Ayrshire and South Ayrshire councils, the Ayrshire Growth Deal will regenerate the region through investment in strategic infrastructure across various sectors, including life sciences, tourism, manufacturing and aerospace, with total investment of over £251m.

## Related Documents / Strategies / Plans

<input type="checkbox"/>	Council Plan
<input type="checkbox"/>	Local Development Plan
<input type="checkbox"/>	Asset Management Plans
<input type="checkbox"/>	Local Outcomes Improvement Plan
<input type="checkbox"/>	Local Housing Strategy
<input type="checkbox"/>	Strategic Housing Investment Plan
<input type="checkbox"/>	Technology Strategy
<input type="checkbox"/>	Estates Strategy
<input type="checkbox"/>	10 Year Capital Investment Programme
<input type="checkbox"/>	Economic Development and Regeneration Strategy
<input type="checkbox"/>	Treasury Management and Investment Strategy
<input type="checkbox"/>	Loans Fund Policy
<input type="checkbox"/>	HSCP Strategic Plan
<input type="checkbox"/>	Environmental, Sustainability & Climate Change Strategy



## NORTH AYRSHIRE COUNCIL

1 March 2023

### North Ayrshire Council

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**Title:** Revenue Estimates 2023/24 – Common Good Funds and Trusts

**Purpose:** To advise Council of the anticipated annual income and expenditure of the Common Good Funds and Trusts administered by North Ayrshire Council and seek approval for the level of funding to be made available for disbursement during 2023/24.

**Recommendation:** That Council:

- (a) approves the 2023/24 revenue estimates for the Common Good Funds and registered Charitable Trusts detailed in Appendix 1;
- (b) approves the carry forward of funds from Irvine Common Good Fund to meet the costs of essential works required at Seagate Castle, as noted at paragraph 2.2;
- (c) approves the amounts available for disbursement noted at paragraphs 2.12 and 2.13;
- (d) agrees to capital spend from the dormant and low value Trusts and the Irvine, Largs and Saltcoats Common Good Funds, and instructs officers to seek approval from the Office of the Scottish Charity Regulator (OSCR) prior to the disbursement of any grant which would result in the winding up of a Trust;
- (e) notes that OSCR has approved changes to the constitutions and trustees' powers for the James Dyer Simpson Fund, H Watt Trust and J H Watt Trust, held within North Ayrshire Charitable Trust, to allow the disbursement of the remaining capital and the winding up of the Trusts, where this is considered the most appropriate way of achieving the Trusts' purposes; and
- (f) confirm that the remaining capital in the James Dyer Simpson Fund, H Watt Trust and J H Watt Trust should now be disbursed for the Trusts' purposes and approve the winding up of these 3 Trusts once all funds have been expended.

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## **1. Executive Summary**

- 1.1 The Council is the custodian of the Common Good Funds for the former burghs of Ardrossan, Irvine, Largs, Millport, Saltcoats and Stevenston and a number of charitable Trusts, which are largely composed of bequests made many years ago.
- 1.2 This report provides Members with an overview of the financial position of each Common Good Fund and Charitable Trust and recommends the level of expenditure which can be disbursed from each for 2023/24.
- 1.3 Following delays in previous financial years, previously approved essential works at Seagate Castle have not yet been completed and Council is asked to approve the carry forward of this budget to allow the completion of these works during 2023/24. Should cost projections exceed estimates, a further report will be presented to Council.
- 1.4 The Common Good Funds and Trusts make annual disbursements of grants to groups and individuals. The level of funding available for these grants is normally set at the net annual income of each Fund or Trust after meeting their expenditure commitments. Where the expenditure commitments exceed the annual income, the recommended budget for grant disbursement reflects the level of disbursements in previous years.
- 1.5 In order to encourage the utilisation of funds across communities, in particular where the Trusts have been dormant or have low levels of income, it is recommended that, with the exception of those Trusts with significant balances, the full balance of the Trusts are approved as available for disbursement. Any disbursement which utilises the full capital balance will result in closure and will require the approval of OSCR. During 2023/24, the funds within Douglas Sellers Trust and Anderson Park Trust will be exhausted. Approval will be sought from OSCR for the disbursement of any remaining capital and winding up of these Trusts.
- 1.6 Following proposals submitted by North Ayrshire Council, OSCR has approved amendments to the constitution of and/or the trustees' powers in relation to the James Dyer Simpson Fund, H Watt Trust and J H Watt Trust, held within the North Ayrshire Charitable Trust. These amendments will allow the disbursement of the remaining capital, where this is considered the most appropriate way of achieving the Trusts' purposes, and the winding up of the trusts fund, with the approval of OSCR.

## **2. Background**

### **Common Good Funds**

- 2.1 The Council is the custodian of the Common Good Funds for the former burghs of Ardrossan, Irvine, Largs, Millport, Saltcoats and Stevenston. The purpose of the Common Good Funds is to benefit the general population within the defined areas of each of their respective towns.

- 2.2 At its meeting on 5 March 2020, Council approved the allocation of £0.250m from Irvine Common Good Fund to meet the costs of urgent and essential works required at Seagate Castle. Following delays in the completion of these works during previous financial years, Council is asked to approve the carry forward of the £0.210m balance to allow the completion of the works during 2023/24. As noted in the previous report to Council, working on a structure as historic as this may flag up further works which may need to be addressed at the same time. Should cost projections exceed estimates, a further report will be presented to Council.
- 2.3 The Common Good Funds make annual disbursements to groups and individuals based on approved criteria. The levels of grant available for disbursement is determined after all expenditure commitments and projected income from assets has been assessed. Current practice has been for the remaining surplus to be made available for trustees to disburse, ensuring that capital balances are left intact, with the disbursement of funds from the capital balance requiring Council approval. It is recommended that this practice continues for those Common Good Funds with sufficient net income.
- 2.4 In the case of Irvine, Largs and Saltcoats Common Good Funds the level of expenditure exceeds the level of income. In order to maximise the benefits to the community, it is proposed that the budgets for grant disbursement are set at a level which reflects previous years' disbursements, with a minimum level for each of £1,000.

### **Charitable Trusts**

- 2.5 The Council also administers a number of Trusts which are largely composed of bequests made many years ago. Of these Trusts, there are only two which accrue significant levels of income; the Spier's Trust and the Margaret Archibald Trust. The Spier's Trust was founded in 1936 for the administration of Spier's School, Beith and for the provision of certain educational grants and bursaries with the local area of benefit comprising the parishes of Beith, Dalry, Dunlop, Kilbirnie, Lochwinnoch and Neilston. The purpose of the Margaret Archibald Trust is "to apply the capital and income from time to time, at the discretion of the Council, for the charitable purpose of persons in need who have attained sixty five years of age, living in the Parish of Dalry, Ayrshire".
- 2.6 The remaining Trusts comprise four town Trusts, covering Dalry, Kilbirnie & Glengarnock, Kilwinning and Largs, which provide assistance to persons in need within the defined area of each fund; the North Ayrshire Council Trust, which incorporates a further seven smaller funds; two minor Trusts and a number of sundry bequests listed on Appendix 2.

- 2.7 Historically a number of Trusts have experienced periods of dormancy where no grants have been disbursed. OSCR is keen that charities fulfil their charitable purposes and the Council's external auditors have previously expressed concern about continued lack of activity in these Trusts. If no other action is taken, the annual external audit fee and administrative charges will eventually exhaust these Trusts. As such, the utilisation of available funds through a particular project which complies with the Trust's purposes should be considered. It is, therefore, recommended that, with the exception of those Trusts with significant balances, the full balances of the town and minor Trusts are made available for disbursement. It should be noted that any disbursement which would result in the winding up of a registered Trust must be approved by OSCR before the relevant Locality Partnership agrees the grant. For those Trusts with significant balances, it is proposed that the budgets for grant disbursement are set at a level which reflects previous years' disbursements.
- 2.8 During 2023/24, the funds within Douglas Sellers Trust and Anderson Park Trust will be exhausted. Approval will be sought from OSCR for the disbursement of the remaining capital and winding up of these Trusts.
- 2.9 As previously reported to Council in March 2021, it had been identified that some of the smaller Trusts have constitutions and trustees' powers which limit the utilisation of the capital held by Trusts and their subsequent winding up. The Trusts in question form part of the North Ayrshire Charitable Trust, including:
- the James Dyer Simpson Fund, current balance £195.86 (21/22: £196.60);
  - the H Watt Trust, current balance £14.51 (21/22: £14.49); and
  - the J H Watt Trust, current balance £1,080.94 (21/22: £1,111.48).
- 2.10 Following approval by Council, proposals to amend the constitutions and trustees' powers in relation to these Trusts were submitted to OSCR for approval. OSCR has approved the proposed amendments and the Council's Legal Services team have now amended the trust deeds.
- 2.11 In order to use the balance of these 3 Trusts in an effective manner, the Trustees are asked to approve expenditure of the remaining funds, including the capital, for the Trust purposes of each fund and the winding up of these 3 Trusts.

2.12 The following table summarises the anticipated income and expenditure for each Common Good Fund and Trusts and the proposed budget for grant disbursement for each:

	Estimated Balance at 1 April 2023	Estimated Income 2023/24	Estimated Expenditure 2023/24	Available for Disbursement	Estimated Balance at 31 March 2024
	£	£	£	£	£
<b>Common Good Fund</b>					
Ardrossan	308,045	46,200	(13,586)	(32,614)	308,045
Irvine	1,093,549	92,225	(261,184)	(26,500)	898,090
Largs	425,819	25,425	(22,238)	(10,000)	419,006
Millport	66,008	1,630	(335)	(1,295)	66,008
Saltcoats	15,106	350	(73)	(1,000)	14,383
Stevenston	175,310	18,630	(902)	(17,728)	175,310
<b>TOTAL</b>	<b>2,083,837</b>	<b>184,460</b>	<b>(298,318)</b>	<b>(89,137)</b>	<b>1,880,842</b>
<b>Registered Charitable Trusts</b>					
Dalry	1,878	47	(160)	(1,765)	-
Kilbirnie & Glengarnock	2,978	75	(165)	(2,888)	-
Kilwinning	36,045	934	(342)	(36,637)	-
Largs	3,301	83	(167)	(3,217)	-
Speir's Trust	55,144	4,623	(1,091)	(3,532)	55,144
Margaret Archibald Trust	197,297	11,223	(302)	(10,921)	197,297
Douglas Sellers Trust	291	7	(152)	(146)	-
Anderson Park Trust	8	-	-	(8)	-
NAC Charitable Trust	42,363	2,912	(284)	(2,628)	42,363
<b>TOTAL</b>	<b>339,305</b>	<b>19,904</b>	<b>(2,663)</b>	<b>(61,742)</b>	<b>294,804</b>

2.13 The remaining smaller trusts administered by the Council are listed in Appendix 2. Projected income for 2023/24 is £325 and during 2022/23 thus far there have been no disbursements. Therefore, the full balance of £13,383 is available for disbursement during 2023/24.

### **3. Proposals**

#### 3.1 That Council:

- (a) approves the 2023/24 revenue estimates for the Common Good Funds and registered Charitable Trusts detailed in Appendix 1;
- (b) approves the carry forward of funds from Irvine Common Good Fund to meet the costs of essential works required at Seagate Castle, as noted at paragraph 2.2;
- (c) approves the amounts available for disbursement noted at paragraphs 2.12 and 2.13;
- (d) agrees to capital spend from the dormant and low value Trusts and the Irvine, Largs and Saltcoats Common Good Funds, and instructs officers to seek approval from the Office of the Scottish Charity Regulator (OSCR) prior to the disbursement of any grant which would result in the winding up of a Trust;
- (e) notes that OSCR has approved changes to the constitutions and trustees' powers for the James Dyer Simpson Fund, H Watt Trust and J H Watt Trust, held within North Ayrshire Charitable Trust, to allow the disbursement of the remaining capital and the winding up of the Trusts, where this is considered the most appropriate way of achieving the Trusts' purposes; and
- (f) confirm that the remaining capital in the James Dyer Simpson Fund, H Watt Trust and J H Watt Trust should now be disbursed for the Trusts' purposes and approve the winding up of these 3 Trusts once all funds have been expended.

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 Approval of the budgets will allow each Locality Partnership to disburse individual grants up to the approved levels.

All income and expenditure which relates to Common Good properties must be charged to the relevant Common Good Fund.

#### **Human Resources**

- 4.2 None.

#### **Legal**

- 4.3 All expenditure from Trusts and Common Good Funds must be for the purposes of the Trust or meet the Common Good criteria of benefitting the inhabitants of the Common Good area.

#### **Equality/Socio-economic**

- 4.4 None.

## **Environmental and Sustainability**

4.5 None.

## **Key Priorities**

4.6 This report directly supports the Council Plan 2019 to 2024 by supporting active and strong communities through the disbursement of grants to groups and individuals.

## **Community Wealth Building**

4.7 None.

## **5. Consultation**

5.1 Legal Services have been consulted on the recommendations and procedures for winding up the Trusts.

[Click here to enter text.](#)

Mark Boyd

Head of Service Finance(Chief Executives)

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

## **Background Papers**

None

## Index of Common Good and Trust Funds

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#### Appendix 1

##### Common Good Funds

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Millport	4
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##### Trusts

North Ayrshire Council (Dalry) Charitable Trust	6
North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust	6
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#### Appendix 2

Sundry Bequests	11
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Budget 2022/23 £	Projected Outturn 2022/23 £	<b>COMMON GOOD FUND - ARDROSSAN</b>	Proposed Budget 2023/24 £
<b>305,355</b>	<b>305,358</b>	<b>Projected Common Good Balance Brought Forward at 1 April</b>	<b>308,045</b>
		<b>INCOME</b>	
38,500	38,500	Rental - Ardrossan Civic Centre	38,500
410	2,890	Loans Fund Interest (on cash balances)	7,700
<b>38,910</b>	<b>41,390</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>46,200</b>
		<b>EXPENDITURE</b>	
		<b>Property Costs</b>	
12,000	12,000	External Property Repairs - Ardrossan Civic Centre	12,000
		<b>Others</b>	
1,715	1,508	Administration - Charge from Finance	1,586
<b>13,715</b>	<b>13,508</b>	<b>SUB TOTAL OF EXPENDITURE</b>	<b>13,586</b>
<b>25,195</b>	<b>27,882</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>32,614</b>
25,195	25,195	Available for Disbursement as Grants	32,614
<b>-</b>	<b>2,687</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>-</b>
<b>305,355</b>	<b>308,045</b>	<b>COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>308,045</b>

Budget 202/23 £	Projected Outturn 2022/23 £	<b>COMMON GOOD FUND - IRVINE</b>	Proposed Budget 2023/24 £
<b>1,093,581</b>	<b>1,102,411</b>	<b>Projected Common Good Balance Brought Forward at 1 April</b>	<b>1,093,549</b>
		<b>INCOME</b>	
		<b>Property Rentals</b>	
25,000	25,000	Woodlands Centre	25,000
11,500	11,500	Bank Street (Church of Latter Day Saints)	11,500
2,500	13,385	Irvine Moor	13,385
13,000	13,000	Ground East Road (McConnachies)	13,000
2,000	2,000	East Road New Car Park	2,000
		<b>Other Income</b>	
1,117	10,280	Loans Fund Interest (on cash balances)	27,340
<b>55,117</b>	<b>75,165</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>92,225</b>
		<b>EXPENDITURE</b>	
		<b>Property Costs</b>	
500	581	General Repairs	500
10,033	10,197	Rates on vacant properties (36/38 Bank Street)	10,500
2,310	2,000	Electricity	3,110
30,445	28,995	Grounds Maintenance*	30,445
220,000	10,000	Property Maintenance - Seagate Castle	210,000
1,000	400	Other Property Costs	1,000
264,288	52,173		255,555
		<b>Others</b>	
4,673	5,354	Administration - Charge from Finance	5,629
4,673	5,354		5,629
<b>268,961</b>	<b>57,527</b>	<b>SUB TOTAL OF EXPENDITURE</b>	<b>261,184</b>
<b>(213,844)</b>	<b>17,638</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>(168,959)</b>
26,500	26,500	Available for Disbursement as Grants	26,500
<b>(240,344)</b>	<b>(8,862)</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>(195,459)</b>
<b>853,237</b>	<b>1,093,549</b>	<b>COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>898,090</b>

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

Budget 2022/23 £	Projected Outturn 2022/23 £	<b>COMMON GOOD FUND - LARGS</b>	Proposed Budget 2023/24 £
<b>436,275</b>	<b>436,476</b>	<b>Projected Common Good Balance Brought Forward at 1 April</b>	<b>425,819</b>
		<b><u>INCOME</u></b>	
		<b>Property Rentals (Including Insurance Premiums)</b>	
7,315	7,315	Haylie House	7,315
1,250	1,250	Douglas Park Bowling Club	1,250
210	210	Douglas Park Grazings	210
5,245	6,033	Douglas Park Tennis Club & Children's Nursery	6,000
		<b>Other Income</b>	
568	4,000	Loans Fund Interest (on cash balances)	10,650
<b>14,588</b>	<b>18,808</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>25,425</b>
		<b><u>EXPENDITURE</u></b>	
		<b>Property Costs</b>	
3,321	3,591	Electricity	5,584
12,199	12,199	Grounds Maintenance*	13,462
-	-	Property Maintenance	-
2,122	1,590	Other Property Costs	1,000
		<b>Others</b>	
2,374	2,085	Administration - Charge from Finance	2,192
<b>20,016</b>	<b>19,465</b>	<b>SUB TOTAL OF EXPENDITURE</b>	<b>22,238</b>
<b>(5,428)</b>	<b>(657)</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>3,187</b>
10,000	10,000	Available for Disbursement as Grants	10,000
<b>(15,428)</b>	<b>(10,657)</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>(6,813)</b>
<b>420,847</b>	<b>425,819</b>	<b>COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>419,006</b>

\* For the upkeep of ground at Douglas Park.

Budget 2022/23 £	Projected Outturn 2022/23 £	<b>COMMON GOOD FUND - MILLPORT</b>	Proposed Budget 2023/24 £
66,711	66,711	Projected Common Good Balance Brought Forward at 1 April	66,008
		<b>INCOME</b>	
88	620	Loans Fund Interest (on cash balances)	1,630
<b>88</b>	<b>620</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>1,630</b>
		<b>EXPENDITURE</b>	
		<b>Others</b>	
369	323	Administration - Charge from Finance	335
<b>369</b>	<b>323</b>	<b>SUB TOTAL OF EXPENDITURE</b>	<b>335</b>
<b>(281)</b>	<b>297</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>1,295</b>
1,000	1,000	Available for Disbursement as Grants	1,295
<b>(1,281)</b>	<b>(703)</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>-</b>
<b>65,430</b>	<b>66,008</b>	<b>COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>66,008</b>

Budget 2022/23 £	Projected Outturn 2022/23 £	<b>COMMON GOOD FUND - SALTCOATS</b>	Proposed Budget 2023/24 £
17,036	16,040	Projected Common Good Balance Brought Forward at 1 April	15,106
		<b>INCOME</b>	
22	140	Loans Fund Interest (on cash balances)	350
<b>22</b>	<b>140</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>350</b>
		<b>EXPENDITURE</b>	
90	74	Administration - Charge from Finance	73
<b>90</b>	<b>74</b>	<b>SUB TOTAL OF EXPENDITURE</b>	<b>73</b>
<b>(68)</b>	<b>66</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>277</b>
1,000	1,000	Available for Disbursement as Grants	1,000
<b>(1,068)</b>	<b>(934)</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>(723)</b>
<b>15,968</b>	<b>15,106</b>	<b>COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>14,383</b>

Budget 2022/23 £	Projected Outturn 2022/23 £	<b>COMMON GOOD FUND - STEVENSTON</b>	Proposed Budget 2023/24 £
173,825	173,845	Projected Common Good Balance Brought Forward at 1 April	175,310
		<b>INCOME</b>	
		<b>Property Rentals</b>	
14,250	14,250	New Street (Health & Social Care)	14,250
		<b>Other Income</b>	
214	1,640	Loans Fund Interest (on cash balances)	4,380
<b>14,464</b>	<b>15,890</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>18,630</b>
		<b>EXPENDITURE</b>	
897	858	Administration - Charge from Finance	902
<b>897</b>	<b>858</b>	<b>SUB TOTAL OF EXPENDITURE</b>	<b>902</b>
<b>13,567</b>	<b>15,032</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>17,728</b>
13,567	13,567	Available for Disbursement as Grants	17,728
-	1,465	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	-
<b>173,825</b>	<b>175,310</b>	<b>COMMON GOOD BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>175,310</b>

Budget 2022/23 £	Projected Outturn 2022/23 £	NAC (DALRY) CHARITABLE TRUST	Proposed Budget 2023/24 £
2,019	2,019	Projected Trust Balance Brought Forward at 1 April	1,878
3	19	<u>INCOME</u> Loans Fund Interest (on cash balances)	47
<b>3</b>	<b>19</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>47</b>
162	160	<u>EXPENDITURE</u> Administration - Charge to Finance	160
<b>162</b>	<b>160</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>160</b>
<b>(159)</b>	<b>- 141</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>(113)</b>
1,860	-	Available for Disbursement as Grants	1,765
<b>(2,019)</b>	<b>(141)</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>(1,878)</b>
-	1,878	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2022/23 £	Projected Outturn 2022/23 £	NAC (KILBIRNIE & GLENGARNOCK) CHARITABLE TRUST	Proposed Budget 2023/24 £
3,115	3,114	Projected Trust Balance Brought Forward at 1 April	2,978
4	29	<u>INCOME</u> Loans Fund Interest (on cash balances)	75
<b>4</b>	<b>29</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>75</b>
169	165	<u>EXPENDITURE</u> Administration - Charge from Finance	165
<b>169</b>	<b>165</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>165</b>
<b>(165)</b>	<b>(136)</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>(90)</b>
2,950	-	Available for Disbursement as Grants	2,888
<b>(3,115)</b>	<b>(136)</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(2,978)</b>
-	2,978	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2022/23 £	Projected Outturn 2022/23 £	NAC (KILWINNING) CHARITABLE TRUST	Proposed Budget 2023/24 £
37,328	37,328	Projected Trust Balance Brought Forward at 1 April	36,045
50	353	<u>INCOME</u> Loans Fund Interest (on cash balances)	934
<b>50</b>	<b>353</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>934</b>
361	334	<u>EXPENDITURE</u> Administration - Charge from Finance	342
<b>361</b>	<b>334</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>342</b>
<b>(311)</b>	<b>19</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>592</b>
37,017	1,302	Available for Disbursement as Grants	36,637
<b>(37,328)</b>	<b>(1,283)</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>(36,045)</b>
-	36,045	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2022/23 £	Projected Outturn 2022/23 £	NAC (LARGS) CHARITABLE TRUST	Proposed Budget 2023/24 £
6,433	3,436	Projected Trust Balance Brought Forward at 1 April	3,301
5	32	<u>INCOME</u> Loans Fund Interest (on cash balances)	83
<b>5</b>	<b>32</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>83</b>
170	167	<u>EXPENDITURE</u> Administration - Charge from Finance	167
<b>170</b>	<b>167</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>167</b>
<b>(165)</b>	<b>(135)</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>(84)</b>
6,268	-	Available for Disbursement as Grants	3,217
<b>(6,433)</b>	<b>(135)</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>(3,301)</b>
-	3,301	TRUST BALANCE CARRIED FORWARD AT 31 MARCH	-

Budget 2022/23 £	Projected Outturn 2022/23 £	<b>SPIER'S TRUST</b>	Proposed Budget 2023/24 £
52,055	52,163	Projected Trust Balance Brought Forward at 1 April	55,144
		<b>INCOME</b>	
870	960	Share dividends	870
54	412	Loans Fund Interest (on cash balances)	1,093
2,660	2,660	Rent	2,660
<b>3,584</b>	<b>4,032</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>4,623</b>
		<b>EXPENDITURE</b>	
169	169	Insurance	169
120	90	Broker Fees	120
500	500	Property Maintenance	500
298	292	Administration - Charge from Finance	302
<b>1,087</b>	<b>1,051</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>1,091</b>
<b>2,497</b>	<b>2,981</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>3,532</b>
2,497	-	Available for Disbursement as Grants	3,532
<b>-</b>	<b>2,981</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>-</b>
<b>52,055</b>	<b>55,144</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>55,144</b>

Budget 2022/23 £	Projected Outturn 2022/23 £	<b>MARGARET ARCHIBALD BEQUEST</b>	Proposed Budget 2023/24 £
187,941	192,745	Projected Trust Balance Brought Forward at 1 April	197,297
		<b>INCOME</b>	
6,000	10,085	Share dividends	10,130
65	541	Loans Fund Interest (on cash balances)	1,093
<b>6,065</b>	<b>10,626</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>11,223</b>
		<b>EXPENDITURE</b>	
422	431	Administration - Charge from Finance	302
<b>422</b>	<b>431</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>302</b>
<b>5,643</b>	<b>10,195</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>10,921</b>
5,643	5,643	Available for Disbursement as Grants	10,921
<b>-</b>	<b>4,552</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>-</b>
<b>187,941</b>	<b>197,297</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>197,297</b>

Budget 2022/23 £	Projected Outturn 2022/23 £	DOUGLAS SELLERS TRUST	Proposed Budget 2023/24 £
439	439	Projected Trust Balance Brought Forward at 1 April	291
		<b>INCOME</b>	
1	4	Loans Fund Interest (on cash balances)	7
<b>1</b>	<b>4</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>7</b>
		<b>EXPENDITURE</b>	
153	152	Administration - Charge from Finance	152
<b>153</b>	<b>152</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>152</b>
<b>(152)</b>	<b>(148)</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>(145)</b>
287	-	Available for Disbursement as Grants	146
<b>(439)</b>	<b>(148)</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(291)</b>
<b>-</b>	<b>291</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>-</b>

Budget 2022/23 £	Projected Outturn 2022/23 £	ANDERSON PARK TRUST	Proposed Budget 2023/24 £
159	158	Projected Trust Balance Brought Forward at 1 April	8
		<b>INCOME</b>	
-	1	Loans Fund Interest (on cash balances)	-
<b>-</b>	<b>1</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>-</b>
		<b>EXPENDITURE</b>	
152	151	Administration - Charge from Finance	-
<b>-</b>	<b>151</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>-</b>
<b>-</b>	<b>(150)</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>-</b>
159	-	Available for Disbursement as Grants	8
<b>(159)</b>	<b>(150)</b>	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	<b>(8)</b>
<b>-</b>	<b>8</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>-</b>

Budget 2022/23 £	Projected Outturn 2022/23 £	<b>NORTH AYRSHIRE COUNCIL CHARITABLE TRUST</b> (excluding SPIERS TRUST)	Proposed Budget 2023/24 £
42,853	41,571	Projected Trust Balance Brought Forward at 1 April	42,363
		<b>INCOME</b>	
1,720	1,871	Dividends	1,885
59	400	Loans Fund Interest (on cash balances)	1,027
<b>1,779</b>	<b>2,271</b>	<b>TOTAL INCOME FOR THE YEAR</b>	<b>2,912</b>
		<b>EXPENDITURE</b>	
321	272	Administration - Charge from Finance	284
<b>321</b>	<b>272</b>	<b>SUB TOTAL OF EXPENDITURE FOR THE YEAR</b>	<b>284</b>
<b>1,458</b>	<b>1,999</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE GRANTS</b>	<b>2,628</b>
1,458	1,207	Available for Disbursement as Grants	2,628
-	792	<b>FINAL SURPLUS/(DEFICIT) FOR THE YEAR INCLUDING GRANTS</b>	-
<b>42,853</b>	<b>42,363</b>	<b>TRUST BALANCE CARRIED FORWARD AT 31 MARCH</b>	<b>42,363</b>

## Sundry Bequests

Name of Funds	Investment	Projected Income 2023/24	Available for Disbursement 2023/24	Purpose of Bequest
	£	£	£	
Isabella McPhee Memorial Fund	2,815	70	2,885	Largs - Annual Putting Competition (Mackerston)
N Stewart	1,599	40	1,639	Provision of Liberty at Rothesay and Arran
Sturrock	2,882	72	2,954	Upkeep of Springside Community Centre
Clark Trophy	539	13	552	Road Safety Competition
Ayrshire Accident Relief	3,811	95	3,906	Accident Relief
Cast/Florist/N Child	276	7	283	No information available
Miss Hanslip Bequest	1,136	28	1,164	No information available
<b>Total</b>	<b>13,058</b>	<b>325</b>	<b>13,383</b>	



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**NORTH AYRSHIRE COUNCIL**

1 March 2023

**Cabinet**

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**Title:** Treasury Management and Investment Strategy 2023/24**Purpose:** To seek approval for the proposed Strategy for Treasury Management and Investment activities within the Council for the financial year 2023/24.**Recommendation:** That Council a) approves the Treasury Management and Investment Strategy for 2023/24 as attached at Appendix 1; and b) notes that updated performance in relation to the treasury management and prudential indicators will be reported Cabinet as part of the Revenue and Capital Monitoring arrangements throughout the year.

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**1. Executive Summary**

- 1.1 The Council is required by regulations issued under the Local Government in Scotland Act 2003 and the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) to approve a Treasury Management Strategy before the start of each financial year. The Council is also required by regulation to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (2021) under Part 7 of the Local Government in Scotland Act 2003. In addition, the Consent by Scottish Ministers for the Investment of Money by Scottish Local Authorities, which came into force in April 2010, requires the Authority to approve an Investment Strategy before the start of each financial year.
- 1.2 The Treasury Management and Investment Strategy attached to this report complies fully with these requirements and provides:
- a summary of the Council's capital plans;
  - an outline of the treasury management strategy in relation to borrowing and the impact of capital plans on this borrowing; and
  - an outline of the investment strategy including the type of instruments available for investment and our permitted counterparties.

- 1.3 The strategy provides key prudential and treasury indicators to 2030/31 which clearly articulate the operational parameters associated with Treasury Management and Investment as well as offering assurance in relation to the affordability and sustainability of capital investment plans.
- 1.4 The key points highlighted in this report are;
- the continuation of an “under borrowed” position;
  - interest rate forecasts predict that the UK Bank Rate will continue to rise in 2023, with rates rising to 4.25% by March 23 and then remaining at that level before beginning to decline in 2024;
  - notes the introduction of International Financial Reporting Standard (IFRS)16 which from 1 April 2023 will see leases, which were previously off balance sheet, now being included. Although leases form part of the other long term liability figures which make up the Prudential Indicators, it is not currently anticipated that the Indicators will be exceeded. Once the detailed data gathering has been substantially completed, later in the 2023/24 financial year, an updated report may be required to inform the members of the detailed impact of IFRS 16 with amended Prudential Indicators for approval.
- 1.5 As recommended under the CIPFA Prudential and Treasury Management Codes, updated performance information in relation to the treasury management and prudential indicators will be reported to Cabinet on a quarterly basis as part of the regular Revenue and Capital Monitoring arrangements.

## **2. Background**

- 2.1 CIPFA defines treasury management as:

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

- 2.2 The Local Government Scotland Act 2003 and the Prudential Code requires the Council to approve an annual Treasury Management and Investment Strategy which outlines the Council's strategy in relation to borrowing and the Council's strategy for managing investments giving priority to the security and liquidity of those investments.
- 2.3 The Treasury Management and Investment Strategy 2023/24 is attached at Appendix 1. The overall objectives of the strategy are as follows:

### Borrowing

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

## Investments

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

2.4 The strategy provides detailed key prudential and treasury indicators to 2030/31, aligned to the Council's current capital investment programme, which clearly articulate the operational parameters associated with Treasury Management and Investment as well as offering assurances in relation to the affordability and sustainability of capital investment strategy, including;

- the General Services capital plan to 2030/31; and
- the one-year programme for the Housing Revenue Account, with investment requirements for future years outlined within the HRA 30-year Business Plan.

2.5 The strategy also links with the key objectives of the Prudential Code that capital investment programmes:

- should be set at a level that delivers the Council's strategic priorities; and
- are affordable in terms of the impact of the resultant debt repayments on revenue budgets.

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

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

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

2.8 In addition to the annual Treasury Management Strategy, the CIPFA Treasury Management Code recommends that authorities should have formal reporting arrangements which include performance against the treasury management and prudential indicators and the CIPFA Prudential Code recommends reporting as part of the authority's integrated revenue and capital monitoring arrangements. During 2023/24, updated performance information in relation to the indicators will be reported to Cabinet on a quarterly basis as part of the regular Revenue and Capital Monitoring arrangements.

- 2.9 The Council expects to hold an 'under-borrowed' position at 31 March 2023. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded by debt, due to the level of the Council's internal funds. The use of internal funds instead of borrowing will continue in order to minimise borrowing costs. This under-borrowed position will decline through time as internal funds reduce and borrowing is required to be undertaken to replace internal funding.
- 2.10 The Treasury Management and Investment Strategy includes details of the Council's policy on repayment of loans fund advances. The Council's policy complies with the options currently available under the Local Authority (Capital Financing and Accounting) (Scotland) Regulations 2016 and the asset lives and methodologies used have been reviewed to provide for the prudent repayment of advances.

### **3. Proposals**

- 3.1 That Council a) approves the Treasury Management and Investment Strategy for 2023/24 as attached at Appendix 1; and b) notes that updated performance in relation to the Treasury Management and Prudential Indicators will be reported Cabinet as part of the Revenue and Capital Monitoring arrangements throughout the year.

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 Financial implications are detailed in the report attached at Appendix 1.

#### **Human Resources**

- 4.2 None.

#### **Legal**

- 4.3 The Local Government in Scotland Act 2003 and supporting regulations require the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy. The Local Authority (Capital Financing and Accounting) (Scotland) Regulations 2016 require the Council to set a policy for the repayment of loans fund advances.

#### **Equality/Socio-economic**

- 4.4 None.

#### **Environmental and Sustainability**

- 4.5 None.

## **Key Priorities**

4.6 The Treasury Management Strategy aligns with the Council Plan by maximising resources and providing value for money to support financially sustainable delivery models.

## **Community Wealth Building**

4.7 None.

## **5. Consultation**

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

**Mark Boyd**  
**Head of Service (Finance)**

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

## **Background Papers**

None



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

# Treasury Management and Investment Strategy 2023/24

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## 1 Purpose

The Council is required by regulations issued under the Local Government in Scotland Act 2003 and the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) to approve a Treasury Management Strategy before the start of each financial year. The Council is also required by regulation to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (2021) under Part 7 of the Local Government in Scotland Act 2003.

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

This strategy meets these requirements fully.

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

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

### Responsibilities

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

#### Full Council

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

## Cabinet

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

## Section 95 Officer

The Council's Section 95 Officer is responsible for the proper administration of the Council's financial affairs and is required:

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

## **External Treasury Advisers**

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

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

The Council's current external treasury management advisers are Arlingclose Limited. The contract started on 5 April 2021 and is in place for an initial 3 year period. The Council will ensure that the terms of their appointment and the methods by which their value is assessed are properly agreed, documented and subject to regular review.

## 2 Executive Summary

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

CIPFA defines treasury management as:

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

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

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

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

Table 1

Prudential and Treasury Indicators	2022/23 Probable Outturn £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Capital Expenditure:				
General Services	51.938	115.931	92.308	72.782
HRA	41.286	172.316	75.825	28.379
<b>Total</b>	<b>93.224</b>	<b>288.247</b>	<b>168.133</b>	<b>101.161</b>
Loans Capital Financing Requirement (CFR):				
General Services	203.831	267.879	331.353	358.260
HRA	174.824	284.275	332.105	342.052
<b>Total</b>	<b>378.655</b>	<b>552.154</b>	<b>663.458</b>	<b>700.312</b>
Gross Borrowing	268.796	490.154	621.458	678.312
Operational Boundary for Borrowing	393.907	571.667	682.720	724.044
Authorised Limit for Borrowing	433.298	628.834	750.992	796.448
Total Operational Boundary (Including PPP/NPD)	486.293	659.399	766.014	802.634
Total Authorised Limit (Including PPP/NPD)	525.684	716.566	834.286	875.038
Investments	30.000	20.000	20.000	20.000

A summary of this is provided as follows, with more detailed information provided in the body of the report.

**Capital Expenditure** for the General Fund (GF) reflects the capital investment programme for 2023/24 to 2030/31 and Housing Revenue Account (HRA) reflects the capital investment programme for 2023/24 and the capital investment plans included in the latest business plan. To ensure the financial consequences of the new programme are fully transparent, all relevant indicators have been projected to 2030/31 and these can be found in Appendix 1.

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

**Gross Borrowing** reflects the actual borrowing which has been undertaken. This is projected to be lower than the CFR as the Council continues with its strategy to use internal funds.

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

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

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

Full details of these can be found on page 11.

The **average investment** rate estimated for 2023/24 is 4.25% and is reflective of the Council's appetite for risk, the short term nature of investments and the permitted instruments and counterparties selected.

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

## **Client Status**

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

### 3 Capital and Prudential Indicators 2023/24 – 2025/26

In exercising its power to borrow, the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 require the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code). The Prudential Code is a framework to ensure Councils demonstrate effective control over levels of, and decisions relating to, capital investment activity, including borrowing. The Treasury indicators are used to ensure that risk is managed and controlled effectively. Together the Prudential and Treasury Indicators consider the affordability and impact of capital expenditure decisions and set out the Council's overall capital framework.

#### Capital Expenditure and Financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously and those forming part of the 2023/24 budget setting.

The 2023/24 budget proposes an updated Capital Investment Programme for General Services to 2030/31 and updated investment plans for the HRA for 2023/24 and the capital investment plans included in the latest business plan. All projects within the Capital Programme are linked to the Council's key strategic priorities. These are also covered in the Capital Investment Strategy, produced in line with the requirements of the Prudential Code. To ensure that the financial consequences of the new programme are fully transparent, all relevant indicators have been projected to 2030/31 and these can be found in Appendix 1. Table 2 shows the capital expenditure plans and how they are being financed by capital or revenue resources over the next three years. The borrowing figure in Table 2 is the difference between the estimates for total capital expenditure and the other funding sources.

Table 2

Estimates of Capital Expenditure and Income	2022/23	2023/24	2024/25	2025/26
	Probable Outturn £m	Estimate £m	Estimate £m	Estimate £m
General Services Capital expenditure	51.938	115.931	92.308	72.782
Funded by:				
Borrowing	10.825	68.292	68.763	33.183
Receipts / Grants	41.055	47.639	22.310	39.599
Funded from Revenue	0.058	-	-	-
Funded from Reserves	-	-	1.235	-
<b>Total</b>	<b>51.938</b>	<b>115.931</b>	<b>92.308</b>	<b>72.782</b>
HRA Capital expenditure	41.286	172.316	75.825	28.379
Funded by:				
Borrowing	24.563	115.676	56.310	20.130
Receipts / Grants	1.767	44.979	12.804	1.337
Funded from Revenue	12.209	5.151	3.354	3.316
Funded from Reserves	2.747	6.510	3.357	3.596
<b>Total</b>	<b>41.286</b>	<b>172.316</b>	<b>75.825</b>	<b>28.379</b>

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

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

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

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

The total CFR can also be reduced by:

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

The Council's CFR is shown below and is a key prudential indicator. The opening balances include the PPP/NPD schemes on the balance sheet, which increase the Council's borrowing need. This is shown to give a complete picture of the Council's debt. However, no borrowing is actually required against these schemes as a borrowing facility is included in the contract and, as such, this is subtracted from the total CFR to identify the Loans CFR. The Loans CFR is forecast to rise over the next few years as capital expenditure financed by borrowing increases.

Table 3

Capital Financing Requirement (CFR)	2022/23	2023/24	2024/25	2025/26
	Probable Outturn £m	Estimate £m	Estimate £m	Estimate £m
General Services	296.217	355.611	414.647	436.850
HRA	174.824	284.275	332.105	342.052
<b>Sub-total</b>	<b>471.041</b>	<b>639.886</b>	<b>746.752</b>	<b>778.902</b>
Less PPP/NPD long-term liability	(92.386)	(87.732)	(83.294)	(78.590)
<b>Loans Capital Financing Requirement (CFR)</b>	<b>378.655</b>	<b>552.154</b>	<b>663.458</b>	<b>700.312</b>
<b>Movement in CFR</b>				
General Services		64.048	63.474	26.907
HRA		109.451	47.830	9.947
<b>Annual Change</b>		<b>173.499</b>	<b>111.304</b>	<b>36.854</b>

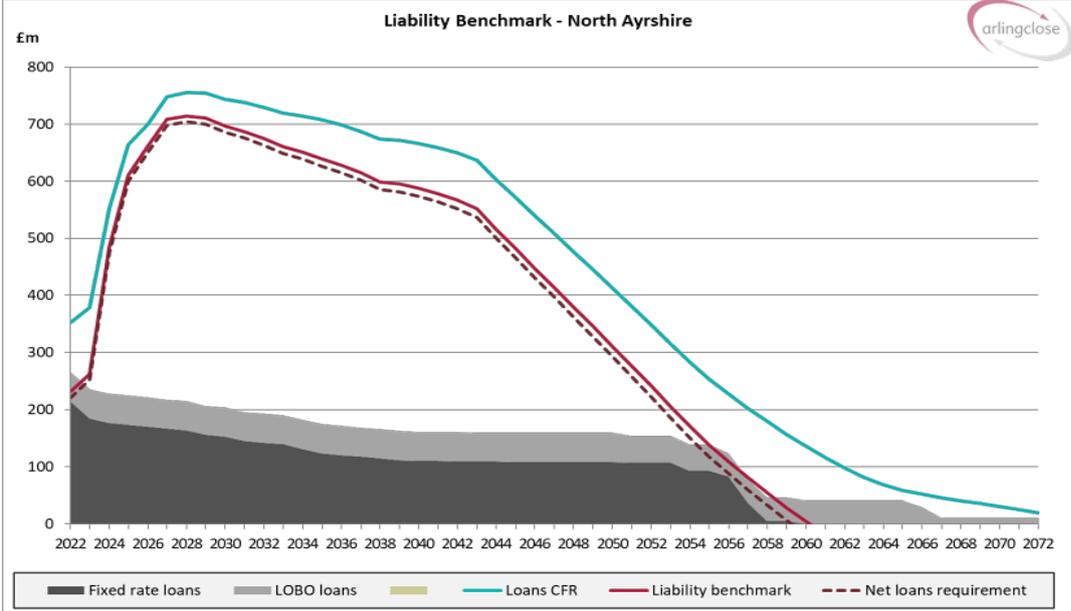
### Liability Benchmark

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 4

Liability Benchmark	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Forecast £m	2024/25 Forecast £m	2025/26 Forecast £m
Loans CFR	353.000	378.700	552.200	663.500	700.300
Less Balance sheet resources	(131.700)	(126.000)	(78.200)	(63.300)	(48.900)
<b>Net loans requirement</b>	<b>221.300</b>	<b>252.700</b>	<b>474.000</b>	<b>600.200</b>	<b>651.400</b>
Liquidity allowance	10.000	10.000	10.000	10.000	10.000
<b>Liability Benchmark</b>	<b>231.300</b>	<b>262.700</b>	<b>484.000</b>	<b>610.200</b>	<b>661.400</b>

Following on from the medium-term forecasts in the table above, the long-term liability benchmark assumes capital expenditure funded by borrowing will be in line with the 10 year capital plan and 30 year HRA business plan respectively, loans fund advances on new capital expenditure based on asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year with any specific adjustments made for planned use of reserves. This is shown in the chart below together with the maturity profile of the Council’s existing borrowing:



The Liability benchmark graph above is used to inform the Council’s borrowing strategy. The shaded grey area shows the Councils current debt and the gap between this and the Liability benchmark line is how much more borrowing the Council likely needs to undertake to support its current capital plans once taking into account its balance sheet resources. The above graph indicates that long term borrowing for the period of around 20 years would be most appropriate to meet the Councils borrowing needs and mitigate against interest rate risk.

## Limits to borrowing activity

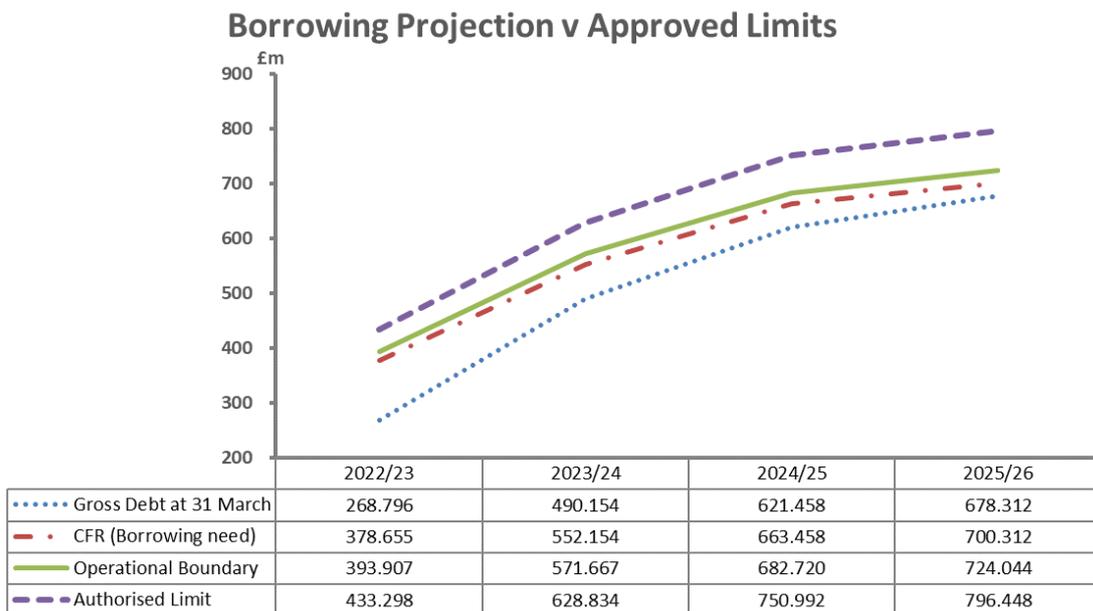
### The Operational Boundary

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

### The Authorised Limit

The authorised limit represents a limit beyond which external debt is prohibited. This limit is set by Council and can only be revised by Council approval. It reflects the level of external borrowing which, while not desirable, could be afforded in the short term, but is not sustainable in the longer. The current limit is set at 10% above the Operational Boundary.

The following graph shows the projected levels of the Operational Boundary and Authorised Limit for Borrowing, compared with the Council's CFR and gross debt position. CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should not exceed the highest forecast CFR over the next three years. This provides Councils with some flexibility to borrow to meet future capital investment requirements but provides a balance to ensure debt is not held for long periods of time without an underlying need to fund capital investment. The graph below confirms that the Council expects to comply with this recommendation.



*\*NB: Figures exclude PPP/NPD*

Leasing – International Financial Reporting Standard (IFRS) 16

From 1 April 2023, leases which were previously off balance sheet will now be included. Although leases form part of the other long term liability figures which make up the Prudential Indicators above, it is not currently anticipated that the Indicators will be exceeded. Once the detailed data gathering has been substantially completed, later in the 2023/24 financial year, an updated report may be required to inform the members of the detailed impact of IFRS 16 with amended Prudential Indicators for approval.

**Affordability Prudential Indicators**

These Prudential Indicators assess the affordability of capital investment plans and provide an indication of the impact of capital investment plans on the Council’s overall finances. The cost impact of borrowing decisions are reflected in the Council’s budget as loan charges. These have been projected to 2030/31 in line with the capital plan.

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

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

Table 5

Proportion of financing costs to net revenue stream	2022/23	2023/24	2024/25	2025/26
	Probable Outturn	Estimate	Estimate	Estimate
	%	%	%	%
General Services	2.9%	3.4%	4.6%	5.6%
HRA	20.9%	27.8%	36.8%	39.9%

Capital expenditure impacts on the revenue budget through financing charges, so it is essential that the Council ensures the financing costs remain affordable and do not constitute an excessive proportion of the revenue resources available. From a General Fund perspective, the draft CIPFA Directors of Finance Performance Indicators 2021/22 show a Scottish Local Authority average of 5.48%, therefore demonstrating a prudent borrowing policy. For the HRA, the indicative Scottish average in 2021/22 was 23.03%. The rising ratio within the HRA is indicative of the significant capital investment programme as outlined in the Strategic Housing Investment Plan. The level of loan charges is deemed prudent and affordable within the framework of the 30 year Housing business plan.

## 4 Treasury Management Strategy

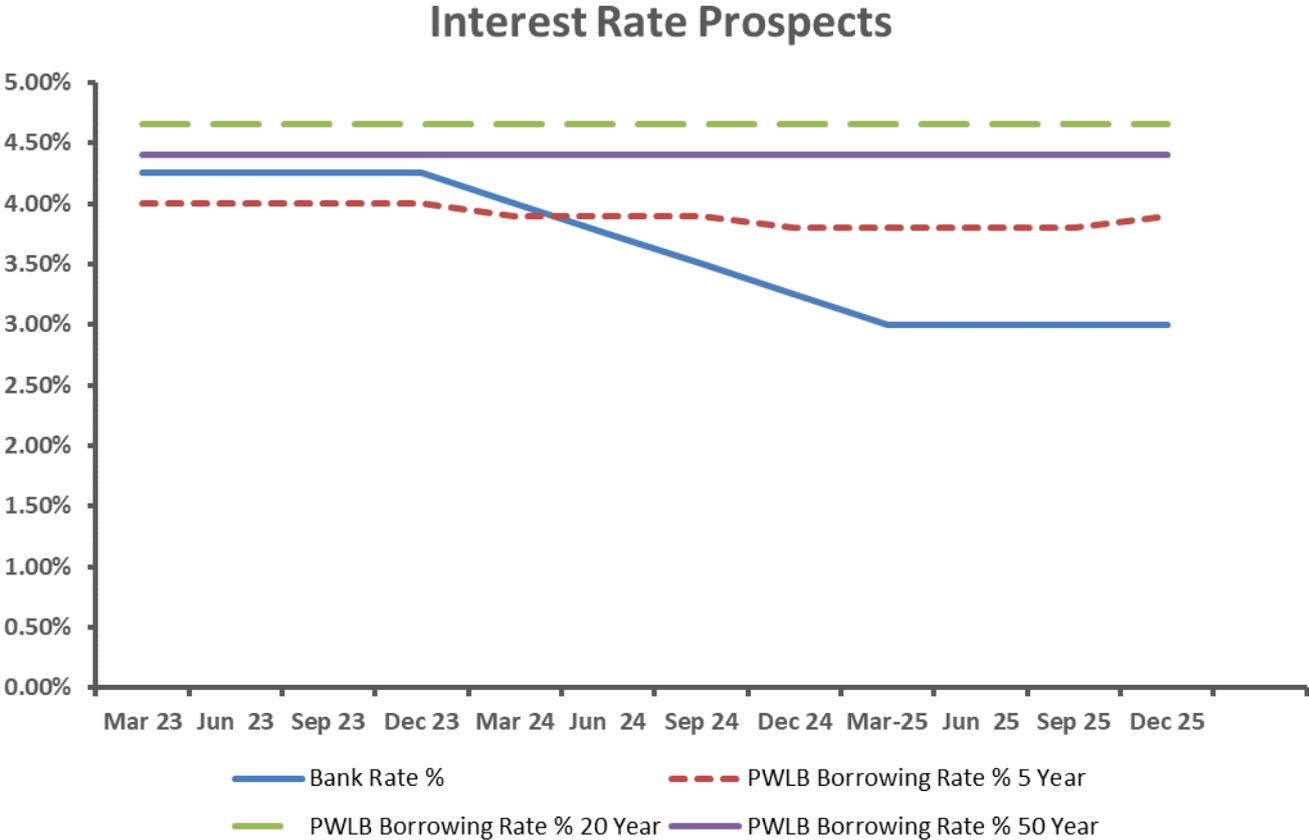
The treasury management function ensures that the Council’s funds are managed in accordance with the relevant professional codes, so that sufficient cash is available to meet service activity. This involves both the organisation of the cashflow and, where capital plans require, the organisation of appropriate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

The treasury strategy aligns with the Council Plan by contributing to “an efficient Council that maximises resources and provides value for money as referred to under the objective of “A Council for the Future”. The Council Plan can be found on the Council’s website at: [www.north-ayrshire.gov.uk](http://www.north-ayrshire.gov.uk).

### Economic Outlook

#### Interest rate forecast

Interest rate forecasts are key to forecasting the costs of future borrowing. The Council’s treasury management adviser Arlingclose is forecasting that the bank rate will continue to rise in 2023 with rates rising to 4.25% by March 23 and then remaining at that level before beginning to decline in 2024. The projected rates are shown in the following graph alongside an assessment of PWLB borrowing rates to December 2025:



## Current Portfolio Position

The Council's projected treasury portfolio position at 31 March 2023, with future year estimates, is summarised below. Table 6 shows the actual external debt against the underlying capital borrowing need (the CFR), highlighting any over or under borrowing. Both the external debt and CFR exclude the Council's liabilities in respect of the PPP/NPD schemes.

Table 6

Current Portfolio Position (excluding PPP/NPD)	2022/23	2023/24	2024/25	2025/26
	Probable Outturn	Estimate	Estimate	Estimate
	£m	£m	£m	£m
Gross Debt at 31 March	268.796	490.154	621.458	678.312
CFR	378.655	552.154	663.458	700.312
<b>(Under)/Over Borrowed Position</b>	<b>(109.859)</b>	<b>(62.000)</b>	<b>(42.000)</b>	<b>(22.000)</b>

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

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

Against this background and the risks within the economic forecast, caution will be adopted within 2023/24 treasury operations. The Section 95 Officer will monitor interest rates and adopt a pragmatic approach to changing circumstances. For example:

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

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

## Controls on Borrowing Activity

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

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

Table 7

	2022/23 Probable Outturn £m	2022/23 Limit £m	2023/24 Limit £m	2024/25 Limit £m	2025/26 Limit £m
Limits on fixed interest rates based on net debt	217.846	433.298	628.834	750.992	796.448
Limits on variable interest rates based on net debt	50.950	60.000	60.000	60.000	60.000

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

Table 8

Maturity Profile of Borrowing	2022/23 Probable Outturn £m	2022/23 Probable Outturn %	Lower Limit %	Upper Limit %
Under 12 months	45.485	18%	0%	50%
12 months and within 24 months	2.888	1%	0%	50%
24 months and within 5 years	10.112	4%	0%	50%
5 years and within 10 years	24.439	10%	0%	75%
10 years and above	164.039	66%	25%	90%
<b>Total Borrowing</b>	<b>246.963</b>	<b>100%</b>		

\* Note the Under 12 months figure in the above table includes £25.950m LOBOs which have call options in year.

The impact of a 1% rise in interest rates based on the Councils current debt portfolio is shown in the table below:

Table 9

Interest Rate Risk Exposure	2023/24 £m	2024/25 £m	2025/26 £m
Impact of a 1% increase in Interest rates	0.313	0.462	0.492
Impact of a 1% decrease in Interest rates	(0.105)	(0.202)	(0.233)

\*Note there is a lower impact of a 1% reduction as the LOBO loans are unlikely to be called when the rate reduces.

## **LOBOs**

The Council currently holds £50.950m of Lender's Option Borrower's Option (LOBO) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. Similar to other debt held by the Council we continue to work with treasury management advisers to identify financially beneficial opportunities to repay LOBO loans.

## **Policy on Borrowing in Advance of Need**

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

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

## **Debt Rescheduling**

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

Potential reasons for debt rescheduling include:

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

The recent rise in interest rates means that more favourable debt rescheduling opportunities may arise than in previous years. All debt rescheduling proposals will be reported to Cabinet / full Council as part of the annual or mid-year report.

## **Borrowing Sources**

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

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board) and any successor body;
- Any institution approved for investments (see Appendix 3);
- Any other bank or building society authorised to operate in the UK;
- Any other UK public sector body;
- UK public and private sector pension fund (except Strathclyde Pension Fund);
- Capital market bond investors; or
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.

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

- Leases;
- Hire purchase;
- Private Finance Initiatives (including PPP/NPD); or
- Sale and leaseback arrangements.

### Alternatives to PWLB

North Ayrshire Council has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities. The Council will also investigate the possibility of issuing bonds and similar instruments, which may offer lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. One example of such funding is the UK Municipal Bonds Agency, an organisation which plans to issue bonds on the capital markets and lend the proceeds to local authorities. As these will represent a more complex form of borrowing, any decision to borrow in this way will be the subject of a separate report to Council.

PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield. The Council therefore intends to avoid this activity in order to retain its access to PWLB loans.

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

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

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

The prudent repayment of Loans Fund Advances are made under the provisions of The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016, which came into force on 1 April 2016.

These Regulations require North Ayrshire Council to outline its policy on the repayment of loans fund advances. The loans fund advance is effectively the repayment of the 'principal' linked to the capital expenditure which is funded from borrowing.

The statutory guidance identifies a number of options for the prudent repayment of advances, including basing the repayments on:

- the depreciation charges made against the assets;
- the life of the assets, using either the annuity or equal instalments methodology; or
- the funding or income streams attached to the assets.

For the majority of projects undertaken by the Council, the policy is to repay loans fund advances linked to asset life using the annuity methodology. However, where appropriate, the repayment of advances arising from projects with associated income streams will be matched to the profile of the income.

The Council will continue to consider the most appropriate repayment methods, which align to the benefits of the assets and ensure a prudent repayment, for existing and future advances.

The policy is outlined in full in Appendix 4.

## **5 Investment Strategy**

The Council's investment strategy has regard to the Local Government Investment (Scotland) Regulations (and accompanying finance circular) and the 2021 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults or of receiving unacceptably low investment income. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

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

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

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

Given the risk of bail-in (as defined on page 19) and continued low returns from short-term unsecured bank investments, the Council will take opportunities, as cash flows permit, to further diversify into more secure asset classes during 2023/24. This diversification will mitigate further risks associated with investments.

**Current Portfolio Position**

Table 10

Current Portfolio Position	2022/23 Probable Outturn £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Investments at 31 March	30.000	20.000	20.000	20.000
<b>Net Debt at 31 March</b>	<b>238.796</b>	<b>470.154</b>	<b>601.458</b>	<b>658.312</b>

**Environmental, Social and Governance (ESG) Policy**

Environmental, social and governance (ESG) considerations are increasingly a factor in global investors’ decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council’s ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code. A list of ESG Initiative signatories is updated quarterly by the Council’s treasury advisor Arlingclose to support the Council’s decision making process for investing.

**Creditworthiness policy**

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

Investment decisions are made by reference to the lowest published long-term credit rating and analysis from the Council’s treasury management advisers. The Council considers high credit quality organisations and investments as those having a credit rating of A- or higher and which are domiciled in the UK or in a foreign country with a sovereign rating of AA+ or higher. For money market funds that are more diversified, “high credit quality” is defined as those having a credit rating of A- or higher. However, in addition to credit ratings, the Council will consider investments in organisations based on independent analysis from our treasury management advisors.

All credit ratings are monitored by the Treasury Team who are alerted to changes in ratings of the main rating agencies through Arlingclose’s weekly updates and following credit developments. Where a downgrade results in the counterparty or investment scheme no longer meeting the Council’s minimum criteria, any investment will be withdrawn immediately, where breakage costs are not excessive.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

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

### **Bail-in Risk**

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

Local authority deposits in banks are unsecured and because other previously unsecured creditors such as retail investors have become preferred under UK and EU Directives, it means that the risks associated with local authority unsecured investments in banks have risen.

The best solution to mitigating against bail-in risk is to invest with high quality and credit worthy institutions. The identification of these institutions remains a key objective of the investment strategy. Ensuring diversification of investment counterparties is also an effective risk management approach and is reflected in investment counterparty limits.

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

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

## Investment Returns Expectations

The Bank Rate is forecast to rise to 4.25% during the first half of 2023 and remain at this level until June 24 where gradual reductions are anticipated. Bank Rate forecasts for financial year ends (March) are:

- 2023/24 4.25%
- 2024/25 3.25%
- 2025/26 3.25%

The estimated rates for returns on investments placed for periods up to 100 days during each financial year for the next three years are as follows:

- 2023/24 4.25%
- 2024/25 3.25%
- 2025/26 3.25%

## Investment Treasury Indicator and Limit

This is a control on the total principal funds invested for greater than 1 year. This limit is set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and is based on the availability of funds after each year-end.

Table 11

Maximum principal sums invested for more than 1 year	2022/23	2023/24	2024/25	2025/26
	Probable Outturn £m	Limit £m	Limit £m	Limit £m
Principal sums invested for more than 1 year	-	10.000	10.000	10.000

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

## **Summary of Material Investments, Guarantees and Liabilities**

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

The Council has the current historic investments on the balance sheet as at 31<sup>st</sup> March 2022:

Category	Value as at 31 March 2022 £m
Long-term Debtors	0.104
<b>Total</b>	<b>0.104</b>

The long-term debtors represent loan finance provided by the Council to other parties which relates to Advances for House Purchases.

**Monitoring of Investment Strategy**

An update on the investment position of the Council will be reported to Cabinet in the 2023/24 Mid-Year Treasury report and the Annual Treasury Report will be submitted to the Council after the end of the financial year.

## Appendix 1: Prudential Indicators 2027 to 2031

Estimates of Capital Expenditure and Income	2026/27	2027/28	2028/29	2029/30	2030/31
	Estimate	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
General Services Capital expenditure	69.466	32.165	18.850	21.622	10.946
Funded by:					
Borrowing	50.474	13.173	1.219	(7.035)	0.353
Receipts / Grants	18.992	18.992	17.631	28.657	10.593
Funded from Revenue	-	-	-	-	-
Funded from Reserves	-	-	-	-	-
<b>Total</b>	<b>69.466</b>	<b>32.165</b>	<b>18.850</b>	<b>21.622</b>	<b>10.946</b>
HRA Capital expenditure	23.964	19.415	24.543	25.055	25.859
Funded by:					
Borrowing	14.014	10.572	13.972	12.596	13.212
Receipts / Grants	4.184	-	-	-	-
Funded from Revenue	5.156	8.843	10.571	12.459	12.647
Funded from Reserves	0.610	-	-	-	-
<b>Total</b>	<b>23.964</b>	<b>19.415</b>	<b>24.543</b>	<b>25.055</b>	<b>25.859</b>

Capital Financing Requirement (CFR)	2026/27	2027/28	2028/29	2029/30	2030/31
	Estimate	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
General Services	476.515	477.540	466.542	447.217	434.630
HRA	344.929	345.835	349.926	352.558	353.899
<b>Sub-total</b>	<b>821.444</b>	<b>823.375</b>	<b>816.468</b>	<b>799.775</b>	<b>788.529</b>
Less PPP/NPD long-term liability	(73.717)	(68.023)	(62.547)	(56.667)	(50.841)
<b>Sub-total</b>	<b>747.727</b>	<b>755.352</b>	<b>753.921</b>	<b>743.108</b>	<b>737.688</b>
<b>Movement in CFR</b>					
General Services	44.538	6.719	(5.522)	(13.445)	(6.761)
HRA	2.877	0.906	4.091	2.632	1.341
<b>Annual Change</b>	<b>47.415</b>	<b>7.625</b>	<b>(1.431)</b>	<b>(10.813)</b>	<b>(5.420)</b>

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

Proportion of financing costs to net revenue stream	2026/27	2027/28	2028/29	2029/30	2030/31
	Estimate	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
General Services	6.0%	6.5%	6.7%	6.6%	6.8%
HRA	39.7%	36.1%	35.0%	33.4%	34.1%

Current Portfolio Position (excluding PPP/NPD)	2026/27	2027/28	2028/29	2029/30	2030/31
	Estimate	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
Gross Debt at 31 March	737.727	745.352	743.921	733.108	727.688
CFR	747.727	755.352	753.921	743.108	737.688
<b>(Under)/Over Borrowed Position</b>	<b>(10.000)</b>	<b>(10.000)</b>	<b>(10.000)</b>	<b>(10.000)</b>	<b>(10.000)</b>

Current Portfolio Position	2026/27	2027/28	2028/29	2029/30	2030/31
	Estimate	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
Investments at 31 March	20.000	20.000	20.000	20.000	20.000
<b>Net Debt at 31 March</b>	<b>717.727</b>	<b>725.352</b>	<b>723.921</b>	<b>713.108</b>	<b>707.688</b>

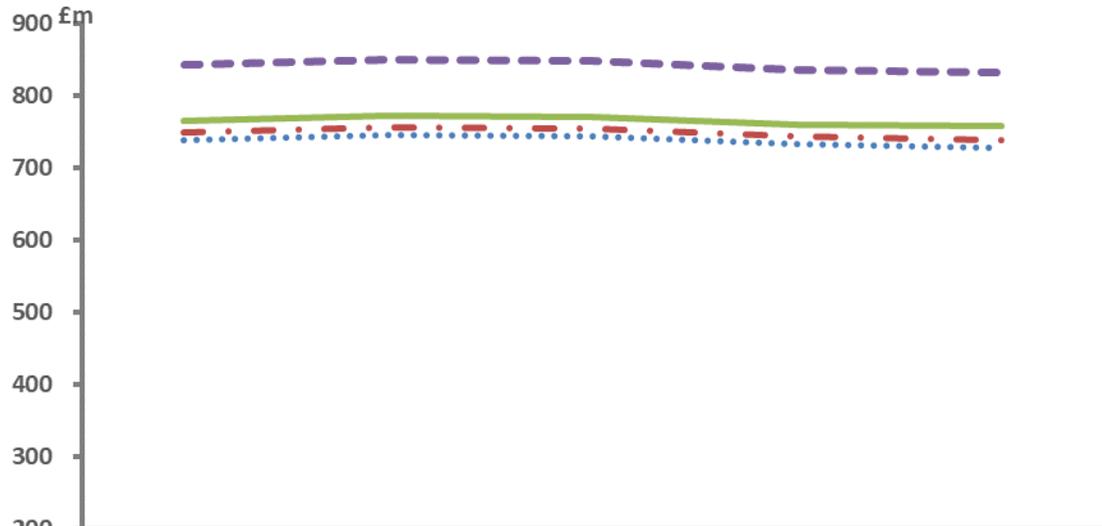
  

Operational Boundary	2026/27	2027/28	2028/29	2029/30	2030/31
	Estimate	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
Anticipated borrowing	765.410	771.472	770.543	759.482	756.673
PPP/NPD long-term liability	73.717	68.023	62.547	56.667	50.841
<b>Operational Boundary</b>	<b>839.127</b>	<b>839.495</b>	<b>833.090</b>	<b>816.149</b>	<b>807.514</b>

Authorised Limit	2026/27	2027/28	2028/29	2029/30	2030/31
	Estimate	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
Operational Boundary + 10%	841.951	848.619	847.597	835.430	832.340
PPP/NPD long-term liability	73.717	68.023	62.547	56.667	50.841
<b>Authorised Limit</b>	<b>915.668</b>	<b>916.642</b>	<b>910.144</b>	<b>892.097</b>	<b>883.181</b>

### Borrowing Projection v Approved Limits



	2026/27	2027/28	2028/29	2029/30	2030/31
..... Gross Debt at 31 March	737.727	745.352	743.921	733.108	727.688
- - - CFR (Borrowing need)	747.727	755.352	753.921	743.108	737.688
———— Operational Boundary	765.410	771.472	770.543	759.482	756.673
- - - Authorised Limit	841.951	848.619	847.597	835.430	832.340

## Appendix 2: Treasury Risk Register

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

Risk Title	Description	Consequence of Risk	Current Controls	RAG Status
Market Risk	This is the risk that, through adverse market fluctuations in the value of the sums that the Council borrows and invests, there is a detrimental impact on the Council.	That investment funds will not be returned in full to the Council as per the contractual obligation of the counterparty due to market variations.	Only a proportion of the Council's investments will be invested in instruments whose value are subject to market movements. The proportion will not exceed the maximum percentage the Council will invest in investments over 1 year	Green
Interest Rate Risk	This is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately. The Council has set limits for its fixed and variable rate exposure in its Treasury Indicators in this report	That the Council will be faced with unexpected higher interest costs due to market variations.	The Council manages this risk by having a view of the future course of interest rates and then formulating a treasury management strategy accordingly which aims to maximise investment earnings consistent with control of risk or alternatively, seeks to minimise expenditure on interest costs on borrowing.	Green
Legal and Regulatory Risk	This is the risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, including failure to comply with the CIPFA Codes and that the organisation suffers losses accordingly.	That investment funds will not be returned in full to the Council due to the failure of the counterparty to comply with their contractual obligations	The Council will not undertake any form of investing until it has ensured that it has all necessary powers and has complied with all regulations.	Green

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

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
Banks Unsecured	<p>These are accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks, which are established by more than one country, e.g. European Investment Bank. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.</p>	<p>Diversifying investments is crucial to managing bail-in risk, in addition to determining proportionate counterparty and maturity limits. Certificates of Deposit, which are tradable on the secondary market and which can be sold prior to maturity, will also assist in managing credit risk.</p>	<p>The combined secured and unsecured investments in any one bank will not exceed £10m.</p>
Banks Secured	<p>These are covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. Reverse purchase agreements involve the purchase of securities with the agreement to sell at a future date at a higher price. Collateralised arrangement are an investment with collateral such as properties or debt.</p>	<p>These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits.</p>	<p>The combined secured and unsecured investments in any one bank will not exceed £10m.</p>

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
Operational Bank Accounts	The Council will incur operational exposures to its banking services provider, Clydesdale Bank, through current accounts. The bank is not currently on the Council's lending list as its credit ratings are below the investment credit rating criteria of A-. These balances are not classed as investments but are still subject to the risk of bail-in and balances will therefore be minimised.	The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion (which applies to Clydesdale Bank) are more likely to be bailed in than made insolvent, increasing the chance of the Council maintaining operational continuity.	The Council monitors its operational accounts on a daily basis, transferring any surplus funds to investment accounts and there for minimising the amount held in the operational bank account at any time.
Government	These are loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. Includes the UK Debt Management Office.	These investments are not subject to bail-in, and there is an insignificant risk of insolvency.	Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
Corporates	These are loans, bonds and commercial paper issued by companies other than banks and registered social landlords. Loans to unrated companies will only be made if approved through a separate report to Council.	These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. This risk will be mitigated by taking independent external advice and diversifying investments over a number of counterparties.	Loans to unrated companies would be made as part of a diversified pool in order to spread the risk widely.

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
Registered Social Landlords	These are loans and bonds issued by, guaranteed by or secured on the assets of Registered Social Landlords (Housing Associations). These bodies are regulated by the Scottish Housing Regulator and by the Homes and Communities Agency for Registered Providers of Social Housing in England.	As providers of public services, they retain the likelihood of receiving government support if needed and are therefore considered low risk.	Policy driven, managing all associated risks.
Money Market Funds	These are diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a management fee.	Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts.	<p>It is recommended that no more than 10% of the Council's total investments are invested in any one MMF and that the amount invested is no more than 0.5% of the size of a MMF used for liquidity purposes.</p> <p>For pooled investment vehicles that invest in bonds, equities and property, all of which operate on a variable net asset value (VNAV) it is recommended that no more than 10% of the Council's total investments are invested in each fund. These investments will be held for periods greater than 1 year.</p>

Type of Investment	Description and Risk	Mitigating Controls	Council Limits
Investment Properties	These are non-operational properties that are being held pending disposal, or for a longer-term rental income stream. They are highly illiquid assets with high risk to value (the potential for property prices to fall or for rental voids).	<p>In larger investment portfolios, some small allocation of property-based investment may counterbalance/ complement the wider cash portfolio. Property holding will be re-valued regularly and reported annually with gross and net rental streams.</p> <p>Member approval required and each application must be supported by the service rationale behind the loan and the likelihood of partial or full default.</p>	Policy driven, managing all associated risks.
Loans to third parties, including soft loans	These are service investments either at market rates of interest, or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	Each third party loan requires Member approval and each application must be supported by the service rationale behind the loan and the likelihood of partial or full default. Interest payments and loan repayments will be monitored and the likelihood of partial or full default reassessed regularly.	Policy driven, amount and loan maturity limit will be determined on a case-by-case basis.
Loans to a local authority company	These are service investments either at market rates of interest, or below market rates (soft loans). These types of investments may exhibit credit risk and are likely to be highly illiquid.	<p>Each loan to a local authority company requires Member approval and each application must be supported by the service rationale behind the loan and the likelihood of partial or full default.</p> <p>Interest payments, loan repayments, and their timeliness will be monitored and the likelihood or partial or full default reassessed regularly.</p>	Policy driven, amount and loan maturity limit determined on a case-by-case basis, managing all associated risks.

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

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

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

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

Loans Fund advances comprise several items and the estimated opening balances for 2023/24, where applicable for North Ayrshire Council, are:

- capital expenditure (£378.655m);
- grants to third parties and expenditure on third party assets which would be classified as capital expenditure by a local authority (£0m);
- loans to third parties (£0m); and
- expenditure for which a borrowing consent has been issued by the Scottish Government (£0m).

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

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

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

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

For the majority of projects undertaken by the Council the policy is to use the asset life method to repay loans fund advances on an annuity basis, which is similar to the repayment of a mortgage where principal payments are lower at the start of the mortgage and build up to deliver full repayment over the term of the mortgage. As well as annuity, the asset life method has the option of equal instalments.

The Council will continue to consider the most appropriate repayment method which aligns to the benefits of the assets and ensures a prudent repayment.

In addition, there are some projects where income streams are attached to the project which can be reasonably associated with the borrowing which will be undertaken. In these circumstances it may be more appropriate for the advances to be repaid on a profile which matches this income. For these unique projects, loans fund advances may be profiled for repayment to match the income and not on the annuity basis.

These options comply with the statutory guidance and the Council will continue to consider all options available to it.

The repayment of Loans Fund advances will therefore be equal to the annual amount determined in accordance with the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016.

The above regulations state that Council's may vary the period and/or amount of the repayments if they consider it prudent to do so. As a result, officers continue to review existing loans fund advances for opportunities to ensure the most prudent repayment method is being used.

### Estimates of prudent Loans Fund repayment

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

Year	Opening Balance £m	Advances to GF £m	Advances to HRA £m	Repayment by GF £m	Repayment by HRA £m	Closing Balance £m
2021/22 actual	319.890	16.656	24.354	-3.466	-4.445	352.989
2022/23	352.989	10.825	24.563	-4.350	-5.372	378.655
2023/24 - 27/28	378.655	233.886	216.700	-28.198	-45.691	755.352
2028/29 - 32/33	755.352	-5.464	63.927	-36.460	-58.445	718.910
2033/34 - 37/38	718.910	0.000	78.950	-42.076	-82.312	673.473
2038/39 - 42/43	673.473	0.000	118.549	-48.171	-106.788	637.064
2043/44 - 47/48	637.064	0.000	0.000	-54.943	-105.475	476.646
2048/49 - 52/53	476.646	0.000	0.000	-64.885	-95.871	315.890
2053/54 - 57/58	315.890	0.000	0.000	-50.363	-86.283	179.243
2058/59 - 62/63	179.243	0.000	0.000	-34.137	-63.068	82.038
2063/64 - 67/68	82.038	0.000	0.000	-32.359	-9.018	40.660
2068/69 & later	40.660	0.000	0.000	-40.661	0.000	0.000

### Policy on Apportioning Interest to the HRA

Interest and expenses on all new borrowing is allocated to the HRA based on the share of total borrowing taken each year.

## Appendix 5: Counterparty Limits

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

The Council may invest its funds with any of the counterparties detailed below, subject to the cash limits (per counterparty) and time limits shown. This list reflects the current (December 2022) counterparty list and will be updated throughout the year based on information received by our Treasury Adviser.

Counterparty	Country of Domicile	ARLINGCLOSE RECOMMENDS					Banking Group	AUTHORITY SPECIFIC LIMITS		
		Maximum Deposit/C D Duration	Repo & Covered Bonds	Fitch Long-term	Moody's Long-term	S&P Long-term		Cash Limit (£/%)	Max Group Cash Investment (£/%)	Max Investment period
<b>UNITED KINGDOM: BANKS</b>										
BANK OF SCOTLAND PLC	GB	6 months	Yes	A+	A1	A+	Lloyds Banking Group	£10,000,000		6 months
LLOYDS BANK PLC	GB	6 months	Yes	A+	A1	A+				6 months
BARCLAYS BANK PLC	GB	100 days	-	A+	A1	A	Barclays Group			100 days
BARCLAYS BANK UK PLC	GB	100 days	Yes	A+	A1	A				100 days
HANDELSBANKEN PLC	GB	100 days	-	AA		AA-	Svenska HB			100 days
HSBC BANK PLC	GB	6 months	Yes	AA-	A1	A+	HSBC Group			6 months
HSBC UK BANK PLC	GB	6 months	-	AA-	A1	A+				6 months
NATIONAL WESTMINSTER BANK	GB	100 days	Yes	A+	A1	A	NatWest Group			100 days
NATWEST MARKETS PLC	GB	100 days	-	A+	A1	A-				100 days
ROYAL BANK OF SCOTLAND PLC/T	GB	100 days	-	A+	A1	A				£10,000,000
SANTANDER UK PLC	GB	100 days	-	A+	A1	A	Santander			100 days
STANDARD CHARTERED BANK	GB	6 months	-	A+	A1	A+				6 months
<b>UK: BUILDING SOCIETIES</b>										
NATIONWIDE BUILDING SOCIETY	GB	100 days	Yes	A+	A1	A+				100 days

Counterparty	Country of Domicile	ARLINCLOSE RECOMMENDS		Fitch Long-term	Moody's Long-term	S&P Long-term	Banking Group	AUTHORITY SPECIFIC LIMITS		
		Maximum Deposit/CD Duration	Repo & Covered Bonds					Individual Cash Limit (£/%)	Group Cash Limit (£/%)	Max Investment period
<b>UK: LOCAL AUTHORITIES</b>										
ABERDEEN CITY COUNCIL	GB	2 years +	-		A1		-			2 years +
CORNWALL COUNCIL	GB	2 years +	-		Aa3		-			2 years +
GREATER LONDON AUTHORITY	GB	2 years +	-			AA	-			2 years +
GUILDFORD BOROUGH COUNCIL	GB	2 years +	-		A1		-			2 years +
LANCASHIRE COUNTY COUNCIL	GB	2 years +	-		A1		-			2 years +
NORTH LONDON WASTE AUTHORITY	GB	2 years +	-		A1		-			2 years +
SUTTON LONDON BOROUGH OF	EN	2 years +	-		Aa3		-			2 years +
WARRINGTON BOROUGH COUNCIL	GB	2 years +	-		A3		-			2 years +
<b>UK: OTHER INSTITUTIONS</b>										
LCR FINANCE PLC	EN	10 years	-	AA-	Aa3	AA				10 years
NETWORK RAIL INFRASTRUCTURE	GB	10 years	-	AA-	Aa3					10 years
UNITED KINGDOM	GB	50 years	-	AA-u	Aa3	AAu				50 years
WELLCOME TRUST FINANCE PLC	GB	15 years	-		Aaa	AAA				15 years
<b>AUSTRALIA</b>										
AUST AND NZ BANKING GROUP	AU	100 days	-	A+	Aa3	AA-				100 days
COMMONWEALTH BANK OF AUSTRAL	AU	100 days	Yes	A+	Aa3	AA-				100 days
NATIONAL AUSTRALIA BANK LTD	AU	100 days	Yes	A+	Aa3	AA-				100 days
WESTPAC BANKING CORP	AU	100 days	-	A+	Aa3	AA-				100 days
<b>AUSTRIA</b>										
OESTERREICHISCHE KONTROLLBAN	AS	10 years	-	AA+u	Aa1	AA+				10 years
<b>CANADA</b>										
BANK OF MONTREAL	CA	100 days	Yes	AA	Aa2	A+				100 days
BANK OF NOVA SCOTIA	CA	6 months	Yes	AA	Aa2	A+				6 months
CAN IMPERIAL BK OF COMMERCE	CA	6 months	Yes	AA	Aa2	A+				6 months
EXPORT DEVELOPMENT CANADA	CA	10 years	-		Aaa	AAA				10 years
NATIONAL BANK OF CANADA	CA	100 days	-	AA-	Aa3	A				100 days

ROYAL BANK OF CANADA	CA	6 months	Yes	AA	Aa1	AA-				6 months
TORONTO-DOMINION BANK	CA	6 months	Yes	AAu	Aa1	AA-				6 months
<b>DENMARK</b>	<b>DE</b>		-	<b>AAA</b>	<b>Aaa</b>	<b>AAAu</b>				
KOMMUNEKREDIT	DE	10 years	-		Aaa	AAA				10 years
<b>FINLAND</b>	<b>FI</b>		-	<b>AA+</b>	<b>Aa1</b>	<b>AA+</b>				
MUNICIPALITY FINANCE PLC	FI	10 years	-		Aa1	AA+				10 years
NORDEA BANK ABP	FI	100 days	-	AA	Aa3	AA-				100 days
OP CORPORATE BANK PLC	FI	100 days	-		Aa3	AA-				100 days

Counterparty	Country of Domicile	Maximum Deposit/CD Duration	Repo & Covered Bonds	Fitch Long-term	Moody's Long-term	S&P Long-term	Banking Group	AUTHORITY SPECIFIC LIMITS		
								Individual Cash Limit (£/%)	Group Cash Limit (£/%)	Max Investment period
<b>NETHERLANDS</b>	<b>NE</b>		-	<b>AAA</b>	<b>Aaa</b>	<b>AAAu</b>				
COOPERATIEVE RABOBANK UA	NE	100 days	-	AA-	Aa2	A+				100 days
<b>SINGAPORE</b>	<b>SI</b>		-	<b>AAA</b>	<b>Aaa</b>	<b>AAAu</b>				
DBS BANK LTD	SI	100 days	-	AA-	Aa1	AA-				100 days
OVERSEA-CHINESE BANKING CORP	SI	100 days	Yes	AA-	Aa1	AA-				100 days
UNITED OVERSEAS BANK LTD	SI	100 days	Yes	AA-	Aa1	AA-				100 days
<b>UNITED STATES OF AMERICA</b>	<b>US</b>		-	<b>AAA</b>	<b>Aaa</b>	<b>AA+u</b>				
<b>SUPRANATIONAL</b>										
COUNCIL OF EUROPE DEVELOPMENT BANK (CEDB)	FR	15 years	-	AA+	Aa1	AAA				15 years
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)	GB	25 years	-	AAA	Aaa	AAA				25 years
EUROPEAN INVESTMENT BANK (EIB)	LX	25 years	-	AAA	Aaa	AAA				25 years
INTER-AMERICAN DEVELOPMENT BANK (IADB)	US	25 years	-	AAA	Aaa	AAA				25 years
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (THE WORLD BANK)	US	25 years	-	AAA	Aaa	AAA	World Bank Group			25 years
NORDIC INVESTMENT BANK (NIB)	FI	25 years	-		Aaa	AAA				25 years

## Appendix 6: Economic Background – Arlingclose’s View January 2023

### Economic Outlook

The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority’s treasury management strategy for 2023/24.

The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. The December decision was voted for by a 6-3 majority of the Monetary Policy Committee (MPC), with two dissenters voting for a no-change at 3% and one for a larger rise of 0.75%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government’s support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years’ time and to 0% in three years’ time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.

The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.5% in December 2022 to 4.25%-4.5%. This rise follows four successive 0.75% rises in a pace of tightening that has seen rates increase from 0.25%-0.50% in March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2%

(revised up from 2.9%) between July and September 2022, but with official interest rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.

Inflation rose consistently in the Euro Zone since the start of the year, hitting a peak annual rate of 10.6% in October 2022, before declining to 10.1% in November. Economic growth has been weakening with an upwardly revised expansion of 0.3% (from 0.2%) in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.50% in December, following two consecutive 0.75% rises, taking its main refinancing rate to 2.5% and deposit facility rate to 2.0%.

### **Credit outlook**

Credit default swap (CDS) prices have generally followed an upward trend throughout 2022, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.

CDS price volatility was higher in 2022 compared to 2021 and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.

The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from to negative from stable.

There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

