

Cunninghame House,
Irvine.

24 March 2016

Cabinet

You are requested to attend a Meeting of the Cabinet of North Ayrshire Council to be held in the Council Chambers, Cunninghame House, Irvine on **TUESDAY 29 MARCH 2016** at **2.00 p.m.** to consider the undernoted business.

Yours faithfully

Elma Murray

Chief Executive

1. Declarations of Interest

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

2. Minutes (Page 7)

The accuracy of the Minutes of the meeting held on 15 March 2016 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

EDUCATION ITEMS FOR DECISION

3. INSIGHT School Leavers' Attainment Results 2015 (Page 13)

Submit report and receive presentation by the Executive Director (Education & Youth Employment) on the overall performance of the 2015 North Ayrshire Council school leavers¹ as highlighted in INSIGHT's February 2016 (copy enclosed).

4. Education and Youth Employment: Autistic Spectrum Disorder Strategy and Policy 2016 - 2020 (Page 31)

Submit report by the Executive Director (Education & Youth Employment) on the development of Education and Youth Employment's Autistic Spectrum Disorder Strategy and Policy 2016 - 2020(copy enclosed).

GENERAL BUSINESS FOR DECISION

Reports by the Director (Health and Social Care Partnership)

5. North Ayrshire Children's Services Plan 2016-20 (Page 63)

Submit report by the Director (Health and Social Care Partnership) on the North Ayrshire Children's Services Plan 2016-20: Getting It Right For You (copy enclosed).

6. Children's Services Change Projects (Page 75)

Submit report by the Director (Health and Social Care Partnership) on the governance arrangements for children's services change projects (copy enclosed).

7. Corporate Parenting (Page 83)

Submit report by the Director (Health and Social Care Partnership) on the work progressing as part of the Corporate Parenting responsibilities of the Health and Social Care Partnership for Looked After children (copy enclosed).

Reports by the Executive Director (Finance and Corporate Support)

8. Revenue Budget 2015/16 : Budgetary Control Statement to 31 January 2016 (Page 89)

Submit report by the Executive Director (Finance and Corporate Support) on the revenue budgetary control position for the Council at 31 January 2016 (copy enclosed).

9. Capital Monitoring to 31 January 2016 (Page 149)

Submit report by the Executive Director (Finance and Corporate Support) on the progress in delivering the Capital Investment Programme as at 31 January 2016 (copy enclosed).

10. North Ayrshire HSCP Recovery Plan (Page 169)

Submit report by the Executive Director (Finance and Corporate Support) on the projected overspend within the HSCP and the action being taken to mitigate further pressures and the request for additional non-recurring funding for the HSCP in 2015/16 (copy enclosed).

11. Equity Stake in DBFM Holdco (Page 203)

Submit report by the Executive Director (Finance and Corporate Support) on the 10% equity stake in DBFM Holdco, the company set up for the delivery of the Largs Campus (copy enclosed).

12. Strategic Risk Register 2016/17 (Page 207)

Submit report by the Executive Director (Finance and Corporate Support) on the strategic risks faced by the Council in 2016/17 (copy enclosed)

Reports by the Executive Director (Place)

13. Industrial Property Portfolio (Page 223)

Submit report by the Executive Director (Place) on the proposals to implement an alternative service delivery model for the management of the Council's industrial property portfolio (copy enclosed).

14. Urgent Items

Any other items which the Chair considers to be urgent.

Cabinet

Sederunt: **Elected Members**

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

Church Representatives

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

Teaching Representative

Mr Gordon Smith

Youth Council Representatives

Courtney Gemmell
Dara Howie

Chair:

Attending:

Apologies:

Meeting Ended:

Cabinet
15 March 2016

ARRAN, 15 March 2016 - At a Meeting of the Cabinet of North Ayrshire Council at 2.00 p.m.

Present

Willie Gibson, Alan Hill, John Bruce, Marie Burns, Anthea Dickson and Ruth Maguire.

Also Present

Robert Barr and Tom Marshall (Agenda Items 1-4, inclusive)

In Attendance

E. Murray, Chief Executive; L. Friel, Executive Director and A. Lyndon, Team Manager (Corporate Procurement) (Finance and Corporate Support); John Butcher, Executive Director (Education and Youth Employment); K. Yeomans, Executive Director, A. Sutton, Head of Service (Connected Communities) and A. Laurenson, Team Manager (Regeneration) (Economy and Communities); C. Hatton, Executive Director; Y. Baulk, Head of Service (Physical Environment) and C. Dempster, Team Manager (Network Management) (Place); and M. Sugden, Communications Officer (Media and Internal Communications) and M. Anderson, Committee Services Team Leader (Chief Executive's Service).

Chair

Councillor Gibson in the Chair.

Apologies for Absence

Tony Gurney

1. Declarations of Interest

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

2. Minutes

The accuracy of the Minutes of the Meeting held on 1 March 2016 was confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. Locality Partnership in North Ayrshire

Submitted report by the Chief Executive on the proposed implementation of Locality Partnerships within North Ayrshire. The consultation document and consultation mandate were set out at Appendices 1 and 2, respectively, to the report. Appendices 3 and 4 presented the proposed Locality Partnership Terms of Reference and Council arrangements, respectively.

Members asked questions, and were provided with further information, on the following:-

- the mechanism for the appointing Locality Partnership Chairs;
- anticipated arrangements for Elected Members whose wards cover more than one Locality Partnership area;
- the benefits of a 'participation by experience' approach;
- the role of the Partnerships in delivering more local democracy;
- positive feedback received on the establishment of a locality area for Arran;
- the anticipated roll out of initial Partnership meetings during May and June 2016;
- the importance of taking into account budgeting considerations when setting dates for future meetings of the Partnerships; and
- local GP support for the locality arrangements.

Members congratulated officers on the conduct of the consultation exercise, which had received both Consultation Institute best practice accreditation as well as positive feedback from stakeholders.

The Cabinet agreed to (a) note the outcome of the recent consultation on the proposals for Locality Partnerships and the best practice accreditation awarded by The Consultation Institute; (b) approve the proposed Locality Partnership Terms of Reference (Appendix 3) which have been revised to reflect the views of stakeholders; (c) recommend to Council that the work of Area Committees is subsumed into Locality Partnerships and the Council's Scheme of Administration amended accordingly; (d) commend to Council that the Locality Partnership arrangements shall be the North Ayrshire Decentralisation Scheme in terms of section 23 of the Local Government etc (Scotland) Act 1994; (e) recommend that a report is submitted to Council seeking appointment of Chairs of each of the six partnerships; (f) recommend that a report is submitted to North Ayrshire Community Planning Partnership seeking agreement (i) that the six localities are the North Ayrshire localities designated under section 9 of the Community Empowerment (Scotland) Act 2015 and (ii) to the locality planning arrangements detailed in this paper; and (g) to receive a further progress report within one year of the establishment of the proposed locality partnerships.

4. Community Benefit from Windfarms

Submitted report by the Executive Director (Economy and Communities) on the feedback obtained through the consultation process on the draft Community Benefit from Windfarms policy. Appendix 1 to the report summarised the consultation responses received and the Draft Policy for Community Benefit from Wind Turbines was provided at Appendix 2.

Members asked questions, and were provided with further information, on the following:-

- the guiding principles set out in the draft policy document;
- estimated income and the point at which the appointment of an officer would proceed;
- whether the officer appointment could go ahead without further Cabinet approval;
- the perceived use of private funding to meet the cost of appointing an officer;
- the rationale for holding drop-in consultation sessions in Ardrossan and Dalry Libraries; and
- the role of the proposed officer in seeking to maximise revenue, achieve match funding for projects and work with community groups on local projects.

The Cabinet agreed to (a) note (i) the consultation process which was undertaken and (ii) the feedback obtained through the consultation process; and (b) approve the Draft Policy for Community Benefit from Wind Turbines set out at Appendix 2 to the report.

Councillors Barr and Marshall left the meeting at this point.

5. Vacant and Derelict Land Funding

Submitted report by the Executive Director (Economy and Communities) on the award of Scottish Government Vacant and Derelict Land Funding. The criteria by which the funds may be allocated were contained at Appendix 1 to the report.

Members asked questions, and were provided with further information, on the following:-

- public access to the register of vacant and derelict land;
- the other tools available to the Council in terms of encouraging land owners to improve vacant sites;
- the anticipated role of Locality Partnerships in seeking to address smaller parcels of vacant and derelict land; and
- the expected impact of legislation to discourage land banking.

The Team Manager (Regeneration) undertook to publish the register of sites referred to at Section 3.3 of the report.

Members acknowledged the role of officers in achieving access to funding to tackle vacant and derelict land.

The Cabinet agreed to approve the principles of the expenditure of Vacant and Derelict Land Funding in 2016/17, as set out in the report.

6. Council House Building: Fencedyke, Irvine

Submitted report by the Executive Director (Place) on proposed revisions to the budget for the proposed new Housing development at Fencedyke, Irvine.

The Cabinet agreed to approve the increase in the Fencedyke development budget, from £4.250m to £4.575m, to be funded from the £431k increase in Scottish Government subsidy and a further contribution of £12k from the Affordable Housing Account, offset by a £118k reduction in prudential borrowing.

7. Road Maintenance Programme 2016/17

Submitted report by the Executive Director (Place) on the proposed Structural Roads and Street Lighting Maintenance Programme for 2016/17. The proposed Roads Maintenance Programme 2016/17 was set out at Appendices 1a and 1b to the report. Details of how condition assessments are carried out and how roads and lighting locations are prioritised for inclusion on the Council's Roads and Street Lighting Maintenance Programme were given at Appendix 2.

Members asked questions, and were provided with further information, on the following:-

- consultation arrangements in respect of roads projects on Arran; and
- whether officers would continue to pursue external funding opportunities for Arran roads projects

The Cabinet agreed (a) to note the approach taken to determining the asset maintenance programme for roads and street lighting; (b) to approve the maintenance programme for 2016/17, as shown at Appendix 1a and 1b to the report; and (c) that the programme be presented to Locality Partnerships for consideration.

8. Sale of land at Corsehillhead, Weirston Road, Kilwinning

Submitted report by the Executive Director (Place) on the proposed disposal of the Council's heritable interest in the land at Corsehillhead, Weirston Road, Kilwinning. A location plan of the site was provided at Appendix 1 to the report.

The Cabinet agreed to approve the disposal of the site at Corsehillhead, Weirston Road, Kilwinning to Cunninghame Housing Association for the sum of £800,000 subject to a maximum capped deduction of £50,000 for any abnormal costs identified from site investigations, plus legal and estates fees amounting to £11,250 (1.5% of the purchase price).

9. Award of Contract - Debt Collection and Diligence Services

Submitted report by the Director (Finance and Corporate Support) on the result of the tender exercise for the provision of Debt Collection and Diligence Services.

Members welcomed the range of community benefits associated with this and other recent tender exercises.

The Cabinet agreed to approve the award of the Debt Collection and Diligence Services contract to Stirling Park LLP from 1 April 2016 for a period of three years with an option to extend for up to two further years, at a cost £577,000 (including any possible extensions).

10. Award of Contract - Council House Build at Cheviot Head, Fencedyke, Irvine

Submitted report by the Executive Director (Finance and Corporate Support) on the result of the tender exercise for the Construction of the 35 Unit (34 Homes) Residential Development at Cheviot Head, Fencedyke, Irvine.

The Cabinet agreed to approve the award of the construction contract in respect of the Council House Build at Cheviot Head, Fencedyke, Irvine, to Cruden Building and Renewals Ltd at a cost of £4,133,228.94, including client options and all associated design fees and construction costs.

The meeting ended at 3.00 p.m.

NORTH AYRSHIRE COUNCIL

Agenda Item 3

29 March 2016

Cabinet

Title: **INSIGHT School Leavers' Attainment Results 2015**

Purpose: To update Cabinet on the overall performance of the 2015 North Ayrshire Council school leavers¹ as highlighted in INSIGHT's February 2016.

Recommendation: That the Cabinet agrees to note the content of the report and the achievements of school leavers in last year's SQA examinations and the measures being taken to improve attainment in keeping with our commitment to the Scottish Attainment Challenge.

1. Executive Summary

- 1.1 In 2014, INSIGHT replaced the Standard Tables and Charts (STACs) as the main performance evaluation tool for schools and education authorities. INSIGHT is an interactive web based tool published by the Scottish Government using Scottish Qualifications Authority (SQA) examination results and other accreditation providers. Schools are now engaging with the various dashboards, which are designed to analyse, compare and improve performance of young people in the senior phase. INSIGHT promotes a collaborative approach to analysing the data and working together to improve attainment and achievement.
- 1.2 INSIGHT is consistent with the Curriculum for Excellence ethos as it emphasises the best achievement at the point of exit from school², rather than at stage-by-stage level, although it still allows users to drill down to cohort, level, subject or socio-demographic characteristics of pupils. INSIGHT has been - and will continue to be - developed nationally, taking into account feedback from users across the country.

¹ The leavers' cohort in INSIGHT does not completely match with the Skills Development Scotland (SDS) leavers return. This will be the case across local authorities due to the inherent difficulty in matching individual data sets.

² The 2015 benchmarking "point of exit" indicators published in INSIGHT on 26 February 2016 are called "National Benchmarking Measures". The set of similar indicators referring to specific cohorts are designated as "Local Benchmarking Measures" in INSIGHT.

- 1.3 The new benchmarking methodology used by INSIGHT is centred on the idea of a "Virtual Comparator" replacing the group of "comparator schools/authorities" used in STACs. This virtual school is built around four key characteristics, which go into the make-up of any school: gender balance; staying-on rates; percentage of time spent in mainstream classes vs. time spent in special education classes and deprivation based on the Scottish Index of Multiple Deprivation (SIMD). From these four areas, the tool matches ten leavers from across Scotland to every one of the leavers in each school/authority and treat, this matched group as the virtual school/authority.
- 1.4 The main analysis of 2015 attainment and achievement for secondary schools was released by the Scottish Government on 26 February 2016³. This report follows on from the interim overview of the 2015 SQA results provided to Cabinet in October 2015. The February 2016 edition of INSIGHT is updating the information from the September 2015, in that it presents the *National Indicators* describing the attainment of **school leavers 2015**, irrespective of the stage they were at the time they left school. The October 2015 Committee paper on SQA 2015 attainment has discussed the INSIGHT *Local Indicator*, which are computed on the basis of the stage cohorts, irrespective of the fact that a pupil was a 2015 school leavers or stayed on in school. This Report is structured along the four key national benchmarking measures aimed at:
1. Improving attainment in Literacy and Numeracy (% of candidates attaining Literacy and Numeracy)
 2. Improving attainment for all (Average Total Tariff Score distribution)
 3. Tackling Disadvantage by Improving the Attainment vs. Deprivation Gap (Average Total Tariff Score by SIMD decile)
 4. Increasing Post-school participation (School Leaver Destinations for 2015)

2. Background

- 2.1 Improving attainment in Literacy and Numeracy (These highlights are supported by charts in Appendix 1)
- 2.1.1 The percentage of leavers in North Ayrshire achieving Literacy at SCQF level 4 is continuing its increasing trend, exceeding the Virtual Comparator and overall National levels. 95.8% of North Ayrshire school leavers have attained at least a SCQF Level 4 in Literacy – which is our best performance to date. (Appendix 1).

³ The data for 2014 attainment was updated to account for some corrections in the national methodology and the inclusion of some school leavers' records that were not available at the time. Therefore, the values of the indicators in this Paper will not match exactly the figures available in the report presented to Members this time last year.

Literacy at Level 5 or better in 2015 is also showing an encouraging trend. At 74.1% in 2015, it not only exceeded the Virtual Comparator performance, but is also almost in line with National performance (Appendix 1). This is a reflection of the continued drive to raise aspirations and the quality of achievement levels for all our school leavers.

2.1.2 The performance in Numeracy is somewhat lower than the one in Literacy. This is consistent with the national picture. 86.1% of the leavers in North Ayrshire achieved a Numeracy award at SCQF Level 4 – which is in line with the Virtual Comparator and is just below the National overall performance. More encouragingly, the performance of North Ayrshire school leavers in 2015 at level 5 or better has increased significantly. At 64.8% (Appendix 1), it places North Ayrshire performance not only well above the Virtual Comparator but also – for the first time – above the National performance.

2.1.3 Analysis shows our pace of improvement continues to be faster than the national picture for both literacy and numeracy. We will continue to work to ensure that this trend will persist once our targeted local strategy to improve Numeracy levels in North Ayrshire schools will start to show its impact on exam performance, by the time our pupils leave school. It proves that raising aspirations and ambitions to achieve SQA numeracy awards at higher SCQF levels works and can open an entire new range of career opportunities for our young people.

2.2 Improving attainment for all (These highlights are supported by charts in Appendix 2, 2a, 2b, 2c)

2.2.1 The total tariff score per leaver is a measure of overall attainment - defined as the sum of their latest and best course and unit attainment in the old qualifications as well as the new qualifications and other SCQF awards available through CfE. The total tariff score values are not comparable with the measure presented in previous years, due to the change in the tariff scale. In addition to the *total* tariff score, INSIGHT has introduced, for the first time this year, a new experimental measure – the *complementary* tariff score⁴. The complementary tariff score only takes into account the latest and best performance of pupils based on their best 120 SCQF credits worth of qualifications (full courses or units). This new measure is proposed in response to concerns raised by some users around the number of qualification vs the quality (depth) of qualifications that the candidates are presented for under different curricular models used across schools in the country. The new measure will be used – as its name suggests – to *complement* the analysis based on total tariff scores achieved by candidates and will have to be explored and judged on its merit throughout this session.

⁴ The new tariff scale addresses the full range of learner journeys in the Senior Phase whilst striving to avoid perverse incentives (e.g. quantity over quality).

- 2.2.2 The "Attainment for All" measures (based on Total tariff score for the purpose of the current analysis) look not only at the average total tariff score per leaver for the Lowest attaining 20% (which has been a key measure in the past), but also at the Middle attaining 60% and at the Highest attaining 20%.
- 2.2.3 The average total tariff score of the Lowest attaining 20% of leavers (Appendix 2) has increased over the last five years and has been consistently above the Virtual Comparator. In four of the last five years, the performance of the Lowest attaining 20% of leavers in North Ayrshire has been greater than the National performance and continues to increase at a steady pace since the introduction of the new National Qualifications.
- 2.2.4 Over the last five years, there has been a 19% increase in the average total tariff scores of the Middle attaining 60% of school leavers from North Ayrshire (Appendix 2). However, a similar rate of improvement can be seen in the Virtual Comparator and National performance and North Ayrshire remains below National performance and in line with the Virtual Comparator.
- 2.2.5 Analysing the performance of the Highest attaining 20% of leavers (Appendix 2), it is clear that, whilst there has been improvement in this measure over the last five years, the performance remains below the Virtual Comparator and National levels. This remains an area for improvement and the focus of future efforts.
- 2.2.6 Illustrating the opportunities for in-depth analysis offered by the INSIGHT tools, the breakdown by stage of leaving school for this measure (Appendix 2a, 2b and 2c) allows us to identify more precisely where the interventions have to be targeted. In Appendix 2a it is immediately obvious that S4 leavers are outperforming, in all the last 3 years, the Virtual Comparator and National S4 leavers' cohort in all three measures. However, the Lowest attaining of all S4 leavers performance has been declining, which indicates the need to refocus monitoring of this segment. The S5 leavers (Appendix 2b) have outperformed, in 2015, the Virtual Comparator and National benchmarks, indicating that the schools have targeted well their curricular options and opportunities for these leavers, be they in the lowest 20%, middle 60% or highest 20% achievers' group. However, in S6 the picture (Appendix 2c) is revealing the need to review the opportunities offered to our senior phase pupils who choose to remain in school until the end of S6.

- 2.2.7 The performance of the Middle attaining 60% and - particularly – of the Highest attaining 20% is a key area for improvement. Therefore, continued work on the senior phase will include a focus on option choices for the entire cohort of young people to ensure we are both meeting their needs and raising their aspirations. In addition, this will also support the priority of increasing the staying on rate, i.e. the percentage of pupils completing their senior phase education and therefore, increasing the number and level of qualifications they gain.
- 2.3 Attainment vs. Deprivation (These highlights are supported by charts in Appendix 3a - 3b)
- 2.3.1 The INSIGHT measure aimed at tackling disadvantage presents the Average total tariff score compared across the SIMD datazone deciles⁵ where the leavers reside.
- 2.3.2 The chart referring to this measure (Appendix 3a) highlights "bubbles" for which the centre is marking the Average Total Tariff score of leavers in the respective decile and the size of the bubble suggests the proportion of the total cohort residing in the respective SIMD decile areas. The "lighter" bubbles represent North Ayrshire and the "darker" bubbles designate the National picture. The steeper the line through the bubbles, the more pronounced the disparity between the attainment of leavers residing in more deprived areas and that of leavers from less deprived areas.
- 2.3.4 Looking at the cumulative attainment of 2015 school leavers (Appendix 3a), the average trend line for North Ayrshire is almost overlapping the National trend line, indicating an almost consistent average performance, with a similar attainment vs. deprivation correlation. The North Ayrshire trend line is, however, slightly flatter than the trend line for the National Establishment – which signifies that the attainment gap between the more and the less SIMD deprived areas is slightly less pronounced in North Ayrshire than nationally.
- 2.3.5 The cumulative attainment of school leavers (in terms of the total tariff score of the average school leaver of each year's cohort) is derived from the information provided by INSIGHT, Attainment vs. Deprivation measure. Appendix 3b is showing the six-year trend of the average total tariff score in North Ayrshire vs the National establishment.

⁵ The Scottish Index of Multiple Deprivation (SIMD) ranks the 6505 datazones (as at the 2001 Population Census) across Scotland according to a composite of measures of socio-economic deprivation. We are able to pinpoint the SIMD deprivation decile of the area where a pupil resides using the pupil's postcode as collected on the occasion of the annual School Census. SIMD decile 1 represents the 10% most deprived datazones in Scotland while SIMD decile 10 represents the least SIMD deprived of datazones in Scotland. Although datazones available from Scottish Neighbourhood Statistics have recently been re-drawn to take into account the results of the 2011 Population Census, the INSIGHT 2016 analysis is still based on SIMD 2012, which uses 2001 datazones.

- 2.3.6 The average North Ayrshire school leaver attains at a lower level than the average national school leaver does, although the gap has been small in 2013 (our peak-performance year) and has been reduced in 2015 compared to 2014. However, data analysis shows the average attainment of a North Ayrshire school leaver from each SIMD decile is comparable to or better than the average Scottish school leaver from the same decile. This analysis tells us that the overall lower performance is due to a much higher proportion of school leavers living in the 30% most SIMD deprived areas. Therefore, reducing the impact of socio-economic deprivation on educational attainment, together with raising aspirations and expectations of children and young people, are the correct priorities for North Ayrshire.

2.4 Increasing Post-School Participation (Appendix 4)

- 2.4.1 As reported on other occasions, the percentage of school leavers moving into positive destinations three months after their school leaving date is one of the highest across Scotland. For the purpose of Appendix 4, it should be noted that the INSIGHT leavers' cohort does not match exactly the cohort reported by Skills Development Scotland (SDS) in December last year. In 2015, the INSIGHT cohort has 1% fewer pupils than the SDS 2015 leavers' cohort. Therefore, those leavers are not included in any of the indicators above. This is a statistical discrepancy due to different data sets being used in INSIGHT and SDS analyses.

For the fifth year running, the North Ayrshire positive initial post-school destinations figure - as proportion of the annual school leavers' cohort - has steadily increased and has exceeded Virtual Comparator and National performance.

The positive picture reflected by the post-school participation measure is a credit to the efforts of careers services, staff in schools and centrally employed support teams in providing North Ayrshire school leavers with the best range of opportunities available locally and nationally.

- 2.4.2 It will be important to build on the excellent work and use this as a basis to ensuring positive and sustained destinations in the future.

3. Proposals

- 3.1 It is proposed that Cabinet agrees to note the content of the report and the achievements of the leavers as highlighted in this first annual INSIGHT.

4. Implications


Financial:	There are no financial implications.
Human Resources:	There are no human resource implications.
Legal:	There are no legal implications.
Equality:	There are no equality implications.
Environmental & Sustainability:	There are no environmental and sustainability implications.
Key Priorities:	North Ayrshire CPP SOA 2013-17: Priority - "A Working North Ayrshire". NAC Council Plan 2015-2020: Priority 3 - "Ensuring people have the right skills for learning, life and work". Education and Youth Employment Directorate Plan 2015-2018: Priorities: 2. High quality learning and teaching is taking place in all our schools. 4. Levels of attainment and achievement are improving for all learners. 5. High numbers of our young people are entering positive and sustainable post-school destinations.
Community Benefits:	

5. Consultation

- 5.1 The Heads of Service and the Senior Managers visit secondary schools throughout the session in line with the Quality Assurance Framework that is in place. Challenging discussions have taken place on how schools are using the analysis of their attainment as a mechanism to inform their targets, particularly on presentations for National 5 and Higher for the session ahead. A particular emphasis is now being placed on using INSIGHT "deep-dive" methodology to identify target groups of pupils for different curricular approaches in schools, to monitor, track and predict performance and individual strategies to maximise potential.
- 5.2 The 2015 exam results have shown that reducing the subjects taken in S4 from 8 Standard Grades to 7 National Qualifications has not affected negatively the school leavers' cohort overall performance; quite the contrary, it has improved focus and attainment levels (breadth and depth of learning).

We are encouraged to believe that this will continue with the changes in the Senior Phase curriculum structure adopted for this and the following years. During the coming years, the schools will focus on providing pupils with the flexibility to choose qualifications organised within a 6-column timetabling structure, while some classes will have a mix of S4/S5/S6 students. It is intended that this structure will allow the progress of each Senior Phase pupil across the breadth and depth of the curriculum in accordance with their individual achievement capacity and preferences.

- 5.3 As a result of previous consultations and discussion, the authority has now purchased access to the GL standardised assessments package for all schools. These tools, meant to complement teacher judgement, are aimed at improving and supporting the capability of class teachers to evaluate and meet the needs of each learner as close as possible to their personal ability, potential and aspirations.
- 5.4 A common approach to target setting and tracking has been introduced across all secondary schools. Schools are using a combination of SEEMiS monitoring and tracking module and a bespoke approach to matching pupil characteristics to the tracking entries, which is ensuring more robust target setting, tracking and monitoring is taking place this session and the years ahead. It has been recognised that a more rigorous approach to tracking and monitoring at Broad General Education (BGE) stages will provide considerable benefits in adapting curricular choices to each pupil's potential and personal abilities and will maximise attainment in the Senior Phase.



JOHN BUTCHER
Executive Director (Education and Youth Employment)

Reference : JB/SQ/LS

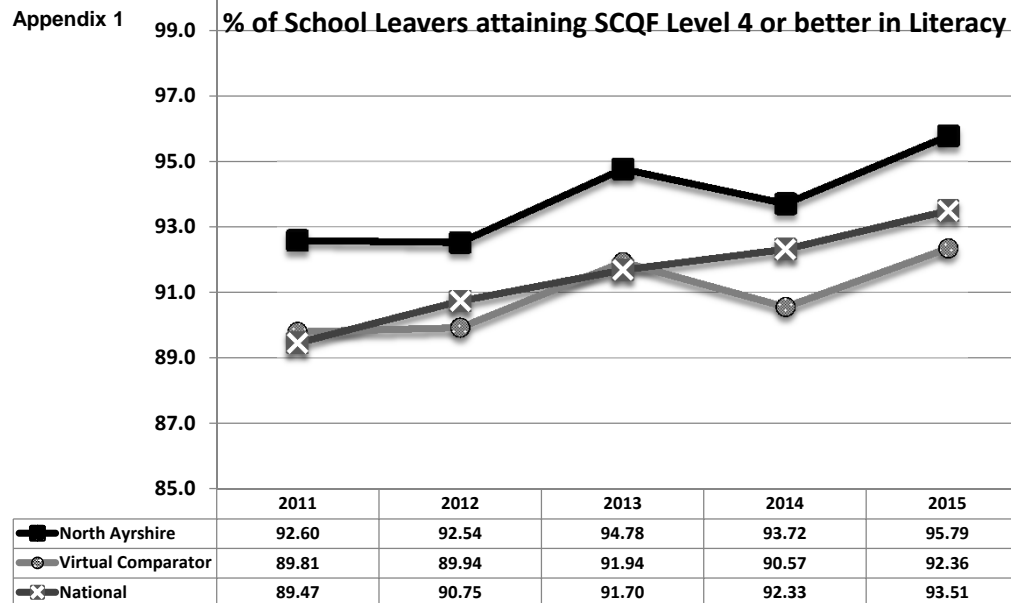
For further information please contact Steven Quinn, Head of Service (Schools), on 01294 324413.

Background Papers

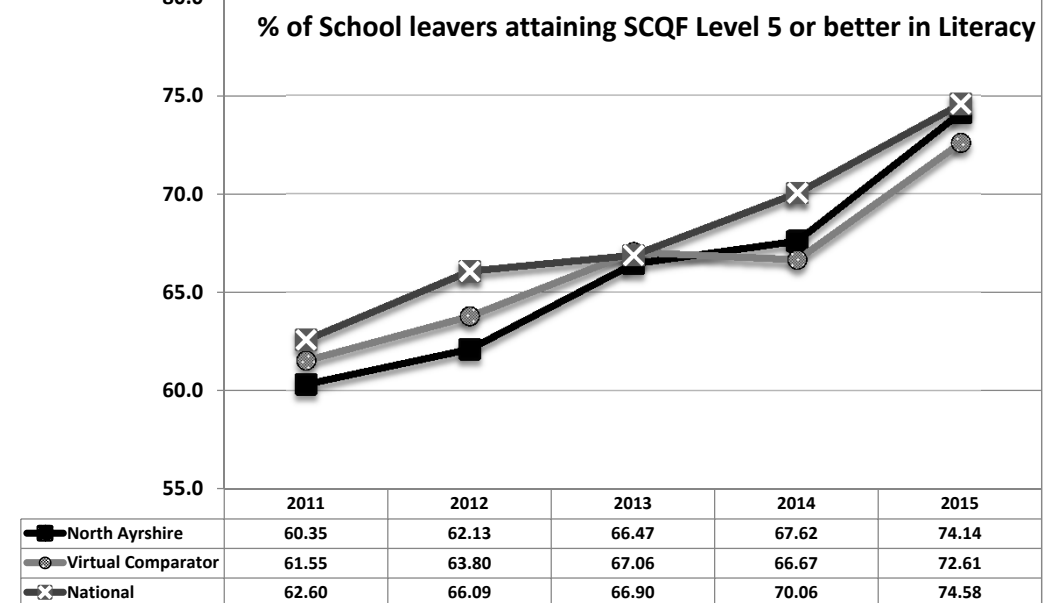
None

Appendix 1

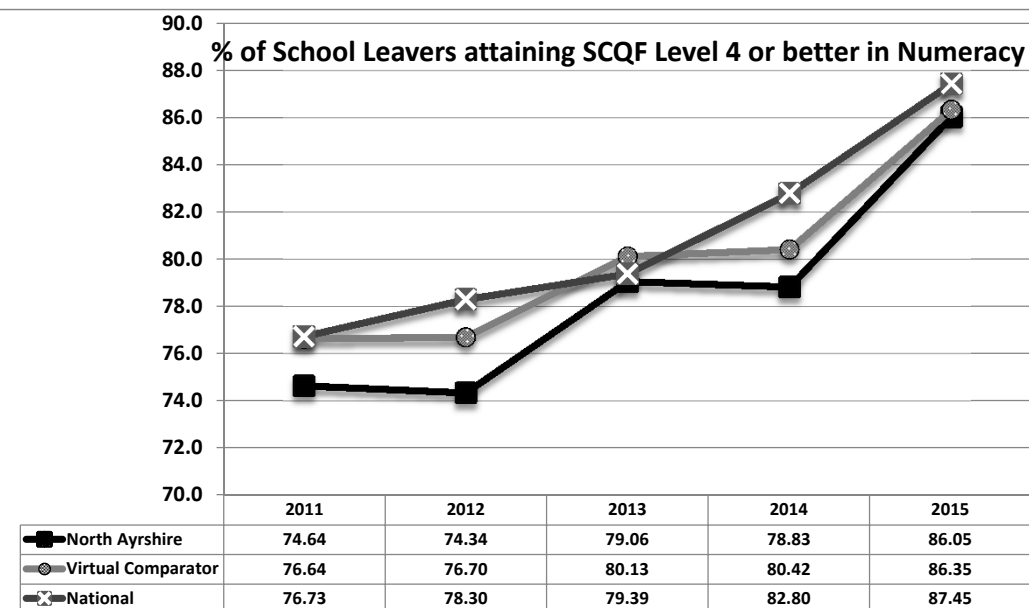
% of School Leavers attaining SCQF Level 4 or better in Literacy



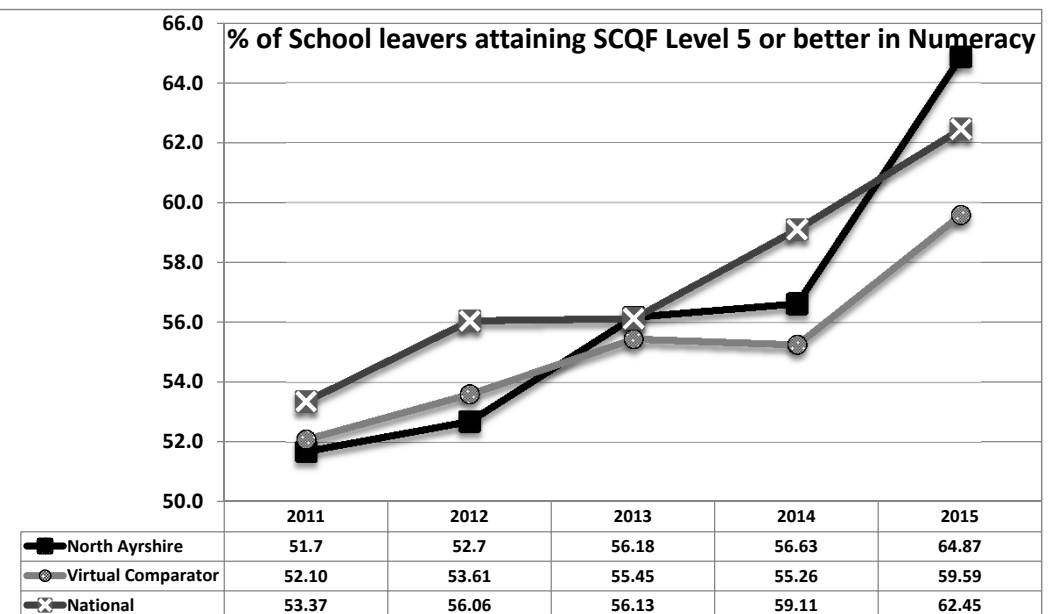
% of School leavers attaining SCQF Level 5 or better in Literacy



% of School Leavers attaining SCQF Level 4 or better in Numeracy

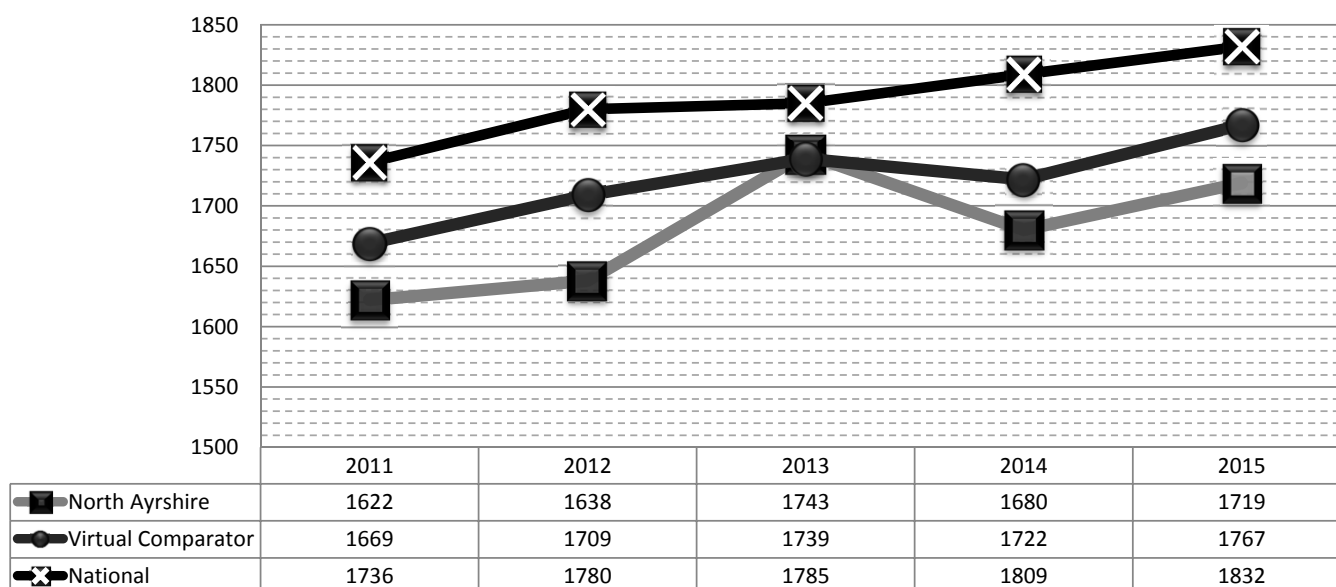


% of School leavers attaining SCQF Level 5 or better in Numeracy

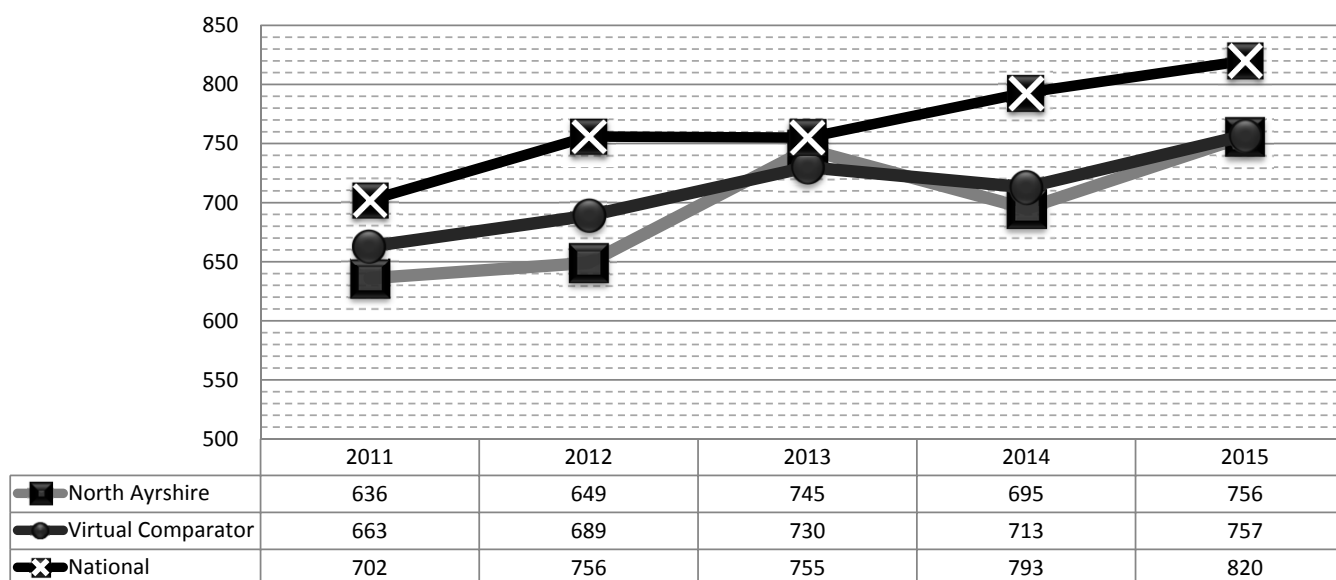


Appendix 2

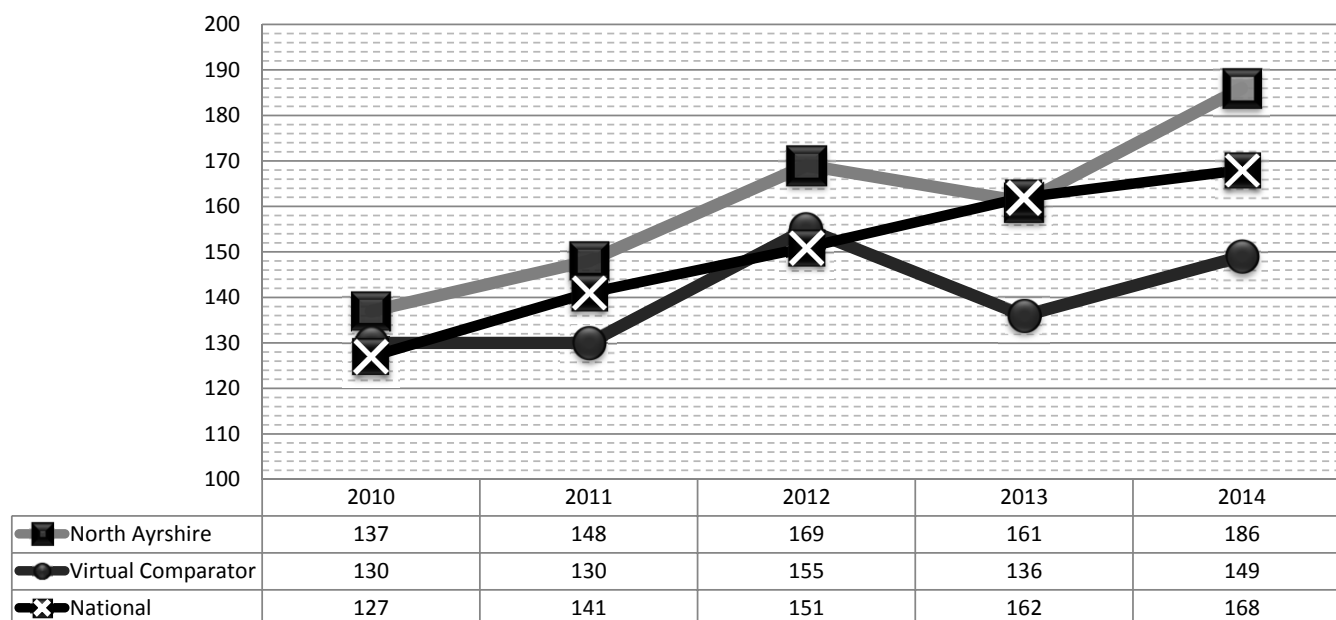
Attainment for All - Highest 20%



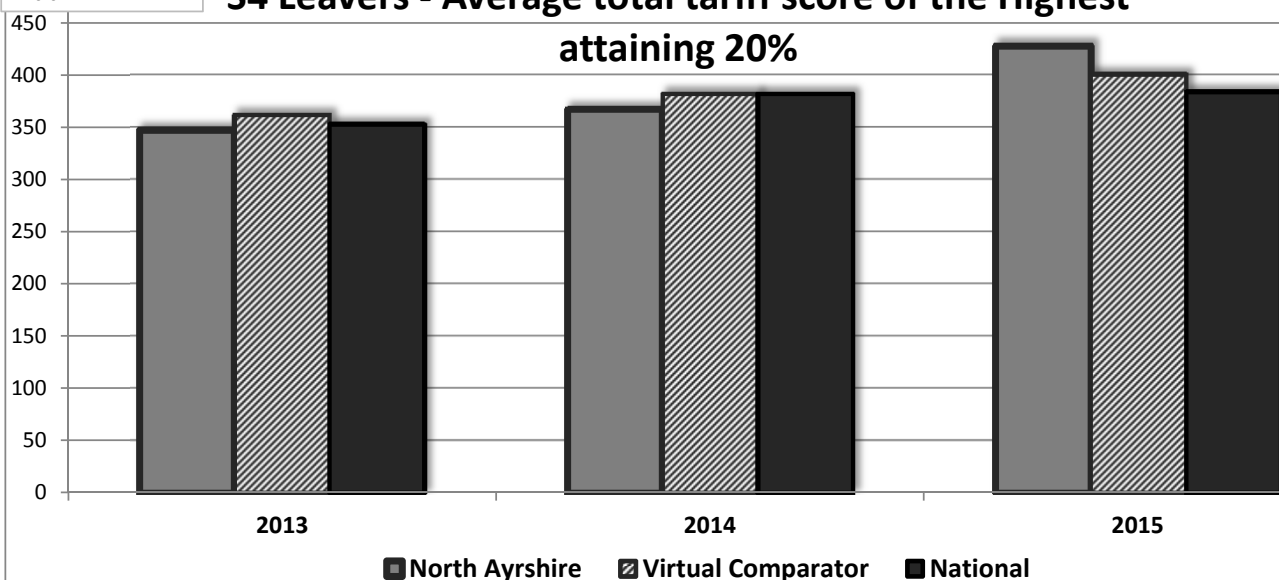
Attainment for All - Middle 60%



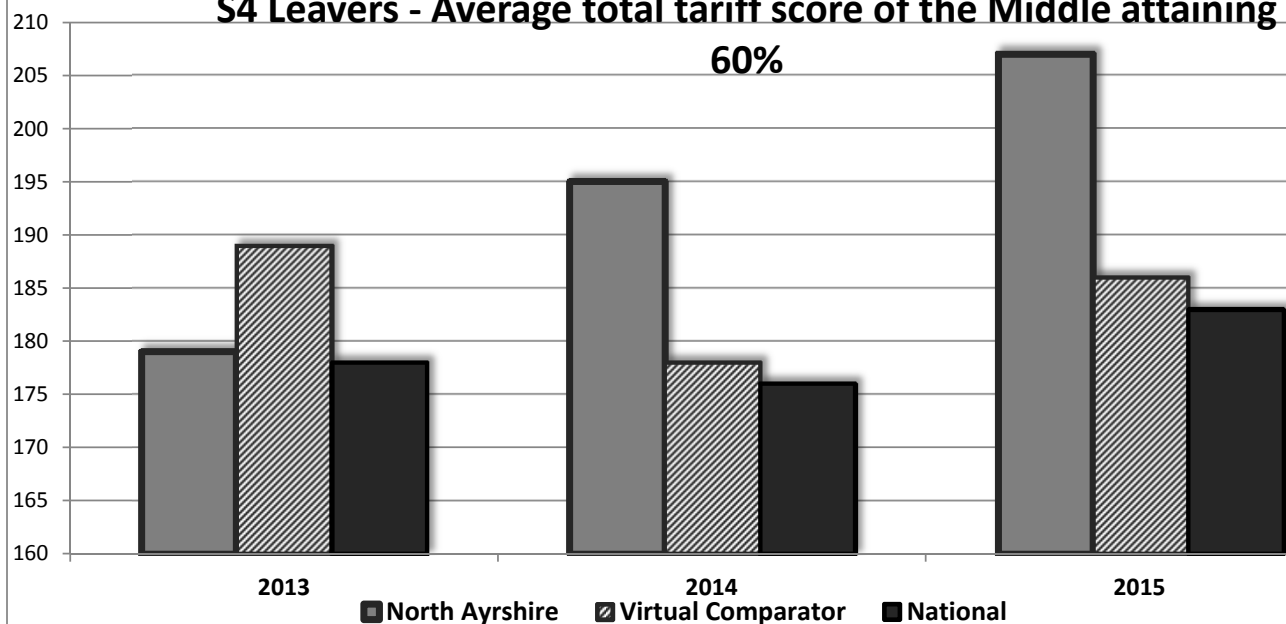
Attainment for All - Lowest 20%



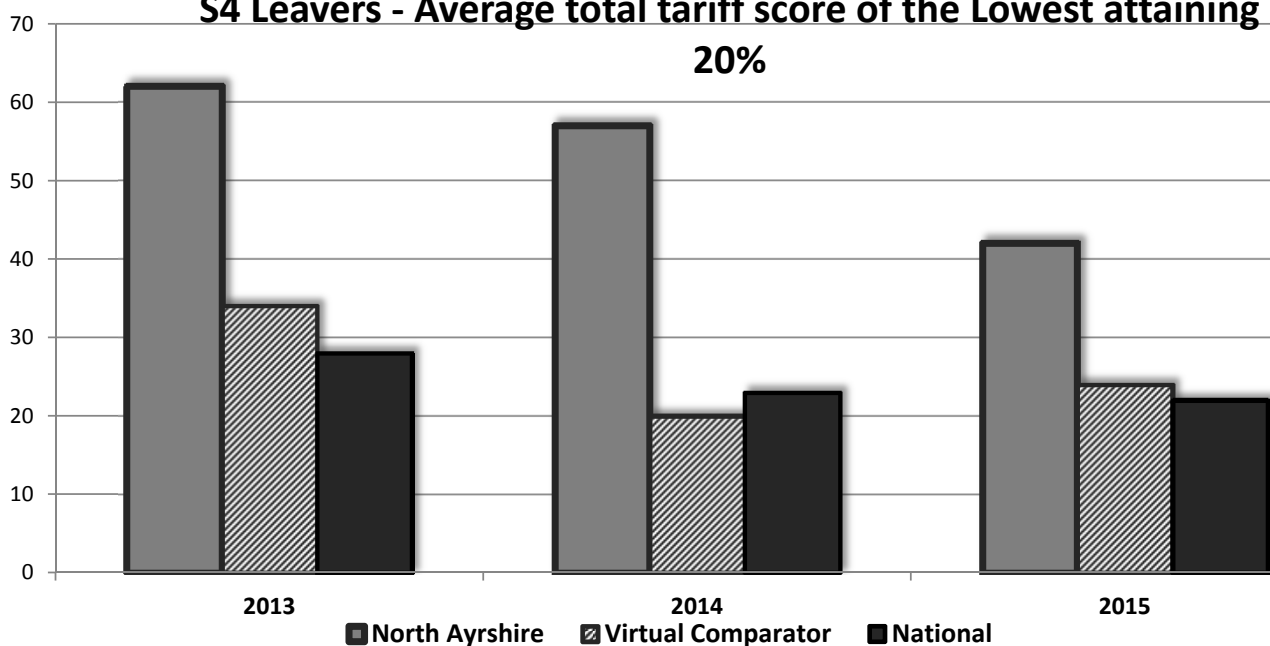
S4 Leavers - Average total tariff score of the Highest attaining 20%



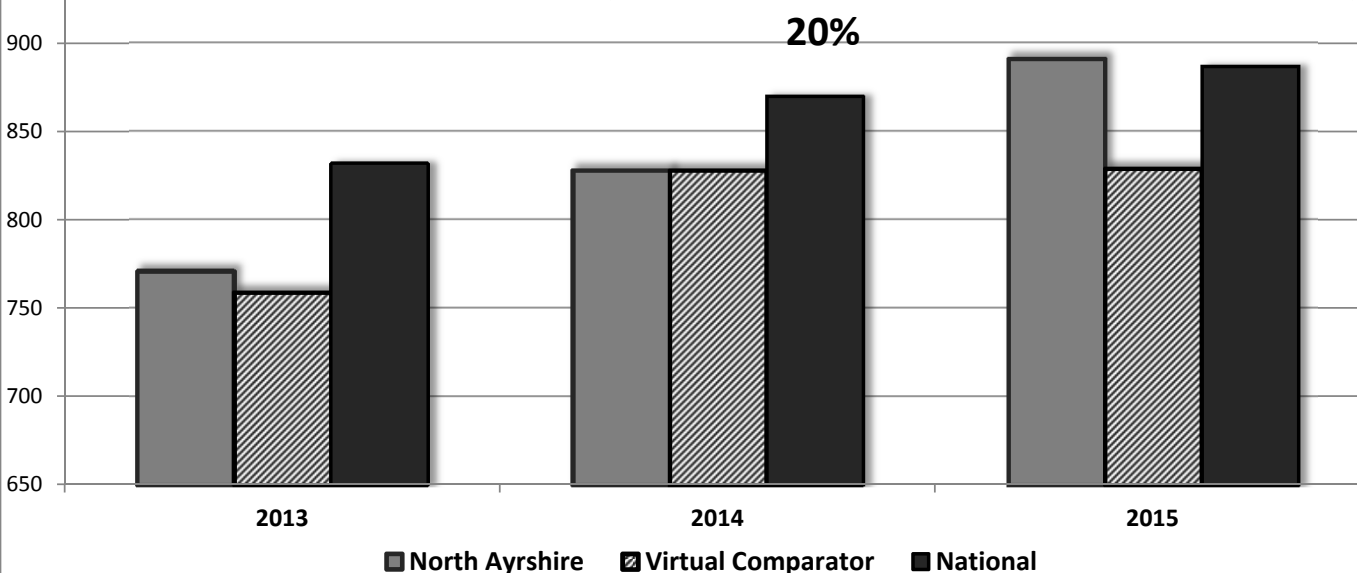
S4 Leavers - Average total tariff score of the Middle attaining 60%



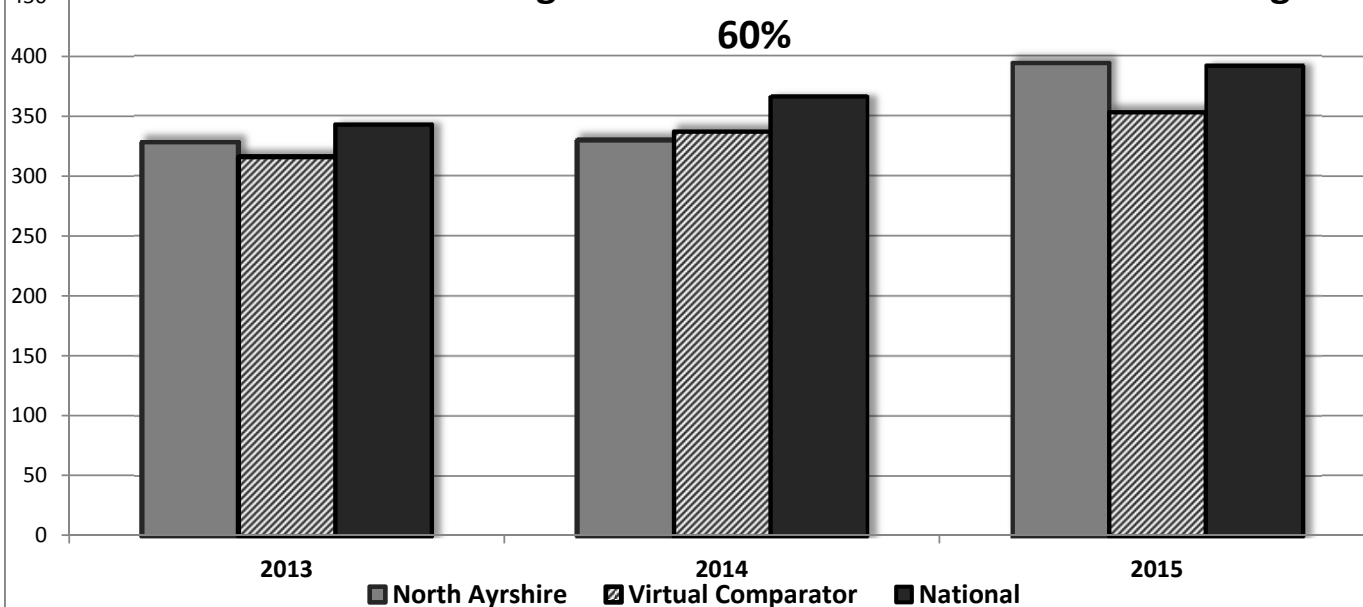
S4 Leavers - Average total tariff score of the Lowest attaining 20%



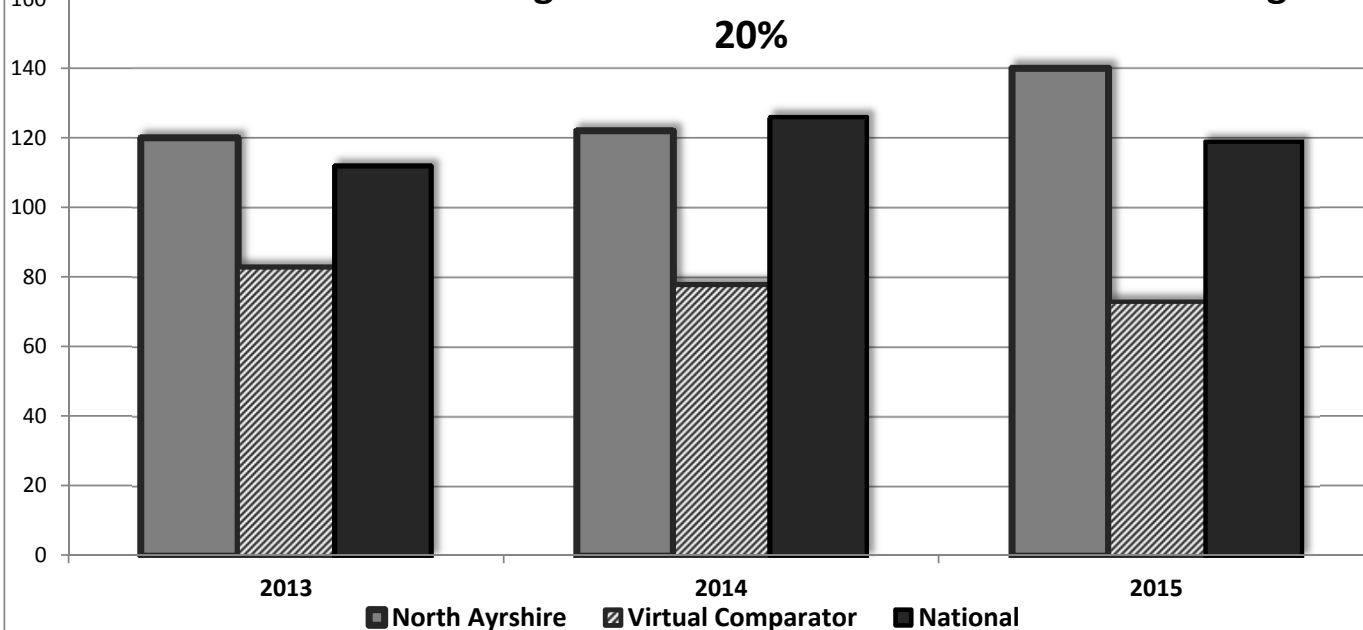
S5 Leavers - Average total tariff score of the Highest attaining



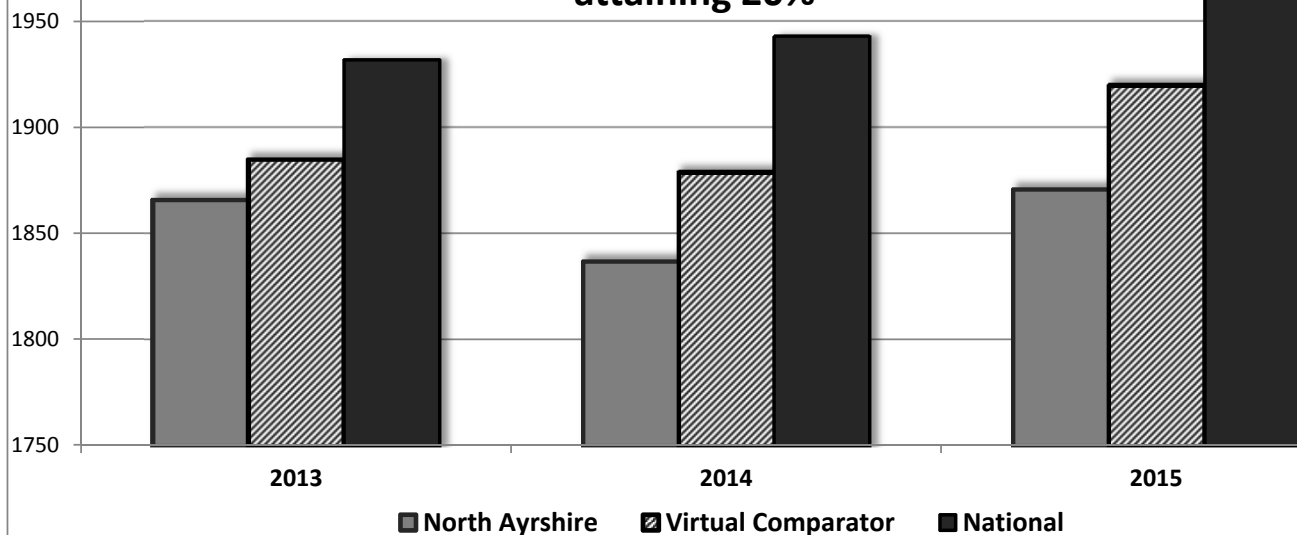
S5 Leavers - Average total tariff score of the Middle attaining



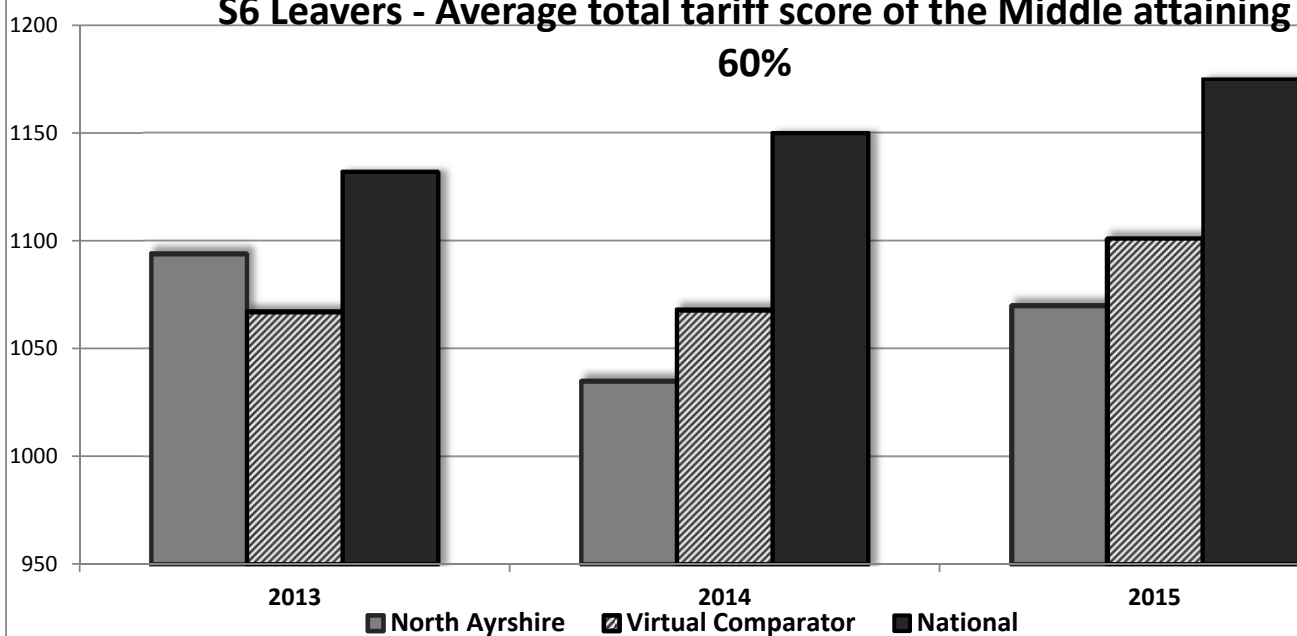
S5 Leavers - Average total tariff score of the Lowest attaining



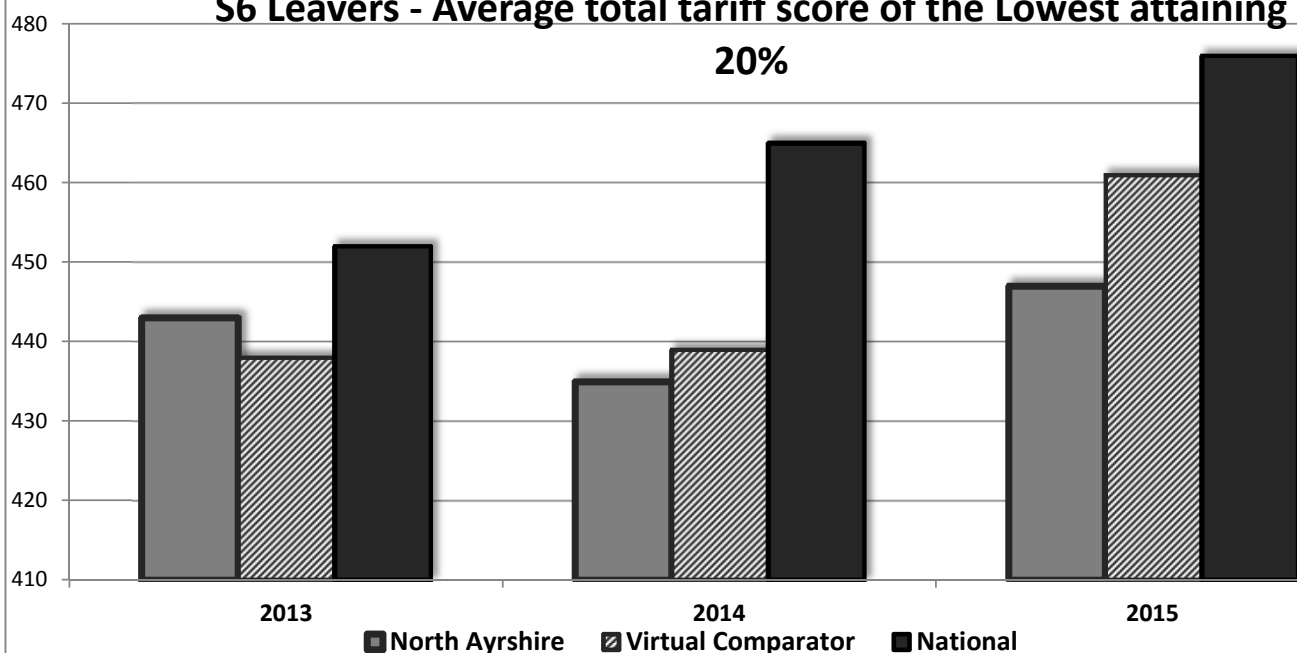
S6 Leavers - Average total tariff score of the Highest attaining 20%



S6 Leavers - Average total tariff score of the Middle attaining 60%

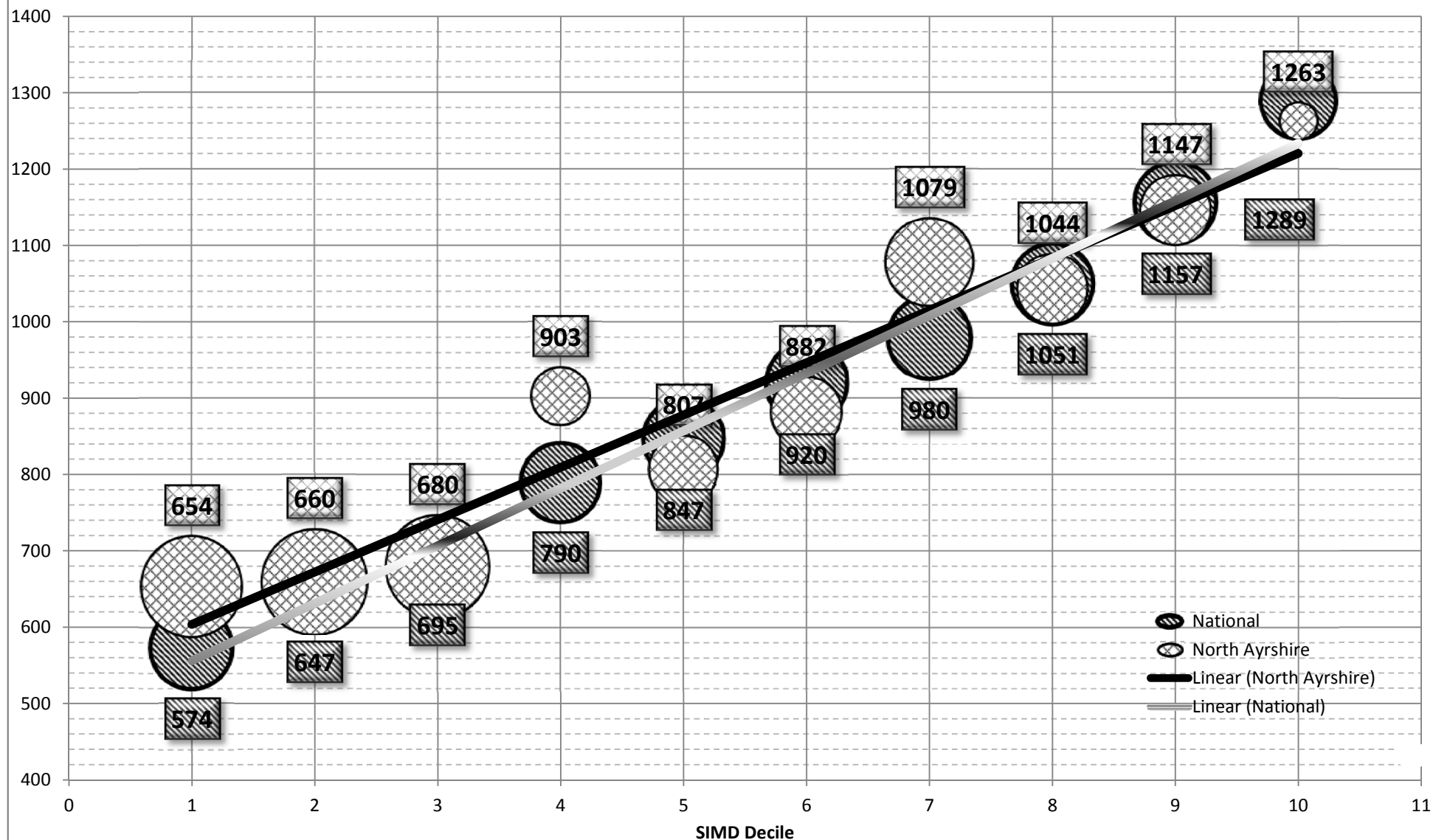


S6 Leavers - Average total tariff score of the Lowest attaining 20%



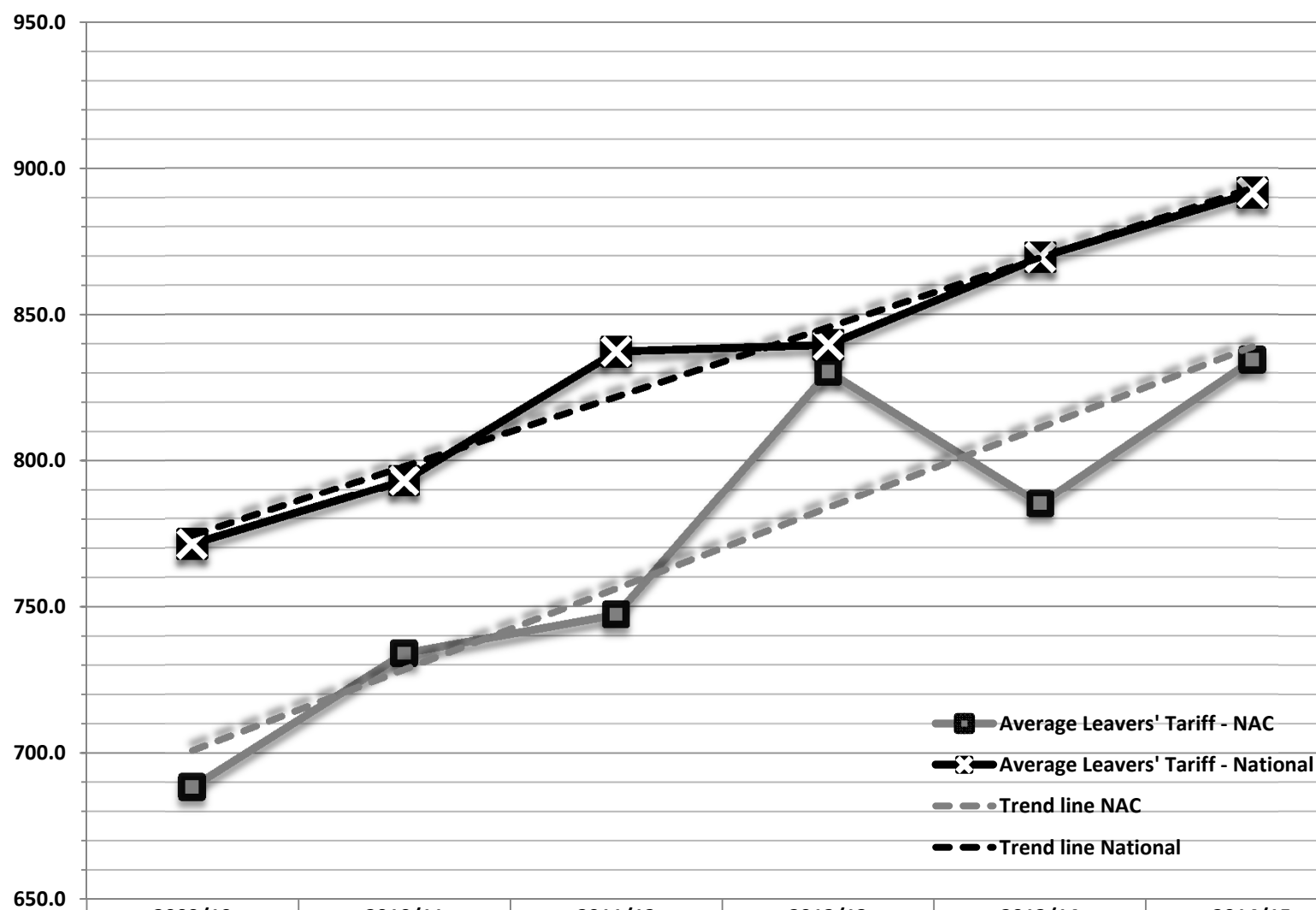
Appendix 3a

Average Total Tariff Score by SIMD decile - All School leavers 2015



Appendix 3b

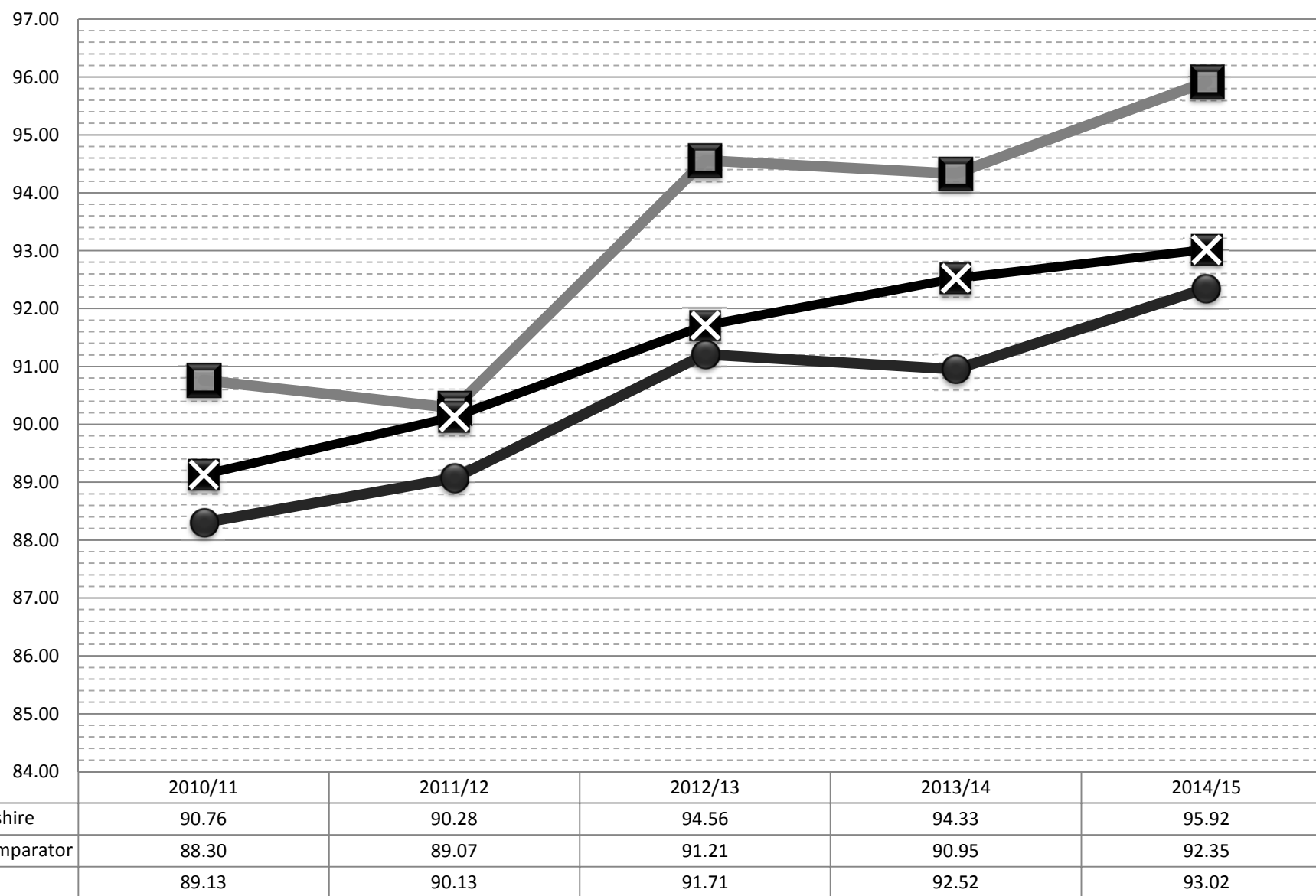
Average Total Tariff Score per School Leaver - 6 years



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Average Leavers' Tariff - NAC	688.4	734.0	747.2	830.5	785.2	834.5
Average Leavers' Tariff - National	771.4	793.1	837.4	839.6	869.6	891.7

School Leaver Destinations - INSIGHT Leaver's cohorts 2011-15

% of Schools Leavers in a Positive Destination



INSIGHT School Leavers' Attainment Results 2015

Committee Paper 29 March 2016 - Executive Summary

On the 26 February, the Scottish Government released the new edition of INSIGHT benchmarking tool, providing a comprehensive analysis package of the 2015 cohort of school leavers' final attainment performance. The performance of North Ayrshire 2015 school leavers provides a positive overall picture, both from a point of view of an improving trend over time and in comparisons against benchmarks and national performance.

It is worth noting that the new set of performance indicators available through INSIGHT reflect the complex nature of educational attainment and achievement. The main indicators in INSIGHT provide information on four key measurements:

1. Improving Attainment in Literacy and Numeracy
2. Improving Attainment for All
3. Tackling Disadvantage by Improving the Attainment vs. Deprivation gap
4. Increasing Post-School Participation

In addition, INSIGHT provides schools with a variety of in-depth analysis tools to identify strengths and areas for improvement. This allows them to target their efforts and resources.

In summary, the 2015 results of North Ayrshire leavers show:

- The continuing and very encouraging trends in improved attainment in Literacy and Numeracy. In line with the national picture, the attainment in numeracy is lower than attainment in literacy. However, there is an improving trend especially at SCQF level 5¹, where North Ayrshire school leavers have performed better than the national average.
- The lowest attaining 20% of school leavers are performing better than the national average and the virtual comparator². The middle attaining 60% of pupils in North Ayrshire have improved over the past few years, remaining in line with the virtual comparator but still below the national average. The main area for improvement in North Ayrshire is the highest attaining 20% who are still performing, on average, below the virtual comparator and national average.
- In almost all SIMD data zones, North Ayrshire school leavers are performing in line with or slightly better than school leavers from similar areas across Scotland.
- The percentage School leavers' moving into a positive post school destination is the highest recorded to date and the third highest in the country.

It must be noted that the analysis of pupil attainment is a complex process involving a number of inter connected measurements. This is a very high level overview and should be read alongside the full committee paper on INSIGHT School Leavers' Attainment Results 2015.

¹ Scottish Credit and Qualifications Framework level 3 is equivalent to the (previous) Standard Grade Foundation and (current) National 3 awards, level 4 – the Standard Grade General and (current) National 4 awards, level 5 to Standard Grade Credit and (current) National 5 awards, level 6 – to Higher awards, level 7 – to Advanced Highers award.

² The virtual comparator consists of a sample group of school leavers from schools in other local authorities who have similar characteristics to the school leavers from the school in question. For each school leaver, ten matching school leavers are randomly selected based on gender, additional support needs, stage of leaving school (S4, S5 or S6) and the social context in which they live.

NORTH AYRSHIRE COUNCIL

Agenda Item 4

29 March 2016

Cabinet

Title: **Education and Youth Employment: Autistic Spectrum Disorder Strategy and Policy 2016 - 2020**

Purpose: To inform and update Cabinet on the development of Education and Youth Employment's Autistic Spectrum Disorder Strategy and Policy 2016 - 2020.

Recommendation: It is recommended that Cabinet (a) agree on the content of the draft Autistic Spectrum Disorder Strategy and Policy 2016 - 2020; and (b) agree that Officers continue to work to enhance the ASD provision in Education and Youth Employment.

1. Executive Summary

- 1.1 Autism is a general term referred to as Autism Spectrum Disorder (ASD) or Autism Spectrum Condition. People with ASD experience problems with communication, social interaction and restrictive and/or repetitive routines of behaviour.
- 1.2 The Scottish Strategy for Autism recommends that each local authority has an Autism Strategy.
- 1.3 The draft strategy/ policy statement and action plan have been developed to provide an clear focus on:
 - how the Council and its partners will seek to provide services and support;
 - how the Council plans for the support to be made available; and
 - how this will be achieved.

2. Background

- 2.1 Autism has been agreed as a national priority by the Scottish Government. To enable people with autism across Scotland to feel supported no matter where they live, a 10 year Scottish Strategy for Autism was agreed. This has been used as the main driver for the development of our Strategy.

- 2.2 The vision of the Scottish Strategy for Autism is that individuals on the autism spectrum are respected, accepted and valued by their communities and have the confidence in services to be treated fairly.
- 2.3 It is therefore the vision of Education and Youth Employment that pupil's with autism will be:
- respected and accepted for who they are;
 - valued for what they contribute to our school community; and
 - able to live the life they choose.
- 2.4 The draft Autistic Spectrum Disorder Strategy and Policy has been written to consider how the authority will meet the requirements of the Scottish Strategy for Autism. These are attached as a draft in Appendix 1.
- 2.5 A collaborative approach via consultation and engagement has commenced, through working with various Head Teachers, Educational Psychologists, ASD Co-ordinators, One Stop Shop and parents and carers.
- 2.6 The aim is to provide an integrated approach to support local children with autism through good joint working arrangements and ensure that our schools are 'autism friendly' where pupils can access resources and be included in mainstream education along with their peers.
- 2.7 It is the intention of Education and Youth Employment to have an ASD Launch Day in May/June 2016.

3. Proposals

- 3.1 It is proposed that Cabinet (a) agree on the content of the draft Autistic Spectrum Disorder Strategy and Policy 2016 – 2020; (b) agree that Officers continue to work to enhance the ASD provision in Education and Youth Employment.

4. Implications

Financial:	There may be financial implications for the Council if it is identified that there is a need for building adaptations or specialist equipment required. It is anticipated that any adaptations, requirements for specialist equipment or the need for additional support staff will be met from existing budgets.
Human Resources:	Following an individual pupils' assessment, there may be a requirement to provide additional staff to support a young person's access to the curriculum.
Legal:	<p>The Autistic Spectrum Disorder Strategy and Policy is in place so that the planning and implementation processes meet the requirements of the following legislation:</p> <ul style="list-style-type: none"> ● Standards in Scotland's Schools etc. Act 2000 ● Education (Additional Support for Learning) (Scotland) Act 2004 ● The Equality Act 2010 ● Children and Young People (Scotland) Act 2014 and of the Scottish Strategy for Autism
Equality:	The Autistic Spectrum Disorder Strategy and Policy will ensure that the Authority promotes equality of opportunity, promotes positive attitudes and encourages greater participation by children and young people with additional support needs.
Environmental & Sustainability:	There are no environmental implications arising directly from this report.
Key Priorities:	<p>3a Opportunities for lifelong learning have increased.</p> <p>4 Our young people are successful learners, confident individuals, effective contributors and responsible citizens.</p> <p>5 Our children have the best start in life and are ready to succeed.</p> <p>6c More vulnerable people are supported within the community.</p> <p>7c Disadvantage on the basis of race, disability, gender, age, religious belief or sexual orientation is reduced.</p> <p>8 We have improved the life chances for children, young people and families at risk</p> <p>10 We live in well managed, sustainable places where we are able to access the amenities and services we need.</p>

Community Benefits:	None
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5. Consultation

- 5.1 The consultation process has commenced through working with various Head Teachers, Educational Psychologists, ASD Co-ordinators, One Stop Shop and parents and carers.



JOHN BUTCHER
Executive Director (Education and Youth Employment)

Reference : JB/PG/DR

For further information please contact Philip Gosnay, Senior Manager, on 01294 324740.

Background Papers

None



NORTH AYRSHIRE COUNCIL

EDUCATION AND YOUTH EMPLOYMENT

**Autism Strategy – Supporting those with
Autism**

2016 - 2020

1. WHAT IS AUTISM?

Autism is a general term sometimes referred to as autism spectrum disorder (ASD) or autism spectrum condition. It includes conditions such as classic autism and Asperger's. Autism is a spectrum condition. Some characteristics are shared by all those on the spectrum; some are very specific to individuals.

How these characteristics affect people with autism, and their families, varies enormously.

People with Autism can experience problems with communication, social interaction and restrictive and/or repetitive routines of behaviour.

The strategy should be read by anyone with an interest in autism, either personally or professionally.

2. WHY DO WE NEED A STRATEGY?

2.1 Autism has been agreed as a national priority by the Scottish Government. Both locally and nationally, we know that there are some areas of very good practice where people with autism feel well supported but this varies from place to place.

2.2 This strategy has been written to provide a focus on: -

- how the Council and its partners will seek to provide services and support;
- how we plan for the support to be available and
- how we aim to achieve it.

This will form the basis of an Action Plan that will span the term of the Strategy.

2.3 To enable people with autism across Scotland to feel supported no matter where they live, a 10 year Scottish Strategy for Autism was agreed in 2011. This is the main driver for the development of our strategy.

3. Legal Framework

3.1 The Standards in Scotland etc. Act 2000

This gives children and young people a right to a school education provided by an education authority and includes a presumption in favour of providing mainstream education for all children, except where education in a school other than an additional support needs school would:

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

3.2 The Equality Act 2010

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

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

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

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

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

3.3 **The Education (Additional Support for Learning) (Scotland) Act 2004,**

This Act commenced in November 2005 and was **revised in 2009**. This has wide and far-reaching consequences on the way all pupils are supported by schools, education authorities and partner agencies and organisations and on how additional support needs are perceived.

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

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

3.4 **The Children and Young People (Scotland) Act 2014:**

- recognises that practitioners are key to promoting, supporting and safe guarding the wellbeing of all children and young people;
- places a duty on local authorities for every child to have a Named Person as a point of contact to support children, young people and families when there is a wellbeing need;

- introduces the concept of Child's Plan;
- provides new statutory functions for information sharing, where appropriate and necessary to support, promote and safe-guard the wellbeing of individuals;
- contains a requirement to report on outcomes and measure the impact of service planning and delivery at a school, authority and Community Partnership Planning level.

3.5 **Getting it Right for Every Child (GIRFEC)**

This is a key priority for the Scottish Government. GIRFEC is a national programme for changing the way adults and young people fulfil and achieve their full potential.

Wellbeing is a core element of GIRFEC and has been defined in this Act under eight indicators – **safe, healthy, achieving, nurtured, active, respected, responsible and included**. This is often shortened to **SHANARRI**.

3.6 **Curriculum for Excellence Guidance**

Under Curriculum for Excellence, the *curriculum* is defined as all the experiences that are planned for learners wherever they are being educated. It can take account of all the experiences that learners can have through learning outwith school and in activities that would previously have been thought of as extra-curricular.

There are four different contexts for learning through:

- the ethos and life of the school as a community;
- curriculum areas and subjects;
- interdisciplinary learning and
- opportunities for personal achievement.

The guidance also provides explicit aims for education in Scotland with the purpose of enabling our young people to become:

- successful learners;
- confident individuals;
- responsible citizens and
- effective contributors.

3.7 **The Early Years Framework**

This was established to give our young people the best start in life by recognising the right of every child to have high quality relationships, environments and services.

3.8 **HMIE's Education for Pupils with Autism Spectrum Disorders Report**

In 2006, the HMIE Reported that:

'Autism spectrum disorders do not represent a single or straightforward set of needs to be met. The challenges facing education and other professionals, and the young people whose needs are being addressed are considerable. The key is to see past the presenting issues, often behavioural in nature, to the communication disorders beyond to find what works for each individual concerned.'

3.9 The Scottish Strategy for Autism

The Scottish Strategy for Autism calls for action at national and local level to support people with autism. There is a need to have a consistent standard and approach and better matched resources to individual need.

The vision of the Scottish Strategy for Autism is that individuals on the autism spectrum are respected, accepted and valued by their communities and have confidence in services to treat them fairly so that they are able to have meaningful and satisfying lives. They also identify six key values that need to be at the heart of the strategy.

3.10 Values

Values are what people think are important. The Scottish Strategy agreed the following:

- **Dignity** – people should be given the care and support they need in a way which promotes their independence and emotional well-being and respects their dignity;
- **Privacy** – people should be supported to have choice and control over their lives so that they are able to have the same chosen level of privacy as others citizens;
- **Choice** – care and support should be personalised and based on the identified needs and wishes of the individual;
- **Safety** – people should be supported to feel safe and secure without being over protected;
- **Realising potential** – people should have the opportunity to achieve all they can; and
- **Equality and diversity** – people should have access to information assessment and services; health and social care agencies should work to redress inequalities and challenge discrimination.

3.11 The Scottish Strategy Indicators of Best Practice

The Scottish Strategy provided ten indicators for current best practice for the provision of effective ASD services that North Ayrshire Education and Youth Employment must consider and implement. It said that there needed to be:-

- A local Autism Strategy developed in co-operation with people across the autism spectrum, parents, carers and professionals, ensuring that the needs of people with ASD are reflected and incorporated with local policies and plans;
- Access to training and development to inform staff and improve understanding amongst professionals about ASD;
- A process for ensuring a means of easy access to useful and practical information;
- An ASD training plan to improve the skills and knowledge of those who work with people who have ASD are properly supported by trained staff;
- A process of data collection which improves the reporting of how many people with ASD are receiving services and informs the planning of these services;
- A multi-agency care pathway for assessment, diagnosis and intervention to improve the support for people with ASD and remove barriers;
- A framework and process for seeking stakeholder feedback to inform service

improvement and encourage engagement;

- Services that can demonstrate the service delivery is multi –agency in focus and is coordinated effectively to target and meet the needs of people with ASD;
- Clear multi-agency procedures and plans which are in place to support individuals through major transitions at each important life-stage; and
- A self-evaluation framework to ensure best practice implementation and monitoring.

3.12 **The Scottish Strategy Recommendations**

The strategy also made 26 recommendations which, in summary, said that:-

- The Scottish Government would provide strategic leadership and create a strategic vision for the development of services and support for those with or affected by autism.
- Resources would be effectively targeted with the aim of improving people's lives.
- People with autism and their families should be involved in decision making;
- Cross agency working would be developed;
- Adults should be able to get a diagnosis and support following diagnosis; and
- People with autism should be supported to gain employment.

4. **A Strategy for North Ayrshire Council Education and Youth Employment**

4.1 In Ayrshire, it was agreed that the best way to establish a coordinated approach and make best use of our resources was to develop an Ayrshire-wide strategy. Agencies have been working together to bring together a multi-disciplinary Ayrshire Autism Steering Group. This will lead the development of the joint strategic planning and feed into North Ayrshire's own strategy and vision.

4.2 **The Vision for North Ayrshire Education and Youth Employment**

Our vision for supporting people with autism in our schools is that all pupil's with autism are:

- respected and accepted for who they are;
- valued for what they contribute to our school communities and
- able to live the life they choose.

One of the main recommendations of the Scottish Strategy is that each local authority area has an Autism Strategy. In North Ayrshire Education and Youth Employment, it has been agreed that our strategy will be shared with the Health and Social Care Partnership in North Ayrshire and our partners including those in the third sector, using the same underpinning values as agreed in the Scottish Autism Strategy and that it will link into the Single Outcome Agreement.

We will also ensure that we work to achieve:

- The appropriate educational setting for every child with autism;
- The appropriate training for every teacher; and
- The appropriate approach in every school.

4.3 What We Have in North Ayrshire Education and Youth Employment

In North Ayrshire, Education Youth Employment has access to very good services and support for people with autism:

- Educational Psychology Service;
- Home Visiting Services;
- Pre-Scat;
- The Education Support Resource Base at Dreghorn and Elderbank Primaries;
- The Education Support Resource Base at Ardrossan Academy;
- Additional Support Need Schools – James Reid and Haysholm Schools;
- Full transition to Further Education;
- Staged Intervention Procedures;
- One Stop Shop;
- Supported Transition Procedures including E19;
- The Autism Toolkit, and
- Close working relationships with the Health and Social Care Partnership and the Third Sector.

4.4 Supported Needs in Dreghorn ESR and Ardrossan Academy

These bases support children and young people through primary and secondary education who have been assessed as having a social communication disorder.

Children are supported by Speech and Language Therapists and a range of professionals appropriate to the needs of the individual child. They work closely with teachers in order to develop communication and social skills. It is anticipated that this level of support will facilitate a return to their identified local primary or secondary school.

4.5 Aims of the Educational Support Resource within Dreghorn Primary and Ardrossan Academy

The schools firmly believe that it is the right for all children to be educated alongside their peers in a mainstream school, unless there is a good reason for not doing so. These Resources will work to:

- Facilitate an inclusive education;
- Assist in the transition to the pupil's identified local primary or secondary school;
- Provide appropriate education based on Curriculum for Excellence matched to individual need;
- Provide effective inclusion with age/stage related peer groups i.e. involvement in class or other settings with the main school;
- Transfer pupils to their identified local primary and secondary school at an appropriate time or
- Transfer pupils to an appropriate alternative placement i.e. Additional Support Need School or in exceptional circumstances, extend the educational placement within Dreghorn Primary or Ardrossan Academy to a stage further where it is considered that an extension will facilitate a return to mainstream education.

Pupils accessing the Resources will also be included in the mainstream curriculum.

4.6 The Rights of The Child

Every teacher has the responsibility to support the learning needs of all pupils. Every child and young person in Scotland has the right to have their educational needs met within their local mainstream school.

This right is seen as part of the individual rights enshrined in Scottish Educational law, unless there are 'exceptional' circumstances.

It is envisaged that schools throughout North Ayrshire are autistic aware and support the needs of all learners. Schools tailor the support needs of the individual pupil which will vary according to the needs of the child and their individual situation or circumstance.

5. What will Happen Next?

- 5.1 Supporting local children with autism is a shared responsibility and means that there must be good joint working arrangements to support our young people through education.

Our approach must be to recognise the need and forge the ethos that our schools are 'autism friendly'. This means that we must develop awareness and understanding through training and areas of good practice. We must develop the skills and knowledge of all staff.

This requires joint planning and delivery of training, better utilising nationally developed training resources and better sharing of good practice at local and national levels.

- 5.2 Lead Officers for autism will be identified by North Ayrshire Education and Youth Employment.

The Lead Officer within Education and Youth Employment will be responsible for liaising with the Health and Social Care Partnership and co-ordinating and progressing the Strategy Action Plan. This will be monitored through the Autism Strategy Working Group within Education and Youth Employment.

For this to be successful, all partners, people with autism and their parents and families will have to work together.

6. Priorities and Recommendations – Action Plan

- 6.1 The following Action Plan outlines the approaches that will be implemented by the Education and Youth Employment Directorate to ensure it meets the needs of children and young people with ASD. The Action Plan ensures that the Authority will comply with all relevant legislation, the recommendations contained within the National Report, "Education for Pupils with Autism Spectrum Disorders" and develop a best practice model for ensuring that pupils with ASD get the best possible education.

6.2 Recommendation 1 – Information Gathering (*Autism Toolbox*. Scottish Government)

Education and Youth Employment will ensure that they hold complete information on the numbers of pupils with ASD for whose education we are responsible to ensure that our strategy meets the range of needs. Information held should include details of the provision for the young people.

6.3 Recommendation 2 – Range of Provision

Education and Youth Employment must ensure that we provide a varied range of provision to meet the wide and varied needs of pupils with ASD. Details of this provision will be published, including any future planned developments

6.4 Recommendation 3 – Children's Plans

Education and Youth Employment will ensure that our schools prepare clear and effective plans for all pupils with ASD and use them to meet the specific well-being needs of individual pupils.

We will ensure that the schools use the child's plan to track the young person's progress towards meeting their potential.

North Ayrshire Council Education and Youth Employment, where appropriate, must work with the Scottish Government, Health and Social Care Partnership and other agencies to coordinate support for young people with ASD.

Education and Youth Employment will work with colleagues in the NHS and HSCP to develop procedures for the early identification of children with ASD.

6.5 Recommendation 4 - Developing Life Skills

Education and Youth Employment will ensure that pupils with ASD are given appropriate opportunities to gain an understanding of the social world they live in and to develop those life skills which they can use out with school. Pupils will be given the opportunity to identify and develop their personal strengths.

6.6 Recommendation 5 – Opportunities and Mainstreaming

North Ayrshire schools will ensure that they maximise opportunities for pupils with ASD to be included socially and educationally with their mainstream peers.

6.7 Recommendation 6 – Communication and Transition

Education and Youth Employment will ensure that parents receive full information about the provision made for their children. This will include the options that are available to them at periods of transitions from stage to stage or school to school. Parents should be involved in training events and where appropriate people with ASD could be invited to contribute to training programmes.

6.8 Recommendation 7 – Staff Development

North Ayrshire Council's teaching and support staff will have access to a programme of staff development opportunities that relate to ASD, this will be included in CPD and PPD programmes. Where required, specialised training will be provided for teachers and non-teaching staff working directly with pupils and children with ASD.

6.9 Recommendation 8 – Strategic Planning

Education and Youth Employment will work with the NHS, HSCP and other agencies to develop plans, share strategies and commit resources to ensure that pupils and children with ASD receive appropriate support in line with their needs.

7. Monitoring and Evaluation

7.1 North Ayrshire Council Education and Youth Employment propose to monitor and evaluate the strategy, its implementation and outcomes on an on-going basis through: -

- The Autism Spectrum Disorder Working Group;

7.2 The Autism Spectrum Disorder Working Group is a multi- agency group, chaired by the Senior Manager with a responsibility for promoting and managing inclusion, the implementation of children's services, accessibility and support for learning.

The group consists of staff from:

- North Ayrshire Council – Officers from Education and Youth Employment and the Health and Social Care Partnership.

What is Autism?

Autism is a lifelong developmental disorder sometimes referred to as autism spectrum disorder or autism spectrum condition. It includes conditions such as classic autism and Asperger's.

Autism affects people differently with some being able to live independently while others will need very specialist support.

What everyone has in common is difficulty in 3 areas, sometimes called the 'triad of impairment'.

1. Social Communication

People with autism sometimes find it difficult to express themselves emotionally and socially. For example, they may:-

- have difficulty understanding gestures, facial expressions or tone of voice;
- have difficulty knowing when to start or end a conversation and choosing topics to talk about;
- use complex words and phrases but may not fully understand what they mean;
- be very literal in what they say and can have difficulty understanding jokes, metaphor and sarcasm.

2. Difficulty with Social Interaction

Many people with autism want to be sociable but have difficulty with initiating and sustaining social relationships, which can make them very anxious. People with the condition may:-

- struggle to make and maintain friendships;
- not understand the unwritten 'social rules' that most of us pick up without thinking. For example, they may stand too close to another person, or start an inappropriate topic of conversation;
- find other people unpredictable and confusing;
- become withdrawn and seem uninterested in other people, appearing almost aloof;
- behave in what may seem an inappropriate manner.

3. Difficulty with Social Imagination

People with autism can be imaginative in the conventional use of the word. For example, many are accomplished writers, artists and musicians. But people with Autism can have difficulty with social imagination. This can include:-

- imagining alternative outcomes to situations and finding it hard to predict what will happen next.
- understanding or interpreting other people's thoughts, feelings or actions. The subtle messages that are put across by facial expression and body language are often missed.
- having a limited range of imaginative activities which can be pursued rigidly and repetitively, e.g. lining up toys or collecting and organising things related to his or her interest.

While these characteristics are shared, how they affect the individual can vary widely but, for all people with autism, it affects how they communicate with and relate to other people and how they make sense of the world around them.

In addition, people with autism may have sensory difficulties. This could be over or under sensitivity to some noises, colours, textures & smells.

Some people with autism will use structure and routines to make the world less confusing for them.

Autism is also often associated with other conditions. It is estimated that 70% of people with autism will suffer mental health problems at some time; depression, schizophrenia, obsessive compulsive conditions being some of the most common.

Their autism may also be misdiagnosed as a mental health condition. Some people with autism may have learning difficulties such as dyslexia, dyspraxia or attention deficit hyperactivity disorder (ADHD). Some people may also have learning disabilities (estimated at 40%) while 10% of the autistic population are considered to be in the genius category compared to 1% of the general population.

Although some see it as a disability, many see it as an amazing gift and recognise that without autism we would have lost much creativity in the world such as the works of Mozart, Lewis Carroll, Michelangelo, Charles Darwin, Albert Einstein.

How Many People Have Autism in NAC?

The number of people estimated to have autism varies but the Centre for Disease Control and Prevention give estimates of 1 in every 88.

It is also estimated, at the moment for every one female with autism there will be more than 5 males although it should be noted that autism is under-diagnosed in females. This may change as more research is done.

Based on the 2015 school Census estimates have shown the following information within North Ayrshire Council schools:

Autistic Spectrum Disorder

Sector	Female	Male	Total
Early Years	1	4	5
Primary	13	70	83
Secondary	12	60	72
ASN Schools	13	48	61
Total	39	182	221

Communication Support Needs

Sector	Female	Male	Total
Early Years	1	6	7
Primary	10	32	42
Secondary	2	4	6
ASN Schools	14	38	52
Total	27	80	107

Dyslexia

Sector	Female	Male	Total
Early Years	None Recorded	None Recorded	
Primary	65	123	188
Secondary	188	282	470
ASN Schools	1	3	4
Total	254	408	662

Language or Speech Disorder

Sector	Female	Male	Total
Early Years	13	34	47
Primary	67	145	212
Secondary	12	39	51
ASN Schools	24	36	60
Total	116	254	370

Other Specific Learning Difficulties

Sector	Female	Male	Total
Early Years	None Recorded	None Recorded	
Primary	167	249	416
Secondary	124	159	283
ASN Schools	7	7	14
Total	298	415	713

Physical or Motor Impairment

Sector	Female	Male	Total
Early Years		6	6
Primary	12	31	43
Secondary	22	23	45
ASN Schools	17	26	43
Total	51	86	137

Social, Emotional and Behavioural Difficulty

Sector	Female	Male	Total
Early Years	16	30	46
Primary	102	382	484
Secondary	69	262	331
ASN Schools	19	37	56
Total	206	711	917

It should be noted that some pupils may be accounted for in more than one category.

What are we going to do?

	What is our target? Information Gathering	How will this be achieved?	Who is responsible?	When?	Priority	Quality Indicator
6.1	Education and Youth Employment will ensure that they hold complete information on the numbers of pupils with ASD for whose education we are responsible to ensure that our strategy meets the range of needs. Information held should include details of the provision for the young people.		Philip Gosnay E+YE Statistician	May 2016	1	

	What is our target? Range of Provision	How will this be achieved?	Who is responsible?	When?	Priority	Quality Indicator
6.2	Education and Youth Employment will ensure that we provide a varied range of provision to meet the wide and varied needs of pupils with ASD. Details of this provision should be published, including any future planned developments	→ Completion of the Ardrossan Resource → Review of provision to determine further local need	Caroline Amos ASD Strategy Group	Ongoing		

	What is our target? Children's Plans	How will this be achieved?	Who is responsible?	When?	Priority	Quality Indicator
6.3	<p>Education and Youth Employment will ensure that our schools prepare clear and effective plans for all pupils with ASD and use them to meet the specific well-being needs of individual pupils.</p> <p>We will ensure that the schools use the child's plan to track the young person's progress towards meeting their potential.</p> <p>North Ayrshire Council Education and Youth Employment, where appropriate, must work with the Scottish Government, Health and Social Care Partnership and other agencies to coordinate support for young people with ASD.</p> <p>Education and Youth Employment will work with colleagues in the NHS and HSCP to develop procedures for the early identification of children with ASD.</p>		ASN Coordinators	Termly	1	

	What is our target?	How will this be achieved?	Who is responsible?	When?	Priority	Quality Indicator
	Developing Life Skills					
6.4	Schools will ensure that pupils with ASD are given appropriate opportunities to gain an understanding of the social world they live in and to develop those life skills which they can use out with school. Pupils will be given the opportunity to identify and develop their personal strengths	→Development of a package of Life Skills	ASN Coordinators Professional Learning Academy	2017	2	

	What is our target?	How will this be achieved?	Who is responsible?	When?	Priority	Quality Indicator
	Opportunities and Mainstreaming					
6.5	Our schools will ensure that they maximise opportunities for pupils with ASD to be included socially and educationally with their mainstream peers.		Learning Support Coordinator		1	

	What is our target? Communication and Transition	How will this be achieved?	Who is responsible?	When?	Priority	Quality Indicator
6.6	Education and Youth Employment will ensure that parents receive full information about the provision made for their children. This will include the options that are available to them at periods of transitions from stage to stage or school to school. Parents should be involved in training events and where appropriate people with ASD could be invited to contribute to training programmes.		Head Teacher PreSCAT Ed. Psychologist ESR Depute Head	December (Annually)		

	What is our target? Staff Development	How will this be achieved?	Who is responsible?	When?	Priority	Quality Indicator
6.7	Teaching and support staff will, where appropriate, have access to a programme of staff development opportunities that relate to ASD, this should be includes in CPD and PPD programmes. Where required, specialised training should be provided for teachers and non-teaching staff working directly with pupils and children with ASD.	→ Tiered Training Catalogue → Tier 1 Universal → Tier 2 Targeted	Head Teachers			

	What is our target? Strategic Planning	How will this be achieved?	Who is responsible?	When?	Priority	Quality Indicator
6.8	<p>Education and Youth Employment must work with the NHS, HSCP and other agencies to develop plans, share strategies and commit resources to ensure that pupils and children with ASD receive appropriate support in line with their needs.</p> <p>Plans must be regularly evaluated and reviewed and openly shared with parents.</p>		<p>ASD Strategy Group</p> <p>RAMG</p>	<p>Quarterly</p> <p>Fortnightly</p>		



NORTH AYRSHIRE COUNCIL

EDUCATION AND YOUTH EMPLOYMENT

Autism Policy Statement – Supporting those with Social
Communication Needs including Autism Spectrum Disorder

2016 - 2020

This policy has been developed collaboratively by the Autism Strategy Group which includes representation from parents of children with social communication needs who attend both mainstream and additional support needs schools. The group also includes Head Teachers, Depute Head Teachers, Early Years Managers, North Ayrshire Education and Youth Employment Senior Managers, Educational Psychology Service, One Stop Shop and representatives from the Health and Social Care Partnership.

1. BACKGROUND AND RATIONALE

- 1.1 All North Ayrshire schools work within a framework of national legislation and local policies. This policy is consistent with national and local policies with regard to supporting learning and additional support needs (ASN). It details Education and Youth Employment's responses to the specific needs of children and young people with social communication needs, including Autism Spectrum Disorder (ASD).
- 1.2 North Ayrshire Education and Youth Employment are committed to providing our learners with high quality learning and teaching in a learning and caring environment underpinned by a set of explicit core values to develop individual strengths, skills and talents to help them achieve the best that they can. We will work in partnership with parents and our partners to deliver a curriculum that enables our learners to reach their full potential and to be as independent as possible. It is our aim to ensure that our pupils are fully included and have the opportunity to contribute to the community in which they live and learn.
- 1.3 Children and Young People, who experience difficulties with social communication, including ASD, are recognised as a population who require careful planning and consideration. Many children may not have a diagnosed medical condition but nevertheless present with similar needs within educational settings requiring consideration for planning and review.

These needs may include the child or young person requiring support with:

- focus, attention and concentration;
- speech, language & communication;
- social development;
- self-regulation and managing impulsivity;
- motor development;
- literacy and/or numeracy and
- sensory development.

- 1.4 The Education (Additional Support for Learning) (Scotland) Act 2004 commenced in November 2005 and was revised in 2009. This has had wide and far-reaching consequences for the way all pupils are supported by schools, education authorities and partner agencies and organisations and on how pupils with additional support needs can fully access the mainstream curriculum in schools.
- 1.5 The Children and Young People (Scotland) Act (2014) recognises that practitioners are key to promoting, supporting and safe guarding the wellbeing of all children and young people and places a duty on local authorities for every child to have a Named Person as a point of contact to support children, young people and families when there is a wellbeing need. It introduces the concept of a Child's Plan, provides new statutory functions for information sharing, where appropriate and necessary to support, promote and safe-guard the wellbeing of individuals. It contains a requirement to report on outcomes and measure the impact of service planning and delivery at a school, authority and Community Partnership Planning level.

- 1.6 North Ayrshire Council will therefore ensure they adhere to this legislation in a bid to support children and young learners through:

- early identification;
- partnership with parents;
- effective transitions;
- developing a range of provision - mainstream and additional support bases;
- multi-disciplinary and collaborative work with partner agencies; and
- staff training and development.

2. EARLY IDENTIFICATION

- 2.1 Early identification and assessment of a child's needs is essential for planning educational placements to ensure that effective transitions and parental support can be facilitated. Medical diagnosis is the responsibility of the National Health Service however assessment of educational needs and provision planning are the responsibility of North Ayrshire Education & Youth Employment. Therefore, partnership working and close communication between key agencies and with parents is essential.

3. THE LEARNING EXPERIENCE

- 3.1 Supporting local children with autism is a shared responsibility and there must be good joint working arrangements to support our young people through education.
- 3.2 Our approach must be to recognise the need and create an ethos that our schools are accessible and inclusive. This means that we must develop awareness and understanding through training and sharing areas of good practice. We must develop the skills and knowledge of all staff.

This requires joint planning and delivery of training, better utilisation of nationally developed training resources and better sharing of good practice at local and national levels. For this to be successful, all partners, children and young people with autism and their parents and families will have to work together.

- 3.3 Schools will provide an environment that takes into account the additional support needs of children and young people with social communication difficulties, including ASD. In addition, targeted supports and approaches will be offered. These will include:
- appropriate opportunities to gain an understanding of the social world they live in;
 - the development of skills which they can use outside of school in their local community;
 - opportunities to identify and develop their personal skills;
 - opportunities to be included socially and academically with a wide range of peers;
 - use of visual structures /structured teaching approach and
 - the use play in the early years.
- 3.4 The Autism Toolbox is an online resource which all schools and establishments in North Ayrshire are aware of and are able to access. It is funded by the Scottish Government and has been developed in partnership with Scottish Autism and with support from Autism Network Scotland.

The resource aims to support the inclusion of children and young people with autism spectrum disorder in mainstream education services. As well as introducing and describing some of the more common challenges a pupil with autism might face, it provides real life case studies from Scottish schools and practical examples of supports that can be translated and used in school settings. It also signposts to other websites that may be useful.

This online resource complements the original Autism Toolbox developed by the National Centre for Autism Studies and references the original toolbox throughout. The Toolbox will be used as the basis for training and it is expected that staff will use this as a reference in order to plan for children's need.

4. PARTNERSHIP WITH PARENTS

4.1 North Ayrshire Council, Education and Youth Employment is committed to working in partnership with parents. Full parental engagement is a fundamental principle of the policy.

4.2 The aim of the Directorate and our schools is to adhere to the following core principles when working in partnership with parents to support the needs of children and young people:

- Child at the centre;
- Least intrusive, proportionate and staged intervention;
- Open communication and effective collaborative assessment with parents of additional support needs;
- involvement of parents in planning their child's plan;
- Transparent decision making;
- High quality partnership and communication between professionals and
- Quality assurance in our education establishments to evaluate the effectiveness of additional support needs.

5. DEVELOPING A RANGE OF PROVISION

5.1 North Ayrshire Council Education and Youth Employment aims to meet the needs of children with social communication difficulties, including ASD, primarily through the presumption of attendance at mainstream school. There are a significant number of children and young people who have identified social communication needs, who may or may not also have a diagnosis of ASD, who can, with support, fully access the mainstream curriculum in schools.

However, in exceptional circumstances it may be that children and young people's additional support needs may be met through their attendance at or access to a school other than a mainstream school. This will be delivered following a multi-agency assessment of need and agreement through the E19 Process to progress alternative education provision.

5.2 North Ayrshire Council currently has six schools with enhanced levels of staffing to support children and young people with a variety of additional support needs, including social communication difficulties and ASD. These are: -

- James McFarlane School, Ardrossan;
- James Reid School, Saltcoats;
- Haysholm School, Irvine;
- Stanecastle School, Irvine;

- Dreghorn PS, Education Support Resource, Dreghorn;
- Elderbank Primary School, Supported Learning & Hearing Impairment Resource and
- Ardrossan Academy, Astra Support Resource, Ardrossan (Opening August 2016)

6. PARTNERSHIP AND COLLABORATIVE WORKING

- 6.1 In North Ayrshire, Education and Youth Employment and parents and young people have access to and work in partnership with services. They provide support for people with additional support needs, including those with social and communication needs and autism. These service partners include: -

Education and Youth Employment

- Educational Psychology Service;
- Pre-school home visiting service;
- Preschool community assessment team (preSCAT) and
- Further Education supports through Senior Phase.

Health and Social Care Partnership

- One Stop Shop;
- Child and adolescent mental health service (CAMHS);
- Clinical psychology;
- Paediatricians;
- Health visitors;
- Occupational therapist;
- Speech and language therapists;
- Physiotherapists and
- Social workers.

These lists are not exhaustive and where appropriate further supports will be sourced and utilised.

7. CHILD'S PLANS

- 7.1 A Child's Plan will be prepared collaboratively for those children who have been assessed as requiring a plan. This will have the involvement of other agencies and will be reviewed to evaluate progress and inform planning for next steps.
- 7.2 If a child has substantial, continuing and direct involvement from one or more partner agency, consideration will be given as to whether or not a Co-ordinated Support Plan (CSP) is required within the framework of the ASN Act 2004. The CSP, if appropriate, will ensure that the support the child receives is co-ordinated to maximise the impact of the planned support interventions.

8. PLANNING FOR TRANSITIONS

- 8.1 We know that individuals with autism often find change challenging and that it can lead to heightened anxieties. All staff are required to develop a deep understanding of the child and young person in order to identify the key challenges as well as their strengths and motivations. It is essential that staff work closely with the parents or carers and other professionals supporting the child to ensure a consistent approach.

- 8.2 Children and young people will be supported in schools to ensure they are able to cope with the everyday transitions around school, whether that be from one activity to the other or from the classroom to a social setting.

9. SENIOR PHASE

- 9.1 All school leavers in North Ayrshire are entitled to support into a positive and sustained destination and should receive an offer of a post-school place in education, employment or training in advance of leaving school.
- 9.2 Our schools work with a variety of partners including Skills Development Scotland, the Third Sector, local and national employers and providers of further and higher education. The involvement of partners is particularly important when leavers are likely to need enhanced information, advice and guidance.
- 9.3 The Additional Support for Learning Act requires schools and partners to plan a pupil's transition at least 12 months in advance of their leaving date. It is good practice to start this process 12 months in advance of the pupil's statutory leaving date, even if they are likely to stay in school beyond that date. This is particularly important with children and young people with autism as they are likely to require specialist support in planning their future careers.
- 9.4 The views of the young person should be taken into account at all times and the school and its partners must ensure that support is in place in order to best meet the pupil's aspirations. Where possible, parents and/or carers will be actively involved in this process.

10. STAFF TRAINING AND DEVELOPMENT

- 10.1 In line with the Education and Youth Employment Inclusion Strategy, our priority is to build capacity across all schools and support services in order to meet the needs of all children and young people with social and communication needs, including ASD, in North Ayrshire.
- 10.2 Education and Youth Employment has developed a Career Long Professional Learning (CLPL) framework to support training for staff across education so that all pupils with ASD in the authority can be supported. Training is provided to ensure the development of different levels of staff expertise and need across the authority.

The framework is needs-based and aims to provide a general understanding of autism and sensory development for all staff in educational establishments. Where appropriate, more in-depth knowledge and expertise can be developed to meet the requirements of individual need.

- 10.3 It is recognised that there is a need to be continuously reviewing the environment and curriculum in all our schools, in order to increase accessibility for children and young people with social communication needs, including autism. We will train all staff in autism awareness and look to enhance the training of those working directly with Autistic children.
- 10.4 Experienced staff will be expected to offer advice to mainstream schools on appropriate resources and to support their targeted use. They will also offer advice on any requirement for adaptation of the classroom environment to suit the needs of individual children and young people.

10.5 Training will be provided by:

- members of the strategy group,
- experienced practitioners,
- parents of autistic children and from
- children with social communication needs themselves.

This training will increase the skills, abilities and motivation of school staff to fully include children and young people with social communication needs, including ASD, in mainstream settings.

10.6 Practical support will be provided by experienced practitioners from each of the four sectors - early years, primary, secondary and additional support needs schools. This is augmented by enabling staff from other schools. Best practice will be shared across the authority through a shadowing approach and involvement from the Professional Learning Academy

North Ayrshire Council will continue to develop training and information events to further involve parents as both audience and contributors.

11. SERVICE PLANNING

11.1 The multi-agency Autism Strategy Group will have representatives from Education and Youth Employment and the Health & Social Care Partnership. This group will seek to have an effective dialogue with parents in order to meet the needs of children and young people.

11.2 The Senior Manager within Education and Youth Employment will be responsible for liaising with the Health and Social Care Partnership and co-ordinating actions. This will be monitored through the Autism Strategy Working Group within Education and Youth Employment.

12. QUALITY ASSURANCE

12.1 The Standards in Scotland Schools etc. Act (2000) places a statutory duty on Education Authorities to ensure the quality of provision in its schools and centres. North Ayrshire Council is committed to working in partnership with key stakeholders to provide a high quality education service.

12.2 The Authority has a responsibility to know its schools and centres well and to provide an overall vision within which schools can work. This vision is set out clearly in the Education and Youth Employment Service Plan.

12.3 The Council recognises that improvement in performance comes from quality self-evaluation at all levels. The Council endorses the use of national measures of school improvement as contained in How Good is Our School? and How Good is Our Early Years Centre. These will be used in conjunction with our own approach to self-evaluation to identify strengths and developmental needs with regards to ASN and ASD.

12.4 The national programme of inspection undertaken by Education Scotland (HMI) has a valuable role to play in ensuring quality. The Inspectorate can, however, only sample a small number of schools in any year. Quality improvement procedures are the remit and responsibility of all. In particular, Heads of Service, Senior Managers and Head Teachers are responsible for ensuring procedures are robust and effective.

- 12.5 Through regular school and centre visits, and professional dialogue, Senior Managers make judgements regarding the level of intervention and support required by schools and centres. Partnership nurseries are supported by a Partnership Officer and/cluster peripatetic teachers.

13. DELIVERING THE POLICY

- 13.1 The delivery of the over-arching ASD Strategy and this Policy will be led by the Head of Service and the ASD Strategy Group. Consultation will take place with pupils with autism and their parents/carers to ensure that the Service remains on track to support its children and young people.
- 13.2 A monitoring framework will be established by the ASD Strategy Group, as part of the Action Plan, to ensure the effective delivery of the Strategy and accompanying Policy.

DRAFT

NORTH AYRSHIRE COUNCIL

Agenda Item 5

29 March 2016

Cabinet

Title: **North Ayrshire Children's Services Plan 2016-20**

Purpose: To advise on the development of the North Ayrshire Children's Services Plan 2016-20: Getting It Right For You

Recommendation: That the Cabinet notes the North Ayrshire Children's Services Plan 2016-20.

1. Executive Summary

- 1.1 In September 2015, at the fourth Elected Member's Private Briefing on the findings of the Improving Children's Outcomes project there was a presentation on how a draft Children's Services Plan 2016-20 was being developed as the strategic response to the findings from this work with the Dartington Social Research Unit and the Scottish Government.
- 1.2 The Scottish Government has advised that the three year Children's Services Plans (CSPs) for 2017/20 required under Part 3 of the Children and Young People's (Scotland) Act 2014 should be in place by April 2017. The Act requires Councils and NHS Boards to jointly prepare a Children's Services Plan and to jointly publish an annual report.
- 1.3 The Act also requires that public authorities report on the steps they have taken to secure or further effect the United Nations Convention on the Rights of the Child. The statutory guidance is to be published in April 2016 and the draft guidance is awaited.
- 1.4 In September 2015, the CPP Board approved proposals for the drafting of the Children's Services Plan for 2016-20 in advance of this timetable. A Writing Group was formed by the Children's Services Strategic Partnership (CSSP) to produce the plan. The Group took an innovative approach based on the life course of a child, covering the early years, primary and secondary school. The Plan has a focus on children and young people, rather than on specific groups of children or on services. It has been written as far as possible to describe its proposals to a young person. It contains "promises" on what services will do and "did you know" sections on relevant points of information.

- 1.5 The Plan's vision links to the Scottish Government's vision to make Scotland the best place in the world to grow up.



- 1.6 It is based on the four priorities from the Improving Children's Outcomes survey where almost 8,000 young people in North Ayrshire were asked questions about their lives. A survey of 630 families with young children was also held to help understand the issues for them.
- 1.7 The Children's Services Plan's priorities are to:
- Improve how children and young people engage with school.
 - Help children and young people to keep fit and be at a healthy weight.
 - Reduce smoking, drinking and taking substances at an early age.
 - Support children and young people's social and emotional development.
- 1.8 An Action Plan is appended to the Plan detailing the actions against each promise to indicate what is planned to deliver them.

2. Background

- 2.1 The Draft Plan was consulted on during November and December 2015 to obtain views on its "promises" and to ensure that its plans to improve children's services and outcomes meet with local needs, expectations and aspirations.

2.2 This consultation exercise included:

- Workshops at the Youth Conference.
- Consultation with the Youth Joint Cabinet
- Group Discussions with secondary school pupils.
- CPP Lunchtime Briefing.
- Consultation event for children's services managers.
- Focus groups with parents.
- Young people at the Rosemount Crisis Intervention Service.
- SMT meetings, Directors weekly emails, press releases, websites and social media.

2.3 Young people were consulted directly for their views by Community Workers in 6 secondary and 6 primary schools in North Ayrshire. These online and face to face consultations with 1,295 children and young people showed that 98% agreed with the vision and 94% with the priorities.

2.4 Other issues highlighted by this consultation included financial education, mental health, feeling safe, & bullying. The most popular title for the Plan was "Getting it Right for You", with 636 responses in its favour. There was general agreement with the promises and a preference to receive information on it through Facebook, Twitter, Instagram, and various websites.

2.5 There were 65 survey monkey responses by adults which showed general support for the Plan and highlighted issues about child protection, internet use, and parenting. In addition, there were email responses received from 30 individuals and organisations and three formal responses.

2.6 The key points raised from this consultation exercise were:

Early Years

- More of a focus needed on the role of dads.
- The need for more financial and benefits advice.
- More support needed in parenting.
- issues around breastfeeding.
- Family breakdown and support.
- Housing and homelessness issues.
- Diagnosis of disability and complex needs.

Primary School

- Internet Safety.
- Bullying, including cyber bullying.
- Young carers.
- Moving between early years, primary and secondary school.
- High quality education.

Secondary School

- Mental Health priority welcomed.
- More support needed in life skills training and independent living.
- Peer mentoring offered by young people.
- Sexual health.

- 2.7 The feedback from the consultation was generally positive on the Plan's approach, style and content. It is regarded as easy to read and accessible and there is broad agreement with proposals. The consultation shows that mental health and wellbeing continues to be a key theme.
- 2.8 On 12 January 2016 a special meeting of the Children's Services Strategic Partnership was held to consider these comments in detail and to agree changes to the draft Plan to respond to them.
- 2.9 Further work has been done on the action plan and in putting together a performance framework based around the four priorities. Monitoring arrangements are being developed.

3. Proposals

- 3.1 The CPP Board, the governing board for the CSSP, will consider this Plan for approval at its meeting on 24 March and the Plan will also be presented to the NHS Board. Its executive summary is attached at **Appendix 1**. The Cabinet is invited to comment on the Plan.
- 3.2 There have been discussions on how to make the Plan more accessible and attractive to children and young people, as well as to adults. It is planned that there will be a comic strip booklet produced on the promises for Primary School children. This has been developed by pupils at St Bridget's Primary School, Kilbirnie.

- 3.3 Youth Services consulted young people for their views. There was a preference for a z-card that folds out with each promise with the action planned underneath. This card and the comic strip would include telephone help lines and websites for support e.g. on bullying. This information will also be available online.
- 3.4 Art students at Greenwood Academy have drawn cartoon designs for the Plan, based on children's rights. They have also worked on the front cover design. There will be posters for schools, bookmarks and other materials produced to make sure the Plan is promoted widely, including through social media. A launch event is to be held.

4. Implications

Financial:	The Plan includes a section on resources which indicates that more than £140 million is to be spent on children's services in North Ayrshire in 2015/16 and that, of this amount, approximately 3% is being spent on early intervention. It is intended that there will be a further shift towards early intervention over the next four years.
Human Resources:	There are no direct implications.
Legal:	There are no direct implications.
Equality:	An equality impact assessment has been carried out and the draft plan meets all requirements in relation to the equalities agenda.
Environmental & Sustainability:	There are no direct implications.
Key Priorities:	The proposals in this Plan have implications for the Council Plan's priorities "Ensuring people have the right skills for learning, life and work" and "Supporting all of our people to stay safe, healthy and active".
Community Benefits:	There are no direct implications.

5. Consultation

- 5.1 There has been a wide ranging consultation exercise on the draft Children's Services Plan and the comments have been used to amend the final Plan.
- 5.2 The draft plan has been shared with the Scottish Government, the Children's Commissioner's Office and the Care Inspectorate amongst others and the feedback has been generally very positive.

6. Conclusion

- 6.1 The Children's Services Plan has been developed taking a different approach to previous plans in order to place more of a focus on the needs and issues for children and young people as they grow up in North Ayrshire.
- 6.2 The Plan is built on an extensive research project carried out to gain a better understanding of what more could be done to improve their outcomes. Its priorities are based on the findings from this Improving Children's Outcomes project.
- 6.3 The Plan includes commitments as "promises" to make clear what partners will do to improve outcomes.
- 6.4 There has been a widespread consultation on the draft Plan and the comments received have broadly welcomed its innovative approach. The Plan will be reviewed once the Scottish Government's guidance on the production of Children's Services Plans is available.
- 6.5 The Cabinet's views are invited on the final version. Plans are being developed to ensure that the Plan is as accessible as possible to children and young people. Implementation of the Plan will be monitored and reported on annually to the CSSP and subsequently shared with the CPP.



IONA COLVIN

Director (North Ayrshire Health and Social Care Partnership)

Reference :

For further information please contact Marjorie Adams on 01294 317801

Background Papers

North Ayrshire Children's Services Plan 2016-20

Getting it *right* for you



Executive summary

Introduction

This Plan explains how North Ayrshire Children's Services Strategic Partnership aims to give you the best start in life and to make North Ayrshire the best place in Scotland to grow up.

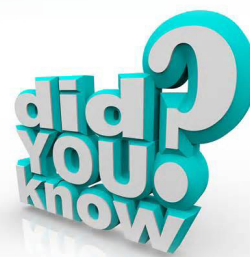
The Plan is for you – all of the children and young people from 0 to 18 years in North Ayrshire. It aims to join up our services and make sure that you are at the centre of what we do over the next four years. It explains what we plan to do in:



PROMISE Our promises
to help you
as you grow up

It also explains the “Promises” we are making to you and gives some facts about growing up in “Did You Know” boxes.

Useful information and facts about growing up in North Ayrshire.



We asked almost 8,000 of you and also more than 600 families with young children to tell us about your lives.

We also asked some of you with disabilities about your lives and your views. We then used what you told us to decide that our priorities should be to:

- improve how you engage with school
- help you to be physically active and be at a healthy weight
- prevent smoking, drinking and taking substances at an early age
- support your social and emotional development

The Plan explains how we will work with you on these priorities.

A new Act for children and young people gives you better, more effective rights and brings in new ways to support you. It also helps to find any problems at an early stage, rather than waiting until it is too late. There is information about how we will do this in the Plan.

The action plan in the Appendix of this Children's Services Plan tells you more about how we are going to keep the promises we make. We are going to write a report every year about how we are doing.

Our first promises are to:

- work on the Children's Services Plan priorities to improve your outcomes
- make sure that your rights are protected
- work closely with you and your family to make sure that you are safe and protected
- care for your needs if you have health needs or a disability

Early Years (0–5 years)

This is a very important time for you and your family as you change and develop.

We promise that:

- your mum will have a named midwife who will look after both of you
- if your mum smokes, drinks alcohol or takes substances when she is pregnant with you, we will offer her a programme to help her to stop
- we will help your mum if she wants to breastfeed, as this is best for you
- we will support your dad and family members as they will be of great support to you and your mum
- you will have a named person (health visitor) who will be there for you and your family

- we will help your mum and dad to learn the most important things about looking after you
- if your mum and dad have problems and decide to split up, we will be there to support you all through it
- we will help your mum and dad to get the best information on money, benefits and employment to make sure that you have food to eat and a safe, dry and warm house to live in
- your Health Visitor (named person) will check your growth, your health and wellbeing and how you talk to and communicate with people when you reach 27–30 months and before you start school
- if you are three years old, we will give you the chance to learn, develop social skills and meet other young children in an early learning centre
- every day you will be able to get exercise, play outside and eat healthy snacks at your early learning centre
- we will put all the people who are there to support you into your local area so they can work more closely together for you and with you

Primary school (5–12 years)

You will usually start school when you are around five years old. You will learn lots of things to help you as you grow up. Your body will go through changes too.

We promise to:

- help you move through these stages as smoothly as possible
- help you to read, write and count before leaving Primary school
- give you and your family help if you are above a healthy weight
- give you the chance to take part in sport, physical activity and dance
- give you with the best education possible through high quality teaching
- build your confidence and help you to be the best you can be
- help your parents and carers support you in your learning

Secondary school (13–18 years)

The next key period when you can improve your chances to do well in your life happens when you change from childhood to adulthood. This change can bring challenges for you, your family and those who care for you.

We promise to:

- give you opportunities to help you develop into the best person you can be
- give you access in school to the professionals who can give you the right support at the right time
- talk to you and your family about your needs and the services we have to support those needs
- make sure that your mental health and wellbeing will be a priority
- work with you and your family to help you feel safe from drugs, alcohol and domestic abuse
- support you so that you know and understand what a healthy sexual relationship is
- provide you with skills for life, learning and work, including financial education
- help you to follow a learning plan that suits you so that you can achieve your full potential
- support you as you move from school towards a job, further education or training course
- make sure that you are looked after as quickly as possible in a new caring home when it is not possible for you to stay with your family, to keep your moves to a minimum. We will tell you about the reasons for these decisions
- work with you and your family to encourage and support positive family relationships
- make sure that you are safe and that nobody will be able to hurt you

Resources

In 2015–16 we spent more than £140 million on services to improve the lives and outcomes of children and young people living in North Ayrshire. We weren't able to spend as much as we would have liked on children who needed extra help early on so we could prevent problems later on. We want to do more of this in the future. We also want to evaluate what we are doing to make sure we are spending money effectively.

Conclusion

This Plan sets out how we will work with you over the next four years to help you grow to be a healthy, confident adult and to make North Ayrshire the best place to grow up.

NORTH AYRSHIRE COUNCIL

Agenda Item 6

29 March 2016

Cabinet

Title: **Children's Services Change Projects**

Purpose: To consider the governance arrangements for children's services change projects.

Recommendation: That the Cabinet approves the governance and reporting arrangements for children's change programmes as detailed in **Appendix 1**.

1. Executive Summary

- 1.1 The governance arrangements have been reviewed in light of developments since the establishment of the Children's Services Strategic Partnership in December 2013.
- 1.2 It is now proposed that a Children's and Young People Support Review Board be formed. The Boards would be co-chaired by Heads of Services from Education & Youth Employment, and the Health & Social Care Partnership. It would oversee the delivery of the change projects being developed with children's services.

2. Background

Introduction

- 2.1 On 26 January 2016 the CSSP agreed that the governance arrangements for children's services change projects be reviewed and streamlined and that the terms of reference for the CSSP established by the CPP Board in December 2013 be updated to reflect recent changes.
- 2.2 The areas highlighted included:
- Health & Social Care Change programme
 - Attainment Challenge
 - Teams around the Child and Pupil Support Reviews
 - Improving Children's Outcomes

Current Position

- 2.3 There have been discussions between the Health and Social Care Partnership and Education and Youth Employment about the best means on integrating this work and ensuring that it is developed in a multi-agency way.
- 2.4 It emerged that there is a positive and timely opportunity to connect the reviews currently planned within the Council and the Health and Social Care Partnership so that the wide range of issues involved in providing additional support to children and young people can be considered holistically.

3. Proposals

- 3.1 It is proposed that a Children's and Young People Support Review Board (CYPSRB) be formed to be co-chaired by the Head of Service (Inclusion), Education & Youth Employment and the Head of Service (Children, Families & Criminal Justice Services), Health & Social Care Partnership. The Board would also comprise representatives from both services.
- 3.2 The new Board would oversee the delivery of the eight change projects being taken forward as shown in **Appendix 1**. It will meet every two weeks and will provide the Children's Services Strategic Partnership and other groups with regular reports on plans and progress against the project objectives, and the risks and issues that emerge as a result of the work. In addition, it will ensure that there is appropriate consultation with children, young people and other stakeholders involved in this Review.
- 3.3 The Board's responsibilities to the CSSP would be:
- To ensure the workstream groups are meeting their objectives, milestones and targets.
 - To provide support and guidance on key issues and challenges as required.
 - To manage and maximise the strategic benefits of the project including interdependencies arising from the outputs from each of the 8 workstreams.
 - To lead and manage the internal and external communications associated with the project.
 - To oversee the service evaluations and workforce planning of the project.
 - To manage the high level risks associated with the project.
 - To approve all reports to the CSSP, CPP Board, Integrated Joint Board and Cabinet.

3.4 The Board's membership is shown below:

Person	Designation	Role
Caroline Amos	Head of Service (Children and Young People)	Joint Chair
Stephen Brown	Head of Service (Children, Families, and Criminal Justice)	Joint Chair
Sam March	Lead Educational Psychologist	Member
Andrew McClelland	Senior Manager	Member
Philip Gosnay	Senior Manager	Member
Lynn Taylor	Senior Manager	Member
Angus Grossart	Finance Team Manager	Member
Elizabeth Stewart	Senior Manager	Member
Andrew Keir	GIRFEC Manager	Member
Mark Inglis	Senior Manager	Member
Mae Henderson	Senior Manager	Member
Marjorie Adams	Programme Manager (Early Intervention and Prevention)	Member
Doreen Walkinshaw	Project Manager (Change Team)	Member

3.5 There are other change projects outwith the scope of the Board which report into other structures but which have close connections to it. These include:

- School Estate Project Board, including ASN school proposals
- Attainment Challenge Project Board
- CAMHS review
- Psychological Therapies
- Corporate Parenting

4. Implications

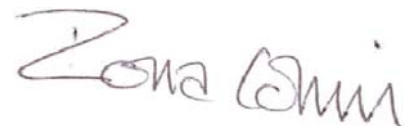
Financial:	There are no direct financial implications from the proposed arrangements but there should be implications arising from this work in relation to identifying potential efficiency savings.
Human Resources:	There are no human resource implications.
Legal:	There are no legal implications.
Equality:	Equality impact assessments will be required once these proposals are further developed.
Environmental & Sustainability:	There are no implications.
Key Priorities:	These proposals will have implications for the SOA high level outcome: "Children's health and wellbeing is improved, through breaking the cycle of poverty, inequality and poor outcomes".
Community Benefits:	There are no community benefit implications.

5. Consultation

- 5.1 There have been discussions with Head of Service (Inclusion), Education & Youth Employment and the Head of Service (Children, Families & Criminal Justice Services), Health & Social Care Partnership on these proposals.

6. Conclusion

- 6.1 The Cabinet is asked to approve that the Council and Health and Social Care Partnership change projects shown in Appendix 1 join together and are overseen by a new Children's and Young People's Support Review Board.
- 6.2 The projects are at different stages in their development. There will also require to be review of the membership on these projects to ensure a cross representation of services.



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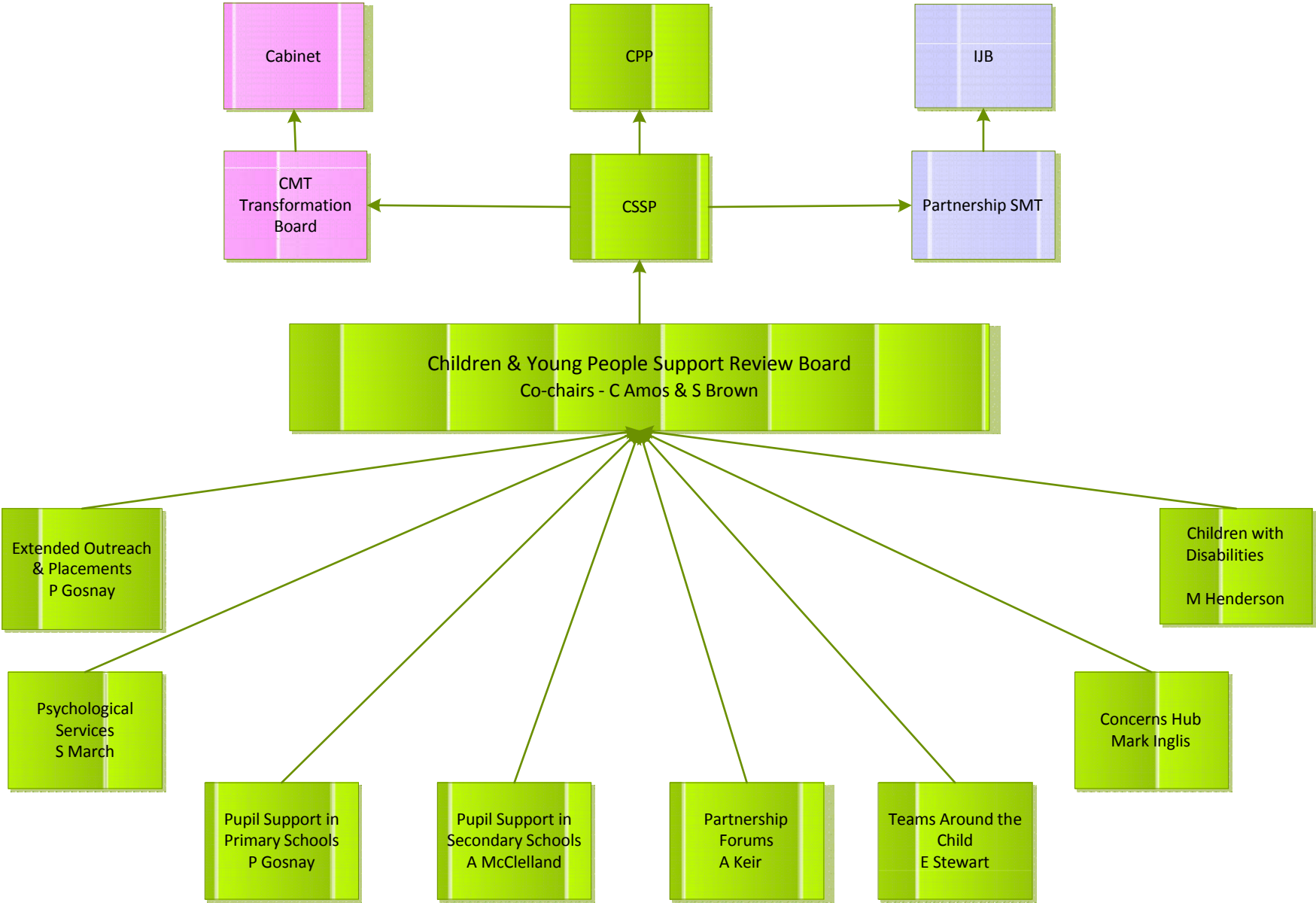
Director (North Ayrshire Health and Social Care Partnership)

Reference :

For further information please contact Marjorie Adams on 317801

Background Papers

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NORTH AYRSHIRE COUNCIL

Agenda Item 7

29 March 2016

Cabinet

Title: **Corporate Parenting**

Purpose: This report provides an update on the work progressing as part of the Corporate Parenting responsibilities of the Health and Social Care Partnership for Looked After children.

Recommendation: That the Cabinet approves of the approach to Corporate Parenting under the new Act and agrees to adopt the Scottish Care Leavers Covenant (2015).

1. Executive Summary

- 1.1 When a child or young person becomes 'looked after' the state assumes duties and responsibilities to safeguard and promote their welfare and wellbeing. At times of writing, this includes a total of 635 young people in North Ayrshire who are formally 'looked after' either at home, with foster carers or kinship carers or with a residential establishment.
- .2 Despite the extensive framework of law and policy, many looked after children and care leavers experience some of the poorest personal outcomes of any group in Scotland. Low levels of educational engagement and achievement feed into high levels of poverty, homelessness and poor mental health. Rates of suicide and self-harm are higher than that of the general population. In 2013 a third of young offenders had been in care at some point in their childhood.
- 1.3 The needs of looked after children and care leavers are often complex, reflecting backgrounds of trauma, loss and instability. Some have physical and/or mental/ learning disabilities. Therefore safeguarding and promoting their welfare and wellbeing can be challenging.
- 1.4 Good parents aim to do much more than the basics for their young people and Scotland's care leavers should expect their corporate parents to do the same.

- 1.5 Corporate parenting represents the principles and duties on which improvements can be made for these young people. The term refers to an organisation's performance of actions necessary to uphold the rights and secure the wellbeing of a looked after child or care leaver, and through which physical, emotional, spiritual, social and educational development is promoted, from infancy through to adulthood.
- 1.6 In other words, corporate parenting is about responsible organisations such as Health and Social Care Partnerships the NHS and Local Authorities listening to the needs, hopes and wishes of children and young people, and being proactive and determined in their collective efforts to meet them.
- 1.7 The introduction of the Scottish Care Leavers Covenant (2015) supports Scotland's corporate parents, in fulfilling their duties to improve the life chances of all of Scotland's care leavers.
- 1.8 By endorsing and signing up to the Scottish Care Leavers Covenant corporate parents can demonstrate their commitment to excellence by transforming practice, culture and outcomes for all care leavers.

2. Background

- 2.1 North Ayrshire Health and Social Care Partnership and North Ayrshire Council and its community planning partners are committed to improving outcomes for all our young people with care experience.
- 2.2 There is presently significant activity which fulfils the expectations of the Scottish Care Leavers Covenant (2015) with the ambition of making maximum difference to the lives of our children and young people with Care experience.
- 2.3 Our Corporate Parenting strategy 2014 – 2017 is due for renewal in light of the Children and Young Person Act 2014. There is presently a writing group established made up of key partners which will create a Corporate Parenting Strategy, ambitious for improving the wellbeing our young people with Care experience.
- 2.4 Through these strategies, all agencies will commit to work in partnership to ensure the achievement of the eight well-being indicators and will ensure that our young people are: safe, healthy, active, nurtured, achieving, respected responsible and included (SHANARRI).

2.5 The support for looked after children and young people and care leavers takes many varied forms. However it is particularly evident within Education and the Health and Social Care Partnership. These services, along with others, prioritise the needs of Children and Young people with care experience and provide services to improve their wellbeing and life chances.

2.6 As an example;

Presently Education have specific staff who support looked after children and each school have a Looked After coordinator, also extended outreach offer weekly homework clubs to all Children's units.

In partnership, the Health and Social Care provide Activity Agreements and preparation for employability work through the work of Throughcare, Aftercare and the Rosemount Project. Presently there is one member of staff whose sole role is to support young people with Care experience to move closer to employment or into employment, education or training. This employment adviser is funded by the Economies and Communities department and delivers an education funded activity agreement for those deemed not job ready.

We currently also have an agreement in place where young people who have been through the care system, have exclusive access to a selection of North Ayrshire Council posts and a guarantee of an interview where they meet the essential criteria. We also now offer a guarantee of an interview to Care Leavers for council's modern apprenticeship posts.

There is also work on going to seek to get agreement from companies whom the council procure services from agreeing to a similar approach to guarantee interviews for Care Leavers when they meet the essential criteria.

There have been some very positive recent examples of external companies whom we have developed good working relationships with, who have directly approached the Throughcare and Aftercare service to offer modern apprenticeships and work placement's and training opportunities with the real option of employment.

3. Proposals

3.1 There is much within the Scottish Care Leavers Covenant (2015) which we are already fulfilling, however there is also room for improvement.

3.2 The below proposals are highlighted as areas where we could improve our approach to Corporate Parenting practice in North Ayrshire Health and Social Care and North Ayrshire Council.

3.3 Should these improvements be agreed it is anticipated that this would be seen as progression towards creating a Corporate Parenting Strategy which reflects a commitment to the Covenant and enable the Partnership and Council to complement and enhance corporate parenting activity and improve consistency of practice across all areas.

3.4 **Improvement in supporting young care leavers towards entering Education, Employment and Training**

- A commitment to create a staged vocational / educational programme between the HSCP and Economy and Communities, designed to target the most displaced or hard to reach young people with Care Experience. This would be as preparation for entering the Skills Pipeline, a programme designed around the needs of young people preparing them to start the journey into the employment pipeline,
- The council and other partners ring fence a number of Modern Apprenticeships exclusively for young people with Care Experience. It is proposed that any Care leavers who almost meet the criteria for a Modern Apprenticeship or who can show a genuine desire and aptitude for a post, be given the opportunity for a ring fenced MA post. It would be anticipated that this would require supports from the HSCP to enable that young person to sustain employment.
- A more structured format through the procurement or tendering process to ensure firms or companies who have contracts with the council agree to offer Modern Apprenticeships or work experience and where they meet essential criteria can progress onto a guaranteed interview for young people with care leaver experience.

3.5 **The completion of the new Corporate Parenting Strategy**

- The Corporate Parenting Plan writing group will complete the Corporate Parenting Strategy and consider how the strategy can incorporate the Scottish Care Leavers Covenant (2015) in its promises.
- This is at the early stages of completion and may include other promises which enhance Corporate parenting, such as; support for young care leavers from within Jobcentre Plus to ease access to the service. Access to targeted Mental Health service for Young people with Care experience, as well as access to money matters advice regarding the implication of young people securing employment upon their benefits.

4. **Implications**

Financial:	This would be done within existing budgets, and through European Youth employment money.
Human Resources:	There would be a need to adapt the councils recruitment and selection policy to reflect the changes as noted above.
Legal:	There are no known legal implications.
Equality:	The council already has adopted a positive approach to disability for example, this change will take into account the life challenges that young people with care experience face and their poorer outcomes.
Environmental & Sustainability:	None known.
Key Priorities:	Developing Scotland's Young work force and GIRFEC.
Community Benefits:	Providing appropriate support and opportunities for some of our most disadvantaged young people to gain employment and towards independence.

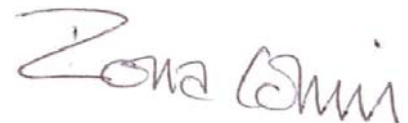
5. **Consultation**

- 5.1 There has been consultation with Throughcare managers, and members of the Corporate Parenting writing group and the Head of Service for Children and Families and Criminal Justice regarding the proposals.

- 5.2 Discussions with other partners are ongoing in relation to other areas of development. Further work is required, however, to shape these developments but they will form part of the draft Corporate Parenting Strategy that will be widely consulted upon prior to publication.

Conclusion

- 6.1 Corporate parenting is about responsible organisations such as Health and Social Care Partnerships, the NHS and Local Authorities listening to the needs, hopes and wishes of children and young people who have care experience, and being proactive and determined in their collective efforts to meet them.
- 6.2 With the introduction of the Children and Young People (Scotland) Act 2014 which came into force on the 1st of April 2015, there is a need for the Health and Social Care Partnership, the NHS and Local Authority to complete the Corporate Parenting Strategy in line with Part 9 of the act. The introduction of the Scottish Care Leavers Covenant supports this development of the corporate parent strategy and organisations in fulfilling their duties to improve the life chances of all of Scotland's care leavers.
- 6.3 The above proposal above goes some way to ensuring that North Ayrshires Corporate Parents understand the lives of their looked after young people and care leavers and respond to their needs as they would to their own Children's needs.



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Director (North Ayrshire Health and Social Care Partnership)

Reference : MI/LR

For further information please contact Mark Inglis, Senior Manager, Children and Families Intervention Services on 01294 317794

Background Papers

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NORTH AYRSHIRE COUNCIL

Agenda Item 8

29 March 2016

Cabinet

Title: **Revenue Budget 2015/16 : Budgetary Control Statement to 31 January 2016**

Purpose: To advise the Cabinet of the revenue budgetary control position for the Council at 31 January 2016.

Recommendation: Agree to (a) note the information and financial projections outlined in the report; (b) note the current financial projection for the Health and Social Care Partnership and consider a separate agenda item on the Recovery Plan; (c) approve the virements detailed in Appendix 9.

1. Executive Summary

- 1.1 The Council's General Fund and Housing Revenue budgets for 2015/16 were approved at a special meeting of the Council held on 9 December 2014.
- 1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, budgetary control reports are presented on a regular basis. This report covers the period to the end of January 2016 (Period 10). Projections of the year-end position have been made which, at this stage in the financial year, should be robust. A final report for 2015/16 will be submitted to the Cabinet in June informing Members of the financial position at the year-end.
- 1.3 At Period 10 the General Fund is forecasting a net in-year surplus of £4.404m (1.3%) after transferring resources to other funds. A high level analysis confirms that the surplus is anticipated to be non-recurring.
- 1.4 The Housing Revenue Account is forecasting an in-year surplus of £1.858m which is broadly in line with period 8.

2. Background

General Fund

- 2.1 The Council has set a break-even budget for 2015/16. In addition to the budget approved on 9 December 2014 earmarked funds of £4.224m have been carried forward from 2014/15 for service expenditure in 2015/16 and are reflected in the figures within the 2015/16 budgetary control reports as they are drawn down.
- 2.2 There are a number of factors contributing to current year projected outturn; some that could not have been anticipated when the current year budget was set and others as a result of action being taken now to address the financial challenge facing the Council in 2016/17. These have been incorporated into the 2016/17 budget which was approved by Council on 17 February 2016. A high level summary is noted below;
- the level of funding available from the Scottish Government to fund Discretionary Housing Payments and the Council Tax Reduction scheme has resulted in the funds set aside by the Council no longer being required (£1.2m)
 - delay in the implementation of Universal Credit for residents within the homelessness service means that funds set aside to meet the funding shortfall are not required (£1.0m)
 - Lower levels of inflation than has been anticipated when setting the current year budget (£0.8m)
 - Implementation of vacancy management to help deliver future year efficiencies (£0.8m)

The above are the main components of the current projected year end surplus of £4.404m (1.3%) broadly in line with the position as at period 8. The projected outturn is net of carry forwards and transfer to reserves.

	Appendix No	Annual Budget * £000's	Projection to 31 March 2016 £000's	Projected Variance for year (Fav)/Adv £000's	Projected Variance @ Period 8 (Fav)/Adv £000's	Movement £000's	Note
Service Expenditure							
Chief Executive and Democratic Services	1	4,565	4,522	(43)	(35)	(8)	
Finance & Corporate Support	2	13,863	13,256	(607)	(501)	(106)	(i)
Education and Youth Employment	3	105,968	105,372	(596)	(355)	(241)	(ii)
Place	4	63,753	61,452	(2,301)	(1,722)	(579)	(iii)
Economy and Communities	5	22,712	21,713	(999)	(719)	(280)	(iv)
Other Corporate Services	6	9,348	6,657	(2,691)	(2,712)	21	
Sub Total		220,209	212,972	(7,237)	(6,044)	(1,193)	
Health and Social Care Partnership	7	84,680	86,101	1,421	828	593	2.4
Balance for Services		304,889	299,073	(5,816)	(5,216)	(600)	
Financing Charges	8	16,936	16,936	-	-	-	
Contribution to Capital Fund	8	-	-	-	-	-	
Transferred to Earmarked Funds	8	5,630	5,630	-	-	-	
Total Planned Expenditure		327,455	321,639	(5,816)	(5,216)	(600)	
Planned Income							
Aggregate External Finance	8	(277,641)	(277,636)	5	5	-	
Council Tax	8	(46,116)	(47,518)	(1,402)	(1,240)	(162)	
Use of Change Fund	8	(782)	(782)	-	-	-	
Use of Earmarked Funds	8	(2,916)	(2,916)	-	-	-	
Total Planned Income		(327,455)	(328,852)	(1,397)	(1,235)	(162)	
Net Expenditure/ (Income)		-	(7,213)	(7,213)	(6,451)	(762)	
Carried Forward Funds	8	-	2,809	2,809	2,272	537	
Revised Net Expenditure/(Income)		-	(4,404)	(4,404)	(4,179)	(225)	

2.3 Commentary on Significant Movements from the Forecast at Period 8

The Council's overall financial forecast against the original budget is consistent with levels reported at period 8. A brief explanation of the significant movements from period 8 is outlined below.

(i) **Finance and Corporate Support - underspend of £0.607m, an increase of £0.106m**

The main movement relates to a further underspend within Discretionary Housing Payments which has been updated and reflects current demand.

(ii) Education and Youth Employment - underspend of £0.596m, an increase of £0.241m

Within Education and Youth Employment the main movement relates to a further underspend in Early Years Education (£0.208m) and reflects employee costs and payment to private partner providers linked to the demand for early year placements and a further underspend in Secondary Education (£0.432m) linked to unspent funding relating to Developing the Young Workforce and a further increase in the underspend connected to contract deductions for the PPP Schools. The ICT computer equipment replacement programme (£0.075m) is also forecasting an underspend due to programme delivery timescales.

This is off-set with an increase in the overspend in Primary Education (£0.307m) which reflects the increased number of pupils with additional support needs and anticipated VER/Redundancy costs (£0.200m) associated with the review of business support. Education and Youth employment have taken some corrective action in relation to Primary Education and continue to progress this to resolve for 2017/18.

Education and Youth Employment are requesting the carry forward of the following items : -

- £0.084m SPIN project for Speech and Language Therapy - planned staff development not delivered in 15/16
- £0.300m Developing the Young Workforce - unspent allocation from 15/16
- £0.075m ICT Computer Replacement - to enable completion of the programme in 15/16
- £0.027m New Qualification - unspent government funding from 15/16

(iii) Place - underspend of £2.301m, an increase in underspend of £0.579m

The most significant movement is in Other Housing (£0.184m) which has increased as a result of affordable housing (£0.048m) being re-profiled and requested to be carried forward to 2016/17 and the delivery of underspends in supplies and services, administration costs and the delivery of efficiencies (£0.107m). The carry forward requested is additional to the carry forward of £0.867m requested in Period 6 and 8. Property Costs (£0.108m) is also forecasting an increase in the underspend forecast mainly as a result of over-recovery of rental income and refunds in relations to previous year rates. Property Maintenance is forecasting an underspend of £0.248m, of which £0.242m is requested to meet committed projects which will not be completed until 2016/17.

Other minor movements in forecast are being experienced in a range of services including Building Services (£0.103m), Internal Transport (£0.049m), Waste Services (£0.076m) and Facilities Management (£0.029m). Waste Services are requesting a carry forward of a landfill tax refund of £0.055m to fund improvement works at the Waste Transfer Station in Arran. Full details are contained in Appendix 4.

(iv) Economy and Communities - underspend of £0.999m, an increase of £0.280m

The projected underspend in Economies and Communities has increased by £0.280m and is mainly due to further underspends in the ESF Programme (£0.199m) and an underspend in sector research (£0.072m) which has been funded through other programmes.

Health and Social Care Partnership - overspend of £1.421m, an increase of £0.593m

- 2.4 The Health and Social Care Partnership is forecasting an overspend of £1.369m as at the end of January 2016, which is an increase of £0.303m since period 8. The Council services element of the projected overspend is £1.421m which is an increase of £0.593m from period 8. The main area of movement is within Kinship (£0.427m) following the increase of Kinship rates from £58 to £200 per week in line with foster allowances. This overspend is net of Scottish Government funding received to support the implementation of these new rates.

Of the annual projected overspend Children and Families (£1.619m) are forecasting an overspend mainly within Children with Disabilities (£1.040m) and is linked with the current forecasted residential and community packages and the implementation of new Kinship rates (£0.427m) as outlined above. Learning Disabilities (£0.486m) and Mental Health Community Teams (£0.231m) are also forecasting an overspend based on the number of community packages currently forecast for the year. These overspends are being off-set with underspends in Older People (£0.741m) due to a reduction in the number of placements being managed within this service as part of an agreed strategic plan to increase funding in Care at Home. Full details are in Appendix 7.

In line with the Integration Scheme, the IJB is required to take corrective action or develop a Recovery Plan to deliver services within available resources. A separate report on the agenda relates to the Recovery Plan.

Aggregate External Finance

- 2.5 There has been no movement in the Aggregate External Finance budget since period 8.

Budget Transfers/Virements

- 2.6 Requests for budget transfers, or virements, have been identified since the start of the financial year. As per the Council's Codes of Financial Practice, where the amount transferred from a budget is over £100,000 (either as a single transfer or the sum of transfers within a financial year) or where the transfer of any amount would affect existing Council policy the approval of the Cabinet is required. A schedule of the virements requested by Services above the £100,000 threshold is attached at Appendix 9 for Members' consideration and approval.

Housing Revenue Account

- 2.7 The Housing Revenue Account budgeted for a break-even position in 2015/16 with an underspend of £1.858m currently projected, which is broadly in line with period 8. This is summarised in the table below with further details provided in Appendix 10:

	Annual Budget £000's	Projection to 31 March 2016 £000's	Projected Variance for year (Fav)/Adv £000's	Projected Variance @ Period 6 (Fav)/Adv £000's	Movement £000's	Note
Employee Costs	4,483	4,413	(70)	(73)	3	
Property Costs	17,558	17,171	(387)	(418)	31	
Supplies and Services	199	229	30	36	(6)	
Transport and Plant Costs	44	40	(4)	-	(4)	
Administration Costs	1,498	1,499	1	18	(17)	
Other Agencies and Bodies	1,611	1,527	(84)	(75)	(9)	
Transfer Payments	133	215	82	53	29	
Other Expenditure	679	434	(245)	(192)	(53)	
Capital Financing	19,768	18,494	(1,274)	(1,274)	-	
Gross Expenditure	45,973	44,022	(1,951)	(1,925)	(26)	
Income	(45,973)	(45,880)	93	16	77	
Net Expenditure	-	(1,858)	(1,858)	(1,909)	51	

- 2.8 **Commentary on Significant Movements from the Forecast at Period 8**

The HRA's overall financial forecast against period 8 has decreased by £0.051m. There are no significant movements since period 8.

3. Proposals

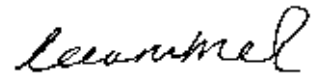
- 3.1 That the Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) note the current financial projection for the Health and Social Care Partnership and consider a separate agenda item on the Recovery Plan; (c) approve the virements detailed in Appendix 9.

4. Implications

Financial:	General Services The net projection, after carry forward, for the year as at 31 January 2016 is a surplus for the year of £4.404m. Housing Revenue Account The net projection for the year as at 31 January 2016 is a surplus for the year of £1.858m. The position for both the General Fund and Housing Revenue Account revenue budgets will continue to be monitored closely for the remainder of the financial year.
Human Resources:	None
Legal:	None
Equality:	None
Environmental & Sustainability:	None
Key Priorities:	This budget monitoring report directly supports the Council Plan 2015 to 2020 by "making the best use of all resources" and ensuring a "sound financial position".
Community Benefits:	None

5. Consultation

- 5.1 Executive Directors have been consulted as part of the budgetary control process and have approved the projected variances, explanations and corrective actions contained in this report.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference : None

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

Background Papers

Revenue Budget 2015/16 : Budgetary Control Statement to 30 September 2015, Cabinet - 24 November 2015

Revenue Budget 2015/16 : Budgetary Control Statement to 30 November 2015, Cabinet - 19 January 2016

CHIEF EXECUTIVE SERVICE
BUDGETARY CONTROL 2015/16

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Legal	458	416	(42)	-9%	1
Policy, Performance & Community Planning	1,254	1,247	(7)	-1%	
Communications	508	516	8	2%	
Committee & Member Services	1,559	1,561	2	0%	
Change Programme	698	676	(22)	-3%	2
Civil Contingencies	88	106	18	20%	
Totals	4,565	4,522	(43)	-1%	

Subjective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	3,875	3,754	(121)	-3%
Property Costs	7	7	-	0%
Supplies and Services	134	175	41	31%
Transport and Plant Costs	16	16	-	0%
Administration Costs	877	895	18	2%
Other Agencies & Bodies	529	548	19	4%
Transfer Payments	-	-	-	-
Other Expenditure	2	2	-	0%
Capital Financing	-	-	-	-
Gross Expenditure	5,440	5,397	(43)	-1%
Income	(875)	(875)	-	0%
Net Expenditure	4,565	4,522	(43)	-1%

CHIEF EXECUTIVE SERVICE
BUDGETARY CONTROL 2015/16

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Budget £000	Outturn Variance £000	Variance as % of budget	Section
Note 1			Legal
			Movement - there is an increase of £0.011m in the projected underspend since Period 8, mainly due to revised income projections
1,037	(41)	4%	Employee Costs - projected underspend mainly due to vacant post within Legal to be used to cover overspend within Policy, Performance & Community Planning.
41	9	-22%	Supplies and Services - projected overspend due to ICT equipment required for office move
55	(19)	35%	Admin Costs - projected underspend relates to legal expenses, based on existing commitments
(684)	9	1%	Income - projected under-recovery based on prior year income levels and anticipated debtor account write-offs
(42)			
Note 2			Change Programme
			Movement - there is no movement since Period 8
716	(26)	-4%	Employee Costs - projected underspend due to delay in filling vacant post
4			Other minor variances
(22)			

FINANCE & CORPORATE SUPPORT
BUDGETARY CONTROL 2015/16

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Directorate	137	142	6	4%	
Finance					
Central Recharges	(233)	(233)	-	0%	
Head of Finance	141	133	(8)	-6%	
Financial Management	2,041	2,036	(5)	0%	
Revenues & Benefits	3,370	2,690	(680)	-20%	1
Audit & Risk	485	485	-	0%	
Corporate Procurement	522	550	28	5%	2
Customer, People & Corporate Support					
Central Recharges	(143)	(143)	-	0%	
Head of Service	105	109	4	4%	
Human Resources	1,782	1,760	(22)	-1%	3
ICT	2,318	2,375	57	2%	4
Customer Services & Registration	1,632	1,691	59	4%	5
Business Support	1,706	1,661	(45)	-3%	6
Totals	13,863	13,256	(607)	-4%	
Less approved Carry Forward	-	50	50		
Net Total	13,863	13,306	(557)	-4%	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	13,176	12,825	(351)	-3%
Property Costs	1	1	-	0%
Supplies and Services	1,514	1,614	100	7%
Transport and Plant Costs	44	48	4	9%
Administration Costs	874	894	20	2%
Other Agencies & Bodies	1,579	1,712	133	8%
Transfer Payments	58,415	57,954	(461)	-1%
Other Expenditure	11	1	(10)	-93%
Capital Financing	-	12	12	-
Gross Expenditure	75,615	75,061	(553)	-1%
Income	(61,752)	(61,805)	(54)	0%
Net Expenditure	13,863	13,256	(607)	-4%

FINANCE & CORPORATE SUPPORT
BUDGETARY CONTROL 2015/16

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Revenues and Benefits
			Movement - There is an increase in underspend of £0.100m since Period 8, mainly due to revised projections for DHP
2,093	(136)	-6%	Employee Costs - projected underspend due to delayed filling of vacancies and maternity leave
147	(12)	-8%	Supplies and Services - projected underspend within Software Licences, expected to be non-recurring
447	20	4%	Admin Costs - projected overspend relates to Sheriff Officer Commission savings unachieved (£0.021m) and postages (£0.024m), offset by underspends in bank charges, Welfare reform admin costs and external printing (£0.025m)
58,144	(425)	-1%	Transfer Payments - projected underspend due principally to funds set aside by the Council for Discretionary Housing Payments (DHP), which are now expected to be fully funded by the Scottish Government
(58,558)	(127)	0%	Income - Welfare Reform funds of £0.105m set aside to address the benefit cap on temporary accommodation will not be required in the current financial year. There is also an approved carry forward of £0.050m in external income to enable the continued funding of posts in 2016/17. These underspends are offset by a shortfall in the Benefit Admin Subsidy of £0.028m
(680)			
Note 2			Corporate Procurement
			Movement - there is a decrease in overspend of £0.017m since Period 8, mainly due to revised employee costs projection
600	(70)	-12%	Employee Costs - projected underspend due to vacancies, maternity leave and long-term sickness absence
(186)	93	-50%	Income - projected under-recovery in revenue and capital contract savings
5			Other minor variances
28			
Note 3			Human Resources
			Movement - there is an decrease in spend of £0.026m which now results in an underspend since Period 8, mainly due to revised employee costs projection and additional HMRC Income
1,494	(22)	-1%	Employee Costs - projected underspend due to delay in filling vacancies and reduced hours
269	42	16%	Payment to Other Bodies - projected overspend due to agency staff costs within Health & Safety, partly offset by an underspend in employee costs. In addition there is an expected overspend within Occupational Health due to increased demand, offset by related recharges to services
(293)	(50)	17%	Income - over-recovery anticipated due to income from HMRC relating to refund of tax overpayment and additional income relating to Occupational Health recharges
205	8	4%	Other minor variances
(22)			
Note 4			ICT
			Movement - there is an now an overspend of £0.057m (nil in Period 8), mainly due to a prior year WAN circuit bill
2,500	(8)	0%	Employee Costs - projected underspend due to delay in filling vacancies
1,025	65	6%	Supplies & Services - projected overspend is due to the 2014/15 annual maintenance for WAN circuits being received late and charged into 2015/16
57			
Note 5			Customer Services & Registration
			Movement - there is no movement since Period 8
1,670	15	1%	Employee Costs - projected overspend due to turnover target not being fully achieved as well as long-term sickness absence cover. This is offset by underspends in Business Support due to staff working some hours for Business Support
131	30	23%	Supplies & Services - projected overspend is largely attributable to the overlap of software contracts in relation to the telephony upgrade
271	(35)	-13%	Transfer Payments - projected underspend of £0.035m in Footwear and Clothing grants based on levels of demand

FINANCE & CORPORATE SUPPORT
BUDGETARY CONTROL 2015/16

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Budget £000	Projected Variance £000	Variance as % of budget	Section
-	12	-	Capital Financing - in 2014/15 Cabinet approved £0.287m to upgrade the Contact Centre technology. The project now requires a further £0.012m to complete the upgrade and approval was granted in period 6 to transfer this amount from revenue to capital at year end
(549)	30	-5%	Income - various registration income lines are projected to under-recover based on lower uptake than anticipated
7			Other minor variances
59			
Note 6			Business Support
			Movement - there is a increase in underspend of £0.007m since Period 8, mainly due to postages underspend.
1,781	(32)	-2%	Employee Costs - projected underspend due to vacancy management
130	(15)	-12%	Admin Costs - projected underspend in postage of £0.015m following Kai Sigma project
22	2	9%	Other minor variances
(45)			

EDUCATION AND YOUTH EMPLOYMENT
BUDGETARY CONTROL 2015/16

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2016

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Early Years Education	11,213	10,594	(619)	-6%	1
Primary Education	35,741	36,179	438	1%	2
Secondary Education	47,244	46,325	(919)	-2%	3
Additional Support Needs	6,276	6,394	118	2%	4
Education - Other	5,494	5,880	386	7%	5
	105,968	105,372	(596)		
Less carry forward proposals		486	486		
Totals	105,968	105,858	(110)	0	

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	83,336	83,796	460	1%
Property Costs	400	380	(20)	-5%
Supplies and Services	16,162	15,502	(660)	-4%
Transport and Plant Costs	192	192	-	0%
Administration Costs	1,128	1,069	(59)	-5%
Other Agencies & Bodies	7,532	7,537	5	0%
Transfer Payments	580	580	-	0%
Other Expenditure	-	-	-	
Capital Financing	-	-	-	
Gross Expenditure	109,330	109,056	(274)	0%
Income	(3,362)	(3,684)	(322)	10%
Net Expenditure	105,968	105,372	(596)	-1%

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2016

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Early Years Education
			Movement - underspend has increased by £0.208m to £0.619m mostly due to staff vacancies.
1,069	(91)	-9%	Difficulties in recruiting Teachers has resulted in an underspend in salaries.
7,150	(321)	-4%	Early Years Practitioners salaries - anticipated underspend mainly due to the slower uptake in early year places for 2 year old's from workless households and delays in additional early years facilities.
224	(77)	-34%	Training course fees - due to difficulty in recruiting suitably qualified staff we have been unable to release staff to take part in enhanced training opportunities. It is proposed to carry forward £0.084m for the SPIN project for Speech and Language Therapy. This is a continuation of the planned staff development that was not able to take place in this financial year.
1,533	(100)	-7%	Payments made to Private Partner Providers is expected to underspend this year, however it is likely that early next year a new advisory floor will be suggested to Local Authorities that could increase the call on this budget.
	(30)		Other minor variances
	(619)		
Note 2			Primary Education
			Movement - the overspend has increased by £0.307m due to employee costs increases linked to ASN service provision.
28,865	507	2%	Employee Costs - overspend (£0.507m) is due to increased number of pupils with additional support needs (ASN) to allow these pupils to remain within mainstream schools. This service is related to the expenditure in note 4. Additional expenditure at this stage can avoid incurring much larger amounts by the time the pupil is in receipt of specialist services. During this financial year the service has already taken corrective action against this budget line. This action has reduced the current year expenditure with a full year effect of £0.200m. The service have identified this overspend as their biggest budgetary issue and will take future action through the Pupil Support Service review. This reflects existing work undertaken to reduce the number of children in high cost placements and include them in local provision.
1,396	(29)	-2%	PPP unitary charge expected underspend mainly due to reduction in the RPI.
	(40)		Other minor variances
	438		
Note 3			Secondary Education
			Movement - the underspend has increased by £432k mainly due to the Developing the Young Workforce project, materials and PPP contract deductions.
31,450	24	0%	Employee costs - anticipated overspend due to Payments in Lieu for Teachers leaving on ill-health.
331	(300)	-91%	Project Materials - Developing the Young Workforce. It is proposed to carry forward this £0.300m unspent grant. There is a firm plan following consultation with a range of partners to spend this budget in the next financial year.
11,311	(236)	-2%	PPP unitary charge expected underspend mainly due to reduction in the RPI.
0	(117)		PPP expected insurance rebate.
(40)	(249)	623%	PPP contract deductions due to penalties. The service is now in formal discussions with the contractor to ensure that the level of service delivered matches the contract specifications.
	(41)		Other minor variances
	(919)		
Note 4			Additional Support Needs
			Movement - the overspend has increased by £4k.
1,077	97	9%	Pupils placed in external specialist day schools currently more than anticipated. The review of inclusion support services will outline options to reduce the reliance on external specialist day placements.
	21		Other minor variances
	118		
Note 5			Education Other
			Movement - the overspend has remained close to the period 8 balance.
0	295		Anticipated net cost (£0.095m) of Teacher Refresh Scheme for 2015/16. This is made up of non-recurring pension costs of £0.115m, recurring pension costs of £0.017m and recurring savings of £0.037m. The full year effect of the recurring savings will be £0.060m. The overspend also includes anticipated VER/Redundancy costs of business support review of £0.200m.
882	100	11%	Anticipated overspend on the HQ teachers replacement cover costs. This covers both long term sick as well as maternity cover.

Budget £000	ProjectedV ariance £000	Variance as % of budget	Section
0	42		Due to a council restructuring a temporary additional post was required to be created. This postholder has now left the Council.
650	(75)	-12%	Anticipated £0.075m underspend on ICT computer replacement. It is proposed that this balance is carried forward as an earmarked fund. The replacement programme has not been able to deliver in the anticipated timeframes. By carrying forward it will allow ICT the time to complete the programme.
			A Scottish Government grant of £0.027m to assist in developing the new qualifications is planned to be spent before the end of this academic year. It is requested that this is carried forward as an earmarked fund to enable spend to take place between April 16 and June 16.
24			Other minor variances
386			
(596)			TOTAL

PLACE
BUDGETARY CONTROL 2015/16

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2016

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Directorate and Support	318	318	-	0%	
Physical Environment					
Property Management & Investment	2,213	2,111	(102)	-5%	1
Housing Assets & Investment	-	-	-	0%	
Property Running Costs	8,183	8,111	(72)	-1%	2
Property Maintenance	5,537	5,289	(248)	-4%	3
Roads	7,023	7,158	135	2%	4
Streetscene	5,057	5,014	(43)	-1%	
Other Housing	6,382	5,002	(1,380)	-22%	5
Commercial Services					
Management and Admin	659	659	-	0%	
Building Services	(287)	(497)	(210)	73%	6
Internal Transport	8,863	8,803	(60)	-1%	7
Waste Services	8,022	7,882	(140)	-2%	8
Facilities Management	11,782	11,602	(181)	-2%	9
Total	63,752	61,452	(2,301)	-4%	
Less Carry Forward		1,212	1,212		
Net Total	63,752	62,664	(1,089)	-2%	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	40,814	40,342	(473)	-1%
Property Costs	16,956	16,889	(67)	0%
Supplies and Services	11,379	11,577	198	2%
Transport and Plant Costs	11,271	11,235	(36)	0%
Administration Costs	2,863	2,891	28	1%
Other Agencies & Bodies	18,193	18,008	(186)	-1%
Transfer Payments	1,445	1,264	(181)	-13%
Other Expenditure	351	343	(8)	-2%
Capital Financing	130	130	-	
Gross Expenditure	103,402	102,678	(725)	-1%
Income	(39,650)	(40,014)	(364)	1%
Net Expenditure	63,752	62,664	(1,089)	-2%

PLACE**BUDGETARY CONTROL 2015/16****REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2016**

Budget £000	Projected Variance £000	Section
Note 1 Property Management & Investment		
		Movement - there have been no significant movements since period 8.
2,580	(91)	Employee Costs - As a result of vacancies the service is projecting an underspend of £0.091m.
413	(76)	Carbon Allowances - There is a projected underspend of £0.076m mainly as a result of the charges relating to 2014/15 being less than accrued.
-576	48	Income - There is a projected under-recovery in fees of £0.048m which is offset by an underspend in Employee Costs.
	17	Other Minor Movements
	(102)	
Note 2 Property Costs		
		Movement - The projected underspend has increased by £0.108m since P8. This is largely due to an over-recovery in rental income and refunds received in previous years rates
5,479	(38)	Rates - There is a projected underspend in Rates. This is largely due to refunds being received in relation to Previous years (£0.047m).
2,981	(114)	Utility Costs - There is an overall projected underspend on utilities largely as a result of an underspend on Biomass fuel due to a delay in the programme. This is however offset by an under-recovery on income.
(2,315)	71	Income - There is a projected under-recovery of £0.071m largely as a result of a lower than anticipated RHI income (£0.127m) due to a delay in the biomass programme which is off-set by underspends on Biomass fuel. This is offset by an over recovery in rental income & service charges (£0.077m).
	9	Other Minor Movements
	(72)	
Note 3 Property Maintenance		
		Movement - The projected underspend has increased by £0.248m since P8. This is largely due to slippage in a number of planned large maintenance projects
1,452	(242)	Payments to Contractors - There is a projected £0.242m underspend resulting from slippage in planned maintenance projects including works at Galt House and the North Ayrshire Heritage Centre. It is requested that this is carried forward to 2016/17 to meet these commitments.
	(6)	Other Minor Movements
	(248)	
Note 4 Roads		
		Movement - there has been no significant movement since Period 8
(143)	135	Income - there is a projected shortfall of £0.135m in relation to income previously received for Bus Shelter advertising due to the contract coming to an end in November 2014.
	135	
Note 5 Other Housing		

Budget £000	Projected Variance £000	Section
		Movement - the overall projected underspend has increased by £0.184m since Period 8. This includes £0.048m for the planned second hand market purchases within the affordable housing account now being re-profiled to 2016/17 and budget is therefore required to be carried forward to fund this. In addition there have been reductions in Supplies and Services and admin expenditure £0.068m and in year efficiency savings of £0.039m.
3,331	(56)	Employee Costs - There is a projected underspend of £0.056m due to vacant posts
1,339	56	Property Costs - There is a projected overspend of £0.056m largely due to void rent loss within the homeless furnished units and one off increased property costs as a result of relocation of the service.
2,668	(706)	Other Agencies & Bodies - There is an £0.915m underspend largely due to the planned contribution towards affordable housing in 2015/16 now not being required until 2016/17. This is required to be carried forward to support affordable housing projects in future years. This is partially offset by a £0.209m overspend due to the delayed implementation of new support contracts.
147	(113)	Other Expenditure - There is a projected underspend in Arrears Write Off of £0.074m. Collection levels are currently higher than anticipated and based on this there is less requirement for write-offs. A further write off will be carried out in March 2016. In addition there have been in year efficiency savings of £0.039m realised through a review of the budget.
2,330	(506)	Income - As part of Welfare Reform it was anticipated that the Local Housing Allowance (LHA) would be implemented from 1 April 2015 and the Income budget was reduced to mitigate against its impact on rent collection levels. It is now not anticipated to come into effect this financial year and as a result there is a projected over-recovery of income of £0.481m.
	(55)	Other Minor Movements
(1,380)		
Note 6 Building Services		
		Movement - the projected underspend has reduced by £0.103m since Period 8 mainly due to a reduction in expected income for Storm damage works and reduction in the number of kitchens being installed within void properties.
8,166	(99)	Employee Costs - There is a projected underspend in staffing of £0.099m due to workforce planning.
4,225	(229)	Supplies and Services - There is a projected underspend of £0.229m mainly relating to materials cost. This is based on the work anticipated at Period 10 however this will change should the level or type of work change significantly in the forthcoming periods.
1,418	(153)	Transport & Plant - There is a projected underspend of £0.153m based on current usage to date.
771	48	Admin Costs - There is a projected overspend of £0.048m largely attributable to additional training costs of £0.034m
1,610	145	Other Agencies - There is a projected overspend of £0.151m mainly relating to payment to contractors cost. This is based on the work anticipated at Period 10 however this will change should the level or type of work change significantly in the forthcoming periods.
87	(87)	Other Expenditure - There is a projected underspend of £0.087m as a result of in year efficiency savings realised through a review of the budget
(3,933)	392	Response Income - There is a projected under recovery of income of £0.392m. This is as a result of the continued strategy to adopt a planned approach to repairs to reduce the cost of responsive repairs.
(2,983)	133	Void Income - There is a projected under-recovery in income of £0.133m due to a reduction in the number of void properties projected for the year.
(1,968)	(99)	Planned Income - There is a projected over recovery of income £0.099m partly as a result of the change in response strategy whereby more jobs are being categorised as planned repairs and as a result of additional secured income for boundary walls

Budget £000	Projected Variance £000	Section
(2,646)	(368)	Non Housing Income - There is a projected over recovery of income of £0.368m due to additional non housing works being secured. This largely relates to capital works in various council properties.
(3,945)	74	Projects - There is a projected under-recovery in income of £0.074m in relation to kitchen installations due to a reduction in the number of void properties projected for the year.
	33	Other Minor Movements
(210)		
Note 7 Internal Transport		
		Movement - the projected underspend has increased by £0.049m since period 8 mainly as a result of lower fuel costs.
2,045	(190)	Fuel Costs - The projected year end underspend on fuel reflects the present current lower cost of fuel. Fuel savings of £0.120m from a reduction in purchase price have been reflected in the 2016/17 budget.
4,231	145	Taxi Costs - The projected overspend is largely due to an increase in demand. A budget pressure has been approved to address the increasing demand for 2016/17. A further business process review and analysis of demand is to be carried out.
	(15)	Other Minor Movements
(60)		
Note 8 Waste Services		
		Movement - the projected expenditure has reduced by £0.076m since Period 8. This is largely due to a £0.044m increase in the projected underspend in relation to Landfill tax and an increase in the projected income for Commercial refuse £0.028m.
724	83	Supplies and Services - There is an overspend of £0.083m which includes £0.048m contribution to Capital for the purchase of new compactors at HWRCs and an overspend on trade effluent of £0.027m.
5,426	(413)	Other Agencies and Bodies - Landfill Tax is expected to underspend by £0.454m. This includes a refund for 14/15 of £0.055m which requested to be carried forward to 2016/17 to fund improvements at the Waste Transfer Station on Arran. An underspend of £0.057m is expected as result of a reduction in Organic waste arisings. These underspends are offset by a projected overspend of £0.101m on payments to contractors which includes £0.041m Legal/Tax Advice and £0.050m Agency costs.
(1,699)	180	Commercial Refuse Income - Projected under-recovery of income for Commercial Refuse £0.180m which represents a £0.028m favourable movement since period 8 as a result of early work to improve potential growth. Work remains ongoing to identify areas of potential growth as part of a Commercial Waste review. Staffing resources have been re-aligned to place a greater emphasis on targeting increased commercial income.
(205)	(70)	Waste Gas Extraction Income -There is a projected over-recovery of income due to increased gas capture levels through completion of capping of cell four at Shewalton Landfill Site.
(128)	40	Sale of materials - There continues to be a projected £0.040m shortfall in relation to sale of materials received at Household Waste Recycling Centres including scrap, waste cardboard and paper. This is due to reduced tonnages and current market prices.
	40	Other Minor Movements
(140)		
Note 9 Facilities Management		
		Movement - the projected underspend has increased by £0.029m since Period 8. This is largely due to an increase in projected staff underspend of £0.025m and increased income of £0.077m offset by increased spend on food provisions (£0.067m).

Budget £000	Projected Variance £000	Section
10,082	(191)	Employee costs - There is a projected underspend across the service of £0.191m which is largely attributable to reduced overtime and vacancy management.
3,191	390	Supplies and Services - overspend of £0.247m in relation to food provisions largely due to increased uptake of school meals and increased levels of special catering which is offset by additional income.. In addition there is also an overspend of £0.122m projected for costs in relation to the termination of Automated Public Convenience contracts.
(2,426)	(435)	Income - Additional income of £0.435m currently anticipated - largely attributable to increased school meals uptake, increased income from Tournament Park Cafe and additional Special Catering.
	55	Other Minor Movements
	(181)	

ECONOMY AND COMMUNITIES
BUDGETARY CONTROL 2015/16

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2016

	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
Objective Summary	£000	£000	£000		
Management	437	428	(9)	0%	
Economic Growth					
Planning & Protective Services	1,995	1,587	(408)	-20%	1
Economic Development	8,086	7,370	(716)	-9%	2
Connected Communities	12,194	12,328	134	1%	3
	22,712	21,713	(999)	-4%	
Less Carry Forward		536	536		
Net Total	22,712	22,249	(463)	-2%	

	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
Subjective Summary	£000	£000	£000	
Employee Costs	12,215	11,869	(346)	-3%
Property Costs	212	257	45	21%
Supplies and Services	1,182	1,225	43	4%
Transport and Plant Costs	172	173	1	1%
Administration Costs	329	340	11	3%
Other Agencies & Bodies	12,011	11,292	(719)	-6%
Transfer Payments	466	466	-	0%
Other Expenditure	1	3	2	200%
Capital Financing	-	-	-	
Gross Expenditure	26,588	25,625	(963)	-4%
Income	(3,876)	(3,912)	(36)	1%
Net Expenditure	22,712	21,713	(999)	-4%

ECONOMY AND COMMUNITIES
BUDGETARY CONTROL 2015/16

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2016

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Planning & Protective Services
			Movement - £0.084m from period 8 mainly due to vacancies not being filled.
2,553	(255)	-10%	Employee Costs - underspends are a result of vacancies.
(495)	(63)	13%	Due to a change in Building regulations from 1st Oct a large number of applications have been received in advance of the deadline. This along with receipt of some applications for large one-off developments has enabled the income projections to be higher than budget.
(524)	(113)	22%	Planning Application fees - additional income projected due to several major applications submitted
23			Other minor variances
(408)			
Note 2			Economic Development
			Movement - the underspend has increased by £0.241m from period 8 mainly due to further underspends in new projects.
6,826	(634)	-9%	Due to delays in European Social Funding (ESF) grant award notification there is a significant underspend in related expenditure for new projects including Case Management, Job Brokerage and Strive. An analysis of the ESF grant funding is being undertaken in order to ascertain whether this underspend will require to be earmarked for future match funding.
(125)	(125)	100%	Additional income received from Nuclear Decommissioning Authority to support Employability programmes.
130	(72)	-55%	Sector Research - full budget not required this year as research items have gone through other programme budgets.
(1,226)	51	-4%	Income - £0.064m shortfall re Youth Employment Scotland Fund grant from Scottish Government and European Social Funding across many projects which had been accrued in previous years. Final actual grant receipts are less than estimated following the completion of final audits.
64			Other minor variances
(716)			
Note 3			Connected Communities
			Movement - £0.038m increase in projected expenditure from period 8 due to revised salary projections.
6,973	(69)	-1%	Employee Costs - underspends in Community Facilities, Community Development and Active Communities offset by overspends in Libraries.
206	43	21%	Property Costs - as a result of the fire in the Nissan shed at Eglinton Country Park there was a need for additional security
938	50	5%	Supplies and Services - many minor overspends in Community Development budgets
4,575	(49)	-1%	Payments to Other Agencies - underspend in Active Communities payment to NALL and Tourism due to pending review.
(1,207)	84	-7%	Income - under-recovery of income from Sportscotland due to underspend in Active Communities that is offset against employee costs.
64			The following transfers to capital were approved at Period 6 : £0.014m to cover the purchase of East Road Car Park from Irvine Common Good Fund. £0.050m to cover an additional allocation required for Eglinton Car Park to cover the Council's legal obligations.
11			Other minor variances
134			

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2015/16

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Objective Summary	Annual Budget	Final Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,409	2,407	(2)	0%	
SPT Concessionary Fares	283	283	-	0%	
Ayrshire Joint Valuation Board	808	808	-	0%	
Other Corporate Costs					
Pension Costs	1,828	1,815	(13)	-1%	
Other Corporate Items					
Non-Distributed Costs	0	-	-	-	
Central Telephones	65	65	-	0%	
Other Corporate Items (incl Cash in Transit & External Audit Fees)	3,955	1,279	(2,676)	-68%	1
Funds to be Allocated (incl Termination Costs)				-	
	9,348	6,657	(2,691)	-29%	

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2015/16

REPORT FOR THE TEN MONTHS TO 31 JANUARY 2015

Budget £000	Outturn Variance £000	Variance as % of budget	Section
Note 1			Other Corporate Items
3,618	-2,676	-74%	A review of corporate items has been undertaken and forecasts updated to reflect the latest information in relation to payroll and non-payroll inflation. This has resulted in a forecasted underspend of £1.263m. In addition, £0.500m set aside for the implementation of the Local Housing Allowance is not required in 2015/16. Funds earmarked for employability projects (£0.819m) will not be fully utilised this year and are requested to be carried forward to 2016/17.

Integration Joint Board

10 March 2016

Agenda Item No. n/a

Subject:	Financial Management Report as at 31st January 2016
Purpose:	To provide an overview of the current financial position of the North Ayrshire Health and Social Care Partnership, as well as the projected outturn for 2015/16 as at period 10 to 31st January 2016
Recommendation:	That the Board (a) notes the content of this report and (b) approves the actions being taken, as noted in paragraph 2.4, to bring the budget back into line.

1.	EXECUTIVE SUMMARY
1.1	This report provides an overview of the current financial position of the North Ayrshire Health and Social Care Partnership, as well as the projected outturn for 2015/16 as at period 10 to 31 st January 2016. This report reflects projected expenditure and income and has been prepared in conjunction with relevant budget holders.
1.2	The total approved budget for 2015/16 was £204.818m. This has been increased to £209.647m at period 10 to 31 January 2016. The budget has increased by £4.829m in total since the budget was originally approved. (£1.503m since the period 8 report). Budget movements are detailed in Section 3.2 of this report.
2.	CURRENT POSITION
2.1	Against the revised full-year budget of £209.647m there is a projected overspend of £1.369m.
2.2	<p><u>Summary of main movements since last report</u></p> <p>The overall position has deteriorated from a projected overspend of £1.066m at the end of November to a projected overspend of £1.369m at the end of January 2016, an increase in the projected overspend of £0.303m. This is primarily due to the impact of the anticipated additional cost of meeting the new Kinship Carer payment requirements. Significant movements since the last report are detailed below.</p>
2.2.1	<p><u>Level One – Core – (total projected underspend of £0.168m, increase in projected underspend of £0.012m since period 8)</u></p> <p>Learning Disabilities, £0.111m decrease in the anticipated overspend due to income from recharge of a high cost care package to another local authority which had not been included in previous projections.</p>

2.2.2	Older People, decreased underspend from period 8 of £0.270m, mainly due to reduced discharges within residential care homes and income from service user charges being lower than previously forecast due to a decrease in charges from older people care at home and day care.
2.2.3	Mental Health Community Teams - decrease in the projected overspend of £100k due to mainly to the review work being carried out on community packages.
2.2.4	An overspend of £0.167m is now being forecast within the primary care prescribing budget. This is due to the average cost of drugs increasing as a result of the short supply of some items and a growth in price so some high cost drugs. Per the Integration Scheme, any overspends in this budget are funded by the NHS not the Partnership.
2.2.5	The General Medical Services projected spend has reduced by £0.193m since period 8, taking it from a projected overspend to a projected underspend of £0.093m. This budget is hosted by the East HSCP with certain aspects delegated to each of the HSCPs. The implications of the uplift for 2015/16 have now been fully worked through and the non-recurring benefit identified against the budgets delegated to each of the HSCPs. This benefit is reflected in the HSCPs for the first time in the January reports; the overall benefit is estimated to be £150,000 in the North HSCP.
2.2.6	Resource transfer, Change Fund and Criminal Justice underspend has increased by £0.047m from period 8 due to underspends in employee costs and mileage within the Changing Children's Services Fund and delays in recruitment to ICF posts.
2.2.7	<u>Level Three – Lead Partnership Services (total projected overspend £0.129m, the projected overspend has reduced by £0.174m since period 8)</u> The main area of improvement is within adult and elderly mental health inpatient services where the use of bank and borrowed staffing has reduced significantly and the temporary delay in filling posts has had a positive impact on the level of overspend within this service. The provision of temporary additional funding within adult inpatient services has also contributed to the reduction in projected overspend.
2.2.9	<u>Level Four – Children's Services (total projected overspend £1.675m, the projected overspend has increased by £0.519m since period 8)</u> Mainly due to the additional cost of implementing the legislative changes to Kinship care payments from October 2015. The cost for this financial year is £0.751m this has been partially offset by £0.269m received from the Scottish Government.
2.3	<u>Detailed Actual vs Budget Analysis to 31st January 2016</u> The summary in Appendix 1 reflects the approved budgets and projected outturns across the Partnership, Appendix 1a details the main variances across all Partnership services, Appendices 2 and 3 detail the main variances across budgeted services delivered by North Ayrshire Council and the Health Board respectively.
2.4	<u>Corrective Actions</u> The following actions are being undertaken to address projected overspends: <ul style="list-style-type: none"> • Review of individual care packages across Learning Disabilities, Mental Health and Physical Disabilities to ensure packages meet service user needs and do

	<p>not create increased dependency and demand. Specific staff have been tasked with reviewing the packages on a rolling basis, starting with the highest cost packages for each area. Monthly reports on progress will go to Heads of Service and the Chief Finance Officer to ensure the review process is being actively delivered.</p> <ul style="list-style-type: none"> For the Lead Services Mental Health baseline budget pressures a business case outlining an interim funding solution was submitted to the Health Board CMT for consideration to allow the new hospital to come on stream and deliver the anticipated budget realignment over the following two years. The proposal has been approved by the Health Board Chief Executive and was discussed at a Health Board workshop. All budgets are being reviewed to identify any scope for reducing in year spend to allow virement to overspent budgets. This includes delaying the filling of some vacancies to generate greater in year turnover savings. In year, a portion of the funding allocations for Delayed Discharges, MH Innovation and QuEST have partially off-set overspends. However this will not address any underlying recurring budget pressures aligned to these areas.
2.5	<p><u>Change Programme</u></p> <p>The Partnership was allocated £2.941m for 2015/16 from the Integrated Care Fund and £0.867m for Delayed Discharge. Spend against both of these programmes is closely monitored by the Senior Management Team and the Change Programme Board.</p> <p>Both funds are expected to outturn within budget for 2015/16. Consideration is given throughout the year to the use of the contingency budgets and any project slippage to ensure the funds are fully utilised within the year. Appendix 4 provides a summary of current projected spend on each fund.</p>
3.	BUDGET REVIEW
3.1	In year Savings Delivery
3.1.1	<p>All agreed Council and Health efficiency savings for 2015/16 have already been removed from the Partnership budget. This section provides an update on progress in delivering those savings.</p> <p>The Council elements of the service had been targeted with delivering £2.619m of efficiency savings in 2015/16. To date as at period 10 £2.202m (84%) has been delivered. It is anticipated that only two of the agreed savings, both relating to Fostering services, totalling £0.114m, will not be delivered in year. This is already reflected in the Children & Families projected outturn figures within this report.</p> <p>The agreed Health efficiency for 2015/16 was the planned closure of beds at Cumbrae Lodge. This took place in June 2015 as planned but the saving had been estimated for the full year. The impact of this for 2015/16 was a £60k shortfall in savings delivery which has been fully funded from delayed spend on the element of the Cumbrae Lodge savings which were retained by the Partnership.</p> <p>A full list of the 2015/16 savings which have already been removed from the 2015/16 budgets is detailed at Appendix 5 which also shows the progress to date in delivering those savings.</p>
3.2	Budget Movements
3.2.1	<p>In total the budget has increased by £4.829m (a further £1.503m since the period 8 report). Significant budget movements include:</p>

	<p>Level One Core budgets have been increased by £1.956m:</p> <ul style="list-style-type: none"> • £1.544m increase in the prescribing budget as a result of new funding from the Scottish Government • The General Medical Services (GMS) budget has increased by £0.510m due to a higher than anticipated increase in the national GMS allocation. • Mental health increase by £0.172m due to the transfer of the choose life allocation from Children's Services budget, an increase in contribution to MHO post, and provision of funding for management posts • £0.3m decrease in the resource transfer budget for funding that has now been allocated to NHS services (dementia nurses £0.240m and Arran £0.060m see below) • £0.334m decrease in the council budgets due to the pay award being lower than originally anticipated • Additional funding of £0.291m received from the Scottish Government to address low pay in nursing homes • £0.077m allocation received for the implementation of the carer's information strategy. <p>Within Level One Core budgets virements between subjective headings within Older People and Physical Disabilities were approved in period 10 to align budgets with expenditure profile:</p> <ul style="list-style-type: none"> • Decrease in budgets for other agencies £42k, Transfer (Direct) Payments £182k, Other expenditure £1k and income £13k • Increase in budgets for Property costs £26k, Supplies and Services £185k, Transport £15k and Admin costs £12k
3.2.2	<p>Non District General Hospital Budgets have reduced by £0.266m due to agreed savings for Cumbrae Lodge erroneously being deducted from the mental health budget instead of Ayrshire Central in the original budget (see below). The Arran budget has increased for the intermediate care service now funded from resource transfer.</p>
3.2.3	<p>Lead Partnership Services Budgets have increased by £2.367m due to:</p> <ul style="list-style-type: none"> • the inclusion of budgets for Keepwell, trainee health visitors and dementia nurses £1.284m • adjustment due to Cumbrae Lodge (see above) £0.274m • inclusion of additional funding for psychiatry for junior doctor posts and discretionary points, CAMHs funding and the transfer of a post from public health to specialist addiction services £0.349m • Recent addition of allocations for MH Innovation and QuEST £0.382m • The provision of non-recurring funding for temporary nursing posts within adult inpatients totalling £0.078m.
3.2.4	<p>Children's Services budgets have increased by £0.333m due mainly to an increase of £0.558m from Scottish Government funding to meet the increase in Kinship Care rates and the additional duties detailed in the Children and Young Peoples (Scotland) Act 2014 for Looked After Children. There has also been an increase in the child protection allocation of £25k, an increase of £79k in the health visiting budget for team leader posts and additional funding for Child Protection £0.038m. These budget increases have been partially offset by the pay award being lower than anticipated by £0.191m, the budgeted turnover saving increased by £0.050m, the Choose Life allocation of £0.065m moving to mental health community teams in</p>

	Level One and contribution to a MHO post totalling £0.010m. A further
3.2.5	Direct Overhead and Support Services budgets have increased by £0.439m due to an additional £0.100m contribution from the NHS for partnership management costs and increases in council budget of £0.339m in respect of a revision to payroll turnover, pay awards, staff transferring from other services, living wage increase.
4.	LEAD PARTNERSHIP AND SET ASIDE BUDGETS
4.1	The Integration Scheme creates various Lead Partnership roles across the three Integration Joint Boards. Within the Integration Scheme, as with all delegated budgets, the intention is that services should be delivered within budget. Should that not be possible a recovery plan requires to be developed and approved by all the Joint Integration Boards. Failure to reach agreement will require interim additional contributions in proportion to service usage pending final agreement of the recovery plan.
4.2	<p>It is important to understand the financial position of the budgets being managed by other Partnerships under these Lead Partnership arrangements:</p> <p>East Ayrshire HSCP The Primary Care budgets are projected to underspend by £0.292m. There is a pressure on the out of hours medical services where new models of care are being tested at an initial higher cost. There are underspends within Community Dental Services largely from vacant posts and in addition there is an over-recovery of discount on dispensing costs.</p> <p>South Ayrshire HSCP The Allied Health Professionals (AHP) Service is projected to overspend by £0.168m after having identified corrective action in 2015/16. The main sources of this overspend are:</p> <ul style="list-style-type: none"> • Reduction in funding being received from Local Authorities for community Speech and Language Therapy posts with the staff not yet redeployed. • Meeting an increased demand for MSK services. • Delays in meeting efficiency savings coupled with staff being higher on the incremental scale than the level funded. <p>The corrective action being taken mainly relates to minimising costs in respect of staffing applying strict rigour when posts become vacant including consideration of potential skill mix opportunities.</p> <p>North Ayrshire HSCP Specialist Mental Health Services are projecting an overspend of £0.199m. Outturn spend is projected to be lower than the 2014/15 outturn because of the non-recurring benefit in 2015-16 of additional MH allocations. The overspend in both years is due to the continuing levels of nursing cover required to manage complex patients.</p> <p>Workforce plans have been reviewed with utilisation of the national workforce tool which has validated the existing gap in nursing wte to facilitate enhanced observations. A proposal for fixed term staffing has been approved by the Health Board CMT to reduce some of the overspend in year. Further review of work force will be undertaken in alignment with opening of new hospital (2016/2017); new service models and new ways of working will be implemented together with</p>

	<p>delivery of a 3 year change programme.</p> <p>There is agreement that the risks of overspends which cannot be recovered will be met by NHS Ayrshire & Arran in 2015/16. This allows an opportunity to develop frameworks to support these arrangements.</p>
4.3	<p>The Integration Scheme establishes that in year pressures in respect of Set Aside budgets will be managed in year by the Health Board, with any recurring over or underspend being considered as part of the annual budget setting process.</p> <p>The Acute Services with NHS Ayrshire & Arran are in a significant overspend (projected at £8.4m) with particular issues around the costs of covering a high level of medical vacancies and the increasing needs of patients requiring nursing support above that funded. These pressures are being scrutinised and options developed to minimise costs.</p> <p>A budget pressure bid has been put forward to address this centrally for 2016/17. One potential solution to meet on-going demands is to open an additional 30 bedded ward throughout the year. There are on-going discussions on how budget pressures will be met. Partnerships may be asked to contribute to their share of these additional beds in addition to meeting their CRES target.</p>
5.	Implications
	<p>Financial</p> <p>The net projection for the year as at 31 January 2016 is an overspend of £1.369m.</p>
	<p>Human Resources</p> <p>There are no human resource implications.</p>
	<p>Legal</p> <p>There are no legal implications.</p>
	<p>Equality</p> <p>There are no equality implications.</p>
	<p>Environmental & sustainability</p> <p>There are no environmental & sustainability implications.</p>
6.	CONSULTATIONS
6.1	<p>This report has been produced in consultation with relevant budget holders, the Partnership Senior Management Team and the Director of Finance for NHS Ayrshire and Arran and the Executive Director Finance and Corporate Support for North Ayrshire Council.</p>
7.	CONCLUSION
7.1	<p>The projected overspend for 2015/16 is £1.369m. The main areas of overspend are Children's Services, Learning Disabilities, Prescribing, Lead Mental Health services and Learning Disabilities, partially offset by anticipated underspends on Older People's Services, Direct Overheads and Support Services.</p> <p>It is recommended that the Health and Social Care Partnership note the content of this report, and approve the actions being taken to bring the budget into line, as noted in paragraph 2.4.</p>

	Further work is ongoing with the Health Board and Council to resolve outstanding baseline budget pressures.
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For more information please contact Fiona Neilson, Senior Finance Manager on 01292-513301 or Lesley Aird, Chief Finance Officer on 01294 324560

Indicative Health & Social Care Partnership Budgets: North				Appendix 1	
Objective Report as at 31st January 2016					
Partnership Budget Objective Summary	2015/16 Budget				
	Aligned			Aligned	
	Budget	Outturn	Over/ (Under) Spend Variance	Over/ (Under) Spend Variance at P8	Movement in projected budget variance from P8
	£'000	£'000	£'000	£'000	£'000
Level One Core					
Learning Disabilities	15,640	16,073	433	544	(111)
Older people	42,777	42,036	(741)	(1,011)	270
Physical Disabilities	4,074	4,168	94	80	14
Mental Health Community Teams	5,401	5,519	118	218	(100)
Addiction	2,369	2,292	(76)	(75)	(1)
Community Nursing	3,816	3,847	31	41	(10)
Prescribing	29,099	29,266	167	0	167
General Medical Services	17,344	17,251	(93)	100	(193)
Resource Transfer, Change Fund, Criminal Justice	2,410	2,309	(100)	(53)	(47)
Total Level One	122,930	122,762	(168)	(156)	(12)
Level Two - Non District General Hospitals					
Ayrshire Central Continuing Care	3,939	3,862	(78)	(59)	(18)
Arran War Memorial Hospital	1,613	1,683	70	68	2
Lady Margaret Hospital	564	569	5	(2)	7
Total Level Two	6,117	6,113	(3)	6	(9)
Level Three - Lead Partnership Services					
Mental Health Services	44,979	45,178	199	328	(129)
Family Nurse partnership	476	476	0	0	0
Keepwell	441	371	(70)	(41)	(29)
Training Health Visitors	588	599	11	29	(18)
Other General Services	141	130	(11)	(13)	2
Total Level Three	46,625	46,754	129	303	(174)
Level Four - Children's Services					
Community Paediatrics	508	501	(7)	1	(8)
C&F Social Work Services	24,189	25,808	1,619	1,120	499
Health Visiting	1,861	1,924	63	34	29
Total Level Four	26,558	28,233	1,675	1,156	519
Direct Overheads & Support Services	7,417	7,153	(264)	(243)	(21)
Partnership Total	209,647	211,015	1,369	1,066	303

Indicative Health & Social Care Partnership Budgets: North									
Objective Report as at 31st January 2016									
Subjective Summary	2015/16 Budget			2015/165 Budget			2015/16 Budget		
	Council			Health			Aligned		
	Budget	Outturn	Variance	Budget	Outturn	Variance	Budget	Outturn	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employee Costs	42,548	41,531	(1,017)	52,873	53,756	883	95,421	95,287	(134)
Property Costs	507	426	(81)	16	30	14	523	456	(67)
Supplies and Services	2,108	2,313	205	6,162	5,911	(251)	8,270	8,224	(46)
Prescribing Costs	0	0	0	29,099	29,266	167	29,099	29,266	167
Primary Medical Services	0	0	0	17,344	17,251	(93)	17,344	17,251	(93)
Transport and Plant	595	633	38	0	0	0	595	633	38
Admin Costs	1,325	1,434	109	1,922	1,737	(185)	3,247	3,171	(76)
Other Agencies & Bodies	54,074	56,480	2,406	9,440	8,896	(544)	63,514	65,376	1,862
Transfer Payments	1,845	2,170	325	9,130	9,087	(43)	10,975	11,257	282
Other Expenditure	102	112	10	0	0	0	102	112	10
Capital Expenditure	0	0	0	0	0	0	0	0	0
Income	(18,424)	(18,998)	(574)	(1,020)	(1,020)	0	(19,444)	(20,018)	(574)
Partnership Total	84,680	86,101	1,421	124,966	124,914	(52)	209,646	211,015	1,369

Indicative Health & Social Care Partnership Budgets: North				Appendix 1a		
Objective Report as at 31st January 2016						
Partnership Budget Objective Summary	2015/16 Budget			Notes		
	Aligned				Aligned	
	Budget	Outturn	Over/ (Under) Spend Variance		Over/ (Under) Spend Variance at P8	Movement in projected budget variance from P8
	£'000	£'000	£'000		£'000	£'000
Level One Core						
Learning Disabilities	15,640	16,073	433	Community packages are projecting an overspend of £716k based on a projection of 232 placement numbers to the end of the year, a net increase of 2 placements is anticipated for the remainder of the year. The service is currently reviewing high cost care packages with a view to reducing supports. Residential packages are £115k overspend and voluntary organisations £22k overspend, offset by a reduction in direct payment packages £8k over recovery on income £230k, and underspend in employee costs £138k. NHS vacancies in community teams continue to remain unfilled.	544	(111)
Older people	42,777	42,036	(741)	Care Homes/Care at Home (£0.570m projected underspend) Residential and nursing care placements are projecting an underspend of £470k, due to lower than anticipated occupancy levels at the start of the year and discharge numbers being higher than anticipated at this stage in the year. Efficiency savings of £500k are to be achieved in 2016/17 as a result of changes in the profile of admissions and discharges and Pavilion 3 enablement provision. Care at home is projecting an underspend of £100k. Income Income is expected to over recovery by £341k, mainly due to income received from charging orders for residential placements. For 16/17 the base income budget has been increased by £505k. Other Budgets Anticipated overspend of £170k mainly due to one off costs for mobile phones and staff uniforms for care at home staff who transferred from external providers and furniture costs for Anam Cara.	(1,011)	270
Physical Disabilities	4,074	4,168	94	Overspends are projected in Residential placements, £178k, based on total number of 40 residential packages at the end of the year, an anticipated net decrease of 1 placement for the remainder of the year, £40k projected overspend within the equipment budget offset with underspends in employee costs £123k.	80	14
Mental Health Community Teams	5,401	5,519	118	Residential packages projecting an underspend of £133k based on 32 placements at the end of the year. Community packages are projecting an overspend of £376k, these have increased significantly from the start of the year, with a net increase of 15 placements. Direct payments are also projecting an overspend of £63k. Further overspends within legal costs of £35k in relation to expenses for Financial intervention orders. Overspends are offset with projected underspends in employee costs £56k and increase in charges from services users £46k. Vacancies are in the process of being filled. Additional vacancies in EMH team has increased projected overspend.	218	(100)

Partnership Budget Objective Summary	2015/16 Budget			Notes	Aligned	
	Aligned				Over/ (Under) Spend Variance at P8	Movement in projected budget variance from P8
	Budget	Outturn	Over/ (Under) Spend Variance			
Level One Core						
Addiction	2,369	2,292	(76)	The projected overspend within Addictions include staff mileage, mobile phones and supplies and services based on current spending patterns. Addiction Services are projected to underspend by £77k. This arises from a number of vacancies at the start of the year which have now been filled.	(75)	(1)
Community Nursing	3,816	3,847	31	Community Nursing is projected to overspend by £31k. This arises from District Nurse staff in post being above the funded establishment and increased costs in the provision of packages of care. The recently appointed Senior Manager - Locality Services is currently reviewing the staffing levels in each locality to understand how unfunded posts have been appointed to and to clarify workforce requirements going forward. At the same time, the needs of those who require complex adult care packages will be reviewed during this year to determine the level of support required and the most efficient and effective manner of securing this.	41	(10)
Prescribing	29,099	29,266	167	The average cost of drugs has increased due to the short supply of some drugs and an increase in other high cost drugs.	0	167
General Medical Services	17,344	17,251	(93)	The budget has been adjusted to reflect the annual allocation. An assessment of spend against this budget has revealed a non-recurring benefit.	100	(193)
Resource Transfer, Change Fund, Criminal Justice	2,410	2,309	(100)	Favourable variance within Changing Children's Services Fund in relation to staff turnover and mileage costs less than budgeted. Delay in allocation of Cumbrae Lodge resource transfer to following year releases a non-recurring benefit as does	(53)	(47)
Total Level One	122,930	122,762	(168)		(156)	(12)
Level Two - Non District General Hospitals						
Ayrshire Central Continuing Care	3,939	3,862	(78)	<p>There continue to be issues with high occupancy, patients being more frail and high staff sickness levels across a number of wards. The promoting attendance policy has been applied rigorously in Pavilion 3 and staff have been supported in clarifying their roles and enhancing their skills and competencies. This is having a positive impact and while managers continue to deal with a small number of outstanding issues on an individual basis, it is necessary to utilise Bank and occasionally Agency staff to sustain a safe level of service. At the same time, the Pavilion 3 budget is under a historic pressure relating to former staff members who are being supported in finding alternative opportunities.</p> <p>While the management of sickness absence for Pavilion 6 continues to be undertaken by the South Ayrshire Health and Social Care Partnership on a short-term basis to enable the flexible use of staffing within Biggart Hospital, the Senior Manager - Long-Term Care and their Service Manager will become more active within the unit to prepare staff for the return to the Ayrshire Central site. This will involve a significant Organisational Development input and it is anticipated that this will have a positive impact on the current pressures. In the meantime, Pavilion 6 continues to deliver a reduced level of service with only 26 of the 30 bed capacity being made available to support patient care.</p> <p>£380k of Delayed Discharge funding has been allocated non-recurringly for winter planning purposes and is offsetting the recurring overspend.</p>	(59)	(18)
Arran War Memorial Hospital	1,613	1,683	70		68	2
Lady Margaret Hospital	564	569	5		(2)	7
Total Level Two	6,117	6,113	(3)		6	(9)

Partnership Budget Objective Summary	2015/16 Budget			Notes		
	Aligned				Aligned	
	Budget	Outturn	Over/ (Under) Spend Variance		Over/ (Under) Spend Variance at P8	Movement in projected budget variance from P8
	£'000	£'000	£'000		£'000	£'000
Level Three - Lead Partnership Services						
Mental Health Services	44,979	45,178	199	Lead partnership mental health services are projected to overspend by £199k in 2015/16. The position has improved from the previous report due to in the applicationnon-recurringly of MH Innovation and QuEST funding within adult inpatient services to address increasing demand and acuity of patients and a reduction in UNPACs expenditure. The overspend is incurred in the adult in-patient wards due to staff in post exceeding establishment as a result of high levels of constant observation and high sickness absence. Permission has been given recruit temporarily a numer of staffing non-recurringly which should help reduce the reliance and bank staffing and the level of overspend.It is anticipated that once services move to the new location of Woodland View in April 2016 the level of overspend will reduce as it is expected that the therapeutic and functional design of the wards in the new hospital will have an anticipated impact on the progress of patient recovery and support clinical/therapeutic interventions which may in turn result in a reduction in the frequency and longevity of enhanced observations post admission. Other actions to mitigate the overspend include: Review of work force requirements and re- implementation of the national nursing workforce tool post 6 months service transfer to new hospital to ensure workforce skill mix is adjusted to reflect design impact of new service Review and embed new ways of working within the new hospital to ensure/maximise service efficiency and release staff capacity	328	(129)
Family Nurse partnership	476	476	0		0	0
Keepwell	441	371	(70)		(41)	(29)
Training Health Visitors	588	599	11	The delay in trainees starting on the HV course from 2014-15 and delays in others completing their qualifcation has put pressure on the 2015-16 budget. Steps are being taken to bring the budget back into balance.	29	(18)
Other General Services	141	130	(11)		(13)	2
Total Level Three	46,625	46,754	129		303	(174)

Partnership Budget Objective Summary	2015/16 Budget			Notes		
	Aligned				Aligned	
	Budget	Outturn	Over/ (Under) Spend Variance		Over/ (Under) Spend Variance at P8	Movement in projected budget variance from P8
	£'000	£'000	£'000		£'000	£'000
Level Four - Children's Services						
Community Paediatrics	508	501	(7)		1	(8)
C&F Social Work Services	24,189	25,808	1,619	<p>Children with Disabilities (£1.04m projected overspend) This is the most significant area of overspend due to 4 new residential packages, 3 which started during 14/15 and 2 which started in 15/16 and one existing package. The overspend relating to these 6 packages is £619k, residential respite is projecting an overspend of £61k based on current levels of activity. Further overspends are also projected within Community packages, £94k and Direct Payments £267k.</p> <p>Residential Schools including Secure accommodation and Community Supports (£0.013m projected overspend) Residential schools and community supports are projected to underspend by £17k mainly due to community placements being lower than budgeted and over a shorter time period. Secure accommodation is projecting an adverse variance of £30k due to one remand placement.</p> <p>Fostering, Adoption and Kinship (£0.714m projected overspend) Overall Fostering is projected to overspend by £102k due to a delay in moving placements from external to internal carers in the first three months of the year, this has now been addressed and placements have been moved. Additional funding for Continuing Care and Throughcare of £290k was allocated in period 10 to fund foster placements for young people aged over 16 years old. There is a projected overspend of £185k in relation to adoption placement fees and assessment costs which are higher than budgeted based on current demand. Kinship placements are projecting an overspend of £427k, this is due to an increase in the Kinship rate of £58 to £200 per week in line with foster allowances. The cost of back dating the payments to the 1st of October is £751k, this is offset by £269k received from the Scottish Government and an existing underspend of £55k.</p> <p>Other Expenditure (£0.148m projected underspend) Agency costs of £100k have been incurred for assessment purposes within the fieldwork teams offset with favourable variance in employee costs £47k. Family Support Network budget overspend by £39k and Standby Service projecting an overspend of £21k based on prior years outturn, offset with anticipated underspends in Throughcare and Care Leavers due to lower than anticipated demand £149k, IMPACCT carers projecting an underspend of £67k due to less than budgeted carers,</p>	1,120	499
Health Visiting	1,861	1,924	63	There is currently an imbalance in the health visiting budget across the 3 HSCPs. An exercise is underway to redress this imbalance and it is assumed for the purposes of the projection that funding will be transferred to the North HSCP from another partnership.	34	29
Total Level Four	26,558	28,233	1,675		1,156	519
Direct Overheads & Support Services	7,417	7,153	(264)	Employee costs underspending by £221k due to holding of vacancies, over recoveries of income from Universities for Practice Teachers £30k, anticipated underspend within Money Matters team £65k, offset with revision of Health Income expected to be received for Management Posts. Agreement has been given by the NHS to provide additional funding for partnership management. The CD post remains unfunded.	(243)	(21)
Partnership Total	209,647	211,015	1,369		1,066	303

Council Services Objective Summary	2015/16 Budget			Notes	Council	
	Council				Over/ (Under) Spend Variance at P8	Movement in projected budget variance from P8
	Budget	Outturn	Over/ (Under) Spend Variance			
	£'000	£'000	£'000		£'000	£'000
Level One Core						
Learning Disabilities	15,139	15,623	484	Community packages are projecting an overspend of £716k based on a projection of 232 placement numbers to the end of the year, a net increase of 2 placements is anticipated for the remainder of the year. The service is currently reviewing high cost care packages with a view to reducing supports. Residential packages are £115k overspend and voluntary organisations £22k overspend, offset by a reduction in direct payment packages £8k over recovery on income £230k, and underspend in employee costs £138k.	596	(112)
Older people	42,777	42,036	(741)	Care Homes/Care at Home (£0.570m projected underspend) Residential and nursing care placements are projecting an underspend of £470k, due to lower than anticipated occupancy levels at the start of the year and discharge numbers being higher than anticipated at this stage in the year. Efficiency savings of £500k are to be achieved in 2016/17 as a result of changes in the profile of admissions and discharges and Pavilion 3 enablement provision. Care at home is projecting an underspend of £100k. Income Income is expected to over recovery by £341k, mainly due to income received from charging orders for residential placements. For 16/17 the base income budget has been increased by £505k. Other Budgets Anticipated overspend of £170k mainly due to one off costs for mobile phones and staff uniforms for care at home staff who transferred from external providers and furniture costs for Anam Cara.	(1,011)	270
Physical Disabilities	4,074	4,168	94	Overspends are projected in Residential placements, £178k, based on total number of 40 residential packages at the end of the year, an anticipated net decrease of 1 placement for the remainder of the year, £40k projected overspend within the equipment budget offset with underspends in employee costs £123k.	80	14

Council Services Objective Summary	2015/16 Budget			Notes	Council	
	Council				Over/ (Under) Spend Variance at P8	Movement in projected budget variance from P8
	Budget	Outturn	Over/ (Under) Spend Variance			
	£'000	£'000	£'000		£'000	£'000
Level One Core						
Mental Health Community Teams	3,117	3,348	231	Residential packages projecting an underspend of £133k based on 32 placements at the end of the year. Community packages are projecting an overspend of £376k, these have increased significantly from the start of the year, with a net increase of 15 placements. Direct payments are also projecting an overspend of £63k. Further overspends within legal costs of £35k in relation to expenses for Financial intervention orders. Overspends are offset with projected underspends in employee costs £56k and increase in charges from services users £46k.	310	(79)
Addiction	1,312	1,313	1	The projected overspend within Addictions include staff mileage, mobile phones and supplies and services based on current spending patterns.	6	(5)
Community Nursing		0	0		0	0
Prescribing		0	0		0	0
General Medical Services		0	0		0	0
Resource Transfer, Change Fund, Criminal Justice	(12,136)	(12,149)	(13)	Favourable variance within Changing Children's Services Fund in relation to staff turnover and mileage costs less than budgeted.	(8)	(5)
Total Level One	54,283	54,339	56		(27)	83
Level Two - Non District General Hospitals						
Ayrshire Central Continuing Care						0
Arran War Memorial Hospital						0
Lady Margaret Hospital						0
Total Level Two	0	0	0		0	0

Council Services Objective Summary	2015/16 Budget			Notes
	Council			
			Over/ (Under) Spend Variance	
	Budget	Outturn		
	£'000	£'000	£'000	
Level Three - Lead Partnership Services				
Total Level Three	0	0	0	
Level Four - Children's Services				
Community Paediatrics				
C&F Social Work Services	24,189	25,808	1,619	<p><u>Children with Disabilities (£1.04m projected overspend)</u></p> <p>This is the most significant area of overspend due to 4 new residential packages, 3 which started during 14/15 and 2 which started in 15/16 and one existing package. The overspend relating to these 6 packages is £619k, residential respite is projecting an overspend of £61k based on current levels of activity.</p> <p>Further overspends are also projected within Community packages, £94k and Direct Payments £267k.</p> <p><u>Residential Schools including Secure accommodation and Community Supports (£0.013m projected overspend)</u></p> <p>Residential schools and community supports are projected to underspend by £17k mainly due to community placements being lower than budgeted and over a shorter time period.</p> <p>Secure accommodation is projecting an adverse variance of £30k due to one remand placement.</p> <p><u>Fostering, Adoption and Kinship (£0.714m projected overspend)</u></p> <p>Overall Fostering is projected to overspend by £102k due to a delay in moving placements from external to internal carers in the first three months of the year, this has now been addressed and placements have been moved. Additional funding for Continuing Care and Throughcare of £290k was allocated in period 10 to fund foster placements for young people aged over 16 years old. There is a projected overspend of £185k in relation to adoption placement fees and assessment costs which are higher than budgeted based on current demand.</p> <p>Kinship placements are projecting an overspend of £427k, this is due to an increase in the Kinship rate of £58 to £200 per week in line with foster allowances. The cost of back dating the payments to the 1st of October is £751k, this is offset by £269k received from the Scottish Government and an existing underspend of £55k.</p> <p><u>Other Expenditure (£0.148m projected underspend)</u></p> <p>Agency costs of £100k have been incurred for assessment purposes within the fieldwork teams offset with favourable variance in employee costs £47k. Family Support Network budget overspend by £39k and Standby Service projecting an overspend of £21k based on prior years outturn, offset with anticipated underspends in Throughcare and Care Leavers due to lower than anticipated demand £149k, IMPACCT carers projecting an underspend of £67k due to less than budgeted carers, staff training projecting and underspend of £90k, £45k other overspends within transport and supplies and services.</p>
Health Visiting				
Total Level Four	24,189	25,808	1,619	
Direct Overheads & Support Services	6,209	5,955	(254)	Employee costs underspending by £221k due to holding of vacancies, over recoveries of income from Universities for Practice Teachers £30k, anticipated underspend within Money Matters team £65k, offset with revision of Health Income expected to be received for Management Posts.
Partnership Total	84,680	86,101	1,421	

Indicative Health & Social Care Partnership Budgets: North - Health Funded Budgets							Appendix 3	
Objective Report as at 31st January 2016								
Health Services Objective Summary	2015/16 Budget			Notes	Health			
	Health				Over/ (Under) Spend Variance at P8 £'000	Movement in projected budget variance from P8 £'000		
	Budget £'000	Outturn £'000	Over/ (Under) Spend Variance £'000					
Level One Core								
Learning Disabilities	501	450	(51)	NHS vacancies in community teams continue to remain unfilled.	(52)	1		
Older people	0	0	0		0	0		
Physical Disabilities	0	0	0		0	0		
Mental Health Community Teams	2,285	2,172	(113)	Vacancies are in the process of being filled. Additional vacancies in EMH team has increased projected overspend.	(92)	(21)		
Addiction	1,057	980	(77)	Addiction Services are projected to underspend by £77k. This arises from a number of vacancies at the start of the year which have now been filled.	(81)	4		
Community Nursing	3,816	3,847	31	Community Nursing is projected to overspend by £31k. This arises from District Nurse staff in post being above the funded establishment and increased costs in the provision of packages of care. The recently appointed Senior Manager - Locality Services is currently reviewing the staffing levels in each locality to understand how unfunded posts have been appointed to and to clarify workforce requirements going forward. At the same time, the needs of those who require complex adult care packages will be reviewed during this year to determine the level of support required and the most efficient and effective manner of securing this.	41	(10)		
Prescribing	29,099	29,266	167	The average cost of drugs has increased due to the short supply of some drugs and an increase in other high cost drugs.	0	167		
General Medical Services	17,344	17,251	(93)	The budget has been adjusted to reflect the annual allocation. An assessment of spend against this budget has revealed a non-recurring benefit.	100	(193)		
Resource Transfer, Change Fund, Criminal Justice	14,545	14,458	(87)	Delay in allocation of Cumbrae Lodge resource transfer to following year releases a non-recurring benefit as does an underspend on the NHS elements of the ICF.	(45)	(42)		
Total Level One	68,648	68,423	(224)		(129)	(95)		
Level Two - Non District General Hospitals								
Ayrshire Central Continuing Care	3,939	3,862	(78)	There continue to be issues with high occupancy, patients being more frail and high staff sickness levels across a number of wards. The promoting attendance policy has been applied rigorously in Pavilion 3 and staff have been supported in clarifying their roles and enhancing their skills and competencies. This is having a positive impact and while managers continue to deal with a small number of outstanding issues on an individual basis, it is necessary to utilise Bank and occasionally Agency staff to sustain a safe level of service. At the same time, the Pavilion 3 budget is under a historic pressure relating to former staff members who are being supported in finding alternative opportunities. While the management of sickness absence for Pavilion 6 continues to be undertaken by the South Ayrshire Health and Social Care Partnership on a short-term basis to enable the flexible use of staffing within Biggart Hospital, the Senior Manager - Long-Term Care and their Service Manager will become more active within the unit to prepare staff for the return to the Ayrshire Central site. This will involve a significant Organisational Development input and it is anticipated that this will have a positive impact on the current pressures. In the meantime, Pavilion 6 continues to deliver a reduced level of service with only 26 of the 30 bed capacity being made available to support patient care. £380k of Delayed Discharge funding has been allocated non-recurringly for winter planning purposes and is offsetting the recurring overspend.	(59)	(18)		
Arran War Memorial Hospital	1,613	1,683	70		68	2		
Lady Margaret Hospital	564	569	5		(2)	7		
Total Level Two	6,117	6,113	(3)		6	(9)		

Health Services Objective Summary	2015/16 Budget			Notes	Health	
	Health				Over/ (Under) Spend Variance at P8 £'000	Movement in projected budget variance from P8 £'000
	Budget	Outturn	Over/ (Under) Spend Variance			
	£'000	£'000	£'000			
Level Three - Lead Partnership Services						
Mental Health Services	44,979	45,178	199	Lead partnership mental health services are projected to overspend by £199k in 2015/16. The position has improved from the previous report due to in the applicationnon-recurring of MH Innovation and QuEST funding within adult inpatient services to address increasing demand and acuity of patients and a reduction in UNPACs expenditure. The overspend is incurred in the adult in-patient wards due to staff in post exceeding establishment as a result of high levels of constant observation and high sickness absence. Permission has been given recruit temporarily a number of staffing non-recurring which should help reduce the reliance and bank staffing and the level of overspend.It is anticipated that once services move to the new location of Woodland View in April 2016 the level of overspend will reduce as it is expected that the therapeutic and functional design of the wards in the new hospital will have an anticipated impact on the progress of patient recovery and support clinical/therapeutic interventions which may in turn result in a reduction in the frequency and longevity of enhanced observations post admission. Other actions to mitigate the overspend include: Review of work force requirements and re- implementation of the national nursing workforce tool post 6 months service transfer to new hospital to ensure workforce skill mix is adjusted to reflect design impact of new service Review and embed new ways of working within the new hospital to ensure/maximise service efficiency and release staff capacity Optimise workforce attendance with review of staff absence & well being recovery plans to ensure targets are reached	328	(129)
Family Nurse partnership	476	476	0		0	0
Keepwell	441	371	(70)		(41)	(29)
Training Health Visitors	588	599	11	The delay in trainees starting on the HV course from 2014-15 and delays in others completing their qualification has put pressure on the 2015-16 budget. Steps are being taken to bring the budget back into balance.	29	(18)
Other General Services	141	130	(11)		(13)	2
Total Level Three	46,625	46,754	129		303	(174)
Level Four - Children's Services						
Community Paediatrics	508	501	(7)		1	(8)
C&F Social Work Services	0	0	0		0	0
Health Visiting	1,861	1,924	63	There is currently an imbalance in the health visiting budget across the 3 HSCPs. An exercise is underway to redress this imbalance and it is assumed for the purposes of the projection that funding will be transferred to the North HSCP from another partnership.	34	29
Total Level Four	2,369	2,425	56		36	20
Direct Overheads & Support Services	1,208	1,198	(10)	Agreement has been given by the NHS to provide additional funding for partnernership management. The CD post remains unfunded.	22	(32)
Partnership Total	124,967	124,914	(52)		238	(290)

Change Programme Financial Summary						Appendix 4
Integrated Care Fund						
	Allocation	Total Projected Spend	NAC Projected Variance	NHS Projected Variance	Arran CVS Projected Variance	Total Projected Variance
Ideas and Innovation	£1,041,788	£936,914	-£26,746	-£78,128	£0	-£104,874
RCOP	£993,487	£1,099,865	£35,349	£71,029	£0	£106,378
Change Team	£802,448	£684,572	-£82,912	-£34,964	£0	-£117,876
Contingency	£103,836	£12,000	-£91,836			-£91,836
TOTAL	£2,941,559	£2,733,351	-£166,145	-£42,063	£0	-£208,208
Delayed Discharge Allocation						
	Allocation	Total Projected Spend	Total Projected Variance			
Rehab and Reablement	£228,616	£169,803	-£58,813			
Aids and Adaptations	£19,250	£6,417	-£12,833			
Care at Home	£603,179	£161,734	-£441,445			
Community Equipment		£97,666	£97,666			
Contingency	£15,956	£0	-£15,956			
Winter Pressures		£431,381	£431,381			
TOTAL	£867,000	£867,000	£0			
Note : negative variance represents an underspend						

Budget Savings	Senior Manager	Reference	2015/16 £	Savings Delivered at Month 10	Projected Full Year Saving	Anticipated Shortfall	BRAG Status	Comment
Health and Social Care Partnership								
Review of block contracted services - including George Steven Centre	John McCaig	SP-SS-13-29	14,846	-	-		Red	Saving will not be achieved, review of Block Contract was achieved in 2013/14. NAC utilising more places than block contract, therefore additional costs are being incurred. Additional savings from review of high cost care packages in SP-SS-13-42 will be achieved to offset non delivery of this saving
Rationalisation of Local Area Coordinator posts	John McCaig	SP-SS-13-35	45,875	45,875	45,875	-	Blue	Savings achieved prior year
Redesign of Council LD Day Services	John McCaig	SP-SS-13-31	122,900	122,900	122,900	-	Blue	Savings achieved prior year
Review of high cost care packages	John McCaig	SP-SS-13-42	100,000	127,000	100,000		Blue	Review plan in place, savings have been achieved though temporary and permanent reductions to care packages
Review of complex packages of care for individuals with a Learning Disability	John McCaig	SP-HSC-07	50,000	50,000	50,000		Blue	High Cost care packages currently being reviewed
Additional income from charges. The actual income received is greater than the amount budgeted and the budget is being amended to reflect the actual position	John McCaig - Charging Policy	SP-SS-13-04	41,000	41,000	41,000		Blue	Increase in charge for Dirrans Head Injuries Unit has been implemented with East Ayrshire Council resulting in achieving income savings
Increase in Income Budget. Revision of base budget to reflect inflation increases and improvements to the charging process to ensure charges are implemented according to the policy.	John McCaig - Charging Policy	SP-HSC-13	100,000	100,000	100,000		Blue	Income to date projecting an over recovery
Review Assessment and Care Management staff within Older People	Mary Francey	SP-SS-11-29	100,668	67,000	100,668		Green	£67k achieved through restructure Nov 13, balance to be achieved. Post has been identified awaiting on confirmation from Mary
Review of purchased service contracts - including supported living	Mary Francey	SP-SS-13-38	108,000	206,000	108,000		Blue	Savings achieved through review of care packages and temporary decreases
Older People - Review of support offered to individuals through admission to Hospital and the planning of discharges back to community settings to improve the quality of support and ensure greater continuity.	Mary Francey	SP-HSC-10	40,000	-	40,000		Green	Post identified awaiting on confirmation
Transport Savings - introduction of a central transport hub, taking over responsibility for the management and utilisation of all journey provision, will enable a 10% saving across the Council's fleet	n/a	SP-SS-13-05	6,000	6,000	6,000	-	Blue	
Rationalisation of the Family Support services across North Ayrshire linked to the Dartington research work	Stephen Brown	SP-HSC-22	50,000	50,000	50,000		Blue	Reduction of Family Network service from Quarriers
Cumbræ Lodge	Isabel Marr	NHS	550,000	550,000	550,000	-	Blue	Beds didn't close until June
Total for Health and Social Care Partnership			2,619,101	2,201,700	2,490,368	113,887	-	-

MISCELLANEOUS ITEMS
BUDGETARY CONTROL 2015/16

REPORT FOR THE FOUR MONTHS ENDED 30 SEPTEMBER 2015

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	16,329	16,329	-	0%	1
Transfer to Earmarked Reserves	5,630	5,630	-	0%	2
Aggregate External Finance	(277,641)	(277,636)	5	0%	
Council Tax	(46,116)	(47,518)	(1,402)	3%	3
Use of Change Fund	(782)	(782)	-	0%	
Use of Earmarked Funds	(2,916)	(2,916)	-	0%	
Totals	(305,496)	(306,893)	(1,397)	0%	

Note 1 Financing Charges

Financing charges are forecasting an underspend of £3.052m based on the latest cash flow and interest rate projections. An underspend of £2.377m was identified as part of the revenue budget for 2015/16 with the intention of utilising this underspend to create a Loans Fund Reserve. This has been transferred to an earmarked reserve.

Note 2 Transferred to Earmarked Reserves

£5.630m has been transferred to earmarked reserves, £3.052m to the Capital Fund as outlined in Note 1 of this appendix and £1.500m to the Change Fund and £1.078m to the Capital Fund as outlined in Appendix 6.

Note 3 Council Tax

Income from Council Tax is forecasting to over recover by £1.402m. This is mainly due to the value of council tax reductions (£1.073m) being less than the budget provided cash collected for older debt (£0.202m) which had previously been written off.

Carried Forward Funds to 2016-17	
	£000
Affordable Housing	915
ESF Match Funding	435
Nuclear Decommissioning Authority	101
BID Company Funding	10
DWP Funding	40
Employability Projects	822
SPIN Project	84
Developing the Young Workforce	300
ICT Computer Replacement Programme	75
New Qualifications	27
Property Maintenance Budget Underspend	242
Improvements on Waste Transfer Station on Arran	55
Totals	2,809

Budget Management -31 December 2015

Virement/Budget Adjustment Requests

		2015/16	
		Virement £m	Directorate Total £m
	Perm (P) / Temp(T)		
1) Budget Virements			
Place			
Increase income recharge budget in Roads due to additional work from Housing and PMI.	T	-0.170	
Increase expenditure budget in Roads due to additional work from Housing and PMI.	T	0.170	
			0.000

HOUSING REVENUE ACCOUNT
BUDGETARY CONTROL 2015/16

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2016

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	4,483	4,413	(70)	-2%
Property Costs				
Responsive Repairs	3,883	3,571	(312)	-8%
Void Repairs	2,963	2,839	(124)	-4%
Planned & Cyclical maintenance	4,895	5,059	164	3%
Estate Based Projects	751	751	0	0%
Roads & Lighting Maintenance	179	179	0	0%
Aids & adaptations	1,776	1,617	(159)	-9%
Other property costs	3,110	3,154	44	1%
Supplies and Services	199	229	30	15%
Transport and Plant Costs	44	40	(4)	-9%
Administration Costs	1,498	1,499	1	0%
Other Agencies & Bodies	1,611	1,527	(84)	-5%
Transfer Payments	133	215	82	62%
Other Expenditure	679	434	(245)	-36%
Capital Financing	19,768	18,494	(1,274)	-6%
Gross Expenditure	45,973	44,022	(1,951)	-4%
Income				
Council House Rents	(44,888)	(44,717)	171	0%
Other Rents	(326)	(326)		0%
Recharges	(759)	(837)	(78)	10%
Net Expenditure	0	(1,858)	(1,858)	

HRA
BUDGETARY CONTROL 2015/16

REPORT FOR THE TEN MONTHS ENDED 31 JANUARY 2016

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Employee Costs
			Movement - There have been no significant movements since period 8.
4483	(70)	-2%	There is a projected underspend on employee costs of £0.070m due to effective vacancy management.
	(70)		
Note 2			Property Costs
			Movement - There has been no significant movement since Period 8
17,557	(387)	-2%	There is a projected underspend on property costs of £0.387m. This is mainly as a result of a projected underspend in responsive repairs of £0.312m and £0.124m in void repairs. Continuing from last years trend there is a reduction in the number of jobs and average value per job in response repairs. This is as a result of the continued strategy to adopt a planned approach to repairs to reduce the number of responsive repairs. The underspend in void repairs is due to a reduction in the number of void properties projected for the year. In addition there is a projected underspend on aids and adaptations of £0.159m which is offset by £0.164m expenditure on outstanding planned maintenance projects identified for 2015/16.
	(387)		
Note 3			Other Agencies and Bodies
			Movement - No significant movement since P8
1,611	(84)	-5%	There is a projected underspend of £0.084m due to underspend in consultants of £0.040m and payment to other bodies underspend of £0.035m. The expected spend on consultants for Local Housing Strategy is less than anticipated and within payment to other bodies the payment to Cunninghame Housing Association is no longer required.
	(84)		
Note 4			Transfer Payments
133	82	62%	Disturbance Allowance - There is a projected overspend on disturbance allowance due to an increase in the number of properties where works are carried out.
	82		
Note 5			Other Expenditure
			Movement - There has been a increase in the projected underspend of £0.057m as a result of higher collection levels resulting in less requirement for write-offs.
679	(245)	-36%	There is a projected underspend in Arrears Write Off of £0.245m. Collection levels are currently higher than anticipated and based on this there is less requirement for write-offs. A further write off will be carried out in March 2016.
	(245)		
Note 6			Capital Financing
			Movement - There has been no significant movement since Period 8.
19,768	(1,274)	-6%	There is a projected underspend in loan charges of £1.274m due to the availability and continued use of internal funds instead of new borrowing
	(1,274)		

Budget £000	Projected Variance £000	Variance as % of budget	Section
	Note 7		Council House Rents
			Movement - There has been no significant movement since Period 8
(44,888)	171	0%	There is an underrecovery of income of £0.171m largely due to the demolition of houses as a result of the acceleration of new house building projects.
	171		
	Note 8		Other Recharges
			Movement - The projected over-recovery of income has reduced by £0.065m since period 8. This is largely attributable to lower projected storm damage expenditure resulting in lower insurance recoveries.
(759)	(78)	10%	There is an over recovery of income mainly in relation to recharges as a result of anticipated unbudgeted income for insurance recoveries relating to storm damage and insurance rent loss
	(78)		
	Note 9		Other
1,415	27	2%	Other Minor Movements
	27		
(1,858)			TOTAL

Budget £000	Projected Variance £000	Variance as % of budget	Section			
HRA projected reserves and balances	B/fwd from 2014/15	Period 10 Revenue	Use of Earmarked sums	Earmarking of in year surplus	Funding of Capital Projects	Estimated Bal at 31/03/16
	£m	£m	£m		£m	£m
Council House Building Fund	4.266	-	0.000	2.000	0.000	6.266
Welfare Reform	3.000	-	0.000		0.000	3.000
Contingency Balance	0.400	-	0.000	0.600	0.000	1.000
Estate Based Projects	0.040		(0.040)	0.000	0.000	0.000
Sheltered Housing Unit Works	0.150		(0.150)	0.439	0.000	0.439
Infrastructure Improvements	0.000		0.000	0.653	0.000	0.653
Major Refurbishment Works	1.300			0.000		1.300
Software Upgrades	0.020		(0.020)			0.000
Uncommitted Balance	1.887	1.858	0.000	(3.692)	0.000	0.053
	11.063	1.858	(0.210)	0.000	0.000	12.711

NORTH AYRSHIRE COUNCIL

Agenda Item 9

29 March 2016

Cabinet

Title: **Capital Monitoring to 31 January 2016**

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

Recommendation: Agree to (a) approve the revisions to budgets outlined at Sections 2.1, 2.6, 2.7 and 2.9 of the report; (b) note (i) the actual General Services and HRA expenditure and revised budgets to 31 January 2016; and (ii) the forecast of expenditure to 31 March 2016.

1. Executive Summary

- 1.1 The General Services and Housing Revenue Account (HRA) capital budgets were approved at a special meeting of the Council on 9 December 2014. The General Services capital programme approval covered a firm plan for the period from 1 April 2015 to 31 March 2019 and an indicative plan for the years from 2019/20 to 2022/23. The HRA capital budget was approved for 2015/16 only. Delivery of the capital programmes in line with original approvals is a key focus of Audit Scotland as outlined in the Audit Scotland's External Audit of the Council's Accounts.
- 1.2 This report identifies the current programme for 2015/16, taking account of adjustments made to budgets since the meeting outlined at 1.1. The report advises of actual expenditure to 31 January 2016 and forecast expenditure to 31 March 2016.
- 1.3 At Period 10 the General Fund is forecasting a projected outturn of £57.568m against a budget of £57.407m and HRA is forecasting a projected outturn of £21.469m against a budget of £21.870m.

2. Background

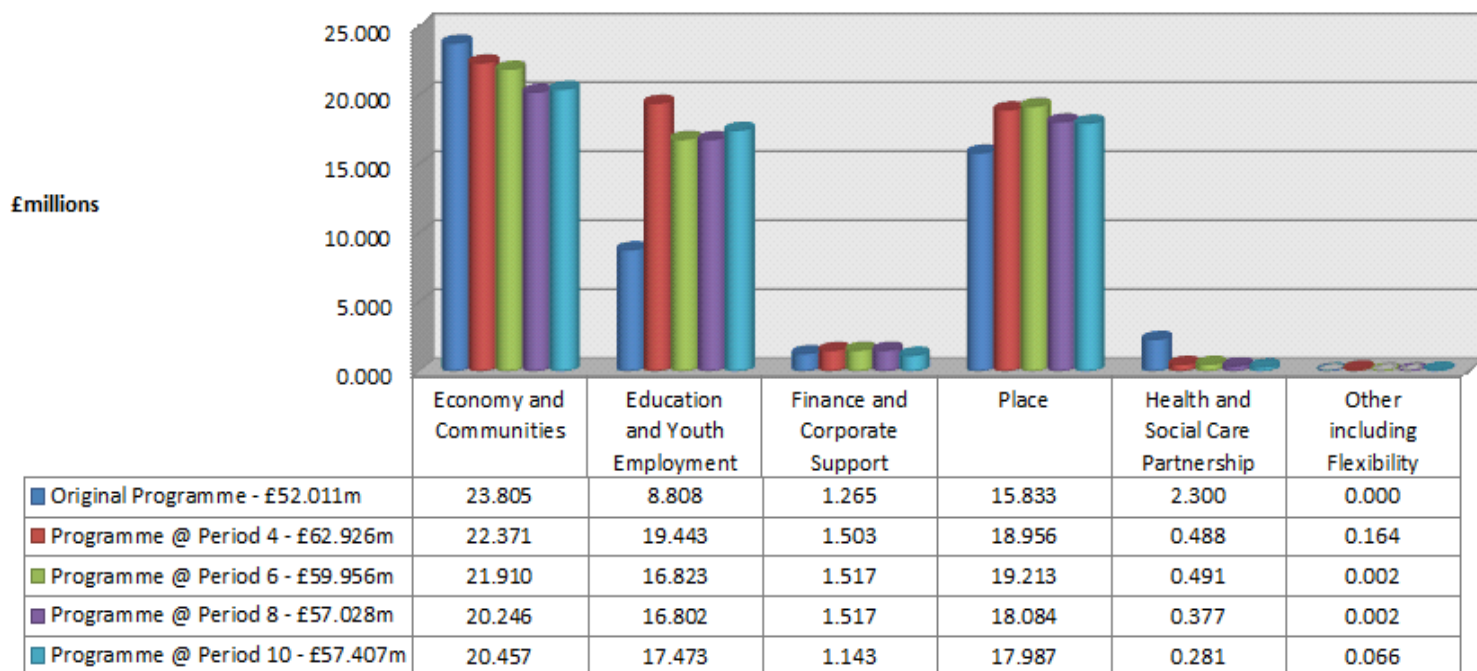
- 2.1 The table below outlines the movements in the 2015/16 General Services budget since the report to Cabinet on 30 November 2015 :-

	2015/16 £m
Budget approved as at 30 November 2015	55.817
a) Alterations to phasing of projects:- 2015/16 to 2016/17 and beyond	(0.329)
projects brought forward from future years to 2015/16	1.919
Budget as at 31 January 2016	57.407

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

Largs Academy (£1.461m) and Irvine Leisure Centre (£0.450m) have accelerated works from 2016/17 and reflect the acquisition of land in relation to Largs Academy and the latest contractors programme for Irvine Leisure Centre.

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



2.4 Capital Expenditure to 31 January 2016

Actual expenditure to 31 January 2016 (Period 10) amounted to £36.210m or 63.1% (compared to anticipated expenditure of £43.094m or 75.1%) of the revised annual budget for 2015/16 of £57.407m. Details of actual spend by project against the revised budget for 2015/16 can be found in Appendix 1, alongside anticipated spend to 31 March 2016.

The projections are summarised by service in the table below:

	Revised Budget 2015/16	Projected Expenditure / Income to 31 March 2016	Projected Variance Over / (Under)	True Over / (Under) Spend	Net Carry Forward to/from 2016/17
	£000's	£000's	£000's	£000's	£000's
<u>Service</u>					
Expenditure					
Economy and Communities	20,457	19,316	(1,141)		(1,141)
Education and Youth Employment	17,473	19,820	2,347		2,347
Finance and Corporate Support	1,143	1,095	(48)		(48)
Place	17,987	17,052	(935)		(935)
Health and Social Care Partnership	281	286	5	5	
Other including Flexibility	66	-	(66)		(66)
Total Expenditure	57,407	57,569	162	5	157
<u>Income</u>					
General Capital Grant	(15,634)	(15,634)	-	-	-
Specific Capital Grant	(207)	(207)	-	-	-
Use of Reserve Funds	(5,298)	(4,561)	737	-	737
Capital Funded from Current Revenue	(1,150)	(1,158)	(8)	-	(8)
Capital Receipts	(2,737)	(3,275)	(538)	-	(538)
Other Grants & Contributions	(4,893)	(3,803)	1,090	-	1,090
Prudential Borrowing	(27,488)	(28,931)	(1,443)	5	(1,438)
Total Income	(57,407)	(57,569)	(162)	5	(157)

2.5 A net acceleration from 2016/17 of £0.157m is projected within the programme. The significant projects which have moved are detailed below :-

- Access Path Network Programme - slippage of £1.102m as a result of delays in the consultation process for Fairlie Coastal Path and delays in the Infrastructure Programme (paths) and Irvine Cycle Friendly Town implementation.
- Largs Academy - slippage of £0.733m due to timing of some land acquisition. There is no impact on the overall programme.
- Street Lighting Mainland - slippage of £0.350m due to delays in the delivery of LED lights
- Garnock Campus - acceleration of £3.093m which reflects the latest contractors programme

2.6 This net movement relates to projects being brought forward and carried forward between financial years and is within the programme approved across the financial years. These movements result in a revised capital programme at 31 January of £57.564m for 2015/16. Information on the progress of all projects and explanations for the carry forwards can be found in Appendix 1.

2.7 Cabinet is asked to approve the inclusion of the Public Realm project at Saltcoats in the Council's Capital Programme which aims to deliver a new public realm on Countess Street, Saltcoats, including new streetscape, lighting and benches. The work will create high quality granite surface and extended pavements along the length of Countess Street including an open event space outside the newly refurbished Town Hall providing a gateway to Saltcoats town centre. The intention is to encourage more footfall on the street, encourage the local businesses to thrive, reduce vehicular traffic and create a better connection to Saltcoats from the Railway station and the town centre and the coast. The project is estimated to cost £1 million and will be fully funded by Irvine Bay.

Housing Revenue Account

2.8 There has been no movement in the 2015/16 HRA Capital budget since the report to 30 November 2015.

Capital Expenditure

2.9 Actual expenditure to 31 January 2016 (Period 10) amounted to £14.088m or 64% (compared to anticipated expenditure of £17.352m or 79%) of the revised annual budget of £21.870m. Current projections are forecasting delivery of 98 % of the revised programme, which represents an underspend of £0.401m at 31 March 2016 and details are shown in the table.

	Revised Budget 2015/16 £000's	Projected Expenditure / Income to 31 March 2016 £000's	Projected Variance Over / (Under) £000's	True Over / (Under) Spend £000's	Net Carry Forward to 2016/17 £000's
<u>Service</u>					
<u>Expenditure</u>					
Housing Revenue Account	21,870	21,469	(401)	(297)	(104)
Total Expenditure	21,870	21,469	(401)	(297)	(104)
<u>Income</u>					
Sale of Council Houses	(1,985)	(2,154)	(169)	(169)	-
Sale of Assets	(178)	(178)	-	-	-
CFCR	(10,505)	(10,505)	-	-	-
Capital Grants	(1,709)	(1,667)	42	-	42
Contribution from House Build Fund	(777)	(540)	237	237	-
Other Capital Income - House Building	-	-	-	-	-
Affordable Housing Contribution	(150)	(150)	-	-	-
Prudential Borrowing	(6,566)	(6,275)	291	229	62
Total Income	(21,870)	(21,469)	401	297	104

- 2.10 A net carry forward of £0.104m is requested to 2016/17 to fund additional investment in the Council's House Building Programme. This will result in a revised programme of £21.365m for 2015/16.

3. Proposals

- 3.1 It is proposed that:-

In General Services -

The Cabinet is invited to (a) approve the further revisions to budgets outlined at Section 2.1, 2.6 and 2.7 and Appendix 1; and (b) note (i) the actual expenditure and revised budget to 31 January 2016 and (ii) the forecast of expenditure to 31 March 2016.

In the H.R.A. -

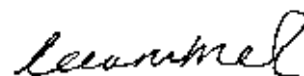
The Cabinet is invited to (a) approve the further revisions to the budget outlined at Section 2.9; (b) note the actual expenditure and budget to 31 January 2016 and (ii) the forecast of expenditure to 31 March 2016.

4. Implications

Financial:	The financial implications are as outlined in the report. Expenditure will continue to be closely monitored to ensure early action is taken regarding any projected underspends or overspends.
Human Resources:	None
Legal:	None
Equality:	None
Environmental & Sustainability:	None
Key Priorities:	A delay in completion of projects could affect the delivery of services and have implications for revenue budgets and service planning. It should be noted that slippage reported within this report does not impact on the completion of capital contracts but simply impacts on timing of payments.
Community Benefits:	None

5. Consultation

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



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference : None

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

Background Papers

Capital Monitoring 30 September 2015 - Cabinet - 24 November 2015

Capital Monitoring 30 November 2015 - Cabinet - 19 January 2016

North Ayrshire Council
Capital Statement
Year Ended 31st March 2016

Project Description	Approved Budget	Carry Forward from 2014/15	Additional Funds Awarded 2015/16	Approved Revisions to Programme	Total Revised Budget 2015/16	Year to Date Budget 2015/16	Actual Expenditure to 31 January 2016	Year to Date Variance 2015/16	Projected Expenditure to 31st March 2016	Projected Over/ (Under) Spend for 2015/16	True Over/ (Under) Spend	Carry Forward to 2016/17
£	£	£	£	£	£	£	£	£	£	£	£	£
EXPENDITURE												
Economy & Communities												
Regeneration	6,859,000	1,367,843	99,160	(3,182,626)	5,143,377	4,469,374	3,238,190	(1,231,184)	5,113,377	(30,000)	0	(30,000)
Strategic Planning & Infrastructure	1,227,000	640,480	1,348,000	(284,378)	2,931,102	2,284,011	702,744	(1,581,267)	1,799,806	(1,131,296)	0	(1,131,296)
Sport & Activity	14,696,000	822,716	0	(4,702,166)	10,816,550	7,449,191	7,283,714	(165,477)	10,836,947	20,397	0	20,397
Information & Culture	523,000	161,672	0	181,162	865,834	405,998	393,169	(12,829)	866,130	296	0	296
SUB TOTAL	23,305,000	2,992,711	1,447,160	(7,988,008)	19,756,863	14,608,574	11,617,817	(2,990,757)	18,616,260	(1,140,603)	0	(1,140,603)
Education & Youth Employment												
Nursery Education	2,461,000	1,283,497	0	(2,843,913)	900,584	687,049	599,148	(87,901)	897,984	(2,600)	0	(2,600)
Primary Schools	186,000	329,692	0	(182,283)	333,409	262,972	115,255	(147,717)	322,438	(10,971)	142	(11,113)
Secondary Schools	5,650,000	(231,654)	0	10,817,411	16,235,757	11,738,930	10,692,567	(1,046,363)	18,596,134	2,360,377	0	2,360,377
Special Education	511,000	(2,874)	0	(505,126)	3,000	5,000	0	(5,000)	3,000	0	0	0
SUB TOTAL	8,808,000	1,378,661	0	7,286,089	17,472,750	12,693,951	11,406,970	(1,286,981)	19,819,556	2,346,806	142	2,346,664
Finance & Corporate Support												
Financial Services	63,000	158,016	0	(85,659)	135,357	100,103	122,598	22,495	135,357	0	0	0
Information Technology	430,000	367,368	0	(334,138)	463,230	478,474	303,975	(174,499)	433,251	(29,979)	0	(29,979)
Council IT Strategy	772,000	(21,554)	0	(206,665)	543,781	586,669	491,483	(95,186)	526,090	(17,691)	0	(17,691)
SUB TOTAL	1,265,000	503,830	0	(626,462)	1,142,368	1,165,246	918,056	(247,190)	1,094,698	(47,670)	0	(47,670)
Health & Social Care												
Management & Support	0	427,580	0	(327,580)	100,000	50,000	5,204	(44,796)	100,000	0	0	0
Older People	2,300,000	108,197	0	(2,259,242)	148,955	114,615	15,289	(99,326)	148,432	(523)	(523)	0
Physical or Sensory Disabled	0	53,636	0	(21,411)	32,225	32,225	13,520	(18,705)	37,516	5,291	5,291	0
SUB TOTAL	2,300,000	589,413	0	(2,608,233)	281,180	196,840	34,013	(162,827)	285,948	4,768	4,768	0
Place												
Roads	5,828,000	813,104	700,000	(828,162)	6,512,942	4,743,687	4,144,072	(599,615)	5,967,942	(545,000)	0	(545,000)
Office Accommodation	1,800,000	503,431	0	(356,205)	1,947,226	1,579,702	1,515,273	(64,429)	1,914,131	(33,095)	0	(33,095)
Other Property	2,129,000	393,432	0	72,572	2,595,004	2,004,336	1,856,826	(147,510)	2,452,551	(142,453)	0	(142,453)
Housing Non HRA	720,000	22,049	0	(20,000)	722,049	573,954	435,375	(138,579)	722,049	0	0	0
Streetscene	1,456,000	541,301	0	(1,650,295)	347,006	292,264	252,309	(39,955)	322,742	(24,264)	(24,264)	0
Transport	2,000,000	(254)	0	0	1,999,746	1,552,359	1,144,515	(407,844)	1,999,746	0	0	0
Waste Services	900,000	595,631	0	(27,408)	1,468,223	1,468,223	999,862	(468,361)	1,468,223	0	0	0
Building Services	0	0	0	40,000	40,000	20,000	23,498	3,498	40,000	0	0	0
Renewable Energy	1,200,000	557,021	0	997,843	2,754,864	1,994,954	1,861,878	(133,076)	2,739,864	(15,000)	0	(15,000)
Cleaning Client	300,000	0	0	0	300,000	200,000	0	(200,000)	125,000	(175,000)	0	(175,000)
SUB TOTAL	16,333,000	3,425,715	700,000	(1,771,655)	18,687,060	14,429,479	12,233,610	(2,195,869)	17,752,248	(934,812)	(24,264)	(910,548)
Other												
Other	0			66,306	66,306	0	0	0	0	(66,306)	(66,306)	
SUB TOTAL	0	0	0	66,306	66,306	0	0	0	0	(66,306)	(66,306)	0
Total Project Expenditure	52,011,000	8,890,330	2,147,160	(5,641,963)	57,406,527	43,094,090	36,210,466	(6,883,624)	57,568,710	162,183	(85,660)	247,843
Total Project Income	(52,011,000)	(8,890,330)	(2,147,160)	5,641,963	(57,406,527)	(14,119,941)	(14,119,941)	0	(57,568,710)	(162,183)	85,660	(247,843)
Total Net Expenditure	0	0	0	0	0	28,974,149	22,090,525	(6,883,624)	0	0	0	0

North Ayrshire Council
Capital Programme Funding

Funding Description	Cost Centre	Approved Budget	Carry Forward from 2014/15	Additional Funds Awarded 2015/16	Approved Revisions to Programme	Total Revised Budget 2015/16	Actual as at 31 January 2016	Projected Income to 31st March 2016
		£	£		£	£	£	£
CAPITAL BORROWING								
Prudential Borrowing	WAAA01	29,218,955	6,355,945		(8,088,098)	27,486,802		28,929,794
SUB TOTAL		29,218,955	6,355,945	0	(8,088,098)	27,486,802	0	28,929,794
SCOTTISH GOVERNMENT FUNDING								
Specific Capital Grants								
Cycling / Walking /Safer Streets	WJAB01	207,000				207,000		207,000
Capital Grants								
General Capital Grant	WAAA01	15,984,000		(350,000)		15,634,000	11,725,101	15,634,000
SUB TOTAL		16,191,000	0	(350,000)	0	15,841,000	11,725,101	15,841,000
OTHER INCOME TO PROGRAMME								
Use of Funds								
Capital Fund								
General	WAAA01		(897,000)		897,000	0		0
Garnock Academy	WBAF92	1,000,000				1,000,000		1,000,000
Largs Campus	WBAF97				1,668,140	1,668,140		935,214
Saltcoats Town Hall	WCLB02	538,000				538,000		538,000
Brodick Harbour Development	WJAA05	1,200,000				1,200,000		1,200,000
Montgomerie Park Masterplan	WJAA07							
B714 Upgrade	WCEC09							
Change & Service Redesign Fund	WAAA01							
Capacity Planning (Storage)	WAEA49		4,955			4,955		4,955
Wireless Access in Schools	WANA01	220,214			(13,965)	206,249		202,523
Managed WAN Services	WANA02	302,501	83,854		(80,000)	306,355		306,355
IPT Telephony	WANA03	80,955			(38,000)	42,955		42,955
Local Area Network	WANA04	176,584				176,584		176,584
Streetscene Scheduling	WCHH01		1,279		(1,279)	0		0
Cunninghame House - Time Clock System	WCLA04		55,000			55,000		55,000
Care First Development / CM2000	WDAB01		172,238		(102,238)	70,000		70,000
Home Care System	WDAB03		142,406		(112,406)	30,000		30,000
CFCR								
General CFCR	WAAA01			350,000		350,000		350,000
Defibrillators	WAAA07		150,126		(15,000)	135,126		135,126
Customer Contact Centre	WAEA47		134,209		(1,231)	132,978		132,978
Hayocks PS Nursery Adapts	WBAB35				83,000	83,000		82,433
Irvine Royal Academy/College	WBAF96				0	0		0
Building Services IT System	WCBA02				40,000	40,000		40,000
Records Unit Replacement	WCLA08				4,635	4,635		12,980
Irvine Leisure Centre	WJBA03	240,000			14,000	254,000		254,000
Community Development Fund	WJBB01				(27,540)	(27,540)		(27,540)
Stevenston Library Hub	WJBB07				128,090	128,090		128,090
Eglinton Park Car Park	WJBB10				50,000	50,000		50,000
Grants & Contributions								
SFT Funding Garnock Campus & Largs Campus	WBAF92							
SPT Funding - Roads	WCES03		835,812		(425,812)	410,000		410,000
Historic Scotland - Saltcoats Town Hall	WCLB02		125,000			125,000	87,588	125,000
Restoration Grant - Saltcoats Town Hall	WCLB02		95,027			95,027	95,027	95,027
Big Coastal Communities Grant - Tourism Infrastructure	WJAA01			99,160		99,160	80,998	99,160
Highlands & Islands - Millport Field Centre	WJAA04		763,255			763,255	384,152	763,255
Millport Pier	WJAA11							
SPT Funding - Plugged In Places	WJAB03		151,000		(18,259)	132,741	132,741	132,741
Access Paths - SUSTRANS	WJAB04	660,000	560,224	1,203,000		2,423,224	344,500	1,320,724
SPT Funding - A841 Brodick to Lochranza	WJAB06			700,000		700,000		700,000
SPT Funding -Hawkhill Roundabout	WJAB07			25,000		25,000		25,000
SPT Funding - Arran Bridges Signage	WJAB08			0		0		0
SPT Funding - Irvine Town Centre Bus	WJAB09			50,000		50,000		50,000
SPT Funding -Bus Corridor Improvements	WJAB10			50,000		50,000		50,000
SPT Funding - Bus Route UTC	WJAB11			20,000		20,000		20,000
Irvine Leisure Centre - AV Funding (application to be made)	WJBA03	125,000			(125,000)	0		0
West Kilbride CA - Gym extension	WJBB03					0	12,398	12,398
Capital Receipts		2,057,791	157,000	0	522,000	2,736,791	1,257,437	3,274,958
Sale of Land and Buildings	WAAA01	2,017,791	157,000			2,174,791	157,271	2,174,791
Sale of Vehicles	WCMA01	40,000				40,000	62,842	62,842
Insurance Recoveries (Vehicles)	WCMA01					0	21,792	21,792
Montgomerie Park Masterplan	WJAA07				522,000	522,000	1,015,533	1,015,533
SUB TOTAL		6,601,045	2,534,385	2,497,160	2,446,135	14,078,725	2,394,840	12,797,916
TOTAL CAPITAL PROGRAMME FUNDING		52,011,000	8,890,330	2,147,160	(5,641,963)	57,406,527	14,119,941	57,568,710

CAPITAL MONITORING 2015/16
Year Ended 31st March 2016

ECONOMY & COMMUNITIES

CURRENT YEAR 2015/16 EXPENDITURE											2016/17	Comments
Project Description	Total Revised Budget 2015/16	Year to Date Budget 2015/16	Actual Expenditure to 31 January 2016	Year to Date Variance 2015/16	Projected Expenditure to 31 March 2016	Projected Over/ (Under) Spend for 15/16	True Over/(Under) Spend	Carry Forward to 2016/17	% Expenditure for 2015/16	% Expenditure Projected for year 15/16 (CPI)	Revised Budget for 16/17	
ECONOMIC GROWTH												
Regeneration												
TOURISM INFRASTRUCTURE	118,321	19,161	94,315	75,154	118,321	0		0	79.71%	100.00%	0	
IRVINE ENTERPRISE AREA	1,975,556	1,975,556	1,963,208	(12,348)	1,975,556	0		0	99.37%	100.00%	3,972,011	
TOWN CENTRE REGENERATION	200,000	200,000	137,566	(62,434)	170,000	(30,000)		(30,000)	68.78%	85.00%	2,350,615	
MILLPORT FIELD CENTRE	1,161,021	1,026,178	997,783	(28,395)	1,161,021	0		0	85.94%	100.00%	0	
BRODICK HARBOUR DEVELOPMENT	1,200,000	1,200,000	0	(1,200,000)	1,200,000	0		0	0.00%	100.00%	0	
MONTGOMERIE PARK MASTERPLAN	48,479	48,479	45,318	(3,161)	48,479	0		0	93.48%	100.00%	1,575,000	
PENNYBURN ROUNDABOUT	0	0	0	0	0	0		0	No budget	No budget	0	
IRVINE BAY REGEN CO ASSETS	440,000	0	0	0	440,000	0		0	0.00%	100.00%	1,400,000	
Total Regeneration	5,143,377	4,469,374	3,238,190	(1,231,184)	5,113,377	(30,000)	0	(30,000)	62.96%	99.42%	9,297,626	
Strategic Planning & Infrastructure												
CYCLING/WALKING/SAFER STREETS	0	0	0	0	0	0		0	No budget	No budget	179,000	
SPT FUNDED PROJECTS - SP&I	0	0	0	0	0	0		0	No budget	No budget	0	
PLUGGED IN PLACES (PIP)	81,082	81,082	81,083	1	81,082	0		0	100.00%	100.00%	0	Work complete
ACCESS PATH NETWORK PROGRAMME	2,630,224	2,041,929	574,557	(1,467,372)	1,527,724	(1,102,500)		(1,102,500)	21.84%	58.08%	200,000	Delays in relation to two of the key projects in the Access Path Network Programme have resulted in the variance to date. The delays were as a result of the consultation process on the Fairlie Coastal Path and the delays previously identified in relation to the Green Infrastructure Programme and ICFT implementation. The Fairlie Community Links Project will be considered by Cabinet on 1 March 2016 and progressed as appropriate. Both of these have resulted in delays in the overall construction programme. Agreement has been obtained from the funders that expenditure be carried forward into the first quarter of 2016/17. The budget has been reprofiled to take account of these delays. A number of invoices have also been delayed due to valuations.
CAR PARK STRATEGY	74,796	56,000	45,589	(10,411)	46,000	(28,796)		(28,796)	60.95%	61.50%	148,100	Various works identified.
HAWKHILL ROUNDABOUT	25,000	0	1,515	1,515	25,000	0		0	6.06%	100.00%	0	Tenders received from Consultants
ARRAN BRIDGES SIGNAGE	0	0	0	0	0	0		0	No budget	No budget	30,000	Project stopped for this financial year
IRVINE TOWN CENTRE BUS	50,000	50,000	0	(50,000)	50,000	0		0	0.00%	100.00%	0	Reconsultation being carried out on proposals. Full spend still anticipated.
BUS CORRIDOR IMPROVEMENTS	50,000	35,000	0	(35,000)	50,000	0		0	0.00%	100.00%	0	Work ongoing
BUS ROUTE UTC	20,000	20,000	0	(20,000)	20,000	0		0	0.00%	100.00%	0	Consultant finalising proposals
Total Strategic Planning & Infrasturture	2,931,102	2,284,011	702,744	(1,581,267)	1,799,806	(1,131,296)	0	(1,131,296)	23.98%	61.40%	557,100	
CONNECTED COMMUNITIES												
Sports & Activity												
LARGS SPORTS DEVELOPMENT	72,249	0	0	0	72,249	0		0	0.00%	100.00%	0	
IRVINE LEISURE CENTRE	10,744,301	7,449,191	7,283,714	(165,477)	10,764,698	20,397		20,397	67.79%	100.19%	8,038,662	
MAGNUM CENTRE DEMOLITION	0	0	0	0	0	0		0	No budget	No budget	550,000	
Total Sports & Activity	10,816,550	7,449,191	7,283,714	(165,477)	10,836,947	20,397	0	20,397	67.34%	100.19%	8,588,662	

CAPITAL MONITORING 2015/16
Year Ended 31st March 2016

ECONOMY & COMMUNITIES

CURRENT YEAR 2015/16 EXPENDITURE										2016/17		
Project Description	Total Revised Budget 2015/16	Year to Date Budget 2015/16	Actual Expenditure to 31 January 2016	Year to Date Variance 2015/16	Projected Expenditure to 31 March 2016	Projected Over/ (Under) Spend for 15/16	True Over/(Under) Spend	Carry Forward to 2016/17	% Expenditure for 2015/16	% Expenditure Projected for year 15/16 (CPI)	Revised Budget for 16/17	Comments
Information & Culture												
COMMUNITY DEVELOPMENT FUND	309,933	0	0	0	309,933	0		0	0.00%	100.00%	300,000	Awaiting Scottish Government Stage 2 Capital Fund application announcement for the Quarry Rd Development
CASTLES & HISTORIC MONUMENTS	148,576	0	0	0	148,576	0		0	0.00%	100.00%	49,388	Awaiting further permissions from Historic Scotland
WEST KILBRIDE CC GYMNASIUM	0	0	(7,365)	(7,365)	0	0		0	No budget	No budget	0	Final Account from 2014/15 has not yet been agreed. Probable that this will have to be reaccrued and settled in 2016-17.
ARDROSSAN CASTLE	67,315	63,489	64,377	888	67,611	296		296	95.64%	100.44%	0	
KERELAW CASTLE	0	0	(2,554)	(2,554)	0	0		0	No budget	No budget	0	Final retention due to be settled in February 2016.
STEVENSTON LIBRARY HUB	120,010	122,509	120,010	(2,499)	120,010	0		0	100.00%	100.00%	0	
EGLINTON PARK CAR PARK WORKS	220,000	220,000	218,701	(1,299)	220,000	0		0	99.41%	100.00%	0	
ST BRIDE'S CHAPEL, ARRAN	0	0	0	0	0	0		0	No budget	No budget	50,000	
Total Information & Cultural	865,834	405,998	393,169	(12,829)	866,130	296	0	296	45.41%	100.03%	399,388	
Total Economy & Communities	19,756,863	14,608,574	11,617,817	(2,990,757)	18,616,260	(1,140,603)	0	(1,140,603)	58.80%	94.23%	18,842,776	

CAPITAL MONITORING 2015/16
Year Ended 31st March 2016

EDUCATION & YOUTH EMPLOYMENT

Project Description	CURRENT YEAR 2015/16 EXPENDITURE										2016/17	Comments
	Total Revised Budget 2015/16	Year to Date Budget 2015/16	Actual Expenditure to 31 January 2016	Year to Date Variance 2015/16	Projected Expenditure to 31 March 2016	Projected Over/ (Under) Spend for 15/16	True Over/(Under) Spend	Carry Forward to 2016/17	% Expenditure for 2015/16	% Expenditure Projected for year 15/16 (CPI)	Revised Budget for 16/17	
Nursery Education												
ARDEER PS NURSERY ADAPTS	8,000	8,000	193	(7,807)	6,924	(1,076)	0	(1,076)	2.41%	86.55%	0	
CALEDONIA PS NURSERY ADAPTS	31,795	31,795	31,795	(0)	31,795	0		0	100.00%	100.00%	0	
ST BRIDGETS PS NURSERY ADAPTS	803	198	803	605	803	0		0	100.00%	100.00%	0	
HAYOCKS PS NURSERY ADAPTS	220,559	220,258	182,994	(37,264)	219,992	(567)		(567)	82.97%	99.74%	1,521	
GLENCAIRN PS NURSERY ADAPTS	86,990	86,821	86,490	(331)	86,791	(199)		(199)	99.43%	99.77%	2,605	
LOUDOUN-MONTG'Y PS NURSY ADAP	5,000	0	0	0	5,000	0		0	0.00%	100.00%	725,863	
ST JOHN OGILVIE PS NURSY ADAP	228,039	226,823	211,595	(15,228)	228,639	600		600	92.79%	100.26%	4,661	retention in 16/17
EARLY LEARNING & CHILDCARE	79,453	0	0	0	79,453	0		0	0.00%	100.00%	750,521	
PENNYBURN PS NURSERY ADAPTS	16,000	16,000	13,504	(2,496)	13,504	(2,496)	0	(2,496)	84.40%	84.40%	0	Final account agreed lower than anticipated
DYKESMAINS PS NURSERY ADAPTS	65,176	64,982	56,944	(8,038)	65,848	672		672	87.37%	101.03%	1,173,672	
WEST KILBRIDE PS NURSERY ADAP	28,547	25,000	219	(24,781)	28,547	0	0	0	0.77%	100.00%	0	
WHITLEES COMM CTRE NURSERY ADAPTS	130,222	7,172	11,277	4,105	130,688	466		466		100.36%	18,235	
Total Nursery Education	900,584	687,049	599,148	(87,901)	897,984	(2,600)	0	(2,600)	66.53%	-9.76%	2,677,078	
Primary Schools												
CORRIE PS ANNEXE - STRUCTURAL	0	0	(14,285)	(14,285)	(10,560)	(10,560)		(10,560)	No budget	No budget	0	Potential Claim from Contractor in 16-17 for the extention of time
ST LUKES PS-EXTENSION PHASE 2	215,963	203,220	202,637	(583)	215,472	(491)	0	(491)	93.83%	99.77%	641	
FREE SCHOOL MEALS P1 - P3	49,871	0	0	0	49,871	0		0	0.00%	100.00%	0	
LOUDOUN-MONTG'Y PS KITCHN WRKS	0	0	(376)	(376)	0	0		0	No budget	No budget	0	
SKELMORLIE PS KITCHEN WORKS	0	0	(786)	(786)	0	0		0	No budget	No budget	0	
ST LUKE'S PS KITCHEN WORKS	3,745	3,745	3,745	0	3,745	0		0	100.00%	100.00%	0	
WEST KILBRIDE PS KITCHEN WORKS	40,066	35,191	39,308	4,117	40,004	(62)		(62)	98.11%	99.85%	3,996	
ELDERBANK PS	23,764	20,816	(115,130)	(135,946)	23,764	0		0	-484.47%	100.00%	138,786	External works due to be carried out over Easter Holiday period to minimise disruption to the school and remove H&S risks and traffic congestion.
CASTLEPARK PS	0	0	142	142	142	142	142	0	No budget	No budget	0	
Total Primary Education	333,409	262,972	115,255	(147,717)	322,438	(10,971)	142	(11,113)	34.57%	96.71%	143,423	
Secondary Schools												
GARNOCK CAMPUS	14,054,070	11,013,819	9,722,581	(1,291,238)	17,147,373	3,093,303		3,093,303	69.18%	122.01%	22,166,367	
IRVINE ROYAL/COLLEGE ADAPTS	513,547	511,181	447,447	(63,734)	513,547	0		0	87.13%	100.00%	505,540	
LARGS ACADEMY	1,668,140	213,930	522,538	308,608	935,214	(732,926)		(732,926)	31.32%	56.06%	30,215,279	Acquisition of land now expected early 16-17
Total Secondary Education	16,235,757	11,738,930	10,692,567	(1,046,363)	18,596,134	2,360,377	0	2,360,377	65.86%	114.54%	52,887,186	
Special Education												
STANECASTLE SCH REMEDIAL WORKS	3,000	5,000	0	(5,000)	3,000	0		0	0.00%	100.00%	505,126	
Total Special Education	3,000	5,000	0	(5,000)	3,000	0	0	0	0.00%	100.00%	505,126	
Total Education & Skills	17,472,750	12,693,951	11,406,970	(1,286,981)	19,819,556	2,346,806	142	2,346,664	65.28%	113.43%	56,212,813	

CAPITAL MONITORING 2015/16
Year Ended 31st March 2016

FINANCE & CORPORATE SUPPORT

CURRENT YEAR 2015/16 EXPENDITURE											2016/17	
Project Description	Total Revised Budget 2015/16	Year to Date Budget 2015/16	Actual Expenditure to 31 January 2016	Year to Date Variance 2015/16	Projected Expenditure to 31 March 2016	Projected Over/(Under) Spend for 15/16	True Over/(Under) Spend	Carry Forward to 2016/17	% Expenditure for 2015/16	% Expenditure Projected for year 2015/16 (CPI)	Revised Budget for 16/17	Comments
Financial Services												
DEFIBRILLATORS	135,357	100,103	122,598	22,495	135,357	0		0	90.57%	100.00%	15,000	New sites coming on line including the siting of external cabinets, with individual implications. Meeting next week, following which a decision will be made.
Total Financial Services	135,357	100,103	122,598	22,495	135,357	0	0	0	90.57%	100.00%	15,000	
Information Technology												
PC REPLACEMENT/VIRTUAL DESKTOP	26,302	16,302	13,736	(2,566)	26,302	0		0	52.22%	100.00%	247,771	
MICROSOFT OFFICE UPGRADE	45,089	45,089	41,860	(3,229)	45,089	0		0	92.84%	100.00%	0	
WINDOWS SERVER MIGRATION	9,752	9,752	5,009	(4,743)	5,009	(4,743)		(4,743)	51.37%	51.36%	97,136	
CUSTOMER CONTACT CENTRE	132,978	132,978	131,767	(1,211)	132,978	0		0	99.09%	100.00%	0	
NEW COUNCIL ICT STRATEGY	8,388	8,388	5,236	(3,152)	5,236	(3,152)		(3,152)	62.42%	62.42%	0	to be carried over and amalgamated with PC Replacement Programme - Review of Virtual desktop infrastrucutre expected on conclusion of Provista HSCP report
DATA RATIONALISATION & STORAGE	84,955	84,955	46,853	(38,102)	68,153	(16,802)		(16,802)	55.15%	80.22%	0	
PSN COMPLIANCE	85,766	111,010	59,514	(51,496)	80,484	(5,282)	0	(5,282)	69.39%	93.84%	150,000	
AGILE WORKING	70,000	70,000	0	(70,000)	70,000	0		0	0.00%	100.00%	130,000	
Total Information Technology	463,230	478,474	303,975	(174,499)	433,251	(29,979)	0	(29,979)	65.62%	93.53%	624,907	
Council IT Strategy												
WIRELESS ACCESS IN SCHOOLS	244,286	252,391	238,746	(13,645)	244,286	0		0	97.73%	100.00%	32,965	A few remaining asbestos surveys to be completed to allow completion of works in 2016/17
MANAGED WAN SERVICES	268,358	291,676	239,292	(52,384)	268,358	0		0	89.17%	100.00%	130,000	
IP TELEPHONY (IPT)	31,137	42,602	13,446	(29,156)	13,446	(17,691)		(17,691)	43.18%	43.18%	52,000	
Total IT Strategy	543,781	586,669	491,483	(95,186)	526,090	(17,691)	0	(17,691)	90.38%	100.00%	214,965	
Total Finance & Corporate Support	1,142,368	1,165,246	918,056	(247,190)	1,094,698	(47,670)	0	(47,670)	80.36%	0.00%	854,872	

CAPITAL MONITORING 2015/16
Year Ended 31st March 2016

HEALTH & SOCIAL CARE

Project Description	CURRENT YEAR 2015/16 EXPENDITURE										2016/17	Comments
	Total Revised Budget 2015/16	Year to Date Budget 2015/16	Actual Expenditure to 31 January 2016	Year to Date Variance 2015/16	Projected Expenditure to 31 March 2016	Projected Over/(Under) Spend for 15/16	True Over/(Under) Spend	Carry Forward to 2016/17	% Expenditure for 2015/16	% Expenditure Projected for year 15/16 (CPI)	Revised Budget for 16/17	
<u>Management & Support</u>												
CAREFIRST IT DEVELOPMENT	70,000	35,000	5,204	(29,796)	70,000	0		0	7.43%	100.00%	0	
HOME CARE SYSTEM	30,000	15,000	0	(15,000)	30,000	0	0	0	0.00%	100.00%	99,000	
<u>Total Management & Support</u>	100,000	50,000	5,204	(44,796)	100,000	0	0	0	5.20%	100.00%	99,000	
<u>Older People</u>												
MONTROSE HSE REDESIGN FACILIT	10,396	10,396	(66,872)	(77,268)	10,396	0		0	-643.25%	100.00%	0	Final account due February/March
LARGS OLDER PEOPLE RES CTRE	57,895	44,279	40,600	(3,679)	57,372	(523)	(523)	0	70.13%	99.10%	0	
CURRIE COURT CONVERSION	(14,537)	0	(14,537)	(14,537)	(14,537)	0	0	0	100.00%	100.00%	0	Final account settled
LD DAY CENTRES	95,201	59,940	56,098	(3,842)	95,201	0		0	58.93%	100.00%	4,067,686	Consultation period took longer than anticipated therefore causing delay to the programme. PMI are working to mitigate this delay as much as possible by applying additional resource.
<u>Total Older People</u>	148,955	114,615	15,289	(99,326)	148,432	(523)	(523)	0	10.26%	99.65%	4,067,686	
<u>Physical or Sensory</u>												
DIRRANS REHABILITATION CENTR	32,225	32,225	13,520	(18,705)	37,516	5,291	5,291	0	41.96%	116.42%	0	
<u>Total Physical or Sensory</u>	32,225	32,225	13,520	(18,705)	37,516	5,291	5,291	0	41.96%	116.42%	0	
<u>Total Health & Social Care</u>	281,180	196,840	34,013	(162,827)	285,948	4,768	4,768	0	12.10%	101.70%	4,166,686	

CAPITAL MONITORING 2015/16
Year Ended 31st March 2016

PLACE

Project Description	CURRENT YEAR 2015/16 EXPENDITURE										2016/17	Comments
	Total Revised Budget 2015/16	Year to Date Budget 2015/16	Actual Expenditure to 31 January 2016	Year to Date Variance 2015/16	Projected Expenditure to 31 March 2016	Projected Over/(Under) Spend for 15/16	True Over/(Under) Spend	Carry Forward to 2016/17	% Expenditure for 2015/16	% Expenditure Projected for year 15/16 (CPI)	Revised Budget for 16/17	
PHYSICAL ENVIRONMENT												
Roads												
ROADS IMPROVE/RECONSTRUCTION	2,145,939	1,945,506	1,957,480	11,974	2,045,939	(100,000)		(100,000)	91.22%	95.34%	2,600,000	Previously estimated brought forward of £500k. Now estimated only £400k required . Request to move £100k to 16-17
B714 UPGRADE	50,000	50,000	57,636	7,636	95,000	45,000		45,000	115.27%	190.00%	0	0 Consultant now in place and design process commenced. Negotiations with land owners ongoing, design well advanced.
LIGHTING	1,124,901	1,002,219	778,319	(223,900)	1,124,901	0		0	69.19%	100.00%	900,000	Works programme fully underway and on target to fully spend budget. Awaiting contractors invoices for completed work.
STREET LIGHTING MAINLAND	1,537,138	1,291,548	883,987	(407,561)	1,187,138	(350,000)		(350,000)	57.51%	77.23%	1,596,598	Delivery of LED lights will now be expected early April 2016 - hence requested carry forward of £350k.
GARNOCK VALLEY FLOOD PREV	319,964	43,775	70,147	26,372	319,964	0		0	21.92%	100.00%	1,348,960	Project has received 5 formal objections following the public notification. North Ayrshire Council will continue to engage with objectors to try and resolve issues.
BANNOCH BURN KILW'G FLOOD WORK	225,000	639	26,762	26,123	85,000	(140,000)		(140,000)	11.89%	37.78%	0	0 Contractor now in place with a start date arranged for beginning of Feb 2016.
SPT FUNDED PROJECTS - ROADS	410,000	410,000	369,741	(40,259)	410,000	0		0	90.18%	100.00%	0	0 Work complete awaiting agreement of final measure.
BRIDGES INFRASTRUCTURE PROG	0	0	0	0	0	0		0	No budget	No budget	560,000	
MILLPORT PIER	0								No budget	No budget	500,000	
A841 BRODICK TO LOCHRANZA	700,000				700,000				0.00%	100.00%		Work to be completed in February
Total Roads	6,512,942	4,743,687	4,144,072	(599,615)	5,967,942	(545,000)	0	(545,000)	63.63%	91.63%	7,505,558	
Office Accommodation												
BRIDGEGATE HOUSE REFURB	125,546	75,895	48,781	(27,114)	66,734	(58,812)		(58,812)	38.86%	53.16%	0	0 Further remedial work required in 16/17, extent of which are still to be scoped.
CUNNINGHAME HOUSE PHASE 1	16,934	9,709	(3,266)	(12,975)	16,934	0		0	-19.29%	100.00%	0	
CUNNINGHAME HOUSE PHASE 2	289,458	288,077	273,841	(14,236)	289,458	0		0	94.60%	100.00%	0	
CUNNINGHAME HOUSE PHASE 3-4	1,506,451	1,201,819	1,187,080	(14,739)	1,519,188	12,737		12,737	78.80%	100.85%	515,208	
PROPERTY LIFECYCLE INVESTMENT	0	0	0	0	0	0		0	No budget	No budget	0	
RECORDS UNIT REPLACEMENT	8,837	4,202	8,837	4,635	21,817	12,980		12,980			356,163	
Total Office Accommodation	1,947,226	1,579,702	1,515,273	(64,429)	1,914,131	(33,095)	0	(33,095)	77.82%	98.30%	871,371	
Other Property												
CORP ASSET MANAGEMENT SYSTEM	58,842	48,000	16,121	(31,879)	58,842	0		0	27.40%	100.00%	0	
SALTCOATS TOWN HALL	2,536,162	1,956,336	1,840,706	(115,630)	2,393,709	(142,453)	0	(142,453)	72.58%	94.38%	31,428	Works completed 12 feb. Outstanding claim which will not enable final account to be settled til 16-17
Total Property	2,595,004	2,004,336	1,856,826	(147,510)	2,452,551	(142,453)	0	(142,453)	71.55%	100.00%	31,428	

CAPITAL MONITORING 2015/16
Year Ended 31st March 2016

PLACE

Project Description	CURRENT YEAR 2015/16 EXPENDITURE										2016/17	Comments
	Total Revised Budget 2015/16	Year to Date Budget 2015/16	Actual Expenditure to 31 January 2016	Year to Date Variance 2015/16	Projected Expenditure to 31 March 2016	Projected Over/(Under) Spend for 15/16	True Over/(Under) Spend	Carry Forward to 2016/17	% Expenditure for 2015/16	% Expenditure Projected for year 15/16 (CPI)	Revised Budget for 16/17	
Housing Non HRA												
IMPROVEMENT GRANTS	617,269	536,576	280,189	(256,387)	617,269	0		0	45.39%	100.00%	700,000	
CARE & REPAIR	104,780	37,378	155,186	117,808	104,780	0		0	148.11%	100.00%	0	
Total Housing Non HRA	722,049	573,954	435,375	(138,579)	722,049	0	0	0	60.30%	100.00%	720,000	
Streetscene												
NEW STEVENSTON CEMETERY	0	0	(15,400)	(15,400)	0	0		0	No budget	No budget	0	Final Account now agreed
SKELMORLIE CEMETERY WALL	121,889	82,545	61,065	(21,480)	97,625	(24,264)	(24,264)	0	50.10%	80.09%	2,695	True underspend to be transferred to holding code.
CEMETERY WALLS &INFRASTRUCTURE	5,610	0	0	0	5,610	0		0	0.00%	100.00%	0	
CEMETERY EXTNS, WALLS & INFRA	10,000	0	15,424	15,424	10,000	0		0	154.24%	100.00%	1,787,599	
ARDROSSAN CEMETERY WORKS	130,801	130,801	130,801	(0)	130,801	0		0	100.00%	100.00%	3,764	
BRODICK OLD CEMETERY WORKS	340	2,148	339	(1,809)	340	0		0	99.62%	100.00%	0	
KILMORY CEMETERY WORKS	340	2,148	339	(1,809)	340	0		0	99.62%	100.00%	0	
ST BRIDE'S CEMETERY WORKS	340	2,151	339	(1,812)	340	0		0	99.62%	100.00%	0	
DREGHORN CEMETERY WORKS	1,540	1,540	1,540	0	1,540	0		0	100.02%	100.00%	0	
OLD BARONY CEMETERY WORKS	63,209	57,994	44,925	(13,069)	63,209	0		0	71.07%	100.00%	0	
HIGH KIRK CEMETERY WORKS	12,937	12,937	12,938	1	12,937	0		0	100.00%	100.00%	1,071	
Total Streetscene	347,006	292,264	252,309	(39,955)	322,742	(24,264)	(24,264)	0	72.71%	93.01%	1,796,408	
COMMERCIAL SERVICES												
Cleaning Client												
CASHLESS CATERING SYSTEM	300,000	200,000	0	(200,000)	125,000	(175,000)		(175,000)	0.00%	41.67%	0	Contract has been awarded and surveys are in place , full programm of work will be provided by Period 10 report .
Total Cleaning Client	300,000	200,000	0	(200,000)	125,000	(175,000)	0	(175,000)	0.00%	41.67%	0	
Transport												
VEHICLES	1,999,746	1,552,359	1,144,515	(407,844)	1,999,746	0		0	57.23%	100.00%	2,000,000	
Total Transport	1,999,746	1,552,359	1,144,515	(407,844)	1,999,746	0	0	0	57.23%	100.00%	2,000,000	
Waste Services												
SHEWALTON LANDFILL	1,455,726	1,455,726	997,911	(457,815)	1,455,726	0		0	68.55%	100.00%	530,079	Awaiting information to allow final payment certificate to be submitted.
ICT WASTE MANAGEMENT SYS	10,546	10,546	0	(10,546)	10,546	0		0	0.00%	100.00%	0	Final payment will be made once outstanding issues around system functionality have been resolved
PADDOCKHOLM DEPOT	1,951	1,951	1,951	0	1,951	0		0	100.00%	100.00%	0	
Total Waste Services	1,468,223	1,468,223	999,862	(468,361)	1,468,223	0	0	0	68.10%	100.00%	530,079	
Building Services												
BUILDING SERVICES IT SYSTEM	40,000	20,000	23,498	3,498	40,000	0	0	0	58.74%	100.00%	0	
Total Building Services	40,000	20,000	23,498	3,498	40,000	0	0	0	59%	100%	0	
Renewable Energy												

CAPITAL MONITORING 2015/16
Year Ended 31st March 2016

PLACE

CURRENT YEAR 2015/16 EXPENDITURE											2016/17	Comments
Project Description	Total Revised Budget 2015/16	Year to Date Budget 2015/16	Actual Expenditure to 31 January 2016	Year to Date Variance 2015/16	Projected Expenditure to 31 March 2016	Projected Over/(Under) Spend for 15/16	True Over/(Under) Spend	Carry Forward to 2016/17	% Expenditure for 2015/16	% Expenditure Projected for year 15/16 (CPI)	Revised Budget for 16/17	
RENEWABLE ENERGY PROGRAMME	0	0	0.00	0	0	0		0	No budget	No budget	267,006	
BIOMASS RETROFIT PROGRAMME	1,553,993	1,205,699	1,170,349.83	(35,349)	1,553,993	0		0	75.31%	100.00%	0	Delay in completing the Irvine Royal Academy project may result in a small carry over to 2016/17
SOLAR PV RETROFIT PROGRAMME	865,871	748,795	558,040.40	(190,755)	865,871	0		0	64.45%	100.00%	10,444	3 properties await Scottish Power agreement to connect to their distribution network. This may result in a carry over until 2016/17
SOLAR ARRAYS	200,000	40,460	133,488.00	93,028	200,000	0		0	66.74%	100.00%	0	
NETHERMAINS L/FILL SOLAR PV P	0	0	0.00	0		0		0	No budget	No budget	5,140,000	
SHEWALTON L/FILL SOLAR PV PAR	0	0	0.00	0		0		0	No budget	No budget	3,310,000	
NETHERMAINS WIND TURBINE	0	0	0.00	0		0		0	No budget	No budget	0	
IRVINE DISTRICT HEATING SYSTE	15,000	0	0.00	0	0	(15,000)		(15,000)	0.00%	0.00%	6,885,000	
SOLAR PV RETROFIT EXTENSION	120,000	0	0.00	0	120,000	0		0	0.00%	100.00%	0	
Total Renewable Energy	2,754,864	1,994,954	1,861,878	(133,076)	2,739,864	(15,000)	0	(15,000)	67.59%	99.46%	15,612,450	
Total Place	18,687,060	14,429,479	12,233,610	(2,195,869)	17,752,248	(934,812)	(24,264)	(910,548)	65.47%	95.00%	29,067,294	

Year Ended 31st March 2016

Other Budgets

Project Description	CURRENT YEAR 2015/16 EXPENDITURE										2016/17	Comments
	Approved Budget	Carry Forward From 2014/15	Additional Funds Awarded 2015/16	Approved Revisions To Programme	Total Revised Budget 2015/16	Year to Date Budget 2015/16	Carry Forward to 2016/17	Year to Date Variance 2015/16	Projected Expenditure to 31 March 2016	Over/ (Under) Spend for 15/16	Revised Budget for 16/17	
FLEXIBILITY BUDGET				66,306	66,306	0		0	0	(66,306)	0	
PROCUREMENT TEAM					0	0		0	0	0		
Total Other Budgets	0	0	0	66,306	66,306	0	0	0	0	(66,306)	0	

North Ayrshire Council HRA Capital Statement For Year Ended 31 March 2016												
Description	Budget Approved 9 December 2014	Budget B/Fwd/ (C/Fwd)	Approved Revisions to programme	Revised budget 2015/16	Year to Date Budget	Actual expenditure to 31 January 2016	Year to Date Variance	Projected Expenditure to 31 March 2016	Over/(Under) Spend for 2015/16	Carry Forward to 2016/17	True (Under)/Over spend	Comments
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
COUNCIL HOUSE BUILDING GENERAL	0	0	0	0	0	27,903	27,903	30,000	30,000	0	30,000	Home loss payments in relation to Canal Court new build project - to be funded from the HRA Council House Building fund.
NEW BUILD REDSTONE AVENUE	0	0	0	0	0	(74,577)	(74,577)	0	0	0	0	Final invoices for retentions etc. are overdue, this is being followed up with the contractor.
NEW BUILD - JOHN GALT SITE	0	0	0	0	0	(154,266)	(154,266)	0	0	0	0	Final invoices for retentions etc. are due towards the end of the financial year
NEW BUILD STEVENSON INSTITUTE	0	91,000	(13,000)	78,000	78,000	63,970	(14,030)	82,590	4,590	4,590	0	Savings of £13,000 previously removed from this project line, however projection based on final account and retentions now indicates an increase in spend.
NEW BUILD DICKSON DRIVE	532,000	(196,039)	0	335,961	326,400	267,535	(58,865)	313,000	(22,961)	0	(22,961)	True savings have been achieved due to tender price being lower than originally estimated, this has reduced the requirement to draw funds from the HRA House Building Fund.
NEW BUILD MONTGOMERY COURT	2,461,212	(74,592)	(737,000)	1,649,620	1,436,000	1,077,134	(358,866)	1,649,620	0	0	0	
NEW BUILD VENNEL GARDENS (KILN COURT)	2,225,935	(809,231)	0	1,416,704	1,246,000	1,062,746	(183,254)	1,172,326	(244,378)	0	(244,378)	True savings have been achieved due to tender price being lower than originally estimated, this has reduced the requirement to draw funds from the HRA House Building Fund. The projected spend position includes the final account and retentions for this project.
NEW BUILD FENCEDYKE	4,088,500	(102,136)	(3,877,000)	109,364	62,898	66,627	3,729	66,627	(42,737)	(42,737)	0	Further slippage has been identified against this project due to a delay in the tender appraisal process, however this is not expected to impact upon the overall target completion date of April 2017.
NEW BUILD GLENCAIRN HOUSE SHU	0	0	0	0	0	53,955	53,955	106,358	106,358	106,358	0	Initial costs of new project including cost of acquisition of Glencairn House from General Services capital account to be accelerated from 2016/17 budget.
NEW BUILD CANAL COURT SHU	0	0	0	0	0	27,500	27,500	27,500	27,500	27,500	0	Cost of acquisition of David White centre in advance of project commencing properly in 2016/17, to be accelerated from 2016/17 budget.
CENTRAL HEATING	2,978,000	(9,630)	(330,000)	2,638,370	2,044,000	1,797,489	(246,511)	2,638,370	0	0	0	
INSULATED RE-RENDERING	3,323,000	(226,280)	(196,753)	2,899,967	2,856,967	1,325,052	(1,531,915)	2,899,967	0	0	0	
WINDOW REPLACEMENT	577,000	127,321	0	704,321	465,000	437,964	(27,036)	704,321	0	0	0	
BATHROOM PROGRAMME	1,389,000	(83,023)	0	1,305,977	1,135,000	939,087	(195,913)	1,305,977	0	0	0	
KITCHEN PROGRAMME	1,888,000	46,510	0	1,934,510	1,520,000	1,152,294	(367,706)	1,860,510	(74,000)	(74,000)	0	Projection relates to a lower than budgeted number of kitchen replacements arising through the Void process, based on trends to date.
ELECTRICAL REWIRING	922,000	1,317	0	923,317	760,000	846,125	86,125	923,317	0	0	0	
REGENERATION - DICKSON DRIVE	656,000	367,437	(237,000)	786,437	442,000	590,570	148,570	844,000	57,563	57,563	0	Savings previously removed from this line in period 8, however the projection has been revised to take account of final account and retention and also includes an estimate for potential claim from contractor in relation to delays in the project
REGENERATION - MONTGOMERY COURT	1,777,400	(162,181)	(422,000)	1,193,219	1,246,200	970,502	(275,698)	1,193,219	0	0	0	
ROOFING & RENDERING	3,015,000	(11,024)	0	3,003,976	2,256,232	2,146,655	(109,577)	3,003,976	0	0	0	
DOOR ENTRY SYSTEMS	0	0	0	0	0	2,003	2,003	4,000	4,000	0	4,000	Final costs in relation to 2014/15 projects. To be funded by underspend against Other Capital Works programme budget.
SHELTERED HOUSING UNITS	255,000	0	(230,000)	25,000	24,510	1,211	(23,299)	25,000	0	0	0	
REFURB - ROBERT W SERVICE CT SH	0	0	0	0	0	14,096	14,096	34,096	34,096	34,096	0	Projection relates to initial costs including fees of new refurbishment project, to be accelerated from 2016/17 budget.
ENERGY EFFICIENCY STANDARD	1,320,000	0	(770,000)	550,000	330,000	422,061	92,061	550,000	0	0	0	
OTHER CAPITAL WORKS	258,000	498,165	(104,000)	652,165	413,000	266,323	(146,677)	431,000	(221,165)	(217,165)	(4,000)	Projected underspend mainly relates to delays in projects at Lugton Court and George Aitken Court due to delays in the procurement process
PROFESSIONAL MANAGEMENT CHARGES	1,603,000	0	0	1,603,000	650,000	758,335	108,335	1,603,000	0	0	0	
CEILINGS	22,000	0	0	22,000	22,000	0	(22,000)	0	(22,000)	0	(22,000)	No spend planned for 2015/16, will be included in revenue budget from 2016/17
COMMUNAL FLOORS	38,000	0	0	38,000	38,000	0	(38,000)	0	(38,000)	0	(38,000)	No spend planned for 2015/16, will be included in revenue budget from 2016/17
TOTAL EXPENDITURE	29,329,047	(542,386)	(6,916,753)	21,869,908	17,352,207	14,088,294	(3,263,913)	21,468,774	(401,134)	(103,795)	(297,339)	
SALE OF COUNCIL HOUSES	(1,371,000)	0	(614,000)	(1,985,000)	(1,663,500)	(1,583,131)	80,369	(2,154,000)	(169,000)	0	(169,000)	Budget revised in period 8 to reflect increased RTB sales to be used to fund additional house building. Further RTB sales are now projected before the end of the year.
SALE OF ASSETS	0	0	(178,000)	(178,000)	(178,000)	(161,320)	16,680	(178,000)	0	0	0	
CFCR	(10,504,600)	0	0	(10,504,600)	0	0	0	(10,504,600)	0	0	0	
OTHER INCOME - HOUSE BUILDING	0	0	0	0	0	16,755	16,755	0	0	0	0	Income from Scottish Water re. New Build project infrastructure costs accrued in 2014/15 awaiting settlement.
CAPITAL GRANTS - HOUSE BUILDING	(2,572,000)	(96,000)	1,454,636	(1,213,364)	(1,104,000)	(1,104,000)	0	(1,170,627)	42,737	42,737	0	Reduced drawdown of Scottish Govt grant in relation to slippage on Fencedyke project outlined above
CAPITAL GRANTS - ENERGY FUNDING	0	0	(496,247)	(496,247)	(76,247)	(76,247)	0	(496,247)	0	0	0	
CONTRIBUTION FROM HOUSE BUILD FUND	(777,391)	0	0	(777,391)	0	0	0	(540,052)	237,339	0	237,339	Reduced requirement to draw on Council House Build fund due to savings on Dickson Drive and Kiln Court/Vennel Gardens House Building projects (as outlined above) combined with use of funds to meet home loss costs associated with early work on planned new build project at Canal Court.
AFFORDABLE HOUSING CONTRIBUTION	(527,939)	(29,746)	408,000	(149,685)	0	0	0	(149,685)	0	0	0	
PRUDENTIAL BORROWING	(13,576,117)	668,132	6,342,364	(6,565,621)	0	0	0	(6,275,563)	290,058	61,058	229,000	
		0										
TOTAL INCOME	(29,329,047)	542,386	6,916,753	(21,869,908)	(3,021,747)	(2,907,943)	113,804	(21,468,774)	401,134	103,795	297,339	

NORTH AYRSHIRE COUNCIL

Agenda Item 10

29 March 2016

Cabinet

Title: **North Ayrshire HSCP Recovery Plan**

Purpose: To update Cabinet on (a) the projected overspend within the HSCP and the action being taken to mitigate further pressures and (b) the request for additional non-recurring funding for the HSCP in 2015/16.

Recommendation: Cabinet is asked to (a) approve a non-recurring contribution to cover the final IJB social services overspend of circa £1.255m in 2015/16, noting this can be accommodated within the Council bottom line budget, (b) advise the IJB that additional funding for 2015/16 is on a non-recurring basis with a requirement to ensure service delivery in 2016/17 is contained within the agreed budget (c) note that the IJB at its meeting on 10 March 2016 approved a delegated budget for 2016/17 for Social Care services which meets the current known pressures providing a level of assurance of the non-recurring basis of the current funding request.

1. Executive Summary

- 1.1 This report provides Cabinet with the HSCP Recovery Plan outlining the actions taken to mitigate the overspend which has been reported throughout 2015/16.
- 1.2 The actions outlined in the Recovery Plan do not enable the HSCP to balance its budget for 2015/16 as such the HSCP is seeking non-recurring funding of circa £1.255m in 2015/16. This being the estimated final outturn position less £0.166m of Integrated Care Fund slippage used to partially offset the final balance. The main pressures relate to children with disabilities and kinship care. The former emerged after the Council agreed its contribution to the HSCP for 2015/16 with the latter emerging during 2015/16 due to the anticipated cost of fees significantly exceeding the level of new funding.

- 1.3 The budget for 2016/17 for Council services approved by the IJB on 10 March 2016 has been set taking account of identified pressures. Allocation of resources as outlined in this report, alongside delivery of agreed savings and assurance by the Chief Officer that services will be managed within available resources should ensure that the request for additional funding in 2015/16 is non-recurring.
- 1.4 The report seeks agreement from Cabinet to support the non-recurring funding request by the HSCP for 2015/16.

2. Background

Introduction

- 2.1 Cabinet on 19 January 2016 requested the HSCP to present its Recovery Plan outlining the action it's taking to align service delivery with available resources. The "Budget Deficit Recovery Plan 2015/16", presented to the IJB on 10 March 2016, is attached at Appendix 1.

2014/15 HSCP Budgets

- 2.2 The North Ayrshire HSCP operated on a shadow basis during 2014/15, reporting to the Shadow Integration Board (SIB). During 2014/15 Partnership budgets were aligned. The Chief Officer reported Partnership financial performance to the SIB with the information provided to North Ayrshire Council Cabinet focussing on the financial performance of services provided by the Council.

Setting the 2015/16 budget

- 2.3 During 2014/15, as part of the 2015/16 budget setting for the Council, work was undertaken to determine the baseline budget, assessing pressures and identifying savings, for the Partnership which would become a discrete legal entity in April 2015. In December 2014, when the Council set its budget for 2015/16 it allocated £5.110m to meet the HSCP service pressures that had been identified at that time and confirmed Partnership savings of £2.069m.
- 2.4 The Council having taken budget decisions in December 2014 to correct all known baseline pressures had anticipated that the SIB / IJB would ensure future service delivery was within the approved Council contribution.

- 2.5 The adequacy of funding for the HSCP for 2015/16 was considered at Cabinet on 21 April 2015 in the report “NAHSCP Medium Term Financial Plan – Due Diligence and Risks”. The report provided a summary of the due diligence that had been carried out to establish the adequacy of funding for the NAHSCP, including the Council's baseline contribution to the IJB. It identified a pressure in respect of Council funded services for children with disabilities which had emerged after the Council had set its budget in December 2014. The full year impact of this in 2015/16 was reported as £0.770m. The report noted that subject to effective risk mitigation and delivery of efficiencies the initial resource allocation was considered sufficient to deliver the Strategic Plan outcomes. Cabinet had anticipated that the SIB and subsequently the IJB would take steps to mitigate the pressures in respect of services for children with disabilities that emerged after the Council set its budget and contribution to the IJB for 2015/16.

2015/16 Financial Outturn

- 2.6 In addition to the pressure relating to children with disabilities noted at 2.5, a number of other significant variances have been recorded in respect of the Council component of the IJB budget; the full detail of these is in the “Revenue Budget 2015/16; Budgetary Control Statement to 31 January 2016” reported elsewhere on the agenda.
- 2.7 The most significant adverse variance relates to implementation from 1 October 2015 of the new rate for Kinship Care, the estimated cost of this, subject to individual financial assessment, is £0.751m, £0.482m in excess of the Scottish Government funding to support this. Management of this within the bottom line would have been extremely challenging for the IJB for two reasons; the speed with which the final position emerged in respect of kinship care and the significant deficit in additional funding to support implementation.
- 2.8 The final matter for consideration by Cabinet is the extent to which the HSCP has delivered its 2015/16 savings. A target of £2.069m was set for delivery by 31 March 2016. There are two areas where it is not clear that targets have been achieved:
- £0.400m in respect of the implementation of CM2000 which should have supported efficiencies within purchased and provided care at home services, delivery of this is unclear due to care providers exiting from the market and the increased demand being less than anticipated;
 - Reduced demand for foster carers £0.114m due to a 4 month delay at the start of the year in transferring some care packages. The full year target for packages has now been achieved meaning the full year saving has been delivered for future years.

- 2.9 It is not unreasonable to expect the IJB to have been taking steps to develop alternative savings options when it became evident that the original savings proposals were no longer able to be delivered. The IJB has succeeded in reducing the average cost of care packages across all services to partially offset growing in year demand.

Non-recurring contribution to the IJB

- 2.10 The IJB is seeking additional resources on a non-recurring from the Council to fund the projected in year deficit of circa £1.255m on the basis that the pressures relate to Council services. The Council's Revenue Budget Monitoring Report to the end of January 2016 reports a projected Council underspend of £4.404m, inclusive of the HSCP anticipated overspend. As such the IJB's non-recurring request can be accommodated within the Council's net budget for 2015/16.

2016/17 IJB resources to support delegated Council Services

- 2.11 In considering the content and request for funding contained within the Recovery Plan it is important that Cabinet is provided with information in respect of the 2016/17 Partnership budget for Council services to provide an assurance that the allocation of any additional funding for 2015/16 is on a non-recurring basis with the Partnership having a clear and sustainable financial plan for 2016/17 that aligns with its Strategic Plan.
- 2.12 Attached at Appendix 2 is a copy of the "Interim Budget 2016/17" report that was presented to the IJB on 10 March 2016. The budget is interim until such times as the Health Board sets its final budget towards the end of May 2016, thereafter the IJB will set its final 2016/17. This report confirms an allocation of £88.689m (paper 2) for services that the IJB will delegate to the Council. This is based on Council funding to the IJB of £82.490m following delivery of £3.379m of savings against a target of £4.000m (paper 5) with a balance of uncommitted funding of £1.081m (paper 3) from the NAHSCP share of the £250m of funding channelled through the Health Board (£7.280m). Information on the components of the £250m was provided in the report to Council on 8 February 2016. The IJB report also highlights the current estimate of pressures in respect of Council Services (paper 4). The impact of the proposal is that, based on current estimates, the HSCP can fund all of the Social Care pressures in 2016/17 from its share of the £250m and the pressures funding agreed by the Council on 17 February 2016.

- 2.13 The proposals in respect of the funding channelled through the health and social care partnership require to be signed off by the North Ayrshire IJB s.95 officer. It is anticipated that the final budget will be signed off early in 2016/17 once the new s.95 officer has been appointed. Any change to the level of interim funding proposed for the Council will require the Partnership to refine its Strategic Plan to meet need within available resources with the final decision on resource allocation resting with the IJB.

3. Proposals

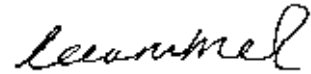
- 3.1 Cabinet is asked to (a) approve a non-recurring contribution to cover the final IJB social services overspend of circa £1.255m in 2015/16, noting this can be accommodated within the Council bottom line budget, (b) advise the IJB that additional funding for 2015/16 is on a non-recurring basis with a requirement to ensure service delivery in 2016/17 is contained within the agreed budget (c) note that the IJB at its meeting on 10 March 2016 approved a delegated budget for 2016/17 for Social Care services which meets the current known pressures providing a level of assurance of the non-recurring basis of the current funding request.

4. Implications

Financial:	Approval of the report will result in the Council making an additional non recurring contribution to the HSCP in 2015/16 of around £1.255m. This can be managed within the Council's overall bottom line for 2015/16.
Human Resources:	There are no direct implications.
Legal:	There are no direct implications.
Equality:	There are no direct implications.
Environmental & Sustainability:	There are no direct implications.
Key Priorities:	The HSCP delivers services which support the Council Plan in particular "Helping our people to say safe, healthy and active".
Community Benefits:	There are no direct implications.

5. Consultation

- 5.1 Consultation has taken place with the Chief Executive, HSCP Chief Officer and HSCP CFO.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Laura Friel, Executive Director Finance and Corporate Support on 01294-324554

Background Papers

None

Integration Joint Board
10th March 2016
Agenda Item No. 5

Subject: **Budget Deficit Recovery Plan 2015/16**

Purpose: To outline the actions being taken to address the current financial pressures within the North Ayrshire Health and Social Care Partnership budget and provide some assurance in respect of the underlying budget pressure issues for future years

Recommendation: That the Board (a) **approves** the enclosed recovery plan for 2015/16 (b) **notes** the implications for the 2016/17 budget

1. EXECUTIVE SUMMARY

1.1 This report provides an overview of the financial pressures within the North Ayrshire Health and Social Care Partnership 2015/16 budget and the recovery action that has been taken to minimise overspends. It reflects the projections contained within the period 10 finance report and has been prepared in conjunction with relevant budget holders and Directors of Finance of the Council and Health Board.

2. CURRENT POSITION

2.1 Against the full year budget of £209.647m there is a projected overspend of £1.369m as at month 10 to 31st January 2016. The projected overspend against Council budgets at month 10 is £1.421m, partially offset by the projected underspend of £0.052m on Health budgets.

2.2 The financial position is summarised in Appendix 1, detailing the significant baseline budget pressures which were identified as part of the original due diligence carried out for the 2015/16 budget together with the in-year emerging pressures together with other projected in year variances. It should be noted that the baseline budget pressure relating to Council services emerged after the Council set its 2015/16 Budget in December 2014.

2.3 Key actions taken to reduce and address the overspend include:

- Development of a 3 year business plan to secure interim funding for the transition to the new hospital
- Improved management of staff absence levels
- Early delivery of future savings through effective transition of service users from Care Home routes to Care at Home through the successful Pavilion 3 rehabilitation initiatives
- Improved in year management of UNPACs activity
-

- Review of high cost care packages across Physical Disabilities, Learning Disabilities and Mental Health
 - Proactive delay in the filling of vacancies and other in year budget freezes
 - One off use of an element of the Delayed Discharge, Mental Health Innovation and QuEST funding due to delays in filling of new posts releasing money in year which has been used to offset related in year costs
- 2.4 The baseline budget pressures for 2015/16 identified in the original due diligence exercise, as reported to the IJB 2nd April 2015, were £3.520m, £2.750m for Health budgets and £0.770m for Council budgets. As per paragraph 2.2 above, it should be noted that the baseline budget pressure relating to Council services emerged after the Council set its 2015/16 Budget in December 2014.
- 2.5 During the year the Partnership has successfully mitigated the majority of the Health budget pressures around Mental Health inpatients, the Opiate Replacement Programme and the Non District General Hospitals. Although it should be noted that some of these mitigations are short term and longer term budget realignment is still required.
- 2.6 The value of the Council budget pressures, particularly in relation to Children with Disabilities (CWD), Learning Disabilities (LD) and Mental Health (MH) has grown, due to additional demand during 2015/16. Action has been taken to address these and other emerging pressures. The Partnership has successfully mitigated an element of the in year budget pressures, £0.2m of Physical Disabilities and £0.1m of LD pressures in year.
- 2.7 A breakdown of each budget with a significant projected budget variance and, where appropriate, the remedial action required is detailed in Section 3 of this report.
- 2.8 The Integration Scheme requires the Partnership and the funding parties, ie the Health Board and Council to correct any baseline budget errors occurring in this first year. Section 8ai states that
“delegated baseline budgets for 2015/16 will be subject to due diligence and comparison to actual expenditure in previous years together with any planned changes to ensure they are realistic, with an opportunity in the second year of operation to correct any base line errors.” Which may require additional investment or further savings.
- 2.9 The process for dealing with in year variances is outlined in section 8.2 of the Integration Scheme, requiring the IJB to approve this recovery plan. It states
“where there is a forecast overspend against an element of the operational budget, the Chief Officer, the Chief Finance Officer of the Integration Joint Board and the appropriate finance officers of the Parties must agree a recovery plan to balance the overspending budget, which recovery plan shall be subject to the approval of the Integration Joint Board.”
- 2.10 The provisions of the Integration Scheme make it important to identify clearly what element of any overspend relates to baseline budget issues. For this purpose it is assumed that a baseline budget pressure includes any pressures from the 2014/15 budget unfunded in 2015/16 and any demand growth during 2015/16 which should have been anticipated and addressed as part of the 2015/16 baseline.

3. BUDGET REVIEW

3.1 Throughout the year action has been taken within individual services to mitigate and reduce potential overspends and, where possible, deliver future savings earlier than anticipated. Work is ongoing to minimise expenditure across services to help to reduce the overall projected budget shortfall.

3.2 Health Budgets

3.2.1 The Partnership inherited a number of baseline budget pressures, totalling £2.750m for 2015/16 from the Health side of the budget. These were outlined in the original due diligence report in April and are detailed in Appendix 1. It should be noted that any in year pressures relating to the Prescribing budget remain the responsibility of the Health Board.

3.2.2 Work has been ongoing throughout 2015/16 to address these budget pressures in year and longer term. This includes significant work to reduce the cost of staff absence in key areas, work to reduce the cost of UNPACs and submission of business cases for additional funding for longer term issues.

3.2.3 Business cases submitted and agreed include:

- Interim funding to support the transition of the Mental Health Inpatients service to the new Woodland View hospital and a realignment of services. The Health Board have been asked to fund £1.071m in 2015/16, £1.094m in 2016/17, £0.441m in 2017/18 and £0.229m in 2018/19. Since the business case was submitted it has been agreed that some of the 2015/16 costs will be covered by the MH Innovation and QuEST funding.
- A funding request for £0.1m to cover the Health Board share of the Partnership Management costs which were not included in the original budget.

3.2.4 In total terms the budget shortfall for Health services for 2015/16 had been addressed in full with the services now showing a forecast underspend of £0.052m.

3.3 Council Budgets

3.3.1 The Due Diligence report in April 2015 identified that the Council had provided additional investment for the Partnership of £4.673m as part of the 2015/16 Budget agreed December 2014 and that a baseline budget pressure emerged within Council services of £0.770m linked to the full year cost of increased demand for Children with Disabilities. This budget pressure emerged late in 2014/15, after the 2015/16 budget had been set. Since then a number of other pressures have emerged in year, some due to demand growth, some due to external factors outwith the control of the Partnership or the Council eg Kinship Care. Some of the emerging pressures have been successfully mitigated in year. The full position is detailed in Appendix 1.

3.3.2 Significant Budget Pressures

3.3.2.1 Learning Disabilities (LD)

As at period 10 the LD budget is projecting an overspend of £0.484m. This is £0.112m lower than the period 8 projection due to income from recharge of a high cost care package to another local authority which had not been included in previous projections.. The overspend is from:

- £0.115m overspend for residential services
- £0.716m overspend for community services

- £0.138m underspend on employee costs due to planned delays in filling of vacancies
- £0.230m additional income from service user charges being higher than anticipated, linked to early delivery of future savings.

During the year the number of service users rose by 11% from 273 in 2014/15 to 304 in 2015/16. The average package cost has reduced by 4.5% from £45.4k in 2014/15 to £43.4k in 2015/16.

Work has been ongoing to review high cost packages, 85 packages have been reviewed to date. The 2015/16 budget included a £150k saving aligned to the review of high cost packages. This saving has been delivered as the average cost of packages has been reduced in year.

3.3.2.2 Physical Disabilities (PD)

As at period 10 the PD budget is projecting an overspend of £0.094m. The projected overspend has been successfully reduced from £0.229m at period 4 through care package reviews and cost control. The overspend is made up of:

- £0.120m underspend on employee costs due to planned delay in filling of vacancies
- £0.178m overspend for residential services
- £0.111m overspend for community services
- £0.167m underspend for direct payments
- £0.092m minor overspends on various areas including Equipment Store, Lift Maintenance, CARENA software, Dirrans and an under recovery of income. These have been partially offset by projected underspends in other areas including transport costs and staff training

During the year the number of service users rose by 8.6% from 139 in 2014/15 to 151 in 2015/16. The average package cost has reduced by 3.5% from £19.8k in 2014/15 to £19.1k in 2015/16.

Work is continuing to review high cost package to further reduce the projected overspend and maintain costs within the agreed budget.

3.3.2.3 Mental Health (MH) Community Teams

As at period 10 the MH Community Teams budget is projecting an overspend of £0.231m. The projected overspend has been successfully reduced from £0.417m at period 6 through care package reviews and cost control. The overspend is made up of:

- £0.056m underspend on employee costs due to planned delay in filling of vacancies
- £0.133m underspend for residential services
- £0.376m overspend for community services
- £0.063m overspend for direct payments
- £0.019m net underspend on other budget lines

During the year the number of service users rose by 16.9% from 124 in 2014/15 to 145 in 2015/16. The average package cost has reduced by 5.6% from £14.1k in 2014/15 to £13.3k in 2015/16.

Work is continuing to review high cost package to further reduce the projected overspend and maintain costs within the agreed budget.

3.3.2.4 Children & Families

As at period 10 the Children & Families budget is projecting an overspend of £1.619m. The overspend is made up of:

- £1.040m overspend on Children with Disabilities (detailed below)
- £0.427m overspend due to the impact of legislative change around the payment of Kinship Carers from 1st October 2015 and the increase in the weekly rate from £58 to £200 per week. The total additional cost for 2015/16 is estimated as £0.751m, which has been partially offset by £0.269m of additional funding for Kinship Care costs from Scottish Government. This cost pressure was outwith the control of the Partnership and the Council. The exact final cost will not be determined until all existing carers have been financially assessed as payments are offset by related benefits.
- £0.102m net overspend for fostering services increased demand for the service and initial delays in the movement of placements from external to internal carers. Additional money for Looked After Children was received during the year, some of this funding £0.290m has been used to offset the costs of additional demand for fostering placements. The partnership has seen a 3 increase in referrals this year. 14 new internal carers were appointed during the year. External placements reduced by 5 but internal placements grew by 9. The Partnership was due to deliver an agreed 2015/16 saving of £0.175m within Fostering Services, of which only £0.061m has been delivered in year. The remaining £0.114m is reflected as an unachieved saving in 2015/16. This has contributed to the net overspend above.
- £0.185m overspend in adoption services due to demand growth. There are 3 additional packages in place than in 2014/15.
- £0.013m overspend in residential schools (including remand placements which are slightly overspent). The overspend is due to a single remand placement. This is a very volatile demand led budget which is closely monitored and managed by the service
- £0.148m underspend on Throughcare, Care Leavers and IMPACCT carers budgets partially offset the above overspends

Early intervention and prevention work is continuing to reduce future demand for these services.

3.3.2.4 Children with Disabilities (CWD)

As at period 10 the CWD budget is projecting an overspend of £1.040m. The initial due diligence exercise for 2015/16 identified a baseline budget pressure of £0.770m, being the full year effect of the additional 2014/15 demand. The current projected overspend is made up of:

- £0.680m for residential and respite services, for 6 residential packages
- £0.094m for community services, for 83 packages
- £0.267m for direct payments, for 38 packages. The total budget for direct payments in 2015/16 is £0.048m.

During the year the number of service users rose by 13.7% from 87 in 2014/15 to 99 in 2015/16.

Work is continuing to review high cost packages to minimise further costs.

3.3.3 Significant Underspends

3.3.3.1 Older People's Services

The Council made significant additional investment in Older People's Services for 2015/16 to address existing budget pressures from previous years and anticipated demand growth for 2015/16. Aligned to this the Partnership requires to deliver £1m of savings in this area across 2016/17 and 2017/18 through a planned reduction in spend on Care Homes and move from Care Home to Care at Home provision.

3.3.3.2 Significant work has taken place around rehabilitation and re-ablement through Pavilion 3 during the year and there has been an increased focus on delivering better outcomes for service users to avoid hospital admission and where that isn't possible reduce discharge times and increase the chance of a return to a community setting. This has created a better service for service users, significantly reduced hospital discharge waiting times and reduced the number of admissions to Care Homes.

3.3.3.3 The overall budget position for Older People's Services is a projected £0.741m underspend due mainly to early delivery of future savings

- Care Home, Care at Home and other budgets are forecast to underspend by a net £0.389m linked to a reduction in overall placement numbers as part of the early delivery of the £1m saving due through 2016/17 and 2017/18.
- Despite a number of in year issues around external providers the Care at Home Service is delivering an improved service, driving down the delayed discharge levels and also showing a slight underspend for the year. It is anticipated that as other initiatives around delayed discharge and the ongoing expansion of the reablement service continue to be developed that this budget will require additional funding during 2016/17 as part of a resource transfer from Care Homes and Health budgets.
- The Income budget is projected to over recover by £0.344m, again linked to early delivery of future savings

3.3.3.4 Given that the majority of the Older People's underspend is linked to delivery of future savings it is not possible to vire this money longer term to address budget pressures in other areas.

3.3.3.5 Direct Overheads and Support

As at period 10 the Direct Overheads and Support budget is projecting an underspend of £0.254m. The underspend is mainly through employee costs through the planned delay in filling of vacancies to help address overall budget pressures.

3.3.3.6 Integrated Care Fund (ICF)

There is a projected £0.166m underspend on Council projects within the ICF due to in year slippage on some projects. It is proposed that this £0.166m is used to offset part of the overall Council services overspend.

3.3.4 Delivery of savings

The Partnership was tasked with delivering £2.069m of savings within Council services during 2015/16. At period 10 £1.940m (94%) of these are projected to be delivered. As per 3.3.2.4 above the only area not delivering the targeted savings was the Fostering service, £0.114m due to delay in transfer of external placements to internal care services at the start of the year.

3.4 Proposal

It is proposed that

1. the Partnership continue to try to reduce and manage the 2015/16 overspend
2. the Partnership realign the current £0.166m projected ICF underspend to partially offset the revenue budget overspend
3. the Council is asked to agree to fund the balance of the 2015/16 overspend, after the ICF underspend has been applied. The rationale for this being that the overspend is primarily due to baseline budget pressures around Children with Disabilities and the in year impact of the Kinship Care changes which was outwith the control of the Partnership and Council
4. This arrangement would be for 2015/16 only. The 2016/17 budget proposals will be part of a separate paper. The Council anticipates that, the North Ayrshire share of the additional £250m funding for Health and Social Care Partnerships, which equates to £7.2m, will be used to fund these and additional demand growth pressures for 2016/17.

4. **IMPLICATIONS**

4.1 Financial

The net projection for the year as at 31 January 2016 is an overspend of £1.369m. Corrective action has been taken to reduce the level of overspend and agreement is being sought from the Council that they will fund the Council services overspend of £1.421m in 2015/16.

4.2 Human Resources

There are no human resource implications.

4.3 Legal

There are no legal implications.

4.4 Equality

There are no equality implications.

4.5 Environmental & sustainability

There are no environmental & sustainability implications.

5. **CONSULTATIONS**

- 5.1 This report has been produced in consultation with relevant budget holders, the Partnership Senior Management Team and the Directors of Finance of the Health Board and Council.

6. **CONCLUSION**

- 6.1 The projected Partnership overspend for 2015/16 at month 10 was £1.369m (£1.421m for Council services offset by a £0.052m projected underspend on Health services). Action has been taken to reduce the level of overspend in-year as detailed in this report. Unfortunately, due to in year emerging cost pressures around Kinship Care and further demand for services and the underlying base budget pressures this action will not be sufficient to fully recover the overspend this financial year.

- 6.2 In discussion with the Health Board Director of Finance, given that the budget is currently projecting a slight underspend, no further action is required. In the event that the final outturn is a slight overspend it is anticipated that the Health Board will fund this for 2015/16 per the agreement around the Mental Health inpatient business case as outlined in 3.2.3 above.
- 6.3 The Council has been asked to fund their elements of the overspend which are primarily linked to the base budget pressures for Children with Disabilities, inherited by the Partnership for 2015/16 and the new Kinship Care legislative requirements. Further work is required to determine the funding and budget position for the partnership for 2016/17. This is the subject of a separate report.
- 6.4 Further work has been done to determine the estimated funding and budget position for the partnership for 2016/17. The Council budget was set on 17th February 2016, providing confirmation around the Council element of the Partnership funding for 2016/17.
- 6.5 Since the Health Board budget will not be formally set until 23 May 2016 the IJB will only be able to set an interim working budget in March, based on assumed funding from the Health Board. The final budget will require to be agreed following confirmation of the Health Board budget. This interim budget is the subject of a separate report.

For more information please contact Lesley Aird, Chief Finance Officer on 01294 324560

Budget	Health				Council				Partnership Total		
	Budget £000	Baseline Pressure £000	In Year Pressures/ (Efficiencies) £000	Adv/(Fav) Variance £000	Budget £000	Baseline Pressure £000	In Year Pressures/ (Efficiencies) £000	Adv/(Fav) Variance £000	Budget £000	Projected Outturn at P10 2015/16 £000	Over/(Under) Spend Variance at P10 2015/16 £000
Level One Core											
Learning Disabilities	501		(51)	(51)	15,139		484	484	15,640	16,073	433
Older people				0	42,777		(741)	(741)	42,777	42,036	(741)
Physical Disabilities				0	4,074		94	94	4,074	4,168	94
Mental Health Community Teams	2,285		(113)	(113)	3,117		231	231	5,402	5,520	118
Addiction	1,057		(77)	(77)	1,312		1	1	2,369	2,293	(76)
Community Nursing	3,816		31	31			0		3,816	3,847	31
Prescribing	29,099		167	167			0		29,099	29,266	167
General Medical Services	17,344		(93)	(93)			0		17,344	17,251	(93)
Resource Transfer, Change Fund, Criminal Justice	14,546		(88)	(88)	(12,136)		(13)	(13)	2,410	2,309	(101)
Total Level One	68,648	0	(224)	(224)	54,283	0	56	56	122,931	122,763	(168)
Level Two - Non District General Hospitals	6,117	350	(353)	(3)					6,117	6,114	(3)
Level Three - Lead Partnership Services	46,625	2,400	(2,271)	129					46,625	46,754	129
Level Four - Children's Services	2,369		56	56	24,189	770	849	1,619	26,558	28,233	1,675
Direct Overheads & Support Services	1,208		(10)	(10)	6,208		(254)	(254)	7,416	7,152	(264)
Partnership Total	124,967	2,750	(2,802)	(52)	84,680	770	651	1,421	209,647	211,016	1,369

Integration Joint Board
10th March 2016
Agenda Item 8

Subject: **Interim Budget 2016/17**

Purpose: To outline the indicative 2016/17 North Ayrshire Health and Social Care Partnership budget position and seek approval of an interim working budget for the year

Recommendation: That the Board (a) **approves** the proposed budget pressures for Council services for 2016/17 (b) **approves** the proposed 2016/17 savings against Council services (c) **notes** the indicative 2016/17 Health services budget pressures and savings proposals (d) **notes** the proposed timeline for formal approval of the 2016/17 budget (e) **notes** the previously agreed ICF project funding for 2016/17

1.	EXECUTIVE SUMMARY
1.1	This report provides an overview of the financial pressures, proposed savings and proposed funding within the North Ayrshire Health and Social Care Partnership for 2016/17.
1.2	The Council set its budget for 2016/17 on 17 February 2016. As part of this it approved funding of £82.490m for the Partnership for 2016/17, £81.537m core funding and £0.953m temporary funding. This represents a £2.389m reduction from the 2015/16 approved core budget of £83.926m as at period 10, with £0.754m of temporary funding in 2015/16 and a £2.857m reduction from the 2015/16 projected core outturn as at period 10 of £85.347m. It is anticipated that this will be funded from the Partnership share of the £250m additional investment for social care pressures within Health and Social Care Partnerships. The North Ayrshire share of this is £7.28m.
1.3	The Health Board is due to set its budget 23 May 2016. As part of this it is anticipated that funding of £131.812m will be agreed for the Partnership for 2016/17. This represents a £6.845m increase from the 2015/16 approved budget of £124.967m as at period 10. The Partnership is not projecting any overspend on these services for 2015/16. The papers contained within this report show indicative budget pressures and anticipated required savings in respect of Health Board funding.
1.4	The IJB budget for 2016/17 will be formally set once the Health Board has confirmed their budget for the year and their contributions to the Partnership. It is anticipated that, provided the Health Board budget is set 23 May 2016 the IJB will set its budget at the June IJB meeting. The budget setting timetable is outlined in Paper 1 of the attached Appendix A .

1.5	<p>As part of the 2016/17 financial settlement Scottish Government announced additional funding of £250m for Health and Social Care Partnerships. This equates to £7.28m for the NAHSCP. The funding will come through Health and has been allocated by Scottish Government as follows:</p> <ul style="list-style-type: none"> • “£125 million is provided to support additional spend on social care to support the objectives of integration, including through making progress on charging thresholds for all non-residential services to address poverty. <u>This additionality also reflects the need to accommodate growth in demand for services as a consequence of demographic change.</u>” For the NAHSCP this equates to £3.640m for 2016/17. • “£125 million is provided to help meet the range of cost pressures local authorities need to address in order to deliver effective health and social care services, including to offset the reduction to council budgets and the joint aspiration to make progress towards the living wage. The allocation of this resource will enable councils to ensure that all social care workers are paid £8.25 an hour by 1 October. This assumes that private and third sector providers will meet their share of the costs.” For the NAHSCP this equates to £3.640m for 2016/17. • “Councils may reduce their contribution to Integration Authorities below their spend in 2015-16, with the only provisos that their contribution must not reduce by more than their share of the £125 million and on the basis that they deliver on the commitment in respect of the Living Wage.” What is not clear is whether this reduction is to be applied to the 2015/16 budget or outturn. North Ayrshire Council have applied a £2.389m reduction against the 2015/16 approved budget, a £3.81m reduction from the 2015/16 projected outturn at period 10.
1.6	<p>“In order to make use of any part of the £250 million available for integration boards, councils must agree to pay the living wage to adult social care workers and refrain from reducing their contribution to integration partnerships by more than their assumed share of £125 million”</p>
1.7	<p>“To ensure transparency for the flow of funding support for local authorities and delivery of the living wage commitment the arrangements will be signed off at a local level by the appropriate Integration Authority section 95 Officer.” It is proposed that the new Chief Financial Officer for the IJB should sign this off once appointed.</p>
1.8	<p>Paper 2 contains a summary of the indicative core Partnership funding streams and budget for 2016/17 based on the assumed pressures and savings detailed elsewhere in this report.</p>
2.	<p>COUNCIL SERVICES</p>
2.1	<p>Paper 3 contains a summary of the Council approved budget and funding for Council Services for 2016/17 based on the assumed pressures and savings detailed below, including the detail of the temporary funding allocations for each year.</p>
2.2	<p>Budget pressures currently identified for Council services total £7.810m, of which the Council has agreed to fund £1.611m, leaving a balance of £6.199m to be funded by the Partnership from its £7.28m share of the £250m additional funding for social care pressures.</p>

2.3	It should be noted that some of the identified pressures, outlined in Paper 4 of the attached appendix, are estimated at the moment pending the outcome of further officer review to reduce the cost of some pressures or national and local provider negotiations for 2016/17. The Board is asked to approve these indicative budget pressures for Council Services 2016/17.
2.4	In order to meet the Scottish Government conditions around the £250m, North Ayrshire Council has approved a net £2.389m reduction in HSCP funding comprised of the above funded pressures of £1.611m, offset by a £4m savings target for 2016/17 (£4.000m - £1.611m = £2.389m). To date the Partnership has identified £3.316m of savings as outlined in the Paper 5 of the attached appendix. The Board is asked to note and approve these indicative proposed savings for Council Services 2016/17 and agree the areas identified for further work in terms of savings development.
2.5	<p>The Council set its 2016/17 budget based on an assumed £4m IJB savings target to date officers have identified £3.316m of proposals which are recommended to the Board to approve. These are broken down as follows:</p> <ul style="list-style-type: none"> • £2.214m of previously approved savings, including £0.43m of savings brought forward from 2017/16 • £1.102m of new proposals • Further areas of work to develop further savings for 2016/17 and future years to be brought to the Board for approval at a later date • Of the savings previously agreed by the Council in December 2014 £0.950m is considered no longer deliverable, the above figures reflect this <p>Details of the above are contained within Paper 5 attached.</p>
2.6	Equality Impact Assessments (EIAs) have been carried out for all developed pressures and savings proposals, ie those with a defined pressure or saving value. A summary of these EIA's is contained in Appendix B .
3.	HEALTH SERVICES
3.1	Paper 6 contains a summary of the indicative budget and funding for Health Services for 2016/17 based on the assumed pressures and savings detailed below.
3.2	Indicative budget pressures currently identified for Health services total £10.465m, of which it is anticipated the Health Board will fund £9.613m, leaving a balance of £0.852m to be funded by the Partnership from additional savings or alternative funding streams. The Health services budget pressures are outlined in Paper 7 of the attached appendix. The Board is asked to note these indicative budget pressures for Health Services for 2016/17.
3.3	In addition to the above it is estimated that the Partnership will be asked to deliver a 5% Cash Releasing Efficiency Saving (CRES) which equates to £2.768m for 2016/17. To date the Partnership has identified a number of areas for review, outlined in Paper 8 . The Board is asked to agree the areas identified for further work in terms of savings development.

4.	Integrated Care Fund (ICF)
4.1	At the meeting of 11 February the IJB agreed to commit some of the ICF funding for 2016/17. Appendix C contains a detailed breakdown of this 2016/17 funding by project together with the 2015/16 funding values.
5.	Implications
5.1	Financial Agreeing this indicative working budget will allow the Partnership to implement proposed savings in a timely manner to maximise the benefit in 2016/17 and meet contractual commitments for areas with demand pressures.
5.2	Human Resources The proposed Council services savings result in a reduction in staffing of 12 FTE in 2016/17. The Council, as employer negotiates with trade union representatives on the overall workforce impact of the Council budget proposals.
5.3	Legal There are no legal implications.
5.4	Equality Equality impact assessments have been carried out for all defined savings proposals. A summary of these assessments has been included within these papers. Copies of the detailed assessments are available to members through the HSCP offices.
5.5	Environmental & sustainability There are no environmental & sustainability implications.
6.	CONSULTATIONS
6.1	This report has been produced in consultation with relevant budget holders, the Partnership Senior Management Team and the Directors of Finance of the Health Board and Council.
7.	CONCLUSION
7.1	The Board is asked to (a) approve the proposed budget pressures for Council services for 2016/17 (b) approve the proposed 2016/17 savings against Council services (c) note the indicative 2016/17 Health services budget pressures and savings proposals (d) note the proposed timeline for formal approval of the 2016/17 budget (e) note the previously agreed ICF project funding for 2016/17

For more information please contact Lesley Aird, Chief Finance Officer on 01294 32456

North Ayrshire Health & Social Care Partnership
Interim Budget 2016/17

Budget Pack Contents

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Timetable for budget setting

Group	Action	Date/Deadline
PSMT	Partnership Management Team - budget pressures and savings options development session	26/10/2015 09/12/2015
IJB	Initial budget briefing session for IJB members	14/01/2016
PSMT	Partnership Management Team - budget pressures and savings options development session (cont)	02/02/2016
Council	Council budget set	17/02/2016
PSMT	Partnership Management Team - budget pressures and savings options development session (cont)	Feb/March 2016
IJB	Private IJB session to consider Council services funding and related savings proposals	03/03/2016
IJB	Indicative Budget paper to IJB	10/03/2016
Health Board	Health Board budget to be set	23/05/2016
PSMT	Consultations with affected staff. Staff and Trade Union briefings	May-June 2016
PSMT	Briefings with third and independent sector partners	TBC
PSMT	IJB budget to be finalised	27/05/2016
PSMT	IJB Budget papers to be submitted for Pre Agenda	02/06/2016
IJB	2016/17 Budget to IJB for approval	16/06/2016

Core Budget/Funding Summary

North Ayrshire HSCP 2016/17 Core Funding Summary Budget Assumptions	Confirmed Council Funding £000	Indicative Health Funding £000	Confirmed New SG Funding £000	IJB TOTAL £000	Row	Formula
2015/16 Baseline Budget	83,926	124,967		208,893	A1	
2016/17 Temporary Funding	953				A2	
2016/17 Budget Pressures - Funded	1,611	9,613		11,224	B	
2016/17 Budget Pressures - Unfunded	6,199	852		7,051	C	
Estimated 2016/17 Cost	92,689	135,432		228,121	D	A+B+C
Targeted 2016/17 Savings assumes 5% CRES for Health services	(4,000)	(2,768)		(6,768)	E	
Estimated 2016/17 Partner Funding	81,537	131,812		213,349	F	A+B+E
Temporary 2016/17 Funding	953			953	G	
New Scottish Government Funding			7,280	7,280	H	
TOTAL Estimated 2016/17 FUNDING	82,490	131,812	7,280	214,302	I	F+G+H
Estimated 16/17 Budget Requirement	88,689	132,664	0	221,353	J	D+E
2016/17 Funding Excess/(Shortfall)	(6,199)	(852)	7,280	229	K	I-J
Increase/(Decrease) in Partner Funding from 2015/16 Budget	(2,389)	6,845		4,456	L	F-A
2015/16 Projected Outturn @ P10 (excl temp funding)	85,347	124,967		210,314	M	
Increase/(Decrease) in Partner Funding from 2015/16 Outturn	(2,857)	6,845		3,988	N	I-M

Assumptions

1. Of the £250m funding for social care services - NAHSCP will receive £7.28m
2. Half of the £250m - £3.640m is to support additional spend on demand growth, charging thresholds
3. Half of the £250m - £3.640m is to meet range of existing costs faced by local authorities, including Living Wage
4. Council's can only decrease their contribution by a maximum of the 50% of the £250m less the cost of Living Wage (as calculated by SG) for NAHSCP that equates to £3.640 - £1.251 = £2.389M

North Ayrshire HSCP 2016/17 Indicative Budget Summary	2015/16 Budget @ P10 £000	2015/16 Outturn @ P10 £000	2016/17 Indicative Budget £000	Budget Increase/ (Decrease) £000	16/17 Budget vs 15/16 Outturn Increase/ £000
Social Care Services	83,926	86,101	88,689	4,763	2,588
Health Services	124,967	124,915	132,664	7,697	7,749
Total Expenditure	208,893	211,015	221,353	12,460	10,338
Funding					
Council	83,926	86,101	82,490	(1,436)	(3,611)
Health Board	124,967	124,914	131,812	6,845	6,898
New Funding from Scottish Government	0	0	7,280	7,280	7,280
Total Funding	208,893	211,015	221,582	12,689	10,567
Indicative Surplus/(Deficit)	0	0	229	229	229

Interim Social Care (Council) Services Budget Summary

Social Care Services	Indicative 2016/17 Budget £000
Approved Council Core Funding @ 17/02/2016	81,537
Additional Temp Council Funding Approved @ 17/02/2016	953
TOTAL COUNCIL FUNDING 2016/17	82,490

Council Baseline Budgeted Funding 2015/16 @ P10	83,926
Additional Temp Council Funding Approved @ 17/02/2016	953
Social Care Budget Pressures 2016/17	7,810
Target 2016/17 Savings - Identified to date £3.316m	(4,000)
Estimated 16/17 Budget Requirement	88,689

Funding Excess/(Shortfall)	(6,199)
Additional Funding from Scottish Govt for social care pressures	7,280
Overall Social Care Funding Excess/(Shortfall)	1,081

Shortfall to be funded by a combination of:

Additional savings to be identified for IJB approval June 2016

Use of the Partnership share of the £250m funding
£7.28m

Use of other funding streams

Interim Social Care (Council) Services Budget Summary

Social Care Services - Temp Funding	2015/16 Budget £000	2016/17 Budget £000
Period 10 Social Services Budget	84,680	

Kinship Care Fees Funding	180	356
SDS Funding	103	104

Looked After Children Funding		
Continuing Care	152	257
Through Care & Aftercare	138	142
Kinship Care	89	
Changed Eligibility for Aftercare	27	56
GIRFEC	11	
TOTAL Looked After Children Funding	417	455

Funds Brought Forward from prev year	54	38
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TOTAL Temp Funding and B/Fwds	754	953
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Social Care Services	2016/17 Budget £000
2015/16 Period 10 Social Services Budget	84,680
Less Temp 2015/16 Funding	(754)
Core 2015/16 Revenue Budget for Social Services	83,926
Plus Funded Pressures	1,611
Less Savings	(4,000)
Core 2016/17 Revenue Budget for Social Services	81,537
Plus Temp 2016/17 Funding	953
TOTAL 2016/17 Revenue Budget for Social Services	82,490

Social Care (Council) Pressures as at 17/02/2016	Social Care £000	Demand & Charging £000	Social Care & Living Wage £000	Council Funded £000
Contractual/Unavoidable				
Pay rises and NI costs	1,022			1,028
Sleepover rates – new legislative requirement	786		786	
Kinship Carers	1,061	1,061		
National Care Home Contract Inflation	605		279	326
Living Wage Impact - Local Authority staff	168			168
Other Pressures	0	(89)		89
TOTAL Contractual/Unavoidable	3,642	972	1,065	1,611

National/Local Pressures

Children with Disability	1,095		1,095	
Mental Health Demand Growth	366	366		
Learning Disabilities Demand Growth	567	567		
Flexible Intervention Service	175	175		
Transport Contracts demand	84	84		
Care Provider Contract Inflation	480	480		
Living Wage Impact - per SG estimates	1,251		1,251	
Revised Charging Thresholds	150	150		
TOTAL National/Local Pressures	4,168	1,822	2,346	0

TOTAL HSCP Pressures	7,810	2,794	3,411	1,611
Share of £250m		3,640	3,640	
Funds Remaining		846	229	
		TOTAL	1,075	

North Ayrshire HSCP Social Care (Council) Proposed Savings

Service	Summary Narrative	R/A/G Rank	PROPOSED SAVINGS 2016/17 £	Staffing Element of Saving 2016/17 £	FTE Change 2016/17
SOCIAL CARE SAVINGS APPROVED BY COUNCIL Dec 2014					
Business Support	Review of Partnership business support functions	Amber	150,000	150,000	6.0
Children & Families	Reduction in alternative family placement numbers, reducing the number of children requiring to be accommodated in this way by twenty over the next three years.	Amber	166,400	0	0.0
Children & Families	Rationalisation of the Family Support services across North Ayrshire	Amber	150,000	0	0.0
Children & Families	Children with Disabilities - improved procurement for provision of community support services.	Amber	25,000	0	0.0
Children & Families	Transfer of 12 external foster care placements to in-house carer provision, and a reduction of a further 4 external long term foster placements.	Green	183,040	0	0.0
Community	Whole system review of NHS provided beds in care of elderly/elderly Mental Health and purchased nursing care beds. This will be predicated on the development of a tiered model of care that offers the opportunity to continue living for longer within a community setting, with support appropriate to individual needs. This represents a 7.9% saving	Red	500,000	0	0.0
Community	Older People -The support offered to individuals through their admission to Hospital and in the planning of their discharge back to community settings will be reviewed to improve the quality of support and ensure greater continuity. This will require a different approach and offer the opportunity for improved efficiency in how the available staffing resources are utilised.	Amber	50,000	50,000	1.0
Community	Review and redesign day care for older people with a view to securing a more flexible, person centred approach that is aligned with other services to deliver greater efficiency in service provision.	Green	50,000	50,000	2.0
General	Increase in Income Budget. Revision of base budget to reflect inflation increases and improvements to the charging process to ensure charges are implemented according to the policy.	Amber	455,000	0	0.0
General	Streamlining management through the integration of services within the HSCP	Amber	90,000	160,000	3.0
General	NACAS/Money Matters - proposed reduction in the Welfare Reform Payment plus an additional 10% funding from Money Matters	Amber	264,294	0	0.0
Mental Health	Review of complex packages of care for individuals with a Learning Disability.	Amber	100,000	0	0.0
Mental Health	Mental Health Care Packages baseline budget adjustment based on historic underspends	Amber	30,000	0	0.0
TOTAL			2,213,734	410,000	12.0

Service	Summary Narrative	R/A/G Rank	PROPOSED SAVINGS 2016/17 £	Staffing Element of Saving 2016/17 £	FTE Change 2016/17
NEW SOCIAL CARE SAVINGS PROPOSALS					
Children & Families	Further rationalisation of the Family Support services across North Ayrshire	Amber	150,000		
Children & Families	Children & Families Adoption - remove additional investment	Green	60,000		
Children & Families	Children & Families Supported Carers Service - remove additional investment	Green	141,000		
Children & Families	Children & Families - Fostering additional savings to be delivered through revised rates, shift from external to internal carers and renegotiation of external carer rates	Amber	50,000		
General	Charging review across all services to ensure that current charging policies are being applied appropriately	Green	50,000		
General	Purchasing additional annual leave - saving assumes that 5% of NAC employed partnership staff opt to buy 1 additional week holiday each year	Green	41,000		
General	Transport Initiative - Reduce level of taxi usage across the partnership and savings through increased use of Pool Cars	Green	33,000		
General	Workforce review - maintaining core staffing levels to reduce enhanced overtime costs.	Green	183,500		
General	Discretionary spend savings and minor budget realignmentst. This would require further review during 2016/17	Green	394,000		
TOTAL			1,102,500	0	0.0

Council Savings Target for HSCP

4,000,000

Previously Agreed Savings	2,213,734	410,000	12.0
New Proposed Savings	1,102,500	0	0.0
TOTAL	3,316,234	410,000	12.0

Savings Still to be identified

683,766

Breakdown of savings by Service Area	15/16 Budget £000	PROPOSED 2016/17 £000	saving as % of 2015/16 budget
Business Support	6,209	150	2.4%
Children & Families	24,189	775	3.2%
Community	46,851	600	1.3%
General (assumed saving is % of total budget)	84,860	1,511	1.8%
Mental Health (incl LD & Addictions)	19,567	130	0.7%
TOTAL	84,860	3,166	3.7%

Changes Made to Previously Agreed Savings

Savings Brought Forward or Increased in Value	New/ (Removed) Savings
Whole System review of NHS provided beds in care of elderly and purchased nursing care beds. Saving brought forward from 2017/18	200,000
Increased Income Generation, based on 2015/16 actuals	230,000
Further rationalisation of Family Support Services	150,000
Savings Agreed Dec 2014 No Longer Deliverable	
CM2000 - original assumed savings from payments to providers. In practice these savings have not accrued. £0.4m has already been removed from HSCP budgets in relation to anticipated CM2000 savings in 2015/16.	(700,000)
Streamlining management - anticipated savings will be lower than initially proposed.	(70,000)
Dartington Research, overall service efficiency. It is unclear if any direct savings will accrue in 2016/17 through this work.	(50,000)
Supported Accommodation for PD/MH. The new accommodation has not been developed.	(100,000)
Mental Health packages - underspend in 14/15, demand increased during 2015/16. While average cost of packages has been reduced, the increased demand has resulted in a lower anticipated saving for 2016/17	(30,000)
Net Decrease in Savings Proposals previously agreed by Council Dec 2014	(370,000)

Service	Summary Narrative	R/A/G Rank	PROPOSED SAVINGS 2016/17 £	Staffing Element of Saving 2016/17 £	FTE Change 2016/17
FURTHER SOCIAL CARE SAVINGS PROPOSALS UNDER DEVELOPMENT					
Business Support	Introduce a Pan Ayrshire shared Carefirst Support Service	Future Year Saving			
Business Support	Introduce a Pan Ayrshire shared Information Intelligence Team - Information & Information Governance	Future Year Saving			
Business Support	Support Servs Business Support Review - consider delivering additional savings over and above the £225k already agreed		More work required - Jessie		
Children & Families	Development of a new foster care rate in line with other local authorities	Future Year Saving			
Children & Families	Children & Families Teams Around Children relocations - freeing up other Council premises		Further Work		
Children & Families	Full review of Children with Disabilities services - Looking at the care model for children with most complex needs. Review of self directed support for children services including review of charges and allowances.		Further Work Required - S Brown		
Community	Older People Pathway review		Further Work Required - D Rowland		
Community	Dementia Respite care Look to maximise usage and sell additional places to other Authorities to generate additional income.		Further Work Required - D Rowland		
General	Multi-disciplinary teams across the partnership efficiencies		Further Work		
Mental Health	Mental Health Whole System Review of Mental Health & Learning Disability.		Further Work Required - T Bowers		

Interim Health Services Budget Summary

Health Services	Indicative 2016/17 Budget £000
Indicative Health Funding based on 15/16 funding + NHS funded pressures - Anticipated CRES savings	131,759
Health Budgeted Funding 2015/16 @ P10	124,914
Budget Pressures 2016/17	10,465
Estimated Savings Target based on 5% CRES	(2,768)
Estimated 16/17 Budget Requirement	132,611
Funding Excess/(Shortfall)	(852)

Shortfall to be funded by a combination of:

Additional savings to be identified for IJB approval June 2016

North H&SCP health cost pressures

	TOTAL Indicative Pressure £000	NHS Assumed Funding £000	Indicative Funding tbc £000	Notes
1% pay award	541	541		
National insurance (1.9%)	947	947		
H&SCP management costs	101	101		
Family nurse partnership expansion	21	21		Potential 7.5% reduction
Resource transfer 2% increase	192	192		
GP enhanced services	59	59		
GP prescribing	2,796	2,796		
Community care packages	30	30		
Primary care premises	100	100		
Meningitis B vaccination expansion	60	60		
Hospital eye service	17	17		
MSK advice and triage service	9	9		
External SLAs for Skye House, Rowanbank 1	19	19		
Surgical appliances	20	20		
Community equipment	100	100		
Podiatry single use instruments	30	30		
Super Bundle 7.5% anticipated reduction	80	80		Detail of the reduction tbc
Mental Health - Woodland View	1,423	1,196	227	Based on previously submitted business case
Opiate Replacement Programme	652	652		Assumes some of ORT is funded from ADP allocation
Set Aside Budget (CAU)	1,947	1,947		NA Share of Set Aside still tbc
ADP Funding Contribution	363	363		
Non Dist Gen Hospitals - baseline	333	333		Costs to be covered as part of Director of Nursing nursing review
Partnership Management Costs	75		75	Clinical Director costs 3 IJBs to fund
Incremental Drift	264		264	Estimated as 0.5% of Emp Costs. Tbc
Supplies Inflation	29		29	Based on 1% of Supplies Budget
District Nursing Service	97		97	Estimate based on 1 x band 5 + OOH Service 1.5 x band 5
Health Visitors & Immunisation	65		65	Estimate based on no of clinics in NA va EA and SA to establish estimated costs at Band 5
Locality Planning Forums	25		25	
GP Practice Clusters Quality Leads	30		30	
AHP	40		40	Assumed 1 wte B6 AHP
TOTAL	10,465	9,613	852	

Interim Budget Pack 2016/17**Health Budget Savings Options**

Workstream	Health Savings Options - Summary Narrative
Business Support	Shared Services across Partnerships & NHS for Learning and Development, Shared Information Intelligence Team and other areas
Business Support	Support Servs Business Support Review
General	Transport initiative, including Pool Car Transport scheme
General	Workforce review - multi disciplinary teams
Mental Health	Mental Health Whole System Review of Mental Health
Older People & Complex Care	Older People Pathways Review
Teams Around General Practice	GP Supporting Care Homes to reduce medicines waste within Care Homes across Ayrshire

2,768

Estimated Health Savings Required based on 5% CRES

Reference	Policy and Purpose	Assessment of Impact of Policy on Protected Characteristics	EIA/Screening Form Outcome
HEALTH AND SOCIAL CARE PARTNERSHIP			
	Workforce review Maintaining core staffing levels to reduce enhanced overtime costs.	It has been assessed that through more consistent and stable staffing levels, a better quality of service will be provided to service users. This will have a positive impact on those within the Age and Disability protected groups. It is anticipated that no positive or negative impact will be experienced by those with other protected characteristics.	Screening only Implement proposal
	Transport initiative Reduce levels of taxi usage across the partnership and savings through increased use of pool cars.	It has been assessed that through the provision of alternative, cost effect transport, the HSCP can reduce the level of taxis used without any advers impact to any protected group.	Screening only Implement proposal Monitor impact
	Purchase of additional annual leave Saving assumes that 5% of NAC employed partnership staff opt to buy 1 additional week each year.	It has been assessed that the proposal to afford employees the option of purchasing additional annual leave will have no impact on any person on the basis of protected characteristic.	Screening only Implement proposal Monitor impact
	Charging Policy Charging review across all services to ensure that current charging policies are being applied appropriately	It has been assessed that this proposal will have no impact on those with protected characteristics,	Screening only implement proposal Monitor impact
	Fostering Savings through realignment of service rates and delivery	It has been considered that this proposal will have no impact on those with protected characteristics.	Screening only implement proposal
	Support carers service Remove additional investment	It has been considered that this proposal will have no impact on those with protected characteristics. The Supported Carers Service was created a few years ago with additional investment but the uptake and demand for service has never needed the funds anticipated.	Screening only implement proposal
	Adoption Service Remove additional investment	It has been considered that this proposal will have no impact on those with protected characteristics.	Screening only implement proposal

Projects Currently Funded From ICF That We Are Agreeing To Continue

Project Name	Funding 2015/2016	Funding 2016/2017
Dementia Training*	£39,189	£39,189
Falls Co-ordinator*	£0	£13,000
Falls trainer	£14,000	£14,000
ICES	£433,401	£433,401
Independent Sector Development Worker Pan Ayrshire	£21,000	£21,000
LOTS Resource Workers	£71,298	£71,298
Lunch Clubs / Community Development	£30,000	£30,000
Social Work Out of Hours	£222,000	£222,000
TSI Development Worker	£60,000	£60,000
Telecare Technician	£26,000	£26,000
Heart Failure Nurse (One third)*	£15,000	£15,000
TSI Capacity	£0	£48,000
BRC - Home from Hospital** (*)	£62,292	£93,848
Community Connectors	£133,500	£186,000
Early Intervention from Custody for Women	£45,000	£45,000
Enhanced end of Life / Palliative Care Facility	£39,000	£40,040
Foodtrain**	£45,000	£73,000
Hepatitis C Support	£41,000	£41,000
Medication for Carers*	£20,000	£20,000
Medication for ICES*	£25,000	£25,000
Positive Connections	£7,550	£7,550
Post Diagnostic Support*	£60,000	£60,000
Self Management Support*	£2,600	£2,600
Services to Redburn	£12,000	£12,000
Staying connected, Good Neighbours, Home from Hospital, On Ward	£38,610	£38,610
Talking about Diabetes*	£2,811	£2,811
	£1,466,251	£1,640,347

* these are pan-Ayrshire services - further discussion will be had at SPOG 18 March 2016

**these budgets are being finalised

NORTH AYRSHIRE COUNCIL

Agenda Item 11

29 March 2016

Cabinet

Title: **Equity Stake in DBFM Holdco**

Purpose: The purpose of this report is to outline the need to take a 10% equity stake in DBFM Holdco, the company set up for the delivery of the Largs Campus.

Recommendation: Agree to (a) grant authority to take a 10% equity stake in DBFM Holdco set up for the delivery of Largs Campus and (b) approve the appointment, if required, of the Executive Director (Finance and Corporate Support) as a Director of DBFM Holdco and DBFM Co on behalf of the Council.

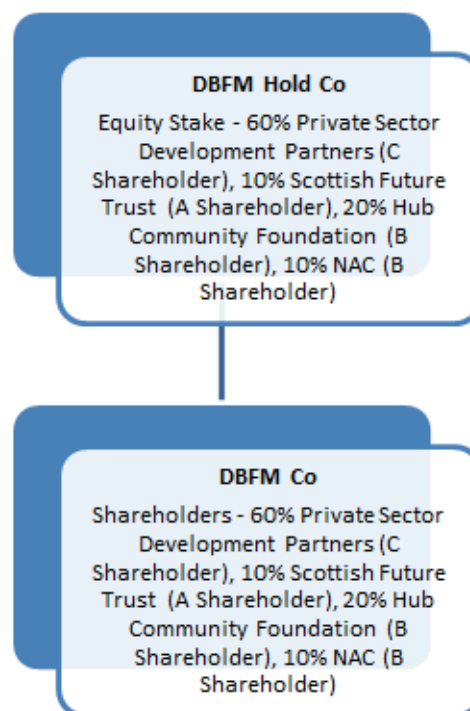
1. Executive Summary

- 1.1 As reported to Cabinet on 15 December 2015, changes to the European System of Accounts 2010 rules (ESA10), have amended the structure of Design Build Finance Maintain (DBFM) model which will be used to deliver the proposed Largs Campus.
- 1.2 This new hub model will result in the formation of DBFM Holdco. This company will wholly own DBFM Co, which will be responsible for the delivery of the Largs Campus. The Council is required to be a 10 % equity stakeholder in DBFM Holdco at a value of 10p. The Council may also have an opportunity to take up the appointment of Director of the DBFM Holdco and DBFM Co and it is recommend that the Executive Director (Finance and Corporate Support) is appointed, if required, to the Board of Directors.

2. Background

- 2.1 Largs Campus is being delivered through a DBFM Contract with £43.8m of funding secured through Scottish Future Trust. This funding is bound by ESA10 rules. These rules have changed recently and the Scottish Government have reached an agreement with the Office of National Statistics on a revised hub model that addresses the requirements of the new rules.

- 2.2 On 15 December 2015 Cabinet approved delegated authority to the Head of Service (Democratic Services) to sign amended Hub Initiative Territory Partnering and Shareholder agreements on behalf of Council as result of changes required under the ESA10 rules. These have now been signed.
- 2.3 A revised Hub Model has been created to comply with ESA10 requirements. This will see the creation of a DBFM Hold Co and a DBFM Co. The DBFM Co will be the vehicle which is responsible for the delivery of Largs Campus. A DBFM Hold Co is required to provide an operating structure which prevents creditors from gaining unfair preference in the event of insolvency and is insisted on by most lenders for this type of project.
- 2.4 The DBFM Hold Co will be structured to will be structured to have a nominal amount of share capital equity of a £1 (one pound). This equity will be provided by the private sector development partners (60%), SFTi (10%), the Hub Community Foundation (20%), with the Council providing the remaining 10% at a cost of 10p (ten pence). The revised Hub model is illustrated below.



- 2.5 There are two 'B' shareholders, the Council and the Hub Community Foundation which is a private sector charity which has been formed across the 5 hub territories. As a 'B' shareholder the Council may have an opportunity to appoint a Director to the DBFM Holdco company, (in the event that the other B Shareholder – the Hub Community Foundation – does not so appoint). As a Director of a limited company the individual appointed will be expected to operate under the responsibilities and fiduciary duties of a Director. Directors in DBFM Holdco will also be required to be Directors of DBFM Co.
- 2.6 In the event that the Council appoints a Director, it is expected by SFT that the person undertaking this role will be an officer of the Council and it is therefore proposed that the Executive Director (Finance and Corporate Support) be approved to be appointed as Council nominated director, if required, in both DBFM Holdco and DBFM Co.

3. Proposals

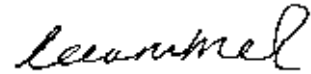
- 3.1 That Cabinet agrees to (a) grant authority to take a 10% equity stake in the DBFM Holdco set up for the delivery of Largs Campus and (b) approve the appointment, if required, of the Executive Director (Finance and Corporate Support) as a Director of DBFM Holdco and DBFM Co on behalf of the Council. The 10% equity share and the appointment of a B shareholder as a Director of the DBFM Holdco and DBFM Co is a requirement to meet ESA10 rules.

4. Implications

Financial:	The Annual Treasury Management and Investment Strategy permits non local authority share holdings where a service rationale exists. This investment meets this criteria and will be made from Council cash balances.
Human Resources:	None
Legal:	The agreement of the proposals within this report ensures that the delivery framework for Largs Campus complies with ESA10 requirements.
Equality:	None
Environmental & Sustainability:	None
Key Priorities:	Ensuring people have the right skills for learning, life and work
Community Benefits:	None

5. Consultation

5.1 Consultation has taken place with South West Hub.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Margaret Hogg, Senior Manager,
Financial Management on 01294 324551

Background Papers

Amendments to South West HUBCO Agreement, Cabinet - 15 December
2015

NORTH AYRSHIRE COUNCIL

Agenda Item 12

29 March 2016

Cabinet

Title: **Strategic Risk Register 2016/17**

Purpose: To inform Cabinet of the strategic risks faced by the Council in 2016/17.

Recommendation: That Cabinet approves the Strategic Risk Register for 2016/17.

1. Executive Summary

- 1.1 The Council's Strategic Risk Register has been reviewed by the Corporate Risk Management Group and Corporate Management Team for 2016/17.
- 1.2 Some changes to the register have been recommended which are detailed in Section 2 below. These are:
- the removal of the separate 'Welfare Reform' risk, with the impact on the local community now covered within the 'Inequalities' risk;
 - revising the 'Health and Social Care' risk to focus on the financial challenges;
 - widening the 'Strategic Workforce Issues' risk to cover 'People and Transformation', and;
 - adding a new risk relating to 'Climate Change'.
- 1.3 The risk matrix has been changed from a '6x4' scoring to a '5x5' scoring to reflect current best practice.

2. Background

- 2.1 North Ayrshire Council is committed to ensuring that it is proactive in identifying, responding to and managing the risks impacting on the authority. The Council recognises that a certain amount of risk is inevitable if the organisation is to achieve its objectives.

- 2.2 A Risk Management Strategy has been established to support Services in managing these risks, helping to ensure that they are 'risk aware' rather than 'risk averse', and enabling them to identify opportunities that can enhance Service provision.
- 2.3 The Strategy provides a framework through which a consistent approach to the management of risk can be maintained. The framework is embedded within the Directorate Planning process and allows Services, and the Council, to identify the significant risks impacting on the authority.
- 2.4 The most significant risks are identified through the Council's Strategic Risk Register (SRR), recognising the challenges facing the Council and demonstrating the arrangements in place to manage these risks. The register forms part of a larger governance process with additional risks and issues identified through Directorate Plans, Audit Reports and Project Plans.
- 2.5 The aim of risk management is to reduce the likelihood and/or impact of risk by identifying and controlling risks to the Council. If risk is to be managed appropriately, and Services are aware of these risks, risk management can contribute positively towards the organisation's decision making processes, making the Council more innovative and effective in its approach to service delivery.
- 2.6 The Strategic Risk Register has been reviewed for 2016/17 and is attached at Appendix 1. For each of the risks detailed within the register, a number of components are identified:
- current status (very high/high) and the risk score;
 - senior officer(s) with lead responsibility for the risk;
 - potential effect on the Council's priorities; and
 - internal controls currently in place.
- 2.7 To assist in the assessment of each risk, a risk matrix was used to ensure consistency across the Council. Only those risks rated as high or very high (10 or above) will feature on the SRR. A copy of the matrix is included within Appendix 1. The matrix has been updated to reflect a '5x5' scoring rather than the previous '6x4'; this will bring the Council into line with current best practice.

2.8 The following changes have been made in relation to each of the existing Strategic Risks:

- **Financial Environment** - using the new matrix, this has been scored as a very high risk at 20 (previously 18).
- **Inequalities** - this has been scored as a very high risk at 20 (previously 18).
- **Welfare Reform** - as a number of the reforms have now been implemented, this no longer appears on the register as a separate risk. The impact on the local community is reflected under the 'Inequalities' risk.
- **Health and Social Care Partnership** - this risk previously related to the transition process towards integration. As the HSCP has now been established, the focus of the risk has been updated to reflect the need for effective partnership working to ensure financial control and sustainability and this is scored as a high risk at 12 (previously 15).
- **Strategic Workforce Issues** - this risk has been redefined as '**People and Transformation**' to reflect the wider risks associated with delivering the Transformation programme (T2) as well as the potential impact on the workforce arising from the programme. This has been scored as a high risk at 12 (unchanged from 2015/16).
- **Community Capacity Building and Empowerment** - this has been scored as a high risk at 12 (unchanged from 2015/16).

2.9 One new strategic risk has been identified in relation to '**Climate Change**'. This reflects the impact to Council infrastructure, property and service delivery which may arise through the increasing impact of climate change. This has been assessed as a high risk, scored at 12.

2.10 Council Services have identified actions within their draft directorate plans for 2016/19 to help the Council mitigate against its strategic risks. Once the directorate plans have been approved by Cabinet, these actions will be linked to the strategic risks to assist with performance monitoring and reporting.

2.11 The Council's Internal Audit Plan 2016/17, which was approved by the Audit Committee on 15th February 2016, is risk-based and clear links are in place between the audit plan and the key risks the Council faces.

3. Proposals

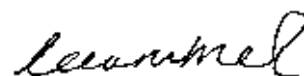
3.1 It is proposed that Cabinet approves the Strategic Risk Register for 2016/17.

4. Implications

Financial:	None.
Human Resources:	None.
Legal:	None.
Equality:	None.
Environmental & Sustainability:	None.
Key Priorities:	A successful risk management framework helps to underpin the delivery of the Council's strategic priorities in the Council Plan 2015-2020.
Community Benefits:	None.

5. Consultation

- 5.1 Consultation has taken place through the Corporate Risk Management Group and the Corporate Management Team.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Paul Doak, Senior Manager (Internal Audit, Risk and Fraud) on 01294-324561.

Background Papers

None.

Risk Matrix and Consequence Impact Guide

Introduction

Risk should be analysed consistently across the council in terms of the significance of its impact and the likelihood of occurrence. The Risk Matrix is therefore the tool that is to be used for this purpose. The impact element of the same matrix may be used for the grading of adverse events, complaints or claims.

Impact

When considering the consequences of a potential risk, all scenarios must be considered with scoring based on the most likely outcome. It may be appropriate to consider the worst case scenario, however, those undertaking the risk analysis must be able to provide a robust rationale and have evidence to support their selection. For example, if 'death' could be the ultimate potential impact in relation to a specific problem, the risk assessors must have knowledge that this outcome has occurred in the past either internal or external to North Ayrshire Council. (A full list of descriptions to assist in analysing consequence is contained on the following two pages of this document);

Likelihood

Similarly when considering the likelihood of occurrence, the risk assessor's judgement must be based on the prevalence of the event/ circumstance and outcome, backed up by experience and data such as relevant incidents/ events, complaints and/ or claims.

Evaluation

As shown in the matrix below, Impact x Likelihood produces an evaluation of the significance of risk, described as 'Low', 'Moderate', 'High' or 'Very High'.

How a risk is evaluated will determine how the risk is then treated:

Likelihood	Consequent Impact				
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Extreme
5 Almost Certain	5	10	15	20	25
4 Likely	4	8	12	16	20
3 Possible	3	6	9	12	15
2 Unlikely	2	4	6	8	10
1 Remote	1	2	3	4	5

Low (1-3), Moderate (4-9), High (10-16), or Very High (17-25)

Consequence Impact Guide

“Domains”	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Extreme
Objectives and Projects	<ul style="list-style-type: none"> Barely noticeable reduction in scope / quality / schedule 	<ul style="list-style-type: none"> Minor reduction in scope / quality / schedule 	<ul style="list-style-type: none"> Reduction in scope or quality, project objectives or schedule. 	<ul style="list-style-type: none"> Significant reduction in ability to meet project objectives or schedule. 	<ul style="list-style-type: none"> Inability to meet project objectives, reputation of the organisation seriously damaged and failure to appropriately manage finances.
Injury (physical and psychological) to clients/staff.	<ul style="list-style-type: none"> Adverse event leading to minor injury not requiring first aid. 	<ul style="list-style-type: none"> Minor injury or illness, first-aid treatment needed. No staff absence required. 	<ul style="list-style-type: none"> Significant injury requiring medical treatment and/or counselling. 	<ul style="list-style-type: none"> Major injuries or long term incapacity/disability (loss of limb), requiring medical treatment and/or counselling. 	<ul style="list-style-type: none"> Incident leading to death or major permanent incapacity.
Client experience / outcome	<ul style="list-style-type: none"> Reduced quality of client experience / outcome not directly related to service delivery. 	<ul style="list-style-type: none"> Unsatisfactory client experience / outcome directly related to service provision – readily resolvable 	<ul style="list-style-type: none"> Unsatisfactory client experience / outcome, short term effects – expect recovery < 1Wk 	<ul style="list-style-type: none"> Unsatisfactory client experience / outcome, long term effects - expect recovery > 1Wk 	<ul style="list-style-type: none"> Unsatisfactory client experience / outcome, continued ongoing long term effects.
Complaints / claims	<ul style="list-style-type: none"> Locally resolved complaint 	<ul style="list-style-type: none"> Justified complaint peripheral to direct service provision 	<ul style="list-style-type: none"> Below excess claim. Justified complaint involving inappropriate service. 	<ul style="list-style-type: none"> Claim above excess level. Multiple justified complaints. 	<ul style="list-style-type: none"> Multiple claims or single major claim.
Staffing and competence	<ul style="list-style-type: none"> Short term low staffing level (< 1 day), where there is no disruption to service. 	<ul style="list-style-type: none"> Ongoing low staffing level results in minor reduction in quality of client care Minor error due to ineffective training / implementation of training. 	<ul style="list-style-type: none"> Late delivery of key objective / service due to lack of staff. Moderate error due to ineffective training / implementation of training. Ongoing problems with staffing levels 	<ul style="list-style-type: none"> Uncertain delivery of key objective / service due to lack of staff. Major error due to ineffective training / implementation of training. 	<ul style="list-style-type: none"> Non delivery of key objective/ service due to lack of staff. Loss of key staff. Critical error due to insufficient training/ implementation of training.

“Domains”	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Extreme
Service business interruption /	<ul style="list-style-type: none"> ▪ Interruption in a service which does not impact on the delivery of client care or the ability to continue to provide service 	<ul style="list-style-type: none"> ▪ Short term disruption to service with minor impact on client care. 	<ul style="list-style-type: none"> ▪ Some disruption in service with unacceptable impact on client care. ▪ Temporary loss of ability to provide service. 	<ul style="list-style-type: none"> ▪ Sustained loss of service which has serious impact on delivery of client care resulting in major contingency plans being invoked. 	<ul style="list-style-type: none"> ▪ Permanent loss of core service or facility. ▪ Disruption to facility leading to significant “knock on” effect.
Financial	<ul style="list-style-type: none"> ▪ Negligible organisational financial loss (£< 1k). 	<ul style="list-style-type: none"> ▪ Minor organisational financial loss (£1-10k). 	<ul style="list-style-type: none"> ▪ Significant organisational financial loss (£10-100k). 	<ul style="list-style-type: none"> ▪ Major organisational financial loss (£100k-1m). 	<ul style="list-style-type: none"> ▪ Severe organisational financial loss (£>1m).
Inspection / assessment / audit	<ul style="list-style-type: none"> ▪ Small number of recommendations which focus on minor quality improvement issues. 	<ul style="list-style-type: none"> ▪ Minor recommendations made which can be addressed by low level of management action. 	<ul style="list-style-type: none"> ▪ Challenging recommendations but can be addressed with appropriate action plan. 	<ul style="list-style-type: none"> ▪ Enforcement Action. ▪ Low rating. ▪ Critical report. 	<ul style="list-style-type: none"> ▪ Prosecution. ▪ Zero Rating. ▪ Severely critical report.
Adverse publicity reputation /	<ul style="list-style-type: none"> ▪ No media coverage, little effect on staff morale. 	<ul style="list-style-type: none"> ▪ Local Media – short term. ▪ Minor effect on staff morale / public attitudes. 	<ul style="list-style-type: none"> ▪ Local Media – long term. ▪ Impact on staff morale and public perception of the organisation. 	<ul style="list-style-type: none"> ▪ National Media (< 3 days). ▪ Public confidence in the organisation undermined. ▪ Usage of services affected. 	<ul style="list-style-type: none"> ▪ National Media (> 3 days). ▪ MP / MSP Concern (Questions in Parliament).
Council / Personal Security, and Equipment	<ul style="list-style-type: none"> ▪ Damage, loss, theft (£< 1k). 	<ul style="list-style-type: none"> ▪ Damage, loss, theft (£1-10k). 	<ul style="list-style-type: none"> ▪ Damage, loss, theft (£10-100k). 	<ul style="list-style-type: none"> ▪ Damage, loss, theft (£100k-1m). 	<ul style="list-style-type: none"> ▪ Damage, loss, theft (£>1m).

Likelihood

	1 Remote	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Probability	<ul style="list-style-type: none"> ▪ Will only occur in exceptional circumstances 	<ul style="list-style-type: none"> ▪ Unlikely to occur but definite potential exists 	<ul style="list-style-type: none"> ▪ Reasonable chance of occurring – has happened before on occasions 	<ul style="list-style-type: none"> ▪ Likely to occur – strong possibility 	<ul style="list-style-type: none"> ▪ The event will occur in most circumstances

Title	SRR01 - Financial Environment					Current Risk Matrix
Risk	The risk is that due to the anticipated continuation of austerity the Council will be required to take increasingly difficult and challenging decisions, potentially operating with increasing levels of risk.					L5 I4
Background	Government funding has been reducing since 2010/11. This, together with the demographic pressures, in particular that of an ageing population, impacts on the ability of services to meet need with resources.					
	The 2016/17 local government settlement represents a significant reduction in funding. Planning for future years reflects further anticipated reductions in 2017/18 and 2018/19.					
	Elections are taking place this year and next which may create further uncertainty around government priorities, the longer term national financial plan and the availability of funding for local government.					
Risk Status	Very High			Current Risk Score	20	Assigned To
Potential Effect	Less funding means that there will be a reduction in delivery of some service areas potentially resulting in higher risks for service users.					Laura Friel
Internal Controls	The Council continues to be proactive in responding to the financial challenge and seeks to ensure that budget decisions are taken in line with key priorities.				Risk Next Review Date	30/09/16
	Robust monitoring of the Council's revenue and capital budgets is in place.					
	The Council has a 10 year capital investment programme to 2025/26. The current long-term financial strategy to 2022/23 will be extended to 2025/26.					
	The Council has agreed a balanced budget for 2016/17 and work has already begun to identify the remaining savings for 2017/18. The Council has established a programme of work to identify savings to bridge the anticipated future funding gap. This forward looking process supports greater financial security and stability and provides an opportunity for longer term service redesign plans to be implemented.					

Title	SRR02 - Inequalities					Current Risk Matrix
Risk	The risk to the Council is that North Ayrshire residents will experience increasing levels of poverty and its effects. In addition, the area would experience widening gaps between the less well-off and better-off and increasing levels of inequality.					L5 I4
Background	North Ayrshire residents have persistently poorer health compared to Scotland as a whole and the gap is increasing. Inequality in the local area may continue to increase unless the Council takes action, however this must be managed effectively due to the increase in demand for Council Services which may occur.					
	Ongoing welfare reforms will exacerbate local needs placing greater demands upon Council Services at a time when budgets are under significant pressure. A focus on economic regeneration and effective targeting of resources is essential to maximise opportunity and minimise the impact of the current economic climate on our communities.					
	There are also significant differences in the health of people living in the wealthier parts of North Ayrshire compared to its more deprived areas. Life expectancy in the most deprived areas is 15 years less than the more affluent communities. Health inequality is closely linked to poverty, employment and people's earliest experiences as children. Drug and alcohol misuse is also a major factor.					
Risk Status	Very High			Current Risk Score	20	Assigned To
Potential Effect	Failure to address the current challenges will result in increased levels of deprivation, reduced health and wellbeing of our communities and higher demand for Council Services. Inequalities at an early age will impact adversely on children's social and emotional development, affecting their overall life chances. Children living in poverty and with poor health are more likely to require crisis interventions and have lower levels of educational attainment and achievement. Adults affected by drug and alcohol misuse and by chronic health problems are less likely to sustain employment and it is more likely that they will require support to ensure their own and their children's safety and wellbeing. Older people affected by long term health conditions are more likely to require service provision earlier, have a greater incidence of hospital admission and require long term care at a younger age.					Karen Yeomans; John Butcher; Iona Colvin

<p>Internal Controls</p>	<p>The Council will be launching a new Economic Strategy in April 2017 and this will include a focus on inclusive growth. The Council will lead partners in building community resilience, providing support to remove barriers to opportunity for unemployed people (e.g. childcare, transport and health), upskilling of people in disadvantaged communities including providing 250 MA opportunities within the Council and providing employability services through our network of hubs.</p> <p>The Council has led the development of a new Financial Inclusion Strategy and with support from partners, and subject to a successful Lottery bid, will be rolling out a £3m programme of activity. This strategy will focus on a number of new areas of support such as provision of low cost credit, access to white goods/furniture, food and fuel as well as supporting improved linkages between existing services.</p> <p>Tackling inequalities is a strategic priority of the Community Planning Partnership (CPP) and the Council.</p> <p>An 'Inequalities Strategy' is being developed and is at draft stage.</p>	<p>Risk Next Review Date</p>	<p>30/09/16</p>
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Title	SRR03 - Effective Interaction with the Integrated Health and Social Care Partnership to ensure financial control and sustainability					Current Risk Matrix
Risk	The introduction of pooled budgets with Health presents a risk to the Council in terms of the potential burden of additional demographic/demand related costs and a decrease in direct financial control.					L4 I3
Background	In April 2015, the North Ayrshire Health and Social Care Partnership was created.					
	This has entailed a major change in the way that the Council works in partnership with NHS Ayrshire & Arran and other stakeholders.					
	Effective integration is made more difficult in a time of financial austerity when demand is rising and resources are diminishing. Differences in culture, historic structures, priorities and systems are being addressed in order for the Health and Social Care Partnership to achieve significant improvements for service users and patients.					
Risk Status	High Risk			Current Risk Score	12	Assigned To
Potential Effect	Growing demand for services across Health and Social Care at a time of decreasing resources creates a financial pressure for Partnerships. In order to address this, Partnerships need to make decisions about where to reduce costs and make savings while still delivering core statutory functions and ensuring people are kept safe and well.					Iona Colvin; Lesley Aird
	There is a risk that decisions made by the new Partnership and Integration Joint Board (IJB) could result in negative publicity and adverse scrutiny of the authority and its partners.					
	Aligned to this there is a risk that if the Partnership fails to manage its budgets effectively that the Council and Health Board may be required to provide additional funding support which could significantly impact on Partner resources.					
Internal Controls	The IJB meets monthly and monitors progress against the Strategic Plan and the Partnership financial position on a regular basis. Finance reports include projected outturns and are reviewed by Partnership Management and the IJB on a regular basis. These monitoring reports are also shared with the Directors of Finance of the Council and Health Board to ensure full transparency. These identify emerging financial issues as early as possible to enable corrective recovery actions to be put in place to address these. A change programme is in place within the new Partnership to assist with service redesign.				Risk Next Review Date	30/09/16

Title	SRR04 - People and Transformation					Current Risk Matrix
Risk Background	<p>There is an overarching corporate risk that transformation and change management activities which are core to the Council's future delivery models and long-term financial sustainability, fail to deliver and potentially disengage employees.</p> <p>The workforce context of significant organisational change, pay restraint and budget efficiencies may impact on employee engagement and the stability of employee relations which further impacts on the Council's capacity to meet service requirements and deliver key objectives.</p>					L3 L4
Risk Status	High Risk			Current Risk Score	12	Assigned To
Potential Effect	<p>Any gaps in workforce planning and organisational development arrangements may lead to difficulties in having a workforce with the appropriate knowledge, engagement levels and skills to meet service demand and achieve desired outcomes. It will further impact on the Council's ability to continue to deliver change, meet Council objectives and achieve the required efficiencies.</p>					Laura Friel; Gavin Macgregor
Internal Controls	<p>Continuing focus on implementing Organisational Development interventions through the People Strategy which supports the Council's transformation, improves effectiveness and capability as well as develops an organisational culture which fosters involvement, engagement and high performance.</p> <p>Development of a corporate, co-ordinated approach to transformational change through an agreed Transformation 2 (T2) approach.</p> <p>Mechanisms for consultation and engagement with Trades Unions enable open dialogue with unions and elected members on key strategic workforce issues.</p> <p>Key strategic organisational change issues are developed through regular leadership team conferences.</p> <p>Ensuring that the Redeployment and VER programmes support service redesign and help manage workforce change.</p> <p>Clearly defined workstreams with People and Transformation and Customer and Digital Services to drive forward corporate transformation.</p>				Risk Next Review Date	30/09/16

Title	SRR05 - Community Capacity Building and Empowerment					Current Risk Matrix
Risk	The risk facing the authority is that community capacity and community resilience in North Ayrshire will not develop sufficiently quickly to meet the economic and social challenges which are emerging in the current economic climate.					L3 I4
Background	<p>The additional demands placed on the public sector by the Community Empowerment Act (Scotland) 2015 is an emerging risk, with timescales for implementation of and reaction to certain strands of legislation, e.g. community asset transfer, now being set by the Scottish Government.</p> <p>The development of community capacity and appropriate support mechanisms to allow local communities to determine their own objectives and have their voices heard in the planning and delivery of services is a key priority of North Ayrshire Council. The ability of communities and organisations to do this varies and the Council is committed to providing the appropriate support, according to local need, to ensure that communities are able to achieve their potential in this challenging economic climate.</p>					
Risk Status	High Risk			Current Risk Score	12	Assigned To
Potential Effect	<p>Where the risk is not managed effectively the potential benefits of community capacity building and empowerment may be lost.</p> <p>There remains a potential disconnect between those communities where levels of capacity and engagement with the empowerment agenda are high and those with less social capital where interest remains low. This could widen the inequality gap between communities with the ability to influence the planning and delivery of more responsive services and those communities who do not.</p> <p>The potential also exists for a disconnect between what the Council wishes to see in terms of communities embracing the opportunities for increasing ownership of assets and what communities themselves feel able and prepared to commit to. In terms of the asset transfer agenda the potential remains for community assets to revert back to Council ownership due to ineffective community engagement/participation and a lack of effective business planning for sustainable use of community assets.</p>					Karen Yeomans; Audrey Sutton

<p>Internal Controls</p>	<p>North Ayrshire Council has made a public commitment to community capacity building and empowerment, through the Community Planning Partnership and through the Economy and Communities directorate plan. North Ayrshire Council has also identified that the value of continuing to support the community and voluntary sector to develop capacity is central to the well-being of the community and wishes to continue to fund activities which contribute to this.</p> <p>A strategic Community Empowerment Action Plan is being developed within the Council and with all CPP partners, to identify how the Council can shift from delivery to enabling mode with many of our community partners to build their capacity and identify opportunities for growth and sustainability.</p> <p>The introduction of Locality Planning will enhance local resilience and placemaking initiatives to strengthen how communities work together to lessen the impact of external changes.</p> <p>The Council has refined and enhanced its asset transfer, allotment and Community Council guidance and support, and in addition, the Council has also introduced support for individuals and communities in relation to developing excellence in arts and culture and sports, whilst reviewing the way in which it awards community development grants to ensure that capacity building is a central feature of support to communities and voluntary organisations. Groups are also supported to make a greater number of successful funding bids to external bodies. Additional resources will be available through ongoing projects with Creative Scotland and Sport Scotland with good practice being shared and promoted. The Community Development Fund is underpinning the ability of community organisations to undertake sustainable projects.</p>	<p>Risk Next Review Date</p>	<p>30/09/16</p>
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NORTH AYRSHIRE COUNCIL

Agenda Item 13

29 March 2016

Cabinet

Title: **Industrial Property Portfolio**

Purpose: To seek Cabinet approval of proposals to implement an alternative service delivery model for the management of the Council's industrial property portfolio.

Recommendation: That Cabinet i) approves the proposals to implement an alternative service delivery model for the management of the Council's industrial property portfolio; and ii) approves that a procurement exercise be carried out to appoint a delivery partner for the management of the portfolio.

1. Executive Summary

- 1.1 Since 2012 the Estates Section of Property Management and Investment (PMI) has been on an improvement journey to deliver an increasingly efficient and effective service. Activities that have been undertaken or continue to be progressed include the development of a procedures manual, implementation of a surplus property disposal strategy, increased marketing activity of the Council's commercial property portfolio, implementation of planned maintenance works across the portfolio and improved communication with the Council's commercial tenants.
- 1.2 It has been recognised that improvements are required in the management of the industrial property portfolio. In order to progress this workstream a comprehensive review has been undertaken during 2014, with the support of external advisors, which identified several recommendations in relation to how the management of the Council's industrial property portfolio could be improved.

1.3 The review considered the following:

- Existing financial performance of the portfolio;
- The ability of the portfolio to support the delivery of the Council's wider economic development aspirations;
- Market demand for the industrial units owned by the Council;
- Review of the Council owned portfolio versus the performance of privately owned industrial estates;
- Longevity and security of the rental income currently being produced by the portfolio;
- Proposed improvements in estate management practices including rent and service charge collection, common parts and landscape maintenance and marketing activity.

1.4 An alternative service delivery model for the management of the Council's industrial property portfolio would provide the additional capacity and wider market experience to address the main areas of concern, namely:

- Council occupation of space;
- Under renting (either concessionary rents or market factors);
- Current lack of service charges;
- Condition of vacant units;
- Common parts and landscape maintenance;
- Marketing activity.

1.5 In order to implement the main findings of the review, it is recommended that a procurement exercise is undertaken to identify a delivery partner for a five year period with, appropriate review periods and break points.

1.6 A Strategic Property Review, that considers the wider operation of PMI is nearing completion. An action plan is currently being developed which, when fully implemented, will further strengthen the effectiveness of PMI in managing the Council's property assets. Implementation of the recommendations within this recent wider review of PMI will have an impact upon the staffing structure. This will be aligned with the requirements of the outcomes of the Industrial Property Review to minimise impact on staff.

2. Background

- 2.1 The activities of the Asset Management and Estates Section within Property Management and Investment are key to several Council priorities and on-going initiatives. These include: the locality planning process; on-going rationalisation of the Council's operational property asset portfolio; managing the work of the Strategic Assets Group; maintaining condition data on operational assets; managing the Council's commercial portfolio and; contributing to "Team North Ayrshire" through improved linkages with Economic Development to support local business.
- 2.2 The Estates team provides a key service in managing the rental income from the Council's commercial portfolio and undertaking disposals of surplus property assets to deliver capital receipts for the Council. The focus of this activity is to increase the rental income from the commercial estate and ultimately maximise the financial performance of the portfolio, reduce the level of industrial units being used as unofficial storage by Council services, disposal of surplus assets and manage the repairs and maintenance within the portfolio, including the common parts of the estates.
- 2.3 The Council owns seven industrial estates throughout North Ayrshire, which provide essential industrial premises for local businesses in key areas. The current industrial portfolio comprises of:
- Irvine Industrial Estate, Irvine (19 units);
 - Bridgend Industrial Estate, Dalry (7 units);
 - Portland Place Industrial Estate, Stevenston (12 units);
 - Moorpark Place Industrial Estate, Stevenston (15 units);
 - Hill Street Industrial Estate, Ardrossan (15 units);
 - Keppernburn Workshops, Fairlie (6 units); and
 - Paddockholm Industrial Estate, Kilbirnie (13 units).
- 2.4 The keys facts relating to the industrial portfolio are as follows:
- 87 individual industrial units;
 - Total space – 18,798 sq.m;
 - Space occupied by commercial businesses as at February 2016 - 11,365 sq.m;
 - Annual rental income as at February 2016 - £0.369m; (N.B. Early actions have realised an increase of £0.042m since the review was completed)
 - Annual estimated rental value as at February 2016 - £0.585m;
 - Space occupied by Council services as at February 2016 - 4,717 sq.m;

- Annual rental loss as at February 2016 as a result of Council Services occupying space - £0.105m;
- Capital value of portfolio as at February 2016 - £4.550m;
- Estimated future capital value (following four years of intense management) - £5.910m.
- 15 units are currently vacant which represents a 17% void rate.

2.5 A comprehensive review has been undertaken, with the support of external advisors, which identified several recommendations in relation to how the management of the Council's industrial property portfolio could be improved. It is recognised that, whilst a number of improvements have commenced including the realisation of a further £42,000 in rental income to the current level of £0.369m, further improvement is possible relating to the management of the industrial property portfolio. There is further potential to improve levels of income to the Council and to improve the offer to the business community. The key potential outcomes are summarised as follows:-

2.5.1 **Recovery of Service Charge**

Historically the Council has not recharged industrial estate occupiers for the upkeep of common parts or charged a management fee. Within competing industrial estates throughout North Ayrshire, it was found that these costs are being recovered from occupiers on a pro-rata basis.

Failure to recover these costs is having a negative impact on the Council's ability to implement maintenance and repair programmes, which by consequence is detracting from the Council's ability to attract and retain occupiers.

The Council's historic standard lease does not allow for service charge costs to be recovered, however new leases now being agreed do allow for these costs to be recovered on a pro-rata basis. This practice is in line with Royal Institution of Chartered Surveyors (RICS) guidance on recovery of service charges in commercial buildings.

2.5.2 **Condition of Vacant Units**

A number of vacant units were found to require extensive repairs to be carried out and this is acting as a barrier to progressing the successful marketing of the units and securing tenants.

The investment requirements to bring a number of industrial units up to an acceptable standard were considered as part of the review of the Council's 10 year capital plan. The Capital Plan which was approved by the Council on 17 February 2016 includes £200,000 being available in each of the years 2016/17 to 2020/21.

2.5.3 Marketing Activity

In comparison with competing industrial estates, the review identified that the Council is significantly slower in letting vacant units than other private sector landlords.

The Council has revised its property marketing strategy in order to better promote the availability of industrial space. This includes the introduction of prominent estate 'To Let' signage, targeted marketing of companies with known space requirements, use of web-based marketing initiatives and promotion of units within the local press. This has resulted in an improved focus on marketing activity since the industrial review was completed with an increase in rental income and a reduction in voids.

2.5.4 Council Occupation of Space

Council Services currently occupy 25% of the available industrial space available. As a result of this approach the Council is unable to let industrial space with an estimated annual rental income of £0.105m (as at February 2016). It is also resulting in business space not being available to assist with stimulating economic development.

It should be noted that the Council is currently undertaking a review of its approach to holding materials and stores, with a view to potentially reducing Council occupied space. This should have a positive impact on the level of Council occupied space within the industrial portfolio and make additional industrial units available to the business community.

2.5.5 Under-Renting

A number of units within the industrial portfolio were found to be leased at rental levels below the full estimated rental value (ERV). Key influences in this are a result of leases being allowed to run under tacit relocation (silent renewal), rent reviews not being concluded in a timely manner or concessionary rents being granted. In 2015 this resulted in an estimated £18k of income failing to be recovered.

The Council is pro-actively seeking to renew leases on a full ERV basis and conclude rent reviews in a robust manner, however it is recognised that as part of the Council's economic growth aspirations, rent concessions may be appropriate in certain circumstances. The Council's approach to this is being considered as part of the 'Team North Ayrshire' approach to stimulating economic growth activity.

2.6 Future Delivery Strategy

Consideration has been given to methods of improving service delivery over the short, medium and longer term and whether the Estates Section has the capacity and wider market experience to deliver the improvements required.

2.6.1 As a result of these considerations, it is proposed that, subject to Cabinet approval, a procurement exercise is undertaken to appoint a delivery partner for the management of the industrial portfolio, with the aim of making a recommendation to Cabinet to appoint a partner later in 2016.

2.6.2 The core services that would be delivered by the delivery partner in relation to the industrial portfolio are as follows:

- Establishment of a property database that would incorporate a critical events diary to manage all professional property service activity. This would include a full audit of all occupational agreements and provide linkages to the Council's Tribal K2 Asset Management system;
- Act as the main point of contact for all existing and potential tenants and general public;
- Undertake all management activity associated with operating the portfolio;
- Carry out monthly site inspections;
- Address ongoing tenant disputes and breaches of lease, including progressing recovery proceedings;
- Manage tenant requests for alterations, assignments and lease variations;
- Establish and administer service charge regimes within all estates;
- Establish and chair tenant forums, including the production of tenants' guides;
- Provide rating advice, including making applications for vacant property relief;
- Provide advice in relation to potential disposal opportunities;
- Manage all marketing and letting activity associated with the industrial portfolio;
- Instigate and manage all rent review and lease renewal activity;
- Provides treasury management activity including rent and service charge billing, credit control and monthly account reporting;
- Provide health & safety advice in relation to the management of the portfolio;
- Implement a repairs and maintenance regime for the common parts of the portfolio; and
- Liaise with nominated officers from Property Management & Investment.

2.6.3 In addition to the above, the delivery partner may be expected to provide additional non core services on an ad hoc basis, which would include:

- Rating advice for Council owned properties;
- Valuation and compulsory purchase order advice;
- Planning advice;
- Acquisition, disposal and letting activity; and
- Building surveying services;

2.6.4 The proposed appointment would be on a five year basis with appropriate review and break points, with the key deliverable objectives and key performance indicators being agreed in advance of this appointment via a service level agreement. Key performance indicators (KPIs) would include the following:

- Annual increase in rent roll;
- Annual increase in the headline rent within each estate;
- Rent and service charge collection rates;
- Tenant satisfaction levels;
- Level of voids within the portfolio;
- Increase in market value of the portfolio;
- Number of rent reviews not concluded within three months of review date; and
- Number of lease renewals that are not agreed prior to the lease expiry date.

2.6.5 Over the proposed five year appointment, the over-arching objectives are summarised as follows:

- Increase the annual rental income of the industrial portfolio from £0.369m per annum to reflect the estimated rental value, currently £0.585m per annum;
- Increase the capital value of the portfolio from circa £4.550m to £5.910m;
- Minimise void levels;
- Implement a service charge regime, resulting in excess of £0.100m of estates maintenance and upkeep costs being recovered on an annual basis;
- Reduce the level of industrial units being used as storage space for Council services.

2.6.6 The appointment of a delivery partner to manage the industrial portfolio for this period will assist in consolidating the portfolio and improving its overall performance. Progressing with a wholesale industrial portfolio disposal programme at this time is unlikely to maximise the capital receipt that could be generated by the Council. It is intended that, towards the end of the proposed five year appointment of a delivery partner, a progress report will be presented to Cabinet that fully examines the future options around the retention or disposal of the industrial portfolio.

2.6.7 It is proposed that fees payable to the delivery partner would be structured around a core fee for estate management activity and a success related fee based on rental growth and increased capital value of the commercial estate.

2.7 Strategic Property Review

2.7.1 The Strategic Property Review, which is nearing its conclusion has assessed the wider staffing resources and structure within PMI and identified key areas where enhanced resources are required to ensure recommendations for improvement and increased effectiveness can be implemented. An action plan is currently being developed which, when fully implemented, will further strengthen the effectiveness of PMI in managing the Council's property assets.

2.8 Staffing Impact

2.8.1 As the Council's industrial property portfolio is currently managed in-house by the Estates Team, implementation of the recommendations within the Industrial Estates Review will require changes to the staffing model within the PMI Estates team. The implementation of the recommendations of the wider PMI review may also impact on the staff structure within the Estates Section, however the recommendations from both reviews will be aligned as much as is possible in order to minimise any impact on staff.

3. Proposals

3.1 The Cabinet is asked to:

- approve the proposals to implement an alternative service delivery model for the management of the Council's industrial property portfolio;
- approve that a procurement exercise is carried out to appoint a delivery partner for a five year period with appropriate review and break points to undertake the services highlighted in sections 2.6.2 and 2.6.3 of this report.

4. Implications

Financial:	Implementation of the proposals contained in this report should increase the capital value of the commercial property portfolio and increase the income receivable from tenants on an annual basis. The fee payable to the delivery partner will be met from the increased income.
Human Resources:	<p>The Council's industrial property portfolio is currently managed in-house by the Estates Section within Property Management & Investment.</p> <p>Alignment of the implementation of the recommendations from the two property-related reviews may impact on the staffing structure within PMI Estates. Consultation will be undertaken with any affected staff, Human Resources and the Trade Unions.</p>
Legal:	Should Cabinet approve the proposal and subsequent appointment of a deliver partner, a legally binding agreement will be entered into for the management of the Council's industrial property portfolio. The agreement will cover a period of four years, commencing in 2016.
Equality:	None.
Environmental & Sustainability:	Approval of this report will assist in achieving improvements to the Council's industrial property estate and ensure they are fit for purpose, high quality and well maintained.
Key Priorities:	Successful implementation of the findings of the review will contribute to the Council's key priority of 'Growing our economy, increasing employment and regenerating towns' and the underpinning priority of making the best use of all resources.
Community Benefits:	Relevant community benefit clauses will be included in the tender documents, should the proposal be approved.

5. Consultation

- 5.1 In the development of the proposals contained within this report, discussions have taken place with colleagues in Economy and Communities. Initial consultation has also taken place with appropriate Property Management & Investment staff and Trade Union representatives.
- 5.2 Implementing the recommendations contained within this report will result in a change of approach in the day-to-day management of the Council's industrial property portfolio. Information will be provided to tenants to ensure the transition does not adversely affect their operations.



CRAIG HATTON
Executive Director (Place)

Reference : YB/LC/RH

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Background Papers

None