
NORTH AYRSHIRE COUNCIL

Agenda Item Budget Paper 1

17 February 2016

Cabinet / North Ayrshire Council

Title: **General Services Revenue Estimates 2016/17 to 2017/18**

Purpose: To advise the Cabinet/Council on (a) the Council's revenue spending requirements and anticipated funding for the years 2016/17 to 2018/19; (b) the level of reserves and fund balances held by the Council and (c) options to address the funding gap.

Recommendation: That Cabinet:

(a) notes the revenue funding gap from 2016/17 to 2018/19;

(b) considers proposals to address the funding shortfall including baseline budget adjustments and savings proposals;

(c) considers the increases to Council fees and charges with effect from April 2016 and April 2017;

(d) note the budget matrix for 2016/17;

(e) refers the report to Council for determination.

That Council:

(a) notes the anticipated funding available to meet expenditure requirements;

(b) approves the Council's expenditure requirements for 2016/17 and notes the indicative requirements for 2017/18;

(c) notes the level of reserves and fund balances held by the Council and approves any contributions to/from these;

(d) agrees efficiencies and savings to ensure a balanced budget for 2016/17;

(e) agrees increases to Council fees and charges;

(f) approve savings options for 2017/18, noting the profile may vary across financial years;

(g) notes the anticipated funding gap for 2018/19 and the workstreams being progressed;

(h) considers the equality impact of any proposed service changes;

(i) notes the budget matrix for 2016/17.

1. Executive Summary

- 1.1 Section 32 (10) of the Local Government Finance Act 1992 requires Councils to determine the levels of expenditure to be incurred in the forthcoming financial year. This report provides Members with an overview of the Council's anticipated financial position on the General Fund revenue budget for the next two financial years, 2016/17 and 2017/18 and a high level position for 2018/19. It also sets out the information required to enable the Council to set its budget for 2016/17. Members are required to bring forward proposals to deliver a balanced budget.
- 1.2 When the Council set its budget for 2015/16 on 9 December 2014 the decisions taken resulted in a balanced budget for 2015/16 - 2017/18. The revenue budget exercise for this year has concluded a full review of the previous projections for 2016/17 and 2017/18 and a high level review of 2018/19. For 2016/17 and 2017/18 the review provides a balanced budget for 2016/17 and a funding gap of £3.836m remaining in 2017/18. Within 2018/19 it is estimated that expenditure exceeds funding by £17m.
- 1.3 The estimated funding gap as noted above is based on;
 - Continued uncertainty in the global economy, recognising the relative good performance of the UK, but also its dependence on other economies;
 - A 3.63% reduction in Scottish Government grant for 2016/17 with a further estimated reduction of 2.5% in each of 2017/18 and 2018/19;
 - Release of previously earmarked reserves to provide temporary funding in 2017/18 with a sustainable solution required for 2018/19;
 - Anticipated pressures of £10.918m, £7.131m and £8.287m over financial years 2016/17, 2017/18 and 2018/19;
 - Funding of the HSCP pressures from the Partnership's share of £250m, allowing a net reduction to the Council's net contribution to the HSCP in line with the terms of the Settlement;

- Delivery of previously approved savings and approval of new savings of £13.820m and £6.873m in 2016/17 and 2017/18;
- Agreement to the proposed increases in charging.

1.4 Detail is provided on the anticipated level of earmarked and unearmarked reserves. Based on the probable outturn as at the end of November 2015 it is anticipated that the Council will have unearmarked reserves of £13.694m at the end of the financial year, £1m in excess of CIPFA's recommended upper threshold. Following review, Earmarked Reserves are required to meet anticipated commitments.

1.5 The report notes the main financial risks that require to be kept under review to ensure the Council remains financially sustainable.

2. Background

2.1 Financial Context

2.1.1 The Council carries out its medium term financial planning on a rolling three year basis; this is supported by the Council's Long Term Financial Strategy covering the period to 2022/23. In setting the budget Members need to consider the medium and longer term financial context for the Council and the ongoing financial pressures and challenges facing the public sector.

2.1.2 The UK economy continues to show signs of recovery with UK growth levels being amongst the strongest of any G7 country with the Bank of England forecasting growth to remain around 2.4% - 2.8% over the next three years. This is driven mainly by strong consumer demand due to a recovery in wage inflation at the same time that CPI inflation has fallen to or near zero in recent times.

2.1.3 The UK's financial environment is still closely linked to the performance in the wider economy including China and Japan. The US increased interest rates in December 2015 for the first time since 2006 and the Eurozone may need to consider increasing its quantitative easing if it is to succeed in significantly improving growth and getting inflation to the target level of 2 %.

2.1.4 In addition to economic performance, other factors which may influence the availability of funding for the public sector include:

- UK Government's policy on local government
- Scottish Government election in 2016
- Devolution of powers aligned to the Smith Commission
- Utilisation of financial powers arising from the Scotland Act 2012

2.2 Funding

Local Government Settlement

2.2.1 The provisional Scottish Government budget for 2016/17 was published on 16 December 2015. Funding support from the Scottish Government comprises: general revenue grant; non domestic rate income; and specific grant. The provisional settlement when published is subject to Parliamentary approval in late February 2016.

2.2.2 North Ayrshire Council's Scottish Government funding support for 2016/17 is £264.552m and is subject to the conditions outlined in 2.2.3. This is a reduction of £10m on the 2015/16 settlement arising mainly from:-

- £9.3m reduction in grant support
- £2.1m reduction following redistribution of funding based on updated methodologies
- £0.4m reduction in funding due to an anticipated increase in council tax base assumptions

This reduction in funding has been partially offset by additional funding of £1.8m linked to continuing the Council Tax Freeze in 2016/17.

In addition to this core funding North Ayrshire can anticipate:

- £0.695m in respect of the teachers induction scheme;
- £1.286m for Free School Meals;
- £1.295m in respect of Discretionary Housing Payments.

2.2.3 Outwith the Finance Settlement, the Council will receive funds from the Department of Works and Pensions (DWP) for Discretionary Housing Payments (DHP). Similar to 2015/16 it is assumed that the balance of funding to meet the costs of under occupation will be met by Scottish Government funding.

2.2.4 Council approved at its meeting of 8 February 2016 to accept the terms of the Scottish Government's grant offer and agreed to;

- maintain a freeze on Council Tax at 2007/08 levels.
- maintain the pupil teacher ratio at a value of 13.6 and secure places for all probationers who require one under the teacher induction scheme.
- comply with the conditions linked to the £250m Integration Fund including delivery of a Living Wage of £8.25 per hour from 1 October 2016 for all social care workers.

2.2.5 This agreement secures access to the full level of Scottish Government grant and the Leader of the Council has written to the Deputy First Minister to this effect.

2.2.6 in 2017/18 and 2018/19, it is assumed that the 2016/17 level of grant support will reduce by 2.5 %. In applying the current assumptions for 2017/18 and 2018/19, Members should remain alert to issues highlighted in 2.1. It is anticipated that the Scottish Government will publish its draft budget for 2017/18 to 2019/20 in September 2016 with local authority allocations being announced in December 2016.

2.3 Council Tax

2.3.1 Based on a Council Tax freeze at 2007/08 levels continuing to be applied, collection rates of 96.5 % and anticipated growth in the Council Tax base of £0.449m, total estimated Council Tax Income is £47.534m, net of council tax reductions for 2016/17. Growth of £0.225m has been assumed for 2017/18 and 2018/19 increasing Council Tax Income to £47.759m and £47.984m respectively.

2.3.2 The proposed budget will result in the following Council Tax charges in 2016/17 for each property band (excluding charges or water and sewage) which maintains charges at the 2007/08 level:

Band	Valuation (at 1991 levels)	Council Tax
A	Under £26,999	£768
B	£27,000 to £34,999	£896
C	£35,000 to £44,999	£1,024
D	£45,000 to £57,999	£1,152
E	£58,000 to £79,999	£1,408
F	£80,000 to £105,999	£1,664
G	£106,000 to £211,999	£1,920
H	Over £212,000	£2,304

2.4 Use of earmarked Reserves

2.4.1 As part of the overall financial review consideration has been given to the current level of earmarked reserves relative to the underlying requirements. This confirmed that some of these could be released. These funds, available only for a single year, are noted below and detailed at 2.11;

- Funds set aside to support the modern apprentice scheme are no longer required as current proposals are fully funded (£0.307m);
- The Council was successful in securing £0.829m from the Business Rates Incentivisation Scheme, £0.329m of this is being released with £0.500m being retained to support the Social Development Fund;
- £1.300m can be released from the repairs and renewals fund, sufficient resources are available within the Major Maintenance revenue budget and lifecycle investment within the draft capital investment programme;
- £0.675m can be released from the Insurance Fund as a result of the most recent actuarial valuation.

2.4.2 In addition to the above £0.200m of funds set aside for the Strategic Review of Education are no longer required for this purpose.

2.4.3 The above allows £2.811m to support the Council's budget strategy and has been applied in 2017/18 to reduce the in year deficit. This provides temporary funding with a recurring solution required for 2018/19.

2.5 Income Summary

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

	2016/17	2017/18
	£m	£m
Aggregate External Finance	264.552	257.938
Additional aggregate external finance due :		
Teachers' Induction Scheme	0.695	0.695
Free School Meals	1.286	1.286
Discretionary Housing Payments	1.295	1.295
Council Tax	47.534	47.759
Contribution from Earmarked Reserves	0.000	2.811
Total	315.362	311.784

2.6 Expenditure Requirement

2.6.1 The revised expenditure requirements for 2016/17 is £317.566m and is summarised in Appendix 1. This reflects the 2015/16 base budget adjusted to reflect the outcome of a full review of service pressures, previously approved savings and baseline budget adjustments. These, together with local and national pressures are noted below : -

- costs of continuing the current level of service;
- significant inflationary pressures, including pay and pressures linked to the removal of contracted out national insurance rates;
- no provision being made for general non pay inflation;
- the financial implication of decisions already taken by the Council;
- loan charges incurred as a result of the Council's current and proposed capital programme

Risks around this are outlined within the financial implications section of this report

2.6.2 As part of the 2015/16 revenue budget, savings were approved for 2016/17 and 2017/18, these are detailed at Appendix 2. As part of the 2016/17 budget exercise these have been reviewed; the IJB has reassessed the ability to deliver a number of the previously approved savings and developed alternatives, these are detailed at Appendix 5 and are subject to IJB approval; teachers savings have been removed to align with the commitment to maintain teacher /pupil ratios; and a small number of other changes have been made to the profile of delivery.

2.6.3 The expenditure requirements identified for 2016/17 to 2017/18 are summarised in Appendix 1, with further details provided in Appendix 3. Base budget adjustments are detailed in Appendix 4. Based on this the anticipated expenditure exceeds available funding by £2.204m in 2016/17 with a further shortfall of £6.257m forecast for 2017/18, £2.421m after base budget adjustments. For 2018/19 it is estimated that expenditure exceeds funding by £17m taking account of the use of unearmarked balances in 2017/18.

2.7 Integrated Health and Social Care Partnership

2.7.1 The North Ayrshire HSCP operated on a shadow basis during 2014/15. During 2014/15 work was carried out to determine the pressures and savings options for the Partnership when it became fully operational in 2015/16. As part of the budget setting for 2015/16 Council allocated sufficient funds to meet the identified service pressures. This was confirmed at Cabinet on 21 April 2015 when it considered a report on the due diligence that had been carried out to establish the adequacy of the Council's baseline contribution to the IJB and noted that subject to effective risk mitigation and delivery of efficiencies the initial resource allocation was sufficient to deliver the Strategic Plan outcomes.

2.7.2 Council at its meeting on 8 February 2016 noted that £250m of funding has been channelled via the Health Board to support Health and Social Care Partnerships (HSCP) in 2016/17. The main elements of this funding are;

- £125m to meet demand and demographic pressures for all services included within the Partnership, North Ayrshire's share of this is £3.614m
- £125m to partially meet the cost of the living wage at £8.25 per hour for all social care workers from 1 October 2016 (£43m / NAC £1.243m) with an expectation that providers will meet their share of this; the balance of funding being available to local authorities to manage their underlying pressures (£82m / NAC £2.371m).

2.7.3 The proposal for the HSCP within the draft budget includes a savings target of £4.000m and investment of £1.611m to meet service pressures. This complies with the terms of the settlement as noted above.

2.7.4 The impact of the proposal is that the HSCP can fund all of its pressures in 2016/17 from its share of the £250m and the pressures funding from the Council.

- 2.7.5 As part of its financial planning the Partnership will require to give consideration to the need to fund the full year impact of the living wage in 2017/18 and the assumption that providers will be able to fund their share of the living wage.
- 2.7.6 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.
- 2.7.7 Information on the service pressures, exclusive of the living wage and revised charging proposal, and proposed new savings options is provided at Appendix 5. The final decision on resource allocation sits with the IJB.

2.8 Efficiencies and Savings Proposals

- 2.8.1 As noted in paragraph 2.6.3 there is a funding gap in each of the financial years 2016/17 to 2018/19. There is a requirement to set a balanced budget for 2016/17. Proposals for efficiencies and savings have been made which can deliver a balanced budget for 2016/17 and a budget shortfall of £3.836m, after applying £2.811m of earmarked reserves, in 2017/18. Approval of future years savings, with a flexible delivery profile, provides greater certainty for service planning and supports the future financial stability of the Council. Proposed efficiencies and savings are summarised at Appendix 6. Work is already underway to identify options to bridge the anticipated funding gaps in 2017/18 and 2018/19. A summary of the workstreams is provided at Appendix 7.
- 2.8.2 The Council's corporate policy for charging for Council services states a presumption that charges will be increased annually at least in line with inflation unless there is a clear case for not doing so. The revenue budget savings identified in Appendix 2 and 6 reflect the additional income which will be secured through these proposals. In some areas service charges are proposed which are based on the recharge of actual cost. There are also some services where, for a variety of reasons, it is proposed to apply an increase by more or less than the rate of inflation.

2.8.3 Appendix 6 contains a list of the charges which are proposed to be increased on 1 April 2016 and 1 April 2017 in line with inflation. Inflationary increases will be based on the Consumer Price Index (C.P.I.) at October of each preceding year. Inflationary movements in CPI have been negligible in 2015 and as a result there is no proposed increase on 1 April 2016. Appendix 8 identifies those charges which will have inflationary increases applied from 1 April 2017 and the rate of increase will be confirmed as part of the budget report for 2017/18. Appendix 9 lists all those charges where it is proposed to increase by a factor other than the October 2015 C.P.I. Some statutory charges are set at a national level and are, therefore, out with the scope of these appendices.

2.9 Revenue Budget - Objective and Subjective Analysis

2.9.1 The Codes of Financial Practice outline categories of service delivery, known as the Objective Analysis, and categories of expenditure type, known as the Subjective Analysis. Based on the budget presented within this report the budget matrix for 2016/17 is attached in Appendix 10.

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

2.9.3 As in 2015/16 Social Services will be delegated to the Integrated Joint Board with appropriate reporting throughout the year to North Ayrshire Council.

2.10 Probable Outturn 2015/16

2.10.1 Based on the revenue budget monitoring report for 2015/16 at the end of November 2015, a year end underspend of £4.179m (1.3%) is forecast. The factors contributing to this were reported to Cabinet on 19 January 2016. Further consideration will be given to the current year underspend when the Council approves its Accounts for the year to 31 March 2016 in June 2016.

2.11 Reserve and Fund Balances

2.11.1 General Fund Balance

The projected accumulated balances on the Council's Funds and Reserves at 31 March 2016 are outlined in the table below, with the majority of these being earmarked for specific purposes. As can be seen from the table the value of reserves is anticipated to increase during 2015-16. The continued risk and uncertainty beyond 2016/17 and the challenge in delivering future efficiencies in the context of the level of savings which have been delivered to date, indicates the importance of the Council maintaining a sufficient level of reserves. The External Audit annual report on the 2014/15 audit indicated that the Council's level of reserves are at an adequate level.

	Balance At 31 March 2015	Transfer Approved at Cabinet 19 Jan 16	Transfer Included in Budget Paper	Revised Balance	Projected Balance at 31 March 2016	Anticipated Future Spend	Projected Future Balance
	£m	£m	£m	£m	£m	£m	£m
General Fund Not Earmarked	10.344	-	-0.829	9.515	13.694	-	13.694
General Fund Earmarked							
Education DMR	0.829	-	-	0.829	0.829	0.829	-
Affordable Housing	2.727	-	-	2.727	3.520	3.520	-
Project Specific Funds *	5.304	-	2.804	8.108	7.521	7.521	-
Equal Pay	1.012	-	-	1.012	1.012	1.012	-
Change and Service Redesign Fund	5.627	1.500	-	7.127	4.174	4.174	-
Commonwealth and Commemorativ e Fund	0.060	-	-	0.060	0.052	0.052	-
Total Earmarked Fund	15.559	1.500	2.804	19.863	17.108	17.108	-
Total General Fund Balance	25.903	1.500	1.975	29.378	30.802	17.108	13.694

* £0.329m from BIRS and £0.307m from the modern apprentice scheme is included within project specific funds

2.11.1.1 Unearmarked Reserve

At 31 March 2015, the Council had unearmarked reserves of £10.344m. This included £0.829m for BRIS which has now been transferred to project specific funds. Taking account of the probable outturn at 2.10, the unearmarked reserve is projecting a balance of £13.694m at 31 March 2016. The balance on unearmarked reserves is 4.3 % of planned expenditure, which is just outwith the range (2% - 4% / £6m - £12.6m) for general reserves, as recommended by CIPFA.

2.11.1.2 Earmarked Reserves

Comments on the key earmarked funds are as follows:

- Affordable Housing - these funds arise from Council Tax collected from second home owners throughout North Ayrshire. As outlined in the Housing Business Plan, these monies will be used to assist with new affordable housing in future years and the purchase of houses on the open market.
- Project-specific funds - these funds were carried forward as part of the closure of the Accounts for 2014/15, to allow for the completion of specific projects after 31 March 2015. Reserve balances within project-specific funds as well as a review of the Insurance Fund and the Repairs and Renewals Fund have been reviewed as part of the budget exercise and £2.811m of reserves have been released to contribute to the funding package available for 2017/18. Further information is provided at 2.4.1.
- Equal Pay - no claims have been settled during 2015/16, however the potential for future claims will continue to exist until 2016.
- Change and Service Redesign Fund - resources have been earmarked to meet the costs of implementing the Council's refreshed Transformation Programme

2.11.2 Specific Reserves

Specific Reserves	Balance at 31 March 2015	Transfer Approved at Cabinet 19 Jan 16	Transfer Included in Budget Paper	Revised Balance	Projected Balance at 31 March 2016	Anticipated Future Spend	Projected Future Balance
	£m	£m	£m	£m	£m	£m	£m
Repairs and Renewals Fund	1.627	-	-1.300	0.327	0.277	0.277	0.000
Insurance Fund	3.316	-	-0.675	2.641	2.641	2.641	0.000
Capital Fund	9.919	4.130	-	14.049	11.203	11.203	0.000
Total	14.862	4.130	-1.975	17.017	14.121	14.121	0.000

Comments on the specific reserves are as follows :

- Repairs and Renewals Fund - following a review of this fund it is recommended that £1.3m is transferred to earmarked funds and is utilised as part of the funding package for 2017/18. The remaining balance is required to support works in relation to PPP Schools.
- Insurance Fund - the current balance on this Fund aligns with the 2015 actuarial valuation, provision for uninsured claims and outstanding liabilities insured through Municipal Mutual Insurance pre-local government reorganisation. A review of the fund has been undertaken based on the current valuation and it is recommended that £0.675m is transferred to earmarked funds and is utilised as part of the funding package for 2017/18.
- Capital Fund - the majority of the £11.203m projected balance on the Capital Fund at 31 March 2016 has been earmarked to fund the capital investment programme in 2016/17.

3. Proposals

- 3.1 Total planned revenue expenditure for 2016/17 is £317.566m before consideration of efficiencies and saving options to bridge the funding gap.
- 3.2 Total funding available for 2016/17 is £315.362m.
- 3.3 Members are asked to approve a balanced budget for 2016/17 which considers :-
 - i. base budget adjustments totalling £5.002m (Appendix 4)
 - ii. expenditure requirements totalling £10.918m (Appendix 3)
 - iii. new savings totalling £2.204m (Appendix 6)

3.4 That Cabinet:

- (a) notes the revenue funding gap from 2016/17 to 2018/19;
- (b) consider proposals to address the funding shortfall;
- (c) considers the increases to Council fees and charges, as outlined in the report, with effect from April 2016 and April 2017;
- (d) notes the budget matrix for 2016/17
- (e) refers the report to Council for approval.

3.5 That Council:

- (a) notes the anticipated funding available to meet expenditure requirements;
- (b) approves the Council's expenditure requirements for 2016/17 and notes the indicative requirements for 2017/18 and 2018/19;
- (c) notes the level of reserves and fund balances held by the Council and approves any contributions to/from these;
- (d) agrees efficiencies and savings to ensure a balanced budget for 2016/17;
- (e) agrees increases to Council fees and charges
- (f) approves savings options for 2017/18, noting the profile may vary across financial years ;
- (g) considers the equality impact of any proposed service changes;
- (h) notes the budget matrix for 2016/1.

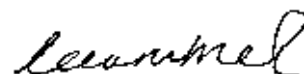
4. Implications

Financial:	<p>The financial implications are as outlined in the report. Members require to approve a package of efficiencies and savings totalling £2.204m for 2016/17 to deliver a balanced budget whilst maintaining Council Tax at 2007/08 levels. Any increase in expenditure above that outlined in the draft budget will also require to be funded.</p> <p>Failure to establish a budget which meets the Scottish Government requirements will result in the loss of grant of £11.123m, as reported to Council on 8 February 2016.</p> <p>The significant risks around the Council budget relate to:</p> <ul style="list-style-type: none"> ● the potential impact of the current economic climate ● uncertainty around future funding levels ● impact of demographic changes ● impact of welfare reform ● future workforce costs ● delivery of all approved savings; and ● managing service delivery within approved resources
Human Resources:	<p>Any reduction to the work force will be dealt with through effective management of vacancies, redeployment, voluntary early retirement and voluntary redundancy. This will be effected by engagement and participation with the Trade Unions on a Service by Service basis to develop and agree implementation plans.</p>
Legal:	<p>The Council is required to set a balanced budget for 2016/17.</p>
Equality:	<p>Where the Council is making decisions in relation to its spending priorities, it is obliged to comply with the public sector equality duty set out in the Equalities Act 2010. To meet this requirement, where necessary, the Council must assess the impact of applying a new policy or decision against key groups and at the point where the decision is made Elected Members must have sufficient information to assess that impact. A summary of the equality impact of all efficiencies and savings is provided at the following link.</p>

	http://naconnects.north-ayrshire.gov.uk/elected-members/eia-for-budget-proposal/eia-for-budget-proposal.aspx Where an impact has been identified a schedule is included in Appendix 11.
Environmental & Sustainability:	Impact on the environment is dependent on the proposals agreed.
Key Priorities:	Impact on key priorities is subject to the proposals agreed.
Community Benefits:	None.

5. Consultation

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



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference : None

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

Background Papers

None

North Ayrshire Council
Revenue Budget 2016/17 to 2017/18
Revenue Budget Summary Position

Funding	2016/17 £000's	2017/18 £000's
Aggregate external finance	264,552	257,938
Additional aggregate external finance due :		
Teachers' Induction Scheme	695	695
Free School Meals	1,286	1,286
Discretionary Housing Payments	1,295	1,295
Council tax income	46,474	46,699
Council tax income from 2nd homes	1,060	1,060
Contribution from the capital fund	-	-
Contribution from Earmarked Reserves	-	2,811
Total Funding Available	315,362	311,784

Expenditure Requirements	2016/17 £000's	2017/18 £000's
Base Budget	322,657	315,362
Less Base Budget Adjustments		
Protecting and enhancing the environment for future generations	(307)	(50)
Helping all of our people to stay safe, healthy and active	(1,313)	(50)
Ensuring people have the right skills for learning, life and work	(147)	(74)
Working together to develop stronger communities	-	-
Growing our economy, increasing employment and regenerating towns	(776)	-
Underpinning our priorities	(1,320)	(93)
Corporate Savings	(1,139)	(100)
Total	(5,002)	(367)
Less Savings Previously Approved		
Protecting and enhancing the environment for future generations	(1,134)	(1,560)
Helping all of our people to stay safe, healthy and active	(2,718)	(2,246)
Ensuring people have the right skills for learning, life and work	(772)	(27)
Working together to develop stronger communities	(403)	-
Growing our economy, increasing employment and regenerating towns	(1,050)	(50)
Underpinning our priorities	(538)	(202)
Total	(6,614)	(4,085)

Expenditure	2016/17 £000's	2017/18 £000's
Contractual/Unavoidable		
Protecting and enhancing the environment for future generations	518	38
Helping all of our people to stay safe, healthy and active	1,611	-
Ensuring people have the right skills for learning, life and work	349	1,181
Working together to develop stronger communities	82	62
Growing our economy, increasing employment and regenerating towns	31	20
Underpinning our priorities	15	103
Corporate Investment	6,628	5,723
Sub Total	9,233	7,126
National/Local Pressures		
Protecting and enhancing the environment for future generations	-	-
Helping all of our people to stay safe, healthy and active	31	31
Ensuring people have the right skills for learning, life and work	46	-
Working together to develop stronger communities	78	-
Growing our economy, increasing employment and regenerating towns	(61)	(61)
Underpinning our priorities	238	34
Sub Total	332	4
New Monies		
Ensuring people have the right skills for learning, life and work	845	-
Helping all of our people to stay safe, healthy and active	408	-
Underpinning our priorities	99	-
Sub Total	1,352	-
Total Expenditure Requirement	10,918	7,131
Add Provision for Flexibility		
Loans Fund Reserve	(2,377)	
Investment	(2,015)	
Total	(4,392)	-
Less New Savings		
Protecting and enhancing the environment for future generations	(75)	(184)
Helping all of our people to stay safe, healthy and active	(1,889)	-
Ensuring people have the right skills for learning, life and work	(212)	(42)
Working together to develop stronger communities	-	(717)
Growing our economy, increasing employment and regenerating towns	-	(1,249)
Underpinning our priorities	(28)	(229)
Total	(2,204)	(2,421)
Total Expenditure Requirement	315,362	315,620
Revised Cumulative (Surplus)/Deficit if all Savings Proposals are Accepted	0	3,836

North Ayrshire Council
Revenue Budget 2016/17 to 2018/19
Revenue Budget Savings Already Approved

Council Objective/Service	Saving	Reference	2016/17 £	2017/18 £
Protecting and enhancing the environment for future generations				
Place	Rationalisation of Office Space	SP-FI-13-07	(100,000)	-
Place	Further reduction in property running costs following the phased move out of Perceton House for 2016/17	SP-FCS-14-07	(100,000)	-
Place	Implementation of low energy products to the Council estate including the retrofit of biomass and solar PV panels	SP-PL-15-02	(67,000)	-
Place	Installation of low energy light bulbs to street lighting	SP-PL-15-01	(306,000)	(104,000)
Place	Rationalisation of Household Waste Recycling Centres including the closure of Dreghorn HWRC	SP-PL-15-05	(85,541)	-
Place	Closure of Automatic Public Conveniences	SP-PL-15-06	-	(218,000)
Place	Reduced waste disposal costs by introducing direct tipping to Shewalton landfill site	SP-PL-15-08	(37,000)	-
Place	Completion of Janitorial Review	SP-PL-15-10	(75,000)	-
Place	Review of Roads Service and alignment with Streetscene	SP-PL-15-14	(150,000)	(150,000)
Place	Building Cleaning Review Stage 2 as part of the asset rationalisation programme	SP-PL-15-16	(50,000)	(50,000)
Place	Reduce frequency of street cleansing by 10 %	SP-PL-15-18	-	(180,000)
Place	Reduction in provision of grounds maintenance services - hanging baskets, floral displays, mown verges, mowing frequencies	SP-PL-15-19	-	(200,000)
Place	Rationalisation of Property Assets	SP-PL-15-23	(163,423)	(165,168)
Place	Reduction in major property maintenance	SP-PL-15-25	-	(375,000)
Place	Reduction in planned property maintenance	SP-PL-15-26	-	(118,000)
Total			(1,133,964)	(1,560,168)

Council Objective/Service	Saving	Reference	2016/17 £	2017/18 £
Helping all of our people to stay safe, healthy and active				
Place	Removal of Warden Service	SP-PL-15-21	(504,000)	-
Place	Review of Play Park provision, reducing from 106 to 60	SP-PL-15-24	-	(50,000)
Economy and Communities	Reduced operational costs in new Irvine leisure centre	SP-ES-12-23	(100,000)	(150,000)
Integrated Health and Social Care Partnership	Efficiency savings which will accrue through the implementation of the CM2000 system.	SP-SS-13-18	-	-
Integrated Health and Social Care Partnership	Streamlining management through the integration of services within North Ayrshire Health and Social Care Partnership	SP-HSC-01	(90,000)	-
Integrated Health and Social Care Partnership	Alignment and rationalisation of local Learning and Development functions.	SP-HSC-02	-	(50,000)
Integrated Health and Social Care Partnership	Review of Partnership support functions	SP-HSC-03	(150,000)	(75,000)
Integrated Health and Social Care Partnership	The full implementation of CM2000 will enable the management of more efficient services, delivering a 15% saving, in line with other local authorities	SP-HSC-04	-	-
Integrated Health and Social Care Partnership	Whole system review of care of elderly/elderly Mental Health and purchased nursing care beds.	SP-HSC-05	(500,000)	(500,000)
Integrated Health and Social Care Partnership	Review and redesign day care for older people	SP-HSC-06	(50,000)	(50,000)
Integrated Health and Social Care Partnership	Review of complex packages of care for individuals with a Learning Disability	SP-HSC-07	-	-
Integrated Health and Social Care Partnership	Reduction through early intervention in the demand for foster care and alternative family placements	SP-HSC-08	(166,400)	(166,400)
Integrated Health and Social Care Partnership	Children with Disabilities - improved procurement for provision of community support services.	SP-HSC-09	(25,000)	-
Integrated Health and Social Care Partnership	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.	SP-HSC-10	(50,000)	-
Integrated Health and Social Care Partnership	Realignment of foster care services from external to in-house carer provision	SP-HSC-11	(183,040)	(91,520)
Integrated Health and Social Care Partnership	Dartington Research, Fund Mapping and Redesign to improve overall service efficiency	SP-HSC-12	-	-
Integrated Health and Social Care Partnership	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.	SP-HSC-13	(455,000)	-

Council Objective/Service	Saving	Reference	2016/17 £	2017/18 £
Integrated Health and Social Care Partnership	Reprovision of one residential Children's Unit to become a respite unit.	SP-HSC-14	-	(203,000)
Integrated Health and Social Care Partnership	Learning Disabilities - develop employability skills with a wide group of service users	SP-HSC-16	-	(60,000)
Integrated Health and Social Care Partnership	New Supported Accommodation Model for Physical Disability and Mental Health	SP-HSC-17	-	(500,000)
Integrated Health and Social Care Partnership	Children with Disabilities - reduce demand for residential placements	SP-HSC-18	-	(90,000)
Integrated Health and Social Care Partnership	Disability Demand Management within Adult Services through full implementation of CM2000	SP-HSC-19	-	-
Integrated Health and Social Care Partnership	NACAS/Money Matters - removal of interim Welfare Reform funding together with a reduction in spend within Money Matters	SP-HSC-20	(264,294)	-
Integrated Health and Social Care Partnership	Anticipated reduction in the need for the residential school placements	SP-HSC-21	-	(200,000)
Integrated Health and Social Care Partnership	Rationalisation of the Family Support services across North Ayrshire linked to the Dartington research work	SP-HSC-22	(150,000)	-
Integrated Health and Social Care Partnership	Mental Health Care Package baseline budget adjustment based on historic underspends	SP-HSC-24	(30,000)	(60,000)
Total			(2,717,734)	(2,245,920)
Ensuring people have the right skills for learning, life and work				
Education and Youth Employment	Restructure the home school inclusion workers.	SP-ES-15-07	(206,000)	-
Education and Youth Employment	Cease payment to Police Scotland for Campus Cops	SP-ES-15-08	(179,090)	-
Education and Youth Employment	Cease the Pan Ayrshire Technician Service	SP-ES-15-11	(37,000)	(26,922)
Education and Youth Employment	Reduction in the Employer Engagement Programme	SP-ES-15-12	(20,000)	-
Education and Youth Employment	Cease payments to teachers for Supported Study	SP-ES-15-13	(20,000)	-
Education and Youth Employment	Reduce the budget for Home and Hospital tuition	SP-ES-15-14	(10,000)	-
Education and Youth Employment	Review of business support across the Education and Youth Employment Service. This will include both HQ staff and those based in schools.	SP-ES-15-15	(300,000)	-
Total			(772,090)	(26,922)

Council Objective/Service	Saving	Reference	2016/17 £	2017/18 £
Working together to develop stronger communities				
Economy and Communities	Reduce payments through Nurturing Excellence budget for Sports and Culture	SP-EC-15-06	(50,000)	-
Economy and Communities	Reduce payments to Auchrannie Hotel for subsidy of swimming pool	SP-EC-15-08	(20,000)	-
Economy and Communities	LIBRARIES - reduction in staff costs as a result of reduced library opening hours	SP-EC-15-09a	(282,304)	-
Economy and Communities	HEALTHY START - shift service delivery to neighbourhood model	SP-EC-15-13	(31,930)	-
Economy and Communities	Reduction in staffing as result of keyholding by Community associations	SP-EC-15-16	(18,500)	-
Total			(402,734)	-
Growing our economy, increasing employment and regenerating towns				
Place	Review of commercial waste service to improve commercial focus of service including pricing structure and market share	SP-PL-15-11	(50,000)	(50,000)
Economy and Communities	Reduced funding to Irvine Bay Regeneration Company	SP-EC-15-01	(1,000,000)	-
Total			(1,050,000)	(50,000)
Underpinning our priorities				
Chief Executive and Democratic Services	Reduction in Elected Members' budget including training, advertising, conference fees and catering	SP-CX-14-13	(7,000)	-
Chief Executive and Democratic Services	Removal of former Fairer North Ayrshire funding for Fire Prevention initiatives & additional policing	SP-CX-15-01	(140,000)	-
Chief Executive and Democratic Services	Reduction of trainee solicitor	SP-CX-15-03	(37,810)	-
Chief Executive and Democratic Services	Reduction in of 1 FTE within community planning	SP-CX-15-04	(29,781)	-
Chief Executive and Democratic Services	Removal of full contribution to Skate Park	SP-CX-15-05	(25,004)	-
Chief Executive and Democratic Services	Cease contribution to Party at the Pencil	SP-CX-15-07	(7,990)	-
Place	Reduction in non-staffing budgets within Finance and Property	SP-FCS-14-05	(2,000)	-

Council Objective/Service	Saving	Reference	2016/17 £	2017/18 £
Finance and Corporate Support	Base budget realignment of Council Tax, NDR and Benefit Operations	SP-FCS-15-01	(40,000)	(60,102)
Finance and Corporate Support	Revised phasing of savings previously agreed	SP-FCS-15-03	(48,115)	(52,341)
Finance and Corporate Support	Redesign of Cash Collection services and the development of alternative arrangements for Municipal Bank services.	SP-FCS-15-05	(50,000)	(90,000)
Finance and Corporate Support	Procurement Savings		(150,000)	-
Total			(537,700)	(202,443)
TOTAL SAVINGS			(6,614,222)	(4,085,453)

North Ayrshire Council Revenue Budget 2016/17 to 2017/18 Revenue Budget Expenditure Requirements					
Council Objective/Service	Investment	Category	Reference	2016/17 £	2017/18 £
Protecting and enhancing the environment for future generations					
Place	Electrical power - street lighting - Inflationary increases	Contractual/Unavoidable	BID-PL-16-08	18,427	30,220
Place	Site disposal fees - increase in charges	Contractual/Unavoidable	BID-PL-16-01	7,500	7,500
Place	Bus shelter income - reduction	Contractual/Unavoidable	BID-PL-16-04	135,315	-
Place	Recyclates income - reduction based on market conditions	Contractual/Unavoidable	BID-PL-16-06	43,504	-
Place	Blue bin contract - increased cost follow a re-tender	Contractual/Unavoidable	BID-PL-16-03	312,950	-
Total				517,696	37,720
Helping all of our people to stay safe, healthy and active					
Integrated Health and Social Care Partnership	Additional Payment to Health and Social Care Partnership	Contractual/Unavoidable		1,611,000	-
Sub Total				1,611,000	-
Place	Transport Contract Increases -ASN, LAC, Children and Families	National/Local Pressures	BID-PL-16-05	30,765	31,353
Sub Total				30,765	31,353
Integrated Health and Social Care Partnership	Continuing Care - extension of care from 16th to 26th birthday	New Monies		105,000	-
Integrated Health and Social Care Partnership	Throughcare and Aftercare - extension of care from 16th to 26th birthday	New Monies		4,000	-
Integrated Health and Social Care Partnership	Kinship - extend allowances for kinship carers to local foster allowances	New Monies		270,000	-
Integrated Health and Social Care Partnership	Changes Eligibility for Aftercare - extension of care from 16 to 26th birthday	New Monies		29,000	-
Sub Total				408,000	-
Total				2,049,765	31,353
Ensuring people have the right skills for learning, life and work					
Education and Youth Employment	Annual indexation costs relating to PPP contract	Contractual/Unavoidable	BID-EY-16-01	32,065	255,491
Education and Youth Employment	Garnock Campus - Increased Property Costs	Contractual/Unavoidable	BID-EY-16-02	99,750	299,250
Education and Youth Employment	Largs Campus - Increased Operating Costs	Contractual/Unavoidable	BID-EY-16-03	-	626,462
Place	Free School Meals - uptake at 85 % and school holiday provision	Contractual/Unavoidable		217,000	-
Sub Total				348,815	1,181,203
Education and Youth Employment	Transport Contracts demand increases e.g ASN	National/Local Pressures	BID-EY-16-04	46,000	-
Sub Total				46,000	-
Education and Youth Employment	Additional Early Learning and Childcare (2 year olds)	New Monies	BID-EY-16-05	578,000	-
Education and Youth Employment	GIRFEC	New Monies	BID-EY-16-06	249,000	-
Education and Youth Employment	Free School Meals - additional costs associated with expansion of Early Years Provision	New Monies	BID-EY-16-07	18,000	-
Sub Total				845,000	-
Total				1,239,815	1,181,203

Council Objective/Service	Investment	Category	Reference	2016/17 £	2017/18 £
Working together to develop stronger communities					
Chief Executive and Democratic Services	Boundary Review	Contractual/Unavoidable	BID-CX-16-01	-	62,000
Economy and Communities	Townhouse - additional operating costs	Contractual/Unavoidable	BID-EC-16-02	82,360	-
Sub Total				82,360	62,000
Chief Executive and Democratic Services	Webcasting of Council Meetings	National/Local Pressures	BID-CX-16-03	23,500	-
Economy and Communities	Saltcoats Town Hall - additional operating costs	National/Local Pressures	BID-EC-16-01	54,983	-
Sub Total				78,483	-
Total				160,843	62,000
Growing our economy, increasing employment and regenerating towns					
Place	Transport Contract Increases	Contractual/Unavoidable	BID-PL-16-02	30,561	20,041
Sub Total				30,561	20,041
Place	Increase in Rental Income in Commercial Rents due to the active management of voids	National/Local Pressures	BID-PL-15-11	(61,000)	(61,000)
Sub Total				(61,000)	(61,000)
Total				(30,439)	(40,959)
Underpinning our priorities					
Finance and Corporate Support	Benefit Admin DWP Subsidy Reduction	Contractual/Unavoidable	BID-FCS-16-02	(12,998)	82,670
Finance and Corporate Support	Server storage and maintenance	Contractual/Unavoidable	BID-FCS-16-01	20,000	20,000
Finance and Corporate Support	Increase to Scotland Excel Fee	Contractual/Unavoidable	BID-FCS-16-05	8,000	
Sub Total				15,002	102,670
Chief Executive and Democratic Services	Change Management Staffing	National/Local Pressures	BID-CX-16-02	104,052	-
Finance and Corporate Support	Virtual Desktop to secure more effective solution for hardware and technology updates	National/Local Pressures	BID-FCS-16-03	34,000	34,000
Finance and Corporate Support	Reduction in income due to no longer recharging Procurement staff costs to capital contracts	National/Local Pressures	BID-FCS-16-04	100,000	-
Sub Total				238,052	34,000
Finance and Corporate Support	Scottish Welfare Fund	New Monies	BID-FCS-16-06	49,000	-
Finance and Corporate Support	Community Justice	New Monies		50,000	-
				99,000	-
Total				352,054	136,670
Corporate Pressures					
Council Wide	Loan charges	Contractual/Unavoidable		2,520,000	1,715,000
Council Wide	Apprenticeship Levy	Contractual/Unavoidable		-	810,000
Council Wide	Increase to Insurance Premium Tax	Contractual/Unavoidable		60,000	-

Council Objective/Service	Investment	Category	Reference	2016/17 £	2017/18 £
Council Wide	Joint Board Requisitions	Contractual/Unavoidable		(28,278)	-
Council Wide	Affordable Housing Contribution	Contractual/Unavoidable		(5,000)	-
Council Wide	Employee Issues	Contractual/Unavoidable		1,597,344	1,611,252
Council Wide	Living Wage Impact	Contractual/Unavoidable		325,995	407,025
Council Wide	Removal of NI contracted out rate 1 April 2016	Contractual/Unavoidable		2,032,614	-
Council Wide	Pension Fund Changes - auto enrolment impact	Contractual/Unavoidable		39,000	626,340
Council Wide	Bad Debt Provision	Contractual/Unavoidable		210,000	-
Council Wide	Teachers Pensions - Employer Rate Increase from 14.9% to 17.2%	Contractual/Unavoidable		430,278	-
Council Wide	Corporate issues (energy,fuel, NDR)	Contractual/Unavoidable		(554,000)	553,000
Total				6,627,953	5,722,617
TOTAL INVESTMENT				10,917,687	7,130,604

North Ayrshire Council Revenue Budget 2016/17 to 2017/18 Revenue Budget Base Budget Adjustments				
Council Objective/Service	Base Budget Adjustment	Reference	2016/17 £	2017/18 £
Protecting and enhancing the environment for future generations				
Place	Implementation of Solar PV Rooftop Retrofit Extension on Council owned buildings	SP-PL-16-21	(35,000)	-
Place	Introduction of more fuel efficient vehicles in the fleet	SP-PL-16-23	(35,000)	(35,000)
Place	Fuel - Reductions in Purchase Price	SP-PL-16-01	(120,000)	
Place	Waste Gas Extraction Income - based on 15/16 projection.	SP-PL-16-02	(56,000)	
Place	Use revolving CEEF Fund to fund projects.	SP-PL-16-20		(15,000)
Place	Utility and Rate Costs arising from closure of APC's	SP-PL-16-30	(17,332)	
Place	Reduction of Street Lighting energy costs following the introduction of LED Units.	SP-PL-16-24	(43,278)	-
Total			(306,610)	(50,000)
Helping all of our people to stay safe, healthy and active				
Place	Agreed reduction to CHA for Victoria House Hostel.	SP-PL-16-05	(43,469)	-
Place	Budget re-alignment within Temporary Accommodation to previous year outturns	SP-PL-16-08	(184,000)	-
Place	Updated recharging of costs for Anti Social Behaviour to reflect current service costs to HRA	SP-PL-16-09	(65,000)	-
Place	Savings in SPT contract for mainstream school transport provision through improved journey planning and utilisation of in house transport and existing local contractors	SP-PL-16-14	-	(50,000)
Place	Delay in implementation of LHA for Homeless Budget	SP-PL-16-04	(1,000,000)	
Chief Executive and Democratic Services	Civil Contingencies- deletion of post of co-ordinator, with remaining costs now being split equally between the three Councils	SP-CX-16-04	(17,000)	-
Chief Executive and Democratic Services	Civil Contingencies - charges for work undertaken on the civil contingencies plans of external COMAH sites	SP-CX-16-05	(4,000)	-
Total			(1,313,469)	(50,000)
Ensuring people have the right skills for learning, life and work				
Education and Youth Employment	PPP Unitary Charge - insurance recovery - budget realignment to existing recovery levels	SP-EY-16-01	(60,000)	-
Education and Youth Employment	PPP Unitary Charge - Contract Deductions - budget realignment to existing deduction levels	SP-EY-16-02	(20,000)	-

Council Objective/Service	Base Budget Adjustment	Reference	2016/17 £	2017/18 £
Education and Youth Employment	PPP Inflationary Assumptions	SP-EY-16-05	(46,000)	(74,000)
Education and Youth Employment	Daycarer provision - budget reduction to realign to existing demand	SP-EY-16-03	(21,000)	-
Total			(147,000)	(74,000)
Growing our economy, increasing employment and regenerating towns				
Economy and Communities	Business Gateway - allocation of grant and expenditure to East Ayrshire and South Ayrshire Councils.	SP-EC-16-01	(626,000)	-
Economy and Communities	Deletion of vacant posts within Planning, Environmental Health and Trading Standards	SP-EC-16-02	(100,000)	
Economy and Communities	Increase income from Planning, Building Control and Pest Control Services	SP-EC-16-03	(50,000)	-
Total			(776,000)	-
Underpinning our priorities				
Chief Executive and Democratic Services	A realignment of external Legal Fees budget to match actuals	SP-CX-16-02	(14,000)	-
Chief Executive and Democratic Services	Deletion of 0.5 Committee Services post	SP-CX-16-06	(20,000)	-
Place	Review of overtime within Place	SP-PL-16-18	(200,000)	(100,000)
Place	Staff Turnover/Vacancy Moratorium	SP-PL-16-06	(200,000)	200,000
Place	Other supplies and services - reduction	SP-PL-16-07	(25,000)	-
Place	Training - reduction	SP-PL-16-10	(25,000)	-
Place	Review of Recharge from streetscene to HRA to reflect service costs.	SP-PL-16-15	(125,000)	-
Place	Reductions in Utility Costs	SP-PL-16-17	(100,000)	-
Place	Brooksby rental reduction	SP-PL-16-22	(24,000)	-
Finance and Corporate Support	Financial Management Structure Review	SP-FCS-16-01	-	(18,585)
Finance and Corporate Support	Early payment discounts from suppliers	SP-FCS-16-03	-	(100,000)
Finance and Corporate Support	5 % Channel shift of customer enquiries over the next two years	SP-FCS-16-04	(15,000)	(30,000)
Finance and Corporate Support	Full Scottish Government funding for DHP	SP-FCS-16-05	(394,611)	-
Finance and Corporate Support	Welfare Reform - Realignment of budget to reflect actual expenditure	SP-FCS-16-06	(20,000)	-
Finance and Corporate Support	Business Support Transformation	SP-FCS-16-07	(22,000)	(40,000)
Finance and Corporate Support	Additional Staff Turnover pending service redesign	SP-FCS-16-08	(70,200)	
Finance and Corporate Support	Corporate Procurement - remove 1 temp post from the Accounts Payable Team once the new FMS system is live	SP-FCS-16-09	(8,000)	(24,000)
Finance and Corporate Support	Insurance - Reduce team by 0.5FTE.	SP-FCS-16-10	(17,000)	

Council Objective/Service	Base Budget Adjustment	Reference	2016/17 £	2017/18 £
Finance and Corporate Support	Review discretionary spend including training and development	SP-FCS-16-11	(40,000)	20,000
Total			(1,319,811)	(92,585)
Corporate Base Budget Adjustments				
Council Wide	Severance/VER Budget		(1,000,000)	-
Council Wide	Postages		(100,000)	(100,000)
Council Wide	Investment Funds		(39,000)	-
Total			(1,139,000)	(100,000)
TOTAL BASE BUDGET ADJUSTMENTS			(5,001,890)	(366,585)

North Ayrshire Council
Revenue Budget 2016/17 to 2018/19
Integrated Health and Social Care Partnership For Information Only

Council Objective/Service	Investment	Category	Reference	2016/17 £	2017/18 £
Helping all of our people to stay safe, healthy and active					
Integrated Health and Social Care Partnership	National Care Home Contract inflation	Contractual/Unavoidable	BID-HSC-16-09	146,000	462,831
Integrated Health and Social Care Partnership	Kinship Carers - New rates and inflation allowance	Contractual/Unavoidable	BID-HSC-16-10	1,061,000	-
Integrated Health and Social Care Partnership	Sleepover Hourly Rate - Increase to reflect legislative requirement	Contractual/Unavoidable	BID-HSC-16-08	785,500	(285,500)
Sub Total				1,992,500	177,331
Corporate Pressures					
Council Wide	Employee Issues - IHSCP	Contractual/Unavoidable		-	412,000
Council Wide	Living Wage Impact - IHSCP	Contractual/Unavoidable		-	209,440
Council Wide	Removal of NI contracted out rate 1 April 2016 - IHSCP	Contractual/Unavoidable		-	-
Council Wide	Pension Fund Changes - auto enrolment impact - IHSCP	Contractual/Unavoidable		-	176,660
Sub Total				-	798,100
Integrated Health and Social Care Partnership	Learning Disability - base budget and demand pressure	National/Local Pressures	BID-HSC-16-04	292,000	72,000
Integrated Health and Social Care Partnership	Mental Health - base budget and demand pressure	National/Local Pressures	BID-HSC-16-01	366,200	26,400
Integrated Health and Social Care Partnership	Flexible Intervention Service - continuation of funding	National/Local Pressures	BID-HSC-16-05	175,000	-
Integrated Health and Social Care Partnership	Children with Disability - base budget and demand pressure	National/Local Pressures	BID-HSC-16-06	1,095,000	225,000
Integrated Health and Social Care Partnership	Transport Contract demand increases -ASN, LAC, Children and Families	National/Local Pressures	BID-HSC-16-12	84,000	-
Sub Total				2,012,200	323,400
Total				4,004,700	1,298,831
Council Objective/Service	Savings		Reference	2016/17 £	2017/18 £
Helping all of our people to stay safe, healthy and active					
Integrated Health and Social Care Partnership	Rationalisation of purchased and provided childrens services			(464,000)	-
Integrated Health and Social Care Partnership	Charging review across all services to ensure that current charging policies are being applied appropriately			(50,000)	(200,000)
Integrated Health and Social Care Partnership	Charging review across all services to identify additional funding streams and new charging models				(150,000)
Integrated Health and Social Care Partnership	Development of Pan Ayrshire opportunities				(40,000)
Integrated Health and Social Care Partnership	Transport Initiative - Reduce levels of taxi usage across the partnership and savings through increased use of Pool Car			(33,000)	
Integrated Health and Social Care Partnership	Workforce Reform			(183,500)	
Integrated Health and Social Care Partnership	Discretionary spend savings and minor budget realignments. This would require further review during 2016/17			(394,000)	394,000
Total				(1,124,500)	4,000

North Ayrshire Council Revenue Budget 2016/17 to 2018/19 Revenue Budget New Savings				
Council Objective/Service	Saving	Reference	2016/17 £	2017/18 £
Protecting and enhancing the environment for future generations				
Place	Winter Maintenance - Cease Brine Treatment to Town Centres	SP-PL-16-29	(50,000)	
Place	Closure of all Public Toilets	SP-PL-16-25	-	(125,000)
Place	Reduce the opening hours at Household Waste Recycling Centres to reflect service demand	SP-PL-16-11		(59,147)
Place	Increase in fees and charges	SP-PL-16-26	(25,000)	
Total			(75,000)	(184,147)
Helping all of our people to stay safe, healthy and active				
Place	Withdrawal of funding for CHA to supply breakfast packs within Victoria Hostel	SP-PL-16-27	(3,000)	(4,000)
Integrated Health and Social Care Partnership	New Savings Proposals		(1,124,500)	4,000
Integrated Health and Social Care Partnership	Savings Proposals to be Developed to deliver same percentage as grant reduction.		(761,766)	
Total			(1,889,266)	-
Ensuring people have the right skills for learning, life and work				
Education and Youth Employment	Rationalising dining room supervision.	SP-EY-16-06	(20,000)	-
Education and Youth Employment	Early Years service development initiatives. Family worker post and other non payroll budgets.	SP-EY-16-07	(50,000)	-
Education and Youth Employment	Review of charges to other Local Authorities for children with additional support.	SP-EY-16-08	(57,000)	-
Place	Introduction of a pre-order facility for school meals within primary schools resulting in reduced food wastage.	SP-PL-16-13	(38,190)	(18,810)
Place	Rationalise primary school meals menu options. Reduction of the current 4 choices to 3.	SP-PL-16-12	(46,900)	(23,100)
Total			(212,090)	(41,910)

Council Objective/Service	Saving	Reference	2016/17 £	2017/18 £
Working together to develop stronger communities				
Economy and Communities	Creation of an arms length trust to deliver community engagement for Connected Communities services.	SP-EC-16-04	-	(450,000)
Economy and Communities	Refocus children's outreach services to deliver literacy and play.	SP-EC-16-05	-	(267,000)
Total			-	(717,000)
Growing our economy, increasing employment and regenerating towns				
Economy and Communities	Cease Payments to Irvine Bay Regeneration Company	SP-EC-16-06	-	(750,000)
Economy and Communities	Maximise ESF Management Charge	SP-EC-16-07	-	(199,000)
Economy and Communities	Reduction in marketing budget within Economic Growth	SP-EC-16-08		(20,000)
Economy and Communities	A rationalisation of research budgets with future research studies being funded direct from project budgets	SP-EC-16-09		(100,000)
Economy and Communities	A reduction in business support budgets within Innovation, International and Early Stage Growth. Future support will be the subject of external funding applications.	SP-EC-16-10		(180,000)
Total			-	(1,249,000)
Underpinning our priorities				
Place	Closure of Montgomerie House.	SP-PL-16-28	(19,000)	-
Place	Reduce cleaning in offices and schools from 5 days to 4 days per week with the exception of essential areas (toilets etc)	SP-PL-16-16		(220,000)
Finance and Corporate Support	Corporate Fraud - Income generation through delivery of a shared service.	SP-FCS-16-12	(8,800)	(8,800)
Total			(27,800)	(228,800)
TOTAL SAVINGS			(2,204,156)	(2,420,857)

SERVICE REFORM OPTIONS
2016/17 AND 2017/18 BUDGET

Proposal	Directorate	Cabinet/IJB Timescale
Terms and Conditions Range of options to be discussed with Trade Unions.	<i>Corporate</i>	August 2016
Charging Comprehensive review of all Services to identify opportunities for charging and raising additional income.	<i>Corporate</i>	September 2016
Customer and Digital Services Development of a strategic approach to customer focused digital services.	<i>Corporate</i>	October 2016
Business Support A review of current and proposed business support activities. The review will identify opportunities for increasing/sustaining the Business Support portfolio of services and maximising outcomes by increased joint working with Team North Ayrshire partners and draw down of ERDF funding.	<i>Economy & Communities</i>	March 2016
Connected Communities – Trust Arrangements To provide options and make recommendations for the extension of trust arrangements for the delivery of a range of information, cultural and communities facilities in North Ayrshire.	<i>Economy & Communities</i>	April 2016
Regeneration To provide and make recommendations on future asset management, external funding and project delivery mechanisms to deliver regeneration across North Ayrshire following wind-up of IBRC.	<i>Economy & Communities</i>	August 2016
Review of Connected Communities Children's Outreach Services To review the range of services currently delivered by the Council's Children's Outreach Service in light of the recent service developments elsewhere in the Council, HSCP and the third sector.	<i>Economy & Communities</i>	September 2016
Early Years As the Government moves forward with its agenda to offer 1140 hours of quality education and care work will be done with Glasgow City Council and Children in Scotland to resource map and plan expanded service provision.	<i>Education & Youth Employment</i>	September/ October 2016
Review of Education Outreach Services A review using the GIRFEC framework to redesign provision with a view to delivering local support within each locality. The review will look at the workforce skill mix and plan.	<i>Education & Youth Employment</i>	September/ October 2016

Proposal	Directorate	Cabinet/IJB Timescale
Review of Pastoral Care Education Scotland is keen to work with us to redefine a new national model for pastoral care. Again this review will look at the workforce mix and skills.	<i>Education & Youth Employment</i>	September/October 2016
Nurture A review on the developing approaches to making North Ayrshire a Nurturing Authority. The review will look at current authority nurture provision in the primary sectors and its long term value and effectiveness suggesting alternative approaches. This will also require a workforce redesign.	<i>Education & Youth Employment</i>	September/October 2016
Children/Young People Development of multi-disciplinary teams around children including early years, primary & secondary.	<i>Education & Youth Employment (& Health and Social Care Partnership)</i>	October 2016
Learning Support and ASN Support A review to look at what works, best practice, workforce deployment and skill mix. The review will focus on staff training and development, a reduction of a dependency culture and the shifting of spend to a preventative model to improve outcomes. Also a review of ASN provision including staffing for a new school to replace existing establishments.	<i>Education & Youth Employment</i>	November/December 2016
Authority-wide enhanced support base for secondary pupils The development of an authority wide enhanced support base. This will offer an alternative curriculum to our most vulnerable learners focused on core literacy, numeracy and health and wellbeing objectives. This will be supplemented with college provision, employment experience and leadership opportunities.	<i>Education & Youth Employment</i>	November/December 2016
Older People Review of services for Older People and people with complex care needs.	<i>Health & Social Care</i>	June 2016
Mental Health Review of mental health and learning disability services, including new hospital in Irvine.	<i>Health & Social Care</i>	August 2016
Primary Care Services Development of Primary Care Services, including multi-disciplinary team around general practice.	<i>Health & Social Care</i>	September 2016
Homelessness Service Re-Design Review of Homelessness Service to explore models to minimise budget requirement arising from welfare reforms in respect of Local Housing Allowance.	<i>Place</i>	June 2016

Proposal	Directorate	Cabinet/IJB Timescale
Property Portfolio Rationalisation of property assets on a locality planning basis along with consideration of alternative property management models.	<i>Place</i>	June 2016/ November 2016
CCTV Funding Review of current funding model for CCTV and consideration of new delivery models.	<i>Place</i>	September 2016
Commercialisation Development of strategic approach to realise income from the commercial operation of services.	<i>Place</i>	September 2016
Office Cleaning Review Rationalisation of building cleaning schedules.	<i>Place</i>	October 2016
Waste Management Strategy To consider revised waste collection methodologies including material streams and frequencies.	<i>Place</i>	Nov 2016/ July 2017
Central Catering Production Unit Further rationalisation of the catering hub and spoke model to consider the creation of a single production facility for primary school meals.	<i>Place</i>	December 2016

Proposed Increases - CPI to be applied

Directorate	Service	Charge Description	Current Charge (15/16)	Proposed Charge (16/17)	Increase (%)	Proposed Charge (17/18)	Comments
Economy & Communities	Connected Communities (Arts)	Studio 1 - Commercial	£21.90	£21.90	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Connected Communities (Arts)	Studio 1 - Non-Commercial	£15.40	£15.40	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Connected Communities (Arts)	Studio 2 - Commercial	£15.90	£15.90	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Connected Communities (Arts)	Studio 2 - Non-Commercial	£6.20	£6.20	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Connected Communities (Arts)	Theatre Hire - Commercial	£59.60	£59.60	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Connected Communities (Arts)	Theatre Hire - Non-Commercial	£35.90	£35.90	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Economic Growth (Strategic Planning)	Construction Consent Amendments	£279.00	£279.00	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Economic Growth (Strategic Planning)	Supply of Traffic Count data	£172.00	£172.00	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Economic Growth (Planning Services)	Planning Search fees	£86.00	£86.00	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Environmental Health)	Bacteriological Swimming Pool Sampling	£34.30	£34.30	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Environmental Health)	Chemical Swimming Pool Sampling	£78.80	£78.80	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Environmental Health)	Pest Control - Fumigations/Sprays for heavy infestations e.g. bedbugs, fleas (Charge per Visit)	£68.10	£68.10	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Environmental Health)	Pest Control Charge - Insects (Domestic)	£34.00	£34.00	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Environmental Health)	Pest Control Charge - Rates/Mice/Insects (Commercial) (Charge per visit)	£55.30	£55.30	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Environmental Health)	Pest Control Charge - Rats/Mice/Squirrels (Domestic)	£55.30	£55.30	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Environmental Health)	Pest Control Charge - Wasp Nests/Bees	£34.00	£34.00	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Environmental Health)	Daily Stray Dog kennelling fee	£7.60	£7.60	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Environmental Health)	Food Hygiene Training Delegate Charge	£25.30	£25.30	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Environmental Health)	Section 50 Certificates	£106.40	£106.40	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Environmental Health)	Health Certificate for export to China	£30.40	£30.40	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Building Standards)	Clearance Certificates	£233.00	£233.00	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Building Standards)	Searches	£86.10	£86.10	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Building Standards)	Section 50 Certificates	£106.40	£106.40	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Economy & Communities	Protective Services (Building Standards)	Section 89 Certificates	£405.20	£405.20	0.0%	16/17 + CPI	Increase by CPI for both 2016/17 and 2017/08
Place	E&RS - Waste Services	New/Replacement of Waste Bins Domestic 240 Litre	£38.90	£38.90	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	New/Replacement of Waste Bins Commercial 360 Litre	£64.20	£64.20	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	New/Replacement of Waste Bins Commercial 1100 Litre	£327.20	£327.20	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	New/Replacement of Waste Bins Commercial 1280 Litre	£380.70	£380.70	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	Disposal Charge - Non Streetscene Mixed Waste	£76.40	£76.40	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	Uplift Commercial White Goods per item	£42.50	£42.50	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	Bin Parts - Lid & Lock	£73.60	£73.60	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	Bin Parts - Lid & Lock Fitting 1/2 hour	£23.70	£23.70	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	Bin Parts - Lid & Lock Delivery 1/2 hour	£23.70	£23.70	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	Bin Parts - Front Wheel	£15.80	£15.80	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	Bin Parts - Rear Wheel	£21.10	£21.10	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	Rear Wheel fitting - 1/2 hour	£23.70	£23.70	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	Rear Wheel delivery - 1/2 hour	£23.70	£23.70	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	Cardboard Stickers - Book of 50	£25.90	£25.90	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	Sub-Contractor Cardboard Stickers	£28.00	£28.00	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	Replacement of Waste Bins Commercial 240 litre	£38.90	£38.90	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	New/Replacement of Waste Bins Commercial 140 litre (Food waste only)	£26.80	£26.80	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Waste Services	New/Replacement of Waste Bins Commercial 500 litre (Food waste only)	£263.40	£263.40	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)

Proposed Increases - CPI to be applied

Directorate	Service	Charge Description	Current Charge (15/16)	Proposed Charge (16/17)	Increase (%)	Proposed Charge (17/18)	Comments
Place	E&RS - Waste Services	New/Replacement of Waste Bins Commercial 660 Lite	£273.50	£273.50	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Transport Services	Car Inspection	£26.50	£26.50	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Transport Services	MOT Class 4	£47.80	£47.80	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Transport Services	MOT Class 5	£63.80	£63.80	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Transport Services	MOT Class 7	£53.20	£53.20	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Transport Services	Tachograph Calibration	£48.90	£48.90	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Transport Services	Tachograph 2 year Inspection	£34.00	£34.00	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Transport Services	Tachograph 6 year Inspection	£48.90	£48.90	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Transport Services	Vehicle Inspections - Taxi	£79.70	£79.70	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Transport Services	Vehicle Inspections - Taxi Retest	£47.80	£47.80	0.0%	16/17 + CPI	CPI (Rounded to nearest 10p)
Place	E&RS - Streetscene Services	Grass Cutting Scheme	£61.00	£61.00	0.0%	16/17 + CPI	CPI (Rounded to nearest £)
Place	E&RS - Waste Services	Scheduled Bin Uplift Organic Food Waste 140 Litres	£4.02	£4.02	0.0%	16/17 + CPI	CPI
Place	E&RS - Waste Services	Scheduled Bin Uplift Organic Food Waste 500 Litres	£14.36	£14.36	0.0%	16/17 + CPI	CPI

Proposed Increases - Other than CPI to be applied

Directorate	Service	Charge Description	Current Charge (15/16)	Proposed charge (16/17)	Change (%)	Proposed charge (17/18)	Change (%)	Explanation of any proposed change
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 1 user (eg Commercial Activities) - SMALL ROOM	£18.40	£18.40	0.0%	£18.40	0.0%	No planned increase in 2016/17. However negotiations will take place during 2016 through NAFCFA for the increases in 2017/18
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 1 user (eg Commercial Activities) - LARGE ROOM	£36.85	£36.85	0.0%	£36.85	0.0%	No planned increase in 2016/17. However negotiations will take place during 2016 through NAFCFA for the increases in 2017/18
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 2 user (eg Family Functions) - SMALL ROOM	£10.75	£10.75	0.0%	£10.75	0.0%	No planned increase in 2016/17. However negotiations will take place during 2016 through NAFCFA for the increases in 2017/18
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 2 user (eg Family Functions) - LARGE ROOM	£21.50	£21.50	0.0%	£21.50	0.0%	No planned increase in 2016/17. However negotiations will take place during 2016 through NAFCFA for the increases in 2017/18
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 3 user (eg Agency Letting) - SMALL ROOM	£9.70	£9.70	0.0%	£9.70	0.0%	No planned increase in 2016/17. However negotiations will take place during 2016 through NAFCFA for the increases in 2017/18
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 3 user (eg Agency Letting) - LARGE ROOM	£19.45	£19.45	0.0%	£19.45	0.0%	No planned increase in 2016/17. However negotiations will take place during 2016 through NAFCFA for the increases in 2017/18
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 4 user (eg Adult Sports Groups) - SMALL ROOM	£5.95	£5.95	0.0%	£5.95	0.0%	No planned increase in 2016/17. However negotiations will take place during 2016 through NAFCFA for the increases in 2017/18
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 4 user (eg Adult Sports Groups) - LARGE ROOM	£11.85	£11.85	0.0%	£11.85	0.0%	No planned increase in 2016/17. However negotiations will take place during 2016 through NAFCFA for the increases in 2017/18
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 5 user (eg Pre 5 groups) - SMALL ROOM	£3.30	£3.30	0.0%	£3.30	0.0%	No planned increase in 2016/17. However negotiations will take place during 2016 through NAFCFA for the increases in 2017/18

Directorate	Service	Charge Description	Current Charge (15/16)	Proposed charge (16/17)	Change (%)	Proposed charge (17/18)	Change (%)	Explanation of any proposed change
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 5 user (eg Pre 5 groups) - LARGE ROOM	£6.45	£6.45	0.0%	£6.45	0.0%	No planned increase in 2016/17. However negotiations will take place during 2016 through NAFCFA for the increases in 2017/18
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 6 user (eg Disabled org's) - SMALL ROOM	£2.15	£2.15	0.0%	£2.15	0.0%	No planned increase in 2016/17. However negotiations will take place during 2016 through NAFCFA for the increases in 2017/18
Economy & Communities	Connected Communities (Community Facilities)	Hall lets, Letting Commission and School Letting - Category 6 user (eg Disabled Org's) - LARGE ROOM	£4.30	£4.30	0.0%	£4.30	0.0%	No planned increase in 2016/17. However negotiations will take place during 2016 through NAFCFA for the increases in 2017/18
Economy & Communities	Connected Communities (Community Facilities)	Wedding packages - Ceremony and Reception	£751.91	£751.91	0.0%	£751.91	0.0%	No planned increase in 16/17 but expected to increase thereafter by CPI
Economy & Communities	Connected Communities (Community Facilities)	Wedding packages - Reception only	£537.08	£537.08	0.0%	£537.08	0.0%	No planned increase in 16/17 but expected to increase thereafter by CPI
Economy & Communities	Connected Communities (Arran Outdoor)	Holidays 3 days/2 nights (4 people)	£400.00	£406.00	1.5%	£406.00	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Holidays 4 days/3 nights (4 people)	£600.00	£609.00	1.5%	£609.00	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Holidays 5 days/4 nights (4 people)	£800.00	£812.00	1.5%	£812.00	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Bed and breakfast (adult)	£40.00	£40.60	1.5%	£40.60	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Bed and breakfast (child)	£20.00	£20.30	1.5%	£20.30	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Dinner, bed and breakfast (adult)	£50.00	£50.75	1.5%	£50.75	0.0%	For 2017/18 a CPI increase is to be applied

Directorate	Service	Charge Description	Current Charge (15/16)	Proposed charge (16/17)	Change (%)	Proposed charge (17/18)	Change (%)	Explanation of any proposed change
Economy & Communities	Connected Communities (Arran Outdoor)	Dinner, bed and breakfast (child)	£25.00	£25.38	1.5%	£25.38	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Half day activity (adult)	£50.00	£50.75	1.5%	£50.75	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Half day activity (child)	£35.00	£35.53	1.5%	£35.53	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Full day activity (adult)	£95.00	£96.43	1.5%	£96.43	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Full day activity (child)	£70.00	£71.05	1.5%	£71.05	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	NAC School Group 5 days/4 nights (per person)	£162.00	£164.43	1.5%	£164.43	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Other school Group 5 days/4 nights (per person)	£324.00	£328.86	1.5%	£328.86	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	NAC School Group 3 days/2 nights (per person)	£85.00	£86.28	1.5%	£86.28	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Other school Group 3 days/2 nights (per person)	£170.00	£172.55	1.5%	£172.55	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Commercial large classroom	£36.00	£36.54	1.5%	£36.54	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Family Function large classroom	£21.00	£21.32	1.5%	£21.32	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire NAC large classroom	£19.00	£19.29	1.5%	£19.29	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire genral meeting large classroom	£11.60	£11.77	1.5%	£11.77	0.0%	For 2017/18 a CPI increase is to be applied

Directorate	Service	Charge Description	Current Charge (15/16)	Proposed charge (16/17)	Change (%)	Proposed charge (17/18)	Change (%)	Explanation of any proposed change
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Childcare large classroom	£6.30	£6.39	1.5%	£6.39	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Disabled/charity large classroom	£4.20	£4.26	1.5%	£4.26	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Commercial small chartroom	£18.00	£18.27	1.5%	£18.27	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Family Function small chartroom	£10.50	£10.66	1.5%	£10.66	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire NAC small chartroom	£9.50	£9.64	1.5%	£9.64	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire genral meeting small chartroom	£5.80	£5.89	1.5%	£5.89	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Childcare small chartroom	£3.20	£3.25	1.5%	£3.25	0.0%	For 2017/18 a CPI increase is to be applied
Economy & Communities	Connected Communities (Arran Outdoor)	Room hire Disabled/charity small chartroom	£2.10	£2.13	1.5%	£2.13	0.0%	For 2017/18 a CPI increase is to be applied
Place	E&RS - Waste Services	Commercial Refuse Scheduled Bin Uplift Mixed Recylate Service 360 Litre Bin	£4.06	£5.42	33.4%	5.8	7.0%	2016/17 - Increase to Cover increased Waste processing costs 2017/18 - Increase to cover CPI Increase and meet previously approved efficiency proposals. (SP-FI-11-14)
Place	E&RS - Waste Services	Commercial Refuse Scheduled Bin Uplift Mixed Recylate Service 660 Litre Bin	£6.09	£9.93	62.9%	10.63	7.0%	2016/17 - Increase to Cover increased Waste processing costs 2017/18 - Increase to cover CPI Increase and meet previously approved efficiency proposals. (SP-FI-11-14)
Place	E&RS - Waste Services	Commercial Refuse Scheduled Bin Uplift Mixed Recylate Service 1100 Litre Bin	£10.16	£16.56	63.0%	17.71	6.9%	2016/17 - Increase to Cover increased Waste processing costs 2017/18 - Increase to cover CPI Increase and meet previously approved efficiency proposals. (SP-FI-11-14)
Place	E&RS - Waste Services	Commercial Refuse Scheduled Bin Uplift Mixed Recylate Service 1280 Litre Bin	£12.19	£19.26	58.0%	20.61	7.0%	2016/17 - Increase to Cover increased Waste processing costs 2017/18 - Increase to cover CPI Increase and meet previously approved efficiency proposals. (SP-FI-11-14)
Place	E&RS - Waste Services	Sub-Contracted Commercial Collection Mixed Recyclate 240 Litre bin	£2.20	£3.91	77.7%	£4.18	7.0%	2016/17 - Increase to Cover increased Waste processing costs 2017/18 - Increase to cover CPI Increase and meet previously approved efficiency proposals. (SP-FI-11-14)

Directorate	Service	Charge Description	Current Charge (15/16)	Proposed charge (16/17)	Change (%)	Proposed charge (17/18)	Change (%)	Explanation of any proposed change
Place	E&RS - Waste Services	Sub-Contracted Commercial Collection Mixed Recyclate 360 Litre bin	£4.38	£5.85	33.4%	£6.26	7.0%	2016/17 - Increase to Cover increased Waste processing costs 2017/18 - Increase to cover CPI Increase and meet previously approved efficiency proposals. (SP-FI-11-14)
Place	E&RS - Waste Services	Sub-Contracted Commercial Collection Mixed Recyclate 660 Litre bin	£6.58	£10.72	62.9%	£11.47	7.0%	2016/17 - Increase to Cover increased Waste processing costs 2017/18 - Increase to cover CPI Increase and meet previously approved efficiency proposals. (SP-FI-11-14)
Place	E&RS - Waste Services	Sub-Contracted Commercial Collection Mixed Recyclate 1100 Litre bin	£10.97	£17.87	63.0%	£19.12	7.0%	2016/17 - Increase to Cover increased Waste processing costs 2017/18 - Increase to cover CPI Increase and meet previously approved efficiency proposals. (SP-FI-11-14)
Place	E&RS - Waste Services	Sub-Contracted Commercial Collection Mixed Recyclate 1280 Litre bin	£13.15	£20.78	58.0%	£22.23	7.0%	2016/17 - Increase to Cover increased Waste processing costs 2017/18 - Increase to cover CPI Increase and meet previously approved efficiency proposals. (SP-FI-11-14)
Place	E&RS - Waste Services	Sub-Contracted Commercial Collection Island Mixed Recyclate Service 240 Litre Bin	£2.20	£3.91	77.7%	£4.18	7.0%	2016/17 - Increase to Cover increased Waste processing costs 2017/18 - Increase to cover CPI Increase and meet previously approved efficiency proposals. (SP-FI-11-14)
Place	E&RS - Waste Services	Sub-Contracted Commercial Collection Island Mixed Recyclate Service 1280 Litre Bin	£13.15	£20.78	58.0%	£22.23	7.0%	2016/17 - Increase to Cover increased Waste processing costs 2017/18 - Increase to cover CPI Increase and meet previously approved efficiency proposals. (SP-FI-11-14)
Place	E&RS - Bereavement	Internment of Sixteen and Over	£519.00	£570.00	9.8%	£570.00	0.0%	Increase in price as per savings proposal SP-PL-16-26
Place	E&RS - Bereavement	Purchase of Exclusive Right of Burial (New Lair)	£519.00	£570.00	9.8%	£570.00	0.0%	Increase in price as per savings proposal SP-PL-16-26
Place	E&RS - Bereavement	Purchase of Exclusive Right of Burial (Woodland Area)	£519.00	£570.00	9.8%	£570.00	0.0%	Increase in price as per savings proposal SP-PL-16-26
Place	Roads	Section 56 Roads Opening Permit Vehicle Access Crossing	£44.00	£60.00	36.4%	£60.00	0.0%	2016/17 Increase price in line with other neighbouring Local Authorities 2017/18 A CPI increase is to be applied
Place	Roads	Section 56 Road Opening Permit Other works involving excavation in the public road	£140.00	£170.00	21.4%	£170.00	0.0%	2016/17 Increase price in line with other neighbouring Local Authorities 2017/18 A CPI increase is to be applied
Place	Roads	Section 56 Road Opening Permit Other works involving excavation in the public road. Duration charge for		£80.00	0.0%	£80.00	0.0%	New charge for 2016/17 For 2017/18 a CPI increase is to be applied
Place	Roads	Section 58 Road Occupation Permits Builders Materials - for up to 4 weeks	£66.00	£70.00	6.1%	£70.00	0.0%	2016/17 Increase price in line with other neighbouring Local Authorities 2017/18 A CPI increase is to be applied
Place	Roads	Section 58 Road Occupation Permits Cranes - for up to 4 weeks	£66.00	£70.00	6.1%	£70.00	0.0%	2016/17 Increase price in line with other neighbouring Local Authorities 2017/18 A CPI increase is to be applied
Place	Roads	Section 58 Road Occupation Permits Scaffolding - for up to 4 weeks	£66.00	£70.00	6.1%	£70.00	0.0%	2016/17 Increase price in line with other neighbouring Local Authorities 2017/18 A CPI increase is to be applied
Place	Roads	Section 85 Skip Permits - for up to 4 w	£28.00	£42.00	50.0%	£42.00	0.0%	2016/17 Increase price in line with other neighbouring Local Authorities 2017/18 A CPI increase is to be applied

Directorate	Service	Charge Description	Current Charge (15/16)	Proposed charge (16/17)	Change (%)	Proposed charge (17/18)	Change (%)	Explanation of any proposed change
Place	Roads	Temporary Traffic Signal Permit (three way or more only). This would be in addition to Section 56 charge.	£72.00	£100.00	38.9%	£100.00	0.0%	2016/17 Increase price in line with other neighbouring Local Authorities 2017/18 A CPI increase is to be applied
Place	Roads	Temporary Traffic Signal Permit (three way or more only). This would be in addition to Section 56 charge. Duration charge for additional week.		£100.00	0.0%	£100.00	0.0%	New charge for 2016/17 For 2017/18 a CPI increase is to be applied
Place	Roads	NRSWA Section 109 Permission		£260.00	0.0%	£260.00	0.0%	New charge for 2016/17 For 2017/18 a CPI increase is to be applied
Place	Roads	5 day Temporary Traffic Order (by not	£325.00	£350.00	7.7%	£350.00	0.0%	2016/17 Increase price in line with other neighbouring Local Authorities 2017/18 A CPI increase is to be applied
Place	Roads	Emergency Temporary Traffic Order (by notice)	£325.00	£350.00	7.7%	£350.00	0.0%	2016/17 Increase price in line with other neighbouring Local Authorities 2017/18 A CPI increase is to be applied
Place	Roads	Temporary Traffic Orders (advertised in press). Advertising costs are extra.	£500.00	£540.00	8.0%	£540.00	0.0%	2016/17 Increase price in line with other neighbouring Local Authorities 2017/18 A CPI increase is to be applied
Place	Roads	Amendments to Approved Road Construction Consents	£275.00	£300.00	9.1%	£300.00	0.0%	2016/17 Increase price in line with other neighbouring Local Authorities 2017/18 A CPI increase is to be applied
Place	Roads	Temporary signs for events.		£80.00	0.0%	£80.00	0.0%	New charge for 2016/17 For 2017/18 a CPI increase is to be applied
Place	Roads	Signs for new Housing Developments		£310.00	0.0%	£310.00	0.0%	New charge for 2016/17 For 2017/18 a CPI increase is to be applied
Place	Roads	H Bar Markings (Access protection markings)		£50.00	0.0%	£50.00	0.0%	New charge for 2016/17 For 2017/18 a CPI increase is to be applied

DIRECTORATE	NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2016/17										
	SUMMARY BY DIRECTORATE										
	SUBJECTIVE ANALYSIS										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
CHIEF EXECUTIVE SERVICE	3,545	7	140	16	856	391	0	2	0	(628)	4,329
FINANCE & CORPORATE SUPPORT	12,964	1	1,514	41	734	1,524	51,552	0	0	(54,051)	14,279
EDUCATION & YOUTH EMPLOYMENT	84,397	326	15,403	176	892	6,889	580	0	65	(1,706)	107,022
HEALTH & SOCIAL CARE PARTNERSHIP	42,587	481	1,792	540	1,086	51,035	2,008	87	0	(17,648)	81,968
PLACE	41,198	15,795	11,227	7,619	1,727	16,042	1,402	164	110	(36,275)	59,009
ECONOMY & COMMUNITIES	11,693	286	1,021	163	308	8,943	0	1	0	(1,951)	20,464
OTHER CORPORATE ITEMS	1,830	588	337	400	889	3,925	0	3,037	19,587	(2,302)	28,291
TOTAL EXPENDITURE	198,214	17,484	31,434	8,955	6,492	88,749	55,542	3,291	19,762	(114,561)	315,362

FUNDED BY:

AEF	0	0	0	0	0	0	0	0	0	(267,828)	(267,828)
COUNCIL TAX	0	0	0	0	0	0	0	0	0	(47,534)	(47,534)
TOTAL FUNDING	0	0	0	0	0	0	0	0	0	(315,362)	(315,362)

OBJECTIVE ANALYSIS	NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2016/17										
	CHIEF EXECUTIVE SERVICE										
	SUBJECTIVE ANALYSIS										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
LEGAL	1,031	0	41	9	41	0	0	0	0	(490)	632
POLICY, PERFORMANCE & COMMUNITY PLANNING	1,414	6	56	4	32	224	0	0	0	(41)	1,695
COMMUNICATIONS	447	0	7	1	20	10	0	0	0	0	485
COMMITTEE & MEMBER SERVICES	199	0	35	0	759	157	0	2	0	(93)	1,059
CHANGE PROGRAMME	385	0	1	1	1	0	0	0	0	0	388
CIVIL CONTINGENCIES	69	1	0	1	3	0	0	0	0	(4)	70
TOTAL	3,545	7	140	16	856	391	0	2	0	(628)	4,329

OBJECTIVE ANALYSIS	NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2016/17										
	EDUCATION & YOUTH EMPLOYMENT										
	SUBJECTIVE ANALYSIS										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
EARLY YEARS	8,497	16	849	16	131	1,935	0	0	0	0	11,444
PRIMARY EDUCATION	33,462	31	2,030	35	323	217	0	0	0	(67)	36,031
SECONDARY EDUCATION	34,678	130	12,126	69	250	1,128	0	0	0	(615)	47,766
ADDITIONAL SUPPORT NEEDS	4,534	4	79	38	41	2,736	0	0	0	(357)	7,075
EDUCATION - OTHER	3,225	145	319	18	147	873	580	0	65	(667)	4,705
TOTAL	84,397	326	15,403	176	892	6,889	580	0	65	(1,706)	107,022

OBJECTIVE ANALYSIS	NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2016/17										
	FINANCE & CORPORATE SUPPORT										
	SUBJECTIVE ANALYSIS										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
DIRECTOR & HEADS OF SERVICE	352	0	3	1	5	0	0	0	0	0	361
FINANCIAL MANAGEMENT	2,148	0	48	1	10	3	0	0	0	(209)	2,001
REVENUES & BENEFITS	2,063	0	123	4	395	1,117	51,281	0	0	(52,129)	2,854
AUDIT & RISK	551	0	6	3	2	0	0	0	0	(88)	474
CORPORATE PROCUREMENT	594	0	12	1	3	96	0	0	0	(236)	470
HUMAN RESOURCES	1,543	0	95	4	150	268	0	0	0	(280)	1,780
ICT	2,458	1	1,077	18	22	10	0	0	0	(796)	2,790
CUSTOMER SERVICES & REGISTRATION	1,511	0	128	9	41	30	271	0	0	(301)	1,689
BUSINESS SUPPORT	1,744	0	22	0	106	0	0	0	0	(12)	1,860
TOTAL	12,964	1	1,514	41	734	1,524	51,552	0	0	(54,051)	14,279

OBJECTIVE ANALYSIS	NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2016/17										
	HEALTH & SOCIAL CARE PARTNERSHIP										
	SUBJECTIVE ANALYSIS										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
MANAGEMENT & SUPPORT	5,118	18	329	31	360	-470	0	4	0	(390)	5,000
CHILDREN AND FAMILIES	11,948	292	419	229	142	10,093	145	0	0	(149)	23,119
OLDER PEOPLE'S SERVICES	17,648	12	298	114	82	23,883	462	42	0	(6,394)	36,147
INDEPENDENT SERVICES	611	1	610	17	23	1,931	943	0	0	(293)	3,843
LEARNING DISABILITIES	2,032	17	29	16	16	12,905	437	3	0	(4,437)	11,018
MENTAL HEALTH NEEDS	796	0	2	15	9	2,208	18	1	0	(1,311)	1,738
CRIMINAL JUSTICE	3,392	141	66	96	423	402	2	5	0	(4,537)	(10)
ADDICTION SERVICES	762	1	2	7	0	0	1	0	0	(125)	648
CHANGING CHILDREN'S SERVICES FUND	280	0	37	15	31	83	0	32	0	(11)	467
TOTAL	42,587	481	1,792	540	1,086	51,035	2,008	87	0	(17,648)	81,968

OBJECTIVE ANALYSIS	NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2016/17										
	PLACE										
	SUBJECTIVE ANALYSIS										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
DIRECTOR & HEADS OF SERVICE	78	0	8	0	13	0	0	0	0	0	99
<u>PHYSICAL ENVIRONMENT</u>											
PROPERTY MANAGEMENT & INVESTMENT	2,639	0	64	30	24	531	0	0	0	(709)	2,579
HOUSING ASSETS & INVESTMENT	1,475	0	82	58	28	81	0	0	0	(2,503)	(779)
PROPERTY RUNNING COSTS	0	9,755	1	0	156	37	0	3	0	(1,903)	8,049
PROPERTY MAINTENANCE	0	3,183	0	0	0	1,090	0	0	0	0	4,273
ROADS	3,729	38	1,896	82	169	1,703	0	2	0	(1,034)	6,585
STREETSCENE	5,861	617	567	148	52	348	0	0	0	(2,270)	5,323
OTHER HOUSING	2,998	1,310	68	64	92	2,616	1,402	100	0	(3,395)	5,255
<u>COMMERCIAL SERVICES</u>											
MANAGEMENT AND ADMIN	-55	0	43	11	24	0	0	1	0		24
INTERNAL TRANSPORT	1,314	28	131	6,704	16	2,493	0	2	0	(936)	9,752
WASTE SERVICES	4,394	6	710	148	855	5,734	0	63	0	(3,497)	8,413
FACILITIES MANAGEMENT	10,120	799	3,096	23	97	20	0	-7	0	(2,349)	11,799
BUILDING SERVICES	8,645	58	4,561	351	201	1,389	0	0	110	(17,679)	(2,364)
TOTAL	41,198	15,795	11,227	7,619	1,727	16,042	1,402	164	110	(36,275)	59,009

OBJECTIVE ANALYSIS	NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2016/17										
	ECONOMY & COMMUNITIES										
	SUBJECTIVE ANALYSIS										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
MANAGEMENT	382	1	37	3	22	0	0	0	0	0	445
PLANNING & PROTECTIVE SERVICES	2,570	0	174	55	59	303	0	1	0	(1,241)	1921
ECONOMIC DEVELOPMENT	2,398	0	2	21	14	3,873	0	0	0	(15)	6,293
CONNECTED COMMUNITIES	6,343	285	808	84	213	4,767	0	0	0	(695)	11,805
TOTAL	11,693	286	1,021	163	308	8,943	0	1	0	(1,951)	20,464

OBJECTIVE ANALYSIS	NORTH AYRSHIRE COUNCIL GENERAL SERVICES REVENUE BUDGET 2016/17										
	OTHER CORPORATE ITEMS										
	SUBJECTIVE ANALYSIS										
	Employee Costs £000	Property Costs £000	Supplies & Services £000	Transport & Plant Costs £000	Admin Costs £000	Other Agencies, Bodies & Persons £000	Transfer Payments £000	Other Expenditure £000	Capital Financing Costs £000	Income £000	TOTAL £000
JOINT BOARDS	0	0	0	0	0	3,472	0	0	0	0	3,472
PENSION COSTS	1,830	0	0	0	0	0	0	0	0	0	1,830
LOAN CHARGES AND CAPITAL CHARGES	0	0	0	0	0	0	0	0	19,587	-58	19,529
CENTRAL TELEPHONES	0	0	0	0	86	0	0	0	0	0	86
OTHER CORPORATE ITEMS	0	0	337	0	0	0	0	3,037	0	0	3,374
INSURANCE	0	588	0	400	803	453	0	0	0	-2,244	0
FUNDS TO BE ALLOCATED	0	0	0	0	0	0	0	0	0	0	0
TOTAL	1,830	588	337	400	889	3,925	0	3,037	19,587	-2,302	28,291

Equality Impact Assessments

Overview

The table below provides a summary of the Equality Impact Assessment (EIA) forms for the Budget Proposals for 2016/17 – 17/18. Screening forms are completed initially to determine if a Full Impact Assessment form is required. Not all proposals require a screening as it is clear from the outset they do not impact on the protected characteristics under Equality Legislation.

EIA forms have been broken down by Directorate, where a full EIA has been completed the reference for this has been placed at the start of each Directorate section followed by the screening forms.

Accumulated Impacts

Equality Impact Assessments are generally carried out within Services and where possible negative (or positive) impacts of a policy or proposal are identified these are highlighted within the assessment form. What is more difficult to measure are the potential accumulated impacts on any one protected characteristic group due to multiple proposals across Services.

The Health and Social Care Partnership are awaiting budget details from NHS Ayrshire and Arran to allow them to determine available spend and re excluded from this information for that reason; Equality Impact Assessments will follow on from this at a future date.

Five full Equality Impact Assessments were completed from other Council Services. These assessments have indicated potential negative impacts for the protected characteristic groups of Age (old and young), Disability (both physical and learning), Pregnancy and Maternity and Poverty/low income. As a crude measure the number of times this is raised across all five EIA's is -

- Age – Old (3) Children/young people (3)
- Disability – Physical (3), Learning (2)
- Pregnancy and Maternity (2)
- Poverty/Low income (3)

Within each category the potential impact will vary depending on the nature of the proposal and the group affected. Each group is not homogenous in its own right, for instance, many elderly people will have good access to electronic means of communication and carrying out a range of functions online but as a group this might not be as high as the rest of the population. The process of carrying out an EIA helps to determine not only if there are potential negative impacts but also of ways to try and mitigate these through other routes, including signposting to other services or partners to provide support.

Equality Impact Assessments

Reference	Policy and Purpose	Assessment of Impact of Policy on Protected Characteristics	EIA/Screening Form Outcome
DEMOCRATIC SERVICES			
SP-CX-16-02	A realignment of external Legal Fees budget to match actuals	Neutral impact on protected characteristics.*	Screening only Implement policy.
SP-CX-16-04	Civil Contingencies- Deletion of Post of Coordinator, with remaining costs now being split equally between the three Councils-	Neutral impact on protected characteristics.*	Screening only Implement policy
SP-CX-16-05	Civil Contingencies- Charges for work undertaken on the civil contingencies plans of external COMAH sites	Neutral impact on protected characteristics.*	Screening only Implement policy.
SP-CX-16-06	Deletion of 0.5 Committee Services Post	Neutral impact on protected characteristics.*	Screening only Implement policy.
FINANCE AND CORPORATE SUPPORT			
SP-FCS-16-01; SP-FCS-16-03; SP-FCS-16-04; SP-FCS-16-05; SP-FCS-16-06; SP-FCS-16-07; SP-FCS-16-08; SP-FCS-16-09; SP-FCS-16-10; SP-FCS-16-11; SP-FCS-16-12.		No Screening or Full EIA's are required for proposals within Finance and Corporate Support.	

Reference	Policy and Purpose	Assessment of Impact of Policy on Protected Characteristics	EIA/Screening Form Outcome
ECONOMY AND COMMUNITIES			
- CONNECTED COMMUNITIES			
SP-EC-16-05	Children and Families Outreach Services	<p>Possible – Negative Impacts on Age (children), With Links to Disability, Race(Gypsy Travellers), Pregnancy and Maternity, Poverty, worklessness and homelessness</p> <p>Aspects of current service delivery could transfer to libraries, Early Years settings, schools, KA Leisure, HASCP Early Years input and community groups to allow current service users access to activities.</p> <p>Continue to make changes to avoid duplication of service provision</p>	Full EIA completed , Recommendation - Continue the policy
SP-EC-18-02	Transfer of some Connected Communities services to arms length trust	<p>Neutral impact on protected characteristics.*</p> <p>A range of services will be transferred to a trust arrangement (options paper to be taken to Cabinet to determine the nature of the mechanism), and services will continue to be delivered in a similar manner, with scope for improvement through integration of service delivery with other trust functions. The savings will be derived solely from a reduction in non-domestic rates for the buildings</p>	Screening only Implement policy.
ECONOMY AND COMMUNITIES - ECONOMIC GROWTH			
SP-EC-16-01; SP-EC-16-02; SP-EC-16-03; SP-EC-16-06; SP-EC-16-07; SP-EC-16-08; SP-EC-16-09; SP-EC-16-10.		No Screening or Full EIA's required for proposals within Economic Growth -	

Equality Impact Assessments

Reference	Policy and Purpose	Assessment of Impact of Policy on Protected Characteristics	EIA/Screening Form Outcome
PLACE			
SP-PL-16-26	Increase in cemetery fees.	Possible Negative impact for those in low incomes/poverty, Increase in fees will still be below the national average. Assistance available through the Government's Funeral Payment benefit and the National Assistance Act 1948.	Full EIA – Continue with Policy
SP-PL-16-29	Winter Maintenance – Removal of brine spraying in Irvine and Kilwinning town centres	Negative Impact – there is a possible negative impact for elderly, young and disabled people, with potential for increased risk of slips and falls	Full EIA – Continue with Policy
SP-PL-16-25	Closure of Public Conveniences	Negative Impact – There is potential negative impact for older and very young people, those with certain physical disabilities and in pregnancy and maternity. There is no legal requirement to provide public conveniences; Potential alternative facilities are being identified within localities where practicable/available.	Full EIA – Continue with Policy
SP-PL-16-01	Reduction in purchase price of fuel	Neutral Impact - Reduction for the foreseeable future for the purchase price of fuel.	Screening only Implement policy
SP-PL-16-02	Increased Income from Gas Extraction from Shewalton landfill site	Neutral Impact – an increase in the income being received from the gas generation contract that we have with our contractor.	Screening only Implement policy
SP-PL-16-04	Reduction across various budget lines in Temporary Accommodation – implementation of LHA	Neutral Impact - The timescale for the full implementation of LHA is not yet known therefore the budget pressure and related budget provision are being removed until such time as a more informed timescale is known.	Screening only Implement policy

Equality Impact Assessments

Reference	Policy and Purpose	Assessment of Impact of Policy on Protected Characteristics	EIA/Screening Form Outcome
SP-PL-16-06	Staff Turnover / Vacancy Moratorium	Neutral Impact - During 2015/16 there has been significant staff underspends as a result of staff turnover, Staff savings achieved through natural staff turnover and non-filling of all but business critical vacant posts during 2016/17	Screening only Implement policy
SP-PL-16-07	Other Supplies and Services Reduction	Neutral Impact - Reduced expenditure on supplies and services.	Screening only Implement policy
SP-PL-16-08	Reduction across various budget lines in Temporary Accommodation	Neutral Impact - The reductions will align budgets with historical spend therefore there should be no detrimental effect from this proposal	Screening only Implement policy
SP-PL-16-10	Training reduction within Place	Neutral Impact - Reduced expenditure on staff training, following historical examination of staff spend.	Screening only Implement policy
SP-PL-16-11	Reduce the opening hours at Household Waste Recycling Centres to reflect service demand	Neutral Impact - Analysis of site usage through utilising the automatic number plate recognition system has been used to identify the revised opening times	Screening only Implement policy
SP-PL-16-12	Rationalise Primary school meals menu options from current 4 choices to 3	Neutral Impact - There will be no effect to the school meals service and it will reduce wastage in each school. Average school provision across Scotland is three choices	Screening only Implement policy
SP-PL-16-13	Pre-order for Primary School Meals	Neutral Impact - Implementing a school lunch pre-order service will reduce the food waste and cost.	Screening only Implement policy
SP-PL-16-14	Savings in SPT contract for mainstream school transport provision.	Neutral Impact – Service provision for school children will remain unchanged.	Screening only Implement policy

Equality Impact Assessments

Reference	Policy and Purpose	Assessment of Impact of Policy on Protected Characteristics	EIA/Screening Form Outcome
SP-PL-16-16	Reduced Cleaning in Offices	Neutral Impact - Cleaning in schools and offices will reduce from a 5 day cleaning operation to a 4 day cleaning operation. Toilets and other priority areas will be cleaned and internal waste bins will be emptied due to health and safety reasons on the non-cleaning day.	Screening only Implement policy
SP-PL-16-17	Reduction in Utility Costs	Neutral Impact - Reduction in direct cost to the Council and the Council's Carbon footprint	Screening only Implement policy
SP-PL-16-18	Review of Overtime within Place	Neutral Impact - Reduced overtime costs within the Place directorate through a review of how services are delivered.	Screening only Implement policy
SP-PL-16-22	Reduction in operational property costs at Brooksby House	Neutral Impact - To reduce property running costs paid by the Council in relation to its occupation of Brooksby House, Largs	Screening only Implement policy
SP-PL-16-23	Introduction of more fuel efficient vehicles in the fleet	Neutral Impact - Achieve a reduction of 5% fuel usage over the next 3 years due to the introduction of more fuel efficient vehicles into the Councils fleet	Screening only Implement policy
SP-PL-16-24	Reduction in Street Lighting Costs following introduction of LED	Neutral Impact - The introduction of LED technology provides a significant reduction in energy costs, CO2 emissions associated with the energy consumption of the street lighting stock and a projected reduction in future maintenance costs	Screening only Implement policy
SP-PL-16-27	Funding for Breakfast Packs at Victoria House Hostel	Neutral Impact - Funding for the supply of breakfast packs for clients at Cunninghame Housing Association's Victoria House hostel, is removed. The support provider is aware of this change, the responsibility falls to them to ascertain if there is a need for breakfast packs.	Screening only Implement policy
SP-PL-16-28	North Ayrshire Council Estate Remodelling (Closure of Montgomerie House)	Neutral Impact - To reduce operational property running costs through the closure of Montgomerie House	Screening only Implement policy

Equality Impact Assessments

Reference	Policy and Purpose	Assessment of Impact of Policy on Protected Characteristics	EIA/Screening Form Outcome
SP-PL-16-05; SP-PL-16-09; SP-PL-16-15; SP-PL-16-20; SP-PL-16-21; SP-PL-16-30.		No Screening or Full EIA's required for the following proposals within PLACE for –	
EDUCATION AND YOUTH EMPLOYMENT			
SP-EY-16-06	Dining Room Supervision	Neutral Impact - Budget analysis determined underspend	Screening only Implement policy
SP-EY-16-07	Early Years - Parenting Team	Neutral Impact - Verbal feedback on impact from head teachers and other service users.	Screening only Implement policy
SP-EY-16-08	Increased charges to other local authorities – pupil placements	Neutral Impact - Benchmarking resulted in NAC's charges being lower than other authorities.	Screening only Implement policy
SP-EY-16-01; SP-EY-16-02; SP-EY-16-03; SP-EY-16-05.		No Screening or Full EIA's required for the following proposals within Education and Youth Employment for –	

NORTH AYRSHIRE COUNCIL

Agenda Item Budget Paper 2

17 February 2016

Cabinet / North Ayrshire Council

Title: **Capital Investment Programme 2016/17 to 2025/26**

Purpose: To advise the Cabinet/Council of the draft Capital Investment Programme to 2025/26.

Recommendation: That Cabinet (a) supports the proposals outlined in the report; and (b) refers the report to Council for approval.

That Council; (a) approves the amendments to the current capital plan, summarised at Appendix b; (b) approves a revised capital investment programme to 2020/21 and the indicative plan to 2025/26 as detailed at Appendix e.

1. Executive Summary

- 1.1 At its meeting on 9 December 2014 Council agreed that a full review of the capital investment programme and a roll out to 2025/26 would be undertaken during 2015/16. The outcome of the review is contained within this report.
- 1.2 As part of the review all funding sources were reviewed, assessing the impact over the ten years of the plan;
- general capital grant support reflects the grant allocated in the most recent Finance Circular, it is estimated that this will provide an additional £62.530m;
 - specific funding has been provided for cycling walking and safer streets;
 - funding for flooding and early years has not yet been distributed;
 - a further £8.6m of capital receipts is anticipated;
 - £4.130m will be allocated from the Capital Fund to support the programme;
 - no assumptions has been made about external funding, however all appropriate funding sources will be explored.

- 1.3 In developing the capital investment programme it was essential to ensure the affordability and sustainability of the programme. A new modelling tool was introduced to ensure the Council had a clear understanding of the impact of investment on its revenue budget:
- alignment of all key components was carried out, this will deliver savings of £4.6m by 2021/22, reducing to £4.1m by 2025/26;
 - reallocation of loans fund support results in a pressure of £2.3m and £2.8m respectively for 2020/21 and 2021/22 before being recovered over the longer term;
 - new legislation which the Council will apply from April 2021 is anticipated to result in higher revenue charges in the early years of a capital project.
- 1.4 The approach taken was to review the current capital programme, identify opportunities to reallocate resources, identify capital investment to support delivery of the Council Plan objectives analysing these into priority, the lost urgent projects, and aspirational, where projects would be delivered a funding becomes available. Clear criteria were used to rank projects.
- 1.5 The proposed capital programme is attached at Appendix E. This will result in a total programme of £276m, delivering £71m of new investment over the next ten years. The report confirms the affordability and sustainability of the programme, recognising that this will require to be kept under review to ensure the underlying assumptions continue to apply.

2. Background

2.1 Introduction

At its meeting on 9 December 2014 the Council approved a firm Capital Investment Programme for the period to 2018/19 and indicative plans to 2022/23. It was agreed at this meeting that a full review of the current capital investment programme and a roll out to 2025/26 would-be undertaken during 2015/16. The outcome of the review is contained within this report.

Financial reports to Members continue to highlight the uncertainty and challenging financial environment in which the public sector is operating. This uncertainty makes long term financial planning more challenging and means the assumptions which underpin the proposed capital programme will undoubtedly vary over the life of the programme; as such an annual review of the programme is essential to ensure it continues to be affordable and sustainable.

2.2 Capital Funding

2.2.1 Capital Grant Funding

In the Finance Settlement for 2016/17 (FC7/2015) information was provided on the level of capital grant that would be available for 2016/17. The Settlement confirmed that an element of the 2016/17 grant would be reprofiled until a later year in the current settlement period which ends in 2019/20. The draft capital programme assumes the 2016/17 grant level, before reprofiling, will be available over the 10 year period. This provides an estimated additional £23.071m in the period to 2022/23 with estimated funding of £39.459m for the three years added to the plan.

In addition to the general capital grant a number of other capital grants are also available to the Council:

- Cycling walking and safer streets (CWSS) at £0.150m per annum with £0.038m deferred as noted above;
- In 2016/17 North Ayrshire, one of only five local authorities has been allocated funds for Vacant and Derelict Land of £1.427m with £0.365m deferred. Although funding has only been allocated for 2016/17, it is anticipated that this source of funding will be available to North Ayrshire for the duration of the spending review period i.e. until 2019/20.

Distribution of two grants is outstanding:

- Flood funding of £35.565m with £9.090m deferred. A recent return has been made to the Scottish Government which outlines the value and profile of the current North Ayrshire schemes – Garnock Valley and Millport;
- Funding for extension of early years provision, £30m. NAC's estimated share of this is £0.850m.

2.2.2 Capital Receipts

A full review of capital receipts has been carried out with £8.6m of additional capital receipts anticipated; the significant components of this relate to Montgomerie Park and the land released from the development of the new Largs Campus.

2.2.3 Capital Fund

The Capital Fund has been replenished during 2015/16 by transferring the projected underspend on loans charges, anticipated when the budget for 2015/16 was set, and the underspend on the 2015/16 new monies for Early Years. This provides £4.130m to support the capital investment programme.

2.2.4 External Funding

The current draft capital investment programme does not include any external funding given the high level of uncertainty around securing this; however any funding secured will allow aspirational projects to advance or reduce prudential borrowing, creating flexibility within the revenue budget.

It's not clear if any further Schools for the Future (SfF) funding will be available to support investment in the condition and suitability of the school estate. Any SfF funding either for priority or aspirational projects would result in options for other projects to be brought forward.

2.2.5 Prudential Borrowing

The difference between the Council's capital investment programme and funding from the above sources results in new prudential borrowing, creating a pressure on the revenue budget.

2.3 **Loan Charges**

2.3.1 A new modelling tool has been introduced for Loan Charges which provides the Council with accurate long term forecasting and allows scenario planning. As part of this a full review of the Loans Fund has been carried out and borrowing decisions have been aligned to the Council's capital investment decisions, the Council's debt profile and charges to the revenue budget. This review identified a reduction in the requirement for revenue funding releasing £4.6m by 2021/22 falling back to £4.1m by 2025/26.

2.3.2 As part of this review an analysis of the Loans Fund Support within the Finance Settlement was carried out. Prior to the introduction of capital grants and prudential borrowing in 2004 Loans Fund (revenue) Support, aligned to borrowing consents, was provided. This support is reducing over the period to 2036 as debt is written down, with the resources being redistributed on another basis across local authorities. The impact of this is that for a number of local authorities there is a significant reduction in funding in some years, before the resource redistribution increases funding in future years.

2.3.3 For North Ayrshire the net impact of this in the period to 2036 is an anticipated loss of funding of £0.246m. In 2020/21 and 2021/22 the net impact of this is an anticipated loss of £2.3m and a further £2.8m across those years with the funds returning over the remaining period to 2036. This creates potential pressures in these years depending on the level of additional capital investment approved. Establishment of a loans fund reserve will support the capital investment programme being delivered within the 2017/18 loan charges revenue budget.

2.3.4 New legislation and regulations that apply to the way in which the principal element of debt is charged to the revenue budget come into force from 1 April 2016. These new arrangements are likely to result in higher charges to the revenue account in the early years of a capital project. Councils have until 1 April 2021 to apply the new arrangements; this recognises that current capital programmes and associated revenue budgets have been set using the current arrangements. The current draft programme assumes a shift to the new arrangements from 1 April 2021.

2.4 Development of the Capital programme to 2025/26

2.4.1 Approach

2.4.1.1 To ensure an affordable capital programme could be delivered the development of the plan was carried out in 3 stages:

- Review off the current programme to 2022/23, attached at appendix A, identifying projects where funding could be released or reprofiled, appendix B
- Identification of priority projects, appendix C
- Identification of aspirational projects, appendix D

2.4.1.2 All Services identified their requirements for capital investment and applied the criteria below to identify the top priority projects.

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

2.4.1.3 The North Ayrshire Health and Social Care Partnership has not yet developed its capital investment requirements, these will be developed and brought forward as part of the annual review of the 10 year plan.

2.4.2 Review of Current Plan

2.4.2.1 A review of the existing capital programme has been undertaken and has resulted in changes to a number of existing projects:

Roads Improvement/Reconstruction - Current road condition assessed as 3rd quartile across Scotland. An additional (i.e. above that proposed) investment of £31m over 10 years would be required to improve to current upper quartile position. Reduction in total programme of £7m phased between 2016-17 and 2022-23 impacts of achievement of this level of performance.

Property Lifecycle Investment – reduction and reprofiling based on condition survey data.

Cemetery Extension, Walls and Infrastructure - programme reduced in 2016/17 and reprofiled to commence in 2018/19 aligned to requirements for burial space by locality planning area.

Renewables Energy Schemes - Nethermains Landfill Solar PV Programme, Shewalton Landfill Solar PV Programme, Nethermains Wind Turbine and Irvine District Heating System – projects will be added to the programme when final business cases are complete.

Stanecastle School Remedial Works – superseded as a result of the planned ASN investment.

B714 Upgrade – Investment has been reduced by £2.037m and brought forward to reflect improvement works along the longest stretch that also experiences the most collisions.

Community Development Fund - removed as expenditure is not capital in nature

2.4.3 Priority Projects

Lifecycle Investment

Property - latest condition surveys indicate a total investment requirement of £34.1m. Proposed works are schemes greater than £100k in value. £10m investment proposed equates to all High Priority (£5.86m) and 17.5% of Medium Priority or where better longer term value can be achieved by simultaneously undertaking works adjacent to High Priority areas.

Proposals for Improvement Grants, Lighting Column Replacement, Bridges and Vehicle Replacement Programme are in line with previous lifecycle investment.

Learning Disability Day Centre – additional funding to meet the cost of an increased footprint and construction inflation.

Cunninghame House West Wing - completion of the Cunninghame House refurbishment project to provide central accommodation for the new North Ayrshire HSCP Headquarters.

Castlepark Primary School – internal remodelling - It was agreed, during the initial design phase that a number of designated classroom spaces would initially be used as general purpose rooms but would require to be re-modelled as the school roll grew, into classrooms. Two general purpose rooms now require to be converted back into classrooms to accommodate the August 2016 intake.

Moorpark Primary School – extension - In order to meet legislative requirements to deliver the national curriculum, an increasing roll and the requirements of the Disability Discrimination Act an extension to the current school building is required. The school currently uses outdoor and indoor PE facilities at Garnock Academy. When Garnock Academy is demolished these will no longer be available. Currently the school has only one social space that is used for PE and dining. As the roll increases this will not be enough space to deliver the curriculum.

New Build ASN School - North Ayrshire Council currently has 4 ASN schools, each with approx. 50 pupils. The buildings are no longer considered to be suitable for the delivery of high quality learning and teaching for our most vulnerable pupils. High quality facilities are required not only for education but also to meet the care needs of these pupils. Partnership working with allied health professionals, Social Services, FE providers, employers and parents are key requirements for any school working with children and young people with complex ASN. The current 4 schools do not offer this inclusive education. In order to provide high quality learning and care environment a new school for 200 pupils is required. It is anticipated that this will deliver revenue saving of £0.450m.

Largs Campus – balance of costs - required to fund approved project. As the Largs Campus is being developed as a DBFM (Design, Build, Finance and Maintain) project, it is largely supported by a revenue funding stream with financing being met by the contractors. As such only £7.780m of capital expenditure will be incurred by the Council. The project will continue to be monitored in the usual way, however the total value of the capital programme will be adjusted to reflect the funding mechanism noted above.

Annick Primary School extension – early years provision - If a new ASN school is built Stanecastle School will close and there will be a need to relocate the existing early years provision.

Schools ICT investment - High quality learning and teaching requires pupils to successfully engage with modern technology. Therefore, it is important for the Council to invest in school ICT. The aim is for all schools to have equality of provision. The development of the 10 year plan is consistent with the Strategy for Education Establishments, which the Cabinet agreed to last year. 50% of the investment has been classified as priority.

Ardrossan Academy - new build - The current building condition is B3 and suitability C. Learning and teaching takes place over 4 blocks. A new build school is required due to accessibility issues throughout the current buildings and condition and suitability ratings. Roll projection shows that the capacity could be reduced. Progressing this project would result in an estimated increase the school's revenue budget of £0.200m to meet additional NDRI costs.

Industrial Portfolio - Investment within the commercial estate is part of a wider service improvement plan to ensure it is fit for purpose and attracts business tenants. Successful implementation will realise a revenue saving through increased occupancy levels and rents in line with local market. This is anticipated to deliver an income stream of £0.300m per annum.

Ayrshire Growth Deal is a proposed agreement between the three Ayrshire local authorities, other local agencies with an interest in economic development such as Skills Development Scotland and the local higher education sector, and the Scottish and/or UK governments. The proposed bid reflects a move by respective Governments away from ring fenced grant funding based on need, to the provision of new financial mechanisms which deliver economic development and regeneration. Examples of the approach include the £1.12bn Glasgow City deal, and the £504m Aberdeen City/Shire deal. Projects which are part of the deal will be those which deliver maximum economic benefit/growth, and which will help the deal demonstrate 'payment by results'.

Proposed physical infrastructure interventions include:

- A737 corridor improvements including the delivery of the Dalry bypass and the upgrading of the B714 to improve accessibility to the Glasgow conurbation;
- Developing the Pennyburn roundabout to support residential development;
- The development and/or improvement of the Ardrossan Harbour and North Shore areas to deliver a national scale regeneration project;
- The provision of additional commercial property at the Irvine Enterprise Area which is not currently provided by the market to build on recent employment growth and the availability of enterprise area benefits;
- The development of our maritime and coastal assets.

ICT - There are a number of components to the proposed ICT investment; continued investment in Microsoft to ensure the Council refreshes its software at appropriate time intervals; continued investment in wireless and mobile technology in support of the Council's transformation agenda; lifecycle investment in our pcs and core infrastructure, servers and a second internet connection, key elements of our business continuity requirements and recognition of the growth in usage.

HSCP ICT – this is the Council's share of additional ICT investment to support the HSCP integration process. ICT issues are causing significant operational difficulties for the Partnerships, restricting the effectiveness of the overall change agenda.

2.4.4 Vacant and Derelict Land

This is not reflected in the current draft programme. Work is underway to develop projects to be funded from this new allocation and will be the subject of a future Cabinet report. The key objectives of the fund are to tackle long term vacant and derelict land, stimulate economic growth and job creation, develop a diverse sustainable environment with a focus on temporary and permanent greening and support communities to flourish and tackle inequalities.

2.4.5 Aspirational Projects

The projects which have been included within the aspirational list are recognised as being important to support delivery of the Council's key outcomes, however in the current financial environment these are not being recommended until additional funding can be identified.

Enhancing the secondary school learning environment - This investment would be targeted at secondary schools where no plans exist for new build – Kilwinning, Auchenhavie and Irvine Royal Academies. It would largely be used to address ‘suitability’ matters, which would lead to enhanced learning and teaching environments. An example of the kind of enhancement this investment would bring is the recent work undertaken in Irvine Royal Academy. In consultation with the school community, including the Parent Council, the investment to date has delivered refurbished art, music and graphic design facilities. The next phase is to consolidate the health & well-being faculty, which will see upgraded teaching and learning spaces for home economics. Plans also include a reconfiguration to the main entrance and management suite for the school.

Flood Risk Management Plan - Investment to meet Council commitments within the national flood risk strategy. Initial investment in 16/17 and 17/18 is included within priority projects and is required to undertake design and submission, if supported locally, to Scottish Government. The construction phase will be considered if the scheme attracts Government funding.

Montgomerie Park - the requirement for funding is linked to the speed of development and sale of new housing at Montgomerie Park, this will be kept under review to ensure the Council continues to comply with its statutory obligation to meet educational need. The anticipated revenue budget for running the new school is £0.966m.

Irvine Early year’s provision – demand continues to increase for 2-year old provision in the Irvine area. Castlepark EYC serves one half of Irvine; however, a gap in provision exists for the remainder of the town. This centre would fulfil parental demand, and provide capacity to accommodate any future demand. This demand will continue to be monitored alongside the anticipated future growth in provision to 1,140 hours.

Schools ICT provision – 50% of the original funding request has been allocated within priority projects, this will ensure progress is made towards upgrading and modernising the use of ICT as a support to learning.

2.5 Conclusion

- 2.5.1 This review has resulted in the programme being updated to reflect capital investment priorities which support delivery of the Council’s key priorities; it also extends the capital programming to 2025/26.

2.5.2 The revised programme for 2016/17 to 2025/26 is included in Appendix E. This confirms £276m of investment over the next ten years. The draft plan represents new investment of £71m. The funding streams are summarised in Appendix E. Prudential borrowing costs associated with this programme are included within the 2016/17 to 2017/18 revenue budgets and require the establishment of a loans fund reserve to smooth the incidence of loan charges across the ten year period. The long term affordability of this borrowing is also highlighted in the Annual Treasury Management Strategy.

3. Proposals

- 3.1 That Cabinet (a) supports the proposals outlined in the report; and (b) refers the report to Council for approval.
- 3.2 That Council; (a) approves the amendments to the current capital plan, summarised at Appendix B; (b) approves a revised capital investment programme to 2020/21 and the indicative plan to 2025/26 as detailed at Appendix E.

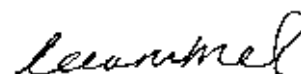
4. Implications

Financial:	<p>The draft capital programme is based on a number of assumptions around the availability of financing; capital grant, capital receipts and the capital fund. Given the forward projection for 10 years it will be essential to keep the cost of future projects under review.</p> <p>The revenue implications of the proposed revised plan can be met from within the budgets proposed for 2016/17 and 2017/18. There are also a number of assumptions underpinning the current revenue projection including; the level of loans fund support, the level of future interest rates, delivery of the programme within the timelines outlined in the plan and establishment of a loans fund reserve to smooth the revenue implications across the life of the plan.</p> <p>It will be necessary to keep the assumptions under review over the life of the plan.</p> <p>Recurring revenue savings are anticipated from the following projects; £0.300m from the investment in the industrial portfolio and £0.450m from the merger of the 4 ASN schools. The latter of which has been applied to fund the overall programme.</p>
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	Additional revenue costs of £0.966m and £0.200m are anticipated in respect of the new school at Montgomerie Park and development of Ardrossan Academy respectively.
Human Resources:	No direct implications
Legal:	No direct implications
Equality:	A number of projects within the draft capital investment programme will make a positive contribution to the Council's commitment to Equalities.
Environmental & Sustainability:	All projects included within the draft capital investment programme will be delivered to minimise environmental impact and maximise sustainability.
Key Priorities:	The programme will support delivery of the outcomes outlined in the Council Plan 2015-2020.
Community Benefits:	Council will maximise delivery of Community Benefits from its Capital Investment Programme.

5. Consultation

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



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

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

Background Papers

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North Ayrshire Council
Capital Budget 2016/17 - 2025/26
Capital Budget Original Approved Programme

Council Objective/Service		2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Protecting and enhancing the environment for future generations								
Economy and Communities	Castles and Historic Monuments	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Place	Roads Improvement/Reconstruction	2,600,000	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000
Place	Garnock Valley Flood Prevention	1,348,960	2,350,000	-	-	-	-	-
Place	Bridges Infrastructure Programme	560,000	560,000	560,000	560,000	560,000	560,000	560,000
Place	Property Lifecycle Investment	-	-	1,000,000	3,380,000	3,380,000	3,380,000	3,380,000
Place	Skerlmorlie Cemetery Wall	2,695	-	-	-	-	-	-
Place	Cemetery Extension, Walls and Infrastructure	1,715,026	1,577,443	1,234,444	-	-	-	-
Place	Ardrossan Cemetery Works	3,764	-	-	-	-	-	-
Place	High Kirk Cemetery Works	1,071	-	-	-	-	-	-
Place	Shewalton Landfill	530,079	400,000	400,000	-	-	-	-
Place	Renewable Energy Programme	267,006	-	-	-	-	-	-
Place	Solar PV Retrofit Programme	10,444	-	-	-	-	-	-
Place	Vehicles	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Place	Nethermaines Landfill Solar PV Programme	5,140,000	-	-	-	-	-	-
Place	Shewalton Landfill Solar PV Programme	3,310,000	-	-	-	-	-	-
Place	Nethermaines Wind Turbine	90,000	885,000	-	-	-	-	-
Place	Irvine District Heating System	6,885,000	-	-	-	-	-	-
Sub Total		24,564,045	10,972,443	8,394,444	9,140,000	9,140,000	9,140,000	9,140,000
Helping all of our people to stay safe, healthy and active								
Economy and Communities	Cycling/Walking/Safer Streets	179,000	179,000	179,000	179,000	179,000	179,000	179,000
Economy and Communities	Access Path Network Programme	200,000	200,000	50,000	50,000	50,000	50,000	50,000
Economy and Communities	Arran Bridges Signage	30,000	-	-	-	-	-	-
Economy and Communities	Irvine Leisure Centre	8,514,315	-	-	-	-	-	-
Economy and Communities	Magnum Centre Demolition	550,000	-	-	-	-	-	-
Integrated Health and Social Care Partnership	Home Care System	99,000	-	-	-	-	-	-
Integrated Health and Social Care Partnership	LD Day Centre	3,986,240	1,637,113	-	-	-	-	-
Place	Lighting	900,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Place	Street Lighting Mainland	1,596,598	-	-	-	-	-	-
Place	Improvement Grants	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Place	CCTV General	20,000	-	-	-	-	-	-
Sub Total		16,775,153	3,716,113	1,929,000	1,929,000	1,929,000	1,929,000	1,929,000
Ensuring people have the right skills for learning, life and work								
Education and Youth Employment	Hayocks Primary School Nursery Adaptations	1,822	-	-	-	-	-	-
Education and Youth Employment	Glencairn Primary School Nursery Adaptations	2,774	-	-	-	-	-	-
Education and Youth Employment	Loudon-Montgomery Primary School Nursery Adaptation	721,105	-	-	-	-	-	-
Education and Youth Employment	St John Ogilvie Primary School Nursery Adaptation	4,661	-	-	-	-	-	-
Education and Youth Employment	Early Learning and Childcare	774,244	-	-	-	-	-	-
Education and Youth Employment	Dykesmains Primary School Nursery Adaptation	1,158,378	-	-	-	-	-	-
Education and Youth Employment	Whitlees Community Centre Nursery Adaptation	8,121	-	-	-	-	-	-
Education and Youth Employment	St Lukes Primary School - Extension Phase 2	641	-	-	-	-	-	-
Education and Youth Employment	West Kilbride Primary School Kitchen Works	3,693	-	-	-	-	-	-
Education and Youth Employment	Elderbanks Primary School	74,504	-	-	-	-	-	-
Education and Youth Employment	Garnock Campus	21,733,358	2,228,000	168,000	-	-	-	-
Education and Youth Employment	Irvine Royal/College Adaptations	501,507	-	-	-	-	-	-
Education and Youth Employment	Largs Academy	31,712,600	12,000,000	-	-	-	-	-
Education and Youth Employment	Stanecastle School Remedial Works	505,126	-	-	-	-	-	-
Sub Total		57,202,534	14,228,000	168,000	0	0	0	0
Growing our economy, increasing employment and regenerating towns								
Economy and Communities	Irvine Enterprise Area	3,972,011	-	-	-	-	-	-
Economy and Communities	Irvine Bay Regeneration Company Assets	1,400,000	1,160,000	-	-	-	-	-
Economy and Communities	Town Centre Regeneration	2,150,615	1,750,000	1,050,000	50,000	50,000	50,000	50,000
Economy and Communities	Montgomerie Park Masterplan	1,575,000	-	-	-	-	-	-
Economy and Communities	Pennyburn Roundabout	-	1,000,000	1,000,000	-	-	-	-

Council Objective/Service		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
		£	£	£	£	£	£	£
Economy and Communities	Millport Pier	500,000	-	-	-	-	-	-
Economy and Communities	Car Park Strategy	148,100	104,357	-	-	-	-	-
Place	B714 Upgrade	-	-	-	-	4,037,000	-	-
Sub Total		9,745,726	4,014,357	2,050,000	50,000	4,087,000	50,000	50,000
Working together to develop stronger communities								
Economy and Communities	Community Development Fund	300,000	300,000	100,000	100,000	100,000	100,000	100,000
Sub Total		300,000	300,000	100,000	100,000	100,000	100,000	100,000
Underpinning our priorities								
Finance and Corporate Support	PC Replacement/Virtual Desktop	100,000	100,000	-	-	-	-	-
Finance and Corporate Support	Microsoft Office Upgrade	0	233,000	275,000	275,000	-	-	-
Finance and Corporate Support	Windows Server Migration	97,136	-	-	-	-	-	-
Finance and Corporate Support	PSN Compliance	100,000	-	-	-	-	-	-
Finance and Corporate Support	Agile Working	100,000	50,000	-	-	-	-	-
Finance and Corporate Support	Wireless Access in Schools	19,000	-	-	-	-	-	-
Finance and Corporate Support	Managed WAN Services	100,000	-	-	-	-	-	-
Finance and Corporate Support	IP Telephony	14,000	-	-	-	-	-	-
Place	Cunninghame House Phase 3-4	516,849	-	-	-	-	-	-
Place	Records Unit Replacement	360,798	-	-	-	-	-	-
Place	Streetscene Scheduling System	1,279	-	-	-	-	-	-
Sub Total		1,409,062	383,000	275,000	275,000	0	0	0
TOTAL EXPENDITURE		109,996,520	33,613,913	12,916,444	11,494,000	15,256,000	11,219,000	11,219,000

North Ayrshire Council
Capital Budget 2016/17 - 2025/26
Capital Budget Changes to Original Approved Programme

Council Objective/Service		2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Protecting and enhancing the environment for future generations								
Economy and Communities	Castles and Historic Monuments							
Place	Roads Improvement/Reconstruction	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000
Place	Garnock Valley Flood Prevention	-1,000,000	1,000,000					
Place	Bridges Infrastructure Programme							
Place	Property Lifecycle Investment			-1,000,000	-3,380,000	-3,380,000	-3,380,000	-3,380,000
Place	Skerlmorlie Cemetery Wall							
Place	Cemetery Extension, Walls and Infrastructure	-1,715,000	-293,000	608,000		300,000	600,000	500,000
Place	Ardrossan Cemetery Works							
Place	High Kirk Cemetery Works							
Place	Shewalton Landfill							
Place	Renewable Energy Programme							
Place	Solar PV Retrofit Programme							
Place	Vehicle Replacement programme							
Place	Nethermains Landfill Solar PV Programme	-5,140,000	-	-	-	-	-	-
Place	Shewalton Landfill Solar PV Programme	-3,310,000	-	-	-	-	-	-
Place	Nethermains Wind Turbine	-90,000	-885,000					
Place	Irvine District Heating System	-6,885,000	-					
Sub Total		-19,140,000	-1,178,000	-1,392,000	-4,380,000	-4,080,000	-3,780,000	-3,880,000
Helping all of our people to stay safe, healthy and active								
Economy and Communities	Cycling/Walking/Safer Streets	-29,000	9,000	9,000	47,000	9,000	9,000	9,000
Economy and Communities	Access Path Network Programme							
Economy and Communities	Arran Bridges Signage							
Economy and Communities	Irvine Leisure Centre							
Economy and Communities	Magnum Centre Demolition	-450,000	450,000					
Integrated Health and Social Care Partnership	Home Care System							
Integrated Health and Social Care Partnership	LD Day Centre	-1,409,969	1,409,969					
Place	Lighting							
Place	Street Lighting Mainland							
Place	Improvement Grants							
Place	CCTV General							
Sub Total		-1,888,969	1,868,969	9,000	47,000	9,000	9,000	9,000
Ensuring people have the right skills for learning, life and work								
Education and Youth Employment	Hayocks Primary School Nursery Adaptations							
Education and Youth Employment	Glencairn Primary School Nursery Adaptations							
Education and Youth Employment	Loudon-Montgomery Primary School Nursery Adaptation							
Education and Youth Employment	St John Ogilvie Primary School Nursery Adaptation							
Education and Youth Employment	Early Learning and Childcare							
Education and Youth Employment	Dykesmains Primary School Nursery Adaptation	-1,115,663	1,115,663					
Education and Youth Employment	Whitlees Community Centre Nursery Adaptation							
Education and Youth Employment	St Lukes Primary School - Extension Phase 2							
Education and Youth Employment	West Kilbride Primary School Kitchen Works							
Education and Youth Employment	Elderbanks Primary School							
Education and Youth Employment	Garnock Campus							
Education and Youth Employment	Irvine Royal/College Adaptations							
Education and Youth Employment	Largs Academy							
Education and Youth Employment	Stanecastle School Remedial Works	-505,126						
Sub Total		-1,620,789	1,115,663	0	0	0	0	0
Growing our economy, increasing employment and regenerating towns								
Economy and Communities	Irvine Enterprise Area							
Economy and Communities	Irvine Bay Regeneration Company Assets	1,160,000	-1,160,000					
Economy and Communities	Town Centre Regeneration	-1,000,000	1,000,000					
Economy and Communities	Montgomerie Park Masterplan							
Economy and Communities	Pennyburn Roundabout		-1,000,000	-1,000,000		1,000,000	1,000,000	

Council Objective/Service		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
		£	£	£	£	£	£	£
Economy and Communities	Millport Pier	-500,000		500,000				
Economy and Communities	Car Park Strategy	2,000	-2,000					
Place	B714 Upgrade	1,600,000	400,000	-		-4,037,000		
Sub Total		1,262,000	-762,000	-500,000	0	-3,037,000	1,000,000	0
Working together to develop stronger communities								
Economy and Communities	Community Development Fund	-300,000	-300,000	-100,000	-100,000	-100,000	-100,000	-100,000
Sub Total		-300,000	-300,000	-100,000	-100,000	-100,000	-100,000	-100,000
Underpinning our priorities								
Finance and Corporate Support	PC Replacement/Virtual Desktop							
Finance and Corporate Support	Microsoft Office Upgrade							
Finance and Corporate Support	Windows Server Migration							
Finance and Corporate Support	PSN Compliance							
Finance and Corporate Support	Agile Working							
Finance and Corporate Support	Wireless Access in Schools							
Finance and Corporate Support	Managed WAN Services							
Finance and Corporate Support	IP Telephony							
Place	Cunninghame House Phase 3-4							
Place	Records Unit Replacement							
Place	Streetscene Scheduling System							
Sub Total		0	0	0	0	0	0	0
TOTAL EXPENDITURE		(21,687,758)	744,632	(1,983,000)	(4,433,000)	(7,208,000)	(2,871,000)	(3,971,000)

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North Ayrshire Council Capital Budget 2016/17 - 2025/26 Capital Budget Aspirational Projects										
Council Objective/Service	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Protecting and enhancing the environment for future generations										
Place Flood Risk Management Plan						0	1,020,000			
Sub Total	0	0	0	0	0	0	1,020,000	0	0	0
Ensuring people have the right skills for learning, life and work										
Education and Youth Employment Montgomerie Park - new build		200,000	5,000,000	5,000,000	2,000,000					
Education and Youth Employment New Early Years Centre - Irvine			600,000	1,000,000	1,000,000					
Education and Youth Employment Schools ICT Investment	420,000	318,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Education and Youth Employment Enhancing the Learning Environment in Secondary Schools			5,000,000	5,000,000	5,000,000					
Sub Total	420,000	518,000	10,950,000	11,350,000	8,350,000	350,000	350,000	350,000	350,000	350,000
TOTAL EXPENDITURE	420,000	518,000	10,950,000	11,350,000	8,350,000	350,000	1,370,000	350,000	350,000	350,000

North Ayrshire Council Capital Budget 2016/17 - 2025/26 Capital Budget Revised Original Approved Programme										
Council Objective/Service	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Protecting and enhancing the environment for future generations										
Economy and Communities	Castles and Historic Monuments	100,000	100,000	100,000	100,000	100,000	100,000	0	0	0
Place	Roads Improvement/Reconstruction	1,600,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Place	Garnock Valley Flood Prevention	348,960	3,350,000	0	0	0	0	0	0	0
Place	Bridges Infrastructure Programme	560,000	560,000	560,000	560,000	560,000	560,000	0	170,000	0
Place	Property Lifecycle Investment and Estate Remodelling	3,000,000	4,000,000	3,000,000	0	0	0	0	0	0
Place	Skerlmerlie Cemetery Wall	2,695	0	0	0	0	0	0	0	0
Place	Cemetery Extension, Walls and Infrastructure	26	1,284,443	1,842,444	0	300,000	600,000	500,000	0	0
Place	Ardrossan Cemetery Works	3,764	0	0	0	0	0	0	0	0
Place	High Kirk Cemetery Works	1,071	0	0	0	0	0	0	0	0
Place	Shewalton Landfill	530,079	400,000	400,000	0	0	0	0	0	0
Place	Renewable Energy Programme	267,006	0	0	0	0	0	0	0	0
Place	Solar PV Retrofit Programme	10,444	0	0	0	0	0	0	0	0
Place	Flood Risk Management Plan	300,000	250,000	0	0	0	0	0	0	0
Place	Vehicle Replacement Programme	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Place	Nethermains Landfill Solar PV Programme	0	0	0	0	0	0	0	0	0
Place	Shewalton Landfill Solar PV Programme	0	0	0	0	0	0	0	0	0
Place	Nethermains Wind Turbine	0	0	0	0	0	0	0	0	0
Place	Irvine District Heating System	0	0	0	0	0	0	0	0	0
Sub Total		8,724,045	14,044,443	10,002,444	4,760,000	5,060,000	5,360,000	5,260,000	4,100,000	4,270,000
Helping all of our people to stay safe, healthy and active										
Economy and Communities	Cycling/Walking/Safer Streets	150,000	188,000	188,000	226,000	188,000	188,000	188,000	0	0
Economy and Communities	Access Path Network Programme	200,000	200,000	50,000	50,000	50,000	50,000	50,000	0	0
Economy and Communities	Arran Bridges Signage	30,000	0	0	0	0	0	0	0	0
Economy and Communities	Irvine Leisure Centre	8,514,315	0	0	0	0	0	0	0	0
Economy and Communities	Magnum Centre Demolition	100,000	450,000	0	0	0	0	0	0	0
Integrated Health and Social Care Partnership	Home Care System	99,000	0	0	0	0	0	0	0	0
Integrated Health and Social Care Partnership	LD Day Centre	2,576,271	3,447,082	0	0	0	0	0	0	0
Integrated Health and Social Care Partnership	Refurbishment of 5th Floor West Wing - Cunninghame House	700,000	0	0	0	0	0	0	0	0
Place	Lighting Column Replacement	900,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Place	Street Lighting Mainland	1,596,598	0	0	0	0	0	0	0	0
Place	Improvement Grants	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Place	CCTV General	20,000	0	0	0	0	0	0	0	0
Sub Total		15,586,184	5,985,082	1,938,000	1,976,000	1,938,000	1,938,000	1,938,000	1,700,000	1,700,000
Ensuring people have the right skills for learning, life and work										
Education and Youth Employment	Hayocks Primary School Nursery Adaptations	1,822	0	0	0	0	0	0	0	0
Education and Youth Employment	Glencairn Primary School Nursery Adaptations	2,774	0	0	0	0	0	0	0	0
Education and Youth Employment	Loudon-Montgomery Primary School Nursery Adaptation	721,105	0	0	0	0	0	0	0	0
Education and Youth Employment	St John Oaillie Primary School Nursery Adaptation	4,661	0	0	0	0	0	0	0	0
Education and Youth Employment	Early Learning and Childcare	774,244	0	0	0	0	0	0	0	0
Education and Youth Employment	Dykesmains Primary School Nursery Adaptation	42,715	1,115,663	0	0	0	0	0	0	0
Education and Youth Employment	Whiteles Community Centre Nursery Adaptation	8,121	0	0	0	0	0	0	0	0
Education and Youth Employment	St Lukes Primary School - Extension Phase 2	641	0	0	0	0	0	0	0	0
Education and Youth Employment	West Kilbride Primary School Kitchen Works	3,693	0	0	0	0	0	0	0	0
Education and Youth Employment	Elderbank Primary School	74,504	0	0	0	0	0	0	0	0
Education and Youth Employment	Garnock Campus	21,733,358	2,228,000	168,000	0	0	0	0	0	0
Education and Youth Employment	Irvine Royal/College Adaptations	501,507	0	0	0	0	0	0	0	0
Education and Youth Employment	Largo Campus	31,712,600	14,962,275	0	0	0	0	0	0	0
Education and Youth Employment	Stanecastle School Remedial Works	0	0	0	0	0	0	0	0	0
Education and Youth Employment	Castlepark Primary - Remodelling	350,000	0	0	0	0	0	0	0	0
Education and Youth Employment	Moorpark Primary School - Extension	1,000,000	2,000,000	0	0	0	0	0	0	0
Education and Youth Employment	New Build ASN School	0	0	2,000,000	10,000,000	8,148,000	4,908,000	0	0	0
Education and Youth Employment	Annick Primary School Extension - Early Years Provision	0	0	1,000,000	1,000,000	0	0	0	0	0
Education and Youth Employment	Ardrossan - New Build	0	0	0	0	0	5,733,000	10,000,000	9,629,000	6,228,000
Education and Youth Employment	Schools ICT Investment	500,000	400,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Sub Total		57,431,745	20,705,938	3,518,000	11,350,000	8,498,000	5,258,000	6,083,000	10,350,000	6,578,000
Growing our economy, increasing employment and regenerating towns										
Economy and Communities	Irvine Enterprise Area	3,972,011	0	0	0	0	0	0	0	0
Economy and Communities	Irvine Bay Regeneration Company Assets	2,560,000	0	0	0	0	0	0	0	0
Economy and Communities	Town Centre Regeneration	1,150,615	2,750,000	1,050,000	50,000	50,000	50,000	50,000	0	0
Economy and Communities	Montgomerie Park Masterplan	1,575,000	0	0	0	0	0	0	0	0
Economy and Communities	Pennyburn Roundabout	0	0	0	0	1,000,000	1,000,000	0	0	0
Economy and Communities	Millport Pier	0	0	500,000	0	0	0	0	0	0
Economy and Communities	Car Park Strategy	150,100	102,357	0	0	0	0	0	0	0

Council Objective/Service		2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2022/23 £	2022/23 £	2022/23 £
Economies and Communities	Ayrshire Growth Deal	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Place	Industrial Portfolio Investment	200,000	200,000	200,000	200,000	200,000	0	0	0	0	0
Place	B714 Upgrade	1,600,000	400,000	0	0	0	0	0	0	0	0
Sub Total		11,207,726	4,452,357	2,750,000	1,250,000	2,250,000	2,050,000	1,050,000	1,000,000	1,000,000	1,000,000
Working together to develop stronger communities											
Economy and Communities	Community Development Fund	0	0	0	0	0	0	0	0	0	0
Sub Total		0	0	0	0	0	0	0	0	0	0
Underpinning our priorities											
Finance and Corporate Support	PC Replacement/Virtual Desktop	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Finance and Corporate Support	Microsoft Office Upgrade	0	233,000	275,000	275,000	0	0	0	0	0	0
Finance and Corporate Support	Windows Server Migration	97,136	0	0	0	0	0	0	0	0	0
Finance and Corporate Support	PSN Compliance	100,000	0	0	0	0	0	0	0	0	0
Finance and Corporate Support	Agile Working	100,000	50,000	75,000	50,000	25,000	25,000	25,000	25,000	25,000	25,000
Finance and Corporate Support	Wireless Access in Schools	19,000	0	0	0	0	0	0	0	0	0
Finance and Corporate Support	Managed WAN Services	100,000	0	0	0	0	0	0	0	0	0
Finance and Corporate Support	IP Telephony	14,000	0	0	0	0	0	0	0	0	0
Finance and Corporate Support	Business Continuity	0	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Finance and Corporate Support	Infrastructure Enhancements	100,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Finance and Corporate Support	Data Rationalisation and Storage	0	0	150,000	50,000	200,000	50,000	50,000	50,000	50,000	50,000
Finance and Corporate Support	Microsoft Enterprise Agreement	0	0	0	0	0	0	275,000	275,000	275,000	0
Finance and Corporate Support	HSCP ICT Investment to Support Integration	250,000	0	0	0	0	0	0	0	0	0
Place	Cunninghame House Phase 3-4	516,849	0	0	0	0	0	0	0	0	0
Place	Records Unit Replacement	360,798	0	0	0	0	0	0	0	0	0
Place	Streetscene Scheduling System	1,279	0	0	0	0	0	0	0	0	0
Sub Total		1,759,062	433,000	700,000	575,000	425,000	275,000	550,000	550,000	550,000	275,000
TOTAL EXPENDITURE		94,708,762	45,620,820	18,908,444	19,911,000	18,171,000	14,881,000	14,881,000	17,700,000	17,499,000	13,653,000
Less Delivered and Funded by SFT		(30,621,600)	(8,272,400)								
TOTAL EXPENDITURE DELIVERABLE BY NORTH AYRSHIRE COUNCIL		64,087,162	37,348,420	18,908,444	19,911,000	18,171,000	14,881,000	14,881,000	17,700,000	17,499,000	13,653,000
FUNDED BY											
Prudential Borrowing		37,703,251	22,717,420	1,500,000		2,762,444			4,047,000	3,846,000	
Scottish Government Funding											
Specific Capital Grant	Cycling/Walking/Safer Streets	150,000	188,000	188,000	226,000	188,000	188,000	188,000			
General Capital Grant		10,403,000	13,153,000	13,153,000	15,900,000	13,153,000	13,153,000	13,153,000	13,153,000	13,153,000	13,153,000
Sub Total		10,553,000	13,341,000	13,341,000	16,126,000	13,341,000	13,341,000	13,341,000	13,153,000	13,153,000	13,153,000
Use of Funds											
Capital Fund	Largs Campus	5,829,181	-	-	-	-	-	-	-	-	-
Capital Fund	Montgomerie Masterplan	158,416	-	-	-	-	-	-	-	-	-
Capital Fund	B714 Upgrade	1,137,000	-	-	-	-	-	-	-	-	-
Capital Fund	General Programme	3,680,000	450,000	-	-	-	-	-	-	-	-
Change Fund	Streetscene Rescheduling	1,279	-	-	-	-	-	-	-	-	-
Change Fund	Home Care System	99,000	-	-	-	-	-	-	-	-	-
Sub Total		10,904,876	450,000	0	0	0	0	0	0	0	0
CFCR											
CFCR	Irvine Royal Academy/College	400,000	-	-	-	-	-	-	-	-	-
CFCR	Records Unit Replacement	129,187	-	-	-	-	-	-	-	-	-
Sub Total		529,187	0	0	0	0	0	0	0	0	0
Grants and Contributions											
SPT	Arran Bridges Signage	30,000	-	-	-	-	-	-	-	-	-
Sub Total		30,000	0	0	0	0	0	0	0	0	0
Capital Receipts											
Sale of Land	General Programme	3,800,000	800,000	4,027,444	3,745,000	2,027,556	1,500,000	1,500,000	500,000	500,000	500,000
Sale of Land	Montgomerie Park Masterplan	526,848	-	-	-	-	-	-	-	-	-
Sale of Vehicles		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Sub Total		4,366,848	840,000	4,067,444	3,785,000	2,067,556	1,540,000	1,540,000	500,000	500,000	500,000
TOTAL INCOME		64,087,162	37,348,420	18,908,444	19,911,000	18,171,000	14,881,000	14,881,000	17,700,000	17,499,000	13,653,000

NORTH AYRSHIRE COUNCIL

Agenda Item Budget Paper 3

17 February 2016

Cabinet / North Ayrshire Council

Title: **Housing Revenue Account (HRA) Capital Investment Programme, Revenue Budget and Rent Levels for 2016/17**

Purpose: To advise the Cabinet / Council of the HRA capital investment programme and revenue budget for 2016/17 and the consequential rent levels.

Recommendation: That Cabinet:

- (a) supports the proposals outlined in the report; and
- (b) refers the report to Council for approval.

That Council:

- (a) approves the HRA capital investment programme for 2016/17, as detailed in the attached Appendix 1;
 - (b) approves the HRA revenue budget for 2016/17, as detailed in the attached Appendix 2;
 - (c) approves a rent increase of 1.5% in 2016/17 for council houses (including sheltered housing);
 - (d) approves the move to charging rent over 52 weeks rather than 48;
 - (e) approves a garage site increase of £0.04 per week and a lock-up increase of £0.08 per week to £2.68 and £5.39 per week respectively, equivalent to 1.5%;
 - (f) approve an increase of 9% in sheltered housing utility charges, as part of equalisation of the cost of service charges, for existing tenants; and
 - (g) notes the indicative rent increases of 2.5% for 2017/18 and 2018/19.
-

1. Executive Summary

- 1.1 Under the terms of the Housing (Scotland) Act 1987, local authorities are required to maintain a Housing Revenue Account to record all income and expenditure related to the provision of Council houses.

- 1.2 An annual review of the HRA Business Plan was carried out during 2015 to assess the external and internal factors expected to impact on the HRA budget. Tenants have also been consulted on the budget proposals included within this report. This has resulted in a capital and revenue budget which delivers : -
- a capital investment programme which continues to maintain Scottish Housing Quality Standard and work towards achieving the Energy Efficiency Standard for Social Housing by 2020;
 - continued support of the delivery of 500 units of new build housing, with 350 delivered by 31 March 2018 and
 - £17.009m of property related expenditure within the revenue account
- 1.3 In order to meet these commitments it is proposed to increase housing rents by 1.5% for 2016/17. The report further proposes to move to a 52 week rent as a result of the anticipated benefits to tenants and the alignment to Universal Credit payment profiles.
- 1.4 Detail is provided on the anticipated level of earmarked and unearmarked reserves. Based on the probable outturn as at the end of November 2015 it is anticipated that the HRA will have reserves of £12.762m at the end of the financial year, of which £1.000m is unearmarked. This is within CIPFA's recommended level of reserves which is between 2% - 4%.
- 1.5 Full details of the capital and revenue budgets are contained in Appendix 1 and Appendix 2.

2. Background

- 2.1 A Special Meeting of the Council on 9 December 2014 gave consideration to rent levels for the three years to 2017/18. Members approved an increase of 2.1% for 2015/16 and indicative rent increases of 2.5% for 2016/17 and 2017/18.
- 2.2 Following on from the comprehensive review of the HRA Business Plan financial model in 2014, this was further updated in 2015 to reflect the significantly improved stock condition levels together with the potential impacts of Welfare Reform. Having such a plan in place provides assurance of the financial sustainability of the Council's housing stock over the 30-year period it covers.

2.3 As part of the annual review of the Business Plan consideration was given to the following factors:

- Capital and revenue expenditure requirements
- Council house building targets
- Inflation
- Outcome of tenants' consultation
- Value for Money
- Future challenges
- Revenue and capital balances

Capital and Revenue Expenditure Requirements

2.4 The HRA Business Plan was updated during 2015 to identify the capital and revenue expenditure requirements for future years.

2.5 The proposed 2016/17 HRA capital programme is detailed in Appendix 1. As outlined in the appendix, the programme will be funded by a combination of capital receipts, capital funded from current revenue (CFCR), prudential borrowing, government grants and the use of existing HRA balances.

2.6 The capital programme will result in a significant proportion of the housing stock receiving major repair or improvement works in 2016/17, including the following:

Programme	No. of properties	
	2016/17	2015/16 projected
Installation of new double-glazed windows	180	220
Roofing and rendering	830	588
Insulated rendering	140	326
Electrical rewiring	430	394
Installation of new kitchens	750	766
New central heating	850	882
Installation of new bathrooms	550	517

2.7 The Prudential Code for Capital Finance in Local Authorities requires Councils to demonstrate that capital investment programmes and the level required to be funded by borrowing are affordable, prudent and sustainable. Performance Indicators which demonstrate these are included within the Treasury Management Annual Report 2016/17.

2.8 The proposed 2016/17 HRA revenue budget is outlined in Appendix 2. Planned expenditure of £46.420m will mainly be funded by rental income and charges for services.

- 2.9 The revenue budget includes funding of £17.009m for property related expenditure in the year. This expenditure will assist the Council in maintaining its efficient and sector-leading performance in respect of management of void properties and responsive maintenance.
- 2.10 In order to meet the investment requirements of the 30 year Business Plan, including the Council house building programme; maintaining the SHQS; and working towards achieving the Energy Efficiency Standard for Social Housing by 2020, it is proposed to increase housing rents by 1.5% for 2016/17. The Business Plan indicates an anticipated rent increase of 2.5% for 2017/18 and 2018/19.

Council House Building

- 2.11 The revised Business Plan continues with the target of building 500 properties over the 10 year period to 31 March 2022. To date, completed projects and agreed house building plans total 350 units. Details of the developments are shown in the table below:

Project Location	No. of properties	Actual / estimated completion date
General Needs:		
St Beya Gardens, Millport	12	Completed September 2013
Redstone Avenue, Kilwinning	46	Completed June 2014
John Galt, Irvine	80	Completed March 2015
Stevenson Court, Largs	11	Completed March 2015
Dickson Drive, Irvine	8	Completed July 2015
Vennel Gardens (sheltered housing)	16	November 2015
Montgomery Court, Kilbirnie (sheltered housing)	24	October 2016
Fencedyke, Irvine	35	April 2017
Older People:		
Glencairn House, Stevenston	28	December 2017
Canal Court, Saltcoats	36	March 2018
Robert W Service Court, Kilwinning	22	March 2017
Watt Court, Dalry	12	March 2018
Dickson Court, Beith	20	July 2017
Totals	350	

- 2.12 Plans are currently being developed for consideration to increase the house building programme further.

Inflation

- 2.13 The main inflation factors that have been applied to expenditure in calculating the 2016/17 budget levels are:

- Revenue Repairs 1.4%
- Capital - Term Contracts 2%
- Capital - Major Projects 3%
- Provision for Pay Awards - 1%

Outcome of Tenants' Consultation

Rent Increase

- 2.14 Under the terms of the Housing (Scotland) Act 2001, councils are required to consult with tenants and have regard to the views expressed by those consulted prior to setting the rents.
- 2.15 In preparing the budget for 2016/17, four options for levels of rent increase/ further investment in the housing stock were identified by officers and these were considered and refined by the Business Plan Implementation Group in September 2015. Two options were subsequently included in the tenants' consultation exercise that took place in October and November 2015, namely to increase rents by either 1.5% or 2%. Further information on the options considered is included within the Rent Matters Consultation Newsletter as attached at Appendix 3.
- 2.16 In October 2015 the consultation leaflet was sent to all Council tenants giving them the opportunity to comment on the proposals. The consultation period ran from 12 October until 9 November 2015. Appendix 4 to this report summarises the feedback.
- 2.17 Responses received from the tenants' consultation indicated a 60% preference for option 1, a rent increase of 1.5% for 2016/17.

Moving to a 52 Week Rent Charging Arrangement

- 2.18 On 29th September 2015 the Cabinet agreed to consult with tenants on the proposal to collect rents and other housing related charges over 52 weeks rather than the existing 48 weeks. Details of this proposal were included in the rent consultation newsletter and tenants were asked to provide their comments on this proposal. Tenants' comments on the proposal are included at Appendix 4

- 2.19 There are various benefits which include: 1) Lower weekly amounts due as rent is spread over a longer period; 2) Payment plan simpler to explain to new tenants; 3) Simpler for tenants who pay by direct debit; 4) Supports more realistic rent collection performance measurement and 5) Provides better alignment with Universal Credit payment profile.
- 2.20 Responses received from the tenants' consultation indicated a marginal 52% preference for maintaining the status quo for the way rent is charged. However, given the various benefits outlined above it is proposed that the Council agrees to move to a 52 week rent charging arrangement.

Sheltered Housing Utility Charges

- 2.21 During the initial preparation of the Housing Revenue Account (HRA) 30 year business plan in 2010, an issue with the service charge income from sheltered housing units was highlighted. At this time, it was evident that there was a considerable gap between the income received from service charges and the actual cost of the energy supplied. Additionally, new HRA Guidance was issued by the Scottish Government in February 2014 which states that tenants must only pay for services which are used by them and expenditure must be fair and transparent. To address this historical shortfall, it is proposed that the sheltered housing service charges are increased over a three year period. The amount of income generated from this charge will be monitored on an annual basis as part of the budget setting process to ensure the increase is fair and covers the costs for utilities within the individual properties.
- 2.22 Responses received from the tenants' consultation indicated a 78% majority in favour of the proposed 9% increase to shelter housing utility charges.

Value For Money

- 2.23 The Scottish Housing Best Value Network (SHBVN) benchmarks the Scottish Social Housing Charter outcome results of Scottish councils. The results include housing quality and maintenance, access to housing and value for money. In 2014/15, the service was once again the highest performing council for both average re-let times and rent lost for empty properties. High satisfaction ratings with both the quality of homes and the quality when moving in were demonstrated during 2014/15.

- 2.24 The Council's average weekly rent is below the Scottish average Local Authority rent for 2015/16 (Council average is £65.54 compared to Scottish average of £65.99). The proposed rent increase for 2016/17 is expected to maintain the Council's position compared with the Scottish average. The Council's average rent is also significantly lower than the average for Registered Social Landlords within North Ayrshire. Details of the weekly rent charges are contained within Appendix 3.

Future Challenges

Welfare Reform

- 2.25 The changes introduced by the Welfare Reform Act 2012 has placed significant pressure on the management of rent collection. Like most local authorities a significant increase in rent arrears has been experienced during this period. Arrears increased from £545,027 at the end of March 2013 to £1,013,433 at the end of March 2015, but are now beginning to stabilise, mainly due to the mitigation of the under-occupation charge through Discretionary Housing Payments (DHP) from the Scottish Government. At the end of September 2015, arrears had reduced to £891,578.
- 2.26 Nonetheless, the Council performance in rent arrears management is very good. In 2014/15, gross rent arrears as a percentage of rent due was 3.75% (Scottish average was 5.29%). The estimated arrears within the 2016/17 budget assumes full DHP being available for under occupation.
- 2.27 The Welfare Reform Act 2012 poses significant risks to HRA income streams and therefore the HRA Business Plan. Many reforms are still to be implemented, and these will impact on rent arrears. Welfare Reforms place a number of pressures on tenants - a high proportion of council tenants are on low income and approximately 60% are in receipt of Housing Benefit. The overall impact and the extent of developing proposals remains unknown but is expected to be significant upon tenants, the local economy and the Housing Revenue Account.
- 2.28 In order to continue to meet the priorities within the HRA Business Plan it is essential that the risks presented by welfare reform and uncertainties around future rental income are addressed. Therefore, £3m is earmarked within the HRA as a contingency to manage the impact of welfare reform. In addition, the increased level of provision for bad debt is being maintained to manage projected increases in rent arrears. Housing Services will continue to keep Elected Members updated on the implementation of ongoing reforms and their impact.

Climate Change and Fuel Poverty

- 2.29 Around 25% of greenhouse gas emissions derive from houses. Measures to improve domestic energy efficiency in both new and existing housing stock will be crucial in meeting Scottish Government targets to reduce energy consumption. The Scottish Government has issued guidance to local authorities setting out how Local Housing Strategies should help deliver those targets by linking action on climate change with mainstream housing and fuel poverty policies across occupied and rented housing.
- 2.30 The Scottish Government published the Energy Efficiency Standard for Social Housing (EESH) in March 2014. The publication provides clear guidance in relation to the level of energy efficiency each Council owned house requires to achieve by 31 December 2020. EESH aims to improve the energy efficiency of social housing in Scotland, help to reduce energy consumption, fuel poverty and the emission of greenhouse gases. EESH compliance will make a significant contribution to reducing national carbon emissions by 42 per cent by 2020 and 80 per cent by 2050 in line with the requirements set out in the Climate Change (Scotland) Act 2009.
- 2.31 An understanding of the cost associated with achieving the EESH is being developed. It is anticipated that the Council will be able to deliver the requirements of the standard through the allocation of specific funding, to implement new improvement projects and initiatives and the continuation of current initiatives such as the Council's replacement central heating and external wall insulation programmes and identification of further external funding sources, including Energy Company Obligation (ECO) and Home Energy Efficiency Programme for Scotland (HEEPS) funding.
- 2.32 Approximately 90% of the Council's housing stock already complies with EESH and it is anticipated that by applying 'reasonable measures' such as cavity, wall or underfloor insulation a further 5% or thereby could be deemed as compliant. An assessment of the balance is underway.

Revenue and Capital Balances

- 2.33 The HRA revenue budgetary control report to 30 November 2015, submitted to the Cabinet meeting of 19 January 2016, advised Members that there is a projected HRA balance of £12.762m at 31 March 2016. In the report to Cabinet there was an uncommitted balance of £3.357m. Of this balance £2.000m will be directed towards expanding the new house building programme, £0.757m to be used to address ongoing estate infrastructure issues and the remaining £0.600 used to increase the contingency balance to £1.000m which equates to around 2.2% of revenue expenditure. An analysis of the HRA balances is shown below:

	Balance at 31 March 2015	Projected Balance at 31 March 2016
	£m	£m
Council House Building Fund	4.266	6.266
Welfare Reform	3.000	3.000
Contingency Balance	0.400	1.000
Sheltered Housing Unit Works	0.150	0.439
Major Refurbishment Works	1.300	1.300
Infrastructure Improvements	-	0.757
Estate Based Projects	0.040	-
Software Upgrades	0.020	-
Uncommitted Balance	1.887	-
	11.063	12.762

3. Proposals

3.1 Cabinet is invited to:

- a. support the proposals outlined in the report;
- b. refer the report to Council for approval.

3.2 Council is invited to:

- a. approve the HRA capital investment programme for 2016/17, as detailed in the attached Appendix 1;
- b. approve the HRA revenue budget for 2016/17, as detailed in the attached Appendix 2;
- c. approve a rent increase of 1.5% in 2016/17 for council houses (including sheltered housing);
- d. approve the move to charging rent over 52 weeks rather than 48;
- e. approve a garage site increase of £0.04 per week and a lock-up increase of £0.08 per week to £2.68 and £5.39 per week respectively, equivalent to 1.5%;
- f. approve an increase of 9% in sheltered housing utility charges, as part of equalisation of the cost of service charges, for existing tenants; and
- g. notes the indicative rent increases of 2.5% for 2017/18 and 2018/19.

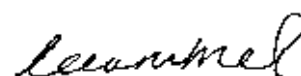
4. Implications

Financial:	<p>The proposed rent increase of 1.5% in 2016/17 will result in the availability of significant resources to invest in the Council's housing stock, with total planned revenue expenditure of £46.420m and a capital programme totalling £25.998m in 2016/17. This will enable the Council to meet the outcomes and objectives contained within the Local Housing Strategy; to work towards the achievement of the EESSH standard; and to maintain the Scottish Housing Quality Standard.</p> <p>The Council's average weekly rent across all mainstream stock compares well against other Local Authorities housing providers. The Scottish average Local Authority rent for 2015/16 was £65.99 compared to the Council's average of £65.54. The proposed rent increase for 2016/17 is expected to maintain the Council's position compared with the Scottish average. The Council's average rent is also significantly lower than the average for Registered Social Landlords.</p> <p>During 2016/17, the Business Plan Implementation Group will continue to monitor the developing position regarding the impact of Welfare Reform and other anticipated challenges as more information becomes available. A review of the Business Plan will be undertaken during 2016, to inform the budget setting process for 2017/18 and beyond.</p>
Human Resources:	None
Legal:	The Council has consulted with tenants on the proposed rent increases in line with the legal requirement to do so.
Equality:	The investment proposals outlined in the report will ensure the housing stock continues to support the needs of our tenants including those with accessibility issues due to age or disability.
Environmental & Sustainability:	These proposals support the Council's Sustainable strategy
Key Priorities:	Investment through the HRA capital programme and revenue budget supports and links to the following Council Plan 2015-2020 strategic priorities:

	<ul style="list-style-type: none"> ● Supporting all of our people to stay safe, healthy and active; and ● Protecting and enhancing the environment for future generations <p>There is also a significant link with the Single Outcome Agreement:-</p> <p>10. We live in well-designed and supportive communities where people take responsibility for their own actions and how they affect others.</p> <p>10(a) The quality of social housing has improved. 10(b) Availability of affordable housing has improved. 10(c) The condition of roads, footways, path networks and lighting has improved.</p>
Community Benefits:	None

5. Consultation

- 5.1 Housing Services engaged in a programme of consultation with key stakeholders in order to gather their views of the current service provision and priorities for future service delivery. This engagement and consultation was facilitated in the main, through the Business Plan Implementation Group and the Tenants and Residents Network.
- 5.2 In addition a Consultation Newsletter (Appendix 3) was issued to 13,120 Council tenants via a stand-alone Tenants Newsletter in October 2015. The consultation period ran from 12 October to 9 November 2015 and tenants were asked to provide their views on two options for rent increases.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Lesley Aird, Head of Finance on 01294 324560

Background Papers

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North Ayrshire Council Draft HRA Capital Plan 2016/17 - 2017/18								
	2016/17 New Programme for Approval	2016/17 Previously Approved Budget	Total 2016/17 Programme		2017/18 New Programme for Approval	2017/18 Previously Approved Budget	Total 2017/18 Programme	
Programme Description	£'000s	£'000s	£'000s	No. of Units	£'000s	£'000s	£'000s	No. of Units
Council House Building:								
Fencedyke, Irvine		3,876	3,876	35			-	
Glencairn, Stevenston	1,500		1,500		3,540		3,540	28
Montgomery Court, Kilbirnie		390	390	24			-	
Canal Court, Saltcoats	150		150		6,330		6,330	36
Future House Builds		1,111	1,111			3,305	3,305	
Sheltered Housing Building			-		6,875		6,875	
Acquisition of Houses - Open Market	400	-	400		400		400	
Improvements to Existing Stock:								
Window replacement	598		598		610		610	
Roofing & Rendering	3,782		3,782		3,857		3,857	
Insulated Rendering	1,417		1,417		1,445		1,445	
Electrical rewiring	761		761		776		776	
Kitchen replacement	2,069		2,069		2,110		2,110	
Central heating	1,778		1,778		1,813		1,813	
Bathroom replacement	1,787		1,787		1,823		1,823	
Regeneration - Montgomery Court		403	403				-	
Refurbishment - Robert W Service Court	1,800		1,800				-	
Refurbishment - Other	710		710		340		340	
Other Capital Works	265		265		273		273	
Energy Efficiency Standard	1,040		1,040		1,061		1,061	
Sheltered Housing Units	260	230	490		265		265	
Ceilings	22		22		22		22	
Communal Floors	37		37		38		38	
Professional management charges	1,612		1,612		1,629		1,629	
Total Expenditure	19,988	6,010	25,998		33,207	3,305	36,512	
Funded by:-								
Capital receipts	(1,264)		(1,264)				-	
Revenue Contribution (CFCR)	(13,668)		(13,668)		(13,569)		(13,569)	
Affordable Housing Fund	(600)	(408)	(1,008)		(600)		(600)	
HRA House Building Fund			-				-	
Government Grant - House Building	(2,300)	(1,454)	(3,754)		(2,300)		(2,300)	
Prudential borrowing	(2,156)	(4,148)	(6,304)		(16,738)	(3,305)	(20,043)	
Total Funding	(19,988)	(6,010)	(25,998)		(33,207)	(3,305)	(36,512)	

Draft HRA Revenue Budget 2016/17 to 2017/18

	Cost Type	2016/17 (£'000s)	2017/18 (£'000s)
<u>Income</u>	Rents:		
	Council houses	(45,507)	(46,749)
	Other rents	(371)	(374)
	Other Income:		
	External recharges	(507)	(530)
	Internal recharges	(35)	(35)
Gross Income		(46,420)	(47,688)
<u>Expenditure</u>	Employee Costs	4,487	4,533
	Property Costs:		
	Responsive repairs	3,813	3,889
	Void expenditure	3,165	2,896
	Planned & Cyclical maintenance	4,697	4,805
	Estate Based Projects	412	210
	Roads & Lighting Maintenance	1,624	1,656
	Aids & adaptations	182	186
	Other property costs	3,116	3,359
	Supplies and Services	231	236
	Transport Costs	45	46
	Administration Costs	594	606
	Central Support Costs	945	956
	Payments to Other Agencies, Bodies and Persons	103	105
	Internal Services	1,403	1,417
	Capital Financing:	0	0
	CFCR	13,669	13,569
	Principal repayments	2,009	2,354
	Loans Fund interest	5,915	6,852
	Loans Fund expenses	68	71
	Revenue interest	(58)	(58)
Gross Expenditure		46,420	47,688

THE QUESTIONNAIRE

We have outlined in this newsletter two options for rent increases which we want to gather your options and feedback on. Please read all the information prior to completing this questionnaire.

Option 1	Option 2
Increase rents by 1.5%	Increase rents by 2%
The planned improvements highlighted for 2016/17 would be carried out. <ul style="list-style-type: none">£13m of improvements to your homesRefurbish two sheltered housing complexesRedecorate two sheltered housing complexesDeliver 35 new build council housesInstall 750 new kitchens & 673 new bathroomsReduce the lifecycle of bathrooms from 30 years to 25 years	The planned improvements highlighted for 2016/17 would be carried out. <ul style="list-style-type: none">£13m of improvements to your homesRefurbish two sheltered housing complexesRedecorate two sheltered housing complexesDeliver 35 new build council housesInstall 750 new kitchens & 816 new bathroomsReduce the lifecycle of bathrooms from 30 years to 20 years
Average weekly rent increase £0.98*	Average weekly rent increase £1.31*

*based on a typical weekly rent (52 weeks average for all stock).

Please tick the option you prefer: Option 1 ☐ Option 2 ☐

Do you have any comments on the options?

Do you have any comments on the proposed change to the way your rent is charged?

Do you have any comments on the proposed changes to sheltered housing charges?

Are you happy with the level of consultation and information that the Housing Service provides over proposed rent increases? YES ☐ NO ☐

If No please tell us why _____

Name _____

Address _____

Town _____ Postcode _____

Telephone (daytime) _____ (evening) _____

Email _____

Please use this space for any other comments

A change to the way your rent is charged

The Council is considering reducing weekly rent charges by removing the current four week period where rent is not payable. This is two weeks in the summer and two week in the winter.

The proposal comes in response to the national introduction of Universal Credit, which the DWP began rolling out in North Ayrshire in April 2015.

Universal Credit is a single **monthly** benefit payment which brings together some of the benefits and tax credits that tenants might be receiving (including housing costs). Charging rent over 52 weeks instead of the current 48 week system will make it easier for tenants who are in receipt of Universal Credit to budget and manage their money.

The total rent you pay in any one year is currently divided over 48 weeks, giving you four weeks in the year when you don't have to pay rent.

We are proposing to divide the rent you pay over 52 weeks instead. This would mean you no longer have the four weeks when you don't have to pay rent, but instead the rent you pay each week would be reduced. The total amount of rent you pay in any one year stays the same. For example:

Current system

2015/16
AVERAGE WEEKLY
RENT **£71.00**
OVER 48 WEEKS

Proposed system

2015/16
AVERAGE WEEKLY
RENT **£65.54**
OVER 52 WEEKS

This proposed change will take effect along with the 2016/17 rent increase. This will mean that for this year you will not feel the impact of the rent increase and will actually pay less rent each week. For example:

Current system

2015/16
AVERAGE WEEKLY RENT **£71.00**
OVER 48 WEEKS

Proposed system Option 1, 1.5% rent increase

1.5% £66.52

Proposed system Option 2, 2% increase

2% £66.85

WHAT WOULD THE CHANGES ACTUALLY MEAN FOR YOU, OUR TENANTS?

Option 1	Option 2
Increase rents by 1.5%	Increase rents by 2%
The planned improvements highlighted for 2016/17 would be carried out. <ul style="list-style-type: none">£13m of improvements to your homesRefurbish two sheltered housing complexesRedecorate two sheltered housing complexesDeliver 35 new build council housesInstall 750 new kitchens & 673 new bathroomsReduce the lifecycle of bathrooms from 30 years to 25 years	The planned improvements highlighted for 2016/17 would be carried out. <ul style="list-style-type: none">£13m of improvements to your homesRefurbish two sheltered housing complexesRedecorate two sheltered housing complexesDeliver 35 new build council housesInstall 750 new kitchens & 816 new bathroomsReduce the lifecycle of bathrooms from 30 years to 20 years
Average weekly rent increase £0.98*	Average weekly rent increase £1.31*

*based on a typical weekly rent (52 weeks average for all stock).



RENT MATTERS

This consultation on rent charges for North Ayrshire Council properties in 2016/17 is your opportunity to give us feedback.

Please read our proposals and tell us your views



Setting rents needs us to find the right balance between income from rent and the money needed to run and improve the service all tenants should expect. Everyone wants quality housing at an affordable rent, but we must also ensure proper arrangements are in place to cover maintenance and management costs, as well as being able to meet future housing needs and demands.

TO HELP KEEP RENTS DOWN

The Council understands that many tenants are feeling the pressures caused by the economic situation and the UK Government's Welfare Reform changes. Therefore, we are aiming to keep the rent increase as low as possible.

We continue to review our 30 year business plan and are committed to making efficiency savings, keeping the 2016/17 rent increase to a minimum whilst at the same time delivering on the priorities that you have told us are important to you. This has resulted in us being able to present the options detailed within this document.

When deciding the rent increase, the business plan also needs to take account of the following:

- **The views of tenants**
- **The on-going costs of managing and maintaining your homes**
- **Costs of repaying loans**
- **Affordability of rents for tenants**
- **Inflation**



HOW ARE WE PERFORMING?

Over the last few years we have built 194 new council houses in Irvine, Kilwinning, Millport Largs and Saltcoats and plans have been approved to build a further 35 new council houses during 2016/17 at Fencedyke, Irvine.

Work is ongoing in our sheltered housing complexes. The demolition and rebuild of Kiln Court is due to be completed October 2015 and work is ongoing at Montgomery Court, Kilbirnie to deliver a 16 unit sheltered complex and eight amenity houses. A refurbishment programme has also been developed, with Robert W Service Court, Kilwinning being the first project to be undertaken during 2016/17.

HOUSING STANDARDS ARE IMPROVING

99% of our properties now meet the Scottish Housing Quality Standard (SHQS). The standard the Council has agreed goes beyond the basic SHQS requirement, particularly in relation to improved standards in kitchens and bathrooms. To achieve this we need to ensure that we are able to continue to fund the improvements required.

In addition many communities will benefit from estate-based projects, with over 28 projects planned for completion this financial year (2015/16).



We have also consulted with tenants this year on a new Antisocial Behaviour Strategy.

TOP PERFORMER

Enclosed with this edition of Rent Matters is our annual Performance Matters report which shows you how we are performing against the Scottish Social Housing Charter in the areas tenants have told the Scottish Housing Regulator matter most: homes and rents, quality and maintenance, neighbourhoods, tenant satisfaction and value for money. The report shows that we are delivering "top performance" in many areas compared to the Scottish average.

WHAT IS PLANNED FOR 2016/17?

New Housing – we plan to build 35 new houses and one new build sheltered housing development. A sheltered housing unit refurbishment programme has been developed with two projects being undertaken in 2016/17.

IMPROVING ENERGY EFFICIENCY STANDARDS IN SOCIAL HOUSING (EESH) - WHAT IS EESH?

EESH is the new energy standard issued by the Scottish Government which the Council must comply with by 2020.

- EESH replaces the previous Scottish Housing Quality Standard (SHQS).
- The Standard aims to improve the energy efficiency of our houses, making them as warm as we can.
- As a top performing Council under the historical SHQS, we are already well on our way to achieving this, however we will continue to ensure all of our houses comply with the Standard by the target date.

WHAT ARE WE SPENDING THE MONEY ON THIS YEAR?

You can see from this chart that the biggest slice of every pound is spent on repairs and home improvements. Over the last few years this slice has been getting bigger. The Council has met your wishes to continue giving all tenants home improvements and enjoy a property that goes beyond the Scottish Housing Quality Standard by 2015; however a new Energy Efficiency Standard for Social Housing (EESH) has been introduced that the Council must comply with by 2020.



NEED HELP WITH PAYING YOUR RENT?

It is important that your rent is paid on time as it is this money that pays for the services you receive. If you have problems paying your rent, please contact us as we can help with debt and welfare rights advice. Our Welfare Reform Advice Team can also help tenants affected by changes to benefits due to the UK Government's welfare reform changes.

You can contact the team on 0300 999 4606.

SERVICE CHARGES

Tenants who live in sheltered housing pay a weekly service charge for the gas and electricity that they use in their home. Historically we increased the service charge by the same percentage as the rent.

However, recently gas and electricity costs have been increased at a higher rate than in the past. This means that the amount sheltered housing tenants pay for their service charge no longer covers the cost of the gas and electricity you use.

In order to ensure that sheltered housing tenants pay for the gas and electricity that they use, the service charges will be increasing over the next three years.

WHAT DOES THIS CHANGE MEAN FOR TENANTS WHO PAY SERVICE CHARGES?

	2015/16	2016/17	2017/18	2018/19
Average Weekly Charge	£11.08	£12.03	£12.98	£13.93

Based on the average weekly service charge, this would mean an increase of £0.95 each year for the next three years. By the end of 2016/17 we will have spent around £16 million investing in our sheltered housing complexes to ensure they are as warm and energy efficient as possible.



RENT CONSULTATION

We would like to hear your views on the proposed rent increase shown overleaf to help us decide which option to select. Please complete and return the questionnaire on the back of this leaflet to the address indicated by 8 November 2015. All comments are valued and will be considered during the rent setting process in December 2015 when the Council will decide its budget for the following year.

We have two rent increase options for tenants to consider in 2016/17. Rents for lockups and garage sites will also increase by the agreed percentage.

WHAT ARE YOUR PRIORITIES?

The Council regularly consult with tenants to establish what is important to them.

In the 2013 Tenant Satisfaction Survey you told us that your top five priorities were:

- An efficient repairs service
- Investment in the common areas in your neighbourhood
- Improvements to your homes
- Dealing with antisocial behaviour
- Building new council houses

Taking account of these priorities and other statutory requirements we aim to:

- Deliver over approximately £13 million of improvements to your homes during 2016/17
- Ensure that all our properties retain the Scottish Housing Quality Standard
- Invest £1 million during 2016/17 to progress towards meeting the new Energy Efficiency Standard for Social Housing (EESH) by 2020
- Build a total of 500 new homes by 2021/22 and create up to five apprenticeships per year
- Invest more than £6 million in our sheltered housing complexes during 2016/17

HOW DO NORTH AYRSHIRE COUNCIL RENTS COMPARE?

Based on a typical weekly rent (52 weeks average for all stock) for 2015/16.

Scottish average	£65.99
North Ayrshire Council	£65.54
East Ayrshire Council	£66.24
South Ayrshire Council	£68.60
Irvine Housing Association	£77.50
Cunninghame Housing Association	£81.23

(Source: Convention of Scottish Local Authorities COSLA)

HAVE YOUR SAY ON RENTS AND HAVE A CHANCE TO WIN £50 SHOPPING VOUCHER

Please complete and return this questionnaire to the address below by 8 November 2015.

All comments are valued and will be considered during the rent setting process in December when the Council will decide its budget for the following year.

Please return this form to: **Tenant Participation Team, FREEPOST RTJS-BGUH-XLCB, North Ayrshire Council, Housing Services, Cunninghame House, Friars Croft, IRVINE KA12 8EE**

Alternatively you can hand the form into your local housing office or complete the on-line survey at www.north-ayrshire.gov.uk



REPORT ON THE COUNCIL'S RENT CONSULTATION FOR 2016/17

Consultation Arrangements

Housing Services engaged in a programme of consultation with key stakeholders in order to understand their views of the current service provision and priorities for future service delivery. This engagement and consultation was facilitated in the main, through the Business Plan Implementation Group and the Tenants and Residents Network.

In addition a Consultation Newsletter (Appendix 1) was issued to 13,026 Council tenants in October 2015. The consultation period ran from 12th October 2015 to 8th November 2015 and tenants were asked to provide their views on two options for rent increase. In addition tenants were asked for their comments on the proposed service charge increases for gas and electricity within sheltered housing complexes.

Tenants were also asked for their comments on the proposal to remove the "rent free periods" by collecting rents and other housing related charges over 52 weeks rather than the existing 48 weeks.

Rent Increase Options

The options put forward to tenants are shown in table 1 below

Table 1

Option 1	Option 2
Increase rents by 1.5%	Increase rents by 2%
The planned improvements highlighted for 2016/17 would be carried out. £13m of improvements to your homes Refurbish two sheltered housing complexes Redecorate two sheltered housing complexes Deliver 35 new build council houses Install 750 new kitchens & 673 new bathrooms Reduce the lifecycle of bathrooms from 30 years to 25 years	The planned improvements highlighted for 2016/17 would be carried out. £13m of improvements to your homes Refurbish two sheltered housing complexes Redecorate two sheltered housing complexes Deliver 35 new build council houses Install 750 new kitchens & 816 new bathrooms Reduce the lifecycle of bathrooms from 30 years to 20 years
Average weekly rent increase £0.98	Average weekly rent increase £1.31

Comments Received

The Consultation Newsletter was issued to 13,120 tenants and a total of 126 responded, 109 tenants replied to the postal survey and 17 tenants responded on-line via the website. The results are summarised in Table 2 below.

Table 2

	Replies	%
Option 1 (1.5%)	76	60.32
Option 2 (2%)	50	39.68%
Total	126	100

It is clear from the above that the majority of those who responded to the survey are in favour of a rent increase in line with option 1.

Proposed change to the way in which rent is charged

Tenants were asked for any comments regarding the proposed change in the way in which rent is charged. Of the 120 tenants who responded to the newsletter 40 tenants commented on this proposal.

19 out of the 40 agreed with the removal of the rent free fortnights (47.5%).

21 out of the 40 wanted the status quo to remain. (52.5%)

Proposed change to sheltered housing charges

Tenants were asked for any comments regarding the proposed change to sheltered housing charges. 18 tenants commented.

14 out of the 18 agree with the proposed changes (78%).

4 out of the 18 did not agree with the proposed changes (22%).

Level of consultation

120 tenants (95.24%) were happy with the level of consultation over the proposed rent increase. 6 tenants (4.76%) were not happy.

Members wishing further information should contact Marianne McManus Divisional Manager (West Division), Telephone 602611