



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Cunninghame House,
Irvine.

22 January 2015

Cabinet

You are requested to attend a Meeting of the Cabinet of North Ayrshire Council to be held in the Council Chambers, Cunninghame House, Irvine on **TUESDAY 27 JANUARY 2015** at **2.30 p.m.** to consider the undernoted business.

Yours faithfully

Elma Murray

Chief Executive

1. Declarations of Interest

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

2. Minutes (Page 7)

The accuracy of the Minutes of (i) the ordinary meeting held on 9 December 2014 and (ii) the special meeting held on 16 December 2014 will be confirmed and the Minutes signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973 (copy enclosed).

PRESENTATION

3. KA Leisure Annual Progress Report (Page 19)

Submit report by the Executive Director (Economy and Communities) on the North Ayrshire Leisure Limited (NALL) Business/Service Plan incorporating Budget 2015-16 and Progress Report, December 2014 and receive a presentation from KA Leisure (copy enclosed).

GENERAL BUSINESS FOR DECISION

4. Revenue Budget 2014/15 : Budgetary Control Statement to 30 November 2014 (Page 77)

Submit report by the Executive Director (Finance and Corporate Support) on the revenue budgetary control position for the Council at 30 November 2014 (copy enclosed).

5. Capital Monitoring to 30 November 2014 (Page 115)

Submit report by the Executive Director (Finance and Corporate Support) on progress in delivering the Capital Investment Programme as at 30 November 2014 (copy enclosed).

6. Codes of Financial Practice: Amendment (Page 143)

Submit report by the Executive Director (Finance and Corporate Support) on the proposals to amend the recently updated Codes of Financial Practice (copy enclosed).

7. Scottish Maritime Museum Trust - Pension Fund Liability (Page 177)

Submit report by the Executive Director (Finance and Corporate Support) on the proposal that the Council acts as guarantor for the Scottish Maritime Museum Trust in respect of its Strathclyde Pension Fund Liability (copy enclosed).

8. Counter Fraud and Corruption Strategy (Page 183)

Submit report by the Executive Director (Finance and Corporate Support) on a new 'Counter Fraud and Corruption Strategy' for the Council, replacing the existing 'Policy for the Prevention and Detection of Fraud' (copy enclosed).

Reports by the Executive Director (Education and Youth Employment)

9. Review of Education Services Additional Support Needs (ASN) (Page 195)

Submit report by the Executive Director (Education and Youth Employment) on the proposals for the development of educational provision for pupils with significant Additional Support Needs (copy enclosed).

Reports by the Director (Health and Social Care Partnership)

10. Child Poverty (Page 203)

Submit report by the Director (Health and Social Care Partnership) on levels of child poverty in North Ayrshire and activity to address them (copy enclosed).

Reports by the Executive Director (Economy and Communities)

11. Food Information for Consumers Legislation (Page 215)

Submit report by the Executive Director (Economy and Communities) on the support being offered by the Council to facilitate business compliance with the new Food Information for Consumers legislation and to seek agreement for a graduated approach to enforcement (copy enclosed).

CONTRACTS

12. Leadership Development (Page 227)

Submit report by the Executive Director (Finance and Corporate Support) on contracts for the delivery of the High Impact Leadership Programme using the negotiated tendering process (copy enclosed).

MINUTES

13. Minutes of the Economic Development & Regeneration Board (Page 231)

Submit report by the Executive Director (Economy and Communities) on the minutes of the Meeting of the Economic Development and Regeneration Board held on 10 December 2014 (copy enclosed).

14. Minutes of the Ayrshire Economic Partnership (Page 237)

Submit report by the Executive Director (Economy and Communities) on the minutes of the meeting of the Ayrshire Economic Partnership held on 17 December 2014 (copy enclosed).

15. Minutes of the Physical Environment Advisory Panel (Page 243)

Submit report by the Executive Director (Place) on the minutes of the meeting of the Physical Environment Advisory Panel held on 15 December 2014 (copy enclosed).

EXEMPT INFORMATION

16. Exclusion of the Public and Press

Resolve, in terms of Section 50(A)4 of the Local Government (Scotland) Act 1973, to exclude from the meeting, the press and the public for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 7A of the Act.

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

16.1 Social Work Complaint Review Committee: Complaint by Mr R. (Page 249)

Submit report by the Chief Executive on the findings and recommendations arising from the Social Work Complaints Review Committee meeting held on 28 November 2014 (copy enclosed).

17. Urgent Items

Any other item which the Chair considers to be urgent.

Cabinet

Sederunt: **Elected Members**

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

Chair:

Attending:

Apologies:

Meeting Ended:

Cabinet
9 December 2014

Irvine, 9 December 2014 - At a Meeting of Cabinet of North Ayrshire Council at 10.00 a.m.

Present

Willie Gibson, Marie Burns, Anthea Dickson, Ruth Maguire, Alan Hill and John Bruce; Ms Elizabeth H. Higon (Church Representative) (Agenda Item 1 - 3) and Mr Gordon Smith (Teaching Representative) (Agenda Item 1 - 3).

Also Present

John Ferguson, Alex Gallagher, Grace McLean, Catherine McMillan, Peter McNamara, Donald Reid, Joan Sturgeon (Items 1 - 7); Robert Barr and John Hunter (Items 1 - 5); and Ian Clarkson, Jean Highgate and Tom Marshall (Items 5 - 7)

In Attendance

E. Murray, Chief Executive, L. Friel, Executive Director and L. Aird, Interim Head of Finance (Finance and Corporate Support); J. Butcher, Executive Director, S. Quinn, Head of Service (Schools) and F. Rodman, Senior Manager (Early Years) (Education and Youth Employment); C. Hatton, Executive Director (Place); I. Colvin, Director North Ayrshire Health and Social Care Partnership; A. Fraser, Head of Service (Democratic Services) and A. Little, Committee Services Officer (Chief Executive's).

Also In Attendance

Chair

Councillor Gibson in the Chair.

Apologies for Absence

Tony Gurney.

1. Declarations of Interest

In terms of Standing Order 16, Councillor Dickson, as a Director of North Ayrshire Citizen's Advice Service (NACAS), declared an interest in the budget deliberation as they related to that organisation.

2. Minutes

The Minutes of the meeting held on 25 November 2014 were confirmed and signed in accordance with Paragraph 7 (1) of Schedule 7 of the Local Government (Scotland) Act 1973.

3. 600 Hours and Provision for 2 Year Olds

Submitted report by the Executive Director (Education & Youth Employment) on (a) the progress made with the increased entitlement for 3-4 year olds and the provision of places for entitled 2 year olds in response to The Children and Young People (Scotland) Act 2014 (CYPA); (b) the progress made with provision for entitled 2 year olds; (c) medium and longer term proposals to meet the projected increase in eligibility.

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

- the Early Intervention and Prevention Strategy 2013/17 and the Early Years Collaborative that will consider measuring of the success of intervention;
- a report that will be presented to Cabinet early in 2015 on revised approaches to quality management;
- consultation that takes place with parents and children; and
- the provision of sufficient places for entitled children and that parent are not entitled to their first choice of placement.

The Cabinet agreed to approve (a) the progress made so far; (b) the plans in place for January 2015 till June 2015; and (c) the Education and Youth Employment work with Property Management & Investment to put in place appropriate provision to meet the projected need for August 2015 and beyond.

4. Promoting the STEM agenda in North Ayrshire Schools

Submitted report by the Executive Director (Education & Youth Employment) on (a) the continued emphasis on STEM (Science, Technology, Engineering and Mathematics) in all schools; and (b) the focus on improving attainment in numeracy as a key outcome of the Raising Attainment for All (RAFA) collaborative.

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

- work to support the sustainability of STEM and ensure that the successful roll-out of the programme in North Ayrshire schools;
- work to promote careers in science, technology, engineering and mathematics to girls to close the gender gap in these industries; and
- an invitation from the Provost that will be extended to one of the schools involved in the "Number Talks" pilot programme, to attend a future meeting of the Council to provide a presentation on the pilot programme.

Noted.

The meeting adjourned for a short period and reconvened at 11.00 a.m.

5. Irvine Bay Regeneration Company - Transition of Activity and Transformation of Irvine Bay

Submitted report by the Executive Director (Economies & Communities) on proposals to deliver further transformation of the Irvine Bay area alongside a changing mechanism for the delivery of regeneration activity within North Ayrshire.

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

- the strategic importance of the key land assets and the proposal to pursue the purchase of these assets as part of the 10 Year Capital Plan;
- the ownership of the land assets by Irvine Development Corporation;
- complexities around the winding up of Irvine Bay Regeneration Company, including the completion of its accounts, final transactions and discharge of residual liabilities;
- the significant achievements of Irvine Bay Regeneration Company (IBRC), including the creation of 777 jobs (to March 2014), that are reported in IBRC's annual report to the Scottish Government

The Cabinet agreed to (a) support the Irvine Bay Regeneration Company to ensure a managed wind down of the Company by the end of March 2017; (b) the provision of finance to support the delivery of an ambitious 'legacy' Business Plan by Irvine Bay Regeneration Company prior to March 2017; (c) to pursue the purchase of key strategic land assets held by Irvine Bay Regeneration Company by North Ayrshire Council; and (d) put in place mechanisms to continue the transformation of North Ayrshire through regeneration activity led by North Ayrshire Council.

6. General Services Revenue Estimates 2015/16 to 2017/18 and Capital Investment Programme 2015/16 to 2022/23

Submitted report by the Executive Director (Finance and Corporate Support) on the Council's revenue spending requirements and anticipated funding for the years 2015/16 to 2017/18, the level of reserves and fund balances held by the Council, options to address the funding gap, and the draft Capital Investment Programme to 2022/23.

The expenditure requirements identified for 2015/16 to 2017/18 were summarised at Appendix 1 to the report, with further details of service pressures given at Appendix 2. Proposed efficiencies and savings were outlined at Appendix 3. Appendix 4 contained a list of the charges which are proposed to be increased on 1 April 2015 in line with inflation. All those charges where it is proposed to increase by a factor other than the October 2014 C.P.I. on 1 April 2015 were detailed in Appendix 5. The revised Capital Investment Programme 2015/16 to 2022/23 was attached as Appendix 6 and new projects added to the programme were outlined in Appendix 7. Appendix 8 provided information on the assessments undertaken where there has been an equality impact.

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

- a reduction over 3 years of 217 full time equivalent Council staff through effective management of vacancies, redeployment, voluntary early retirement and voluntary redundancy; and
- a future provision of education in the Three Towns area that will be examined as part of the strategic review of Educational Services that is currently underway and will report to Cabinet in 2015.

The Cabinet agreed to (a) note the revenue funding gap from 2015/16 to 2017/18; (b) support proposals to address the funding shortfall; (c) support the draft capital investment programme to 2022/23; (d) support the increases to Council fees and charges, as outlined in the report, with effect from April 2014; and (e) refer the report to Council for determination.

7. Housing Revenue Account (HRA) Capital Investment Programme, Revenue Budget and Rent Levels for 2015/16

Submitted report by the Executive Director (Finance and Corporate Support) on the HRA capital investment programme and revenue budget for 2015/16 and the consequential rent levels.

The proposed 2015/16 HRA capital programme was detailed at Appendix 1 to the report. Appendix 2 outlined the proposed 2015/16 HRA revenue budget, with planned expenditure of £45.699m mainly funded by rental income and charges for services. The report proposed to increase housing rents by 2.1% for 2015/15 and noted an anticipated rent increase of 2.5% for 2016/17 and 2017/18. Appendix 3 and 4 to the report outlined the consultation undertaken with tenants on the proposed rent increase and the feedback received.

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

- consideration of the provision of the HRA programme over a 3 year period, that would continue to set the rents on an annual basis, but examine the budget pressures over a 3 year period; and
- availability of land within the North Coast for Council house building and the potential for provision to become available subject to progression of the proposed Largs Campus.

The Cabinet agreed to (a) support the proposals set out in Section 3 of the report and its appendices; and (b) refer the report to the Council for approval.

The meeting ended at 11.50 a.m.

Cabinet
16 December 2014

Cabinet, 16 December 2014 - At a Special Cabinet Meeting of North Ayrshire Council at 2.30 p.m.

Present

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

Also Present

Donald Reid.

In Attendance

E. Murray, Chief Executive, L. Friel, Executive Director, G. Macgregor, Head of Customer, People and Corporate Support and T. Reaney, Procurement Manager (Finance and Corporate Support); C. Hatton, Executive Director; Y. Baulk, Head of Physical Environment, R. McCutcheon, Head of Commercial Services, D. Tate, Senior Manager (Property Management and Investment) (Place); K. Yeomans, Executive Director (Economy and Communities); J. Butcher, Executive Director (Education and Youth Employment); I. Colvin, Director of North Ayrshire Health and Social Care Partnership and J. Gibson, Principal Manager (Planning and Performance (Social Services and Health)); A. Fraser, Head of Democratic Services, A. Todd, Policy and Performance Officer, M. Sugden, Communications Officer (Media and Internal Communications) and A. Little Committee Services Officer (Chief Executive's).

Chair

Councillor Gibson in the Chair.

1. Declarations of Interest

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

2. Directorate Service Plan 2014/15 Progress Reports as at 30 September 2014

Submitted report by the Chief Executive on the performance of all Council Services as at 30 September 2014.

Services have produced their Service Plans for 2014/15 in accordance with the Service Planning and Budgeting Guidance. There are six Service Plans in total, as set out in the Appendices to the report.

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

Democratic Services

- revision of the terms of reference of the Information Management Group and the recommendation that more senior officers attend the group's meetings.

Education and Youth Employment

- a focus on establishing 'nurturing schools' so that they become a focus for tackling inequalities and improve opportunities for young people in order to maximise their attainment and achievement; and
- the development of a collaborative learning system where schools work in partnership with teachers, pupils, parents, communities, employers, colleges and other partners to share ideas and best practice.

North Ayrshire Health and Social Care Partnership

- a number of social enterprises and community based organisations that are now playing an increasingly important role in delivering social care and support services across North Ayrshire;
- the electronic recording mechanism, Ayrshare, that allows key partners to share childcare information, technical issues that requires to be resolved and work that is required with health to facilitate the input of health information; and
- a range of support and advice services that are provided by the Early Years Centres.

Finance and Corporate Support

- Phase 1 of the outcome based budgeting model that involved senior staff in all services and informed the budget setting process.

The Cabinet agreed to (a) note the performance of all Services as at 30 September 2014 against the actions, key performance indicators and risks in the 2014/15 Service Plans; (b) the removal of Social Services and Health Performance Indicators SPSS_P_E05 Percentage of MH Service Users accessing employment support activities; and SPSS_P_B23 % of parents of children admitted to foster care or local authority residential units who then receive a parenting assessment; Finance and Corporate Support action - SP1415FCS_A22 - expand the range of services delivered by the Contact Centre, and the revision to Place targets for SP_FCS_P14 - Electricity Consumption and SP_FCS_P13 - Gas Consumption; and (c) refer the Service Plan 2014/15 Progress Reports for the consideration of the Scrutiny and Petitions Committee on 28 January 2015.

3. Council Plan and Single Outcome Agreement (SOA):Q2 2014/15 Progress Update

Submitted report by the Chief Executive on progress in implementing (a) the Council Plan, including (i) the expected outcomes for the 33 actions (Appendix 1); and (ii) the 12 quarterly indicators with targets and details of the one indicator significantly adrift and 4 indicators slightly adrift; and (b) the Single Outcome Agreement (SOA), including (i) the expected outcomes for the 86 actions (Appendix 2); and (ii) details of those actions which are significantly adrift of target and slightly adrift of target.

Members asked questions and were provided with information in relation to the future examination of the appropriate target for indicator CP_DE_P01 - Number of people aged 25+ supported into employment by the Council.

The Cabinet agreed to (a) note that progress continues in implementing the Council Plan and Single Outcome Agreement (SOA); (b) the revision to Place target for SOL_ENV06 % of total household waste that is recycled; and (c) refer the report to the Scrutiny and Petitions Committee for its consideration.

4. Integration of Health and Social Care - Aids and Adaptations and Gardening Functions

Submitted report by the Chief Executive which (a) provided information on the aids and adaptations and gardening functions provided by the Council; and (b) proposed (i) the delegation of these functions, including their respective budgets, to the Integration Joint Board; and (ii) the management of these functions through the Health and Social Care Partnership.

The Cabinet agreed (a) that only the functions of aids and adaptations and gardening which the Council is statutorily obliged to delegate to the Integration Joint Board should be delegated; and (b) that these functions should be managed through the Health and Social Care Partnership.

5. Garnock Campus

Submitted report by the Executive Director (Place) which (a) provided information on the site selection, public consultation process, tender exercise, funding arrangements, pre-planning consultation and planning permission and planning for the occupation and operation of the campus in early 2017; and (b) outlined the overall enabling package of works prepared by the South West Hub (SWHub) (Appendix 1).

The Cabinet agreed to (a) note progress in relation to the project; and (b) approve the undertaking of an enabling works contract to commence in advance of the main construction contract.

6. Street Lighting Maintenance

Submitted report by the Executive Director (Place) which provided information on (a) the outcome of a review of the Council's current lighting service, including benchmarking the cost of the internal service against the current contract; (b) proposals to provide an internal service for lighting maintenance; (c) the application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) of up to six employees from the main contractor; and (d) the creation of additional posts to facilitate future service delivery.

The Cabinet agreed to (a) approve that future service delivery is undertaken by Roads Services and Building Services; (ii) notes that Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) apply; and (iii) approves the appointment of staff to Building Services and Roads Services to facilitate future service delivery.

7. Provision of School Meals during Holidays

Submitted report by the Executive Director (Place) on (a) the successful implementation of the school holiday meals service during the 2013/14 festive break; (b) a pilot of an enhanced school holiday meals initiative, which included a programme of fun activities, that took place during the Easter and October break; (c) details of the overall number of meals served during the 2014 school holidays; (d) support provided to the "Making a Meal of It" community initiative which provides meals in the Ardeer and Ardrossan areas; and (e) the proposed extension of the initiative to the schools detailed in section 3.1 of the report

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

- the provision of free holiday meal entitlement to children who are entitled to a free school meal and at the cost of a standard school meal to other children at their nearest school hub as detailed in the report; and
- further information on free meal entitlement for Lamlash Primary, Arran that will be provided directly to Members.

The Cabinet agreed (a) that a holiday meals service, including the fun activities programme, be provided for the Easter, Summer (3 days a week), October and Festive holidays each year at the schools detailed in section 3.1 of the report; (b) that the service be provided free of charge to those children entitled to a free school meal and at the cost of a standard school meal to other children; and (c) that school meals will be provided free of charge to the Church of Nazarene as part of the holiday meals service to accommodate pupils of Winton Primary and Ardeer Primary who will be able to attend the Church of Nazarene "Making a Meal of it" community meals service.

8. Care and Repair (Mainland & Cumbrae) Service Provision

Submitted report by the Executive Director (Place) on (a) a new Public Social Partnership (PSP) operating model for the provision of the Care and Repair (Mainland & Cumbrae) service which will include the creation of a handy person service; and (b) the potential development of future services that will offer additional services to targeted client groups to assist them in feeling safe and independent in their own homes and communities.

The Cabinet agreed to approve the setting up of the new model for the delivery of the Care and Repair (Mainland and Cumbrae) Service.

9. Revocation of Closing Order: 85 Main Road, Fairlie

Submitted report by the Executive Director (Place) which (a) advised on the condition of the property at 85 Main Road, Fairlie; and (b) proposed the removal of the Closing Order in respect of this property.

The Cabinet agreed to approve the removal of the Closing Order in respect of 85 Main Road, Fairlie.

10. Kirkton Glen Pavilion and Nethermiln Playing Fields and Tennis Courts, West Kilbride

Submitted report by the Executive Director (Place) on (a) the proposed (i) lease of the former tennis courts within Kirkton Glen to West Kilbride Community Sports Club; and (ii) call-up option with West Kilbride Community Sports Club over five further areas of land; (b) the planned phased redevelopment of the sports facilities within Kirkton Glen as detailed in section 2.2 of the report and illustrated within the plan attached at Appendix 1.

The Cabinet was advised that planning permission has not yet been granted in respect of the car park and pavilion.

Members asked questions and were provided with further information in relation to options available to the Council should the Sports Club fail to progress any phase of the development work, including the termination of the call-up option and revocation of the lease.

The Cabinet agreed to approve (a) the initial 25 year lease to West Kilbride Community Sports Club of the former tennis courts within Kirkton Glen; and (b) the call-up option over phases 2 to 6 of the redevelopment works, as outlined in section 2.2 of the report.

11. Performance Management Update

Submitted report by the Chief Executive on (a) the progress of the Performance Management Forum Work Plan as outlined in section 2.2 of the report and detailed in full at Appendix 1; (b) the progress of the Corporate PSIF Improvement Plan, as detailed at Appendix 2, which will feed into the content of the submission for Recognised for Excellence.

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

- the Young Local Authority of the Year competition that seeks to further the professional development of people in the early stages of their working lives; and
- a review of the Service Planning and Budgeting Guidance that has been undertaken.

The Cabinet agreed to (a) note the progress with (i) the Performance Management Forum Work Plan; and (ii) the Corporate PSIF Improvement Plan and Recognised for Excellence submission; and (c) refer the report to the Scrutiny and Petitions Committee for its consideration.

12. Piloting of Neighbourhood Planning Forums and creation of six Neighbourhood Partnerships across North Ayrshire

Submitted report by the Chief Executive on (a) a series of Neighbourhood Forums that took place during 2013/14; (b) pre-engagement events held with key stakeholder groups in November 2014 and a number of themes identified from the discussions; (c) the proposal to conduct a second series of Neighbourhood Forums during winter 2014/15; and (d) that a full report from the workshops that would be presented to the Community Planning Partnership Board in March 2015.

Noted.

13. Maximising Attendance Performance - July to September 2014 (Quarter 2 Summary)

Submitted report by the Executive Director (Finance and Corporate Support) on an analysis of sickness absence in Quarter 2 and the quarterly trend from April 2013.

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

- sickness absence information for Health and Social Care that will initially require to be presented as two separate sets of data and work that will require to be undertaken to marry the statistical systems in order to provide one overall set of data; and
- an examination of the Council's workforce demographics to help inform future plans in respect of mature employees and recruitment from the most deprived areas of North Ayrshire.

Noted.

14. Pan-Ayrshire Tender for Self Directed Support (SDS) Information and Advice

Submitted report by the Executive Director (Finance and Corporate Support) on (a) the proposal that North Ayrshire Council's Corporate Procurement lead the collaborative tender for a Pan-Ayrshire agreement for provision of various Self Directed Support (SDS) Information and Advice services.

The Cabinet agreed to (a) note (i) the requirement for the tender for Self Directed Support Information and Advice Services; and (ii) that the anticipated contract value is above EU Public Procurement threshold for Services; and (b) approve North Ayrshire Corporate Procurement to lead the collaborative procurement on behalf of South Ayrshire Council and East Ayrshire Council.

15. New Leisure Centre - Award of Contract

Submitted report by the Executive Director (Finance and Corporate Support) on the results of the tender exercise for the construction of a new Leisure Centre.

The Cabinet agreed to approve the award of the contract to Barr Limited at a cost of £18,218,687.

16. Minutes of the Corporate Equality Group : 29 September 2014

Submitted report by the Chief Executive on the minutes of the Corporate Equality Group meeting held on 29 September 2014.

Noted.

17. Physical Environment Advisory Panel held on 3 November 2014

Submitted report by the Executive Director (Place) on the minutes of the Physical Environment Advisory Panel held on 3 November 2014.

Noted.

18. Exclusion of the Public

The Cabinet resolved, in terms of Section 50(A)4 of the Local Government (Scotland) Act 1973, to exclude from the Meeting the press and the public for the following items of business on the grounds indicated in terms of Paragraph 9 (Items 18.1 and 18.2) of Part 1 of Schedule 7A of the Act.

18.1. Surplus Property - Development Site at Whitehirst Grange, Kilwinning

Submitted report by the Executive Director (Place) which sought approval to disposal of a residential development site at Whitehirst Grange. Kilwinning.

The Cabinet agreed to approve the disposal of the residential development site at Whitehirst Grange, Kilwinning, in the terms detailed in the report.

18.2. Surplus Property - Development Site at King's Road, Beith

Submitted report by the Executive Director (Place) which sought approval to disposal of the residential development site at King's Road, Beith.

The Cabinet agreed to approve the disposal of the residential development site at King's Road, Beith, in the terms detailed in the report.

The meeting ended at 3.45 p.m.

NORTH AYRSHIRE COUNCIL

Agenda Item 3

27 January 2015

Cabinet

Subject: **North Ayrshire Leisure Limited (NALL)
Business/Service Plan incorporating Budget
2015-16: Progress Report December 2014**

Purpose: To seek Cabinet's approval for the North Ayrshire Leisure Limited (NALL) Business/Service Plan incorporating Budget 2015-16 and Progress Report, December 2014.

Recommendation: That the cabinet agrees to approve the NALL Progress Report on the Business/Service Plan at December 2014 and Budget for 2015-16.

1. Introduction

- 1.1 At the Executive Committee of 6th December 2011 North Ayrshire Council agreed to negotiate a revised arrangement with NALL to operate the new Irvine Leisure Centre – together with the other facilities and the Sports Development Service - whilst taking the opportunity to redefine the agreements to provide a better framework for the partnership.
- 1.2 In December 2011 KA Leisure submitted a three year Business / Service Plan to North Ayrshire Council. The Council requested that progress reports be submitted on an annual basis thereafter.
- 1.3 This report highlights the main areas of progress during the preceding year and determines some areas for future action and development, including the introduction of a five year strategy and action plan by KA Leisure.

2. Current Position

- 2.1 Since December 2011, the strategic partnership between KA Leisure and North Ayrshire Council has developed significantly and this has facilitated the following areas of progress:
- Finalising the design and continuing to progress the operating arrangements for the new leisure centre;
 - Progressing the design and future operation of the sports facilities at the new Garnock Campus, to include swimming pools and fitness suite;
 - Initiating a review of the operation of the KA Campuses;
 - Reviewing sports development in North Ayrshire;
 - Increasing the range of partnership initiatives and projects;
 - Delivering events and legacy arrangements for 2014; and
 - Progressing the overall revised operating and funding agreement, based partly on new facilities.
- 2.2 Work on the revised agreements and sports development arrangements is ongoing, pending capital developments in relation to the school estate and the review of the Physical Activity and Sports Strategy (PASS) in line with national guidance. The proposals contained therein will form a further report to Cabinet during 2015.

3. Proposals

- 3.1 The information contained within the current progress report (Appendix 1) provides a range of information which illustrates the progress made by KA Leisure towards responding to the requirements of North Ayrshire Council and in improving the performance of the Company.
- 3.2 The progress report provides performance and financial projection information, the current status of specific Company commitments and includes a projected budget for 2015/6. In addition, the progress report includes strategic partnership working and activity/event programming information as well as progress made by KA Leisure in modernising the organisation.

- 3.3 In the first six months of the financial year the Company has achieved encouraging operational and financial performance results.
- 3.4 The Business / Service Plan contains 5 core commitments:
- To protect frontline services
 - To adhere to a pricing promise
 - To be prepared to adapt
 - To properly engage, and
 - To improve promotion and profiling.
- 3.5 There are six objectives within the Company strategy, detailed below at para 5.
- 3.6 The strategy is proving to be successful. The information summarised below reveals the increases in a variety of activities during the four year period from 2011/12 (actual data) to 2015/16 (up to and including activity projections for that year), and an accompanying decrease in the North Ayrshire Council subsidy:

Area of activity	Status	2011/12 – 2015/16
Customer generated income	Projected increase	+ 18%
Customer subscriptions	Projected increase	+ 99%
Barrfields Theatre, Largs	Projected increase	+ 49%
Physical activity	Projected increase	+ 25%
Active North Ayrshire: Exercise on Referral Programme	Projected increase	+ 65%
Total customer activity	Projected increase	+ 40%
North Ayrshire Council annual contribution	Projected decrease	-14%

- 3.7 KA Leisure will continue to adopt the above objectives and commitments for a further year, extending the strategy into 2015/16.

3.8 Activity and Financial Performance

3.9 The following table illustrates customer visit performance across the Company comparing the first six months of this year to the corresponding period last year:

KA Leisure – Performance by Facility/Service – Number of Visits					
Facility/Service	2013/2014 Actual	2014/2015 Target	2013/2014 6 Month Actual	2014/2015 6 Month Actual	2014/2015 6 Month Variance (%)
Leisure Centres	1,407,111	1,397,500	694,885	781,308	+12%
KA Campus	341,026	334,050	148,600	177,131	+19%
Golf & Outdoor Sports	114,227	123,000	73,670	68,255	-7%
Physical Activity	187,098	207,000	87,682	96,791	+10%
Total	2,049,462	2,061,550	1,004,837	1,123,485	+12%

*Note: Golf participation figures have slightly increased on last year's levels. This result is in line with national golf participation levels which currently records a 1.6% increase in the sport in Scotland over the same period.

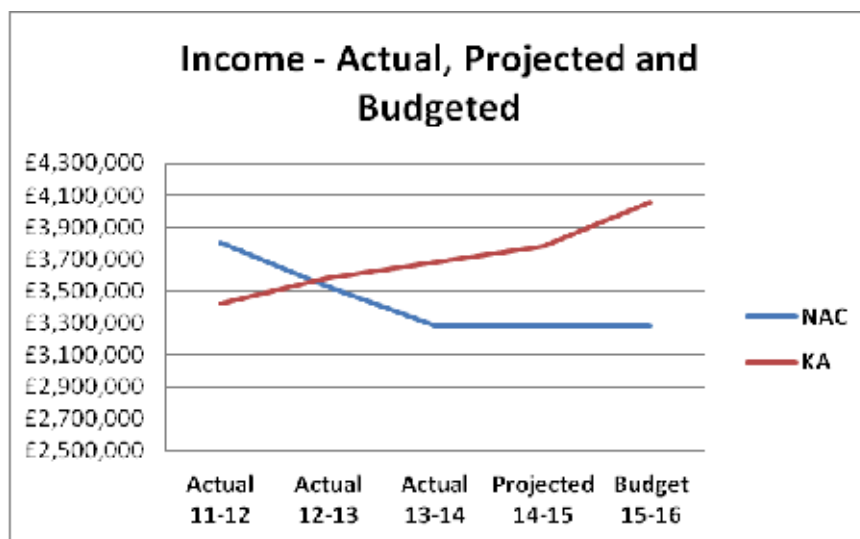
Participation within Outdoor Sports has reduced in the current year due to a reduction in registered football teams within North Ayrshire, delays in the availability of grass pitches and increased competition from other synthetic providers.

3.10 The following table summarises performance in Physical Activity comparing the first six months of this year to the corresponding period last year.

(It should be noted targeted figures for 14/15 were prepared six months prior to the conclusion of 2013/14).

KA Leisure – Physical Activity – Number of Visits					
Facility/Service	2013/2014 Actual	2014/2015 Target	2013/2014 6 Month Actual	2014/2015 6 Month Actual	2014/2015 6 Month Variance (%)
Health and Fitness	82,628	82,000	41,977	44,386	+6%
Sports Development	104,470	125,000	45,705	52,405	+15%
Total	187,098	207,000	87,682	96,791	+10%

- 3.11 This graph depicts the financial contribution level from North Ayrshire Council compared to Company operational income.



- 3.12 The Company is operating overall within its budgetary framework. The probable outturn reveals a surplus of just under £30,000.

3.13 Strategic Objectives

- 3.14 The Company devised a strategy, contained within the Business/Service Plan 2012/15, to meet financial constraints whilst safeguarding the “Company 5 Core Commitments”. This successful strategy will be adopted for a further financial year. A brief outline of the status of each strategic objective and commitment follows:

3.15 Staff Realignment to Meet Business Needs (*Commitments: Protecting the Frontline Service and Preparing to Adapt*)

- fit for the future. The programme focuses on the training and development of staff, realigning structures, customer centricity and Company reputation. The main aim of the programme is to future proof the Company.
- The Company will also create a position of Buildings and Facility Manager prior to the end of the financial year. This will enable effective programming of maintenance and inspections of facilities operated by the Company.
- A separate review of North Ayrshire Council's Active Schools service and the Company's Sports Development provision has yet to be concluded. As a result of this, for budgetary purposes, there have been no alterations made to the sports development structure within the Company.

3.16 Investment in Equipment (*Commitments: Preparing to Adapt and Promoting and Profiling*)

- The Company can demonstrate, particularly in the area of fitness, that investment has resulted in an increase in participation. The Company invests in facilities and services by utilising monies from the Investment Reserve (this is Company generated surpluses), funding from North Ayrshire Council, external financing mechanisms and via the "spend to generate" initiative.
- The Company has limited Investment Reserves and is restricted with regards to significant development works.
- The Company is working closely with North Ayrshire Council to determine funding requirements for the future both in terms of capital and revenue expenditure as part of a wider service specification review. The fundamental aims of the service specification is that the longevity of facilities are safeguarded and that future leisure service provision meets the needs and expectations of the population across North Ayrshire thus achieving the shared partner objective of making "people more active, more often".

3.17 Implement “Spend to Generate” Initiative (*Commitments: Properly Engaging and Preparing to Adapt*)

- The “Spend to Generate” initiative was introduced to encourage employees to develop new service and activity ideas that would ultimately increase both participation and income levels. The initiative promotes employee ownership of product development. The 2015/16 budget includes a provision for this initiative to continue. All spend to generate proposals must be in the form of a business case which will be reviewed and considered by the Board of Directors.
- To date an indoor 3G pitch has been installed at the Magnum Leisure Centre and a range of cardio vascular equipment as well as a custom made functional training rig has been introduced at KA Campus Dalry.
- In order to encourage further developments via the spend to generate initiative the Company Employee Forum will be utilised as a mechanism to promote this initiative to wider staffing groups with a view to creating additional development opportunities.

3.18 Adopting Contemporary Marketing Techniques (*Commitments: Properly Engaging and Promoting and Profiling*)

- Digital marketing has become a prominent feature as a mechanism for communication, and includes social media, “KA Leisure our YouTube Channel,” and Digital Storytelling.
- A comprehensive Communications Strategy is being developed which will detail engagement protocols across the Company. Internally the focus will be on the improvement of internal communication mechanisms and externally the strategy will outline the strategic and corporate communications to ensure effective engagement with customers across North Ayrshire.

3.19 Strengthening Relationships with Strategic Partners (*Commitments: Properly Engaging, Promoting and Profiling and Preparing to Adapt*)

- A continuing priority for the Company is the positive development of the partnership between the Company and NAC to ensure that shared outcomes are achieved.
- New partnerships developed by KA Leisure during the last year include Prostate Cancer UK, Irvine Housing Association, Cunninghame Housing Association, Ayr College and the North Ayrshire Carers Centre. Development of these partnerships enables otherwise excluded communities within North Ayrshire to access the benefits of a healthy active lifestyle and supports the continued provision of an extensive Community Outreach programme by the Company.

3.20 Extending Customer Engagement (*Commitments: Pricing Promise and Properly Engaging*)

- KA currently utilises various customer forums and feedback mechanisms to develop services and products.
- Key Company personnel are attending CPP wide consultation training, organised by Connected Communities, with a view to improving methods of engagement, including the introduction of “customer interviews” to gauge appetite of particular products and services and the establishment of a Customer Service Staff Forum to discuss customer service development and develop a customer charter.

KA Leisure Events

- 3.21 The programme of activities in 2014 included the Queens Baton Relay, the 2014 North Ayrshire Community Games (over 3000 participants over 11 days and £658 donated to the British Heart Foundation), supported by ‘Everybody’ interactive on-line directory to help individuals locate opportunities to be active in their local areas. Other events included Gymfest, Schools Cross Country, Sports Hall Athletics, ice competitions and Big Family Fun Days.

Projects and Partnerships

- 3.22 The primary partnership for KA Leisure is with North Ayrshire Council. Projects delivered in partnership with NAC include:

Schools of Sport: 3 Sports Development Officers (2 Rugby, 1 Basketball) deliver innovative Schools of Sport activities within host secondary schools across North Ayrshire. Activity levels with Schools of Sport from April to September 2014 totalled 14,845 attendances.

Scottish Football Association (SFA) In addition to its on-going successful partnership with the SFA, KA Leisure also provides staffing for the Football School of Sport at Auchenharvie Academy in Stevenston. Attendances at the Football School of Sport for the first 6 months of the year totalled 1,625.

Youth Diversionary Activity: KA Leisure operates the Mobile Football Pitch which works in partnership with NAC Youth Services and the Mobile Information Centre (MIC) to deliver diversionary activities for young people within areas with high levels of youth disorder and anti-social behaviour and has had 1,600 attendances from April to September 2014.

Queens Baton Relay: KA Leisure took an active part in the celebrations to mark the Queens Baton Relay.

Libraries: In addition to the provision of the free summer swim programme which was delivered in partnership with North Ayrshire Library service, KA Leisure also took part for the first time in the “Make Your Mark” project. This project rewards children and families for accessing and taking part in a range of NAC and KA Leisure activities over the summer holiday period.

Young Persons Support Team (YPST): KA Leisure facilitates free at point of sale access to all Company activities for the young people supported by the North Ayrshire Council Young Persons Support Team.

Active Change: KA Leisure facilitates free at point of sale access to all KA Leisure activities for individuals and families currently experiencing homelessness. From April to September 2014, a total of 920 activities have been accessed through this project.

NAC Partnership Subscriptions: KA Leisure offers employees of NAC strategic partner subscription rates for Gym and Fitness with the Company. At the end of September 2014 there were 1948 subscriptions with NAC employees including partners and child subscriptions.

3.23 Additional key partnerships for KA Leisure include:

- NHS Ayrshire and Arran
- North Ayrshire Community Planning Partnership
- Barrfields User Group
- The Ayrshire Community Trust (TACT) and North Ayrshire Carers Centre
- Irvine Housing Association/Cunninghame Housing Association
- Street Games
- West Kilbride Community Association (WKCA)

Future Developments 2015-2020

3.24 In a four year period (2011/12 to 2015/16) KA Leisure is projecting to increase cumulative attendance figures by 40%, grow a subscription base cumulatively by 99% and increase its operational income cumulatively by 18%.

3.25 As the customer base and partnership working increases the Company is now taking the opportunity to review its resources, outcomes and plans for future development.

- 3.26 KA Leisure have committed to devising a 5 year strategy, incorporating a revised vision for the Company, with the key objective of “people are more active, more often” as the focus of the plan. Working with partners they will aim to provide physical resources and activity programming that meets the needs and expectation of the communities of North Ayrshire thus enabling access to sport and physical activity for everybody.
- 3.27 To date they have identified four main themes within the evolving strategy that fundamentally outlines the function of the Company:
- To promote physical activity, health and wellbeing
 - To provide quality facilities
 - To continually develop community and club sport
 - To continually support community engagement.

4. Implications

Financial Implications

- 4.1 The report details the current and projected financial results for the Company. Discussions are ongoing in relation to capital requirements for investment in KA Leisure operated facilities.

Human Resource Implications

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

Legal Implications

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

Equality Implications

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

Environmental and Sustainability Implications

- 4.5 There are no environmental and sustainability implications arising from this report.

Implications for Key Priorities

- 4.6 The review of the contractual and operating arrangements with NALL will contribute to the achievement of the following SOA outcomes:

- 3a: Opportunities for lifelong learning have increased
- 5a: Opportunities to support the positive development of young children have increased
- 6a: We live longer, healthier lives
- 6b: Health inequalities have reduced
- 6e: People are more active more often
- 11a: Levels of voluntary action and community involvement have increased
- 11b: Partnership working between the public, community and voluntary sector has improved
- 15: Our public services are high quality, continually improving, efficient and responsive to local people's needs.

5. Consultations

- 5.1 North Ayrshire Leisure Ltd has worked with a very wide range of partners in working towards the delivery of the Business Plan and Progress report. These are detailed within the progress report (attached at Appendix 1).

6. Conclusion

- 6.1 The Progress Report on the Business/Service Plan presented by NALL continues to address key improvements.
- 6.2 It also includes a range of proposals which are continuing to transform the operation of the company, which includes working with the Council towards the future operation of the new Irvine Leisure Centre and other new facilities.
- 6.3 The Company aspires to build on its success to date. A five year strategy is currently being developed in consultation with key stakeholders to determine a future service specification, shared investment priorities and address growing customer expectation.
- 6.4 This strategy will provide outcomes and actions to further enable the Company to deliver quality facilities and services across the communities of North Ayrshire.



KAREN YEOMANS
Executive Director (Economy and Communities)

Reference :

For further information please contact Audrey Sutton, Head of Connected Communities on 01294 324414.

Background Papers



| leisure

Progress Report

incorporating 2015/16 Budget





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Introduction

North Ayrshire Leisure Limited is a Company Limited by Guarantee and is a registered Scottish charity. The Company's trading name is KA Leisure and is governed by its Articles of Association which contain the charitable purposes of the organisation (see appendix D). The Company is a not for profit organisation, any surpluses generated are reinvested in improving facilities and services.

The Company submitted a 3 year Business / Service Plan to North Ayrshire Council in December 2011 outlining the Company's strategy for fulfilling our aim, as per the single outcome agreement for North Ayrshire "people are more active, more often."

The Business / Service Plan also contained 5 core commitments that the Company pledged to adhere to, these are;

- To Protect Frontline Services
- To Adhere to a Pricing Promise
- To be Prepared to Adapt
- To Properly Engage
- To Improve Promotion and Profiling

There are six objectives to the Company strategy;

- Staff realignment to meet business needs
- Investment in equipment
- Implement "Spend to Generate" Initiatives
- Adopting contemporary marketing techniques
- Strengthening relationships with strategic partners
- Extending customer engagement

The strategy is proving to be successful as is highlighted in the information below comparing the four year period from 2011/12 actual data to 2015/16 projections and is fully demonstrated within the content of this report.

- Customer Generated Income - Projected Increase **18%**
- North Ayrshire Council Annual Contribution - Projected Decrease **14%**
- Total Customer Activity - Projected Increase **40%**
- Customer Subscriptions - Projected Increase **99%**
- Barrfields Theatre, Largs - Projected Increase **49%**
- Physical Activity - Projected Increase **25%**
- Active North Ayrshire: Exercise on Referral Programme - Projected increase **65%**

DID YOU KNOW...

There has been an increase of over 118,000 customer visits in the first 6 months of this year compared to last year!



Given the success of the strategy over the years the Company will continue to adopt the objectives and commitments for a further year, extending the strategy into 2015/16. The Company remains committed to delivering an efficient and effective service that recognises and addresses stakeholder requirements.

This Progress Report highlights the action taken and the progress made in the delivery of the commitments made in the Business / Service Plan during the first six months of financial year 2014/15.

This Progress Report also contains a summary of the current year's financial performance with performance projections and budgetary requirements.

The report also provides information on the extensive range of event programming, activity portfolio and the strategic partnership network that has resulted in growth in several business areas.

Overall

In the first six months of this financial year the Company has achieved encouraging operational and financial performance results.

The table illustrates customer visit performance across the Company comparing the first six months of this year to the corresponding period last year.

(It should be noted that targeted figures for 2014/15 were prepared six months prior to the conclusion of 2013/14.)

DID YOU KNOW...

The Company has had over 2 million visits each year since 2013/14

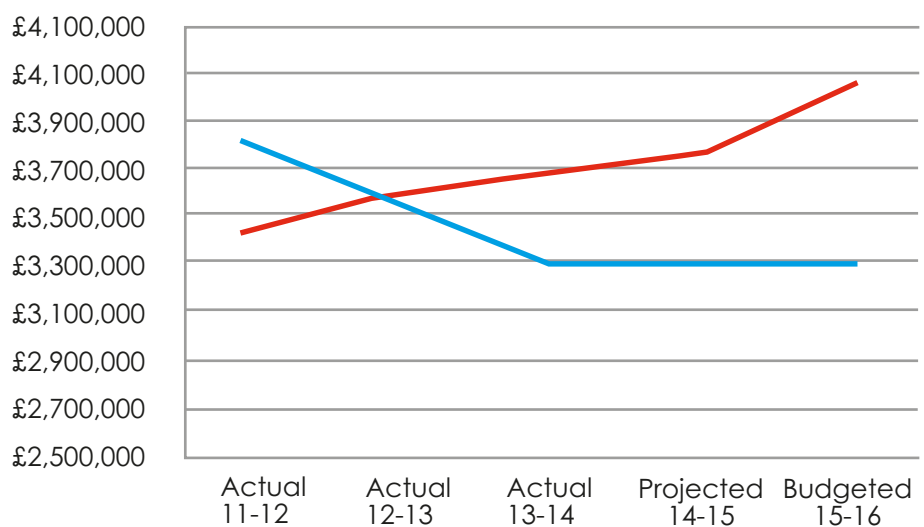
KA Leisure – Performance by Facility/Service – Number of Visits

Facility/Service	2013/2014 Actual	2014/2015 Target	2013/2014 6 Month Actual	2014/2015 6 Month Actual	2014/2015 6 Month Variance (%)
Leisure Centres	1,407,111	1,397,500	694,885	781,308	+12%
KA Campus	341,026	334,050	148,600	177,131	+19%
Golf & Outdoor Sports	114,227	123,000	73,670	68,255	-7%
Physical Activity	187,098	207,000	87,682	96,791	+10%
Total	2,049,462	2,061,550	1,004,837	1,123,485	+12%

This year there has been an increase of 118,648 customer visits across all areas of the business compared to the first six months of last year. This represents an increase of approximately 12%.

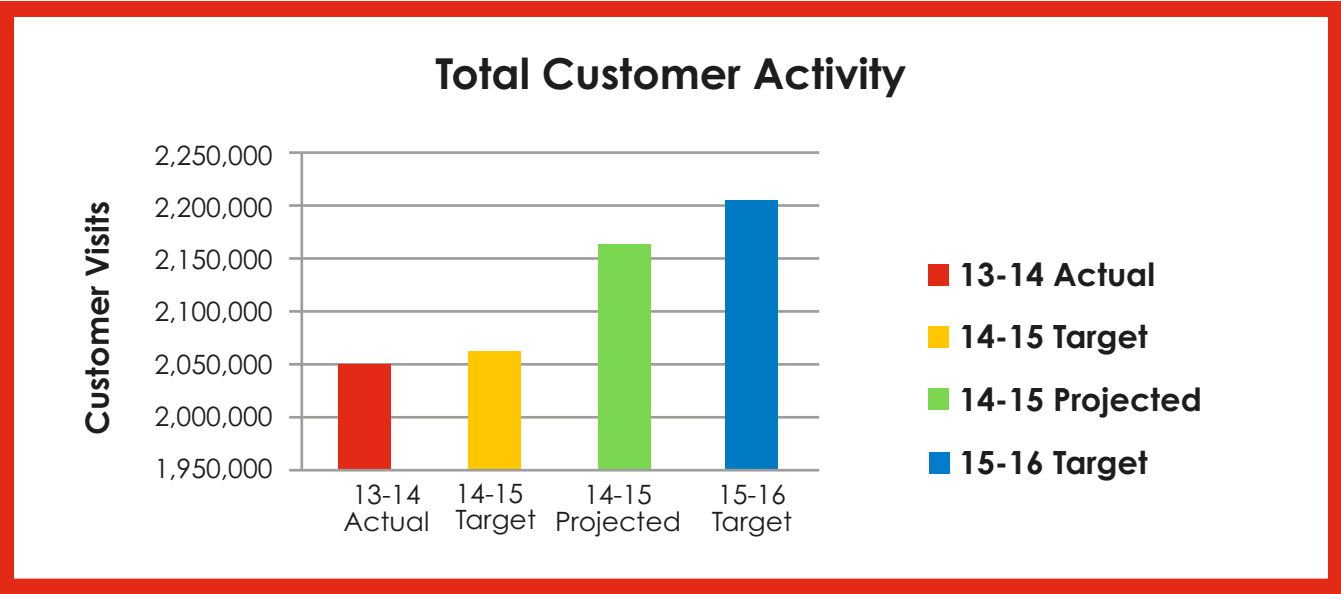


Income Actual, Projected and Budgeted

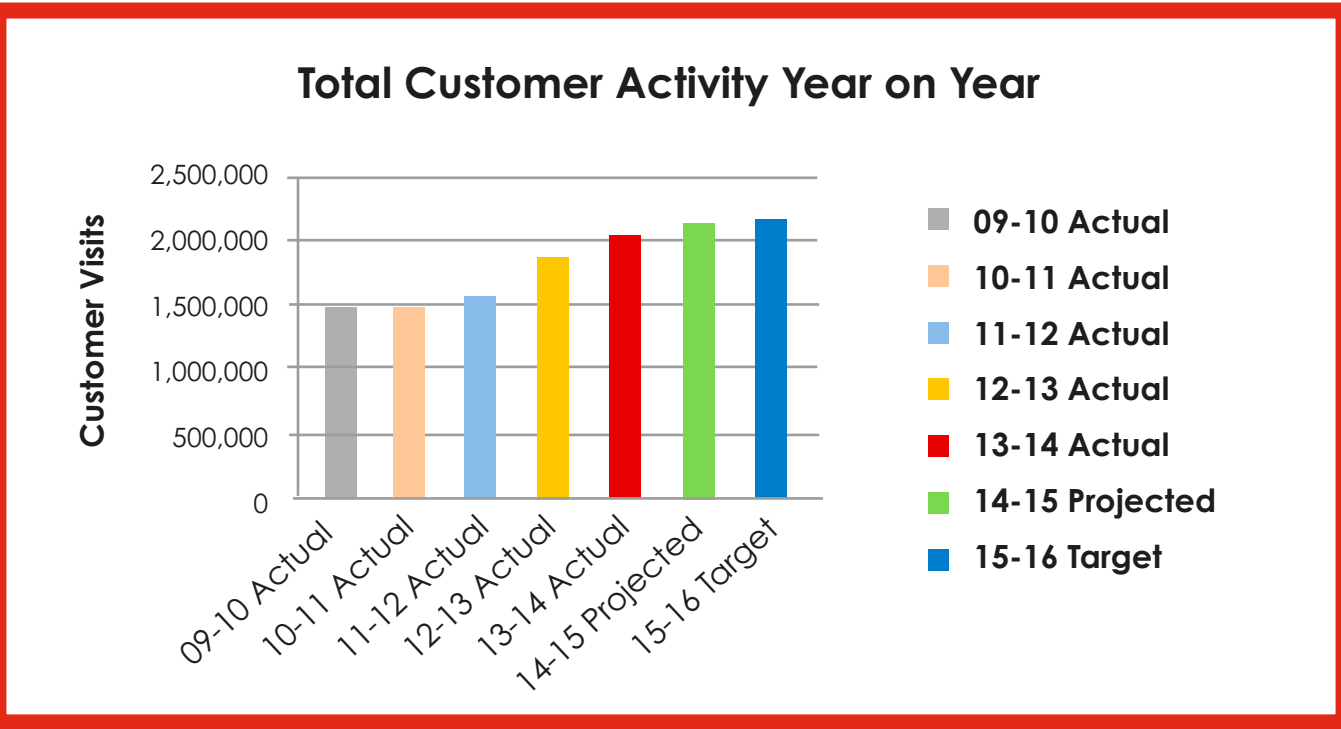


The graph depicts the financial contribution level from North Ayrshire Council compared to Company operational income.

The graph depicts last year's actual customer activity outturn compared with 2014/15 target. The graph also includes projected outturn for this year and a target outturn for 2015/16. Full details of targeted and projected customer activity levels on an area basis are contained in Appendix A of this report.



Customer activity levels in 2015/16 are projected to increase by 2% due to further expansion of strategic partnership subscriptions for fitness, introduction of strategic partnership rates for golf, continuous development of activities and programming coupled with active partnership and customer engagement.

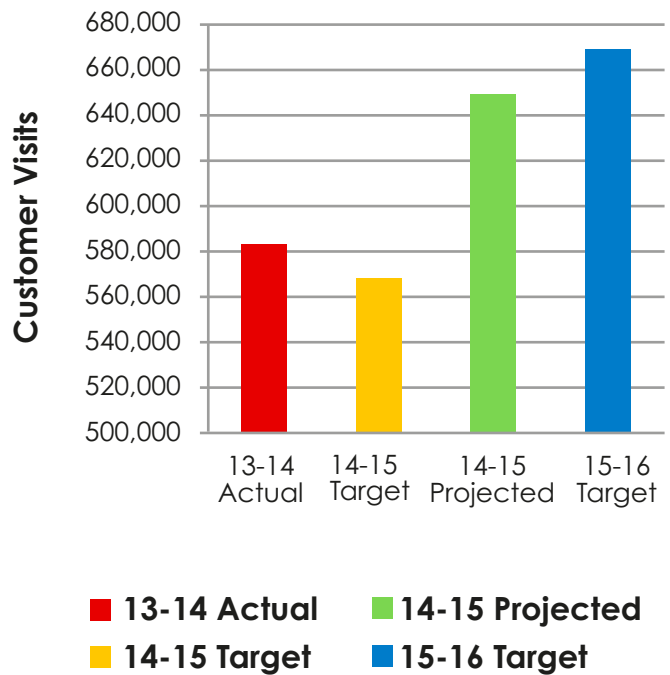


The graph above traces customer activity levels since 2009/10. The projected current year activity levels and the target level figure for 2015/16 indicates the continuation of an upward trend in performance. Appendix B provides historical statistical data.

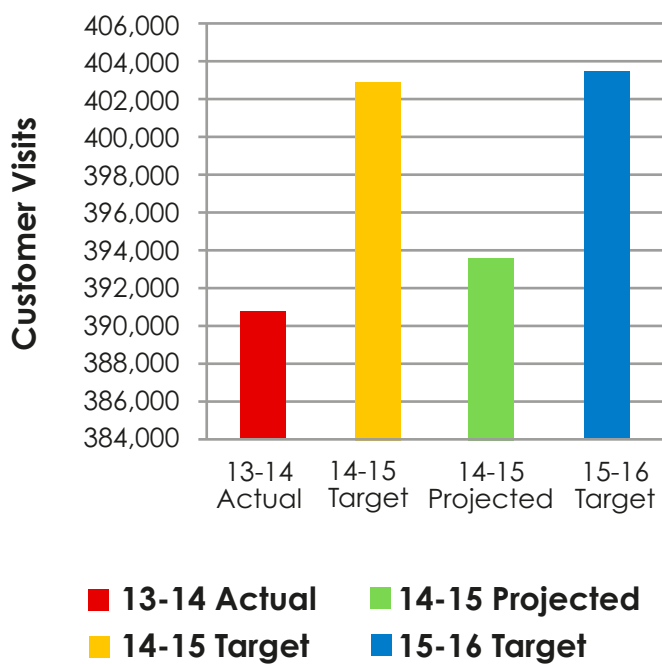


Continued targeted investment in fitness facilities, equipment and staff development has contributed to higher than anticipated customer visits to fitness activities. Customer demand has led to the extension of the fitness suite at Vikingar, the installation of a new functional training gym at KA Campus Dalry and the introduction of additional equipment at KA Campus West Kilbride. The Company will continue to target development within fitness activities across the Company in the coming year.

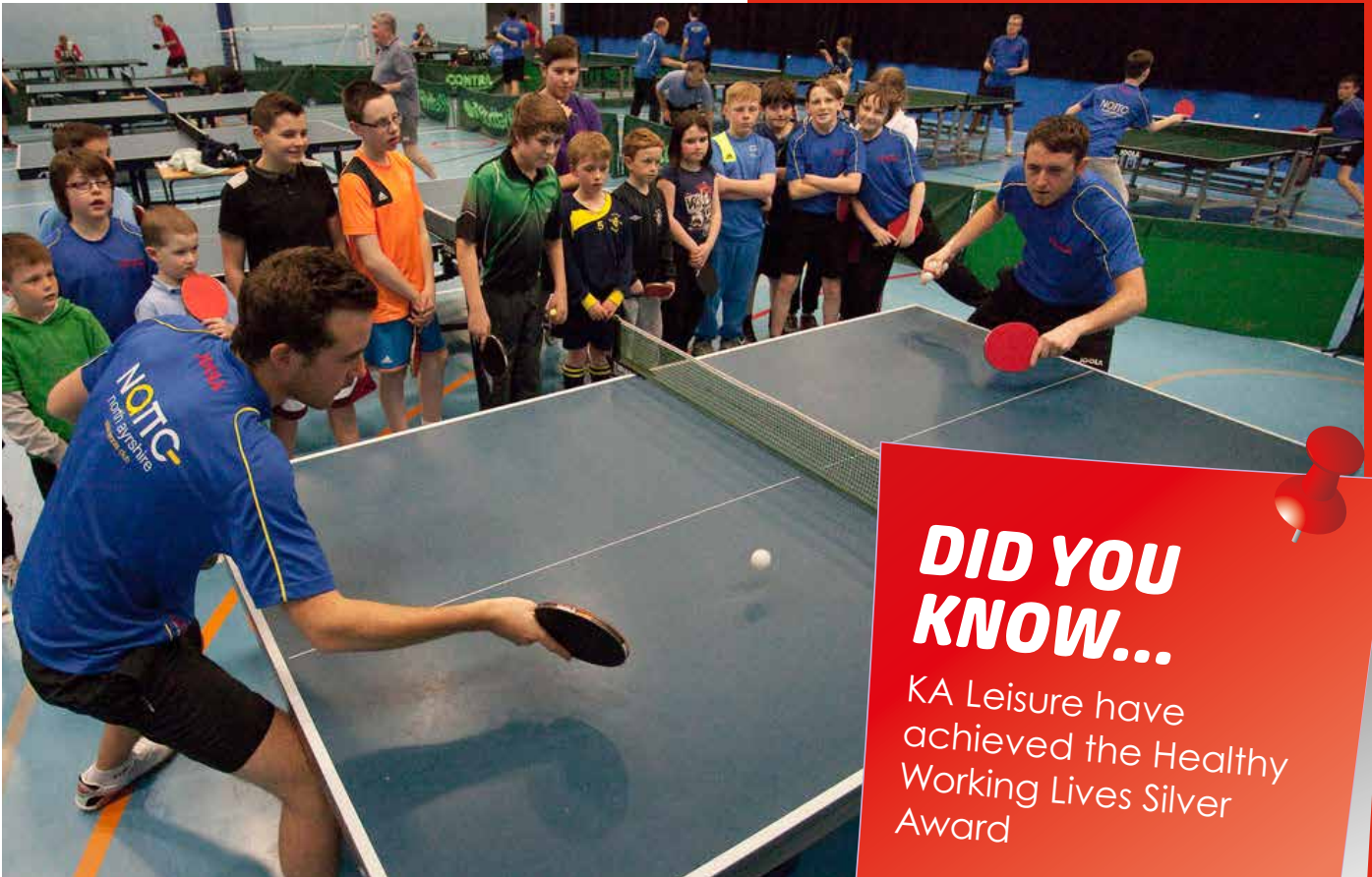
Fitness



Swimming



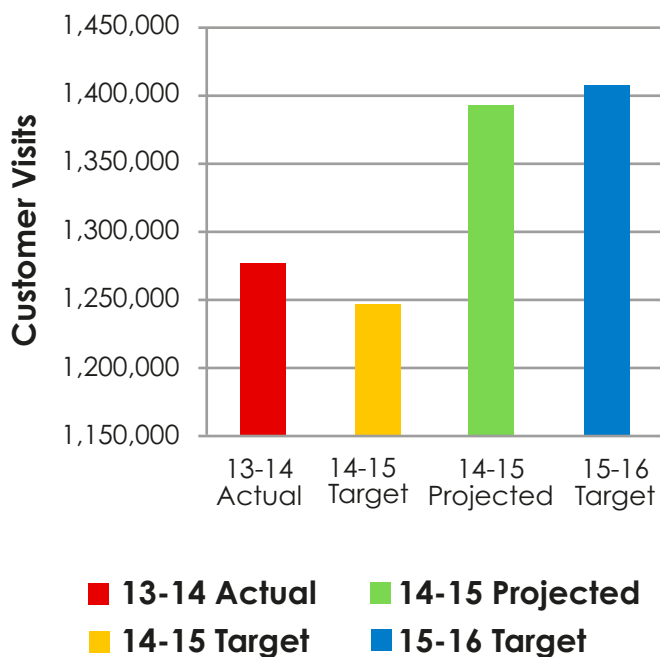
Although customer visits to swimming activities in 2014/15 are predicted to increase in comparison to the previous year it is anticipated that they will not achieve the Business Plan target. A revision of the Learn to Swim programme at both Auchenharvie and Magnum Leisure Centres has resulted in positive increases at both sites. Additional restructuring of the Learn to Swim programme across the Company will be rolled out in the next financial year.



DID YOU KNOW...

KA Leisure have achieved the Healthy Working Lives Silver Award

Indoor Activities



Indoor activities include; ice, gym fitness, studio fitness, sports hall activities, events, soft play and entertainments. Due to the continued growth of fitness, the opening of KA Campus West Kilbride, continued development of club sport activities within the KA Campuses and the installation of a 3G sports playing surface within the Magnum Leisure Centre, indoor sports activity has increased within the current year.

Leisure Centres

DID YOU KNOW...

Over 10,000 attendances have been recorded since the opening of the 3G indoor pitch at the Magnum Leisure Centre

Overall Leisure Centre activity levels have continued to increase across all four facilities mainly due to continued growth within fitness subscription levels. Although customer visits have varied across activities, fitness, swimming lessons and indoor sports use have continued to record positive performance.

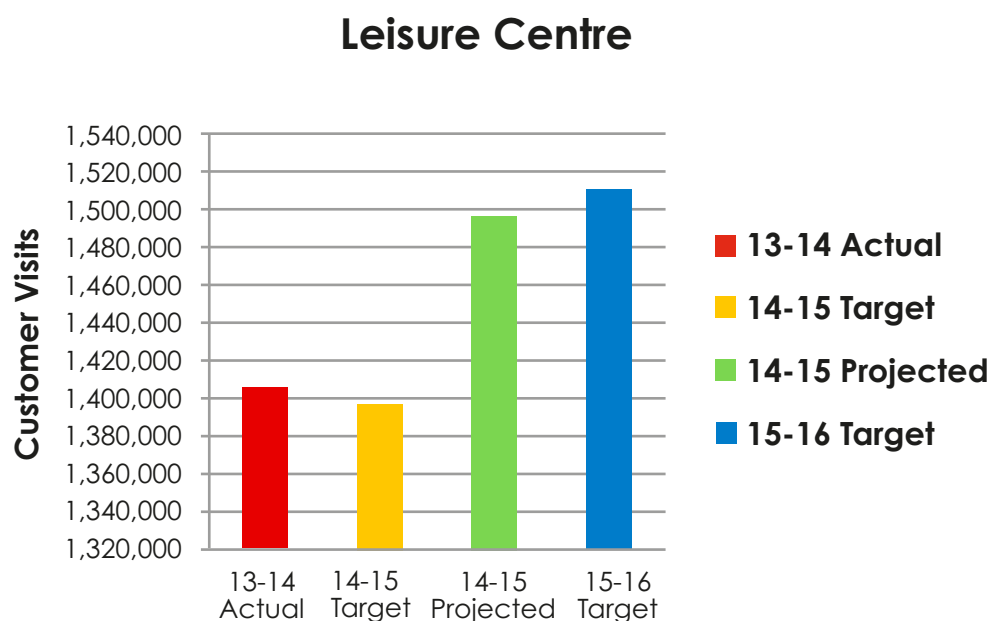
The table and graph illustrate performance across Leisure Centres comparing the first six months of this year to the corresponding period last year.

(It should be noted targeted figures for 2014/15 were prepared six months prior to the conclusion of 2013/14.)

KA Leisure – Leisure Centre – Number of Visits					
Facility/Service	2013/2014 Actual	2014/2015 Target	2013/2014 6 Month Actual	2014/2015 6 Month Actual	2014/2015 6 Month Variance (%)
Auchenharvie LC	553,707	532,500	273,959	288,744	+5%
Garnock Pool	89,862	88,000	44,852	49,345	+10%
Magnum LC	530,853	546,500	259,378	305,155	+18%
Vikingar!	232,689	230,500	116,696	138,064	+18%
Total	1,407,111	1,397,500	694,885	781,308	+12%

The graph depicts last year's actual outturn compared with the 2014/15 target. The graph also includes projected outturn for this year and a target outturn for 2015/16. Full details of targeted and projected customer activity levels on an area basis are contained in Appendix A of this report.

Activity levels at Leisure Centres have increased by 12%.



Auchenharvie Leisure Centre

Auchenharvie Leisure Centre continues to record the highest number of customer visits to fitness activities across the Company. Due to growing demand minor building works will take place to the main fitness suite to increase the activity area along with decorative works during the latter part of the year.

Visits to the swimming pool are lower than anticipated. A contributing factor is a significant reduction in free junior swimming in comparison to the previous year however a restructuring of the Learn to Swim programme at Auchenharvie has resulted in a significant increase in swimming lesson provision.

Ice rink visits are marginally below the expected target for the first six months of the year with decreases recorded in public skating as well as a reduction in availability of ice due to ventilation issues. An installation fault has been identified with the ice rink ventilation system and North Ayrshire Council has arranged for remedial action by a specialist contractor. It is anticipated that following completion of remedial works and a programme of promotional activity the ice rink annual target will be achieved.

Garnock Swimming Pool

Swimming pool attendances have remained consistent at Garnock Swimming Pool in comparison to previous years. Recorded visits through free swimming have also remained consistent with the previous year.

However, customer visits to the fitness suite have continued to rise during the year and subscription sales have reached their highest level since the introduction of the fitness suite to the facility.

Magnum Leisure Centre

In common with other facilities, customer visits to fitness activities have continued to grow at the Magnum Leisure Centre. The restructuring of the Learn to Swim programme and the refurbishment of changing rooms facilities have contributed to an increase in numbers recorded for swimming pool activities despite a significant reduction in the number of children participating in the free swimming initiative. The installation of the 3G Synthetic pitch has also contributed to an increase in indoor sports of 31% and an increase in the number of local sports clubs using the facility.

At the time of writing the Company anticipates the new Irvine Leisure Centre which will replace the Magnum Leisure Centre will open late 2016.

Vikingar!

Following the installation of new fitness equipment and the refurbishment of the fitness suite at Vikingar last year, customer demand has led to the fitness suite being extended by approximately 50%. A range of new equipment has been installed within the extended area that has been selected to assist with both the retention of existing users as well as attracting visits from a younger user profile.

Swimming has remained constant with the previous year. There has been a significant reduction in school visits to the visitor attraction. Continued partnership working with the Barrfields Theatre User forum has also contributed to an overall increase in entertainment events for the year to date.



Leisure Centre activity levels for 2014/15 are anticipated to exceed target. The 2015/16 target reflects anticipated usage to increase on the basis of further expansion of the strategic partnership subscription availability, the development of the Company wide Learn to Swim programme, partnership and engagement, and development of indoor sports provision.

KA Campus

DID YOU KNOW...

Over 3,000 attendances were recorded at the annual North Ayrshire Community Games

The table illustrates performance across KA Campuses comparing the first six months of this year to the corresponding period last year.

(It should be noted that targeted figures for 2014/15 were prepared six months prior to the conclusion of 2013/14).

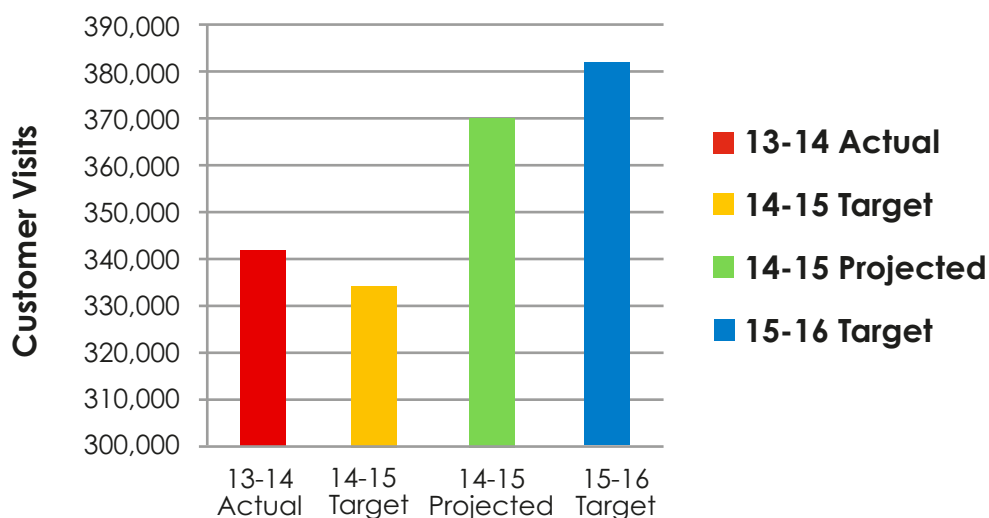
KA Leisure – KA Campus – Number of Visits

Facility/Service	2013/2014 Actual	2014/2015 Target	2013/2014 6 Month Actual	2014/2015 6 Month Actual	2014/2015 6 Month Variance (%)
Dalry	31,653	31,500	11,562	14,862	+29%
Kilwinning	27,338	25,500	10,608	11,246	+6%
Arran	26,183	28,750	12,525	14,474	+16%
Greenwood	101,362	98,500	45,029	42,005	-7%
St Matthew's	112,017	113,500	54,241	68,734	+27%
Stanley	13,439	11,800	4,404	4,505	+2%
West Kilbride	29,034	24,500	10,231	21,305	+108%
Total	341,026	334,050	148,600	177,131	+19%

Activity levels across KA Campuses overall reveals an increase of **19%**.

The graph depicts last year's actual outturn compared with the 2014/15 target. The graph also includes projected outturn for this year and a target outturn for 2015/16. Full details of targeted and projected customer activity levels on an area basis are contained in Appendix A of this report.

KA Campuses



The Company operates 7 KA Campuses across North Ayrshire at Arran, Dalry, Greenwood, Kilwinning and St Matthews within local school facilities providing a range of indoor and outdoor activities during the evenings, weekends and school holidays. Additionally the Company administers the bookings for KA Campus Stanley and operates fitness facilities in partnership with West Kilbride Community Association at KA Campus West Kilbride.

Continued development of the KA Campus programme has led to all Campuses, except Greenwood, performing above expectations. Working with a number of local sports clubs has increased the number of year round bookings rather than being heavily reliant on seasonal club bookings.

Visits to KA Campus Greenwood have failed to achieve target due to reduced attendances at fitness classes and the loss of synthetic football pitch bookings to competitors. However, an alternative programme of fitness has been developed and, new synthetic pitch bookings have been secured. It is anticipated that annual visits will be comparable to the previous financial year.

At KA Campus West Kilbride customer demand has exceeded expectations resulting in extended staff hours, further development of the class programme and the introduction of additional equipment.

Due to demand at KA Campus Dalry the children's gym has been replaced with new equipment by the Company that will continue to be functional for children but will also be more conducive to adult use thus allowing the Company to establish a subscription base within Dalry.



KA Campus activity levels for 2014/15 are anticipated to exceed target. The 2015/16 target reflects anticipated usage to increase on the basis of the introduction of increased fitness subscriptions at KA Campus Dalry, and further development of the fitness programme at KA Campus West Kilbride.

Physical Activity

The Company's Physical Activity section promotes the benefits of a healthy active lifestyle across the communities of North Ayrshire through the delivery of a variety of activities programmes and events. Following the success of the 2012 Olympics and the 2014 Glasgow Commonwealth Games, activity levels within the Physical Activity section increased by 23% evidencing the impact of these events. A key aim is to maintain and build upon these ensuring a lasting legacy for North Ayrshire.

The Sports Development Team delivers activities, programmes, competitions and events within identified sports by providing opportunities for participation. In addition the team work with community sports clubs, supporting development and providing coach and volunteer training ensuring sporting pathways are accessible.

The Health and Fitness Team delivers a variety of community based supported physical activity programmes for groups and individuals of all ages not currently engaged in physical activity. The range of programmes include the Active North Ayrshire Exercise on Referral programme, the Activator mobile health and physical activity unit and the community outreach programme which delivers walking and dance.

The Active North Ayrshire (ANA), Exercise on Referral Programme delivered by the Health and Fitness team, was a finalist in the UK Active National Flame Awards within the Healthy Partnerships category. The project was commended as an example of best practice in the delivery of community exercise on referral services.



The table illustrates performance across the Physical Activity area comparing the first six months of this year to the corresponding period last year.

(It should be noted targeted figures for 2014/15 were prepared six months prior to the conclusion of 2013/14).

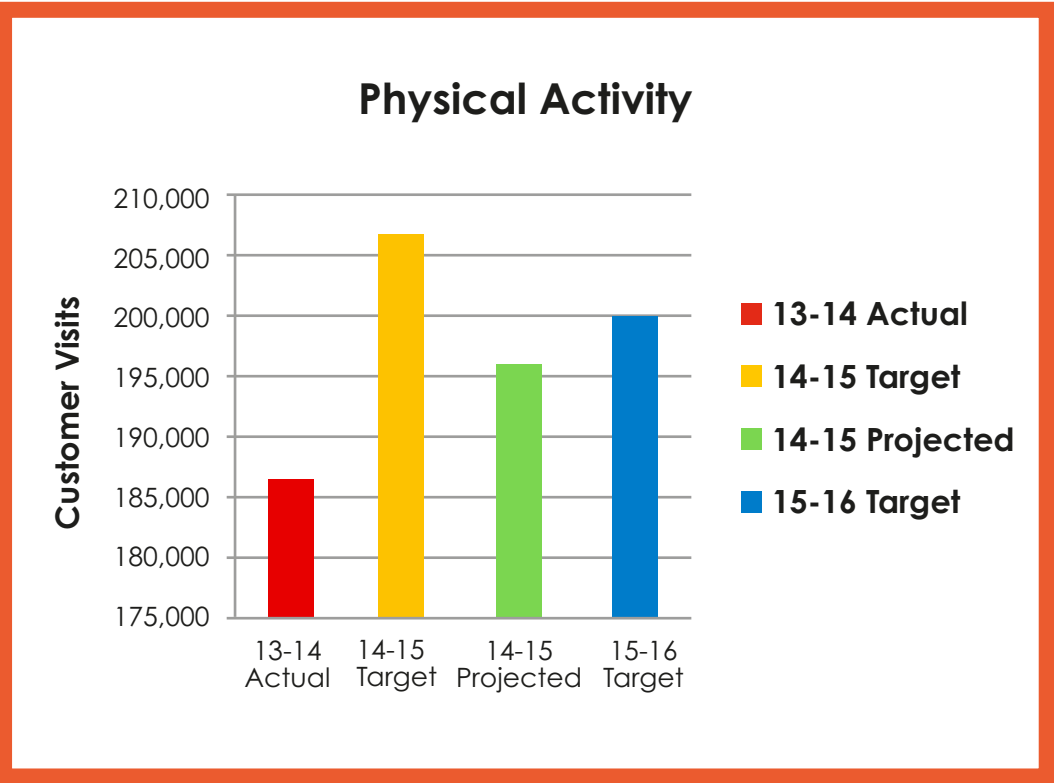
KA Leisure – Physical Activity – Number of Visits					
Facility/Service	2013/2014 Actual	2014/2015 Target	2013/2014 6 Month Actual	2014/2015 6 Month Actual	2014/2015 6 Month Variance (%)
Health and Fitness	82,628	82,000	41,977	44,386	+6%
Sports Development	104,470	125,000	45,705	52,405	+15%
Total	187,098	207,000	87,682	96,791	+10%

Health and Fitness activity levels for the period have exceeded target by 6% due to an increase in demand within the Active North Ayrshire Exercise on Referral programme including a new partnership with Prostate Cancer UK and the activities delivered as part of the Queen's Baton Relay.

Sports Development activity for the period has exceeded target by 15% primarily due to the additional programmes and activities delivered as part of the

Queen's Baton Relay and the successful delivery of the 2014 North Ayrshire Community Games.

The graph depicts last year's actual outturn compared with the 2014/15 target. The graph also includes projected outturn for this year and a target outturn for 2015/16. Full details of targeted and projected customer activity levels on an area basis are contained in Appendix A of this report.



Overall activity levels across Physical Activity are projected to increase by 2% in the coming year through continued high demand for the Active North Ayrshire Exercise on Referral Programme, delivery of a new partnership activity with McMillan Cancer Support and on-going development and expansion of North Ayrshire Community Games and targeted sports through the Sports Development section.



Golf and Outdoor Sports

DID YOU KNOW...

Routenburn Golf Course in Largs is a James Braid designed course

The Company operates 3 golf courses; Ravenspark in Irvine, Auchenhavrie in Stevenston (including a driving range) and Routenburn in Largs.

The Company also operates outdoor facilities at various locations including; pavilions, synthetic pitches and grass pitches.

The table illustrates Golf and Outdoor sports performance comparing the first six months of this year to the corresponding period last year.

(It should be noted targeted figures for 2014/15 were prepared six months prior to the conclusion of 2013/14).

KA Leisure – Golf and Outdoor Sports – Number of Visits					
Facility/Service	2013/2014 Actual	2014/2015 Target	2013/2014 6 Month Actual	2014/2015 6 Month Actual	2014/2015 6 Month Variance (%)
Golf	56,735	61,500	42,266	43,005	+2%
Outdoor Sports	57,492	61,500	31,404	25,250	-20%
Total	114,227	123,000	73,670	68,255	-7%



Golf participation figures have slightly increased on last year's levels. This result is in line with national golf participation levels which currently records a 1.6% increase in the sport in Scotland over the same period.

During the current year the Company has worked in partnership with Scottish Golf, Club Golf, the resident clubs and North Ayrshire Active Schools to attract new players to the sport. Through partnership a small number of events have been introduced, coach education has been facilitated and adult and child coaching provided.

The graph depicts last year's actual outturn compared with the 2014/15 target. The graph also includes projected outturn for this year and a target outturn for 2015/16. Full details of targeted and projected customer activity levels on an area basis are contained in Appendix A of this report.



Development centres have been introduced within a number of Campuses, Auchenharvie Golf Course and Ravenspark Golf Course. Supported needs' coaching has also been provided in conjunction with Active Schools at Ravenspark Golf Course.

Participation within Outdoor Sports has reduced in the current year due to a reduction in registered football teams within North Ayrshire, delays in the availability of grass pitches and increased competition from other synthetic providers. It is not anticipated that the Business Plan target will be achieved however at the time of writing demand for the existing pitch provision is increasing.



Conclusion – Activity Performance

A 12% increase in activity levels has been achieved in the first six months of the financial year compared to the same period last year. This has been attributed to an increase in fitness subscription levels, further development work at Vikingar, the success of KA Campus West Kilbride and the Company continued commitment to partnership working and customer engagement.

It is anticipated that for the remainder of the financial year performance overall will exceed last year's actual outturn figure and the 2014/15 target.

Business Plan Commitments

Financial Performance

The Company is operating overall within its budgetary framework. The probable outturn reveals a surplus of £70,228. The table below reveals the current overall financial position.

DID YOU KNOW...

Fitness provision at Vikingar has been extended

Financial Performance					
	Annual Budget(£)	Probable Outturn (£)	Budget to 30th Sept (£)	Actual to 30th Sept (£)	Variance on Budget to Date (£)
Expenditure	7,044,113	7,086,707	3,137,620	3,164,669	27,049
Income	7,070,372	7,156,935	3,575,492	3,635,522	60,030
Surplus	26,259	70,228	437,872	470,853	32,981

In the first six months of the year income recovery and expenditure are both higher than anticipated at this stage. This is predominantly due to increased income and expenditure relating to unbudgeted projects due to timing of securing funding.



• Governance

The Company is limited by guarantee and is a registered Scottish Charity. The Company is a not for profit organisation and any surpluses generated are reinvested in facilities and services.

The Company is governed by its Articles of Association. These Articles set the maximum number of Directors to serve on our Board at 9. The Board of Directors comprises representation from North Ayrshire Council, the North Ayrshire community and Company employees.

During the current year Councillor Alex McLean who was a serving Director representing North Ayrshire Council sadly passed away. Councillor McLean was a well respected and valued Director on the Board.

In June 2014 the first meeting of the Company Audit Committee took place. This committee will meet a minimum of three times a year. Its remit predominantly is to review and consider internal audit and risk matters.

In July 2014 the Company held its annual training session for Directors conducted by Company solicitors, Shepherd and Wedderburn. This session provides Company and Charity legislative training for Directors ensuring Company practices remain current and conformant. On an annual basis the Company submits returns to The Office of the Scottish Charity Regulator and Companies House.

The Company is committed to proactively endeavouring to create and maintain a positive health and safety culture within all areas of the Company ensuring there is a continuous, cost effective, improvement in our health and safety performance. In August 2014 Directors attended a ROSPA Health and Safety Workshop. This interactive session provided health and safety legislative information and good practice guidance for Directors.

The Company actively encourages communication and participation of employees in enabling the development and improvement of safety procedures and safe systems of work through employee involvement in developing processes and monitoring performance.

The Company will strive to ensure all staff are adequately trained to enable them to carry out their roles safely and further develop their knowledge of health and safety. The Company has recently established a Health and Safety Forum to assist in the progression and development of a health and safety culture.

Directors also continue to participate on the Company Employee Forum established last year. This forum improves employee communication and provides an opportunity for interaction between employees and Directors that has led to various initiatives being developed.



• Strategic Objectives

As previously stated the Company devised a strategy, contained within the Business/Service Plan 2012/15, to meet financial constraints whilst safeguarding the "Company 5 Core Commitments". This successful strategy will be adopted for a further financial year. A brief outline of the status of each strategic objective and commitment follows;

Staff Realignment to Meet Business Needs

(Commitment: Protecting the Frontline Service)

(Commitment: Preparing to Adapt)

During the year the Company has commenced a Change Management Programme, "Our People, Our Places, Our Profile."

This programme focuses on the training and development of staff, realigning structures, customer centricity and Company reputation. The main aim of the programme is to future proof the Company.

Over recent years the Company has successfully increased its subscription base, customer activity levels, operational income and forged strong partnership links with various organisations.

It is anticipated the new Irvine leisure facility will open in late 2016. This facility replaces the Magnum Leisure Centre. Also it is expected that in 2016/17 the new Garnock Academy will open which will incorporate leisure facilities replacing the existing Garnock Swimming Pool.

Given the success to date and the new developments this provides the Company with an opportunity to consider the actions required to ensure that it is fit for the future. Crucial to the future of the Company is the team delivering the service. The Company has extended its portfolio, increased customer numbers and range of activities. It has therefore become necessary to reconsider the staffing structure of the Company so that we can sustain and improve on current performance.



In reviewing existing staff structures and arrangements we are seeking to ensure adequate staff resourcing levels, improve efficiency, promote ownership and continue to provide an exceptional standard of customer service throughout the Company. As part of this process the Company also intends to realign facilities into two geographical areas. This will enable greater focus on the needs and expectations of these specific demographic areas.

The review and revision of post titles and job outlines will provide clarity in respect of roles and responsibilities. There will also be the introduction of various supervisory positions to provide support in key service delivery areas. It is anticipated that all current employees will be accommodated in the new structure.

To ensure staff are equipped to fulfil the duties of their respective roles the Company will be investing an additional £30,000 for training and development. The Company is developing a personal development review scheme for all employees. Its purpose is to highlight and address any training / support requirements employees may have to ensure duties can be carried out appropriately, provide development opportunities and provide a forum for employees to be recognised and appreciated for their contribution to the Company.

In 2015/16 the Company will also invest an additional £18,000 in staff uniforms. This will improve staff identity to customers, create a consistent and recognisable

image across all our facilities and promote confidence and ownership across our workforce.

To develop training and associated staffing matters across the Company, a new position of Senior Organisational Development Officer will be created replacing the existing vacant Senior HR and Support Officer position. It is anticipated this position will be filled prior to the end of this financial year.

The Company will also create a position of Buildings and Facility Manager prior to the end of the financial year. This will enable effective programming of maintenance and inspections of facilities operated by the Company.

The current part-time post of Health and Safety Co-ordinator will become a permanent full-time position confirming the Company's commitment to developing and nurturing our health and safety culture.

The current vacant Fitness Manager post will be re-graded to reflect the growing subscription base the Company is managing. This post is crucial in ensuring retention of existing, and attracting new subscribers to our facilities.

At the time of writing a separate review of North Ayrshire Council's Active Schools service and the Company's Sports Development provision has yet to be concluded. As a result of this, for budgetary purposes, there have been no alterations made to the sports development structure within the Company.

Investment in Equipment

(Commitment: Preparing to Adapt)

(Commitment: Promoting and Profiling)

The Company is committed to improving facilities and services. In 2013 the Company significantly invested in fitness equipment across the 4 main leisure facilities. This was coupled with a programme of refurbishing the gym areas at each of the sites. The installation of the fitness equipment has led to significant increases in subscriptions thus increasing participation and income levels.

In the current year the Company has extended the gym area at Vikingar and increased the range of fitness equipment available. At KA Campus Dalry new fitness equipment has been introduced and a functional training rig will be installed. Golf courses have benefited from new machinery to maintain course conditions and a range of golfing equipment to develop programmes and activities designed to encourage younger age participation and those new to the sport.

In 2013 the Company installed a 3G indoor pitch at the Magnum Leisure Centre. Customer demand for the pitch has led to the Company reviewing the possibility of alternative options for a 3G indoor facility to coincide with the opening of the replacement for the Magnum Leisure Centre.

It is demonstrably evident that investment particularly in fitness has resulted in an increase in participation and revenue. The Company invests in facilities and services by utilising monies from the Investment Reserve (this is Company generated surpluses), funding from North Ayrshire Council, external financing mechanisms and via the "spend to generate" initiative (see page 22 for further detail).

The Company has limited Investment Reserves and is restricted with regard to significant development works. The Company is working closely with North Ayrshire Council to determine funding requirements for the future both in terms of capital and revenue expenditure as part of a wider service specification review. The fundamental aims of the service specification is that the longevity of facilities are safeguarded and that future leisure service provision meets the needs and expectations of the population across North Ayrshire thus achieving the shared partner objective of "people are more active, more often".

The Company looks forward to operating the planned leisure facilities in Irvine and Garnock and will work closely with North Ayrshire Council with regards to the operational transfer of these sites.

The Company remains committed to assisting North Ayrshire Council with future leisure developmental planning across the area.



Implement “Spend to Generate” Initiative

(Commitment: Properly Engaging)

(Commitment: Preparing to Adapt)

The “Spend to Generate” initiative was introduced to encourage employees to develop new service and activity ideas that would ultimately increase both participation and income levels. The initiative promotes employee ownership of product development. The 2015/16 budget includes a provision for this initiative to continue. All spend to generate proposals must be in the form of a business case which will be reviewed and considered by the Board of Directors.

To date an indoor 3G pitch has been installed at the Magnum Leisure Centre and a range of cardio vascular equipment as well as a custom made functional training rig has been introduced at KA Campus Dalry.

In order to encourage further developments via the spend to generate initiative the Company Employee Forum will be utilised as a mechanism to promote this initiative to wider staffing groups with a view to creating additional development opportunities.

Adopting Contemporary Marketing Techniques

(Commitment: Properly Engaging)

(Commitment: Promoting and Profiling)

Effective marketing and communication is vital for the continued success of the Company. As the Company has evolved so too has the marketing and communication function with appropriate marketing techniques being adopted. These aim to build new and stronger relationships with our customers through personalised marketing communications and retain and develop existing relationships through promotions and offers.

Digital marketing has become a prominent feature as a mechanism for communication, it encompasses all activities the Company conducts via the World Wide Web, these include;

- **Facebook** - the new promoted post feature as part of Facebook allows us to select the target audience by gender, age, interests and location and assists the Company in expanding its customer base. It is an effective tool where we can measure uptake and ensures our message connects with a larger audience.
- **E-newsletters** - this serves as a vehicle for promotional content, competitions and feedback to our customers. It's immediate with trackable results and is cost effective.



- **KA Leisure our YouTube Channel** – the Company's video advertisements help us connect with people in a unique way as it brings more people to our website, it creates awareness and can increase subscription sales. A YouTube video was used in conjunction with the launch of the new functional training equipment; it demonstrated to our customers what to do, how to do it and why they will love it!

- **Digital Storytelling** – is a production of videos which captures real life stories of our customers to motivate and inspire others on the benefits of an active lifestyle. These compelling stories provide a powerful tool to engage with our partners.

- **Digital Marketing** – also provides an invaluable opportunity for working in partnership and sharing online material across various platforms this allows greater impact and we can reach those not currently engaged with our service shared agenda.

A comprehensive Communications Strategy will be developed which will detail our engagement protocols across the Company. Internally our focus will be on the improvement of internal communication mechanisms and externally the strategy will outline our strategic and corporate communications to ensure effective engagement with our customers across North Ayrshire.

Strengthening Relationships with Strategic Partners

(Commitment: Properly Engaging)

(Commitment: Promoting and Profiling)

(Commitment: Preparing to Adapt)

Effective partnership working continues to be a key factor for the on-going development of the Company. As the principal funding partner of the organisation, along with being an invaluable project partner across all areas of the business, North Ayrshire Council is of key importance to the continuing and future development of the Company. A continuing priority for the Company is the positive development of the partnership between the Company and North Ayrshire Council to ensure that shared outcomes are achieved.

In addition to North Ayrshire Council, the Company continues to work with existing partners while exploring further partnership opportunities. Successful and productive partnerships continue to be developed and expanded with NHS Ayrshire and Arran, Barrfields User Group, West Kilbride Community Association and several others.

New partnerships developed by the Company during the last year include Prostate Cancer UK, Irvine Housing Association, Cunninghame Housing Association, Ayrshire College and the North Ayrshire Carers Centre. Development of these partnerships enables otherwise excluded communities within North Ayrshire to access the benefits of a healthy active lifestyle and supports the continued provision of an extensive Community Outreach programme by the Company.

For further information on strategic partners please see the Projects and Partnership section at page 26.



Extending Customer Engagement

(Commitment: Pricing Promise)

(Commitment: Properly Engaging)

Customers are at the heart of our business. Our main function is to serve our customers. We are committed to improving the customer journey. We currently utilise various customer forums and feedback mechanisms to develop our services and products.

Over the coming months key Company personnel will attend consultation training with a view to improving our methods of engagement. The Company will improve the data capture process relating to surveying of customers. The Company will introduce "customer interviews" to gauge appetite of particular products and services. A Customer Service Staff Forum will be established to discuss customer service development and develop a customer charter. The Company will continue and, extend the use of, mystery shoppers to ascertain customer service standards.

The Company since 2012/13 has been committed to a price freeze on all core activities and this will continue in 2015/16. The Company offers a range of price products from annual promotions, various subscription packages, pay and play options and an Access Plus Scheme giving concessionary access to facilities for those who meet the qualifying criteria.



KA LEISURE EVENTS

It has been another exciting year for the Company's event Calendar. Here is a flavour of our action packed programme of activities.

THE QUEEN'S BATON

Queen's Baton Relay - In partnership with North Ayrshire Council and community groups the Company delivered a variety of fun community events in association with Games for Scotland to celebrate the QBR on its momentous journey through North Ayrshire.



125 baton bearers participated in the North Ayrshire leg of the tour, including Jackie Wilson from our Health and Fitness Team, who carried the baton back to the mainland from Millport. The day's events were completed as North Ayrshire gave the Baton a fantastic send off at the finale event at Ardrossan South Beach.

THE GAMES

The North Ayrshire 2014 Community Games celebrated its fifth year this year. The eleven day event attracted approximately 3,000 participants. The event included a Schools Athletics Festival (Mainland and Isle of Arran), a Secondary School Swimming Gala, a Portable Pitch Pop Up Mini Games and culminated in the "Big Weekend". In addition, a variety of come and try activities, sports competitions, demonstrations and tournaments were held. Also a Family Fun Run took place with all entry fees donated to the British Heart Foundation.





Gymfest

Gymnastic teams across the UK perform at this prestigious annual event which has been hosted at the Magnum Leisure Centre for the past 10 years. The event attracts approximately 1,500 gymnasts and 4,500 spectators. A new feature incorporated is the Schools Gymfest event which provides primary and secondary schools from across North Ayrshire the opportunity to participate in display gymnastics.

Sports Hall Athletics

This is an annual programme of Primary School Athletics events for P6 and P7 incorporating 4 heats and a final held at the Magnum Leisure Centre. There was a fantastic response in 2014/15 involving 41 primary schools.

Ice Sports Competitions

Ice Dance, Ice Hockey and Speed Skating competitions regularly feature in the events calendar at Auchenharvie Ice rink and attract competitors from across the UK and beyond.

Football Festivals & Jingle Balls

The Company's popular 4x4 Football Festivals are delivered at KA Campus Greenwood. These attract over 4,500 footballers from clubs across North Ayrshire and provide an introduction to non competitive team games. To round off the football calendar for the year 'Jingle Balls' Football Festival takes place at the Magnum Leisure Centre, this includes small sided games, fun assault courses and the chance to meet Santa!



For full details of all events and activities go to www.kaleisure.com



Supported by 'Everybody' interactive on-line directory to help individuals locate opportunities to be active in their local areas

Projects and Partnerships

The primary partnership for the Company is with North Ayrshire Council (NAC). As principal funder of the organisation, development and maintenance of a productive partnership is of vital importance to the continued operation of the business. In addition to the financial contribution towards Company running costs made by NAC, there are a number of other areas where productive partnership working has assisted in achieving shared outcomes for both NAC and the Company. A selection of projects delivered in partnership by the Company and NAC is shown below.

Schools of Sport

The Company employs 3 Sports Development Officers (2 Rugby, 1 Basketball) who deliver Schools of Sport activities within host secondary schools across North Ayrshire. Activity levels with Schools of Sport from April to September 2014 totalled 14,845 attendances.

Youth Diversionary Activity

The Company operates the Mobile Football Pitch which works in partnership with NAC Youth Services and the Mobile Information Centre (MIC) to deliver diversionary activities for young people within areas with high levels of youth disorder and anti social behaviour. This project is delivered as part of the Multi Agency Problem Solving Group (MAPSG) and has had 1,600 attendances from April to September.

Queen's Baton Relay

The Company took an active part in the celebrations to mark the Queen's Baton Relay (QBR) arriving in North Ayrshire hosting events at Garnock Swimming Pool, KA Campus Dalry and Auchenhavrie Leisure Centre. In addition the Company also hosted photo opportunities at Vikingar, Largs, KA Campus St Matthews as well as attending and delivering a range of activities at the finale event at Ardrossan South Beach.



Libraries

In addition to the provision of the free summer swim programme which was delivered in partnership with North Ayrshire Library service, the Company also took part for the first time in the "Make Your Mark" project. This project rewards children and families for accessing and taking part in a range of NAC and KA Leisure activities over the summer holiday period.



Young Persons Support Team (YPST)

The NAC Young Persons Support Team (YPST) supports at risk, and in need young people from across North Ayrshire. The Company facilitates free at point of sale access to all Company activities for the young people supported by the North Ayrshire Council Young Persons Support Team.

Active Change

The Company facilitates free at point of sale access to all Company activities for individuals and families currently experiencing homelessness. From April to September 2014, a total of 920 activities have been accessed through this project.

NAC Partnership Subscriptions

The Company offers employees of NAC strategic partner subscription rates for Gym and Fitness with the Company. At the end of September 2014 there were 1948 subscriptions with NAC employees including partners and child subscriptions.



Additional key partnerships for the Company are detailed below. Successful and productive partnership working with these groups enables Company projects to be delivered and extended links to local communities to be developed.

North Ayrshire Community Planning Partnership (NACPP)

NACPP are valued partners in the Company's Community Outreach programme including the Activator, KA Walk, Community Outreach Classes and KA Dance. Cumulative attendances at Community Outreach activities to September 2014 were 25,764.

Barrfields User Group (BUG)

Barrfields User Group (BUG) is a representative body comprising community groups that use Barrfields Theatre in Largs. The group advises on theatre developments and promotes a range of shows and performances to come to the theatre. Attendances to September 2014 at Barrfields Theatre was 8,710.

The Ayrshire Community Trust (TACT) and North Ayrshire Carers Centre

The Company works in partnership with TACT and the North Ayrshire Carers Centre to provide discounted Gym and Fitness subscriptions to volunteers and Carers from across North Ayrshire. Volunteer and Carer subscriptions at the end of September totalled 115.

Irvine Housing Association/ Cunningshame Housing Association

The Company has developed new partnerships with Irvine and Cunningshame Housing Associations where each Association supports an element of the Company's community outreach activities and in return each Association's staff has access to discounted Gym and Fitness subscriptions.

DID YOU KNOW...

KA Leisure are a "make your mark" partner with North Ayrshire Libraries Service

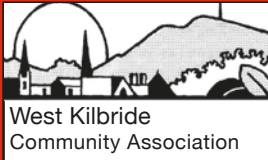
Street Games

Over the past year the Company has developed a highly successful partnership with Street Games delivering festivals in partnership with Arran Youth Foundation, Street Golf through the Golf Foundation, Coach Education with the Doorstep course and Pop Up Sports Activities delivered during the QBR celebrations. The Company has also achieved "StreetMark" accreditation which enables the accredited delivery of a range of Street Sports, Doorstep activities and Street Mark festivals across North Ayrshire.

Scottish Football Association (SFA)

In addition to its on-going successful partnership with the SFA, the Company also provides staffing for the Football School of Sport at Auchenhavrie Academy in Stevenston. Attendances at the Football School of Sport for the first 6 months of the year totalled 1,625.





West Kilbride Community Association

KA Campus West Kilbride is operated in partnership by the Company and West Kilbride Community Association (WKCA). Since opening in May 2013, KA Campus West Kilbride has attracted 280 subscription holders and totalled 21,305 customer visits in the period April to September 2014.

Developments taking place within the facility over the past year include the installation of CCTV within the gym area and the transfer of Spin Bikes to the facility as a result of customer demand. A successful Kids Club has been operating during the school holiday period with further developments for young people planned in the coming year.

High aspirations for KA Campus West Kilbride are shared by the Company and WKCA focussing on further expansion of the subscription base and continuing development of the facility within the community of West Kilbride.



In last year's Progress Report we took the opportunity to highlight the partnership working with North Ayrshire Council as a case study. This year our case study focuses on our joint working with NHS Ayrshire and Arran. Details of partnership activity is shown in the following case study.

NHS Ayrshire and Arran



The Company has developed a very positive working partnership with NHS Ayrshire and Arran based predominantly around the development and maintenance of referral pathways from GPs and Hospitals to high quality community based provision delivered by Company employees.

The programmes detailed below are all delivered in partnership with NHS Ayrshire and Arran, some including a funding element and all identifying and addressing gaps in community provision.



"Invigor8" Falls Prevention Programme



The "Invigor8" Falls Prevention Programme is a partner funded project providing a 48 week, community based falls prevention activity. Currently the Company delivers 10 weekly classes across North Ayrshire which are free to participants. Once each participant has completed their 48 week programme they can continue their activity at continuation classes also run by the Company.



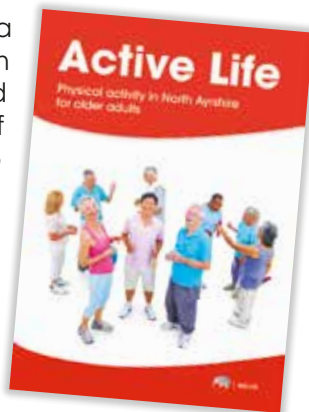
"Weigh to Go"

Weigh To Go Ayrshire is a weight management programme created by and delivered in North Ayrshire by the Company. Weigh to Go is a programme of dietary education and physical activity aimed at encouraging participants to make lifelong changes to their lifestyle to enable gradual, sustainable and long term weight loss. To be eligible for the programme participants must be aged over 16 and have a body mass index of more than 28. As part of the programme participants receive four full health checks, three months of weekly group education sessions and nine months of weekly weigh-in and physical activity sessions to help maintain weight loss.



Active North Ayrshire

Active North Ayrshire (ANA) is a community based Exercise on Referral programme delivered across the communities of North Ayrshire in partnership with NHS Ayrshire and Arran. While the Company delivers a range of classes and activities for people at risk of, or recovering from serious illness or condition, NHS Ayrshire and Arran through GP surgeries and Third Phase provision at hospitals, refer to the programme and deliver some activity within it. Total attendances accessed through the ANA programme to the end of September 2014 were 18,622.



NHS Partnership Subscriptions

The Company offers employees of NHS Ayrshire and Arran strategic partner subscription rates for Gym and Fitness with the Company. At the end of September 2014 there were 550 subscriptions for NHS employees including partners and child subscriptions.



active na

DID YOU KNOW...

KA Leisure's Active North Ayrshire programme has a new partnership with Prostate Cancer UK

Fitness Works

The Company offer discounted membership to employees of local companies who are registered with Healthy Working Lives as part of a funded initiative through NHS Ayrshire and Arran. Employees can access full multi-use membership at a discounted rate of £20 per month. This membership is available to companies based in Ayrshire at no extra cost to the company. As part of the programme companies also have access to a free visit from the mobile health and fitness unit to attend the workplace to carry out health checks for employees. Weight management education sessions during lunchtimes or after work are available at a reduced cost.

Jump Start Project

The Company works in partnership with NHS Ayrshire and Arran in the "Jump Start" project which provides a supported programme of activity for young people and their families within North Ayrshire with weight management issues. In support of the project, the Company provides facilities, sports coaches and KA Cards giving free at point of sale access to all KA Leisure activities to the young people who have engaged in the Jump Start programme.



Going Forward 2015/16

In devising a revised budget 2015/16 the Company is steadfast in its resolve to meet its "5 Company Commitments".

- Protecting the Frontline Service

In 2015/16 the Company will ensure its staffing complement meets the needs and demands of the business via its change management programme.

- Pricing Promise

The Company has been committed to freezing prices on core activities since 2012/13. It is anticipated there will be no price increases on core activities in 2015/16.

- Preparing to Adapt

The Company will continue to develop products and activities to ensure exceptional service and choice for its customers. The Company will also continue reviewing its policies and procedures.

- Properly Engaging

Customers and strategic partners are crucial to the reshaping and growth of the Company. A customer charter will be developed in conjunction with a variety of mechanisms to gauge customer need and expectation.

- Promoting and Profiling

The Company will continue to work with strategic partners, customers and our marketing advisors to ensure maximum exposure of our activities and products.

The Company is not only planning for the next financial year but is also developing a strategy for beyond 2015/16.



KA Leisure 2015-2020

In a four year period (2011/12 to 2015/16) KA Leisure is projecting to increase cumulative attendance figures by 40%, grow a subscription base cumulatively by 99% and increase its operational income cumulatively by 18%.

The Company's engagement with customers and partners has improved product and service delivery and enabled joint working on a number of initiatives to the benefit of the communities of North Ayrshire.

The partnership between the Company and the principal funder, North Ayrshire Council, is fundamental to ensuring leisure provision is fit for the future. Working proactively with North Ayrshire Council is enabling a better understanding of the neighbourhoods we serve and providing opportunities for collaborative working on particular issues including revenue and capital requirements in order to safeguard the longevity of facilities.

As the customer base and partnership working increases the Company is now taking the opportunity to review its resources, outcomes and plans for future development.

Over the coming months we are committed to devising a 5 year strategy, incorporating a revised vision for the Company, with the key objective of "people are more active, more often" as the focus of the plan. Working with partners we will aim to provide physical resources and activity programming that meets the needs and expectation of the communities of North Ayrshire thus enabling access to Sport and Physical Activity for everybody.

To date we have identified four main themes within the evolving strategy that fundamentally outlines the function of the Company;

- To promote physical activity, health and wellbeing
- To provide quality facilities
- To continually develop community and club sport
- To continually support community engagement

Each of these themes are underpinned by a range of proposed outcomes and appropriate actions (for further detail see Appendix C) and categorised by the three overarching principles of the Company change management process;

- Our People
- Our Places
- Our Profile

Our People

The Company has always maintained that its greatest asset is its staff. The Company is committed to provide opportunities for staff to improve their skill base, promote diversity in roles, introduce key service delivery roles and provide additional support in direct customer service areas.

Reviewing staffing structures and training schedules will facilitate Company growth, ensure the Company remains industry relevant and remain committed to improving delivery standards across all facilities and services.

Customers are essential to our existence. Engagement through our existing forums and feedback mechanisms is currently being reviewed and extended. The Company is committed to improving the customer journey by ensuring easy access to information, extending online booking facilities and continually responding to customer expectation.

Partnership working is crucial. The Company works with North Ayrshire Council, the principal funder, and other organisations to achieve the single outcome agreement for North Ayrshire "people are more active, more often" and contribute to a variety of partnership initiatives via provision of service delivery and representation on specific working groups.



DID YOU KNOW...

KA Leisure has 2845 followers on facebook



Our Places

The Company operates 4 main leisure centres, 7 campus sites, 3 golf courses and various outdoor facilities. There is a mobile ACTIVATOR unit that travels across North Ayrshire and service provision is also delivered at a number of community venues across the area.

The Company strives to ensure facilities are fit for purpose for both customers and staff. Working in conjunction with North Ayrshire Council the Company is committed to providing safe and fun environments to the benefit of all users of facilities.

Currently the Company is engaged in discussions with North Ayrshire Council regarding various leisure developments across North Ayrshire, including; the new Irvine Centre, Garnock Academy and the Largs feasibility project.

Our Profile

Maintaining a positive reputation is of paramount importance. Delivering on our commitments and objectives within the Business / Service Plan has demonstrated our determination and resolve to improve service delivery and ensuring "people are more active, more often."

As a Company we have been building on the trust and confidence our stakeholders have in our ability to actively deliver services through partnership working and customer engagement.

As part of the change programme we will review and revise relevant policies and procedures to maintain high standards across our facilities. We will introduce customer and staff charters to promote organisational ownership. The Company not only serves the community but we are also part of the community we therefore intend to develop our social responsibility policy highlighting the causes and initiatives the Company supports in the community and explore areas where this can be further expanded.

Budget 2015/16

DID YOU KNOW...

There are no price increases in 2015/16

Budget Considerations

It is anticipated that there will be no change to the financial contribution from North Ayrshire Council for 2015/16. The Company received £3,286,624 in 2014/15.

The Company will continue to strive to ensure its costs are controlled via robust monitoring and review processes. In 2015/16 the Company is not anticipating increasing any customer prices for core service activities. This is in keeping with the pricing promise contained within the 5 Company Commitments.



Budget 2015/16

The following table illustrates the 2015/16 Budget in conjunction with the 2014/15 Budget for comparative purposes;

	2014/15 Budget (£)	2015/16 Budget (£)
EXPENDITURE:		
Employee Costs	4,108,019	4,363,715
Property Costs	1,594,446	1,576,861
Supplies and Services	401,125	414,145
Transport and Plant	38,328	41,684
Administration Costs	239,200	312,150
Payments to Other Bodies	164,153	160,512
Finance / Other Expenditure	498,842	443,150
Total Expenditure	7,044,113	7,312,217
INCOME:		
North Ayrshire Council	3,286,624	3,286,624
Operational Income	3,783,748	4,053,274
Total Income	7,070,372	7,339,898
Surplus	26,259	27,681

The following narrative provides a detailed breakdown of the significant variances from the 2014/15 budget to the 2015/16 budget.

Employee Costs

Employee Costs are budgeted approximately £256,000 higher than 2014/15. This is mainly attributed to;

- Staff Realignment

The Health and Safety Co-ordinator post has been revised from part-time to full-time position costing approximately £15,000.

The creation of the Building and Facilities Manager post costing approximately £34,000 has been included with the budget.

The creation of various supervisory positions that cost approximately an additional £53,000 has been included within the budget.

The re-grading of the Fitness Manager post will cost approximately an additional £8,000.

Due to increased activity levels across the Company a review of staffing resources has led to additional provision being required for aerobics increasing the budget by approximately £26,000.

- Pay Award

The 2015/16 budget also includes a 2% pay award totalling approximately £85,000. This amount is offset by additional income from North Ayrshire Council.

- Other Factors

The 2015/16 budget also includes an additional £35,000 mainly due to pension costs and incremental increases.

Property Costs

Property Costs are budgeted approximately £17,000 lower due to a decrease in anticipated energy expenditure.

Supplies and Services

Supplies and Services are budgeted approximately £13,000 higher due to an increase in staff uniform budget and a decrease within licence payments.

Transport and Plant

Transport and Plant are budgeted approximately £3,000 higher due to general staff mileage costs.

Administration Costs

Administration Costs are budgeted approximately £73,000 higher due to an increase in marketing, training, insurance and telephone budgets.

Finance and Other Expenditure Costs

Finance and Other Expenditure Costs are budgeted approximately £56,000 lower due to a decrease in depreciation costs.

DID YOU KNOW...

KA Leisure has an ACTIVATOR mobile unit

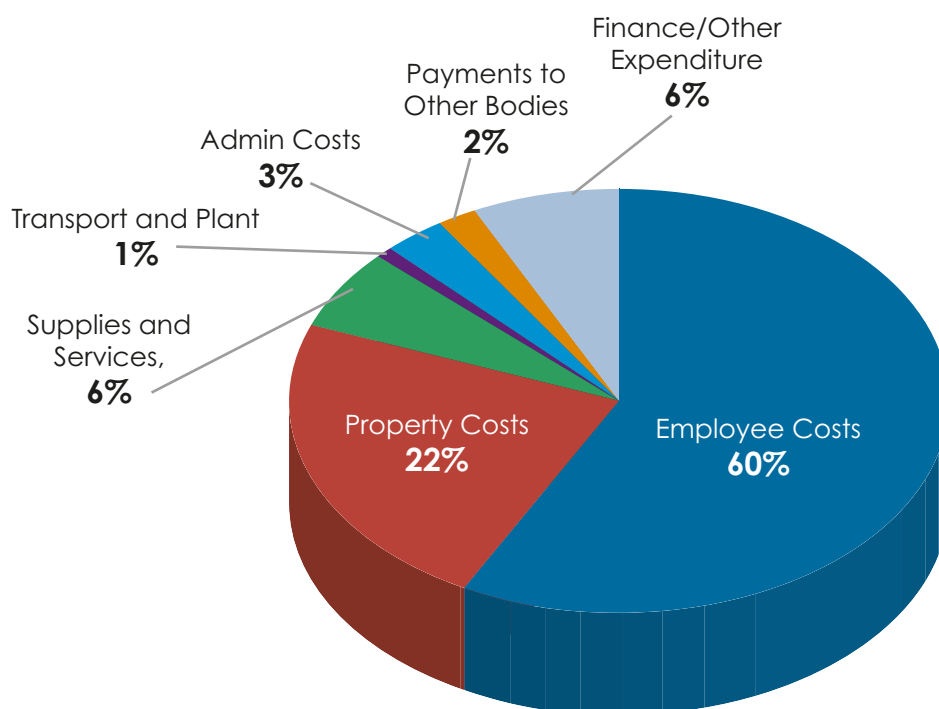


Capital Investment

The income and expenditure statement for 2015/16 reveals an anticipated surplus of £27,681. The budget does not allow for any capital investment allocation. The income projections are prudent therefore if the Company is successful in generating additional income during the financial year this will be transferred to the Investment Reserve Fund for capital spend purposes.

The pie chart reveals the percentage breakdown of expenditure across the Company for 2015/16. The percentage breakdown of budgeted expenditure for 2015/16 is similar to the current year budgeted expenditure breakdown. Employee costs and property costs are 60% and 22% respectively.

2014-15 Budgeted Expenditure



Income

An analysis of income is illustrated on the table in conjunction with variance explanations below.

Area of Business	2014/15 Budget (£)	2015/16 Budget (£)	Variance (approximate)
Auchenhavrie Leisure Centre	970,300	1,026,605	6% increase
Garnock Leisure Centre	151,900	170,350	12% increase
Magnum Leisure Centre	865,575	944,063	9% increase
Vikingar Leisure Centre	358,500	411,141	15% increase
KA Campus	365,594	371,000	1% increase
Golf	331,029	332,474	—
Outdoor Sports	75,350	70,875	6% decrease
Physical Activity	170,000	158,430	7% decrease
Projects	301,264	316,742	5% increase
Other	194,236	251,594	30% increase
North Ayrshire Council	3,286,624	3,286,624	—
Total	7,070,372	7,339,898	4% increase

Leisure Centres and KA Campuses

The increase in budgeted income figures at leisure centres and campuses is due to the rise in fitness subscriptions. Currently the Company has approximately 6,100 subscribers compared to 5,080 at this point last year. In 2015/16 the Company is targeting a further 220 new subscribers.

In 2015/16 the Company is budgeting increased income generation from retail activities within all leisure centres and campuses this is due to enhanced merchandising of sport clothing and equipment.

During 2014/15 at Auchenharvie Leisure Centre ice rink availability has been disrupted by an on-going ventilation issue. At the time of writing, this issue is being rectified by a contractor engaged by North Ayrshire Council. It is anticipated that ice availability in 2015/16 will be optimal.

In 2014/15 a restructure of the Company Learn to Swim programme commenced. On a phased basis this has increased swimming lesson availability at Auchenharvie and Magnum Leisure Centres. In 2015/16 the Company plans to further expand this programme and introduce simplified payment methods to improve the customer booking process.



DID YOU KNOW...

KA Leisure
to date have
6,100 subscribers

Golf and Outdoor Sports

Golf income has been budgeted to increase slightly in 2015/16 to reflect the introduction of strategic partnership subscription rates for this activity.

The Company intends to extend the strategic partnership rates for fitness to golf activities. It is anticipated that this will attract a prudent 200 golf subscriptions.

Outdoor Sports income has been budgeted lower than last year to reflect the projected lower than anticipated income for 2014/15. This decrease in income in the current year is a result of increased competition within the outdoor synthetic sports pitch market.

Physical Activity

Physical Activity income is budgeted lower than last year due to predicted fitness subscription growth being budgeted across facilities as opposed to being held in physical activity.

Projects

Project income is budgeted approximately £15,000 higher than last year mainly due to additional funding being secured from NHS Ayrshire and Arran and Prostate Cancer UK

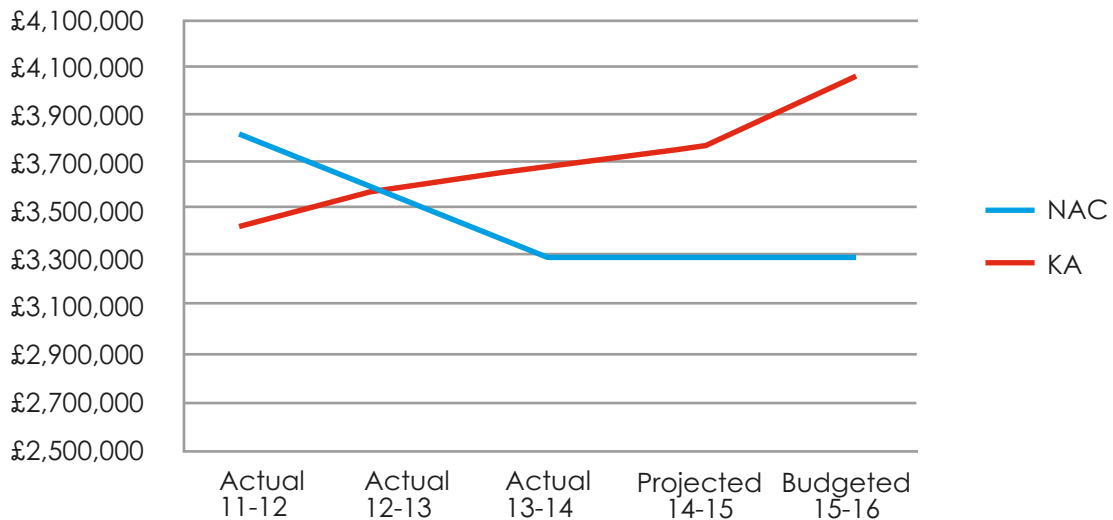
Other Income

The increase in other income is mainly due to the increase from 2014/15 1% pay award to an anticipated 2% pay award in 2015/16. This is funded by North Ayrshire Council.

North Ayrshire Council

The anticipated financial contribution from North Ayrshire Council in 2015/16 is £3,286,624. This figure remains the same as the 2014/15 financial contribution level.

Income Actual, Projected and Budgeted



Conclusion

To date overall attendances are 12% higher than last year and the current financial position is favourable. This is predominantly due to the Company investing in facilities and services, remaining loyal to a pricing promise, ensuring staffing resources meet business demands, adopting effective marketing techniques and actively engaging with customers and partners.

The Company anticipates 2015/16 will be another year of growth. Our targets for the year ahead predict a further increase in overall attendances. The Company budget has been revised projecting an increase in income for 2015/16 compared to 2014/15 mainly due to targeted increases in fitness and golf subscribers. Expenditure has also increased to reflect the additional resource requirements in order to meet the growing customer demand for activities and programmes. All budgetary assumptions are prudent.

Going forward the Company aspires to build on its success to date. A 5 year strategy is currently being developed in consultation with key stakeholders to determine a future service specification, shared investment priorities and address growing customer expectation.

Fundamentally this strategy will provide outcomes and actions to further enable the Company to deliver quality facilities and services across the communities of North Ayrshire. We remain committed to providing a wide range of opportunities for all to experience the benefits of an active healthy lifestyle.

Our continuing focus is simply to ensure that "People are more active, more often"



Reference and Administration

Charity Registration Number:	SC029780
Company Registration Number:	SC202978
Registered Office:	The Magnum Leisure Centre Harbourside Irvine KA12 8PP
Trustee Directors:	G Higgon (Chair) A Munro (Vice Chair) T Marshall R Martin J Montgomery A Pringle H Young
Chief Executive:	E Cairns
Solicitor:	Shepherd and Wedderburn 191 West George Street Glasgow G2 2LB
Auditor:	Campbell Dallas LLP Titanium 1 King's Inch Place Renfrew PA4 8WF
Banker:	Clydesdale Bank 151 High Street Irvine KA12 8AD

APPENDIX A

Target and Projected Customer Activity Levels by Site

Auchenharvie Leisure Centre	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Swimming	91,863	90,000	85,661	90,000
Swim Lessons	23,282	24,000	24,841	26,000
Fitness - Gym	242,806	237,000	258,900	260,000
Health Suite	5,114	5,500	4,323	4,500
Ice Rink	86,056	83,000	83,384	83,500
Fitness - Studio Classes	86,624	75,000	92,537	93,000
Events/Admissions	17,962	18,000	18,846	18,000
Total	553,707	532,500	568,492	575,000

Garnock Pool	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Swimming	48,876	47,000	48,794	50,000
Swim Lessons	11,973	13,000	12,105	12,500
Fitness - Gym	21,334	20,000	24,382	25,000
Events/Admissions	7,679	8,000	9,074	9,000
Total	89,862	88,000	94,355	96,500

Magnum Leisure Centre	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Swimming	133,508	141,000	140,078	141,000
Swim Lessons	16,144	22,000	17,064	18,000
Fitness - Gym	179,515	175,000	203,421	205,000
Health Suite	5,244	5,500	5,079	5,500
Sports Hall Activities	45,821	55,000	50,494	52,000
Soft Play	10,655	11,000	9,887	10,500
Fitness - Studio Classes	72,014	75,000	80,624	82,500
Entertainments	19,818	22,000	19,702	22,000
Events/Admissions	48,134	40,000	50,281	50,200
Total	530,853	546,500	576,630	586,700

Vikingar	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Swimming	53,530	53,000	53,363	54,000
Swim Lessons	11,724	13,000	11,682	12,000
Fitness - Gym	75,480	75,000	87,789	90,000
Health Suite	2,641	2,500	2,850	3,000
Soft Play	3,958	4,000	3,728	4,000
Fitness - Studio Classes	30,069	30,000	33,959	30,000
Entertainments	13,050	14,000	15,240	15,500
Events/Admissions	21,265	20,000	25,932	26,000
Visitor Attraction	20,972	19,000	19,514	20,000
Total	232,689	230,500	254,057	254,500

KA Campus Dalry

	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Fitness - Gym	-	-	-	12,000
Sports Hall Activities	15,107	15,000	14,931	15,000
Fitness - Studio Classes	1,775	2,500	1,388	3,000
Outdoor Sports	8,720	8,500	8,720	8,500
Events/Admissions	6,051	5,500	9,914	10,000
Total	31,653	31,500	34,953	48,500

KA Campus Kilwinning

	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Fitness - Gym	7,795	7,000	8,220	8,500
Sports Hall Activities	14,782	14,000	16,323	16,500
Fitness - Studio Classes	1,034	2,000	11	0
Events/Admissions	3,727	2,500	3,422	3,500
Total	27,338	25,500	27,976	28,500

KA Campus Arran

	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Fitness - Gym	1,719	2,250	1,614	2,250
Sports Hall Activities	12,970	14,000	13,784	14,000
Fitness - Studio Classes	0	0	0	0
Outdoor Sports	2,445	2,500	2,440	2,500
Events/Admissions	9,049	10,000	10,294	10,000
Total	26,183	28,750	28,132	28,750

KA Campus Greenwood

	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Fitness - Gym	5,655	6,000	5,490	6,000
Sports Hall Activities	45,724	42,000	45,792	45,000
Fitness - Studio Classes	3,566	4,000	3,282	4,000
Outdoor Sports	40,301	41,500	37,161	40,000
Events/Admissions	6,116	5,000	6,613	5,000
Total	101,362	98,500	98,338	100,000

KA Campus St Matthews

	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Fitness - Gym	27,349	30,000	28,446	30,000
Sports Hall Activities	35,919	35,500	39,128	40,000
Fitness - Studio Classes	12,471	12,500	12,457	13,000
Outdoor Sports	16,510	19,000	16,218	17,500
Athletics Track	2,373	2,500	4,053	4,000
Events/Admissions	17,395	14,000	26,208	15,000
Total	112,017	113,500	126,510	119,500

APPENDIX A

Target and Projected Customer Activity Levels by Site

Stanley Primary

	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Sports Hall Activities	4,024	3,000	4,750	5,000
Fitness - Studio Classes	-	-	-	-
Outdoor Sports	7,125	7,000	6,300	7,000
Events/Admissions	2,290	1,800	2,490	2,500
Total	13,439	11,800	13,540	14,500

West Kilbride Community Centre

	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Fitness - Gym	21,132	17,000	29,163	30,000
Fitness - Studio Classes	7,589	7,000	10,722	12,000
Other	313	500	223	500
Total	29,034	24,500	40,108	42,500

Golf Courses

	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Auchenharvie	15,223	18,000	15,445	15,500
Ravenspark	29,994	31,000	30,206	31,000
Routenburn	11,518	12,500	11,823	11,000
Total	56,735	61,500	57,474	57,500

Outdoor Sports

	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Sports Pitches	46,080	50,000	40,370	40,500
Pavilion Halls	11,412	11,500	10,968	11,500
Total	57,492	61,500	51,338	52,000

Physical Activity

	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Sports Development	104,470	125,000	111,170	112,000
Health and Fitness	82,628	82,000	85,037	88,000
Total	187,098	207,000	196,207	200,000

Total Customer

	2013-14 Actual	2014-15 Target	2014-15 Projected	2015-16 Target
Leisure Centres	1,407,111	1,397,500	1,493,534	1,512,700
KA Campuses	341,026	334,050	369,557	382,250
Golf & Outdoor Sports	114,227	123,000	108,812	109,500
Physical Activity	187,098	207,000	196,207	200,000
Total	2,049,462	2,061,550	2,168,110	2,204,450

APPENDIX B

Historical Customer Activity by Site

Auchenharvie

Leisure Centre	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Swimming	79,211	75,619	81,752	90,650	91,863
Swim Lessons	24,867	21,714	17,303	23,204	23,282
Fitness - Gym	70,629	76,059	106,696	186,126	242,806
Health Suite	6,811	9,361	7,972	6,491	5,114
Ice Rink	9,449	67,324	79,679	85,135	86,056
Fitness - Studio Classes	17,173	20,621	33,212	67,011	86,624
Events/Admissions	15,428	15,561	17,958	18,387	17,962
Total	223,568	286,259	344,572	477,004	553,707

Garnock Pool

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Swimming	38,218	38,252	43,786	46,853	48,876
Swim Lessons	15,076	14,846	11,388	12,260	11,973
Fitness - Gym	8,170	7,626	8,594	13,908	21,334
Events/Admissions	7,368	7,040	7,956	8,159	7,679
Total	68,832	67,764	71,724	81,180	89,862

Magnum

Leisure Centre	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Swimming	127,800	136,539	133,468	141,335	133,508
Swim Lessons	27,782	23,546	18,497	18,897	16,144
Fitness - Gym	63,380	66,113	88,586	140,589	179,515
Health Suite	7,155	8,205	7,906	7,261	5,244
Ice Rink	68,195	-	-	-	-
Sports Hall Activities	61,249	58,478	57,287	46,467	45,821
Soft Play	12,976	13,090	12,952	12,084	10,655
Fitness - Studio Classes	27,631	27,936	36,182	56,839	72,014
Entertainments	27,954	24,830	22,541	21,778	19,818
Events/Admissions	42,410	46,183	47,176	51,887	48,134
Total	466,532	404,920	424,595	497,137	530,853

Vikingsar

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Swimming	51,803	49,962	49,721	52,340	53,530
Swim Lessons	12,430	11,849	9,821	10,509	11,724
Fitness - Gym	28,609	32,854	37,018	61,767	75,480
Health Suite	4,493	5,100	4,318	2,865	2,641
Soft Play	5,454	4,926	4,363	3,832	3,958
Fitness - Studio Classes	9,549	10,863	13,208	24,684	30,069
Entertainments	9,218	7,916	10,396	13,198	13,050
Events/Admissions	17,224	18,070	17,949	19,067	21,265
Visitor Attraction	19,602	20,228	19,279	18,197	20,972
Total	158,382	161,768	166,073	206,459	232,689

APPENDIX B

Historical Customer Activity by Site

KA Campus

Dalry	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Sports Hall Activities	15,105	15,041	14,299	17,224	15,107
Fitness - Studio Classes	2,981	3,664	1,934	1,593	1,775
Outdoor Sports	14,638	11,031	9,508	7,940	8,720
Events/Admissions	4,793	5,423	6,273	7,062	6,051
Total	37,517	35,159	32,014	33,819	31,653

KA Campus

Kilwinning	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Fitness - Gym	3,292	3,837	3,550	5,732	7,795
Sports Hall Activities	11,047	13,877	14,853	14,320	14,782
Fitness - Studio Classes	160	68	401	1,815	1,034
Events/Admissions	1,730	1,653	359	2,818	3,727
Total	16,229	19,435	19,163	24,685	27,338

KA Campus

Arran	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Fitness - Gym	4,820	3,506	2,317	2,050	1,719
Sports Hall Activities	9,898	13,894	12,760	14,899	12,970
Fitness - Studio Classes	1,620	577	0	0	0
Outdoor Sports	3,650	3,987	2,805	2,315	2,445
Events/Admissions	5,566	10,913	8,362	9,044	9,049
Total	25,554	32,877	26,244	28,308	26,183

KA Campus

Greenwood	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Fitness - Gym	935	1,413	1,577	5,077	5,655
Sports Hall Activities	21,912	27,085	32,809	42,563	45,724
Fitness - Studio Classes	1,950	1,728	2,019	3,356	3,566
Outdoor Sports	31,210	29,957	41,362	40,824	40,301
Events/Admissions	4,474	5,143	4,694	5,558	6,116
Total	60,481	65,326	82,461	97,378	101,362

KA Campus

St Matthews	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Fitness - Gym	7,970	9,816	13,920	24,544	27,349
Sports Hall Activities	32,428	44,350	44,975	37,505	35,919
Fitness - Studio Classes	3,495	5,523	8,102	12,030	12,471
Outdoor Sports	13,899	16,399	17,144	19,352	16,510
Athletics Track	1,919	1,229	3,040	2,530	2,373
Events/Admissions	8,466	12,082	13,675	14,925	17,395
Total	68,177	89,399	100,856	110,886	112,017

Stanley Primary School	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Sports Hall Activities	1,775	1,575	1,765	2,798	4,024
Fitness - Studio Classes	773	1,125	1,076	500	-
Outdoor Sports	5,912	5,837	7,314	6,705	7,125
Events/Admissions	1,879	2,251	1,942	1,753	2,290
Total	10,339	10,788	12,097	11,756	13,439

West Kilbride Community Centre	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Fitness - Gym	-	-	-	-	21,132
Fitness - Studio Classes	-	-	-	-	7,589
Events/Admissions	-	-	-	-	313
Total	0	0	0	0	29,034

Golf Courses	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Auchendarvie	17,035	16,843	16,834	15,671	15,223
Ravenspark	31,293	31,302	30,357	29,268	29,994
Routenburn	14,746	14,479	13,346	13,293	11,518
Total	63,074	62,624	60,537	58,232	56,735

Outdoor Sports	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Sports Pitches	73,920	66,210	59,040	56,580	46,080
Pavilion Halls	38,208	27,582	18,816	14,064	11,412
Total	112,128	93,792	77,856	70,644	57,492

Physical Activity	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Sports Development	106,238	69,122	73,089	101,005	104,470
Health and Fitness	62,034	75,581	86,309	80,769	82,628
Total	168,272	144,703	159,398	181,774	187,098

Total Customer Activity	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Leisure Centres	917,314	920,711	1,006,964	1,261,780	1,407,111
KA Campuses	218,297	252,984	272,835	306,832	341,026
Golf & Outdoor Sports	175,202	156,416	138,393	128,876	114,227
Physical Activity	168,272	144,703	159,398	181,774	187,098
Total	1,479,085	1,474,814	1,577,590	1,879,262	2,049,462

APPENDIX C

2015-2020 - Proposed Outcomes and Actions

People are More Active, More Often



Proposed Strategic Outcomes

People	<ul style="list-style-type: none">• Appropriately skilled qualified team delivering quality programmes to local communities• Responses to customer demand• Positive Health and Safety• Active coach and volunteer programme• Working in partnership to deliver local opportunities• Communities influence service design and delivery
Places	<ul style="list-style-type: none">• Delivery of effective programmes within local communities• Facilities are Fit For Purpose• Local communities are empowered
Profile	<ul style="list-style-type: none">• Quality reputation• Communities are healthy and active• Communities have trust and confidence in service delivery• Valued partner within the local community• Environmentally aware policies and procedures

Proposed Actions

People	<ul style="list-style-type: none">• Review and realign employee structure to service provided• Introduce employee PDR system• Introduce Quality Assurance Qualifications Framework• Continue to nurture and develop Health and Safety practice• Develop a coach and volunteer programme• Establish a community sports development programme
Places	<ul style="list-style-type: none">• Increase number and variety of programmes and measure number of participants• Develop asset Management Strategy
Profile	<ul style="list-style-type: none">• Standardisation of brand, image and identity• Promote the benefits of a healthy active lifestyle and provide opportunities to participate• Develop Communication Strategy• Review all Company policy and procedures to ensure environmentally aware practices are maintained• Establish a community sports development programme

APPENDIX D

Articles of Association - Objects



ARTICLES OF ASSOCIATION (Extract)
NORTH AYRSHIRE LEISURE LIMITED
Companies Acts 1985 to 2006 Private Company Limited by Guarantee
Company Number SC202978

Objects of the Company

The Company is established for Charitable Purposes only. This clause shall be interpreted as if it incorporated an overriding qualification limiting the powers of the company such that any activity which would otherwise be permitted by the terms of this clause may be carried on only if that activity can be regarded as having a Charitable Purpose. Subject to the foregoing overriding qualification the company's objects are:

- 1.1 to advance public participation in sport;
- 1.2 to provide or assist in the provision of facilities for, or activities relating to, recreation or other leisure time occupation;
- 1.3 to advance the arts, heritage, culture or science; and
- 1.4 to enhance lifelong learning opportunities for individuals and community groups,

in each case such services being provided in the interests of improving social welfare and community wellbeing for the benefit of, and in relation to the general public in, the North Ayrshire area (including the communities of the North Ayrshire area and visitors to that area) save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances have need of special facilities, and in each case through any appropriate means, and to do all such other things as may seem incidental or conducive to the pursuit of the foregoing objects and the exercise of the powers of the company (whether express or implied).

KA Leisure is a trading name of North Ayrshire Leisure Ltd



North Ayrshire Leisure Limited is a Company Limited by Guarantee No.202978
and a recognised Scottish Charity No.SC029780.

Registered Office: Head Office, The Magnum Leisure Centre, Harbourside, Irvine, KA12 8PP.
Tel: 01294 313772; Fax. 01294 273172; email info@kaleisure.com; www.kaleisure.com

NORTH AYRSHIRE COUNCIL

Agenda Item 4

27 January 2015

Cabinet

Subject: **Revenue Budget 2014/15 : Budgetary Control Statement to 30 November 2014**

Purpose: To advise the Cabinet of the revenue budgetary control position for the Council at 30 November 2014.

Recommendation: That the Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) note the action being taken by the Health and Social Care Partnership to reduce the current projected overspend; (c) approve the virements detailed in Appendix 10 and (d) approve the new carry forwards identified at 2.19.

1. Introduction

- 1.1 The Council's General Fund and Housing Revenue budgets for 2014/15 were approved at a special meeting of the Council held on 11 December 2013.
- 1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, budgetary control reports are presented on a regular basis. This is the third report for 2014/15 and covers the period to the end of November 2014 (Period 8). Projections of the year-end position have been made. As the year progresses these projections will become more robust.

2. Current Position

General Fund

- 2.1 The Council has set a break-even budget for 2014/15. In addition to the budget approved on 11 December 2013 ear-marked funds of £3.497m have been carried forward from 2013/14 for service expenditure in 2014/15 and are reflected in the figures within the 2014/15 budgetary control reports as they are drawn down.
- 2.2 Current financial projections indicate that a net in-year surplus of £1.424m is anticipated for the year to 31 March 2015 compared to £0.903m at the end of September.

Commentary on Significant General Services Variances

- 2.3 A number of over and underspends across Council services contributes to the overall projected financial position. As previously reported there is a theme in relation to underspends through vacancy management and budgets have been approved for 2015/16 which have increased employee turnover assumptions and the savings which accrue as a result.
- 2.4 A brief explanation of Services' major variances are outlined below, with further details in the attached appendices.
- 2.5 In the Chief Executive's Service (Appendix 1), an underspend of £0.219m is anticipated, which is an increase on the underspend projected at period 6 of £0.195m. This is largely due to projected savings in employee costs as a result of vacancies and a secondment to another service from the Change Programme Team.
- 2.6 Within Finance and Corporate Support (Appendix 2), there is a projected underspend of £0.560m, which is an increase on the underspend projected at period 6 of £0.315m and the movement is mainly due to an underspend in the Discretionary Housing Payment budget. Scottish Government and DWP have now confirmed the funding in place for Discretionary Housing Payments to meet the loss of housing benefit resulting from under occupancy. £0.416m had been held uncommitted until this had been confirmed and is now not required for 2014/15 resulting in an underspend of £0.416m. It is proposed to carry this forward for earmarking for employability initiatives and this will be the subject of a future cabinet report.
- 2.7 A saving in employee costs of £0.336m is projected mainly as a result of vacant posts within Financial Management (£0.023m), Revenues and Benefits (£0.186m), Business Support (£0.027m) and Central Procurement (£0.100m). A further £0.141m of Welfare Reform funding is projected to underspend, mainly relating to budget set aside to address the benefit cap on temporary accommodation. This is partially off-set by the spend on the upgrade of the Contact Centre Technology (£0.149m) for this year approved at Cabinet in period 6 and one-off infrastructure costs relating to the Wide Area Network migration (£0.123m).

- 2.8 Within Education & Youth Employment (Appendix 3), an underspend of £0.468m is anticipated which is consistent with the £0.457m projected at period 6. This is primarily due to a PPP Insurance Rebate (£0.500m), an underspend in Additional Support Needs (£0.345m) due to a reduction in the number of placements including a reduction in the children placed in schools outwith North Ayrshire and an underspend in Early Years (£0.235m) due to vacancies and a reduction in placements with private nurseries. These underspends are partially off-set by overspends in the following key areas; the cost of retirals will be £0.300m and is a one-off this year as part of delivering the Teachers Refresh programme; replacement teacher costs which are expected to overspend by £0.150m for the holidays teachers accrue whilst on maternity and long term sickness; the additional cost of delivering the IT computer replacement programme of £0.100m.
- 2.9 For the Health and Social Care Partnership (Appendix 4), current projections indicate an overspend of £3.020m at 31 March 2015 which is consistent with projections at period 6. There are a number of over and underspends which contribute to this net overspend.
- 2.9.1 The most significant projected overspend is within Older People's services (£2.441m). Care homes are projected to overspend by £1.087m based on current occupancy levels. Care at Home staff costs are projected to overspend by £0.591m and is mainly due to overtime to cover Premier case load transferred back in house, long term sickness and and staff training absence. Purchased care at home services are also projecting an overspend of £0.516m. Work is ongoing to increase framework provider compliance levels and this should help to reduce the overspend. A care at home review is being undertaken to address the areas of overspend.
- 2.9.2 Further overspends of £0.521m are anticipated within Children and Families mainly within Children With Disabilities community packages (0.360m) and direct payments (£0.170m) reflecting the care packages which are currently in place and residential schools (£0.283m) based on the current number of placements. Independent Services are overspending (£0.227m) on residential care packages, community care packages and direct payments and Learning Disabilities (£0.239m) for community care packages and direct payments.
- 2.9.3 The above overspends have been partially offset by underspends. In Management & Support, an underspend of £0.098m is projected and Mental Health is projecting an underspend of £0.279m mainly in care packages.

- 2.9.4 Heath and Social Care Partnership had identified efficiencies of £0.830m by reducing care packages within Independent Services, Learning Disabilities and Mental Health of which £0.578m has been delivered to date.
- 2.9.5 Regular meetings continue with the Chief Executive to monitor progress in reducing the projected overspend. A report is being prepared to outline the action being taken by the service to reduce the current projected overspend.
- 2.10 Within Place (Appendix 5) an overspend of £0.429m is anticipated, which is an increase on the overspend of £0.015m projected at period 6. This movement is mainly due to a contamination payment which is due to be paid as part of the blue bin contract and is reflected in the £0.298m forecast within Waste Services. Property Costs are forecasting an overspend due to an under recovery in rental income (£0.150m) as a result of current void levels and an overspend in rates (£0.075m) due to increases in rateable values within the commercial estate portfolio. This is off-set by underspends in Other Housing (£0.065m) and Facilities Management (£0.037m).
- 2.11 Within Economy and Communities (Appendix 6) an underspend of £0.078m is forecast which is a reduction on the underspend of £0.326m projected in period 6 and is mainly due to an increase in employee cost projections within Management and Connected Communities and the extension of the Community Employment Initiative and Equal Opportunities Project.
- 2.12 Planning and Protective Services and Connected Communities are forecasting an underspend of £0.295m as a result of vacancies. This is partially off-set by an overspend in employee costs of £0.209m following the implementation of a revised structure in Economic Development which is being funded in 2014/15 from the underspends identified due to vacancies. In 2015/16 this cost will be met from a reallocation from the Business Development and Employability programmes as part of a strategic shift in the Council's economic growth activities.
- 2.13 Building Services (Appendix 7) are projecting an underspend of £0.392m, which represents an increase from the underspend of £0.331m reported at period 6. This is primarily due to an increase in income of £1.409m mainly in voids (£0.521m) and non housing (£1.014m) partially off set by the increased costs associated with delivering this additional workload and mix of work.

- 2.14 Corporate Items (Appendix 8) relates to Joint Board requisitions, pension costs and other corporate items. An underspend of £0.381m is forecast and is mainly due to savings on inflationary assumptions made on the national care home contract. An element of corporate items includes a provision for commitments against workforce resizing. This will continue to be monitored during the last quarter of the financial year.
- 2.15 Savings of £1.774m are anticipated in Loan Charges as a result of slippage in the capital programme in recent years, combined with external borrowing falling below anticipated levels due to the short-term use of cash balances currently held by the Council. There has been no long term borrowing undertaken so far in 2014/15 due to Public Works Loans Board (PWLB) interest rates currently sitting at high levels compared with the low rates of return available on investments. This forecast assumes that borrowing will be undertaken in quarter 4 of this year.
- 2.16 The Council has budgeted for income from Council Tax of £57.999m in 2014/15, based on an estimated overall 96.5% collection level, and income from Non-Domestic Rates (NDR) of £40.417m. Council Tax collection (including water and waste water charges) at 30 November 2014 is 74.5%, which is the same as last year. In respect of NDR, the collection level to the end of November is 70.11% which is 1.5% above last year.
- 2.17 Income from Council Tax is forecasting to over recover by £1.838m. This is mainly due to cash collected for older debt (£0.423m) which had previously been written off and a reduction in the amount of council tax reductions (£1.415m) being awarded. Savings of £0.754m in relation to Council Tax Reduction were approved by Council on 9 December as part of the 2015/16 revenue budget exercise.
- 2.18 Revenue Support Grant is lower than anticipated by £0.043m and is reflective of the final government settlement anticipated this year. Future year budgets have been updated to reflect these revised allocations.
- 2.19 Carry forward of funds for use in 2015-16 have been approved or are proposed within this report totalling £0.794m:
- £0.240m for Irvine Leisure Centre - approved by Council 9 December 2014
 - £0.416m for employability initiatives - proposed within this report
 - £0.138m for upgrade of Contact Centre Technology - approved at Cabinet 25 November 2014

This is reflected in the carry forward identified in the table at 2.21.

2.20 Requests for budget transfers, or virements, have been identified since the start of the financial year. As per the Council's Codes of Financial Practice, where the amount transferred from a budget is over £100,000 (either as a single transfer or the sum of transfers within a financial year) or where the transfer of any amount would affect existing Council policy the approval of the Cabinet is required. A schedule of the virements requested by Services above the £100,000 threshold is attached at Appendix 10 for Members' consideration and approval.

2.21 An analysis of the year end General Services revenue projections as at the end of November 2014 is shown in the undernoted table:

	Annual Budget	Projection to 31	Projected
	<u>£000</u>	<u>March 2015</u>	<u>Variance for</u>
		<u>£000</u>	<u>year</u>
<u>Service Expenditure</u>			<u>£000</u>
			<u>(Fav)/Adv</u>
Chief Executive	4,510	4,291	(219)
Finance & Corporate Support	23,764	23,204	(560)
Education and Youth Employment	103,241	102,773	(468)
Health and Social Care Partnership	80,925	83,945	3,020
Place	59,873	60,302	429
Economy and Communities	23,075	22,997	(78)
Building Services	(148)	(540)	(392)
Other Corporate Services	10,410	10,029	(381)
Balance for Services	305,650	307,001	1,351
Loan Charges etc	20,478	18,704	(1,774)
Contribution to Capital Fund	1,086	1,086	-
Total Planned Expenditure	327,214	326,791	(423)
<u>Planned Income</u>			
AEF	(266,099)	(266,056)	43
Council Tax and former Community Charge	(58,019)	(59,857)	(1,838)
Use of Change Fund	(781)	(781)	-
Use of Earmarked Funds	(2,315)	(2,315)	-
Total Planned Income	(327,214)	(329,009)	(1,795)
Net Expenditure/ (Income)	-	(2,218)	(2,218)
Carried Forward Funds		794	794
Revised Net Expenditure/(Income)		(1,424)	(1,424)

Housing Revenue Account

- 2.22 The position on the Housing Revenue Account at the end of November 2014 is outlined in the table below, with further details provided in Appendix 9:

	<u>Annual Budget £000</u>	<u>Projection to 31 March 2015 £000</u>	<u>Projected Variance for Year £000</u>
			<u>(Fav)/Adv</u>
Supervision and Management	7,796	7,454	(342)
Repairs and Maintenance	26,915	25,334	(1,581)
Short Stay Hostel	(67)	(108)	(41)
Homelessness	(56)	(327)	(271)
Loan Charges	9,452	8,555	(897)
Rental Income	(44,040)	(44,029)	11
Balance on Year's Activities	-	(3,121)	(3,121)

- 2.23 The Housing Revenue Account budgeted for a break-even position in 2014/15 with an underspend of £3.121m currently projected, an increase on the £2.444m projected at period 6 mainly as a result of an underspend projected in response repairs and aids and adaptations.
- 2.2.4 The underspend projected is primarily due to a) supervision and management with anticipated savings of £0.342m mainly in employee costs due to staff vacancies, b) an underspend of £1.581m in repairs and maintenance which is mainly due to £1.300m in rent arrears write off due to increased funding for Discretionary Housing Payments preventing arrears build up as a result of under occupation and an underspend of £0.722m in response repairs and aids and adaptations. This is partially off-set by an increase in anticipated spend in voids of £0.567m, senior officers will explore available options to reduce the cost of voids and c) savings in loan charges £0.897m as a result of external borrowing falling below anticipated levels due to the short-term use of cash balances currently held by the Council.

3. Proposals

- 3.1 The Cabinet is invited to (a) note the information and financial projections outlined in the report; (b) note the action being taken by the Health and Social Care Partnership to reduce the current projected overspend; (c) approve the virements detailed in Appendix 10 and (d) approve the new carry forwards identified at 2.19.

4. Implications

Financial Implications

- 4.1 The net projection for the year as at 30 November 2014 for General Services is a surplus for the year of £1.424m.
- 4.1.1 The net projection for the year on the Housing Revenue Account is a surplus for the year of £3.121m.
- 4.1.2 The position for both the General Fund and Housing Revenue Account revenue budgets will continue to be monitored closely for the remainder of the financial year.

Human Resource Implications

- 4.2 There are no human resource implications.

Legal Implications

- 4.3 There are no legal implications.

Equality Implications

- 4.4 There are no equality implications.

Environmental Implications

- 4.5 There are no environmental implications.

Implications for Key Priorities

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

5. Consultations

- 5.1 All budget holders have been consulted as part of the budgetary control process and have approved the projected variances contained in this report.

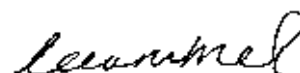
6. Conclusion

General Services

- 6.1 Current financial projections indicate that a net in-year surplus of £1.424m is anticipated for the year to 31 March 2015.

Housing Revenue Account

- 6.2 Current financial projections indicate that a net in-year surplus of £3.121m is anticipated for the year to 31 March 2015.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Margaret Hogg on 01294 324551

Background Papers

0

CHIEF EXECUTIVE SERVICE
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS TO 30TH NOVEMBER 2014

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Legal	368	394	26	7%	1
Policy, Performance & Community Planning	1,383	1,208	(175)	-13%	2
Communications	438	438	-	0%	
Committee & Member Services	1,458	1,428	(30)	-2%	3
Change Programme	759	719	(40)	-5%	4
Civil Contingencies	104	104	-	0%	
Totals	4,510	4,291	(219)	-5%	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	3,867	3,621	(246)	-6%
Property Costs	8	8	-	0%
Supplies and Services	127	124	(3)	-2%
Transport and Plant Costs	15	15	-	0%
Administration Costs	941	939	(2)	0%
Other Agencies & Bodies	550	548	(2)	0%
Transfer Payments	-	-	-	-
Other Expenditure	7	7	-	0%
Capital Financing	-	-	-	-
Gross Expenditure	5,515	5,262	(253)	-5%
Income	(1,005)	(971)	34	-3%
Net Expenditure	4,510	4,291	(219)	-5%

CHIEF EXECUTIVE SERVICE
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS TO 30TH NOVEMBER 2014

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Legal
			Movement - there is an increase in the projected overspend of £0.007m from P6, due to bad debts written off
1,019	-4	0%	Employee costs - projected underspent due to a vacancy within the service; a staff restructure is currently being implemented
-812	34	-4%	Income - Taxi license and other Licensing Board fees are expected to under-recover due to the uptake being lower than anticipated. In addition a shortfall in income relating to the recovery of legal costs is expected, due to bad debts written off.
161	-4	-2%	Other minor variances
26			
Note 2			Policy, Performance & Community Planning
			Movement - there is an increase in the projected underspend of £0.035m from P6 due to delay in filling vacancies
1,383	-175	-13%	Employee Costs - projected underspend due to vacancies within Information Compliance (£0.059m) and Policy & Performance (£0.130m).
-175			
Note 3			Committee & Member Services
			Movement - there is an increase in the projected underspend of £0.024m from P6 due to delay in filling vacancies
492	-31	-6%	Employee costs - projected underspend due to delay in filling vacancies within the service; a staff restructure is currently being implemented
966	1	0%	Other minor variances
-30			
Note 4			Change Programme
			Movement - there is a decrease in the projected underspend by £0.028m from P6 due to the procurement of a temporary external resource.
759	-40	-5%	Employee costs are underspent due to one vacancy and one member of the team seconded to another team.
-40			
(219)			TOTAL

FINANCE & CORPORATE SUPPORT
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS TO 30TH NOVEMBER 2014

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Directorate	134	134	-	0%	
Finance					
Head of Finance	(118)	(86)	32	-27%	1
Financial Management	1,979	1,961	(18)	-1%	2
Revenues & Benefits	13,811	13,080	(731)	-5%	3
Audit & Risk	405	401	(4)	-1%	
Corporate Procurement	737	663	(74)	-10%	4
Customer, People & Corporate Support					
Head of Service	(52)	(48)	4	-8%	
Human Resources	1,769	1,755	(14)	-1%	
ICT	1,791	1,914	123	7%	5
Customer Services & Registration	1,604	1,753	149	9%	6
Business Support	1,704	1,677	(27)	-2%	7
Totals	23,764	23,204	(560)	-2%	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	13,252	12,831	(421)	-3%
Property Costs	2	2	-	0%
Supplies and Services	927	952	25	3%
Transport and Plant Costs	47	49	2	4%
Administration Costs	900	1,051	151	17%
Other Agencies & Bodies	1,979	1,588	(391)	-20%
Transfer Payments	61,973	61,965	(8)	0%
Other Expenditure	7	7	-	0%
Capital Financing	-	149	149	
Gross Expenditure	79,087	78,594	(493)	-1%
Income	(55,323)	(55,390)	(67)	0%
Net Expenditure	23,764	23,204	(560)	-2%

FINANCE & CORPORATE SUPPORT
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS TO 30TH NOVEMBER 2014

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Head Of Service
			Movement - there is an increase in the projected overspend of £0.019m due to further advertising and agency costs
99	-40	-40%	Employee Costs - projected underspend due to vacant Head of Finance post
3	13	433%	Admin costs - projected overspend due to recruitment advertising costs
55	59	107%	Agency Fees - projected overspend arising from interim recruitment of Head Of Service post, partially offset by vacancy above
32			
Note 2			Financial Management
			Movement - the projected underspend within employee costs has reduced by £0.020m due to the reallocation of turnover budgets to services.
2,134	-23	-1%	Employee costs - projected underspend is as a result of vacancies
6	5	83%	Other minor variances
-18			
Note 3			Revenues and Benefits
			Movement - there is an increase in the projected underspend of £0.581m in relation to Welfare Reform variances.
2,194	-186	-8%	Employee costs - projected underspend as a result of vacancies, maternity leave and long-term sickness absences, offset by overtime costs of £0.045m.
473	12	3%	Admin Costs - projected overspend of £0.020m arising from increased postage costs, offset by a projected underspend of £0.008m for NDR Sheriff Officer Commission.
1,478	-452	-31%	Payments to Others - projected underspend in Discretionary Housing Payments of £0.416m in light of full year funding confirmation from the DWP and Scottish Government. It is proposed to earmark this £0.416m underspend for employability initiatives in 2015/16. A further underspend of £0.036m relating to Welfare Reform for software and admin costs is projected.
-52,185	-105	0%	Income - £0.105m over recovery is projected, mainly relating to Welfare Reform budget set aside to address the benefit cap on temporary accommodation.
-731			
Note 4			Corporate Procurement
			Movement - there is a decrease in the projected underspend by £0.031m mainly due to a reduction in expected income.
692	-100	-14%	Employee costs - projected underspend as a result of vacancies
-62	26	-42%	Revenue income is expected to over-recover based on committed contract savings in the current year, however a shortfall of £0.056m in income from capital recharges is anticipated due to a lower level of capital work being undertaken.
-74			

FINANCE & CORPORATE SUPPORT
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS TO 30TH NOVEMBER 2014

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 5			IT
			Movement - there is an increase in the projected overspend of £0.123m, relating largely to infrastructure costs.
0	123	-	Admin Costs - the Council's Wide Area Network (WAN) is in the process of migrating from BT to Capita, a project which will continue into 2015/16. While an annual saving is anticipated following full implementation, current indications are that £0.123m of up-front costs will be incurred in 2014/15 and will be funded from underspends experienced within other services within Finance and Corporate Support.
	123		
Note 6			Customer Services
			Movement - there is an increase in the projected overspend of £0.139m, relating largely to capital financing costs.
0	149	-	Capital Financing - as approved by Cabinet at period 6 £0.287m is required to upgrade of Contact Centre Technology - £0.149m will be spent this financial year, with the balance of £0.138m being carried forward to 2015-16.
	149		
Note 7			Business Support
			Movement - there is an increase in the projected underspend of £0.014m, arising from employee costs.
1,874	-27	-1%	Employee Costs - projected underspend relates to employee costs as a result of vacancies, maternity leave and a career break.
	-27		
	-546		TOTAL

EDUCATION AND YOUTH EMPLOYMENT
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2014

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Early Years Education	9,398	9,163	(235)	-3%	1
Primary Education	34,687	34,796	109	0%	2
Secondary Education	47,109	46,783	(326)	-1%	3
Additional Support Needs	6,400	6,055	(345)	-5%	4
Education - Other	5,647	5,976	329	6%	5
Totals	103,241	102,773	(468)	0%	

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	81,174	81,629	455	1%
Property Costs	326	332	6	2%
Supplies and Services	15,184	15,167	(17)	0%
Transport and Plant Costs	201	201	-	0%
Administration Costs	1,009	1,083	74	7%
Other Agencies & Bodies	7,320	6,907	(413)	-6%
Transfer Payments	580	580	-	0%
Other Expenditure	-	-	-	
Capital Financing	2	2	-	
Gross Expenditure	105,796	105,901	105	0%
Income	(2,555)	(3,128)	(573)	22%
Net Expenditure	103,241	102,773	(468)	0%

EDUCATION AND YOUTH EMPLOYMENT
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2014

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			
			Early Years
			Movement - there is an increase in the underspend forecast of £0.235m.
5,786	(160)	-3%	Employees costs expected to underspend by £160k due to delays in appointing staff.
1,318	(75)	-6%	Payments to Private Nurseries expected to underspend by £75k due to less places being taken up than previously projected.
	(235)		
Note 2			
			Primary Education
			Movement - there is an increase in the spend forecast of £0.105m mainly due to an increase in employee costs for pupils with additional support needs.
4,764	160	3%	Employee Costs - an overspend (£0.039m) is projected due to redundancy, VER compensation and payments in lieu of notice for admin staff mainly due to the merging of 3 schools into the new Primary school at Elderbanks. This is partially off-set by further savings (£0.040m) which have accrued due to Early Intervention staff moving into nurseries as part of the efficiency programme. There are also increased employee costs (£0.161m) due to increased no of pupils with additional support needs to allow these pupils to remain within mainstream schools. This service is related to the expenditure in note 4. Additional expenditure at this stage can avoid incurring much larger amounts by the time the pupil is in receipt of specialist services.
1,371	(12)	-1%	PPP unitary charge underspend due to reduced utilities costs and contract deductions
0	(55)		PPP insurance rebate. 11% is relative to Primary.
0	16		Other minor variances
	109		
Note 3			
			Secondary Education
			Movement - there is an increase in the underspend forecast of £0.011m.
30,107	300	1%	Employee Costs - An expected one-off cost in respect of the teacher refresh programme.
11,090	(94)	-1%	PPP unitary charge underspend mainly due to reduced utilities and cleaning costs.
0	(85)		PPP contract deductions received are currently at this level.
0	(445)		PPP insurance rebate. 89% is relative to Secondary.
0	(2)		Other minor variances
	(326)		
Note 4			
			Additional Support Needs
			Movement - there is a decrease in the underspend forecast of £0.108m due to an increase in the places required in residential schools.
355	(118)	-33%	Pupils placed in other Local Authority schools outwith North Ayrshire.
974	105	11%	The number of pupils placed in external specialist day schools has exceeded expectations.
1,519	(349)	-23%	Pupils placed in external specialist residential schools.
(451)	17	-4%	Pupils placed in North Ayrshire schools by other authorities.
	(345)		
Note 5			
			Education Other
			Movement - there has been no movement.
1,347	150	11%	Employee Costs - There is an anticipated overspend on teachers replacement costs in respect of accrued holidays while on Maternity and Long Term sick leave.
1,373	(12)	-1%	Employee Costs - Underspend in employee costs in respect of the Director and Head of Service vacancies. This is offset against the cost of advertising for the posts.
603	100	17%	Supplies and Services - as approved by Cabinet on 23 September a £0.100m additional funding for the IT Computer Replacement programme for Primary Schools.
30	30	100%	PVG (Protection of Vulnerable Groups) checks across the whole of Education and Skills are expected to be overspent due to retrospective checks for all staff.
1,957	61	3%	Other minor variances
	329		
(468)			TOTAL

SOCIAL SERVICES
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2014

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Management & Support	6,156	6,058	(98)	-2%	1
Children and Families	23,672	24,193	521	2%	2
Older People's Services	32,686	35,127	2,441	7%	3
Independent Services	3,851	4,078	227	6%	4
Learning Disabilities	11,470	11,709	239	2%	5
Mental Health Needs	2,015	1,736	(279)	-14%	6
Criminal Justice	(25)	(25)	-	0%	
Addiction Services	599	585	(14)	-2%	
Change	14	14	-	0%	
Changing Children's Services Fund	487	470	(17)	-3%	
			-		
Totals	80,925	83,945	3,020	4%	

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	40,830	40,776	(54)	0%
Property Costs	502	489	(14)	-3%
Supplies and Services	1,972	2,207	235	12%
Transport and Plant Costs	502	537	35	7%
Administration Costs	1,187	1,273	86	7%
Other Agencies & Bodies	51,913	54,467	2,554	5%
Transfer Payments	1,673	2,182	509	30%
Other Expenditure	300	98	(202)	-67%
Capital Financing				
Gross Expenditure	98,880	102,028	3,149	3%
Income	(17,955)	(18,084)	(129)	1%
Net Expenditure	80,925	83,945	3,020	4%

SOCIAL SERVICES
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2014

Budget £000	Projected Variance £000	Variance as % of budget	Service
Note 1			Management and Support
			Movement - there has been an favourable movement of £7k from period 6 projection
6,156	(98)	-2%	<p>Employee costs - projecting an underspend of £83k. A favourable movement of £8k from period 6 due to delays in recruiting for vacancies.</p> <p>Income - an over recovery of income £25k to be received from Glasgow Caledonian University for services provided by Practice and Performance Team</p>
6,156	(98)	-2%	
Note 2			Children and Families
			Movement - there is an adverse movement of £156k from period 6 projection
11,665	(235)	-2%	<p>Employee costs - projecting an underspend of £376k due to delays in recruiting vacancies for Early Intervention and Prevention initiatives, offset partially with agency staff costs of £141k.</p> <p>A favourable movement of £37k from period 6 due to a social worker seconded to adult services from August 14 with no backfill, and revised projection for overtime and casual costs in residential schools.</p>
341	(33)	-10%	<p>Throughcare costs - for care leavers rents are currently projecting an underspend of £58k due to lower than anticipated level of demand and reduction in length of time care leavers are supported. An adverse movement of £22k from period 6 due to increase in number of care leavers in furnished accommodation. Currently 20 service users an increase of 3 from period 6.</p> <p>Care leavers weekly allowances - projecting an overspend of £25k based on current demand forecasted to end of the year. A favourable movement of £12k from period 6 due to lower than estimated basic payments</p>
2,467	283	11%	<p>Residential schools - projecting an overspend of £283k based on current 22 placements. This is an adverse movement from Period 6 of £89k mainly due to a change of end date for one package from September to December and other minor changes to rates.</p> <p>The extension of placement end dates results in an increased cost and overspend for the service.</p>
100	(98)	-98%	<p>Remand schools - The budget for remand is currently projecting a favourable variance. This is based on no placements to the end of the year, should new placements be made, the favourable variance will reduce. No change from period 6.</p>
96	(53)	-55%	<p>Supported carers are projecting an underspend of £53k based on difficulties in recruiting carers. There are 7 carers budgeted for. A favourable movement of £10k since period 6 due to 1 placement discharged.</p>
0	60		<p>Legal expenses have been incurred within the family placement teams mainly due to a contested residence order.</p>
			<u>Children with Disabilities</u>
447	530	119%	<p>Community packages projecting an overspend of £360k based on the current cost of care packages profiled to the end of the year. Adverse movement of £156k from period 6, due to review of financial data and inclusion of a residential care package. Information has been forwarded to CDIS team to review the 30% highest cost care packages this equates to 88% of the overall projection.</p> <p>Regular resource allocation meetings are being set up with finance in attendance the objective of these meetings will be to provide finance with accurate and timely information regarding approval of community packages this will enhance the accuracy of future projections.</p> <p>Direct payments - projecting an overspend of £170k based on the current cost of care packages profiled to the end of the year. Currently there are 28 children in receipt of a Direct Payment. Finance monitoring of direct payment packages will highlight any high balances left in direct payment account, this will be forwarded to the CDIS team for review and potential recovery of funds. An adverse movement of £17k from period 6 due to an increase in 4 packages.</p> <p>Other variances relating to After School care projecting an overspend of £11k based on current level of demand, and residential packages projecting a £7k overspend based on two service users in receipt of long term residential care.</p>
400	(47)	-12%	<p>Family Support Network - projecting an underspend of £47k, due to lower than anticipated contract awarded. No change from period 6.</p>
235	63	27%	<p>Standby Service - expected overspend based on prior year. No change from period 6.</p>
7,921	51	1%	<p>Other minor variances - are projecting an £51k adverse variance including £32k for office & computer equipment, supplies and services, and £13k adverse projection for section 22 payments.</p>
23,672	521	2%	

Budget £000	Projected Variance £000	Variance as % of budget	Service
Note 3			Older People
			Movement - there is a favourable movement of £147k from the period 6 projection.
6,559	591	9%	<p>Care at Home Staff Costs - projecting an overspend of £591k mainly due to overtime £516k to cover Premier case load transferred back in house, long term sickness and staff training. Casual staff employed to cover vacancies are projecting a spend of £589k offset with favourable variance in basic salaries of £514k for vacant posts. A care at home review is being undertaken to address long term sick issues, move staff to 20 hours contracts, and transfer casual staff to permanent contracts to manage the service more efficiently.</p> <p>A favourable movement of £121k from period 6 due mainly to appropriate reablement service costs being transferred to the change fund.</p>
5,229	516	10%	<p>Purchased Care at Home - projecting an overspend of £516k. Work is ongoing to increase framework providers compliance levels and bring some non framework providers on to the system due to moratorium on ILS and Premier. An adverse movement of £53k from period 6 is due to an increase in non-framework provision. Non framework providers are not on CM2000, therefore payments are based on commissioned service rather than actual service delivered.</p>
1,132	37	3%	Community alarm employees - projecting an overspend of £37k. £8.5k adverse movement from period 6
461	70	15%	Direct Payments - projecting an overspend of £70k based on the current packages profiled to the end of year. Currently 50 service users in receipt of a direct payment. Adverse movement from period 6 of £3k due to 2 new packages.
15,311	1,087	7%	<p>Residential and Nursing Care Homes - projecting an overspend of £1.087m. At the start of the year placements were 36 greater than budgeted placements resulting in a £710k overspend, discharges to date are 12 less than target resulting in a £198k adverse variance, admissions to date are 27 greater than target resulting in a £211k overspend. At end of November the projection is based on 921 placements to the end of the year.</p> <p>There is a favourable variance of £114k from period 6, due discharges being higher than projected.</p>
(5,649)	(127)	2%	Income - projecting an over recovery from service users charges in Montrose House and Anam Cara, based on current trends. Also projection of £4.7k per month for income received from care at home providers due to CM2000 non compliance. No change from period 6.
510	53	10%	Voluntary Organisations - projecting an overspend based on current and prior year outturn.
9,133	214	2%	Other minor variances include CM2000 operational costs for the management of the system projected at £154k for the year expected to be funded from the savings generated through the implementation of CM2000 not yet materialised. Adverse movement of £77k from period 6, mainly due to training underspend £39k used to fund additional works required to Montrose House as requested by the Care Inspectorate. Also £15k increase in office equipment and consumables in line with current spend profile.
32,686	2,441	7%	
Note 4			Independent Services
			Movement - there is a favourable movement of £85k from the period 6 projection
1,042	172	17%	Residential care packages - projecting an overspend of £172k based on the current level of projected demand. At present there are 38 placements, with the projection based on a net decrease of 6 placements by the end of the year. A favourable movement of £15k from period 6, £29k due to reduction in package costs and one discharge. Offset with 2 new packages at an additional cost of £16k compared to prior projection.
820	86	10%	Community packages - projecting an overspend of £86k based on the current level of projected demand. At present there are 58 placements, with the projection based on a net decrease of 4 placements by the end of the year. A favourable movement of £21k from period 6, due to admissions being lower than anticipated.
703	70	10%	Direct Payment packages - projecting an overspend of £70k based on current level of projected demand. At present there are 46 placements, the projection is based on 44 placements by the end of the year. There was a favourable movement of £31k from period 6, due to net movement in placements being better than anticipated.
1,286	(101)	-8%	Other minor variances include favourable variances of £60k for employee costs, £31k Respite, and £11k income received from other local authorities.
			The service was targeted with reducing care packages by £230k, to date £98k has been delivered, leaving £132k to be delivered.
3,851	227	6%	

Budget £000	Projected Variance £000	Variance as % of budget	Service
Note 5			Learning Disabilities
			Movement - there is an adverse movement of £81k from period 6 projection
	(139)		Early achievement of future year efficiency savings.
3,027	(636)	-21%	Residential care packages - projecting an underspend of £636k based on current level of projected demand. At present there are 46 placements with the projection based on 47 by the end of the year. An adverse movement of £33k from period 6 due to new admission costs being higher than anticipated. package at a cost of £15k.
8,532	813	10%	Community care packages - projecting an overspend of £813k based on current level of projected demand. At present there are 200 placements with the projection based on a net decrease of 4 placements by the end of the year. An adverse movement of £17k from period 6 due to an increase in new package numbers and value. Offset by increase in savings of £73k and £32k adjustment to a prior year accrual
287	119	41%	Direct payment packages - projecting an overspend of £119k based on current level of projected demand. At present there are 17 service users in receipt of a direct payment with the projection based on 16 by the end of the year. No movement from period 6.
(376)	82	-22%	Other minor variances to budget including under recovery of income £24k and overspend of £39k projected for George Steven Centre and Toddhill based on current spend, and £20k projected overspend in employee costs. Review of Voluntary Organisations has been undertaken however no reductions in placements or costs were achieved from this review. There will be an opportunity to revisit Todhill contract when the organisation comes under new management in the next couple of months.
			The service was targeted with reducing care packages by £360k, to date £254k has been delivered, leaving £106k to be delivered. From the targeted reviews 10 packages have been reviewed delivering savings of £145k. There are 9 targeted packages still to be reviewed before the end of the year. Other savings of £109k have been achieved through temporary decreases in packages due to change in circumstances and general reviews for other packages not included within the targeted reviews.
11,470	239		
Note 6			Mental Health
			Movement - there is a adverse movement of £20k from the period 6 projection
690	(73)	-11%	Employment costs - projecting an underspend based on delays in recruiting for vacancies at start of year. £13k adverse movement from Period 6 due to vacancy filled previously projected as a vacancy.
976	(162)	-17%	Residential care packages - projecting an underspend of £162k based on current level of projected demand. At present there are 25 placements with the projection based on 25 placements by the end of the year. No movement from period 6.
832	(84)	-10%	Community care packages - currently projecting an underspend of £84k based on current level of projected demand. At present there are 76 placements, with projection based on 76 placements to the end of the year. An adverse movement of £6k from period 6 due to variations in projected package costs.
17	53	312%	Direct payment packages - projecting an overspend of £53k based on current level of projected demand. At present there are 11 placements with the projection based on 11 by the end of the year. An adverse movement of £3k from period 6 due to revision in average cost of projected packages.
899	(39)	-4%	Voluntary organisations - projecting a favourable variance of £39k. £77k underspend due to under usage of Alzheimers and SAMH services, offset with a projected overspend of £38k for AIMS Advocacy Service.
2	14	700%	Legal expenses - projected overspend based on prior year outturn. No change from period 6.
(1,401)	12	-1%	Other minor variances - are mainly due to an overspend on care home respite costs. All Income lines appear in the budgeted figure, income is in line with budget.
			The service was targeted with reducing care packages by £240k, to date £226k has been delivered, leaving £14k to be delivered. These savings have been achieved through temp decreases and general reviews, there is one targeted review still be undertaken.
2,015	(279)		
1,075	(31)	-3%	Other budget lines with minor variances.
80,924	3,020	4%	TOTAL

PLACE
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2014

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Directorate	271	271	-	0%	
Physical Environment					
Property Management & Investment	2,069	2,069	-	0%	
Housing Assets & Investment	(63)	(63)	-	0%	
Property Running Costs	7,889	8,012	123	2%	1
Property Maintenance	4,604	4,604	-	0%	
Roads	7,015	7,008	(7)	0%	2
Streetscene	5,169	5,176	7	0%	3
Commercial Services					
Management and Admin	817	861	44	5%	4
Internal Transport	8,458	8,524	66	1%	5
Waste Services	6,820	7,118	298	4%	6
Facilities Management	9,838	9,801	(37)	0%	7
Other Housing	6,986	6,921	(65)	-1%	8
Totals	59,873	60,302	429	1%	

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	29,599	29,295	(304)	-1%
Property Costs	13,906	13,889	(17)	0%
Supplies and Services	6,685	6,747	62	1%
Transport and Plant Costs	9,143	9,495	352	4%
Administration Costs	2,234	2,237	3	0%
Other Agencies & Bodies	18,506	18,806	300	2%
Transfer Payments	100	88	(12)	-12%
Other Expenditure	165	100	(65)	-39%
Capital Financing	-	-	-	
Gross Expenditure	80,338	80,657	319	0%
Income	(20,465)	(20,355)	110	-1%
Net Expenditure	59,873	60,302	429	1%

PLACE
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2014

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Property Running Costs
			Movement - the projected overspend has reduced by £0.098m since period 6 mainly due to an underspend in Water and Sewerage costs.
5,310	75	1%	Rates - there is a projected overspend on Rates as a result of vacant properties and increased rateable values within the commercial estates portfolio. A budget pressure has been submitted to address this issue in future years
885	(110)	-12%	Water & Sewerage - There is a projected underspend on water and sewerage rates in line with previous year.
0	14		Debtors Written off - £0.014m debts written off in relation to commercial units.
(1,435)	150	-10%	Income - there is a projected under - recovery in rental income within the Commercial Portfolio due to vacant properties. A budget pressure has been submitted to address this issue in future years.
	(6)		Other minor budget movements
123			
Note 2			Roads
			Movement - the projected underspend has reduced by £0.007m since period 6.
3,457	(17)	0%	Employee Costs - as a result of vacancies the service is projecting an underspend of £0.070m, however this is off-set by unbudgeted costs of £0.053m for additional holiday pay costs
869	(43)	-5%	Electrical Power - the cost of electrical power has reduced, resulting in a saving to date of £0.043m.
46	67	146%	Payment to Contractors- essential survey work commissioned at Millport Pier will result in an overspend of £0.067m.
(1,577)	(21)	1%	Income - there is a projected over-recovery in relation to the final payment of £0.021m received from Scotrail where all expenditure was incurred last year.
	7		Other minor budget movements
	(7)		
Note 3			Streetscene
			Movement - there has been an increase in expenditure forecast of £0.046m since period 6.
5,438	(22)	0%	Employee Costs - there is an anticipated underspend of £0.042m due to vacancies partially off-set by redundancy payments of £0.020m which are currently being contained within the Service's budget.
522	5	1%	Property Costs - projected overspend on plants and planting
596	19	3%	Supplies & Services - projected overspend on materials £0.011m and Christmas Lights £0.007m
	5		Other minor budget movements
7			
Note 4			Management and Admin
			Movement - there has been no significant movement since period 6.
0	44		Employee Costs - There have been additional staffing costs incurred within the Streetscene service for work undertaken on the Streetscene Strategy.
44			

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 5			Internal Transport
			Movement - there has been an increase in expenditure forecast of £0.154m since period 6 mainly due to increase demand for taxi's for Social Services Clients
4,222	85	2%	Transport Costs - there is a projected overspend in taxi costs of £0.085m which is made up of an an overspend in other taxi costs of £0.361m largely due to increase in demand for Social Services Clients. This has been offset by underspend in the SPT School Transport Contract of £0.276m. There is a budget virement request to transfer £0.200m from SPT to taxis to offset the overspend in taxis.
(19)			Other minor budget movements
66			
Note 6			Waste Services
			Movement - there has been an increase in expenditure forecast of £0.328m since period 6 mainly due to contractual costs incurred in relation to blue bins.
79	347	439%	Payment to Contractors - projected overspend is largely attributable to a projected £0.312m contractual costs incurred in relation to the treatment of excessive contamination being presented within blue bins.
(1,450)	107	-7%	Commercial Refuse Charges - There is a projected shortfall of £0.107m. The service has reviewed its pricing strategy for 2015/16 to try and ensure full budget recovery in 15/16. The service is also carrying out a review to identify improved commercialisation of the service.
(300)	(72)	24%	Blue Bin Contract Income - projected over recovery of income of £0.072m. Following the outcome of the independent review in relation to the blue bin contract dispute costs have been agreed for 2014/15 as detailed above. However it should be noted that discussions are ongoing with regard to the contract costs for 2015/16.
0	(120)		Income from Other Agencies - £0.120m has been received from HMRC in relation to a trade waste claim.
(91)	39	-43%	Sale of materials - Projected under-recovery of £0.039m in relation to sale of as materials including scrap, waste cardboard and paper. This is due to a combination of a drop in sale price and reduced tonnages.
(3)			Other minor budget movements
298			
Note 7			Facilities Management
			Movement - the projected underspend has increased by £0.020m since period 6.
9,308	(112)	-1%	Employee Costs - projected underspend of £0.180m due to early realisation of savings as a result of vacancy hours being reviewed, pending completion of the cleaning and janitorial review and also reduced overtime let costs. This is partially offset by an estimated unbudgeted cost of £0.068m in relation to holiday pay costs.
2,521	91	4%	Supplies and Services - projected overspend on provisions in relation to school milk due to an increase in organic milk costs to retain gold food for life award (£0.025m). A budget pressure has been submitted to address this issue in future years. Projected overspend in provisions and other supplies (£0.066m) but these are partially offset by an increase in income/sales.
(16)			Other Minor Budget Movements.
(37)			
Note 8			Other Housing
			Movement - there has been no significant movement since period 6.
65	(65)	-100%	Other Costs - Efficiency savings identified through a review of the budget.
(65)			
14,863	429	3%	TOTAL

ECONOMY AND COMMUNITIES
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2014

2013/14 Outturn	Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
£000		£000	£000	£000		
98	Management	226	335	109	0%	1
	Economic Growth					
3,783	Planning & Protective Services	2,133	1,884	(249)	-12%	2
8,068	Economic Development	8,742	8,884	142	2%	3
19,939	Connected Communities	11,974	11,894	(80)	-1%	4
31,888		23,075	22,997	(78)	0%	

2013/14 Outturn	Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
£000		£000	£000	£000	
12,382	Employee Costs	11,863	11,700	(163)	-1%
2,606	Property Costs	137	137	-	0%
1,566	Supplies and Services	1,243	1,242	(1)	0%
360	Transport and Plant Costs	154	155	1	1%
2,577	Administration Costs	321	335	14	4%
12,400	Other Agencies & Bodies	12,655	12,939	284	2%
-	Transfer Payments	-	-	-	
39	Other Expenditure	1	1	-	0%
3,838	Capital Financing	-	-	-	
35,768	Gross Expenditure	26,374	26,509	135	1%
(3,880)	Income	(3,299)	(3,512)	(213)	6%
31,888	Net Expenditure	23,075	22,997	(78)	0%

ECONOMY AND COMMUNITIES
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2014

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Management
			Movement - there is a increase in overspend of £133K.
211	82	39%	The current vacant post of Head of Service will generate savings of £0.047m which is offset by the costs of the Interim Head of Service (£0.107m) and advertising cost of £0.009m for the post. Also included is the costs of a temp PA (£0.013m) to the Director prior to a permanent appointment.
0	27		Other minor variances
109			
Note 2			Planning & Protective Services
			Movement - there is an increase of £0.059m on the underspend.
2,639	(209)	-8%	Employee Costs - underspends are projected as result of vacancies. Part of this underspend is being used to fund the additional costs incurred in Economic Development shown in note 3.
(467)	(50)	11%	Building Warrants Income higher than estimated based on current trends- difficult to predict accurately since demand varies considerably.
10			Other minor variances
(249)			
Note 3			Economic Development
			Movement - there is an increase of £0.072m on the overspend.
2,338	156	7%	Employability and Business Development- £0.096m overspend in employee costs due to the implementation of the new structure. Also included is £0.077m in respect of the temporary Senior Manager of Employability and Skills post. In 2015/16 this cost will be met from a reallocation from the Business Development and Employability programmes as part of a strategic shift in the Council's economic growth activities. Offset partly by £0.017m turnover savings in Regeneration services.
120	99	83%	Community Employment Initiative and Equal Opportunities - A 6 month extension on these projects is partly offset by additional income from ERDF and ESF funding (£0.097m) and drawdown of Earmarked Funds £0.048m.
260	(50)	-19%	Skills for Growth - savings identified to partly offset general overspends.
381	(30)	-8%	Graduate programme - underspend due to graduates leaving early to take up permanent posts elsewhere
(33)			Other minor variances
142			
Note 4			Connected Communities
			Movement - there is a reduction in the underspend of £0.102m .
7,807	(86)	-1%	Employee Costs - underspends of £0.151m are projected as result of vacancies. This projection has reduced in Community Facilities due to an increase in sickness & cover costs of £0.020m and redundancy costs of £0.045m as a result of impending Facilities restructure.
6			Other minor variances
(80)			
(78)			TOTAL

BUILDING SERVICES
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2014

2013/14 Outturn	Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note no
£000		£000	£000	£000		
9,292	Employee Costs	8,684	8,875	191	2%	1
442	Property Costs	458	472	14	3%	5
5,193	Supplies and Services	4,572	5,171	599	13%	2
1,732	Transport and Plant Costs	1,311	1,441	130	10%	3
893	Administration Costs	786	796	10	1%	5
1,905	Other Agencies & Bodies	1,389	1,598	209	15%	4
-	Other Expenditure	81	-	(81)	-100%	5
99	Capital Financing	292	237	(55)		
19,555	Gross Expenditure	17,573	18,590	1,017	6%	
	Income from :-					
(4,074)	Response	(4,255)	(3,945)	310	-7%	6
(3,195)	Voids	(2,810)	(3,331)	(521)	19%	6
(1,462)	Planned	(1,710)	(2,165)	(455)	27%	6
(1,686)	Non-Housing	(1,269)	(2,283)	(1,014)	80%	6
(8,069)	Projects	(5,844)	(5,844)	-	0%	
(1,069)	Aids & Adaptations	(1,300)	(1,100)	200	-15%	
(444)	Other	(533)	(462)	71	-13%	6
	Gross Income	(17,721)	(19,130)	(1,409)	8%	
19,555	Net Expenditure	(148)	(540)	(392)	265%	

BUILDING SERVICES
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2014

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Employee Costs
			Movement - there is a decrease in the overspend projected of £0.092m since period 6.
8,684	191	2%	Employee Costs - There is a projected overspend of £0.191m due to an increase in the income secured and a change to the mix of work with some being more labour intensive than was budgeted at the beginning of the year.
Note 2			Supplies and Services
			Movement - there is a increase in the overspend projected of £0.161m since period 6.
4,302	489	11%	Materials - The projected overspend is based on the work anticipated however this will change should the level or type of work change significantly.
	33		Other Minor Budget Movements
	522		
Note 3			Transport and Plant Costs
			Movement - there is a decrease in the overspend projected of £0.012m since period 6.
1041	84	8%	Recharge From Transport Hub - The projected overspend is mainly due to the increase in the number of responsive works requiring scaffolding.
220	46	21%	Hire of Skips - The projected overspend is mainly due to the increased volume of waste due to increase in voids.
	130		
Note 4			Other Agencies and Bodies
			Movement - there is an decrease in the overspend projected of £0.008m since period 6.
1139	179	16%	Payment to Contractors - There is a projected increase use of sub-contractors due to an increase in the income secured and a change to the mix of work.
	9		Other Minor Budget Movements
	188		
Note 5			Other
			Movement - there is a increase in the underspend projected of £0.038m since period 6.
(112)			Other Costs - the projected underspend on other budget lines is largely due to efficiency savings of £0.081m and a projected underspend of £0.055m in relation to the implementation of the new IT system.
Note 6			Income
			Movement - there is an increase of £0.072m in income forecast since period 6.
(4,255)	310	-7%	Response Repairs - There is a projected under-recovery of income for response repairs due to a change in strategy for the categorising of repairs. A greater number of jobs are now being treated as planned works resulting in fewer jobs being classified as response.
(2,810)	(521)	19%	Void - The number of voids has risen since the same period in 2013 which in turn is contributing to a projected over recovery in this budget line.
(1,710)	(455)	27%	Planned - There is a projected over-recovery of income for planned works due to a change in strategy for the categorising of repairs resulting in a greater number of works being transferred to the planned budget. See above.
(1,269)	(1,014)	80%	Non Housing - There is an anticipated additional income of £1.014m from non housing works which includes re-roofing Cumrae Primary School, Lantern replacements on Millport & Arran and Phase 1 of Irvine Royal Academy.
(1,300)	200	-15%	Aids & Adaptations - There is a projected £0.200m under-recovery of income due to a reduced number of referrals and a change in the type of works being required.
(535)	71	-13%	Other - There is a projected under-recovery of income largely as a result of reduced requirement for asbestos works.
(1,409)			
(490)			TOTAL

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS TO 30TH NOVEMBER 2014

Objective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No	Variance at P8
	£000	£000	£000			£000
Strathclyde Passenger Transport	2,417	2,408	-9	0%	1	-11
SPT Concessionary Fares	283	283	0	0%		0
Ayrshire Joint Valuation Board	808	808	0	0%		0
Other Corporate Costs						
Pension Costs	1,794	1,797	3	0%		0
Central Telephones	80	80	0	0%		0
Other Corporate Items (incl Cash in Transit & External Audit Fees)	355	333	-22	-6%	2	0
Insurance Account	0	0	0	-		0
Children and Young People Bill	151	151	0	0%		
Dartington	400	400	0	0%		
Funds to be Allocated (incl Termination Costs)	4,122	3,769	-353	-9%	3	-335
Totals	10,410	10,029	-381	-4%		-346

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS TO 30TH NOVEMBER 2014

Budget £000	ProjectedV ariance £000	Variance as % of budget	Section
Note 1			
Strathclyde Passenger Transport			
There has been no significant movement since period 6.			
2,417	(9)	0%	Payment to Other Bodies - underspend relating to bus shelters
	(9)		
Note 2			
Other Corporate Items (incl Cash in Transit & External Audit Fees)			
There is a new projected underspend of £0.022m in relation to Cash in Transit costs.			
355	(22)	-6%	Other Expenditure - projected underspend due to changes in the way bills are charged with Housing offices now picking up charges direct. The cash in transit service is currently undergoing a tender process.
	(22)		
Note 3			
Funds to be Allocated (incl Termination Costs)			
There is an increase in the underspend of £0.018m based on revised projections			
3,944	(353)	-9%	Funds to be Allocated - underspend in inflationary assumptions, including the National Care Home Contract
	(353)		
(384)			TOTAL

HOUSING REVENUE ACCOUNT
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2014

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Supervision & Management	7,796	7,454	(342)	-4%	1
Repairs & Maintenance	26,915	25,334	(1,581)	-6%	2
Short Stay Hostel	(67)	(108)	(41)	61%	3
Homelessness	(56)	(327)	(271)	484%	4
Loan Charges	9,452	8,555	(897)	-9%	5
Rental Income	(44,040)	(44,029)	11	0%	6
Supported Accommodation		-	-	0%	
Totals	-	(3,121)	(3,121)		

Objective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	6,662	6,181	(481)	-7%
Property Costs	18,828	18,599	(229)	-1%
Supplies and Services	272	260	(12)	-5%
Transport and Plant Costs	80	80	(0)	0%
Administration Costs	1,494	1,511	17	1%
Other Agencies & Bodies	1,667	1,670	3	0%
Transfer Payments	100	125	25	25%
Other Expenditure	10,088	8,542	(1,546)	-15%
Capital Financing	9,452	8,555	(897)	-9%
Gross Expenditure	48,641	45,522	(3,119)	-6%
Income	(48,641)	(48,643)	(2)	0%
Net Expenditure	-	(3,121)	(3,121)	

HRA
BUDGETARY CONTROL 2014/15

REPORT FOR THE EIGHT MONTHS ENDED 30 NOVEMBER 2014

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Supervision & Management
			Movement - there is an increase in the underspend projected from Period 6 of £0.027m.
4467	(254)	-6%	Employee Costs - There is a projected underspend of £0.254m as a result of vacant posts. The current staff budget has a 2.5% turnover applied. This has been reviewed as part of the 15/16 budget process and a 5% turnover has been approved.
110	(60)	-55%	Consultant Costs - Projects currently identified include Common Housing Register applicant survey, response repairs research and research to reduce the demand for larger properties at a cost of £0.050m resulting in an underspend of £0.060m.
36	(36)	-100%	Debtors accounts written off, as submitted to Cabinet on 7 October did not affect Supervision & Management therefore budget will not be used.
0	26	0%	Service charges associated with cash deposits at the bank not budgeted for at beginning of year. This was not charged to HRA in previous years and was identified this year when an increase in the number of collections was requested.
	(18)		Other minor movements
	(342)		
Note 2			Repairs & Maintenance/Rental Income
			Movement - there is an increase in the underspend projected from Period 6 of £0.624m.
5,999	(133)	-2%	Planned Repairs - There is a projected underspend mainly as a result of reduced requirement for asbestos works and lower levels of central heating repairs.
2,750	567	21%	Void Repairs - There is a projected overspend on void repairs based on current level of jobs raised and current average job costs. Senior officers will continue to explore available options to reduce the cost of void repairs.
4,225	(322)	-8%	Response Repairs - There is a projected underspend based on current level of jobs raised and current average job costs.
1,750	(400)	-23%	Aids and Adaptations - There is a projected underspend as a result of reduced number of referrals and a change in the types of works being required.
124	(13)	-10%	Debtors accounts written off, as submitted to Cabinet on 7 October, were £0.013m less than budgeted.
1,730	(1,300)	-75%	Rent Arrears Write Off - There is a projected £1.300m underspend mainly due to the fact that Under Occupation rent arrears will be fully mitigated by increased funding for Discretionary Housing Payments.
54	46	85%	Electricity - There is a projected overspend in Electricity due to the introduction of the Central Energy Management Team who identified properties which were not previously charged to the HRA. Housing Finance Team has since been working to identify all HRA properties to ensure charges are applied correctly.
	(26)		Other minor movements
	(1,581)		

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 3			Short Stay Hostel
			Movement - there is an increase in the underspend projected from Period 6 of £0.002m.
598	(57)	-10%	Employee Costs - There is a projected underspend of £0.057m as a result of vacant posts. The current staff budget has a 2.5% turnover applied. This has been reviewed as part of the 15/16 budget process and a 5% turnover has been approved.
20	20	100%	Void Rent Loss - there has been reduced requirement to house people in hostel accommodation due to the effectiveness of Housing Options.
	(4)		Other minor movements
	(41)		
Note 4			Homelessness
			Movement - there is an decrease in the underspend projected from Period 6 of £0.006m.
183	(147)	-80%	Rent Arrears Write Off - There is a projected underspend mainly due to the fact that Under Occupation rent arrears will be fully mitigated by increased funding for Discretionary Housing Payments.
1,592	(171)	-11%	Employee Costs - There is a projected underspend of £0.171m as a result of vacant posts. The current staff budget has a 2.5% turnover applied. This is being reviewed as part of the 15/16 budget process and a 5% turnover is being proposed.
28	59	211%	Void Rent Loss - There has been a reduced requirement to house people in temporary accommodation (Homeless Furnished Units) due to the effectiveness of other options. This has resulted in an increase in void flats and therefore an increase in void rent loss. A review is being carried out to identify the ongoing requirement for temporary accommodation.
	(12)		Other minor movements
	(271)		
Note 5			Loan Charges
			Movement - there is an decrease in the underspend projected from Period 6 of £0.003m.
9,452	(897)	-9%	Loan Charges - There is a projected saving for 2014/15 as a result external borrowing falling below anticipated levels due to the short-term use of cash balances currently held by the Council.
	(897)		
Note 6			Rental Income
			Movement - there is an decrease in the overspend projected from Period 6 of £0.027m.
(44,040)	11	0%	There is a projected under-recovery of Rental Income. This is largely attributable to an under-recovery on house & hostel rents of £53k based on fortnightly rent charges. This is partially offset by increased income of £46k from housing shops.
	11		

Budget £000	Projected Variance £000	Variance as % of budget	Section					
HRA projected reserves and balances			B/fwd from 2013/14	Period 8 Revenue	Use of Earmarked sums	Earmarking of in year surplus	Funding of Capital Projects	Estimated Bal at 31/03/15
			£m	£m	£m		£m	£m
Council House Building Fund	4.270	-	0.000				(0.004)	4.266
Welfare Reform	3.000	-	0.000				0.000	3.000
Contingency Balance	0.400	-	0.000				0.000	0.400
Furnished Tenancies service	0.121	-	(0.121)				0.000	0.000
Estate Based Projects	0.356		(0.356)			0.040	0.000	0.040
Non Adopted Roads & Lighting	0.182		(0.182)				0.000	0.000
Major Refurbishment Works	0.000					1.300		1.300
Uncommitted Balance	0.394	3.121	0.000			(1.340)	0.000	2.175
	8.723	3.121	(0.659)			0.000	(0.004)	11.181

Budget Management - 30 November 2014

Virement/Budget Adjustment Requests

		2014/15	
	Perm (P) / Temp(T)	Virement £m	Directorate Total £m
1) Budget Virements			
Place			
Decrease SPT transport budget in line with projected year end forecast		-0.200	
Increase ASN taxi budget in line with projected year end overspend		0.200	
Additional work from housing to Roads - increase income recharge budget	T	-0.364	
Additional work from housing to Roads - increase expenditure budget	T	0.364	
			0.000
Social Services and Health			
Decrease Learning Disabilities Residential Care Package budget	P	-0.600	
Increase Learning Disabilities Community care package budget, to reflect current demand	P	0.600	
			0.000
2) Budgets to be increased as a result of external income			
Education & Youth Employment			
Funding from Children & Young Peoples Act - Expansion to 600 hrs	P	1.111	
Funding for Workless Household 2 year old Provision	P	0.268	
Income from Other Local Authorities for Classroom Assistant provision	T	0.154	
			1.533
			1.533

NORTH AYRSHIRE COUNCIL

Agenda Item 5

27 January 2015

Cabinet

Subject: **Capital Monitoring to 30 November 2014**

Purpose: To advise the Cabinet of progress in delivering the Capital Investment Programme as at 30 November 2014.

Recommendation: That the Cabinet agrees to (a) approve the revisions to budgets outlined at Sections 2.1 and 2.7 - 2.10 of the report; and (b) note (i) the actual General Services and HRA expenditure to 30 November 2014; and (ii) the forecast of expenditure to 31 March 2015.

1. Introduction

- 1.1 The General Services and Housing Revenue Account (HRA) capital budgets were approved at a special meeting of the Council on 11 December 2013. The General Services capital programme approval covered a firm plan for period from 1 April 2014 to 31 March 2018 and an indicative plan for the years from 2018/19 to 2022/23. The HRA capital budget was approved for 2014/15 only.
- 1.2 This report identifies the current programme for 2014/15, taking account of adjustments made to budgets since the meeting outlined at 1.1. The report advises of actual expenditure to 30 November 2014 and forecast expenditure to 31 March 2015.

2. Current Position

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

	2014/15
	£m
Budget approved as at 30 September 2014	38.210
a) Alterations to phasing of projects:-	
2014/15 to 2015/16	-1.876
2015/16 to 2014/15	0.646
b) Additional Projects funded by grants & contributions	0.530
Budget as at 30 November 2014	37.510

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

- (i) within Economy and Communities Irvine Leisure Centre has slipped by £1.477m due to the time taken to receive the final decision and within Place Shewalton Landfill has slipped by £0.320m and reflects the current programme for the completion of the vehicle wash and temporary bulking station.
- (ii) within Education works at Garnock Campus have been brought forward by £0.485m and reflects the commencement of the enabling works. The Local Area Network project within Finance and Corporate Support has also been brought forward by £0.161m and reflects an acceleration of this programme due to the fast tracking of high priority sites.
- (ii) additional funding of £0.530m has been identified since period 6, the most significant sums being (a) £0.414m for access paths from URC and Sustrans and (b) £0.116m from the Change Fund for the development of CareFirst.

2.2 Capital Expenditure to 30 November 2014

Actual expenditure to 30 November 2014 (Period 8) amounted to £15.842m or 42.2% (compared to anticipated expenditure of £17.700m or 47.2%) of the revised annual budget for 2014/15 of £37.510m. Details of actual spend by project against the revised budget for 2014/15 can be found in Appendix 1, alongside anticipated spend to 31 March 2015.

The projections are summarised by service in the table below:

Service	Revised Budget 2014/15	Projected Expenditure / Income to 31 March 2015	Projected Variance Over / (Under)	True Over / (Under) Spend	Net Carry Forward to 2015/16
	£m	£m	£m	£m	£m
Expenditure					
Economy and Communities	5.085	5.267	0.182	0.006	0.176
Education and Youth Employment	7.527	6.991	(0.536)	(0.036)	(0.500)
Finance and Corporate Support	2.582	2.577	(0.005)		(0.005)
Place	16.499	16.542	0.043	0.083	(0.040)
Health and Social Care Partnership	5.685	5.655	(0.030)	(0.030)	-
Other including Flexibility	0.132	0.050	(0.082)	(0.082)	-
Total Expenditure	37.510	37.082	(0.428)	(0.059)	(0.369)
Income					
General Capital Grant	(14.770)	(14.770)			
Specific Capital Grant	(0.502)	(0.502)			
Use of Reserve Funds	(8.991)	(8.991)			
Capital Funded from Current Revenue	(2.276)	(2.276)			
Capital Receipts	(0.934)	(0.934)			
Other Grants & Contributions	(4.909)	(4.909)			
Prudential Borrowing	(5.128)	(4.700)	0.428	0.059	0.369
Total Income	(37.510)	(37.082)	0.428	0.059	0.369

2.3 An underspend of £0.428m is projected within the programme of which £0.369m is required to be carried forward to 2015/16. Within Place the refurbishment of Cunninghame House Phase 1 is forecasting an overspend of £0.093m and this will be funded from future phases of this project.

2.4 Information on the progress of all projects and explanations for the carry forwards can be found in Appendix 1.

Housing Revenue Account

- 2.5 The table below outlines the movements in the 2014/15 HRA Capital budget since the report to 30 September 2014:-

	2014/15
	£m
Budget approved as at 30 September 2014	29.139
a) Transfer of energy grant funding to revenue	(0.040)
Budget as at 30 November 2014	29.099

- 2.6 The only movement this period is the transfer of energy grant funding to revenue to match the nature of the expenditure being incurred. This has resulted in a revised budget of £29.099m.

Capital Expenditure

- 2.7 Actual expenditure to 30 November 2014 (Period 8) amounted to £15.866m or 54.5% (compared to anticipated expenditure of £15.938m or 54.8 %) of the revised annual budget of £29.099m. Current projections are forecasting an underspend of £0.221m at 31 March 2015 and are shown in the table.

	Revised Budget 2014/15	Projected Expenditure / Income to 31 March 2015	Projected Variance Over / (Under)	True Over / (Under) Spend	Net Carry Forward to 2015/16
	£m	£m	£m	£m	£m
Expenditure	29.099	28.878	(0.221)	(0.686)	0.465
Income					
Sale of Council Houses	(0.760)	(0.938)	(0.178)	(0.178)	-
Sale of Assets	-	(0.188)	(0.188)	(0.188)	-
CFCR	(8.252)	(8.252)	-	-	-
Capital Grants	(5.228)	(5.228)	-	-	-
Contribution from House Build Fund	(0.060)	(0.005)	0.055	0.055	-
Other Capital Income - House Building	-	(0.082)	(0.082)	(0.082)	-
Affordable Housing Contribution	(1.973)	(1.973)	-	-	-
Prudential Borrowing	(12.826)	(12.212)	0.614	1.079	(0.465)
Total Income	(29.099)	(28.878)	0.221	0.686	(0.465)

- 2.8 A true underspend of £0.686m has been forecast as a result of anticipated savings in the new build programme including John Galt and the Stevenson Institute.
- 2.9 Work has been accelerated from the 2015-16 programme totalling £0.766m for the new build programme at Kiln Court and Fencedyke. This has been partially off-set by £0.301m of slippage within the regeneration project at Montgomery Court and major works in Ardrossan.
- 2.10 The acceleration of £0.766m from 2015/16 and the carry forward of £0.301m to 2015/16 outlined in 2.9 will result in a revised capital programme at 30 November 2014 of £29.604m for 2014/15.

3. Proposals

- 3.1 It is proposed that:-

In General Services -

The Cabinet is invited to (a) approve the further revisions to budgets outlined at Section 2.1 and Appendix 1; and (b) note (i) the actual expenditure to 30 November 2014 and (ii) the forecast of expenditure to 31 March 2015; and

In the H.R.A. -

The Cabinet is invited to (a) approve the further revisions to the budget outlined at Section 2.7 - 2.10; (b) note the actual expenditure to 30 November 2014 and (ii) the forecast of expenditure to 31 March 2015.

4. Implications

Financial Implications

- 4.1 The financial implications are as outlined in the report. Expenditure will continue to be closely monitored to ensure early action is taken regarding any projected underspends or overspends.

Human Resource Implications

- 4.2 There are no human resource Implications.

Legal Implications

- 4.3 There are no legal Implications.

Equality Implications

- 4.4 There are no equality Implications.

Environmental Implications

- 4.5 There are no environmental Implications.

Implications for Key Priorities

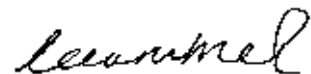
- 4.6 A delay in completion of projects could affect the delivery of services and have implications for revenue budgets and service planning.

5. Consultations

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

6. Conclusion

- 6.1 The report invites the Cabinet to approve the revisions to budgets for General Services and the Housing Revenue Account, and note the level of capital expenditure to 30 November 2014 and projections to 31 March 2015.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

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

Background Papers

0

North Ayrshire Council Capital Statement Year Ended 31st March 2015													
Project Description	Approved Budget	Carry Forward from 2013/14	Additional Funds Awarded 2014/15	Approved Revisions to Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 30 November 2014	Year to Date Variance 2014/15	Projected Expenditure to 31st March 2015	Projected Over/ (Under) Spend for 2014/15	True Over/ (Under) Spend	Carry Forward to 2015/16	COMMENTS
£	£	£	£	£	£	£	£	£	£	£	£	£	
EXPENDITURE													
Economy & Communities													
Regeneration	2,930,000	23,069	(400,000)	(358,284)	2,194,785	270,526	305,892	35,366	2,445,914	251,129	1,555	249,574	
Strategic Planning & Infrastructure	262,000	0	1,232,934	0	1,494,934	208,009	14,810	(193,199)	1,494,934	0	0	0	
Sport & Activity	14,626,641	547,389	0	(14,225,690)	948,340	282,712	353,597	70,885	874,633	(73,707)	0	(73,707)	
Information & Culture	925,397	(128,745)	0	(349,498)	447,154	81,662	59,293	(22,369)	451,208	4,054	4,054	0	
Education & Youth Employment													
Nursery Education	852,000	(54,516)	1,325,858	(767,858)	1,355,484	297,671	179,140	(118,531)	1,355,484	0	0	0	
Primary Schools	8,498,552	260,576	316,665	(5,632,240)	3,443,553	1,931,330	1,516,433	(414,897)	3,381,375	(62,178)	(42,086)	(20,092)	
Secondary Schools	0	3,117	0	2,577,186	2,580,303	1,268,763	1,308,188	39,425	2,098,870	(481,433)	0	(481,433)	
Special Education	298,318	(480)	0	(149,865)	147,973	146,664	150,160	3,496	154,819	6,846	6,521	325	
Finance & Corporate Support													
Financial Services	62,760	0	169,000	(62,760)	169,000	251	251	(0)	169,000	0	0	0	
Information Technology	588,000	(204,293)	0	396,070	779,777	354,008	321,926	(32,082)	779,777	0	0	0	
Council IT Strategy	1,669,580	573,991	0	(610,269)	1,633,302	1,431,146	1,413,854	(17,292)	1,628,302	(5,000)	0	(5,000)	
Health & Social Care													
Management & Support	158,000	24,258	0	150,272	332,530	75,919	87,521	11,602	332,530	0	0	0	
Older People	3,683,857	(123,024)	125,000	40,500	3,726,333	2,631,809	2,383,935	(247,874)	3,726,335	2	2	0	
Physical or Sensory Disabled	1,648,270	(21,867)	0	0	1,626,403	1,092,480	1,093,820	1,340	1,596,560	(29,843)	(29,843)	0	
Place													
Roads	8,547,000	276,936	1,140,000	(5,211,349)	4,752,587	2,819,486	2,707,320	(112,166)	4,752,587	0	0	0	
Office Accommodation	3,401,620	605,851	115,000	(698,595)	3,423,876	1,640,841	1,250,656	(390,185)	3,517,624	93,748	93,748	0	
Other Property	125,000	28,316	0	1,063,987	1,217,303	216,878	202,642	(14,236)	1,177,538	(39,765)	0	(39,765)	
Housing Non HRA	700,000	(17,777)	0	(20,382)	661,841	322,404	459,601	137,197	661,841	0	0	0	
Streetscene	718,467	76,739	0	(90,111)	705,095	36,145	47,698	11,553	705,491	396	396	0	
Transport	2,000,000	(1,342)	0	0	1,998,658	1,094,767	893,306	(201,461)	1,998,658	0	0	0	
Waste Services	1,378,000	219,404	0	(320,000)	1,277,404	771,555	377,240	(394,315)	1,266,959	(10,445)	(10,445)	0	
Renewable Energy	2,460,000	(8,315)	0	10,248	2,461,933	724,976	714,858	(10,118)	2,461,933	0	0	0	
Other													
Other	140,667	192,640		(201,783)	131,524	0	0	0	50,000	(81,524)	(81,524)		
Total Project Expenditure	55,674,129	2,271,927	4,024,457	(24,460,421)	37,510,092	17,700,002	15,842,143	(1,857,859)	37,082,372	(427,720)	(57,622)	(370,098)	
Income	(55,674,129)	(2,271,927)	(4,024,457)	24,460,421	(37,510,092)	(10,327,575)	(10,327,575)	0	(37,082,372)	427,720	57,622	370,098	
Total Project Income	(55,674,129)	(2,271,927)	(4,024,457)	24,460,421	(37,510,092)	(10,327,575)	(10,327,575)	0	(37,082,372)	427,720	57,622	370,098	
Total Net Expenditure	0	0	0	0	0	7,372,428	5,514,568	(1,857,859)	0	0	0	0	

North Avrshire Council Capital Programme Funding											
Funding Description	Cost Centre	Approved Budget	Carry Forward from 2013/14	Additional Funds Awarded 2014/15	Approved Revisions to Programme	Total Revised Budget 2014/15	Actual as at 30 November 2014	Projected Income to 31st March 2015	Proposed Budget 2015/16	Proposed Budget 2016/17	Proposed Budget 2017/18
		£	£		£	£	£	£			
CAPITAL BORROWING											
Prudential Borrowing	WAAA01	28.583.375	538.007		-23.992.625	5.128.757		4.701.037	25.487.699	46.890.048	6.164.873
Salix Funding -Street Lighting - Arran	WCCE02					0	175.000	0			
SUB TOTAL		28,583,375	538,007	0	-23,992,625	5,128,757	175,000	4,701,037	25,487,699	46,890,048	6,164,873
SCOTTISH GOVERNMENT FUNDING											
Specific Capital Grants											
Cycling / Walking /Safer Streets	WCKA01	212.000				212.000		212.000	150.000	150.000	150.000
Free School Meals P1-3				290.000		290.000		290.000			
Capital Grants											
General Capital Grant	WAAA01	13.864.000		905.858		14.769.858	9.159.858	14.769.858	13.271.158	9.000.000	9.000.000
SUB TOTAL		14,076,000	0	1,195,858	0	15,271,858	9,159,858	15,271,858	13,421,158	9,150,000	9,150,000
OTHER INCOME TO PROGRAMME											
Use of Funds											
Capital Fund										2.000.000	
General	WAAA01	5.536.636				5.536.636		5.536.636			
Stanley PS Modular Accommodation	WBAD03	86.500				86.500		86.500			
Garnock Academy	WBAF92								1.000.000		
B714 Upgrade	WCCE09	1.137.000			-1.137.000	0		0	1.137.000		
Saltcoats Town Hall	WCLB02					0		0	538.000		
Montrose House	WDDA43	237.000				237.000		237.000			
Dirrans Resource Centre	WDEA10	473.000				473.000		473.000			
Brodick Harbour Development	WJAA05					0		0	1.200.000		
Change & Service Redesign Fund											
E-Form System	WAAA01			12.000		12.000		12.000			
Windows Server Migration	WAAA06		4.142			4.142		4.142			
Capacity Planning (Storage)	WAEA30				77.000	77.000		77.000			
Wireless Access in Schools	WANA01	190.400	176.700		-220.214	146.886		146.886	220.214		
Managed WAN Services	WANA02	571.183	179.191		-302.501	447.873		447.873	302.501		
IPT Telephony	WANA03	203.468	200.487		-80.955	323.000		323.000	80.955		
Local Area Network	WANA04	310.824	300.150		-176.584	434.390		434.390	176.584		
Streetscene Scheduling	WCHH01		7.161			7.161		7.161			
Care First Development / CM2000					150.272	150.272		150.272	249.728		
Cunninghame House - Time Clock System	WCLA04			55.000		55.000		55.000			
Repairs & Renewals Fund - Irvine Leisure Centre	WAAA01	1.000.000				1.000.000		1.000.000			
CFCR											
General	WAAA01	1.868.000				1.868.000		1.868.000			
Defibrillators	WAAA07			157.000		157.000		157.000			
St Bridget's PS Nurery Adapts	WBAB32			20.000		20.000		20.000			
Stanley PS Accommodation	WBAD03			24.500		24.500		24.500			
St Luke's PS Extension	WBAD12			2.165		2.165		2.165			
Bridgewater House	WCLA01			60.000		60.000		60.000			
Montrose House	WDDA43			125.000		125.000		125.000			
Dirrans	WDEA10	100.000				100.000		100.000			
Access Path Network	WJAB04			29.000		29.000		29.000			
Community Development Fund	WJBB01				-109.814	-109.814		-109.814			
Grants & Contributions											
SFT Enabling Funds (Garnock Campus)	WBAF92	635.534	704.089			1.339.623	900.270	1.339.623			
SFT Funding Garnock Campus & 3 Towns	WBAF95					0		0		39.665.000	
SPT Funding - Roads	WCES03			900.000		900.000		900.000			
Forestry Commission - Timber Transport	WCES05			240.000		240.000		240.000			
Historic Scotland - Saltcoats Town Hall	WCLB02		162.000		-37.000	125.000		125.000			
Saltcoats Town Hall - Regeneration Grant	WCLB02				1.100.000	1.100.000		1.100.000			
SPT Funding - Planning	WJAB02			70.000		70.000		70.000			
SPT Funding - Plugged In Places	WJAB03			118.000		118.000		118.000			
Access Paths - CSGN	WJAB04			55.200		55.200		55.200			
Access Paths - SPT	WJAB04			200.000		200.000		200.000			
Access Paths - SUSTRANS	WJAB04			625.000		625.000		625.000			
Access Paths - URC	WJAB04			130.000		130.000		130.000			
Access Paths	WJAB04			5.734		5.734		5.734			
Cultural Centre, Gaelic Provision	WJBA03	50.000			-50.000	0		0			
Capital Receipts											
Sale of Land	WAAA01	525.209			319.000	844.209	92.447	844.209	2.517.791	2.000.000	1.000.000
Sale of Vehicles	WCMA01	40.000				40.000	50.573	40.000			
Insurance Recovery	WCMA01					0	26.291	0	40.000	40.000	40.000
Montgomerie Park Masterplan	WJAA07	50.000				50.000	15.583	0			
SUB TOTAL		13,014,754	1,733,920	2,828,599	-467,796	17,109,477	992,717	17,109,477	7,462,773	43,705,000	1,040,000
TOTAL CAPITAL PROGRAMME FUNDING		55,674,129	2,271,927	4,024,457	-24,460,421	37,510,092	10,327,575	37,082,372	46,371,630	99,745,048	16,354,873

CAPITAL MONITORING 2014/15																
Year Ended 31st March 2015																
ECONOMY & COMMUNITIES																
Project Description	COMPLETION DATE			CURRENT YEAR 2014/15 EXPENDITURE												Comments
	Original Target	Revised Forecast	Difference (SPI)	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2013/14	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 30 November 2014	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/ (Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	
ECONOMIC GROWTH																
Regeneration																
TOURISM INFRASTRUCTURE			0	0	22,447		(19,162)	3,285	3,285	3,285	0	3,285	0		0	
IRVINE ENTERPRISE AREA			0	800,000			(460,000)	340,000	40,000	0	(40,000)	340,000	0			
TOWN CENTRE REGENERATION	31-Mar-15	31-Mar-15	0	1,680,000	622		(1,329,122)	351,500	217,838	290,127	72,289	351,500	0			
MILLPORT FIELD CENTRE	31-Mar-15	31-Mar-15	0	0			1,500,000	1,500,000	9,403	9,403	0	1,748,053	248,053		248,053	£1,150,577 required for 15/16
BRODICK HARBOUR DEVELOPMENT	31-Mar-16	31-Mar-16	0	0				0	0	0	0	0	0			
MONTGOMERIE PARK MASTERPLAN	31-Mar-14	31-Mar-14	0	50,000			(50,000)	0	0	1,521	1,521	1,521	1,521		1,521	
MONTGOMERIE PARK SUDS POND			0					0	0	1,555	1,555	1,555	1,555	1,555		Retention from 2013/14
PENNYBURN ROUNDABOUT			0					0	0	0	0	0	0	0		
Total Regeneration				2,930,000	23,069	(400,000)	(358,284)	2,194,785	270,526	305,892	35,366	2,445,914	251,129	1,555	249,574	
Strategic Planning & Infrastructure																
CYCLING/WALKING/SAFER STREETS			0	212,000			(212,000)	0	0	0	0	0	0			
SPT FUNDED PROJECTS - SP&I	31-Mar-15	31-Mar-15				70,000		70,000	0	6,286	6,286	70,000	0			2 schemes now complete, others ongoing
PLUGGED IN PLACES (PIP)						118,000		118,000	0	154	154	118,000	0			
ACCESS PATH NETWORK PROGRAMME	31-Mar-15	31-Mar-15	0	50,000		1,044,934	212,000	1,306,934	208,009	8,369	(199,640)	1,306,934	0			Delays in the procurement process have resulted in invoices not being presented for payment within Period 8 however it is expected that this will be rectified in Periods 9 and 10.. Full expenditure will still be made by 31 March 14 with some retentions required into 15/16.
Total S P & I				262,000	0	1,232,934	0	1,494,934	208,009	14,810	(193,199)	1,494,934	0	0	0	
CONNECTED COMMUNITIES																
Sports & Activity																
ARRAN OUTDOOR CENTRE SLIPWAY	Complete	Complete		0	8,337			8,337	4,075	4,320	245	8,337	0			
LARGS SPORTS DEVELOPMENT	31-Mar-15	31-Mar-15	0	63,383	8,866		(72,249)	0	0	0	0	0	0			
IRVINE LEISURE CENTRE	15-Aug-14	14-Oct-16	113	14,563,258	530,186		(14,153,441)	940,003	278,637	349,277	70,640	866,296	(73,707)		(73,707)	£14,601,811 required for 15/16, £4,247,294 required for 16/17
Total Sports & Activity				14,626,641	547,389	0	(14,225,690)	948,340	282,712	353,597	70,885	874,633	(73,707)	0	(73,707)	
Information & Culture																
COMMUNITY DEVELOPMENT FUND			0	560,000	(127,945)		(124,348)	307,707	0	0	0	307,707	0			
CASTLES & HISTORIC MONUMENTS				100,000			(100,000)	0	0	0	0	0	0			
ARDROSSAN CASTLE	31-Mar-14	19-Dec-14	38	112,979	(7,579)		(38,731)	66,669	23,408	10,293	(13,115)	70,681	4,012	4,012		Budget to be transferred from Generic Code15/16 to cover over-spend
ABBEY TOWER	31-Mar-14	31-Mar-14	0	0			200	200	200	200	0	200	0			
KERELAW CASTLE	31-Mar-14	07-Nov-14	32	63,772	(6,566)		15,372	72,578	58,054	61,198	3,144	72,620	42	42		
Total Information & Cultural				925,397	(128,745)	0	(349,498)	447,154	81,662	59,293	(22,369)	451,208	4,054	4,054	0	
Total Economy & Communities				18,744,038	441,713	832,934	(14,933,472)	5,085,213	842,909	733,592	(109,318)	5,266,689	181,476	5,609	175,867	

CAPITAL MONITORING 2014/15																
Year Ended 31st March 2015																
EDUCATION & YOUTH EMPLOYMENT																
Project Description	COMPLETION DATE			CURRENT YEAR 2014/15 EXPENDITURE												Comments
	Original Target	Revised Forecast	Difference (SPI)	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 30 November 2014	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/(Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	
Nursery Education																
EARLY YEARS CHILDRENS BILL			0	122,000	(54,516)		(67,484)	0	0	0	0	0	0	0		
CHILDREN & YOUNG PEOPLE'S BIL			0	730,000			(703,771)	26,229	0	0	0	19,226	(7,003)	(7,003)		
ARDEER PS NURSERY ADAPTS	15-Aug-14	15-Aug-14	0	0			14,592	14,592	14,592	14,592	(0)	14,592	0			
BEITH PS NURSERY ADAPTS	15-Aug-14	19-Dec-14	18	0			73,137	73,137	73,137	43,508	(29,629)	76,122	2,985	2,985		
CALEDONIA PS NURSERY ADAPTS	15-Aug-14	19-Dec-14	18	0			23,546	23,546	23,546	2,616	(20,930)	29,635	6,089	6,089		
ST BRIDGETS PS NURSERY ADAPTS	15-Aug-14	19-Dec-14	18	0		20,000	43,292	63,292	63,292	31,425	(31,867)	64,319	1,027	1,027		
ST MARYS PS NURSERY ADAPTS	15-Aug-14	19-Dec-14	18	0			36,347	36,347	36,347	15,549	(20,798)	37,933	1,586	1,586		
WINTON PS NURSERY ADAPTS	15-Aug-14	15-Aug-14	0	0			74,154	74,154	69,387	50,310	(19,077)	68,687	(5,467)	(5,467)		
HAYOCKS PS NURSERY ADAPTS	tbc	tbc		0			51,454	51,454	874	874	0	51,454	0			
GLENCAIRN PS NURSERY ADAPTS	tbc	tbc		0			38,448	38,448	1,739	1,739	0	38,448	0			£47,255 required for 15/16
LAMLASH NURSERY ADAPTATIONS			0				2,331	2,331	2,331	2,331	(0)	2,331	0			
CORSEHILL PS NURSERY ADAPTS			0				6,041	6,041	1,941	5,977	4,036	6,041	0			
CUMBRAE PS NURSERY ADAPTS	31-Mar-14	31-Mar-14	0	0			967	967	757	(5,750)	(6,507)	967	0			
LOUDOUN-MONTG'Y PS NURSY ADAP	tbc	tbc					132,958	132,958	967	967	0	133,168	210	210		
ST JOHN OGILVIE PS NURSY ADAP	15-Aug-14	15-Aug-14	0				8,761	8,761	8,761	14,202	5,441	8,761	0			
EARLY LEARNING & CHILDCARE			0			1,305,858	(502,858)	803,000	0	0	0	803,000	0			
KILWINNING COMM NURSERY ADAPT			0				227	227	0	227	227	227	0			
GARNOCK CAMPUS EY ADAPTS			0				0	0	0	0	0	0	0			
GARNOCK VALLEY EY ADAPTS			0					0	0	294	294	294	294	294		
PENNYBURN PS NURSERY ADAPTS			0					0	0	279	279	279	279	279		
Total Nursery Education				852,000	(54,516)	1,325,858	(767,858)	1,355,484	297,671	179,140	(118,531)	1,355,484	0	0	0	
Primary Schools																
WOODLANDS PS EXTENSION	30-Apr-13	06-May-13	1					0	0	1,642	1,642	1,642	1,642	1,642		
STANLEY PS MODULAR ACCOM			0	86,500		24,500		111,000	86,500	0	(86,500)	111,000	0			
PENNYBURN PS ROOF REPLACE	31-Mar-14	31-Jul-14	17	15,000	(300)		0	14,700	11,011	10,710	(301)	11,000	(3,700)	(3,700)		
CORRIE PS ANNEXE - STRUCTURAL	17-Oct-14	19-Dec-14	9	175,000	(1,247)		0	173,753	144,714	133,878	(10,836)	181,820	8,067	8,067		
SCHOOL ESTATE	01-Aug-17	01-Aug-17	0	5,607,100	(12,912)		(5,594,188)	0	0	0	0	0	0			
ST LUKES PS-EXTENSION PHASE 2	24-Apr-15	24-Apr-15	0	765,500	2,254	2,165	(38,052)	731,867	311,603	311,604	1	711,775	(20,092)		(20,092)	£204,577 required for 15/16
CUMBRAE PS ROOF	07-Feb-14	22-Aug-14	28	321,224	(354)		0	320,870	289,423	13,791	(275,632)	306,432	(14,438)	(14,438)		
FREE SCHOOL MEALS P1 - P3			0	0		26,572		26,572	0	0	0	22,898	(3,674)	(3,674)		
BRISBANE PS KITCHEN WORKS	N/A	N/A						0	0	0	0	0	0			
CORSEHILL PS KITCHEN WORKS			0					0	0	0	0	0	0			
GLEBE PS KITCHEN WORKS	12-Dec-14	16-Dec-14	1			9,288		9,288	782	782	(0)	10,070	782	782		
HAYOCKS PS KITCHEN WORKS	17-Oct-14	17-Oct-14	0			7,000		7,000	4,438	4,438	0	6,666	(334)	(334)		
LOUDOUN-MONTG'Y PS KITCHN WRKS	12-Dec-14	20-Dec-14	1			9,466		9,466	620	620	0	10,586	1,120	1,120		

CAPITAL MONITORING 2014/15																
Year Ended 31st March 2015																
EDUCATION & YOUTH EMPLOYMENT																
Project Description	COMPLETION DATE			CURRENT YEAR 2014/15 EXPENDITURE												Comments
	Original Target	Revised Forecast	Difference (SPI)	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 30 November 2014	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/(Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	
PENNYBURN PS KITCHEN WORKS	12-Dec-14	23-Jan-15	6			11,198		11,198	744	744	0	11,942	744	744		
SHISKINE PS KITCHEN WORKS	N/A	N/A						0	0	0	0		0			
SKELMORLIE PS KITCHEN WORKS	12-Dec-14	23-Jan-15	6			11,238		11,238	675	675	(0)	11,913	675	675		
ST LUKE'S PS KITCHEN WORKS	12-Dec-14	23-Jan-15	6			15,238		15,238	687	687	(0)	15,925	687	687		
WEST KILBRIDE PS KITCHEN WORKS	tbc	tbc				200,000		200,000	1,345	12,527	11,182	200,000	0			
ELDERBANK PS	07-Apr-14	30-Jun-14	12	1,528,228	273,135		0	1,801,363	1,078,788	1,082,382	3,594	1,767,706	(33,657)	(33,657)		
CASTLEPARK PS	Complete	Complete		0				0	0	(58,124)	(58,124)	0	0			
Total Primary Education				8,498,552	260,576	316,665	(5,632,240)	3,443,553	1,931,330	1,516,433	(414,897)	3,381,375	(62,178)	(42,086)	(20,092)	
Secondary Schools																
GARNOCK CAMPUS ENABLING FUNDS	30/08/2015	23/12/2016	69	0	3,117		1,577,186	1,580,303	1,178,221	1,183,629	5,408	1,586,374	6,071		6,071	
3 TOWNS CAMPUS			0	0				0	0	0	0	0	0			
IRVINE ROYAL/COLLEGE ADAPTS	31/03/2015	31/03/2015	0	0			1,000,000	1,000,000	90,542	108,982	18,440	500,000	(500,000)		(500,000)	£500k for Phase 1 works and fees relating to Phase 2 only.
LARGS ACADEMY				0				0	0	15,578	15,578	12,496	12,496		12,496	
GARNOCK ACADEMY REPLACEMENT								0	0	0	0					
Total Secondary Education				0	3,117	0	2,577,186	2,580,303	1,268,763	1,308,188	39,425	2,098,870	(481,433)	0	(481,433)	
Special Education																
STANECastle SCH REMEDIAL WORKS	31/03/2015	31/03/2015	0	159,418	(80)		(149,865)	9,473	9,473	9,798	325	9,798	325		325	
HAYSHOLM SCHOOL ADAPTATIONS	15/08/2014	15/08/2014	0	81,000			(42,020)	38,980	37,671	34,773	(2,898)	36,932	(2,048)	(2,048)		Underspend to be transferred to James McFarlane School Adapts
JAMES MCFARLANE SCHOOL ADAPTS	15/08/2014	15/08/2014	0	57,900	(400)		42,020	99,520	99,520	105,589	6,069	108,089	8,569	8,569		
Total Special Education				298,318	(480)	0	(149,865)	147,973	146,664	150,160	3,496	154,819	6,846	6,521	325	
Total Education & Skills				9,648,870	208,697	1,642,523	(3,972,777)	7,527,313	3,644,428	3,153,922	(490,506)	6,990,548	(536,765)	(35,565)	(501,200)	

CAPITAL MONITORING 2014/15																
Year Ended 31st March 2015																
FINANCE & CORPORATE SUPPORT																
Project Description	COMPLETION DATE			CURRENT YEAR 2014/15 EXPENDITURE												Comments
	Original Target	Revised Forecast	Difference (SPI)	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 30 November 2014	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/(Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	
Financial Services																
E PROCUREMENT				0				0	0	0	0		0			
E-FORM SYSTEM				0		12,000		12,000	251	251	(0)	12,000	0	0		
DEFIBRILLATORS						157,000		157,000	0	0	0	157,000	0			
Total Financial Services				62,760	0	169,000	(62,760)	169,000	251	251	(0)	169,000	0	0	0	
Information Technology																
PC REPLACEMENT	31-Mar-16	31-Mar-16	0	75,000	(36,096)		(30,000)	8,904	11,258	(6,486)	(17,744)	8,904	0		0	
MICROSOFT OFFICE UPGRADE	31-Mar-16	31-Mar-16	0	263,000	2,118		70	265,188	260,832	260,832	0	265,188	0			
SUN SERVER REPLACE PROG	31-Mar-16	31-Mar-16	0	200,000	(172,472)			27,528	27,528	14,950	(12,578)	27,528	0			
WINDOWS SERVER MIGRATION	31-Mar-16	31-Mar-16	0	0	40,774			40,774	14,890	14,890	0	40,774	0			
NEW COUNCIL ICT STRATEGY	31-Mar-16	31-Mar-16	0	50,000	(38,617)			11,383	9,500	5,995	(3,505)	11,383	0			
ICT CAPACITY PLANNING(STORAGE				0			107,000	107,000	30,000	25,592	(4,408)	107,000	0			
PSN COMPLIANCE							319,000	319,000	0	6,152	6,152	319,000	0			
Total Information Technology				588,000	(204,293)	0	396,070	779,777	354,008	321,926	(32,082)	779,777	0	0	0	
Council IT Strategy																
WIRELESS ACCESS IN SCHOOLS	31-Mar-16	31-Mar-16	0	380,400	86,814		(220,214)	247,000	152,514	148,771	(3,743)	197,000	(50,000)		(50,000)	Re-profiling of programme
MANAGED WAN SERVICES	31-Mar-16	31-Mar-16	0	524,888	229,104		(306,119)	447,873	347,873	360,609	12,736	447,873	0		0	
IP TELEPHONY (IPT)	31-Mar-16	31-Mar-16	0	353,468	53,468		(83,936)	323,000	323,000	296,260	(26,740)	368,000	45,000		45,000	Acceleration of programme
LOCAL AREA NETWORK (LAN)	31-Mar-16	31-Mar-16	0	410,824	204,605		0	615,429	607,759	608,214	455	615,429	0		0	
Total IT Strategy				1,669,580	573,991	0	(610,269)	1,633,302	1,431,146	1,413,854	(17,292)	1,628,302	(5,000)	0	(5,000)	
Total Finance & Corporate Support				2,320,340	369,698	169,000	(276,959)	2,582,079	1,785,405	1,736,031	(49,374)	2,577,079	(5,000)	0	(5,000)	

CAPITAL MONITORING 2014/15

Year Ended 31st March 2015

HEALTH & SOCIAL CARE

Project Description	COMPLETION DATE			CURRENT YEAR 2014/15 EXPENDITURE												Comments
	Original Target	Revised Forecast	Difference (SPI)	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 30 November 2014	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/ (Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	
Management & Support																
CAREFIRST IT DEVELOPMENT							115,594	115,594	13,720	3,940	(9,780)	115,594	0			
HOME CARE SYSTEM	31-Mar-11	31-Mar-14	157	158,000	24,258		34,678	216,936	62,199	83,581	21,382	216,936	0		0	
Total Management & Support				158,000	24,258	0	150,272	332,530	75,919	87,521	11,602	332,530	0	0	0	
Older People																
MONTROSE HSE REDESIGN FACILIT	18-Oct-14	03-Oct-14	2	2,696,857	(123,024)	125,000		2,698,833	2,631,809	2,452,121	(179,688)	2,698,835	2	2		
LARGS OLDER PEOPLE RES CTRE	25-Mar-15	31-Mar-15	1	987,000				987,000	0	15,000	15,000	987,000	0	0		
CURRIE COURT CONVERSION	18-Oct-13	10-Jan-14	12	0				0	0	(83,187)	(83,187)	0	0	0		
LD DAY CENTRES	-	-		0			40,500	40,500	0	0	0	40,500	0			
Total Older People				3,683,857	(123,024)	125,000	40,500	3,726,333	2,631,809	2,383,935	(247,874)	3,726,335	2	2	0	
Physical or Sensory																
DIRRANS REHABILITATION CENTR	18-Jul-14	05-Dec-14	20	1,648,270	(21,867)		0	1,626,403	1,092,480	1,093,820	1,340	1,596,560	(29,843)	(29,843)		
Total Physical or Sensory				1,648,270	(21,867)	0	0	1,626,403	1,092,480	1,093,820	1,340	1,596,560	(29,843)	(29,843)	0	
Total Health & Social Care				5,490,127	(120,633)	125,000	190,772	5,685,266	3,800,208	3,565,276	(234,932)	5,655,425	(29,841)	(29,841)	0	

CAPITAL MONITORING 2014/15																
Year Ended 31st March 2015																
PLACE																
Project Description	COMPLETION DATE			CURRENT YEAR 2014/15 EXPENDITURE												Comments
	Original Target	Revised Forecast	Difference (SPI)	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 30 November 2014	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/ (Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	
PHYSICAL ENVIRONMENT																
Roads																
ROADS IMPROVE/RECONSTRUCTION	31-Mar-15	31-Mar-15	0	1,650,000	(149,127)		(218,000)	1,282,873	940,460	953,164	12,704	1,282,873	0			On-going programme of works for the year. On target to fully spend budget
LIGHTING	31-Mar-15	31-Mar-15	0	1,000,000	32,597			1,032,597	371,821	225,691	(146,130)	1,032,597	0			On-going programme of works for the year. On target to fully spend budget
STREET LIGHTING ARRAN/MILLPORT	31-Dec-14	31-Dec-14							0	43,561	43,561		0			Budget to be set in period 9
STREET LIGHTING - MAINLAND													0			
IRVINE TOWN CENTRE CAR PARK	31-Mar-14	31-Jul-14	17	0	193,309		384,912	578,221	578,221	587,793	9,572	578,221	0			Work complete end of July 2014. Car Park opened 7/8/14
CAR PARK STRATEGY			0	360,000			(360,000)	0	0	0	0	0	0			
GARNOCK VALLEY FLOOD PREVENTION	31-Mar-15	31-Mar-15	0	1,500,000	92,261		(1,348,960)	243,301	176,765	105,229	(71,536)	243,301	0			Design solution finalised and approved. Compensation packages currently being prepared. Public consultation January / February.
COASTAL PROT-BALLOCHMARTIN BA	31-Dec-13	31-Jul-14	30	0	42,804			42,804	42,804	42,804	0	42,804	0			Work complete.
SPT FUNDED PROJECTS - ROADS	31-Mar-15	31-Mar-15	0	0		900,000		900,000	72,000	91,918	19,918	900,000	0			Design is nearing completion with work due to commence early 2015.
TIMBER TRANSPORT FUNDING	31-Mar-14	31-Aug-14	22	0		240,000	368,000	608,000	608,000	598,635	(9,365)	608,000	0			Work now complete.
BRIDGES INFRASTRUCTURE PROG			0	0				0	0	0	0	0	0			
B714 UPGRADE			0	4,037,000	65,092		(4,037,301)	64,791	29,415	58,525	29,110	64,791	0			
Total Roads				8,547,000	276,936	1,140,000	(5,211,349)	4,752,587	2,819,486	2,707,320	(112,166)	4,752,587	0	0	0	
Office Accommodation																
BRIDGEGATE HOUSE REFURB	23-Sep-13	18-Mar-14	25	0	379,965	60,000	312,537	752,502	272,475	(36,826)	(309,301)	752,502	0	0		
TRINITY CHURCH REFURBISHMENT	24-Jun-13	29-Nov-13	23	0	117,586		0	117,586	18,318	31,277	12,959	117,586	0		0	
BRIDGEGATE PUBLIC REALM	08-Jul-13	29-Nov-13	21	0	122,999		0	122,999	8,608	(22,530)	(31,138)	122,999	0			
CUNNINGHAME HOUSE PHASE 1	28-Mar-14	31-Oct-14	31	1,416,411	(14,699)	55,000	6,515	1,463,227	1,334,879	1,215,251	(119,628)	1,556,847	93,620	93,620		
CUNNINGHAME HOUSE PHASE 2	19-Sep-14	17-Apr-15	30	1,063,831			(126,269)	937,562	6,561	63,485	56,924	937,690	128	128		
CUNNINGHAME HOUSE PHASE 3-6				921,378			(891,378)	30,000	0	0	0	30,000	0			£243,356 required for 15/16
PROPERTY LIFECYCLE INVESTMENT										0	0		0			
Total Office Accommodation				3,401,620	605,851	115,000	(698,595)	3,423,876	1,640,841	1,250,656	(390,185)	3,517,624	93,748	93,748	0	
Other Property																
CORP ASSET MANAGEMENT SYSTEM			0	60,000	(1,158)		(58,842)	0		(6,800)	(6,800)		0			
SALTCOATS TOWN HALL	01-Nov-14	30-Nov-15	56	65,000	29,474		1,122,829	1,217,303	216,878	209,442	(7,436)	1,177,538	(39,765)		(39,765)	£2,278,326 required for 15/16
Total Property				125,000	28,316	0	1,063,987	1,217,303	216,878	202,642	(14,236)	1,177,538	(39,765)	0	(39,765)	
Housing Non HRA																
IMPROVEMENT GRANTS	31-Mar-15	31-Mar-15	0	700,000	(38,159)			661,841	322,404	263,828	(58,576)	661,841	0	0		
CARE & REPAIR			0	0				0	0	195,773	195,773		0			
CCTV GENERAL			0	0	20,382		(20,382)	0	0	0	0		0			
Total Housing Non HRA				700,000	(17,777)	0	(20,382)	661,841	322,404	459,601	137,197	661,841	0	0	0	
Streetscene																
STREETSCENE SCHEDULING SYSTEM	31-Mar-13	30-Nov-13	35	0	7,161		(4,179)	2,982	2,982	2,982	(0)	2,982	0			
WEST KILBRIDE CEMETERY EXTEN	29-Aug-13	20-Sep-13	3	(67,607)	33,377		39,401	5,171	1,732	1,732	0	5,171	0			
NEW STEVENSTON CEMETERY	31-Mar-13	01-Aug-13	18	0				0	0	(15,400)	(15,400)	0	0			
SKELMORLIE CEMETERY WALL	31-Mar-16	31-Mar-16	0	148,225			(145,962)	2,263	2,263	0	0	2,263	0			
CEMETERY WALLS &INFRASTRUCTURE			0	201,849	18,087		(138,271)	81,665	0	9,041	9,041	81,665	0			
CEMETERIES - EXTENSIONS			0	436,000	18,114		(144,222)	309,892	0	0	0	309,892	0			
WEST KILBRIDE CEMETERY PHASE							503	503	503	503	(0)	503	0			
SANNOX CEMETERY EXTENSION	22-Jul-13	27-Mar-14	35				660	660	660	660	0	660	0			
ARDROSSAN CEMETERY WORKS	31-Mar-15	31-Mar-15	0	0			111,330	111,330	2,380	12,103	9,723	135,044	23,714	23,714		£48,829 required for 15/16
BRODICK OLD CEMETERY WORKS	31-Oct-14	31-Oct-14	0	0			13,732	13,732	4,512	4,513	1	12,810	(922)	(922)		
KILMORY CEMETERY WORKS	31-Oct-14	31-Oct-14	0	0			13,732	13,732	4,512	4,513	1	12,810	(922)	(922)		
KILBRIDE CEMETERY WORKS	31-Oct-14	31-Oct-14	0	0			13,732	13,732	5,282	5,283	1	12,810	(922)	(922)		
ST BRIDE'S CEMETERY WORKS	31-Oct-14	31-Oct-14	0	0			13,735	13,735	4,512	4,513	1	12,810	(925)	(925)		
DREGHORN CEMETERY WORKS	N/A	N/A		0			2,450	2,450	2,450	2,450	0	2,450	0			
MILLPORT CEMETERY WORKS	N/A	N/A		0			3,090	3,090	3,090	3,090	0	3,090	0			
OLD BARONY CEMETERY WORKS	27-Feb-15	27-Feb-15	0	0			49,011	49,011	635	635	0	36,481	(12,530)	(12,530)		
ST MARGARET'S CEMETERY WORKS	31-Oct-14	19-Dec-14	7	0			17,265	17,265	0	3,500	3,500	17,265	0			

<div>CAPITAL MONITORING 2014/15</div> <div>Year Ended 31st March 2015</div> <div>PLACE</div>																
Project Description	COMPLETION DATE			CURRENT YEAR 2014/15 EXPENDITURE												Comments
	Original Target	Revised Forecast	Difference (SPI)	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 30 November 2014	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/ (Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	
HIGH KIRK CEMETERY WORKS	31-Oct-14	16-Jan-15	11	0			63,534	63,534	284	5,320	5,036	56,437	(7,097)	(7,097)		
LARGS CEMETERY WORKS	N/A	N/A		0			348	348	348	0	(348)	348	0			
Total Streetscene				718,467	76,739	0	(90,111)	705,095	36,145	47,698	11,553	705,491	396	396	0	

CAPITAL MONITORING 2014/15																
Year Ended 31st March 2015																
PLACE																
Project Description	COMPLETION DATE			CURRENT YEAR 2014/15 EXPENDITURE												Comments
	Original Target	Revised Forecast	Difference (SPI)	Approved Budget	Carry Forward From 2013/14	Additional Funds Awarded 2014/15	Approved Revisions To Programme	Total Revised Budget 2014/15	Year to Date Budget 2014/15	Actual Expenditure to 30 November 2014	Year to Date Variance 2014/15	Projected Expenditure to 31 March 2015	Projected Over/ (Under) Spend for 14/15	True Over/(Under) Spend	Carry Forward to 2015/16	
COMMERCIAL SERVICES																
Transport																
VEHICLES	31-Mar-15	31-Mar-15	0	2,000,000	(1,342)			1,998,658	1,094,767	893,306	(201,461)	1,998,658	0			Timing issue re invoicing but on target to spend
Total Transport				2,000,000	(1,342)	0	0	1,998,658	1,094,767	893,306	(201,461)	1,998,658	0	0	0	
Waste Services																
SHEWALTON LANDFILL	31-Mar-15	31-Mar-15	0	1,378,000	134,562		(320,000)	1,192,562	711,142	313,389	(397,753)	1,192,562	0			Depot improvement works are continuing through PMI and Phase 2 of the works are nearing completion. Cell 5A construction is now complete and the capping work of Cell 4 is 50% complete and will be invoiced in payments in December and January. The remaining capping works have been delayed due to weather and a revised programme is being discussed with the contractor. The new wheel wash (£90k) will be re-scheduled to 2015/16 due to the organic waste contractor being delayed in vacating the site to their new facility at Ardeer, vacation is expected late 2015. PMI has been commissioned to create the temporary bulking station at area 2 (£230k) and a programme is currently being developed. There is a requirement to carry forward £320k from 2014/15 to 2015/16 in order to coincide with the revised time scales for the completion of the vehicle wash and temporary bulking station. A further capital programme revision may be required following agreement of the revised programme with the contractor.
ICT WASTE MANAGEMENT SYS	31-Mar-13	31-Jan-15	96	0	17,486			17,486	17,486	6,940	(10,546)	17,486	0			The Powersuite system is going through User Acceptance Testing and is expected to be fully complete by February 2015. A delay has occurred during the data upload and integration of the system with Masterpiece FMS. The remaining project expenditure should now be fully invoiced by the end of February 2015.
PADDOCKHOLM DEPOT	31-Mar-14	06-May-14	5	0	67,356		0	67,356	42,927	56,911	13,984	56,911	(10,445)	(10,445)		
Total Waste Services				1,378,000	219,404	0	(320,000)	1,277,404	771,555	377,240	(394,315)	1,266,959	(10,445)	(10,445)	0	
Renewable Energy																
RENEWABLE ENERGY PROGRAMME	30-Sep-16	30-Sep-16	0	2,460,000	(8,315)		(2,451,685)	0	0	0.00	0	0	0			
BIOMASS RETROFIT PROGRAMME							1,305,290	1,305,290	396,089	401,022.01	4,933	1,305,290	0			
SOLAR PV RETROFIT PROGRAMME							1,156,643	1,156,643	328,887	313,835.94	(15,051)	1,156,643	0			
Total Renewable Energy				2,460,000	(8,315)	0	10,248	2,461,933	724,976	714,858	(10,118)	2,461,933	0	0	0	
Total Place				19,330,087	1,179,812	1,255,000	(5,266,202)	16,498,697	7,627,052	6,653,322	(973,730)	16,542,631	43,934	83,699	(39,765)	

North Ayrshire Council														
HRA Capital Statement														
For Year Ended 31 March 2015														
	Budget Approved 11 December 2013	Budget B/Fwd/ (C/Fwd)	Approved Revisions to programme	Revised budget 2014/15	Year to Date Budget 2014/15	Actual expenditure to 30 November 2014	Year to Date Variance	Projected Expenditure to 31 March 2015	Projected over/(under) Spend for 14/15	Carry Forward to 2015/16	True (Under)/Over spend	Comments		
Description	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000			
HOUSING REVENUE ACCOUNT														
MORTGAGE TO RENT	565	167	0	732	488	502	14	732	0	0	0			
COUNCIL HOUSE BUILDING GENERAL	0	360	(360)	0	0	0	0	0	0	0	0			
NEW BUILD REDSTONE AVE	482	294	0	776	518	623	105	721	(55)	0	(55)	True underspend on completion of this house building project		
NEW BUILD COPELAND CRESCENT	0	0	0	0	0	(34)	(34)	0	0	0	0	Final invoice awaited to offset current credit in relation to accrued retentions.		
ACQUISITION OF HOUSES ON OPEN MARKET	16	2	236	254	169	255	86	255	1	0	1			
NEW BUILD JOHN GALT	7,296	(271)	0	7,025	4,684	4,089	(595)	6,725	(300)	0	(300)	There is a projected underspend of £300,000 as a result of procurement savings. This saving will reduce the requirement to borrow during 2014/15. Project due to be completed by March 2015.		
NEW BUILD STEVENSON INSTITUTE	1,346	49	0	1,395	390	722	332	1,163	(232)	0	(232)	There is a projected underspend of £232,000 due to procurement savings. This saving will reduce the requirement to borrow during 2014/15. Project due to be completed by March 2015.		
NEW BUILD DICKSON DRIVE	1,048	59	(532)	575	198	328	130	575	0	0	0			
NEW BUILD MONTGOMERY COURT	1,931	40	(1,731)	240	0	30	30	245	5	5	0	This project is slightly ahead of programme. Budget will be brought forward from 2015/16.		
NEW BUILD KILN COURT	1,910	46	(906)	1,050	150	567	417	1,708	658	658	0	The initial stages of this project have been accelerated, due to the contractor having capacity to achieve this. The project is on schedule to complete in August 2015.		
NEW BUILD FENCEDYKE	0	0	162	162	0	223	223	265	103	103	0	Acceleration of project due to the necessary emergency demolition of old school building, as a result of a fire damage.		
CENTRAL HEATING	1,300	1	0	1,301	680	614	(66)	1,301	0	0	0			
INSULATED RE-RENDERING	2,284	(196)	2	2,090	1,650	2,276	626	2,090	0	0	0	Year to date spend is overstated due to the miscoding of costs from the main Roofing & Rendering programme. The corporate ledger will be amended in December.		
WINDOW REPLACEMENT	1,400	151	0	1,551	1,173	902	(271)	1,551	0	0	0			
BATHROOM PROGRAMME	2,000	(81)	0	1,919	1,442	1,086	(356)	1,919	0	0	0			
KITCHEN PROGRAMME	2,500	(56)	0	2,444	1,705	1,231	(474)	2,444	0	0	0			
ELECTRICAL REWIRING	1,200	(4)	0	1,196	580	598	18	1,196	0	0	0			
REGENERATION - MONTGOMERY COURT	1,500	0	(1,160)	340	0	40	40	241	(99)	(99)	0	Additional slippage identified at period 8, due to a petition relating to the removal of Cherry Trees. This budget will be carried forward and added to the 2015/16 budget to facilitate the completion of project.		
REGENERATION - DICKSON DRIVE	1,332	0	(656)	676	160	171	11	676	0	0	0			
REGENERATION/REFURBISHMENT GENERAL	0	17	0	17	0	35	35	17	0	0	0			
ROOFING & RENDERING	2,800	(38)	0	2,762	1,200	1,033	(167)	2,762	0	0	0			
DOOR ENTRY SYSTEMS	100	19	0	119	40	47	7	119	0	0	0			
SHELTERED HOUSING UNITS	0	96	0	96	0	(27)	(27)	96	0	0	0			
OTHER CAPITAL WORKS	400	207	0	607	100	(26)	(126)	305	(302)	(202)	(100)	There is a true underspend against this programme, this is mainly due to procurement savings achieved for works to replace water tanks at the high flats. The carry forward relates to revised profile for major works to houses in Ardrossan.		
ENERGY EFFICIENCY STANDARD	500	0	(300)	200	40	0	(40)	200	0	0	0			
PROFESSIONAL MANAGEMENT CHARGES	1,572	0	0	1,572	571	581	10	1,572	0	0	0			
			0											
TOTAL EXPENDITURE	33,482	862	(5,245)	29,099	15,938	15,866	(72)	28,878	(221)	465	(686)			
SALE OF COUNCIL HOUSES	(760)	0	0	(760)	(507)	(707)	(200)	(938)	(178)	0	(178)	Additional council house sales are projected for 2014/15 compared with the estimate included within the budget- 30 currently projected compared with 25 estimated sales for the year.		
SALE OF ASSETS	0	0	0	0	0	(56)	(56)	(188)	(188)	0	(188)	Unbudgeted income from the sale of other HRA assets during 2014/15.		
CFCR	(8,252)	0	0	(8,252)	0	0	0	(8,252)	0	0	0			
CAPITAL GRANTS - MORTGAGE TO RENT	(124)	(19)	0	(143)	(95)	(130)	(35)	(143)	0	0	0			
CAPITAL GRANTS - HOUSE BUILDING	(6,394)	1,683	860	(3,851)	(2,568)	(1,976)	592	(3,851)	0	0	0			
CAPITAL GRANTS - ENERGY FUNDING	0	0	(1,234)	(1,234)	(849)	(996)	(147)	(1,234)	0	0	0			
CONTRIB FROM HOUSE BUILD FUND - SPECIFIC PROJECTS	(599)	56	483	(60)	0	0	0	(5)	55	0	55	The saving against Redstone Avenue project, as noted above, reduces the need to draw on House Building fund.		
OTHER CAPITAL INCOME - HOUSE BUILDING	0	0	0	0	0	(25)	(25)	(82)	(82)	0	(82)	Unanticipated income paid retrospectively by Scottish Water in relation to infrastructure costs of house building projects.		
AFFORDABLE HOUSING CONTRIBUTION	(2,005)	0	32	(1,973)	0	0	0	(1,973)	0	0	0			
PRUDENTIAL BORROWING	(15,348)	(2,582)	5,104	(12,826)	0	0	0	(12,212)	614	(465)	1,079	Reduced requirement for prudential borrowing, mainly as a result of contract savings on house building projects, combined with additional capital receipts and income from Scottish Water, as noted above.		
		0												
TOTAL INCOME	(33,482)	(862)	5,245	(29,099)	(4,019)	(3,890)	129	(28,878)	221	(465)	686			

NORTH AYRSHIRE COUNCIL

Agenda Item 6

27 January 2015

Cabinet

Subject: Codes of Financial Practice: Amendment

Purpose: To seek Council approval to amend the recently updated Codes of Financial Practice.

Recommendation: That the Council approves the amendment to the Codes of Financial Practice, as attached at Appendix 1.

1. Introduction

- 1.1 The Financial Regulations, which set out the expectations and responsibilities of elected members and officers in relation to the proper administration of the Council's finances, are supported by Codes of Financial Practice.
- 1.2 The Codes of Financial Practice (see Appendix 1) provide more detail on the requirements of the Council in relation to specific areas such as revenue and capital finance, treasury management, risk and insurance and asset management.
- 1.3 The Financial Regulations and associated Codes of Financial Practice were approved by Council on 5 November 2014.

2. Current Position

- 2.1 On 7 November 2014, the Codes of Financial Practice were reviewed by HM Revenue & Customs (HMRC) as part of a routine VAT inspection. Page 14 of the Codes of Financial Practice explain responsibilities relating to tax management.
- 2.2 HM Revenue & Customs have identified that the Codes of Financial Practice do not specifically refer to the tax management of income streams. The pertinent paragraph on page 14 reads as follows:

"Heads of Service must ensure that guidance is sought from the Head of Finance on the tax implications of any new or unusual transactions before committing the Council to expenditure".

3. Proposals

- 3.1 It is proposed that the words "to expenditure" are removed from this paragraph, thereby placing the onus on services to seek guidance on new or unusual types of both income and expenditure.
- 3.2 For the avoidance of doubt, the new paragraph on page 14 of the Codes of Financial Practice will read as follows:
"Heads of Service must ensure that guidance is sought from the Head of Finance on the tax implications of any new or unusual transactions before committing the Council. "

4. Implications

Financial Implications

- 4.1 Failure to make provision for appropriate tax management in formal guidance could affect the severity of future penalties in the event of a mistake being made in relation to the VAT treatment of income or expenditure.

Human Resource Implications

- 4.2 None.

Legal Implications

- 4.3 None.

Equality Implications

- 4.4 None.

Environmental and Sustainability Implications

- 4.5 None.

Implications for Key Priorities

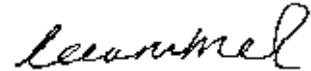
- 4.6 The proposal supports the Council's key priority of operating efficiently and effectively.

5. Consultations

5.1 HM Revenues and Customs have been consulted on the proposal.

6. Conclusion

6.1 The proposed amendment to the Codes of Financial Practice will satisfy HM Revenue & Customs' requirements that the Council provides appropriate recourse for services encountering tax issues.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

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

Background Papers

N/A

NORTH AYRSHIRE COUNCIL

CODES OF FINANCIAL PRACTICE

27 JANUARY 2015

Version Control

Code of Financial Practice – Approved By Council	5 November 2014
Code of Financial Practice 6 – Tax Management	
The words “to expenditure” are removed from the paragraph “Head of Service must ensure that guidance is sought from the Head of Finance on the tax implications of any new or unusual transactions before committing the Council to expenditure”.	
Code of Finance Practice – Submitted to Cabinet	27 January 2015

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Codes of Financial Practice are issued under the authority of the Council's Financial Regulations. They shall be read in conjunction with, and have the same status as the Financial Regulations.

It shall be the duty of each Head of Service to ensure that the requirements of the Codes of Financial Practice are made known to the appropriate staff within their Service and that they are adhered to.

Failure to comply with Codes of Financial Practice may be regarded as a breach of trust and may lead to disciplinary action.

Code of Financial Practice 1

Capital Finance

Financial Plans and Capital Estimates

Finance shall prepare annually a financial plan for capital expenditure.

The annual Capital Estimates shall correspond to the first year of the financial plan, subject to funds being available, and shall detail the committed capital projects and new capital projects on which the Council intends to incur expenditure.

The detailed form of the financial plan and Capital Estimates shall be determined by the Chief Executive in consultation with the Executive Director (Finance and Corporate Support).

All Executive Directors shall provide such information as may be required by the Chief Executive and Executive Director (Finance and Corporate Support) for the purpose of preparing the financial plan and Capital Estimates.

The financial plan and Capital Estimates, along with reports by the appropriate officers, shall be considered by the Council for approval.

Prior to submission to the Council, all new projects or requests for a change in expenditure profile must be forwarded to the Capital Programme and Assets Group (CPAG) for consideration. CPAG will ensure that accurate costings are agreed and that appropriate option appraisals have been carried out.

The approval of the financial plan by the Council shall permit Heads of Service to:

- incur preliminary expenses and design costs in respect of projects included in years two and three of the Plan, and;
- in conjunction with the Head of Democratic Services, take the necessary steps to acquire land associated with specified projects included in years two and three of the Plan.

The approval of the Capital Estimates by the Council shall permit Heads of Service to proceed with projects within the Capital Estimates unless:

- the actual tender price of the project or the revised estimate of the project exceeds the provision in the Capital Estimates, or
- the nature of the capital project has changed substantially from that envisaged when the Capital Estimates were approved.

In these cases, fresh approval shall be sought from the Cabinet before the project proceeds, which approval shall be given only if the capital expenditure can be contained within the overall capital allocation.

Control of Capital Expenditure

No expenditure shall be incurred without the approval of the Cabinet except as authorised by the Council's Scheme of Delegation to Officers and the Standing Orders Relating to Contracts.

No capital expenditure chargeable to the Capital Account shall be incurred unless the expenditure is provided for in the Capital Estimates and meets the definition of capital expenditure in the CIPFA Code of Practice, which states that "the expenditure results in the acquisition, construction, or enhancement of fixed assets (tangible and intangible) in accordance with proper practices". Scottish Ministers may also issue guidance that it would be proper practice to capitalise specified expenditure. The Capital Programme and Assets Group (CPAG) shall ensure that projects comply with the definition of capital expenditure.

The approval of the Cabinet shall be required before a new capital project outwith the financial plan is introduced into the Capital Estimates or a capital project contained within the financial plan in later years is advanced into the current year. Such approval shall be given only if the expenditure can be contained within the capital allocation for that year.

If it becomes apparent after the start of a capital project that it will be considerably over or under spent, or if the phased expenditure for the current year is likely to vary significantly, it shall be the duty of the appropriate Head of Service to report such variation immediately to the Capital Programme and Assets Group (CPAG). CPAG is responsible for ensuring that the capital programme is delivered on time and for considering where projects may be advanced within the plan. Thereafter, a report on the action taken shall be submitted to the Cabinet.

It shall be the duty of the Executive Director (Finance and Corporate Support) to report regularly and timeously to the Cabinet with statements comparing actual financial performance with the respective Capital Estimates.

It shall be the duty of the appropriate Head of Service to ensure that any required legal or statutory approvals have been obtained before the commencement of a capital project.

Code of Financial Practice 2 Revenue Finance

Revenue Estimates

Finance shall determine the procedure for the preparation of the Revenue Estimates and shall report to the Cabinet on the financial guidelines to be considered for the Revenue Estimates.

Each Head of Service shall, in conjunction with the Executive Director (Finance and Corporate Support), prepare Revenue Estimates in respect of their Service in accordance with the guidelines set by the Cabinet and to a timetable set by the Chief Executive in consultation with the Executive Director (Finance and Corporate Support).

The Revenue Estimates shall be submitted to the Council for approval with a recommendation as to:-

- the proposed expenditure and income for the financial year ahead;
- the Council Tax to be levied and the level of bad debt provision to be applied;
- the council house rent level to be applied.

Control of Revenue Expenditure

No expenditure shall be incurred without the approval of the Cabinet except as authorised by the approved Revenue Estimates, Scheme of Delegation to Officers and the Standing Orders relating to Contracts.

No expenditure chargeable to a revenue account shall be incurred unless it has been included in the Revenue Estimates, except:-

- where a supplementary estimate has been approved by the Cabinet;
- in emergency situations in terms of the Scheme of Delegation to Officers;
- as provided for by the rules on Virement below.

It shall be the duty of the Head of Finance to furnish regularly and timeously to all Heads of Service budgetary control statements on the Revenue Account comparing actual performance with the respective Estimates.

It shall be the duty of the Head of Service concerned to ensure that items of expenditure in the Revenue Estimates of their Service are not overspent and that the income and expenditure of their Service conform to the requirements of this Code of Practice and their delegated powers under the Scheme of Delegation to Officers.

Heads of Service shall also provide the Head of Finance with whatever assistance and information the Head of Finance considers necessary in order to ensure the effectiveness of the budgetary control system.

It shall be the duty of the Executive Director (Finance and Corporate Support) to report quarterly, or more frequently if it is considered appropriate, to the Cabinet on the current financial position of the Council.

Virement

Virement shall be permitted only in the following circumstances:-

- A deficit under those subjective headings of expenditure and income and objective headings as defined in Appendix 1 may be balanced by a transfer from another head of expenditure or income on which there is a surplus where the deficit has arisen due to circumstances which could not have been foreseen and the transfer would not involve a change of policy of the Council. Where a net saving could be achieved by overspending under one head of expenditure without changing the policy of the Council, a transfer may be made from a head of expenditure or income which is in surplus.
- Virement shall not create an additional overall budget liability. One-off savings or additional income should not be used to support recurring expenditure or to create future commitments including full-year effects of decisions made part way through a year.
- All transfers shall be authorised by the Executive Director concerned and the Executive Director (Finance and Corporate Support). Where the amount transferred from a budget heading is over £100,000 (either as a single transfer or the sum of transfers within a financial year) or where the transfer of any amount would affect the execution of existing Council policy the approval of the Cabinet shall be required.

Where it appears that the actual amount of any item of income or expenditure may vary significantly from that appearing in the Revenue Estimates, it shall be the duty of the Executive Director concerned, in conjunction with the Executive Director (Finance and Corporate Support), to report the details of the variance and any remedial action required to the Cabinet as soon as possible after the variance has become apparent.

All reports presented to Committee by Executive Directors must specifically identify the extent of any financial implications, having firstly consulted with the Executive Director (Finance and Corporate Support) on these financial implications. Any such implications must be clearly stated in the reports to Committee, identifying the following:

- costs and income in the current and future financial years;
- the impact on capital and revenue spending;
- the extent of budget provision and, if none, how and from where it is proposed that such financial resources be obtained.

The rules concerning budget virement within those areas of Education and Skills that fall within the Council's Devolved School Management (DSM) scheme (see Appendix 1) are separately defined by the DSM policy.

Code of Financial Practice 3

Control of Income

Determination of Charges

Each Head of Service shall review not less than annually the charges for goods and services provided by their Service and, except where the charge is fixed externally, or unless otherwise provided for in the Scheme of Delegation to Officers, shall submit proposals thereof for the consideration of the Cabinet.

In order to preserve the real value of such income, increases recommended to Cabinet should have regard to the cost of providing the service, the current rate of inflation and the impact of any change in the rate of value added tax.

Accounting Arrangements

The Executive Director (Finance and Corporate Support) shall make adequate financial and accounting arrangements to ensure the proper recording and collection of all monies due to the Council.

All official forms and books for the expenditure and collection of monies shall be in a form approved by the Executive Director (Finance and Corporate Support) and shall be ordered, controlled and issued to Services by the Executive Director (Finance and Corporate Support) or under arrangements approved by the Executive Director (Finance and Corporate Support).

Notification of Income to Finance

Particulars of all charges made for work done, services rendered and goods supplied by the various Services of the Council and of all other amounts due to the Council shall be notified to the Head of Finance.

All debtors' accounts for income due to the Council shall be rendered by, or under arrangements approved by, the Executive Director (Finance and Corporate Support).

Treatment of Monies Collected

All monies received on behalf of the Council in any Service shall be recorded and deposited with the Executive Director (Finance and Corporate Support) or the Council's Bankers in accordance with arrangements made with the Executive Director (Finance and Corporate Support).

Receipts shall be issued for all monies collected and the receipt should indicate the method of payment, i.e. cash, cheque, credit or debit card. All **cash** receipts exceeding £5,000 should be notified to the Senior Manager (Internal Audit, Risk and Performance) in accordance with the Council's policy in relation to money laundering.

Heads of Service shall be responsible for ensuring adequate custody and control of all cash held within their Service. Cash held should not exceed the maximum limits for cash holdings agreed with the Executive Director (Finance and Corporate Support).

Where a service identifies any cash shortage of more than £50 between transactions recorded and physical cash banked, contact must be made with the Internal Audit section in accordance with the Council's Defalcation Procedures.

No deduction shall be made from such monies unless specifically authorised by the Executive Director (Finance and Corporate Support) (e.g. Paris refunds, library refunds). Cash discount shall not be offered to any debtor.

Personal Cheques

Personal cheques shall not be cashed from monies collected on behalf of the Council.

Transfers of Cash, Cheques and other Cash equivalents

All transfers of responsibility for cash, cheques or other cash equivalents from one member of staff to another shall be evidenced in the records of the Services concerned by the signature of the receiving officer.

Where the monetary amount transferred is not physically verified upon transfer, staff must ensure that the reason for non-verification is recorded (e.g. sealed bank bag with serial number noted, locked cash box, signed cheque or bank withdrawal slip).

Write-offs

The debt recovery team within Finance shall provide all services with a list of accounts recommended for write-off on a bi-annual basis. Services shall be required to authorise accounts for write-off, subject to the approvals below.

Sums due to the Council shall not be written off except as follows:

- Sums in excess of £1,000: subject to the approval of the Cabinet.
- Sums greater than £500 but not exceeding £1000: subject to the written approval of the Executive Director (Finance and Corporate Support) after consultation with the Chief Executive.
- Sums not exceeding £500: subject to the written approval of the Executive Director (Finance and Corporate Support).

Sums written-off shall be written back to the service account to which the income was originally credited when the invoice was raised.

Grant Income

The Executive Director (Finance and Corporate Support) shall be advised timeously of all relevant information so that applications for grants due to the Council may be submitted or certified. All applications for grant funding will require to be authorised by the Executive Director (Finance and Corporate Support) prior to submission to the funding body.

All grants received are to be paid directly to the Executive Director (Finance and Corporate Support).

Code of Financial Practice 4a Treasury Management

Treasury Policy Statement and Practices

The Council has adopted the key recommendations of the CIPFA document 'Treasury Management in Public Services: Code of Practice' (the Code) as described in section 4 of that Code. Accordingly, the Council shall create and maintain, as the cornerstones for effective treasury management:

- an annual treasury management strategy statement identifying policies with regard to treasury management and the objective of these, and;
- suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the strategy statement and TMPs shall follow the recommendations contained in sections 6 and 7 of the Treasury Management Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments shall not result in the Council materially deviating from the Code's key recommendations.

The Executive Director (Finance and Corporate Support) shall provide reports on the Council's treasury management policies, practices and activities. This will include, as a minimum, an annual strategy and plan in advance of the year to Council, a mid-year progress report to Cabinet and an annual report to Council, in the form prescribed in the Council's TMPs.

Borrowing and Leasing

All borrowing arrangements of the Council for the purpose of its functions shall be made by the Executive Director (Finance and Corporate Support) and the arrangements made shall be reported regularly to the Cabinet in accordance with the Council's treasury management strategy.

All borrowings on behalf of the Council shall be affected in the name of the Council. The Executive Director (Finance and Corporate Support), or officers authorised by the Executive Director (Finance and Corporate Support), shall sign all loan documents unless statute or other legal requirements provide that other signatures are required.

Registrar of Stocks, Bonds and Mortgages

The Head of Finance shall be the Registrar of Stocks, Bonds and Mortgages and shall maintain records of all borrowing of money by the Council.

Leasing

No leasing of property, equipment or any other capital assets shall be undertaken without the prior approval of the Executive Director (Finance and Corporate Support).

Investments and Trust Funds

North Ayrshire Council funds shall be invested in the name of the Council or in the name of nominees approved by the Cabinet.

Surplus funds shall only be invested in financial institutions listed in the Treasury Management Strategy statement.

All Trust Funds shall, wherever possible, be held in the name of the Council.

All officers acting as trustees by virtue of their official position shall deposit all securities, bank books and documents (other than title deeds to heritable property) and articles of value relating to any trust with the Head of Finance unless the relevant trust deed otherwise provides.

Control of Charitable Funds and Common Good funds

The Head of Finance shall ensure the proper and safe custody and control of all charitable funds held by the Council and that all expenditure is in accordance with the conditions of the Fund.

Code of Financial Practice 4b Banking

Banking Arrangements

The Executive Director (Finance and Corporate Support) is responsible for appointing the Council's Bankers. This should be carried out in accordance with the Council's tendering procedures.

All arrangements with the Council's Bankers concerning the Council's bank accounts, the issue of cheques and all other banking services shall be made by the Executive Director (Finance and Corporate Support).

The Executive Director (Finance and Corporate Support) will be an authorised signatory for all the Council's bank accounts.

Official bank accounts bearing the Council's name shall be opened or closed only by the Executive Director (Finance and Corporate Support).

All monies received shall be paid into the Council's bank accounts daily or at such other intervals as may be approved by the Executive Director (Finance and Corporate Support) and shall be accounted for in accordance with arrangements made with the Executive Director (Finance and Corporate Support) .

All arrangements for the ordering, controlling and signing of cheques on behalf of the Council shall be made by the Executive Director (Finance and Corporate Support).

Code of Financial Practice 5 Imprests

Provision of Imprests

On the recommendation of the Head of Service concerned, the Head of Finance shall provide appropriate imprest accounts for officers of the Council who it is considered may require them for purposes of defraying petty and other minor expenses.

Imprest Bank Accounts

The Executive Director (Finance and Corporate Support) shall open imprest accounts where it is considered appropriate and in no circumstances shall the imprest holder overdraw the account. It shall be a standing instruction to the Council's bankers that an imprest holder's account shall not be overdrawn.

Bank accounts shall not be opened by any officer other than the Executive Director (Finance and Corporate Support).

The Head of Finance shall be an authorised signatory on all imprest bank accounts.

Exclusion of Payments to the Council

No income received on behalf of the Council shall be paid into an imprest account but shall be deposited immediately with the Executive Director (Finance and Corporate Support) or the Council's bankers.

Any bank interest earned on imprest accounts shall be recorded on the claim for reimbursement of imprest expenditure. The amount reimbursed by the Head of Finance shall be reduced by the amount of the interest to ensure that the imprest account returns to the original balance.

Accounting Arrangements

Payments from imprest accounts shall be limited to items of expenditure of no more than £50 and to such items as the Executive Director (Finance and Corporate Support) may approve. Imprests shall not be used to pay major expenses claims or any supplier's invoices.

Each payment shall be supported by a receipt or voucher signed by the recipient detailing the nature and amount of the transaction.

Claims for reimbursement of imprest expenditure shall be submitted regularly to the Head of Finance and when submitting a reimbursement claim, sufficient imprest cash shall be available to cover the period between submission of the claim and receipt of the monies.

Claims must be submitted to 31st March each year within timescales laid down within year-end procedures issued by the Executive Director (Finance and Corporate Support).

Statement of Account

An officer responsible for an imprest account shall, when requested, provide the Executive Director (Finance and Corporate Support) with a certificate as to the balance of that imprest account.

Termination as Imprest Holder

On an officer leaving the employment of the Council or otherwise ceasing to be entitled to hold an imprest account, that officer shall account to the Executive Director (Finance and Corporate Support) for the amount advanced to them. A formal record of this accounting shall be prepared and retained in the Service concerned for inspection.

Guidance

Detailed guidance is given in the “Instructions on the Issue and Use of Imprests” available on Navigate.

Code of Financial Practice 6

Tax Management

The Executive Director (Finance and Corporate Support) will have responsibility for managing all tax matters concerning the Council. This includes Value Added Tax (VAT), income tax and corporation tax. The Executive Director (Finance and Corporate Support) will ensure that tax liabilities and obligations are properly reported and accounted for to avoid any possible losses.

Value Added Tax (VAT)

The Executive Director (Finance and Corporate Support) will ensure that:

- transactions follow the relevant statutory requirements and rules;
- the Council's liability for paying tax is kept as low as possible;
- the rate of 'tax flow' (i.e. the recovery of tax which is due to the Council) is kept as high as possible, and;
- guidance is issued to employees involved in processing tax-related transactions.

Heads of Service must ensure that guidance is sought from the Head of Finance on the tax implications of any new or unusual transactions before committing the Council.

Income Tax

The Head of Customer, People and Corporate Support will ensure that income tax is deducted where appropriate from payments to employees and remitted to HM Revenue and Customs timeously.

Returns of income tax deducted will be made to HM Revenue and Customs in accordance with statutory deadlines and employees will be issued with a P60 showing the amount of income tax they have paid by 31st May each year.

Code of Financial Practice 7 Risk Management and Insurance

Responsibility for Risk and Insurance

The Head of Finance shall make appropriate Risk Management and Insurance arrangements for all aspects of the Council's activities and shall arrange the negotiation of all insurance claims by the Authority, in consultation with other officers where necessary. Delegated authority has been granted to the Risk and Insurance Section to negotiate and settle liability claims, after consultation with the Head of Finance.

Executive Directors or Heads of Service must not admit liability or give any indication that the Council may make an offer of settlement.

Risk Management

The Risk Management Strategy contains the framework to be adopted to ensure risk is properly identified and controlled within the authority.

Identification of Risk

The Head of Finance will be responsible for the co-ordination of a Corporate Risk Register. All Executive Directors and Heads of Service will be responsible for ensuring that suitable arrangements for the identification, recording and monitoring of risks are established within their Service.

Executive Directors and Heads of Service shall give prompt notification to the Head of Finance of all new or increased risks, properties or vehicles which should be covered by insurance and of any alteration affecting existing insurances.

Notification of Claims

Executive Directors and Heads of Service shall notify the Team Manager (Risk and Insurance) immediately of any loss, liability or damage or any event likely to lead to an insurance claim. Thereafter the Team Manager (Risk and Insurance) will be responsible for advising the insurance company concerned.

Review of Insurance Portfolio

The Head of Finance will annually review all insurance covers in consultation with other Executive Directors and Heads of Services as appropriate. All Insurance policies will be subject to tendering procedures at least once every 5 years.

Responsibility for Security

Each Executive Director and Head of Service shall be responsible for maintaining proper security, custody and control at all times of all plant, buildings, materials, stores, furniture, equipment and cash etc under their control. Services will notify the Head of Finance immediately of circumstances resulting in financial loss or circumstances likely to result in a claim against the Council's insurance policy.

Limits to Cash Holdings

Executive Directors and Heads of Service will notify the Insurance Section of safes used to hold cash. The Team Manager (Risk and Insurance) will notify Services of the insured cash limits that should not be exceeded. In exceptional circumstances where cash limits are likely to be exceeded guidance should be obtained from the Insurance Section.

Safe Keys

Keys to safes and similar receptacles holding cash or valuable documents will not be left in premises overnight. Safe keys will be carried by the responsible person at all times and the loss of safe keys will be reported immediately to the Head of Finance. Services will maintain a log of all such key holders and transfers of keys in order that a clear audit trail is always available of which member of staff had responsibility for safe keys at any particular time.

Security of Pre-printed and Pre-signed cheques

The Head of Finance will ensure that secure arrangements are made for the preparation and holding of pre-printed / pre-signed cheques, stock certificates, bonds and other financial documents.

Security / Retention of Documentation

Each Executive Director and Head of Service shall be responsible for maintaining proper security, custody and control of all documents within their Directorate. All documents and records shall be retained for the minimum prescribed duration as set out in the Council's Master Retention Schedule.

The retention period for all books, forms and records related to financial matters shall be determined by the Head of Finance in consultation with the Information and Records Manager.

IT Security

Each Executive Director and Head of Service shall be responsible for ensuring that all staff within their Service comply with the Council's Acceptable Computer Usage Policy and associated documents.

Each Executive Director and Head of Service shall also consult the Senior Manager (ICT) in any case where security of IT systems is thought to be defective or where it is considered that special security arrangements may be required.

Code of Financial Practice 8 Salaries and Wages

Information regarding Payroll Amendments

Each Head of Service shall notify the Head of Customer, People and Corporate Support timeously of all matters affecting the payment of emoluments, in particular:

- appointments, resignations, dismissals, suspensions, secondments and transfers;
- changes in remuneration (other than normal increments), agreements of general application and changes in terms and conditions of service;
- absences from duty for sickness or other reason apart from approved paid leave;
- information necessary to maintain records of service for superannuation, income tax and social security purposes.

Arrangements for Payments

The payment of all salaries, wages and other emoluments to all employees of the Council shall be made by the Executive Director (Finance and Corporate Support) or under arrangements approved by the Executive Director (Finance and Corporate Support).

Form and Certification of Records

All pay documents shall be in a form prescribed or approved by the Executive Director (Finance and Corporate Support).

All timesheets shall be completed and signed by the employee themselves confirming the accuracy of the claim except in cases of illiteracy when a supervisor may complete them, suitably endorsing the timesheets to this effect.

All pay documents shall be certified in manuscript by or on behalf of the appropriate Head of Service. Signature stamps shall not be used for this purpose.

The names of officers authorised to certify such documents shall be sent to the Head of Customer, People and Corporate Support by Heads of Service together with specimen signatures and the names shall be amended on the occasion of any change. Where a Service is responsible for its own information processing, the names of officers authorised to certify pay documents shall be provided to the appropriate input staff.

Code of Financial Practice 9 Expenses

Arrangements for Claims

The Executive Director (Finance and Corporate Support) shall be responsible for making arrangements for the regulation, administration and payment of claims for expenses and allowances to members and employees of the Council.

Employees' Claims

All claims for payment of travelling allowances, subsistence allowances, car allowances and incidental expenses, duly certified in manuscript on the appropriate official form provided by the Head of Customer, People and Corporate Support shall be submitted to Employment Services on an ongoing regular monthly basis.

Claims shall not be paid from imprest accounts. All such expenses shall be paid via the Payroll System except in extraordinary circumstances, in which case the approval of the Executive Director (Finance and Corporate Support) will be required for an alternative method of payment.

Claims for travelling and subsistence allowances must be accompanied by the appropriate receipts. Claims for car allowances must be accompanied by a VAT receipt for fuel, dated prior to the first journey.

In signing an expenses claim form, employees are confirming that they have a valid driving licence and appropriate insurance arrangements in place to cover their vehicle for business use. Heads of Service must ensure that driving licences and insurance documents are inspected on an annual basis and details recorded on the Council's integrated HR and payroll database.

Certification of Employees' Claims

The Head of each Service shall arrange for the certification in manuscript by an officer of their Service of all claim forms. The certification by or on behalf of the Head of Service shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenditure was wholly, exclusively and necessarily incurred in the course of the employment of the claimant and that any allowances are properly payable.

The names of officers authorised to certify such claims shall be sent to the Head of Customer, People and Corporate Support by Heads of Service together with specimen signatures and the names shall be amended on the occasion of any change. In addition, an annual review of such authorisations shall be carried out by each Service to ensure that the list of names submitted to the Head of Customer, People and Corporate Support is complete and up-to-date.

No officer authorised to certify such claims shall certify their personal claim. Personal claims must be certified by a separate authorised signatory.

Officers will not normally approve any expenses which are more than 3 months old. Where any exceptions are made this must be noted on the travel and expense claim form and authorised/signed by the Head of Service or Executive Director.

Cash Advances

Cash advances shall only be made in exceptional circumstances when other means of payment is not available.

The Head of each Service shall arrange for the certification in manuscript by an officer of their Service of all cash advances. The certification by or on behalf of the Head of Service shall be taken to mean that the certifying officer is satisfied that the cash advance is necessary in the course of the claimant's employment and that no other means of meeting the anticipated expenses is available.

Officers authorised to certify cash advances shall not certify a cash advance to themselves.

All requests for cash advances, duly certified in manuscript on the appropriate official form provided by the Executive Director (Finance and Corporate Support), shall be submitted to the Head of Finance for payment.

The officer to whom an advance is given shall be fully accountable for the advance.

Immediately after the event for which the cash advance is given the accountable officer, using the appropriate official form, shall prepare a detailed statement of expenses incurred, with supporting receipts and invoices, which reconciles to the amount of the cash advance. The reconciliation, duly certified in manuscript by an officer authorised by the Head of Service to certify claims for expenses and allowances, shall be submitted to the Head of Finance along with the remaining unspent cash balance.

Elected Members' Allowances

Members' Allowances shall be paid in accordance with the Council's approved Scheme of Members' Allowances and national regulations produced by the Scottish Local Authorities Remuneration Committee (SLARC).

Payments to members who are entitled to claim allowances shall be made by the Head of Customer, People and Corporate Support upon receipt of the prescribed form properly completed and certified in manuscript. Claims will be checked by Democratic Services prior to submission for payment.

Claims shall be submitted promptly, and on a regular basis, and in any case claims applicable to a financial year shall be submitted within one month after 31st March in that year.

The Head of Customer, People and Corporate Support shall maintain a record of all allowances paid to Members, showing the name of the recipient and the amount and nature of the payments. This record shall be available for public inspection and will be published on the Council website not later than June 1st each year.

Code of Financial Practice 10

Procurement of Goods and Services and Payment of Accounts

Official Orders

Except for petty cash purchases, supplies of Public Utility services and periodic payments such as rates, all goods, materials and services supplied to or work executed for the Council shall be ordered or confirmed in writing by means of an official order, by written acceptance of a tender or offer, or by an electronic order through the PECOS system.

Each order shall conform to the Council's Standard Commodity List and Procurement Route Workflow which details all the Corporate Contracts and Procurement instructions.

Authorisation of Orders and Acceptances

Orders and acceptances of tenders or offers shall be authorised either electronically or in writing only by officers certified to do so by the Head of Service of the ordering department and in accordance with the Council's Standing Orders Relating to Contracts. Signature stamps shall not be used for this purpose. Each Service shall maintain a current list of officers so authorised.

Limits regarding the level and type of expenditure to which authorising officers can commit the Council shall be formalised and maintained by each Head of Service and shall be recorded on the list of authorised officers, which shall be held by the Head of Finance.

Check on Goods, Materials and Services Received

It shall be the duty of the Head of each Service that places an order to ensure that all goods, materials and services received following the placing of such orders are as ordered in respect of price, quality and quantity.

Where goods have been ordered using the PECOS system, the receipt of goods shall also be recorded against the appropriate order on the system.

Method of Payment

Apart from payments from imprest accounts (petty cash payments) the normal method of payment of money due from the Council shall be by BACS, cheque or other instrument drawn on the Council's bank account(s) by the Executive Director (Finance and Corporate Support) or any person or persons authorised by the Executive Director (Finance and Corporate Support).

The Council's preferred method of payment shall be by BACS.

Certification for Payment

A list of authorised signatories (including their financial limit) for certifying the payment of accounts shall be supplied and certified by all Heads of Service to the Head of Finance. Additions and deletions shall be notified to the Head of Finance as they occur. Heads of Service shall review the lists annually and confirm to the Head of Finance that this has been done.

Heads of Service must ensure that Authorised Signatories only sign invoices within their financial limits. Invoice batches do not require authorisation. It will be the responsibility of the person collating the batch to ensure that invoices attached to the batch have been approved by an authorised signatory within their limit.

Once the invoice has been appropriately certified in accordance with the checks below, the Head of Service or other authorised officer intimated to the Head of Finance shall pass it without delay to the Head of Finance to ensure any offer of cash discount for early payment is received and that financial penalties for late payment are avoided.

Non PECOS Invoices

The Head of each Service which incurs expenditure shall arrange for the certification in manuscript by an authorised signatory of their Service that all accounts and invoices for payment comply with the following:

- the expenditure is on items or services which it is within the Council's legal powers to incur;
- the goods, materials, services or work to which the account relates have been received or carried out and have been examined and approved and are in accordance with the order and the Goods Received Note;
- the prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct;
- the relevant expenditure has been properly incurred and is within the relevant estimate provision;
- appropriate entries have been made in the inventories or stores/stock records as required;
- the appropriate financial ledger code numbers are entered on the document for payment.

Services should obtain from the Corporate Procurement Unit a stamp for invoice checking purposes and Services should not amend the stamp in any way or use any other stamp.

PECOS invoices

The Professional Electronic Commerce Ordering System (PECOS) has controls in place to ensure that only Authorised Officers (as approved by their Head of Service) can approve orders and invoices. The PECOS system will not allow payment to be made unless the goods are recorded as being received and the invoice value agrees with the order or is within a tolerable variance. There is therefore no requirement to use the invoice stamp or manually sign/authorise invoices processed through PECOS.

Government Procurement Cards (GPC)

Government Procurement Cards (GPC) may be used by Services for high volume transactions, one off purchases and/or internet purchases.

All applications for GPCs require to be authorised by the Executive Director (Finance and Corporate Support).

All transactions are required to be approved on the GPC system by an authorised approver. The system is administered by Corporate Procurement. It is the responsibility of all card holders and approvers to ensure transactions are approved promptly.

The Council's monthly statement is processed for payment by Corporate Procurement and all transactions made by individual Services will be journalled against the appropriate finance code.

Duplicate Invoices

Payment shall not be made on duplicate, photocopied or faxed invoices unless the appropriate Head of Service or other authorised officer within the appropriate Service certifies in writing that the amounts have not previously been passed for payment.

Pro-forma Invoices

Payment shall not normally be made on 'pro-forma' invoices that state 'this is not a VAT invoice'. In exceptional circumstances where such payments may be made, it shall not be possible for the Council to recover VAT.

Finance Checks

The Head of Finance will carry out additional checks on invoices as required, in addition to those checks that must be carried out by Services prior to passing invoices for payment.

Amendments to Invoices

No changes will be made to tax invoices which must instead be returned to the creditor for amendment and reissue.

Code of Financial Practice 11

Contracts for Supplies, Services and Works

Contracts Register

The Corporate Procurement Unit (CPU) shall maintain a record of all contracts held over the value of £50,000 (supplies and services) and £100,000 (works) on the Council's Corporate Contract Register. Any Service procuring goods, works and services outwith the CPU must ensure the contract register is updated to reflect this.

Variations to Contracts

All instructions to contractors on project work shall be issued by the responsible officer using the appropriate official variation order procedure or via a formal Architect's Instruction (AI)

If it becomes apparent after the start of a project that it will be considerably over or under spent, or if the phased expenditure for the current year is likely to vary significantly, it shall be the duty of the appropriate Head of Service to report such variation immediately to the Capital Programme and Asset Group (CPAG). Thereafter, a report on the action taken shall be submitted to the Cabinet.

Claims from Contractors

Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred to the Head of Democratic Services for consideration of the Council's liability and to the Executive Director (Finance and Corporate Support) for consideration before a settlement is reached.

Delay of Contract

Where completion of a contract is delayed it shall be the duty of the responsible officer in consultation with the Head of Democratic Services to take appropriate action in respect of any claim for liquidate or other damages.

Interim Payment

Interim payments to contractors shall be certified by the authorised officers responsible for the control and supervision of the work. The Head of Finance shall be provided with specimen signatures of the authorised signatories by the relevant Head of Service.

Reports on Final Measurements

The appropriate technical officer shall make a report on all final measurements to the Executive Director (Finance and Corporate Support).

Procurement Guidance/Procedures

All matters relating to contracts should be conducted in accordance with the following Council Documents and other guidance that may be issued by the Council's Corporate Procurement Unit and Head of Democratic Services.

- Standing Orders Relating to Contracts
- Terms and Conditions for the Provision of a Service
- Terms and Conditions for the Provision of Supplies
- North Ayrshire Council Procurement Manual
- Standard Commodity List and Procurement Route Workflow

Code of Financial Practice 12

Assets

Asset Registers

Detailed registers of the Council's assets shall be maintained as follows:

- Housing properties – Head of Physical Environment
- Other properties – Head of Physical Environment
- Fleet – Head of Commercial Services
- Open spaces - Head of Physical Environment
- Roads - Head of Physical Environment
- ICT – Head of Customer, People and Corporate Support

Title Deeds

The Head of Democratic Services shall have custody of all title deeds under secure arrangements.

Capital Accounting Register

The Head of Finance shall maintain a register of all assets owned by the Council recording for each one the type of asset, asset value, asset life and depreciation policy. The information recorded in the capital accounting registers shall be subject to a de-minimus asset value to be determined from time to time by the Head of Finance. The details contained within the capital accounting register shall be reconciled annually with the asset registers.

Code of Financial Practice 13

Stores and Inventories

Custody of Stores and Stocktaking

Arrangements made by Heads of Service for costing and stock control systems shall be subject to the approval of the Head of Finance.

The care, custody and level of stores and equipment in any Service shall be the responsibility of the appropriate Head of Service who will ensure that:

- stocktaking is carried out at regular intervals as agreed by the Head of Finance.
- all obsolete or excess stock or scrap material is identified and disposed of in accordance with the Standing Orders relating to contracts and the Scheme of Delegated Functions.

All stock write-offs shall be notified to the Head of Finance.

Heads of Service shall supply the Head of Finance with a certificate within timescales laid down that states the financial value of stocks held at the year-end.

Inventories

Each Head of Service shall ensure that such inventories as, in the opinion of the Head of Service concerned and the Head of Finance, are necessary shall be maintained by locations used by their staff in a form approved by the Head of Finance.

Inventories shall be maintained in accordance with the inventory procedures issued by the Head of Finance.

Appendix 1

Definition of Subjective and Objective Expenditure and Income Heads

Subjective Expenditure Heads

Employee Costs
Property Costs
Supplies and Services
Transport and Plant Costs
Administration Costs
Other Agencies, Bodies and Persons
Transfer Payments
Other Expenditure
Capital Financing Costs

Subjective Income Heads

Government Grants
Other Grants
Subsidies
Contributions from Other Authorities
All Other Grants, Reimbursements and Contributions
Sales, Fees and Charges
External Recharges
Internal Recharges
Miscellaneous Income

Objective Expenditure Heads

Democratic Services	Policy and Service Reform
	Legal and Licensing
	Corporate Council
Finance and Corporate Support Services	Director & Heads of Service
	Business Support
	Financial Management
	Procurement
	Revenues & Benefits
	Audit, Risk & Performance
	Human Resources
	ICT
	Customer Services and Registration
Education and Youth Employment	Resource and Infrastructure
	Early Years**
	Private Nursery Provision**
	Primary Education**
	Early Intervention**
	Secondary Education**
	Additional Support Needs**
	Schools Other
	EMA/Activity Agreements
	Outdoor Education**
	Careers
	Other Educational Establishments
	Education Miscellaneous
	Quality Improvement Service
	Psychological Service
Place	Management and Administration
	Building Services
	Property Management & Investment
	Property Maintenance
	Property Costs

	Roads
	Waste Management
	Streetscene
	Facilities Management
	Transport
	Housing
Economy and Communities	Cultural and Community Services
	Leisure Services
	Economic Development
	Building Standards
	Planning Services
	Environmental Health & Trading Standards
Social Services and Health	Management and Support
	Service Strategy and Regulation
	Children and Families
	Criminal Justice
	Older People
	Independent Living
	Learning Disabilities
	Mental Health
	Addictions
	Change Programme
	Changing Children's Services
Corporate Items	Joint Boards
	Pension Costs
	Loan Charges & Capital Charges
	Other Corporate Items

**** Virement within these objective heads in Education and Youth Employment will be subject to the conditions of the Council's approved Scheme of Delegation to Schools.**

NORTH AYRSHIRE COUNCIL

Agenda Item 7

27 January 2015

Cabinet

Subject: **Scottish Maritime Museum Trust - Pension Fund Liability**

Purpose: To seek agreement for the Council to act as guarantor for the Scottish Maritime Museum Trust in respect of its Strathclyde Pension Fund Liability.

Recommendation: That the Cabinet agrees to support the Scottish Maritime Museum Trust by acting as guarantor for its Pension Fund liability, with appropriate security over Trust assets being put in place.

1. Introduction

- 1.1 Earlier this year the Scottish Maritime Museum Trust contacted North Ayrshire Council seeking a letter of guarantee in respect of the Trust's pension liabilities within the Strathclyde Pension Fund.

2. Current Position

- 2.1 The Museum has a current pension fund deficit of £204k, as per the latest fund valuation in 2011. However the cessation debt for the fund is estimated at £324k in the event that the fund ceases. To offset this the Trust has made additional payments totalling £5k per annum for the past three years bringing the cessation debt down to £309k.
- 2.2 As the Trust has only 2 remaining active members of the pension scheme a significant cessation deficit will crystallise when the last of those members retires or leaves the scheme i.e the £309k will become due for payment. This will happen whenever the two remaining active members have both retired or left the organisation. The scheme has been closed to new members.

- 2.3 The trust was advised by Strathclyde Pension Fund that the following actions could be taken to address the deficit:
- Making cash contributions towards the deficit;
 - Admitting a further active member to participate in the pension scheme. However, while this would significantly extend the period over which the deficit needs to be addressed, it does to some extent perpetuate and exacerbate the problems of the underlying affordability of the scheme for the Trust;
 - Obtaining a letter of guarantee from one of the Fund's participating Scheme Employers (i.e. a Council or similar body) in respect of the Trust's liabilities within the Fund. This could avoid crystallising the cessation debt as any residual liabilities (once the Trust has no remaining active members) could be aggregated with the Scheme employer's existing liabilities within the Fund.
- 2.4 For the past three years the Trust has been making additional contributions towards the deficit of £5k per annum. A review of the trust's accounts for the last two financial years and its planned budgets for the next two financial years has been carried out and the £5k additional contribution seems to be the most it can reasonably contribute at this stage.
- 2.5 In addition to the additional payments towards the deficit the Trust is seeking a letter of guarantee from North Ayrshire Council, as a participating Scheme Employer, in respect of the Trust's liabilities within the Fund to avoid the risk of crystallising the cessation debt.
- 2.6 The Trust has assets, reflected in their balance sheet at over £2.5m, mainly in respect of the Trust collections which have not been formally valued.
- 2.7 The Trust's main building, Linthouse in Irvine, is a class A listed building which houses a nationally recognised collection of historic ships, artefacts, shipbuilding machinery and many other maritime related items. The building sits on a Council owned site with a ground lease in place until 2089. The terms of the lease mean that in the event the Trust was unable to continue trading the ground lease would terminate and the building would revert to Council ownership.

- 2.8 Without the Council acting as guarantor the Trust's £309k outstanding pension fund cessation liability will materialise at the point when it has no current members of the pension scheme. This would in all likelihood be before the Trust has been able to make sufficient payments to clear the pension fund deficit and the amount which would crystallise at that point would bankrupt the Trust and force its closure, leading to the likely loss of this museum service within North Ayrshire.
- 2.9 The Council is being asked to provide a letter of guarantee in respect of the pension liability. Once the remaining 2 active members within the Trust leave or retire this letter of guarantee would mean that the debt would not crystallise and the Trust could continue to trade and make annual payments to the Pension Fund to clear the debt over a number of years.
- 2.10 As part of any agreement the Council would ensure it holds appropriate security over Trust assets to ensure that the Council could recoup any costs or financial impairments which may occur in the event that the Trust was for some reason unable to continue trading prior to the debt being cleared.

3. Proposals

- 3.1 It is proposed that Cabinet agrees to provide a letter of guarantee in respect of the Trust's liabilities within Strathclyde Pension Fund on the understanding that:
- The Trust will continue to make annual payments to reduce the deficit, and that such payments must be at or in excess of the £5k per annum currently being paid until such time as the deficit has been cleared.
 - The Trust will provide annual statements to the Council showing its outstanding pension deficit balance.
 - The Trust's Linthouse ground lease terminates and the building will revert to the Council in the event of the Trust ceasing operations.
 - In addition, the Council will, if required, take a security over the Trust's assets to the value of the outstanding deficit.

4. Implications

Financial Implications

- 4.1 There is no direct additional cost to the Council through this proposal, although the Council would be incurring a potential risk which could increase the overall Council pension liability by any pension deficit sums not cleared by the Trust. The financial impact of these would be offset through generation of additional income linked to sale of secured Trust assets.

Human Resource Implications

- 4.2 There are no Human Resource implications arising from the report.

Legal Implications

- 4.3 There will be a requirement to arrange an agreement between the Council and the Maritime Museum Trust to secure so far as possible the Council's position in relation to the potential debt.

Equality Implications

- 4.4 There are no Equality implications arising from the report.

Environmental and Sustainability Implications

- 4.5 There are no Environmental and Sustainability implications arising from the report.

Implications for Key Priorities

- 4.6 There are no implications for Key Priorities arising from the report.

Community Benefit Implications

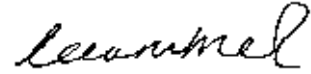
- 4.7 Acting as guarantor for the Trust will help to ensure that the trust can continue to operate and provide a maritime museum service to the local community.

5. Consultations

- 5.1 Consultations have been held with the Corporate Management Team on the proposal.

6. Conclusion

- 6.1 The proposed letter of guarantee would allow the Maritime Museum Trust to continue operating and providing services in North Ayrshire.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Lesley Aird, Head of Finance on 01294 324542.

Background Papers

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NORTH AYRSHIRE COUNCIL

Agenda Item 8

27 January 2015

Cabinet

Subject: **Counter Fraud and Corruption Strategy**

Purpose: To seek Cabinet approval of a new 'Counter Fraud and Corruption Strategy' for the Council, replacing the existing 'Policy for the Prevention and Detection of Fraud'.

Recommendation: That Cabinet approves the new Strategy.

1. Introduction

- 1.1 The Council currently has a 'Policy for the Prevention and Detection of Fraud and Corruption'. This has been in place for a number of years and a thorough review has recently been undertaken, resulting in the preparation of a new Strategy.
- 1.2 The review followed liaison meetings with the newly established Police Scotland Public Sector Counter Corruption Unit (PSCCU).
- 1.3 The new strategy was informed by work undertaken by Internal Audit and by a short-life working group, chaired by the Executive Director (Finance and Corporate Support), with senior management representation from those service areas identified by Police Scotland as being at greatest risk of fraud or corruption.
- 1.4 The new Strategy is attached at Appendix 1 for Cabinet approval.

2. Current Position

- 2.1 There is a general expectation that those responsible for the conduct of public business and the handling of public money will be held fully accountable for their conduct in accordance with the law and proper standards. It is also expected that public money is handled with absolute integrity, safeguarded and properly accounted for and used economically, efficiently and effectively.
- 2.2 To discharge its accountability to the local community, the Council has established and will maintain proper arrangements for the governance of its affairs and the public money at its disposal. The Council is committed to ensuring openness and transparency in the provision of all its services.

- 2.3 The Council recognises that its resources may be the target of fraudsters, either working outwith or inside the organisation. This Counter Fraud and Corruption Strategy sets out how the Council aims to address the fraud risk it faces.
- 2.4 The Strategy highlights the areas of the Council's operations that are viewed as being at greatest risk of fraud and corruption. These include:
- employees
 - information security
 - procurement and contracts
 - finance
 - physical security of assets
 - licensing
 - planning
 - housing tenancy fraud
 - Council Tax fraud
- 2.5 The Strategy outlines a number of danger signs or 'red flags' to which the Council must be alert in order to maximise the opportunity to identify potential frauds.
- 2.6 The Council will follow 5 key steps in managing its approach to tackling fraud and corruption. The approach covers proactive steps, aiming to prevent fraud and corruption occurring, and reactive steps when suspected instances are identified. These are:
- deter
 - prevent
 - detect
 - investigate
 - enforce
- 2.7 In enforcing action, the Council will always pursue a triple-track response to any instances of fraud or corruption which are found to be proven:
- **Disciplinary action** – any fraudulent or corrupt activity by employees will be regarded as 'gross misconduct' and appropriate action will be taken under the Council's disciplinary procedures.
 - **Police** – following the conclusion of any Internal Audit investigation, fraudulent or corrupt activity will be referred to Police Scotland for further action, subject to approval by the Chief Executive.
 - **Recovery action** – the Council will seek to recover any financial loss it has suffered through fraudulent or corrupt activity, either through court compensation or by pursuing civil action.

- 2.8 In addition to this strategy, the Council has a range of related policies and procedures which staff and elected members are required to adhere to; these include the financial regulations, codes of financial practice, standing orders relating to contracts, 'whistleblowing' policy and defalcation procedures.
- 2.9 The responsibility for creating a strong anti-fraud culture lies both with elected members, in particular the Cabinet and the Audit Committee, and the Corporate Management Team. All members of staff must remain vigilant to the threat of fraudulent activity and take the appropriate action if suspicions arise.

3. Proposals

- 3.1 That the Cabinet approves the new 'Counter Fraud and Corruption Strategy' which is attached at Appendix 1.

4. Implications

Financial Implications

- 4.1 None.

Human Resource Implications

- 4.2 None.

Legal Implications

- 4.3 None.

Equality Implications

- 4.4 None.

Environmental and Sustainability Implications

- 4.5 None.

Implications for Key Priorities

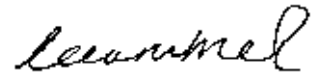
- 4.6 Counter fraud activity contributes towards Core Objective 4 (Operating more efficiently and effectively) in the Council Plan 2012-2017.

5. Consultations

- 5.1 Consultation on the draft strategy has taken place with the Corporate Management Team and Senior Managers in each of the service areas which have been identified as being at a higher risk of exposure to fraud or corruption.

6. Conclusion

- 6.1 The approval of this new strategy and, more importantly, awareness raising of the strategy across the organisation will help ensure the Council remains vigilant to the threat of fraud and corruption and has a clear set of procedures in place to deal with any instances which may arise.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

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

Background Papers

None.

North Ayrshire Council

Counter-Fraud and Corruption Strategy

Version:	Final
Date:	12/12/2014
Author:	Paul Doak
Classification:	Public



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

COUNTER-FRAUD AND CORRUPTION STRATEGY

1 Key Messages

- 1.1 North Ayrshire Council has a zero-tolerance approach to fraudulent or corrupt activity, whether perpetrated by employees, elected members, partner organisations, suppliers or service users.
- 1.2 All parties should remain vigilant to the threat of fraudulent or corrupt activity and should alert the Council when suspicions arise.
- 1.3 The Council will always investigate allegations of fraud by referring them to the Internal Audit service and thereafter, where appropriate, to Police Scotland.
- 1.4 The Council will pursue a triple-track response to any instances of fraud or corruption which are found to be proven:
 - Disciplinary action – any fraudulent or corrupt activity by employees will be regarded as ‘gross misconduct’ and appropriate action will be taken under the Council’s disciplinary procedures.
 - Police – following the conclusion of any Internal Audit investigation, fraudulent or corrupt activity will be referred to Police Scotland for further action.
 - Recovery action – the Council will seek to recover any financial loss it has suffered through fraudulent or corrupt activity, either through court compensation or by pursuing civil action.

2 Introduction

- 2.1 There is a general expectation that those responsible for the conduct of public business and the handling of public money will be held fully accountable for their conduct in accordance with the law and proper standards. It is also expected that public money is handled with absolute integrity, safeguarded and properly accounted for and used economically, efficiently and effectively.
- 2.2 To discharge its accountability to the local community, the Council has established and will maintain proper arrangements for the governance of its affairs and the public money at its disposal. The Council is committed to ensuring openness and transparency in the provision of all its services.
- 2.3 The Council has adopted a zero-tolerance approach to fraud and corruption and will always investigate any allegations. The Council will involve the Police where necessary and will seek to recover any losses due to fraud or other corrupt practices.
- 2.4 The Council recognises that its resources may be the target of fraudsters, either working outwith or inside the organisation. This Counter Fraud and Corruption Strategy sets out how the Council aims to address the fraud risk it faces.
- 2.5 In addition to this strategy, the Council has a range of policies and procedures which staff and elected members are required to adhere to and these are referred to throughout this document.

- 2.6 The responsibility for creating a strong anti-fraud culture lies both with elected members, in particular the Cabinet and the Audit Committee, and the Corporate Management Team. All members of staff must remain vigilant to the threat of fraudulent activity and take the appropriate action if suspicions arise.

3 Definitions

- 3.1 A number of specialist terms are used throughout this strategy and definitions are provided below:
- 3.2 **Fraud** – the intentional distortion or attempted distortion of statements and records and/or the misappropriation of assets involving deception to obtain an unjust and illegal financial advantage.
- 3.3 **Corruption** – the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the Council, its Committees, elected members or officers.
- 3.4 **Embezzlement** – theft or misappropriation of funds placed in one's trust or belonging to one's employer.
- 3.5 **Bribery** - giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith. A bribe may be offered directly to an officer to influence their actions or it may be given to another officer to influence the actions of someone else.
- 3.6 **Money Laundering** – the process in which the proceeds of crime are transformed into what appears to be legitimate money or other assets.

4 Awareness of Fraud and Corruption Challenge

- 4.1 The criminal threat presented by fraud is not a new one but the ways in which fraudsters operate has developed significantly and is becoming ever more sophisticated.
- 4.2 Criminals are more organised than ever and their activities rely on significant levels of planning and organising. Fraudsters share information online and build criminal organisations across the UK and overseas. Tactics are constantly changing as criminals respond to the intervention of organisations and take advantage of new opportunities.
- 4.3 In taking advantage of new opportunities, criminals exploit the latest technology. They steal personal and financial data, both from individuals and organisations. They use social networking to build trust with potential victims who either unwittingly or are coerced into providing information to fraudsters.

- 4.4** Fraud can be a primary activity for organised crime groups or it can provide funding for other serious crimes. The organisers of fraud networks are often violent criminals who are doing harm to communities, public services and businesses.
- 4.5** However, not all frauds are perpetrated by organised crime gangs. There are a variety of opportunistic frauds and those which require a degree of sophisticated planning – often coupled with insider knowledge and access. Opportunistic frauds are facilitated by dishonesty; a culture that tolerates fraudulent behaviour and does not always acknowledge it as criminal; weak procedures, systems and controls; and lack of information sharing between organisations. The size of individual losses through this type of fraud can often be lower, making it more difficult to detect and meaning that it can often fall below thresholds for detailed investigation.
- 4.6** Fraud can cause significant damage to those affected. The National Fraud Authority's annual fraud indicator 2013 indicates that identified and hidden fraud against the UK public sector amounted to an estimated £20.6 billion during financial year 2012-13. An estimated £2.1 billion of this amount was in the local government sector.
- 4.7** Losses on this scale have huge implications for already constrained budgets within public bodies and undermine the effective provision of public services.
- 4.8** Public sector bodies are an attractive target for fraudsters, who look to abuse the tax, benefits and grants systems for personal gain. Furthermore, the public sector, like all organisations, is subject to fraud risks against day-to-day business functions. A number of the main service areas which have been identified as being at significant risk of fraud are detailed below.
- 4.9** **Employees** – any employee can perpetrate fraud against their employer. Types of employee fraud are wide-ranging and can include misuse of time and resources, fraudulent claims for allowances and expenses, failure to declare conflicts of interest or the acceptance of gifts and hospitality, as well as the manipulation of finance and payroll systems. One of the strongest defences against employee fraud is ensuring that proper vetting takes place prior to employment. NAC has a range of relevant policies that must be adhered to, including the Recruitment and Selection Policy, Protection of Vulnerable Groups (PVG) Policy and Recruitment of ex-Offenders Policy. All members of staff are required to comply with the Employee Code of Conduct. It is also essential that senior management ensures that clear internal controls and segregation of duties are in place across the Council.
- 4.10** **Information Security** – this is an area of increasing public focus with a number of high-profile failures across the public sector. Councils hold a range of personal and sensitive information about individuals and organisations which would be of interest to fraudsters. It is vitally important that the Council has robust arrangements in place to protect the integrity of its data, as any loss brings the risk of reputational and financial damage. North Ayrshire has an Information Security Framework in place to help manage the threat of data loss; this includes an Acceptable Computer Use Policy, which all staff are required to sign up to, Data Sharing Guidelines, Information Classification Guidelines and a policy on reporting security incidents. The Council employs a dedicated Information Security Officer and has recently established an Information Governance team to implement and further develop secure arrangements.

- 4.11 Procurement and Contracts** – procurement fraud covers the entire procure-to-pay lifecycle, including fraud in the bidder selection and contract award stages (such as illicit cartel activity or the bribery of an official to influence the tendering process) as well as fraud occurring during the life of the contract (for example, false or duplicate invoicing). Procurement fraud is one of the hardest types of fraud to identify, particularly at the pre-contract stage. NAC has a centralised procurement function, operating in accordance with the Council's Standing Orders Relating to Contracts and the procurement manual. The Corporate Procurement Unit has a data-sharing protocol in place with Police Scotland and staff are required to declare any conflicts of interest they may have.
- 4.12 Finance** – the Head of Finance has a responsibility to ensure that the Council's financial resources are used in accordance with agreed policy. A range of monitoring and reporting processes are in place, in particular over the Council's revenue and capital budgets. The Council has financial regulations and codes of financial practice, to which all staff are required to adhere, as well as approved treasury management practices.
- 4.13 Physical security of assets** – Council assets, particularly buildings, may be at risk through weaknesses in physical security. Managing the security of buildings is challenging given the geographical spread across North Ayrshire. Each council building has a maintained alarm system, linked to an out-of-hours call centre. Should any alarm be activated, the stand-by security contractor will arrange to attend the property and undertake a security check. The police will be contacted if it is deemed necessary.
- 4.14 Licensing** – many of the businesses that require licensing are those identified as being most commonly associated with organised crime gangs. Having a licensed business can appear to legitimise an organisation and provides opportunities, particularly in relation to money laundering. The Council operates a range of policies in relation to the various licences that are available; these policies are made available to the public through the Council website. A Licensing Board and Licensing Committee are in place to approve applications and will make decisions based on information provided by applicants and obtained from Police Scotland.
- 4.15 Planning** – legislation requires the determination of applications to be made in accordance with the Development Plan, unless material considerations indicate otherwise. The Development Plan has to be submitted to the Scottish Government prior to adoption. The planning system has a series of checks for conformity with national and local plans, together with an open and transparent procedure, through the need for consultation and publicity at every stage of the decision-making process. Offers of community benefit are not a material planning consideration and it is important that decision makers are not induced to grant an otherwise unacceptable consent through the promise of community benefits. Within NAC, there is democratic accountability through the Committee structures in terms of the Local Development Plan Committee, Planning Committee and Local Review Board, and the full Council when required. Management structures within the service negate the possibility of influence over an individual officer.

- 4.16 Housing tenancy fraud** – this can cover a wide range of fraud such as unlawful sub-letting, false homeless applications, false successions and right-to-buy. Unlawful occupation of social housing results in reduced availability of housing stock to legitimate applicants. The Council carries out a range of identity checks on applicants for housing to help reduce the risk of tenancy fraud.
- 4.17 Council tax fraud** – Council tax is a target for fraudsters, particularly through false claiming of single person discount, vacant property relief or student occupancy or through the Council Tax Reduction scheme. The Council participates in data matching initiatives to identify potential fraud cases and these are investigated by the fraud team.
- 4.18** As noted at 4.2, the tactics used by fraudsters change over time and new fraud risks will continue to emerge. Increasing financial constraints, the introduction of a Single Fraud Investigation Service (SFIS) and changes to the way in which Councils deliver and manage their services can all increase the risk of fraud. For example, the transfer of assets to community groups could result in local authorities losing control of how assets and funding are managed; with small organisations being less experienced in managing public funds, the risk of financial mismanagement and abuse of funds could increase. The Council must remain alert to such emerging fraud risks and ensure that good governance structures and controls are in place to counter these.
- 4.19** There are a number of danger signs or ‘red flags’ to which the Council must be alert in order to maximise the opportunity to identify potential frauds. These include:
- Significant changes in behaviour
 - An individual has large personal debts and a desire for personal gain
 - Audit findings deemed to be errors or irregularities
 - Transactions taking place at odd times, odd frequencies, involving unusual amounts or to odd recipients
 - Internal controls that are not enforced or often compromised by higher authorities
 - Discrepancies in accounting records or unexplained items on reconciliations
 - Missing documents or only photocopies available
 - Inconsistent, vague or implausible responses to enquiries
 - Missing inventory or physical assets
 - Common names or addresses of payees or customers
 - Alterations on documents such as back-dating
 - Duplications such as duplicate payments
 - Collusion among employees, where there is little or no supervision
 - One employee has control of a process from start to finish with no segregation of duties.
- 4.20** The Council has established a Counter Corruption Group, chaired by the Executive Director (Finance and Corporate Support). This group includes the Council's Chief Internal Auditor (the Senior Manager (Internal Audit, Risk and Performance)) as well as Senior Managers with direct responsibility for each of the service areas identified above as being at a higher risk of fraud.
- 4.21** The Counter Corruption Group meets on a regular basis to review the internal controls in place within each area and to share information on any potential ‘red flags’ that have been noted.

5 North Ayrshire Council Approach

- 5.1** The Council will follow 5 key steps in managing its approach to tackling fraud and corruption. The approach covers proactive steps, aiming to prevent fraud and corruption occurring, and reactive steps when suspected instances are identified.
- 5.2 Deter** – a robust response to identified fraudulent acts is essential to deter potential fraudsters. The Council will investigate and take action in relation to cases of fraud and will seek to maximise publicity around detection and prosecution activity.
- 5.3 Prevent** – the Council will seek to prevent fraud by implementing strong internal controls in all activities across the organisation. Heads of Service are responsible for implementing and testing robust control mechanisms, which will also be subject to periodic review by Internal Audit in line with the approved audit plan. The Council will also seek to prevent fraudulent activity by raising awareness of this Strategy, along with other key policies.
- 5.4 Detect** – the Council will actively seek to detect fraudulent activity through a number of means. This will include: data sharing with key partners, such as through the National Fraud Initiative (NFI); whistleblowing by employees or members of the public; regular management checks on the adequacy of internal controls, and; reviews by Internal Audit.
- 5.5 Investigate** – allegations of fraudulent activity will always be reviewed by senior management and referred to Internal Audit for investigation where appropriate. This will be done with the Council's approved defalcation procedures. As well as recommendations for enforcement actions, an audit investigation will result in a range of recommendations to tighten controls to help prevent a future reoccurrence.
- 5.6 Enforce** – the Council will always pursue a triple-track response to any instances of fraud or corruption which are found to be proven:
- **Disciplinary action** – any fraudulent or corrupt activity by employees will be regarded as 'gross misconduct' and appropriate action will be taken under the Council's disciplinary procedures.
 - **Police** – following the conclusion of any Internal Audit investigation, fraudulent or corrupt activity will be referred to Police Scotland for further action.
 - **Recovery action** – the Council will seek to recover any financial loss it has suffered through fraudulent or corrupt activity, either through court compensation or by pursuing civil action.

6 Key Partners

- 6.1** The Council will maintain arrangements with other public agencies to encourage the exchange of information about fraud and corruption. Any exchange of data is undertaken in accordance with the principles of the Data Protection Act 1998.
- 6.2** These agencies include:
- Police Scotland – both at local level and through the national Public Sector Counter Corruption Unit (PSCCU).
 - Other local authorities
 - Local and national Internal Audit networks
 - The National Anti-Fraud Network (NAFN)
 - Audit Scotland
 - Department of Work and Pensions (DWP)
 - Chartered Institute of Public Finance and Accountancy (CIPFA)
 - The Council's insurers, currently Zurich Municipal.
- 6.3** The Council also participates in the UK-wide National Fraud Initiative (NFI), which allows the secure sharing of data between public bodies and highlights potential fraudulent activity for further investigation.

NORTH AYRSHIRE COUNCIL

Agenda Item 9

27 January 2015

Cabinet

Subject: Review of Education Services Additional Support Needs (ASN)

Purpose: To inform the cabinet of proposals to consult on the development of educational provision for pupils with significant Additional Support Needs.

Recommendation: That Cabinet agrees that officers consult on the future of provision for pupils with Additional Support Needs. That officers provide a paper on the outcome of those consultations and make recommendations about future provision.

1. Introduction

- 1.1 The proper provision of education to pupils with additional support needs, ASN, including those judged to benefit from placement in separate ASN schools, is guided by the following legislation.
- 1.2 The Standards in Scotland's Schools etc. Act 2000, section 2 of which imposes the following duty on an education authority in providing school education.

'Where school education is provided to a child or young person by, or by virtue of arrangements made, or entered into, by, an education authority it shall be the duty of the authority to secure that the education is directed to the development of the personality, talents and mental and physical abilities of the child or young person to their fullest potential.'

- 1.3 The Education (Additional Support for Learning) (Scotland) Act 2004 which provides the legal framework for the provision of additional support for learning. The legislation was amended by the Education (Additional Support for Learning) (Scotland) Act 2009.

The Act is structured around the concept of support being needed for any reason, and for short or long term periods determined by the individual learning needs of the child or young person. The key duties on education authorities are to identify, make provision for, and review provision for the additional support needs of children and young people for whose education they are responsible. Following the passage of the Education (Additional Support for Learning) (Scotland) Act 2004, the definition of additional support needs used in Scotland now encompasses all children who have difficulty in learning for whatever reason includes those students whose disability clearly arises from organic impairment.

- 1.4 Increased emphasis is placed on developing the 'team around the child'. A focus exists on developing effective and integrated partnership working and "Getting it Right for Every Child" (GIRFEC). The Children and Young People (Scotland) Act 2014 is already a significant influence on the development of services for pupils with ASN.

2. Current Position

- 2.1 The Council currently provides education and care to significant numbers of pupils with ASN. The needs of the majority of these pupils are met within mainstream schools. However, some children and young people require support which is additional to, or otherwise different from, that which is generally provided to their peers in order to help them benefit from school education.
- 2.2 For those pupils whose needs are judged to require support additional to the resources of a mainstream school, the Council provides a range of specialist education provision.
- 2.3 The education of those pupils with the most severe and complex needs are currently addressed in one of four Additional Support Needs schools:
- James Reid
 - Stanecastle
 - James McFarlane
 - Haysholm

- 2.4 These schools offer full time, or part week placements in partnership with mainstream schools. In total the 4 schools have accommodation for 200 pupils. More detail on the role, staffing complement and budgets associated with these schools is contained in Appendix 1.
- 2.5 In spring of 2014, the Council initiated a Strategic Review of Educational Services. This included a sub group charged with reviewing the educational environment, more specifically the suitability of the existing ASN estate and making recommendation for the strategic development of that part of the wider estate. This paper seeks to highlight the main recommendations emerging from that exercise.

3. Proposals

In the Period 2015 - 2019

- 3.1 The former Education Executive decided that Stanecastle School would close by 2018. This decision was approved by Council, and reflects the building's significant structural issues as identified in 2010.

It was proposed that those pupils remaining on the role of Stanecastle school, at the date of closure, be afforded the choice of a suitably supported mainstream school placement or a transfer to the existing James Reid school building. Pupils, parents and staff require to be engaged in further discussions about the implications of this decision and the future provision of education for children with additional support needs.

- 3.2 The capacity of the remaining ASN schools, James Reid, Haysholm and James McFarlane schools is in the region of 180 full time places. This position will not change during the period 2015-2019.
- 3.3 Further work, during this period, is required to expand the professional capacity and accessibility of mainstream schools to meet the needs of more children and young people with significant ASN. To this end, in the planning of any new school building full consideration will be given to the provision of suitable ASN accommodation within that building or campus.

In the period 2019 - 2024 (or earlier)

- 3.4 By 2024, it is expected that additional mainstream school based ASN provision will have been developed, as indicated above. Such provision will promote the meaningful inclusion of pupils with a range of ASN and will afford additional educational choice to those pupils who in earlier times would have had little option but to attend an ASN school.

- 3.5 For those young people with additional support needs demonstrably beyond the resources of even this expanded range of provision, it is recommended that a consultation with parents, carers, young people, staff and other stakeholders takes place on the future provision of specialist education and care for pupils with ASN. The consultation should consider the option of developing new facilities for the education and care of children and young people with complex additional support needs.

Any consultation should:

- provide for the expected increase in the number of children with severe and complex needs surviving into childhood and adolescence.
- demonstrate the Council's commitment to ensuring our most vulnerable young people have a learning environment entirely fit for the 21 century.
- appropriately respond to increasing parental expectation of the range and quality of supports to be provided by the Council and ensure that families are afforded wider, meaningful choice in any placement.
- encourage, in line with the requirements of GIRFEC, improved partnership working between agencies including health and social services, and the voluntary sector.
- take into account the requirements to fully accommodate the increasing range and physical size of equipment required to support young people with the most significant needs.
- realise economies in relation to the provision of specialist services and the rationalise of student transport arrangements.

4. Implications

Financial Implications

- 4.1 A feasibility study has yet to be carried out to determine both capital and revenue implications and will be based on future recommendations.

Human Resource Implications

- 4.2 Given the time scales involved in these proposals it is anticipated that there would be limited implication in relation to HR issues.

Legal Implications

- 4.3 If implemented, these proposals, designed to meet our responsibilities implicit in the Standards in the Scotland's Schools etc. Act 2000, Education (Additional Support for Learning) (Scotland) Act 2004, Education (Additional Support for Learning) (Scotland) Act 2009, Children and Young People (Scotland) Act 2014, would require statutory public consultations and the possibility of contract process via the South West Procurement Hub.

Equality Implications

- 4.4 These proposals will meet or exceed the obligations of the Equalities Act 2010.

Environmental and Sustainability Implications

- 4.5 Any new facilities emerging from the consultation process would comply with the Building Research Establishment Environmental Assessment method and would be an opportunity over time to make a positive impact on the environment of North Ayrshire.

Implications for Key Priorities

- 4.6 These proposals would assist in achieving the following SOA outcomes.
- 3a increased opportunities for lifelong learning;
 - 4a levels of educational attainment and achievement have improved;
 - 4b more young people are leaving schools for positive destinations;
 - 5a opportunities to support the positive development of young people have increased;
 - 6b health inequalities have reduced.

5. Consultations

- 5.1 Where the Council brings forward proposals that may lead to the merger, amalgamation or closure of schools there is an necessity to carry out a period of public consultation within the statutory framework defined by the Scottish government. If the recommendations resulting from this consultation on the future provision for children and young people with complex additional ASN were to recommend that the authority close, amalgamate or merge schools then a formal public consultation would be required.

6. Conclusion

- 6.1 The Council has a strong track record of investing in our educational estate and a commitment to providing a high quality learning environment for all our young people including our most vulnerable learners. These proposals provide an opportunity to consult on the future provision for children and young people with ASN. In addition, consultation provides the opportunity to consider whether or not a requirement exists to improve the physical environment in which young people with complex additional support needs learn. It is expected that the consultation will recommend improvements that will deliver improved services to learners with significant ASN and help equip them to benefit from the opportunities and meet the challenges of life in the 21st century.



JOHN BUTCHER
Executive Director (Education and Youth Employment)

Reference : JB/DC/JN

For further information please contact John Butcher, Executive Director on 01294 324411

Background Papers

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APPENDIX

	HAYSHOLM SCHOOL	JAMES MCFARLANE SCHOOL	JAMES REID SCHOOL	STANECastle SCHOOL
EMPLOYEE COSTS	514,646	811,717	914,546	663,667
SUPPLIES & SERVICES	14,999	34,892	18,974	16,640
TRANSPORT COSTS	234	243	239	114
ADMINISTRATION COSTS	4,975	3,973	4,364	6,440
PAYMENTS TO AGENCIES	3,192	3,137	5,590	6,543
INCOME	-4,021	-1,884	-1,828	-322
GRAND TOTAL	534,025	852,078	941,885	693,082
TEACHER FTE	6.40	9.00	15.50	14.20
SUPPORT STAFF FTE	11.53	19.09	11.35	9.73
SCHOOL ROLL AS AT 11/14	25	34	67	55

NORTH AYRSHIRE COUNCIL

Agenda Item 10

27 January 2015

Cabinet

Subject: **Child Poverty**

Purpose: To advise the Cabinet on levels of child poverty in North Ayrshire and activity to address them.

Recommendation: That the Cabinet consider further action on child poverty at the seminar to be held on 10th February 2015.

1. Introduction

- 1.1 In October 2014 the End Child Poverty Campaign published rates of child poverty which took housing costs into account for the first time. It indicated that in North Ayrshire 27%, more than one in four children, were living in poverty. North Ayrshire ranked third highest in Scotland in relation to rates of child poverty, next to Glasgow and Dundee, with rates of 33% and 28% respectively.
- 1.2 On the 5th November 2014, the Council considered a motion on child poverty and the need to lobby to reduce the levels of child poverty in North Ayrshire.
- 1.3 The Council noted the role of the multi agency work by the Community Planning Partnership Board and the Shadow Integration Board on this issue and agreed that a seminar be arranged to allow an opportunity to consider the strategy for tackling poverty and identify the key priorities. This is to be held on 10th February 2015.

2. Current Position

- 2.1 Although there has been a drop in child poverty in Scotland in the 10 years up to 2011/2012, it is now increasing again. In North Ayrshire, levels of child poverty vary across the area from 18.7% in the North Coast and Cumbrae area to 35.1% in Saltcoats and Stevenston. The rates for each ward are shown in the table below.

Percentage of children in poverty Oct - Dec 2013	Before Housing Costs	After Housing Costs
Local Authority and Wards		
North Ayrshire	17.12%	27.23%
Irvine West	18.98%	30.31%
Irvine East	17.95%	28.28%
Kilwinning	16.08%	25.67%
Saltcoats and Stevenston	22.39%	35.16%
Ardrossan and Arran	13.98%	22.39%
Dalry and West Kilbride	14.76%	23.63%
Kilbirnie and Beith	17.05%	27.10%
North Coast and Cumbraes	11.71%	18.73%

- 2.2 There are 4,460 North Ayrshire children (26.23%) in low income families, the majority (67.5%) are in low income working families. There are some communities with higher rates where poverty is more concentrated, for example, in Castlepark, Fullarton, Ardeer, Hayocks, Ardrossan and Blacklands where rates are between 40 to 50%. those at increased risk of childhood poverty include:

- Lone parents with dependent children,
- Households with younger children and with more than two children, who are either in receipt of benefits or low-paid work,
- Households affected by disability, including those with mental health problems,
- Looked after children and care leavers,
- Households affected by homelessness,
- Households affected by drug and alcohol use,
- Offenders and ex-offenders and their families

- 2.3 A new group likely to be at increased risk are households affected by Welfare Reform and in particular those who face benefit caps and benefit sanctions.

- 2.4 In Scotland, the most significant reductions in child poverty occurred between 1998/99 and 2004/05, with much of this reduction having been driven by increased entitlements to state support, such as the introduction of Child Tax Credits and Working Tax Credits in 2003.
- 2.5 Scotland has used its devolved powers to enhance and to mitigate the impact of UK policies. As child poverty rates in the UK fell, they fell faster in Scotland. In the last two years, Scottish policies have been directed at protecting children and families affected by welfare cuts, for example, by meeting the cost of the "bedroom tax" for certain groups in 2013/14 and for all social tenants in 2014/15.

Impact of Child Poverty

- 2.6 The Child Poverty Action Group for Scotland has identified the effects of child poverty. Experiencing child poverty can undermine the health, wellbeing and educational attainment of children. For example:
- By the age of five, children in poverty lag between 10 and 13 months behind their more affluent peers in terms of school readiness and attainment,
 - Three-year-olds in households with incomes below £10,000 are two and a half times more likely to suffer chronic illness than children in households with incomes above £52,000,
 - Children living in low income households are also nearly three times more likely to suffer mental health problems than their more affluent peers.
- 2.7 A recent report by the Children's Commissioner highlighted the negative experiences of poor children in school. It found that many young people do not enjoy school due to the things they cannot afford, including school meals, school uniforms and the cost of materials and trips.
- 2.8 In North Ayrshire there have been considerable efforts to address this impact. This includes the work of schools in developing a positive ethos and in supporting young people through the curriculum.
- 2.9 Poor children are less well prepared and less likely to obtain good, stable employment with prospects of further training and promotion. This is much more of a problem in the current economic climate where unemployment is affecting young people disproportionately.

Definitions of Child Poverty

- 2.10 Children are considered as living in poverty if they live in households with less than 60% of median household income. This is the key measure used by UK and Scottish Government, and by the EU.
- 2.11 Poverty means that some families are unable to enjoy the things that others take for granted. In a local survey within North Ayrshire, families were reporting that they did not have enough money to keep warm, for leisure activities, to replace furniture or for adults to have a second pair of shoes. The recent growth of foodbanks is further evidence of the difficulties being experienced by people living in poverty in North Ayrshire.
- 2.12 Work does not provide a guaranteed way out of poverty, as two thirds (66%) of children growing up in poverty in the UK live in a family where at least one member works. There is also a significant challenge to find a route out of poverty for families where work is not an option, for example, due to ill health, caring responsibilities or disability.

Child Poverty Act 2010

- 2.13 The Child Poverty Act 2010 places a duty on Scottish Ministers to report on four poverty indicators and to produce a strategy every three years. The indicators are of:
- Relative poverty,
 - Absolute poverty,
 - Material deprivation and low combined income,
 - Persistent poverty.
- 2.14 This is included in the Child Poverty Strategy for Scotland: Our Approach 2014-17. The strategy describes the reduction in child poverty in recent years but indicates that estimates show relative child poverty in Scotland are set to increase to levels previously seen in 2003/04, due to the impacts of Welfare Reform. The Institute for Fiscal Studies estimate an additional 50,000 children in Scotland will be living in poverty by 2020.
- 2.15 The Strategy sets out the Government's commitment to tackle child poverty under three outcomes:

Pockets

Maximising household resources to reduce income poverty and material deprivation by maximising financial entitlements and reducing pressure on household budgets among low income families.

Prospects

Improving children's welfare and life chances to break inter-generational cycles of poverty, inequality and deprivation. This requires a focus on tackling the underlying social and economic determinants of poverty and improving the circumstances in which children grow up - recognising the particular importance of improving children's outcomes in the early years.

Places

Children from low income households live in well designed sustainable places by continuing to improve the physical, social and economic environments in local areas, particularly in those areas of multiple deprivation in which child poverty is more prevalent.

2.16 North Ayrshire CPP has a clear commitment to tackling poverty in the Single Outcome Agreement 2013/17 through its priority on a Working North Ayrshire regarding employment and its Healthy priority:

"Children's health and wellbeing is improved by breaking the cycle of poverty, inequality and poor outcomes."

- 2.17 There is currently significant activity which aims to address child poverty involving CPP partners. This is described under the national Child Poverty outcomes below:

Pockets - Maximising household resources

Employment

- The availability of employment opportunities remains at the root of tackling child poverty. North Ayrshire's Economic Development and Regeneration Strategy sets out its plans on how it will increase these opportunities. The Council's Economic Development and Business Support Services aim to get more people into work.

Prevention Approach

- **Positive Destinations:**

In North Ayrshire the percentage of school leavers entering a positive destination is 94.1%, a rise of 0.3 percentage points in comparison to 2012/13. This is 1.8 percentage points above the national average of 92.3%. North Ayrshire Council of fifth out of 32 local authorities for the percentage of school leavers entering a positive destination. This encouraging result represents a year on year consistent improvement for local pupils.

- **Youth Employment Strategy 2013/2020:**

This strategy commits the Council to increasing youth employment to above the national average by 2020. This will have a significant impact on the prospects of North Ayrshire's young people.

The Living Wage

- The Council has introduced the living wage which is independently calculated annually against the cost of living and helps ensure that its workers are paid enough to provide them with a decent standard of living.

Flexible Childcare

- Affordable early learning and childcare can substantially boost employment by reducing a key barrier to participation faced by some parents with young children. For those parents who are most economically vulnerable, affordable childcare can provide a route out of worklessness. The Council has recently expanded childcare to the most vulnerable two-year-olds.

Income Maximisation

- The Council's Money Matters Team and North Ayrshire Citizens' Advice Service (NACAS) help people to access the benefits they are entitled to and provide other advice on financial help available. Money Matters staff have been working closely with the Council's five Early Years Centres to carry out benefit checks and to increase the income of vulnerable families.

Financial Capability

- Help and advice on financial pressures and managing debt is offered through the Money Matters Team.

Fuel Poverty

- North Ayrshire Local Energy Advice Forum (LEAF) provides a single point of access for the public to help reduce energy costs, eradicate fuel poverty and help the environment. The Council ensures that its own housing stock is fully insulated and energy efficient, keeping energy bills down.

Free School Meals and Clothing Grants

- The Council provides free school meals and up to £40 worth of school footwear and clothing to children whose parents are on certain benefits. School meals are now free for every Primary 1 to Primary 3 pupil in schools across North Ayrshire.

Education Maintenance Allowance (EMA)

- EMAs were launched across Scotland in August 2004 to provide financial support to young people from low income families. An EMA can help young people stay on at school and continue their studies after they become 16 years of age. The allowance provides pupils with £30 a week, depending on the household's income.

Welfare Reform

- The Welfare Reform Act 2012 contains a number of reforms that have a significant impact on communities within North Ayrshire and the demand for Council services. The Council's Welfare Reform Working Group is implementing its action plan to mitigate the impact of these reforms. Alongside the action plan, the Council expects to spend almost £3.4m in 2014/15 on Discretionary Housing Payments, Community Care Grants and Crisis Grants mitigating the impact of Welfare Reform.

Credit Unions

- Credit Unions play a valuable role locally in providing financial services and products to a wide range of customers, including those facing financial exclusion.

Prospects - Improving children's wellbeing and life chances

Early Intervention and Prevention Programme

- The programme was established in 2012 to achieve a shift towards early intervention and prevention which improves the outcomes for vulnerable children and North Ayrshire. It comprised projects on:
 - Parenting Programmes
 - Integration of services through Early Years Centres
 - Family Support Service delivered by Quarriers
 - Multi-agency Domestic Abuse Response Team
 - Permanent Care for Children
 - Family Nurse Partnership
 - Asset Based Community Development (ABCD)
 - Vulnerable Children Support (0-5 years)
 - Capacity Building with Parents
 - Stop Now and Plan (SNAP)
 - Supported Carers Scheme
 - Peripatetic Early Years Practitioner Support

Family Nurse Partnership (FNP)

- In 2013 NHS Ayrshire & Arran introduced this programme which begins in early pregnancy and focuses on helping young women to have a healthy pregnancy and to feel confident about supporting their baby to grow, develop and learn. By April 2014 there were 69 mums from North Ayrshire on the FNP programme. The programme's main aims are to improve maternal health, child health and development and family economic self-sufficiency.

Early Years Collaborative

- A national Improvement Programme for Community Planning Partnerships which aims to make Scotland the best place to grow up. North Ayrshire's Away Team has been developing tests using the Collaborative's model of improvement to improve children's outcomes.

Improving Children's Outcomes Project

- North Ayrshire CPP has been working with the Scottish Government and Dartington Social Research Unit on an evidence-based approach to improving children's services across Scotland. The project involves gathering evidence on the needs of the child population locally and about how services meet that need in order to improve children's outcomes.

Carers and Young Carers

- The North Ayrshire Carers Strategy 2013/18 includes a key outcome on tackling discrimination and financial hardship arising as a result of caring responsibilities. It highlights the importance of tackling poverty and financial inclusion to ensure carers and young carers are supported in their caring responsibilities.

Strategic Review of Educational Services

- The review aims to reduce inequality in educational outcomes within North Ayrshire and to improve educational outcomes for all learners. It contains three strands - educational equality, educational environment and engagement.

Raising Attainment for All

- North Ayrshire is participating as one of six "pathfinders" across Scotland to explore if and how a structured approach to improvement could be helpful to schools in securing a consistent approach to raising attainment, and particularly to reducing inequality.

Places - Children from low income households live in well-designed, sustainable places

High Quality Housing

- North Ayrshire Council's Local Housing Strategy 2011-2016 details how the Council and its partners will address housing support, homelessness, fuel poverty and investment issues over the next five years. Six overarching strategic outcomes have been identified to achieve its strategic outcome, "Working together to achieve quality homes and neighbourhoods". These outcomes are:
 - The supply and quality of housing better meets needs and aspirations
 - Fewer people become homeless
 - Housing support measures promote independent living
 - Housing is sustainable and contributes to stable communities
 - Access to high quality information and advice has improved
 - The strategic process is open, transparent and accountable

Community Resilience

- The Asset Based Community Development (ABCD) project supported work on early intervention and prevention in the early years through engaging with parents using an asset based approach, building on the strengths of the local community. Based in Castlepark, Irvine and Ardrossan, it identified community volunteers in both areas to build their capacity. Activities included healthy eating classes and cooking skills, and baby and child first aid training. An important aspect of the project's work was assisting with young children's speech and language development, including the training of early years staff in "Learning Language and Loving It".

3. Proposals

- 3.1 Although there is a wide range of activity which has an impact on child poverty, there are other additional approaches which could be considered.
- 3.2 More could be done, for example, on the financial education. Education Scotland offers a range of teaching resources to support the development of financial education skills in the classroom. It has also developed Money Talks: Family Finances, an interactive financial education resource for primary and secondary pupils.

- 3.3 The Money Matters Team is linked in to various services, for example, the Vulnerable Pregnancy Service which has helped to promote its services to pregnant women. Widening awareness of this service further could help maximise the income of vulnerable families. Undertaking benefit checks with parents of vulnerable two-year-olds, using early years services for example, could now be introduced.
- 3.4 As Corporate Parents, the Council could consider creating a junior account for its looked after children to provide them with some financial support when they reach 18 years of age, in the same way as many parents provide for their children.
- 3.5 The Cabinet and CPP Board are to explore other proposals as part of their work in the Inequalities Strategy.
- 3.6 Members will influence this work at the Seminar to be held on 10th February 2015.

4. Implications

Financial Implications

- 4.1 There are no financial implications.

Human Resource Implications

- 4.2 There are no human resource implications.

Legal Implications

- 4.3 There are no legal implications.

Equality Implications

- 4.4 Equality groups at higher risk of poverty include disabled people and lone parents (primarily women).

Environmental and Sustainability Implications

- 4.5 There are no environmental and sustainability implications.

Implications for Key Priorities

- 4.6 Work on tackling child poverty links to the SOA's high level priority "Children's health and wellbeing is improved by breaking the cycle of poverty, inequality and poor outcomes".

Community Benefit Implications

- 4.7 There are no community benefit implications.

5. Consultations

- 5.1 There has been consultation with the Chief Executive, the Director of the Health and Social Care Partnership and the Corporate Director, Education and Youth Employment on this report.

6. Conclusion

- 6.1 Action to address child poverty tends to rely heavily on the tax and benefit system. Local action can also have an impact and North Ayrshire CPP is supporting a considerable amount of activity to reduce poverty. The Elected Members Seminar on this topic will provide further information on this activity and should stimulate further discussion on means of addressing it.



IONA COLVIN

Director (North Ayrshire Health and Social Care Partnership)

Reference : MA/KS

For further information please contact Isobel Kelly, Team Manager Money Matters on 01294 317782 and Marjorie Adams, Programme Manager on 01294 317801.

Background Papers

Scottish Government: Child Poverty Strategy for Scotland: Our Approach 2014-17.

NORTH AYRSHIRE COUNCIL

Agenda Item 11

27 January 2015

Cabinet

Subject: Food Information for Consumers Legislation

Purpose: To inform the Cabinet of the support being offered by the Council to facilitate business compliance with the new Food Information for Consumers legislation and to seek agreement for a graduated approach to enforcement.

Recommendation: That the Cabinet endorses the use of a graduated approach to enforcement, provided public health is safeguarded and notes the support mechanisms in place to aid business compliance.

1. Introduction

- 1.1 New European legislation, the Food Information for Consumers Regulation (EU FIC), came into force on 13 December 2014. The EU FIC simplifies and consolidates existing labelling legislation and brings general and nutrition labelling together into a single regulation.
- 1.2 The primary purpose of the EU FIC is to enable consumers to make informed choices about the food they buy and eat and to ensure businesses provide the information that consumers need to make these choices.
- 1.3 Many of the existing labelling requirements remain but the legislation has introduced new requirements regarding the provision of information on allergens. Pre-packed foods require to show the presence of any of 14 legally defined allergenic products in emphasised text within the ingredients list on the label. Previously allergen information was shown in plain text in an 'Allergy box' on the label.
- 1.4 The main change relating to allergy information is that for the first time, allergenic information is also required for loose foods including foods supplied by restaurants and other caterers.

- 1.5 The EU FIC is implemented in Scotland by the Food Information (Scotland) Regulations 2014 and this legislation allows for allergen information on loose foods to be provided orally by staff, provided robust systems, including relevant training, are in place to ensure the accurate flow of information.
- 1.6 It is the Council's responsibility during the introduction of the legislation to assist in the provision of information to food businesses and thereafter to ensure compliance through inspection and, where necessary, enforcement.
- 1.7 A list of all the main implications for local businesses along with their corresponding implementation dates are provided in Appendix 1. The council's Business Development Team has been briefed on the changes and the impact on local businesses.

2. Current Position

- 2.1 There are currently 1458 food businesses operating within North Ayrshire Council which can be broken into the following 3 groups for the purpose of the EU FIC:
 - 991 caterers
 - 319 retailers
 - 79 manufacturers/packers
 - 69 others
- 2.2 The objective of the West of Scotland Food Liaison Group is to facilitate consistent Food Law Enforcement. The group consists of representatives from 10 Local Authorities and a sub-group was formed to devise a common strategy that would communicate with relevant businesses regarding the legislative changes. The purpose is to promote consistency of information and guidance and to ensure that businesses, operating in more than one Local Authority Area are supported to ensure compliance with the new legislation.

2.3 North Ayrshire Council was represented on this sub group and as a result, the following activities took place in the lead up to the legislation coming into force:

- An in-house briefing for enforcement staff was undertaken to summarise the legislative changes, detail the communication strategy and set out proposals for engagement and enforcement;
- Approximately 700 North Ayrshire catering businesses were sent letters containing resources which included a matrix to record allergen information for each meal and a poster with suggested wording where information is to be provided on a verbal basis. The correspondence also contained various web links to further resources including free online training hosted by the Food Standards Agency. The remainder of the businesses have been contacted through existing partnership working arrangements.
- Approximately 160 businesses, where up to date email addresses were known, were sent an electronic copy of the letter and enclosures via email;
- A draft press release was issued to help promote the new allergen duties to other businesses and local consumers.

2.4 A copy of the letter sent and press release are shown in Appendices 2 and 3 respectively.

2.5 The sub group aim to devise relevant information for manufacturers who will be contacted separately, along with the remaining retailing premises, in early 2015.

3. Proposals

3.1 The next stage of the communication strategy is to send tailored information to local manufacturing and packing businesses to highlight other relevant changes affecting the way they label their products. For example, in addition to stipulating that allergens must be emphasised in the ingredients list, the EU Regulation states that a minimum font size must be used for all mandatory information. Furthermore, nutritional information must be in the new format, where it is already provided or where a nutritional claim is made. All relevant businesses will be asked to review and, where necessary, amend any labelling information provided by them, to ensure compliance with the EU FIC.

3.2 Engagement with businesses on the new requirements will continue during routine inspections to gauge the level of compliance, ascertain if further guidance is required and seek information as to the preferred format any guidance should take. Depending on feedback, on-site advice, external training or drop in sessions will be offered to help local businesses comply.

- 3.3 In terms of enforcement, it is proposed that North Ayrshire Council follows the guidance issued by the Scottish Food Enforcement Liaison Committee which suggested that, as there was a national delay in finalising the implementing Regulations and associated guidance, it would be appropriate for enforcement officers to take a flexible approach to enforcement of the legislation immediately after implementation. This flexibility would be dependent on businesses showing commitment to attending to changes required by the EU FIC and would be on the understanding that products comply with outgoing legislation and therefore do not pose a threat to public health.
- 3.4 This approach is in line with the Council's Food Law Enforcement Policy which states that "a graduated and educative approach will be undertaken to seek the co-operation of the food business operator in the first instance, unless circumstances indicate a significant risk. Where an informal approach is failing to secure compliance, the officer will progress to more formal action".
- 3.5 A formal enforcement approach would involve requiring businesses to dispose of unused labels where non-compliance is found and in some cases, unsold stock that is incorrectly labelled will require to be withdrawn from sale. Both of these actions will result in costs to the business.
- 3.6 The Food Information (Scotland) regulations 2014 detail the offences and penalties for non compliance with EU FIC. Currently the only enforcement sanction available to the Council is to report the offences to the Procurator Fiscal. Summary offences under this legislation are punishable with a maximum fine of £5,000.

4. Implications

Financial Implications

- 4.1 There are no financial implications arising from this report.

Human Resource Implications

- 4.2 No additional inspection work is envisaged following the introduction of this legislation. However, inspection times will increase to allow for additional checks on business compliance and the issuing of verbal advice. Provided a flexible approach to enforcement is permitted, this extra work will be accommodated by re-prioritising low risk businesses and increasing alternative enforcement activity in lieu of inspections.

Legal Implications

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

Equality Implications

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

Environmental and Sustainability Implications

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

Implications for the SOA and other Key Priorities

- 4.6 The implementation of this legislation will advance our priority of achieving a healthier North Ayrshire and the graduated enforcement policy will assist us to support local businesses in managing the transition. The legislation is also aligned with the Council's Core Objective of 'Protecting Vulnerable People'.

Community Benefit Implications

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

5. Consultations

- 5.1 Member Local Authorities of the West of Scotland Liaison Group were consulted on the content of the Business Letter, Press Release and Flexible Enforcement Approach and were in agreement. This information is also fed back through the Food Standards Sub Committee to SFELC and the Food Standards Agency Scotland.

6. Conclusion

- 6.1 The new EU FIC implemented by the Food Information (Scotland) Regulations 2014, should achieve a high level of protection for consumers' health & interests and assist in the free movement of legally produced foodstuffs within the EU Internal Market. Its aim is that food information should not be misleading and should be provided in a clear, accurate and easy to understand format so the consumer can make 'informed' choices.

- 6.2 Working with local businesses, on an advisory basis initially and in a format that suits their local needs, should expedite compliance and achieve the aims of the legislation, without the need to resort to costly formal action or resource-intensive legal proceedings.
- 6.3 It is recommended that the Cabinet notes the support mechanisms in place to aid business compliance and endorses the use of a graduated approach to enforcement, provided public health is safeguarded.



KAREN YEOMANS
Executive Director (Economy and Communities)

Reference : cr/kh

For further information please contact Scott McKenzie on 01294 324347

Background Papers

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Appendix 1 Food Information for Consumers Regulation – List of main changes and timetable for implementation

	<u>Key requirements of the FIC include:</u>	<u>Coming into force</u>
1	Specific provisions concerning the designation of 'minced meat' whereby the fat, protein and collagen needs to be labelled on the products.	January 2014
2	For pre-packed foods, allergen information must be emphasised in a way that distinguishes allergens from other ingredients. For non-prepacked foods (including catering), allergen information must be made available to consumers.	December 2014
3	A minimum font size of 1.2 mm will be introduced for mandatory information which is equivalent to 8 point font. This also extends to voluntary front of pack (FOP) nutrition information.	December 2014
4	'Defrosted' must accompany the name of the defrosted foods where freezing has an effect on safety or quality unless freezing is a technologically necessary step.	December 2014
5	Date of freezing (or first freezing where products have been frozen more than once) will be required for frozen meat, frozen meat preparations and frozen unprocessed fishery products sold as such to consumers.	December 2014
6	Added water over 5% or proteins of a different animal origin must be declared in the name of the food for meat products and meat preparations which have the appearance of a cut, joint, slice, portion or carcass of meat. The same will apply to fishery products which have the appearance of a cut, joint, slice, portion, filet or whole fishery product.	December 2014
7	Generic name vegetable oil must be replaced with the type of oils.	December 2014
8	Prescriptive statements required on labelling for certain products (foods packed in protective atmosphere or foods containing nano ingredients, caffeine, aspartame, sweeteners, liquorice, polyols, phytosterols etc.,)	December 2014
9	Country of origin information will be required for fresh, chilled and frozen meat of sheep, pigs, goats and poultry from 1. Implementing Regulation (EU) No 1337/2013 lays down the rules for this requirement and will apply from 1 April 2015. Meat already packaged may be sold after this date until stocks are exhausted	April 2015
10	Nutrition labelling will be required for most pre-packed foods and this must be presented in a consistent format. If nutrition claims are made or if nutrition information is provided prior to the implementation date, it must comply with the new format.	December 2016

Interim Head of Service: Sally Agass

Cunninghame House, Irvine, KA12 8EE
Tel: 01294 310000 Fax: 01294 324309
www.north-ayrshire.gov.uk

Your Ref: Our Ref: ENVIRON/Food section/allergens

If telephoning please call: **Miss C. Reilly, 01294 324355**
e-mail: creilly@north-ayrshire.gcsx.gov.uk

RESTRICTED

9th December 2014

Dear Food Business Operator

New rules regarding food information provided to customers
The Food Information (Scotland) Regulations 2014

From 13 December 2014, the EU Food Information for Consumers Regulation (EU FIC) comes into force. These European rules will be enforced in Scotland by the Food Information (Scotland) Regulations 2014 (FIR).

The main change affecting your business is that the regulations require you to provide the correct allergen information about ingredients that are in the food you make or serve, to your customer.

The EU law has listed the following 14 allergens that need to be identified if they are used as ingredients in a dish:

Celery	Cereals containing gluten	Crustaceans	Eggs
Fish	Lupin	Milk	Molluscs
Mustard	Nuts	Peanuts	Soya
Sesame seeds	Sulphur dioxide		

As a food business serving loose foods, you will have to supply information for every item on your menu that contains any of the above allergens as ingredients.

Details of these allergens will have to be listed clearly in an obvious place such as:

- a menu
- chalkboard
- information pack

If the allergen information is not provided upfront, you will need to signpost to where it could be obtained.

The information can be provided verbally, provided procedures are in place to keep staff informed and there is signage advising customers how to obtain the required information.

If your preferred method is to provide the information orally by a member of staff, the enclosed '[Food Allergies and Intolerances' poster](#) may be used to advise your customers accordingly. The '[Think allergy](#)' poster will help make staff aware of their responsibilities and the [attached chart](#) can be used to record the necessary information for each menu or item that you offer for sale.

Ignorance is no excuse

The change in the law means that you will no longer be able to say that you don't know what allergens are in the food you serve. You are also not allowed to say that all the foods you serve could contain an allergen. You will need to know what is in the food you provide.

Further Advice

Further advice on the new Regulations and examples of ingredients containing the allergens can be found in the [enclosed leaflet](#).

The following websites also contain useful information and training resources:

- For information and advice about food allergies and intolerances, visit the Food Standards Agency website: www.food.gov.uk/allergy
- Free online allergen training can be obtained on: <http://allergytraining.food.gov.uk/>
- For information on the EU Food Information for Consumers Regulation 1169/2011 visit: <http://eur-lex.europa.eu/LwXUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF>
- For information on gluten, visit the Coeliac UK website: www.coeliac.org.uk

If you have any questions concerning the Regulations or if you are unable to access the above website resources, please telephone 01294 324362 or alternatively you can send an email to: EnvironmentalHealth@north-ayrshire.gov.uk

Yours faithfully



Catherine Reilly
Team Manager, Food/Health & Safety

Encs

FSA Food Allergies and Intolerances Poster

FSA Think Allergy Poster

FSA Dishes and their Allergen Content Chart

FSA Allergen Information for loose foods

Draft press release – FOOD INFORMATION REGULATIONS

From 13 December 2014, the EU Food Information for Consumers Regulation comes into force. These European rules will be enforced in Scotland by Local Authorities via the Food Information (Scotland) Regulations 2014.

Food Businesses will have a legal responsibility to provide the correct allergen information about ingredients that are in the food they make or serve to their customers.

The EU law has listed 14 allergens that need to be identified if they are used as ingredients in a dish. They are

Celery	Cereals containing gluten	Crustaceans
Eggs	Fish	Lupin
Milk	Molluscs	Mustard
Nuts	Peanuts	Soya
Sesame seeds	Sulphur dioxide	

Food allergies can cause life-threatening reactions and the number of people with this condition is growing. The primary cause of food allergy death in the UK is the consumption of food containing an allergenic ingredient that wasn't declared.

The change in the law means that food businesses will no longer be able to say that they don't know what allergens are in the food they serve. They are also not allowed to say that all the foods that they serve could contain an allergen. Food businesses will need to know what is in the food they provide. This can be communicated to customers in writing on menus, verbally through explanations by staff or signposted to where more information can be found.

The Environmental Health Section is writing to catering businesses in North Ayrshire Council to explain the new rules and provide resources to aid compliance. In addition, easy-to-understand information is available on the FSA's website at <http://www.food.gov.uk/business-industry/allergy-guide/allergen-resources>

If any business needs further guidance on the new rules, they can get in touch with the Council's Environmental Health Section at environmentalhealth@north-ayrshire.gov.uk.

NORTH AYRSHIRE COUNCIL

Agenda Item 12

27 January 2015

Cabinet

Subject: **Leadership Development**

Purpose: To seek Cabinet approval to award a contract for delivery of the Leadership Development Programme using the negotiated tendering process.

Recommendation: That the Cabinet agrees to approve the request to undertake contract negotiations with the Keil Centre and to award the contract if appropriate.

1. Introduction

- 1.1 On 25 May 2011, the Council awarded a contract to the Keil Centre to deliver the initial three years (two phases) of the Leadership Development Programme
- 1.2 Prior to appointing the Keil Centre the Council conducted a formal procurement process. This process included inviting notes of interest via the Public Contracts Scotland (PCS) advertising portal and the subsequent formal evaluation of the four responses to Invitations to Tender that were returned by the closing date of 3 May 2011.
- 1.3 The evaluation criteria used was most economically advantageous tender.
- 1.4 The tender submission received from the Keil Centre, for Phase 1 and 2 of the programme was £79,120 comprising Extended Corporate Management Team (ECMT) training in Phase 1 (£28,020) and two programmes for senior managers in Phase 2 (£51,100).

1.5 In June 2013 the Council exercised an option to vary the contract to:

- Amend the content and extent of the existing phase 2 (reducing the cost for 2013/14 from £51,100 to £39,340 for the two programmes in this year) in addition to extending phase 2 for a further two programmes in 2014/15 with a total of 32 participants (at a cost of £39,340) and;
- To include ad-hoc (additional) requirements for psychometric testing and assessments related to Chief Officer recruitment which would be administered by the Keil Centre Limited and charged under agreed terms. Rates for this are dependent on number of candidates and assessment centres required.

2. Current Position

2.1 There is now a requirement to consider the most appropriate manner in which to select the appropriate service provider to continue with the programme after June 2015.

2.2 In order to ensure consistent delivery within the current phase, Human Resources and Organisational Development (HR&OD) would like to use negotiated route:

- To extend the delivery of the Leadership Development for two programmes in 2015/16, two for 2016/17, and one for 2017/18.
- To continue to deliver the ad-hoc assessment processes required for Chief Officer and Senior Manager recruitment, delivering the assessment centres required (this was included as a variation at the last extension).

2.3 In considering the appropriate procurement route, Human Resources and Organisational Development and the Corporate Procurement Unit (CPU) have jointly assessed the following options:

- Appoint the Keil Centre via competitive negotiation; or
- Undertake a further competitive tender exercise.

2.4 In assessing the above options, the following benefits were deemed to be achievable by appointing the Keil Centre via negotiation:

- Redesigning the programme would require the HR&OD Team to observe the material and fine tune the content, which would take a period of 6 – 8 months to achieve.
- Continuity of delivery – Leadership Development is now in its fourth programme within Phase 2 and the ECMT have completed the programme (Phase 1). Retaining the same provider would ensure continuity of delivery of material to all Chief Officers and Senior Managers. The material from the Leadership Development Programme is also being used on the continuing development of the ECMT – consistency of modules ensures there is a common understanding and use of materials between Chief Officers and Senior Managers.

3. Proposals

- 3.1 The Council's Standing Orders Relating to Contracts, paragraph 10.5, allow the Executive Director (Finance & Corporate Support) to recommend the use of negotiated tendering to award a contract.
- 3.2 It is proposed that Cabinet approves the request to undertake contract negotiations with the Keil Centre, to extend the contract for delivery of the Leadership Development Programme until the programme ends in 2018, and to extend the requirements for Chief Officer and Senior Manager Assessment Centres until the same date.
- 3.3 Negotiations must provide assurance that the services will be delivered on time and provide best value.
- 3.4 Failure to agree the objectives of the negotiation stated above will result in a competitive tender for delivery of the Leadership Development Programme.

4. Implications

Financial Implications

- 4.1 Budget provision for the Leadership Development Programme is contained within the Corporate Training Budget, and for the Chief Officer Recruitment Assessment Centres is contained within the relevant Executive Director's budget, depending on the position being recruited.

Human Resource Implications

- 4.2 None.

Legal Implications

- 4.3 The original tender exercise was conducted in accordance with the Council's Standing Orders Relating to Contracts.

Equality Implications

- 4.4 None

Environmental Implications

- 4.5 None

Implications for Key Priorities

- 4.6 This contributes to the Council Plan Core Objective 4 'Operating more effectively and efficiently'.

Community Benefit Implications

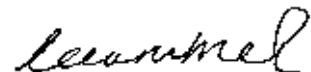
- 4.7 Not applicable due to the contract value.

5. Consultations

- 5.1 None.

6. Conclusion

- 6.1 Using the Negotiated procedure for the Leadership Development Programme will deliver the benefits stated above.



LAURA FRIEL
Executive Director (Finance and Corporate Support)

Reference :

For further information please contact Thomas Reaney, Procurement Manager on 01294 324097.

Background Papers

None

NORTH AYRSHIRE COUNCIL

Agenda Item 13

27 January 2015

Cabinet

Subject: **Economic Development & Regeneration Board**

Purpose: To submit the minutes of the Meeting of the Economic Development and Regeneration Board held on 10 December 2014

Recommendation: That the Cabinet notes the minutes attached at Appendix 1.

1. Introduction

- 1.1 The Economic Development and Regeneration Board was established in August 2010 and consists of key stakeholders and agencies including representatives from the private sector business.

2. Current Position

- 2.1 The Economic Development and Regeneration Board met on 10 December 2014.

3. Proposals

- 3.1 The Cabinet is invited to note the Minutes attached at Appendix 1.

4. Implications

Financial Implications

- 4.1 There are no financial implications arising from this report.

Human Resource Implications

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

Legal Implications

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

Equality Implications

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

Environmental and Sustainability Implications

- 4.5 There are no environmental or sustainability implications arising from this report.

Implications for Key Priorities

- 4.6 There are no implications for key priorities from this report.

Community Benefit Implications

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

5. Consultations

- 5.1 No consultation was undertaken in the production of this report

6. Conclusion

- 6.1 The attached Draft Minutes are submitted for information.



KAREN YEOMANS
Executive Director (Economy and Communities)

Reference : KY/TM

For further information please contact Sally Agass, Head of Services (Economic Growth) on 01294 324020.

Background Papers

Meeting:	Economic Development & Regeneration Board
Date/Venue:	Wednesday 10th December at 2.00 p.m. in Committee Room 3, Cunninghame House, Irvine.
Present:	Professor Alan McGregor, Glasgow University (Chair) Karen Yeomans, (North Ayrshire Council) Councillor Marie Burns (North Ayrshire Council) Councillor William Gibson, Leader of the Council (North Ayrshire Council) Malcolm Simpson, Simpslnns Limited Barbara Hastings, Third Sector Interface Gordon McGuinness, Skills Development Scotland Sally Agass, North Ayrshire Council Patrick Wiggins, Irvine Bay Regeneration Company Elma Murray, North Ayrshire Council Val Russell, Ayrshire Chamber of Commerce Jim Reid, Scottish Enterprise Scott McKenzie, North Ayrshire Council Alasdair Laurenson, North Ayrshire Council Gordon McLean, UPM Caledonian Elisa Dunn, North Ayrshire Council
Apologies:	Alasdair Dobson, Taste of Arran Billy Love, The Scottish Government Councillor Peter McNamara, (North Ayrshire Council) Henrietta Wright, Jobcentre Plus Audrey Sutton, North Ayrshire Council Jackie Galbraith, Ayrshire College
In Attendance:	Theresa Mackin (North Ayrshire Council)

ACTIONS

No.	Action	Responsible
1.	Welcome and Introductions The Chair welcomed everyone to the meeting. Apologies were received from Billy Love, Jackie Galbraith, Alastair Dobson, Councillor Peter McNamara, Henrietta Wright and Audrey Sutton.	Noted.
2.	Review of the Minute & Action Log The Action Note arising from the Economic Development and Regeneration Board Meeting held on 1 st October 2014 were noted and agreed.	Noted.
3.	Matters Arising Local Transport Strategy An update on the Local Transport Strategy was provided. It was agreed that the next steps should be prioritised: <ul style="list-style-type: none"> - Present draft strategy to the Physical Environment Panel – March 2015 - Present draft strategy to the Council Cabinet – April 2015 - Carry out public consultation – April 2015 – to June 2015 - Publication of LTS – August 2015 	Regular updates to be provided to the Board on Local Transport Strategy Implementation timetable will be presented to the EDR Board in Spring 2015.

	<p>ED&R Refresh</p> <p>The ED&R Strategy is going out to procurement; the response is due back 11 December 2014. ED&R Refresh would wish the appointed Organisation to review the existing strategy and advise if it is still applicable and appropriate.</p>	KY to progress commissioning the work.
4.	<p>Presentation on Irvine Bay Regeneration</p> <p>A presentation on Irvine Bay Regeneration was given to the Board by Patrick Wiggins.</p> <p>It was noted that the Council recognise the work that Patrick Wiggins and his team are doing. Effective from March 2017, it will be North Ayrshire Council who will take on the functions.</p> <p>It was noted that the presentation reinforces that the legacy beyond 2017 is in place.</p> <p>The Chair thanked Patrick for his presentation.</p>	
5.	<p>Presentation on Employability and Skills</p> <p>A presentation on Employability and Skills was given to the Board by Karen Yeomans and Sally Agass</p> <p>Elma Murray asked for the following action also to be included</p> <p>“How / Where North Ayrshire Council recruit?”</p> <p>It was highlighted that the Public Sector is an employer in the area and it is important to know where the Council are employing from and how posts are advertised. It was highlighted that cannot ask the Private Sector to recruit locally if the Public Sector are not doing the same.</p> <p>It was also discussed that the further work could be undertaken to assist supported businesses.</p> <p>It was advised that a response has been received regarding structural funds. CEIS and Wise Owls will conclude on 31 December and the Council will not be in a position until April 2015, it was highlighted that the procurement question has been extended 3 times.</p> <p>It was discussed if the Board can do anything in the interim and can SDS provide any help.</p> <p>It was noted that the Board should perhaps select a smaller number of comparative areas to North Ayrshire to have a more realistic comparison.</p> <p>Wood Commission /Scottish Government are looking to increase Modern Apprenticeships from 25,000 to 35,000, it was agreed that it was important to obtain a share of these apprenticeships.</p> <p>It was noted that the Chamber and the College have met regarding investment into youth groups.</p>	<p>KY</p> <p>SA/KY</p> <p>To be discussed further SA/GMcG</p> <p>KY</p> <p>KY</p> <p>Gordon McGuinness will report back at the next meeting.</p>

6.	<p>Employability & Skills</p> <p>Sally Agass provided an update on the progress with Employability & Skills</p> <p>Approval was sought from the Board on the following matters:</p> <ul style="list-style-type: none"> • Move from 5 workstreams and condense into two. • Employability and Skills Board becomes the North Ayrshire Local Employability Partnership. • Support the development of an Employability & Skills programme to overcome challenges. <p>The Board agreed to the requests.</p>	
7.	<p>Business Support Update</p> <p>Karen Yeomans provided an update on Business Support.</p> <ul style="list-style-type: none"> - The six Business Growth Managers are now in post. - There is a current portfolio of 150 businesses. - Scottish Enterprise innovation team has identified North Ayrshire as the most commercially forward thinking Council and are looking to develop a pilot with us to deliver innovation products to a wider base. - Private Sector - working with banks to secure business collaborations. - International Strategy looking to attract more business into the area. <p>It was noted that there is a need to have some metrics and perhaps introduce a business barometer to highlight if improvements are being made.</p> <p>A proposal is being prepared to explore the link between the Third Sector and Account Managers</p> <p>Discussion took place about the challenges and gaps of the transition from Irvine Bay to North Ayrshire Council. It was noted that continual monitoring of this transition would be required.</p> <p>Discussion took place about Business Gateway and if the option for future delivery. It was advised that there will be a debate with Cabinet and the private sector board members over the next couple of months on this matter. The existing contract will finish in September 2015.</p>	<p>KY</p> <p>BH/KY to review the paper and feedback to the Board. PW/KY</p> <p>KY</p>
8.	<p>Update on Economic Development in Arran and Cumbrae</p> <p>Alasdair Laurenson provided an update regarding the major investment for Arran.</p> <p>Brodict Harbour Redevelopment Group has been a success with £18m invested. Construction period will take 15 months.</p> <p>Workshops took place on 2nd December, chaired by Alistair Dobson. Items discussed were:</p> <ul style="list-style-type: none"> - Ageing population, transport and land. 	

	<p>Alasdair Laurenson is putting together an Action plan in January. Alasdair advised that the plan will cover:</p> <ul style="list-style-type: none"> - Existing terminal building - Transport issues - volume of traffic, condition of roads and demand for parking. - Tourism – Auchrannie expansion and Brodick Castle. - Land issues – affordability housing, private developments. <p>It was noted that work is ongoing with regards to Cumbrae and an event is planned for February.</p>	
9.	<p><u>FOR INFORMATION:</u></p> <p>The following papers were submitted for the Boards information:</p> <p>SOA 2014/15 Quarter 2 Performance Report SOA Action Plan 2014/15 Action Summary Appendix</p>	
10.	<p>Any Other Business</p> <p>Discussion took place about the impact that procurement reform is having on the Third sector.</p> <p>It was agreed that this needs to be taken offline and discussed separately.</p>	EM/BH
11.	<p>Date of Next Meeting</p> <p>Wednesday 4 March 2015 at 14:00hrs (Cunninghame House, Irvine)</p>	

KY/TM

NORTH AYRSHIRE COUNCIL

Agenda Item 14

27 January 2015

Cabinet

Subject: **Ayrshire Economic Partnership : 17th December 2014**

Purpose: To submit the Draft Minutes of the meeting of the Ayrshire Economic Partnership held on 17th December 2014.

Recommendation: That the cabinet notes the Draft Minutes attached at Appendix 1.

1. Introduction

1.1 The Ayrshire Economic Partnership was established several years ago to promote Economic Development across Ayrshire. The approach has focused on sector development:

- Renewable Energy;
- Food and Drink;
- Engineering;
- Tourism

2. Current Position

2.1 The Ayrshire Economic Partnership last met on 17 December 2014 and meets approximately every two months.

3. Proposals

3.1 The Cabinet is invited to note the Draft Minutes attached at Appendix.

4. Implications

Financial Implications

4.1 There are no financial implications arising from this report.

Human Resource Implications

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

Legal Implications

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

Equality Implications

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

Environmental and Sustainability Implications

- 4.5 There are no environmental and sustainability implications arising from this report.

Implications for Key Priorities

- 4.6 There are no implications for key priorities arising from this report.

Community Benefit Implications

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

5. Consultations

- 5.1 No consultation was undertaken in the production of this report.

6. Conclusion

- 6.1 The attached Draft Minutes are submitted for information.



KAREN YEOMANS
Executive Director (Economy and Communities)

Reference : KY/TM

For further information please contact Sally Agass, Head of Services
(Economic Growth) on 01294 324020

Background Papers



At a meeting of the Ayrshire Economic Partnership on **Wednesday 17th December 2014** at **5.00 p.m.**, East Ayrshire Council HQs, London Road, Kilmarnock, KA3 7BU.

Present:	Lesley Bloomer (South Ayrshire Council) Councillor Bill McIntosh (South Ayrshire Council) Karen Yeomans (North Ayrshire Council) Fiona Lees (East Ayrshire Council) Chris McAleavey (East Ayrshire Council) Douglas Boatman (FSB) Ros Halley (Ayrshire & Arran Tourism Manager) Councillor Jim Buchanan (East Ayrshire Council) Elma Murray (North Ayrshire Council) Willie Mackie (Taste of Ayrshire) Chris Brodie (SDS) Councillor Marie Burns (North Ayrshire Council) Jill Cronin South Ayrshire Council Stuart McIntyre, Prestwick Spaceport Consortium Sharon Hodgson (East Ayrshire Council) Ada Galloway (Ivano Solutions)	
Apologies:	Bill Costley (Private Sector) Val Russell (Ayrshire Chamber of Commerce) Councillor Douglas Reid (East Ayrshire Council) Wai-Yin Hatton (Ayrshire Chamber of Commerce) Mark Hastings (South Ayrshire Council) Councillor Willie Gibson (North Ayrshire Council) Gordon McGuinness (Skills Development Scotland) Heather Dunk (Ayrshire College) Jim Reid (Scottish Enterprise) Eileen Howat (South Ayrshire Council) Jackie Galbraith (Vice Principal of Strategy, Planning & Performance) Theresa Correia Scottish Enterprise	
In Attendance:	Theresa Mackin (North Ayrshire Council)	
ACTIONS AGREED		
	Action Required	Responsible
1.	<u>Welcome and Apologies</u> Everyone was welcomed to the meeting and apologies were noted.	
2.	<u>Actions from Previous Meeting: 24 September 2014</u> The Action Notes arising from the AEP meeting held on 24 September 2014 were noted and agreed.	

3.	<p>Presentation – Opportunity for Prestwick Airport to Bid for the UK’s First Spaceport</p> <p>A presentation on Prestwick Spaceport Bid was given to the Partnership by Stuart McIntyre.</p> <p>The decision will be made at the end of Q1 2016. It was noted that Prestwick is a strong contender.</p> <p>Stuart McIntyre explained that they are currently developing a substantial bid which will require further definition over the next 6 months.</p> <p>The question was raised around environmental issues i.e. noise pollution. It was highlighted that in the past Prestwick Airport was used to operate Concorde. The Consortium is also working with the Health and Safety Executive and understands EMT Regulations need to be adhered. The bid does not involve building out of the footprint of the site and it is not challenging any wetland areas.</p> <p>The Consortium is currently speaking to the European Space Agency in Germany to assist with their bid. Scottish Enterprise has appointed Callum Norrie, Scottish Space Network Co-ordinator. The Consortium is also keen to obtain more contacts within this industry.</p> <p>It was also highlighted that if Prestwick does not win the bid, it will still have drawn attention to the spaceport industry of our capability.</p> <p>Discussion took place around the advantages to winning the bid and that it will provide new revenue opportunities. There are 6 or 7 companies developing these aircrafts and Prestwick can be used as a location for development activity as well as a commercial operating base.</p> <p>Once the successful site has been selected, financial packages will need to be established. Where there is a gap, it is expected that the UK Government will help.</p>	<p>Ada Galloway, iVano Solutions advised that she has some contacts and will pass them onto Stuart.</p>
4.	<p><u>AEP Review</u></p> <p>An update on AEP Review was given.</p> <p>The Report explains that the Review is centred on doing more; and it covers proposals for what Ayrshire could do, and next steps which are.</p> <ul style="list-style-type: none"> - Game changers e.g. - Spaceport Bid. What is required to realise their potential. - Consider the role, remit and membership of AEP. 	<p>KY/CMC/LB to report back early findings in Spring. At the June AEP meeting provide firm proposals on the way forward.</p>

	<ul style="list-style-type: none"> - Development of an Ayrshire Economic Overview - Working tactically outside our borders. - Potential benefits for Ayrshire as a result of the Glasgow City Deal <p>It was highlighted that the Paper could be strengthened particularly around action - 5.1.3 Ensuring our “bread and butter” economic development work is as effective and efficient as possible. It was suggested to re-enforce this with Food and Drink and the wider tourism strategy.</p> <p>It was noted that the Paper sets out a good way forward for the Partnership and also recognises the challenges ahead.</p>	KY/CMC/LB
5.	<p><u>Theme Updates</u></p> <p>5 a) Renewables</p> <p>The contents of the Renewables paper were agreed and noted.</p> <p>The gathering of information on Ayrshire’s Energy assets is progressing (reviewing existing strategies and mapping exercises). This will be used to develop a clear and coherent approach.</p> <p>5 b) Tourism</p> <p>The contents of the Tourism paper were agreed and noted.</p> <p>It was discussed that projects are progressing well and the draft service plan has been approved.</p> <p>It is helpful to share the outcome of the review to ensure there is the correct level of resources and understand the important actions that need to be undertaken. Performance information is also available.</p> <p>5 c) Engineering</p> <p>The contents of the Engineering paper were agreed and noted.</p> <p>Original strategy was approved about 18 months ago. It is anticipated that the Lean Learning Academy will be up and running by the end of the 1st quarter in 2015.</p> <p>The website will go live at the end of January 2015. The database will provide information on technical ability of engineering companies which can be matched against market opportunities outside of Ayrshire, as well as keeping work inside Ayrshire.</p>	KY to have discussion with JR. WM is also happy to be involved. Progress in the New Year.

	<p>5 d) Food and Drink</p> <p>The contents of the Food and Drink paper were agreed and noted.</p> <p>Calendar can be populated and used across the website.</p> <p>The Partnership welcomed the appointment of Food and Drink Business Advisor.</p>	
6.	<p><u>AOCB</u></p> <p>Val Russell asked if the Partnership would be interested in inviting Hugh McAloon to the next meeting to provide an overview on the Government Youth Investment Group. The Partnership agreed to the request.</p> <p>Discussion took place around the Spaceport Bid and if it would affect the development of the commercial plans for Prestwick Airport. It was highlighted that if the Bid is successful then space vehicles could potentially impact commercial flights.</p> <p>AEP Review - State of the Nations Report. It was asked that the Officers agree a common format.</p> <p>2015 AEP dates will be scheduled and distributed in the New Year.</p> <p>As this was Douglas Boatman's last AEP meeting, the Chair thanked him for his contribution.</p>	<p>KY</p> <p>KY/LB/CMc</p> <p>KY</p>
7.	<p><u>Next Meeting</u></p> <p>The next meeting of the Ayrshire Economic Partnership will be held on 11th March 2015, South Ayrshire Council</p>	

The Chair thanked everyone for attending and the meeting concluded at 6.50pm

NORTH AYRSHIRE COUNCIL

Agenda Item 15

27 January 2015

Cabinet

Subject: **Physical Environment Advisory Panel held on 15 December 2014**

Purpose: To submit the minute of the Physical Environment Advisory Panel held on 15 December 2014.

Recommendation: That the Cabinet note the minute attached at Appendix 1.

1. Introduction

- 1.1 The Physical Environment Advisory Panel is one of two Advisory Panels within the Council.

2. Current Position

- 2.1 A meeting of the Physical Environment Advisory Panel was held on 15 December 2014. At it's meeting, a presentation and workshop facilitated by Gordon Wilson and Matthew Lugg of Mouchel was delivered to the Panel in respect of the Review of Roads Services.

3. Proposals

- 3.1 The Cabinet is invited to note the minutes attached at Appendix 1.

4. Implications

Financial Implications

- 4.1 There are no financial implications.

Human Resource Implications

- 4.2 There are no Human Resource implications.

Legal Implications

- 4.3 There are no legal implications.

Equality Implications

- 4.4 There are no equality implications.

Environmental and Sustainability Implications

- 4.5 There are no environmental and sustainability issues.

Implications for Key Priorities

- 4.6 None.

Community Benefit Implications

- 4.7 There are no community benefit implications.

5. Consultations

- 5.1 There have been no consultations undertaken in the formation of this report.

6. Conclusion

- 6.1 The attached minutes are submitted for information.



CRAIG HATTON
Executive Director (Place)

Reference : CH/LB

For further information please contact Craig Hatton, Executive Director (Place) on 01294 324312

Background Papers

None

At a meeting of the Physical Environment Advisory Panel of North Ayrshire Council held on Monday 15th December 2014 at 2.00pm in the Council Chambers, Cunninghame House, Irvine.

Members Present:

Councillors Robert Barr, Marie Burns, Ian Clarkson, John Easdale, John Hunter, Donald Reid, Robert Steel

In Attendance:

Craig Hatton, Executive Director (Place), Neil Gelston, Business Change Manager, Loraine Barr, PA to Executive Director (Place), Matthew Lugg & Gordon Wilson, Mouchel

Chair

Councillors Anthony Gurney

Apologies for Absence:

Councillors Anthea Dickson, John Ferguson, Ruth Maguire, Elizabeth McLardy, Grace McLean, Catherine McMillan, Peter McNamara, Ronnie McNicol, Joan Sturgeon.

1. Minute of Previous Meeting (3 November 2014)

The minute was agreed as a true and accurate record of the meeting.

2. Review of Roads Service

Presentation and workshop facilitated by Gordon Wilson and Matthew Lugg of Mouchel.

C Hatton provided background and advised that a fundamental review of the Roads Service is being undertaken to ensure an integrated approach with Roads and Streetscene services. The review will be robust and holistic to ensure appropriate improvement in line with leading industry practice. A procurement exercise to appoint external support has been undertaken and the successful bidder was Mouchel. A range of consultations is being undertaken with Trade Unions, employees and Members.

G Wilson and M Lugg then gave the presentation and during which, discussion took place surrounding the following:

Actions to Date

Fact finding discussions have been undertaken with key staff and internal stakeholders in relation to flooding, structures etc. and where they currently sit within the business, what the challenges are, what works and what doesn't etc.

Through discussion with Head of Service (Connected Communities) a series of public consultations will also be undertaken to gain input from the local community.

Three questions were put forward to seek the views of Members on:-

- Priorities of Roads Service;
- Delivery from an integrated Roads & Streetscene Service; and
- What success looks like?

Discussion Topics

Members then raised a number of queries and priorities, and discussion took place in relation to the following:

Quality of repairs and programming of works; - are we too focussed on quick reaction at expense of effective use of resources.

Road signage and time taken to replace damaged signs;

A response standard to ensure work is completed within appropriate timescales;

Improvements to the service;

Training and opportunities for existing staff to ensure successful integration;

Pathway maintenance, routine inspections and how these will be prioritised. Pathways and paths produce many complaints;

Cycle paths to be maintained to an acceptable standard by the Service. Members also asked if there was sufficient funding for cycle path maintenance;

Drainage/lack of capacity as development increases and how this fits in in terms of priorities;

Frequency of grass cutting and maintenance of verges etc.

Improved standard of Road Safety measures e.g. replacing of white lines;

Wildlife habitats and how these will be protected when possible without endangering road safety;

Mechanisms will be put in place to ensure that requests which cannot be carried out at that particular time are encapsulated within the system;

A charter for the public to ensure there is a clear perception of what we do and what our priorities are;

Timing of public performance measures e.g. severe winters lead to adverse perceptions;

Inspection – is there enough follow up inspection of contractors work;

Communication to Members of road closures etc. works well;

Could be improved clarity/awareness on where responsibilities lie between North Ayrshire Council and external utility companies;

Could the review highlight the types of cost factors outwith North Ayrshire Council's control;

Roads need to promote success and community contribution more effectively;

Seeking improvement in customer satisfaction rating for road condition;

Must have resilience capacity for extreme weather and other emergency incidents;

Effective management of utilities/contractors on North Ayrshire Council's roads.

Desired Outcomes

C Hatton advised that the key three drivers to the review are:

- Satisfaction figure of 24%, this should be higher, although it was noted that the top-performing roads services don't get above 50% satisfaction rate;
- Improving the Road Condition Index; and
- Budget pressures.

It was noted that the Service must be able to cope in extreme weather and maintain this ability and this will be achieved with the direct workforce being in an integrated service.

A copy of today's presentation will be circulated to all Members for information.

3. Proposed Dates for 2015

Proposed dates for future meetings of the Physical Environment Advisory Panel were agreed.

The Chair asked that items continue to be submitted for future meetings.

4. Date of Next Meeting

The next meeting will take place on Monday 26 January 2015 at 2.00pm in the Council Chambers, Cunninghame House, Irvine.

The meeting ended at 3.30pm.